

CHAPTER 8 AGREEMENT SALE TRAINING:

"How to Purchase Tax-Defaulted Property from the County of Los Angeles, through a Chapter 8 Agreement Sale"

October 2019

What is a Chapter 8 Agreement Sale?

<u>Chapter 8 of Part 6 of Division 1 of the California</u> Revenue and Taxation Code allows:

- Public agencies/taxing agencies;
- Nonprofit organizations,

to purchase tax-defaulted property by either objecting to the sale of properties scheduled for auction, or requesting to purchase properties that are Subject to the Tax Collector's Power to Sell (and not scheduled for auction). What is the Purpose of Chapter 8 Agreement Sales?

Chapter 8 Agreement Sales can be used to:

- Purchase property for public purpose,
- Build or rehabilitate affordable housing,
- Preserve open space,
- Create development opportunities that benefit low-income families, or
- Provide public benefit by promoting economic development and eliminating blight.

Who is Eligible for the Chapter 8 Program?

Public agencies/taxing agencies, and

Nonprofit organizations that are incorporated pursuant to Part 2 of Division 2 of Title 1 of the California Corporations Code for the purpose of acquisition of either of the following:

- Single-family or multifamily dwellings for rehabilitation and sale or rent to low-income persons, or for other use to serve low-income persons, or
- 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.

Program Restrictions

Property Restrictions:

Public agencies have less restrictions

For nonprofit organizations that acquire single-family or multifamily dwellings:

The Single-family or multifamily dwellings must be in need of rehabilitation.

"<u>Rehabilitation</u>" means repairs and improvements to a substandard building, as defined in Section 17920.3 of the Health and Safety Code.

Program Restrictions

Low-Income Persons:

For nonprofit organizations that acquire residential dwellings to rehabilitate or construct affordable housing for low-income persons or for other use to serve low-income persons:

The property may not be transferred, sold, leased, rented, or made use of by persons who do not qualify as low-income persons as defined by Health and Safety Code Section 50093.

Treasurer and Tax Collector (TTC)

The TTC will:

- Comply with applicable Revenue and Taxation Code in implementing the program.
- Approve or deny nonprofit organizations' participation.
- Enforce the terms of the program and define the conditions under which a nonprofit organization shall be deemed in default.
- Execute appropriate remedies for defaulting nonprofit organizations.

Los Angeles County Development Authority (LACDA)

The LACDA will:

- Evaluate the experience of nonprofit organizations and determine project feasibility.
- Assess project readiness
- Monitor affordability and use restrictions upon construction completion
- Provide periodic compliance and progress reports to the TTC
- Acquire and dispose of properties in a manner consistent with California law and LACDA purposes

Cost and Timeline

Overall Costs include:

- Preliminary research fee
- Purchase price:
 - taxes, penalties, fees, cost of sale (for 1st auction),
 - final research and notification fee
 - publication + certified mail costs
- LACDA Fees
- Review and approval may take 6 to 9 months

How to Identify Tax-Defaulted Properties?

Notice of Sale:

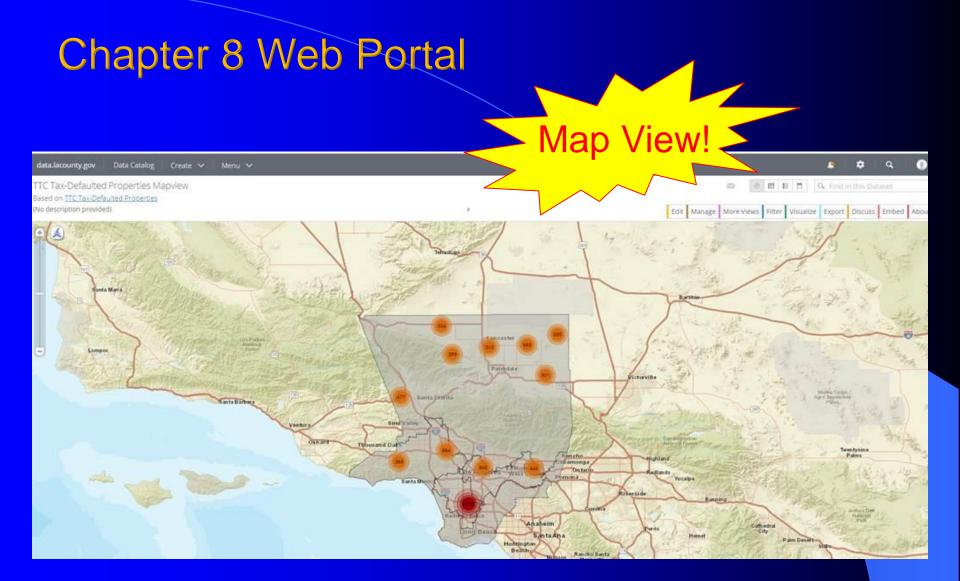
- The TTC sends notice to local government agencies and also nonprofit organizations that request to be notified of any tax-defaulted auction (R&TC §3700).
- Email the Tax-Defaulted Property Section at ch8@ttc.lacounty.gov to be added to our notification list (this request must be renewed every year by July 31.)

