

ENB-12.07 - Lien Reduction Case Review Process (Interim) - [Printable Version](#)**LIEN REDUCTION CASE REVIEW PROCESS (INTERIM)***Administrative Rule Adopted by Bureau of Development Services and Office of Neighborhood Involvement*

ARB-ENB-12.07

A [PDF version](#) of this rule is also available for download.

The assessment of monthly code enforcement fees is intended as an incentive for most property owners to correct their code violation case(s). However, when property owners ignore or are unable to address the code violations at their property in a timely manner, enforcement fees can accumulate rapidly resulting in a large lien on the property.

The number of requests for lien reduction received from citizens have increased in recent years in part due to a struggling economy and particularly since the Auditor's Office began a foreclosure process to collect unpaid city liens. Citizens faced with the possibility of losing their property have turned to the Commissioner's Office, the Bureau of Development Services and the Office of Neighborhood Involvement for assistance with resolving their code enforcement liens.

Based on the review of several hundred liens during the first phase of the foreclosure process, BDS and ONI recognize the need to exercise leniency while maintaining consistency in the review of lien reduction requests. The following code enforcement thresholds and lien reduction criteria have been developed by Commissioner Leonard's Office and the bureaus for application during the lien reduction review process.

Maximum Code Enforcement Fees

- Penalties will accrue at the regular rate until the point at which the property returns to compliance with applicable codes and the violation case is closed.
- If all cases on the property are closed and the violations corrected, upon request or based on an internal review the lien balances will be reduced to an amount not to exceed those noted below. These maximums are per property if payment arrangements are made on the reduced balance. In cases involving repeat offenders or chronic nuisance properties, the Consolidated Committee will rule on whether reduction to the maximums outlined below will be applied, and has the option to require that no maximum penalty be assigned to repeat offenders.
- In addition to the reduction to a maximum penalty, the lien may be further reduced if the case meets a basis for further reduction using the lien reduction criteria (see pg. 3/4).

Definition	Maximum Penalty (including interest, penalty & principle)
<ul style="list-style-type: none"> ▪ Owner occupied ▪ Single family (1-2 units) 	\$6,500
<ul style="list-style-type: none"> ▪ Income generating property ▪ Single family (1-2 units) 	\$10,000
<ul style="list-style-type: none"> ▪ Income generating property ▪ Multi-family (3-10 units) 	\$5,000 per unit
<ul style="list-style-type: none"> ▪ Residential/Commercial vacant structure ▪ Interior violations only 	\$500
<ul style="list-style-type: none"> ▪ Residential/Commercial vacant structure ▪ Exterior violations only 	\$5,000
<ul style="list-style-type: none"> ▪ Commercial occupied property ▪ 3,000 square feet or less 	\$5,000
<ul style="list-style-type: none"> ▪ Commercial occupied property ▪ Over 3,000 square feet 	\$10,000
<ul style="list-style-type: none"> ▪ Nuisance abatement 	Fines remain as assessed. Maximum overhead charge of \$1000.
<ul style="list-style-type: none"> ▪ Vacation orders ▪ Dangerous building abatement 	Hard costs and administrative costs only

Lien Reduction Criteria

	Up to 100% Reduction	Up to 50% Reduction	NO Reduction
Financial/	Documented medical/financial hardship		

Financial/ Physical Hardship	<p>Documented medical/financial hardship prevented property owner from reaching compliance in a timely manner. (i.e. life threatening, terminal or mental illness; natural disaster; victim of fraud)</p> <ul style="list-style-type: none"> Property is owner occupied or vacant. Life/safety issues not a factor. Evidence of reasonable effort to comply based on circumstances. <p>Waive 100% of penalties for the period of documented temporary medical/financial hardship, which prevented property owner from reaching compliance in a timely manner. (i.e. job loss, stroke or heart attack, dependent care)</p>		
Low-Income Waiver	<p>Waive liens for low-income property owners where the total household income is equal to or less than 80% of median.</p> <ul style="list-style-type: none"> From time when progress was made to comply. No significant fire/life/safety issues exist. 		
Consistent Payments	Apply payments to principle and waive interest when consistent payments have been made for approximately 2 years to satisfy lien.		
Multiple cases- same violation	There are multiple assessments and/or cases for the same or similar types of violations (close most recent case).		
Lapse of contact	Records indicate that contact with the property owner lapsed for 2 years or more while the case was open. Waive charges during the period of lapse.		
Error in Notification/ Citation	<ul style="list-style-type: none"> Administrative error in notifications required by code. Violations cited in error. Lack of clear communication about requirements to resolve the case. 		
Evidence of Progress		<ul style="list-style-type: none"> No significant Fire/Life/Safety violations. Case closed within 2 years; no additional valid complaints or abatements at property. Evidence of progress to correct violations. Vacated property when problems identified. 	<ul style="list-style-type: none"> Significant fire/life/safety violations. Occupied rental property. Lack of progress to correct violations in a timely manner.
Permission of Entry (on hold)	<i>ON HOLD: Interior violations cited but no signed "Permission of Entry" document.</i>		
Hearings Officer Penalties			Civil penalties imposed by the Hearings Officer will not be reduced.
Hearings Officer Filing Fee Only	Waive lien for Hearings Officer filing fee when this is the only lien (no civil penalty resulted).		

