

December 13, 2016

REPORT TO COUNCIL  
Foreclosure List 2016-03

EXHIBIT A

Property Owner	Tax Roll Description	Property Address	Lien Account	Amount Owed	Tax Acct	Assessment Date	Delinquency Date	Property Type	Lien Type	No. Liens
1 KATAFIAS, JAN H	SOUTHERN PORTLAND;LOT: 8;BLOCK: 21	0233 SW VERMONT ST	124124	\$129,376.64	R780203980	10/18/1999	12/23/1999	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	1
			<b>TOTAL</b>	<b>\$129,376.64</b>						
TOTAL AMOUNT OWED AS OF December 12, 2016			\$129,376.64							
TOTAL NUMBER OF PROPERTIES			1							
TOTAL NUMBER OF LIENS			1							

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## Foreclosure Recommendation Report

### 0233 SW Vermont St.

The Auditor's Office recommends foreclosure on 0233 SW Vermont St. for a delinquent City lien. The lien account meets delinquency requirements for foreclosure and no mitigating factors were discovered that would prevent foreclosure or indicate that an adjustment of the lien amount is in order.

#### *Summary Information*

<b>Site Address:</b>	0233 SW Vermont St.
<b>Recorded Property Owner:</b>	Jan H Katafias
<b>Property ID:</b>	R780203980
<b>Lien Account Numbers:</b>	124124
<b>Type of Liens:</b>	Code Enforcement Fees
<b>Use of Property:</b>	Single Family Dwelling, currently unoccupied
<b>Amount of Delinquent Lien:</b>	<b>\$129,376.64</b>
<b>Payoff Amount Recommended:</b>	<b>\$129,376.64</b>

#### *General Information*

This property is included on the list of "Distressed Vacant Properties" provided by the Bureau of Development Services and identified as priority for foreclosure. Development Services and the Portland Police Bureau have expressed concerns that these properties are nuisances to the neighborhoods where they are located. In many instances, the Police Bureau is called to disturbances at these properties frequently. Neighbors complain that many of these properties are inhabited by squatters and there are commonly drug activities taking place, which jeopardizes the public health, safety, and welfare of the neighborhood.

The majority of these properties are investment properties owned by financial institutions or absent owners who have no vested interest in the neighborhood effects such distressed properties have on the community. They are demonstrated hazards and magnets for crime. For these reasons, the Auditor's Office's recommendations for these distressed and egregious properties are concise and generally maintain the amount owed as is with no recommended reduction in lien amount, except in cases where mitigating circumstances point toward improved property owner compliance with a reduced lien amount.

### ***Violation History***

According to information contained in the file, the first inspection of the property took place on July 15, 1999. The inspector noted seven violations, including barred windows preventing emergency egress; roofing damaged, worn and/or leaking; portions of the porch decking deteriorating and soft; damaged and falling fence posing a hazard to pedestrians and/or occupants, and other violations. On August 5, 1999, the inspector mailed a **"Notice of Violation – Property Maintenance Code"** itemizing the violations to the property owner, providing 30 days to correct the violations and to request a re-inspection. The notice stated that the "property is a derelict building according to City Code," which is a violation of Title 29.

A number of inspections were made between 1999 and 2006, during which time additional violations were observed and no efforts were noted that the owner had attempted to remedy the problems with the property. Inspectors indicated that some partial work had begun to correct violations in 2006, but found additional violations in subsequent years.

In December of 2010, a neighbor inquired about obtaining a permit to demolish the structure and a potential lien reduction once the case was closed. The inquiry was made on behalf of the property owner and indicates that in 2010, the owner felt that the property had deteriorated to a point beyond repair. Initially, the property owner had been partially cooperative in attempting to address some of the issues; however, at some point in 2010 he moved out of the house, stopped working on the property and halted communications with the City.

