



City of Homer

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Memorandum 21-209

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Julie Engebretsen, Deputy City Planner & Special Projects Coordinator
DATE: December 2, 2021
SUBJECT: Ordinance 21-72 Kachemak Drive Lots

Background

Council may recall that the Borough has two tax foreclosure properties on Kachemak Drive. In August, Council had the opportunity to retain the lands for a public purpose. The two properties available to the city had combined special assessments of nearly \$73,000, and the Council determined the City did not wish to retain the lots.

Staff was again contacted in October by the Borough, to double check that the city understood that due to the foreclosure process, **all** assessments would be voided. The city would never receive any payments, because the foreclosure process 'wipes clean' any liens against the property. The combined water, sewer and natural gas assessments are nearly \$73,000 total for the two lots. At this point, staff contacted the City Attorney on what options the City had, and Council requested more information on how tax foreclosures affected city special assessments. A missing piece of information was the Borough was making a final decision about what lots to sell via outcry auction, in December. (Scheduled for December 4th).

Working with the City Attorney and KPB staff, it became clear that the City does have some recourse to recoup the \$73,000 in assessments, but some time is needed to clear up the process and any legal proceedings. Understandably, the Borough was concerned with selling lands that may have significant assessments, without being able to clearly disclose them to a buyer. The Borough determined that they could pull the lots from the outcry auction, if the City requested conveyance. The outcry auction was scheduled prior to the next Council meeting, so the administration determined that requesting conveyance gave the city the greatest opportunity to collect payment for the liens, with the least amount of legal cost.

Staff understand this Council does not wish to own these properties long term. Ownership of these lands at this time gives the City the most options to address the special assessments.

Requested Actions

1. Authorize up to \$6,400 for payment of back taxes to the Kenai Peninsula Borough
2. Retain these lots for the public purpose of addressing the special assessment liens
3. Classify the lots as 'undesigned.'

Area Map:

Legal Descriptions:

17909003

T 6S R 13W SEC 14 SEWARD MERIDIAN HM 0630311 SUBDIVISION OF LOT 27 & 28 SEC 14 T6S R13W LOT 28A

17909004

T 6S R 13W SEC 14 SEWARD MERIDIAN HM 0630311 SUBDIVISION OF LOT 27 & 28 SEC 14 T6S R13W LOT 28D

