



CITY OF SWEET HOME ADMINISTRATION, FINANCE AND PROPERTY COMMITTEE AGENDA

June 20, 2022, 11:30 AM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

WIFI Passcode: guestwifi

PLEASE silence all cell phones – Anyone who wishes to speak, please sign in.

Mission Statement

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.

Meeting Information

The City of Sweet Home is streaming the meeting via the Microsoft Teams platform and asks the public to consider this option. There will be opportunity for public input via the live stream. To view the meeting live, online visit <http://live.sweethomeor.gov>. If you don't have access to the internet you can call in to 541-367-5128, choose option #1 and enter the meeting ID to be logged in to the call. Meeting ID: 762 345 212#

Call to Order

Roll Call

New Business

- a) [Discussion Only - Vacant Commercial Buildings](#)

Adjournment

VACANT BUILDING ORDINANCE WHITE PAPER



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PROBLEM

Vacant commercial buildings once housed vibrant storefront commercial businesses that at one point generated a profit. Examples of these commercial or retail uses include “five and dime” stores, offices, and restaurants. Now vacant, many of these commercial buildings are either historic, architecturally significant, or located within designated historic districts. These buildings contribute to a MainStreet’s unique character and its potential to revitalize. The challenge for potential property developers is that these vacant commercial buildings, which were once banks, hotels, department stores, churches, and theaters, may be costly to adapt, rehabilitate and repurpose for other uses.

When commercial buildings stay vacant, their declining status leads to blight, discourages economic development, diminishes property values, and can act as fire hazards and magnets for crime. Some vacant commercial property owners use their buildings for storage, in the same way a residential neighbor might use their broken car or RV for storage. In many cases, the building is “under-utilized,” in that it does not economically perform as a commercial structure would in generating income for the business/property owner and gross receipts tax (GRT) for the local government .

“Blight has a negative effect on surrounding property values, which not only hurts adjacent property owners but reduces local property tax revenue.”

Rich Williams

Co-Director of New Mexico MainStreet

Unmaintained vacant commercial buildings in New Mexico MainStreets’ commercial corridors create a negative and unwelcoming impression. Property owners of vacant commercial buildings and properties need to be held accountable for maintaining their buildings and properties, however motivating them to either lease their spaces or seek buyers to purchase their buildings is a complicated challenge for municipalities. Additionally,

many property owners live outside the community, or even in other states. Some property owners may also purposely maintain the vacant status of their buildings by inflating the lease rates beyond what the market can support to report lost revenue and decrease their personal tax liabilities.

Properties that are vacant over time become the victims of deferred maintenance, leading to problems with the building’s roof, foundation, electrical, plumbing, and HVAC systems. Under such conditions, buildings become dilapidated and irreparable and can be declared a public nuisance, or even demolished, further burdening taxpayers with the demolition and vacant lot remediation costs. In fact, “vacant lots can remain undeveloped for decades.”¹ Local governments are forced to prioritize whether to undertake the costs associated with removal of these abandoned buildings, and remediation of derelict properties or providing for the community’s basic needs, such as sanitation, water, street repairs, fire and police protection.

Without oversight from local governments in partnership with a local revitalization organization,

¹ Rich Williams, Co-Director of New Mexico MainStreet

vacant buildings and properties' diminish economic opportunities and can affect a community's economic health and opportunity, safety, and general welfare.

NEED AND CHALLENGES

Local governments have options when it comes to motivating property owners to “do something” with their vacant buildings. Numerous municipalities throughout the United States have implemented ordinances² that require owners to register their vacant buildings and properties as well as maintain them.³ The primary objective of a “vacant building ordinance” is to control the proliferation of vacant buildings and lots. Protection of a community's health, safety, and welfare provide the legal defense for local municipalities to enact strong anti-neglect ordinances. Passing such ordinances, however, requires dedicated resources for both pulling stakeholders together to create the ordinance and then redirecting staff time or adding additional staff to enforce it.

According to Sheila Hudman, Clerk/Treasurer of the Village of Santa Clara, approval of the Santa Clara's vacant building ordinance required eight public meetings and overall took considerable time to pass. The village wanted to include a hardship exemption in the ordinance to appease public resistance. Community members were concerned that elderly property owners of vacant buildings would be unnecessarily penalized. Despite this intent, the village did not include the exemption in the final approved ordinance.

Most municipalities with ordinances regulate all vacant properties, including residential, commercial, and industrial buildings. Only a small number of municipalities have focused their regulatory remedies on explicitly reducing the number of vacant commercial buildings. The City of Albuquerque's proposed “Vacant Commercial Building Ordinance”⁴ would have adopted a new article in the city's zoning code, requiring all vacant commercial property owners to register their properties, and apply minimum aesthetic standards.⁵ Boarded-up windows and doors would only be allowed for up to 180 days. Owners that violated the ordinance would be subject to a daily \$500 fine and other penalties. Vacant commercial properties that remained unmaintained within a year would be subject to demolition. City staff raised concerns regarding enforcement (hiring new personnel) and material costs (estimated at \$900,000 for demolitions). The outcry from the real estate industry led to the proposed ordinance never making it to a vote before the city council, and it died on expiration.

Instead of the proposed ordinance, the Albuquerque City Council approved the “Dilapidated Commercial Buildings and Properties Pilot Project”⁶ in late 2017. Since July 2018, the City had

2 Despite the risk of lawsuits from real estate lobbyists and private commercial property owners.

3 See Appendix B, Sample Vacant Building/Property Registration Form

4 O-16-11, sponsored by City Councilors Pat Davis (District 6) and Don Harris (District 9) was proposed in early 2017. The bill's sponsors wanted to deter the proliferation of vacant buildings that were deteriorating, becoming blighted, and negatively affecting surrounding properties and property values.

5 Removal of weeds and trash, posting "no trespassing" signs, fixing holes in exterior walls, and cleaning up graffiti.

6 The pilot project regulated dilapidated commercial buildings and properties in District 6 (Albuquerque's Southeast Heights, including UNM, Nob Hill, and the International District) and District 9 (the far Southeast Heights and Foothills). District 2 which covers Downtown and Barelas was not included in the pilot.

identified 30 dilapidated commercial structures, issued warnings, and attempted to negotiate solutions with property owners. The city issued 60-day notices to property owners that failed to respond to the warnings. If the property owner failed to take action after the issuance of the warning, the city attorney had the authority to file a complaint in district court and issue penalties as high as \$500 a day. The city allocated \$425,000 for the pilot's annual budget, which included \$300,000 for securing or demolishing neglected structures.

Despite the pilot program's success in targeting vacant commercial buildings in the two districts, the city council instead chose to amend the city's Uniform Housing Code with its "Vacant Building Maintenance" ordinance.⁷ Under this version of the ordinance, owners of any vacant building must obtain a vacant building maintenance license and arrange an inspection with Albuquerque Code Enforcement to ensure the building is secure, structurally safe, free from nuisance, and in good order. If repairs or upkeep are needed, the building owner has 45 days to bring their building into compliance. While the ordinance requires the maintenance and upkeep of all vacant structures, it does allow buildings to remain empty as long as they are maintained and licensed.

Enforcement of a vacant building ordinance is another challenge municipalities face. The Town of Silver City, NM has deemed its "Regulation of Unattended Vacant Buildings Ordinance"⁸ as "unenforceable." The ordinance requires vacant buildings owners, within its historic downtown district, to register their properties with the town, secure their buildings' openings (windows and doors), and remove weeds, trash, and graffiti. Some of the ordinance's shortcomings include:

- No requirement for out of town owners to assign a local agent;
- No section on either "appearance standards" or "external appearance" which would require owners to paint, maintain landscaping, and weatherproof their buildings;⁹
- No provision allowing the town manager to determine whether the vacant building is "detrimental to property values or the character of the neighborhood."¹⁰

Vacant building ordinances should be structured to discourage property owners from continually maintaining their buildings as vacant. The Silver City ordinance's fee schedule is relatively low with only a \$35 deposit required for the building's initial inspection, and a penalty fee of only \$100 for failing to register their vacant building or property. Finally, it is the owner's responsibility to register their property and file status reports every 30 days, without the town's enforcement.

It is not only small towns like Silver City that struggle to enact an enforceable ordinance, but even a large city/county like San Francisco is challenged with how to deter the proliferation of vacant buildings and properties. In 2009 San Francisco adopted its first Vacant or Abandoned Building

7 Enacted in December 2018

8 Enacted in in October 2012

9 Village of Santa Clara's "Registration, and Maintenance of Neglected Vacant Residential and Commercial Structures" ordinance

10 "Vacant building maintenance license; maintenance standards for vacant buildings", City of Tucumcari, NM and City of Las Vegas

Ordinance (VABO)¹¹. The law required owners to register their vacant or abandoned buildings, pay registration fees, secure their properties to deny access to would-be trespassers, and provide proof of liability insurance coverage. VABO initially exempted buildings with a vacant commercial storefront and an occupied second floor from the ordinance. The city/county amended the ordinance in 2014 to remove this loophole, resulting in any property containing vacant or abandoned commercial storefronts to comply with the following:¹²

- Rent their retail or office storefronts to tenants who occupy the premises in compliance with all state and local laws; or
- Pay a fee of \$765.00 to include their commercial storefronts in the Registry of Vacant or Abandoned Commercial Storefronts.¹³

The amended ordinance allowed owners of commercial storefronts to demonstrate that they were making a good faith effort to rent, lease, or sell their commercial storefronts, or obtain a building permit to bring their commercial storefronts into compliance with the law. This exemption inadvertently created another loophole for property owners, who would perpetually place a “for lease” sign in their building’s storefront and/or list the property’s availability online. As of March 2019, the Board of Supervisors is once again amending the VABO with the following requirements:

- Required registration of a vacant or abandoned commercial storefront, regardless of whether it is actively being offered for rent or lease;
- Payment of the annual registration fee, with a refund up to one half for storefronts occupied before their registration’s expiration;
- Annual registration renewal must include an inspection report from a licensed professional (at the owner’s expense) verifying the storefront remains in compliance with the VABO’s maintenance requirements;
- A penalty fee for failure to register a vacant commercial storefront equal to four times the annual registration fee (\$3,060).

These amendments are intended to create an enforceable ordinance that will reduce the number of vacant storefronts throughout San Francisco’s numerous commercial corridors.¹⁴

SOLUTIONS: REGISTRATION, TRACKING, AND PENALTIES

The two municipalities highlighted below have both sought to reduce the number of vacant buildings

¹¹ Building Code Section 103A.4 et. seq.,

¹² Within 270 days of their commercial storefronts becoming vacant or abandoned

¹³ This fee shall be assessed on an annual basis for each year that a commercial storefront remains vacant or abandoned.

¹⁴ Changes in San Francisco’s retail environment may also contribute to the ongoing vacancies, including: “the internet, rapidly changing consumer habits, code issues, e.g., Formal Retail restrictions, burdensome regulatory requirements on both the building owner and the possible tenants that lease space,” John Bozeman, Building Owners and Managers Association of San Francisco

in their jurisdictions through their regulatory powers. Willits, CA and the Village of Santa Clara, NM are small cities¹⁵ founded during the same period (the 1860s). In 2018, the City of Willits enacted an ordinance which penalizes vacant commercial building owners who both ignore the upkeep of their properties as well as delay the sale or lease of these properties. The Village of Santa Clara, in Grants County, New Mexico enacted its “Registration, and Maintenance of Neglected Vacant Residential and Commercial Structures” ordinance in September 2016.¹⁶

Santa Clara’s ordinance ensures the “*appropriate maintenance of vacant residential and commercial structures so that unsanitary conditions, unsafe deterioration, and unauthorized entry will be prevented and do not become a public nuisance.*” The village started to enforce the ordinance in the downtown district, then phased in its enforcement throughout the entire village. Specific provisions of the Santa Clara ordinance include:

- Certification from either the Village Police Chief or the Fire Chief that the property is a “neglected vacant structure;”¹⁷
- Notification to the property owner of their responsibility to register their vacant building within thirty days¹⁸ and initiate repairs to minimize the appearance of neglect, and secure their structure from unauthorized entry.

8 As long as the vacant building is registered, maintained, and secured, the owner has met the intent of the ordinance and the Village of Santa Clara will consider waiving ongoing registration fees. Property owners that fail to register their buildings could face court imposed fines.¹⁹ Continuous neglect of a structure may also lead to the village declaring the neglected vacant structure a *public nuisance*.²⁰ Legally, the village has the power to place liens on properties and enact foreclosures, but officials contend that they prefer to work out an improvement plan with property owners and avoid legal actions. Since the ordinance’s approval, several property owners have fixed up their buildings and in some cases rented them. Moreover, because Santa Clara’s ordinance also regulates fire damaged vacant buildings, four property owners have demolished their structures.

The Willits “Vacant Commercial Building Ordinance,” focuses solely on vacant commercial properties, and goes beyond requiring property owners to maintain and secure their buildings through the following two provisions:

- “Out of area” commercial property owners²¹ are required to hire a property manager;

15 Both Willits (population 4875) and Santa Clara (population 1800) have seen a continual decrease in their populations since the 2000 census (4% and 7% respectively).

16 An amendment to their existing Health, Sanitation, and Environment Code (Title 4).

17 Defined by the ordinance as a structure or building (including a mobile home) that is vacant and not maintained.

18 The annual registration fee of \$300 is prorated and can be paid in installments of \$25/month. As long as the premises continue to be designated as a “neglected vacant structure”, the fee will continue and will increase each calendar year an additional \$100, for a maximum fee of \$500 annually.

19 Court imposed penalties could include a maximum fine of \$500 or ninety days imprisonment.

20 Such a declaration occurs when the owner fails to maintain their vacant structure in accordance with the State of NM sanitary codes, building codes, and fire codes.

21 A vacant commercial building owner who lives more than 50 miles from Willits.

- All owners must prove to the city that they are actively offering their buildings for sale, lease, or rent.

While these requirements are meant to counteract a property owner’s practice of maintaining the empty status of the building, proving to the city that vacant buildings are “actively being offered for sale, lease, or rent” may allow too many owners to maintain their properties as vacant, as was the case in San Francisco. Another loophole that the Willits ordinance may have created rests in making the property owner responsible for registering their buildings after 90 days of vacancy. In comparison, Santa Clara’s ordinance requires a certification of the building’s status from the police or fire chief.

Finally a best practice that both Willits and Santa Clara have undertaken is the offsetting of the costs to enforce their respective ordinances through the collection of registration and penalty fees. And both municipalities also require property owners to secure their buildings against squatters and maintain their physical condition. For a detailed comparison of the Santa Clara and Willits ordinances, see Appendix A.

PROGRESSIVE FEES FOR VACANT COMMERCIAL PROPERTIES

The City of Tukumcari’s “Vacant building maintenance license; maintenance standards for vacant buildings”²² requires vacant property owners that do not live or work in Quay County to designate a local authorized agent as part of the licensing process. The local agent becomes responsible for receiving and acting upon all notices related to code violations and court proceedings affecting the vacant building. The Tukumcari ordinance also requires vacant building owners to obtain a certificate of insurance for commercial liability. The City of Las Vegas, NM also passed a “Vacant buildings maintenance license; maintenance standards for vacant buildings” ordinance (Chapter 148-5) that except for the fee schedule is almost identical to the Tukumcari ordinance. The fees for licensing and renewals of vacant commercial buildings in Las Vegas are considerably less, in comparison to Tukumcari:

Vacant Commercial Building License Fees	City of Tukumcari	City of Las Vegas
Processing	\$50	\$50
License	\$350	\$300
First Year Renewal	\$500	\$150
Subsequent Renewals	\$1000	\$150

Whereas the license and registration fees for vacant residential buildings are considerably less in both municipalities:

Vacant Residential Building License Fees	City of Tukumcari	City of Las Vegas
Processing	\$25	\$25
License	\$200	\$150
First Year and Subsequent Renewals	\$200	\$150

²² Ord. No. 1124; 7.10.040, 2015

Both Tucumcari and Las Vegas state that multiple year renewals of the vacant building maintenance license are discouraged with few exceptions.²³ The City of Tucumcari’s progressive renewal fee for licensing vacant commercial buildings starts at \$500 for the first year and then doubles to \$1000 for subsequent renewals. These fees are substantial and can significantly increase a property owner’s costs of maintaining their commercial property as vacant.

METROPOLITAN REDEVELOPMENT AREA (MRA)

The recently updated Metropolitan Redevelopment Area Plan of Las Vegas, NM (2018) addresses the city’s concern about its vacant, abandoned and unsafe buildings within its downtown and MRA. The plan inventories vacant lots and buildings and encourages property owners to maintain, rehabilitate and occupy their buildings for productive purposes. The plan recommends that the city establish the following incentives and disincentives:

- Establish a “Clean & Lien” ordinance;²⁴
- Require annual inspections of vacant buildings;
- Identify funding sources for property owners to rehabilitate buildings;
- Connect property owners with nonprofit organizations, entrepreneurs, and other potential tenants;
- Research methods to streamline or fast-track the permitting process for restoring vacant historic properties;
- Prioritize adaptive reuse over demolition when possible.

TAX ASSESSMENT

The State of New Mexico’s Property Tax Code does not allow jurisdictions to assess vacant properties to penalize abandonment.²⁵ ²⁶ States that enable municipalities to assess an additional tax on a vacant property²⁷ generally work well in areas with high land values.²⁸ An additional tax increases a

23 Exceptions to multiple year renewals include: historical buildings, landmarks, buildings in redevelopment areas, and other properties that are subject to unique factors or conditions that require special consideration.

24 Would provide the city with the legal remedy to demolish unsafe buildings in the MRA and encourage new private construction to replace demolished buildings.

25 Information is from Randy Kincaid, Assessor and Mark Willard, Chief Appraiser of Chaves County via NM Counties Listserve

26 “County assessors neither impose nor collect taxes. Assessors only value property that may be subject to property tax. Property taxes are collected by the county treasurer and taxes are imposed by numerous taxing entities, such as municipalities, counties, schools, universities/colleges, the state, water districts, etc. So, if a county or municipality can legally impose a property tax on vacant property, that additional tax will appear on the tax rolls sent to treasurer who, in turn, will send the tax bill to the property owner.” (Ken Milder, Los Alamos County Assessor via NM Counties Listserve)

27 Ball Ground, GA and San Francisco, CA are considering the use of tax assessments on vacant buildings.

28 In Washington, D.C. and Pittsburgh, “land value tax” assessments on vacant properties are used to improve blight areas and raise revenue.

landowner's cost of holding on to an unused property and can motivate an owner to either develop or sell their properties. Some municipalities tax land and structures separately.²⁹ In Pittsburgh, a land value tax only applies to vacant properties within the city's Business Improvement District (BID).³⁰ In Oakland, voters approved the state's first tax on privately owned vacant properties in November 2018.³¹ The City of Oakland estimates that the parcel tax³² could raise as much as \$10 million annually for homeless services, blight remediation, and new affordable housing.^{33 34} Nonprofits and low-income owners are exempt from the tax, as well as others who can prove financial hardship. The measure also exempts owners who can demonstrate that specific circumstances prevent the use or development of their land.

CASE STUDIES

The following examples of public-private partnerships, inter-agency coordination, and technological innovations are helping municipalities to register and track vacant properties:

- The Downtown Memphis Anti-Neglect Initiative³⁵ requires an owner to either improve, rent, or sell a vacant property, otherwise the court can take possession and appoint a third party receiver to handle the property. Once the City of Memphis identifies a high-priority property, the Downtown Memphis Commission (DMC)³⁶, initiates a development plan in coordination with the property owner. If conditions do not improve over four years, the City of Memphis files a nuisance lawsuit against the neglectful property owner.
- In 2014 New Orleans' Mayor Mitch Landrieu streamlined the process for remediating blighted properties by implementing a new computerized system to track code enforcement and permitting. To coordinate the blight-reduction efforts of various city agencies, the Landrieu administration created "BlightSTAT," a process in which representatives from the Department of Code Enforcement, the Office of Community Development, the Office of Information Technology and Innovation, the Law Department, and the New Orleans Redevelopment Authority meet to set goals and report on progress.
- The Unified Government of Wyandotte County and Kansas City, Kansas worked in

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29 According to the Lincoln Institute of Land Policy, administering such a system can be difficult to implement.

