ORDINANCE No. 187983

*Amend Collection and Foreclosure Code to clarify aspects of the redemption process. (Ordinance; amend Code Chapter 5.30)

The City of Portland ordains:

Section 1. The City Council finds:

1. City Code Section 5.30.180.B, which describes the maintenance of and improvement to property purchased in a foreclosure sale, should be amended to allow purchasers to maintain and improve the property during the one-year redemption period and to be reimbursed for maintenance and improvement costs incurred during the redemption period, if the property is redeemed, in alignment with ORS 223.

2. City Code Section 5.30.190.A, which describes the rights of purchasers during the one-year redemption period, should be amended to align with ORS 223.

3. City Code Section 5.30.210.E, which describes payment of the redemption price to the holder of a certificate of sale, should be amended to authorize the Treasurer to use all or some of the penalty rate to reimburse a purchaser for maintenance and improvement costs incurred during the redemption period, if the property is redeemed, in alignment with ORS 223.

NOW, THEREFORE, the Council directs:

a. Code Subsection 5.30.180.B is amended to read as follows:

B. Purchaser may make improvements to or perform maintenance on ~~Any improvements or maintenance to~~ the property ~~made by a purchaser~~ during the redemption period ~~shall be made under a contractual agreement with the owner. The contract shall specifically state the amount owing and the rate of interest, if any.~~ If the purchaser incurs costs for maintaining or improving the property during the redemption period and if the property is redeemed, the City Treasurer may reimburse all or part of the redemption penalty paid by the person redeeming the property to the purchaser.

b. Code Subsection 5.30.190.A is amended to read as follows:

A. After a foreclosure sale, the Treasurer shall promptly deliver a certificate of sale to the purchaser. The certificate of sale embodies the right to own the property at the end of the redemption period. The holder of a certificate of sale ~~has no ownership rights and no possessory interest in the property prior to the completion of the redemption period and~~ holds the certificate of sale subject to the rights of all persons having an interest in the property to redeem it, the right of the City to place additional liens on the property, and the right of another unit of government to foreclose upon the property. All liability remains with the persons having an interest in the property until the City issues a deed at the end of the redemption

period.

c. Code Subsection 5.30.210.E is amended to read as follows:

E. Upon receipt of the redemption price, the Treasurer shall issue a check for the sales price amount paid by the holder of the certificate of sale as shown on the lien docket plus any accrued redemption interest and all or a portion of the redemption penalty. The check shall be delivered to the address provided to the City by the purchaser or any transferee or assignee.

Section 2.   The Council declares that an emergency exists because a later implementation date would delay the City's efforts to foreclose on properties that are causing health, safety and livability concerns in Portland neighborhoods; therefore, this ordinance shall be in full force and effect from and after its passage by the City Council.

Passed by the Council: SEP 1 4 2016

Mayor Charlie Hales
Prepared by: Jennifer Cooperman
Date Prepared: August 31, 2016

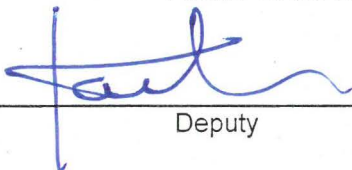**Mary Hull Caballero**
Auditor of the City of Portland
By

Susan Parsons

Deputy

1024

Title

*Amend Collection and Foreclosure Code to clarify aspects of the redemption process. (Ordinance; amend Code Chapter 5.30)

INTRODUCED BY Commissioner/Auditor: **Mayor Hales**	CLERK USE: DATE FILED ___SEP 06 2016___
COMMISSIONER APPROVAL	Mary Hull Caballero Auditor of the City of Portland
Mayor—Finance and Administration - Hales	By: _____
Position 1/Utilities - Fritz	Deputy
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Novick	ACTION TAKEN:
BUREAU APPROVAL	
Bureau: Office of the Mayor Bureau Head:	
Prepared by: Jennifer Cooperman Date Prepared: August 29, 2016	
Impact Statement Completed ☒ Amends Budget ☐	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code. easement, franchise, charter, Comp Plan	
Council Meeting Date **September 14, 2016**	

AGENDA		FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
TIME CERTAIN ☐ Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)				YEAS	NAYS
		1. Fritz	1. Fritz	✓	
		2. Fish	2. Fish	✓	
CONSENT ☐		3. Saltzman	3. Saltzman	✓	
REGULAR ☒ Total amount of time needed: **10** (for presentation, testimony and discussion)		4. Novick	4. Novick	✓	
		Hales	Hales	✓	