



AGENDA
AD HOC COMMITTEE ON RENTAL AND
LAND CONTRACT HOUSING CONDITIONS
Thursday, February 11, 2016 @ 8:15 a.m.
Council Conference Room, 10th Floor, City Hall

Councilmember Kathie Dunbar, Chair
Councilmember Judi Brown Clarke, Member
Councilmember Tina Houghton, Member
Councilmember Carol Wood, Member

1. Call to Order
2. Minutes:
 - October 2, 2015
 - November 5, 2015
 - December 3, 2015
 - January 14, 2016
3. Public Comment
4. Presentations
 - City Assessing Information
5. Discussion/Action
6. Other
7. Adjourn



**AD HOC COMMITTEE ON RENTAL AND
LAND CONTRACT HOUSING CONDITIONS
Thursday, February 11, 2016 @ 8:15 a.m.**

Council Member Dunbar called the meeting to order at 8:22 a.m.

Councilmember Kathie Dunbar, Chair
Councilmember Judi Brown Clarke, Member – left at 8:45 a.m.
Councilmember Tina Houghton, Member
Councilmember Carol Wood, Member – left at 9:07 a.m.

Others Present:

Sherrie Boak, Council Office Manager
Scott Sanford, Code Compliance
Yolanda Bennett, Assistant City Attorney
Teresa Bowers, Assessing
Angie Bennett, Finance Director
Richard Williams

Ms. Bowers and Ms. Bennett begin the discussion outlining the current steps the City Assessing office does. This includes recording the land contract at the Register of Deeds first, making a copy at City Hall, then file the transfer affidavit with the City. Council Member Brown Clarke asked what the “script” was that is used when a resident comes to the City Assessing counter. The residents are instructed to record the land contract with the Register of Deeds because it is their best interest, and once it is recorded the County does notify the City. This is done in a bi-weekly download done by the City Assessing Department. Council Member Wood asked why some properties do not show a change when they become owner occupied, it still says 0% Homestead exemption. Ms. Bowers noted that the new owner has to fill out the paperwork, and if they do not and Assessing recognizes it they will mail out the paperwork to them. When Assessing inputs ownership into their system it is noted that the buyer of the land contract is the owner, and the land contract seller is the tax payer. The paperwork is not set to both parties because the State requires it be completed by the owner that lives at the property in order to receive the exemption.

Council Member Dunbar noted to the members that the Committee was informed by the County that some land contract sellers record the land contract at the Register of Deeds and do not give copies to the new owners.

Mr. Williams informed the Committee of practices where the seller pays the taxes, insurance and utilities. Most land contracts are written that principal interest include taxes, utilities, etc. Council Member Dunbar asked Mr. Williams why if they can’t afford to make tax or utility

payment why put them on land contract. Mr. Williams clarified that some of their credit scores won't let them get a mortgage. Council Member Brown Clarke noted that this process that was given as an example allows the seller to protect the house from going into the rear on the expenses. This way the risk is on the buyer and if they can't meet the terms then the seller gets the house back. Mr. Williams said that if the land contract is recorded, and the buyer does not pay on the land contract for 30-60 days, it is harder to get the house back. It is the same as a mortgage, and he is paying the taxes. The land contract allows the buyer "ownership" and if the homestead is in place their taxes are lower, the only difference is the seller is making the payments out of the monthly land contract payment, instead of the owners paying their own bills.

Council Member Dunbar asked Mr. Williams in his scenario whose name was on the utility bill. Mr. Williams agreed it was in the occupant name, but he has the bills mailed to him. Council Member Dunbar reiterated that if a buyer cannot afford or remember to pay utilities the seller shouldn't be in land contract with them. The protection afforded to the new owners is no longer there if it is not recorded, which is what the seller wants because if they do not make payment it does not go to court for the seller to receive back. At this time the residences should be a rental not a land contract. When asked why someone chose land contract over a rental, same conditions, and no rental inspection. Mr. Williams noted for the Committee he likes having his rentals because that allows him into his property with the inspector, anything he sells on land contract he cannot have access to.

Council Member Brown Clarke reminded the group that the task at hand is for the Committee to find where there are gaps and how Council can protect their residents. What can Council do in their City process so that there are not vulnerable individuals?

