

BEFORE THE BOARD OF COMMISSIONERS
FOR THE COUNTY OF MULTNOMAH
ORDINANCE 795

An Ordinance establishing responsibility for administration of the tax foreclosed property program; qualifications for sale by contracts to former owners of foreclosed real property and transferring tax foreclosed properties to governmental bodies and private non-profit organizations; policies for identifying greenspace potential properties; repealing Ordinances 560, 577, 613, 672, 685, 703, 753, 769, and declaring an emergency.

Multnomah County ordains as follows:

SECTION I — FINDINGS

- (A) State law requires the County foreclose ad valorem tax liens on real property if the tax for any year is more than three years delinquent. After foreclosure and expiration of a two year redemption period, the title to such property passes to the County.
- (B) The foreclosure process permits the County to recover delinquent taxes for the benefit of all taxing districts in the County.
- (C) All taxing jurisdictions in Multnomah County lose revenue when tax-foreclosed properties remain off the tax rolls while simultaneously incurring maintenance and liability costs.
- (D) Vacant and abandoned properties, which are allowed to deteriorate, contribute to the general decline of neighborhoods by reducing property values and discouraging investment.
- (E) State law permits the Board of County Commissioners to make rules as necessary or convenient and for the protection, administration, operation, and conveyance, and leasing of all lands acquired by foreclosure for delinquent taxes.
- (F) Disposition of tax foreclosed property to nonprofit organizations to provide social services or low income housing can further important public purposes and assists continuation of valuable social programs in the community. This ordinance establishes criteria and timelines to put foreclosed property to use in a timely fashion, thus reducing the cost of maintaining an inventory of unused property.

- (G) Some tax foreclosed properties may have present and future value in their natural state and should be conveyed to agencies who can maintain or enhance their value for wildlife habitat, parks, open spaces or other environmental purposes.

SECTION II — DEFINITIONS

For the purposes of this ordinance, unless the context requires otherwise, the following terms are defined as follows:

- (A) "Board" means Board of County Commissioners of Multnomah County, Oregon.
- (B) "Department" means Multnomah County Department of Environmental Services.
- (C) "Director" means the Director of the Multnomah County Department of Environmental Services.
- (D) "Greenspace Committee" means the Greenspace Review Committee.
- (E) "Property" means all property acquired by Multnomah County by foreclosure of delinquent tax liens.
- (F) "Nonprofit housing sponsor" means any government or nonprofit corporation organized under the provisions of ORS Chapter 61 for the purpose of undertaking, constructing, or operating a housing project to assist low and lower income families, or authorized by its charter to undertake, construct, or operate such housing projects.
- (G) "Owner" or "former owner" means a property owner or contract purchaser of record at the time a judicial decree of foreclosure was entered as to the affected property.
- (H) "Repurchase agreement" means a contract to sell tax foreclosed property to the former owner prior to foreclosure.
- (I) "Social services agency" means an appropriate social service provider, as designated by the Board of County Commissioners.
- (J) "Tax title fund" means the Multnomah County accounting fund maintained to receive proceeds from the sale of tax foreclosed properties and disburse all lawful expenditures therefrom.
- (K) "Days" means calendar days unless otherwise noted.

SECTION III — PROPERTY ADMINISTRATION AND EVALUATION

- (A) The Department shall be responsible for management of the tax title fund and for the inventory, management, maintenance and disposition of all tax foreclosed properties in accordance with state statutes and this ordinance.
- (B) The Department, in order to assure the fiscal stability of the tax title fund, may identify properties to be sold at public auction and not available for donation to governments or non-profit housing sponsors.
- (C) The Department shall be responsible for a physical inspection of all properties upon conveyance to the County.
- (D) If any property is occupied, the Department shall notify an appropriate County social services agency if the occupants may require exceptional assistance. The agency shall make an assessment of the circumstances within thirty (30) days of such notification and submit a report to the Department.

Upon receipt of a report from a social services agency recommending special assistance, the Department shall suspend efforts to dispose of the property pending further direction from the Board and shall forward a copy of the report to the Board. The Board shall review the case and order appropriate action within thirty (30) days.

- (E) In the event any request for transfer of property by a governmental entity conflicts with any other request for transfer of property in accordance with this ordinance, the Department shall put the matter on the Board's regular meeting agenda for resolution by the Board.

