NEIGHBORHOOD AND COMMUNITY DEVELOPMENT
STANDING COMMITTEE MINUTES
Monday, December 2, 2019

The meeting of the Neighborhood and Community Development Standing Committee was held on Monday, December 2, 2019, at 5:00 p.m., in the 5^{th} Floor Conference Room of the Municipal Office Building. The following members were present: Commissioners Burroughs, Chairman; Commissioners Townsend, Walters and McKiernan (in attendance via phone). Commissioner Murguia was absent. The following officials were also in attendance: Gordon Criswell, Melissa Sieben, Emerick Cross and Alan Howze; Assistant County Administrators; Angie Lawson, Deputy Chief Counsel; Kathleen VonAchen, Chief Financial Officer; Chris Slaughter, Land Bank Manager; Katherine Carttar, Director of Economic Development; and Jay Doleshal, Sergeant-At-Arms.

Chairman Burroughs called the meeting to order. Roll call was taken, and members were present as shown above.

Approval of standing committee minutes from September 30, 2019. **On motion of Commissioner Walters, seconded by Commissioner Townsend, the minutes were approved.** Motion carried unanimously.

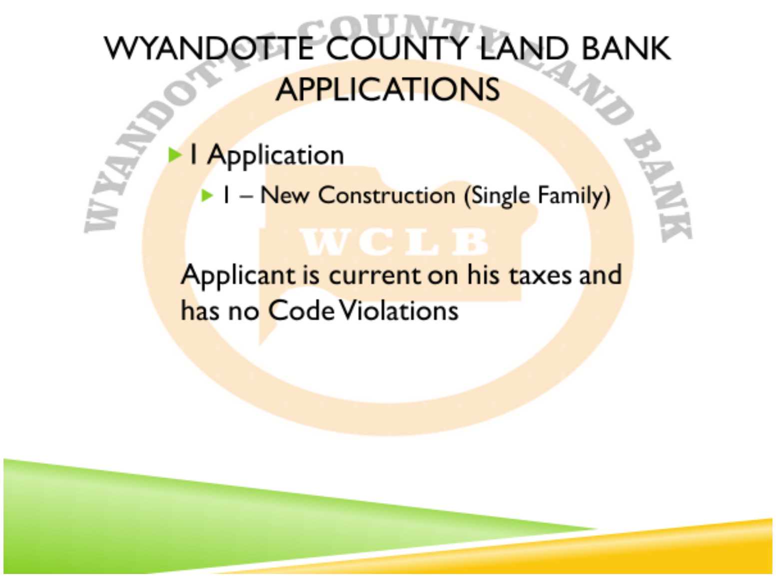
Committee Agenda:

Chairman Burroughs said we have six items on the agenda this evening. The first consist of Land Bank business. We'll ask Chris Slaughter to present the business.

Item No. 1 - 19852…LAND BANK BUSINESS: APPLICATION
Synopsis: Request consideration of the following Land Bank application, submitted by Chris Slaughter, Land Bank Manager.

Application
4011 S. Minnie St. -Pillar KC, LLC, new single-family construction

Chris Slaughter, Land Bank Manager, said tonight first we have one application.



It's for new construction of a single-family house. The applicant is current on their taxes and there's no code violations.

This lot is 4011 S. Minnie Street. It's over on your far right, there in red.

There's a picture of the existing lot. So again, it'll be a single-family house, about a little bit under 1100 square feet, and it will consist of three bedrooms and two baths. Our request is for you to approve and forward for final approval to the board.

Action: **On motion of Commissioner Townsend, seconded by Commissioner Walters, approved.** Roll call was taken and there were four "Ayes," Walters, Townsend, McKiernan, Burroughs.

Item No. 2 – 191069…LAND BANK BUSINESS: TRANSFERS FROM LAND BANK

Synopsis: Communication requesting consideration of the following Land Bank applications, submitted by Chris Slaughter, Land Bank Manager.

Transfers from Land Bank

950 R S. 25th St. - Kaw Valley Drainage District

(With the Kaw River Levee project, the District will be moving its maintenance building to adjacent location and this parcel will give them better access to the new building.)

Chris Slaughter, Land Bank Manager, said yes, we have a transfer at 950 R S. 25th Street. As you can see it's here in red, it's a small sliver.

This request would be a transfer to the Kaw Valley Drainage District. With the Levee Project taking off, they're going to relocate a maintenance facility. This strip of land will give them greater access to that new building. So, the request is approval for, to be forward for the board for final consideration.

Melissa Sieben, Assistant County Administrator, said Mr. Burroughs, I just wanted to follow up. As part of the Levee improvements that we're doing along the Kansas River, Kaw Valley Drainage District is having to vacate its current facility. We've been working with them to identify other locations and luckily, we're only having to provide this little strip of basically easement, back to a parcel that they already have access to. So, this turned out good for them and good for us, and so hopefully we can get this moving and get them out of the way for the project. **Chairman Burroughs** said we have is government working to get its best. **Ms. Sieben** said correct.

Action: **On motion of Commissioner Walters, seconded by Commissioner Townsend, approved.** Roll call was taken and there were four "Ayes," Walters, Townsend, McKiernan, Burroughs.

Item No. 3 – 191070…LAND BANK BUSINESS: TRANSFER TO LAND BANK
Synopsis: Communication requesting consideration of the following Land Bank applications, submitted by Chris Slaughter, Land Bank Manager.

Transfer to Land Bank
520 Everett Ave. - City of Kansas City, KS
(Land Bank has multiple option agreements for the eastern part of Turtle Hill for future housing. If approved, the Land Bank will enter into another option agreement with the existing developer.)