Council Member Wood gave an example of times she researched assessing on line that are land contracts however the BSA program does not show it as such, and under the tax payer it will be the persons the occupant has entered into land contract with. These properties also show 0% Homestead and it should be reflected 100%. If this is the information that Assessing is working off, and only sending homestead application to the taxpayer then the occupants, which are the new owners, do not know they have the ability to get homestead exemption. Ms. Bowers and Ms. Bennett reviewed the example on Council Member Wood tablet and reviewed a copy of a recorded land contract that Mr. Sanford provided, double checking land contract dates, Count received dates and the recorded dates. Ms. Bowers noted that when her office downloads information from the County bi-weekly, they choose the dates based on the last download. There could be an issue where the information they are downloading is not the recorded date, but the County is using the deed date, therefore causing a lapse in the information.

Council Member Dunbar asked the Assessing Department to create a report by flagging all the "LC" (Land Contract) sales from their data base in the "Instrument" tab. Ms. Bowers stated she would research the option.

Council Member Wood reminded the Committee that under the Ordinance all rental properties with a land contract either have to record with the County or complete the forms with Assessing. Ms. Bowers clarified that the reason the City now downloads the information from the County bi-weekly is that when they used to receive date from the County it could take up to four (4) months. Council Member Dunbar asked Ms. Bowers to confirm that the downloads are occurring and are current so there are no loop holes.

Council Member Houghton encouraged the Committee to start working on an educational piece. Mr. Williams asked that it note a title search should be required since a title search will show if there are interests on the property and the mortgage will need to be paid off before someone can sell to someone else on a land contract. Council Member Houghton asked Mr. Sanford for an update on the brochures he has mentioned in the past he was working on. Mr. Sanford stated he has many brochures however none finalized.

Mr. Williams asked that the Realtors Association and the Landlord Association be asked for their input on the educational piece.

Mr. Williams asked for direction on an issue with a medical marihuana grower in a residence where the order is evident outside the residence, therefore leading to a turnover in renters in the abutting properties. Mr. Sanford provided him with phones numbers and ordinances to contact regarding the nuisance.

Ms. Bennett assured the Committee Assessing will be working on the issue with downloading from the County and any discrepancies.

The next meeting was set for Thursday, March 24, 2016 at 8:30 a.m.

Minutes

Moved to the next meeting

ADJOURN

Adjourn at 9:13 a.m.

Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on March 24, 2016

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**AD HOC COMMITTEE ON RENTAL AND
LAND CONTRACT HOUSING CONDITIONS
Friday, October 2, 2015 @ 9:00 a.m.**

Council Member Dunbar called the meeting called to order at 9:05 a.m.

Councilmember Kathie Dunbar, Chair
Councilmember Judi Brown Clarke, Member
Councilmember Tina Houghton, Member
Councilmember Carol Wood, Member

No Law present

Others Present:

Sherrie Boak, Council Office Manager
Scott Sanford, Code Compliance
Richard Williams, Realtor and Landlord
Kathreen Francis, Downtown Neighborhood Association
Gary Calkins, Rental Property Owners Association
Elaine Womboldt

Discussion/Action:

Update on Committee Objective & Goals

Council Member Dunbar provided the overview of the Committee which was established during this year's budget process where questions were raised on rentals, quality of rentals, etc. The Resolution was read "NOW BE IT RESOLVED, the Lansing City Council hereby establishes the Ad Hoc Committee on Rental and Land Contract Housing Conditions with the purpose of conducting a City-wide outreach, group facilitation, surveys, and public input process to engage renters, refugees, people with disabilities, low-income residents, landlords and other residents in meaningful discussions and development of solutions to address rental housing conditions in Lansing including rental property re-inspections and unregistered rental property investigations." Council Member Dunbar acknowledged there are other Committees already that have jurisdiction over some the scenarios, such as Development & Planning and also Public Safety. So to not duplicate the work, this Committee will focus on a scope that is narrower than what is established in the resolution. One item this Committee was created for was to advocate for more code enforcement officers; which the City has now hired. Now with new staff, they need to have them trained and in the field, then the Committee can survey of how they are working. It was verified with Chief Talifarro that would be around February 2016, and Council wants to give them time to get on the ground, trained and then get update numbers from them.

