



June 6, 2016

To: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman

From: Mary Hull Caballero, City Auditor *MHC*

Subject: Foreclosure List

Attached is a report listing five properties that are eligible for foreclosure because of delinquent liens. They will be considered for foreclosure by Council at the June 15, 2016, meeting at 3:00 P.M.

Each property has one or more liens placed by the Bureau of Development Services as part of its code enforcement and nuisance abatement responsibilities. These properties are significantly delinquent on lien repayment and meet the requirements for foreclosure under City Code 5.30.

The properties included in this report were identified by the Bureau of Development Services, working in collaboration with Portland Police, the Office of Neighborhood Involvement, and the Mayor's Office. 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 Office has reviewed each property to ensure its eligibility for foreclosure and has presented each case to the Collections Committee with any recommendations for lien amount adjustments.

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 was presented to the Collections Committee, along with a summary of the Committee's determination preceding each case.



According to information provided by the Bureau of Development Services, staff members have inspected the property on 14 occasions since the detection of the violations. To date there are 12 liens against the property and they are all delinquent City liens.

The Auditor's Office finds that had the property owner addressed the violations within a reasonable period of time, the corrections would have been less costly and the degree of difficulty to correct the violations would have been reduced. However, it is the judgment of this office that the amount currently owed by the property owner exceeds the gravity and magnitude of the violations, especially since there was no tenancy during the time period.

The Auditor's Office recommends the payoff to be established at **\$13,931.84**, subject to accrued interest, penalties, and billing costs. The property owner should be granted a 60 month term to repay the lien at the rate of 6.25% annually.

The recommended amount was arrived at based on the current approximate cost of inspections, the number of inspections, interest rate at 12.00%, civil penalties, estimated cost of the committee review, the amount of reviews, billing costs and collection charges.

Agenda No.
REPORT
Title

Foreclosure List Report 2016-01 (Report)

<p>INTRODUCED BY Commissioner/Auditor: Auditor Mary Hull Caballero <i>Mary Hull Caballero</i></p> <p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p> <p>BUREAU APPROVAL</p> <p>Bureau: Auditor's Office Bureau Head: Mary Hull Caballero</p> <p>Prepared by: Sarah Landis Date Prepared: 06/06/2016</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan</p> <p>Council Meeting Date 06/15/2016</p>	<p>CLERK USE: DATE FILED <u>JUN 07 2016</u></p> <p style="text-align: right;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>Mary Hull Caballero</i></u> Deputy</p> <p>ACTION TAKEN:</p> <p>JUN 15 2016 ACCEPTED</p>
--	--

AGENDA
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: 3.00</p> <p>Total amount of time needed: 1.5 hour (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	—	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	