

Memo

To: Housing and Human Services Advisory Commission
From: Renters Commission Staff Liaison, Kristen Vander Lugt
Date: June 7, 2023
Subject: Report of Renters Commission Activities January 2023-Present

The Renters Commission has been working to learn about the rental housing community in the City of Ann Arbor, build relationships with stakeholders, and to recommend policy changes to benefit renters. Summarized below is a list of activities from January to present. The Renters Commission welcomes any feedback or comments from the HHSAB regarding these activities.

January 2023

- Participated in a grant application with a research group at the University of Michigan's School of Public Health. Unfortunately the grant was not awarded.
 - If awarded, the Renters Commission would have been a community partner in a research project related to housing in the City of Ann Arbor
- Discussed/prepared a document listing best practices for stakeholders in the rental community. This document included recommendations for renters, landlords, the University of Michigan, and the City of Ann Arbor.

February 2023

- Presented a draft Waitlist Report, this report includes information and recommendations related to the practice of landlords charging waitlist fees.
- Received a presentation related to requiring carbon monoxide detectors in rental units from City Council member Jenn Cornell. Renters Commission supported this initiative.

March 2023

- Hosted staff from Rental Housing Services at their regular meeting, received a presentation from staff about the inspection process, and participated in a Q & A to better understand Chapter 105 and code enforcement.

April 2023

- Held an engagement event outdoors on April 15th and received significant participation from residents of Courthouse Square apartments. Tenant concerns related to Courthouse Square were communicated to the Renters Commission at the event, the Renters Commission provided the concerns to staff, and the concerns have been forwarded to the appropriate departments for resolution.
- Reviewed a final version of the Waitlist Report. Provided the report to City Council.
- Passed Resolution in Support of an Ordinance to Ban Natural Gas Connections in New Construction and Major Renovations. Provided the resolution to City Council and the Planning Commission

June 2023

- Three new voting members appointed to the Renters Commission
- Renters Commission member Nick Roumel resigned. The commission is currently seeking a replacement member who is an attorney with experience in landlord/tenant matters.

Attachments:

- a. Best Practices Document - Draft
- b. Waitlist Report – Final
- c. Resolution in Support of an Ordinance to Ban Natural Gas Connections in New Construction and Major Renovations - Final

Residential Apartment Renewal -- Best Practices for Ann Arbor Landlords

Prepared for review of the Ann Arbor Renters Commission, January 19, 2023

To alleviate stress and create more equity in rental housing access, the Ann Arbor City Council instituted a new ordinance that places restrictions on when landlords can sign leases in occupied apartments and when they can show apartments to prospective tenants. This ordinance, informally referred to as Right to Renew, is a step in the right direction. However, correcting Ann Arbor's leasing timeline necessitates collective effort from multiple stakeholders, including landlords, the City of Ann Arbor, the University of Michigan, and renters themselves. Noncompliance from any one of these groups will stymie efforts and protect inequity and inaccessibility in rental housing.

The Renters' Commission is committed to providing stakeholders in the Ann Arbor community with a set of best practices so that they can make sure that they are complying with both the letter and spirit of the new ordinance.

Landlords

As the Renters' Commission, we are encouraging all Ann Arbor landlords to abide by the following best practices for handling lease renewals.

- Begin showing units for leases that begin in May in December of the previous year
- Begin showing units for leases that begin in August in March
- Establish dates when you will conduct showings and renewals and make those dates visible on your website
- Commit to a legal renewal policy that is visible on your website
- Inform newly signed tenants of their renewal rights upon signing a lease by way of providing a physical copy of the most updated ordinance language and through verbal explanation.
- Do not keep formal waitlists for prospective tenants
- Do not charge fees, refundable or nonrefundable, to hold an apartment that may not be available for leasing
- Do not keep informal waitlists based on communication received from tenants seeking an apartment lease before the dates listed above
- Prioritize current tenants for renewal unless there is a just cause for non-renewal
- Ask current tenants about renewal one month before you will start showings and provide 30 days for the tenants to respond
- Do not sign leases until the legal date
- Do not ask prospective tenants to sign until the legal date

City of Ann Arbor

As the Renters' Commission, we are encouraging the City Administrator, the City Attorney, and the City Council to abide by the following best practices for handling lease renewals.

- Send postcards to all Ann Arbor landlords that alert them of the new law and that lists the best practices for landlords (above)

- Send postcards to rental addresses announcing and explaining the right to renew ordinance and best practices for landlords and renters
- Send best practices for landlords (above) to all landlords owning and leasing rental housing in Ann Arbor, and landlord associations such as the Washtenaw Area Apartment Association
- Audit Ann Arbor's largest landlords that cater to students to assess compliance with renewal laws
- Audit landlords who have received complaints to assess compliance with renewal laws
- Send warning letters to landlords who are suspected of violating the letter and spirit of renewal laws
- Process complaints swiftly
- Publish aggregated information about complaints and violations
- Revise complaint form to allow tenants to properly fill it out
- Produce a yearly compliance report for the first five years of that the ordinance is in effect or until compliance is conventional among a majority of Ann Arbor landlords

University of Michigan Housing

As the Renters' Commission, we are encouraging University of Michigan Housing to abide by the following best practices for handling lease renewals.

