

FACT SHEET

SELLING COUNTY PROPERTY



El Dorado County

When the County sells property to another government entity, there are basic steps that must be taken. These include:

- The Board of Supervisors must designate the property as surplus
- The County must make a written offer to sell to certain government agencies within whose jurisdiction the surplus property is located. Some examples of government agencies include cities, redevelopment agencies, housing authorities, community service districts, school districts, and public transportation agencies.
- Those entities then have 60 days to respond with interest in obtaining the property. The County must wait the full 60 days before moving on to the next step.
- The County must engage in good faith negotiations for at least 90 days after receipt of notice from an interested buyer. If more than one offer is received, the first priority is given to the entity that agrees to make at least 25% of the property available for affordable housing for at least 55 years.
- If the County is able to reach an agreement, the local planning agency must provide a finding of conformity with the adopted general plan and then present the agreement to the Board of Supervisors for approval.
- If the parties are unable to reach agreement on a price or terms during the 90 day negotiation period, the County's obligations under Gov. Code 54222 are discharged and the County may proceed to the next step and initiate the public sale process.

When the County engages in a public sale, the following process must be implemented:

- The Board of Supervisors adopts a Resolution of Notice of Intent to Sell (needs a 4/5 vote). This resolution must contain the property description, minimum price, terms and conditions of the sale, and the time and place for the public sale.
- The Board can choose one of two approaches:
 - a. Gov. Code 25363 approach – Provide five days' notice and perform a public auction with sale to the highest cash bidder. Sale must be reported back and confirmed by the Board of Supervisors
 - b. Gov. Code 25520 approach – Provide at least three weeks' notice and call for bids. The time and place of sale would take place at a regular Board of Supervisors meeting and the Board would open all seal bids and call for oral bids. If an oral bid is the highest bid, it does not need to be accepted unless it exceeds written bids by at least 5%.

- *There are several exemptions from the public sale process:*
 - The Board of Supervisors may convey or exchange property with other public agencies within the county.
 - The Board of Supervisors may exchange equal value property with any person, firm or corporation.
 - The County can sell residential property for less than fair market value to persons or families of low or moderate income.
 - Development of affordable housing for low or moderate income.
 - For public park purposes, the County may convey the property to the city where the property is located.
 - The Board of Supervisors can issue a Request for Proposal for cultural, residential, commercial or industrial use or development.
 - The Board of Supervisors may donate the property to certain 501(c) (3) nonprofit organizations. Qualified nonprofits are those organized for the care, teaching or training of children or Native Americans; or nonprofits that provide health or human services.
 - The Board of Supervisors may convey any property that is determined to be of general historical interest to the County historical society as long as the historical nature of the property is preserved for the benefits of county residents.
 - The Board of Supervisors may make available surplus property to any public or private entity or any individual with whom the County has a contract to provide or operate programs deemed by the Board to be necessary to meet the social needs of the County population.

Exceptions: Surplus property valued at \$25,000 or less may be disposed as the Board of Supervisors chooses. There is no requirement to go through a public bid process.

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