



TO: House Committee on Business & Labor
FROM: Brian Sjothun, City Manager
City of Medford
DATE: April 9, 2017
RE: Support for HB 3299

Thank you for your consideration of HB 3299, which works to strengthen local governments' ability to deal with an abundance of uncared for vacant homes. HB 3299 makes the care of these homes a financial issue that may provide an incentive for lienholders to care for and ultimately move vacant homes back onto the market.

The mortgage industry over-extension and the economic recession resulted in an enormous increase of vacant, blighted houses with no on-sight care in Medford. While short-term this is a nuisance, long-term it becomes an economic problem for other houses in the neighborhood and a threat to the public health, safety and welfare.

At one point in 2016, 436 bank-owned houses were left vacant in Medford, contributing to blight in neighborhoods and elevating fire and safety hazards. We determined that a 1989 state law allows us to abate housing and building code violations on those properties that have become a threat to the health, safety and welfare to the community. The city can initiate a receivership action against a problem property, gain control, and begin repair and rehabilitation. If no interested party pays the reasonable costs of repair and rehabilitation incurred by the receiver, the costs constitute a lien upon the property and may result in a foreclosure action.

I have attached a chart describing the process, which is perhaps more stringent and cumbersome than the concept envisioned in HB 3299.

Additionally, Medford started a registry of vacant properties in 2009, requiring lenders to notify the city if a house sits vacant for more than 10 days. Fines of up to \$250 a day can be levied against lienholders who refuse to adequately secure and maintain a vacant property.

HB 3299 is an important tool for local governments that may result in: 1) banks moving properties more quickly in order to not incur a fine, and 2) banks maintaining properties per city codes. Both results are positive for communities. More importantly, bringing these empty residences back onto the market may have a positive impact on the current lack of available housing in Medford and other communities.

We urge your support.