- Disallow lease renewals for on-campus housing to be signed before April (for Fall leases)
- Communicate renewal laws and best practices clearly to all incoming students through Beyond the Diag and other channels
- Do not advertise or provide a platform for landlords to advertise off-campus housing for Fall leases until March
- Keep a public list of landlords that keep waitlists or have engaged in other predatory tactics on the Beyond the Diag website
- Eliminate pay structure for off-campus housing advertisements that is currently in place on the University of Michigan off-campus housing website

Renters

As the Renters' Commission, we are encouraging Ann Arbor renters to abide by the following best practices for handling lease renewals.

- Familiarize yourself with your rights related to renewal by visiting this webpage: <https://offcampus.umich.edu/article/early-leasing-and-right-renew-city-ordinances#:~:text=The%20Right%20to%20Renew%20Ordinance.renew%20to%20the%20current%20tenant.>
- Do not sign onto a waitlist or reservation list
- Do not pay to add your name to a waitlist or reservation list
- Do not sign leases with landlords who are known to violate renewal laws and best practices
- If you suspect that your landlord has violated your rights, file a complaint with the City of Ann Arbor:

<https://www.a2gov.org/departments/build-rent-inspect/housing/SiteAssets/Pages/Filing-Complaints/Leasing%20Ordinance%20Complaint.pdf>

DRAFT

Waitlists and Pre-Tenancy Fees for Rental Units in Ann Arbor

A Report Produced by The Waitlist Working Group of the Ann Arbor Renters Commission

Approved by the Renters Commission on April 20, 2023

Purpose

This report was commissioned by the Ann Arbor Renters Commission and written by a subgroup of its members in response to public input from city residents regarding waitlists for rental units. These waitlists were instituted in Fall 2021 by many landlords in the city and often include mandatory fees, raising concerns about their impact on tenants, particularly low-income tenants. Tenants' rights advocacy groups and local elected officials have requested the city to strengthen tenant protections by regulating these policies. In this report, we compile available information on Ann Arbor landlords' waitlist policies and discuss what we know about the impact of waitlist fees on tenants. We seek to provide these important facts to the Renters Commission and to City Council with the hope that this report can inform any future efforts to regulate waitlists and waitlist fees. We also provide two policy recommendations to City Council which we believe will address some of the problems with 8:530 of the Housing Code.

Background

In August 2021, the Ann Arbor City Council passed an [amendment](#) to the already existing Early Leasing Ordinance (ELO) ([8:530](#)) that prohibits landlords from showing apartments in person or signing new lease agreements with prospective tenants before 150 days are remaining on the current tenant's lease. For instance, for a lease that ends August 20th, 2023, the landlord cannot show or sign a lease with a prospective tenant until March 23rd, 2023. Before the ELO was amended in 2021, the older version of the ELO allowed landlords to start showing apartments, or signing subsequent leases after 70 days of the current leasing period had passed. Under the old ELO (no longer in effect) a lease that began on August 20th, would be available to lease to any tenant on October 29th of the previous year.

About one month after the new ordinance was passed, the [Washtenaw Area Apartment Association \(WA3\)](#), which represents rental property owners, [filed a lawsuit](#) against the city of Ann Arbor seeking to overturn the ordinance. The WA3 voluntarily [dismissed the lawsuit](#) in December 2021.

As the current ELO prohibits landlords with fall-to-fall leases from signing leases with new tenants until March of that same year (about 5 months before the lease would begin) many landlords began reaching out to existing tenants to request renewal commitments from them well in advance of the 150-day time point (before the end of the lease) required by the newly amended ELO. Some [landlords are offering](#) to cap the rental rate for the following year as an incentive to renew early. Other landlords began maintaining reservation lists or waitlists for prospective tenants interested in certain units. Several landlords charge a fee to be placed on the waitlist. Some landlords charge refundable fees, while others charge only nonrefundable fees. Other landlords instruct prospective tenants to sign leases before the 150-day point but wait to

countersign the lease until 150 days before the end of the current lease. All of these policies conflict with the intended effect and the spirit of the amended ELO.

Despite these loopholes, student tenants are generally supportive of the reform. When student tenants were asked in a 2023 survey from Central Student Government at the University of Michigan whether the ELO was a good step to help them as tenants 358 (56.3%) tenants answered yes, 138 (22.0%) were unsure, and 138 (21.7%) answered no. Unfortunately, we do not currently have any survey data for non-student tenants.

