



June 19, 2018

To: Mayor Ted Wheeler  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Chloe Eudaly  
Commissioner Dan Saltzman

From: Mary Hull Caballero, City Auditor *MHC*

Subject: Foreclosure List 2018-02

Attached is a report listing four properties that are eligible for foreclosure because of delinquent liens with the City of Portland. They will be considered for foreclosure by Council at the June 27, 2018, meeting at 10:15 A.M.

Each property has one or more liens placed by the Bureau of Development Services (Development Services) as part of its code enforcement and nuisance abatement responsibilities. In addition, one of the properties has a lien placed by the Bureau of Environmental Services for the Mid-County Sewer project. These properties are delinquent on lien repayment and meet the requirements for foreclosure under Portland City Code Chapter 5.30.

The properties included in this report were identified by Development Services, working in collaboration with Portland Police Bureau and the Office of Neighborhood Involvement. They have been prioritized for foreclosure 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 Auditor's Foreclosure Manager reviewed each property and evaluated it against the criteria provided in City Code for any lien adjustments. City Code states that the Auditor may adjust lien amounts; the City's Collections Committee's role is to approve, reject or amend the Auditor's recommendations on lien adjustments. The cases were not submitted to the Collections Committee as the Foreclosure Manager found no mitigating factors that would warrant an adjustment.



The subject of Vacant and Distressed Properties was discussed when the Collections Committee last convened. There was consensus that if the property was distressed, vacant, or abandoned, and the property owner had made no attempt to correct the violations, there was no need to submit the case to the Committee.

The Report contains two sections: Exhibit A is the list of properties to be considered for foreclosure. Exhibit B contains case background and summary information for each property that is being presented to Council for approval.

**REPORT TO COUNCIL  
Foreclosure List 2018-02**

189100

Property Owner	Tax Roll Description	Property Address	Lien Account	Amount Owed	Tax Acct	Assessment Date	Delinquency Date	Property Type	Lien Type	No. Liens
1 NORMAN T YEE	FORWARDS HOME SITES; BLOCK 3; S 38' OF LOT 2; N 32' OF LOT 3	544 SE 137TH AVE	86817	\$5,201.88	R293001150	2/11/93	8/31/06	RESIDENTIAL IMPROVED	MID-CO SDC CIP	7
			152780	\$1,637.13	R293001150	12/10/12	1/17/13	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			156390	\$3,087.18	R293001150	1/10/15	2/12/15	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			159421	\$12,284.18	R293001150	8/18/16	9/22/16	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	
			159984	\$527.68	R293001150	12/18/16	1/26/17	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	
			162378	\$5,627.61	R293001150	8/28/17	10/5/17	RESIDENTIAL IMPROVED	CODE VIOLATION	
			163098	\$2,923.56	R293001150	12/28/17	2/8/18	RESIDENTIAL IMPROVED	CODE VIOLATION	
			<b>TOTAL</b>	<b>\$31,289.22</b>						
2 NORMAN T YEE	PORTSMOUTH; BLOCK 26; LOT 4; WLY 1/2 OF LOT 5	5616 N HARVARD ST	155962	\$15,801.97	R669905600	10/18/14	3/24/16	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	4
			158561	\$2,744.46	R669905600	3/10/16	4/14/16	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			161026	\$2,718.87	R669905600	6/10/17	7/20/17	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			164652	\$2,176.86	R669905600	4/10/18	5/17/18	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			<b>TOTAL</b>	<b>\$23,442.16</b>						
3 NORMAN T YEE	BERRYS ADD, BLOCK 1, LOT 4	8516 N CALHOUN AVE	161084	\$6,144.21	R073800040	6/18/2017	7/27/2017	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	1
<b>TOTAL</b>	<b>\$6,144.21</b>									
4 NORMAN T YEE	VERNON, BLOCK 53, LOT 16	4725 NE 22ND AVE	160921	\$6,797.43	R860711100	5/18/2017	6/22/2017	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	1
<b>TOTAL</b>	<b>\$6,797.43</b>									
<b>TOTAL AMOUNT OWED AS OF 5/30/2018</b>		<b>\$67,673.02</b>								
<b>TOTAL NUMBER OF PROPERTIES</b>		<b>4</b>								
<b>TOTAL NUMBER OF LIENS</b>		<b>13</b>								



