

**LOS ANGELES COUNTY  
TREASURER AND TAX COLLECTOR**



**CHAPTER 8 AGREEMENT SALE  
APPLICATION PACKET**

## CHAPTER 8 AGREEMENT INFORMATIONAL OVERVIEW

Government agencies and nonprofit organizations may be eligible to purchase property for a public purpose under the provisions of Division I, Part 6, Chapter 8 of the Revenue and Taxation Code (Chapter 8 Agreement Sale).

To begin the process, the government agency or nonprofit must submit the following:

- On the entity's letterhead, either: 1) a request to purchase specified parcel(s) subject to the power of sale ("Request") or, 2) for parcels that are scheduled for auction, an objection to the sale of specified parcel(s) and a request to purchase ("Objection").
- A completed Application to purchase Tax-Defaulted Property from the County, form SCO 8-16 ("Application"). For your convenience, a blank form is attached.

The Application must identify the parcel(s) by Assessor Identification Number (AIN) and describe, in detail, the public purpose for acquisition of ***EACH*** parcel and must include information identified on the attached Chapter 8 Agreement Pre-qualification Requirements sheet. Carefully review the pre-qualification and eligibility requirements, as the Treasurer and Tax Collector (TTC) will not process incomplete submissions.

**Note: When submitting an Objection and Application, both items must be either postmarked or in our office before the date of the first published Notice of Sale. Objections and Applications received after this date will be automatically denied.**

A preliminary research fee of \$100 **per property** is a one-time fee that is required along with your request to purchase parcels through a Chapter 8 Agreement Sale. A \$300 notification fee will be added to the final purchase price of **each property** when the Agreement Sale becomes final. Government agencies and non-profit organizations may remit payment for processing fees using their respective official form of payment. County departments may remit the processing fees on a County Warrant or a Journal Voucher Cash Transfer (JVCT).

If your entity provides a timely Request/Objection and Application, and fulfills the pre-qualification requirements, a Chapter 8 Agreement Sale packet, along with instructions on how to complete the forms, and a checklist of additional requirements, will be provided. Please be advised that once pre-qualified, any entity that fails to complete the agreement process, e.g. not providing the required documentation or paying the agreed upon purchase price, may be barred from this program and required to reimburse costs incurred by the TTC.

Please be aware that, pursuant to Section 3793.1 of the Revenue and Taxation Code, the purchase price of a Chapter 8 Agreement Sale is the sum of outstanding taxes and accrued penalties up to and including the month that the sale is consummated, plus the \$300 per parcel notification fee indicated above.

Also, please note that at any time prior to the completion of a Chapter 8 Agreement Sale, any property(ies) in the sale may be pulled if the defaulted taxes are paid in full or a legal process requires that the parcel be withdrawn from the sale, i.e., bankruptcy. You will be informed accordingly if your requested parcel is no longer available.

If you have questions, please contact our Chapter 8 Unit at (213) 974-0871.

**PURCHASER  
PRE-QUALIFICATION  
REQUIREMENTS  
AND  
APPLICATION**

## **CHAPTER 8 AGREEMENT PRE-QUALIFICATION REQUIREMENTS**

The following information and documentation *is required* with your completed Application to Purchase Tax-Defaulted Property from County, form SCO 8-16, via a Chapter 8 Agreement sale.

### **PUBLIC AGENCIES:**

1. Provide the mission statement of the agency.
2. List each parcel by Assessor's Identification Number (AIN). State the purpose and intended use of **EACH** parcel. For example: Property needed for public use to extend a freeway, etc. The statement of the purpose and intended use must be provided for each parcel and must be **specific**.
3. Provide a map showing the agency's jurisdictional boundary or sphere of influence and the location of the tax defaulted property. If parcel is located outside the agency's jurisdiction, you **MUST** submit a statement on the agency's letterhead indicating your agency's elected board or Council approval to acquire property.

### **NON-PROFIT ORGANIZATIONS:**

1. Provide Articles of Incorporation.
2. List each parcel by Assessor's Identification Number (AIN). State the purpose and intended use of **EACH** parcel, i.e., to rehabilitate the current substandard property to a single dwelling and sell to low-income persons, etc. The statement of purpose and intended use provided for each parcel and must be **specific**.
3. Provide documentation from the local building department certifying that the improved property (residential properties, commercial buildings, etc.), is **"substandard" as defined in §17920 of the California Health and Safety Code (§3772.5). Failure to provide this documentation will result in the request being denied.**

Please be advised that requests without the above-required information **will not be processed until ALL** the required information is received. Information received after the deadline will not be accepted and incomplete requests will be denied.

**See next page for definitions and applicable Revenue & Taxation Codes**

## DEFINITIONS AND REVENUE & TAXATION CODES

**PUBLIC AGENCIES:** Taxing agencies, revenue districts, and special districts. A special district agency may purchase only tax-defaulted property located within its jurisdiction boundary (§3791.3).

