



## Agenda Memo

Crest Hill, IL

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<b>Meeting Date:</b>	May 6, 2024
<b>Submitter:</b>	Ronald Mentzer, Interim Community and Economic Development Director
<b>Department:</b>	Community Development
<b>Agenda Item:</b>	Defaulted Mortgage Property Registration Ordinance Amendments

### **April 29, 2024, City Council Workshop Meeting:**

The City Council discussed the staff recommended amendments to the City's Defaulted Mortgage Property Registration Ordinance at their April 29, 2024, meeting. The consensus of those Council members present at the meeting was to forward the recommended ordinance amendments for City Council approval at the May 6, 2024, meeting.

### **Background:**

In 2019, the City Council approved attached Ordinance #1802 to require owners of vacant properties in mortgage default to register their property with the City (the "Registration Ordinance"). The Registration Ordinance requires ownership and property manager information for eligible properties to be provided to the City. It also outlines the various maintenance and security requirements registered properties must be maintained in conformance with. These requirements are intended to allow the City of Crest Hill to better protect neighborhoods from the negative impacts that can be created by properties in some form of mortgage default.

The City is in the process of entering into a professional services agreement (PSA) with HERA to create and manage the web based registration platform the City will use to process and track these registrations. During PSA negotiations with HERA representatives, it was brought to staff's attention that the City's current Registration Ordinance requirements are somewhat limited in that they only apply to properties in some stage of mortgage default. Most other area communities require all vacant properties to be registered, irrespective of the status of the underlying mortgage.

Community Development Department staff believes it would be in the best interest of the community to amend and expand the applicability of the current Registration Ordinance, so its

requirements and regulations apply to all vacant properties, irrespective of the status of the mortgage on the property. Doing so would result in City code enforcement staff having (i) more accurate and current contact information for the individuals responsible for securing and maintaining vacant properties and (ii) more authority to ensure vacant properties are properly maintained and secured which should help to minimize the impact these properties have on the surrounding neighborhood and community.

Based on information provided by HERA representatives, expanding the applicability of the Registration Ordinance in this manner would likely increase the number of properties eligible for registration by approximately 20%. As a result, staff expects that the recommended expanded applicability of the Registration Ordinance would generate an additional \$3,200 in registration fee revenue annually for the City.

Community and Economic Development Director Mentzer, HERA Representatives, and the City Attorney collaborated on the preparation of the attached draft Registration Ordinance amendment. The recommended revisions to the existing Registration Ordinance are highlighted in yellow.

Community and Economic Development Director Mentzer, A representative from HERA, and the City Attorney will be at the meeting to address questions regarding the recommended Registration Ordinance Amendments.

**Recommended Council Action:**

Approval of Ordinance Amending Title 5, Chapter 5.74 (Registration of Vacant and Defaulted Mortgage Property), Section 5.74.020 Definitions, and Adding Section 5.74.055 Inspection and Registration of Real Property That is Not Subject To A Mortgage Foreclosure of the City of Crest Hill Code of Ordinances.

**Funding Source:** N/A

**Budgeted Amount:** N/A

**Cost:** N/A

**Attachments:**

- Approval ordinance
- Staff recommended code amendments Recommended