

To: City Council
 From City Manager, Nathan Cherpeski
 Subject: Friday Update
 Date: February 5, 2016



Calendar

Date	Time	Event	Location
February 22, 2016	7:00 P.M.	Planning Commission- CDO review	Jeff Ball Room @ Police Department
March 2, 2016	6:00 P.M.	Audit Committee	City Hall Annex - Conference Room
March 3, 2016	4:00 P.M.	Executive Session - ORS 192.660(2)(a) - Employment of Public Officers, Employees and Agents	City Hall Annex - Conference Room
March 4, 2016	5:30 P.M.	Parks Board Meeting	City Hall Annex - Conference Room
March 7, 2016	6:00 P.M.	Work Session - 1)Update on Blighted Property discussion. 2) Downtown Association Presentation - Smoke Free Events	City Hall Annex - Conference Room
March 7, 2016	7:00 P.M.	City Council Meeting	City Hall Annex - Council Chambers
March 10, 2016	6:30 P.M.	Joint Meeting - City Council and Planning Commission Presentation by Kittleson - Oregon Avenue Protective Bike Lanes and an update will be provided on the separate Urban Trails Master Plan	Jeff Ball Room @ Police Department

City Manager

Blighted Properties – The City Attorney has been doing research on receiverships. Receiverships can help correct blight and substandard housing conditions. Nationwide, other cities have utilized this process to ask the court to appoint a third-party receiver to take control of substandard homes and either demolish the home or fix it up to provide habitable housing.

Attached is a presentation showing what California cities have been able to do. Keep in mind that our state will have different requirements and provide us different remedies.

I met recently with the Klamath Excellence group. They expressed an initial interest in being involved in the receivership process. There are other groups I plan to talk to who have an interest in cleaning up derelict properties.

We also met with the County this morning to talk about coordinanting our efforts more closely with nuisance properties. It was a positive discussion.

Blue Zones will host a project kickoff on March 12. I have attached the advertisement they are using or you can find info here

<https://oregon.bluezonesproject.com/events/detail/569f3e82e4b05818fae07416>

Police

Yesterday the Police Department promoted the following individuals:

Ryan Brosterhous – Captain

Rob Dentinger – Captain

Rob Reynolds – Lieutenant

Jack Daniel – Lieutenant

The ceremony was well attended.

Public Works

We are making great progress on the Sugarman's Park project. The plan is to have this in front of council for action on March 21.

Other construction packages will be released on Monday. They include:

Demolition of the Balsiger building

Sewer line upgrades in Johnson and Crescent Street and;

Handrail project for the Main Street sidewalk railroad underpassWith the bids for



Join your local Blue Zones Project®-Klamath Falls team on **Saturday, March 12**, for a free, community-wide celebration to kick off Blue Zones Project - a community-wide well-being improvement initiative designed to help make healthy choices easier.

Saturday, March 12, 2 p.m. - 5:30 p.m. at Ross Ragland Theater.

2:00 p.m. Activities and Booths Open

3:15 p.m. Main Stage Doors Open

3:30 p.m. Program Begins

5:30 p.m. Event Ends

Featuring...

DAN BUETTNER: *National Geographic Explorer and New York Times best-selling author of *The Blue Zones* and *The Blue Zones Solution**

Enjoy free activities including:

- Tai-Chi •
- Kid Zone •
- Yoga •
- Local Performances •
- Taste of Blue Zones •
- Plant a Garden •

• Tasty Food
Samples •

• Smoothie Bike •

• Blue Zones
Community •

...And more! [Click here to see the full schedule.](#)

Be a part of the movement that's transforming the well-being of people in Klamath Falls. Together we can make our community a healthier, happier place to live, work, and play.

**LEARN MORE
& RSVP TODAY!**

Questions? BlueZonesProjectKlamathFalls@Healthways.com

#BlueZonesProjectKFalls



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INTRODUCTION (cont.)

C. The Receiver

1. Nominated by the municipality but approved and appointed by the court
2. Receiver is not the agent or representative of either the municipality or the owner
 - acts independently and with the court's approval as to all major actions
3. Paid from proceeds of property's sale or by the owner or lender

D. The Rehabilitation

1. 3 primary approaches
 - Receiver prepares rehabilitation scope of work, borrows funds, and contracts for the work
 - Receiver sells to a qualified investor buyer, who uses their own funds and contractors to complete the work; receiver supervises the work progression
 - Lender funds and/or uses its contractors to perform the work; receiver supervises the work progression

INTRODUCTION (cont.)

