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863-2024

Ordinance

Initiate foreclosure action at 3003 SE 58th Ave for the collection of delinquent City Liens placed against the property

Referred

The City of Portland ordains:

Section 1. The Council finds:

- 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.
- Portland City Code section 5.30.100 requires the Revenue Division, Office of Budget & Finance to prepare a proposed foreclosure list and submit the list to the City Council for action.
- In August 2024, Portland Permitting and Development submitted properties it identified as priority Vacant and Distressed Properties to the Office of Budget and Finance, Revenue Division for foreclosure consideration. After review and analysis of the cases, this property qualified to be added 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.
- The Office of Budget and Finance mailed notices to the property owners and mortgagees, by certified mail with return receipts required, of pending foreclosure action on the property between August 26 and October 3, 2024, as required by Portland City Code section 5.30.050 (D).

NOW, THEREFORE, the Council directs:

- The City Council approves Foreclosure List 2024-03, as attached as Exhibit A, and directs the City Treasurer to begin foreclosure

Introduced by

[Mayor Ted Wheeler](#)

City department

[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

October 9, 2024

Time Requested

30 minutes (9 of 9)

proceedings to sell the following property:

1. 3003 SE 58th Ave, Northeast Durham LLC, owner of record. Tax no. R297600840.

B. The City Council accepts the Foreclosure Reports, 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 any time within 90 days from the date of the foreclosure sale.

Exhibits and Attachments

 [Exhibit A](#) 423.71 KB

 [Exhibit B](#) 145.13 KB

Impact Statement

Purpose of Proposed Legislation and Background Information

This ordinance begins foreclosure proceedings on this property with delinquent City liens that are eligible for foreclosure under City Code 5.30. The liens were placed against the property by Permitting and Development for code enforcement and nuisance abatement. 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, Permitting and Development and the Office of Budget and Finance, Revenue Division to actively pursue remedies, including foreclosure, for vacant and distressed properties. The 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 the property, proceeds generated by the sale will recover the cost of conducting the sale, the amount owed on the outstanding liens, and collection and foreclosure costs for the Revenue Division, the City Treasurer, and Permitting and Development.

Based on the number and amount of the lien, as of September 25, 2024, the amount expected to be recovered is \$15,184.40. Actual cost recovery may differ.

There is not a budgetary impact.

Economic and Real Estate Development Impacts

N/A

Community Impacts and Community Involvement

N/A

100% Renewable Goal

N/A

Financial and Budget Analysis

This action authorizes initiation of foreclosure proceedings on property with delinquent City liens at 3003 SE 58th Ave. 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 Permitting and Development. The amount estimated to be recovered is approximately \$15,184.40.

Document History

Item 863 Regular Agenda in [October 9-10, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/10/9) (<https://www.portland.gov/council/agenda/2024/10/9>)

City Council

Referred to Commissioner of Finance and Administration

REPORT TO COUNCIL
Foreclosure List 2024 - 03

EXHIBIT A

September 25, 2024

Property Owner	Tax Roll Description	Property Address	Lien Acct	Amount Owed	Tax Acct	Assessment Date	Delinquency Date	Property Type	Lien Type	No. Liens
1 Northeast Durham LLC	FRASERS ADD, BLOCK 7, LOT 4 & W 37.05'	3003 SE 58th Ave	172568	\$11,488.58	R297600840	10/1/2020	11/1/2020	Residential Improved	Code Enforcement	
			175119	\$3,695.82	R297600840	4/10/2023	5/10/2023	Residential Improved	Nuisance	
			TOTAL	\$15,184.40						2
TOTAL AMOUNT OWED AS OF September 25, 2024		\$15,184.40								
NUMBER OF PROPERTIES		1								
TOTAL NUMBER OF LIENS		2								



CITY OF PORTLAND

Office of Budget and Finance

Mike Jordan, City Administrator
Jonas Biery, Chief Financial Officer
Thomas Lannom, Revenue Division Director

Liens Section - Revenue Division
Walk in: 111 SW Columbia Street, Suite 600
Portland, Oregon 97201-5840

Email: Liens@PortlandOregon.gov
(503) 823-4090

Mail: PO Box 8834
Portland OR 97207-8834

Foreclosure Recommendation Report

The Office of Budget & Finance recommends foreclosure on **3003 SE 58th 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: 3003 SE 58th Ave
Recorded Property Owner: Northeast Durham LLC
Property ID: R166556
Lien Account Numbers: 172568 and 175119
Type of Liens: Code Enforcement and Nuisance
Use of Property: Residential Improved
Amount of Delinquent Liens: **\$15,184.40**
Payoff Amount Recommended: **\$15,184.40**

General Information

This property is included on the list of “Distressed Vacant Properties” provided by Permitting & Development and the property has been identified as priority for foreclosure. Permitting & Development and in some instances 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.

Many 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 Office of Budget & Finance recommendation is 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.

Lien Details

Liens No.	Assessment Date	Lien Type	Balance
172568	10/1/2020	Code Enforcement	\$11,488.58
175119	4/10/2023	Nuisance	\$3,695.82
Total amount due as of September 25, 2024			\$15,184.40

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

Property Summary

This property is vacant and open to entry. The property has been vacant for over a year. The grass in the yard is overgrown and a potential fire hazard. The grass is encroaching on the sidewalk. The backyard is full of dead and dying plants. There is also a rodent issue at the property due to excessive trash and garbage on site.

Police Involvement

Between November 6, 2020, and September 9, 2024, there were 2 calls for service at this address. The calls at the residence were for crime. Outside of the listed address there were 26 calls made within 200 feet of this property. The majority of these calls were for disorder.

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	✓		

Communication between the Owner and the Liens Team

I have been unable to reach the property owner by telephone and nor have they responded to any of our letters. I have spoken with the Banc of California, the lien holder for the loan on this property; they have also not been able to get in contact with the property owner. The property owner is behind on the mortgage payments. There are two required Notice of Foreclosure letters that have to be mailed to the property owner and parties with interest in the property. These letters were sent between 8/26/2024 - 9/30/2024.