Chris Slaughter, Land Bank Manager, said now we have a transfer to the Land Bank. This property is 520 Everett and is the green parcel there on your map.

We currently own a majority of the Land Bank property here on the eastern part of Turtle Hill we have option agreements in place for some multi-family housing project. This would just add to that square footage. Again, once approved for transfer we would enter into an option agreement, and eventually once that project is ready to move forward we would presume all these parcels that are under option would be presented at one time.

Chairman Burroughs asked**,** is that the last large parcel available there? **Mr. Slaughter** said, what do you mean by last available? **Chairman Burroughs** said the red that's next to the green.

Mr. Slaughter said, that's currently Land Bank. **Chairman Burroughs** said that's currently Land Bank, okay. So, we do have other properties, still available there. **Mr. Slaughter** said correct. But a majority of these have option agreement with the same entity and they're just also requesting the one in green that is currently in the City's name. **Chairman Burroughs** said alright.

Action: **On motion of Commissioner McKiernan, seconded by Commissioner Townsend, approved.** Roll call was taken and there were four "Ayes," Walters, Townsend, McKiernan, Burroughs.

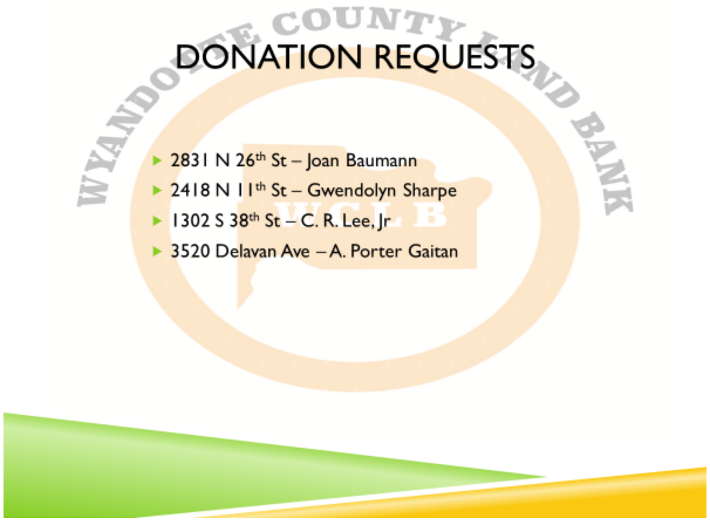
Item No. 4 – 191071…LAND BANK BUSINESS – DONATIOINS TO LAND BANK
Synopsis: Request consideration of the following Land Bank applications, submitted by Chris Slaughter, Land Bank Manager.

Donations to Land Bank
2831 N. 26th St. - Joan Baumann, vacant lot
(Out-of-state owner who inherited property and doesn't want or to take care of it.)

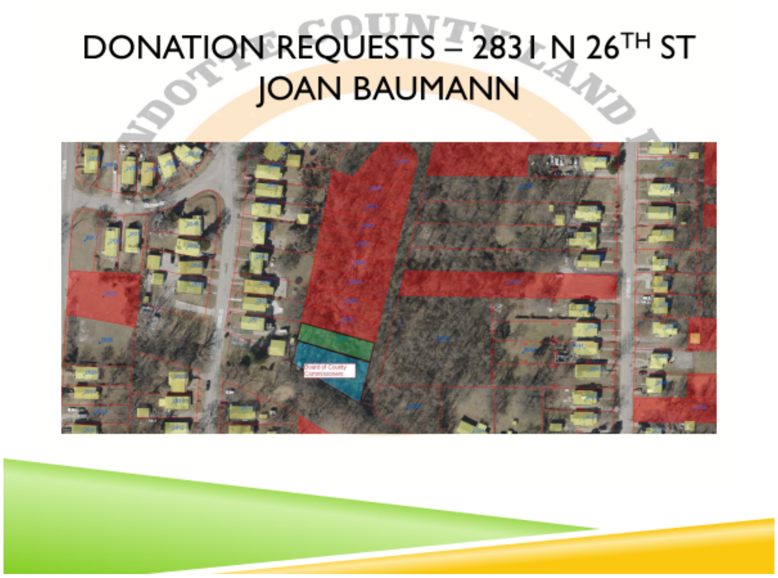
2418 N. 11th St. – Gwendolyn Sharpe, vacant lot
(Owner now lives in Wichita and doesn't want or take care of it.)

1302 S. 38th St. – C.R. Lee, Jr., vacant lot
(Out-of-state owner who lost job in KC and left city and doesn't want or take care of it.)

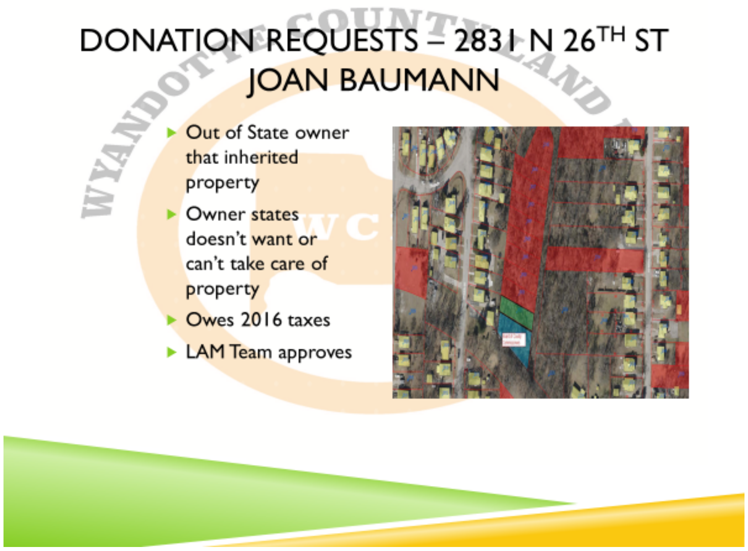
3520 Delavan Ave. – A. Porter Gaitan, improvement
(This house has had numerous citations for being unfit and not secured. Owners have tried to sell with no luck and have offered to donate to Habitat/Catholic Charities and they have indicated that the cost far exceeds the item.)



