



Portland City Auditor
Mary Hull Caballero



Foreclosure List 2016-01

Exhibit A

Case File Summaries

Exhibit B

**REPORT TO COUNCIL
Foreclosure List 2016-01**

Property Owner	Tax Roll Description	Property Address	Lien Account	Amount Owed	Tax Acct	Assessment Date	Delinquency Date	Property Type	Lien Type	No. Liens
1 DAVID TIFFT LLC	PADDOCK AC, BLOCK 5, LOT 9	7101 NE PRESCOTT ST	152691	\$29,654.64	R637202110	11/18/12	12/19/2012	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	8
			154438	\$18,265.43	R637202110	1/1/14	2/2/2014	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	
			154724	\$2,831.93	R637202110	3/10/14	4/11/2014	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			155404	\$9,955.03	R637202110	7/10/14	8/11/2014	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			155868	\$601.70	R637202110	9/18/14	10/19/2014	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	
			156410	\$19,015.32	R637202110	1/10/15	2/11/2015	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			156907	\$17,268.46	R637202110	4/28/15	5/29/2015	RESIDENTIAL IMPROVED	CODE VIOLATION	
			157098	\$1,586.52	R637202110	5/10/15	6/11/2015	RESIDENTIAL IMPROVED	CHRONIC OFFENDER	
TOTAL			\$99,179.03							
2 NGUYEN, TRONG & NGUYEN, TRANG & TRAN, VAN	SECTION 09 1S 2E, TL 1800 0.27 ACRES	4112-4118 SE 91ST AVE	150519	\$67,189.83	R992093290	5/18/11	6/19/2011	C - 2-4 UNIT MULTI-FAMILY	CODE ENFORCEMENT	8
			152369	\$763.17	R992093290	9/18/12	10/19/2012	C - 2-4 UNIT MULTI-FAMILY	CODE ENFORCEMENT	
			152485	\$13,067.83	R992093290	10/10/12	11/11/2012	C - 2-4 UNIT MULTI-FAMILY	NUISANCE- GF INVOICE	
			152572	\$12,945.03	R992093290	10/28/12	11/29/2012	C - 2-4 UNIT MULTI-FAMILY	CODE VIOLATION	
			156434	\$2,602.69	R992093290	1/10/15	2/11/2015	C - 2-4 UNIT MULTI-FAMILY	NUISANCE- GF INVOICE	
			157234	\$3,937.76	R992093290	6/10/15	7/11/2015	C - 2-4 UNIT MULTI-FAMILY	NUISANCE- GF INVOICE	
			157980	\$4,389.67	R992093290	12/10/15	1/11/2016	C - 2-4 UNIT MULTI-FAMILY	NUISANCE- GF INVOICE	
			158391	\$686.58	R992093290	2/10/16	3/11/2016	C - 2-4 UNIT MULTI-FAMILY	CHRONIC OFFENDER	
TOTAL			\$105,582.56							
3 U.S. NATIONAL BANK ASSOCIATION	POWELL VALLEY HOME TR, LOT 1 TL 4800	15803 POWELL BLVD	148818	\$59,830.88	R673100020	11/18/09	12/19/2009	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	8
			150138	\$837.72	R673100020	1/18/11	2/19/2011	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	
			150229	\$8,558.03	R673100020	2/28/11	3/29/2011	RESIDENTIAL IMPROVED	CODE VIOLATION	
			150459	\$9,024.36	R673100020	4/28/11	5/29/2011	RESIDENTIAL IMPROVED	CODE VIOLATION	
			150472	\$3,866.67	R673100020	5/10/11	6/11/2011	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			150768	\$431.74	R673100020	8/10/11	9/11/2011	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			151577	\$7,931.03	R673100020	3/10/12	4/11/2012	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			155109	\$5,760.56	R673100020	5/10/14	6/11/2014	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
TOTAL			\$96,240.99							

**REPORT TO COUNCIL
Foreclosure List 2016-01**

4 YEE, NORMAN TUNG	POINT VIEW, BLOCK 30, LOT 5&	9120 N TIOGA	154379	\$11,228.40	R665713950	12/18/13	1/19/2014	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	1
5 YEE, NORMAN TUNG	PORTSMOUTH VILLA EXTD, BLOCK M, ELY 85' OF LOT 7	8515-8517 N PORTSMOUTH AVE	145127	\$36,055.75	R670703540	6/18/08	7/19/2008	C - 2-4 UNIT MULTI-FAMILY	CODE ENFORCEMENT	
			151702	\$4,159.80	R670703540	4/10/12	5/11/2012	C - 2-4 UNIT MULTI-FAMILY	NUISANCE- GF INVOICE	
			151781	\$773.71	R670703540	4/18/12	5/18/2012	C - 2-4 UNIT MULTI-FAMILY	CODE ENFORCEMENT	
			152047	\$6,736.52	R670703540	6/28/12	7/29/2012	C - 2-4 UNIT MULTI-FAMILY	CODE VIOLATION	
			152771	\$925.56	R670703540	12/28/12	1/29/2013	C - 2-4 UNIT MULTI-FAMILY	CODE VIOLATION	
			152898	\$3,065.73	R670703540	1/10/13	2/11/2013	C - 2-4 UNIT MULTI-FAMILY	NUISANCE- GF INVOICE	
			153886	\$3,103.87	R670703540	9/10/13	10/11/2013	C - 2-4 UNIT MULTI-FAMILY	NUISANCE- GF INVOICE	
			154920	\$3,044.47	R670703540	4/10/14	5/11/2014	C - 2-4 UNIT MULTI-FAMILY	NUISANCE- GF INVOICE	
			155424	\$947.44	R670703540	7/10/14	8/11/2014	C - 2-4 UNIT MULTI-FAMILY	CHRONIC OFFENDER	
			155578	\$1,760.61	R670703540	8/10/14	9/11/2014	C - 2-4 UNIT MULTI-FAMILY	CHRONIC OFFENDER	
			156420	\$2,586.48	R670703540	1/10/15	2/11/2015	C - 2-4 UNIT MULTI-FAMILY	NUISANCE- GF INVOICE	
			158174	\$2,899.63	R670703540	1/10/16	2/11/2016	C - 2-4 UNIT MULTI-FAMILY	NUISANCE- GF INVOICE	12
			TOTAL	\$66,059.57						

TOTAL AMOUNT OWED AS OF JUNE 6, 2016 \$378,290.55

TOTAL NUMBER OF PROPERTIES 5

TOTAL NUMBER OF LIENS 37

Foreclosure Recommendation Form

Property Owner: David Tift LLC
Site Address: 7101 NE Prescott St.
Property ID: R637202110
Lien Account Number: 152691
Type of Lien: Code Enforcement – Not in compliance with City Code
Use of the Property: Single Family Dwelling

1. Current Principal Owed	\$22,970.20
2. Interest at 12% annually	4,561.69
3. Costs	123.00
4. Penalties	1,139.81
5. Total payoff amount as of May 19, 2016	<u>\$ 28,794.70</u>

CRITERIA

	YES	NO
Property owner has committed prior City Code violation or has delinquent Account	√	
Property owner has taken steps to correct violation or resolve any delinquency		√
Property owner's financial condition allows to resolve the problem		
Violation of high gravity and magnitude	√	
Violation was repeated or continuous	√	
Violation was intentional or negligent caused by the property owner	√	
High degree of difficulty to correct the violation or delinquency	√	
Economic or financial benefit accrued to property owner as a result of the violation	√	
Property owner cooperative and makes effort to correct the violation		√
Cost to the City to investigate and correct the violation	√	
Any other relevant factors		√

Recommendation:

1. Current Principal Owed	\$ 22,970.20
2. Interest at 12% annually	4,561.69
3. Cost	123.00
4. Penalties	1,139.81
5. Total payoff amount recommended	<u>\$ 28,794.70</u>

Collections Committee agreed to keep the amount owed.

Background

This property is one of 28 properties included in the list of “Distressed Vacant Properties” provided by the Bureau of Development Services and identified as priorities for foreclosure.

The Bureau of Development Services and the Portland Police Bureau have expressed concerns that these properties are nuisances to the neighborhoods where they are located. In many instances, the Police Bureau is called to disturbances at these properties several times a week.

Neighbors complain that many of these properties have become inhabited by squatters and commonly there are drug activities taking place which in turn jeopardize public health, safety and the welfare of the neighborhood.

The large majority, if not all of these properties are investment properties owned by financial institutions or absent investors that have no vested interest in maintaining the fabric of the local community.

For this reason, the Auditor’s Office recommendations for these distressed and egregious properties will be more concise and will generally maintain the amount owed as is with no recommended reduction in lien amount, except in extreme circumstances.

