

approved
3-18-19

ORDINANCE NO. 1802

**AN ORDINANCE CREATING TITLE 5, CHAPTER 5.74, OF THE
CITY OF CREST HILL CODE OF ORDINANCES TO BE ENTITLED,
"REGISTRATION OF DEFAULTED MORTGAGE PROPERTY"**

WHEREAS, the City Council ("Council") of the City of Crest Hill ("City") desires to protect the public health, safety, and welfare of the citizens of the incorporated area of the City and maintain a high quality of life for the citizens of the City through the maintenance of structures and properties in the City limits; and

WHEREAS, the Council recognizes properties with defaulted mortgages and subject to foreclosure action or foreclosed upon (hereinafter referred to as "Registrable Properties") located throughout the City lead to a decline in community and property value; create nuisances; lead to a general decrease in neighborhood and community aesthetic; create conditions that invite criminal activity; and foster an unsafe and unhealthy environment; and

WHEREAS, the Council has already adopted property maintenance codes to regulate building standards for the exterior of structures and the condition of the property as a whole; and

WHEREAS, the City has statutory power to define, prohibit, and abate public nuisances pursuant to 65 ILCS 5/11-60-2 of the Illinois Municipal Code; and

WHEREAS, various state statutes authorize the City to provide for the removal of certain nuisances from private properties within the City, including cutting and removal of neglected weeds, grass, trees, and bushes, 65 ILCS 5/11-20-7, pest control activities, 65 ILCS 5/11-20-8, removal of infected trees, 65 ILCS 5/11-20-12, removal of garbage, debris, and graffiti, 65 ILCS 5/11-20-13, and removal, securing, and enclosing abandoned residential properties, 65 ILCS 5/11-20-15.1, and demolition, 65 ILCS 5/11-31-1; and

WHEREAS, the City incurs costs in abating these nuisances by performing property maintenance activities on these properties; and

WHEREAS, such costs are not always recoverable and said expenditures become a loss to the City's finances and other resources; and

WHEREAS, the Council recognizes in the best interest of the public health, safety, and welfare a more regulated method is needed to discourage Registrable Property Mortgagees from allowing their properties to be abandoned, neglected or left unsupervised, creating nuisances and a drain on the City's resources; and

WHEREAS, The Council finds that the implementation of the following changes and additions will assist the Crest Hill in protecting neighborhoods from the negative impact and

conditions that occur as a result of vacancy, absentee ownership, and lack of compliance with existing Crest Hill regulations and laws.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Crest Hill, Will County, Illinois, as follows:

SECTION 1: The City Council hereby finds that all of the recitals contained in the preamble to this Ordinance are true, correct and complete and hereby incorporates it into this Ordinance by this reference.

SECTION 2: Title 5 of the City of Crest Hill Code of Ordinances shall be modified by adding Chapter 5.74 as follows:

CHAPTER 5.74: REGISTRATION OF DEFAULTED MORTGAGE PROPERTY

Section

- 5.74.010 Purpose and Intent
- 5.74.020 Definitions
- 5.74.030 Applicability and Jurisdiction
- 5.74.040 Establishment of a Registry
- 5.74.050 Inspection and Registration of Defaulted Mortgage
- 5.74.060 Maintenance Requirements
- 5.74.070 Security Requirements
- 5.74.080 Provisions Supplemental
- 5.74.090 Public Nuisance
- 5.74.100 Additional Authority
- 5.74.110 Opposing, Obstructing Enforcement Officer; Penalty
- 5.74.120 Penalties
- 5.74.130 Amendments

§ 5.74.010 PURPOSE AND INTENT.

It is the purpose and intent of the City Council to establish a process to address the deterioration, crime, and decline in value of City of Crest Hill ("City") neighborhoods caused by property with defaulted mortgages located within the City, and to identify, regulate, limit and reduce the number of these properties located within the City. It has been determined that Owner-occupied structures are generally better maintained when compared to vacant structures, even with a diligent off-site property Owner. Structures owned by individuals who are economically strained and unable to meet their mortgage obligations are often not properly or diligently maintained, which contribute to blight, declined property values, and have a negative impact on social perception of the residential areas where they are located. It is the Council's further intent to establish a registration program as a mechanism to help protect neighborhoods from becoming blighted through the lack of adequate maintenance of properties that are in default or defaulted,

and to provide a mechanism to avert foreclosure actions through timely intervention, education, or counseling of property Owners.