### Foreclosure Recommendation Report

#### 544 SE 137TH AVE.

The Auditor’s Office recommends foreclosure on **544 SE 137th Ave.** for delinquent City liens. The lien accounts meet 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>	544 SE 137th Ave.
<b>Recorded Property Owner:</b>	OREGON STATE OF(DVA) CP: YEE, NORMAN 19390576
<b>Property ID:</b>	R293001150 – R165724
<b>Lien Account Numbers:</b>	86817, 152780, 156390, 159421, 159984, 162378 and 163098
<b>Type of Liens:</b>	MID-CO SDC CIP, Nuisance- GF Invoice and Code Enforcement Fees
<b>Use of Property:</b>	Single Family Dwelling, currently unoccupied
<b>Amount of Delinquent Liens as of May 30, 2018:</b>	<b>\$29,829.39</b>
<b>Payoff Amount Recommended as of May 30, 2018:</b>	<b>\$29,829.39</b>

#### General Information

This property is included on the list of “Distressed Vacant Properties” provided by the Bureau of Development Services (Development Services) and identified as priority for foreclosure. Development Services and the Portland Police Bureau (Police Bureau) have expressed concerns that these properties are nuisances to the neighborhoods where they are located. In many instances, the Police Bureau is frequently called to disturbances at these properties. Neighbors complain that many of these properties are inhabited by unlawful occupants 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***

This is an investment property owned by a property owner that since August of 2012 has been unable to properly maintain the property in compliance with Portland City Code (City Code). The violations of City Code Title 29 – Property Maintenance Regulations, originated with the first complaint received against the property on August 14, 2012. On August 21, 2012, the City inspector visited the property and noted the violations. The property owner was instructed to cut, remove and maintain all tall grass and weeds in the outdoor areas and remove all cut debris and any other debris concealed by vegetation.

After Follow-up inspections in 2012, the inspector reported that the required work was not finished, or that partial work was inadequate or incomplete. On October 10, 2012, the City filed in Multnomah Court an Affidavit for Administrative Search Warrant for Residential Premises to inspect the property, accompanied by a City Contractor, Multnomah County Animal Services Officer and a police Officer of the City of Portland, to enter the exterior of the property to perform the nuisance abatement.

On November 6, 2012, the City inspector in the Return of the Search Warrant specified that the inspector did not execute the warrant on the property because the conditions that were in violations of City Code Title 29 Section 29.20 were removed or abated by the property owner or occupant.

On May 13, 2014, a complaint was received by Development Services that the property was open to entry, overgrown vegetation and the property was vacant. On July 10, the inspector visited the property, detected the violations and noticed the property owner requiring correction of the violations within 15 days.

On August 1, 2014, the inspector rechecked the property and found the required work was not finished, or that partial work was inadequate or incomplete. An additional notice was sent to the property owner requiring correction and informing that a subsequent inspection would occur within few days and if the nuisance conditions remained at the property a work order inspection fee would be assessed.

On August 19, 2014, the inspector revisited the property and documented the state of the property by a set of pictures and conditions remained the same. On September 5, 2014, the inspector re-inspected the property and confirmed that the condition at the property remained uncorrected, or that partial work was inadequate or incomplete. On September 5, 2014, the final notice – Referral for Nuisance Abatement was mailed to the property owner. This notice gave the property owner the last opportunity prior to a City contractor abating the nuisance conditions.

On October 1, 2014, a City contractor performed a nuisance abatement at the property and on January 10, 2015 a lien was assessed against the property.

On June 6, 2016, Development Services received two complaints. The complainants described that unlawful occupants had moved into the vacant house with many cars “and lots of stuff.” The unlawful occupants built a large shed in the backyard and it appeared that people were living in it and were pumping water from rain barrels.

On June 24, 2016 the inspector visited the property and documented and photographed the inspection and provided notice to the property owner requesting correction of the violations. The violations included Fire and Life Safety and Health Sanitation Violations. The notice determined that corrections of

the fire, life, safety and/or health, sanitation violations where to take place in 30 days or if the violations continue beyond the deadline a lien would be placed against the property.

On July 13, 2016, the inspector following up on a referral from the Police Bureau contacted the occupant by phone. The occupant said that she had a lease agreement with the property owner and she met with him in a bar every month to make the lease payment in cash. The inspector contacted the garbage hauler servicer to check if there was active service to the property, which was confirmed.

The inspector also made an appointment with the occupant to check the veracity of the lease agreement. Two days later, the inspector met with the occupant at the property and the occupant produced a lease agreement sign by the property owner. The occupant also stated that the property was being served by power, water and garbage and that the condition of the property was good; however, the occupant did not allow the inspector inside the property.

