

From: Gayle Rosen <gaylrose@umich.edu>
Sent: Wednesday, August 17, 2022 1:01 PM
To: Nick and Jordan Else <wessingerproperties@gmail.com>
Cc: nroumel@nachtlaw.com; CityCouncil <CityCouncil@a2gov.org>; Vander Lugt, Kristen <KVanderLugt@a2gov.org>; Reiser, John <JReiser@a2gov.org>
Subject: Re: Perspective on right to renew

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I was contacted by an individual who works for a local property management company and she asked that I share the following information/concerns/questions. We may want to include these for discussion on Thursday.

Gayle

1. If a landlord presents a lease to tenants for renewal and the lease includes all the names of the current tenant group - but it will be only a partial renewal, what is the process for changing the names on the lease? Do the landlords have to offer another lease once all the names of the replacement tenants are provided? This adds a lot of work for the landlord as each new lease has to be regenerated through their computer system. Can landlords send a blank lease to the tenants?
2. If the lease is presented with the renewal offer - there is no room for negotiation between the parties.
3. " The owner will not be seeking to rent the premises for the succeeding term" - is the term one year, one semester? What if the landlord renovates the unit during the fall term, but wants to rent it in the winter term?
4. If the property has been rented by all college seniors or other tenants who know that they will not be renewing their lease- can they waive the right to renewal earlier than the timelines propose?
5. While the timeline pursuant to the Early Leasing Ordinance may work for grad students, she does not think it will be workable for undergrads. She believes the leasing period should begin in mid - January, otherwise students leaving the dorms only have 1 - 2 months to find housing.
6. Regarding the "reservation fees" - their company allowed a right of first refusal to only one student group. This group paid \$500 per person to hold the unit. If the current tenant decided to renew, the \$500 per person reservation fee was returned. If the new group changed their minds about leasing the unit, the fee would not be refunded. If the group found a replacement group - the reservation fee would be transferred to the new group.
7. The Right to Renew unfairly impacts smaller property managers and not the high rises as they don't assign units to tenants when they lease.
8. The units available within the housing stock are not interchangeable - the location, size and other features determine the ability to lease. As such, just because there are a significant number of tenants

looking for housing, it doesn't mean certain housing will be filled if the landlords miss the leasing window. She wants everyone on the renters commission to be aware that if the window is missed and the apartment is not leased before the school year starts the apartment may be empty for a semester or full academic year. This is unlike non-student housing where there is always a market of people ready to start a lease at any time since they are not restricted by a university schedule.

On Sun, Aug 14, 2022 at 10:13 PM Nick and Jordan Else <wessingerproperties@gmail.com> wrote:
Hello,

I know that some of you know me, Jordan Else, but my name may be new to others, so hi. My husband Nick Else and I own and manage rental property here in Ann Arbor and his family has for many years. I work in many spaces in our community with a focus on equity and racial equity. My commitment to this work and living my values is deep. Though I keep hearing folks say only one person has recently applied to the renters' commission, I applied on March 8 and have the email receipt. To date, I have not heard back.

In addition to being a landlord, I rented in Ann Arbor as recently as 2014 as a grad student, and have a student at U of M myself. Because of this, I have become very involved in U of M parent groups. These are the perspectives I bring into this message which I write to share thoughts on the Right to Renew Resolution.

The discussion about the holding fees felt particularly important. I am sure Gayle and Lucy will be able to provide all sorts of experiences. I shared the experiences I heard last October 26th. I have copied that email [here](#) for anyone to review. This March 22, I wrote again with some suggestions for strengthening the ordinance and you can read that email [here](#).

On Holding Fees / Waitlist Deposits / Etc.

As far as what the holding fee covered. I don't think there is real clarity for anyone which is one reason why I feel they should be prohibited. Some tenants thought it guaranteed them the unit, only to lose it later. Some tenants did get it. Tenants were unclear about how many other people paid the fee, how long they would have to sign the lease, how many people were on the waitlist, etc. For some it transferred to a deposit, for some a portion transferred to the deposit, for some they lost it all.

I want to be very clear about holding fees again, though. Holding fees only work to increase the inequity. Rich students can put holding fees on three

different houses if they want. They can afford to back out and lose the money. They already have a level of security due to their financial situation and now they can rest assured they'll also get one of the houses they want. Even if these are refundable, the most vulnerable tenants that we are trying to protect, cannot afford to risk loss or pay extra.

Tenants are exchanging money without any written coverage or document in most cases. I don't think any of us should be comfortable with this. In most cases, they gave money without even seeing the lease they would sign. Sometimes there were dealbreakers in the lease that made them have to back out and lose the money because it was "their choice." As Gayle mentioned, more than one landlord had students sign their part but wouldn't sign the landlord portion for months until it was "legal to lease." This put the students in a terrible position because they weren't guaranteed anything but also thought they couldn't look elsewhere.

