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124-2024

Ordinance

Initiate foreclosure action at 6329 SE 86th Ave for the collection of delinquent City Liens placed against the property

Referred

The City of Portland ordains:

Section 1. The Council finds:

1. Portland City Code Chapter 5.30 establishes a process for foreclosing delinquent liens on properties. The foreclosure process is generally used as a last resort, after repeated code violation fines and liens have gone unpaid.
2. Portland City Code section 5.30.100 requires the Bureau of Revenue and Financial Services, Revenue Division (Revenue) to prepare a proposed foreclosure list and submit the list to the City Council for action.
3. In November 2023, the Bureau of Development Services submitted properties it identified as priority Vacant and Distressed Properties to the Bureau of Revenue and Financial Services, Revenue Division for foreclosure consideration. The Revenue Division also reviewed its list of delinquent liens. After review and analyzes of the case, each property qualified to the foreclosure list and is being submitted to Council based on their potential to help solve public health, safety, or welfare objectives, pursuant of City Code 5.30.100. Additional consideration was given to the number of abatements, whether the property owner had multiple delinquencies and the negative impact the property was causing to the neighborhood.
4. Revenue mailed notices to the property owners and mortgagees, by certified mail with return receipts required, of pending foreclosure action on the property between December 22, and January 23, 2024, as required by Portland City Code section 5.30.050 (D).

NOW, THEREFORE, the Council directs:

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance;
Revenue Division](#)

Contact

Kevin Foster

Foreclosure Prevention
Manager (Coordinator III)

✉ kevin.foster@portlandoregon.gov

Include property address in the subject line of emails.

📞 [503-823-5186](tel:503-823-5186)

Monday - Friday 7:30am -
4:30pm

Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

February 7, 2024

Time Requested

30 minutes (7 of 10)

- A. The City Council approves Foreclosure List 2024-01, as attached as Exhibit A, and directs the City Treasurer to begin foreclosure proceedings to sell the following property:
1. 6329 SE 86th Ave, John K & Vera E McDonald Trust, owners of record. Tax no. R036801190.
- B. The City Council accepts the Foreclosure Report, attached as Exhibit B.
- C. Pursuant to Portland City Code Chapter 5.30 and 5.30.210, the owner or any person having an interest in the property, or their legal representative, may redeem the property by paying the redemption price to the City Treasurer at anytime within one year from the date of the foreclosure sale.

Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-a-7-r108061.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-a-7-r108061.pdf) 79.89 KB

 [Exhibit B \(https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-b-7-r108061-updated.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-b-7-r108061-updated.pdf) 278.22 KB

Impact Statement

Purpose of Proposed Legislation and Background Information

This ordinance begins foreclosure proceedings on one property with delinquent City liens that are eligible for foreclosure under City Code 5.30. The liens were placed against the properties by the Bureau of Development Services for code enforcement, code violations, or nuisance abatement. All the liens are delinquent, and the violations have not been corrected.

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

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

Financial and Budgetary Impacts

Once the City forecloses on this property, proceeds generated by the sale will recover the cost of conducting the sale, the amount owed on liens, and collection and foreclosure costs for the Revenue Division, the City Treasurer, and the Bureau of Development Services.

Based on the number and amount of the liens, as of January 19, 2024, the amount expected to be recovered is \$126,030.66. Actual cost recovery may differ.

There is not a budgetary impact.

Community Impacts and Community Involvement

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

100% Renewable Goal

Not applicable.

Budget Office Financial Impact Analysis

This action initiates foreclosure proceedings at 6329 SE 86th Ave for the collection of delinquent City Liens. OMF - Revenue estimates the amount expected to be recovered is \$126,030.66 with potential fluctuations in actual cost recovery. No additional resources are required as a result of this action.