The evidence of the case will be presented in exhibits but the reliance for your determination will be on Chapter 5.30.060 D 1 through 12.

On August 30, 2012, a City Inspector for the City of Portland inspected the property located at 7101 NE Prescott St. took some pictures and on August 23, 2012, called Portland Disposal & Recycling and confirmed that this property has not had garbage service since May 1, 2012. This property was an investment property with tenants residing in it.

By February 25, 2014, there were 72 violations to City Code Title 29 of which 33 were Health Sanitation Violations and Fire Life Safety Violations. The violations range from lack of garbage service to lack of electricity and running water, violations of the **ORS 90, Oregon Residential Landlord Tenant Act.**

Based on information contained in the file, there were serious violations of City Code. On August 19, 2014, there was a Hearings Office “Order and Determination” to “correct all the violations... and undertake all actions necessary to prevent reoccurrence of the violations.”

The order also determined that if the property owner “fails to correct the violations...by 4:30 p.m. on October 15, 2014, then the City shall, without further action by the Hearings Officer, be authorized to enter the Subject Property for the purpose of conducting one or more inspections and to summarily board-up improvements to restrict unauthorized access; such right is given to the City without the need to give the property owner or occupants any prior notice and without the need of a warrant.”

The Auditor's Office considered the following factors in making the recommendation of the payment amount:

(1) "Whether the property owner has committed any prior City Code violation ..."

The Auditor's Office finds that there are 8 City liens placed against the property and over 74 Code violations to Title 29 since the initial violation on August 30, 2012.

(2) "The history of the property owner in taking all feasible steps or procedures necessary or appropriate to correct the violation or ..."

The Auditor's Office finds that to date there is no evidence that the violations have been corrected. The property has been acquired by David Tiff, LLC but there is no indication of attempts to remedy the situation.

(3) "The property owner's financial condition"

There is no evidence provided in the file addressing the property owner's financial condition; however, under current real estate market conditions, the sale of the property could provide a great return on its investment.

(4) "The gravity and magnitude of the violation."

There were 74 violations to City Code Title 29 of which 33 were **Health Sanitation Violations** and **Fire Life Safety Violations**. The violations range from lack of garbage service to lack of electricity and running water, violations of the **ORS 90, Oregon Residential Landlord Tenant Act**.

(5) "Whether the violation was repeated or continuous."

The City inspector noted the violations on August 30, 2012 and to date they have not been corrected. It is important to note that during the time in question, there were 7 other violations 3 of which were nuisances abated by the City.

(6) "Whether the violation was due to unavoidable accident or other conditions or circumstances beyond the property owner's reasonable control, negligence, or an intentional act of the property owner."

The property owners were aware of the violations. The Auditor's Office finds that the violations were not the result of unavoidable accident, but an intentional act of the property owners that was within complete control of the property owners.

(7) "The opportunity and degree of difficulty to correct the violation ..."

As the City inspector continued to inspect the property, deterioration of the structure kept increasing, consequently increasing the degree of difficulty to correct the violations.

(8) “The economic or financial benefit accrued or likely to accrue to the property owner as a result of the violation”

There is evidence to suggest that the property owners were attempting to maximize profit by minimizing spending on property maintenance. The owners were renting out rooms in a basement that had been illegally converted into 2 bedrooms without permits. The owners were also renting out rooms in an attic that had been illegally converted into a 2 bedroom/bathroom suite. Both of these converted areas did not provide habitable conditions, a violation of **ORS 90.320**.

(9) “The property owner’s cooperativeness and efforts to correct the violation for which the lien was assessed”

Evidence suggests that the property owners have made no attempt to bring the property into compliance with City Code. This case was taken to the Hearings Office and the property owners were provided notice of the hearing. The property owners did not appear at the Hearing.

(10) “The costs to the City of investigation, enforcement and correction or attempted correction of the violation.”

As of June 6, 2016, overall City charges against the property amount to **\$99,179.03** subject to additional accrued interest, penalties and collection charges.

Summary

The Auditor’s Office finds that the facts contained in the file suggest that the property owners have made the decision not to comply with City Code. The history of non-compliance dates back to August of 2012, when the City Inspector detected the violations and contacted the property owners. From the date of the first City inspection to date, there were 7 other liens placed against the property.

According to information provided by the Bureau of Development Services, staff members have inspected the property on 18 occasions since the detection of the violations.

Based on the evidence provided in the case, there were 74 violations to City Code Title 29 of which 33 were Health Sanitation Violations and Fire Life Safety Violations. The violations range from lack of garbage service to lack of electricity and running water.

The Auditor’s Office also finds that had the property owners addressed the violations within a reasonable time, the corrections would have been less costly and the degree of difficulty to correct the violations would have been much reduced.

According to evidence provided by the Bureau of Development Services, on December 14, 2014, contact was made with David Tift, who, so stated at the time, was the realtor for the property owner. Mr. Tift “indicated that the property may be sold to an investor.”

This office has researched the ownership of the property and discovered that the property is now recorded in the name of David Tiff, LLC. This office has also had the opportunity to contact Mr. David Tiff, the principal of David Tiff LLC, attempting to find a resolution to the violations. Mr. Tiff indicated that the property no longer belonged to his company, David Tiff LLC, and had been sold.

When pressed to provide the name of the new owner, he was unable to recall. A suggestion was made that he convey the property to the new owner or contact Multnomah County to rectify the ownership and also provide a copy of the recording document to the City Auditor. He agreed, but no action on his behalf has been taken. As of May 19, Multnomah County recording continues to list David Tiff LLC as the sole owner of the property.

The Auditor's Office recommends the payoff to this lien account be established at **\$28,794.70**, subject to accrued interest and collection charges.

Foreclosure Recommendation Form

Property Owner: Trong Nguyen, Trang Nguyen and Van Tran
Site Address: 4112-4118 SE 91 St Ave.
Property ID: R992093290
Lien Account Number: 150519
Type of Lien: Code Enforcement – This liens is not in compliance with City Code
Use of the Property: Multi Family Dwelling

1. Current Principal Owed	\$47,555.20
2. Interest at 12% annually	13,245.34
3. Costs	174.00
4. Penalties	3,308.62
5. Total payoff amount as of March 25, 2016	<u>\$ 64,283.16</u>

CRITERIA

	YES	NO
Property owner has committed prior City Code violation or has delinquent Account	√	
Property owner has taken steps to correct violation or resolve any delinquency		√
Property owner’s financial condition allows to resolve the problem		
Violation of high gravity and magnitude	√	
Violation was repeated or continuous	√	
Violation was intentional or negligent caused by the property owner	√	
High degree of difficulty to correct the violation or delinquency	√	
Economic or financial benefit accrued to property owner as a result of the violation		√
Property owner cooperative and makes effort to correct the violation		√
Cost to the City to investigate and correct the violation	√	
Any other relevant factors		√

Recommendation:

1. Current Principal Owed	\$ 4,672.64
2. Interest at 12% annually	2,803.58
3. Costs	1,248.00
4. Penalties	4,575.00
5. Total payoff amount recommended	<u>\$ 13,299.22</u>

The Collections Committee accepted the Auditor’s recommendation for reduction in amount owed on the condition that the property owner accepted the reduced amount of \$13,299.22. The property owner did not respond to notification of the Collections Committee’s determination. The amount owed will remain at the original payoff amount.

Background

On January 10, 2011, a housing inspector for the City of Portland inspected the property located within the City limits at 4112-4118 SE 91st Ave. and noted that the property was in violation of City Code. According to the inspector's description of the property it is a "1-1/2 story duplex at front of the property (unit #'s 4116 & 4118 and there was a detached rear 2 story occupied duplex at rear of property. Total 4 units."

In his notes the inspector stated that he inspected "unit # 4118, occupant stated lived there for 1.5 to 2 yrs., stated the upstairs was rented as bedroom. The attic space did not meet the minimum requirement for ceiling height for habitable space and bathroom. The highest portion of the habitable space/occupied sleeping areas was only 6 ft. 5.5 inches at a width of 18 inches and sloped down to 50 inches at one wall and 32 inches at the other wall. In the unapproved attic bathroom the highest flat ceiling was over basin at 6 ft. 2 inches w/ 12 inches width and the ceiling sloped down over tub to a wall height of 50 inches."

On March 3, 2011, the inspector in his notes stated that he checked building records. "Only permit I could find for this address in file drawer at **DSC** was from 2/15/57 permit no. 10542 for 14x20 bedroom addition to **SFR**, finalized, 04/25/58. There were no plans in microfiche or county spools. My concern was permits for the bathroom in the attic, which has ceiling height too low and some obvious incorrect **ABS** lines, and the bedroom at the SE corner of the house which did not have a legal **egress window**. The window in that room now does not look like 1957-58 era window. However, there were no specific requirements for egress window pre 1974. No building permit records found to make habitable space or bathroom in attic, no plumbing permits found in TRACS or Historic for attic bathroom (which had fairly new improperly installed ABS lines under basin)".