Chris Slaughter, Land Bank Manager, said next item is four donation requests to the Land Bank. 2831 N. 26th Street from Joan Baumann. 2418 N. 11 Street from Gwendolyn Sharp. 1302 S. 38th Street from CR Lee Jr. and 3520 Delavan Avenue, from A. Porter Gate.



The first one is 2831 N. 26^{th}. It's located here in green on your map. These are existing Land Bank properties. In the blue is a Board County Commissioner's property.



As you can see its kind of nestled here behind the existing houses here on 26th Street. We wouldn't anticipate an immediate use for it but with the other Land Bank parcels it would just be one continuous lot that maybe someday could be used.

Commissioner Walters said can you tell us why it's being donated? **Mr. Slaughter** said yes. The current owner is lives out of state. She states that she inherited the property. She doesn't want it or can't take care of the property. She does owe 2016 taxes. This was presented to the Land Team, and they expressed their approval.

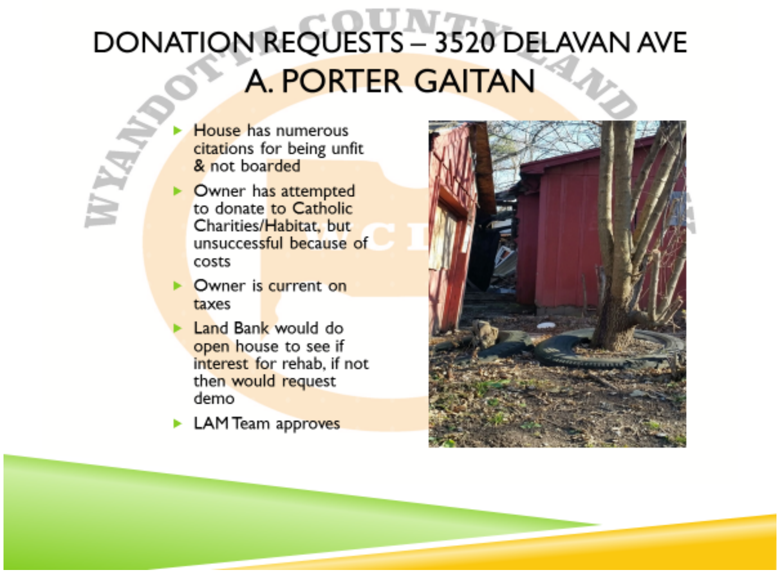
Next property is 2418 N. 11th Street. That's again outlined in green.

There's a current picture of the property. Owner currently lives in Wichita. Again, states doesn't want, or can take care of the property. The owner is current on their taxes and again the Land Team did approve.

Next one is 1302 S. 38th Street. That again is outlined in green on your map.

Current picture of the property. Another out of state owner. States that can't take care of the property. Owner is current on their taxes and this again was approved by the Land Team.

The last one is 3520 Delavan Avenue in green.



This does have an improvement on it. This was about the best picture I could get. The house is currently being cited for being unfit and not being boarded. They earlier attempted through Catholic Charities, Habitat, I think they even reached out to one of those "we buy ugly houses" and basically are all unsuccessful because the cost that the person would have to put into the property just didn't make sense for them. They are current on their taxes. If received, we would definitely do an open house to see if anybody would want to take this on. But if not, if we received no interest if we took possession, we will request that it be demoed. The Land Team did look at this also and approved. So those are the four requests tonight for approval, and if approval, move to the board for final approval.

Chairman Burroughs said, Any questions or comments from the committee.

Commissioner Walters said, I have a question. Those three, the last three properties, do we, what is the procedure when we take property that their current on our taxes do we send a notice, expressing their appreciation for keeping this cost effective versus as taking in the loss because they're delinquent on their taxes. Do we take sense any kind of a letter or anything like that to the property owners? **Mr. Slaughter** said, we generally don't they're usually thrilled enough that we take the property off their hands. **Commissioner Walters** said okay. In the last property that you talked about; we could end up having to raze that property? **Mr. Slaughter** said that is one of the possibilities, yes. **Commissioner Walters** said and additional cost to clean it up, besides just the demolition. **Mr. Slaughter** said correct. The City could also move forward to raze it would be additional expenses still paid and. So, either way the City is going to be on the hook to tear this down. **Commissioner Walters** asked, do we give consideration to the additional costs of demolition. In reference to the long-term cost to the county. We're losing a tax base and because they are current on their taxes, we're going to take possession and we're going to lose that tax base plus the additional dollars. Do we take the—do we have the authority to deny taking those? **Mr. Slaughter** said yes. **Commissioner Walters** asked, is there a certain percentage or a certain number that triggers us not to accept a piece of property. **Mr. Slaughter** said, I wouldn't think so. I think it really comes down to. Do we get it now do we get it later; do we raze it now do we raze it later. The owners have not indicated, anything to me that if they couldn't get this donated that they would go ahead and have it razed themselves. I'm going to assume that they're, not willing to pay for that.

Chairman Burroughs said thank you. Any other questions or comments from committee.