Waitlist Policies

Waitlist Agreements

Since September 2021, landlords have begun asking tenants to enter into verbal or written (Figures 1, 2) waitlist agreements to secure a spot on reservation lists or waitlists for occupied apartments. These agreements are also known as “holding” and “options” agreements. [Table 1](#) contains a non-exhaustive list of landlords who have been following this practice. Two sample waitlist agreement forms received by tenants since Fall 2021 are shown in [Figures 2](#) and [3](#). Tenants on the waitlist will be offered a lease in the order of when they joined; when a tenant refuses the offer, the offer goes to the next tenant(s) on the waitlist. The exact details of these waitlist agreements differ from landlord to landlord and it is not known what if any communication between landlords occurred before the adoption of these waitlist agreement systems.

Waitlist Fees

Some landlords charge current and prospective tenants a waitlist fee to join a list of prospective tenants who will be prioritized in an ordered manner to receive the opportunity to sign a lease. Landlords use different terms to describe these fees such as “no hassle fees,” “holding fees,” and “option fees.” According to our research, the dollar amount of these fees ranges from \$150 to approximately \$10,000 per rental unit (Table 1) although we do not have information on the practices of all landlords in the city.

Waitlist Fees vs. Application Fees

Waitlist and application fees can both be classified as pre-tenancy fees as they are payments required before the start of a tenancy. Landlords often charge waitlist and application fees well before the ELO’s lease signing date of 150 days before the end of the lease. Like waitlist fees, there is no limit to the number of application fees that can be accepted for a particular rental unit.

In Michigan, there is no uniform legal definition of waitlists, waitlist fees, or application fees. The city of Grand Rapids, MI, defines a rental application fee as a “fee paid by the applicant

(prospective tenant) to a rental property owner or his or her representative (hereinafter “rental property owner”), in order that the owner can screen the background of the applicant before signing the lease and before any contractual relationship is created.”

Distinguishing between application fees and waitlist fees can be difficult because they are both fees before the start of a tenancy in exchange for the opportunity to potentially sign a lease. In some instances, waitlist fees are distinct from application fees, in other instances, the two have nearly identical terms and functions. Sometimes, application fees are nonrefundable and pay for specific services like credit checks or the administrative time spent processing applications. However, in other instances, application fees are not as straightforward. Application fees sometimes cost much more than any services routinely undertaken during the application screening process. Additionally, some landlords charge partially refundable application fees. Due to the diversity of rules for application fees, we have observed that some application fees are in effect a fee to be placed on a waitlist.

Some landlords require significant deposits separately from security deposits before they begin processing tenant applications; these deposits are not traditional application fees and have similarities with waitlist fees. Campus Management, for example, requires a deposit equal to [one-third of the security deposit](#) to begin processing the application. For one of Campus Management’s 2-bedroom apartments, such a deposit would cost \$910. According to the website, this deposit is partially refundable. Because the deposit is required before application processing, tenants must pay it regardless of whether their applications are eventually accepted. This partially refundable fee is similar to an application fee in that it is required before an application is processed. It is also similar to a waitlist fee in that it is partially refundable and does not clearly pay for particular screening-related services.

First Notification to Tenants

Many landlords begin advertising apartments for the next leasing cycle less than three months after the current leasing period begins. Tenants whose leases began in August 2021 were notified that landlords would open waitlists for their apartments by November 2021. This practice continued in 2022 and many tenants who started their leases in August 2022 were also contacted to apply to join a waitlist by November 2022 for the next leasing cycle.

Rationale Provided by Landlords

In their communication to tenants, landlords have provided the following reasons for early advertising, early notification to current tenants, and for maintaining waitlists:

- Landlords claim to receive phone calls from hundreds of tenants who prefer to look for rental housing 10 months ahead of time.

- If they comply with ELO timelines, the landlord claims their operations would be negatively affected because their leasing staff would have limited work in the fall and winter months.
- Following ELO timelines would “flood the housing market causing a wave of demand and inflation.”

Refund Policies

Landlords have not adopted uniform refund policies. Many landlords state that their waitlist fee is entirely non-refundable if the applicant decides not to proceed with the preferred unit. A sample email between a local landlord and tenant in Oct 2022 on the subject of waitlist fees is shown in [Figure 4](#). Some tenants have expressed to members of the commission that landlords communicated to them that waitlist fees are refundable, but the tenants were unable to recover their waitlist fees. We have collected documentation of such instances.

Non-Waitlist Rental Policies

Some landlords choose to not maintain waitlists. Wessinger Properties is an Ann Arbor landlord that does not maintain waitlists for its rental units. Wessinger Properties does not sign prospective residents to waitlists or require holding deposits. Wessinger Properties states that it believes that the practice of requiring waitlists or holding fees, “is a violation of the spirit of the Early Lease Signing ordinance, speeds up the timeline, and initiates the pressure on students.” Wessinger Properties Policies can be found [here](#).

