

057-02-15

**AN ORDINANCE AMENDING CHAPTER 170 OF THE 1988 CITY OF  
SPRINGFIELD CODE OF ORDINANCES BY ADDING SECTION 170.17.67  
PERTAINING TO VACANT BUILDINGS ACQUIRED BY FINANCIAL  
INSTITUTIONS**

**WHEREAS**, the City of Springfield is a home rule unit as defined in Article VII, Section 6(a) of the 1970 Illinois Constitution and has jurisdiction over matters pertaining to its government and affairs; and

**WHEREAS**, as a result of the recession which began in 2008, financial institutions have obtained possession of properties through foreclosure or deeds in lieu of foreclosure; and

**WHEREAS**, many properties which have been acquired by financial institutions are vacant buildings under the Springfield City Code; and

**WHEREAS**, financial institutions which are now in possession of vacant buildings actively market such properties and therefore use licensed realtors to do so; and

**WHEREAS**, the Springfield City Council desires to encourage the active marketing of properties involuntarily acquired by financial institutions and has worked with representatives of local realtors to better encourage such active marketing and has arrived at mutual agreement on how to address this issue,

**NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
SPRINGFIELD, ILLINOIS:**

**Section 1:** That the City Council of the City of Springfield, Illinois, hereby amends Chapter 170 of the 1988 City of Springfield Code of Ordinances, as amended, by adding section 170.17.67 as shown on Exhibit A attached hereto.

**Section 2:** That Section 170.17.67 is a pilot program which will be repealed on August 31, 2016, unless the City Council votes prior to that date to extend Section 170.17.67.

**Section 3:** That the City Clerk is hereby directed to publish this ordinance in pamphlet form.

**Section 4:** That this ordinance shall become effective immediately upon its passage, recording and publication in pamphlet form.

PASSED: Feb. 17, 2015

SIGNED: Feb. 17, 2015

RECORDED: Feb. 17, 2015

Michael Houston  
Mayor J. Michael Houston

ATTEST: Cecilia K. Tumulty  
City Clerk Cecilia K. Tumulty

Approved as to legal sufficiency:

Requested by: Mayor J. Michael Houston  
Alderman Doris Turner and Alderman  
Cory Jobe

Tom Sweeney, 1/29/15  
Office of Corporation Counsel /Date

## EXHIBIT A

### 170.17.67. Actively Managed and Marketed Properties

- (a) An 'Actively Managed and Marketed Property' means a property that is:
- (i) in foreclosure or is owned by a bank or other financial institution as a consequence of foreclosure;
  - (ii) vacant; and
  - (iii) assigned for management and brokerage by a financial institution to an individual licensed as a Broker or Managing Broker under the Illinois Real Estate License Act and will be listed for sale, or lease, by a Licensed Real Estate Brokerage.
- (b) Actively managed and marketed properties are exempt from the fee and registration requirements of this ordinance for a period of 90 days from the time that a notice to register is sent from the Department of Building and Zoning as required in 170.17.57, except as otherwise set forth in this Section.
- (c) A broker is automatically eligible by notifying the Department of Building and Zoning and proving documentation that it has been retained by a financial institution to manage and market the property within 30 days of the notice to register. It is the broker's duty to report that the property is being actively marketed and managed. A broker must do business in and have a business address in Sangamon County, Illinois, or in an adjacent county, and must provide to the Department of Building and Zoning (1) a listing contract with the financial institution and (2) a brokerage license from the State of Illinois. If the property in question is subject to a master contract, the master contract may be substituted for the listing contract.
- (d) Upon notification to the Department of Building and Zoning that a property is being actively marketed and managed by a broker, the broker must schedule an initial external inspection of the vacant property. After inspection the property will be assigned one of the following classifications of exemption from the registration requirement:
- (i) Class 1 Violation(s): requires abatement of all violations within 90 days from the notice to register and after a broker has notified the Department of Building and Zoning that a property is actively managed and marketed. No registration is necessary if violations are corrected within 90 days from the notice to register. If violations are not abated within 90 days from the date of the notice to register, the property must be registered as a vacant building, pursuant to Division 5 of Article 7 of Chapter 170 of the City of Springfield Code of Ordinances. If the violations are not abated within 90 days from the notice to register, the three-year period set forth in Section 170.17.58 shall run from the date of the initial notice to register. Status as a Class 1 property neither releases a property owner from being cited for each violation separately, nor from the resulting fines if the violations are not remediated. Properties that have the following violations, and only the following violations, shall be classified as Class 1:

- (1) Accumulation of Garbage/Debris/Solid Waste
- (2) Weeds exceeding 10 inches
- (3) Abandoned and Inoperable Vehicles
- (4) Lack of window screens where necessary
- (5) Cracked Windows
- (6) Peeling paint – less than 50% of total area
- (7) Soffit damage – less than 50% of total area
- (8) Fascia damage – less than 50% of total area
- (9) Siding damage – less than 50% of total area
- (10) Tuckpointing – less than 50% of total area

The percentages listed in factors (6) through (10) above are intended to be approximations only; the listing of such percentages shall not be construed as requiring mathematical certainty.