Commissioner McKiernan said I just have a little bit of question along those same lines. So I guess what I hear you saying is if we don't take it, it just kind of sit there. **Mr. Slaughter** said until I think the City would then move in through the further citations and start the demo process. I'm not an expert on how their procedures work but, I would assume if it's being touted as unfit, and the owners, lack of being able to keep it boarded is going to eventually come into play where the City is going to act.

Commissioner Walters said I was thinking that you were going to tell us that it would…we would live with it for three years until it became delinquent and then we would take it or something. I mean, that's not a good future. **Mr. Slaughter** said I mean that the positive thing is hopefully someone can look at that beyond the damage and think structurally it's still sound and they'd be willing to take it more rehab it.

Commissioner Walters said can I ask you about the third property? It seems like a fairly buildable area, lot? Why can that not be sold on the market. Do you have any idea about that? **Mr. Slaughter** said I don't know if the owners attempted that but again, I think the owner did live out of state and I think sometimes they'd rather just walk away from it. **Chairman Burroughs** said I think this goes back to, Commissioner Murguia's comments about buildable lots, having a, using a for sale sign to demonstrate that we have a buildable lot that potential to increase the value of that property, we could accept this and tomorrow. Put it up for sale and so perhaps. I mean, we would definitely probably market that if we go back to the street map, and with me being out there today, I mean the houses on that block. We're all in pretty good condition so I think it's pretty strong neighborhood. You know the question would be is do we sell it as one or do we look at it, splitting it in half and maybe trying to get two builders there. So, I think it's rare on a donation request that we get something of this size, and in something of a good strong neighborhood, but definitely our plan would be is, is to market this for sale, or for a new home.

Four properties. We do have a question

Commissioner Townsend said. more of a comment and I will second that. Even though we really don't like to see lots either improved or unimproved come into the Land Bank. To me, these four examples were four examples of a good use, not the best thing, but the owners, particularly those who live out of town that presents a lot of problems with upkeep. Then we get calls from neighbors if those owners out of town decide, well, I'm not going to do anything with it anyway. This supports our SOAR Project. So it's not the best thing when we see people leave, but at least they have come forward and have not compounded a problem or tried to head off problems with unsightly lots, and then the options for rehab possibility for sale, as the commissioners have already said sound reasonable. So, I've already second emotion.

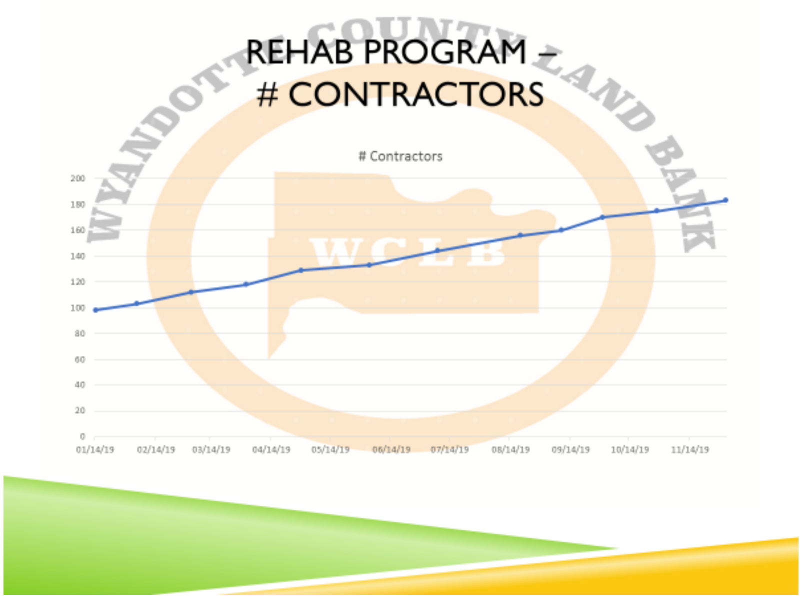
Action: **On motion of Commissioner Walters, seconded by Commissioner Townsend, approved.** Roll call was taken and there were four "Ayes," Walters, Townsend, McKiernan, Burroughs.

Chairman Burroughs said, I believe this is the last item for Mr. Slaughter. We have one more we have the rehab update.

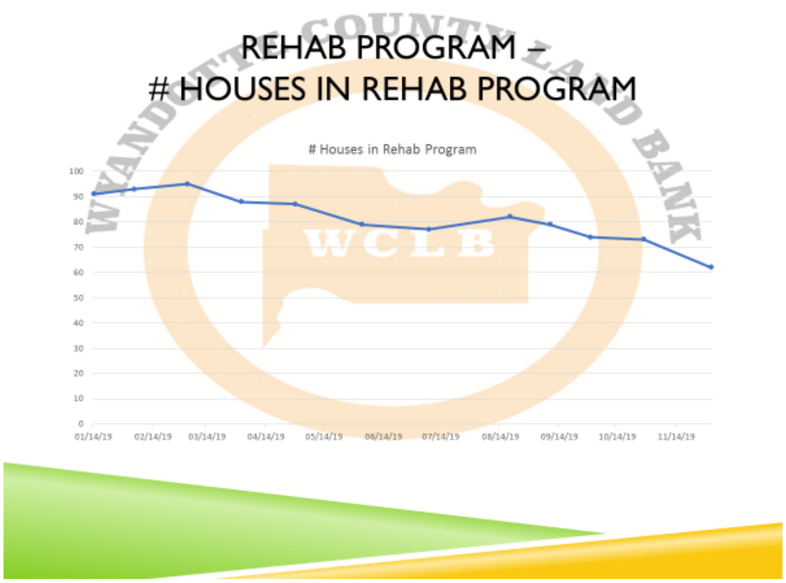
Item No. 5 – 191072…LAND BANK REHAB PROGRAM - UPDATE

Synopsis: Update on the Wyandotte County Land Bank Rehab Program, submitted by Chris Slaughter, Land Bank Manager.

