

CITY OF WAUKEGAN

ORDINANCE No. 19—O—84

The Title of

**AN ORDINANCE, REPEALING AND REPLACING CHAPTER 6, ARTICLE XV OF
THE CITY OF WAUKEGAN CODE OF ORDINANCES TO BE ENTITLED,
“REGISTRATION OF DEFAULTED MORTGAGE AND VACANT PROPERTY”;**

**ADOPTED AND PASSED BY THE CITY COUNCIL
OF THE CITY OF WAUKEGAN**

**ON THE 19th
DAY OF AUGUST, 2019**

**Published in pamphlet form by authority of the City Council, of the City of
Waukegan, Lake County, Illinois, on the 20th day of AUGUST, 2019**


CITY CLERK

ORDINANCE 19—0—84

**AN ORDINANCE, REPEALING AND REPLACING CHAPTER 6, ARTICLE XV OF
THE CITY OF WAUKEGAN CODE OF ORDINANCES TO BE ENTITLED,
“REGISTRATION OF DEFAULTED MORTGAGE AND VACANT PROPERTY”;**

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

WHEREAS, the City Council recognizes properties with defaulted mortgages and subject to foreclosure action or foreclosed upon and vacant properties (hereinafter referred to as “registrable properties”) located throughout the City of Waukegan 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 City 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 Council recognizes in the best interest of the public health, safety, and welfare a more regulated method is needed to discourage registrable property owners and mortgagees from allowing their properties to be abandoned, neglected or left unsupervised; and

WHEREAS, the City Council has a vested interest in protecting neighborhoods against decay caused by registrable property and concludes that it is in the best interests of the health, safety, and welfare of its citizens and residents to impose registration requirements of registrable property located within the City of Waukegan to discourage registrable property owners and mortgagees from allowing their properties to be abandoned, neglected or left unsupervised.

**NOW THEREFORE, IN EXERCISE OF ITS HOME RULE POWERS, BE IT ORDAINED
BY THE CITY COUNCIL OF THE CITY OF WAUKEGAN, LAKE COUNTY, ILLINOIS:**

SECTION ONE. The City Council finds that the implementation of the following changes and additions will assist the City of Waukegan in protecting neighborhoods from the negative impact and conditions that occur as a result of vacancy, absentee ownership, and lack of compliance with existing City of Waukegan regulations and laws.

SECTION TWO. That the foregoing recitals are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon the adoption hereof.

SECTION THREE. That the City of Waukegan, Illinois Code of Ordinances Chapter 6, Article XV entitled “Vacant Structure Registration” is hereby repealed in its entirety.

SECTION FOUR. That the City of Waukegan, Illinois Code of Ordinances is amended by creating Chapter 6, Article XV entitled “Registration of defaulted Mortgage and Vacant Property” to read as follows:

**TITLE ##. CHAPTER ##. REGISTRATION OF DEFAULTED MORTGAGE AND
VACANT PROPERTY**

Sec. 6-405 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 the City of Waukegan neighborhoods caused by property with defaulted mortgages located within the City of Waukegan, and to identify, regulate, limit and reduce the number of these properties located within the City of Waukegan. 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. Vacant structures or 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 City 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, and to address the underlying causes of such blight which contribute to vacancy, default, and foreclosure.

Sec. 6-406 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.

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 marshal, building inspector, or other person authorized by the City of Waukegan 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 or dead vegetation; past due utility notices or disconnected utilities; accumulation of trash junk or debris; abandoned vehicles, auto parts or materials; the absence of furnishings or personal items consistent with habitation or occupancy;

the presence of an unsanitary, stagnant swimming pool; the accumulation of newspapers, circulars, flyers, or mail; statements by neighbors, passers-by, delivery agents, or government agents; or the presence of boards over doors, windows or other openings in violation of applicable city codes and ordinances.

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 or buildings, leasehold improvements and anything affixed to the land, or portion thereof identified by a property parcel identification number, located within the City's corporate limits.

Registrable Property shall mean:

- (a) Any real property located in the City of Waukegan, 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 where 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; or
- (b) Any property that is vacant for more than thirty (30) days or any cancellation of utility or service, whichever occurs first.

Registry shall mean a web-based electronic database of searchable real property records, used by the City to allow mortgagees and owners 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 of Waukegan, or its designee, and every subsequent six (6) months. 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 and ordinances. A utility includes, but is not limited to the following: electrical, gas, water, sewer, lawn maintenance, pool maintenance, and snow removal.

Vacant shall mean any parcel of land within the corporate limits of the City of Waukegan that contains any building or structure that is not lawfully occupied.