30 The taxing of vacant properties has led to many owners not paying their taxes and letting the city seize their property. Use of a land bank would allow the municipality to acquire vacant properties and then work with developers (for-profit and nonprofit) to develop the properties for uses such as affordable housing or green spaces (<https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2017/03/07/can-extra-taxes-on-vacant-land-cure-city-blight>)

31 <https://www.sfchronicle.com/business/networth/article/Oakland-s-vacant-property-tax-takes-effect-13563273.php>

32 The parcel tax is a flat amount since California law does not allow cities to tie a parcel tax to market values.

33 <http://www.cpradio.org/122091>

34 Owners of properties in use fewer than 50 days per year are taxed \$6,000 per parcel annually.

35 The Downtown Memphis Anti-Neglect Initiative developed and implemented the Tennessee Neighborhood Preservation Act. The Initiative's mission is to eliminate blight, improve or stabilize long-term neglected properties, and/or move owners of problem downtown vacant properties towards proper maintenance and full use or eventually demolition or sale.

36 A local public-private partnership

partnership to implement an online registry³⁷ to track negligent property owners and their vacant properties. Previously, Wyandotte County would send code enforcement to investigate complaints and issue orders to secure properties. Under the new registry guidelines, vacant property owners are required to register their properties, pay a \$200 registration fee³⁸, and submit a detailed plan for improving the property.³⁹ Owners that do not improve their buildings risk having the properties declared a public nuisance and possibly even condemned through the courts. Condemned properties either get sold at a public auction or transferred to Kansas City's land bank. If a property has too many structural issues, the city will demolish it. In 2017 the Kansas legislature introduced a bill that that would have improved the process for local governments and nonprofits to obtain abandoned properties. The bill died in committee in early 2018.⁴⁰

CONCLUSION AND RECOMMENDATIONS

Most of New Mexico MainStreet's commercial corridors contain vacant and abandoned commercial properties. Owners that neglect their properties place stress on the communities where they are located and deter downtown revitalization efforts. Several Mayors across the state have expressed interest in addressing vacant property issues. Enacting and implementing an effective vacant commercial building ordinance can help local governments and MainStreet organizations halt and reverse the negative impacts of vacant and abandoned buildings.

For a municipality to create an effective and enforceable vacant building ordinance, the following provisions should be included:

1. Enforced registration of vacant buildings through interagency coordination;
2. Required annual inspections of vacant buildings;
3. Maintain a registry of vacant buildings;
4. Include minimum aesthetic requirements;
5. Negotiate with property owners to provide an improvement plan before assessing penalty fees or taking action through the court system;
6. Require out of town owners to assign a local agent;
7. Penalty and registration renewal fees should be progressive and increase over time;
8. Owners need to provide proof of liability insurance upon registration;

37 PROCHAMPS partners with communities to combat neighborhood blight through property registration. <https://prochamps.com/HomePage.aspx?CommunityId=0>

38 The fee is split between Wyandotte County and the on-line registry provider, ProChamps.

39 The registry is part of Kansas City's SOAR program (Stabilization, Occupation and Revitalization), a five-year plan to address blighted residential buildings.

40 <https://www.kshb.com/news/local-news/kansas-city-kansas-rolling-out-new-registry-to-track-down-negligent-property-own>

9. Phase in implementation of the ordinance, starting with the MainStreet district or principal downtown corridors.

Finally, aside from distributing this white paper to MainStreet organizations and local government officials, New Mexico MainStreet will assist in promoting the implementation of vacant building ordinances through the following activities:

- Presentations, in coordination with the almost 30 affiliated MainStreet districts, at both the local level and at the following annual conferences: New Mexico Municipal League, New Mexico Infrastructure Finance, and New Mexico Association of Counties;
- Convening a working group of local leaders, in coordination with New Mexico MainStreet/Economic Development Department, to develop policy recommendations to address the issue better.

Appendix A Vacant Building Ordinances - Comparison	Willits, CA (Mendocino County)	Village of Santa Clara, NM (Grant County)
---------------------------------------------------------------------	---------------------------------------	--------------------------------------------------

1. Title	Vacant Commercial Building Ordinance	Registration & Maintenance of Neglected Vacant Residential & Commercial Buildings
2. Purpose	Abandoned and vacant buildings contribute to blight, discourage economic development and diminish property values, attract criminal activity, and create fire hazards. It is the responsibility of property owners to prevent buildings from becoming a burden and a threat to public health, safety, and welfare. Vacant buildings result in increased expenditures for police, fire, and code enforcement inspections. Maintenance of the public health, safety, and welfare require the City to maintain accurate registration of all vacant commercial buildings.	To help protect the health and safety of the of the Village of Santa Clara residents by ensuring appropriate maintenance of vacant residential & commercial structures so that unsanitary conditions, unsafe deterioration, and unauthorized entry will be prevented and do not become a public nuisance. This ordinance will promote the Village's public welfare by preventing blight, protecting property values, and ensuring neighborhood integrity and safety.
3. Definitions: <i>The Willits ordinance solely regulates vacant commercial buildings and has special provisions for out of the area owners (those that reside in excess of 50 miles from their property for at least six months a year). The Village of Santa Clara ordinance regulates <u>all</u> vacant buildings and properties.</i>	-Commercial building -Commercial unit -Secured -Out of area -Unsecured -Vacant commercial building	-Lot -Neglected vacant structure -Occupancy -Owner -Registration -Structure -Vacant Structure
4. Requirements ✓ Registration & Fees: Both ordinances will waive registration fees once the building meets certain standards. The Willits ordinance goes further in that it requires owners to prove that their building is actively being offered for sale, lease, or rent.	After 90 days from when a commercial building becomes vacant, the property owner must register it; A city council resolution determines the registration fee; The registration payment deadline will serve as the date for calculating the annual renewal fee. Owners shall not have to pay the annual renewal fee if their building(s) meet all codes, do not contribute to blight, are being	After the Police or Fire Chief certifies that a building or structure is vacant and neglected, the Village Clerk then notifies the owner by certified mail, return receipt of the neglect determination and the property owner's responsibility to register the structure with thirty calendar days. The property owner is also assessed an annual fee of \$300. The fee is prorated and can be made in monthly installments of \$25/month. As long as the premises

Appendix A

Vacant Building Ordinances - Comparison

Willits, CA (Mendocino County)

Village of Santa Clara, NM (Grant County)

<p>✓ Maintenance, Security, & Appearance <i>Both ordinances are similar but the Willit's requirement of removing signage from the previous business could detract from the historical value of a building. The Village of Santa Clara's ordinance requirement of weatherproofing the roof can help to maintain the integrity of a vacant building and its investment potential.</i></p>	<p>maintained and monitored, and can prove that building is actively being offered for sale, lease, or rent. Fees collected will offset the costs associated with administration, inspection, and enforcement of the ordinance.</p>	<p>continue to designated as a "neglected vacant structure", the fee will continue to be assessed and will increase each calendar year an additional \$100, for a maximum fee of \$500 annually. Once the property owner improves the building, as per the ordinance standards, then a fee is no longer assessed. And if a property owner can demonstrate that they are improving the building, the fee may also be waived. Fees collected thus far are used to enforce the ordinance.</p>
<p>✓ Maintenance, Security, & Appearance <i>Both ordinances are similar but the Willit's requirement of removing signage from the previous business could detract from the historical value of a building. The Village of Santa Clara's ordinance requirement of weatherproofing the roof can help to maintain the integrity of a vacant building and its investment potential.</i></p>	<p>Property shall be maintained accordingly: -Free of weeds, dry brush, dead vegetation, trash, junk, debris, and excessive foliage growth; -Free of any building materials, accumulated newspapers, circulars, flyers, notices (except those required by federal, state or local law); discarded personal items, including but not limited to furniture, clothing, large and small appliances, printed material; -Free of graffiti or tagging by removal or painting over with an exterior paint that matches the color of the structure's exterior. Exterior shall be cleared of any advertisement or signage of previous businesses. All doors, gates, windows or other openings must be secured to prevent further decline of the building's condition or appearance.</p>	<p>A building owner's maintenance responsibilities include: -Securing the structure from illegal entry, including covering and/or repairing all broken windows, doors, and other openings; -All boards or covering must be fitted and sized to the exterior opening; -Providing at least one operable door, secured with a lock; -Securing and maintaining the lot where the building is located, including removal of all combustible materials, litter, debris, and garbage; -Removing graffiti and promptly repairing damage from intrusions into the building; -Applying paint, siding, stucco or other finishes in the same color to all exterior surfaces; -Ensuring the roof is of sufficient construction to weatherproof the building.</p>
<p>✓ Signage</p>	<p>A vacant commercial building shall be posted with the name and contact phone number of the owner, realtor or local property management company that must be retained by an out-of-area owner. The posting shall state "THIS PROPERTY MANAGED BY" and "TO REPORT PROBLEMS OR CONCERNS CALL."</p>	

Appendix A Vacant Building Ordinances - Comparison	Willits, CA (Mendocino County)	Village of Santa Clara, NM (Grant County)
✓ Annual Inspection	Upon the request of the city building official, an owner shall provide access to all interior portions of any vacant commercial building or suspected vacant commercial building to permit a complete annual inspection.	
✓ Owner Inspection	The owner(s) or their local property manager shall inspect the vacant commercial building monthly basis to determine if the building is in compliance; if a notification of noncompliance is reported, the property shall be brought into compliance within 5 days.	
5. Public Nuisance Declaration	Violation of the registration, inspection, maintenance and security requirements could constitute a public nuisance and be subject to abatement proceedings	
6. Destruction of Structure		Structures vacated as a result of a fire or act of nature shall be secured with fencing & "No Trespass" signs, cleared of litter and debris, and either demolish remaining parts of structure or show proof of state permits for rebuilding the partially destroyed structure.
7. Penalties <i>The Willits ordinance requires the property owner to improve the building to its highest and best use so that it is either lease ready or saleable. Santa Clara's ordinance emphasizes maintenance, security, and appearance of a building.</i>	If at the time of the 2 nd annual visit by the code compliance officer the registered vacant commercial building is still in a "continuous, vacant condition", an administrative penalty of \$500 may be imposed. If the owner's building remains vacant 180 days after the 1 st administrative penalty, then a 2 nd penalty may be imposed not to exceed \$3,000.	Fail to register, pay the requisite fee and to allow a vacant structure to maintain a condition defined as a "neglected vacant structure" could result in a court imposed fine of not more than \$500 or ninety days imprisonment. The Village also has the power to place liens properties and enact foreclosures.