SECTION IV — REPURCHASE QUALIFICATIONS AND CONTRACT REQUIREMENTS

- (A) Repurchase Period. Upon receipt of recorded property deeds, the Department shall send notices by certified mail to former owners of tax foreclosed properties. The notices shall advise the recipients:
 - (1) Within thirty (30) days from the date of the notice the owner may:
 - (a) Pay in cash the repurchase price established by the Department under Section IV(C) of this ordinance, or

- (b) Complete an application to repurchase the property by repurchase contract.
 - (2) If the owner fails to either repurchase in cash or to qualify to repurchase by contract within the time provided, the Department may dispose of the property as provided in this ordinance.
- (B) Repurchase Contract Qualifications. Former owners may repurchase property on contract if the property and the owner meet the following qualifications:
- (1) The property must be:
 - (a) The primary residence of the former owner; or
 - (b) The primary location of the former owner's business; or
 - (c) Used as an integral part of a residential treatment or social services program sponsored by the owner, if the owner is a nonprofit organization exempt from federal taxes under IRC 501(C)(3); and
 - (2) Any other real property of the owner in Multnomah County has not been foreclosed for non-payment of taxes in the previous ten (10) years, unless such prior foreclosure is either (1) the owner's primary residence if the current foreclosure is the owner's primary business, or (2) the owner's primary business if the current foreclosure is the owner's primary residence; and
 - (3) The owner has not previously repurchased property by an agreement which has been canceled by the County within the preceding ten (10) years; and
 - (4) The owner must demonstrate financial ability to meet minimum payment requirements of a contract; and
 - (5) Improved property must be suitable for occupation, or the owner must demonstrate an ability to make the property suitable for occupation within the period specified by the County.

(C) Repurchase Contract Price

- (1) The repurchase price shall be the sum of: all uncollected taxes as of the date the property was conveyed to the County; an amount equal to taxes which would have accrued after conveyance to the County, including accrued interest and interest which would have accrued after conveyance to the County; penalties; municipal liens; delinquent sewer liens; special assessments; costs of maintenance or nuisance abatement, and administrative expenses which shall include, but not be limited to, title searches, expense of document preparation and recording fees.
- (2) Repurchase contracts shall include provisions for prepayment of real property taxes with any debt service installment payments.

(D) Appeal Process For Contract Denials.

- (1) The Department may deny any application for repurchase by contract if the applicant fails to submit sufficient evidence to show compliance with contract qualifications in Section IV(B).
- (2) The Director shall give notice of denial in writing to the applicant by regular mail. The notice of denial shall include:
 - (a) A statement of the reason(s) for the denial.
 - (b) Explanation of how the decision of the Director may be appealed to the Board; and
 - (c) Explanation of the actions necessary to request an administrative exception.
- (3) Requests for an administrative exception must be submitted to the Director within fifteen (15) days after the notification of denial was mailed. The Director will make a determination within fifteen (15) days after the request. The Director may grant an administrative exception to the qualification requirements if in the public interest.

- (4) Within fifteen (15) days after a notice of the Director's denial, the applicant may either repurchase the property for cash or appeal the denial to the Board. The appeal shall be filed with the Department and shall recite the facts forming the basis for the appeal and set out the reasons the applicant believes the Board should reverse the Director's decision. The Department shall promptly deliver a copy of the request for appeal together with a copy of the Director's reasons for denial prior to the appeal hearing.
- (5) When an appeal is filed, at the next regular Board meeting at which the matter can be presented, the Board shall schedule a hearing to hear the appeal.
- (6) The Board will determine the disposition of the appeal based on the following:
 - (a) Whether the applicant meets the contract qualifications and requirements stated in Section IV(B);
 - (b) Whether the applicant filed a completed repurchase application within the time required by Section IV(A)(1) of this ordinance;
 - (c) Whether the applicant filed an appeal in the manner required by Section IV(D)(3)(4) of this ordinance;
 - (d) Whether other extenuating circumstances exist.

E. Appeal Process for Contract Cancellation

- (1) If at any time a contract is in default and subject to cancellation, the Director may give notice of default in accordance with the repurchase contract.
- (2) Any contract purchaser may request the Director to grant relief from cancellation by request in writing to the Director within fifteen (15) days after notification of default. The Director will make a determination within fifteen (15) days thereafter whether to modify the contract, grant other appropriate relief or to specify a date the contract will be canceled.