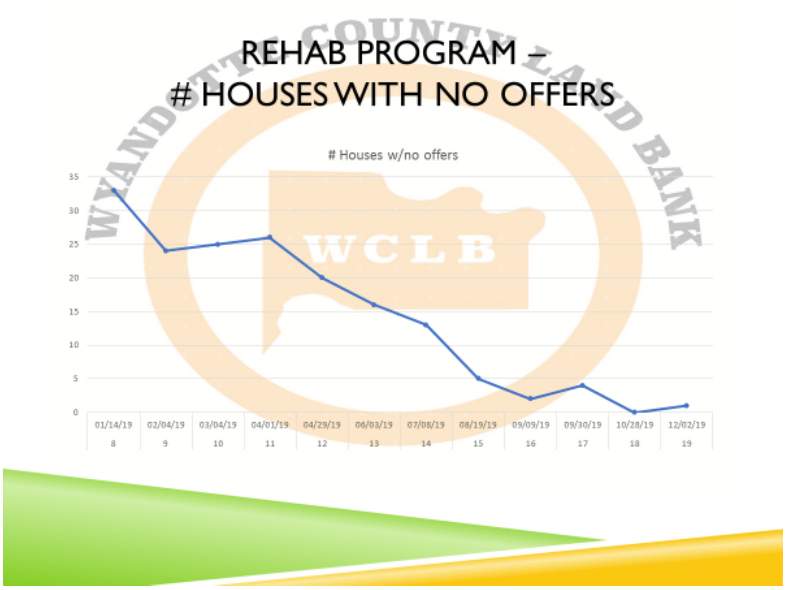
Chris Slaughter, Land Bank Manager, said now we're going to do our monthly Rehab Program Update.



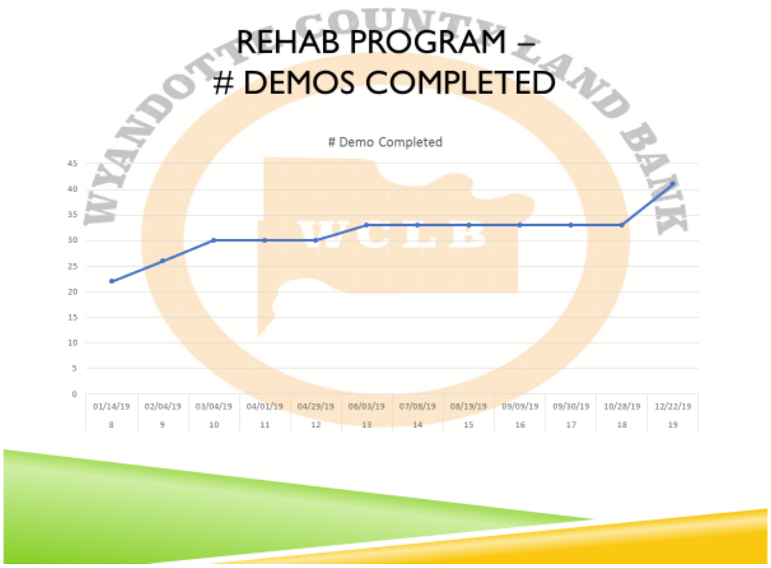
So, as our program continues to get the word out, we continue to get new contractors we're currently up to 183.



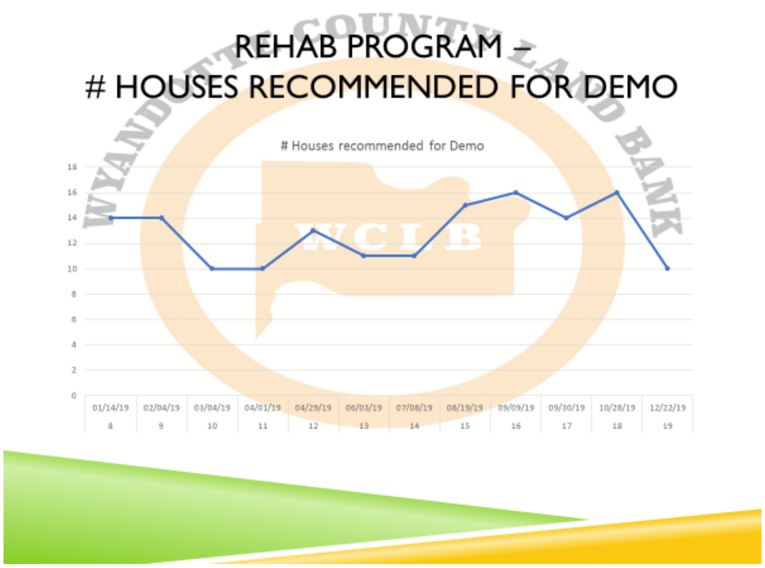
The number of houses has dropped down to 62. We do anticipate by next meeting that will go up, based on receiving the houses we're going to get from the August sale. I think it's that we're anticipating getting that deed this week.