Prior to closing the case, the inspector contacted the police officer who referred the case to Development Services to check the status of the case from the Police Bureau perspective.

On August 1, 2016, the inspector re-checked water service, based on the officer assertion that the lease agreement was forged. The inspector also contacted the water utility provider and was informed that the water was off. The utility also stated that the occupants have tampered with the meter in attempts to re-start the services.

After many inspections and no response from the property owner, the inspector filed a complaint with the City's Code Hearings Office on October 27, 2016 to vacate. The Hearing was scheduled for November 28, 2016. In preparation for the Hearing, the inspector contacted the Oregon State Department of Veterans' Affairs (ODVA) to understand the interest that ODVA may still have in the property. Most of the properties owned by the property owner, Mr. Norman Yee, were purchased on a private contract from ODVA. In its response, ODVA indicated that it has no interest, claim or ownership in the property.

No person representing the property owner, the occupants or a person having interest in the property appeared at the scheduled Hearing. On December 13, 2016, the vacate Hearing order was granted if water and unlawful occupant issues were not corrected prior to December 19, 2016.

On December 19, 2016, the inspector went to the property to execute the corrections and the property appeared to be vacated, which was later confirmed by a neighbor. However, the shed was visible in the back being open to entry and lacking a roof. Based on the Hearing order to vacate, the inspector requested a warrant to secure and clean up the property to prevent it from being re-occupied without services while it existed with code violations. On March 27, 2017, the inspector filed in Multnomah Court an Affidavit for Administrative Search Warrant for Residential Premises accompanied by a City Contractor, and a police officer to enter the property to vacate and board it up.

After three additional inspections, on April 7, 2017, the inspector met with the contractor and the police officer to vacate and board the property up. The inspector, during the execution of the warrant found minor violations and sent a notice to the property owner requesting corrections. Two weeks later the inspector re-checked the property and confirmed that there was no violation and the dwelling appears to be secure.

On June 2, 2017, the inspector went back to the property for a routine inspection and post a new Extreme Distressed Property Enforcement Program (EDPEP) "No Trespassing" sign, check the property and found the property secure and no signs of occupation in the yard. A few days later, responding to a complaint, the inspector checked the property and found one of the sheds open to entry; however, there was no sign of occupation.

In July 2017, the inspector re-inspected the property for nuisance conditions and found the shed in the back of the property open to entry, some trash and debris and tall grass throughout. The inspector decided to request a warrant for summary abatement. In accordance with the Hearings Officer's order, the inspector submitted a notice of Nuisance Charges to process any unpaid penalties.

On August 23, 2017, the inspector placed a request to the City's Code Hearings Officer to charge the costs of the abatement of the nuisance and establish a lien. In addition, the inspector filed a motion with the Hearings Officer to extend the hearing order because of lack of correction. The motion extending the Hearings Officer's jurisdiction was approved on November 29, 2017. Subsequently, another lien was created.

### ***Police Involvement***

Police data from May 3, 2011 through April 13, 2018, show that there have been 26 calls for service to this address. The majority of calls were related to Premise Checks (9 calls) and Suspicious Circumstances (7) and were Dispatched.

Outside of the listed address, 133 other non-traffic calls for service were made within 200 feet of the property. Calls within the most common call group (Disorder) were related to a variety of issues, the most common being Disturbances (25)

As shown in the Police Department data, there is a great negative impact of such properties to the neighborhood.

### ***Lien Details***

There are seven liens placed by the City against the property.

<b>Lien Number</b>	<b>Assessment Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Penalty</b>	<b>Cost</b>	<b>Total</b>
86817	03/17/1993	1,408.57	1,188.67	1,958.54	492.00	\$5,047.78
152780	12/10/2012	771.13	485.87	115.80	239.00	\$1,611.80
156390	01/10/2015	1,954.82	742.23	171.15	164.00	\$3,032.20
159421	08/18/2016	10,177.20	863.99	216.27	54.00	\$11,311.46
159984	12/18/2016	394.90	55.00	11.88	42.00	\$503.78
162378	08/20/2017	5,050.12	300.52	63.15	68.00	\$5,481.79
163098	12/28/2017	2,780.64	53.94	0.00	6.00	\$2,840.58
<b>Total</b>		<b>\$22,537.38</b>	<b>\$3,690.22</b>	<b>\$2,536.79</b>	<b>\$1,065.00</b>	<b>\$29,829.39</b>

**The amounts owed reflected in the table are as of May 30, 2018**

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

Multnomah County records show the State of Oregon Department of Veterans' Affairs as the owner of records and Mr. Norman Tung Yee as the contract purchaser. The Department of Veterans' Affairs in a letter to the City of Portland Auditor's Office stated that the loan was paid in full on March 8, 2012 and "ODVA has absolutely no interest in the property". Deed transferring ownership of the property was issued and mailed to Mr. Yee shortly after the property was paid in full and, at the request of Mr. Yee, a replacement deed was mailed to him again.