Sec. 6-407 APPLICABILITY AND JURISDICTION

This Chapter applies to all defaulted and vacant property within the City of Waukegan.

Sec. 6-408 ESTABLISHMENT OF A REGISTRY

Pursuant to the provisions of Section ## the City of Waukegan, or its designee, shall establish a registry cataloging each registrable property within the City, containing the information required by this Chapter.

Sec. 6-409 INSPECTION AND REGISTRATION OF DEFAULTED MORTGAGE

- (a) Any mortgagee who holds a mortgage on real property located within the City of Waukegan 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 of Waukegan 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 defaulted 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 defaulted 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 Revenue Fund set up by the Director of Finance in conjunction with the Treasurer. This Fund shall be 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. The Director of Finance shall maintain the appropriate and separate books and records in accordance with best accounting practices for such a Fund.
- (f) Each individual property on the Registry that has been registered for six (6) months or more prior to the Effective Date shall have thirty (30) days to renew the registration and pay the \$300 Semi-Annual Registration fee. Properties registered less than six (6) months prior to the Effective Date shall renew the registration every six (6) months from the expiration of the original registration renewal date and shall pay the \$300.
- (g) 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 defaulted property.
- (h) If the mortgagee sells or transfers the defaulted 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 defaulted property.

- (i) 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.
- (j) 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.
- (k) 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 defaulted.
- (l) Failure of the mortgagee 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 of Waukegan.
- (m) If any property is in violation of this Chapter the City of Waukegan 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.
- (n) Properties registered as a result of this section are not required to be registered again pursuant to the real property that is not subject to a mortgage in default section.

Sec. 6-410 INSPECTION AND REGISTRATION OF REAL PROPERTY THAT IS NOT SUBJECT TO A MORTGAGE IN DEFAULT

- (a) Any owner of vacant property located within the City of Waukegan shall within ten (10) days after the property becomes vacant, or within ten (10) days after assuming ownership of the property, whichever is later, register the real property with the City of Waukegan registry.
- (b) Initial registration pursuant to this section shall contain at a minimum the name of the owner, the mailing address of the owner, e-mail address, and telephone number of the owner, and if applicable, the name and telephone number of the property manager and said person's address, e-mail address, and telephone number.
- (c) At the time of initial registration each registrant shall pay a non-refundable Semi-Annual Registration fee of \$300 for each vacant property. Subsequent Semi-Annual Registrations of vacant 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

Vacant properties, and (3) for any related purposes as may be adopted in the policy set forth in this Chapter. Said fees shall be deposited to the Special Revenue Fund implemented under this Chapter and dedicated to the cost of implementation and enforcement of this Ordinance, and fulfilling the purpose and intent of this Chapter.

- (d) Each individual property on the registry that has been registered for six (6) months or more prior to the effective date shall have thirty (30) days to renew the registration and pay the \$300 Semi-Annual Registration fee. Properties registered less than six (6) months prior to the Effective Date shall renew the registration every six (6) months from the expiration of the original registration renewal date and shall pay the \$300.
- (e) If the property is sold or transferred, the new owner is subject to all the terms of this Chapter. Within ten (10) days of the transfer, the new owner shall register the vacant property or update the existing registration. The previous owner(s) will not be released from the responsibility of paying all previous unpaid fees, fines, and penalties accrued during that owner's involvement with the vacant property.
- (f) If the vacant property is not registered, or either the registration fee or the Semi-Annual Registration fee is not paid within thirty (30) days of when the registration or Semi-Annual Registration is required pursuant to this section, a late fee shall be equivalent to ten percent (10%) of the Semi-Annual Registration fee shall be charged for every thirty (30) day period, or portion thereof, the property is not registered and shall be due and payable with the registration. This section shall apply to the initial registration and registrations required by subsequent owners of the vacant property.
- (g) 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 is vacant.
- (h) Failure of the owner 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 of Waukegan.
- (i) If any property is in violation of this Chapter the City of Waukegan may take the necessary action to ensure compliance with and place a lien on the property for the cost of the outstanding obligation and any additional cost incurred to the property into compliance.
- (j) Properties registered as a result of this section are not required to be registered again pursuant to the defaulted mortgage property section.

Sec. 6-411 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 all City property maintenance codes.
- (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 or sod. Acceptable maintenance of yards 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 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) 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 of Waukegan. Pursuant to a finding and determination by the City of Waukegan Sheriff, Magistrate or a court of competent jurisdiction, the City of Waukegan may take the necessary action to ensure compliance with this section.
- (h) In addition to the above, the property is required to be maintained in accordance with all codes and ordinances of the City of Waukegan.