- The TTC sends notice of sale 2 months prior to an auction/tax sale.
- Public agencies and nonprofit organizations must object to a property listed for auction and apply for a Chapter 8 Agreement Sale before the TTC publishes the notice of sale.



How to Identify Tax-Defaulted Properties? Chapter 8 Web Portal: NEW!

- Visit <u>https://ttc.lacounty.gov/chapter-8-agreement-sale/</u> for information and to register.
- Email the Tax-Defaulted Property Section at <u>ch8@ttc.lacounty.gov</u> for more information.



Chapter 8 Web Portal

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Hollywood

Drill down to see individual property details!

These is data for move that one layer have. Salect one: • These is data for move that one layer have. Salect one: • Supervisorial Disputsion: • Supervisorial

Link to Assessor's Portal: https://portal.assessor.lacounty.gov/parceldetail/5434025039

View details for this row

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Chapter 8 Web Portal

Table View!

| TTC Tax- | Defaulted Prop | ertles | | | | | 2 | | | \sim | | | | 11 12 E Q, Fir | d in this Datas | set |
|-------------|----------------|-----------------|------------|-------------------|----------------------------------|-----------------|------------|--------|----------------|------------------|-----------|-------------|-------------------------------|-----------------------|-----------------|------------|
| (No descrip | tion provided) | | | | | | | | | ~ | | | Manage More Views | Filter Visualize Expo | rt Discuss I | Embed |
| AJN I | Defaulted Yea | Tax Sales N ↓ 1 | Tax Statu: | Redemption Amoun: | Street Address | City | ZIP Code | SQFT I | UseType i | UseDescription 1 | UseCode 1 | YearBuilt 1 | Location | Supervisorial Dist | Zone Co. 1 | Parcel |
| 50650170 | 2013 | 2019A | 2 | \$2,074.77 | 6067 COMEY AVE | LOS ANGELES CA | 90034-2203 | 1,786 | Residential | Two Units | 200 | 1947 | (34.03517725*, -118.3763256*) | 2 | RD2 | (|
| 33460080 | 2013 | 2019A | 2 | \$2,298.01 | VAC/VIC AVE M6/225 STE | BUTTE VALLEY CA | 93535 | | Irrigated Farm | Desert | 580V | | (34.64058627*, -117.7304552*) | 5 | A-1-1 | 111 |
| 33580060 | 2013 | 2019A | 2 | \$2,497.87 | VAC/150 STE(DRT)/AVE G10 | ROOSEVELT CA | 93535 | | Irrigated Farm | Desert | 580V | | (34.72365047*, -117.8624399*) | 5 | A-2-1 | 11- |
| 33580050 | 2013 | 2019A | 2 | \$2,049.58 | VAC/BRIGHTSTONE(DRT)/VIC 155 STE | ROOSEVELT CA | 93535 | | Irrigated Farm | Desert | 580V | | (34.72997895*, -117.8559204*) | 5 | A-1-1 | 123 |
| 33580040 | 2013 | 2019A | 2 | \$2,575.08 | VAC/AVENUE G/VIC 153TH STE | LANCASTER CA | 93535 | | Irrigated Farm | Desert | 580V | | (34.73393485*, -117.8604841*) | 5 | A-1-1 | 90 |
| 33580010 | 2013 | 2019A | 2 | \$2,486.53 | VAC/VIC CAPLETON/145 STE | ROOSEVELT CA | 93535 | | Irrigated Farm | Desert | 580V | | (34.73106131*, -117.8737345*) | 5 | A-1-1 | 105 |
| 33460260 | 2013 | 2019A | 2 | \$3,214.97 | VAC/COR AVE N4(DRT)/220 STE(DRT) | BLACK BUTTE CA | 93591 | | Irrigated Farm | Desert | 580V | | (34.62843091*, -117.737179*) | 5 | A-1-1 | |
| 33500040 | 2013 | 2019A | 2 | \$2,141.36 | VAC/AVE G8/VIC 187 STE | HI VISTA CA | 93535 | | Irrigated Farm | Desert | 580V | | (34.72689178*, +117.7969703*) | 5 | A-1-1 | 113 |
| 33500041 | 2013 | 2019A | 2 | \$2,579.75 | VAC/VIC AVE G12/183 STE | HI VISTA CA | 93535 | | Irrigated Farm | Desert | 580V | | (34.72268004*, -117.803593*) | 5 | A-1-1 | 226 |
| 33500041 | 2013 | 2019A | 2 | \$2,555.62 | VAC/VIC 191 STE/AVE G6 | HI VISTA CA | 93535 | | Irrigated Farm | Desert | 580V | | (34.72882164*, -117.7892102*) | 5 | A-1-1 | 113 |
| 33500100 | 2015 | 2019A | 2 | \$1,510.83 | VAC/188 STE/VIC AVE H10 | HI VISTA CA | 93535 | | Residential | Single | 010V | | (34.71097977*, -117.7934556*) | 5 | A-1-1 | 113 |
| 33500150 | 2013 | 20194 | 2 | \$321.70 | VAC/VIC NUGENT ST/180 STE | BUTTE VALLEY CA | 93535 | | Irrigated Farm | Desert | 580V | | (34.69243975*, -117.8100153*) | 5 | A-1-1 | 11; |
| 21290350 | 2013 | 2019A | 2 | \$26,139,89 | 18954 SHERMAN WAY UNIT 3 | LOS ANGELES CA | 91335-7730 | 1,095 | Residential | Single | 010C | 1981 | (34.20053069*, -118.5467427*) | 3 | RD1.5 | 30 |
| 21460300 | 2013 | 2019A | 2 | \$31,484.20 | 22330 VICTORY BLVD 301 | LOS ANGELES CA | 91367-0845 | 949 | Residentiai | Single | 010E | 1976 | (34.18586749*, -118.6137481*) | 3 | RD2 | 157 |
| 21570150 | 2013 | 2019A | 2 | \$18,471.63 | 18350 HATTERAS ST 143 | TARZANA CA | 91356-1678 | 870 | Residential | Single | 0105 | 1972 | (34.17678769*, -118.5326364*) | 3 | RD1.5 | 234 |
| 21710190 | 2013 | 2019A | 2 | \$7,267.61 | 21865 YBARRA RD | LOS ANGELES CA | 91364-4236 | 1,692 | Residential | Single | 100 | 1962 | (34,15450615*,+118.6029458*) | 3 | RI | |
| 21740080 | 2015 | 2019A | 2 | \$461.22 | | | | | Residential | Single | 010V | | (34.14791754*, -118.5763756*) | 3 | RA | 6 1 |
| 21750400 | 2015 | 2019A | 2 | \$8,301.00 | | | | | Residential | Single | 010V | | (34.16160651*, -118.5605256*) | 3 | RA | 35 |
| 21750400 | 2015 | 2019A | 2 | \$11,413.29 | | | | | Residential | Single | 010V | | (34.16096981*, -118.5603104*) | 3 | RA | (<u> </u> |
| 21750400 | 2015 | 2019A | 2 | \$9,559.60 | | | | | Residential | Single | 010V | | (34.16213018*, -118.5602031*) | 3 | RA | 4 |
| 21750400 | 2015 | 2019A | 2 | \$18,777.37 | | | | | Residential | Single | 010V | | (34.16260218*, -118.5614672*) | 3 | RA | 10 |
| 21750400 | 2015 | 2019A | 2 | \$12,366.54 | | | | | Residential | Single | 010V | | (34.16213954*, -118.5612669*) | 3 | RA | 65 |