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

From August 14, 2012 through January 5, 2018, the City has mailed 29 notifications and 117 monthly billing statements to the property owner. In addition, there were several phone calls with the property owner's counsel in addition to meetings attended by the property owner, counsel and property manager.

### ***Evaluation 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 because 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**

According to information provided by Development Services, staff members have inspected the property on 14 occasions since the detection of the violations.

The City mailed 29 notices to the property owner and 117 monthly billing statements, besides Police Bureau interventions that required the presence of police officers to the property or vicinities.

The property owner has had four properties included in one of the previous foreclosure lists. The property owner sold two of the four properties and satisfied the outstanding balances on the two remaining properties.

The property owner approached both Development Services and the City Auditor's Office immediately after the foreclosure list was approved by City Council and requested an opportunity to address the violations existing on the remaining properties.

The City agreed; however, requested the property owner be represented by counsel and a property manager. Shortly after, the City was contacted by counsel and a property manager requesting a meeting to discuss the rehabilitation of the properties owned by Mr. Yee.

A meeting was scheduled between the City's representatives and the property owner's representatives and a Memorandum of Understanding was drafted and submitted to the property owner's representatives to be signed, providing the property owner with an opportunity to abate and cure the violations on the remaining properties.

The City offered an opportunity to the property owner to rehabilitate the properties and mitigate the negative impact that the properties have caused to its neighbors and neighborhood. The property owner did not sign the Memorandum of Understanding and has made no efforts to explain an inability to maintain the properties.

During the time that the property has not complied with City Code, the property owner has allowed several violations of City Code to occur without correcting them. Currently, there are seven delinquent City liens placed against this property.

The violations that occurred in the property were health sanitation and safety violations that jeopardized the welfare of the neighbors and the community. Therefore, they were of high gravity and magnitude. The violations were also repeated and continuous.

Based on the information contained in this report, the condition of the property, and the fact that this property has been included in the Bureau of Development Services' Extremely Distressed Properties Enforcement Program (EDPEP), the property meets the foreclosure criteria; therefore, the Auditor's Office recommends that Council approves this property for foreclosure.



## Foreclosure Recommendation Report

### 5616 N Harvard St.

The Auditor's Office recommends foreclosure on **5616 N Harvard St.** for delinquent City liens. The lien accounts meet 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>	5616 N Harvard St.
<b>Recorded Property Owner:</b>	NORMAN YEE
<b>Property ID:</b>	R669905600 – R248389
<b>Lien Account Numbers:</b>	155962, 158561, 161026 and 164652
<b>Type of Liens:</b>	Nuisance- GF Invoice and Code Enforcement Fees
<b>Use of Property:</b>	Single Family Dwelling, currently unoccupied
<b>Amount of Delinquent Liens as of May 30, 2018:</b>	<b>\$23,182.12</b>
<b>Payoff Amount Recommended as of May 30, 2018:</b>	<b>\$23,182.12</b>

#### *General Information*

This property is included on the list of "Vacant and Distressed Properties" provided by the Bureau of Development Services (Development Services) and identified as priority for foreclosure. Development Services and the Portland Police Bureau (Police Bureau) have expressed concerns that these properties are nuisances to the neighborhoods where they are located. In many instances, the Police Bureau is frequently called to disturbances at these properties. 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.

Most 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***

The property owner has had a long history of neglecting the maintenance of his properties leaving behind a trail of blights in many of neighborhoods. Consequently, Development Services is required to spend scarce resources mitigating the negative impact the properties bring to communities.

Presently, the property owner has 10 properties that are not in compliance with Portland City Code (City Code) Title 29 – Property Maintenance Regulations. Development Services and the Auditor’s Office have attempted to persuade the property owner to sell or rehabilitate the properties and in the process benefit from his assets.

