

Department: County Management **Program Contact:** Jeffrey Brown
Program Offer Type: Existing Operating Program **Program Offer Stage:** As Proposed
Related Programs:
Program Characteristics:

Executive Summary

The Tax Title Program, within the Division of Assessment, Recording and Taxation (DART), is responsible for project management, maintenance supervision, portfolio strategy, and final disposition of the County's tax foreclosed property portfolio. The Program's highest priority is foreclosure avoidance prior to County ownership and occupant support throughout the process. Vulnerable populations and historically disadvantaged groups, especially during the challenges of Covid-19, are supported with appropriate resources using best practices. Less than 5% of the current portfolio (~210) properties have improvements or structures. Property dispositions are through public and private sales, government transfers and donations to non-profits.

Program Summary

The County comes into ownership of real property generally once a year (September/October) through the foreclosure of delinquent property tax liens. The tax foreclosed properties are deeded by the Tax Collector to the County as the responsibility of the Tax Title Program and are managed and disposed of pursuant to Multnomah County Code, Chapter 7 as part of the larger portfolio project management. Shortly after the properties are deeded to the County they may become available for repurchase by qualified former owners of record. In FY 2021, special consideration was given for repurchase by former owners due to the health, safety, housing, and economic conditions brought about by the COVID-19 pandemic. The same consideration will continue into FY 2022. The program consults with other County departments and community agencies for housing, services and support for occupants of tax foreclosed properties. Maintenance of the properties is performed through agreement and reimbursement to Department of County Assets, Facilities and Property Management Division.

The Tax Title Program researches and assesses properties received to determine their highest and best use. The program will identify property to be sold at public sale in cooperation with the Multnomah County Sheriff's Office, a private sale or to make available for donation to governments or non-profits. Effective January 1, 2016, ORS 275.275 was amended to redirect the distribution of proceeds from sales, net of program expenses. All net proceeds will be credited to the General Fund, Sub-Fund 10030 Tax Title: Affordable Housing, for the following purposes: (i) Funds for housing placement and retention support services for youth and families with children; (ii) Flexible rental assistance to place youth and families with children into housing; or (iii) Funds to develop new low income housing that is affordable to youth and families with children with 30 percent or lower median family income.

Performance Measures

Measure Type	Primary Measure	FY20 Actual	FY21 Budgeted	FY21 Estimate	FY22 Offer
Output	Properties remaining in Tax Title Inventory	218	205	208	205
Outcome	Properties placed back on the tax roll & into community use	5	20	24	10
Outcome	Revenue credited to General Fund, Sub-Fund	\$0	\$100,000	\$550,000	\$100,000

Performance Measures Descriptions

The goal of the program is to first apply rigorous foreclosure avoidance measures and, if deeded, reinstate tax foreclosed properties to the tax roll or into public use. At the end of every budget year the tax foreclosed property revenues are totaled, operating expenses and pass-through payments are accounted for, and the balance of revenue will be disbursed to Multnomah County General Fund, Sub-Fund 10030 Tax Title: Affordable Housing.

Legal / Contractual Obligation

Oregon Revised Statutes (ORS) 275 details how counties are to manage and dispose of tax foreclosed properties. ORS 312 details the foreclosure process & responsibilities of the county including guidance on how the redemption period can be reduced when there is evidence of waste and abandonment. ORS 271 provides information concerning the transfer of foreclosed properties to non-profits & government agencies. ORS 98 details procedures concerning abandoned property & vehicles at foreclosed property. County Code Chapter 7 states how tax foreclosures are to be managed and disposed.

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2021	2021	2022	2022
Personnel	\$221,529	\$0	\$230,111	\$0
Contractual Services	\$257,400	\$0	\$399,400	\$0
Materials & Supplies	\$14,665	\$0	\$13,078	\$0
Internal Services	\$114,350	\$0	\$107,411	\$0
Total GF/non-GF	\$607,944	\$0	\$750,000	\$0
Program Total:	\$607,944		\$750,000	
Program FTE	1.60	0.00	1.60	0.00

Program Revenues				
Fees, Permits & Charges	\$100	\$0	\$0	\$0
Taxes	\$9,300	\$0	\$0	\$0
Other / Miscellaneous	\$598,108	\$0	\$750,000	\$0
Interest	\$1,600	\$0	\$0	\$0
Total Revenue	\$609,108	\$0	\$750,000	\$0

Explanation of Revenues

The Program is financially self sustaining. Sales of Tax Foreclosed Properties (public sales, auctions, repurchases, and private sales) are estimated at approximately \$750,000 for FY 2022. Prior to deeding property to Multnomah County, the program directs a rigorous foreclosure avoidance outreach. If foreclosure avoidance efforts are successful it can significantly reduce the number of properties deeded to, and subsequently sold by, Multnomah County. The FY 2022 revenue estimate reflects the likelihood of continued success in the program's foreclosure avoidance efforts and Covid-19 considerations. If the program's revenues exceed the operating costs, the excess is distributed to Multnomah County Fund 10030 Tax Title: Affordable Housing, in accordance with ORS 275.275, and per formula provided in ORS 311.390.

Significant Program Changes

Last Year this program was: FY 2021: 72038 DART Tax Title