- (3) If the Director denies a request for relief from contract cancellation, the Department shall give the purchaser notice of the reasons therefore in writing by regular mail. The notice shall include information on how the contract may be appealed to the Board of County Commissioners.
- (4) Within fifteen (15) days after the Director's denial, the repurchaser may either pay off the balance of the contract in cash, or appeal the proposed contract cancellation to the Board. The appeal shall be in writing, recite the facts forming the basis for appeal and reflect the reasons the petitioner believes the Board should reverse the Director's decision.
- (5) When an appeal is filed, at the next regular Board meeting at which the matter can be presented, the Board shall schedule a hearing to hear the appeal.
- (6) The Department shall provide the Board a copy of the Director's notice of denial prior to the appeal hearing. At the appeal hearing, the Board may affirm the Director's decision to cancel the contract or fashion other appropriate relief, including reinstatement or modification of the contract.

SECTION V - PROCEDURE FOR IDENTIFYING PROPERTIES TO BE DESIGNATED AS HAVING GREENSPACE ENVIRONMENTAL VALUE

- (A) A Greenspace Review Committee is hereby established to review tax foreclosed properties to determine suitability of properties for public use as open space, parks, or natural areas and provide such information to governmental jurisdictions and other interested groups. The committee shall consist of not less than five members to serve at the pleasure of the Board.
- (B) When the annual comprehensive County deed is recorded for tax foreclosed properties after the expiration of the redemption period, the Department shall provide a list of the properties to the Greenspace Committee. The committee shall evaluate the properties, using criteria approved by the Board, to determine suitability for park, open space, or natural area purposes.

Within 90 days thereafter, the committee shall furnish the Department with a list of properties deemed suitable for the specified purposes, the significant environmental qualities and make recommendations regarding the public purpose for each property on the list.

- (C) The Greenspace Committee's recommendations shall be noted in any notification to governmental entities of properties available for public use transfers under Section VII of this ordinance.
- (D) The Greenspace Committee may make recommendations to the Board at any time regarding properties recommended for public use for park, open space or natural area uses if any such property is not transferred for a public purpose under any provision of this ordinance.

SECTION VI - REQUESTING TRANSFER OF TAX FORECLOSED PROPERTY TO GOVERNMENTS FOR NON HOUSING PURPOSES

- (A) As soon as practicable after the properties on the annual comprehensive County Deed have been conveyed to the County, the Department shall mail a list of property available to government units and officially recognized neighborhood associations in Multnomah County with a notice that the properties are eligible for transfer, for non-housing purposes only.
- (B) Properties having characteristics identified under Section V of this ordinance shall be so identified on the property list.
- (C) A governmental unit may request transfer of listed property within sixty (60) days after notice of property availability was first mailed. All requests shall be on forms provided by the Department and must be authorized by the requesting governing body.

- (D) The Department shall report to the Board all requests for transfer of property by governments. The report shall identify the governmental entity requesting transfer, a description of the property, the amount of taxes owed when the property was conveyed to the County, all maintenance costs incurred by the County, and the applicant's proposed public use.
- (E) The Board shall schedule a public hearing as soon as practically convenient. The Department shall publish notice of the scheduled public hearing in a newspaper of general circulation in the County for two successive weeks. The notice shall describe the property, state that the Board will accept comments concerning the transfer at the hearing and where a copy of the Department's report can be obtained. A copy of the notice shall be mailed to applicants and other persons requesting such notice.
- (F) At the conclusion of the hearing, the Board may approve the transfers if the Board determines the transfers will serve the public interest. The Board shall also determine whether such transfers are for monetary consideration or no consideration.
- (G) Conveyances of property transferred to governmental entities for a public purpose without consideration, other than housing, shall provide that should the property cease to be used for a public purpose, the title shall revert to the County. This restriction shall not apply to transfers to a governmental body in exchange for payment of the amount of taxes and costs for which the property is liable.
- (H) For those properties approved by the Board for transfer to governmental entities, transfer of title shall occur within sixty (60) days, or as soon after as practicable. Refusal of the receiving entity to accept title shall void approval of such transfer and shall result in the property being disposed of as provided by law.
- (I) Property maintenance by Multnomah County shall cease upon transfer of the title to the receiving agency.

SECTION VII - PROCEDURE FOR REQUESTING TRANSFER OF TAX FORECLOSED PROPERTY FOR HOUSING PURPOSES

- (A) An Affordable Housing Review Committee has been established to make recommendations to the Board regarding all disposition of tax foreclosed property for affordable housing under the procedures of Affordable Housing Development Program (AHDP).

