

## **ORDINANCE No.**

Initiate foreclosure action on four properties for the collection of delinquent City Liens placed against the properties (Ordinance)

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 to prepare a proposed foreclosure list and submit the list to the City Council for action.
3. In October 2019, the Bureau of Development Services submitted eight properties it identified as priority Vacant and Distressed Properties to the Revenue Division for foreclosure consideration. After review and analysis of the cases, four properties qualified to the foreclosure list and are being submitted to Council based on their potential to help solve public health, safety, or welfare objectives, pursuant of City Code 5.30.100. Additional consideration was given to the number of abatements, whether the property owner had multiple delinquencies and the negative impact the property was causing to the neighborhood.
4. The Revenue Division mailed notices to the property owners by certified mail with return receipts required of pending foreclosure action between October 23, 2019 and October 12, 2020, as required by Portland City Code section 5.30.050 (D).

NOW, THEREFORE, the Council directs:

- a. The City Council approves Foreclosure List 2020-01, as attached as Exhibit A, and directs the City Treasurer to begin foreclosure proceedings to sell the following properties:
  1. 3633 SE Schiller St., Russell J Milroy, owner of record.  
Tax no. R490800870
  2. 5080 SE Cooper St., Jeffrey S Craig, owner of record.  
Tax no. R022900050

3. 4705 NE 62<sup>nd</sup> Ave., Willie L Anderson & Thresa L Moehring, owners of record. Tax no. R073002020
  4. 9101 SE Hawthorne Blvd., Norman Tung Yee, owner of record. Tax no. R992042010
- b. The City Council accepts the Foreclosure Reports, attached as Exhibits B-1, B-2, B-3 and B-4.
  - c. Pursuant to Portland City Code Chapter 5.30 and 5.30.210, the owner or any person having a recorded interest in the property, or their legal representative, may redeem the property by paying the redemption price to the City Treasurer at any time within one year from the date of the foreclosure sale.

Passed by the Council:

Mayor Ted Wheeler

Prepared by: Marco Maciel

Date Prepared: October 8, 2020

**Mary Hull Caballero**

Auditor of the City of Portland

By

Deputy

Agenda No. 850  
 Item Type: Ordinance No. \_\_\_\_\_  
 Council Meeting Date: October 28, 2020

Title: Initiate foreclosure action on four properties for the collection of delinquent City liens placed against the properties (Ordinance)

**AGENDA TYPE**

- Consent
- Regular
- Time Certain Start Time 9:45 a.m.

Item 1 of 1

Total amount of time needed for presentation, testimony and discussion (Regular and Time Certain Only): 30 Minutes

**INTRODUCED BY:** Mayor Wheeler

**COMMISSIONER / AUDITOR APPROVAL**

Mayor - Finance & Admin. - Wheeler Digitally signed by Mustafa Washington Date: 2020.10.20 15:41:49 -0700'  
 Position 1/ Utilities - Fritz  
 Position 2/ Works - Ryan  
 Position 3/ Affairs - Hardesty  
 Position 4/ Safety - Eudaly  
 City Auditor - Hull Caballero

**BUREAU APPROVALS**

Bureau: OMF/CAO  
 OMF/CAO: Carmen Merlo Digitally signed by Carmen Merlo Date: 2020.10.13 16:30:17 -0700'  
 Bureau Approval: Michelle Kirby Digitally signed by Michelle Kirby Date: 2020.10.13 15:34:08 -0700'

Prepared By: Marco Maciel  
 Date Prepared: October 8, 2020

- 1) Is a completed Impact Statement attached?  Yes
- 3) Is the item a Code ordinance?  Yes  No  
 If yes, Auditor Office Approval
- 5a) Is item a Portland Policy Document or Administrative Rule?  Yes  No

- 2) Does the item amend the budget?  Yes  No  
 If yes, Budget Office Approval
- 4) Is this item a contract (current or future), code, easement, franchise, comp plan or Charter?  Yes  No  
 If yes, Attorney Office Approval
- 5b) If yes, is the City Policy/Admin Rule directive in the ordinance or resolution?  Yes  No

**ACTION TAKEN:**

CLERK USE: DATE FILED 10/20/20  
 Mary Hull Caballero  
 Auditor of the City of Portland  
 By: Keelan McClymont Digitally signed by Keelan McClymont Date: 2020.10.20 16:45:42 -0700'  
 Deputy

FOUR-FIFTHS AGENDA
1. Fritz
2. Ryan
3. Hardesty
4. Eudaly
Wheeler

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
1. Fritz		
2. Ryan		
3. Hardesty		
4. Eudaly		
Wheeler		



**CITY OF PORTLAND**  
OFFICE OF MANAGEMENT AND FINANCE  
BUREAU OF REVENUE AND FINANCIAL SERVICES

**Ted Wheeler, Mayor**  
**Tom Rinehart, Chief Administrative Officer**  
**Michelle Kirby, Chief Financial Officer**  
**Thomas W. Lannom, Revenue Division Director**

**Foreclosure - Revenue Division**  
111 SW Columbia St., Suite 600  
Portland, Oregon 97201-5840  
(503) 823-5157  
FAX (503) 279-2669  
TTY (503) 823-6868  
marco.maci@portlandoregon.gov

October 12, 2020

To: Mayor Ted Wheeler  
Commissioner Amanda Fritz  
Commissioner Dan Ryan  
Commissioner Jo Ann Hardesty  
Commissioner Cloe Eudaly  
Auditor Mary Hull Caballero

From: Thomas W. Lannom, Revenue Division Director

Date: October 12, 2020

Subject: Foreclosure List 2020-01

Attached is a report listing four properties that are eligible for foreclosure for payment of delinquent City liens owed to the City of Portland. They will be considered for foreclosure by Council at the October 28, 2020, meeting at 9:45 A.M.

Each property has three or more liens, and they are primarily placed by the Bureau of Development Services (Development Services) as part of its code enforcement and nuisance abatement responsibilities. These properties have delinquent City liens and meet the requirements for foreclosure under Portland City Code Chapter 5.30.

The properties included in this report were identified by Development Services, working in collaboration with Portland Police Bureau and the Office of Community and Civic Life. The properties have been prioritized for foreclosure according to a lengthy history of health and safety violations, numerous police calls, negative effects on neighborhoods, and lack of responsiveness and corrective action by the property owners.

The Foreclosure Manager reviewed each property and evaluated it against the criteria provided in City Code for any lien adjustments. City Code states that the Revenue Division may adjust lien amounts; the City's Collections Committee's role is to approve, reject or amend the Revenue Division's recommendations on lien adjustments. The cases were not submitted to the Collections Committee as the Foreclosure Manager found no mitigating factors that would warrant an adjustment.

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[www.portlandoregon.gov/revenue](http://www.portlandoregon.gov/revenue)

The subject of Vacant and Distressed Properties was discussed when the Collections Committee last convened. There was consensus that if the property was distressed, vacant, or abandoned, and the property owner had made no attempt to correct the violations, there was no need to submit the case to the Committee.

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 is being presented to Council for approval.

