



Minutes
Ad Hoc on Housing and Resident Safety
Friday, April 8, 2022 @ 8:30 a.m.
City Council Conference Room

CALL TO ORDER

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

PRESENT

Council Member Spitzley, Chair - arrived at 8:39 a.m.

Council Member Wood, Vice-Chair

Council Member Brown, Member- left the meeting at 9:26 a.m.

OTHERS PRESENT

Sherrie Boak, Council Office Manager

Lisa Hagen, OCA

Joseph Abood, OCA – left at 9:48 a.m.

Jim Smiertka

Joe MacDonald, HRCS

Roxanne Case, Ingham County Landbank

Douglass Benson, RPOAMM

Kim Coleman, HRCS

Willard Walke, HRCS

MINUTES

MOTION BY COUNCIL MEMBER BROWN TO APPROVE THE MINUTES FROM FEBRUARY 25, 2022 AS PRESENTED. MOTION CARRIED 2-0.

PUBLIC COMMENT

No public present at this time, therefore no public comment.

PRESENTATIONS

City of Lansing Housing Ombudsman Joseph MacDonald

Council Member Wood briefly noted that when this position established by Council was to provide a position for someone for the residents to work with.

Mr. MacDonald outlined his role under housing, with biggest task of tenant concerns that come into the HRCS office. In addition works with direct assistance for residents and the rent smart program helping people find housing. In this program, once they have completed the program the HRCS office works with 50 landlords to assist. Council Member Wood asked how many people have gone through the program. Mr. MacDonald was not able to provide exact numbers, but 2/3 do complete (20 a month), he added it was not done since 2020 due to the pandemic, but will be starting up again. Council Member Wood asked how landlords qualify, and Mr. MacDonald stated they do not have qualifications as long as their rentals are registered. Council Member Wood asked how the City regulates bad landlords who are not receptive to the

needs. Mr. MacDonald stated that is subjective and he has not approached bad landlords to join the program. Council Member Wood asked if the Ingham County Landbank is part of the list, and Mr. MacDonald stated they are not, but using Capital Area Housing.

Mr. Smiertka asked what is the major concern or problem in the rent smart program. Mr. MacDonald stated it is usually when they have had bad experiences with landlords, so during the program encourage new tenants to check out the landlords. Council Member Spitzley asked if HRCS has a guide for renters to know what they should know before they sign the lease. Council Member Wood asked if there are guidance on rent in escrow. Mr. MacDonald first addressed the issue with escrow rent when maintenance is not being addressed, which HRCS does shy away from offering legal advice. Can provide general idea but not advise them. Mr. Abood stated escrow rent is a legal remedy, but then asked if the landlord tenant resource center still open, and Mr. MacDonald stated MSU law clinic has taken that over. Council Member Wood noted she has had issues getting any assistance with that. Mr. MacDonald support the suggestion of a "know before you go" document for the tenants. Council Member Brown asked about tracking the performance of the program. Mr. MacDonald stated they do a 3 and 6 month follow up phone call, and if there are issues work them through it. Council Member Brown asked how long been administering the program before the pandemic, and are there statistics on it. Mr. MacDonald stated they did 3 and 6 month check-ups to see how they were doing, but moving forward can review metrics. Council Member Spitzley it would be important in the future for Council to get updated so if there are resources. Council Member Brown asked how homeless are being routed into this program. Mr. MacDonald states he communicates with the agencies that work with the homeless on referrals.

Council Member Wood asked about any integration of those who took the program and during the rent moratorium in the pandemic, if those people needed additional help. Mr. MacDonald regarding the rental assistance program, they did not, if it was COVID related hardship, they were getting the assistance already. Regarding direct assistance for utilities, direct them to 211, get assistance from the State, and in the end trying to get them housed and not have that as a barrier.