Appendix B



Community Development Department
66 Mentor Avenue • Painesville, Ohio 44077
• (440) 392-5931

Template 1

Appendix 2: Templates

VACANT PROPERTY/BUILDING REGISTRATION FORM

All vacant properties/buildings must register with the City of Painesville Community Development Department in accordance with the Vacant Building Registration Ordinance – Section 1377 of the Painesville Codified Ordinance. Please complete this form for each vacant property address. Temporary exemptions for disaster-affected properties, structures actively under construction, properties listed with a licensed realtor in the State of Ohio, or a vacant property that is being marketed for rent may be approved upon **written request**.

Section I: Address/es of Vacant Property/Building (Required)

Street Address/es: _____

Section II: Property Owner Information (Required)

(No P.O. Boxes are permitted; must provide a building address.)

If Individual Owner or Designated Agent, please complete the following:

Property Owner's Name: _____
Owner's Address: _____
City: _____ State: _____ Zip Code: _____
Designated Agent or Contact Person: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone Number: _____ Fax Number: _____
E-Mail Address: _____

If Partnership, Corporation, Trust or Other, please complete the following:

(Please use the supplemental form to list each additional partner, officer, or trustee.)

Tax ID Number of Partnership or Corporation: _____
Name of Partnership or Corporation: _____
Contact Person: _____ Title: _____
Title: _____
Designated Agent or Contact Person: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone Number: _____ Fax Number: _____
E-Mail Address: _____



Community Development Department
66 Mentor Avenue • Painesville, Ohio 44077
• (440) 392-5931

Section III: Vacant Building Plan (Required)

I hereby submit a plan of (*Please Circle*): Demolition | Secure Vacancy | Rehabilitation:

Section IV: Proof of Insurance (Required)

If submitting a plan of demolition, please also provide proof of holding in escrow with the City of Painesville the amount of \$10,000 for a residential property or \$75,000 for a commercial property. Escrow funds will be released upon completion of the submitted plan. Use additional paper to outline further details pertaining to your plan.

Escrow for Demolition: Yes _____ No _____

Section V: Fees (Required)

Please make checks payable to **City of Painesville**. The vacant property registration payment included with this form pertains to the current year of vacancy and is (*Please Circle*):

Residential: \$200-1st yr | \$400-2nd yr | \$800-3rd yr | \$1,600-4th yr | \$3,200-5th yr or later
Commercial: \$400-1st yr | \$800-2nd yr | \$1600-3rd yr | \$3,200-4th yr | \$6,400-5th yr or later

I, _____, hereby request to register the vacant property/building listed above and acknowledge that the information above is complete and accurate. I have read and understand Ordinance 11-11 for owning a vacant property in the City of Painesville and agree to comply with these requirements. In accordance with this Ordinance, I agree to notify any future owner of this vacant building registration.

_____/_____
Applicant's Signature **Date**

Subscribed and duly sworn before me according to the law, by the above named applicant this day _____ in the City of _____.

Notary Signature: _____



New Mexico MainStreet
Economic Development Department
Joseph M. Montoya Building
1100 South St. Francis Dr.
Santa Fe, NM 87505-4147
505-827-0168
www.nmmainstreet.org



NEW MEXICO MAINSTREET

Vacant Building Ordinances: Strategies for Confronting Vacant Building Challenges



Thank You

In researching and preparing this publication, the most important things we learned were from the staff and local officials who are working to address the challenges of vacant properties in their communities. We are enormously grateful to all of the municipalities who attended our workshops and shared their stories and experiences.

Arlington Heights	Elk Grove Village	Mundelein	Rolling Meadows
Aurora	Elmwood Park	Naperville	Romeoville
Bensenville	Evanston	Niles	Sauk Village
Berkeley	Evergreen Park	North Chicago	Schiller Park
Blue Island	Ford Heights	Oak Forest	Shorewood
Bolingbrook	Glendale Heights	Oak Lawn	South Chicago Heights
Calumet Park	Glenview	Olympia Fields	South Holland
Carpentersville	Hazel Crest	Palos Park	Streamwood
Chicago Ridge	Hoffman Estates	Park Forest	Villa Park
Cook County	Homer Glen	Park Ridge	Waukegan
Countryside	Homewood	Posen	Westchester
Crete	Joliet	Richmond	Woodridge
Dixmoor	Markham	Richton Park	Yorkville
Dolton	Midlothian	Riverdale	
East Dundee	Mokena	Robbins	
East Hazel Crest	Mount Prospect	Rockford	

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Vacant Building Ordinances: Strategies for Confronting Vacant Building Challenges

Business and Professional People for the Public Interest

BPI is a public interest law and policy center that has worked to create a just society for 47 years. BPI strives to resolve compelling issues of social justice and quality of life in the Chicago region by addressing the many challenges of urban poverty, increasing housing and educational opportunity, building vital communities, and improving Illinois' criminal justice system. BPI lawyers and policy specialists use legal and policy research, advocacy, organizing, litigation, and collaboration with nonprofit, community, business, academic and governmental organizations to accomplish its mission.

Metropolitan Mayors Caucus

The Metropolitan Mayors Caucus represents the local elected officials of the six-county Chicago region. The Caucus is a forum for independent thinking and discussion regarding important public policy issues. And, when there is consensus, it is also a powerful voice and force for change, creating programs and supporting legislation that improve our well-being and overall quality of life.



Vacant Building Ordinances: Strategies for Confronting Vacant Building Challenges

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These can be found online at either of the websites listed below:

<http://www.bpichicago.org/programs/housing-community-development/affordable-housing/resources>

<http://mayorscaucus.org/initiatives/housing-and-community-development/vacant-property-issues>

Appendix 1: Examples of Statutory Language

Appendix 2: Resources for Identifying Responsible Parties

Appendix 3: Municipal Lien Checklist

Introduction

While the worst of the foreclosure crisis is behind us, many communities continue to grapple with foreclosure filings and the myriad problems posed by vacant and abandoned properties. Vacant properties pose health and safety risks, threaten the value of adjacent properties, destabilize neighborhoods, and frustrate local economic recovery efforts. This report provides information about an effective strategy that municipalities around the country have used to get vacant property problems under control.

In 2010, BPI, the Chicago Metropolitan Agency for Planning (CMAP), and the Metropolitan Mayors Caucus produced a guidebook, *How Can Municipalities Confront the Vacant Property Challenge? A Toolkit*, highlighting key strategies communities across the nation were using successfully to respond to the challenges of vacant properties.¹

Many Illinois municipalities report that one of these strategies, a vacant building ordinance (VBO), is an especially effective way to address these challenges. VBOs are a useful supplement to code enforcement efforts. They help to quickly identify who is responsible for problem properties. In addition, new fees and fines for noncompliance get the attention of responsible parties and help get problems resolved more quickly.

Most VBOs have very similar requirements:

- They require owners to **register** vacant buildings with the municipality and **provide contact information** for someone responsible for the property. Many also require financial institutions with a legal interest in the property to register if the owner cannot be found. This helps local governments identify who is responsible for a vacant property and contact them quickly when necessary.
- Most require registrants to **pay a registration fee**, which helps local governments offset the substantial costs they incur when dealing with vacant property challenges. These fees can be used to motivate responsible parties to act quickly to address troubled properties.

¹ The *Toolkit* and other publications can be found at <http://www.bpichicago.org/programs/housing-community-development/affordable-housing/resources>.

-
- Many also require registrants to **maintain, secure, and insure vacant properties** as well as to prepare and implement plans to demolish them or return them to productive use.

In Illinois, there are now more than 100 municipalities with vacant building ordinances—more than twice as many as in 2010. Non-home rule municipalities have many of the same powers as home rule municipalities to implement building registry programs and have created programs that are essentially identical in their key features.² In addition, Cook and Kane Counties have enacted vacant building ordinances.

With VBOs flourishing in Illinois and around the country, we have been able to draw on a wealth of experience from municipal officials and staff working on the frontlines to address vacant property challenges. This document features some of the most important lessons they have learned.

Section 1 provides an overview of the principal features of vacant building ordinances. These program requirements are important, but how they are implemented is even more critical.

Section 2 discusses implementation and enforcement strategies, highlighting the practices that program administrators identify as key to their success.

The online **Appendices** provide examples of statutory language, more detailed information about resources for identifying responsible parties, and a checklist for pursuing various types of municipal liens related to property maintenance.

² The authority for non-home rule municipalities derives from their broad power to “define, prevent, and abate nuisances.” 65 ILCS 5/11-60-2.

Section 1 Key Features of Vacant Building Ordinances

Most vacant building registry programs share the same basic structure, though there is a great deal of variety with regard to program details. If your interest is in specific statutory language, excerpts from a variety of VBOs that illustrate different approaches to significant ordinance features are included in Appendix 1 (online).³

When designing a VBO, municipalities need to answer a few key questions:

- Who should register?
- What does it mean for a building to be vacant?
- When should a property be registered?
- What should the registration fee be and how should it be structured?
- What contact and property information should registrants provide?
- What other requirements should be included?
- What Happens If Someone Doesn't Comply?

