

## STAFF REPORT

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**Date:** September 27, 2023

**To:** Mayor and City Council

**Thru:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Acceptance of Report of Special Assessment District Lien Sale held on August 16, 2023.

**From:** Vicki Van Buren, Director of Finance

**Department:** Finance

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### **Summary:**

On July 19, 2023, Council approved Resolution No. 9161 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 July 2023 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 Thursday, July 27, 2023, Thursday, August 3, 2023 and Friday, August 11, 2023. The sale scheduled for August 16, 2023 was cancelled due to all the delinquent assessments being paid current prior to the sale. In accordance with NRS 271.565, a report of sale is required to be presented to Council. The City of Reno sale 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.

### **Alignment with Strategic Plan:**

Fiscal Sustainability

### **Previous Council Action:**

July 19, 2023 - Council approved Resolution No. 9161 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 annual increments as a special assessment on their parcels. This mechanism provides equity by ensuring

that 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 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 annual installment. At the end of the second month of delinquency, after Council has given authorization to proceed with 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 special assessment districts initiated prior to March 2003 are processed by Washoe County. Billing and collection functions for special assessment districts initiated after March 2003 are processed by 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 sales be presented to Council at a regularly scheduled meeting. The sale scheduled for August 16, 2023 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 Report of Special Assessment District Lien Sale held on August 16, 2023.

**Proposed Motion:**

I move to approve staff recommendation.

**Attachments:**

Recorded report of Sale 8-16-23  
Exhibit A Brief CC Presentation