

**AN ORDINANCE SECTION 2-24 OF CHAPTER 2 OF THE CHELSEA CODE OF
ORDINANCES REGARDING PUBLIC OFFENSES**

Sec. 2-24 Regulation of Vacant and Foreclosing Properties.

(a) Findings. The city council finds and determines there is a nationwide epidemic of foreclosures due to recent events in the housing market and that the situation has created a threat to the public welfare and safety of private property owners as well as the community at large. The properties are often abandoned as the foreclosure process begins and retaken by financial institutions with little to no connection with the municipality in which they own the property. Homes are often left unoccupied for a significant period of time which may lead to a host of public health and safety issues as well as having the effect of lowering neighboring property values. Further, many vacant properties sit in direct violation of multiple aspects of state and local building and sanitary codes.

(b) Purpose. The purpose of this ordinance is to reduce the harmful effect that vacant, abandoned, unsafe and foreclosing properties have on surrounding neighborhoods and the city's inhabitants by (i) requiring all residential property owners, including lenders, trustees, and service companies, to properly maintain vacant and/or foreclosing properties (ii) regulating the maintenance of vacant and/or foreclosing, residential properties to prevent blighted and unsecure residences. Further, this ordinance will provide additional enforcement tools to the City of Chelsea ("City") in an effort to enhance the health, safety and welfare of the community at large.

(c) Definitions. Without limiting the foregoing definitions contained in Section 2-23 above and except where otherwise indicated by the context, the following definitions shall apply in the interpretation and enforcement of this ordinance:

Foreclosing. Foreclosing shall mean the process by which a property, placed for a real estate loan, is prepared for sale to satisfy the debt if the borrower defaults.

Initiation of the foreclosure process. Initiation of the foreclosure process shall mean the taking of any of the following actions: (i) taking possession of a residential property pursuant to M.G.L. c.244, s 1; (ii) delivering the Mortgagee's notice of intention to foreclose to the borrower pursuant to M.G.L. c. 244, s 17B; or (iii) commencing a foreclosure action on a property in either Land Court or Suffolk Superior Court.

Local Local shall mean within sixty miles from the distance of the property in question, unless waived by the City's Building Inspector.

Mortgagee. Mortgagee shall mean the creditor, including but not limited to, service companies, lenders in a mortgage agreement and any agent, servant, or employee of the mortgagee, or any successor in interest and/or assignee of the mortgagee's rights, interests or obligations under the mortgage agreement.

Owner. An owner shall mean every person, entity, service company, trustee, property manager or real estate broker, who alone or severally with others:

(1) has legal or equitable title to any dwelling, dwelling unit, mobile dwelling unit, or parcel of land, vacant or otherwise, including a mobile home park; or

(2) has care, charge or control of any dwelling, dwelling unit, mobile dwelling unit, or parcel of land, vacant or otherwise, including a mobile home park, in any capacity including but not limited to agent, executor, administrator, trustee or guardian of the estate of the holder of legal title; or

(3) is a mortgagee in possession of any such property; or

(4) is an agent, trustee or other person appointed by the courts and vested with possession or control of any such property; or

(5) is an officer or trustee of the association of unit owners of a condominium. Each such person is bound to comply with the provisions of these minimum standards as if he were the owner. However, this ordinance shall not apply to a Condominium Association created pursuant to M.G.L. c. 138A to the

extent that such Association forecloses on or initiates the foreclosure process for unpaid assessments due or owing to the Association. Owner also means every person who operates a rooming house; or

(6) is a trustee who holds, owns or controls mortgage loans for mortgage backed securities transactions and has initiated the foreclosure process.

Property. Property shall mean any real, residential property, or portion thereof, located in the City of Chelsea, including buildings or structures situated on the property.

Residential Property. Residential property shall mean any property that contains one or more dwelling units used, intended, or designed to be occupied for living purposes.

Vacant. Vacant shall mean any property not currently legally occupied and not properly maintained or secured.