Council Member Spitzley noted that this AD HOC is to see what tools are needed for the City, she asked how HRCS Ombudsman interface with Code, LPD or LFD to recommend services for people who have been displaced for emergency. Mr. MacDonald there is a hotline for after hours, Red Cross gets the first call for emergency housing, and then HRCS is working with them after that. Council Member Spitzley then asked about the HRCS role when code red tag or pink tags the buildings. Mr. MacDonald noted that HRCS is working on a plan where there emergency housing issues such as Autumn Ridge or Life O'Riley, and they are working on a plan and distributed the practical guide for tenants and landlords from Rep. Sarah Anthony office. He added that he has asked legal services to draft a document on escrowing rent and could be a resource where they can get help.

Council Member Spitzley asked for an annual update.

Ingham County Landbank- Roxanne Case

Ms. Case distributed flyers on housing and neighborhood growth. Regarding housing stock, there are not a lot, but there are home slated for demolition to remarket. There are 8 rentals, but not a lot of them and the board is looking to get out of the rentals. Ms. Case went through the handouts summarizing the details. When using grant funds to renovate, and not been able to sell, using the rental contracts to put people in the homes. Ms. Case spoke on future plans including ARPA funds with the goals for 20-25 single family homes, row house with a slate for the corridors, working on the former school of the blind campus.

Council Member Spitzley asked if the Landbank would be the developer on the vacant new build, and Ms. Case stated they would not be the general contractor but the developer. Council Member Spitzley asked about what she is looking for from the City, and Ms. Case stated they are applying for MEDC funding currently for the proposed row housing. Also looking at DPA – downtown payment assistance to help people. At the time not looking for anything for the City, but support, and work through BWL and City to get discounts on permitting.

Council Member Wood asked Ms. Case about the creation of the Land bank, there were brownfields. At that time Council was told when the house was rehab and sold, those tax dollars were going back into the neighborhood, and she asked if that has been done.

Ms. Case stated she would have to research that, but was aware of some funding to help keep neighborhoods up, but was not familiar if those funds went to other homes. Council Member Wood asked for an update. Ms. Case explained that with a Brownfield they collect for 5 years then put the money back into the Brownfield. Council Member Wood pointed out that the Land bank remodels and sells the homes for more than the surrounding homes, but then those homes go into a higher tax bracket, so those dollars would help invest in the neighborhood to bring up. This could include porches, roofs, and other items to increase the value of the surrounding homes of the rehab homes. Ms. Case reiterated she was not aware, but would research and get back to Council.

Council Member Wood referenced the handout, specific to the corridors to the downtown, and the entrances of neighborhoods and the concern.

Council Member Wood asked if they work with the neighbors of the vacant parcels to split those and help increase the value of those houses on either side, because the vacant lots seem to have a lack of maintenance and an issue causing the impact in the neighborhood and more decay in the neighborhood. Council Member Spitzley asked how the Land bank is looking at lots from a smart growth standpoint and what the criteria is. Ms. Case stated there is criteria. They look to make sure there are no back taxes, if the lot is between two homes they connect with those owners on the option to obtain, and they have them submit a statement of intent to help enforce and go by rules of the City. Ms. Case did admit they have held properties in anticipation of development. Of the 386 lots in the City, only 30% are buildable, but hold for future development.

Council Member Brown asked about selling the properties. Ms. Case noted they have issues because some properties are in problem neighborhoods where they don't have the funding to purchase, or it is a rental that the tenant doesn't want to buy and the landlord no longer wants it so it becomes greenspace.

Rental Property Owners Assoc. of Mid Michigan (RPOAMM) Representative Douglass Benson
Mr. Benson briefly spoke on the 130+ members of the RPOAMM he represents as current president. He then proposed the Council "rank" the landlords, but Mr. Abood spoke in opposition to that and the liability it will create. Mr. Benson then spoke briefly on his support of the City Housing Ombudsman.

Council Member Spitzley asked Mr. Benson what his organization thought on Section 8 housing, and Mr. Benson stated he personally does not rent to Section 8 and therefore does not have an opinion on it.

Mr. Benson then spoke briefly on his opposition to 2 year inspections on rentals and asked for equal treatment across the board.

Council Member Spitzley asked if there is a registry option that can be done since OCA does not support a "ranking" or meeting criteria. Mr. Smiertka spoke in opposition to a criteria.