The first violation was detected by the City on August 12, 2014. A City inspector visited the property and found violations of City Code that involved Fire, Life, Safety and/or Health, Sanitation violations. The property owner was properly notified and given 30 days to correct the violations. The notification clarified that if the property is vacant or becomes vacant, it cannot be occupied unless the violations are corrected. This case is still open and unresolved.

In July 2015, Development Services received two complains reporting that there were unlawful occupants sleeping on the porch. On July 27, 2015, the City inspector visited the property and verified tall grass and weeds in the yard and accumulation of non-trash items stored in the outdoor areas of the property and adjacent rights of way, including but not limited to indoor furniture. A notice to remove nuisance was sent to the property owner.

In August 2015, the inspector went back to re-check if the nuisance conditions were corrected. There was no indication of any changes from the previous inspection. The inspector provided notice to the property owner with an impending work order, giving August 13, 2015 as the deadline to correct the violations, otherwise the City would assess a work order inspection fee against the property.

On October 5, 2015, the inspector returned to the property and conditions remained the same, except for non-trash items which had been removed. On November 13, 2015, the inspector went back to the property for a follow-up inspection and conditions were unchanged.

On October 20, 2015, the City filed in Multnomah County Circuit Court an Affidavit for Administrative Search – Warrant for Residential Premises to inspect the property to remove conditions that constituted violations of Property Maintenance Regulations.

On December 15, 2015, the warrant was served and executed, the property owner notified and a nuisance lien was assessed against the property in March of 2016.

On May 13, 2016, Development Services received a complaint about the conditions of this property. On May 23, 2016, a City inspector visited the property and noted that the property was in violation of City Code Title 29 – Property Maintenance Regulations. A notice was mailed to the property owner requesting to abate the violations within 15 days and that the property would be re-inspected on or after June 8, 2016.

On June 20, 2016, the inspector re-inspected the property found the required work was not finished or that partial work was inadequate or incomplete. On June 21, 2016, the property owner was notified with an impending work order notice explaining that enforcement actions would take place if the nuisance conditions remained at the property. It also stated that the inspector would visit the property

within the next few business days if the nuisance conditions remained and that a fee would be assessed against the property.

On November 10, 2016, the City inspector visited the property and conditions were deteriorating. The inspector noticed the property owner with a final referral notice for nuisance abatement. On December 27, 2016, the inspector returned to the property to check the conditions and they were unchanged.

On January 27, 2017, a City inspector requested an Administrative Search Warrant be issued to allow the inspector to enter the exterior portion of the property to abate the nuisance conditions existent. On March 7, 2017 the warrant was executed by the inspector accompanied by a City Contractor, Multnomah County Animal Services Officers and a police officer.

On May 11, 2017, a notice of nuisance charges was mailed to the property owner and on June 17, 2017, a lien was assessed against the property.

On June 29, 2017, the City received a complaint that the yard of this property had tall grass and weeds. Following the complaints, the City inspector inspected the property and asserted that the property was not in compliance with City Code Title 29 – Property Maintenance Regulations. On July 27, 2017, a notice was sent to the property owner requesting the abatement of the nuisance by August 11, 2017.

On August 15, the inspector re-checked the property and found the required work was not finished or that partial work was inadequate or incomplete. The notice informed that the inspector would re-inspect the property within the following week and if conditions were not corrected there would be an assessment charged and a lien placed against the property.

On November 21, 2017, a final notice referral for nuisance abatement was sent to the property owner and on December 8, 2017 the inspector returned to the property for a re-inspection. Prior to sending the final notice of nuisance abatement, the inspector visited the property and no correction had occurred.

On December 15, 2017, the final notice for nuisance abatement was mailed to the property owner.

On January 8, 2018, Development Services obtained a warrant to remove the conditions that violated City Code and on January 18, 2018 the warrant was served, executed and a nuisance lien was assessed against the property.

### ***Police Involvement***

Police data from June 4, 2011 through April 2018, show that there have been no calls for service to this address.

Outside of the listed address, 49 other non-traffic calls for service were made within 200 feet of the property. Calls within the most common call group (Crime) were related to a variety of issues, the most common being Stolen Vehicles (8 calls) and Theft (6). Calls related to Disorder occurred almost as frequently as Crime, and were related to Disturbances (8), Premise Checks (4), Suspicious Circumstances (4), and Shots Fired (2).

**Lien Details**

There are four liens placed by the City against this property.