REPORT TO COUNCIL  
Foreclosure List 2020 - 01

EXHIBIT A

October 8, 2020

Property Owner	Tax Roll Description	Property Address	Lien Acct	Amount Owed	Tax Acct	Assessment Date	Delinquency Date	Property Type	Lien Type	No. Liens
1 RUSSELL J MILROY	LEONE PK; BLOCK 4; S 5' OF LOT 6; LOT 7	3633 SE SCHILLER ST	156265	\$31,003.78	R490800870	12/18/2014	1/29/2015	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	4
			157092	\$1,151.06	R490800870	5/10/2015	6/18/2015	RESIDENTIAL IMPROVED	NUISANCE- W/O INSPECT	
			159510	\$7,492.53	R490800870	3/10/2016	4/11/2015	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			164409	\$1,287.92	R490800870	2/10/2018	3/15/2018	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			<b>TOTAL</b>	<b>\$40,935.29</b>						
2 JEFFREY S CRAIG	AMERATOS ADD; LOT 4	5080 SE COOPER ST	86940	\$13,218.52	R022900050	3/17/1993	1/16/2001	RESIDENTIAL IMPROVED	MID-CO SDC CIP	3
			157914	\$39,162.49	R022900050	12/1/2015	1/7/2016	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	
			157992	\$39,642.46	R022900050	12/18/2015	1/28/2016	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	
			<b>TOTAL</b>	<b>\$92,023.47</b>						
3 WILLIE O ANDERSON & THRESA L MOEHRING	BERRY AC; BLOCK 4; S 1/2 OF LOT 6	4705 NE 62ND AVE	156734	\$17,483.02	R073002020	3/18/2015	4/23/2015	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	4
			162659	\$5,036.99	R073002020	10/1/2017	11/9/2017	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	
			163019	\$5,097.32	R073002020	12/10/2017	1/18/2018	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			171654	\$10,308.84	R073002020	12/10/2019	1/16/2020	RESIDENTIAL IMPROVED	NUISANCE- GF INVOICE	
			<b>TOTAL</b>	<b>\$37,926.17</b>						
4 NORMAN TUNG YEE	SECTION 04 1S 2E; TL 11700 0.15 ACRES	9101 SE HAWTHORNE BLVD	155484	\$41,669.66	R992042010	7/18/2014	8/28/2014	RESIDENTIAL IMPROVED	CODE ENFORCEMENT	4
			156585	\$17,177.52	R992042010	2/10/2015	3/19/2015	RESIDENTIAL IMPROVED	NUISANCE-GF INVOICE	
			162367	\$6,440.64	R992042010	8/10/2017	9/14/2017	RESIDENTIAL IMPROVED	NUISANCE-GF INVOICE	
			167354	\$3,243.38	R992042010	3/10/2019	4/18/2019	RESIDENTIAL IMPROVED	NUISANCE-GF INVOICE	
			<b>TOTAL</b>	<b>\$68,531.20</b>						
TOTAL AMOUNT OWED AS OF OCTOBER 8, 2020	<b>\$239,416.13</b>									
NUMBER OF PROPERTIES	<b>4</b>									
TOTAL NUMBER OF LIENS	<b>15</b>									



**CITY OF PORTLAND**  
 OFFICE OF MANAGEMENT AND FINANCE  
 BUREAU OF REVENUE AND FINANCIAL SERVICES  
 Ted Wheeler, Mayor  
 Michelle Kirby, Chief Financial Officer  
 Thomas W. Lannom, Revenue Division Director

**Foreclosure – Revenue Division**  
 111 SW Columbia St., Suite 600  
 Portland, Oregon 97201-5840  
 (503) 823-4090  
 Mail to: PO Box 8834  
 Portland OR 97207-8834  
 marco.maci@portlandoregon.gov

## Foreclosure Recommendation Report

### 3633 SE SCHILLER ST

The Revenue Division recommends foreclosure on **3633 SE Schiller St.** for delinquent City liens. The lien accounts meet delinquency requirements for foreclosure and no mitigating factors were discovered that would prevent foreclosure or indicate that an adjustment of the lien amount is in order.

#### *Summary Information*

<b>Site Address:</b>	3633 SE Schiller St
<b>Recorded Property Owner:</b>	Milroy J Russell
<b>Property ID:</b>	R206341 – R490800870
<b>Lien Account Numbers:</b>	156265, 157092, 159510 and 164409
<b>Type of Liens:</b>	Nuisance- GF Invoice and Code Enforcement Fees
<b>Use of Property:</b>	Single Family Dwelling, currently unoccupied
<b>Amount of Delinquent Lien:</b>	<b>\$40,935.29</b>
<b>Payoff Amount Recommended:</b>	<b>\$40,935.29</b>

#### *General Information*

This property is included on the list of “Distressed Vacant Properties” provided by the Bureau of Development Services and identified as priority for foreclosure. 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 frequently. Neighbors complain that many of these properties are inhabited by unlawful occupants and there are commonly drug activities taking place, which jeopardizes the public health, safety, and welfare of the neighborhood.

The majority of these properties are investment properties owned by financial institutions or absent owners who have no vested interest in the neighborhood effects such distressed properties have on the community. They are demonstrated hazards and magnets for crime. For these reasons, the Revenue Division's recommendations for these distressed and egregious properties are concise and generally maintain the amount owed as is with no recommended reduction in lien amount, except in cases where mitigating circumstances point toward improved property owner compliance with a reduced lien amount.

### ***Violation History***

This is a single-family dwelling that was partially consumed by fire in 2014. The fire occurred in the garage section of the property and destroyed a significant part of the residence.

On September 17, 2014, the Bureau of Development Services received a request from a member of the public to inspect the property located at 3633 SE Schiller St. It was alleged that the property was abandoned and in significant disrepair.

On October 2, 2014, a City inspector inspected the exterior of the property and determined that fire had taken place at the garage section of the property and a burned car was left in the backyard along with burned debris.

On the following day, the inspector mailed the property owner a "Notice of Violation-Property Maintenance Code." The notice listed seven violations, two of which were of a Fire, Life, Safety Violation and Health Sanitation Violation. The notification provided 30 days for correction of the Fire, Life, Safety and/or Health Sanitation Violations and 60 days for correction of any other violations; otherwise, code enforcement fees would initiate.

On November 5, 2014, the inspector returned to the property to re-inspect the exterior of the property and noted that the front area had some trash removed; however, there were trash bags on the street in front and on the side of the house. In addition, the backyard was still full of fire debris.

On December 9, 2014, after two additional complaints to Development Services, the inspector went back to the property and noted that both the structure and the grounds at the location had suffered from neglect for a number of years. Fire had occurred, windows were boarded up with plywood, and the structure was continuing to deteriorate, making the property a nuisance to the neighborhood.

On December 19, 2014, the inspector received a voicemail message from the property owner stating that he was in British Columbia doing hospice care.

On October 27, 2016, a new assigned inspector received a phone call requesting information on "what the City was planning to do about the property." On October 31, 2016, the inspector stopped by the property and recheck the conditions of the property. According to the inspector's description, there were no changes except for the installation of a roof tarp covering a portion of the house.

On November 7, 2016, the inspector went back for a more thorough exterior inspection of the property after reviewing new complaints. The new complaints alluded to inoperable vehicles parked on the street in the vicinity of the property. The inspector did not find any of the described vehicles to report to the



City's Bureau of Transportation. The inspector found no change in conditions to violations cited in the Notice of Violation mailed to the property owner in October 2014.

On November 16, 2016, the inspector spoke with a complainant and in response to the complainant's questions, the inspector provided contact information if the complainant "wanted to discuss further why/how this property can/should be considered a candidate for the City foreclosure, receivership or EDPEP (Extreme Distressed Property Enforcement Program)."