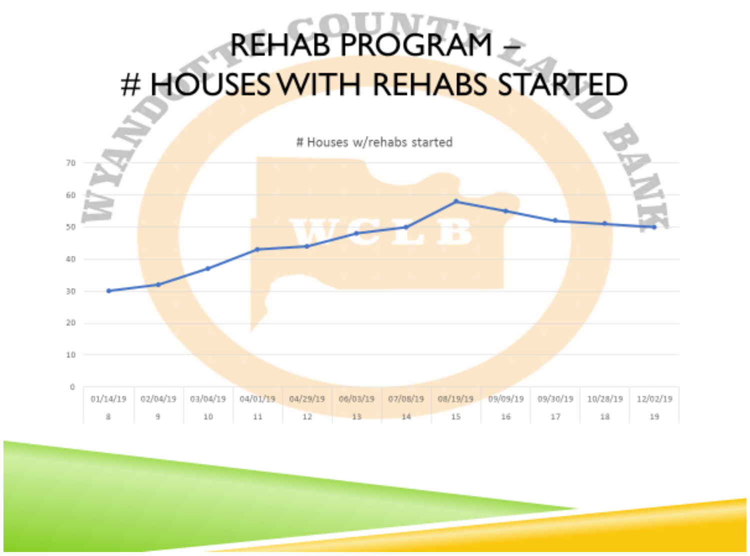
Houses with no offers stands at one.



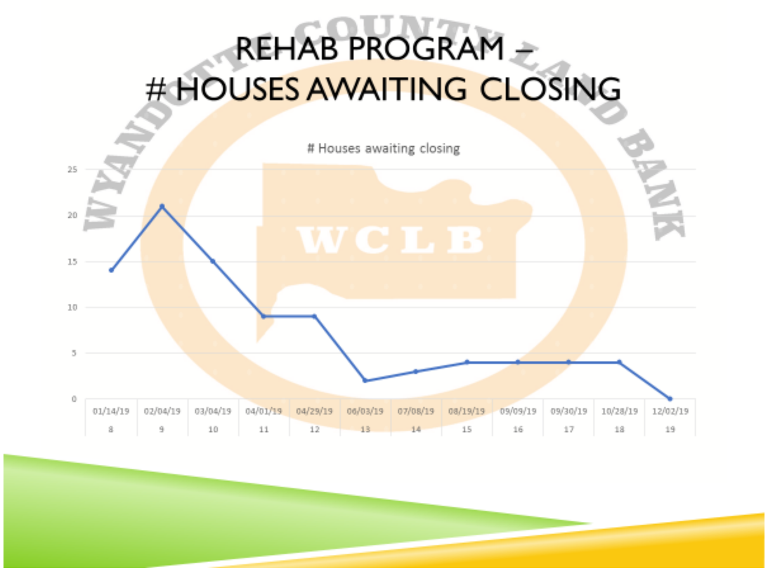
Demos completed, we are now up to 41.



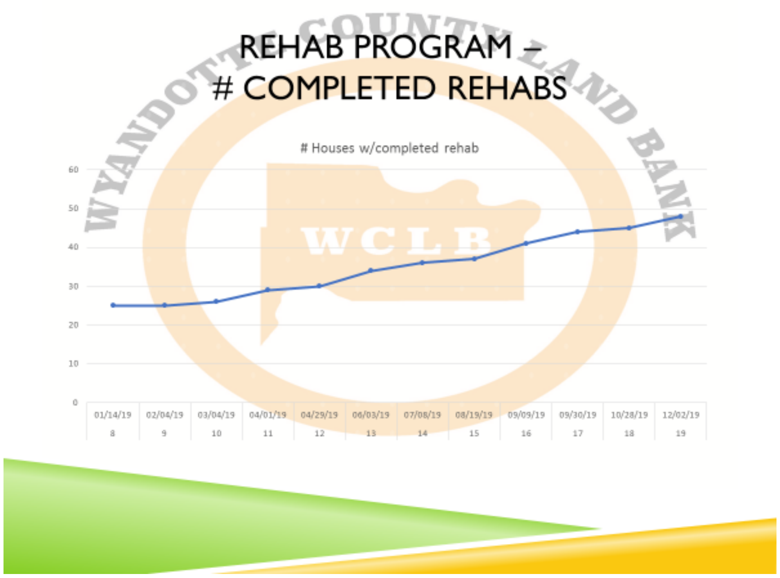
Houses recommended for demo is now down to 10.



Houses with rehab started we are at 50.



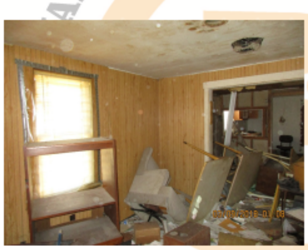
We currently waiting to be closed. None



We are now up to 48 completed rehabs, and we're going to highlight a couple of those here tonight.

3001 N. 14th Street.

3001 N 40TH ST



3001 N 40TH ST

We're used to seeing these types of pictures.

This is the completed front of the house.

Inside, it's a very small house, two bedrooms, one bath and there's the laundry room.

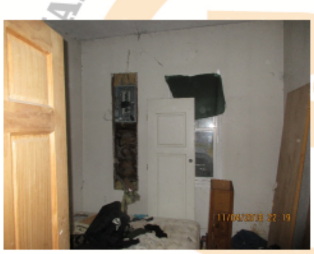

3001 N 40TH ST


3001 N 40TH ST

This property was in tax sale 337 back in December of 2017. The minimum bid at the time was almost $300. This took 16 and a half months. I kind of want to mention that this rehabber about halfway through had her contractor run out on her. Taking some money from her, so we got her in contact with another rehabber contractor in our group. They agreed to help out and finish things out, so she was extremely thrilled with that, we took it on it was appraised at a little over 10,000, and currently it's under contract for about $119,000.

706 N 10TH ST

706 N 10TH ST

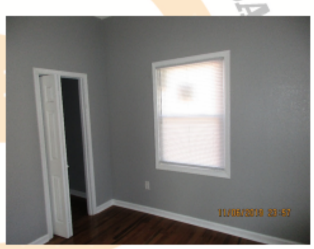


The last one we'll touch on tonight is 706 North 10 Street. This is just right across 10th street from the funeral home. Over there about 10th and Barnett. Stop me if you've seen these before.