Impacts of Waitlist Fees

Tenants, tenant rights advocacy groups, and local elected officials have discussed the repercussions of waitlist fee policies since September 2021, when tenants first received notification of this from their landlords. The Michigan Daily also reported on this issue in [November 2021](#) and [February 2023](#). Below are some concerns that tenants, parents of tenants, and landlords have shared regarding waitlist fees:

- Waitlist fees can be much higher than other fees they are aware of such as traditional application fees that often range between \$50-100. Waitlist fees are in some cases over \$500 per tenant. In many instances the waitlist fees are in addition to other fees, making the overall renting experience very costly.
- High-income tenants have the money to join multiple waitlists at once, but many low-income tenants are unable to do so, giving high-income tenants an unfair advantage in finding a rental unit.
- Asking current tenants to join waitlists for their own apartments can be used to coerce tenants into committing to renewing their leases early.
- Tenants on a waitlist for a unit who did not sign the lease reported difficulties getting their waitlist deposits back (in the cases of refundable fees).

In addition to these concerns, the Commission has discussed the probable disproportionate effect of waitlist fees on low-income renters and renters of color. According to data in the national [2021 Zillow Consumer Housing Trends Report](#), Black and Latino renters on average submit more applications than white renters and pay fees that are 30% more expensive. While waitlist fees are distinct from application fees, waitlist fees would possibly follow this existing trend. Additionally, because renters of color submit more applications, they would have to pay more money to join more waitlists, potentially having a disproportionately negative impact on renters of color.

Furthermore, the Washington State Legislature stated in a 1991 bill banning certain kinds of rental application fees that "... tenant application fees often have the effect of excluding low-income people from applying for housing because many low-income people cannot afford these fees in addition to the rent and other deposits which may be required. The legislature further finds that application fees are frequently not returned to unsuccessful applicants for housing, which creates a hardship on low-income people."

The US Department of Housing and Urban Development (HUD) has also taken a stance against application fees and other kinds of rental fees in a recent memorandum from March 3rd, 2023: "...many renters today face fees that are hidden, duplicative, or unnecessary as part of the housing search and leasing process. These fees limit options for renters and strain household budgets, particularly for renters with low and modest incomes who already face high rental cost burdens." HUD discusses the disproportionate impact of rental application fees on low-income tenants and tenants of color and stresses the importance of limiting fees. HUD encourages landlords to "Eliminate rental application fees or limit application fees to only those necessary to cover actual and legitimate costs for services."

Relevant Policies in Other Jurisdictions

Many states and cities across the country have implemented laws that regulate rental fees including application fees. Like waitlist fees, application fees are pre-tenancy fees that don't guarantee a lease. Below are some examples of other jurisdictions that have regulated waitlists and other pre-tenancy rental fees:

- Massachusetts [MGL Ch 186 Section 15B](#) bans all fees except for the "purchase and installation cost for a key and lock."
- Vermont [9 V.S.A. § 4456a](#) bans all application fees.
- Washington [RCW 59.18.253](#) bans waitlist deposits/fees and regulates the amount that can be charged for rental deposits. Holding deposits are still permitted but the holding deposit amount is regulated and the apartment must be removed from the market while the application of the prospective tenant is processed. If the application is rejected, the holding deposit must be refunded.

- Alaska [AS 34.03-010 – 34.03.380](#) bans some kinds of waitlist fees: “it is NOT lawful to charge a fee that becomes the security deposit if the tenant moves in, but is forfeited if the tenant decides not to take the unit.” Furthermore, application fees need to be for reasonable costs for services performed during the screening process.
- California [1950.6](#) caps application fees at \$59.67 (as of 2022) and the fee cannot exceed the landlord’s cost for application fee services. Tenants have the right to request an explanation for why they were not accepted by a landlord.
- Delaware [Title 25 § 5514](#) caps application fees at \$50 and allows tenants to sue for twice the amount of the application fee if they are overcharged by their landlord.
- Grand Rapids, [Sec. 9.925](#) requires landlords to provide tenants with an itemized list of how application fees were used. Landlords must advertise the application fee and clearly state the criteria for applications. Application fees shall not exceed the cost of the screening process.

Recommendations

After deliberation as a commission, the Renters Commission offers the following recommendations to the Ann Arbor City Council and the Administrator:

1. **City Council should prohibit landlords from charging any pre-tenancy fees besides the security deposit.** To eliminate “junk fees” as well as loopholes in the ELO, landlords should not be allowed to charge any fees at or prior to the commencement of the tenancy except for a refundable security deposit. From the perspective of the landlord, any attempt to exclusively regulate waitlist fees but not application fees or other kinds of fees could easily be circumvented by relying on application fees that are functionally very similar to waitlist fees.
2. **City Council should consider amending the ELO to more clearly provide that a landlord shall not offer a lease to a tenant before the appropriate date.** 8:530 currently prohibits the signing of leases with new tenants before the appropriate date by the landlord but does not clearly state that a landlord shall not offer a lease to a prospective tenant for signing. By amending the ELO in this way, Council would effectively make it illegal for landlords to ask tenants to sign leases but wait until 150 days before the end of a lease to countersign. While the countersigning practice may be already in violation of the ELO, clarification of the language through an amendment could strengthen attempts to eliminate this practice.