How to Identify Tax-Defaulted Properties? Chapter 8 Web Portal:

- New tax-defaulted properties will be published on the Chapter 8 Web Portal around September (after they default on July 1st and are recorded in August).
- These tax-defaulted properties will be offered for auction at the <u>following</u> year's auction. (at the following October Public Auction at the soonest)
- A registered user can filter properties in the Web Portal to determine the most recent tax-defaulted properties.

Chapter 8 Web Portal Registration

Step 1: The Government Agency or Nonprofit Agency (Eligible Entity) must complete two initial steps to view the Chapter 8 Web Portal:

Step 1a: Complete and submit a Request to Register via TTC's website.

Step 1b: Acknowledge reading, understanding and agreeing with the <u>Terms of Use</u> relating to the Chapter 8 Web Portal via TTC's website.

> The Treasurer and Tax Collector (TTC) developed the Chapter 8 Web Portal to share tax defaulted property data, including addresses, maps and other data, with Eligible Entities.

Step 2: TTC reviews the Eligible Entity's request to register for access to the Chapter 8 Web Portal. Eligible Entities must meet State eligibility requirements to enter into Chapter 8 Agreements.

Step 2a: Eligible Entities receive emails (within 5 days) that contain instructions and a hyperlink to complete registration for access to the Chapter 8 Web Portal.

Step 2b: Eligible Entities follow the hyperlink and complete the registration process. Eligible Entities view the Chapter 8 Web Portal by following the same hyperlink or using the Login via TTC's website.