This is a current picture of the house completed and yet another small house, two bathrooms one bath.

706 N 10TH ST

706 N 10TH ST



They put a nice fence up the first one on the left is looking back towards the alley and there's looking towards 10th Street.

This was in tax sale 331 in August of 2018, with about 17,600 and back taxes. This was seven and a half Rehab Time. We got it was appraised a little over $18,000, and it's currently being listed for $100,000. So, that's the presentation for you tonight.

Katherine Carttar, Director of Economic Development said I just like to add really quick. We see the contractor lists keep growing. As you can see, we have very few houses which is something which is both good and bad for our program. I would like to point out that the house that are the future home that Chris mentioned earlier so if someone is actually building a new construction on a vacant lot that is someone who started out as a contractor in the rehab program and has used the rehab program to actually grow in their assets and ability and now we're able to actually start from scratch and build a new house so we're hoping that this is a trend that we see with more contractors so they can go from rehabbing our Land Bank homes to actually building new on vacant lots.

Commissioner Walters said what you pointed out raised a question with me. It seems like we have a lot of contractors who are interested in this program, but we don't have very many houses available, but we have a lot of tax delinquent property. I think the program is wonderfully successful. I guess my question is, how could we double or triple the program's capacity. **Mr. Slaughter** said I don't want to speak for legal but, I mean I guess you can go tell everybody, not to bid at the tax sale next week. **Commissioner Walters** said well, okay. I mean, another option.

Mr. Slaughter said you know the tax sale is great because we are getting private citizens buying those properties and for the most, they are fixing them up as well. You know, we're left at the mercy of the tax sale. I know I've mentioned this to you, plenty of times. You know, the good thing having the low numbers is I received plenty of calls from our regular rehabber saying, when are we getting the next houses. So, the ones that will be able to put up and get offers on I anticipate getting strong offers on. And we probably in a couple months will be right back to a very low inventory. For what we're having to work with. That's a good thing too. **Chairman Burroughs** said this is a wonderful time to be in the real estate business. So, I mean, sales are strong, and demand is strong. I hope we are doing everything we possibly can to take advantage of that. Thank you.

Chairman Burroughs said the SOAR program was implemented prior to my opportunity to serve. How many homes did you say have been completed under the SOAR program? **Mr. Slaughter** said completed rehabs, 48. **Commissioner Walters** said forty-eight, and with that it comes an increased tax base for as well as filling in the neighborhoods with homes that have in the past been boarded up or very few of them were slated for demolition. Those that were slated for demolition that has occurred. What we're seeing is where you're getting rid of the decay, and at the same time, investing in the neighborhoods, through the SOAR program. I agree I think it's a great program and kudos to you and those who've been involved. It's a some we take great pride in.

Ms. Sieben, said sure, I just also wanted to add that through this year we've also worked really hard with our Land Asset Management Team, with Katherine and Chris. To further, try to erode the number of demolitions we do. SOAR's having a harder core look at what would be on the demo list. We actually went back to our demolition list and removed quite a few properties off the demolition list because we realized with the work that has been done with the Land Bank that these homes can be saved. There are ways to have enough value in the community to make that happen. With each one of these we're creating strengthen our neighborhoods. We're creating comps that we desperately need. Chairman Burroughs said wonderful.

Action: Information only.

Public Agenda:

Item No. 1 – 191018…APPEARANCE: KATHRYN ERWIN
Synopsis: Appearance of Kathryn Erwin regarding experience with contracts for deed in her neighborhood.

Kathryn Erwin, Kansas City Kansas, said I'm currently the Acting President of The South Argentine Neighborhood Association. When I first made my request to speak about eight weeks ago I very naively assumed that I was the only one who was aware of this contract for deed issue when I became aware of it in my neighborhood and an effort to identify new members for our neighborhood association. In conversations with the folks that I would meet at the door who would tell me that they were the homeowner and working on the property, raising their children there. It became very clear very quickly that they were not the deed owner, they did not get the tax statements and I was very curious as to why. And as it turns out it was because they were the purchasers and what are known as contract for deeds, land contracts, rent own transactions, whatever name you want to put on them. In doing so, I did a lot of research that I came to the conclusion that many of you may already be aware of is that when you're a purchaser in a contract for deed and, specifically, these were contracts for these that were not made a record in the register of deeds office as they expose the purchasers in these transactions to a number of risks, including you know no public record of their interest in these properties, which would allow the owner of them or the seller in this land contract to sell the property without notice to them or their permission. It requires and the ability to apply for residential building permits, meaning any improvement made into the property would not have any oversight from the county. it created roadblocks to convey these contract for deed interests and probate proceedings amongst many other issues that others are familiar with more than I. Me thinking I was the canary in the coal mine was very naive of me, and after I placed this request to speak before you, and number of incredible members of the unified government and public entities reached out to me very promptly, to let me know that I was not alone, and I was actually one of many people who have known of this problem in Wyandotte County since at least 2001, if not earlier. Amongst them was Register of Deed, Nancy Burns, who is present here today, Assistant County Administrators Criswell and Sieben, and the members of the Wyandotte County Association of Realtors Community Housing of Wyandotte County, El Centro, The Argentine Betterment Corporation, Rosedale Development Corporation, as well as my acting Commissioner and Commissioner Elect in District Three. They provided an immense amount of counsel, along with the actual Counsel of the Legal Department to let me know that there were many people who are already working on this and would love for some help. The conclusion that most of them had come to is that Wyandotte County and the Unified Government as much as they wanted to help purchasers and vendors alike in these land contracts who currently have no consumer protections at all. We simply do not have the jurisdictions. It is the interpretation of state law that county governments do not have the jurisdiction to regulate what are believed, or what are state level real estate transactions. That any sort of work that we were to do outside of the existing regulation that is covered in our rental licensing ordinance would require state level legislation. Now for a simple resident like me I, of course, was actually quite excited because I means I get to bother some state legislators to amongst other people then the Wyandotte County Administrators, and was happy to find that we would not be the first state to try and do this, we would be amongst many good peers, including Illinois, Texas, Minnesota, Maryland, New Jersey, Pennsylvania, Maine, Iowa and Oklahoma, just to name a few. The only existing restriction currently in mind that county, like I said, is this rental license ordinance. The teeth and that ordinance is mostly that if you are an out of state or a non-owner occupant owner it requires that you have a rental license on the property unless you can prove that you have a contract for deed transaction which makes them go through Ms. Burns' office. Now when I did a kind of preliminary look at what my neighborhood looks like we have 63, non-owner-occupied properties out of 318, which in the southern part of Kansas City, Kansas is actually pretty good. Of those 63 only 10 have rental licenses, two have contract for deeds on them, and the rest of them, we're not really sure. All we know is that the person living in them is not the owner and that can mean a lot of different things.

