



Office of the Mayor
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Mayor

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CITY TAKES AGGRESSIVE ACTION AGAINST VACANT AND ABANDONED PROPERTIES

*Moves to Collect Money Owed to City by Banks for Building Code and Other
Violations, Steps Up Demolition of Properties*

The City is taking aggressive action in several ways to make sure the owners of vacant properties don't neglect them and to recover the millions of dollars they owe the City from building code violations, demolition charges and water bills, Mayor Richard M. Daley said today.

"As the national economy struggles, we continue to see high numbers of foreclosures in our neighborhoods. Many hardworking families continue to have a hard time meeting mortgage payments that have grown beyond their means," Daley said in a news conference held at the West Englewood Library, 1745 W. 63rd St.

"This isn't just their problem. It's everyone's problem, because foreclosure has the potential to slow down the progress we have made in neighborhoods across the city," he said.

The Mayor said that although there are some hopeful signs in the economy, the situation remains very troubling and some experts foresee foreclosures continuing at high levels this year.

A report last week by RealtyTrac, Inc., said that foreclosure activity in Illinois rose last month even though it fell nationwide for the first time in more than four years.

Almost 19,000 properties in Illinois got a foreclosure-related notice in April, which is up more than 38 percent from April, 2009.

The Mayor said foreclosed, vacant properties have a devastating impact on homeowners and communities by attracting vandalism, arson and other crime and discouraging people from investing in the neighborhood.

Foreclosures also impose significant costs on the City and its taxpayers. It is estimated that the increased cost of providing city services to vacant buildings is more than \$25,000 a year higher than it is for occupied properties.

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Daley outlined several steps the City has taken to make sure that the owners of vacant properties maintain them securely and to recover money owed the City.

- Anticipating the problem as early as 2006, the City at that time developed a new, streamlined procedure so that departments could more efficiently coordinate efforts to address troubled buildings.
- Since 2003, the City's Troubled Buildings Initiative has rehabilitated or reclaimed more than 5,500 housing units.
- In 2008, the City passed an ordinance strengthening the maintenance requirements for vacant properties and increasing the responsibilities of owners.

Before the ordinance went into effect, 1,600 vacant properties were registered. Since then, there have been 7,831 registrations. Already in the first four months of this year, 2901 buildings have been registered.

In addition, the amount of money collected from registrations fee is increasing as well. In the first four months of 2010 the City collected \$723,000, up from \$390,000 over the same period last year.

- Because typically the properties remain vacant for several years and the majority of them are owned by lenders, late last year Chicago began discussions with eight major financial institutions that controlled thousands of vacant properties and owed the City millions of dollars in various fines, charges and fees.

"We're not going to let them avoid their responsibilities under the law and their duty as corporate citizens," Daley said.

As a result, the banks have increased the registration of their properties, they have allotted more resources to dealing with vacant buildings and the City is close to reaching settlement agreements on the money the banks owe us.

- The Mayor has made it clear to the banks that it is their responsibility to take down dilapidated properties that threaten the safety of communities.

And demolitions carried out by the City have increased. There were 283 demolitions by the City in all of 2009, but in just the first four months of 2010 there have been 126. The City estimates a substantial increase in the number of vacant buildings taken down by the end of this year.

In 2009, 459 properties were boarded up by the City; so far in 2010, 403 properties have been boarded up.

The City expects payment from the banks and private owners when City resources are used to address abandoned properties. In 2009, the City collected \$1.6M from property owners for demolitions, board ups, clean ups and legal expenses related to troubled vacant properties -- a 42 percent increase in collections representing nearly \$500,000 more in 2009 than 2008.

Enforcement of property owners not in compliance with City ordinances is increasing also. During the first four months of 2010, Chicago Police personnel have issued 5,486 citations concerning vacant buildings -- an increase of 50 percent from 2009.

- To prevent further neglect of these properties, the City has established a first-of-its kind daily alert system to deliver e-mails to registered owners of vacant properties.

The e-mail includes a run-down of all 311 and 911 calls involving the property, as well as any arrests and violations related to the property. By doing this, the City hopes to prevent long-standing neglect and create a "paper trail" for the parties responsible for property upkeep.

- The City's CAPS Program staff, working with the Buildings Department, has begun an outreach program to inform neighborhood residents -- by using "door hangers" -- about the dates of buildings scheduled to be demolished on a block.

It's part of the City's broader strategy to develop community and faith-based partnerships that involve residents in keeping their neighborhoods safe -- whether it's by attending beat meetings, fighting against the "code of silence" that protects criminals or keeping the City informed about troubled buildings.

- The City has also had success working with the courts to expedite demolition-related foreclosure cases. The Circuit Court has agreed to let the City file foreclosure cases in Housing Court rather than in the Chancery Division, which allows the City to take ownership of the vacant lots more quickly once the demolition activities have occurred.

The Mayor cited the example of a building at 6901 S. Ashland Av. as an example of the effectiveness of the City's strategy. The building had been in and out of Housing Court since 1996, had been cited for numerous code violations and the

neighboring business owner had complained about squatters going in and out of the building.

The City filed suit against the building in Housing Court, which helped force the owner to begin repairs.

“After a lot of work and a lot of time, the building finally welcomed a commercial tenant early last year. Building by building and block by block, we’re keeping our neighborhoods strong,” the Mayor said.

Daley said residents can find out everything they need to know about vacant properties – and track the properties through the courts – by visiting the website of the City’s Buildings Department at www.cityofchicago.org/vacantbuildings

“We recognize the magnitude of this problem, its impact on Chicago families, and its potential to slow down the progress we have made in neighborhoods all across Chicago,” Daley said.

“That’s why we will continue our to assist Chicagoans in getting help at the first sign of trouble when it comes to paying their mortgage and it’s why we are taking aggressive action to make sure owners of foreclosed properties maintain them in a way that protects our neighborhoods,” he said.

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