The discussion below highlights some of the factors municipalities should consider when answering these questions.

³ In addition, Safeguard Properties maintains a matrix of known ordinances which can be accessed by state: http://www.safeguardproperties.com/Resources/Vacant_Property_Registration.aspx.

Who Should Register?

Effective VBOs require owners to register vacant properties. Some ordinances also require banks holding the mortgage on the property and mortgage servicers to register. Including banks and servicers in a registry is especially important in communities where abandoned homes are a problem.

There are different ways to apply a VBO to banks and servicers. Most ordinances define “owner” as any person or entity “having a legal or equitable interest” in the property. This language is broad enough to include both owners and banks. Some municipalities, like Waukegan, include a definition that explicitly includes “mortgagees,” like banks and servicers.

What Does It Mean for a Building to Be Vacant?

At what point does a building become "vacant" and require registration? The definition varies among municipalities.

- Every ordinance reviewed for this report applies not only to vacant buildings, but also to buildings that are illegally occupied.
- Some ordinances define “vacant” based solely on how long the property has been vacant or unoccupied. For example, Waukegan’s ordinance considers a building to be vacant if it has not been legally occupied for 30 consecutive days.
- Other ordinances provide a number of options for determining whether a building is vacant. Under these ordinances, it is not enough for a building to be without legal occupants. Vacancies must co-exist with any one of a number of physical conditions or illegal activity, or must exist for a specified amount of time. For example, Evanston’s ordinance includes eight different criteria, any of which would meet the definition of vacancy; for example, a building would be considered vacant if it is unoccupied and has multiple code violations or is unoccupied and has been the site of unlawful activity within the previous six months.
- Some ordinances, like both Waukegan’s and Evanston’s, provide exceptions to registration for certain types of vacant property, such as seasonal homes or properties under active construction, rehabilitation, or repair.

How should a municipality decide which definition of “vacant” to use, and which properties should register? It depends on the goals of the registration program and which properties municipalities believe should be closely monitored. For example, if a municipality’s primary concern is ensuring that vacant properties don’t cause problems for neighbors, it could apply registration requirements only to buildings with code violations or other signs of trouble. But if a municipality wants information about more properties that may be potential threats and the ability to act quickly if problems arise, it could require all properties to register after they have been empty of legal occupants for a specified amount of time.

Applying VBOs to Banks

Municipalities definitely have the power to apply VBOs to banks that own vacant properties, but there has been some question about whether municipalities can make banks responsible for cleaning up and securing properties they don't own—for example, if they simply hold a mortgage. When the City of Chicago applied its VBO to banks and servicers, including those with a legal interest but not an ownership interest in vacant properties, it was sued by the Federal Housing Finance Agency (FHFA).

In 2013, in *Federal Housing Financing Agency v. City of Chicago*, the court found that federal law imposed some limitations on how local governments can regulate Fannie Mae and Freddie Mac. However, following the court decision the City entered into a settlement with FHFA under which Fannie Mae and Freddie Mac agreed to register properties for which they hold the mortgage and to comply with the maintenance and security requirements. The only thing they don't do is pay the registration fee.

For all other banks and servicers working with non-Fannie Mae or Freddie Mac loans, the City enforces its ordinance in its entirety, including the requirements that apply pre-foreclosure and the requirement to pay a registration fee, and has been successful in achieving compliance. Several suburban communities—both home rule and non-home rule—have also been successful in enforcing their ordinances against mortgage holders pre-foreclosure.

When Should a Property Be Registered?

The timing of when a property must be registered varies. Some ordinances require registration within a certain time after a property becomes vacant or after the owner learns that the property is vacant. But many communities, like Evanston and South Chicago Heights, **require responsible parties to register as soon as they should know that the property is vacant.** Municipalities typically apply this standard by saying that if there is a problem at the property, the owner should know that it is vacant. That means that a municipality can issue a violation notice if a responsible party fails to register, regardless of whether the responsible party actually knows the property is vacant and regardless of whether the municipality has notified them that they must register. This puts the burden on the responsible party to monitor its own properties and makes it immediately accountable if the municipality finds a problem. The ability to issue a violation notice gives the municipality added leverage to prompt registration.

What Should the Registration Fee Be and How Should It Be Structured?

Municipalities have taken several different approaches to registration fees.

- **Require a fee.** Nearly all VBOs require payment of a fee at the time of registration and at regular intervals afterwards, as long as the property is vacant. Revenue from the fees helps municipalities defray the costs of administering their programs, including monitoring and enforcement. (In some municipalities, the fee-generated revenue may go back to the vacant property program; in others, the revenue goes to the general revenue fund.) Many local officials believe that fees with regular renewals are a critical factor in motivating owners to act quickly to maintain their vacant properties.
- **Require a fee, but offer waivers.** On the flip side, some municipalities say that their primary goal is to ensure that properties are returned to productive use, and that offsetting related local government costs isn't an issue. These municipalities waive fees if the owner or responsible party is actively engaged in rehabbing or demolishing the property or in actively marketing the property for sale or lease.
- **Do not require a fee.** Similarly, some municipalities say that the primary purpose of their program is to get properties registered in order to make it easier to find who is responsible for the property if there is a problem. In these programs, the ordinance encourages maximum participation by imposing no registration fee or a minimal one.

Designing a Registration Fee

How much should the fee be? Determining the amount of the registration fee involves a number of considerations. The most important thing to consider is the intent of the program. **If a municipality wants to encourage the largest possible number of people to register, it should consider setting the fee as low as possible. But if the municipality needs revenue to help cover program expenses, or wishes to use the fee as an incentive to keep properties maintained, it should set a higher fee.**

Both home rule and non-home rule municipalities have the authority to impose fees, though in both cases, the fee should not be more than is necessary to cover the cost of administering a vacant property program. Even though there are no formal requirements to document program expenses, municipalities should be able to justify the fee if challenged. **Program costs can include not only costs of maintaining the registry but also costs related to implementing the program,** including, for example, staff time and gas mileage related to monitoring and inspecting properties, as well as issuing and enforcing citations.

However, fees may never be high enough to actually cover all related local government expenses. Even those Illinois communities with fees in the higher ranges—Evanston at \$400 a year, Mount Prospect at \$500 a year, and Waukegan at \$250 every six months—say the actual costs of implementing the program exceed the fee revenue. But they say that even if a compelling case can be made for a higher fee, there are other considerations. For example, if a fee is set too high, it may discourage people from registering, and then most of the program's potential benefits will be lost.

Similarly, when setting the registration fee, municipalities should take into account other related fees, such as inspection fees, as well as fines and penalties that may be imposed for violations of the program requirements. For example, some municipalities include the cost of property inspections as part of the registration and thus set a higher fee; others charge a separate inspection fee but a lower registration fee. Some municipalities believe higher fees and fines may be more effective in encouraging compliance.

How often should fees be collected? Municipalities can structure collection of fees in different ways to promote different goals.

- Some municipalities seek to get as many properties registered as possible, and so just require a **one-time registration fee**.

- Some municipalities use fee revenue to help cover program expenses, so they require **periodic renewals**, typically once or twice a year. While renewal fees are generally due on the anniversary date of the original registration, Wilmington, Delaware, has established a single date for all fee renewals, regardless of the anniversary date, and prorates the initial registration fee accordingly. According to the program director, this has greatly simplified program administration, streamlining the issuance of renewal notices and making it easier to track compliance.
- A number of municipalities that use the fee to encourage compliance develop **creative combinations of fees and payment schedules**. For example, Burlington, Vermont, sets a high fee—\$500—and requires that it be renewed four times a year. On the positive side, that may create an incentive to get buildings occupied. On the negative side, the frequent renewals also mean more work for municipal officials.
- Wilmington, Delaware, has a **progressive fee structure** that kicks in after the property has been vacant for a year and increases for each year the property remains vacant. This is intended to account for the increasing local government costs that result from continued vacancy. The City of Chicago imposes a flat registration fee on owners, renewable every six months. However, to motivate responsible parties to keep their vacant buildings maintained and safe, the renewal fee increases progressively with each renewal if the property is in violation of any provision of the building or fire codes.

Some communities provide fee-based incentives to encourage timely compliance with program requirements. For example, Wilmington and Burlington waive fees for a certain period of time under specified conditions—for example, if the owner is in the process of actively repairing, rehabbing, demolishing, selling, or leasing the property. This means the ordinance is used primarily to target property owners who are not taking action to maintain or transfer their property.

Similarly, other communities, like Evanston and Waukegan, use their definition of vacancy to encourage owners to fix up the properties. Properties undergoing active construction or rehabilitation are exempt from the registration requirement. Mount Prospect's definition of vacancy incorporates an incentive that essentially exempts code-compliant properties from registration. Unless a property has been condemned, declared an immediate hazard, or has been unoccupied and unsecured, the obligation to register an unoccupied property and pay the fee does not kick in unless there is a code violation, or the building has been boarded for 30 days or more.

What Contact and Property Information Should Registrants Provide?

To speed resolution of code violations or other problems related to the property, all programs require registrants to provide information that will help the municipality identify whom to contact. **The most critical information includes the actual street address of the property (not a P.O. box), contact information for the owner/responsible party, 24-hour contact information for the person or property management firm responsible for day-to-day management, and designation of and contact information for a local agent authorized to receive legal notice.** Some municipalities collect additional information as well. Timely and accurate information is essential, and virtually all programs require prompt notice of any changes.

What Other Requirements Should Be Included?

Securing and Maintaining Vacant Buildings

Nearly all programs require responsible parties to secure and maintain vacant properties. These requirements are designed to prevent unauthorized persons from entering the building, maintain the structural integrity of the building for code enforcement and public safety officers, and minimize adverse effects on adjacent properties and the larger neighborhood. Some ordinances do this by specifying that vacant buildings are required to follow existing building code requirements; some create additional maintenance and security requirements that apply solely to vacant property.

