

City of Salem

Continuation of Lien Forgiveness Program Benefits for Property Owners & Community

June 22, 2026



Program Overview

Resolution 2026-20

- Continues a limited duration Lien Forgiveness Program to June 30, 2027.

Objective

- Extends the City Health Officer's authority to forgive liens for unpaid civil penalties and derelict structure fees if all Property Maintenance Code violations are corrected.

Extension of the Lien Forgiveness Program

Extension of the Lien Forgiveness Program Would:

Continue the program beyond June 30, 2026.

Additional time to research ownership, build relationships and increase participation.

Help reduce barriers to property transfers and creating housing opportunities.

Distressed Commercial Property Before Program



Commercial Property After Program



NE Salem Residential Property Before Program



NE Salem Residential Property After Program



SE Salem Residential Property Before Program



**SE Salem
Residential
Property
After
Program**



Program Results Through Early June

22 of 78 (28%)
property
owners
applied

56 property
owners did not
respond

The total value
of liens in the
lien docket is
approximately
\$869,614.09.

Forgiven
40 Liens
13 properties
\$212,000
value

Currently 605
liens on 101
properties.

41 new
properties
added to the
City lien
docket.

Benefits of Lien Forgiveness Extension

Allow Compliance Staff Additional Time

- Research property ownership build relationships, and increase participation
- Educate property owners and encourage voluntary compliance

Encourage Property Owners to Restore and Repair Properties

- Supports community aesthetics
- Reduces barriers to property transfers
- Helps create additional housing opportunities

Benefits of Lien Forgiveness

Incentivizes Property Restoration

- Encourages property owners to repair or restore properties

Promotes Community Livability

- Reduces barriers for property transfers

Supports Financial Relief

- Helps property owners, especially those on fixed incomes

Key Issues Addressed

Barrier to Rehabilitation

- Liens inhibit property owners from rehabilitating properties.

Impact on Property Sales

- Potential buyers deterred by existing liens, affecting property values and community aesthetics.

Public Interest

- Aligns with goals of Good Governance, Safe and Healthy Community, and Welcoming and Livable Community.

Program Participation Requirements

- **Eligibility:** Property owner authority is required to apply.
- **Application Submission:** Must apply to participate in the program if there are uncorrected property maintenance code violations.
- **Compliance Agreement:** Agree to correct all Property Maintenance Code violations by June 30, 2027.

Financial Implications

Current Liens:

605 liens
totaling \$869,614.09.

Forgiveness Potential:

101 properties
with civil penalties
eligible for forgiveness.

Cost Reduction for City:

Anticipated decrease
in inspections
and associated costs.

Conclusion

Recommendation:
Adopt Resolution
2026 -20 to extend
the Lien Forgiveness
Program.

Goal:
Foster community
improvement,
support property
owners in
maintaining safe and
livable
environments.

Objective:
Encourage voluntary
compliance to
redevelop and
remediate
dilapidated
structures,
distressed
properties.

Reduces:
Barriers to property
transfers creating
additional housing
opportunities, jobs.

Questions?