SFR stands for **Single Family Residence**

DSC stands for **Development Services Center** in the Bureau of Development Services.

Egress window is a window that must meet specific size and requirements and is intended to provide an emergency exit.

ABS is a specific type of pipe made of **Acrylonitrile Butadiene Styrene**.

On March 4, 2011, the inspector mailed to the property owners a "**Notification of Violation-Property Maintenance Code**" advising the property owners to correct the violations within 30 days following the Notice and to contact the inspector to arrange a time and date for an inspection.

The notification listed fifty-two violations and offered the City Code applicable to each individual violation. The notification urged the property owners to correct the violations deemed **Fire, Life, Safety** and/or **Health Sanitation violations** within 30 days and provided 60 days to correct any other violations prior to incurring fees. There were **21** violations classified as **Fire, Life, Safety** and/or **Health Sanitation** violations listed.

In addition, the notification emphasized the need for the property owners to contact the inspector and request a re-inspection to close the case. The property owners were alerted that if the violations remained un-corrected past the deadline, there would be a lien placed against the property and details of the adverse effect of the consequences to the property owner were detailed. There was also a "Fees, Penalties, Reviews, Appeals and Waiver information" brochure enclosed with the notification.

On the same day, a second communication was mailed to the property owners requesting “**Inspection of additional units at 4112-4118 SE 91st. Ave.** The request was triggered by the **Enhanced Inspection Program (EIP)**, which is applied to properties that meet or exceed two violation categories based on violations found during the initial inspection.

The categories are based on the type of violation with greater value given to violations that pose a threat to life/safety of the occupants, threats of fire, may compromise the health of the occupants, or sanitation of the unit. The table below shows the Enhanced Inspection Program violation categories of the initial inspection at the property in question.

Violation Categories	Minimum # of cited Violations to qualify	Property Initial Inspection Results
Health/Sanitation	2	8
Fire/Life/Safety	1	7
Improper Egress	2	1
Electrical	2	5
Lack of Utilities	1	
General Maintenance	5	31

Once a property qualifies for the Enhanced Inspection Program based on the violation categories above, additional units shall be inspected. The communication also urged the property owner to contact the inspector within 10 days from the date of the communication to schedule inspection of the additional units.

On March 8, 2011, the inspector returned to the property unit 4116, took pictures with the permission of the occupant and posted a Red Tag.

Red Tag is a term used by inspectors to describe the posting of notices on a property qualified as dangerous or unfit for human habitation at the time such hazard is discovered by the City inspector. It does not mean that the property must be condemned, but it is an official warning that remediation is required.

On May 26, 2011, the Auditor’s Office mailed to the property owners an “Assessment Notice”. The assessed amount was for **\$356.40**. The noticed was returned by the Post Office with a label “**Not Deliverable as addressed**”.

On June 29, 2011, an “**Enforcement Fee Change & enforcement Penalty Increase Notification**” was mailed to the property owners.

On July 14, 2011, a communication mailed to the property owner informed the property owners that the monthly fixed installment amount changed from **\$356.40** to **\$712.80**.

On July 29, 2011, the Revenue Bureau mailed a letter to the property owners requesting payment in full. At this point the amount owed was **\$1,444.15**.

On August 25, 2011, the annual monthly increase changed the monthly fixed amount from **\$712.80** to **\$770.00**. The total amount owed was **\$2,235.24**.

On April 27, 2012, an inspector went to the property to verify if there were any changes in the condition of the violations and took a set of pictures to document.

In his notes, the inspector stated that he inspected the property and both buildings were vacant. “One story duplex at front, 2 story duplex at rear. They are apparently in foreclosure, posted notice from Preservation Company on both buildings. Much damage has occurred to both buildings, used by transients. **Very large accumulation of debris on the lot**. Adopting to **EDPEP** (Extreme Distressed Property Enforcement Program), **posted for nuisance**.”

On April 27, 2012, the inspector visited the site and noted accumulation of trash, debris and overgrown lawn. On April 30, 2012, the inspector mailed the property owner a “**Notice to Remove Nuisance**.” This notification would eventually generate a request for lien no. 152485 on October 10, 2012.

On May 15, 2012, the inspector returned to the property to document the condition of the property and took a set of pictures.

On May 16, 2012, the inspector mailed a “**Notice of Violation – Property Maintenance Code Additional Violations**” to the property owners. The notice informed the property owners of the re-inspection, and listed the additional violations. The notice let the property owners know that “since you have not corrected all the code violations and the structure remains in a substandard condition, your case is being referred to the City Code Hearings Office within ten days to seek compliance.” Not only did the inspector feel that the situation of the property was precarious enough to file a complaint with the City Hearings Office, the inspector also requested demolition of the buildings.

At that time, whenever the Bureau of Development Services filed a complaint with the City Code Hearings Office, a lien was assessed against the property for a filing penalty of \$326.00. In addition, the Code Hearings Office may assess additional penalties as a result of determinations related to the property in question.

On July 10, 2012, the inspector returned to the site and verified that the “contractor on site has completed security board up of rear building, beginning on front building.”

On August 14, 2012, the inspector mailed a letter to the property owner explaining that a housing inspector filed a complaint with the Code Hearings Office and there would be a penalty of \$342.00 charged. If by August 31, the penalty was not paid, a lien would be placed against the property.

On the same day, August 14, 2012, the Bureau of Development Services sent the file to the Hearings Office for the scheduling of a date and time when the hearing would be held.

On August 21, 2012, the inspector returned to the property and verified that the property was “vacant, secure, no change, posted notice of hearing. The inspector also noted a sticker on the door with contact information.” The inspector contacted the company whose information was left on the sticker on the door.

On August 23, 2012, the annual monthly increase took place increasing the monthly fixed amount from **\$770.00** to **\$809.60**. The lien amount owed at this date was **\$12,518.64**.

On September 10, 2012, the Bureau of Development Services requested the Auditor’s Office to assess code enforcement fees (Housing Penalty), according to Title 29.60.030 **Enforcing Compliance**, (A) Instituting an action before the Code Hearings Officer as set out in Title 22 of the City Code.

On September 11, 2012, the hearing was held. After deliberation the Hearings Officer made the determination and ordered the imposition of a civil penalty in the amount of \$8,314.00 to be assessed and if “not paid by October 10, 2012, shall become a lien against the Subject Property on October 1, 2012.”

On October 26, 2012, the inspector had a conversation with a party representing the mortgagee. Later on the same day the inspector received an email from the same party representing the mortgagee. In the email, the mortgagee’s representative asked to be directly notified if and when the city would schedule the demolition of the property and that they were conducting an investigation as to the status of the property.

On December 21, 2012, the inspector re-inspected the property and it “appears secure, dumping continues on the site, accumulated to about 5 yards now with several tires.”

On January 25, 2013, the Neighborhood Inspections and Compliance Services Section emailed to the mortgagee (GMAC) the Hearings Order for the site.

On January 31, 2013, an additional violations letter and hearing filing fee that had been mailed to the property owner, returned marked not deliverable as addressed. The returned letter was re-sent to the party of interest.

On February 6, 2013, according to the inspector’s notes “an attorney from the bank called to advise that the bank had put out to bid the work for demo or repairs and is waiting for the contractors to get back to them, then will make decision on what to do. I agreed to hold off on any action for 2 weeks, she will call me by the 20th with some results.”

On February 11, 2013, the inspector “inspected site some accumulation of trash and tires, shopping carts. About 3 yards of debris. Also noted huge pile of trash in the driveway, appears to be from next door. Will monitor, remove if not resolved quickly.”

On February 12, 2013, the inspector registered in his notes that he “received a phone call from a GMAC representative wanting permission to enter the property, I gave her my contact number and her contractor will call me to meet. I again informed her that time is of the essence and I needed to hear back with a plan by next Wednesday the 20th of Feb as agreed with the attorney.”

On April 13, 2013, the Auditor’s Office mailed the property owner a certified and regular first class letter advising the property owner that there were alternatives to foreclosure and urging the property owner to contact the office.

On May 10, 2013, the inspector’s notes read that the inspector spoke to a representative of GMAC who told him that “GMAC has filed bankruptcy and the owner of this property is now OCWEN. The decision to repair or demolish is with the investors for the property. Bids have been submitted from contractors and the decision has been made not to charge off the property, so the investors will eventually do something, date unknown.”

On July 24, 2013, the Auditor’s Office mailed a “**Potential Foreclosure Listing Letter**” to the property owner.