How to Register to Access the Chapter 8 Web Portal? Go to: https://ttc.lacounty.gov/ Select: Auctions, then click "Chapter 8 Agreement Sale" (drop down menu)

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR AUCTIONS **BUSINESS LICENSE** PROPERTY TAXES COLLECTIONS OTHER NEWS **ESTATES** Pay your taxes online using your checking **8**= account. There is no cost to you for **REQUEST A** electronic check **REQUEST A** (eCheck) payments. **APPLY FOR A VIEW PAYMENT** SECURED PENALTY You may also pay BUSINESS HISTORY **PROPERTY TAX** CANCELLATION online by using a debit LICENSE BILL This is a free service for or credit card. tracking your past Lost your bill? Use our We can help you get PAY NOW property tax payments. -01 started. form to request a duplicate bill.

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PROPERTY TAXES AUCTIONS

BUSINESS LICENSE ESTATES

OTHER NEWS

CHAPTER 8 AGREEMENT SALE

WHAT IS CHAPTER 8?

The Revenue and Taxation Code, Chapter 8 of Part 6 of Division 1 (Chapter 8), beginning with Section 3791, allows public agencies, taxing agencies and nonprofit organizations (Eligible Entities) to enter into a "Chapter 8" agreement to purchase tax-defaulted property by either objecting to the sale of properties scheduled for auction, or requesting to purchase unsold properties from prior auctions.

Public agencies and taxing agencies may use a property for any purpose that is not otherwise prohibited by local planning and land use regulations.

Nonprofit Organizations

Nonprofit organizations, if purchasing residential properties, may purchase only substandard properties and, after rehabilitation, must sell to, rent to or otherwise use the properties to serve the needs of, low income persons. Nonprofit organizations that purchase vacant land must meet the same objectives, or may dedicate the land for public use.

COLLECTIONS

The Treasurer and Tax Collector (TTC) developed the Chapter 8 Web Portal to share tax-defaulted property data, including addresses, maps and other data, with Elicitote enterty

Chapter 8 Web Portal

REQUEST TO REGISTER

To view the Chapter 8 Web Portal, users must complete two steps:

 Complete and submit a Request to Register. Public agencies, taxing agencies and nonprofit organizations must meet State eligibility requirements to enter into Chapter 8 Agreements.
 Acknowledge reading, understanding and agreeing complete the state of t

with the Terms of Use relating to the Chapter 8 Web Portal.

TERMS OF US

Chapter 8 Portal Login

EPORTAL LOGIN

CDC APPLICATION

APPROVALS FORM

SUBSTANDARD CONDITIONS AND

VERIFICATION OF ZONING AND LOCAL

ACKNOWLEDGEMENT OF INTENDED USE FORM

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Within five business days after submitting a Request to Register, Eligible Entities will receive an email that contains instructions and a hyperlink to complete registration for access to the Chapter 8 Web Portal. Eligible Entities that follow the hyperlink and complete the registration process can view the Chapter 8 Web Portal by following the same hyperlink or using the Login below.

Eligible Entities can Login to view the Chapter 8 Web Portal by clicking the button below.

PROCESSES AND FORMS

- SEMI-ANNUAL STATUS REPORT BACK TO THE BOARD dated January 29, 2019
- PRESENTATION: UNDERSTANDING CHAPTER 8
 AGREEMENT SALES
- CHAPTER 8 AGREEMENT SALE NONPROFIT ORGANIZATION PROCESS
- CHAPTER 8 AGREEMENT SALE PUBLIC AGENCY PROCESS
- CHAPTER 8 AGREEMENT SALE INFORMATION
 PACKET

"Chapter 8 Web Portal" is in the middle of the page



PROPERTY TAXES

AUCTIONS

BUSINESS LICENSE

ESTATES

COLLECTIONS

OTHER

NEWS

CHAPTER 8 REQUEST TO REGISTER

Chapter 8 Agreement for Access

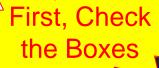
The Chapter 8 usernames, e-mails, and passwords are to be treated as sensitive, confidential Chapter 8 information.

In compliance with Revenue and Taxation Code Section 3700, the TTC will terminate a nonprofit's access if by July 31, of the preceding calender year the nonprofit has not made a request to the TTC to receive access to information for taxdenulted properties Subject to the Tax Collector's Power to Sell

🗸 As a user of the Chapter 8 information, I hereby agree to comply with the Chapter 8 statements and expectations and to honor all relevant laws and restrictions

We approved for access, I hereby understand I need to create an account on County of Los Angeles Open Data Plat orm to gain access to the Chapter 8 Data List. This information is not public and limited to those who are granted access.