Sec. 6-412 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 and/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. Full contact information, including both phone number and email address, for the property manager must be recorded with the City of Waukegan and updated within 48 hours of any changes.

- (d) In addition to the above, the property is required to be secured in accordance with all codes and ordinances of the City of Waukegan.

- (e) Failure of the mortgagee and/or property owner of record to properly inspect and secure a property subject to this Chapter, and to register and maintain a property manager, is a violation and shall be subject to enforcement by any of the enforcement means available to the City of Waukegan. The City of Waukegan may take the necessary action to ensure compliance with this section, and recover costs and expenses in support thereof.

Sec. 6-413 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 of Waukegan 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.

Sec. 6-414 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 of Waukegan.

Sec. 6-415 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 adjudication hearing officer, as defined in Chapter 2, Article VIII of the City Code, as soon as possible to address the conditions of the property. Nothing herein shall limit the City of Waukegan from abating any nuisance or unsafe condition by any other legal means available to it.

- (b) The administrative adjudication hearing officer 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) If there is a finding that the condition of the property is posing a serious threat to the public health, safety, and welfare, then the administrative adjudication hearing officer may direct the City of Waukegan to abate the violations and charge the mortgagee or owner with the cost of the abatement.
- (d) If the mortgagee or owner does not reimburse the City of Waukegan for the cost of temporarily securing the property, or of any abatement directed by the administrative adjudication hearing officer, within thirty (30) days of the City of Waukegan sending the mortgagee or owner the invoice then the City of Waukegan may lien the property with such cost, along with an administrative fee as determined in the City of Waukegan's fee ordinance to recover the administrative personnel services. In addition to filing a lien the City of Waukegan may pursue financial penalties against the mortgagee or owner.
- (e) The City of Waukegan 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 of Waukegan contract with for that purpose.

Sec. 6-415A 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.

Sec. 6-415B PENALTIES

Unless otherwise provided for in this Chapter, a violation of this Chapter is declared unlawful.

Sec. 6-416C AMENDMENTS

Registration and Penalty Fees outlined in this Chapter may be modified by administrative order, passed and adopted by the City Council.

SECTION 5. SEVERABILITY

It is hereby declared to be the intention of the City of Waukegan that the sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

SECTION 6. REPEALER

All ordinances or parts of ordinances in conflict herewith, are hereby repealed and replaced.

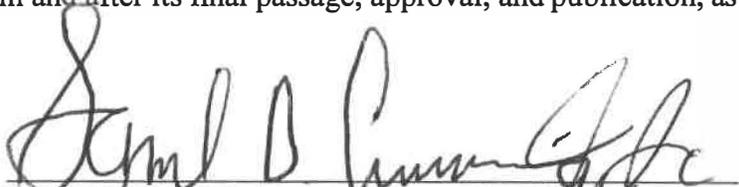
SECTION 7. CODIFICATION

It is the intention of the City Council, that the provisions of this Ordinance shall become and be made a part of the City of Waukegan Code of Ordinances; and that the sections of this ordinance may be renumbered or re-lettered to accomplish such intention, and the word "ordinance" may be changed to "section", "chapter", or such other appropriate word or phrase in order to accomplish such intentions.

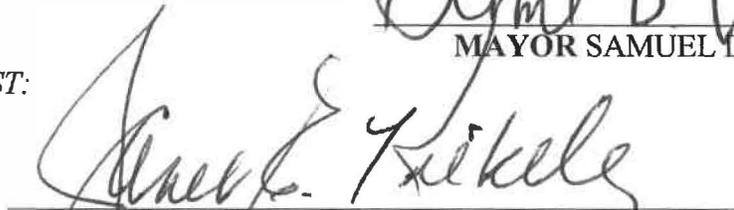
SECTION 8. EFFECTIVE DATE

This ordinance shall be in effect from and after its final passage, approval, and publication, as provided by law.

Passed this 19th day of AUGUST, 2019.
CITY OF WAUKEGAN


MAYOR SAMUEL D. CUNNINGHAM, JR

ATTEST:


CITY CLERK JANET E. KILKELLY

ROLL CALL: ALD RIVERA, ALD FLORIAN, ALD TAYLOR, ALD BOLTON, ALD SEGER, ALD MOISIO, ALD KIRKWOOD, ALD NEWSOME, ALD TURNER.

AYE: ALD RIVERA, ALD FLORIAN, ALD TAYLOR, ALD BOLTON, ALD SEGER, ALD MOISIO, ALD KIRKWOOD, ALD NEWSOME, ALD TURNER.

NAY: NONE.

ABSENT: NONE.

ABSTAIN: NONE.