On July 25, 2013, a communication reflecting the new BDS fee structure was mailed to the property owner informing that the fixed monthly amount was increasing from \$809.60 to \$849.20. The total amount owed then was \$23,588.90.

On September 17, 2013, the inspector noted that “received a call from a contractor who states they work for the bank and have a demo contract for the property. I left message on call back.”

On September 19, 2013, the inspector mentioned in his notes that he received a “call from a bank contact. They have a contract let for demo, will apply for permit and wait on 35 day demo delay, should have it completed in 45 days.”

On April 2, 2014, the inspector inspected the property and wrote on his notes: “appears vacant and secure.”

On July 23, 2014, the inspector went to the property and described the inspection “Monitor property, vacant, secure. Parts of yard have been mowed, other parts left overgrown both in front and in back. Some trash accumulation.”

On January 5, 2015, the inspector wrote in his notes that “Police report that property is broken into again. Will monitor.”

On January 6, 2015, the inspector noted: “Police request for inspection, found all 4 units breached, police removed 5 people, arrested 3. Conditions remain identical to previous inspections. Post for nuisance issues, transients have brought in trash, carts, tires, etc. Police will do board up.”

On January 13, 2015, the inspector went back to the property and describes: “House appears secure but trash present in the yards.”

On March 3, 2015, the inspector went back to the property and noted: “Transient trash on site, rear window is breached on front house. Plywood just laid in and not secured for easy entry.”

On June 5, 2015, the inspector inspected the property and wrote in his note: “...yard badly overgrown, side door to rear unit at front house has been breached. Also the crawl space under the stairs at rear building is open, someone staying in there. Open to entry. Posted for nuisance.”

On August 13, 2015, the inspector inspected the site and described: “...front house still breached, trash accumulated, tall grass and weeds. See photos.”

On February 1, 2016, a “**Notice of Potential Foreclosure**” was mailed to Greenpoint Mortgage Funding, Inc., the mortgagee.

The Auditor’s Office finds that the facts contained in the file suggest that the property was at one point a revenue generating property. There was a high degree of difficulty and cost to bring the property in to compliance with City Code. However, there is no reasonable explanation for the disregard of the safety and well-being of the tenants living under substandard conditions, a clear violation not only of City Code Title 29 but ORS 90.

The Auditor’s Office considered the following factors in recommending the payment amount:

(1) “Whether the property owner has committed any prior City Code violation ...”

The Auditor's Office finds that there were additional violations to the property subsequent to the original violation.

(2) "The history of the property owner in taking all feasible steps or procedures necessary or appropriate to correct the violation or ..."

The Auditor's Office finds that to date the violations have not been corrected and that between March 04, 2011 and February 10, 2016, there were four nuisances cited against the property and abated by the City.

(3) "The property owner's financial condition"

There is no evidence provided in the file addressing the property owners' financial condition other than the fact that the property was at one point an income producer.

(4) "The gravity and magnitude of the violation."

Since January 10, 2011, when the City inspector performed his first inspection, there were 52 violations. Included in the list of violations there were 21 **"Fire, Life, Safety Violations"** and **"Health Sanitation Violations."**

(5) "Whether the violation was repeated or continuous."

The City inspector noted the violations on January 04, 2011, and to date they have not been corrected. It is important to note that during this time, there were four other nuisance violations cured by the City.

(6) "Whether the violation was due to unavoidable accident or other conditions or circumstances beyond the property owner's reasonable control, negligence, or an intentional act of the property owner."

The property owners were aware of the violations. The Auditor's Office finds that the violations were not the result of unavoidable accident, but an intentional act of the property owners that was within complete control of the property owners.

(7) "The opportunity and degree of difficulty to correct the violation ..."

When they were detected, the correction of the violations involved some basic structural problems like un-permitted construction and additions that did not meet City code requirements, besides a lack of property maintenance. In addition, the deterioration of the structure decreased the opportunity to find a less costly resolution and increased the degree of difficulty to correct the violations.

(8) "The economic or financial benefit accrued or likely to accrue to the property owner as a result of the violation"

There is no evidence to suggest that the property owners benefited from the violations.

(9) "The property owner's cooperativeness and efforts to correct the violation for which the lien was assessed"

Evidence suggests that the property owners have made no attempts to bring the property into compliance with City Code.

(10) “The costs to the City of investigation, enforcement and correction or attempted correction of the violation.”

As of June 06, 2016, overall City charges against the property amount to \$105,582.56 subject to additional accrued interest, penalties and collection charges.

Summary

The Auditor’s Office finds that the facts contained in the file suggest that the property owners have made the decision not to comply with City Code. The history of non-compliance dates back to January 10, 2011, when the City Inspector detected the violations and contacted the property owners. During this period of time there were seven additional liens placed against the property. To date, none of the liens have been paid off.

According to information provided by the Bureau of Development Services, staff members have inspected the property on 21 occasions since the detection of the violations.

Based on comments and notes written by the City Inspector, on the first inspection, 21 of the violations were considered Fire, Life Safety or Health Sanitation Violations. Had the property owners addressed the violations within a reasonable time, the corrections would have been less costly and the degree of difficulty to correct the violations would have been much reduced.

The Auditor’s Office finds that the amount owed by the property owners far exceeds the gravity and magnitude of the violations especially when taken into consideration that this property was at one point an income producing property that has not produced income since March of 2011. In addition, the property owners have mortgaged the property and apparently they have not been able to honor the mortgage payments.

The Auditor’s Office recommends the payoff to be established at \$13,299.22 and the term of repayment not to exceed 60 months, subject to accrued interest and collection charges.

The recommended amount was determined based on the cost of inspections provided by the Bureau of Development Services, the number of inspections, interest rate at 12%, estimated cost of the committee’s review, billing costs, collection costs and civil penalties assessed on a monthly basis since the property was first assessed for lack of compliance with City Code.

If the property owners decide to pay the amount recommended, it should be part of the agreement that BDS will provide a reasonable amount of time to the property owners to cure the violations. If within the time allotted by BDS the property owners do not bring the property into compliance with City Code, the property will be included on the foreclosure list to be submitted to Council for foreclosure.

Foreclosure Recommendation Form

Property Owner: U S NATIONAL BANK ASSOCIATION
Site Address: 15803 SE Powell Blvd.
Property ID: R673100020
Lien Account Number: 148818
Type of Lien: Code Enforcement – Not in compliance with City Code
Use of the Property: Single Family Dwelling

6. Current Principal Owed	\$40,315.00
7. Interest at 12% annually	14,564.89
8. Costs	231.00
9. Penalties	3,639.92
10. Total payoff amount as of May 09, 2016	<u>\$ 58,750.81</u>

CRITERIA

	YES	NO
Property owner has committed prior City Code violation or has delinquent Account	√	
Property owner has taken steps to correct violation or resolve any delinquency		√
Property owner's financial condition allows to resolve the problem		
Violation of high gravity and magnitude	√	
Violation was repeated or continuous	√	
Violation was intentional or negligent caused by the property owner	√	
High degree of difficulty to correct the violation or delinquency	√	
Economic or financial benefit accrued to property owner as a result of the violation	√	
Property owner cooperative and makes effort to correct the violation		√
Cost to the City to investigate and correct the violation	√	
Any other relevant factors		√

Recommendation:

6. Current Principal Owed	\$ 40,315.00
7. Interest at 12% annually	14,561.69
8. Cost	231.00
9. Penalties	3,639.92
10. Total payoff amount recommended	<u>\$ 58,750.81</u>

Collections Committee agreed to keep the amount owed.

Background

This property is one of 28 properties included in the list of “Distressed Vacant Properties” provided by the Bureau of Development Services and identified as priorities for foreclosure.

The Bureau of Development Services and the Portland Police Bureau have expressed concerns that these properties are nuisances to the neighborhoods where they are located. In many instances, the Police Bureau is called to disturbances at these properties several times a week.

Neighbors complain that many of these properties have become inhabited by squatters and commonly there are drug activities taking place which in turn jeopardize public health, safety and the welfare of the neighborhood.

The large majority, if not all of these properties are investment properties owned by financial institutions or absent investors that have no vested interest in maintaining the fabric of the local community.

For this reason, the Auditor’s Office recommendations for these distressed and egregious properties will be more concise and will generally maintain the amount owed as is with no recommended reduction in lien amount, except in extreme circumstances.

The evidence of the case will be presented in exhibits but the reliance for your determination will be on Chapter 5.30.060 D 1 through 12.

On September 21, 2009, a Housing Inspector for the City of Portland inspected the property located at 15803 SE Powell Blvd., took some pictures, and on September 22, 2009, mailed to the property owner a “**Notice of Violation-Property Maintenance Code.**” The notice listed 7 violations to City Code, of which 4 were **Fire Life Health Safety** violations. This property was an investment property with tenants residing in it.

