BILL No. R-16-09-16

RESOLUTION No.______________

A RESOLUTION ESTABLISHING REO RATINGS AND THEIR INCORPORATION INTO THE CITY OF FORTWAYNE'S FINANCIAL INSTITUTION POLICIES

WHEREAS, the City of Fort Wayne ("City") desires to build its community one unique and lasting neighborhood at a time and has adopted a Comprehensive Land Use and Development Plan ("Comprehensive Plan") to lay out a path to sustainability, to preserve and enhance its citizens' quality of life, and to position itself as regionally strong and competitive in the global economy; and

WHEREAS, to achieve these objectives the City collects property tax revenues and uses these revenues to fund fire, police, parks, and public works; and

WHEREAS, the City benefits from having strong assessed values, because stronger assessments result in higher revenues that can be used to improve the City; and

WHEREAS, uncared-for properties conflict with the Comprehensive Plan, are public nuisances, invite mischief, contribute to blight, hurt the image of neighborhoods, drain neighborhood association resources, drag down property values, and therefore reduce City revenues; and

WHEREAS, financial institution real estate owned properties ("REO") make up an important percentage of properties in the City and are a consistent potential of uncared for properties and well cared-for properties; and

WHEREAS, Neighborhood Code is the City Department which administers City Code requirements regarding the care of properties; and

WHEREAS, if property owners are found to be non-compliant with Neighborhood Code provisions, Neighborhood Code has the authority to levy fines; and

WHEREAS, given the significant financial resources of many REO owners, however, the fines given by Neighborhood Code are often not significant enough to encourage the REO owners to take better care of their properties in the City; and

WHEREAS, the City and its subsidiaries conducts millions of dollars of business annually with financial institutions, including cash deposits, CDs, and loans; and

WHEREAS, the City and its Subsidiaries, which include but are not limited to the City, City Utilities, the Redevelopment Commission, HANDS Board, have a financial incentive and a fiduciary duty to conduct business with financial institutions which assist in and do not undermine the goals of its Comprehensive Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. That the Common Council of the City of Fort Wayne recommends that the Director of Neighborhood Code ("Director") annually rate financial institutions who have a significant quantity of REO properties in the City. Ratings shall be based on relevant factors as determined by the Director such as how well the financials institutions care for their properties and with what degree of community care they move the properties through the REO process. Ratings shall be prepared on a calendar year basis, and shall be on a "1-10" scale.

SECTION 2. That the City and its Subsidiaries shall use these ratings in their criteria of determining with which financial bodies it conducts its financial matters.

Russ Jehl, Council Member

APPROVED AS TO FORM AND LEGALITY

Joseph G. Bonahoom, Attorney for City Council

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