Must accept agreements before continuing **



CONTINUE

Then, Click Continue

"Organization and **Authorized User** Information"

"Acknowledge Terms of Use"

TREASURER AND

PROPERTY TAXES AUCTIONS BUSINESS LICENSE ESTATES COLLECTIONS OTHER NEWS

CHAPTER 8 REQUEST TO REGISTER

Chapter 8 Apr Linent for Access

* All fields are required

Authorized User Information

| Name: | Corporate Number: |
|---|-------------------|
| | |
| | |
| Address: | City: |
| | |
| | |
| State: | Zip Code: |
| M | |
| Corporate Structure: O Nonprofit Organization O Pub | lic Agency |

* Email will be used as login access once approved

| Account Type: 🛛 New 🔅 Renewal | | |
|-------------------------------|----------------|-------|
| First Name: | Last Name: | Title |
| | | |
| | | |
| Email: | Confirm Email: | |



Maintaining Eligibility

Phone Numbe

Nonprofit organizations must comply with Revenue and Taxation Code (R&TC) Section 3700, which requires annua response to reache notice of tax sales. Once registered, the Treasurer and Tax Collector will provide eligible nonprofit organizations annual reminders of this requirement. Nonprofit organizations that snow their request for continued eligibility is the Orapter 8 Web Portsi will saleting PATC Section 3700. The Treasurer and Tax Collector will support a inprofit organization's access if it fails to renew its request or if the Treasurer and Tax Collector determines the nonprofi ization is no longer eligible under state law.

Access to Registered Users

Your access to and use of the Chapter 8 Web Portal is conditioned on your acceptance of and compliance with these Terms of Use. These Terms of Use apply to all registered users. Storage of all contact information, including but not limited to names, telephone numbers, and email addresses in a Treasurer and Tax Collector database may constitute public records which are open to public inspection under the California Public Records Act.

Content

You acknowledge that such information and materials may contain inaccuracies or errors and that the County ass To associate the second appearance and graphics. Reproduction is prohibited other than in accordance with the copyright notice, which forma part of these Terms.

Changes

The County reserves the right at its sole discretion to modify or replace these Terms and cor

Listed Properties

Accessing the Chapter 8 Web Portal will provide you access to view addresses, maps and other data of tax-defaulted properties Subject to the Tax Collector's Power to sell. Do not attempt to make any contact with any owners or occupants of these properties.

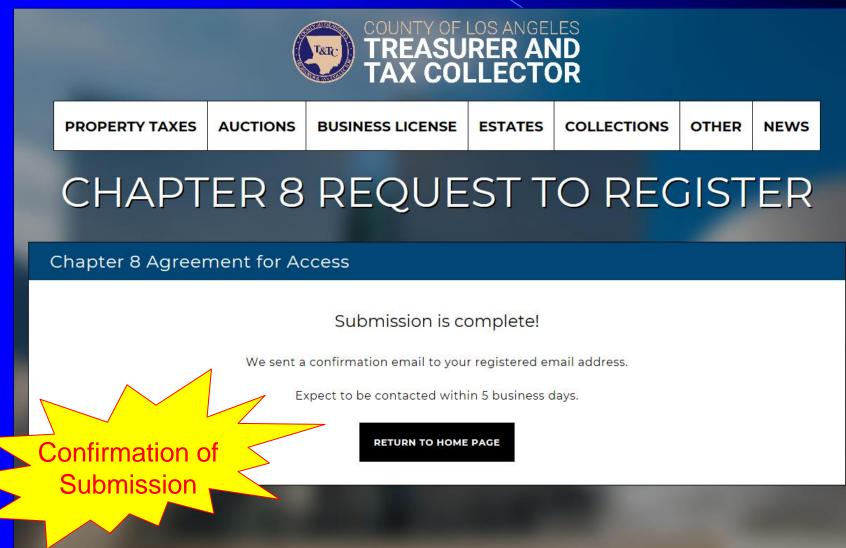
Agreement for Access

The Chapter 8 Web Portal is a free service provided by the Treasurer and Tax Collector and County of Los Angeles and is solely intended as an aid to obtain information on tax-defaulted properties Subject to the Tax Collector's Power to Sell. The use of the Chapter 5 Web Portal is solely for those public agencies taxing agencies and nonprofit organizations (Eligible Entities) that have been granted access

Users of the Chapter 5 Web Portal are restricted from sharing or selling any information or data a



Confirmation of Submission:



Email Confirmation of Submission (from TTC):

Tue 4/9/2019 4:55 PM Notifications <donotreply@ttc.lacounty.gov> Request to Register: Confirmed Submission

FindTime Report Phishing

Thank you for submitting a request to access the Chapter & Web Portal. You will be contacted within 5 business days about your eligibility. Please contact us if you have any questions or concerns.