The violations listed by the inspector varied from trash and debris accumulated on exterior property areas, motor home with unapproved electrical and/or plumbing hook ups, all violations of Chapter 29.30.170, 29.30.190.

By September 17, 2010, there were 16 uncorrected violations to City Code Title 29 of which 11 were **Health Sanitation Violations** and **Fire Life Safety Violations**. The violations ranged from “lack of garbage service to bedroom emergency exit barred or blocked with personal belongings or furniture impeding egress”, a violation of Chapter 29.30.230 (a,b) as well as violations of the **ORS 90, Oregon Residential Landlord Tenant Act**.

This office has just learned that the property has been foreclosed by U.S. Bank National Association on February 1, 2016, however, the property has not been conveyed to the mortgagee. After attempts to contact the realtor, she declined to provide the name of the mortgagee but provided the name of the escrow officer. This office then contacted the escrow officer supposedly involved in the transaction. She denied any knowledge that her title Co. was ever involved which such transaction.

Finally, this office contacted the trustee, McCarthy & Holthus LLP, which provided the name and address of the mortgagee.

Based on information contained in the file, there were serious violations of City Code. On January 19, 2011, there was a Hearings Office "Order and Determination" that "all violations ... shall be corrected in compliance with City Code and regulations." In essence, the "Order and Determination" stated that by March 17, 2011, the property owner had to restore the premises to habitable conditions or the subject property be vacated.

To date, over six and a half years later, the property is not in compliance with City Code.

The Auditor's Office considered the following factors in making the recommendation of the payment amount:

(1) "Whether the property owner has committed any prior City Code violation ..."

The Auditor's Office finds that there are 8 City liens placed against the property and 29 Code violations to Title 29 since the initial violation on September 21, 2009.

(2) "The history of the property owner in taking all feasible steps or procedures necessary or appropriate to correct the violation or ..."

The Auditor's Office finds that to date there is no evidence that the violations have been corrected. Evidence suggests that six violations were corrected by the property owner. Two of the violations corrected were **Health Sanitation Violations** and three were **Fire Life Safety Violations**. In addition, the front window that was damaged was corrected by September 15, 2010. These were the extent of the repairs or attempts to bring the property into compliance with City Code.

(3) "The property owner's financial condition"

There is no evidence provided in the file addressing the property owner's financial condition; however, under current real estate market conditions, the sale of the property can provide a great return on its investment. In addition, the behavioral pattern of the property owner follows the same path of an absent investor property owner; no concern with the well being of the tenants or the neighborhood. Apparently the primary objective is to minimize costs and maximize profit to the detriment of the tenants and community.

(4) "The gravity and magnitude of the violation."

There were up to 34 violations to City Code Title 29 of which 10 were **Health Sanitation Violations** and **Fire Life Safety Violations**. The violations ranged from lack of garbage service to lack of required water service, both also, violations of the **ORS 90, Oregon Residential Landlord Tenant Act**.

(5) "Whether the violation was repeated or continuous."

The City inspector noted some of the violations on September 21, 2009 and to date the large majority of the violations have not been corrected. It is important to note that during the time in question, there were 7 other liens placed by the City against the property.

(6) “Whether the violation was due to unavoidable accident or other conditions or circumstances beyond the property owner’s reasonable control, negligence, or an intentional act of the property owner.”

The property owner was aware of the violations. The Auditor’s Office finds that the violations were not the result of unavoidable accident, but an intentional act of the property owner that was within complete control of the property owner.

(7) “The opportunity and degree of difficulty to correct the violation ...”

The initial complaint was filed as a result of lack of basic regular required garbage services, however; as the City inspector re-inspected the property deterioration of the structure kept increasing, consequently increasing the degree of difficulty to correct the violations.

(8) “The economic or financial benefit accrued or likely to accrue to the property owner as a result of the violation”

There is evidence to suggest that the property owner was attempting to maximize profit by renting what the inspector defined as “unapproved habitable space.” Violations of Chapter 29.30.200 (a,b), 29.30.90 (b) 29.30.110(a), in addition to violations of **ORS 90.320**.

(9) “The property owner’s cooperativeness and efforts to correct the violation for which the lien was assessed”

Evidence suggests that the property owner made little effort to bring the property into compliance with City Code. This case was taken to the Hearings Office and the property owner was provided notice of the Hearing but did not appear at the Hearing.

(11) “The costs to the City of investigation, enforcement and correction or attempted correction of the violation.”

As of June 6, 2016, overall City charges against the property amount to **\$96,240.99** subject to additional accrued interest, penalties and collection charges.

Summary

The Auditor's Office finds that the facts contained in the file suggest that the property owner made the decision not to comply with City Code. The history of non-compliance dates back to September of 2009, when the City Inspector detected the violations and contacted the property owner. From the date of the first City inspection to date there were 7 other liens placed against the property.

According to information provided by the Bureau of Development Services, staff members have inspected the property on 18 occasions since detection of the violations.

Based on the evidence provided in the case, there were 34 violations to City Code Title 29 of which 20 were **Health Sanitation Violations** and **Fire Life Safety Violations**. The violations range from lack of garbage service to lack of electricity and running water.

The Auditor's Office also finds that had the property owner maintained a proper maintenance schedule and addressed the violations within a reasonable time, the corrections would have been less costly and the degree of difficulty to correct the violations would have been much reduced.

The Auditor's Office recommends the payoff to be established at **\$58,750.81** and the term of repayment not to exceed 60 months, subject to accrued interest and collection charges provided that this action is taken prior to the submission of the foreclosure list to Council.

Foreclosure Recommendation Form

Property Owner: Norman Tung Yee
Site Address: 9120 N Tioga Ave.
Property ID: R245585
Lien Account Number: 154379
Type of Lien: Code Enforcement – Code Enforcement Fees
Use of the Property: Single Family Dwelling

11. Current Principal Owed	\$ 8,763.70
12. Interest at 12% annually	1,689.01
13. Costs	131.00
14. Penalties	419.11
15. Total payoff amount as of March 25, 2016	<u>\$ 11,002.82</u>

CRITERIA

	YES	NO
Property owner has committed prior City Code violation or has delinquent Account	√	
Property owner has taken steps to correct violation or resolve any delinquency	√	
Property owner's financial condition allows to resolve the problem		
Violation of high gravity and magnitude		√
Violation was repeated or continuous	√	
Violation was intentional or negligent caused by the property owner	√	
High degree of difficulty to correct the violation or delinquency		√
Economic or financial benefit accrued to property owner as a result of the violation		√
Property owner cooperative and makes effort to correct the violation		√
Cost to the City to investigate and correct the violation	√	
Any other relevant factors	√	

Recommendation:

11. Current Principal Owed	\$ 4,751.71
12. Interest at 12% annually	1,425.51
13. Costs (billing statements and collection)	131.00
14. Penalties	215.36
15. Total payoff amount recommended	<u>\$ 6,523.58</u>

Collections Committee agreed to keep the amount owed at \$11,002.82.

Background

On September 10, 2013, a City Housing Inspector for the City of Portland inspected the property located within the City limits at 9120 N Tioga Ave. and noted that the property was in violation of City Code.

In early September the Bureau of Development Services received a phone call where the caller was complaining about the condition of the property. According to the person filling the complaint, “the gutter fell off in September. It has not been repaired since. The house has been vacant since at least 2011. The roof has more moss than roof showing.”

On September 10, 2013, the inspector inspected the property and “Found tall g/w throughout the front and backlot, pad lock on the front gate. Found the roof to be deteriorated, gutters damaged.”

On September 12, 2013, the inspector mailed to the property owner a “**Notification of Violation-Property Maintenance Code**” advising the property owner to correct the violations related to Fire, Life, Safety, and/or Health, Sanitation within 30 days, and providing sixty days (60) to correct any other violations before incurring a fee. The Notice also advised the property owner to contact the inspector to arrange a time and date for an inspection before incurring a fee.

The notification listed the two violations and offered the City Code applicable to each violation.

The violations described were:

1. Portions of roof covering are deteriorated, damaged and/or missing, resulting in possible weather entry. 29.30.030.
2. Portions of gutters and/or downspouts are damaged, deteriorated, and/or missing. 29.30.030.

On September 27, 2013, the inspector once again inspected the property for nuisance and determined that the property was “still vacant, lock still on front yard gate, NU and HS violations still present. Issuing work order.” Note: NU stands for nuisance and HS stands for Housing violation.

On November 14, 2013, the inspector received a phone call from the property owner stating that “she is the new owner (also the historic owner, per Tracs?)—**Tracs** is the computer system utilized by BDS. During the conversation the property owner stated that “the roof isn’t leaking and the gutters are repaired.” She gave the inspector permission to enter the exterior of the property to re-inspect. “Says she needs more time for roof.”

