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Duffy, has been that banks are not likely to maintain the property and often leave them to become neglected and blighted.

"Their attention is not focused on the individual homes that are on their inventory, per se," Martin says. "They're managing a large portfolio of properties. The bank is far removed from the day-to-day status of the property."

It does not take long for the home to start going downhill. "You can't leave a lawn for a week from March to June in Oregon and expect to have anything other than a forest," Martin says.

Starting two years ago, Mark Wells, the Office of Neighborhood Involvement's North Portland crime prevention coordinator, began receiving numerous complaints from neighborhood associations and safety groups about homes that were in disrepair and attracting squatters and illicit activity.

Since then, dealing with empty homes has become a big part of his job. Most of the properties, he says, have multiple violations of the city's housing and building code, including garbage and trash littering the lawn, hanging gutters, broken windows, graffiti, people breaking in, etc.

"They're long-term, chronic problems, that cost thousands of dollars," he says.

The most calls and communications State Rep. Lew Frederick (D-N/NE Portland) gets from his constituents regarding foreclosures is about empty, foreclosed homes.

"The properties have blackberries grown over things. They're a drop off site for drugs. One story (I heard) is about a property that was being used as a prostitution site," Frederick says. "They have a huge impact on the neighborhood."

Wells says the homes can "bring in some criminal elements... to that neighborhood

that has never been there before." But more importantly, he says, the empty properties create a "perception" and increased fear of crime that impacts people's quality of life, including whether they go for walks at night on the street an empty home is on.

The police only respond, says Sgt. John Birkinbine, an officer in north Portland's neighborhood response team, when a possible crime is being committed.

"We have a relatively limited scope," he says. "We can address it in the short term and we can arrest people, or we can kick people (who are squatting) out. But there's not a lot we can do. Our legal authority is limited."

Unless it is clear that a crime is being committed, police cannot legally enter the property. And the city's Bureau of Development Services also does not have legal authority to maintain the property — mow the lawns, fix broken windows or gutters — without permission from the owner.

Wells has tried to get a good neighbor agreement in place with empty properties he has dealt with in North Portland. That agreement — between the property owner and the city — would allow ONI staff or the police to enter the property and take care of



PHOTO BY KEN HAWKINS

A shopping cart sits discarded outside of the house in Northeast Portland left vacant for the past four years. It was foreclosed on and sits empty under bank ownership.

nuisances or problems caused by neglect.

"It's private property," Wells says. "(Without the good neighbor agreement), we don't have that legal piece of paper that gives the City of Portland and police officers the right to be on the property."

But as was the case with the house on North Buffalo, Wells and others have found that it is nearly impossible to find which bank, or other entity, owns the property. The lengthy time period of the foreclosure process may make it look like the homeowner still owns the property, though they may have vacated it long ago. The county's property records may not show a clear, recorded chain of ownership.

Complicating the issue are the machinations of MERS, or the

Mortgage Electronic Registry System, Inc., which allows banks to sell mortgages to investors — without having to record the sale with the county.

Banks are able to enter MERS as the agent for lender, which means county property records show MERS as the mortgagee, and not the bank which actually owns the loan. Using MERS also allows banks to slice and dice mortgages, selling parts of a loan to various investors, which means that a home could technically be owned by more than one entity.

"These properties are not just absentee owners, but anonymous owners," Frederick says. "The lack of recorded chain of ownership ... is at least as big of a problem as neglect of the property."

"The banks really try to shield themselves," Birkinbine says. "It makes it really frustrating for us."

Frederick and other legislators sponsored a bill dubbed the "good neighbor bill" that would have required banks and other owners of foreclosed, empty properties to post a durable sign somewhere easy to find on the house that listed who the owner was and a contact number.

The bill was introduced in the 2010, 2011 and 2012 legislation sessions. Facing opposition from the Oregon Banker's Association, it died each session. "It began the process of really discovering who was, in fact, involved and in charge of these properties ... and require true paperwork for mortgages," Frederick says.

Other local municipalities have resorted to creative methods of dealing with problems caused by empty foreclosed properties. New York City mayor Michael Bloomberg announced in early 2009 that the city would use nearly \$25 million dollars to rehab and sell more than 100 foreclosed, blighted properties. The city of Philadelphia is currently considering a variety of proposals to deal with over 40,000 properties — including taking control of them, and creating a city-controlled property management company.

Mayor Sam Adams is expected to announce in the coming weeks a partnership between the city and financial institutions to better track empty properties, and create a way for the city to easily be in contact with property owners to keep the property maintained.

In a perfect world, Wells says, "it would be genuine partnership with the (city) and large financial institutions."

A more grassroots movement has started in Portland. Unsettle Portland, an offshoot of the Occupy Movement and connected to the national Take Back the Land organization, has begun moving into and occupying vacant homes. Birkinbine and others dismiss their activities as a nuisance, and a crime.

"They don't have any legal standing.

They're trespassing," he says. "Properties are being modified to provide heat or plumbing or cooking areas."

Duffy and others hope Portland's empty homes are soon dealt with, before more people move out of their neighborhoods, property values decline further, and the problems associated with the homes becomes irreversible.

"It really is stressful," Duffy says. "How many hours of people's time it has taken up, filling out complaint reports, calling in, trying to follow up if anything is going to get done."

One brightspot looking forward was the passage in the Oregon Legislature of new protections for homeowners facing foreclosure, including greater access to loan modifications and an end to the dual-track process that allowed banks foreclose on homeowners even while they were in the process of modifying their loan.

The legislation echoes a nationwide settlement against the five largest banking institutions that, in addition to individual homeowner relief, netted \$30 million for Oregon's General Fund.

Janet Byrd, executive director of Housing Partnerships and chair of the statewide advocacy organization The Housing Alliance, says that money should be applied to helping people stay in their homes and revitalizing market. Because ultimately, she says, the best way to end the problem of blighted, empty homes is to have families move into them.

"I think the solution to neighborhoods with lots of abandoned properties is to figure out ways to get the single-family market functioning again, so that families can be functioning in those properties," Byrd says.

"I would rather see energy focused on treating people well who are still in their homes and still have a chance at mortgage modification and assistance. And I think all of that will help with the problem of abandoned homes."

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