(d) Registration of vacant and/or foreclosing residential properties and the duty to provide written notice.

(1) All owners must register vacant and/or foreclosing properties with the Commissioner of Inspectional Services Department on the appropriate forms provided by that office.

(2) All registrations must state the owner's or agent's name, phone number and mailing address located within the Commonwealth as required by M.G.L. c. 59, s 57D, M.G.L. c. 156D, s 5.02 and 950 CMR 113.20. The mailing address may not be a P.O. Box.

(3) This registration must also certify that the property was inspected and identify whether the property is vacant at the time of filing.

(4) If the property is vacant, the owner and/or registrant must designate and retain a local individual or local property management company responsible for the security and maintenance of the property. This designation must state the individual or company's name, phone number, and local mailing address. The mailing address may not be a P.O. Box. Should the owner and/or registrant choose another local individual or local property management company to be responsible for the security and maintenance of the property, the owner and/or registrant must notify the city in accordance with the requirements of paragraphs (1) and (2) and this sub-section within seven days of the designation.

(5) If the property is in the process of foreclosure, then the registration must be received within seven days of the initiation of the foreclosure process as defined in subsection (c).

(6) If the City determines that the property is vacant and that the foreclosure proceedings have not been initiated, the registration must be received within fourteen days of the City's first citation for improper maintenance.

(7) In the event there is a change in ownership while the residential property remains vacant and/or in the process of foreclosure, the new owner shall register with the city in accordance with the provisions of this sub-section within seven days of transfer of ownership.

(e) Administrative Fee

(1) All property registrations are valid for one calendar year. An annual registration fee of one hundred dollars (\$100.00) must accompany the registration form.

(2) Subsequent annual registrations and fees are due within thirty (30) days of expiration of the previous registration and must certify whether the foreclosing and/or foreclosed property remains vacant or not.

(3) Once the property is no longer vacant or sold, the owner must provide proof of sale or written notice and proof of occupancy to the Commissioner of the Inspectional Services Department.

(f) Maintenance Requirements.

(1) Properties subject to this section must be maintained in accordance with the relevant Sanitary Codes, Building Codes, and Chelsea regulations concerning external and/or visible maintenance. The owner, local individual, or local property management company must inspect and maintain the property on a bi-monthly basis for the duration of the vacancy.

(2) The property must contain a posting with the name and 24-hour contact phone number of the local individual or property management company responsible for the maintenance. This sign must be posted on the front of the property so that it is clearly visible from the street.

(g) Inspections. The Inspectional Services Department shall have the authority and the duty to inspect properties subject to this section for compliance with this section. The Commissioner of the Inspectional Services Department has enforcement authority pursuant to, *inter alia*, M.G.L. c. 143, s. 3, the State Building Code, and the Administrative Code of the City.

(h) Enforcement and Penalties.

(1) In accordance with Section 1-7, General Schedule of Non-criminal Fines, failure to register with the Commissioner is punishable by a fine of fifty dollars (\$50) for a first offense, one hundred and fifty dollars (\$150) for a second offense, and three hundred dollars (\$300) for a third offense.

(2) Failure to properly identify the name of the local individual or local property management company is punishable by the fee schedule set forth in Section 1-7.

(3) Failure to maintain the property is punishable by the fee schedule set forth in Section 1-7. All monies collected pursuant to this section shall be directed to a revolving account for the personnel costs incurred and board up fee for vacant properties due to the City's enforcement of this Ordinance.

(4) Failure to comply with this section shall constitute a separate offense, punishable by the schedule of fines set forth in Section 1-7, for each day that elapses after property is determined to be vacant and/or notice of foreclosure is advertised in the local newspaper.

(i) Severability and Validity. If any section, subsection paragraph or sentence of this ordinance, or any part thereof, is for any reason found to be unconstitutional, invalid or beyond the authority of the city of Chelsea by a court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this ordinance.

(j) Effective Date. This Section shall be effective thirty (30) days from the date of adoption of this ordinance.