§ 5.74.020 DEFINITIONS

The following words, terms, and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

City shall mean the City of Crest Hill, Will County, Illinois.

Default shall mean that the mortgagor has not complied with the terms of the mortgage on the property, or the promissory note, or other evidence of the debt, referred to in the mortgage.

Enforcement Officer shall mean any law enforcement officer, building official, zoning inspector, code enforcement officer, fire inspector, building inspector, or other person authorized by the City to enforce the applicable code(s).

Evidence of Vacancy shall mean any condition that on its own, or combined with other conditions present, would lead a reasonable person to believe that the property is vacant. Such conditions may include, but are not limited to: overgrown and/or dead vegetation; past due Utility notices and/or disconnected Utilities; accumulation of trash junk or debris; abandoned vehicles, auto parts and/or materials; the absence of furnishings and/or personal items consistent with habitation or occupancy; the presence of an unsanitary, stagnant swimming pool; the accumulation of newspapers, circulars, flyers and/or mail; statements by neighbors, passers-by, delivery agents or government agents; and/or the presence of boards over doors, windows or other openings in violation of applicable code.

Foreclosure or Foreclosure Action shall mean the legal process by which a Mortgagee, or other lien holder, terminates or attempts to terminate a property Owner's equitable right of redemption to obtain legal and equitable title to the Real Property pledged as security for a debt or the Real Property subject to the lien. The legal process is not concluded until the property obtained by the Mortgagee, lien holder, or their designee, by certificate of title, or any other means, is sold to a non-related bona fide purchaser in an arm's length transaction to satisfy the debt or lien.

Mortgagee shall mean the creditor, including but not limited to, trustees; mortgage servicing companies; lenders in a mortgage agreement; any agent, servant, or employee of the creditor; any successor in interest; or any assignee of the creditor's rights, interests or obligations under the mortgage agreement; or any other person or entity with the legal right to foreclose on the Real Property, excluding governmental entities.

Owner shall mean every person, entity, or Mortgagee, who alone or severally with others, has legal or equitable title to any Real Property as defined by this Chapter; has legal care, charge, or control of any such property; is in possession or control of any such property; and/or is vested with possession or control of any such property. The Property Manager shall not be considered the Owner.

Property Manager shall mean any party designated by the Owner as responsible for inspecting, maintaining and securing the property as required in this Chapter.

Real Property shall mean any residential or commercial land and/or buildings, leasehold improvements and anything affixed to the land, or portion thereof identified by a property parcel identification number, located in the City limits.

Registrable Property shall mean any Real Property located in the City, whether vacant or occupied, that is encumbered by a mortgage in Default, is subject to an ongoing Foreclosure Action by the Mortgagee or Trustee, has been the subject of a Foreclosure Action by a Mortgagee or trustee and a judgement has been entered, or has been the subject of a Foreclosure sale where the title was transferred to the beneficiary of a mortgage involved in the Foreclosure and any properties transferred under a deed in lieu of foreclosure/sale. The designation of a “default/foreclosure” property as “registrable” shall remain in place until such time as the property is sold to a non-related bona fide purchaser in an arm’s length transaction or the Foreclosure Action has been dismissed and any Default on the mortgage has been cured.

Registry shall mean a web-based electronic database of searchable real property records, used by the City to allow Mortgagees the opportunity to register properties and pay applicable fees as required in this Chapter.

Semi-Annual Registration shall mean six (6) months from the date of the first action that requires registration, as determined by the City, or its designee, and every subsequent six (6) months the property is Registrable. The date of the initial registration may be different than the date of the first action that required registration.

Utilities and Services shall mean any utility and/or service that is essential for a building to be habitable and/or perform a service necessary to comply with all City codes. This includes, but is not limited to, electrical, gas, water, sewer, lawn maintenance, pool maintenance, and snow removal.