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Public Comment

Mr. Caulkins had no comments.

Mr. Williams had no comments, but asked about “land contract” in the resolution. Council Member Dunbar answered by clarifying that those are not registered as rental properties, yet a lot of owners are treating them as rentals, and therefore Council addresses issues with tenant/buyer concerns, and wanted to include for regulating them.

Ms. Francis had no comments but was also interested in the “land contract” items, and looking to build better relationships with code compliance.

Ms. Womboldt asked for more Code Compliance Officers and frequent inspections.

Council Member Dunbar assured everyone again that the delay in the first meeting of this Ad Hoc Committee was to get the new hires in those positions because if they met before they could not know the capacity of what they could do. Council Member Dunbar then asked Mr. Sanford for an update on the letters that are sent to landlords after inspections, the number of current employees and offer some statistics.

Mr. Sanford noted there are currently eight (8) members on staff, which are seven (7) code compliance and one (1) premise officer. The premise officer is a contracted employee from a couple years ago, and they are bringing on 4 additional code compliance. They are looking at dividing the City into quadrants for premise officer enforcement and also create new area for assignment called “Area 5” which will be the eastside (Potter Walsh, Baker Denora). This area is being divided because it is predominately single family residential, over 3200 rentals. As for the office itself, computers and phones are ordered, cars are being dealt with and the department is moving forward to be ready when they are hired.

As for the letters that are currently sent to landlords after inspections, they are for life safety (bad wiring, furnace, water heater) these items do get re-inspections, so any electrical or gas hazard they re-inspect. Mr. Sanford noted that there is a public perception that the citizens feel When Code tags a house the City then owns it, which they don't and are not responsible. They rely on the landlord. So far there have been 317 safety inspections, 2911 rental inspections (buildings) 11,544 premise violations, they have towed 18 cars, 1,060 properties have been mowed, 520 properties were cleaned up of trash, and there were 968 “failure to register” letters sent out. There are 54,000 housing units and 487 miles of road. Officers can't cover everything in the City. Mr. Sanford noted the need for an educational meeting, and he has been speaking to Ingham County Court, political action groups, LBWL, and neighborhood groups informing them of what the City can and cannot do. Land Contracts are a legal sale of the property in the State of Michigan; therefore once Code verifies a legal sale, it is a “home owner property”. By verifying they meet the criteria of the County and City Assessor. Departments in the County they work with include the Health Department, Animal Control, Fire, Police, Child and Adult Protection Services. There are areas where people are having issues, but that come back to education on your purchase. There are some situations that are beyond the realm of what the City can legally get involved in. In this calendar year, there have been 21,621 letters written.

Council Member Dunbar informed the group present that unlike the Ingham County Land bank, the City does not become the responsible party; they can only issue fines and enforce the ordinance.

Council Member Wood gave Mr. Sanford a scenario of a house that is red-tagged, then sold on a land contract, if Code then re-inspects even though now a new owner. Mr. Sanford noted they

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do not because those are handled just like a residential sale. However if there was a letter sent on file, we do inspect. They only inspect rentals as part of the program, but if they we get called out on any issue, the housing code does apply. The department continues to work with the Law department on land contract sales and follow up. With the State Real Estate regulations, if you use or sell houses on land contract per year, you are now being required to be licensed as a broker.

Council Member Wood reminded Mr. Sanford of an exchange of information that was requested in the Public Safety Committee meeting with Mr. Schertzing with Ingham County for the real estate auctions. Mr. Sanford stated it was too close to the sale deadline when the information was requested, but his department is working with Ingham County to add stipulations that they cannot rent the homes.

Council Member Wood asked if all the mobile homes were contacted for registering their rentals. Mr. Sanford confirmed he was working with Jim Bennett in Building Safety and letters were sent with no response from Kensington Meadows, but the other two parks have replied. Currently however they do not have a compiled list of the number of rentals in each park.

Council Member Dunbar asked for clarification on when a red tagged home is sold on land contract to the once tenant who is responsible. Mr. Sanford noted the tenant is now the owner and responsible, everything goes with the property.