Requiring and Recovering Costs for Property Inspections

Ordinances should require that vacant properties undergo a formal inspection to be conducted by a code enforcement officer. This allows municipalities to assess and document the condition of vacant buildings and ensure compliance with safety and maintenance requirements. Chicago requires owners to give building inspectors access to conduct interior and exterior inspections every six months.

Many municipalities recover the costs of doing inspections by building them into the program registration fee. Others require building owners to pay an inspection fee. For example, after a determination that a property is vacant, Evanston requires the owner to allow a code compliance inspection of the interior and charges a \$500 inspection fee.

Liability Insurance

Many ordinances require owners to maintain liability insurance to spread the risk of injury associated with vacant property. The amount of insurance typically depends on the number of units in the building. The added cost can also provide another incentive for owners to act quickly to fix or demolish their buildings. However, insurance requirements need to be carefully drafted. Only property owners can purchase property liability insurance—banks and others with a legal interest in a property cannot—so even if a VBO generally applies to anyone with a legal interest in a property, a requirement to maintain liability insurance should apply only to owners.

Practical Tips

To Post or Not to Post?

Some communities require that 24-hour contact information be posted on the building itself. Such posting requirements help police and fire officials or concerned neighbors know whom to contact without having to check the registry or contact the municipality. Municipalities have found that contacts by neighbors can increase pressure on responsible parties and help expedite corrective action. Some municipalities, however, believe that posting requirements may advertise a vacancy that may otherwise not be apparent, thereby inviting vandalism or negatively impacting the immediate neighborhood.

Developing a Vacant Property Plan

Many programs also require that the person or company responsible for a property create a detailed plan to take care of it. The requirements usually include a timeline for maintaining, rehabbing, reoccupying, or demolishing the property. Several municipalities have found this to be an effective way to engage with motivated property owners early on and help them identify concrete steps that should be taken to address problems with their properties. **Getting something in writing, even if it is very simple, also creates a reminder that the responsible party has an obligation to care for the property and creates a record of what the registrant promised to do.** Some ordinances give the municipality extra leverage by saying that failure to have an approved plan or to comply with an approved plan constitutes an ordinance violation. The violation may result in fines, or in getting the owner to come in and meet with municipal officials. In either case, it is an added incentive to take care of the property.

Municipalities that use this requirement emphasize the need for flexibility in its enforcement. For example, one community development official noted that in cases where banks do not hold title to the property, the municipality emphasizes the maintenance and security aspects of the plan, such as making sure the windows and doors are secure, rather than making the building ready for occupancy so that it can be offered for sale or rent. Banks usually want these buildings to be secure in order to protect their investment in them, so they have typically been very willing to comply with these important provisions.

What Happens If Someone Doesn't Comply?

Most vacant property ordinances provide that failure to comply results in a fine. Typically, each violation and each day's failure to comply constitute a separate offense. Fines typically range between \$100 and \$750 per day per violation but can be higher. Municipalities may not always collect all the money they charge in fines, **but the financial penalties provide an additional incentive for compliance and help to cover costs incurred by the municipality in the event of noncompliance.** These fines are in addition to whatever penalties the municipality may impose through their code enforcement and nuisance abatement programs. Mount Prospect's VBO provides that any violation of the VBO is also a nuisance; those same violations are therefore subject to a penalty for violating the vacant property ordinance as well as the daily nuisance fee.

In addition to imposing financial penalties, the enforcement provisions in vacant property ordinances commonly make it clear that the municipality may pursue other appropriate remedies, including demolition, condemnation, making repairs, foreclosure of liens, appointment of a receiver (where a judge appoints someone to repair or rehab a troubled property), and injunctive relief (where a judge requires the responsible property to take a specific action or face serious consequences).

One remedy that some home rule municipalities have found to be both effective and easy to administer is refusing to issue a real estate transfer stamp if fees are owed under the ordinance. A similar remedy, available in both home rule and non-home rule communities, is a requirement that before a vacant building can be occupied, the municipality must inspect the property and issue a certificate of code compliance, and all fees imposed under the ordinance must be paid.

Appeals

VBOs can result in serious consequences for property owners. For example, a determination that a property is vacant may trigger a requirement to register, pay a fee, purchase liability insurance, and prepare a vacant property plan. Failure to comply with such requirements can result in the imposition of a large fine. When the stakes are this high, it is important to give owners and others with a legal interest in a property an opportunity to appeal. For example, Evanston's VBO sets forth an administrative process for contesting a determination of vacancy. Mount Prospect's ordinance allows responsible parties to appeal administrative actions under its VBO through a hearing before the village's administrative law judge. Municipalities should discuss this issue with their municipal attorneys to determine whether appeals should be addressed in their VBOs.

Section 2 Implementation and Enforcement Strategies

While thoughtful design of a building registry program is essential, implementation and enforcement of these programs determine how effective they will be. This section explores several strategies that have been key to successful program implementation and enforcement.

Developing a Process to Identify Responsible Parties

Identifying the party responsible for a vacant property is critical for ensuring that properties are maintained and minimizing the burden they impose on municipalities. Tracking down the party responsible for a property can be difficult. Some vacant property owners have decided that they are better off if they just walk away from a property. Some financial institutions frequently transfer ownership of mortgages. In both cases, it is harder to get up-to-date, accurate information.

Municipalities in the Chicago area use several different resources to identify responsible parties. All provide information on property ownership, mortgagees, and lien holders that can expedite the process of identifying a responsible party, and many are either free or relatively low-cost. Local officials asked to identify the most helpful resources cited these four most often:

- **County Recorder.** The Recorder of Deeds office in each county in the Chicago region has a website that provides digital access to all information filed with the Recorder. Costs vary by county. Some are free, and others charge for downloading and printing. Some require a subscription to search. The Recorder is usually a good, inexpensive source of basic information and is a good place to start.
- **Safeguard Compliance Connections.** This free service identifies property owners, servicers, lien holders (including banks that hold mortgages), and points of contact for single-family (1-4 units) properties throughout the country that have a lien holder, not just those for which Safeguard is the servicer. Municipal officials can conduct unlimited searches. In addition, they can upload violation notices and pictures of damage. Safeguard can pass this on to the point of contact for each property, which can expedite the maintenance and collection process.
- **Real Info Target Property/Target Express.** These two services cover eight Chicago-area counties and make available outstanding deeds, mortgages and liens posted against a property, all in a single, clear form. Target Property is a monthly subscription service, while Target Express charges \$10 per property (\$15 with a credit card) and has more limited access to search types.
- **Record Information Services (RIS).** RIS provides access to information about properties located in nine Chicago-area counties. RIS includes real estate transactions, mortgage transactions, liens and judgments, foreclosures and auctions. The one-time search service costs \$5.95 per record and displays results from all databases at once, while the unlimited search requires a subscription to each separate database.

More details on these services can be found in Appendix 2 (online).

Practical Tips

Persistence Pays Off

When tracking down the party responsible for a vacant property, persistence and ingenuity go a long way. When an official in Berkeley, Illinois, contacted the loan servicing company that had once been responsible for maintaining a troubled property, he spoke to someone who said that the bank the servicer worked for had sold the mortgage to another institution, so neither the servicer nor the bank were responsible for the property anymore. The servicer representative said they weren't open to further discussion and ended the conversation. The building official waited about half an hour, called the service company again, and this time spoke with a different agent. The official explained the situation and suggested that the servicer contact the new bank. The servicer placed the building official on hold, and in a matter of minutes had contacted the new bank, regained the service contract, returned to the call with the building official, and begun to address the problem.

Getting the Attention and Cooperation of Responsible Parties

Merely identifying the party responsible for a particular property does not guarantee responsiveness. Responsible parties are more likely to be responsive in communities with a healthy real estate market where a maintained property will be likely to sell. But even under the best of circumstances, it can be challenging for municipalities to get the attention of responsible parties. Here are a few strategies municipalities have found to be helpful:

- Many **issue citations to everyone** with any responsibility for the property—owners, banks, servicers, or property managers—to maximize the chance of getting a response from at least one.
- When the traditional owner cannot be found, informing banks or servicers about the specifics of the building's condition can grab attention and result in a quicker response. **Sending photographs of the property** can be especially helpful.
- Others have found that **having neighbors call the responsible party to complain** increases the pressure to respond. Often there is a contact number posted on the building, or municipalities will provide the contact information.
- If the responsible party does not respond and conditions on the property warrant, the municipality may choose to clean up the property or undertake some repair and then seek to recover its costs from the responsible party. **Sometimes, when a municipal employee tells a servicer or owner that the municipality is going to do the work itself and bill the servicer or owner, it is enough to spur the responsible party to action**—since it may cost less to do the work itself than to pay the municipality.

Proactive communication. Municipalities have found it useful to reach out to building owners, banks, and loan servicers about new registry programs, even before problems arise at a specific property. Early communication with banks and servicers can help clarify who is responsible on each end and can sometimes speed up bank action. For example, the City of Chicago periodically sends banks a list of newly vacant properties, which gives them a head start in identifying those they are responsible for and allows them to take the necessary steps to register and correct problems. Similarly, before Evanston sends a bank the official legal notice of a VBO violation, it sends an email notice about the violation so that the responsible party can begin to comply.

Quick and consistent enforcement. Compliance is improved when responsible parties know that enforcement is swift and certain. Thus, when there is a violation, municipalities should issue violation notices promptly. If the violation is not corrected, municipalities should move as soon as possible to refer the matter for judicial action or administrative adjudication (an option available in many home rule communities that is often faster than going to court). Responsible parties are more likely to act quickly when they are facing penalties, especially if the penalties make it more difficult to sell the property in question.

Practical Tips

Personal Relationships Achieve Results Faster

The building director in the Village of South Chicago Heights was unable to get responses from the right people at some of the banks responsible for many of the vacant properties in his community. However, after he issued violation notices and the banks' attorneys began to show up in court, the building director began to develop constructive working relationships with them. Now, when a problem arises, **rather than working directly with the mostly unresponsive banks, he contacts their attorneys**, who then convey the information to their clients. Once the attorneys are involved, the banks often move quickly to resolve the problem. As a result, the Village may be able to get a work order issued quickly, without having to expend time in court.