Vacant shall mean any parcel of land in the City that contains any building or structure that is not lawfully occupied.

§ 5.74.030 APPLICABILITY AND JURISDICTION

This Chapter applies to Registrable property within the City.

§ 5.74.040 ESTABLISHMENT OF A REGISTRY

Pursuant to the provisions of Section 5.74.050 the City, or its designee, shall establish a registry cataloging each Registrable Property within the City, containing the information required by this Chapter.

§ 5.74.050 INSPECTION AND REGISTRATION OF DEFAULTED MORTGAGE

- (a) Any Mortgagee who holds a mortgage on Real Property located within the City shall perform an inspection of the property upon it being in Default or Defaulted by the mortgagor or prior to the issuance of a notice of Default.
- (b) Property inspected pursuant to subsection (a) above that remains in Default or Defaulted, shall be inspected every thirty (30) days by the Mortgagee or Mortgagee's designee. If an inspection shows a change in the property's occupancy status the Mortgagee shall, within ten (10) days of that inspection, update the occupancy status of the property registration.
- (c) Within ten (10) days of the date any Mortgagee declares its mortgage to be in Default or Defaulted, the Mortgagee shall register the Real Property with the City Registry, and, at the time of registration, indicate whether the property is Vacant, and if so shall designate in writing a Property Manager to inspect, maintain and secure the Real Property subject to the mortgage in Default or Defaulted. A separate registration is required for each Registrable Property.
- (d) Initial registration pursuant to this section shall contain at a minimum the name of the Mortgagee, the mailing address of the Mortgagee, e-mail address, telephone number and name of the Property Manager and said person's address, e-mail address, and telephone number.
- (e) At the time of initial registration each registrant shall pay a non-refundable Semi-Annual Registration fee of \$300 for each Registrable Property. Subsequent Semi-Annual Registrations of Defaulted properties and fees in the amount of \$300 are due within ten (10) days of the expiration of the previous registration. Said fees shall be used to offset the costs of: (1) registration and registration enforcement, (2) code enforcement and mitigation related to Defaulted properties, (3) post-closing counseling and Foreclosure intervention limited to Owner-occupied persons in Default, which may not include cash and mortgage modification assistance, and (4) for any related purposes as may be adopted in the policy set forth in this Chapter. Said fees shall be deposited to a special account in the City's Department dedicated to the cost of implementation and enforcement of this Ordinance, and fulfilling the purpose and intent of this Chapter. None of the funds provided for in this section shall be utilized for the legal defense of Foreclosure Actions.
- (f) If the Defaulted mortgage and/or servicing on a property is sold or transferred, the new Mortgagee is subject to all the terms of this Chapter. Within ten (10) days of the transfer, the new Mortgagee shall register the property or update the existing registration. The previous Mortgagee(s) will not be released from the responsibility of paying all previous unpaid fees, fines, and penalties accrued during that Mortgagee's involvement with the Registrable Property.

- (g) If the Mortgagee sells or transfers the Registrable Property in a non-arm's length transaction to a related entity or person, the transferee is subject to all the terms of this Chapter. Within ten (10) days of the transfer, the transferee shall register the property or update the existing registration. Any and all previous unpaid fees, fines, and penalties, regardless of who the Mortgagee was at the time registration was required, including but not limited to unregistered periods during the Foreclosure process, are the responsibility of the transferee and are due and payable with the updated registration. The previous Mortgagee will not be released from the responsibility of paying all previous unpaid fees, fines, and penalties accrued during that Mortgagee's involvement with the Registrable Property.
- (h) If the Defaulted Property is not registered, or the registration fee is not paid within thirty (30) days of when the registration or renewal is required pursuant to this section, a late fee equivalent to ten percent (10%) of the Semi-Annual Registration fee shall be charged for every thirty-day period (30), or portion thereof, the property is not registered and shall be due and payable with the registration.
- (i) This section shall also apply to properties that have been the subject of a foreclosure sale where title is transferred to the Mortgagee as well as any properties transferred to the Mortgagee under a deed in lieu of foreclosure or by any other legal means.
- (j) Properties subject to this section shall remain subject to the Semi-Annual Registration requirement, and the inspection, security, and maintenance standards of this section as long as the property remains Registrable.
- (k) Failure of the Mortgagee and/or property Owner of record to properly register or to modify the registration to reflect a change of circumstances as required by this ordinance is a violation of this Chapter and shall be subject to enforcement by any of the enforcement means available to the City.
- (l) If any property is in violation of this Chapter the City may take the necessary action to ensure compliance with and/or place a lien on the property for the cost of the outstanding obligation and any additional cost incurred to the property into compliance.