According to Multnomah County Assessor Property Information, there was a change in ownership from Deanna Martinot to Norman Yee, through a “Quit Claim Deed” recorded on December 18, 2013. It is important to note that on December 16, 2011, according to Multnomah County records, Norman Yee sold the property to Deanna Martinot through a Bargain & Sale Deed.

On January 24, 2014, “**Notice of Violation – New Owner Notification**” was mailed to the property owner.

The Notice explained that City records indicate the change in ownership and that at the time of the purchase the property was in violation of City’s Property Maintenance Code, Title 29 and monthly code enforcement fees were being billed. The Notice goes on to say that City records show that the case is still open and the violations on the attached list require correction, inspection and approval by a Housing Inspector. It also requests the new property owner to contact the inspector if there is any question.

Included with the “**Notice of Violation – New Owner Notification**” was a “Fees, Penalties, Reviews, Appeals, and Waiver Information.” In it, there is detailed information alerting that “if all Fire, Life, Safety and/or Health, Sanitation violations **are not** corrected, inspected, and approved by a City Housing inspector within thirty (30) days of the mailing date of the first violation letter, a lien may be placed against the property.”

In addition, the enclosed “Fees, Penalties, Reviews, Appeals, and Waiver information” describes several fees and penalties as well as Code enforcement Fee Waivers.

On November 19, 2014, the inspector re-inspected the property at the property owner’s request and verified that “violations still exist.” According to the inspector’s notes, the inspector called the property owner to “provide feedback.”

On March 10, 2015, the property owner called the inspector requesting a “re-inspection of the gutters only” the property owner “says he still needs more time for the roof.” On the same day the inspector re-inspected the property. “Found gutters and downspouts repaired. Roof still remains in disrepair. Property owner requested roof waiver, sending request to administrative staff.”

On March 17, 2015, the Bureau of Development Services mailed to the property owner a “**Notice of Violation – Property Maintenance Code – Progress Report**”. The Notice referred to the previous Notice of Violation mailed to the property owner on January 24, 2014. “**The Progress Report**” stated that the violation related to the “portion of gutters and/or downspouts are damaged, deteriorated, and/or missing, 29.30.030 was corrected. The report also stated that the “Portion of roof covering are deteriorated, damaged and/or missing, resulting in possible weather entry, 29.30.030 was not corrected. Included with the “**Notice of Violation – New Owner Notification**” was a “Fees, Penalties, Reviews, Appeals, and Waiver Information.”

On March 19, 2015, the Bureau of Development Services mailed to the property owner an “Exterior Paint/Roof Fee Waiver for 9120 N Tioga Ave.” The notice basically informed the property owner of the bureau’s approval of a “Paint and Roof Waiver of Code Enforcement Fines.” The notice provided the time frame of the waiver and the respective restrictions that accompanied it if the work required was not completed, inspected and approved by the district Housing Inspector by December 10, 2015.

On October 27, 2015, an inspector inspected the property for “nuisance from sidewalk and ROW (Right of Way). Found tall grass and weeds inside the gated yard and outside of the gate at the sidewalk. Also noted roof cited in prior housing case has not been resolved. Posted nuisance violation.”

On November 04, 2015, the housing inspector closed “the case as no further action, sending email to admin to cancel liens as of March, 11, 2015, the date of re-inspection of the gutters. This case was cited in error, no proof of roof leaking prior to citing the violation.”

On November 06, 2015, there is a note in tracks that reads: “There are no liens to cancel as roof waiver was in place when the gutters were done. I’ll backdate closure of case to when the gutters were done.”

On December 3, 2015, the City notified the property owner through the first “**Notice of Foreclosure Listing**” the City’s intent to foreclose on properties with delinquent City liens. The notification was mailed to the property owner first class mail and certified mail with return receipt required.

On January 4, 2016, the second “**Notice of Foreclosure Listing**” was mailed to the property owner. The notification was mailed to the property owner first class mail and certified mail with return receipt required.

Based on information contained in the file, there were violations of City Code. To solve the problem the property owners could have initiated repairs of the roof, gutters and downspouts that were in violation of City Code 29.30.030.

The Auditor's Office considered the following factors in making the recommendation of the payment amount:

(1) "Whether the property owner has committed any prior City Code violation ..."

The Auditor's Office finds that there is evidence indicating that the property owner has several properties with outstanding liens and ongoing property maintenance issues.

(2) "The history of the property owner in taking all feasible steps or procedures necessary or appropriate to correct the violation or ..."

The Auditor's Office finds that although the property owner was slow in addressing the violations, he was taking steps to resolve the violations.

(3) "The property owner's financial condition"

There is no evidence provided in the file addressing the property owner's financial condition.

(4) "The gravity and magnitude of the violation."

There is no indication in the file that the violations were "**Fire Life Safety Violations**" or "**Health Sanitation Violation.**" At the time, the property was vacant.

(5) "Whether the violation was repeated or continuous."

According to information contained in the file, the violations were continuous but not repeated. The City inspector noted that one of the violations was corrected while the property owner did request and was granted an Exterior Paint/Roof Waiver and managed to correct the violation within the time frame allowed by the Waiver.

(6) "Whether the violation was due to unavoidable accident or other conditions or circumstances beyond the property owner's reasonable control, negligence, or an intentional act of the property owner."

The property owner was aware of the violations. The Auditor's Office finds that the violations were not the result of unavoidable accident, but an intentional act of the property owner that was within complete control of the property owner.

(7) "The opportunity and degree of difficulty to correct the violation ..."

When they were detected the correction of the violations involved basic regular required property maintenance, however; the property owner opted not to correct them promptly.

(8) "The economic or financial benefit accrued or likely to accrue to the property owner as a result of the violation"

There is no evidence to suggest that the property owner benefited from the violations.

(9) “The property owner’s cooperativeness and efforts to correct the violation for which the lien was assessed”

Evidence suggests that the property owner did slowly make attempts to correct the violations prior to the deadline established by the Waiver.

(12) “The costs to the City of investigation, enforcement and correction or attempted correction of the violation.”

As of June 06, 2016, overall City charges against the property amount to \$11,228.40 subject to additional accrued interest, penalties and collection charges.

Summary

The Auditor’s Office finds that the facts contained in the file suggest that the property owner was slow in bringing the property in to compliance with City Code.

There is an aspect of this file that appears to be unclear—the property’s date of change in ownership. According to Multnomah County records, the property changed hands from Deanna Martinot to Norman Yee on December 18 of 2013. However, as of March 10, 2015 the inspector’s notes referred to a request for re-inspection made by Deanna. Yet, communications since January 2014 were being mailed to Norman Yee at his address.

Research indicates that Deanna Martinot and Norman Yee seem to be related, or they are business partners. The City of Milwaukie faces similar problems with Norman Yee, and there are documents that refer to them both interchangeably.

According to information provided by the Bureau of Development Services, staff members have inspected the property on four occasions since the detection of the violations. Based on comments written by the City Inspectors, the property was unoccupied during the period of the violations and there is no indication of any Fire, Life, Safety or Health Sanitation violations.

The Auditor’s Office also finds that had the property owner addressed the violations within a reasonable time, the corrections would have been less costly and the degree of difficulty to correct the violations would have been much reduced.

The property owner did request and was granted an “Exterior Paint/Roof Fee Waiver” effective March 10, 2015 through December 10, 2015 a total of nine months. Effectively, the enforcement fines during this period were waived. The property owner did take advantage of the waiver and brought the property into compliance with City Code. One of the requirements of the waiver was that “all required work must be completed, inspected and approved by the district housing Inspector by December 10, 2015.” The property owner did fulfill the requirement and by November 4, 2015, the inspector closed the case.

Although the property owner brought the property into compliance with City Code Title 29, the property is not in compliance with City Code Title 5.30. The property owner is still delinquent on the lien associated with the violation to Code Title 29.

According to City Code Title 29.70.040 (A) the property owner is a chronic offender. A chronic offender is a person whose property has accumulated, within any 12-month period, multiple violations under Title 29, which have a negative impact on the public health or welfare and cause repeat inspections and enforcement efforts by the Director of the Bureau of Development Services.

The Auditor's Office recommends the payoff to be established at **\$6,523.58**, and the term of repayment not to exceed 60 months, subject to accrued interest and collection charges.

The recommended amount was calculated taking into consideration the principle of cost recovery; therefore, the calculations include the number of inspections, interest rate at 12%, estimate cost of the committee's review, billing costs, collection costs, civil penalties assessed on a monthly basis and the length of the time of the violations.

