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# 191465



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

Passed
Amended by Council
The City of Portland ordains:

#### Section 1. The Council finds:

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

# Introduced by

**Mayor Ted Wheeler** 

#### Bureau

Management and Finance; Revenue Division; Treasury

#### Contact

#### **Kevin Foster**

Foreclosure Prevention Manager (Coordinator III)

- 503-823-5186
   Monday Friday 7:30am 4:30pm

# Requested Agenda Type

Regular

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

Requested Council Date October 4, 2023 NOW, THEREFORE, the Council directs:

- A. The City Council approves Foreclosure List 2023-01, as attached as Exhibit A, and directs the City Treasurer to begin foreclosure proceedings to sell the following properties:
  - 1. 9124 NE Prescott St, Gerald K & Vicki L Decker, owners of record. Tax no. R727802220
  - 2. 111 NE Killingsworth St, Killingsworth Rodney LLC, owner of record. Tax no. R657800420
  - 3. 6417 SE 84th Ave, Michaele A Jarvis, owner of record. Tax no. R992042010
  - 4. 6402 SE 103rd Ave, 103rd Multiplex LLC, owner of record. Tax no. R037001120
  - 5. 2826 SE 87th Ave, Kelly Freed, owner of record. Tax no. R432100900
- B. The City Council accepts the Foreclosure Reports, attached as Exhibits B-2, B-4, B-5, B-6, and B-7.
- C. Pursuant to Portland City Code Chapter 5.30 and 5.30.210, the owner or any person having an interest in the property, or their legal representative, may redeem the property by paying the redemption price to the City Treasurer at any time within one year from the date of the foreclosure sale.

### **Documents and Exhibits**

Amended Ordinance - Strikethrough / Underline Version 89.7 KB (https://www.portland.gov/sites/default/files/councildocuments/2023/814-ordinance-strikethrough-underlineversion.pdf)

Exhibit A - As Amended
(https://www.portland.gov/sites/default/files/councildocuments/2023/report-to-council-foreclosure-list-2023-01-exhibit-a-08312023-updated-with-3rd-amendment.pdf)

Exhibit B-2 264.29 KB (https://www.portland.gov/sites/default/files/council-

documents/2023/exhibit-b-2-08312023.pdf)

**Exhibit B-4** 263.54 KB

(https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-b-4-08312023.pdf)

**Exhibit B-5** 262.62 KB

(https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-b-5-08312023.pdf)

**Exhibit B-6** 263.94 KB

(https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-b-6-08312023.pdf)

**Exhibit B-7** 265.11 KB

(https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-b-7-08312023.pdf)

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

Passed as amended by Council October 4, 2023

Auditor of the City of Portland Simone Rede

## **Impact Statement**

## Purpose of Proposed Legislation and Background Information

This ordinance begins foreclosure proceedings on five properties with delinquent City liens that are eligible for foreclosure under City Code 5.30. The liens were placed against the properties by the Bureau of Development Services for code enforcement, code violations, nuisance abatement or chronic offender violations. In addition, two of the liens are for system development charges, related to infrastructure improvements. All the liens are delinquent, and the violations have not been corrected.

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

The Foreclosure Prevention Manager in the Revenue Division has reviewed each case to ensure it meets criteria for foreclosure. The Foreclosure Prevention Manager has also reviewed whether any aggravating or mitigating conditions exist within the case history that would prevent the City from moving forward with foreclosure or warrant an adjustment of lien amounts. Each of the properties on this foreclosure list has received notification of pending foreclosure action.

### Financial and Budgetary Impacts

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

Based on the number and amount of the liens, as of August 31,2023, the amount expected to be recovered is \$608,537.92. Actual cost recovery may differ.

There is no budgetary impact.

# **Community Impacts and Community Involvement**

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

#### 100% Renewable Goal

Not applicable.

# **Budget Office Financial Impact Analysis**

Based on the number and amount of the liens, as of August 31, 2023, the amount expected to be recovered is \$1,162,654. Actual cost recovery may differ. Once the City forecloses on these properties, proceeds generated by the sale will recover the cost of conducting the sale, the amount owed on liens, and collection and foreclosure costs for the Revenue Division, the City Treasurer, and the Bureau of Development Services. The system development charges were securing bonds sold to finance property owners installment payment contracts.

### Agenda Items

776 Regular Agenda in <u>September 13-14, 2023 Council Agenda</u> (<a href="https://www.portland.gov/council/agenda/2023/9/13">https://www.portland.gov/council/agenda/2023/9/13</a>)

Passed to second reading as amended

Motion to amend the ordinance to reflect the removal of Property 9, 14214 SE Crystal Springs St., from the list of properties in the ordinance, to update Exhibit A to reflect this change, and to remove Exhibit B-9: Moved by Wheeler and seconded by Mapps. (Y-5)

Motion to amend the ordinance to reflect the removal of Property 3, 624-638 N Beech, from the list of properties in the ordinance, to update Exhibit A to reflect this change, and to remove Exhibit B-3: Moved by Wheeler and seconded by Mapps. (Y-5)

Motion to amend the title of the ordinance to read "Initiate foreclosure action on certain properties for the collection of delinquent City Liens placed against the properties": Moved by Wheeler and seconded by Mapps. (Y-5)

Passed to second reading September 20, 2023 at 9:30 a.m. as amended

# 793 Regular Agenda in <u>September 20-21, 2023 Council Agenda</u> (<a href="https://www.portland.gov/council/agenda/2023/9/20">https://www.portland.gov/council/agenda/2023/9/20</a>)

Passed to second reading as amended

Motion to amend the ordinance to reflect the removal of Property 1, 1225 NE 109th Ave., from the list of properties in the ordinance, to update Exhibit A to reflect this change, and to remove Exhibit B-1: Moved by Rubio and seconded by Ryan. (Y-4)

# 814 Regular Agenda in <u>September 27, 2023 Council Agenda</u> (<a href="https://www.portland.gov/council/agenda/2023/9/27">https://www.portland.gov/council/agenda/2023/9/27</a>)

Passed to second reading as amended

Motion to amend the ordinance to reflect the removal of Property 6, 1229 N Bryant St, from the list of properties in the ordinance, to update Exhibit A to reflect this change, and to remove Exhibit B-8: Moved by Wheeler and seconded by Gonzalez. (Y-5)

Passed to second reading as amended October 4, 2023 at 9:30 a.m.

# 830 Regular Agenda in October 4, 2023 Council Agenda (https://www.portland.gov/council/agenda/2023/10/4)

Passed As Amended

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Absent

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Absent

Mayor Ted Wheeler Yea