Through this informal process, South Chicago Heights **gets problems addressed 30 to 60 days faster**. Moreover, good working relationships can lead to others. Now, when the building director has to deal with a new bank, he often asks an attorney with whom he has a good working relationship to introduce him to the attorney for the bank he does not know. This often results in better, faster responses.

Taking steps to ratchet up enforcement will almost always elicit a response.

As one director of community development observed, “It helps to get a reputation for bringing cases forcefully to court.” The department head from another municipality noted that communities must be willing to utilize the full arsenal of enforcement tools, including demolition or declaration of abandonment, if necessary: **“A credible threat of tough enforcement gets cooperation.”** (See box on pp.20-21 for more detailed discussion of demolition and abandonment.) Once the municipality demonstrates that it is serious about enforcement, banks and servicers are less likely to push back. However, as one municipal official emphasized, it is important to keep careful records and document every action taken with respect to a vacant property as if it were a potential court case.

Firm but flexible enforcement. While quick and consistent enforcement is fundamental to an effective program, municipal officials emphasize that it is important to exercise common sense and flexibility.

- Even if a municipality gets a responsible party to the table and may be able to recover outstanding fees, fines, and costs, it may benefit the municipality to forego full recovery of the money if doing so makes it more likely the building will be repaired and reoccupied.
- Similarly, if a property is not in full compliance, but the responsible party is working in good faith to complete the desired work within a designated time frame, a municipality may agree to forego or reduce fines as long as the work continues on schedule, or it might allow an extension of time before pursuing further enforcement.
- Some municipalities use flexibility in enforcing the requirement to create a vacant property plan. One local official explained that even though the municipality always requires plans for returning properties to occupancy, when he is working with banks that do not have title, he will focus on those plan requirements that ensure the property is safe, secure, and maintained. Banks without title are more likely to comply with those provisions, and he would rather spend time and energy to ensure that banks do the work that has the biggest impact on surrounding properties.

A veteran building department director summed up the “firm but flexible” guidance this way: **“Issue citations to get their attention and let them know you mean business. Follow up if they don’t do what they say they are going to do when they say they are going to do it. And be flexible once there is trust in the relationship.”**

Using Demolition and Abandonment Proceedings to Get Results

When other strategies aren't producing the results you need, or if you need to quickly address a serious or chronic problem, taking steps to demolish a building or have it declared abandoned may offer the best alternative.

The Demolition Statute—A Powerful, Flexible Tool

If a property owner allows a property to decline to the point that it poses a danger, Illinois law gives municipalities power to step in and address the problem directly. What is sometimes referred to as the Illinois “demolition statute” can be used to demolish a dangerous property, or to get it fixed up or cleaned up. And sometimes it is used to give the owner a strong incentive to act. The real threat of demolition—in the form of a request for court authorization to demolish a building, or the granting of such a request—will often bring the owner or responsible party to the table and ultimately get a property cleaned up.

The Illinois Municipal Code allows municipalities to obtain court authorization to demolish, repair, enclose, or remove garbage, debris, and other hazardous or unhealthy material from buildings that are “dangerous and unsafe” or “uncompleted and abandoned.” 65 ILCS 5/11-31-1(a). If the court grants a request to demolish a building, the municipality has the legal authority to demolish it, but isn't required to do so. Instead, it can use the court authorization to repair a building, secure it, or remove garbage or debris. Once a municipality has the legal authority to take such action, responsible parties will often bring a property into compliance.

If a municipality acts to clean up a property using the demolition statute, it has the legal right to recover the costs of doing the work, including court costs, attorneys' fees, and other related enforcement costs. Those costs can become a lien on the property. If the municipality follows the proper procedures to “perfect” the demolition lien, it takes priority over all other liens, except for tax liens. This means that if the property is sold and after the taxes are paid, the municipality is next in line to be paid back for demolition costs; if there is enough money left over, the municipality will be reimbursed in full.

For further discussion of demolition liens, see p. 22 below. See Appendix 3 (online) for a checklist on how to obtain a demolition lien.

Fast Track Demolition

State law also provides a process by which municipalities can demolish, repair, enclose, or remediate smaller properties without seeking court authorization. Fast-track demolition is available for buildings no larger than three stories tall. It requires that the top local building code official make a determination that a building is “open and vacant and an immediate and continuing hazard to the community,” 65 ILCS 5/11-31-1(e) and that the demolition or repair “is necessary to remedy the immediate and continuing hazard.” Once the official makes such a determination, the municipality—after proper notice has been given and no one with a legal interest in the property has objected—may demolish or repair

the building at any time without going to court. However, if the municipality wants to be reimbursed for demolition costs, it must follow the same process to “perfect” a demolition lien as under the court-authorized demolition procedure.

Declaration of Abandonment

Sometimes a municipality prefers to take ownership of a troubled property so that it can control how it is ultimately used. Like demolition, the threat of asking the court for a declaration of abandonment can be an effective way to motivate a responsible party to take corrective action.

A property can be declared abandoned if (i) it has been tax delinquent or has outstanding water bills for two or more years and (ii) it is not legally occupied, and (iii) it contains a dangerous or unsafe building. 65 ILCS 5/11-31-1(d). When a municipality files for abandonment, the property owner has 30 days from the date of the notice to file an appearance and prove he does not intend to abandon the property. During that time, anyone with an interest in the property can file a request to demolish or repair the property. If no party appears or takes action to demolish or repair the property within the required time, the municipality may petition the court for a judicial deed to the property. The judicial deed extinguishes all ownership interests and liens relating to the property, including tax liens and the rights of holders of a certificate of purchase of the property for delinquent taxes. That means the municipality owns the property and can demolish it, fix it up, or transfer it to a new owner entirely free of any debt or questions about who owns it.

When to Use Demolition vs. Fast-Track vs. Abandonment

A municipality may be able to achieve its objectives by using either demolition or abandonment. Often a municipality may choose to pursue both strategies simultaneously for a single property. If the local court is more familiar with one or the other of these processes, the municipality may prefer to pursue the more familiar process. Depending on the circumstances, however, there may be reasons to pursue one process or the other.

For example, if recovering costs is a high priority, a municipality should try to get a demolition order from a court, or a determination from a municipal official that it is eligible for fast track demolition. Under either approach, the municipality can get a demolition lien and try to get paid for the work it has done. If a municipality wants to save the time and expense of going to court, fast track demolition may be an option, though it requires “an immediate and continuing hazard,” and fast track isn’t an option if it is contested. If the municipality wants to transfer ownership of the property, abandonment may be the best option. Municipalities can transfer ownership of a troubled property using any of these approaches, but a declaration of abandonment makes it possible to transfer ownership in the fewest number of steps.

For more details on the process for pursuing demolition and declaration of abandonment, see Lien on Me: Using Liens to Collect Municipal Debt and Expenditures, edited by Stewart H. Diamond, Mark R. Heinle, and David Silverman; Ancel, Glink, Diamond Bush, DiCianni & Krafthefer, P.C., 2007, available at the Ancel Glink Library, ancelglick.com.

Recovering Costs

Despite best efforts to have owners, banks, or servicers take responsibility for their vacant properties, there are times when municipalities have no choice but to undertake the work themselves. In those cases, municipalities have several options to recover some or all of the money they spend on vacant property maintenance.

Refusal to issue real estate transfer stamp. A number of home rule communities, including Evanston, Mount Prospect, and Park Forest, require sellers to obtain a real estate transfer stamp from the municipality before they sell their properties. These municipalities refuse to issue the real estate transfer stamp until the seller pays everything it owes to the municipality, including outstanding registration or inspection fees, fines for noncompliance with VBO requirements, or bills from the local government for work done to secure or maintain vacant properties.⁴ Because sellers are usually eager to have these deals move forward, most quickly pay what they owe.

Refusal to issue certificate of occupancy. Home rule and non-home rule communities alike often require a certificate of code compliance and payment of outstanding fees before they will issue a certificate of occupancy to allow someone to begin occupying a currently vacant building. Since building owners lose money until the certificate of occupancy is issued, this can also be a very effective tool to motivate owners to comply and to help municipalities recover their costs.

Demolition liens (not limited to demolition). As described above, municipalities that successfully pursue demolition or clean-up through court authorization or the fast-track process may obtain a lien for the cost of demolition, repair, enclosure, or removal of garbage, debris, and other hazardous or unhealthy materials, plus court costs, attorneys' fees, and other related enforcement costs. To make these liens enforceable, the municipality must file a notice of lien with the county recorder within 180 days of the demolition, repair or enclosure. This demolition lien then takes priority over all other prior liens, except for tax liens. A municipality can foreclose on the lien and if the owner doesn't pay what is owed, the municipality can obtain title to the property. 65 ILCS 5/11-31-1 (a) and (e).

For properties that qualify for the fast-track process (see the box on pp. 20-21), Illinois law offers an expedited way to get a priority lien to recover the costs of demolition or any other authorized activity "necessary to remedy the immediate and continuing hazard," such as repairing the property, enclosing it, or removing garbage. 65 ILCS 5/11-31-1 (e). One municipal attorney describes fast-track demolition as an aggressive strategy that sends a strong message to banks or other parties with an interest in the property that they need to step up within 30 days or the municipality will do the work and saddle the property with a lien that trumps all other liens except unpaid taxes.

Demolition is discussed in greater detail in the box on pp. 20-21. See Appendix 3 (online) for a checklist on how to obtain a demolition lien.

⁴ This tool is not available to non-home rule communities in Illinois. Home rule communities that do not already have a real estate transfer tax but wish to create one may do so only by referendum. 65 ILCS 5/8-3-19.