E. The Payoff

Unless the owner or lender elects to redeem the property following completion of the rehabilitation, the receiver markets and sells the property in the traditional way

- From the sales proceeds, receiver pays:
 - The rehabilitation loan
 - Customary escrow costs and commission
 - Municipality administrative fees and legal fees
 - Receiver's fees and expenses
 - Balance to lender and, if any remainder, to owner

CASE STUDIES

HISTORICAL PROPERTY

4278 MISSION INN AVENUE
RIVERSIDE, CA

The “Historic” House

4278 Mission Inn Avenue, Riverside, CA



HISTORICAL PROPERTY



BEFORE



AFTER

HISTORICAL PROPERTY



BEFORE



AFTER

HISTORICAL PROPERTY



BEFORE



AFTER

HISTORICAL PROPERTY



BEFORE



AFTER

HISTORICAL PROPERTY

- ▶ Length of receivership from appointment to discharge: 6 months
- ▶ Rehabilitation costs: \$70,000
- ▶ Average pre-receiver area price per sq. ft.: \$140.13
- ▶ Sales price / price per sq. ft.: \$190,000 / \$174.47
- ▶ City recovery: \$33,869
- ▶ Owner occupancy covenant: Yes (25 years)

BANK-OWNED PROPERTY

6841 LA JOLLA DRIVE
RIVERSIDE, CA

The “Neglected Gem” House

6841 La Jolla Drive, Riverside, CA



6841 La Jolla Dr

© 2015 Google

Google earth

33°56'56.52" N 117°25'37.17" W elev 774 ft eye alt 1733 ft

1994

BANK-OWNED PROPERTY

BEFORE



AFTER

BANK-OWNED PROPERTY

BEFORE



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AFTER

BANK-OWNED PROPERTY

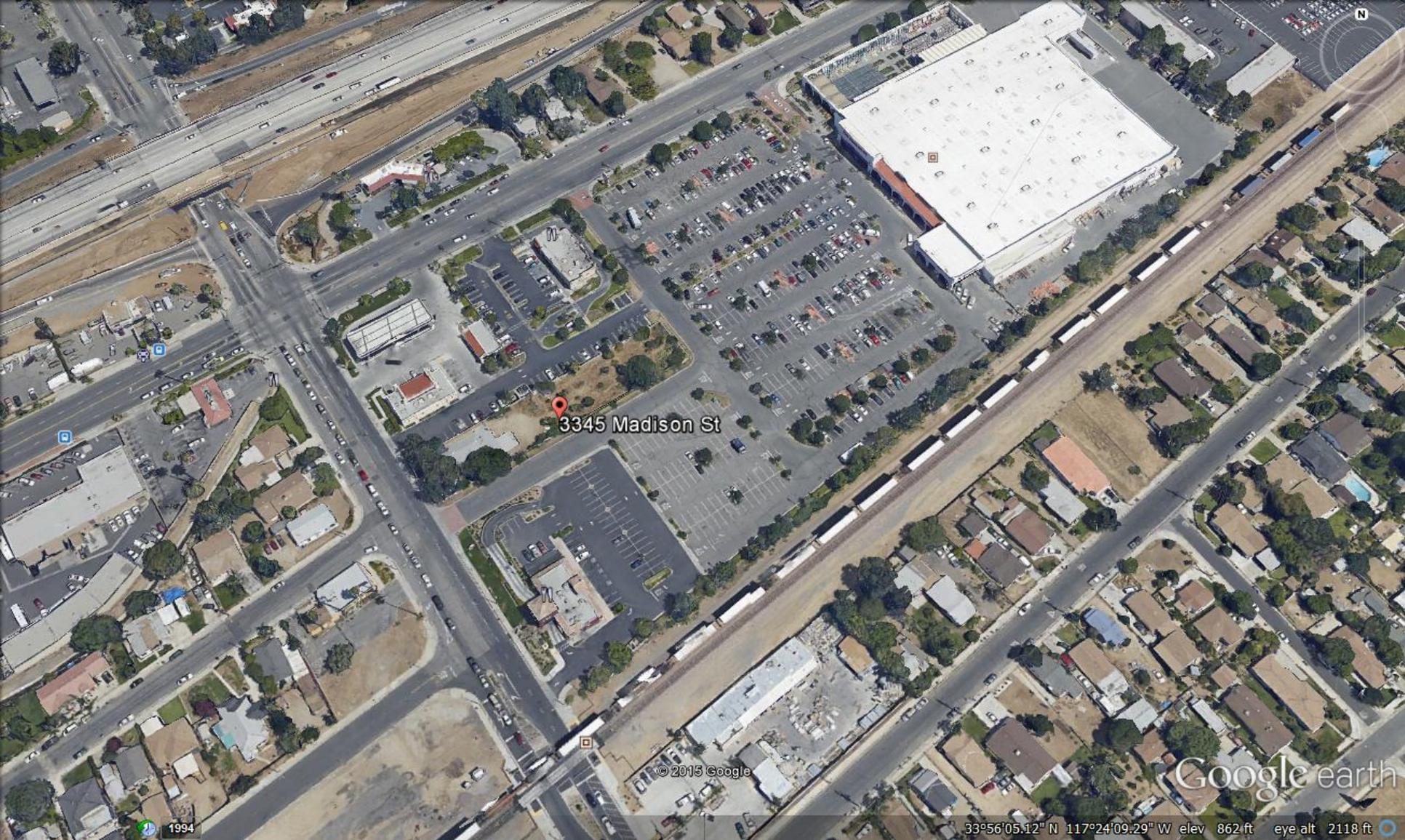
- ▶ Length of receivership from appointment to discharge: 10 months, 26 days
- ▶ Rehabilitation costs: \$84,060
- ▶ Average pre-receiver area price per sq. ft.: \$194.28
- ▶ Sales price / price per sq. ft.: \$228,000 / \$204.05
- ▶ City recovery: \$81,550.16
- ▶ Owner occupancy covenant: Yes (25 years)

