

STAFF REPORT

Date: February 28, 2024

To: Mayor and City Council

Through: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Acceptance of Report of Special Assessment District (SAD) Lien Sale held on February 13, 2024.

From: Crystal Dean, Accounting Manager

Department: Finance

Summary:

On January 17, 2024, Council approved Resolution No. 9232 directing the Deputy City Treasurer (Finance Director) to give notice of the sale of properties subject to the lien of a delinquent assessment. A certified notice of sale was mailed in January 2024 to all owners and recorded parties of interest. A notice of sale was published in the local paper (Reno Gazette-Journal [RGJ]) for three consecutive weeks. The publication occurred on Thursday, January 25, 2024; Thursday, February 1, 2024; and Friday, February 9, 2024. In accordance with Nevada Revised Statutes (NRS) 271.565, a report of sale is required to be presented to Council. The City of Reno sale scheduled for February 13, 2024, was cancelled due to all delinquencies being paid prior to the sale. Staff recommends Council accept and file the attached report of sale labeled Exhibit A.

Consent Review	Yes	No
1. Is this item an annual or standard item that comes before Council for regular approval?	X	
2. Is this item an agreement required based on an item previously approved by Council?	X	
3. Is this item included in the current budget approved and adopted by Council?		X
Other Considerations		
What percent of the total City budget does this item represent?	0%	

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

January 17, 2024 - Council unanimously approved Resolution No. 9232 directing the Deputy City Treasurer (Finance Director) to give notice of the sale of properties subject to the lien of a delinquent assessment and providing other matters properly relating thereto.

Discussion:

The purpose of the special assessment district (SAD) is to provide a funding mechanism for certain improvement projects that specifically benefit property owners within the district boundaries. The property owners who receive the special benefit are assessed the cost of improvements in annual or semi-annual increments as a special assessment on their parcels. This mechanism provides equity by ensuring the general taxpayers do not pay for improvements that only benefit a specific area.

The City's SAD collection policy was developed to ensure this equity by providing the ability to declare all outstanding assessments immediately due and payable if the annual installment is delinquent by four months or more and if desired by Council. Property owners are provided numerous monthly notices of delinquency and demand for payment on the installment. At the end of the second month of delinquency, after Council has given authorization to proceed with the sale, property owners are notified that the parcel will be sold at auction if the account is not brought current within 60 days. Billing and collection functions for the SADs initiated after March 2003 are processed by the Assessment Management Group. In accordance with the City's collection policy, a resolution is required directing the Deputy City Treasurer to provide a notice of sale to the delinquent property owners, which initiates the foreclosure process to make the City whole. NRS 271.565 requires that the results of the foreclosure sale be presented to Council at a regularly scheduled meeting. The sale scheduled for February 13, 2024, was cancelled due to all delinquent assessments being paid current prior to the sale date.

Financial Implications:

There are no adverse effects on the City or the bondholders as a result of the sale being cancelled.

Legal Implications:

This process complies with the requirements of NRS 271.565 and City policy.

Recommendation:

Staff recommends Council accept the Report of Special Assessment District Lien Sale held on February 13, 2024.

Proposed Motion:

I move to accept the Report of Special Assessment District Lien Sale held on February 13, 2024.

Attachments:

Affidavit - Report of Sale (Exhibit A)