On November 29, 2016, the inspector visited the site and reported that the dwelling appeared to be open to entry and that windows on the west side were broken. The inspector contacted "neighbors who reported that they do not regularly see any movement on the lot; in the past they have seen a bike at the property." The inspector did not think that people were regularly accessing the property.

The inspector called the property owner and described the current condition of the property. The property owner concurred with the assessment made by the inspector and promised to secure the property by December 15, 2016.

The inspector also inquired if the property owner had plans to repair the property and when the repairs may be completed. The property owner said he did but that his circumstances prevented him from repairing the home. The property owner said that he intended to repair and reoccupy the property, but the inspector did not think that it would happen any time soon.

The inspector discussed the monthly fines and explained that if the property owner were able to close Development Services' housing case, the inspector would assist the property owner to get a lien review. A lien review allows the property owner to request a reduction of the lien(s) from Development Services. After the review occurs, in general, the property owner receives a reduction of the amount owed and is granted 60 months to repay the lien(s).

On March 7, 2017, the inspector made a monitoring inspection and noted additional violations. On March 10, the inspector mailed to the property owner a "Notice of Violation – Property Maintenance Code Additional Violations." The notification listed four additional violations including a Fire, Life, Safety Violation.

On March 10, 2017, the inspector called the property owner to discuss the need to address the nuisance issues. The property owner requested a week to remedy the nuisance condition, to which the inspector agreed; however, the inspector stated to the property owner that he would be inspecting the property on that day and invited the property owner to meet the inspector at the property. The property owner declined.

The inspector proceeded to discuss about the property owner's plan for the house. The property owner provided the same previous answers but no concrete plan or path to compliance.

On October 17, 2017, the property was listed as a "Distressed Vacant Property" included in the Bureau of Development Services' updated list of candidates for foreclosure and referred to the City's foreclosure program.

On December 13, 2017, the Foreclosure Manager received a phone call from the property owner requesting details of the foreclosure process. At the time, the property owner explained the circumstances and hardship he was facing.

The Foreclosure Manager suggested the property owner contact the inspector, with whom he was working with to develop a rehabilitation plan and the Foreclosure Manager explained to the property owner the seriousness of his situation. The Foreclosure Manager told the property owner that he would be in contact with the inspector and he was confident that if the property owner was serious about addressing the problems, the City would do everything in its power to assist the property owner.

The Foreclosure Manager contacted the inspector to advise him that the property owner would contact him to discuss a rehabilitation plan for the property. It was suggested that the inspector develop an accessible plan with specific deadlines and achievable goals, and that both the property owner and the inspector keep the Foreclosure Manager aware of the plan's implementation.

On the same day – December 13, 2017 – the property owner contacted the inspector stating that he “would like to move forward on getting the violations resolved.”

The property was removed from the City's foreclosure list with the expectation that a written agreement between the property owner and the inspector, on behalf of Development Services, would be signed shortly.

On March 5, 2018, the Foreclosure Manager called the property owner to check on the plan's implementation. The property owner advised the Foreclosure Manager that he understood from the inspector that Development Services had a “one-year program” and the property owner was granted one year to bring the property into compliance with City Code. The Foreclosure Manager was not aware of such a program and requested the property owner to immediately contact Development Services for clarification.

On March 6, 2018, the Foreclosure Manager received a voicemail message from the inspector's supervisor describing a phone conversation the supervisor had with the property owner:

“The property owner stated to the supervisor that in December of 2017, the previous inspector had informed the property owner that the Bureau of Development Services had a ‘one-year program’ that could help him [the property owner] to comply; however, the property owner had yet to have an assigned BDS [Development Services] employee, due to staffing changes.

“Based on our current program offerings, I interpreted this to mean that a new Senior Housing Inspector would be assigned under the EDPEP program, and that we could work with the property owner on a Stipulated Agreement for repairs, which would set up short-term goals and lead to a code enforcement fee waiver.

“I explained to the property owner that BDS doesn't have any programs or resources to help perform the work that would lead to compliance, but his assigned inspector would be happy to work with him to identify short-term goals that could lead to a waiver – if he demonstrated some action to correct the listed violations.

“I also communicated that there are some community programs that can help homeowners. Some of those community programs have the resources to correct violations, and that those programs have their own application processes. The property owner rebutted that he does have the resources and intentions to comply. The supervisor provided the property owner with the inspector's contact number and work schedule.”

Despite the property owner's lack of action in the past to correct the violations, we decided to go ahead with the plan. It would be made clear in the contract with the property owner that if the property was not brought into compliance with City Code within the time established in the contract, the foreclosure proceedings would continue.

On March 14, 2018, the inspector met with the property owner at the site to review violations. According to the inspector, the property appeared to be vacant. The property owner stated that there was no power, but the water was still in service.

Multiple vehicles associated with the property were parked at the south side of the lot and all appeared operable and legally parked, including a travel trailer that was parked on the street. The property owner stated that the travel trailer belonged to him and would be used for the property owner's son to stay in while the property owner performs the work on the property.

The inspector reviewed the violation letter with the property owner who stated he "now has time to address and intends to reoccupy the property by the end of Summer 2018." At inspection site, a verbal plan was agreed upon. The inspector would put the agreement in writing and send to the property owner for execution.

It is important to point out that beginning in March 2018, both the Police Bureau's Central Precinct and the City Auditor's Office received multiple complaints alleging unlawful occupancy and the property's deteriorating condition.

On March 21, 2018, a Property Agreement for Repairs was signed by the property owner and the inspector on behalf of Development Services' Enforcement Program.

The agreement specified that "failure to meet the agreed-upon timeline for corrections could result in the City of Portland foreclosing on the property." In the agreement, the "respondent understands that each timeline requires a re-inspection by a BDS Housing Inspector to verify that the violation(s) are corrected. It is the responsibility of the property owner to contact BDS Senior Housing Inspector, to arrange for inspections."

In the contract, there were nine requirements and deadlines for compliance:

The first requirement was to be completed by April 20, 2018. It was completed as agreed.

Second requirement was to be completed by May 20, 2018. It was partially completed.

On May 24, 2018, the inspector visited the property and five of the violations were corrected. The inspector emailed the property owner questioning the status of the west side siding replacement. On May 27, the property owner responded with an email asking the inspector to visit the site on Thursday, May 31, to which the inspector answered that he was not sure, but they would talk later in the week.

On May 31, 2018, the inspector mailed to the property owner a "Notice of Violation – Property Maintenance Code – Progress Report." The notice reported that five of the 11 violations were corrected but the agreement required the 11 violations to be cured on May 20, 2018. Therefore, it was imminent that the property owner corrects the remaining code violations promptly.

The property owner emailed the inspector back on May 31<sup>st</sup>, 2018, explaining that he didn't have access to the internet but described what he had accomplished. The inspector responded agreeing with what the property owner had done. The inspector responded stating that he would check the property again the following week.

The third requirement was to be completed by June 20<sup>th</sup>, 2018. It was not complete as agreed.

On July 17, 2018, the inspector inspected the property from the exterior and there was no observable change. No sign of active work and no sign of occupancy.

On July 23, 2018, the inspector called the property owner. The property owner agreed that work had stalled and indicated that heat was the issue. The inspector requested the property owner to get the copy of the agreement and they would discuss the agreement next day.

The property owner requested to change the order of the tasks. He indicated a preference to work on roof first. The inspector responded that he would consider but needed to look at all issues at once.

On July 30, 2018, the Foreclosure Manager called the property owner and the property owner was very optimistic and promised that he would contact the inspector as soon as possible.