COMMERCIAL PROPERTY

3345 MADISON AVENUE
RIVERSIDE, CA

The “Home Depot” House

3345 Madison Avenue, Riverside, CA



COMMERCIAL PROPERTY

PROPERTY BEFORE



COMMERCIAL PROPERTY



PROPERTY BEFORE

COMMERCIAL PROPERTY



PROPERTY AFTER

COMMERCIAL PROPERTY

- ▶ Length of receivership from appointment to discharge: 9 months, 29 days
- ▶ Rehabilitation costs: \$20,410
- ▶ Sales price / price per sq. ft.: \$322,116.90 / \$14.79
- ▶ City recovery: \$48,673.52
- ▶ Owner occupancy covenant: No

ILLEGAL LAND-USE PROPERTY

8258 OAKHURST PLACE
RIVERSIDE, CA

The “Bomb” House

8258 Oakhurst Place, Riverside, CA



© 2015 Google

Google earth

33°55'43.19" N 117°25'09.54" W elev 836 ft eye alt 1324 ft

ILLEGAL LAND-USE PROPERTY



BEFORE

AFTER



ILLEGAL LAND-USE PROPERTY



BEFORE

AFTER



ILLEGAL LAND-USE PROPERTY



BEFORE

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ILLEGAL LAND-USE PROPERTY



BEFORE

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ILLEGAL LAND-USE PROPERTY

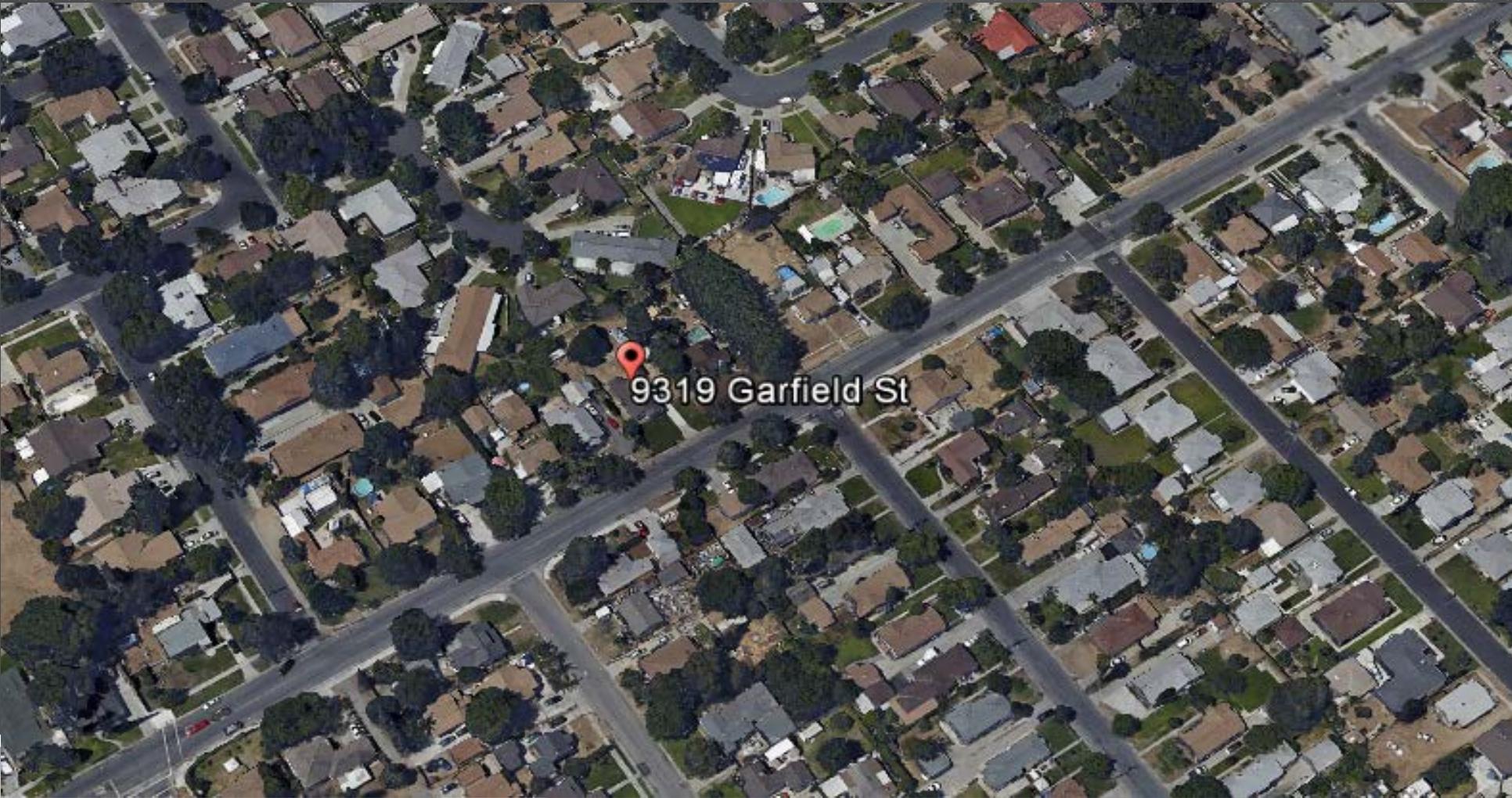