Lien Number	Assessment Date	Principal	Interest	Penalty	Cost	Total
155962	10/18/2014	13,470.54	1,668.52	416.94	72.00	<b>\$15,628.00</b>
158561	03/10/2016	1,978.30	494.25	118.80	125.00	<b>\$2,716.35</b>
161026	06/10/2017	2,366.10	236.46	53.28	30.00	<b>\$2,685.84</b>
164652	04/10/2018	2,151.93	0.00	0.00	0.00	<b>2,151.93</b>
<b>Total</b>		<b>\$19,966.87</b>	<b>\$2,399.23</b>	<b>\$589.02</b>	<b>\$227.00</b>	<b>\$23,182.12</b>
<b>The amounts owed reflected in the table are as of May 30, 2018</b>						

**Ownership/Interest**

Multnomah County records show Mr. Norman Tung Yee as the owner of records. According to the Oregon Department of Veterans' Affairs (ODVA), this property was paid in full on May 17, 2009 and the ODVA has written to the City of Portland stating that the "ODVA has absolutely no interest in this property."

**Communication with Owner**

From August 12, 2014 through May 9, 2018, the City has mailed 45 notifications and 60 monthly billing statements to the property owner. There were personal contacts and meetings involving the City, the property owner and the owner's counsels. The property owner requested an opportunity to rehabilitate the properties, to which both Development Services and the Auditor's Office agreed. A Stipulated Agreement was drafted and submitted to the property owner, through his Counsel, but it was never honored.

The agreement stipulated that the property owner shall correct all cited violations within six months from October 25, 2017. The agreement stipulated that if the property owner failed to meet any of the conditions and timelines listed under the agreement, the property owner understood that the City would initiate City foreclosure action on all eligible outstanding lien accounts.

**Evaluation 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 on the next page:

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 because 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**

According to information provided by Development Services, staff members have inspected the property on 13 occasions since the detection of the violations.

The City mailed 45 notices to the property owner and 60 monthly billing statements, besides Police Bureau interventions that required the presence of police officers in the vicinities of the property.

This case is no different than the other cases involving properties belonging to the same property owner. The property owner has failed to fully correct violations, failed to respond to requests to correct violations, has benefitted economically through his failure to correct violations and for many years has forced the City to commit significant resources in monitoring and abating violations of City Code Title 29 – Property Maintenance Regulations.

Both Development Services and the Police Bureau have been securing and re-securing any opening at the property to preserve public health and safety for over 4 years.

Many of the violations were repeated and continuous and intentionally and negligently caused by the property owner in complete disregard for the well-being of neighbors and the community.

Based on the information contained in this report, the Auditor's Office recommends that Council approves this property for foreclosure.



## Foreclosure Recommendation Report

### 8516 N Calhoun Ave.

The Auditor's Office recommends foreclosure on 8516 N Calhoun Avenue for delinquent City liens. The lien accounts meet 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>	8516 N Calhoun Ave.
<b>Recorded Property Owner:</b>	Norman Tung Yee
<b>Property ID:</b>	R073800040
<b>Lien Account Numbers:</b>	161084
<b>Type of Liens:</b>	Code Enforcement Fees
<b>Use of Property:</b>	Single Family Dwelling, currently unoccupied
<b>Amount of Delinquent Liens as of May 31, 2018:</b>	<b>\$6,144.21</b>
<b>Payoff Amount Recommended as of May 31, 2018:</b>	<b>\$6,144.21</b>

#### *General Information*

This property is included on the list of "Vacant and Distressed Properties" provided by the Bureau of Development Services (Development Services) and identified as priority for foreclosure. Development Services and the Portland Police Bureau (Police Bureau) have expressed concerns that these properties are nuisances to the neighborhoods where they are located. In many instances, the Police Bureau is frequently called to disturbances at these properties. Neighbors complain that many of these properties are inhabited by unlawful occupants 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, there were serious violations of Portland City Code (City Code). Between August 02, 2012 and January 21, 2016, there were eight inspections to the property and no efforts from the property owner to correct the violations detected by the City inspectors. Amongst the violations there were three nuisances all abated by the City.

During one of the City's inspections, the inspector had a conversation with one of the neighbors whom informed the inspector that the property has been vacant for more the 14 years and that the disrepair and condition of the house has become a nuisance to the neighbors.

On March 31, 2014, one of the neighbors wrote to the City submitting a complaint regard the property. In the complaint the neighbor voiced the fact that the "vacant house...has broken windows, collapsing chimney into the neighbor's driveway, trash and the presence of rodents in and around the yard."