§ 5.74.060 MAINTENANCE REQUIREMENTS

- (a) Properties subject to this chapter shall be kept free of weeds, overgrown brush, dead vegetation, trash, junk, debris, building materials, any accumulation of newspaper 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, or any other items that give the appearance that the property is abandoned.
- (b) Registrable Property shall be maintained free of graffiti or similar markings by removal or painting over with an exterior grade paint that matches the color of the exterior structure.

- (c) Front, side, and rear yards, including landscaping, of Registrable Property shall be maintained in accordance with the applicable code(s) at the time registration is required.
- (d) Registrable yard maintenance shall include, but not be limited to, grass, ground covers, bushes, shrubs, hedges or similar plantings, decorative rock or bark or artificial turf/sod. Acceptable maintenance of yards and/or landscape shall not include weeds, gravel, broken concrete, asphalt or similar material.
- (e) Maintenance shall include, but not be limited to, watering, irrigation, cutting and mowing of required ground cover or landscape and removal of all trimmings.
- (f) Pools and spas of shall be maintained so the water remains free and clear of pollutants and debris and shall comply with the regulations set forth in the applicable code(s).
- (g) In addition to the above, the property is required to be maintained in accordance with the applicable code(s) of the City.
- (h) Failure of the Mortgagee, Owner, and transferees to properly maintain the property as required by this Chapter may result in a violation of the applicable code(s) and issuance of a citation or notice of violation in accordance with the applicable code of the City. The City may take the necessary action to ensure compliance with this Chapter.

§ 5.74.070 SECURITY REQUIREMENTS

- (a) Properties subject to this Chapter shall be maintained in a secure manner so as not to be accessible to unauthorized persons.
- (b) A "secure manner" shall include, but not be limited to, the closure and locking of windows, doors, gates and other openings of such size that may allow a child to access the interior of the property or structure. Broken windows, doors, gates, and other openings of such size that may allow a child to access the interior of the property or structure must be repaired. Broken windows shall be secured by re-glazing of the window.
- (c) If a property is Registrable, and the property has become vacant or blighted, a Property Manager shall be designated by the Mortgagee or Owner to perform the work necessary to bring the property into compliance with the applicable code(s), and the Property Manager must perform regular inspections to verify compliance with the requirements of this Chapter, and any other applicable laws.
- (d) In addition to the above, the property is required to be secured in accordance with the applicable code(s) of the City.
- (e) When a property subject to this Chapter becomes Vacant, it shall be posted with the name and twenty-four (24) hour contact telephone number of the Property Manager. The

Property Manager shall be available to be contacted by the City Monday through Friday between 9:00 a.m. and 5:00 p.m., legal holidays excepted. The sign shall be placed in a window facing the street and shall be visible from the street. The posting shall be no less than eighteen (18) inches by twenty-four (24) inches and shall be of a font that is legible from a distance of forty-five (45) feet. The posting shall contain the following language with supporting information:

THIS PROPERTY IS MANAGED BY _____.
AND IS INSPECTED ON A REGULAR BASIS. _____.
THE PROPERTY MANAGER CAN BE CONTACTED _____.
BY TELEPHONE AT _____.
OR BY EMAIL AT _____.

