

# Lien Reduction Case Review Process

Office of Neighborhood Involvement



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## Lien Reduction Case Review Process

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 and the respective bureaus, 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, the bureaus 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 existing lien balances will be reviewed for possible reduction.
- Code enforcement fees that predate the owner’s purchase of the property do not qualify for reductions.
- The lien may be reduced if the case meets a basis for reduction using the lien reduction criteria (see pg. 3,4) otherwise, the bureau may decide if the maximum penalty cap (see table below) will be offered, contingent upon payment arrangements being made.
- If applied, the code enforcement fee maximums are for all enforcement cases per bureau, since the date of purchase. Nuisance and dangerous building abatement are considered separately. These maximums are contingent upon payment arrangements being made on the reduced balance. In cases involving repeat offenders, chronic nuisance properties, the bureau reserves the right to not cap penalties for repeat offenders.

Property Usage – Code Enforcement Fee	Maximum Code Enforcement Fee Penalty (including interest, penalty & principle)
<ul style="list-style-type: none"> <li>▪ Owner occupied</li> <li>▪ Single family (1-2 units)</li> </ul>	\$6,500
<ul style="list-style-type: none"> <li>▪ Income generating property</li> <li>▪ Single family (1-2 units)</li> </ul>	\$10,000
<ul style="list-style-type: none"> <li>▪ Income generating property</li> <li>▪ Multi-family 3+ units and Combined use</li> </ul>	\$5,000 per unit
<ul style="list-style-type: none"> <li>▪ Vacant Lots</li> <li>▪ Vacant Commercial / Derelict Commercial</li> </ul>	\$ 5,000 \$10,000
<ul style="list-style-type: none"> <li>▪ Commercial occupied property</li> <li>▪ 3,000 square feet or less</li> </ul>	\$5,000
<ul style="list-style-type: none"> <li>▪ Commercial occupied property</li> <li>▪ Over 3,000 square feet</li> </ul>	\$10,000

<b>Definition – Case/Lien type</b>	<b>Maximum Charges</b>
<ul style="list-style-type: none"> <li>▪ Nuisance abatement</li> </ul>	Fines remain as assessed. Maximum overhead charge of \$1000.
<ul style="list-style-type: none"> <li>▪ Vacation orders</li> <li>▪ Dangerous building abatement</li> </ul>	Hard costs and administrative costs only

### Lien Reduction Criteria

	<b>Up to 100% Reduction</b>	<b>Up to 50% Reduction</b>	<b>No Reduction</b>
<b>Financial/ Physical Hardship</b>	<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"> <li>▪ Property is owner occupied or vacant.</li> <li>▪ Life/safety issues not a factor.</li> <li>▪ Evidence of reasonable effort to comply based on circumstances.</li> </ul> <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>		
<b>Low-Income Waiver</b>	<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"> <li>▪ From time when progress was made to comply.</li> <li>▪ No significant fire/life/safety issues exist.</li> </ul>		
<b>Consistent Payments</b>	<p>Apply payments to principle and waive interest when consistent payments have been made for approximately 2 years to satisfy lien.</p>		
<b>Multiple cases- same violation</b>	<p>There are multiple assessments and/or cases for the same or similar types of violations (close most recent case).</p>		
<b>Lapse of contact</b>	<p>Records indicate that contact with the property owner lapsed for 1 year or more while the case was open. Waive charges during the period of lapse.</p>		
<b>Error in Notification/ Citation</b>	<ul style="list-style-type: none"> <li>▪ Administrative error in notifications required by code.</li> <li>▪ Violations cited in error.</li> <li>▪ Lack of clear communication about requirements to resolve the case.</li> </ul>		

	<b>Up to 100% Reduction</b>	<b>Up to 50% Reduction</b>	<b>No Reduction</b>
<b>Evidence of Progress</b>		<ul style="list-style-type: none"> <li>▪ No significant Fire/Life/Safety violations.</li> <li>▪ Case closed within 2 years; no additional valid complaints or abatements at property.</li> <li>▪ Evidence of progress to correct violations.</li> <li>▪ Vacated property when problems identified.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Significant fire/life/safety violations.</li> <li>▪ Occupied rental property.</li> <li>▪ Lack of progress to correct violations in a timely manner.</li> </ul>
<b>Hearings Officer Penalties</b>			Civil penalties imposed by the Hearings Officer will not be reduced.
<b>Hearings Officer Filing Fee Only</b>	Waive lien for Hearings Officer filing fee when this is the only lien (no civil penalty resulted).		
<b>Delay in Process</b>	Delays in the LUR, building permit process or other delays that were beyond the applicant's control. Waive charges during the period of delay.		
<b>Nuisance Civil Fine</b>	<ul style="list-style-type: none"> <li>▪ Documented evidence of progress on corrections prior to abatement.</li> <li>▪ Evidence that notices were not received (but property was not maintained sufficiently so administrative and hard costs remain).</li> <li>▪ Evidence of sale during the process and new owner was not notified.</li> </ul>		
<b>Nuisance Abatement Charges</b>	<p>Waive civil fine, overhead and up to \$1,000 of hard costs if:</p> <ul style="list-style-type: none"> <li>▪ 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).</li> <li>▪ Property is owner occupied or vacant</li> <li>▪ Life/safety issues not a factor</li> <li>▪ Evidence of reasonable effort to comply based on circumstances</li> </ul> <p>If remaining hard costs exceed \$1000 the case will be reviewed by Consolidated Committee for decision</p>		
<b>Minor Violations</b>	Original violations cited do not meet current criteria for opening a case (violations too minor, garbage service but no nuisance conditions, etc)		
<b>Interest</b>	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 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 current policies and procedures to old cases when possible and appropriate.
2. 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.
3. Apply lien reduction criteria (see pg. 3/4).
4. Apply maximum penalty thresholds if appropriate (see pg. 2).
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 attached in TRACS, and archived as per SPARC requirements or bureau retention schedule.
6. Property owners will be allowed one lien reduction case review per property. Once an offer is made, no more than 2 extensions to meet requirements of offer will be granted. 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 Case Review Committee's rulings are appealed, then the request shall be reviewed the by Consolidated Case Review Committee (see below).
8. If the Case Review Committee proposes to amend these guidelines, they shall submit said request to the Consolidated Review Committee for approval and updated in the Portland Policy Documents.

### ONI Case Review Committee

Inspection Supervisor  
Administrative Supervisor  
Program Specialist

### Consolidated Case Review Committee

Commissioner's Chief of Staff  
Commissioner's Policy Advisor  
ONI Representative