On the following day, July 31, the inspector spoke with the property owner and reminded him that he needed to follow-up with the agreement. The property owner re-stated the request to repair the roof instead of replacing it and work on the roof before working on the siding. The inspector agreed and reminded the property owner what the work on the roof entailed. The inspector committed to send a copy of the amended agreement that would show the work already performed.

On the same day, the inspector emailed a copy of the amended contract to the property owner underlining the items that had been addressed and highlighted the outstanding items. In the email, the inspector stated that "he was open to prioritizing the roof/gutter/downspout repair," acquiescing to the property owner's argument that the raining-season starts in September.

The fourth requirement to be completed by July 20, 2018. It was not completed as agreed.

On August 6, 2018, the inspector emailed the property owner to confirm if the property owner had received the inspector's email and to also let the property owner know that he stopped by the property that day and "did not see any changes."

The following day, August 7, the property owner responded to the inspector's email stating that he had received the "DRAFT update email." Also, explaining that he "had been working from inside and outside the house doing prep for the roof and ceiling repair. The tarp is temporarily back in place as I am returning to the outside working on siding and gutter replacement as of Tuesday morning 8/7/18."

On September 4, 2018, the inspector emailed the property owner asking: "Where do things stand now? Please, give me an update."

On the same day, the property owner responded to the inspector: "An early start today so I just got your message. The siding will be complete Monday 9/10. The gutters are ordered and will be installed along with the roof repair next week."

On September 9, the property owner proactively contacted the inspector by email to say: "I am on track to have the siding and gutters installed this week. I lost four days due to medical issues with my foster care boy however that will not alter the project completion target of 9/23."

On September 20, 2018, the inspector went to the property to monitor it from the exterior and there were no signs of recent work. "The west side of the structure is still raw plywood. Roof is still tarped. Gutters missing at south face of house. Opening at north side of house still present (boarded but not weather tight). Construction debris from project in backyard. No nuisances at front or house or near row."

On November 27, 2018, the inspector visited the property to monitor. The inspector called the property owner and left a voicemail message requesting a call back with an update.

On December 1, 2018, the inspector sent an email to the property owner explaining that he has tried calling the property owner but was not able to leave a message. The inspector requested the property owner contact him regarding the status of the house.

The fifth requirement was to be completed by October 1, 2018. Even though the inspector accepted a repair to be made instead of replacement, to facilitate the conclusion of the requirement, it was not completed as agreed.

In summary, the property owner was unable to fulfill his obligation as he agreed when he signed the contract with Development Services.

In the beginning of the execution of the agreement, both the inspector and the Foreclosure Manager were very hopeful with the engagement demonstrated by property owner. Unfortunately, slowly the property owner's interest seemed to decrease. Both the inspector and the Foreclosure Manager kept calling the property owner to provide encouragement, but communication finally ceased. There was no further response from the property owner.

It is important to note that abatement of nuisance cases involve an extensive use of the City's resources because the abatements are executed by contractors paid by the City. The nature of nuisance violations in general involve public health, safety, and the welfare of the community; therefore, the urgency for abatement.

### ***Police Involvement***

From April 22, 2011 through November 2019, police reports show that there have been four calls for service to this address. The majority of these calls were related to Disorder Checks (3) and were dispatched.

Outside of the listed address, 57 other non-traffic calls for service were made within 200 feet of the property. Calls within the most common call group (Disorder) were related to a variety of issues; the most common being Disorder (29), Crime (16), and Alarm (2).

**Lien Details**

There are four liens placed by the City against the property.

Lien No.	Asmt. Date	Principal	Interest	Penalty	Cost	Total
156265	12/18/2014	18,658.20	9,714.26	2,424.32	207.00	31,003.78
157092	05/10/2015	506.00	324.32	78.74	242.00	1,151.06
159510	09/10/2016	4,567.89	2,193.90	536.74	194.00	7,492.53
164409	02/10/2018	826.13	256.69	62.10	143.00	1,287.92
<b>Total</b>		<b>\$24,558.22</b>	<b>\$12,489.17</b>	<b>\$3,101.90</b>	<b>786.00</b>	<b>\$40,935.29</b>
<b>The amounts owed reflected in the table are as of October 8, 2020</b>						

**Ownership/Interest**

According to Multnomah County records, the property is recorded under the name of **MILROY, RUSSEL J.** since 1986.

**Communication with Owner**

From December of 2014 through October 14 2020, the City has mailed 64 notifications and 185 monthly billing statements to the property owner. In addition, there were several direct phone calls and personal contacts with the property owner.

**Evaluation Criteria**

City Code 5.30.060 states that “the Revenue Bureau may evaluate individual delinquent open liens to develop recommendations on revising the payment amount of the lien and the payment terms.”

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

CRITERIA (City Code 5.30.060)	YES	NO	Unknown
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	√		

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

***Conclusion***

According to information provided by Development Services, staff members have inspected the property on 26 occasions since the detection of the violations.

During the time that the property has not been in compliance with City Code, the property owner has allowed several violations of City Code to take place without correcting them. Credit should be given to the property owner for attempting to correct the violations.

At the property owner's request, the City agreed to a Stipulated Agreement, providing the property owner the opportunity to bring the property into compliance with City Code. The City, despite the property owner's inability to maintain the deadlines established in the Stipulated Agreement, provided the property owner two years to rehabilitate the property.

During the time when the property wasn't in compliance with City Code, there were three additional nuisance abatements performed by the City to prevent potential issues that could affect public health, safety, and the welfare of the community.

Many complaints were registered with Development Services, the Portland Police Bureau, the City Auditor's Office, and the Revenue Division.

The violations were repeated and continuous for the last five years and throughout this time, the property has been vacant.

The violations were not intentionally or negligently caused by the property owner but rather because of the property owner's inability to correct them. Therefore, as time goes by, it is becoming evident that the property will continue to be a nuisance to the neighborhood.

Based on the facts provided in this report, the Revenue Division of the Bureau of Revenue and Financial Services recommends that Council approves this property for foreclosure.



**CITY OF PORTLAND**  
 OFFICE OF MANAGEMENT AND FINANCE  
 BUREAU OF REVENUE AND FINANCIAL SERVICES

**Ted Wheeler, Mayor**  
**Michelle Kirby, Chief Financial Officer**  
**Thomas W. Lannom, Revenue Division Director**

**Foreclosure – Revenue Division**  
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## Foreclosure Recommendation Report

### 5080 SE COOPER ST.

The Revenue Division recommends foreclosure on 5080 SE Cooper St. for delinquent City liens. The lien accounts meet delinquency requirements for foreclosure and no mitigating factors were discovered that would prevent foreclosure or indicate that an adjustment of the lien amount is in order.

#### *Summary Information*

<b>Site Address:</b>	5080 SE Cooper St.
<b>Recorded Property Owner:</b>	Jeffrey S Craig
<b>Property ID:</b>	R104983 - R022900050
<b>Lien Account Numbers:</b>	86940, 157914 and 157992
<b>Type of Liens:</b>	MID-CO SDC CIP and Code Enforcement Fees
<b>Use of Property:</b>	Single Family Dwelling, currently unoccupied
<b>Amount of Delinquent Lien as</b>	<b>\$92,023.47</b>
<b>Payoff Amount Recommended</b>	<b>\$92,023.47</b>

#### *General Information*

This property is included on the list of “Distressed Vacant Properties” provided by the Bureau of Development Services and identified as priority for foreclosure. 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 frequently. Neighbors complain that many of these properties are inhabited by unlawful occupants and there are commonly drug activities taking place, which jeopardizes the public health, safety, and welfare of the neighborhood.



