

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: August 3, 2021 Time: 2:30 PM Length: 30 min.
Presentation Title: Property Disposition Surplus Property Recommendation
Department: Business & Community Services - Property Disposition Division
Presenters: Kathleen Rastetter, County Counsel; Sarah Eckman, Interim BCS Director
Other Invitees: N/A

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Property Disposition is requesting that the BCC review and approve the proposed tax foreclosed parcels for declaration as surplus.

EXECUTIVE SUMMARY:

Clackamas County's Department of Assessment and Taxation annually forecloses on tax delinquent properties. The foreclosure process is a six-year process – taxes are delinquent for three years, at the end of the third year the foreclosure judgment is filed, there is a two year right of redemption, and in the sixth year, foreclosure occurs. The properties are deeded to the County in lieu of uncollected taxes. Following the recording of the deed, the management and disposition of the properties are transferred to the Property Disposition Division of Business & Community Services (BCS). The Board of County Commissioners delegates its authority to the BCS Director and Deputy Director to develop and implement the procedures necessary and by which surplus properties are transferred or sold in accordance with ORS 275 and other applicable Oregon laws.

The goal of Property Disposition is to manage tax foreclosed and other surplus properties to secure the Highest Permanent Value benefitting the citizens of Clackamas County. Highest Permanent Value is defined as managing, administering, and dispersing tax foreclosed and surplus real properties in a timely and cost effective manner.

Appropriate property transfer or distribution can provide a full range of social, economic, and environmental benefits for the people of Clackamas County. Per adopted policy and procedures, the proposed list of surplus properties is distributed to County departments, agencies, local governments, special districts for their consideration of the suitability of the properties for public benefit or affordable and low-income housing.

None of the properties offered on property distribution list have been requested or fulfill the current need of these departments or agencies.

FINANCIAL IMPLICATIONS:

Is this item in your current budget? YES NO

What is the cost? N/A What is the funding source? N/A

STRATEGIC PLAN ALIGNMENT:

- **How does this item align with your Department's Strategic Business Plan goals?**
The strategic goal of BCS - Property Disposition is to manage surplus property so it may be repurposed for a public benefit or sold to become a tax-producing asset on the tax rolls. Funds generated on the tax rolls will help preserve other public benefits throughout the county as well as publicly held lands.

Schools, parks, and libraries are just a few examples of public entities that receive funds generated from the tax rolls.

- **How does this item align with the County's Performance Clackamas goals?**

Managing surplus tax foreclosed properties aligns with the Board's strategic goal and priority of *Building Public Trust through Good Government*. All transactions that take place, whether they are government transfers or sales through the auction process, have been carefully assessed and executed to have the most positive outcome for a public benefit. Properties that are directly sold are returned to the tax rolls and generating funds for the taxing districts. Additionally, any parcels transferred to another government entity are held to help better serve a public need.

LEGAL/POLICY REQUIREMENTS:

Oregon Revised Statute prescribes the process of transferring or selling tax foreclosed properties. County policy details the criteria for declaration of surplus.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Property Disposition staff prepares and circulates a copy of the *Proposed Surplus Tax Foreclosed Property List* to County Departments, local municipalities, and special districts in Clackamas County for their review and consideration. ORS 271.330 permits other governmental agencies to request a direct transfer of a property when the property has a perpetual public use and fits within an adopted strategic or regional plan. When properties are requested for transfer, they are brought before the BCC for review and consideration of approval. Additionally, the public is notified through direct newspaper circulation, website and flyers. Direct mailing is made to adjacent property owners within 200 feet of a tax foreclosed property being placed in the Oral Public Auction. At this time, there are not any property requests.

OPTIONS:

BCS - Property Disposition is requesting that the BCC review and approve the proposed tax foreclosed parcels for declaration as surplus. Options include:

1. Approve the proposed property list as dedicated surplus to be offered for sale at a future auction or private sale.

These tax-foreclosed properties would be added and offered for sale at the next Public Oral Auction; date TBD. Staff has evaluated the properties against the established criteria used for setting the minimum bid amounts that is consistent with the goal of obtaining Highest Permanent Value. Minimum bid for these properties will be the current market value as determined by a fee appraisal or a percentage of the ARMV per policy.

Item 1 Map # 22E18DC00209: This parcel is approximately .10 acres and is located 18148 SE Sun Meadow Court Milwaukie, OR 97267. This parcel is improved. This property is located within a suburban neighborhood and is currently vacant with all items removed. The Assessor's Real Market Value is \$315,607. Property Disposition is recommending the minimum bid be set at \$340,000 based on the current appraised value. This value is subject to change due to a reappraisal and the current condition.

Item 2 Map # 27E32BD05200: This parcel is approximately .05 acres and is located Mountain Air Drive in Welches. This is an improved parcel. The property is located within a distant suburban neighborhood and has an uninhabitable structure on the land that was built in 1925. The Assessor's Real Market Value is \$63,235. Property Disposition is recommending the minimum bid be set at \$47,426.25 based on the current condition of the property.

Item 3 Map # 27E32CB04400: This parcel is approximately .55 acres and is located off of E Multnomah Ave and HWY 26. This parcel is unimproved. This property is located within a distant suburban neighborhood and does have building constraints. The Assessor's Real Market Value is \$40,779. Property Disposition is recommending the minimum bid be set at \$11,195 based on the building and access constraints of the property.

Item 4 Map # 22E31DA01601: This parcel is approximately .15 acres and is located off of 6th Street in Oregon City. This parcel is unimproved. This property is located within a suburban neighborhood and near County Public

Housing. The Assessor's Real Market Value is \$62,606. Property Disposition is recommending the minimum bid be set at \$31,303 based on the building and access constraints.

Item 5 Map # 22E19AD07000: This parcel is approximately .28 acres and is located 1640 Manor Drive Gladstone, OR 97027. This parcel is improved with a home, an ADU, and an attached garage. The home is in disrepair and the cost of demolition is over \$85,000. This property is located within a suburban neighborhood. The Assessor's Real Market Value is \$321,008. Property Disposition is recommending the minimum bid be set at \$166,000 based on the current appraised value.

2. Remove any or all properties as consideration for surplus.

RECOMMENDATIONS

Staff recommends the BCC accept Option 1: Approve the proposed property list as dedicated surplus to be offered for sale at a future auction or private sale.

ATTACHMENTS:

N/A

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval *Sam Edman*

County Administrator Approval _____