Organization/Agency Information

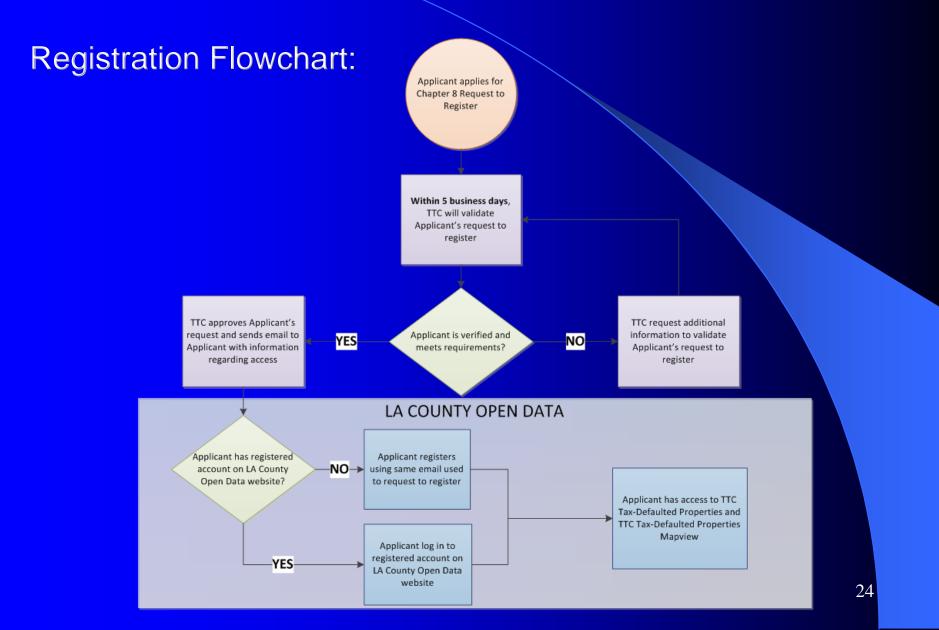
Name:Secured Property Tax DivisionCorporate Number:TTCAddress:225 N. Hill Street, Room 130City:Los AngelesState:CAZip:90012Corporate Structure: Public Agency

Individual User Information

Account Type: New First Name: Michael Last Name: McComas Title: Management Fellow Email: Phone Number:

Contact Information Chapter 8 (213) 974-0871 <u>Ch8@ttc.lacounty.gov</u>







You will receive a separate e-mail form Open Data that includes a hyperlink to access the Chapter 8 Web Portal.

Access to the Chapter 8 Web Portal requires separate registration to Open Data. If you are new to Open Data, we have included instructions for Open Data Registration.

Contact Information: Chapter 8 (213) 974-0871 Ch8@ttc.lacounty.gov

Tax Services Specialist Secured Property Tax Division Los Angeles County Treasurer and Tax Collector 225 North Hill Street, Room 130 Los Angeles CA 90012

PAY ONLINE at http://lacountypropertytax.com Safe. Secure. Convenient.

A separate attachment includes instructions for registration to the Open Data Web Platform

County of Los Angeles Open Data Web Platform:

Wed 4/17/2019 1:16 PM

Socrata <no-reply@data.lacounty.gov>

Los Angeles County Treasurer and Tax Collector has published the dataset 'TTC Tax-Defaulted Properties' to you

To Michael McComas

If there are problems with how this message is displayed, click here to view it in a web browser. Click here to download pictures. To help protect your privacy, Outlook prevented automatic download of some pictures in this message.

FindTime Report Phishing



COUNTY OF LOS ANGELES OPEN DATA

Greetings,

Los Angeles County Treasurer and Tax Collector has published a dataset TTC Tax-Defaulted Properties to you.

Sincerely, Socrata

You will receive a message like this that contains a hyperlink for you to register on the Open Data Web Platform.

+ Get more app

Chapter 8 Agreement Sale Process Application to Purchase

APPLICATION TO PURCHASE TAX DEFAULTED PROPERTY

This application must be completed by an eligible purchasing entity to commence purchase of tax defaulted property by agreement sale from the county under applicable provisions of the California Revenue and Taxation Code. Complete the following sections and supply supporting documentation accordingly. Prior to purchase approval the county may require the applicant submit additional information or documentation. Completion of this application does not guarantee purchase approval.

For county use only:

1. Date application received: (date) 2. If applicable, date written objection to Chapter 7 tax sale was received: (date)

Applicant must complete Sections A through D.

- A. Purchaser Information
 - 1. Name of organization:
 - Corporate structure:

□ Nonprofit organization

Public Agency (please select type of public agency)
 A taxing agency, revenue district, or special district
 The State or County

B. Property Status and Use Information

1. Is the parcel currently approved for a Chapter 7 tax sale as of the date of this application?

🗆 Yes 🛛 🗆 No

If yes, a written objection must be included with the application. If a written objection was submitted to the county prior to application, what is the date of the objection? (date of objection)

2. The purpose of the purchase: (check one box only)

For low income housing
To otherwise serve low income persons

- □ To preserve open space □ To preserve a lien
- □ For public purpose: (describe public purpose)

C. Property Information

Provide the following information. (If more space is needed exhibits may be attached)

1. County where the parcel(s) is located: (county)

2. Assessor's Parcel Number (APN): (list all APNs for purchase with this application):

D. Acknowledgement

Identification and signature of the purchasing entity's authorized officer:

Print Name

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Chapter 8 Agreement Sale Process Application to Purchase

