

STAFF REPORT

Date: February 12, 2025

To: Mayor and City Council

Through: Jackie Bryant, City Manager

Subject: Staff Report (For Possible Action): Acceptance of Affidavit of Special Assessment District Lien Sale, which was to be held on January 23, 2025, but was cancelled due to all delinquent assessments being paid current.

From: Crystal Dean, Accounting Manager

Department: Finance

Summary:

On December 11, 2024, Council approved Resolution No. 9337 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 on January 2, 2025 to all owners and recorded parties of interest. A notice of sale was published in the local paper (Reno Gazette Journal) for three consecutive weeks. The publication occurred on January 2, 2025, January 9, 2025, and January 17, 2025. The sale scheduled for January 23, 2025, was cancelled due to all delinquent assessments being paid current prior to the sale.

| 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? | N/A | |

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

December 11, 2024 - Council approved Resolution No. 9337 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 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 semi-annual or annual increments as a special assessment on their parcels. This mechanism provides equity by ensuring the general taxpayers do not pay for improvements which only benefit a specific area.

The City's special assessment district collection policy was developed to ensure this equity by providing the ability to declare all outstanding assessments immediately due and payable if the 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 of the semi-annual or annual 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. 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 that was scheduled for January 23, 2025, was cancelled due to all delinquent assessments being paid current or paid off 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 Affidavit of Special Assessment District Lien Sale that was to be held on January 23, 2025

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Affidavit