**§3791.3.** Whenever property has been tax defaulted for five years or more, or three years or more in the case of nonresidential commercial property, as defined in Section 3691, in an applicable county, whether or not the property is subject to or has been sold or deeded for taxes to a taxing agency other than the state, county, any revenue district the taxes of which on the property are collected by county officers, or a redevelopment agency created pursuant to the California Community Redevelopment Law, may purchase the property or any part thereof, including any right-of-way or other easement, pursuant to this chapter. A redevelopment agency, however, may only purchase such tax-defaulted property located within a designated survey area.

**NONPROFIT:** This must be an entity that includes among its bylaws a statement of incorporation for the purpose of acquiring single-family or multifamily dwellings for rehabilitation and sale or rental to low-income persons, vacant land for construction of low-income housing, or vacant land to be dedicated to public use (§3772.5)

**§3772.5.** For purposes of this chapter: (a) "Low-income persons" means persons and families of low or moderate income, as defined by Section 50093 of the Health and Safety Code. (b) "Nonprofit organization" means a nonprofit organization incorporated pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code for the purpose of acquisition of either of the following: (1) Single-family or multifamily dwellings for rehabilitation and sale or rent to low-income persons, or for other use to serve low-income persons. (2) Vacant land for construction of residential dwellings and subsequent sale or rent to low-income persons, for other use to serve low-income persons, or for dedication of that vacant land to public use. (c) "Rehabilitation" means repairs and improvements to a substandard building, as defined in Section 17920.3 of the Health and Safety Code, necessary to make it a building that is not a substandard building.

**§3791.4.** (a) When residential or vacant property has been tax defaulted for five years or more, or three years or more after the property has become tax-defaulted and is subject to a nuisance abatement lien, that property may, with the approval of either the board of supervisors of the county in which it is located or that board's designee, be purchased pursuant to this chapter by a nonprofit organization, provided that: (1) In the case of residential property, the nonprofit organization shall rehabilitate and sell or rent to, or otherwise use the property to serve, low-income persons. (2) In the case of vacant property, the nonprofit organization shall construct residential dwellings on the property and sell or rent the property to low-income persons, otherwise use the property to serve low-income persons, or dedicate the vacant property to public use. (b) The terms and conditions of any conveyance to a nonprofit corporation pursuant to this section shall be specified in the deed or other instrument of conveyance.

**§3795.5.** In the case of an agreement involving a nonprofit organization, the board of supervisors may establish conditions of sale, including reporting, to assure the completion of rehabilitation within a reasonable time and maximum benefit to low-income persons. These conditions shall include, but are not limited to, the following: (a) Requiring compliance with a jurisdiction's consolidated plan or a community development plan. (b) Articles of incorporation filed with the Secretary of State, stating that the organization is incorporated for the purposes specified in subdivision (b) of Section 3772.5.

**Other related Revenue and Taxation Code:** §3695.4, 3698.5, 3793.1, 3802 and 3803

**Other related Health and Safety Code:** §17920 and 18909

# Application to Purchase Tax-Defaulted Property from the County

This application is to be completed by eligible purchasing entities to commence purchase of tax-defaulted property by agreement sale from the county under applicable provisions of the California Revenue and Taxation Code. Please complete the following sections and supply supporting documentation accordingly. Completion of this application does not guarantee purchase approval.

## **A. Purchaser Information**

1. Name of Organization:
2. Corporate Structure – check the appropriate box below and provide corresponding information:
  - Nonprofit – provide Articles of Incorporation
  - Public Agency – provide mission statement (If special district, also provide jurisdiction boundary map)

## **B. Purchasing Information**

Determine which category the parcel falls under and then check the appropriate box as it relates to the purchasing entity's corporate structure and the intended use of the parcel:

### Category A: Parcel is currently scheduled for a Chapter 7 tax sale

- No Purchase – State / county / taxing agency registering objection to preserve lien only
- Purchase by State / county / tax agency / revenue district / redevelopment agency / special district to preserve its lien
- Purchase by State / county / tax agency / revenue district / redevelopment agency / special district for public purpose
- Purchase by nonprofit for low-income housing or other use to serve low-income persons, or to preserve open space

### Category B: Parcel is **not** currently scheduled for a Chapter 7 tax sale

- Purchase by State / county / taxing agency / revenue district / redevelopment agency / special district for public purpose
- Purchase by nonprofit for low-income housing or other use to serve low-income persons, or to preserve open space

## **C. Property Detail**

Provide the following information. If more space is needed for any of the criteria, consolidate the information into a separate "Exhibit" document and attach accordingly:

1. County where the parcel(s) is located: \_\_\_\_\_
2. List each parcel by Assessor's Parcel Number: \_\_\_\_\_
3. State the purpose and intended use for *each* parcel: \_\_\_\_\_  
\_\_\_\_\_

## **D. Acknowledgement Detail**

Provide the signature of the purchasing entity's authorized officer

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date