Sources of Information

We reviewed several sources while preparing this report:

1. The Ann Arbor Department of Rental Housing developed a [form](#) to address tenants' complaints of ELO violations. The Renters Commission received access to the log of complaints, copies of redacted leasing complaint forms, and attachments of emails exchanged between tenants and landlords in September 2022.
2. Since the Fall of 2021, tenants have informed the University of Michigan Graduate Employees' Organization (GEO) and the Ann Arbor Tenants Union (AATU) about what they considered violations of ELO. The authors of this report reviewed all complaints pertaining to waitlist agreements.
3. The University of Michigan Student Legal Services received complaints from tenants who were being asked to join waitlists in Fall 2021, and tenants who were having difficulty getting waitlist fees refunded in 2022.
4. Tenants submitted complaints directly to members of the Renters Commission.
5. Members of the Renters Commission contacted landlord companies directly to inquire about their waitlist policies.

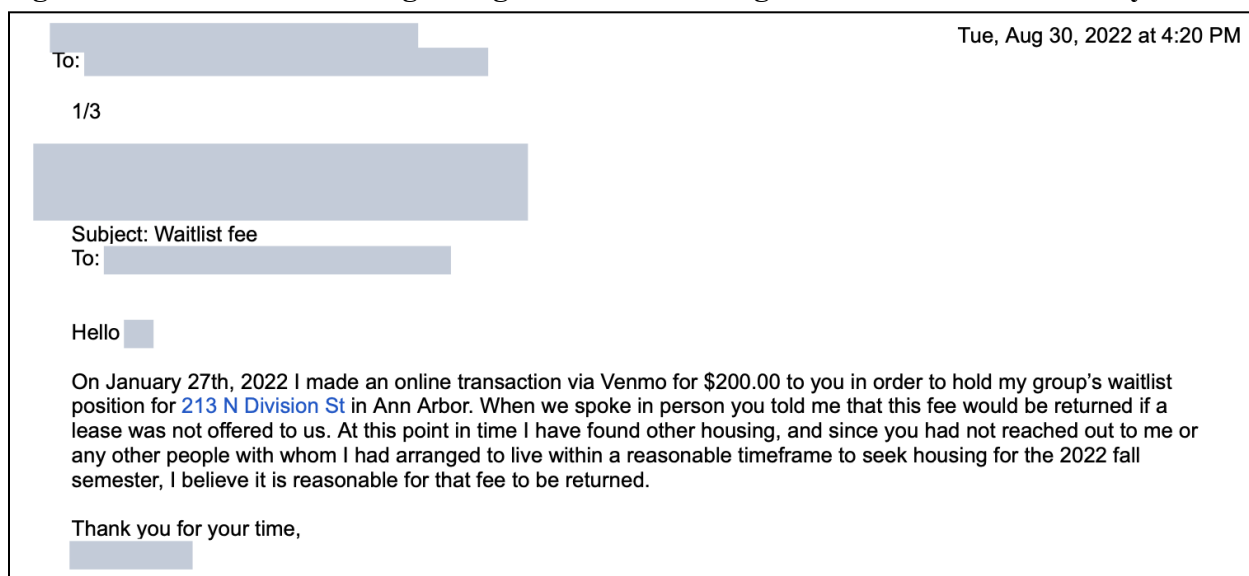
Figure 1: Communication Regarding Verbal Waitlist Agreement with Hanna Realty LLC

Figure 1. This email was sent by an Ann Arbor tenant to a member of the Renters Commission. It describes a verbal agreement waitlist agreement that involved a \$200 waitlist fee paid via Venmo. After five attempts to contact the landlord and reacquire the supposedly refundable waitlist fee from Hanna Realty LLC, the tenant communicated to the landlord that they were going to file a case in small claims court; the waitlist fee was returned within 30 minutes.

Figure 2: Prime Student Housing Priority Waitlist Form

Good afternoon,
Here is the main document that needs looking over:

Office Use: Date _____ Time _____ Available Date to Sign _____
 Transfer from bld _____, apt _____ Name of Resident Transferring: _____
 Parking: YES / NO # of Pass _____ \$ _____ per month

OPTION AGREEMENT
Priority Wait List

I (We) _____ hereby agree to purchase an Option, as described

 below, from Prime Student Housing, Inc. (Prime), agent for Landlord, in the amount of **\$9,850.00**
 This Option is not binding until the Option Fee is paid in full and all monies paid towards this purchase are
 non-refundable. Below are our choices:

	Building	Apt/Style	Price Range
1 st Choice:	312 S Thayer	5b 2b - Apt 2	\$3,860.00
2 nd Choice:	_____	_____	_____
3 rd Choice:	_____	_____	_____
4 th Choice:	_____	_____	_____

I (We) acknowledge that by signing this Option Agreement I (We) are not signing nor obligated to sign a Lease Agreement of any apartment. Further, I (We) acknowledge the Option amount described above will be non-refundable if the apartment, or similar apartment in the building is available and I (We) decline to exercise the Option to sign a Lease Agreement for any reason.

I (We) understand the Option amount will be refundable only if the apartment or similar apartment in the building is unavailable, at Prime's sole discretion, and this will fulfill all of Prime's obligations under this Agreement.