Step 1: The Eligible Entity submits to TTC the Application to Purchase Tax Defaulted Property and supporting documents (Purchase Application Package) listed below:

- The Nonprofit Organization submits:
 - **1. Application to Purchase Tax Defaulted Property**
 - 2. Objection/Request letter
 - 3. Articles of Incorporation
 - 4. Purchase Resolution/Minutes of Governing Board (indicating approval to purchase)
 - 5. List of parcels/Intended Use Statement
 - 6. Preliminary Research Fee
- The Government Agency submits:
 - **1. Application to Purchase Tax Defaulted Property**
 - 2. Objection/Request letter
 - 3. Mission Statement
 - 4. Purchase Resolution
 - 5. List of parcels/Intended Use Statement
 - 6. Map of Jurisdiction
 - 7. Preliminary Research Fee

Step 2: TTC reviews the Purchase Application Package and determines whether the Eligible Entity, parcels and intended use meet the conditions necessary to enter into Chapter 8 Agreements.

Step 3: For Eligible Entities that meet the conditions:

Step 3a: If the Eligible Entity is a Nonprofit Organization and the intended use includes construction or rehabilitation to: provide affordable housing, serve low income persons, or dedicate for public use, then TTC endorses the Purchase Application Package and refers it to the LACDA.

Step 3b: If the Eligible Entity is a Nonprofit Organization and the intended use does not include construction or rehabilitation, then TTC sends an **Agreement Packet and instructions to** the Nonprofit Organization.

Step 3c: If the Eligible Entity is a Government Agency, then TTC sends an Agreement Packet and instructions to the Government Agency. 28

Chapter 8 Agreement Sale Process Verification of Substandard Conditions

How are substandard conditions verified?

- One of the property characteristics that will be displayed with the associated tax-defaulted properties listed on the Chapter 8 Web Portal indicates code violations commensurate with substandard conditions (only for properties in unincorporated Los Angeles County).
- Search for recorded code violations or abatement liens.
 - Conduct your due diligence like you would for any other purchase.
 - Order title report.
 - Search for free at Registrar-Recorder/County Clerk's Office.

Chapter 8 Agreement Sale Process Agreement Packet

RECORDING REQUESTED BY AND

AFTER RECORDATION, MAIL TO:

TREASURER AND TAX COLLECTOR COUNTY OF LOS ANGELES 225 N. HILL STREET, ROOM 130 LOS ANGELES, CA 90012

(Space above line for Recorder's use)

AGREEMENT FOR SALE AND PURCHASE OF TAX-DEFAULTED REAL PROPERTY AND COVENANTS, CONDITIONS, AND RESTRICTIONS ASSESSOR'S IDENTIFICATION NUMBER(S): XXXX-XXX

This Agreement by and between the Board of Supervisors of the County of Los Angeles (Seller) and ______, a nonprofit corporation organized in accordance with provisions of California law (Purchaser), is made effective as of

As set forth in Purchaser's Articles of Incorporation (Exhibit A) of this Agreement, the Purchaser is incorporated for the purpose of acquiring either of the following: (i) single-family or multi-family dwellings for rehabilitation and sale or rent to low-income persons as defined in Health and Safety Code Section 50093, or for other use to serve low-income persons, or (ii) 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.

The Seller is interested in selling to qualified nonprofit organizations tax-defaulted property Subject to the Tax Collector's Power to Sell for the development of affordable housing, other uses to serve low-income persons, or vacant land for public use.

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

- Subject to approval by the California State Controller and the Los Angeles County Board of Supervisors and subject to termination of redemption rights under the California Revenue and Taxation Code (R&TC) Section 3803, Seller agrees to sell to Purchaser that real property described in Exhibit B of this Agreement (Property). The Property was tax defaulted for nonpayment of taxes and is now Subject to the Tax Collector's Power to Sell pursuant to Division 1, Part 6, Chapter 8 of the R&TC.
- 2. The Purchaser agrees to and shall pay the purchase price for the Property as stipulated in Exhibit B, which does not include the mandated notification costs of

The Chapter 8 Agreement Packet will also include:

- Cover letter
- Agreement forms
- Exhibits
- Checklist

Chapter 8 Agreement Sale Process LACDA Review of Nonprofit Construction and Rehabilitation Projects

TTC refers Nonprofit Organizations' Purchase Application Packages to LACDA if the intended use includes construction or rehabilitation. Step 1: Nonprofit Organizations submit to LACDA the Threshold Review Fee and their application for construction and rehabilitation projects (Construction Application Package).

LACDA may refer nonresidential applications for review to other departments, commissions or agencies associated with the intended use.

LACDA developed separate applications for residential and nonresidential projects. **Step 2: LACDA evaluates the Construction Application Package (approximately 180 days).**

Step 2a: Threshold Review: LACDA evaluates the experience of the applicant and feasibility of the project. LACDA will provide guidance to help achieve compliance with local planning and building and safety requirements.