Filing Fee Only	when this is the only lien (no civil penalty resulted).		
Delay in Process	Delays in the LUR, building permit process or other delays that were beyond the applicant's control. Waive charges during the period of delay.		
Nuisance Civil Fine	<ul style="list-style-type: none"> ▪ Documented evidence of progress on corrections prior to abatement. ▪ Evidence that notices were not received (but property was not maintained sufficiently so administrative and hard costs remain). ▪ Evidence of sale during the process and new owner was not notified. 		
Nuisance Abatement Charges	<p>Waive civil fine, overhead and up to \$1,000 of hard costs if:</p> <ul style="list-style-type: none"> ▪ Documented medical/financial hardship prevented property owner from reaching compliance in a timely manner. (i.e. life threatening, terminal or mental illness, natural disaster, victim of fraud). ▪ Property is owner occupied or vacant ▪ Life/safety issues not a factor ▪ Evidence of reasonable effort to comply based on circumstances <p>If remaining hard costs exceed \$1000 the case will be reviewed by Consolidated Committee for decision</p>		
Minor Violations	Original violations cited do not meet current criteria for opening a case (violations too minor, garbage service but no nuisance conditions, etc)		
Interest	If no other basis for reduction identified, offer to waive interest if payment arrangements made within 30 days (may be partial or full interest waived depending on property/case history)		

Receiving Requests

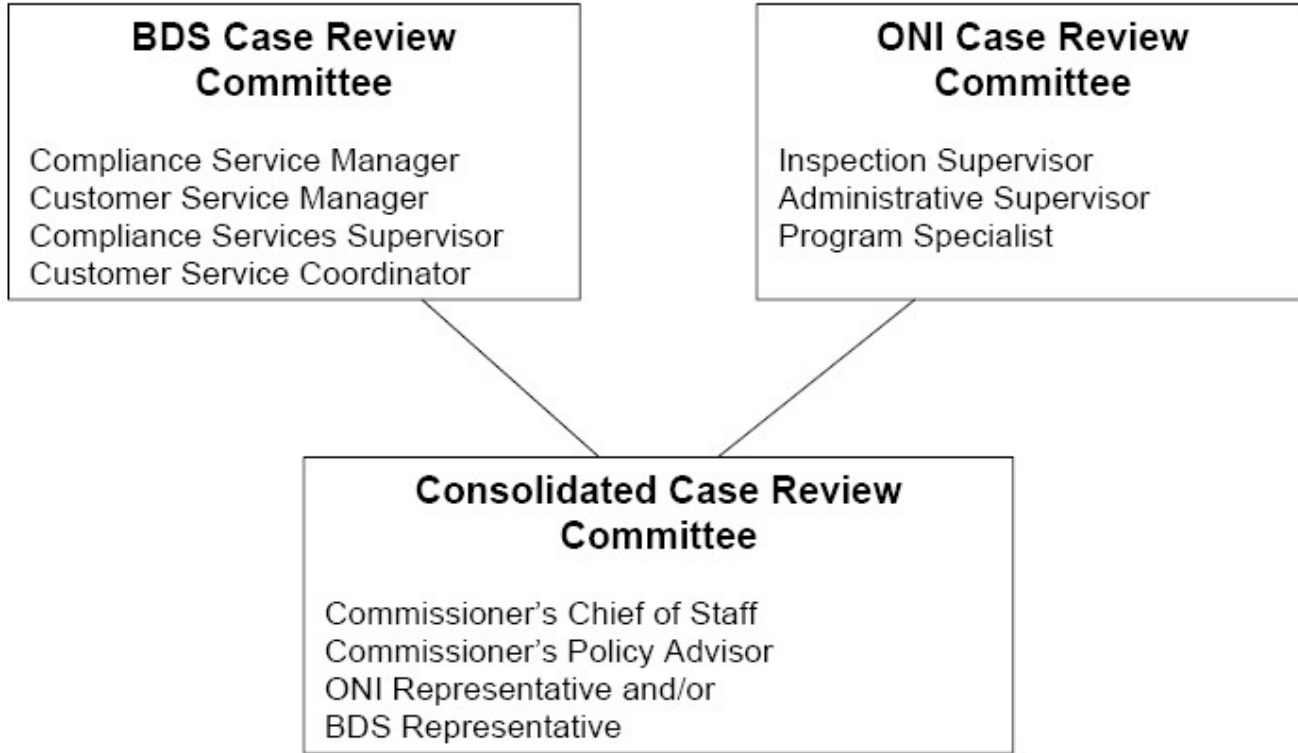
- All ONI/BDS enforcement cases, including case in question, should be closed. Exceptions will be made when necessary.
- The request should be in writing and signed by the property owner or their representative. Exceptions will be made when necessary.
- The request should contain contact information for the person making the request including: Name, mailing address, address that the request pertains to if different, telephone number and reason for the request.

Processing Requests

1. Apply maximum penalty thresholds if appropriate (see pg. 2).
2. Apply current policies and procedures to old cases when possible and appropriate.
3. Determine if property owner qualifies for existing waivers (i.e. low-income, new owner, renovation, administrative, etc.) and apply when possible. Waivers may be applied retroactively if necessary.
4. Apply lien reduction criteria (see pg. 3/4).
5. Decisions will be reached within 30 days of receipt of request for non-foreclosure cases; 45 days for foreclosure cases. Decisions will be put in writing, sent to the requestor and attached in TRACS.
6. Property owners will be allowed one lien reduction case review per property. Repeat offenders are not eligible for additional reviews and/or reductions unless approved by the Consolidated Case Review Committee. Exceptions must be accompanied by detailed explanations.
7. If the Commissioner's Office or the bureau's Case Review Committee determine that unique circumstances exist, or if the BDS Case Review or ONI Case Review Committee's rulings are appealed, then the request shall be reviewed the by Consolidated Case Review Committee (see

below).

8. If the BDS Case Review Committee or ONI Case Review Committee propose to amend these guidelines, they shall submit said request to the Consolidated Review Committee for approval.



HISTORY

Document dated September 27, 2004

Filed for inclusion in PPD December 7, 2004