The Affordable Housing Review Committee members shall be appointed by the Chair and approved by the Board. The committee shall be composed of representatives from: the City of Gresham, the City of Portland, the Community Development Block Grant Urban County Policy Advisory Board, a philanthropic organization, the banking industry, the Citizen Involvement Committee and the Board.

- (B) Requests for properties for low-income housing will be considered according to procedures established by Multnomah County AHDP and approved by the Board.
- (C) A list of properties remaining after transfer requests of governmental units, shall be submitted AHDP.
- (D) AHDP shall, within thirty (30) days after receipt of the list of available properties, advise the Department which properties will be processed for low income housing development. Within ten (10) days thereafter, AHDP shall mail the list of available properties to governments and other nonprofit housing sponsors in Multnomah County.
- (E) Written applications by housing sponsors shall be filed with AHDP within forty-five (45) days after notice of property availability was first mailed. All requests shall be on forms provided by AHDP.
- (F) Within sixty (60) days after receipt of applications for property under AHDP, the Affordable Housing Review Committee will prepare disposition recommendations to the Board. Recommendations shall be based on the sponsoring organization's stability and viability, the project plan, financial plan and community support.

- (G) Within seven (7) days after AHDP determines any property will not be transferred to a non-profit housing sponsor, because no applications for the property were received or approved, AHDP shall provide the Department with a list of properties not required for housing development. Such properties may be added to the inventory of tax foreclosed properties available for disposition according to law.
- (H) Not less than fifteen (15) days after receiving the recommendations from AHDP, the Board shall schedule a public hearing to receive public comments concerning the proposed property transfers.
- (I) The Department shall publish notice of the scheduled hearing in a newspaper of general circulation in the County for two successive weeks. The notice shall state the description or location of the properties and that the Board will hear comments concerning the transfer at the hearing. A copy of the notice shall be mailed to the applicants and applicable neighborhood associations and to other persons requesting such notice.
- (J) Approval of transfers shall be based upon the degree proposals for transfer are feasible and in the public interest. Transfers may be for consideration or for no consideration. Transfers in connection with the County Affordable Housing Development Program shall require a \$200 transfer fee to offset the cost of administration. The transfer fee may be waived or reduced by the Board upon a finding that a waiver or reduction is necessary to relieve the applicant from undue hardship and that loss of the fee will not jeopardize efficient administration of the program.
- (K) For those properties approved by the Board for transfer to non-profit housing entities, transfer of title shall occur within sixty (60) days, or as soon after as practicable. Refusal of the receiving entity to accept title shall void approval of such transfer and shall result in the property being disposed of as provided by law.
- (L) Property maintenance by Multnomah County shall cease upon transfer of the title to the receiving agency.

SECTION VIII - NEHEMIAH HOUSING OPPORTUNITY PROGRAM SUPPORT.

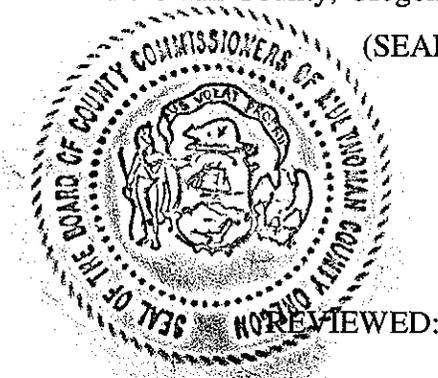
(A) The rights and obligations of NECDC under this ordinance to review lists of available tax foreclosed properties and to receive properties in the King, Humboldt, Boise and Vernon neighborhoods, in accordance with Resolution 89-167, shall continue so long as NECDC shall sponsor and administer the Nehemiah Housing Opportunity Program (NHOP) contained in Title VI of the Housing and Community Development Act of 1987 and 24 CFR Part 280.

SECTION IX — REPEAL OF PRIOR ORDINANCES

Ordinances 560, 577, 613, 672, 685, 703, 753, and 769 are hereby repealed. This Ordinance, being necessary for the health, safety, and welfare of the people of Multnomah County, an emergency is declared, and the Ordinance shall take effect upon its execution by the County Chair, pursuant to Section 5.50 of the Charter of Multnomah County.

ADOPTED this 8th day of September, 1994, being the date of its First reading before the Board of County Commissioners of Multnomah County, Oregon.

(SEAL)



Beverly Stein
Beverly Stein, Chair
Multnomah County, Oregon

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