Agenda Items

124 Regular Agenda in [February 7, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/2/7)
(<https://www.portland.gov/council/agenda/2024/2/7>)

Referred to Commissioner of Finance and Administration

REPORT TO COUNCIL
Foreclosure List 2024 - 01

EXHIBIT A

January 31, 2024

Item	Property Owner	Tax Roll Description	Property Address	Lien Acct	Amount Owed	Tax Acct	Assessment Date	Delinquency Date	Property Type	Lien Type	No. Liens
7	John K & Vera E McDonald Trust	ARLETA PK 2, BLOCK 5, N 1/2 OF LOT 10,	6329 SE 86th Ave	171962	\$ 3,167.35	R036801190	2/10/2020	4/10/2020	Residential Improved	Nuisance	4
				173646	\$ 5,897.56	R036801190	12/10/2021	2/10/2022	Residential Improved	Nuisance	
				175072	\$ 6,778.71	R036801190	4/1/2023	6/1/2023	Residential Improved	Code Enforcement Fees	
				155931	<u>\$ 110,187.04</u>	R036801190	10/18/2014	12/18/2014	Residential Improved	Code Enforcement Fees	
Total					\$ 126,030.66						

TOTAL AMOUNT OWED AS OF January 19, 2024 \$126,030.66

NUMBER OF PROPERTIES 1

TOTAL NUMBER OF LIENS 4



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 OFFICE OF MANAGEMENT AND FINANCE
 BUREAU OF REVENUE AND FINANCIAL SERVICES
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Thomas W. Lannom, Interim Chief Financial Officer
Tyler Wallace, Interim Revenue Division Director

Celita Holt, Interim Manager
Tax Division
Revenue Division
 111 SW Columbia Street, Suite 600
 Portland, Oregon 97201-5840
 (503) 823-5157
 FAX (503) 823-5192
 TTY (503) 823-6868

Foreclosure Recommendation Report

The Revenue Division recommends foreclosure on **6329 SE 86th 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

Site Address: 6329 SE 86th Ave
Recorded Property Owner: John K & Vera E McDonald Trust
Property ID: R108061
Lien Account Numbers: 155931, 171962, 173646 and 175072
Type of Liens: Code Enforcement and Nuisance
Use of Property: Vacant, Single-Family Residence
Amount of Delinquent Liens: **\$126,030.76**
Payoff Amount Recommended: **\$126,030.76**

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.

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aids/services to persons with disabilities upon request.
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Lien Details

Lien No.	Assessment Date	Lien Type	Balance
155931	10/18/2014	Code Enforcement	\$110,187.04
171962	2/10/2020	Nuisance	\$ 3,167.35
173646	12/10/2021	Nuisance	\$ 5,897.56
175072	4/1/2023	Code Enforcement	\$ 6,778.71
Total amount owed as of January 19, 2024			\$126,030.66

Please note the balance will be recalculated on the sale date.

Property Summary

This property has trash and debris in the back yard of the property. There is an accumulation of tires, construction debris, a rug and mattress in the northwest corner in the backyard area. The most recent complaint says someone was seen dumping garbage and human waste on the premises. There is no water/sewage service at the property. There is an occupied RV parked in the rear yard on the property. The man who lives in the RV is a friend of the Estate Representative. There are also other cars parked on unpaved surfaces at the property. The property has a recognized non-conforming driveway on the north property line.

Police Involvement

Between October 18, 2014, and January 8, 2024, there were 3 calls for service at this address. The calls were for disorder and crime. Outside of the listed address there were 63 calls made within 200 feet of this property.

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Evaluation Criteria

City Code 5.3.060 states that “the Revenue Division may evaluate individual delinquent open liens to develop recommendations on revising the payment amount of the lien and the payment terms.

Criteria (City Code 5.30.060)	Yes	No	Unknown
Property owner has committed prior City Code violations or has a 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 intentional or negligent caused by the property owner	✓		
Violation was repeated or continuous	✓		
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 is cooperative and making an effort to correct the violation		✓	
Cost to the City to investigate and correct the violation	✓		
Any other relevant factor	✓		

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.

Communication with Owner

The Liens Team has mailed out 6 letters to the owner from December 29, 2014 to January 23, 2024. I have spoken with the son, Brian McDonald, who is currently unemployed but plans to work with BDS to try and get the violations corrected.