Foreclosure Recommendation Form

Property Owner: Norman Tung Yee
Site Address: 8515 N Portsmouth Ave.
Property ID: R670703540
Lien Account Number: 145127
Type of Lien: Code Enforcement – Code Enforcement Fees
Use of the Property: Single Family Dwelling

16. Current Principal Owed	\$19,561.30
17. Interest at 12% annually	12,517.14
18. Costs	354.00
19. Penalties	3,127.22
20. Total payoff amount as of March 25, 2016	<u>\$ 35,559.66</u>

CRITERIA

	YES	NO
Property owner has committed prior City Code violation or has delinquent Account	√	
Property owner has taken steps to correct violation or resolve any delinquency		√
Property owner’s financial condition allows to resolve the problem		
Violation of high gravity and magnitude		√
Violation was repeated or continuous	√	
Violation was intentional or negligent caused by the property owner	√	
High degree of difficulty to correct the violation or delinquency		√
Economic or financial benefit accrued to property owner as a result of the violation		√
Property owner cooperative and makes effort to correct the violation		√
Cost to the City to investigate and correct the violation	√	
Any other relevant factors	√	

Recommendation:

16. Current Principal Owed	\$10,431.90
17. Interest at 12% annually	1,258.44
18. Costs	864.00
19. Penalties	1,377.50
20. Total payoff amount recommended	<u>\$ 13,931.84</u>

Collections Committee agreed to keep the amount owed at \$35,559.66

Background

On April 1, 2008, a City Housing Inspector for the City of Portland inspected the property located within the City limits at 8515-8517 N Portsmouth Ave. and noted that the property was in violation of City Code.

On April 14, 2008 the inspector mailed to the property owners a “**Notification of Violation-Property Maintenance Code**” advising the property owner to correct the violations that were **Fire or Life Safety** violations within 30 days and correct the other violations within 60 days following the Notice. In addition, the notification alerted the property owner to contact the inspector to arrange a time and date for an inspection.

The notification listed ten violations and offered the City Code applicable to each individual violation.

The violations described were:

1. Portions of exterior siding are fire damaged and/or missing. 29.30.060 (a)
2. Portions of trim paint are peeled to bare wood. 29.30.060 (b).
3. Portions of exterior paint are peeled to bare wood. 29.30.060 (b).
4. Portions of gutters and/or downspouts are damaged, deteriorated, and/or missing. 29.30.030
5. Portions of roof covering are fire damaged and/or damaged and/or missing, resulting in possible weather entry. 29.30.030.
6. Portions of soffits and/or fascia are fire damaged, and/or missing. 29.30.060 (a)
7. **Fire Life Safety Violations:** Portions of porch decking and steps are deteriorated and damaged. 29.30.070.
8. Several windows are damaged, broken, and/or missing. 29.30.090 (h).
9. **Fire Life Safety Violations:** Several windows are boarded, preventing emergence exit, ventilation, and light. 29.30.090 (a, b, c, f).
10. Portions of gutters and/or downspouts are damaged, deteriorated, and/or missing. 29.30.030.

The notification also stated that the condition of the property required a complete inspection of the structures. The notification advised the property owner that “the City may take legal action necessary to obtain compliance...” and requested the property owner to contact the district housing inspector to arrange for a mutually convenient time for an inspection.

On May 9, 2008, the Bureau of Development Services received another complaint against the property.

On May 14, 2008, the Bureau of Development Services mailed to the property owner a “**Notice of City of Portland – Housing Code Violation and Possible Lien Against the property**”

The Notice explained that the property had been cited as being in violation of Portland City Code Title 29 and that the City had requested the property owner to cure the violation. The notification specifically

stated that if the property owner failed to correct the violations, monthly enforcement fees would be charged and civil penalties would be imposed. It also noted that the cost of collection and assessment would be made a lien against the property until paid in full.

On June 30, 2008, an “**Enforcement Fee Increase Notification**” was mailed to the property owner.

On July 30, 2008, a City inspector inspected the property from outside the gate. In his notes the inspector described that “Front gate is locked, yard recently cut, house is boarded against entry, appears secure. No alley at this property.”

On September 15, 2008, the City of Portland, through the Revenue Bureau mailed to the property owner a “Revolving Notification.” The notification informed the property owner that a lien was placed against the property for at least one Code Enforcement Violation. The notification explained the past due amount due at the time, and the consequences to the property owner if the lien remained unpaid. It also provided a phone number if the property owner needed a better understanding of the violation and the cost associated with lack of payment.

On March 2, 2009, a City senior inspector inspected the property and described in his notes that “Property vacant, secure, some accumulation of yard debris, broken second floor window.”

On March 3, 2009, the City Inspector mailed to the property owner a “**Notice of Violation – Property Maintenance Code – Progress Report**”.

The notification included the violations and reminded the property owner that the violations were uncorrected violations from April 14, 2008. The notification described the violations and informed the property owner to contact the inspector once the violations were corrected.

The notice stated to the property owner that charges continue to accrue, that a lien against the property exists, that the uncorrected violations older than 6-months thus far would double the monthly fees and if the property is vacant or becomes vacant, the violations must be corrected prior to re-occupation of the premises. Otherwise, there would be a penalty of an additional \$550.00.

On June 24, 2009, a City inspector noted that “Returned call to Brooke w/ law firm Dunn/Camey, representing defendant Norman Yee, who left voice mail on June 23, 2009, asking for proper way to request records.” The inspector directed the caller to the staff member responsible for record research in BDS and to contact current case inspector if she had any questions.

On July 01, 2009, an “**Enforcement Fee Increase Notification**” was mailed to the property owner.

In May of 2009, the Bureau of Development Services instituted a “Lien Amnesty Program” that went in effect through July 8, 2009. Apparently, sometime past the deadline when the program was to be in effect--September of 2009, Mr. Yee contacted the Bureau of Development Services requesting to be granted the benefits of the program.

On September 14, 2009, the Bureau mailed a communication to Mr. Yee providing “an extension until September 25, 2009 to participate and receive a significant reduction in your lien amounts.” The communication specified the properties with liens that would not qualify for the Amnesty reduction because the liens were not Development Services liens.

The communication went on to describe each property and the liens attached to the respective properties, provided the reduced amounts and explained the requirements necessary for the property owner to benefit from the program.

There is no indication in the file that Mr. Yee applied to benefit from the opportunity provided by the Bureau of Development Services.

On April 20, 2010, the City inspector mailed to the property owners a “**Notice of Violation – Property Maintenance Code – Progress Report**”.

The notification included the previous violations and reminded the property owner that the violations remained uncorrected since the last notification mailed to the property owner on March 3, 2009. The notification described the violations and informed the property owner to contact the inspector once the violations were corrected.

The notice stated to the property owner that the charges continue to accrue, that a lien against the property exists, that the uncorrected violations “open longer than three (3) months from the initial compliance date, the monthly code enforcement fees may double.” In addition, it specified that “if the property or any part thereof is vacant or becomes vacant, it cannot be occupied until the violations are corrected.” Otherwise, there would be a fine of an additional \$550.00 per month.

On July 08, 2010, an “**Enforcement Fee Change & Enforcement Penalty Increase Notification**” was mailed to the property owner.

On June 29, 2011, an “**Enforcement Fee Change & Enforcement Penalty Increase Notification**” was mailed to the property owner.

On September 28, 2011, a City inspector rechecked the property and stated that additional violations were verified.

The notification included uncorrected violations detected previously and last communicated to the property owner on April 20, 2010 and (3) three additional violations deemed Fire Life Safety Violations and Health Sanitation Violations, which were:

10. Fire Life Safety Violation: Front steps lack a required approved safety handrail not less than 30” nor greater than 38” high, that is continuous the full length of the stairs with ends that turn into the wall or butt into a post. 29.30.080(b, c)
11. Fire Life Safety Violation: porch lacks required 36” (one and two family dwellings) high safety guard rail with intermediate rails spaced so that no object larger than a four-inch sphere may pass through. 29.30.080(c)
12. Health Sanitation Violation: Trash and debris have accumulated on exterior property areas.

Enclosed with the notification was an “**Enforcement Fee Change & Enforcement Penalty Increase Notification**” was mailed to the property owner.

On February 6, 2012, the Bureau of Development Services mailed to the property owner a “**Notice of Possible Code Hearing-Case #8-121018-HS**”.

The notification alerted the property owner that a “Code Hearing will be scheduled to address the Housing Code violations at this property, please immediately contact Neighborhood Inspections & Compliance Services.” The notification provided the name and phone number of the staff member to be contacted.

The notification also stated that “If a code hearing is scheduled additional remedies to correct the violation will be proposed including substantial civil penalties of up to \$1,000.00 per day, vacation orders, and/or demolition orders.” The notice was posted on the property near the main entrance. On the back of the notice there was a **“Fees, Penalties, Reviews, Appeals, and Waiver Information”** fees.