Discussion/Action

Ordinance – Relocation Ordinance

Council Member Spitzley recapped that the Committee wanted tools with an ordinance and in February had asked the OCA to help craft something for additional resources.

Mr. Abood referenced the City of Jackson ordinance noting the OCA had issues with it and they do not believe it would survive legal and believe there are already cases in the system. Mr. Smiertka added that they did meet with the City of Jackson City Attorney and their Building Official, noting they believe there are legal issues with the language. It was noted other communities with something similar include Ann Arbor and Grand Rapids.

Council Member Spitzley stated to OCA that the Committee wants a solution that is enforceable and a tool OCA can defend in court. Mr. Abood spoke briefly on what is in the Jackson ordinance; they give notice to vacate, then the tenant can get assistance for 5 days and the City pays. After that the City attempts to collect from the landlord, and if they cannot collect it goes to a collection agency. He noted, there is not a lot of enforcement incentive. Council Member Spitzley asked if there was a way to establish a fund, gain interest, then look at rental fees to see if they are adequate or need to be increased, noting she did not support collection agencies. Council Member Wood suggested looking at the number of red tag properties first, for a specific week period, then the Council will have an idea of how many would have to find lodging for so there are figures to have a better understanding. Mr. Smiertka spoke in support of evidence gathering, at that Council Member Spitzley stated Mr. Brewer would be asked to work with the Code to get that information. Council Member Spitzley then asked OCA how they could get the ordinance to provide a distinction through fines if it happens more than once in a year. Mr. Smiertka referenced the civil infraction fees which is scaled up to \$1,000 and Mr. Abood stated they would have to have judges sanction landlords. With that, the Committee asked to be provided updates on when cases like this are in court. Council Member Spitzley asked if having both in the ordinance, if it would be redundant, and Mr. Smiertka acknowledged the process is there, just have to cite.

Ms. Hagen spoke on her research of Ann Arbor and Grand Rapids, noting that Grand Rapids uses the IPMC as the standard for building, and in their fee section there is one line that says – “a fee may be issued for a relocation payment” and provides the relocation amount. The definition is a City policy from 1989, which talks to the ability to issue a assistance payment for low and moderate income as defined by HUD. She added that she was not sure to what extent Grand Rapids is using this tool because it is brief in their adoption of the IPMC and it dated 1989. Council Member Spitzley asked if theirs is a legal challenge, and Ms. Hagen stated she was not clear on it because she was not sure if they were utilizing it, in addition she added she had not found case law in Michigan. Council Member Spitzley spoke in support of the language because they are assessing a “fee”.

Ms. Hagen explained in Ann Arbor it falls under the certificate of compliance, if a dwelling is ordered vacant because of violations of the chapter, the landlord must pay relocation costs except where the State law shifts the burden to the tenant. Because of that, Ms. Hagen stated it makes it difficult since there is no State law that speaks to it. This ordinance seems to create a private action between the tenant and landlord. Council Member Spitzley spoke in opposition to this suggestion, and asked for OCA to look further into one like Ann Arbor with 3rd, 4th, and 5th offense and gradual penalties for bad actors. She suggested they look into something similar to yard waste and trash violations where it rolls back to the taxes.

Council Member Wood asked if under the ordinance now if the City has the ability, but has never utilized it, has never gone in and done repairs. Ms. Hagen stated that with building safety and code, the City has a difficult time finding adequate contractors for what the City is willing to pay. She will follow up with Grand Rapids. Council Member Spitzley asked for OCA to come back with steps to take in the interim as well. Mr. Smiertka suggested looking at the demolition ordinance as an enforcement tool, and adding more action to that ordinance.

Council Member Spitzley noted that the Committee would like an update sooner than later so the Committee and Council can consider budget priorities and an ordinance change.

OTHER

The Committee discussed the next meeting agendas and it was determined to have Mr. Gant moved to a meeting in May.

Adjourn

Adjourned at 9:59 a.m.

Submitted by,

Renee Richmond, Recording Secretary

Lansing City Council

Approved by the Committee May 13, 2022