The majority of these properties are investment properties owned by financial institutions or absent owners who have no vested interest in the neighborhood effects such distressed properties have on the community. They are demonstrated hazards and magnets for crime. For these reasons, the Revenue Division recommendations for these distressed and egregious properties are concise and generally maintain the amount owed as is with no recommended reduction in lien amount, except in cases where mitigating circumstances point toward improved property owner compliance with a reduced lien amount.

### ***Violation History***

This is a single-family dwelling that has been documented in disrepair since the first inspection occurred on September 29, 2015, after a complaint was received by Development Services.

During the first inspection the inspector registered the condition of the property with a set of pictures that showed portions of damaged gutters and downspouts, deteriorated or missing downspouts discharging rainwater too close to the foundation, and parts of the fence broken or falling; all violations of City Code 29.30.030.

On September 29, 2015, the inspector mailed to the property owner a "Notice of Violation-Property Maintenance Code" describing the violations and establishing 30 days to correct the violations deemed Fire, Life, Safety and/or Health Sanitation Violations and providing 60 days to correct any other violations before incurring a fee.

On May 10, 2017, the inspector monitored the exterior condition of the property. The inspection described a one-story unfinished basement, detached garage, vacant single-family dwelling. The inspector found all violations cited on September 29, 2015 still existed.

Between July 18, 2017 and May 13, 2019, three inspections were performed. The condition of the property deteriorated. According to inspector's notes, "Attempted to contact at front door. No answer. Left business card door hanger. Confirmed no active services (water since Nov-14, power since Oct-16). Need to search further for property owner contact information."

On April 26, 2019, the inspector performed an exterior inspection and noted, "Observing from the outside, housing violations are uncorrected. Will monitor property and check back in several weeks. I stopped by site in hopes of taking correction on a historical case, but the property appears to be in same and worse condition as last inspection photo album would indicate. Will seek views from adjacent properties at next site visit and will issue Progress Report with uncorrected and additional violations if necessary."

On May 15, 2019, the inspector mailed a "Notice of Violation – Property Maintenance Code Additional Violations." The list of violations was increased by one additional violation: part of the roof covering and/or roof sheathing had deteriorated, was damaged and/or missing, resulting in possible weather and animal entry. This is a violation of City Code 29.30.030.

In addition, the inspector decided to open a nuisance case as the inspector encountered tall grass and weeds. There was brush, vines and overgrowth from within five feet of the structure. Trash and debris included yard debris, scrap wood, plastic discards, and construction material.

The property owner has not demonstrated any attempt or interest to resolve the violations occurring at the property. The violations have been repeated and continuous and the property owner’s lack of interest in correcting the violations provides evidence that the condition of the property was negligently created by the property owner.

**Police Involvement**

From November 14, 2011 through November 2019, police reports show that there have been two calls for service to this address and both were dispatched.

Outside of the listed address, 23 other non-traffic calls for service were made within 200 feet of the property. Out of the 23 calls, (11) calls were related to disorder and (6) calls related to crimes. Calls related to crime occurred less frequently than those related to disorder.

**Lien Details**

There are three liens placed by the City against the property.

Lien No.	Asmt. Date	Principal	Interest	Penalty	Cost	Total
86940	03/17/1993	989.93	1,276.63	10,145.46	806.50	13,218.52
157914	12/01/2015	27,876.20	8,895.81	2,219.48	171.00	39,162.49
157992	12/18/2015	28,158.90	9,054.21	2,258.35	171.00	39,642.46
<b>Total</b>		<b>\$57,025.03</b>	<b>\$19,226.65</b>	<b>\$14,623.29</b>	<b>\$1,148.50</b>	<b>\$92,023.47</b>
<b>The amounts owed reflected in the table are as of October 8, 2020</b>						

**Ownership/Interest**

According to Multnomah County records, the property is recorded under the name of **Jeffrey S Craig** since May 23, 1986.

**Communication with Owner**

From September 29, 2015 through March 25, 2019, the City has mailed 30 notifications and 304 monthly billing statements to the property owner. In addition, there were a couple of phone call attempts without success.

From October 28, 2019, through October 14, 2020 the Revenue Bureau mailed the property owner(s) nine “Notice of Potential Foreclosure” to the mailing address provided by Multnomah County and the address of the property in question.

Between October 28, 2019, and March 5, 2020, the City has mailed six Notices of Pending Foreclosure Action to the property owner. The notices were mailed first-class and as certified mail with return-receipts required.

**Evaluation Criteria**

City Code 5.30.060 states that Revenue Division may evaluate individual delinquent open liens to develop recommendations on revising the payment amount of the lien and the payment terms.

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

CRITERIA (City Code 5.30.060)	YES	NO	Unknown
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		√	

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

**Conclusion**

According to information provided by Development Services, the property has been inspected on 12 occasions since the detection of code violations. The City has mailed 30 notices to the property owner and 304 monthly billing statements. The police bureau has been requested to go to the property or its vicinity 23 times.

This property has been a nuisance to the neighborhood for over six years. On September 29, 2015, when a complaint was brought to the City’s attention, the property was already in an advanced stage of decay and neglect.

The property owner has been delinquent with his obligations with the City of Portland since January 16, 2001. To date, the property owner has not taken any steps to correct the violations or resolve the delinquency in one of the liens that is now delinquent for over 19 years.

The violations in this property have been repeated and continuous since the City's inspection on September 15, 2015. This is not to say that the property was in compliance with City Code prior to the inspection.

As of today, there are three delinquent liens against the property in the amount of **\$92,023.47**.

Based on the facts provided in this report, the Revenue Division recommends that Council approves this property for foreclosure.



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## Foreclosure Recommendation Report

**4705 NE 62<sup>ND</sup> Ave.**

The Revenue Division recommends foreclosure on 4705 NE 62<sup>nd</sup> Ave. for delinquent City liens. The lien accounts meet delinquency requirements for foreclosure and no mitigating factors were discovered that would prevent foreclosure or indicate that an adjustment of the lien amount is in order.

### *Summary Information*

<b>Site Address:</b>	4705 NE 62 <sup>nd</sup> Ave.
<b>Recorded Property Owner:</b>	Willie L Anderson and Thresa L Moehring
<b>Property ID:</b>	R115685 - R073002020
<b>Lien Account Numbers:</b>	156734, 162659, 163019 and 171654
<b>Type of Liens:</b>	Nuisance- GF Invoice and Code Enforcement Fees
<b>Use of Property:</b>	Single Family Dwelling, currently unoccupied
<b>Amount of Delinquent Lien as of 10/08/2020:</b>	<b>\$37,926.17</b>
<b>Payoff Amount Recommended</b>	<b>\$37,926.17</b>

### *General Information*

This property is included on the list of “Distressed Vacant Properties” provided by the Bureau of Development Services and identified as priority for foreclosure. 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 frequently. Neighbors complain that many of these properties are inhabited by unlawful occupants and there are commonly drug activities taking place, which jeopardizes the public health, safety, and welfare of the neighborhood.

The majority of these properties are investment properties owned by financial institutions or absent owners who have no vested interest in the neighborhood effects such distressed properties have on the community. They are demonstrated hazards and magnets for crime. For these reasons, the Revenue Division recommendations for these distressed and egregious properties are concise and generally maintain the amount owed as is with no recommended reduction in lien amount, except in cases where mitigating circumstances point toward improved property owner compliance with a reduced lien amount.