Council Member Houghton asked Mr. Sanford if the County is made aware of red-tagged properties before the sale. Mr. Sanford confirmed they are working with the County and putting covenants on the property, in an attempt to help, but it is also a contract that the City is now part of. Council Member Brown Clarke asked if at the auction if the red-tagged properties are (*) so the buyers know. Mr. Sanford noted they don't do the auctions but do send out lists ahead of time, and hope someone would look at it.

The Committee discussed a process that can be added when the new owners verify if taxes are paid, there would also be a box to check that they have verified if there are any code violations or it is a red-tagged property.

Council Member Houghton asked if splitting the City into quads for Code would that coincide with the numbers. Mr. Sanford stated no, they are using Washington as the East/West divider, and Mt. Hope as the North/South divider.

Council Member Dunbar agreed it would be consistent to coincide with Wards; however some Wards are heavier in rentals than others. It was also noted that when doing comparisons on inspections, some areas do inspections yearly on a random choice of one unit per floor; however the City inspects every unit on a floor.

The Committee continued discussions on separating chronic violators, random inspections, and efficiency.

Council Member Wood asked if there was any thought of re-engaging a code position with the NEAT Team and having one person responsible. Mr. Sanford said they would plan to reconstitute, and take red tagged properties away from Code. Mr. Sanford stated that there were 483 red-tags in September, 231 were NEAT Team, are fined.

Council Member Houghton asked for a map of rentals, however Mr. Sanford noted there are so many it would not be clear. Council Member Dunbar asked for the consideration of a map

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which would be beneficial to the Committee so they could see the population of rentals, and also asked Code to consider 6 quadrants instead of 4. Mr. Sanford noted that currently the plan would cover 1,700-1,900 rentals per area. Council Member Dunbar then encouraged the Committee to participate in ride-alongs' with Code Enforcement.

Council Member Wood asked if Code Enforcement coordinate with Section 8 inspections. Mr. Sanford confirmed they did not because they are a different authority and use HUD standards and different codes.

Council Member Brown Clarke asked what Code Compliance needs from Council to address unregistered rental properties. Mr. Sanford listed the steps they take in finding unregistered properties, and noted they have a fine established already of \$500. The Committee agreed they need to educate tenants on confirming if the property is registered. Council Member Dunbar noted that Code Compliance is putting together pamphlets to educate.

Mr. Williams asked to be added to the next agenda to address the tenant piece in land contracts. Council Member Dunbar invited him to speak at the next Committee meeting.

Council Member Dunbar then updated the Committee on recent items being address by Mr. Schertzing at the County which is a county-wide ordinance on land contracts. They would coordinate with this Committee and she will invite Mr. Schertzing to attend another meeting.

Council Member Dunbar concluded by affirming the Committee needs to study the matrix, but with a full capacity of code officers and then address the problems with the resources we have. There needs to be a cost effective process and more feasible process.

Set Meeting Date

The next meeting date will be Thursday, November 5, 2015 @ 8:30 a.m.

Council Member Wood asked Mr. Sanford to bring the pamphlets he mentioned to the next meeting, and Mr. Sanford noted he would have to wait until they were cleared by the Fire Chief.

ADJOURN

Adjourn at 10:50 a.m.

Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on _____



**AD HOC COMMITTEE ON RENTAL AND
LAND CONTRACT HOUSING CONDITIONS
Thursday, November 5, 2015 @ 8:30 a.m.**

Council Member Dunbar called the meeting called to order at 8:35 a.m.

Councilmember Kathie Dunbar, Chair
Councilmember Judi Brown Clarke, Member
Councilmember Tina Houghton, Member
Councilmember Carol Wood, Member

Others Present:

Sherrie Boak, Council Office Manager
Scott Sanford, Code Compliance
Richard Williams, Rental Property Owners Association of Mid-Michigan
Elaine Womboldt
Yolanda Bennett, Assistant City Attorney
Gary Caulkins

Minutes

Minutes moved to the next meeting for action.

