

## Initiate foreclosure action on ~~nine~~certain properties for the collection of delinquent City Liens placed against the properties

The City of Portland ordains:

Section 1. The Council finds:

1. Portland City Code Chapter 5.30 establishes a process for foreclosing delinquent liens on properties. The foreclosure process is generally used as a last resort, after repeated code violation fines and liens have gone unpaid.
2. Portland City Code section 5.30.100 requires the Bureau of Revenue and Financial Services, Revenue Division (Revenue) to prepare a proposed foreclosure list and submit the list to the City Council for action.
3. In May 2023, the Bureau of Development Services submitted nine properties it identified as priority Vacant and Distressed Properties to the Bureau of Revenue and Financial Services, Revenue Division for foreclosure consideration. After review of the properties, nine qualified to the foreclosure list and are being submitted to Council based on their potential to help solve public health, safety, or welfare objectives, pursuant of City Code 5.30.100. Additional consideration was given to the number of abatements, whether the property owner had multiple delinquencies and the negative impact the property was causing to the neighborhood.
4. Revenue mailed notices to the property owners and mortgagees, by certified mail with return receipts required, of pending foreclosure action on the property between July 11 and August 25, 2023, as required by Portland City Code section 5.30.050 (D).

NOW, THEREFORE, the Council directs:

- A. The City Council approves Foreclosure List 2023-01, as attached as Exhibit A, and directs the City Treasurer to begin foreclosure proceedings to sell the following properties:

- ~~1. 1225 NE 109th, Levine & Marvelene Smith Trust, owners of record. Tax no. R874000150~~

- ~~2.1.~~ 2.1. \_\_\_\_\_ 9124 NE Prescott St, Gerald K & Vicki L Decker, owners of record. Tax no. R727802220
- ~~3.~~ 3. ~~624-638 N Beech, Gregory Jon Martin, owner of record. Tax no. R146805700~~
- ~~4.2.~~ 4.2. \_\_\_\_\_ 111 NE Killingsworth St, Killingsworth Rodney LLC, owner of record. Tax no. R657800420
- ~~5.3.~~ 5.3. \_\_\_\_\_ 6417 SE 84th Ave, Michael A Jarvis, owner of record. Tax no. R992042010
- ~~6.4.~~ 6.4. \_\_\_\_\_ 6402 SE 103rd Ave, 103rd Multiplex LLC, owner of record. Tax no. R037001120
- ~~7.5.~~ 7.5. \_\_\_\_\_ 2826 SE 87th Ave, Kelly Freed, owner of record. Tax no. R432100900
- ~~8.6.~~ 8.6. \_\_\_\_\_ ~~1229 N Bryant, Shane A Allbee, owner of record. Tax no. R332303030~~
- ~~9.~~ 9. ~~14214 SE Crystal Springs, Diana Munden-Bush, owner of record. Tax no. R161101480~~
- B. The City Council accepts the Foreclosure Reports, attached as Exhibits ~~B-1,~~ B-2, ~~B-3,~~ B-4, B-5, B-6, and B-7, ~~and B-8,~~ and B-9.
- C. Pursuant to Portland City Code Chapter 5.30 and 5.30.210, the owner or any person having an interest in the property, or their legal representative, may redeem the property by paying the redemption price to the City Treasurer at any time within one year from the date of the foreclosure sale.

## Impact Statement

### Purpose of Proposed Legislation and Background Information

This ordinance begins foreclosure proceedings on ~~nine seven six five~~ 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. In addition, two of the liens are for system development charges, related to infrastructure improvements. All the liens are delinquent, and the violations have not been corrected.

These properties come before Council as part of a coordinated effort by the Mayor's Office, Bureau of Development Services and Office of Management and Finance's, Bureau of Revenue and Financial Services, Revenue Division 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 Prevention Manager in the Revenue Division has reviewed each case to ensure it meets criteria for foreclosure. The Foreclosure Prevention 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 has received notification of pending foreclosure action.

### **Financial and Budgetary Impacts**

Once the City forecloses on these properties, proceeds generated by the sale will recover the cost of conducting the sale, the amount owed on liens, and collection and foreclosure costs for the Revenue Division, the City Treasurer, and the Bureau of Development Services. The system development charges were securing bonds sold to finance property owners installment payment contracts.

Based on the number and amount of the liens, as of August 31, 2023, the amount expected to be recovered is ~~\$1,162,653.62 \$729,035.68 \$696,510.72 \$608,537.92~~. Actual cost recovery may differ.

There is no budgetary impact.

### **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.

### **100% Renewable Goal**

Not applicable.