

1. ROLL CALL

The Housing Commission meeting was called to order at 4:02 p.m. with the following members present: Scott Cooley, Aubrey Patterson, Kelly Anne Lanham, Angie Davenport, Ryan Patton, Lucas Soltow, Nathan DeBerry, Jeff Thomson and Lisa Gleason. Dan Rich and Anthony Finlay were absent. Adam Stewart, Neighborhood Development Coordinator; Diane Crabtree, Interfaith Housing Services; Julia Westfall, SCKEDD; Steve Dechant; Mayor; and Jade Piros de Carvalho, Councilmember; and were also present. Staff present were John Deardoff, City Manager; Jim Seitnater, Downtown Development Director; Jana McCarron, Director of Planning and Development; Amy Allison, Housing Program Coordinator and Charlene Mosier, Planning Technician.

2. APPROVAL OF MINUTES

The minutes of the May 23, 2018 meeting were approved on a motion by Patterson, seconded by Soltow, passed unanimously.

3. ANNOUNCEMENTS

a. McCarron announced that Amy Allison passed the AICP exam and has been promoted to Senior Planner. McCarron said this will be her last Housing Commission meeting as she has taken another position. Jim Seitnater will be the interim Planning Department Director.

4. WRITTEN REPORTS

- a. **Brush Up Hutch**
- b. **Down Payment Match Incentive**
- c. **Zero-Interest Home Repair Loan**
- d. **Housing and Rental Registration Report**

The reports for the above-listed items were handed out at the meeting.

Gleason said there are currently three homes slated for painting with Brush Up Hutch for Community Work Day. A goal of five homes has been set.

There were no other comments.

5. ORAL REPORTS

a. **Healthy Neighborhood Initiative**

Stewart gave an update on Projects for the SW Bricktown, College Grove and Farmington Park neighborhoods.

The Resolution for the Farmington Park Neighborhood will be presented at the July 17 City Council Meeting.

The 'Allen' Neighborhood is in the formation process and Stewart is working on interviews with the residents. He has a goal of 30 interviews.

b. Hutchinson Land Bank Update

Allison said there was no update.

6. OLD BUSINESS

a. Housing Commission Roster

Allison said the roster has been updated. Please let staff know if there are any changes needed.

7. NEW BUSINESS

a. Land Contract Discussion

McCarron reviewed previous land contract discussions held by the Housing Commission. The City considers Land Contracts sales due to contract law. Properties that are on Land Contracts are exempted from compliance with the Rental Registration and Inspection Program. However, in some cases landlords have been circumventing the program by "selling" property on land contract but treating the transaction like a rental.

There are 277 land contract exemptions in the RRIP or about two percent of the total owner-occupied units in the City. The City Attorney did review all submitted Land Contracts before the exemption was approved with the RRIP. Reasons to buy on a Land Contract are: A down payment is not required, the purchaser may not have enough credit for a traditional loan, and the buyer thinks it is a lease-to-own option and is not responsible for the property. Because land contracts are considered a sale, the buyer is considered an owner and is responsible for maintenance and paying property taxes for the house. Land Contracts are more prevalent in lower income communities where the buyer may not be able to afford an attorney. Many payments can happen off the record and do not become part of a credit report.

Samples of various Land Contracts were included in the packet. Land contracts do not always list all the necessary information and some are just a verbal agreement. Often the seller remains the legal owner on county records when the name should be changed to the buyer. Texas recently changed their law and the title must pass to person buying it upon signing the contract. Oklahoma handles land contracts like a mortgage.

City Councilmember, Piros de Carvalho, said she spoke with legislators about the possibility of regulating Land Contracts at the state level. Currently there are no regulations besides federal contract law. Piros de Carvalho said Land Contracts should not be eliminated as they do fill a need; however, there should be some guidelines so people are not taken advantage of by shady deals. Discussion ensued.

Suggestions included: A standardized residential contract form, mandatory disclosures, no existing liens on the property, requiring the transaction to be recorded like any other home purchase, using a third party to review and record the transaction, and continuing efforts to educate about Land Contracts.

Prios de Carvalho said we can put in a good faith effort in Topeka and make a difference along with getting the word out through education, even if the legal requirements do not get changed.

b. Rental Registration and Inspection Program Review

McCarron presented the review of the Rental Registration and Inspection Program. To date, 1564 units have been inspected which is 28.2% of the 2018 registered units.

Some issues of the program besides the state statute changing have been the inability to keep one inspector. There have been three inspectors in three years so inspections have been delayed to the position being vacant and training of the inspector once he has been hired.

Staff recommends ending the program this year instead of waiting until 2019.

Lanham said the program has been an educational tool for tenants and that part was successful. Gleason said the State law put a damper on the program. Dechant asked how the fees collected are spent. McCarron said the fees pay for the inspector's salary, a temp employee (some years), the inspector's vehicle, computer, mailings, website, landlord and tenant training, etc. Revenue was sufficient for the program.

Discussion ensued as to possible options for the program such as lowering the fee and using for educational purposes rather than inspections. McCarron said we could continue to inspect the remainder of the units that have not yet been inspected.

It was the consensus of the commission to postpone a decision until the Building Official can be present. The motion was made by Patton, seconded by Lanham, passed unanimously.

c. Housing Assessment Tool Questionnaire

This item will be discussed at the next meeting.

8. OTHER

- a. The next regularly scheduled Housing Commission meeting is Wednesday, July 25, 2018, at 4:00 p.m.

9. ADJOURNMENT – The meeting adjourned at 5:30 p.m.

Respectfully Submitted,
Charlene Mosier, Planning Technician

Approved this 25th day of July, 2018.



Secretary