I (We) further agree that within 72 hours after 12:01am on March 19, 2023, will choose whether or not to exercise this Option by executing a Residential Lease. Upon execution of a Residential Lease by me (us), the Option Fee shall be applied to the Residential Lease. If I (We) fail and/or refuse to execute a Residential Lease, the Option Fee shall be retained by Prime as liquidated damages.

1st Payment	\$3,860.00	Due at Signing	11/14/2022
2nd Payment	\$5,990.00	Due in 60 Days	1/13/2023

Agreement entered into this 14 day of November 2022 by _____

Figure 2. This waitlist agreement from Prime Student Housing includes a \$9,850 waitlist fee that is to be refunded only if “the apartment or similar apartment in the building is unavailable.” Prime Student Housing waits to offer the lease according to the timeline put forth by the amended Early Leasing Ordinance.

Figure 3: "Lease Option" Form from ISSA Properties

LEASE OPTION

I/We _____ (Prospects) hereby agree to pay \$ _____ (Option Fee), to ISSA Properties, agent for Landlord, for the right and option (Option) to execute a Residential Lease for the apartment below. This Option is not binding until the Option Fee is paid in full and all monies paid towards this purchase are non-refundable.

Landlord: _____
 Address: _____ Apt # _____

Option Payment Schedule

Due Upon Option Signing: \$ _____ = First Month's Rental Installment
 Due Date: _____ : \$ _____ = 1.5 x Rental Installment + \$150.00

Prospects further agree that within 72 hours after 12:01am on March 19, 2022, they will choose whether or not to exercise this Option by executing a Residential Lease. Upon execution of a Residential Lease by Prospects, the Option Fee shall be applied to the Residential Lease. If Prospects fail and/or refuse to execute a Residential Lease, the Option Fee shall be retained by ISSA Properties as liquidated damages.

The foregoing _____ 20____ by,
 Signature _____
 Email _____
 Cell _____

Signature _____
 Email _____
 Cell _____

Signature _____
 Email _____
 Cell _____

Signature _____
 Email _____
 Cell _____

Authorized ISSA Properties Representative: _____

Office Use: Date _____ Time _____ Available Date to Sign _____
 Transfer from bld _____, apt _____ Name of Resident Transferring: _____
 per month _____

Received
 Thursday
 October 28,
 2021

Figure 3. ISSA Properties sells "Lease Options" for the cost of one month's rent. The price of one month's rent at the ISSA Properties' locations listed on their website ranges from \$985-1,695. Like some of the other options contracts, there is a window of time during which the contract can be executed, allowing the prospective tenant to sign a lease.

Figure 4: Correspondence Regarding Waitlist Policy of Landmark Apartments

<p>Subject: Re: Follow-Up for Landmark Apartments: To: <landmark5@emailrelay.com></p> <p>Hi,</p> <p>Is the application and service fee refundable if we do not get a space?</p> <p>Thank you,</p> <p>██████████</p> <p>On Tue, Oct 4, 2022 at 1:22 PM <landmark5@emailrelay.com> wrote:</p>	<p>Hi ██████████,</p> <p>We unfortunately do not refund the application fee and admin fee.</p> <p>Thank you,</p> <p>██████████ Leasing and Marketing Manager</p> <p>Our mailing address is:</p> <p>Landmark 1300 South University Ave Ann Arbor, MI 48104</p>
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Hello

I am writing with questions about the leasing practices of Landmark apartments, and what appears to be most of the high rise buildings for student housing in AA.

My ██████████ is a ██████████ living in a ██████████ and feeling the pressure to sign something now for next year.

Below please see her email thread with Landmark.

They are charging \$375 application fee and admin fee NOW to get on the waitlist.

They are not counter-signing leases until Mar 5, 2023, which I guess is good to abide by the new ordinance. But it does not even guarantee an apartment to lease until that time.

So... if accepted, the kids have paid \$375 fee which goes toward nothing. Just an additional fee in their pockets.

If NOT accepted, this fee is non-refundable, the kids are out \$375 - or more depending on how many buildings they applied to - and they also have nowhere to live, and need to restart their search on, or more likely after, March 5, which is quite late in the game. In the meantime, they may lose out on another housing opportunity.

Per Landmark's website, they have 608 occupants at \$375 each is \$228,000 for the kids who get accepted! How many kids do we think they are NOT accepting because of space limitations? I find this practice ridiculous and should be illegal.

I could perhaps understand a \$100 non-refundable application fee. Anything other than that is criminal honestly.

Figure 4. This email chain was received by the Renters Commission regarding the waitlist policy of Landmark Apartments. The application and admin fee of \$375 is paid to be considered for a waitlist. (Top Right) If an applicant is not accepted or does not receive a rental unit, the money is not refunded according to the Leasing and Marketing Manager. (Bottom) The parent of the tenant is complaining that this practice is unethical and should be illegal.