Lastly, I won't claim to know why the landlords dropped their lawsuit (Nick and I did not support it at all and spoke out against it) but I would venture that at least some of the reasoning was that they were profiting off of these fees and the ELO was actually improving their bottom line. We created and enacted legislation that reduced certainty for tenants and created another stream of revenue for landlords who chose to exploit it. In my opinion

On the Right to Renew Resolution

On page one, do we have local data about housing discrimination? I think this may help strengthen the case for some. I know that there is some argument to pass legislation in order to encourage others, but I wonder if some local data might make this more compelling.

The main concern I have with the document is that I think the timelines are unclear. The way this reads to me under *Renewal of Lease*, is that if I ask at **any** timeframe before 180 days, they have 30 days to get back to me. I will let the attorneys do their thing here, but it reads to me that a landlord could make the renewal offer at 365 days and if the tenant doesn't decide within 30 days, the landlord could deny the right to renew? This will surely be exploited.

Under D, what is the term? I heard some discussion about this in the meeting but wasn't sure if there was consensus.

One bullet point I don't see mentioned here is the ability to choose not renew for the purpose of renovations. I am guessing this may have been intentionally excluded as renovation may increase rent, but, in a town where

we know some of the college housing to be in bad condition, it concerns me not to provide for time to renovate/repair. With an aging housing supply, many of which may soon be in need of major structural repair, etc. it feels important to make space for not renewing in order to make a higher quality/safer space for future tenants.

As far as the fees, they seem really minimal to me. How do we feel confident these folks will be fined when there weren't really any penalties from the ELO violations. Can we tie fines/violations to the ability to get active certificates of occupancy? That would really discourage behavior more, I think.

While this definitely ventures into rent control, have you all given any thought to including a max % rent increase? For example, I think the loophole here will be that the landlords can propose a renewal offer that is ridiculously high, knowing tenants likely won't renew, and say, "welp. they declined to renew, so on to the next one," and proceed to charge whatever they want (even if it is close to the current tenant's rate). How do we close that loophole?

Under Appendix B, Renewal of Lease, I would like to provide an edit base on both feasibility and sustainability. It takes a lot of time to prepare a lease. Often times one or two people drop off and two new ones come in so we would have to re-do it all anyway. For a small company like us it would be a significant burden to prepare leases for every offer. For companies who still use paper, there could be 50 pages of waste for every tenant, including those who don't plan to renew. What about saying, once the landlord offers written renewal and the tenant agrees in writing, a lease must be provided to the tenant within five business days or something like that?

Another thing I don't see addressed is how to handle multiperson units. This below situation happens a lot, so it needs to be covered. For example, you have a 6 person unit. By the 180, they've decided living together isn't going to work next year. They split into a group of three and three and they both want to stay (each adding three new people to make six). Who gets the right? Does the right only exist to the whole group on the joint and several (group) lease?

It might also be important to specify just for tenant clarity that the right to renew only exists for the currently occupied unit for the succeeding lease period. Sometimes we get tenants who assume that as a current tenant they may be first in line for any other unit we have, and for all sorts of reasons, that may not be the case.

Lastly, I know we cannot cover anything, but I do worry a bit about the impact on vulnerable populations of things that are not covered in this document. These are more nuanced/vague, but situations that are worth mentioning. This, specifically, is a fictional scenario but we have encountered similar situations in the past so I will use this to illustrate. We have a ten unit building (all smaller apartments) and in this fictional scenario, there is a person there that has made racist remarks or made the BIPOC tenants (which are the majority of the building) feel uncomfortable. Multiple tenants have complained and this has progressed to the point that other folks say they need to move and don't feel safe. Similar situations could occur with folks selling drugs, smoking, pest issues, having too big of parties, people feeling creeped out in general, etc. Right now, I can choose to not renew to that person in order to prioritize the comfort and safety of my BIPOC/other tenants. But with right to renew, unless I had cause for eviction (and in most of these cases involving police contact with vulnerable populations for reports, etc.), I don't have a choice. Is there any way to include a process to fill out a special circumstances affidavit where other tenants could lobby or something? Any idea how other cities have handled this? I do know that there is the potential for discrimination here and that this all is a fine line, but I worry about losing some protection for other tenants in the above scenarios.

Thanks for considering all of this. I am hoping that my renters commission app can be found so that my voice can be heard there, but thanks for listening in the meantime. My cell is [REDACTED] if you'd like clarification or to talk anything else through.

Jordan Else (she/her/hers)
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Sent from my iPhone

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