

City of Albion
Study Session Minutes
July 9, 2018

I. CALL TO ORDER

Mayor Brown called the meeting to order at 6:30 p.m.

II. ROLL CALL

PRESENT: Council Members Maurice Barnes (1), Lenn Reid (2), Sonya Brown (3), Marcola Lawler (4) and Jeanette Spicer (5) and Mayor Brown. Andrew French (6) arrived at 6:40 p.m.

STAFF PRESENT:

Scott Kipp, Interim City Manager; Cullen Harkness, City Attorney; Jill Domingo, City Clerk and John Tracy, Director of Planning, Building & Code Enforcement.

III. ITEMS FOR INDIVIDUAL DISCUSSION

A. Rental Certification

Director of Planning, Building & Code Enforcement Tracy stated the City drafted the rental certification ordinance two years ago. Packets included the four (4) page rental certification ordinance along with the 2015 International Property Maintenance Codes. The purpose of the rental certification ordinance is to protect renters, surrounding property owners and owners of the rental property from blight, sanitation fire and electrical hazards. The City has had problems with insufficiencies with rental units in the past. The 2015 International Property Maintenance Codes were adopted by the Council in 2016. These codes are used for all properties across the Board and not just for rental certification.

Questions/Comments from Council were as follows:

- Does the rental certification apply to dorms? *Yes-there are no exceptions for anyone.*
- What will be the frequency of the inspections? *The frequency is set by Council so it could be annually, bi-annually or every three years. The ordinance is currently written for bi-annual inspections.*
- How long will it take to have the rental certification process completed? *The first phase of the rental certification is the registration and that will take about a year. The registration will be an annual process. The second phase will be the actual certification/inspection which will begin the second year. The inspections are the just the basic necessity for health and safety.*
- How will the 2015 International Maintenance Codes be incorporated into the Ordinance? *They will be included by reference.*

- The commentary was included in the Ordinance to help understand why the codes were written.
- Why in the ordinance does it state that addresses can't be written out? *The reason for this code is to help first responders locate a residence. The numbers are easier for them to see and read. There is also a City code pertaining to addresses.*
- Who will be responsible for enforcing this ordinance? *Most municipalities that have rental certification either have a full-time employee that handles this or they contract the certification inspections to an outside contractor. Paperwork that would need to be done would most likely be done in house.*
- The City currently only inspects rentals if there has been a complaint filed.
- What would be the difference in how we handle rentals now and if we had rental certification? *Currently we would only inspect a rental property if we had a complaint but with rental certification the rentals would be inspected annually or bi-annually.*
- The fee for the rental certification would cover the contractor doing the inspection. This would not be an added cost to the tax payers. If areas identified in an inspection were found that required additional permits such as mechanical or electrical, the owner of the property would need to secure those permits separately from the inspection certification fee.
- The registration fees would be an annual cost to property owner.
- Would we use SAFEbuilt for the rental certification? That would be up to the Council, SAFEbuilt does rental certification for Three Rivers and other surrounding areas.
- Has the City spoke with the Landlord Association and incorporated items they may have liked to see in the ordinance? Yes, the City has met with the Landlord Association and added some things they would like to have in the ordinance. The Landlord Association was interested in Section 8 inspections. These types of inspections are a lesser inspection and is not recommended by Director Tracy. The ordinance currently is written to comply with the State's minimum. Lesser inspections may open the City to liability.
- The owner of the property would be responsible for completing the paperwork for the registration. \$25.00 per parcel is the suggested annual registration fee.
- What about air bnb's? *Air bnb's are a separate type of rental and are not covered under rental certification.*
- Who is responsible for trash? *The primary responsibility is the property owner; however, if the tenant was the one creating a problem with not properly disposing of trash or leaving furniture outside, the tenant would be responsible.*
- Will there be a certain date and time for inspections? *Yes, the landlord would be notified ahead of time of inspection date and time.*
- Gas and electrical bills follow the person who's name the bill is in. Water bills are a City utility and the City does provide an ordinance in which the owner can put the bill in the tenant's name without recourse to the owner.

- Approximately 35% of Albion's housing is rentals.
- How will we know if someone rents and doesn't register? *Use of homestead information, water bills, word of mouth and research.*
- What happens is someone doesn't register? *They would be fined.*
- Garbage is covered under section 6.
- Approximate cost of an inspection would be \$54.00 with an additional percentage for paperwork.
- With the current percentage of rentals, approximately \$55,000-\$60,000 would be generated every two years from owners of rental property. This revenue would be used to pay the cost of the inspectors.
- This is a bare bones ordinance.
- Is there an appeal process? *The owner may appeal to the Building Board of Appeals.*

Council will need to determine the following items:

- 1. Whether to contract out for the inspection services*
- 2. How often to have the inspections? i.e. annually-bi-annually*
- 3. To move forward with the ordinance but make the effective date further out so the City would have a contract in place for the inspections.*

Comments were received from Council Members Lawler, Spicer, Reid, and French; Mayor Brown; City Attorney Harkness and Director of Planning, Building & Code Enforcement Tracy.

B. Sale of City Owned Property

City Attorney Harkness stated the Council will need to determine a procedure for the sale of city owned property. Sample ordinances from other municipalities were provided in the packet. A brief overview is as follows:

- City of Leslie-If the fair market value of the property is less than \$5,000, the item may be sold by the City Manager without competitive bidding. If the property is estimated over \$5,000 it will be sold to the highest and best bidder.
- Midland-If the property has a value in excess of \$20,000 the property shall be sold by sealed bids.
- City of Lansing-Appraisal of the property; price negotiation; establishment of just amount not less than fair market value stated in appraisal and a public hearing for sale of the property.
- City of Detroit-Sealed bid process with a 10% deposit to accompany bid. If property is valued at \$2,000 or more, a minimum bid will be required.

City Attorney Harkness recommends a sealed bid or auction process that would include the following criteria:

- A minimum price to be established for all property. Such as a percentage of fair market value.
- A 10% deposit to accompany bid. Bidders not awarded the property would have deposit refunded to them.
- An allowance for sale of certain property to adjoining owner if it meets specific criteria.
- The winning bidders deposit would be deducted from the sale price.
- Can also build in a provision for which Council may waive the criteria used to sell property.

****Council Member Brown left at 7:55 p.m.*

Questions/Comments from Council were as follows:

- The bid process would stop the back and forth negotiation with Council and potential purchasers.
- The highest bidder would obtain the property
- Would like to see Albion model the Detroit policy
- Does the City know what vacant property we have?
- How would we list/sell the vacant property?
- How would you prevent gentrification?
- Property values are available on the City's website through the BSA system.

City Attorney Harkness will bring a draft to Council for discussion at an upcoming meeting.

Comments were received from Council Members Barnes and French; Mayor Brown; City Attorney Harkness; Interim City Manager Kipp and Director of Planning, Building & Code Enforcement Tracy.

IV. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required).

Comments were received from Chris Herweyer, 400 E. Cass St; Eric Tobin, 409 W. Ash St; Jay Loomis, 408 W. Ash St; Terry Atkins, 28 Mile Rd, Homer; Brian Mull, 24772 J Drive S, Homer, Director Planning, Building & Code Enforcement Tracy; Mayor Brown; Council Members French, Spicer and Reid and Interim City Manager Kipp.

VI. ADJOURNMENT

Spicer moved, Lawler supported, CARRIED, to ADJOURN Study Session. (6-0, vv).

Mayor Brown adjourned the Study Session at 8:15 p.m.

Date

Jill Domingo
City Clerk