Table 1. List of Landlords Maintaining Waitlists

Landlord	Waitlist fee amount (per unit)	Refundable?
University Towers	\$0	N/A
Varsity Management	\$150	Nonrefundable
Varsity Apts	\$325	Partially refundable (\$75 refunded) if the landlord cannot provide the unit
Landmark	\$375	Nonrefundable
Issa Properties	\$500	Refundable if the landlord cannot provide a unit otherwise, nonrefundable
Cabrio Properties	NA	Refundable if the landlord cannot provide a unit otherwise, nonrefundable
Michigan Rental	\$2000	Refundable if the landlord cannot provide a unit otherwise, nonrefundable
McKinley	\$50	Nonrefundable
Campus Management	1/3 of Security Deposit	1/2 of the cost of one month's rent is not refundable if the tenant decides to withdraw from the waitlist.
Prime Student Housing	\$9,850	Refundable if the landlord cannot provide the unit or a similar unit. Otherwise, nonrefundable

Table 1. This is a non-exhaustive list of prominent landlords, reported by tenants to the city/GEO/U-M Student Legal Services for maintaining waitlist agreements. Much of this information was acquired by speaking directly with representatives from these landlords on the phone or by email.

Resolution in Support of an Ordinance to Ban Natural Gas Connections in New Construction and Major Renovations

Approved April 20, 2023

WHEREAS, according to the Bylaws of the City of Ann Arbor Renters Commission, the Renters Commission shall, “[p]ropose, evaluate, recommend, and respond to policies, practices, or laws that affect renters in the City, including, but not limited to: housing affordability, transportation access, land use, public health and safety, and economic development;”

WHEREAS, City Council on November 4, 2019, approved a resolution declaring a climate emergency and setting a target year of 2030 to achieve city-wide carbon neutrality (R-19-498);¹

WHEREAS, City Council on June 1, 2020, approved the Living A2Zero Ann Arbor Carbon Neutrality Plan (R-20-193);²

WHEREAS, gas combustion in Ann Arbor’s buildings generated 520,000 metric tons of CO₂equivalent emissions in 2021, which represents 28 percent of the city’s total emissions that year, according to the city’s 2021 greenhouse gas inventory report;³

WHEREAS, Strategy 2, Action 1 of the A2Zero plan, “Promote home and business electrification,” includes the following assumption: “All new residential and commercial buildings are designed and built to operate without the use of natural gas, reducing the increased cost associated with retrofitting existing systems;”⁴

WHEREAS, Strategy 3, Action 2, “Update building codes,” includes the following assumption: “All new construction from 2022 through 2030 (and beyond) is built to net zero energy standards, which includes no natural gas consumption;”⁴

WHEREAS, as of February 2023, approximately 40 cities and counties nationwide had adopted ordinances banning or restricting natural gas connections in new construction;⁵

WHEREAS, the Zero Code Appendix to the 2021 IECC requires that commercial, institutional, and medium- to high-rise residential buildings achieve net zero energy use, either with on-site or off-site energy generation;⁶

WHEREAS, the A2Zero plan, strategy 3, action 2 assumes adoption by the state of the Zero Code Appendix in 2021, enabling subsequent adoption by the city;⁴

¹ Ann Arbor City Council, [Resolution in Support of Creating a Plan to Achieve Ann Arbor Community-Wide Climate Neutrality by 2030, R-19-498](#)

² [Resolution Adopting the Living A2Zero Ann Arbor Carbon Neutrality Plan, R-20-193](#)

³ Office of Sustainability & Innovations, [2021 Ann Arbor Community-Wide Greenhouse Gas Inventory](#)

⁴ Office of Sustainability & Innovations, [A²ZERO Action Plan 4.0](#)

⁵ Institute for Energy Research, [An Overview of Natural Gas Bans in the U.S.](#), August 2021.

⁶ New Buildings Institute, [Zero Energy Appendix for the 2021 IECC](#), June 2020.

WHEREAS, the Michigan state Bureau of Construction Codes will not adopt the Zero Code Appendix in the current revision cycle;

WHEREAS, Ann Arbor is currently experiencing a significant increase in the construction of new buildings that is already adding substantially to the city's inventory of gas-burning buildings;⁷

WHEREAS, as of February 1, 2023, thirty separate development projects in the city that will burn gas for heat were under construction or in advanced planning, which when completed will produce almost 24,000 metric tons of additional CO₂-equivalent emissions annually just from gas combustion;^{7,8}

WHEREAS, these new emissions will represent more than four times the estimated 5,682 metric tons of annual emissions that will be prevented by the investment of Ann Arbor residents and the city government in new solar installations, including the Solarize residential initiative (through May 2022) and the pending Solar at City Facilities (Enerlogics) and parks (Homeland Solar) projects, when complete;

WHEREAS, incorporating all-electric appliances, including heat pumps, is cost-effective in new construction, according to the Rocky Mountain Institute 2020 report, "The New Economics of Electrifying Buildings," which analyzed heat pump versus gas 15-year appliance life cycle costs in seven markets, including Minneapolis. The report found that in all seven cities, building a home with all electric appliances was cheaper than building a home with gas infrastructure both in terms of up-front costs and over the course of 15 years;⁸

