

IMPACT STATEMENT

Legislation title: Initiate foreclosure sale on one property for the recovery of a delinquent City lien placed against the property. (Ordinance)

Contact name: Marco Maciel

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Presenter name: Sarah Landis and Marco Maciel

Purpose of proposed legislation and background information:

This ordinance authorizes the City Treasurer to begin foreclosure proceedings on one property with a delinquent lien that is eligible for foreclosure under City Code 5.30. The lien was placed against the property by the Bureau of Development Services for a code violation and is delinquent on the lien payment.

This property is included on the third foreclosure list set to come before Council as part of a coordinated effort by the Mayor's Office, Development Services, the Police Bureau, the Auditor's Office, and the Office of Neighborhood Involvement to actively pursue remedies, including foreclosure, for vacant and distressed properties. This property has been identified as causing significant problems for neighbors.

The Foreclosure Manager in the Auditor's Office has reviewed the case to ensure it meets criteria for foreclosure. He has also reviewed whether any aggravating or mitigating conditions exist within the case history that would prevent the City from moving forward with foreclosure or warrant an adjustment of the lien amount. The property on this foreclosure list has also been sent notification of pending foreclosure action.

Financial and budgetary impacts:

Once the City forecloses on this property and the Treasurer executes the foreclosure sale, proceeds generated by the sale will recover the cost of conducting the sale; the amount owed on the lien; and collections and foreclosure costs for the Auditor's Office, the Treasurer and the Bureaus of Development Services.

Based on the number and amount of the liens, as of December 12, 2016 the amount expected to be recovered is \$129,376.64. Actual cost recovery may differ.

Community impacts and community involvement:

The Mayor's Office has convened work sessions and monthly meetings at which community members have spoken about the adverse neighborhood effects of having vacant, abandoned properties nearby. Such homes have problems with squatters, criminal behavior, and unsafe or unhealthy conditions. Foreclosure is one tool to resolve blight and put properties back into productive use.

Budgetary Impact Worksheet**Does this action change appropriations?**

- ☐ **YES:** Please complete the information below.
- ☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount



Portland City Auditor
Assessments, Finance & Foreclosure

Auditor Mary Hull Caballero

Foreclosure Manager Marco Maciel

December 13, 2016

To: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman

From: Mary Hull Caballero, City Auditor

Subject: Foreclosure List 2016-03

Attached is a report listing one property that is eligible for foreclosure because of a delinquent lien. It will be considered for foreclosure by Council at the December 21, 2016, meeting as part of the regular agenda. This property has a lien placed by the Bureau of Development Services as part of its Code enforcement and nuisance abatement responsibilities. The lien is delinquent and meets the requirements for foreclosure under City Code 5.30.

The Bureau of Development Services, working in collaboration with Portland Police, the Office of Neighborhood Involvement, and the Mayor's Office, identified 14 properties for potential foreclosure in October 2016 and forwarded these on to the Auditor's Office for consideration for foreclosure. These properties were prioritized because of lengthy histories of health and safety violations, numerous police calls, negative effects on neighborhoods, and lack of responsiveness and corrective action by the property owners.

The Foreclosure Manager reviewed each property and evaluated it against the criteria provided in Code for any lien adjustments. Finding no mitigating factors that would warrant an adjustment, the cases were not submitted to the Collections Committee. Code states that the Auditor may adjust lien amounts; the Collections Committee's role is to approve, reject or amend the Auditor's recommendations on lien adjustments. Initially, the Foreclosure Manager prepared to submit four of these properties to Council for a vote on foreclosure. However, three of properties were removed from the list because the liens were paid off or the property had been sold or was in the process of closing on a sale.

The report contains two sections: Exhibit A is the foreclosure list with information on the property under consideration for foreclosure. Exhibit B contains case background and summary information for the property.



City of Portland

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Amendment for Item 1451: Adding an Emergency Clause

Section 2. The Council declares that an emergency exists in order that the current Council may act on the foreclosure; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.