By the end of 2014 there were 10 violations including Health Sanitation Violation, collapsing roof, collapsing chimney and the City of Portland declared the property as a derelict building-- according to City Code section 29.40.010 A.

This property is owned by an investor who has a distinct pattern of operation. He acquires properties, in general with a very poor record of maintenance and does not perform any improvements to the properties. The properties are left as they were acquired and become eroded for lack of occupancy and repairs.

This property owner has 10 other properties in similar circumstances. They are nuisances to the neighborhoods where they are located and forces the City to spend resources abating nuisances, City Code violations and the Police Bureau receives frequent calls for services at the locations.

As of March 27, 2018, there were 11 uncorrected violations including Health Sanitation Violations. The property is a derelict building as defined by City Code, the chimney at the back of the dwelling has collapsed, portions of the roof covering are deteriorated and damaged resulting in weather entry.

***Police Involvement***

In October 2015, according to the inspector's notes, there was suspicion of possible unlawful occupants in the house. Therefore, on November 24, 2015, a police officer was present with the City inspector to serve and execute an administrative warrant.

Police data from June 27, 2011 through April 13, 2018, show that there have been 19 calls for service to this address. These were related to Premise Checks (11 calls) and were dispatched.

Outside of the listed address, 49 other non-traffic calls for service were made within 200 feet of the property. Calls within the most common call group (Disorder) were related to a variety of issues, the most common being Disturbances (6), and Welfare Checks (4). Calls related to Crime occurred half as frequently as those related to Disorder, and were mostly related to types of larceny or threatening behavior.



***Lien Details***

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

<b>Lien Number</b>	<b>Assessment Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Penalty</b>	<b>Costs</b>	<b>Total</b>
161084	06/18/2017	5,654.00	366.74	90.47	33.00	<b>\$6,144.21</b>
<b>Total</b>		<b>5,654.00</b>	<b>366.74</b>	<b>90.47</b>	<b>33.00</b>	<b>\$6,144.21</b>

**The amounts owed reflected in the table are as of May 31, 2018.**

***Ownership/Interest***

Although Multnomah County records show the State of Oregon Department of Veterans Affairs as the owner of records, the Department of Veterans Affairs confirmed that no longer has any interest in the property. The loan was paid off on September 27, 2010; however, the current owner has not conveyed the property to his name.

According to the inspector's notes, this property has been unoccupied for over 14 years.

***Communication with Owner***

There have been many attempts to communicate with the property owner since the first lien was assessed. The City has mailed 11 monthly billing statements to the property owner. There were 13 written communications, among them 12 certified letters, in addition to two telephone calls to the property owner or a party of interest.

***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 on the next page:

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 this property and its history of violations using the criteria listed above and 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 has made the decision not to comply with City Code. The history of non-compliance with City Code is a pattern with this property owner, negatively impacting the neighborhoods where the property is located. In addition, the City is forced to spend limited resources to abate the violations and maintain law and order.

The history of non-compliance dates to the first inspection that took place on August 2, 2012, when the City Inspector detected the violations and contacted the property owner.

From the first inspection to date, the property owner made one attempt to partially repair the collapsing chimney, which finally collapsed not long after the repairs were performed.

According to information provided by Development Services, staff members have inspected the property on eight occasions and requested three Affidavit for Administrative Search Warrants to abate violations.

Based on inspector's reports, there are 11 violations to City Code Title 29 including Health Sanitation Violations. The property has not been occupied for over 14 years and in accordance with City Code section 29.40.010 A the bureau director declared the property a derelict building.

Based on the information contained in this report, the Auditor's Office recommends that Council approves this property for foreclosure.



## Foreclosure Recommendation Report

**4725 NE 22nd Ave.**

The Auditor's Office recommends foreclosure on 4725 NE 22<sup>nd</sup> Avenue for delinquent City liens. The lien accounts meet 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>	4725 NE 22 <sup>nd</sup> Ave.
<b>Recorded Property Owner:</b>	Norman Tung Yee
<b>Property ID:</b>	R860711100
<b>Lien Account Numbers:</b>	160921
<b>Type of Liens:</b>	Code Enforcement Fees
<b>Use of Property:</b>	Single Family Dwelling currently unoccupied
<b>Amount of Delinquent Liens as of May 31, 2018:</b>	<b>\$6,797.43</b>
<b>Payoff Amount Recommended as of May 31, 2018:</b>	<b>\$6,797.43</b>