This property has been classified and included as part of the Extremely Distressed Properties Enforcement Program (EDPEP). According to notes in the case file made on September 21, 2016 after the last inspection, the inspector noted that "the dwelling remains vacant and deteriorating; conditions same as last communication mailed to the property owner." The inspector also noted that neighbors stated that the property owner has not been seen in several years.

### ***Lien Details***

There is one lien placed by the City against the property.

<b>Lien No.</b>	<b>Asses. Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Penalty</b>	<b>Costs</b>	<b>Total</b>
124124	10/18/1999	66,992.20	49,437.73	12,350.71	596.00	129,376.64
<b>Total</b>		<b>66,992.20</b>	<b>49,437.73</b>	<b>12,350.71</b>	<b>596.00</b>	<b>129,376.64</b>
<b>The amounts owed reflected in the table are as of December 12, 2016.</b>						

### ***Ownership/Interest***

According to Multnomah County records, the property is recorded under the name of **Jan H Katafias** and it does not seem to have any mortgage holder.

### ***Communication with Owner***

From August 1999 through November 16, 2016, the City has mailed 30 notifications and 261 monthly billing statements to the property owner. No payments have been made.

In approximately 2010 the property owner moved out of the dwelling and has made no attempt to maintain communication with the City. This office does have the property owner's current address and continues to attempt communicating with him. On November 2, 2016 a Notice of Potential Foreclosure was mailed to him at 10184 SW Evergreen Ct. Wilsonville, OR, first class and certified. Additionally, this office has attempted to communicate with a former neighbor, who in the past represented the property owner with the issues related to the violations. The most recent contact with this neighbor was on November 29, 2016. After a lengthy conversation, the neighbor committed to contact the property owner. To date, we have heard nothing from the property owner.

### ***Evaluation of Adjustment Criteria***

City Code 5.30.060 states that "the Auditor may evaluate individual delinquent open liens to develop recommendations on revising the payment amount of the lien and the payment terms." Recommendations for any adjustments must be based on the criteria summarized in the table below:

CRITERIA (City Code 5.30.060)	YES	NO	Unknown
Property owner has committed prior City Code violation or has delinquent account		√	
Property owner has taken steps to correct violation or resolve any delinquency	√		
Property owner's financial condition allows to resolve the problem			√
Violation of high gravity and magnitude	√		
Violation was repeated or continuous	√		
Violation was intentional or negligent caused by the property owner	√		
High degree of difficulty to correct the violation or delinquency	√		
Economic or financial benefit accrued to property owner as a result of the violation		√	
Property owner cooperative and makes effort to correct the violation		√	
Cost to the City to investigate and correct the violation	√		
Any other relevant factors		√	

The Auditor's Office has reviewed the information related to this property and its history of violations using the criteria listed above. The office found no mitigating factors that would suggest that a reduced lien amount would encourage improved compliance, property improvement, or elimination of hazards.

### ***Conclusion***

The facts contained in the file suggest that the property owner, after ignoring the City's efforts to reach him to bring the property into compliance with City Code, attempted to partially address the violations with palliative solutions. Nevertheless, the property owner abandoned the property and did not remedy the violations.

By 2010, the property owner had moved out of the property and completely ceased contact with the City.

According to information provided by the Bureau of Development Services, staff members have inspected the property on 14 occasions since the detection of the violations. During the period the property was out of compliance with City Code.

The City mailed multiple notices and monthly billing statements to the property owner. Additionally, the City made contact with a former neighbor to intercede on this office's behalf and persuade the property owner to re-establish communication with the City.

Based on the information contained in this report, the derelict condition of the property, the facts provided by the City inspectors and the inclusion of the property in the portfolio of the Extremely Distressed Properties Enforcement Program there is sufficient evidence to conclude that no incentive provided by the City would motivate the property owner to correct the violations.

The Auditor's Office also finds that had the property owner addressed the violations within a reasonable time, the corrections would have been less costly and the degree of difficulty to correct the violations would have been much reduced.