### ***Violation History***

This is a single-family dwelling owned by a property owner who has been unable to maintain the residence at the minimum standards of compliance according to City Code.

The first inspection to this property was a result of a complaint in November 2014. The complainant was concerned about the property's occupation by unlawful occupants. The property lacked water, electricity, and garbage service.

On December 12, 2014, Development Services received a police report which included photos of the area surrounding the property. The police report described the very poor "state of the house and lack of maintenance of the property." In addition, the report alluded to juveniles inside the house and a great amount of garbage, human waste, and drug paraphernalia inside. The police identified a total of four juveniles and one 18-year-old male who was arrested for an outstanding warrant. One of the juveniles was a runaway.

On the same day, the inspector received the assignment from the Extremely Distressed Properties Enforcement Program (EDPEP) to inspect the property.

The inspection of the property was performed, and the inspector corroborated the police report: No water, blocked rear exit, unsanitary conditions, dangerous use of extension cords, missing front and lack of labels on electrical panel, broken/missing bath and kitchen cabinets, damaged walls, light fixture hanging by wiring, disabled vehicles, and lack of garbage service.

On December 15, 2014, the inspector mailed a "Notice of Violation-Property Maintenance Code" and "Notice of Referral to Code Hearings Officer." The notice listed 15 violations of City Code, of which three violations were Health Sanitation Violations, five Fire Life Safety Violations, and seven Fire Life Safety Violations.

On December 30, 2014, the inspector re-inspected the property and the property owner and family were living in the property. There was power and heating through the use of the fireplace. The inspector brought up the subject of the housing violations and the property owner acknowledged receipt of the notices mailed by the City.

The inspector assessed that the yard was "slightly cleaned up, the interior of the house also cleaned up with some furniture moved in." However, there was no water service.

The property owner stated to the inspector that he "has been ill and was staying elsewhere for 3 years." During that time, the property was occupied by unlawful occupants who "tore it [the property] up." Nevertheless, the property owner intended to bring the property to habitable condition, even though the property was in foreclosure and he was on a fixed income.

The inspector made a commitment to provide to the property owner a list of non-profit organizations that could assist the family. The inspector also determined a two weeks period for the re-establishment of water services; otherwise, the case would be submitted to the City Hearings Office.

On January 6, 2015, the inspector received confirmation from a non-profit organization (Reach) that the property owner had applied for services.

On January 15, 2015, the inspector visited the property and verified that the property was serviced with water and that six of the violations had been corrected. The inspector also noticed improvement in the amount of garbage and debris around the residence. In addition, the inspector provided the property owner with another resource for foreclosure counseling.

The inspector also handed to the property owner an "Income-Based Waiver" application. An Income-Based Waiver suspends the code enforcement fees for a period of 12 months if the requirements are met.

On January 21, 2015, the inspector mailed to the property owner a "Notice of Violation – Property Maintenance Code Progress Report." In the report, the inspector pointed out the corrections made by the property owner as well as the corrections yet to be addressed.

On February 10, 2015, the inspector checked on the progress of the Income-Based Waiver found that it needed income documentation and that apparently the property owner had not been notified. The inspector was unable to find a phone number for the property owner. The inspector decided to schedule an inspection to check for the nuisance and deliver the notification of missing documentation for the Income-Based Waiver.

On February 11, 2015, the Neighborhood Inspection Team (NIT) met with the property owner and partner. At the meeting, the income documentation requested for the Income-Based Waiver was handed to the NIT. It was explained to the property owner that the waiver can only be granted once the Fire, Life, Safety violations were corrected. In addition, the NIT conveyed to the property owner that the nuisance conditions were much improved but that much of trash and debris still existed in one corner of the backyard. The disabled vehicles were all removed.

On February 23, 2015, the inspector spoke with the property owner by phone to request documentation of the additional adult in the household that was also listed on the application. Once again, the property owner was reminded that the waiver could not be granted until all Fire, Life, Safety violations were cured.

On March 23, 2015, the inspector contacted the property owner by phone. The property owner let the inspector know that he had received two bids to replace the electrical panel; however, he had been denied services by the local non-profit groups. Therefore, the property owner stated that he would call the inspector back when he was able to afford the new panel. The old panel couldn't be repaired. In addition, he said that he was still working to avoid foreclosure.

On August 26, 2015, Development Services received a complaint indicating that there were unlawful occupants in the property. The complainant believed that there is no water or power and periodic police presence. There was also a van with people living inside.

On September 24, 2015, the inspector went to the property to check on a nuisance violation. The property owner volunteered that by the end of next week he should receive an insurance claim that would allow him to abate the Fire, Life, Safety violations.

On October 14, 2015, the property was re-inspected to verify abatement of violations. The inspector signed off on all items except the broken front window and gutters. The inspector noted that all disabled vehicles were off the property.

On November 16, 2016, a new complaint was submitted to Development Services. The complainant described garbage overflowing from cans all over the property, and furniture and disabled vehicles in yard. The complainant stated that the property may not have electricity. It appeared unsanitary and there were children on the premises.

On September 12, 2017, the inspector re-visited the property in hopes to contact the property owner and persuade him to correct the two cases. No one answered the door. The inspector noticed more violations present and no changes or additional corrections made. The cases remained open.

The inspector called the property owner who advised the inspector that he is getting help from a church to correct the violations. The property owner had very low income and was living on Social Security. The inspector encouraged the property owner to get help to correct the violations so the cases could be closed.

On September 18, 2017, a representative of Girder New Hope Church called the inspector to update him on the housing and the nuisance cases. The inspector discussed the housing case. The representative from the church would look into it. The inspector provided them with the phone number of a non-profit organization. The property owner had medical issues and was not able to perform some of the tasks. There were kids in the house and New Hope was helping.

On October 9, 2017 at the request of the Water Bureau, the inspector re-inspected the property and found the kitchen sink drain line draining wastewater into the driveway. The sewer was clogged and broken on the left side of the property. The sewer wasn't functioning. The inspector knocked on the door, but no one answered.

The inspector mailed to the property owner a "Notice of Violation – Property Maintenance Code Additional Violations" specifying the violations. The inspector also called the church that was assisting the property owner to discuss the issues he felt needed assistance. The inspector suggested that the property was not inhabitable and requested their help to start a conversation with the property owner to find an alternative place to live. The church representatives committed to start working to find a solution.

On June 13, 2019, the inspector went back to the property to re-inspect the exterior as there had not been an inspection since October 2017. The inspector observed accumulation of trash and debris in the front yard, missing gutters/downspouts and multiple vehicles parked on unpaved surface. There was no answer at the door.

The inspector verified if services were being provided at the property. There was no active water and sewer services since June 2018. No garbage services either but the power was still active. According to an inspector who stopped by the previous day, the property was occupied.

On June 14, 2019, one of the inspectors spoke with a caller who was hesitant to be listed as a complainant but was very concerned with what was going on at the house. The caller went on to say that there were children living in the house and that their presence was constant; however, there were other visitors that were in and out of the house and didn't stay for very long.

The person mentioned when the mother and her daughters didn't have power in the house, they built such large fires that the flames would be shooting out of the chimney.



On June 21, 2019, the assigned inspector reviewed the case with a district inspector for an escalation plan. The property was occupied without water and garbage services. The inspector also noted that there were Code Compliance issues.

