

OFFICE OF MANAGEMENT AND FINANCE BUREAU OF REVENUE AND FINANCIAL SERVICES

Ted Wheeler, Mayor Thomas W. Lannom, Interim Chief Financial Officer Tyler Wallace, Interim Revenue Division Director

Mail to: PO Box 8834 Portland, OR 97207-8834 Email: liens@portlandoregon.gov

(503) 823-4090

Foreclosure Recommendation Report

The Revenue Division recommends foreclosure on **111 NE Killingsworth St** 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

Site Address: 111 NE Killingsworth Recorded Property Owner: Killingsworth Rodney LLC Property ID: R243146 Lien Account Numbers: 174916 and 175123 Type of Liens: Code Enforcement and Nuisance Use of Property: Single family, currently unoccupied Amount of Delinquent Lien: \$9,436.20 Payoff Amount Recommended: \$9,436.20, plus ancillary cost for foreclosure sale

General Information

Properties with delinquent liens greater than 90 days outstanding surface as part of a coordinated effort collaborating with the Bureau of Development Services (BDS) about "Distressed Vacant Properties" for a potential Council Foreclosure Sale List. BDS and the Portland Police Bureau have expressed concerns that these properties are nuisances in their neighborhoods. In many instances, the Police Bureau is called to disturbances at these properties frequently or within the surrounding area. 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.

Some of the properties are investment properties owned by absentee owners and financial institutions. These vacant and distressed properties are not generating income for the owner. The neglect by the owner caused the problems to exacerbate and the lien balance to increase over time. These properties drain City resources whether through services being rendered by BDS to secure the property or by the Police and Fire responding to calls at the residence or in the immediate area. These properties become eyesores in the community and pose a safety hazard.

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For the above mentioned reasons, the Revenue Division's recommendations are to retain the balance owed for these type of properties, except in cases where mitigating circumstances point toward improved property owner compliance resulting in a reduced lien amount approved by BDS.

Lien Details

Lien No.	Assessment Date	Lien Type	Balance
174916	2/18/2023	Code Enforcement	\$2,565.30
175123	4/10/2023	Nuisance	\$6,870.90
Total amount as of August 31, 2023			\$9,436.20

Please note the balance will be recalculated on the sale date.

Property Summary

The property changed ownership in March of 2022. Since then, there have been two significant fires and frequent squatter activity. City contractors under authority of a warrant completed a re-board and nuisance clean-up in early 2023. A new nuisance case was opened in April of 2023 and a violation notice sent to ownership in early May with a deadline to correct the violation by 5.17.23. Site inspection on 5.24.23 confirmed property open to entry and nuisance conditions present. Property has generated many complaints to BDS. Very limited engagement by ownership.

The oldest delinquent lien on this property is five months past due.

Police Involvement

From August 21, 2022, and July 23, 2023 there were 9 calls for service at this address, 6 of them for crime, the other for various reasons. Outside of the listed address there were 11 other calls within 200 feet of the property.

Evaluation Criteria

City Code 5.3.060 states that "the Revenue Division may evaluate individual delinquent open liens to develop recommendations on revising the payment amount of the lien and the payment terms".

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Recommendations for any adjustments must be based on the criteria summarized in the table below:

Criteria (City Code 5.30.060)		No	Unknown
Property owner has committed prior City Code violations or has a			
delinquent account			
Property owner has taken steps to correct violation or resolve any		\checkmark	
delinquency			
Property owner's financial condition allows to resolve the problem			\checkmark
Violation of high gravity and magnitude			
Violation was intentional or negligent caused by the property owner			
Violation was repeated or continuous			
High degree of difficulty to correct the violation or delinquency			
Economic or financial benefit accrued to property owner as a result of the		\checkmark	
violation			
Property owner is cooperative and making an effort to correct the violation		\checkmark	
Cost to the City to investigate and correct the violation			
Any other relevant factor			

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

Communication with Owner

The Liens Team sends monthly billing statements. If a property owner is unable to pay in full, the liens team can set up a payment arrangement plan. When an account is 30 days past due, a courtesy call is placed to offer assistance and set up a payment arrangement plan and a delinquency letter is mailed. A second delinquency letter is mailed when the account is 60 days past due and a certified with return receipt letter is mailed when the account is 90 days past due. Thereafter, the Foreclosure Prevention Manager calls the property owner and sends additional certified with return receipt foreclosure notices to the property owner and parties with an interest.

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The Liens Team has mailed out 6 letters to the Owner from May 1, 2023 – August 14, 2023. The Foreclosure notices were mailed certified with a return receipt request on July 11, 2023 to the property owner and July 18, to parties with an interest. A party with an interest is also pursuing foreclosure on the loan and has planned a sale for December 8, 2023. We have not received a signed return receipt from the property owner – only notice that the letter was unclaimed.

We do not have a valid phone number for the property owner. However, we have been in contact with the party with an interest by phone.

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