Priority liens for securing and maintaining abandoned residential property. Illinois law provides another option for municipalities to recover the costs of specified work they undertake on abandoned residential property if properties are not eligible for the fast-track process or the municipality has determined not to use it. The law applies to any type of permanent dwelling unit that has been unoccupied for at least 90 days and for which the municipality attempted to contact the owner(s) or the owner's agent(s) but was unable to reach anyone. It covers the removal of weeds, trees, bushes, grass, garbage, debris, or graffiti, and securing or enclosing the property. 65 ILCS 5/11-20-15.1. Liens obtained under this law are superior to all other liens, except taxes. **Under this law, municipalities recover their expenses after taxes are paid but before the mortgage is recovered.** Thus, municipalities will recover even when the value of the property is less than the value of the mortgage. Municipalities are paid after the lender has foreclosed on the property at the hearing where the sale of the property is confirmed.

While the process under this law may be slightly more time consuming than the fast-track demolition process, it provides another way for municipalities to recover their costs. Many municipalities report that they have used this provision successfully. Park Forest (home rule) and South Chicago Heights (non-home rule) report that a checklist prepared by their legal counsel makes it easy to comply and allows them to do all the work in-house easily and cost-effectively without incurring the expense of using an attorney. [See Appendix 3 \(online\) for a checklist on how to obtain a priority lien for abandoned residential property.](#)

However, a municipality that wants to take a more aggressive enforcement stance could spend money to clean up a vacant property, use this statute to get a lien for that work, and then foreclose on that lien to force the sale of the property rather than waiting for the mortgage lender or other lien holder to foreclose. This approach could help municipalities get reimbursed more quickly for their vacant property-related expenses. It could also help get troubled properties into the hands of more responsible owners, which would be better for both the neighbors and the municipality. At the time of this publication, we are not aware of any examples of municipalities that have foreclosed on this type of lien, but some municipal attorneys believe that local governments have the authority to do so.

Judgment liens. If a municipality is owed money from unpaid fines or costs imposed by a court, there is a straightforward process the municipality can use to convert the money judgment to a lien on any property owned by the same owner. For example, if a property owner hasn't paid a VBO fee or fine, the municipality can have a lien placed on any property owned by that owner and then use the lien to put pressure on the owner to pay the municipality what is owed. The lien on another property can be a powerful incentive for owners to quickly pay the municipality what they owe.

Once a municipality has a judgment lien, it can either foreclose on the lien and force a judicial sale of the property or wait until the owner sells the property, at which point the lien must be paid before the property can change hands. While obtaining a judgment lien may be time consuming and costly, it can be an effective strategy, especially when there is a large judgment involved. [See Appendix 3 \(online\) for a checklist on how to obtain a judgment lien.](#)

In jurisdictions that use an administrative hearings process, municipalities can also get judgment liens for fines imposed by an administrative hearing officer. 65 ILCS 5/1-2.2-55. However, if a non-home rule community wants a lien for fines imposed by a hearing officer for building code violations, the municipality must first file an action in court to seek a judgment on the hearing officer's order. 65 ILCS 5/11-31.1-11.1.

Abandoned Property Program. The Illinois Housing Development Authority (IHDA) administers the Abandoned Property Program under which it **provides grants to municipalities and counties to cover the costs of securing, maintaining, demolishing, and rehabbing abandoned residential properties.** Created by legislation that went into effect in 2013, the program imposes new foreclosure filing fees on financial institutions.⁵ **Grant funds may be used to reimburse previously completed activities as well as for planned activities,** as long as such activities fall into the categories listed above. In the spring of 2014, IHDA awarded grants totaling approximately \$7 million to 53 municipalities, counties, and land banks across the state. Grant amounts ranged from \$20,000 for Woodridge to \$2 million for Chicago, with most grants somewhere between \$50,000 and \$250,000. IHDA expects to announce at least one funding cycle per year, depending on the rate at which funds accumulate. More information about the program, including links to the program rules and an FAQ, is on the IHDA website, <http://www.ihda.org/government/AbandonedPropertyProgram.htm>.

Program Administration

In some municipalities, several different departments have responsibilities related to vacant properties. Departments of community development, economic development, housing, police, fire, and public works may all play a role. Municipalities can deal most effectively with vacant properties when the work of all of these departments is well-coordinated, with up-to-date and accurate information about vacant properties that is available to all the relevant departments. This can be achieved by better information sharing, coordination of personnel and activities, and interdepartmental collaboration, as described below.

Information Sharing. At a minimum, **municipalities should establish a system to share vacant property information among all relevant individuals across departments.** This will ensure that each department has the information it needs to do its job effectively and that critical information does not fall through the cracks. For example, code enforcement officers should provide police and fire departments with lists of vacant properties and information about property conditions. Police are thus alerted to which properties may require extra vigilance, and fire officials know which properties pose extra danger to firefighters. In return, police and fire officials can alert code enforcement officials to suspected vacant properties or new problems with vacant properties already on the registry.

⁵ Under the law, fees will be collected through 2017, and the program will continue until funds are no longer available.

Methods for interdepartmental sharing of information vary considerably. For example:

- The building director in the Village of South Chicago Heights, a community with a population of just over 4,000, prints periodic lists of vacant properties and reports that are shared with multiple individuals across departments and maintains detailed property information in paper files.
- Park Forest maintains its vacant property registry in a simple Excel spreadsheet and shares it among departments.
- Wilmington, Delaware, has developed a customized in-house vacant property database that can be shared across all departments.

Coordination of Personnel and Activities. Staff from a variety of municipal departments may come into contact with vacant properties. If they receive a little bit of training, they can be a valuable extra set of eyes and ears to help ensure that vacant property problems are identified and addressed quickly.

Staff can be trained to identify indicators of vacancy and signs of property maintenance failure and the best ways to report them. Requiring only a minimal investment of time, it can produce substantial benefits. For example, because code enforcement inspectors can be in only so many places at once, Evanston has trained inspectors in the health and public works departments to identify and report code violations common to vacant properties when they are conducting their own inspections.

Evanston inspectors use iPads on site to document violations (including those related to vacancy) and upload them to a 311 reporting system that the building department can access. This means more eyes on vacant properties more often and the ability to communicate with property owners in real time about the status of the property. This increases the likelihood that more code violations will be identified and resolved more quickly. A representative of an absentee landlord in Evanston reported that the system saves time, establishes a point of contact for the property owner, and provides clear and timely information about what the City has found and what the property owner's obligations are.

In another community, code enforcement and fire officials conduct joint inspections of vacant properties. They have found that this maximizes efficiency and facilitates greater sharing of knowledge of vacant property problems across relevant departments.

In addition to a municipality's own employees, private contractors may also come in contact with vacant properties. If the municipality takes the time to inform contractors about the vacant property program, contractors can provide valuable information when they observe a problem. For example, Park Forest coordinates with a scavenger hauler with which it has a contract and who is in the neighborhoods on a weekly basis; Evanston coordinates with its water meter readers and pest control contractors. These contractors can then share valuable information with the municipality at no extra cost to the municipality. It's almost like having extra staff for free.

Interdepartmental Collaboration. Some municipalities have developed structured ways to encourage or require collaboration across departments. Collaboration is a more intentional way to bring different stakeholders together to share information, identify problems, develop solutions, and coordinate activities around a specific issue or issues. For example, a municipality may convene representatives from all departments that have responsibility for vacant properties to address troubled properties or broader issues regarding neighborhood stabilization and revitalization. Collaboration can be formal or informal. Some municipalities have created a formal task force with regularly scheduled meetings of officials across relevant municipal departments. Others just encourage informal but purposeful exchanges of information. Collaboration can bolster communication and coordination and reduce redundancies in dealing with vacant properties.

Creating a Culture of Collaboration

Park Forest's Troubled Buildings Task Force is one successful example of a formal collaboration. Created by the mayor and village manager in 2007, the Task Force included all department heads with a stake in vacant property management (public works, water, building, police, fire, health, and the village's attorney). They met monthly to work together to tackle their biggest problems with specific properties and to discuss issues relating to the village's efforts to ensure property maintenance, such as its crime-free housing program. These meetings encouraged department heads to get in the habit of sharing information about vacant or potentially vacant properties across the village government.

Within a few years, the department heads became so accustomed to working together to solve vacant property problems that they decided the formal monthly meetings were no longer necessary. The meetings were replaced with an informal system of regular communication among mid-level staff with in-person meetings arranged whenever necessary. In one Park Forest code enforcement officer's assessment, the formal meetings helped to set the direction and open the lines of communication across departments, conveyed the message that sharing information and collaborating across departments had the official sanction of the elected officials and upper level staff, and set the stage for the effective, informal collaboration that is now part of everyday operations.

Evanston instituted similar monthly meetings that also evolved into a more flexible, real-time collaborative structure. As in Park Forest, these meetings enabled building officials to pool information from any inspector or department head with knowledge about a vacant property. While these meetings no longer focus specifically on vacant property issues, the collaborative approach continues to pay dividends as officials work together across multiple departments to create policies and programs to meet local housing needs.

Conclusion

In Illinois and throughout the country, well-implemented VBOs have proven to be a powerful tool for confronting the challenges of vacant properties.

- VBOs can significantly enhance local code enforcement efforts.
- A vacant building registry that maintains accurate and up-to-date contact information about vacant properties makes it easier for municipal officials to quickly identify and contact responsible parties to take corrective action.
- Registration fees can help municipalities recoup some of the costs related to their vacant property programs and, along with fines, motivate responsible parties to act quickly to resolve problems.

With timely and consistent enforcement of their VBO requirements, municipalities have been successful in getting responsible parties, including banks (often before they have taken title), to maintain their vacant properties. Effective enforcement produces positive outcomes for communities by helping to contain the negative impact of vacant properties on neighbors and neighborhoods and reducing the drain on limited municipal resources.

For more information or assistance in establishing a vacant building registry program in your community or strengthening your existing program, call Betsy Lassar at BPI at 312.641.5570.

Online Appendices

Each of the appendices can be found online at either of the websites listed below:

<http://www.bpichicago.org/programs/housing-community-development/affordable-housing/resources>

<http://mayorscaucus.org/initiatives/housing-and-community-development/vacant-property-issues>

Appendix 1

Examples of Statutory Language

Appendix 2

Resources for Identifying Responsible Parties

Appendix 3

Municipal Lien Checklist

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