



OFFICE OF THE MAYOR
CITY OF CHICAGO

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**CITY OF CHICAGO REACHES COMPROMISE WITH BANKS TO CLEAN UP VACANT PROPERTIES
AND PROTECT NEIGHBORHOODS**

*New ordinance and proposed statewide legislation will reduce the length of the foreclosure process
and help banks comply with existing vacant buildings legislation*

This morning Mayor Emanuel thanked Alderman Pat Dowell for her introduction of a new vacant building ordinance that will protect the city's neighborhoods while helping banks comply with the vacant properties ordinance that was passed by City Council this summer.

"Chicago is committed to protecting its residents, neighborhoods, and communities from vacant properties and foreclosure," said Mayor Rahm Emanuel. "This ordinance will allow banks to work hand in hand with the City of Chicago and neighborhood organizations to identify vacant properties and comply with the vacant properties ordinance, while at the same time working to create a fast track for these properties to get through the foreclosure system and be put back to productive use."

For the last two months, the Mayor's Office has worked with Alderman Dowell and lending leaders in Chicago to craft a new ordinance that will help realize the goals of the vacant property law – securing and ensuring the safety of properties – while helping banks comply with the ordinance. By focusing on the securing of the properties, the new ordinance reduces situations in which the responsibility over a property is unclear.

"This proposed ordinance takes a comprehensive look at the foreclosure process and offers a solution that works for residents, lenders, and their communities," said Alderman Dowell. "This legislation offers clear guidelines that will ensure banks secure properties and will align the city, lenders and residents in a common effort to reduce the negative impact that foreclosures have on our communities."

The new ordinance calls for the foreclosure process to be reduced to about six months for these vacant properties, a significant decrease from the two years that the process takes currently. This will be achieved by working with banks to pass statewide legislation that will provide municipalities and lending institutions regulatory clarity and the authority necessary to speed up the process. This will allow vacant properties to be moved through the process more quickly, and, as a result, returned to the market. By returning these properties to an active status on the market more quickly, neighborhoods will be able to recover from the housing crisis.



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"We share the City's concern about our neighborhoods and we worked with Mayor Emanuel and his staff and Alderman Dowell to create standards that will work for the mortgage servicers and the neighborhoods," said Glenn Tilton, chairman of the Midwest for JPMorgan Chase, Chicago's biggest bank. "We also are working together to create consistent standards on vacant properties throughout the state. It's always constructive when stakeholders come to the table and work together on important issues."

Vacant properties often become a financial burden on the City. In 2010, the City spent more than \$15 million to deal with vacant buildings: the Department of Buildings demolished or boarded up more than 500 buildings at a cost of \$13.7 million; the Department of Streets and Sanitation performed general upkeep on 1,963 vacant properties and demolished 345 vacant garages at a cost of \$1.8 million.

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