On August 15 and 16, 2019, the inspector went to the property to perform an exterior inspection under the nuisance abatement warranty authority. Upon request from the property owner, the inspector also performed an interior inspection. The inspector described to the property owner what needs to be accomplished; otherwise, if the compliance plan was not followed, the next step would be to refer the case to the City Hearings Office.

Because the property owner's daughter was being very active in trying to bring the property into compliance, the inspector decided to add her as a property owner and provided her copies of notices from Development Services, which she said she not to be aware of.

On August 26, 2019, the inspector returned to the property to inspect the exterior. The inspector met with a contractor to discuss the completion of the nuisance abatement. The property owner would explore options to secure a Warehouse waiver which suspends for a year the code enforcement fees. The inspector provided copies of notices to the daughter of the property owner.

On August 28, 2019, the inspector mailed a "Notice of Violation – Property Maintenance Code - Progress Report." The notification listed eight violations, five Fire, Life, Safety Violations, and one Health Sanitation Violation. In addition, the inspector requested a Warehouse waiver. The inspector also recommended referrals for home improvement services.

On September 10, 2019, the inspector visited the property and photos were taken under warrant authority and family on site, to document the still existing violations.

On September 18, 2019, the inspector returned to re-check the situation in the property and apparently, nothing changed. Approximately 3-5 cubic yards of trash and debris and two vehicles remained in the backyard.

Overall, from December 2014 to December 2019, the City placed four liens against this property. There were two code enforcement fees and two nuisances. Throughout the period, City representatives who were involved with the property owner went out or their ways, attempting to assist the property owner to cure the violations. Unfortunately, their dedication and hard work did not payoff with the expected result: the rehabilitation of the property and its integration to make a better and safer neighborhood.

### ***Police Involvement***

From June 29, 2011 through November 2019, police reports show that there have been 64 calls for service to this address. These were all related to Premise Checks (64) and were dispatched.

Outside of the listed address, 260 other non-traffic calls for service were made within 200 feet of the property. Out of the 260 calls, (150) calls were related to disorder, and (62) calls related to crime. Calls related to crime occurred less frequently than those related to disorder and were more frequent than those relate to disorder.

**Lien Details**

There are three liens placed by the City against the property.

Lien No.	Asmt. Date	Principal	Interest	Penalty	Cost	Total
156734	03/18/2015	11,594.95	4,553.24	1,136.83	198.00	17,483.02
162659	10/01/2017	3,869.82	850.16	212.01	105.00	5,036.99
163019	12/10/2017	3,515.45	1,160.38	272.49	149.00	5,097.32
171654	12/10/2019	9,262.20	834.36	185.28	27.00	10,308.84
<b>Total</b>		<b>\$28,242.42</b>	<b>\$7,398.14</b>	<b>\$1,806.61</b>	<b>\$479.00</b>	<b>\$37,926.17</b>
<b>The amounts owed reflected in the table are as of October 8, 2020</b>						

**Ownership/Interest**

According to Multnomah County records, the property is recorded under the name of **WILLIE L ANDERSON & THRESA L MOEHRING** since May 1, 2001.

**Communication with Owner**

From May 18, 2014 through March 25, 2019, the City has mailed 27 notifications and 103 monthly billing statements to the property owner. In addition, there were several phone call contacts made and many more where the property owners did not respond.

Between October 28, 2019 and October 14, 2020, the Revenue Bureau mailed the property owner(s) nine "Notice of Potential Foreclosure" to PO Box 13751, Portland, OR 97213 using certified delivery. The Revenue Bureau received two signed PS Form 3811, confirming the delivery of the certified "Notice of Potential Foreclosure."

**Evaluation Criteria**

City Code 5.30.060 states that Revenue Division may evaluate individual delinquent open liens to develop recommendations on revising the payment amount of the lien and the payment terms.”

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

CRITERIA (City Code 5.30.060)	YES	NO	Unknown
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		√	

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

**Conclusion**

According to information provided by Development Services, the property has been inspected on 25 occasions since the detection of code violations. The City mailed 29 notices to the property owner and 103 monthly billing statements, in addition to five phone calls and two requested warrants to access the property to cure the problem. The police bureau has been requested to go to the property 64 times.

There are delinquent liens placed by the City against this property in the amount of **\$37,926.17**.

The involvement of Development Services with this property started with a police bureau’s report describing the poor condition of the property along with the fact that it was harboring unlawful occupants and criminal individuals.

This property has been a nuisance and a magnet for crime, causing disruption in the neighborhood since 2014. Development Services has made a concerted effort to assist the property owner in bringing the property into compliance with City Code; however, repeatedly and continuously after some improvements were achieved, the conditions of the property would fall back to the original conditions of disrepair.

Based on the information contained in this report, the condition of the property, and the facts provided by the City inspectors, this property has been included in the Extremely Distressed Properties Enforcement Program.

Based on the facts provided in this report, the Revenue Division recommends that Council approves this property for foreclosure.



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## Foreclosure Recommendation Report

### 9101 SE HAWTHORNE BLVD.

The Revenue Division recommends foreclosure on **9101 SE Hawthorne Blvd.** for delinquent City liens. The lien accounts meet delinquency requirements for foreclosure and no mitigating factors were discovered that would prevent foreclosure or indicate that an adjustment of the lien amount is in order.

#### *Summary Information*

<b>Site Address:</b>	9101 SE Hawthorne Blvd.
<b>Recorded Property Owner:</b>	Norman Tung Yee
<b>Property ID:</b>	R332298 – R992042010
<b>Lien Account Numbers:</b>	155484, 156585, 162367 and 167354
<b>Type of Liens:</b>	Nuisance- GF Invoice and Code Enforcement Fees
<b>Use of Property:</b>	Single Family Dwelling, currently unoccupied
<b>Amount of Delinquent Lien:</b>	<b>\$68,531.20</b>
<b>Payoff Amount Recommended:</b>	<b>\$68,531.20</b>

#### *General Information*

This property is included on the list of “Distressed Vacant Properties” provided by the Bureau of Development Services and identified as priority for foreclosure. 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 frequently. Neighbors complain that many of these properties are inhabited by unlawful occupants and there are commonly drug activities taking place, which jeopardizes the public health, safety, and welfare of the neighborhood.

The majority of these properties are investment properties owned by financial institutions or absent owners who have no vested interest in the neighborhood effects such distressed properties have on the community. They are demonstrated hazards and magnets for crime. For these reasons, the Revenue Division's recommendations for these distressed and egregious properties are concise and generally maintain the amount owed as is with no recommended reduction in lien amount, except in cases where mitigating circumstances point toward improved property owner compliance with a reduced lien amount.

### ***Violation History***

This is an investment property owned by an individual that for many years bought distressed properties apparently with the intent of holding the properties as they were bought. In general, the properties are kept with a very poor record of maintenance and the property owner does not perform improvements to the properties. The property owner has had many vacant and distressed properties and has a distinct pattern of operation that negatively impacts many neighborhoods.

According to information provided by Development Services, staff members have inspected the property on 12 occasions, resulting from 19 complains received against the property.

This property has been in violation of City Code Title 29 – Property Maintenance Regulations, since April 16, 2014, when a complaint was received by Development Services. A City inspector went to the property and registered the violations.

On April 23, 2014, the inspector mailed a Notice of Violation - Property Maintenance Code to the property owner. The notification had a list of four violations including deterioration and/or damage of the soffits, fascia, exterior siding including but not limited to the front porch. In addition, portions of gutters and/or downspouts were damaged, deteriorated and/or missing. Portions of the chimney above the roof line had deteriorated mortar joints and/or missing bricks. At the time of the inspection, the inspector also opened a nuisance case.