Step 2b: Technical Review: LACDA evaluates project readiness of applicants and projects that pass the Threshold Review. Applicants will be able to submit their completed application and supplemental material.

Step 3: LACDA notifies the Nonprofit Organization and TTC of LACDA's recommendation to approve or deny the Nonprofit Organization and project for a Chapter 8 Agreement Sale.

Step 4: TTC sends an Agreement Packet and instructions to the Nonprofit Organization.

Chapter 8 Agreement Sale Process County Board of Supervisors and State Controller Approval

The purchaser submits their signed agreement to TTC for County Counsel review and approval. **Step 1: TTC prepares and submits the Board Letter requesting Board of Supervisor (BOS) Approval of the Chapter 8 Agreement Sale.**

Step 2: BOS approves or denies the Request for Approval of the Chapter 8 Agreement Sale.

Step 3: TTC prepares and submits to the State Controller's Office (SCO) the Request for Approval and the signed Chapter 8 Agreement.

Step 4: SCO approves or denies the Request for Approval and the signed Chapter 8 Agreement.

Chapter 8 Agreement Sale Process Notice of Sale and Publication

Step 1: TTC conducts a search for parties of interest to mail notices of sale.

Step 2: TTC mails notices of sale to all relevant parties of interest.

Step 3: TTC notifies the IRS of the intended sale of the tax defaulted property after BOS approval and 25 days prior to the effective date of the sale.

Step 4: TTC submits a Notice of Sale for publication once a week for three successive weeks in a newspaper that is published in the surrounding area of the property being sold. TTC also publishes concurrently a Notice of Sale on TTC's Website. The Chapter 8 Agreement Sale becomes effective at 5:01 p.m. on the 21st day after first publication if the property is not redeemed.

CAUTION

Beware the following statute of limitations:

- Any party involved in the sale may file a court proceeding to overturn the sale within one year of the execution of the tax deed.
- TTC strongly cautions purchasers against making any improvements to the property or obtaining financing until after this period has lapsed.
- If an Agreement Sale is overturned by the court, the TTC will refund the purchase price plus interest at the County Pool Apportionment Rate to the Eligible Entity. Note: any costs associated with maintenance, improvements, financing, etc., are forfeited.

If an Agreement Sale is overturned by the court:

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But, any costs associated with maintenance, improvements, financing, etc., are forfeited.

Chapter 8 Agreement Sale Process Project Completion and LACDA Monitoring*

The Nonprofit Organization complies with preconstruction conditions.

Step 1: LACDA authorizes start of construction.

Step 2: Upon completion of construction, LACDA monitors affordability and use restrictions.

Step 3: Nonprofit Organization rents or sells residential housing to qualified low income persons, otherwise serves low income persons or dedicates for public use.

LACDA monitors projects throughout:

30 years Affordability Period to provide affordable housing for qualified low income persons.

30 years Service Period to otherwise serve qualified low income persons.

30 years Public Use Period for use by members of the public or to provide public benefit.

Chapter 8 Agreement Sale Process Covenants, Conditions and Restrictions

Use of residential property:

The purchaser shall rehabilitate or construct residential dwellings for sale or rent to low-income persons. The property may not be transferred to, sold to, leased to, rented to, or made use of by persons who do not qualify as low-income persons as defined by Health and Safety Code Section 50093. For property restricted to low-income persons, there shall be an affordability period of thirty (30) years beginning from the date of issuance of a certificate of occupancy, during which the property is for sale, resale or rent at a price based upon an affordable monthly payment and the income of the qualified low-income homebuyer or low-income renter. Affordable monthly payments are payments that constitute no more than 30 percent of monthly income of low-income persons for gross housing costs, which includes such things as rent or mortgage, property taxes, insurance, maintenance allowance and utilities.

Chapter 8 Agreement Sale Process Default

Examples of Default:

- Any violations of terms and conditions
- Property ceases to be used exclusively to provide affordable housing for low-income persons.
- Transfer and/or lease of the property to a person who does not qualify as a lowincome person
- In the event that a petition of bankruptcy shall be filed by or against the purchaser and the petition has not been dismissed or discharged within 180 days of filing.
- Failure to maintain the property and the property improvements pursuant to applicable legal standards, to keep the property free from any accumulation of debris, waste materials and/or to maintain all landscaping in a healthy condition.
- Failure to complete the rehabilitation or construction of the residential dwelling(s) on the property within the reasonable period of time as agreed upon in the purchase agreement.

QUESTIONS?



Contact us:

Treasurer and Tax Collector Tax Collections Branch Secured Property Tax Division 225 N. Hill Street, Room 130 Los Angeles, CA 90012

> (213) 974-0871 ch8@ttc.lacounty.gov

https://ttc.lacounty.gov/chapter-8-agreement-sale/