

## IMPACT STATEMENT

**Legislation title:** Initiate foreclosure action on four properties for the collection of delinquent City Liens. (Ordinance)

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### **Purpose of proposed legislation and background information:**

This ordinance begins foreclosure proceedings on four properties with delinquent City liens that are eligible for foreclosure under City Code 5.30. The liens were placed against the properties by the Bureau of Development Services for code enforcement, code violations, nuisance abatement or chronic offender violations and are delinquent on their lien payments. In addition, one lien was placed by the Bureau of Environmental Services for system development charges related to the mid-county sewer charges.

These properties come before Council as part of a coordinated effort by the Mayor's Office, Bureau of Development Services and the Auditor's Office to actively pursue remedies, including foreclosure, for vacant and distressed properties. These properties have been identified as causing significant problems for neighbors and are the subject of multiple and frequent police calls and numerous enforcement activities.

The Foreclosure Manager in the Auditor's Office has reviewed each case to ensure it meets criteria for foreclosure. The Foreclosure Manager 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 lien amounts. Each of the properties on this foreclosure list also received notification of pending foreclosure action.

### **Financial and budgetary impacts:**

Once the City forecloses on these properties, proceeds generated by the sales will recover the cost of conducting the sales, the amount owed on liens, and collection and foreclosure costs for the Auditor's Office, the City Treasurer and the Bureau of Development Services. The mid-county liens were securing bonds sold to finance property owners sewer installment payment contracts.

Based on the number and amount of the liens, as of May 31, 2018 the amount expected to be recovered is \$67,673.02. Actual cost recovery may differ.

**Community impacts and community involvement:**

These properties have presented major problems for the neighbors and neighborhoods in the community. Problems include criminal behavior, unlawful occupants, and unsafe and/or unhealthy conditions. Foreclosure is being employed as one of the tools available to the City 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