On February 21, 2012, a City inspector inspected the property and took a set of pictures depicting the violations still existing on the property.

On February 24, 2012, the City inspector mailed to the property owner a **“Notice of Violation – Property Maintenance Code – Additional Violations”**.

The notification included (3) three additional uncorrected violations from September 28, 2011 re-inspection and (3) three additional violations, which were:

12. Light fixture(s) at exterior damaged. 29.30.190
13. Exterior doors are boarded. 29.30.100(d)
14. Property is a derelict building as defined by Code because it is vacant, boarded, has been issued a correction notice by the Director pursuant of section 29.20 more than once in any two year period, and has, while vacant, had a nuisance abated by the City pursuant to Title 29, more specifically 29.10.020 and 29.40.010.

Enclosed with the notification was a **“Fees, Penalties, Reviews, Appeals, and Waiver Information”** fees.

On February 23, 2012, a City inspector inspected the property and took a set of pictures showing the violations still existing on the property.

On March 12, 2012, a communication RE: “Hearing Filing Fee” was mailed to the property owner. The communication notified that a City inspector had filed a complaint with the Code Hearings Office and that a filing fee of \$326.00 would be charged. It also informed the property owner that if payment was not received by the Bureau of Development Services by March 26, 2012, the charges would be referred to the Auditor’s Office, a lien would be placed against the property, and additional charges would be applied.

On April 2, 2012, the City inspector received a phone call from Mr. Yee, requesting to have the scheduled hearing postponed. The inspector objected to the request but suggested that the property owner was welcome to request the postponement to the Hearings Office. However, the inspector went on to say to the property owner that if the Hearings Officer would ask for the inspector’s opinion, he would object.

On April 23, 2012, the City inspector inspected the property from the outside fence and detected no sign of work or other presence at the property. He also noted that “the grass is overgrown again”.

On May 4, 2012, the City inspector went to the site to verify if there was progress to bring the property in to compliance with City Code. He noted that there was little work done.

On May 7, 2012, the City inspector inspected the property and concluded that “most of the work is done.”

On May 7, 2012, the scheduled hearing took place. The Hearings Officer made the determination based on a copy of a Stipulated Agreement presented by both parties. In the agreement both the City and Mr. Yee agreed that all alleged violations existed. The agreement called for repairs. In accordance with the agreement, Mr. Yee agreed that “the violations would be corrected by June 16, 2012.” The agreement also stated that “civil penalties for cost recovery may be assessed by the City (\$4,135.00) and Mr. Yee would monitor the property subject to this case once every 30 days” Mr. Yee also agreed “that in the event nuisance(s) case(s) (tall grass and weeds, accumulations of trash, disabled vehicles) occur at the property, then an additional City assessment of a \$500.00 civil penalty may be assessed.” There was an additional agreement between the parties that the Hearings Officer would retain jurisdiction for an additional 180 days.

The Hearings Officer found the agreement reasonable and that the agreement would become part of the Order.

On May 22, 2012, the Hearings Officer issued the order and determination.

1. The alleged violation existed
2.
 - a) The \$4,135.00 assessment for City cost recovery would become a lien against the property if unpaid past June 18, 2012
 - b) Any assessment authorized in the Agreement, if not paid within 14 business days would become a lien against the property
3. If no request for an additional hearing is received by the Hearings Office by 4:00 p.m. on November 15, 2012, this case would be closed on November 16, 2012.
4. The order was mailed to the parties on May 22, 2012, and would become final and effective on June 5, 2012
5. This order may be appealed to a court of competent jurisdiction pursuant to ORS 34.010.

Attached to the file is a copy of the “**Stipulated Agreement for Repairs**” which the parties requested to be entered and incorporated in the Hearings Officer’s Order and Determination.

On June 27, 2012, at the request of the property owner’s attorney, the inspector “inspected the property from outside and from the neighboring property” and noted that “all violations appear completed, although the repairs are of a low quality nature. I suspect the property will continue to deteriorate without constant attention. Hearings order requires owner to monitor property each 30 days. Lawn recently cut, no accumulation of trash. Closing file.”

On August 15, 2012, the inspector inspected that property and according to his notes he had taken photos and “grass exceeds maximum, posting for nuisance.”

On September 14, 2012, the inspector submitted a memorandum to the Hearings Officer, alluding to the Hearings Officer’s Order dated May 22, 2012. “The Order incorporated the “Stipulated Agreement” Section B, 3, that provides that the Respondent shall monitor and remedy any of these conditions at the property if the City confirms upon re-inspection, any one of these conditions and issues a violation notice,

a \$500.00 penalty will be assessed in addition to any fees or fines assessed in the normal course of enforcement for these violations”

On October 24, 2012, the City Auditor’s Office mailed a first class and certified return receipt required “**Potential Foreclosure Listing**” letter to the property owner.

On November 19, 2012, the inspector “re-inspected the property from gate still no sign of any occupancy or use.”

On November 27, 2012, the inspector noted that “received supplemental order back from Hearings office, granting request for extension of jurisdiction to May 15, 2013.

On March 14, 2013, the inspector wrote on his notes that “inspected site from outside the fence, house and yard are clean but the grass is growing quickly. Continue to monitor.”

On September 3, 2014, the City Auditor’s Office mailed another first class and certified return receipt required “**Potential Foreclosure Listing**” letter to the property owner.

On January 9, 2015, the City Auditor’s Office a mailed the third first class and certified return receipt required “**Potential Foreclosure Listing**” letter to the property owner.

Based on information contained in the file, there were violations of City Code. To solve the problem the property owners could have initiated repairs by painting the exterior of the property, cleaning the vicinity of the property address, reconnecting gas to the property and satisfying section 29.60.050, 29.10.020 and 29.40.010 of City Code.

The Auditor’s Office considered the following factors in making the recommendation of the payment amount:

(1) “Whether the property owner has committed any prior City Code violation ...”

The Auditor’s Office finds that there is evidence indicating violations to the property subsequent to the original violations.

(2) “The history of the property owner in taking all feasible steps or procedures necessary or appropriate to correct the violations or ...”

The Auditor’s Office finds that the property owner poorly corrected the violations related to the Housing Code but failed to correct the Nuisances. There were 10 additional liens placed against the property of which 6 were nuisances abated by the City and they are still delinquent.

(3) “The property owner’s financial condition”

There is no evidence provided in the file addressing the property owner’s financial condition. Although, within the limits of the City of Portland, the property owner has 12 properties with outstanding liens and ongoing property maintenance issues.

(4) “The gravity and magnitude of the violation.”

On his first inspection the City inspector included in the list of 10 original violations, 2 “**Fire Life Safety Violations**” and 1 “**Health Sanitation Violation.**” At the time, the property was vacant.

(5) “Whether the violation was repeated or continuous.”

The City inspector noted the violations on April 1, 2008, and they were not corrected until June 27, 2012, over a 4 year period. It is important to note that during the time in question, there were 10 additional violations of which 6 were nuisances abated by the City, however, all remain delinquent.

(6) “Whether the violation was due to unavoidable accident or other conditions or circumstances beyond the property owner’s reasonable control, negligence, or an intentional act of the property owner.”

The property owner was aware of the violations. The Auditor’s Office finds that the violations were not the result of unavoidable accident, but an intentional act of the property owner that was within his complete control.

(7) “The opportunity and degree of difficulty to correct the violation ...”

When the violations were detected some of them were a result of fire damage; therefore, presented a higher degree of difficulty. Some of the other violations involved basic regular required property maintenance, however; as the deterioration of the structure increased, the opportunity and degree of difficulty to correct the violations increased.

(8) “The economic or financial benefit accrued or likely to accrue to the property owner as a result of the violation”

There is no evidence to suggest that the property owner benefited from the violations.

(9) “The property owner’s cooperativeness and efforts to correct the violation for which the lien was assessed”

Evidence suggests that the property owner delayed efforts to correct the violations. Had the property owner addressed the problems soon after the inspector’s communication, the property would have been in compliance with City Code within the time frame provided by the inspector.

(13) “The costs to the City of investigation, enforcement and correction or attempted correction of the violation.”

As of June 06, 2016, overall City charges against the property amount to \$66,059.57 subject to additional accrued interest, penalties and collection charges.

Summary

The Auditor’s Office finds that the facts contained in the file suggest that the property owner has made the decision not to comply with City Code. The history of non-compliance dates back to April of 2008, when the City Inspector detected the violations and contacted the property owner.

During the period in question, there were 10 other liens placed against the property. All but lien no. 145127 is now in compliance with City Code Title 29, the result of efforts made by the property owner.

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.