

BRIEFING PAPER
City of Spokane
Abandoned Property Registry Ordinance Amendments

Councilmember Amber Waldref
September 10, 2015

On October 20, 2014, the City Council passed an ordinance which established an abandoned property registry. SMC 17F.070.420. The goal of this registry is to proactively engage mortgage lenders in taking responsibility for the conditions of abandoned foreclosed properties and to combat negative community impacts such as transients, illegal dumping, graffiti and safety. Since enactment, the best practices for dealing with properties in the foreclosure process have evolved across the country, causing the City to review its ordinance and suggest the following substantive revisions:

- Change focus from “abandoned properties” to “Foreclosure Properties” – properties in various stages of the foreclosure process which show signs of abandonment or lack of maintenance. Rather than wait for a foreclosed property to become abandoned, the registry process would now be required of the lender when the notice of foreclosure is issued. This change allows for earlier intervention to prevent deterioration of property.\
- Clarifies how properties can be removed from the registry – by satisfaction of the mortgage, property no longer in mortgage default, or property sold in an arms’ length transaction with a non-related party.
- Clarifies that Code Enforcement is the enforcement officer for actions involving Foreclosure Properties.
- Provides that the bank or other responsible party must waive objections to the City entering the property for purposes of abating nuisances or dangerous conditions.
- Creates requirement for the designation of a local agent for the property with a 24-hour contact number.
- Provides that either the bank or Code Enforcement can begin the process of listing the property on the registry.

- Clarifies that registration status follows the property, and remains until such time as the property is no longer in foreclosure or mortgage default; transferee of the property must continue to abide by the registration program requirements.
- Requires the bank to notify the City of changes in ownership or occupancy status within 10 days.
- Provides that within 90 days of mortgage default, the property must be listed on the registry.
- Requires the bank to inspect the property monthly while it is on the registry.
- Adds Owner, Lender and Local Agent to the list of those responsible for taking actions, receiving notices, etc.
- Removes the registry's interaction with the Building Official's substandard building process to remove confusion and duplication of effort.
- Clarifies that banks cannot get properties off the registry by simply transferring title to the property to a subsidiary of the bank
- Raises the registry fee from \$200 to \$500 to cover costs of both administration and on-going monitoring.

Questions? Please contact Councilmember Amber Waldref at awaldref@spokanecity.org or 625-6275 or Heather Trautman, Director of Office of Neighborhoods and Code Enforcement at htrautman@spokanecity.org at 625-6854.