- ▶ Length of receivership from appointment to discharge: 8 months
- ▶ Rehabilitation costs: \$91,000
- ▶ Average pre-receiver area price per sq. ft.: \$165.71
- ▶ Sales price / price per sq. ft.: \$233,000 / \$206.56
- ▶ City recovery: \$39,130
- ▶ Owner occupancy covenant: Yes (25 years)

HOARDER PROPERTY

9319 GARFIELD STREET
RIVERSIDE, CA

The “Bloody Handprint” House

9319 Garfield Street, Riverside, CA



HOARDER PROPERTY



BEFORE



AFTER

HOARDER PROPERTY

BEFORE



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HOARDER PROPERTY



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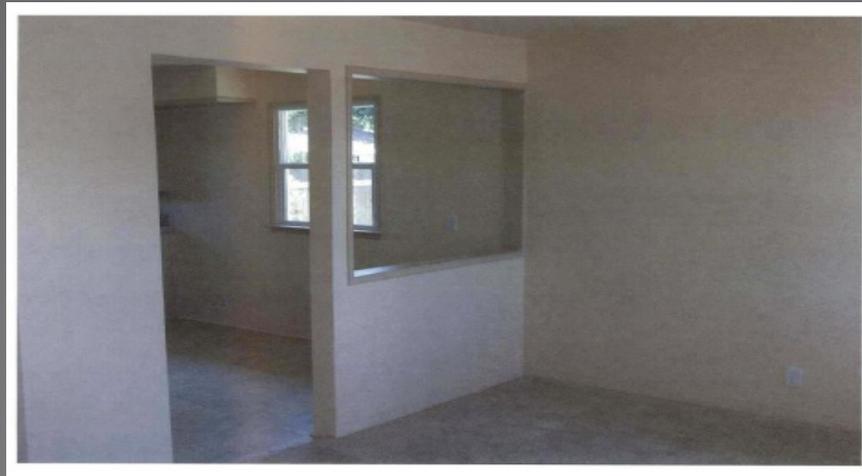


AFTER

HOARDER PROPERTY



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HOARDER PROPERTY

- ▶ Length of receivership from appointment to discharge: 11 months
- ▶ Rehabilitation costs: \$69,150
- ▶ Average pre-receiver area price per sq. ft.: \$86.04
- ▶ Sales price / price per sq. ft.: \$205,200 / \$136.66
- ▶ City recovery: \$18,996
- ▶ Owner occupancy covenant: No (rental duplex)



BEFORE

AFTER