- (f) The posting required in subsection (e) above shall be placed on the interior of a window facing the street to the front of the property so that it is visible from the street, or secured to the exterior of the building/structure facing the street to the front of the property so that it is visible from the street or if no such area exists, on a stake of sufficient size to support the posting in a location that is at all times visible from the street to the front of the property but not readily accessible to vandals. Exterior posting shall be constructed of and printed with weather-resistant materials.
- (g) Failure of the Mortgagee and/or property Owner of record to properly inspect and secure a property subject to this Chapter, and post and maintain the signage noted in this section, is a violation and shall be subject to enforcement by any of the enforcement means available to the City. The City may take the necessary action to ensure compliance with this section, and recover costs and expenses in support thereof.

§ 5.74.080 PROVISIONS SUPPLEMENTAL

The provisions of this Chapter are cumulative with and in addition to other available remedies. Nothing contained in this Chapter shall prohibit the City from collecting on fees, fines, and penalties in any lawful manner; or enforcing its codes by any other means, including, but not limited to, injunction, abatement, or as otherwise provided by law or ordinance.

§ 5.74.090 PUBLIC NUISANCE

All Registrable Property is at risk of being a public nuisance and if vacant or blighted can constitute a public nuisance, the abatement of which pursuant to the police power is hereby declared to be necessary for the health, welfare, and safety of the residents of the City.

§ 5.74.100 ADDITIONAL AUTHORITY

- (a) If the Enforcement Officer has reason to believe that a property subject to the provisions of this Chapter is posing a serious threat to the public health, safety, and welfare, the code

Enforcement Officer may temporarily secure the property at the expense of the Mortgagee or Owner, and may bring the violations before the Administrative Hearing Officer or the Circuit Court of Will County as soon as possible to address the conditions of the property. Nothing herein shall limit the City from abating any nuisance or unsafe condition by any other legal means available to it.

- (b) Without prejudice to remedies available in the Circuit Court, the Code Enforcement Officer or Administrative Hearing Office for the City's Code Hearing Unit shall have the authority to require the Mortgagee or Owner affected by this section, to implement additional maintenance and/or security measures including, but not limited to, securing any and all doors, windows or other openings, employment of an on-site security guard or other measures as may be reasonably required to help prevent further decline of the property.
- (c) The City may contract with an entity to implement this Chapter, and, if so, any reference to the Enforcement Officer herein shall include the entity the City contract with for that purpose.

§ 5.74.110 OPPOSING, OBSTRUCTING ENFORCEMENT OFFICER; PENALTY

Whoever opposes obstructs or resists any Enforcement Officer or any person authorized by the enforcement office in the discharge of duties as provided in this chapter shall be punishable as provided in the applicable code(s) or a court of competent jurisdiction.

§ 5.74.120 PENALTIES

Any person found guilty of a violation of any of the provisions of this chapter shall be fined not less than \$150, but no more than \$750 for each offense. Each day the violation continues shall be considered a separate violation.

§ 5.74.130 AMENDMENTS

Registration fees and penalties outlined in this Article may be modified by resolution, administrative order, or an amendment to this Article, passed and adopted by the COUNCIL.

SECTION 3: Severability. If any section, paragraph, clause or provision of this Ordinance is held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provision of this Ordinance.

SECTION 4: Repealer. All ordinances, resolutions or orders, or parts thereof, which conflict with the provisions of this Ordinance, are to the extent of such conflict hereby repealed.

SECTION 5: This Ordinance shall be in full force and effect immediately upon its passage and publication according to law.

PASSED THIS 18th DAY OF MARCH, 2019.

	Aye	Nay	Absent	Abstain
Alderman John Vershay	_____	_____	_____	_____
Alderman Scott Dyke	_____	_____	_____	_____
Alderwoman Claudia Gazal	_____	_____	_____	_____
Alderwoman Barbara Sklare	_____	_____	_____	_____
Alderwoman Tina Oberlin	_____	_____	_____	_____
Alderman Marco Coladipietro	_____	_____	_____	_____
Alderman Nate Albert	_____	_____	_____	_____
Alderman Tom Inman	_____	_____	_____	_____
Mayor Raymond R. Soliman	_____	_____	_____	_____

Vicki L. Hackney, City Clerk

APPROVED THIS 18th DAY OF MARCH, 2019.

Raymond R. Soliman, Mayor

ATTEST:

Vicki L. Hackney, City Clerk