

Reply to Common Council File No. 150772
From DOA-Budget and Management Division

October 21, 2015

Ref: 2016 BF, 2B

File Number 150772, introduced as part of the 2016 Proposed Executive Budget, contains a resolution amending Common Council File Number 150164 relating to fast tracking of property tax collections for vacant or abandoned buildings.

This resolution fine tunes File 150164 to provide for clear accountability and a managed approach to operational and fiscal impacts. The resolution maintains the intent of File 150164 as a proactive way to reduce vacant and abandoned buildings' impact on blight and City carrying costs for *in rem* properties, while improving prospects for expedited collections through the redemption process.

The modified approach to fast tracking is based on a revised estimate of the number of properties eligible for fast tracking and the costs associated with implementing this initiative. Specifically:

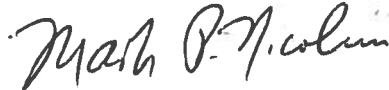
- There are 422 properties that are eligible for early foreclosure next year. Earlier estimates of eligibility exceeded 1,000 properties.
- File 150164 contained no appropriations and deferred the issue of cost to the 2016 Budget.
- The Proposed 2016 Executive Budget includes an estimated \$520,000 (including estimated fringe benefits for 3 proposed additional FTE positions) to implement the fast tracking process. Most of this is operating funding, and represents additional budget resources over and above 2015 appropriations.

File 150772 contains the following provisions that modify the original fast tracking file:

- Authorizes the Commissioners of City Development (DCD) and Neighborhood Services (DNS) as departmental authorities to submit fast tracking reports to the City Attorney. These submissions are dependent on findings of code violations that impose a risk of blight by DNS, or that acquisition is required to maintain and reinforce neighborhood stability by DCD. This resolution places no restrictions on Common Council member filing of fast tracking reports. Assigning City departmental reporting to DNS and DCD concentrates authority in those two departments with the most involvement in neighborhood stabilization and *in rem* property management, in order to promote accountability and administrative coherence.
- Requires DNS and DCD to inform the pertinent Council member of fast-tracking reports prior to filing for properties located within the aldermanic district.
- Establishes a policy goal of limiting the impact from fast tracking of properties on the City's inventory to not more than 250 properties at a given time. This will enable appropriate property management and disposition activities within available resources. This provision is not a hard and fast annual limit. It balances the pace of fast tracking activity with the City's capacity to manage and dispose of newly-acquired property inventory.

The Proposed 2016 Executive Budget includes an estimated \$520,000 (including estimated fringe benefits for three positions) to implement the fast tracking process.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 150772, PROPOSED SUBSTITUTE VERSION, IN CONJUNCTION WITH ADOPTION OF THE 2016 BUDGET.



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MPN:cei

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