Presentations

Mr. Williams gave a presentation on his Association and what they offer to the public. Included in the Association monthly meetings the 300+ members discuss fair housing, code, land contracts, safety issues, and they also have an attorney on retainer. Most recently they have begun involvement with Neighbor Associations. Mr. Williams highlighted issues they face when dealing with buyers facing credit issues, employment issues, many on public assistance, and some that work for cash so they don't declare their income. There are issues with selling, so they become rentals, but the issues with selling homes are causing some owners to place the homes for rental, and the cost of renting is higher than buying. Mr. Williams then distributed information flyers including home sale details in Old Everett Neighborhood noting the sales, square footage, age, etc. The discussion lead to details on land contracts and recording of those documents to help protect the purchaser. Council Member Dunbar added that Council does not have issues with land contracts, but have the issues with dealing with area landlords who aren't using realtors or title companies. According to a communication with Eric Schertzing, the purchasers and/or sellers are recording the land contract "memorandum" and that is the issue. Mr. Williams then distributed a sample land contract, clarifying that sellers use land contracts because the operation pool is less, it is owner occupied, no rental fees, quick sale, so bank needs to approve, and the owner can get higher price and higher interest rate.

Land contracts can charge up to 11% interest. Mr. Williams encourages his sellers to always require a down payment when using a land contract.

Council Member Dunbar noted to Mr. Williams that the landlords he speaks about are not the examples the Council hears about and is dealing with. Council Member Wood asked Mr. Sanford how many problem landlords does he deal with on a regular basis, and Mr. Sanford confirmed there are 2-3 landlords his office deals with all the time, and they usually get the house back. They do it as a way to avoid registering it as a rental. Council Member Dunbar gave an example given to her by Eric Schertzing with the Ingham County Treasurer office where the seller offers to take the document and never records it, and so the memorandum is currently all that is needed. Mr. Schertzing's office is working on requiring the need of the land contract to record.

Mr. Williams distributed a Dodd-Frank report, spoke about the tax foreclosure program, and results of an MSU study on foreclosures. The group held discussions on land bank homes. Mr. Williams stated that in his discussion with Mr. Schertzing, Ingham County wishes to see the land contracts and are looking at the condition that if they do not get submitted they will hold back the tax exemption status.

Council Member Dunbar spoke about information she was provided by Mr. Schertzing that confirmed there are 500+ land contracts in the County, and the majority are not in the City. There is currently no mandate to record, unless the seller wants the exemption. Council needs to reach the people purchasing letting them know they will receive a tax benefit for recording the land contract. The suggestion as made that the City could apply for an Ameri-Corp position solely dedicated to making sure the County is responsible.

Council Member Houghton suggested working with the utility companies on communications when the new owners put the services in their names.

Mr. Sanford informed the Committee that as of the date of the meeting there were 984 "failure-to-register" this year, and letter was sent. About a 1/3 will come back that are land contracts

Council Member Dunbar noted that the is not the City's job to be administrative, but they can do outreach and education. Currently Ingham County is working on a form of "Frequently Asked Questions", and she had asked to see it before he publishes it.

Mr. Williams encouraged the Committee to recommend to their residents when purchasing a home thru the land bank to visit the home first, and also asked why the City doesn't not currently have a list of rentals on their website. Mr. Sanford stated there are currently 740 pages of rental listings, Council Member Dunbar asked that they research on how to get the information online. Mr. Williams stated he was willing to page for the list of landlords. Council Member Brown Clarke suggested to Mr. Sanford that an electronic file listing the landlord, property address and their address would be sufficient.

Council Member Houghton suggested the Committee create a tool kit or "frequently asked questions". Mr. Sanford stated information on land contracts could be created and placed on the website.

Mr. Caulkins spoke on his concerns with processes, admitting he uses land contracts and only records half of them. This is done because if he gets the homes back he has to take the purchasers to court because there is a recorded document.

Council Member Dunbar asked Ms. Bennett to research the Attorney General opinion if they have to disclose the interest. It was then concluded that the goals for the Committee would include creating, posting and providing an electronic list of rentals, research on how to connect with Fraud Department, obtain the Attorney General opinion, and look into Dodd Frank and what can be done at the local level.

Public Comment

Ms. Womboldt spoke in support of the information.

Mr. Caulkins informed the Committee that a recent Presidential report states that licensing requirements raise the price of goods and services, and asked the Committee to consider lowering the cost for rental registration and inspections. Council Member Dunbar noted the fees are justified and they could not charge more.

Update on Committee Objective & Goals

Meeting Date Schedule

The next meeting was set for December 3, 2015 @ 8:30 a.m.

ADJOURN

Adjourn at 10:22 a.m.

Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council

Approved by the Committee on _____



**AD HOC COMMITTEE ON RENTAL AND
LAND CONTRACT HOUSING CONDITIONS
Thursday, December 3, 2015 @ 8:30 a.m.**

Council Member Dunbar called the meeting to order at 8:30 a.m.

Councilmember Kathie Dunbar, Chair
Councilmember Judi Brown Clarke, Member
Councilmember Tina Houghton, Member
Councilmember Carol Wood, Member

Others Present:

Sherrie Boak, Council Office Manager
Kathreen Francis, DNA
Julie Powers, Greater Lansing Housing Coalition
Richard Williams, Rental Property Association
Kyle Cobe, Ingham County Register of Deeds
Melissa Quon Huber, Rejuvenating South Lansing
Eric Schertzing, Ingham County Treasurer
Scott Sanford, City Code Compliance

Minutes

Action on minutes will be taken at the next meeting.

Presentations

Council Member Dunbar introduced the discussion to hear what is currently being proposed by the County regarding land contracts, and added the discussion will include what the City can require.

Mr. Schertzing clarified that the County is a non-mandatory recording State, therefore a land contract has no standard form or even has to be recorded. If it is recorded, it is just the memorandum. The main issue with land contracts is that you cannot find out who has one because they are not required to be recorded. A draft Ingham County Land Contract Recording Ordinance was distributed. This would require the actual land contract be recorded at the Register of Deeds. In 2014 there were 509 recorded however there is no way to know the actual total. Out of those 509, 333 were in the City. Currently the draft ordinance is in a limited status, with the last meeting being a community meeting in September. Plans were to go to the Board of Commissioners. Council Member Wood asked for an opinion on if the City required the principal property tax exemption with Land Contracts. Mr. Schertzing stated it was a small piece to large problem. Legal Services has put together a Q&A the Treasurer's office is refining

to have out on the website. This is an opportunity for education. Ms. Cobe added that the buyers are the uneducated and gave examples seen at the Register.

Council Member Dunbar asked to see the Q & A that Legal Services was working on, and the Committee can discuss distribution locations. Ms. Cobe was also asked to provide the Committee with a sample of a land contract.

Ms. Powers informed the Committee on community housing counseling, and agreed that 40% of the housing issues are a result of bad land contracts.

Council Member Houghton stated the Committee needs to locate all points of contact for educating people including VITA, and the financial empowerment center. Council Member Brown Clarke encouraged the Committee to not create on items that blanket 80% of those owners/sellers doing well, but focus on the percentage that are doing it wrong. Spend more effort around the problematic. Council Member Wood suggesting adding churches, check cashing stores, and welfare centers to the list for places of distribution. Council Member Wood also suggested bringing a judge into a future Committee meeting to discuss what they are limited in doing, and what the City can do to help. It was noted that East Lansing has landlord court, which the City of Lansing does not have.

Mr. Williams reminded the Committee that at the last meeting Mr. Addiss stated he only records 50% of his land contracts because he can recover property quicker if he doesn't. Mr. Williams concluded that he has never seen a pamphlet that explains what land contracts are.

Council Member Dunbar asked Ms. Cobe if when the seller records the document if they can request a copy for the buyer, and Ms. Cobe confirmed it can be done for a fee, however the majority of sellers do not have the buyers with them when they come into record.

Mr. Schertzing offered to provide the pamphlet that Legal Services is working on to the City for input sometime this week.

Council Member Brown Clarke asked for forms of the media to be invited to the Committee meetings for assistance and input in providing the information to the public as a public service.

The group held discussions on reinvestments into the properties when they are demolished, the "tiny house" movement, and some voiced concerns with apartments being built instead of houses in the Lansing area.

Council Member Dunbar noted she would invite Judge Alderson the next meeting to discuss what happens at the courts and what Council can do to assist.

Mr. Sanford included information on the land contracts that the public needs to be aware that if they are on housing assistance and sign a land contract they lose their assistance. In addition they no longer will get required rental inspections because they are no longer tenants but home owners.

Council Member Dunbar also suggested having the assessing department at the next meeting also for review of what happens at their counter. A mechanism needs to be created to make sure contracts are recorded when transfer affidavits are recorded at assessing.