- (ii) Class 2 Violation(s): Registration pursuant to Division 5 of Article 7 of Chapter 170 of the City of Springfield Code of Ordinances, including submission of a vacant building plan, is required after 90 days from the notice to register and after a broker has notified the Department of Building and Zoning that a property is actively managed and marketed, but a Certificate of Occupancy is not required upon abatement of all violations by the property owner. If the violations are not abated within 90 days from the notice to register, the three-year period set forth in Section 170.17.58 shall run from the date of the initial notice to register. Properties that have the following violations, and only the following violations, shall be classified as Class 2:

- (1) Minor roof repair/roof covering replacement that does not provide access to the interior of the structure
- (2) Masonry tuckpointing – greater than 50% of total area
- (3) Soffits – greater than 50% of total area
- (4) Gutters – greater than 50% of total area
- (5) Fascia – greater than 50% of total area
- (6) Chipping/Peeling paint – greater than 50% of total area
- (7) Deteriorated siding – greater than 50% of total area
- (8) Broken windows not open to trespass
- (9) Stairs – less than 30" in height

(10) Handrails – for stairs less than 30" in height

The percentages listed in factors (2) through (7) above are intended to be approximations only; the listing of such percentages shall not be construed as requiring mathematical certainty.

(iii) Class 3 Violation(s): Requires registration, including submission of a vacant building plan, pursuant to Division 5 of Article 7 of Chapter 170 of the City of Springfield Code of Ordinances. If the violations are not abated within 90 days from the notice to register, the three-year period set forth in Section 170.17.58 shall run from the date of the initial notice to register. Properties that have the following violations, and only the following violations, shall be classified as Class 3:

- (1) Structural roof failure
- (2) Structural floor failure
- (3) Load-bearing wall failure
- (4) Beam failure
- (5) Load-bearing column failure
- (6) Structure stair failure
- (7) Guardrails/Handrails – for stairs greater than 30" in height
- (8) Foundation failure
- (9) Hazardous electrical components
- (10) Hazardous gas supply system
- (11) Hazardous furnace
- (12) Hazardous water heater
- (13) Hazardous flues
- (14) Non-functioning sewer system
- (15) Non-functioning water supply

(e) The highest level of any violation present at inspection shall determine the class assigned to the property.

(f) Acknowledgement by Purchaser: in all cases when an actively managed and marketed property is transferred, the new owner, at the time of transfer, must acknowledge all notice of violations and existing violations in writing. Failure by a Purchaser to acknowledge the notice of violations and existing violations shall not be a defense to any violations of this Division.

- (g) If the broker does not raise the exemption allowed in this section within 30 days of the notice to register, then the exemption is waived.

**§ 170.17.699. Penalty for violation of article.**

- (a) Any person who shall violate any provisions of division 5, unless another penalty is provided, shall, upon conviction, be punished by a fine of not less than \$300 and no more than \$750. Each day the violation continues constitutes a separate, punishable offense. In addition to this penalty, the department may utilize any other statutory or common law remedies.
- (b) If the owner of the building fails to comply with the notice to register within ten days after the date of mailing of the notice, the department may file a complaint in the circuit court or with the City Code hearing department requesting the registration of the building by the owner.

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ORDINANCE FACT SHEET

REQUEST FORM NO: \_\_\_\_\_  
DATE OF 1ST READING: Feb. 3, 2015

OFFICE REQUESTING: Corporation Counsel  
Mayor Houston, Aldermen Turner & Joberman

CONTACT PERSON: Todd Greenburg  
PHONE NUMBER: 789-2393

EMERGENCY PASSAGE: No  Yes  If yes, explain justification.

\_\_\_\_\_

TYPE OF ORDINANCE: Code Amendment FISCAL IMPACT: \_\_\_\_\_

(If amending a previous ordinance, please attach a copy of the previous ordinance)

SUGGESTED TITLE:

AN ORDINANCE AMENDING CHAPTER 170 OF THE 1988 CITY OF SPRINGFIELD CODE OF ORDINANCES AS AMENDED BY ADDING SECTION 170.17.67 PERTAINING TO VACANT BUILDINGS ACQUIRED BY FINANCIAL INSTITUTIONS

Please list supporting documentation (i.e., contract, agreement, change order, bid book, etc.)

\_\_\_\_\_

CONTRACTOR / VENDOR NAME: \_\_\_\_\_ VENDOR NO: \_\_\_\_\_

CONTRACT TERM: \_\_\_\_\_ CONTRACT # \_\_\_\_\_ Change in Scope Yes  No

CONTRACT AMOUNT: 

_____
(Original amount if change order)

_____
Change Order #

_____
Additional Amount

Method of Purchase (check one) Previous Ord #'s \_\_\_\_\_  
 Low Bid  Other: \_\_\_\_\_ Is Purchasing Agent approval required? No  Yes   
 Low Bid Meeting Specs  Exception: \_\_\_\_\_ Is Purchasing Agent approval attached? No  Yes   
 Low Evaluated Bid Code Provision: \_\_\_\_\_

Accounting information (if more than four accounts, please attach list)

REVENUE					
Fund	Agency	Org	Activity	Source	Amount
1					
2					
3					
4					

EXPENDITURE					
Fund	Agency	Org	Activity	Object	Amount
1					
2					
3					
4					

FUNDS CHECK BY: NA Date: \_\_\_\_\_  
DIRECTOR / SUPERVISOR SIGNATURE \_\_\_\_\_ Date: \_\_\_\_\_  
CITY PURCHASING AGENT: \_\_\_\_\_ Date: \_\_\_\_\_

COMMENTS

The City desires and has worked with representatives of local realtors to encourage the active marketing of properties involuntarily acquired by financial institutions through foreclosure or deeds in lieu of foreclosure. This ordinance will add section 170.17.67 to Chapter 170 of the City Code establishing "Actively Managed and Marketed Properties".

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SIGN OFF: \_\_\_\_\_  
(Mayor's Signature)

\_\_\_\_\_  
(Director of OBM)