Simultaneously with the property maintenance violations, the inspector also opened a nuisance case to address one of the sources of the complainant's phone call: tall grass and a backyard full of building materials.

On January 29, 2016, a City inspector visited the property to confirm vacancy, following up on all properties under enforcement belonging to the same property owner.

On April 28, 2017, after two more complaints were received by Development Services, the inspector visited the property and noted that the property was being used as a junkyard. The backyard was full of construction material and old non-working tractors. The front yard and driveway had piles of old gutters, pieces of the roof, and the chimney was falling off the house.

Between February 10, 2015 and March 05, 2019, Development Services received 19 complaints against this property. The complaints generated the creation of three nuisance abatements all abated by the City.

The properties owned by this property owner are nuisances to the neighborhoods where they are located and forces the City to spend on abating nuisances, inspections, and issuing violations of City Code, in addition to frequent requests for police presence to the area.

It is important to bring to attention that abatement of nuisance cases involve an extensive use of the City's resources because the abatements are executed by contractors paid by the City. The nature of nuisance violations, in general, involve public health, safety, and the welfare of the community; therefore, the urgency for abatement.

### ***Police Involvement***

From April 25, 2009 through November 14, 2016, police reports show that there were no phone calls for service to this address. The one call in the report originally provided by Public Records was a Fire Bureau call, so that is not included in the report.

### ***Lien Details***

There are four liens placed by the City against the property.

<b>Lien No.</b>	<b>Asmt. Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Penalty</b>	<b>Cost</b>	<b>Total</b>
155484	07/18/2014	25,160.30	13,032.80	3,254.56	222.00	<b>41,669.66</b>
156585	02/10/2015	9,231.81	6,194.51	1,500.20	251.00	<b>17,177.52</b>
152367	08/10/2017	4,300.57	1,592.07	387.00	161.00	<b>6,440.64</b>
167354	03/10/2019	2,607.84	470.70	110.84	54.00	<b>3,243.38</b>
<b>Total</b>		<b>\$41,300.52</b>	<b>\$21,290.08</b>	<b>\$5,252.60</b>	<b>\$688.00</b>	<b>\$68,531.20</b>
<b>The amounts owed reflected in the table are as of October 8, 2020.</b>						

### ***Ownership/Interest***

Multnomah County records show that the property is recorded under the name of **NORMAN YEE** since February 1, 1988.

### ***Communication with Owner***

From December of 2014 through March of 2020, the City has mailed 64 notifications and 185 monthly billing statements to the property owner. In addition, there were several direct phone calls and personal contacts with the property owner.

Between October 28, 2019, and October 9, 2020, the City has mailed nine Notices of Pending Foreclosure Action to the property owners. The notices were mailed first-class and as certified mail with return-receipts required.

### ***Evaluation Criteria***

City Code 5.30.060 states that “the Revenue Bureau may evaluate individual delinquent open liens to develop recommendations on revising the payment amount of the lien and the payment terms.”

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

CRITERIA (City Code 5.30.060)	YES	NO	Unknown
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	√		

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

### ***Conclusion***

According to information provided by Development Services, staff members have inspected the property on 12 occasions. There were 19 complaints, the Revenue Division has mailed 32 notices, 160 monthly billing statements and an Affidavit for Administrative Search Warrant since the detection of the violations.

This property owner has a long history of non-compliance with City Code on every single one of the eleven properties that he owns/owned within the City limits. This property has been unoccupied or vacant for at least the last six years.

The violations in the property were repeated and continuous except when interrupted by City’s abatement.

Indications are that the violations were intentionally and negligently caused by the property owner. This was not an isolated occurrence but in each one of this property owner’s properties.

The degree of difficulty to correct the violations and delinquencies increases and is caused by the property owner’s negligence by not addressing the violations.



There is evidence to suggest that the property owner, in many instances, attempted to maximize profit by renting “unapproved habitable space” which is in violation of Chapter 29 and also in violation of ORS 90.320.

The City has offered many opportunities to the property owner to correct the violations and solve the delinquencies on his properties. When property owners are willing to resolve the violations, they can contact Development Services and request a review of their cases. Once the review is done, the amount owed is decreased and a payment plan is created to allow the property owner to repay the amount owed in up to 60 monthly installments. The property owner was encouraged to apply many times, to no avail.

Development Services offered the property owner an Amnesty Program for a different property where if the property is free of code violations, the property owner could enroll and pay a portion of the amount owed and/or pay the remainder in monthly installments. The property owner showed interest, requested information and instructions but decided not to pursue the Amnesty Program.

After two properties were included in a 2016 City foreclosure list, the property requested to have an opportunity to rehabilitate his properties. The City agreed and required that a Stipulated Agreement be signed. The agreement was drafted and delivered to the property owner who never signed the agreement nor did any work in any of the properties.

As demonstrated, the City has made many attempts to assist the property owner to rehabilitate his properties, but our efforts have been ineffective.

Based on the facts provided in this report, the Revenue Division of the Bureau of Revenue and Financial Services recommends that Council approves this property for foreclosure.

## **IMPACT STATEMENT**

**Legislation title:** Initiate foreclosure action on four properties for the collection of delinquent City Liens placed against the properties (Ordinance)

**Contact name:** Marco Maciel

**Contact phone:** 503-823-2037

**Presenter name:** Marco Maciel

### **Purpose of proposed legislation and background information:**

This ordinance begins foreclosure proceedings on four properties with delinquent City liens that are eligible for foreclosure under City Code 5.30. The liens were placed against the properties by the Bureau of Development Services for code enforcement, code violations, nuisance abatement or chronic offender violations and are delinquent on their lien payments. In addition, one lien was placed by the Bureau of Environmental Services for system development charges related to the mid-county sewer charges.

These properties come before Council as part of a coordinated effort by the Mayor's Office, Bureau of Development Services and Office of Management and Finance's, Bureau of Revenue and Financial Services, Revenue Division to actively pursue remedies, including foreclosure, for vacant and distressed properties. These properties have been identified as causing significant problems for neighbors and are the subject of multiple and frequent police calls and numerous enforcement activities.

The Foreclosure Manager in the Revenue Division has reviewed each case to ensure it meets criteria for foreclosure. The Foreclosure 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 also received notification of pending foreclosure action.

### **Financial and budgetary impacts:**

Once the City forecloses on these properties, proceeds generated by the sales will recover the cost of conducting the sales, the amount owed on liens, and collection and foreclosure costs for the Revenue Division, the City Treasurer and the Bureau of Development Services. The mid-county lien was securing bonds sold to finance property owners sewer installment payment contracts.

Based on the number and amount of the liens, as of October 8, 2020 the amount expected to be recovered is \$239,416.13. Actual cost recovery may differ.

**Community impacts and community involvement:**

These properties have presented major problems for the neighbors and neighborhoods in the community. Problems include criminal behavior, unlawful occupants, and unsafe and/or unhealthy conditions. Foreclosure is being employed as one of the tools available to the City to resolve blight and put properties back into productive use.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

**YES:** Please complete the information below.

**NO:** Skip this section

<b>Fund</b>	<b>Fund Center</b>	<b>Commitment Item</b>	<b>Functional Area</b>	<b>Funded Program</b>	<b>Grant</b>	<b>Sponsored Program</b>	<b>Amount</b>