



Office of the City Manager

Date: February 28, 2022
To: Honorable Mayor and Members of the City Council
From: *DWR* Dee Williams-Ridley, City Manager
Subject: 2022 Tax Delinquent Properties for Auction

On January 6, 2022, the City received the annual list of local properties listed as tax delinquent and subject to sale at auction by the Alameda County Office of the Treasurer and Tax Collector. The City has the option to purchase any of these properties at a public auction. The minimum bid price for each property reflects the amount of its outstanding debt. The auction is scheduled to take place on March 18, 2022.

This year, there are nine properties in Berkeley. We reviewed the eligible properties and do not recommend that the City purchase any of these sites for affordable housing or other development opportunities.

Analysis of each property is included below. The City will not be impacted or affected by not taking any action on these properties.

Residential Properties – Multi-unit/family

Reference	Address	Minimum Bid	Use	Building	Lot Area
A	1631 Julia Street	\$30,680	SFR+ Duplex	3,442 sq ft	4,760 sq ft
B	2605 Durant Avenue	\$230,868	SFR converted Boarding house/dorm	6,759 sq ft	5,000 sq ft
C	1739 Berkeley Way	\$74,393	SFR+ Triplex	3,838 sq ft	6,250 sq ft
D	1419 Seventh Street	\$165,217	Duplex + 4-unit MFR	4,642 sq ft	6,450 sq ft

Properties A-D range between a variety of small, multi-family uses. Property B appears to be vacant. A high-level analysis of Google maps indicates the other properties have sitting tenants (e.g., cars in driveway, window decorations, maintained gardens).

Property A and B are both single family residences with duplexes and triplexes, respectively, on the same lot. Property C is a large single-family residence that was converted into a boarding house/dormitory with several smaller rooms. Property D represents the only traditional multi-family property with a four-unit building accompanied by a duplex on the same lot.

These properties/parcels are too small to be considered viable by non-profit developers. Land trusts have indicated interest in acquiring properties of this size in the past but staff do not advise this for several reasons:

- The City's HTF and small sites funding is currently overcommitted to multiple major new construction and rehab projects, and staff will need to identify new sources to serve these projects prior to pursuing new opportunities;
- Bay Area Community Land Trust and Northern California Land Trust, the City's two primary active land trusts, are currently working on City-funded acquisition and rehab projects and staff do not believe they have the proper funding (outside of City support) or capacity to take on additional projects at this time;
- The rehabilitation costs of each property are unknown and would likely require additional funding by the City given the age and quality of each property; and
- The income status of sitting tenants is unknown and they may or may not income-qualify for City and other sources of affordable housing funding.

Residential Properties – Single Family Residences

Reference	Address	Minimum Bid	Use	Building	Lot Area
E	1334 Kains Avenue	\$260,199	SFR	2,456 sq ft	3,800 sq ft
F	959 Shattuck Avenue	\$47,602	SFR	2,120 sq ft	5,559 sq ft

Properties E-F are single-family homes owned by long-time homeowners ranging between approximately 30-50 years. The City would likely be in the position of displacing these homeowners to acquire and transition the use of the properties.

The City does not have an ownership program at this time that could benefit new potential homeowners. Non-profit developers and land trusts are not positioned to acquire these properties for the reasons identified above.

Non-Residential

Reference	Address	Minimum Bid	Use	Building	Lot Area
G	2401 Le Conte Avenue (R-4H)	\$391,82	Church	19,509 sq ft	29,217 sq ft
H	2017 University Avenue (C-DMU Outer)	\$192,408	Commercial	4,320 sq ft	9,577 sq ft
I	3155 Sacramento Street (C-SA)	\$65,129	Vacant School	2,217 sq ft	8,682 sq ft

All of these properties are not intended for housing and would require significant funding to transition and/or demolish for new construction. Property G is zoned for multi-family housing but would require the demolition of a religious institution. It is also in a designated fire zone. Properties H and I are zoned for commercial activity and would require a zoning variance.

Staff do not recommend acquiring these properties given the limitations of current funding options for affordable housing, current limitations for housing (i.e., zoning, current structures) and the unknown, potentially high costs associated with demolishing the properties to provide housing.

cc: Paul Buddenhagen, Deputy City Manager
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Lisa Warhuus, Director of Health, Housing & Community Services
Jenny Wong, City Auditor
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