WHEREAS, it has been thoroughly documented that gas appliances like stoves and ovens are sources of volatile organic chemicals known to be toxic and/or carcinogenic, as well as nitrogen oxides (NO_x), which can impair neurological and cognitive function, and formaldehyde, ozone, and small particulate matter, which can cause asthma attacks, airway irritation, difficulty breathing, coughing, and premature deaths for those with heart or lung-related conditions;^{9,10}

WHEREAS, it has also been shown that many gas appliances emit large amounts of natural gas even when they are not turned on, meaning that dangerous amounts of toxic and/or carcinogenic chemicals can be emitted from gas appliances that are not activated;^{11,11}

⁷ Ryan Stanton, [30+ Ann Arbor developments to watch in 2023, including more high-rises](#), Feb. 1, 2023.

⁸ Ken Garber, [Greenhouse gas emissions from natural gas-heated new construction in Ann Arbor \(February 1, 2023\)](#).

⁸ Rocky Mountain Institute, [The New Economics of Electrifying Buildings: An Analysis of Seven Cities](#)

⁹ Gruenwald et. al., Population Attributable Fraction of Gas Stoves and Childhood Asthma in the United States, *Environ. Res. Public Health* 2023, 20, 75. <https://doi.org/10.3390/ijerph20010075>

¹⁰ Michanowicz et al., *Environmental Science & Technology* 2022 56, 14. DOI: 10.1021/acs.est.1c08298 <https://pubs.acs.org/doi/10.1021/acs.est.1c08298>

¹¹ Lebel et al., Methane and NO_x Emissions from Natural Gas Stoves, Cooktops, and Ovens in Residential Homes, *Environ. Sci. Technol* 2022, 56, 14. <https://doi.org/10.1021/acs.est.1c04707>

WHEREAS, carbon monoxide is another dangerous chemical that is produced by incomplete combustion of natural gas in gas appliances which can cause carbon monoxide poisoning in higher concentrations;

WHEREAS, according to the CDC, carbon monoxide poisoning accounts for over 100,000 hospital visits and over 420 fatalities every year;¹²

WHEREAS, the Renters Commission has previously considered a draft ordinance that would require the installation and maintenance of carbon monoxide detectors in rental units that have gas appliances;

WHEREAS, homeowners have the decision-making authority to transition to electric appliances, however, tenants are not able to make these decisions and can be exposed to the risks of gas appliances against their will;

WHEREAS, high-efficiency cold climate heat pumps provide a seasonal heating efficiency more than twice that of a modern high efficiency gas furnace, ensuring reliable all electric space heating and minimizing any difference in operating cost between gas and electric, especially when combined with the tight building envelopes typical of new construction;

WHEREAS, the 2022 Inflation Reduction Act provides substantial new financial incentives for heat pump installation;¹³

WHEREAS, induction stoves are considerably safer, significantly more energy efficient, and can also heat cookware faster and more precisely than gas stoves;¹⁴

WHEREAS, the city has approved seven all-electric development projects since 2020, demonstrating the feasibility of all-electric new construction;

WHEREAS, under the Michigan Home Rule City Act (Act 279 of 1909, as amended), Michigan municipalities have substantial leeway to enact ordinances for the health, safety, and general welfare of their residents;

WHEREAS, on April 11th, 2023, the Ann Arbor Energy Commission passed a resolution in support of banning natural gas connections in new constructions;¹⁵

THEREFORE BE IT RESOLVED, that the Renters Commission expresses its concern about the public health and climate impacts of gas appliances and in particular about the difficult situation

¹² Centers for Disease Control and Prevention, [Carbon Monoxide \(CO\) Poisoning Prevention](#)

¹³ The White House, Clean Energy for All.

¹⁴ Kathryn O'Shea-Evans, [Why New Induction Cooktops Are Safer and Faster Than Gas or Electric](#), *The Wall Street Journal*, April 22, 2021.

¹⁵ Ann Arbor Energy Commission, [Energy Commission Resolution in Support of Accelerated Action](#)

of many tenants who do not have the ability to choose whether they use gas or electric appliances; and

BE IT FURTHER RESOLVED, that the Renters Commission recognizes the importance of electrification and decarbonization in regard to the quality of life of all Ann Arbor tenants and expresses its complete support and commitment to the goals of the A2Zero Plan; and

THEREFORE BE IT RESOLVED, that the Ann Arbor Energy Commission urges the City Council to ask the City Administrator to work with the City Planning Commission to draft and pass, with the great urgency fitting a declared emergency, an ordinance banning natural gas connections, with extremely limited exceptions, for all new construction, as well as major renovations and additions, for Council's consideration; and

BE IT FURTHER RESOLVED, that the Renters Commission suggests that City Council pursue the implementation of policies that will increase the energy efficiency of rental units, for example, the proposed Green Rental Housing efficiency checklist, rebates for efficient electric appliances like heat pumps, induction stoves, and programmable thermostats; and

BE IT FURTHER RESOLVED, that this resolution be communicated to the Planning Commission.
