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## 191623

Ordinance

# Initiate foreclosure action at 12914 NE Halsey St for the collection of delinquent City Liens placed against the property

**Passed** 

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 November 2023, the Bureau of Development Services submitted properties it identified as priority Vacant and Distressed Properties to the Bureau of Revenue and Financial Services, Revenue Division for foreclosure consideration. The Revenue Division also reviewed its list of delinquent liens. After review and analyzes of the case, each property qualified to the foreclosure list and is 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 December 22, and January 23, 2024, as required by Portland City Code section 5.30.050 (D).

NOW, THEREFORE, the Council directs:

## Introduced by

Mayor Ted Wheeler

#### Bureau

Management and Finance; Revenue Division

#### Contact

#### Kevin Foster

Foreclosure Prevention Manager (Coordinator III)

- kevin.foster@portlandoregon.gov Include property address in the subject line of emails.
- 503-823-5186
  Monday Friday 7:30am 4:30pm

# Requested Agenda Type

Regular

#### **Date and Time Information**

**Requested Council Date** February 14, 2024

- A. The City Council approves Foreclosure List 2024-01, as attached as Exhibit A, and directs the City Treasurer to begin foreclosure proceedings to sell the following property:
  - 1. 12914 NE Halsey, Dan J Hankins, owners of record. Tax no. R920800010.
- B. The City Council accepts the Foreclosure Report, attached as Exhibit B.
- 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 anytime within one year from the date of the foreclosure sale.

#### **Documents and Exhibits**

Exhibit A (https://www.portland.gov/sites/default/files/council- 76.91 KB documents/2024/exhibit-a-2-r309902.pdf)

**Exhibit B** 274.54 KB

(https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-b-2-r309902.pdf)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council February 14, 2024

Auditor of the City of Portland Simone Rede

## **Impact Statement**

## Purpose of Proposed Legislation and Background Information

This ordinance begins foreclosure proceedings on one property 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, or nuisance abatement. All the liens are delinquent, and the violations have not been corrected.

This property comes 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. This property has 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 this property, 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.

Based on the number and amount of the liens, as of January 19, 2024, the amount expected to be recovered is \$72,828.68. Actual cost recovery may differ.

There is not a budgetary impact.

## **Community Impacts and Community Involvement**

This property has 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.

# **Budget Office Financial Impact Analysis**

This action initiates foreclosure proceedings at 12914 NE Halsey St for the collection of delinquent City Liens. OMF - Revenue estimates the amount expected to be recovered is \$72,828.68, with potential fluctuations in actual cost recovery. No additional resources are required as a result of this action.

## Agenda Items

# 119 Regular Agenda in <u>February 7, 2024 Council Agenda</u> (https://www.portland.gov/council/agenda/2024/2/7)

Passed to second reading

Passed to second reading February 14, 2024 at 9:30 a.m.

# 145 Regular Agenda in <u>February 14, 2024 Council Agenda</u> (https://www.portland.gov/council/agenda/2024/2/14)

**Passed** 

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea