

**ORDINANCE PROVIDING FOR AN EQUITY ASSURANCE  
PLAN FOR SINGLE FAMILY RESIDENCES IN THE VILLAGE OF OAK PARK**

BE IT ORDAINED by the President and Board of Trustees of the Village of Oak Park, Cook County, Illinois, as follows:

**I. CREATION OF THE PROGRAM—PURPOSE—NAME.**

There is hereby created an Equity Assurance Program to be administered by the Equity Assurance Commission of Oak Park for the benefit of the citizens of the Village of Oak Park, Illinois. The purpose of the program is to insure the single-family residences in the Village of Oak Park against the possibility of economic loss, and thereby help to eliminate irrational fears of racial change. The purpose of the program is not to insure against a regional or national decline in values in the single-family housing market. Therefore, in the event of a general economic decline in the value of single-family homes in the Chicago-Cook County-Metropolitan area single-family home market, the President and Board of Trustees of the Village of Oak Park reserve the right to review, revise and suspend payments under the Equity Assurance Program. This program will provide greater community stability and will strengthen the tax base of the community by preserving and improving single-family home values.

**II. CREATION OF THE EQUITY ASSURANCE COMMISSION.**

A. There is hereby created an Equity Assurance Commission (hereafter referred to as EAC) whose role will be to administer the Equity Assurance Program (hereafter referred to as EAP). The specific duties and functions of the EAC in policy and administration shall include the following:

- i. Conduct the day to day operations of the EAP, including the employment of appropriate personnel, acquisition of necessary office space, and the receipt and disbursement of EAP funds.
- ii. Establish policies and procedures for the EAP and recommend substantive changes to the Board of Trustees.
- iii. Select and enter into contractual arrangements necessary to administer the EAP subject to the approval of the President and Board of Trustees.

B. The Equity Assurance Commission shall consist of nine individuals, appointed by the Village President with the advice and consent of the Board of Trustees. The initial terms shall be as follows:

- 3 members whose term shall expire (in one year)
- 3 members whose term shall expire (in two years)
- 3 members whose term shall expire (in three years)

All succeeding terms shall be for three years.

**III. DEFINITIONS.**

A. **APPRAISED VALUATION**—the dollar appraisal on the **INSURED RESIDENCE** as determined by the **CERTIFIED APPRAISER** on the **APPRAISED VALUATION DATE**.

B. **APPRAISED VALUATION DATE**—the date of certification of participation.

C. **CERTIFIED APPRAISER**—one of the members of a panel of appraisers approved by the EAC for determining **APPRAISED VALUATIONS** under the provisions of this ordinance.

D. **FAMILY MEMBERS**—spouse, children, parents, parents of spouse, brothers and sisters.

E. **INSURED RESIDENCE**—the **SINGLE-FAMILY** residence owned and used continuously as the place of residence by the **MEMBER** and described in the certificate of participation and entitled to coverage under this act.

F. **MEMBER**—a person who owns and occupies a **SINGLE-FAMILY RESIDENCE** in the Village of Oak Park and has applied for and been accepted as a member of the EAP as indicated by a certificate of participation; such **FAMILY MEMBERS** who reside in the **INSURED RESIDENCE** at least one year prior to the death or incapacity of a **MEMBER** by a certificate of participation shall also be deemed **MEMBERS**.

G. **OWNER**—the titleholder or beneficiary of the trust.

H. **PHYSICAL PERILS**—physical occurrences such as, but not limited to, fire, windstorm, hail, water damage, nuclear explosion or seepage, war, insurrection, water damage, wear and tear, cracking, settling, vermin, rodents, vandalism, etc., and all such related occurrences or acts of God.

I. **SINGLE-FAMILY RESIDENCE**—a building having not more than one dwelling unit principally occupied by the members of no more than one family, any appurtenant unoccupied structures, and grounds and private approaches thereto, provided that the dwelling is used principally as a private residence and that any business use of the premises is incidental to its use as a private dwelling. A **SINGLE-FAMILY RESIDENCE** may include coach houses subject to the above definition.

- J. APPLICATION FOR STANDARD APPRAISAL FEE—the fee established from time to time by the EAC for a standard appraisal on a SINGLE-FAMILY RESIDENCE which becomes the application fee under the EAP.
- K. VALUATION AT SALE DATE—the dollar value of the INSURED RESIDENCE stated in the consummated sales contract for the INSURED RESIDENCE between the MEMBER and the prospective buyer.

#### IV. ELIGIBILITY.

Those persons eligible to apply for membership in EAP shall be limited to owner occupants of SINGLE-FAMILY RESIDENCES in the Village of Oak Park.

#### V. APPLICATION PROCEDURES.

- A. Eligible persons shall apply to the plan by submitting the APPLICATION FOR STANDARD APPRAISAL FEE as determined by the EAP. Upon receipt of the appraisal fee, the SINGLE-FAMILY RESIDENCE of the applicant shall be appraised by a CERTIFIED APPRAISER to determine the current APPRAISED VALUATION of the residence.
- B. A certificate of participation shall then be issued to the applicant certifying membership in the EAP and detailing the APPRAISED VALUATION, the APPRAISED VALUATION DATE, the address and description of the INSURED RESIDENCE, and a summary of the coverages, conditions, and exclusions of this ordinance.

#### VI. COVERAGE PROVIDED BY THE EQUITY ASSURANCE PROGRAM.

MEMBERS or their estates which are covered pursuant to Article VII of this program shall be paid 80% of the difference between the APPRAISED VALUATION as determined by this ordinance and the VALUATION AT SALE DATE determined in paragraph VII below if the APPRAISED VALUATION is higher than the VALUATION AT SALE DATE. Coverage provided by the EAP shall only apply to sales made five years or more after date of issuance of the Certificate of Participation and coverage shall be provided subject to all of the terms, conditions and stipulations provided within this ordinance.

#### VII. PROCEDURES FOR OBTAINING BENEFITS.

- A. In order to be eligible for benefits, a member must follow the procedures set forth herein.
- B. When an INSURED RESIDENCE is placed on the market with the intent of sale, the MEMBER shall submit verifiable evidence of such placement including the date that such placement took place. Verifiable evidence may include a copy of advertisements for sale, a contract with a licensed real estate broker, or other evidence found satisfactory to a majority of the EAC.
- C. Upon receipt of verifiable proof by the EAC of the act of placing the INSURED RESIDENCE on the market, a 120 day waiting period shall commence from the date the INSURED RESIDENCE is placed on the market. During the first 90 days of the 120 day waiting period, no coverage is afforded under this ordinance; during the last 30 days of the 120 day waiting period, coverage shall be afforded pursuant to paragraph F; at the expiration of the 120 day waiting period, coverage shall be afforded pursuant to paragraph H.
- D. A MEMBER may offer his/her INSURED RESIDENCE for sale or may exclusively list said residence with a real estate broker for sixty (60) days from the date the INSURED RESIDENCE is placed on the market. Thereafter, a MEMBER must notify the EAC in writing of his/her inability to obtain an offer for purchase at the APPRAISED VALUATION or more and further must agree to list the INSURED RESIDENCE with the Oak Park River Forest Board of Realtor's Multiple Listing Service or an agency with comparable sales coverage in Oak Park for not less than sixty (60) additional days or until the INSURED RESIDENCE is sold, whichever is sooner.
- E. 75 days from date INSURED RESIDENCE is placed on the market, an inspection of the INSURED RESIDENCE shall be made. That inspection, by a CERTIFIED APPRAISER, shall determine if the INSURED RESIDENCE is currently in at least substantially the same state of repair as on the APPRAISED VALUATION DATE. If the INSURED RESIDENCE fails to meet this standard, the following procedures must be followed:
  - i. The CERTIFIED APPRAISER will determine the percentage depreciation of the INSURED RESIDENCE due to the failure of the owner to maintain the premises.
  - ii. This percentage figure shall be multiplied by the APPRAISED VALUATION to determine the dollar depreciation due to failure to maintain the premises.
  - iii. This dollar depreciation shall be subtracted from the APPRAISED VALUATION to derive a lower APPRAISED VALUATION to be used for the purpose of determining the amount of coverage afforded under this ordinance.
- F. From 90 through 120 days from the date the INSURED RESIDENCE is placed on the market, coverage shall be in effect as hereinafter set forth. During this period, a MEMBER shall immediately forward to the EAC all

offers for purchase at less than the APPRAISED VALUATION as determined in Paragraph E of this Article. Within three working days from receipt of the offer(s) for purchase, the EAC shall either:

1. APPROVE the offer for purchase—whereupon the MEMBER must accept the offer and the EAC shall authorize the payment of the amount of coverage afforded by Article VI of this Ordinance subject to the following conditions:
  - a. Sales involving eminent domain shall be covered as set forth in subparagraph K.
  - b. Sales subsequent to an insured property and casualty loss shall be covered as determined by the APPRAISED VALUATION in Paragraph E.
  - c. Contract sales shall be covered as determined by the APPRAISED VALUATION in Paragraph E, but proceeds payable from the EAP shall be disbursed in equal annual installments over the life of the contract.
2. REJECT the offer—whereupon the MEMBER shall continue showing the INSURED RESIDENCE to prospective purchasers OR
3. EXERCISE THE EAC'S (OR ITS AGENT'S) OPTION TO PURCHASE THE INSURED RESIDENCE at the offered purchase price, whereupon the EAC shall authorize the amount of coverage afforded by Article VI of this Ordinance.

G. Days used to satisfy real estate sales contract contingencies, including mortgage contingency provisions, shall not be used in computing the 120 day waiting period.

H. If one or more offers have been made but not accepted on the purchase of the INSURED RESIDENCE between the 90th and 120th day pursuant to the above provisions, the EAC shall purchase the INSURED RESIDENCE at the highest offered purchase price and shall authorize the amount of coverage afforded by Article VI of the Ordinance.

J. Where an INSURED RESIDENCE is to be acquired by use of eminent domain, the following procedures shall apply:

1. If the MEMBER rejects an offer from the condemning body equal to or greater than the appraised value, there shall be no coverage under the EAP.
2. If the condemning body offers less than the appraised value, the EAP may either:
  - a. Offer to pay 80% of the difference between the appraised value and the offering price if the MEMBER agrees to sell at the offered price. If the MEMBER does not agree to sell at the offered price, then in no event shall the MEMBER receive from the EAP any payment in excess of the EAP payment provided for in this subsection (a).
  - b. Advise the MEMBER that the offer is inadequate and should be refused. If the MEMBER under these circumstances desires to accept the offer, then the property shall be acquired from the MEMBER by the EAP at the offered price plus 80% of the difference between the offered price and the appraised value. If the MEMBER refuses the offer pursuant to this subsection (b) and the court determination of the value of the property is less than the appraised value, then the EAP shall pay 80% of the difference between the judgment and the appraised value.

#### VIII. OTHER CONDITIONS.

Members shall agree to abide by all conditions, stipulations and provisions of this ordinance and shall not be eligible for coverage hereby unless all such conditions, stipulations and provisions have been met.

#### IX. EXCLUSIONS.

- A. Financial losses due to the occurrence of PHYSICAL PERILS shall not be afforded coverage by this ordinance.
- B. Depreciation due to failure to maintain in good repair the INSURED RESIDENCE shall not be covered. This exclusion is reflected in the adjustment procedure of VII E, whereby a new, lower APPRAISED VALUATION is derived reflecting this type of depreciation.
- C. Any person who knowingly affirms falsely to any matter or thing required to be affirmed by the terms of the Equity Assurance Program is guilty of perjury.
- D. Any fraud, misrepresentation, or concealment on the part of a MEMBER in any process involving this ordinance or the EAC shall negate all coverage provided that MEMBER by this ordinance.

**X. METHODS FOR ESTABLISHING A NEW APPRAISED VALUATION AND APPRAISED VALUATION DATE.**

- A. A MEMBER has the option of applying for a new appraisal by a CERTIFIED APPRAISER which will then establish a new APPRAISED VALUATION DATE. This new APPRAISED VALUATION shall be subject to the following conditions:
- i. Coverage for this new APPRAISED VALUATION shall not commence until five years have elapsed from the new APPRAISED VALUATION DATE.
  - ii. All former APPRAISED VALUATIONS shall remain in full force and shall be unaffected in any way by this new APPRAISED VALUATION.
  - iii. If the EAC, by majority vote, is convinced by the MEMBER that the application for a new appraisal is due to substantial property improvements on the INSURED RESIDENCE, then the application fee for the appraisal will be one half of the STANDARD APPLICATION FOR APPRAISAL FEE then being charged by the EAC.
  - iv. If the EAC, by majority vote, believes the application for a new appraisal is not due to substantial property improvements, the application fee for the new appraisal shall be the STANDARD APPLICATION FOR APPRAISAL FEE then being charged by the EAC.
  - v. The new APPRAISED VALUATION shall be subject to all of the conditions, stipulations and provisions of this ordinance.
- B. The member will be issued a new certificate of participation which will state the new APPRAISED VALUATION and the new APPRAISED VALUATION DATE.
- C. Requests for a new APPRAISED VALUATION and APPRAISED VALUATION DATE will be initiated by a member no more than once within any twelve (12) month period.

**XI. ARBITRATION PROCEDURE.**

- A. If a MEMBER or applicant disagrees with the APPRAISED VALUATION determined by the CERTIFIED APPRAISER, a three person arbitration panel will be established composed of the following persons: the CERTIFIED APPRAISER, an independent appraiser selected by the member or applicant, and an umpire selected and approved by these two appraisers. If an umpire cannot be agreed upon within 30 days, the umpire shall be selected by a judge of a court of record within the jurisdiction. The APPRAISED VALUATION agreed to by any two of the three panel members shall be binding on all parties involved under this ordinance. The cost of the independent appraiser shall be borne by the MEMBER or applicant. The cost of the umpire shall be borne equally by the applicant and the EAC. The cost of the CERTIFIED APPRAISER shall be paid by the EAC.
- B. If a MEMBER disagrees with the amount of coverage afforded as determined by the EAC under this ordinance, a three person arbitration panel shall be established composed of the following persons: an appraiser chosen by the member, an appraiser chosen by the EAC, and an umpire chosen and approved by these two appraisers. If an umpire cannot be agreed upon within 30 days, the umpire shall be selected by a judge of a court of record within the jurisdiction. The amount of coverage under the provisions of this ordinance agreed to by any two of these three persons shall be binding on all parties involved under this ordinance. Each party shall bear the cost of the appraiser chosen by them and the cost of the umpire and other arbitration expenses shall be evenly divided between the MEMBER and the EAC.

**XII. SUITS.**

No suit brought under the terms of this ordinance shall be sustainable in a court of law or equity unless all conditions, stipulations and provisions of this ordinance have been complied with, and unless the suit is brought within twelve months after the sales contract signed by the prospective buyer and the affidavit executed by the prospective buyer and seller have been presented to the EAC.

**XIII. OTHER INSURANCE.**

If other insurance or payment is available to provide coverage similar to that provided by this ordinance, the EAC shall not be liable for a greater proportion of the loss than the amount of coverage provided by this ordinance bears to the total amount of coverage available from all sources.

**XIV. AMENDMENTS.**

The EAP may by amendment by the Board of Trustees, but no such amendment shall substantially affect rights that have been vested pursuant to this ordinance.

**XV. PENALTY.**

Any person violating the provisions of this ordinance shall in addition to other remedies provided by law be fined not to exceed \$1,000.00 for each offense.