



Office of the Chicago City
Clerk



R2011-1391

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date: 12/14/2011

Sponsor(s): Suarez, Regner Ray (31)
Dowell, Pat (3)
And Others

Type: Resolution

Title: FHFA's action of challenging City's vacant and abandoned buildings ordinance and urge FHFA to withdraw its lawsuit

Committee(s) Assignment:

RESOLUTION

WHEREAS, The current housing crisis facing the nation and Chicago has resulted in an alarming number of foreclosures on residential mortgages, which individually are catastrophic for the families who lose their homes, and collectively can economically destabilize an otherwise healthy neighborhood; and

WHEREAS, A report on vacant housing issued on November 4, 2011 by the United States Government Accountability Office (GAO) to the Ranking Member, Subcommittee on Regulatory Affairs, Stimulus Oversight, and Government Spending, Committee on Oversight and Government Reform, House of Representatives estimated that a foreclosed home within a neighborhood can depress the prices of nearby properties from 0.9% to as much as 8.7%; and

WHEREAS, That same GAO report found that on a single block in a Chicago neighborhood, one foreclosed, demolished property may have reduced the value of thirteen adjacent properties by \$17,000.00 per property compared with the median house values in the City, and that in Columbus, Ohio, each vacant property within 250 feet of a nearby home could decrease the value of the home by as much as 3.5%; and

WHEREAS, When vacant properties are not maintained sufficiently to comply with local building or public safety standards, local governments are forced to expend millions of dollars to mitigate the resulting problems, including boarding up and securing the properties, mowing the lawn, and removing debris and garbage from the lot. In 2010, the City spent more than \$15 million on vacant properties, including demolishing or boarding up more than 500 buildings; and

WHEREAS, In an effort to mitigate the damage caused in situations where owners have failed to secure vacant property, preserve the City's housing stock and stabilize its neighborhoods, in July 2011 the City Council passed an ordinance which required banks and other entities that hold mortgages on vacant and abandoned buildings to take certain limited, common-sense actions to preserve those buildings and prevent the properties from becoming nuisances that attract gangs, drugs and other criminal activities, including securing the property, removing trash and mowing the lawn; and

WHEREAS, After the enactment of the ordinance, the City held numerous meetings with representatives from major lenders and mortgage holders in an attempt to address their concerns about the ordinance. The Federal Housing Finance Agency (FHFA) was invited, but declined to participate in the meetings; and


WHEREAS, As a result of the meetings, which successfully addressed the concerns of the participating parties, the City Council unanimously passed amendments to the original ordinance on November 2, 2011; and

WHEREAS, Following its decision not to participate in the meetings, on December 12, 2011, the FHFA, on behalf of the Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac), filed a lawsuit that challenged the City's vacant and abandoned building ordinance; and

WHEREAS, The use of taxpayer dollars by the FHFA against the City is egregious, ill-conceived and, we believe, contrary to Fannie Mae's and Freddie Mac's congressionally-mandated purpose and mission to advance the interest of taxpayers and homeowners; and

BE IT RESOLVED, That we, the Mayor and Members of the City Council of the City of Chicago, assembled this fourteenth day of December, 2011, do hereby take strong exception to the FHFA's action of challenging the City's vacant and abandoned buildings ordinance and urge the FHFA to withdraw its lawsuit; and

BE IT FURTHER RESOLVED, That the City Clerk be directed to send a suitable copy of this resolution to the Federal Housing Finance Agency.


Alderman Ray Suarez
31st Ward

Pat Dowell
Alderman Pat Dowell
3rd Ward

Maryell Connor 41
Maddie - 10
C

in 31st Ward
(19) Scott W. Guenard 32
June 18th

Alderman 1 at Bowler
 3rd Ward
 Ref W Smith = 2nd
 30 49

13
M. J. Quinn

W. H. S. R. 4/2
 Robert Johnson of 26
 Waterbury, 27th

John P. Hall

Joe Marino 1ST
33

Paul H. [Signature]

Caine m. Austin 34th

Edward G. Bremer

~~John A. Pope - 10th~~
~~March 1864~~ 394

Michael J. Chab 248
Debra Davis 42nd

Mr. Jones 44

Amiya Patel 47
Nilesh Patel 36th
Saurabh Patel 37th

Simone, N. 38
mea 23

Danif Holi 25

Patrick J. Connor 4/16

WILLIAM B
Arthur Bligh

Jan 9th 46