Council Member Houghton and Brown Clarke left the meeting at 9:49 a.m.

Meeting Date Schedule

The next meeting was set for January 14, 2016 at 8:30 a.m.

ADJOURN

Adjourn at 9:53 a.m.

Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on _____



**AD HOC COMMITTEE ON RENTAL AND
LAND CONTRACT HOUSING CONDITIONS
Thursday, January 14, 2016 @ 8:30 a.m.**

Council Member Dunbar called the *meeting* to order at 8:30 a.m.

Councilmember Kathie Dunbar, Chair
Councilmember Judi Brown Clarke, Member
Councilmember Tina Houghton, Member
Councilmember Carol Wood, Member

Others Present:

Sherrie Boak, Council Office Manager
Judge DeLuca, District Court
Gary Caulkins
Scott Sanford, Code Compliance
Joe Abood, Deputy City Attorney

Court Update

Judge DeLuca introduced himself and stated he was available to answer questions in regards to the specialty court for landlords. The Judge noted that in (2) two days in 2016 they have seen 100 filings, and each judge handles around 40 cases a week. In the terms of land contract forfeiture's there were 78 fillings in 2015. Some of those are repeat offenders. Judge DeLuca informed the Committee that the Assessor has to receive the Transfer Affidavit within 45 days, per State law, which should put the City on notice that the land contract is in the process. Theoretically a land contract would be a traditional exchange that allows someone to take over property, so they can put equity into it. But the now buyers aren't taking ownership. They need to be educated on this. When they come to courts, then judges need to make the rulings, but they can't prejudge and will have to listen to the proofs. Council Member Dunbar agreed that there is an education component that needs to be addressed, and there are also landlords who prey on those they know don't understand. With the repeat offenders how many on the same property, which the Judge could not answer because they are not logged by property. The Court does not police just resolve the dispute.

Mr. Sanford informed the Committee that under the Rental Registration Code they require they file the land contract with the County or Transfer Affidavit with the City. Code Compliance is looking for someone to put something on the record that there is someone else that has interest in the property.

Council Member Brown Clarke asked the Judge, out of 78 cases, are there trends. Judge DeLuca state typically they default, which means usually the parties don't even show up in

court. His court has seen ordinary land contracts, but others are hand written. If they don't pay there is an assumption they move on and try to sell to the next guy. The Courts only see the contracts if it is contested, but often they are not contested. The Court does not make a ruling on whether a contract is legal, there is no dispute.

Council Member Dunbar informed the Judge of instances where Council Members hear of situations where immigrants are being taken advantage of. Judge DeLuca stated that would be a criminal investigation.

Council Member Dunbar stated that currently the City does not mandate that the new owner file with the County, but we do require the Transfer Affidavit be filed and that requires supporting documentation.

Council Member Wood voiced her concern with the number of homes in the Landbank being sold. Mr. Sanford confirmed that out of all the Landbank homes over 4-5 years, there have not been a lot of issues with them, maybe 1-2 and he is working with Eric Schertzing on those.

Judge DeLuca noted to the Committee that the Transfer Affidavit clearly states if it is not filed by State Law there is a \$200 penalty.

Council Member Dunbar suggested obtaining a list of all land contracts and reaching out to them to educate them.

Mr. Caulkins asked if filing the affidavit would require the City to lower their taxes. It was confirmed this form does not lower the taxes that would be the Homestead form.

Judge DeLuca asked if the immigrants are receiving any direction from social agencies. Council Member Wood informed the Judge that the agencies provide assistance for up to 6 months. Council Member Dunbar noted there are also resources at MSU.

Council Member Dunbar referenced information that was provided by Eric Schertzing from the last meeting and asked the Committee to review for the next meeting.

No one from Assessing was present at this meeting to address questions.

Council Member Wood asked Council Member Dunbar to invite representatives from Refugee Services to a meeting to let the Committee what tools they would need to better educate.

Minutes

Action on minutes will be taken at the next meeting.

The next meeting will be February 11, 2016 at 8:15 a.m. and Assessing will be asked to provide what "script" they use at their counter when a new property owner drops off their paperwork. Also if they can provide a report on the tracking of types of property sales.

ADJOURN

Adjourn at 9:30 a.m.

Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on _____

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