



## **AGENDA MEMORANDUM**

First Reading at the City Council Meeting of November 14, 2017  
Second Reading at the City Council Meeting of December 12, 2017

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**DATE:** November 3, 2017

**TO:** Margie C. Rose, City Manager

**THRU:** Sylvia Carrillo-Treviño, Assistant City Manger

**FROM:** Constance P. Sanchez, Director of Financial Services  
ConstanceP@cctexas.com  
(361) 826-3227

Approval for the resale of 6 foreclosed properties
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### **CAPTION:**

Ordinance authorizing the resale of 6 properties for \$55,999.00 which were foreclosed upon for failure to pay ad valorem taxes, of which the City shall receive \$8,623.22 plus \$4,457.60 for partial payment of City paving and demolition liens.

### **PURPOSE:**

Nueces County, as trustee for each of the taxing entities, has received offers to purchase properties that have been foreclosed upon for failure to pay ad valorem taxes. The governing body from each of the taxing entities (the City of Corpus Christi, Nueces County, Corpus Christi Independent School District, and Del Mar College) must approve the offers for resale.

### **BACKGROUND AND FINDINGS:**

Properties within the City of Corpus Christi are periodically foreclosed due to non-payment of ad valorem taxes. The City and Nueces County entered into an Interlocal Agreement for the collection of delinquent ad valorem taxes. Nueces County has contracted with the law firm of Linebarger, Goggan, Blair, & Sampson, L.L.P. to pursue collections of delinquent ad valorem taxes. When all avenues for collections are exhausted, foreclosed properties with delinquent ad valorem taxes are offered for sale at a public auction by the Sheriff. The opening bid at the "Sheriff's sale" is set by law and must be either the aggregate amount of taxes, municipal liens, and court costs due

under the judgment or the adjudged value of the property, whichever is lower. (The adjudged value is the value stated on the face of the judgment and is the most recent tax appraisal value certified by the Nueces County Appraisal District.) If nobody is willing to pay the opening bid amount for the property, then the Sheriff strikes it off (sells it) to the taxing entities. The taxing entities then get the property in lieu of their delinquent taxes.

The law firm will then put the property on their tax resale list, will nail a "For Sale" sign on the property, and will solicit purchase offers from the public. When an offer or offers are received, they then bring the highest offer forward for consideration and action by the governing bodies of the involved taxing entities. All the entities must approve the offer, or it is rejected.

The law firm has proposed the resale of 10 properties at the bid prices listed in Exhibit A. Each of the 10 properties was reviewed by Engineering, Planning/Environmental and Strategic Initiative (ESI), and Housing and Community Development for potential City use. Housing and Community Development identified four (4) properties (#1, #2, #5 and #10 on Exhibit A) for affordable housing initiatives – leaving six (6) properties to be included in this resale agenda item.

The monies received from this sale are distributed pursuant to the property tax code. The net proceeds from the sale are first applied to pay off the outstanding court costs and the remaining funds are applied on a pro rata basis to each taxing jurisdiction. Approval of the ordinance will authorize the Nueces County Judge to execute a Resale Deed for the properties listed so they can be returned to the property tax roll for the upcoming year.

#### **ALTERNATIVES:**

n/a

#### **OTHER CONSIDERATIONS:**

Housing and Community Development identified four properties (#1, #2, #5 and #10 on Exhibit A). Since Nueces County holds title as Trustee for themselves, the City, Flour Bluff Independent School District, and Del Mar College, the City's next step would be to acquire the interests from each of these entities by making an offer for the property.

#### **CONFORMITY TO CITY POLICY:**

This item conforms to City policy.

#### **EMERGENCY / NON-EMERGENCY:**

This item is not an emergency and is scheduled for approval in two readings.

**DEPARTMENTAL CLEARANCES:**

- City Attorney's Office
- Engineering
- Planning/ESI
- Housing and Community Development

**FINANCIAL IMPACT:**

☐ Not Applicable    ☐ Operating Expense    ☒ Revenue    ☐ CIP

<b>FISCAL YEAR:</b>	<b>Project to Date Exp. (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	-	-	-	-
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ 13,080.82	-	\$ 13,080.82
BALANCE	-	\$ 13,080.82	-	\$ 13,080.82
FUND(S): General Fund				

**COMMENTS:**

n/a

**RECOMMENDATION:**

Staff recommends approval of the ordinance as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Exhibit A – Tax Resale Property List  
Exhibit B – Letter from Linebarger Goggan Blair & Sampson, LLP  
Ordinance