



# City of Clearlake

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## **PRESS RELEASE: FOR IMMEDIATE RELEASE**

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### **City of Clearlake Disputes Lake County Civil Grand Jury Report on Tax Auctions**

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The City of Clearlake has been actively encouraging the County of Lake to conduct more regular auctions of tax defaulted properties over the past year. Late last year the City Council sent various letters to local and state agencies asking for investigation into the process.

A request for review was also sent to the Lake County Civil Grand Jury on November 20, 2019. The Grand Jury initially responded in December that they have “long been fully aware of the situation in the Lake County Treasurer/Tax Collector’s Office.” They further referenced their report done in 2017, which had two findings: 1.) The County has not held a tax sale since 2013; and 2.) The proposed 2017 sale only included 3% of eligible properties. The 2016-17 report included one recommendation, which was that “The County conduct a tax lien sale on an annual basis including properties from the cities of Clearlake and Lakeport.” The Grand Jury at that time summarized the problems created from a lack of tax sales as primarily a strain on local revenues, less community investment, deterioration and blight, and a hampering of municipalities in providing services due to decreased revenues.

The 2019-20 Grand Jury report appears to have multiple conflicts with previous findings from the Grand Jury, and the apparent data analyzed this year, contains errors and misrepresentations. While the Clearlake City Council will provide a full and detailed response directly to the 2019-20 report, the deficiency of the report warrants a timelier response for the public to consider.

Mayor Russ Cremer states, “The City would like the public to understand that in spite of what is reported by the Grand Jury we believe the information provided to the City is accurate and representative of the problem surrounding tax delinquent and defaulted property throughout Lake County. The data for delinquent and defaulted properties within the City of Clearlake was provided directly to the City by the Tax Collector’s Office on

August 2, 2019. Complete data on the delinquent and defaulted properties throughout Lake County was provided by the County of Lake on January 13, 2020. We have no reason to doubt the accuracy of the data provided by the County, however if there is conflicting information within the County database related to tax delinquent or defaulted properties, we would request that data be provided to the City.”

While it is frustrating that the Grand Jury was not precise in discussing the sourcing of data the City has been relying on for its analysis, which contrary to their statements was received directly from the County, it is increasingly perplexing that the Grand Jury decided to eliminate properties without access, utilities, etc. from being included on their “tax default” list. No detailed information is provided on what methodology was used for this determination. The City understands that there are many “paper parcels” in Lake County that have little value and may be difficult to sell, however, this does not remove the property owner’s obligation to pay taxes on the property, nor does it remove the County Tax Collector’s obligation to offer them at auction if considered in tax default status.

Vice Mayor Dirk Slooten expressed, “We are relying on accurate County data in determining the scope of the problem and working with the County on a mutually beneficial path forward. However, the Grand Jury’s report lacks any discussion around the statutory responsibility of the Tax Collector to sell tax defaulted properties within certain timelines. It is one of the key responsibilities of the Grand Jury to determine if official duties are being lawfully carried out. Accordingly, the data provided to the City reflect that 4,243 properties county-wide have not met the obligation to be offered for sale consistent with state law.”

“While it is tempting to provide a detailed response to the Grand Jury report immediately, we will provide that very soon. Through our website we will be providing the public access to the raw data that was provided to us from the County and further relied upon by the City. This is not an issue that was conjured by the City, we believe it warrants more resources and commitment from both the Tax Collector and the Board of Supervisors in order to successfully solve this problem. The City of Clearlake has been, and remains committed to actively participating in a real solution to Lake County’s tax default quagmire, the County just needs to take it more seriously,” states Mayor Cremer.

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