### *General Information*

This property is included on the list of "Vacant and Distressed Properties" provided by the Bureau of Development Services (Development Services) and identified as priority for foreclosure. Development Services and the Portland Police Bureau (Police Bureau) have expressed concerns that these properties are nuisances to the neighborhoods where they are located. In many instances, the Police Bureau is frequently called to disturbances at these properties. Neighbors complain that many of these properties are inhabited by unlawful occupants 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, this property has a history of serious violations of City Code Title 29 – Property Maintenance Regulations. From May 2009 through May 2018, there were 10 inspections to the property and no serious efforts from the property owner to correct the violations.

During the City's first inspection in May 2009, 13 violations to City Code Title 29 were detected, including Fire and Life Safety Violations.

Development Services received 11 complaints against the condition of this property since the first inspection was performed. The complaints ranged from the state of abandonment of the property to the adverse impact the property was causing to those living in its vicinity.

In September 2009, Development Services instituted a "Lien Amnesty Program" attempting to motivate property owners with lien payment delinquencies. This property owner initially showed some interest but never made any efforts to take advantage of the program.

By September 2014, the number of violations had increased to 18 and there was no indication that the property owner intervened to resolve any of them.

During the period of City Code violations, this property has experienced an increase in decay. At one point, the property was almost entirely engulfed by overgrown vegetation, raccoons living in the garage and none of the listed violations resolved.

According to neighbors' complaints, the property has been vacant for over nine years, consequently forcing the City to devote resources to minimize the negative impact to the neighbors.

An important City inspector's note states that according to City Code Title 29, if the conditions at a property are too poor, creating conditions for Fire and Life Safety issues, the conditions can be abated without prior notice through a "Summary abatement". The summary abatement was utilized in this property on three occasions: February 11, 2013, September 11, 2014 and January 15, 2016.

### ***Police Involvement***

Police data from June 29, 2011 through April 13, 2018 show that there have been three calls for service to this address. This included two Premise Checks.

Outside of the listed address, 76 other non-traffic calls for service were made within 200 feet of the property. Calls within the most common call group (Disorder) were related to a variety of issues, the most common being Disturbances (14 calls).

**Lien Details**

There is 1 lien placed by the City against the property.

Lien Number	Assessment Date	Principal	Interest	Penalty	Costs	Total
160921	05/18/2017	6,219.40	434.60	107.43	36.00	6,797.43
<b>Total</b>		<b>6,219.40</b>	<b>434.60</b>	<b>107.43</b>	<b>36.00</b>	<b>\$6,797.43</b>
<b>The amounts owed reflected in the table are as of May 31, 2018.</b>						

**Ownership/Interest**

Multnomah County records show the State of Oregon Department of Veterans Affairs as the owner of records and Mr. Norman Tung Yee as the contract purchaser. The Department of Veterans Affairs stated that the loan was paid off on July 11, 2006. The ODVA's name is still shown as the owner of records because the property owner has not conveyed the property to his name.

According to the City's inspectors' notes, conversations with neighbors and complaints filed against the property, the property has been unoccupied for over six years.

**Communication with Owner**

There have been many attempts to communicate with the property owner since the first lien was assessed on July 10, 2009. During the last 24 months, the City has mailed 21 monthly billing statements to the property owner. There were 21 written communications to the property owner including three certified letters in the last 90 days and numerous unsuccessful telephone contacts.

**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 on the next page:

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 this property and its history of violations using the criteria listed above and 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 has made the decision not to comply with City Code. The history of non-compliance with City Code is a pattern with this property owner.

The property owner owns properties in Multnomah, Clackamas and Washington Counties and there is a history of non-compliance with City Code and taxes levied against his properties.

There were 10 complaints filed against this property. Development Service's staff members have inspected the property on 10 occasions in the last 24 months and 1 Affidavit for Administrative Search Warrants was requested since the first inspection.

The property has been in complete disrepair, unoccupied or vacant for over 8 years and the property owner has shown no consideration to the residents who live in the proximity of the property.

According to the information provided, the City has spent a lot of resources to abate nuisances, to enforce compliance with City Code attempting to minimize the negative impact of the property owner's actions.

This property is characterized by Development Services as one of "un-maintained properties with chronic nuisance and housing conditions that create risks of fire and public health hazards."

Based on the information contained in this report, the Auditor's Office recommends that Council approves this property for foreclosure.