BRIEFING PAPER
City of Spokane
Office of Neighborhood Services-Code Enforcement
August 12, 2015

Subject
Amendments to the Abandoned Property Registry ordinance are necessary to enhance compliance and enforceability, and to add procedures necessary for deregistration criteria. The original ordinance was sponsored by Councilmember Waldref and became effective December 6, 2014. It is codified as SMC 17F.070.520, under the Existing Building and Conservation section of Title 17F Construction Standards. Code Enforcement is working with Tim Szambelan, Brian McClatchy, and Councilmember Waldref to develop the amendments.

Background
The purpose of the Abandoned Property Registry Program is to take a proactive approach to deter vandalism and decay of vacant and abandoned or foreclosed buildings, homes or properties, through registration and site monitoring. Ideally, it will divert properties from the Building Official hearing process and lead to quicker turnaround on curing violations associated with these particular properties. Registration fees are paid by mortgagee, loan servicer, trustee, etc not the mortgagor.

Current experience with the provisions of the ordinance has revealed that the clause “vacant and in foreclosure” inadvertently provides a loophole in the registration process, whereby lenders will not register if they receive a monitoring report that indicates possible occupancy of a property. In at least one case this has been a report of an individual sitting on a porch. The amendment would close this avenue to avoid registration.

Other amendments intended to strengthen the ordinance have been drawn from a Model Ordinance developed in Florida communities that have been using electronic registration processes as far back as 2009. Amendment language includes such provisions as:
- A property remains abandoned until sold to a bona fide non-related purchaser in arms length transaction or the foreclosure action is dismissed.
- Notification of any change in registration information within 10 days.
- Requiring any transfer of loan to new party to result in a new registration.
- Requiring monthly monitoring by mortgagee.
- Establishing criteria for deregistration and procedure.
- Possibly increase in registration fee up to $500 to cover costs of electronic registration, city monitoring, and administration. According to Community Champions, there were about 1600 active foreclosures in the city in March 2015.

For further information contact: Melissa Wittstruck 625-6087
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August 11, 2015
Impact
Clarifying and strengthening the abandoned property registry is intended to drive compliant registrations. The approximately 100 received to date have been entered manually and vary widely in actual compliance. Loan servicers and lenders have refused to register based on occupancy reports. The inclusion of provisions from the Model Ordinance will also facilitate the search for a vendor for electronic registration, as the vacant criteria was perceived to weakened ability to enforce and drive down registration numbers. Site monitoring combined with accurate mortgagee and property preservation contact information is intended to limit deterioration and damage to properties caught in lengthy foreclosure proceedings.

Action
1) Information only.
2) Recommend approval of the amendments when they come to City Council.

Funding
The Abandoned Registry Program is funded by the annual per property registration fee. A portion of the fee will used to pay a vendor for an electronic registration program. The balance will be remitted to the City for required monitoring and administrative costs.

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## Property Registration Program Assessment

### Spokane City

![Map of Spokane City showing foreclosure data](WA-Spokane.png)

<table>
<thead>
<tr>
<th>Foreclosures Analysis</th>
<th>Total Properties</th>
<th>Active Foreclosures</th>
<th>% Foreclosures</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spokane City</td>
<td>375,000</td>
<td>1,438</td>
<td>0%</td>
<td>▲ 38%</td>
</tr>
<tr>
<td>Spokane</td>
<td>833,504</td>
<td>2,761</td>
<td>0%</td>
<td>▲ 43%</td>
</tr>
<tr>
<td>WA</td>
<td>1,173,814</td>
<td>44,269</td>
<td>4%</td>
<td>▲ 95%</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>131,704,730</td>
<td>1,877,388</td>
<td>1%</td>
<td>▼ 10%</td>
</tr>
</tbody>
</table>

### Spokane City

Estimated Annual Registrations

860 - 1,100

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1. Active foreclosures include any public foreclosure filing within the past 3 years with no record of a subsequent satisfaction, sale, or dismissal.
2. Past 12 month active foreclosure trend.
3. Estimated annual registrations based on prior year's data, including correction of data/insurer.