Unlike some who stand before you just complaining that they have neighbors who, you know, don't own their homes and think they do, and it makes you really sad like it does me. We've got a plan, and I've got County Administrators who have been incredibly kind and helping me formulate that plan. It kind of looks like two things. One is, it looks like we're going to have to craft some legislation and bother some state legislators which I'm more than happy to do because not too bad. My thought is that the Illinois State law, which I did not bring for you on purpose because I'm hoping to make it a little bit better, is going to be the basis of what we're going to strive for. The reason for that is the Illinois State law is really formulated as a consumer protection law. It will not require an immense amount of additional unified government resources to actually empower that law, but it really does is let the purchasers and vendors alike, basically give to their own private contracts and make them a record so that there is no conveyances that do not already have those memorialize equitable interests involved in that transaction. In addition to that of course there's already teeth in our rental licensing ordinance that we can beef up. This effort was already underway when I showed up again. Naive canary in the coal mine theory that Assistant County Administrator Sieben was well underway, and in accordance with our SOAR goal we're hoping to increase those rental licenses and that will include not only in the future, identifying those properties that are invested properties quicker, but also using what is going to be an immense effort to figure out which ones are already in place and unlicensed like the 53, first in the half mile around my house. This today is less of a request and more of an FYI that I will be showing up more often. Probably with some legislation in hand for your thoughts and review, and that I'm hoping that we will not go another 20 years without helping my neighbors, one of which was actually a contract for deed house just three days ago, along with her four young children. So, thank you, I appreciate your time and welcome any questions and I'm excited about this Land Bank stuff. It's pretty neat I tried to buy one down the street from me but my neighbor beat me to it. That's okay.

Commissioner McKiernan said Miss Erwin, I want to thank you very much for coming forward and you have identified something that truly is a significant problem for a number of residents of our community. I'm glad that you've been introduced to the team within the unified government who are working to try to get in front of this, so that we can protect the residents of our county from people who would otherwise try to take advantage of them. It is, unfortunately, a very big problem because there are a lot of people who make it their life's work to stay off of our radar and stay out of our vision to escape the oversight that would otherwise come and protect the people living in their structures. So I'm glad to have you on our team. I'm excited that we have somebody in the community who can begin to educate neighbors about this problem. like you, I know many people firsthand who have been taken advantage of enormously in this regards. It truly would be great if we could as a community do something to reduce the risk borne by people who simply want to live here in a good quality house. If I could just take this opportunity since I have the floor to circle back to something Commissioner Walters brought up earlier about putting more houses into our Land Bank rehab program. One of the things that we have talked about but we really again, don't have leverage, just like this contract for deed, we don't have leverage on this. Those are properties that are tax current, but otherwise abandoned and not cared for and not occupied and creating blight and should be somehow turned into livable homes. So anyway, Ms Erwin, thank you so much. Thanks for being on our team. **Ms. Erwin** said thank you, Commissioner.

Commissioner Townsend said Ms. Erwin, I echo Commissioner McKiernan's sentiments. Specifically, since you have identified you've done a lot of homework is clear. Could you identify for us a couple of the things in the Illinois legislative actions that would specifically help people who are in these contracts for deed situations.

Ms. Erwin said just to give some brief history if you're kind of familiar with Contract for Deed themselves. When you're in a Contract for Deed transaction the agreed upon price, the condition of the property, whether or not it's tax update and all these different things are not a part of that contract. The owner, typically, they're actually advertised was commonly on Facebook, is they're saying, you know, an owner to owner sale cost you this much down this month payments a month. It's going to be your house. If you were to go buy a house in the real estate market, there would be a seller's disclosure of the current property. You would know who owned it that the person you were assigning actually had titled to convey to you. That they were current on taxes there's a code violation all these litanies of different consumer protections that govern traditional real estate transactions. That just simply doesn't exist for contract for deed, it's not at all required. So, what Illinois did for instance, is they basically extended traditional real estate processes to contract for deed rent to own seller financing transactions. A seller finance transaction or contract for deed requires the same thing that a traditional one would. When the purchaser is able to get an appraisal a purchaser, they will get an inspection. The seller must provide a disclosure fee. They must provide your lead paint disclosures all those important things that you would see, as well as there is an obligation on the sellers' part to convey that information, truthfully, and as whole to the best of their knowledge. Whereas, as of now contract for deed purchasers and sellers have no obligation, really at all. Whenever there's no enforcement mechanism that forces, the seller in that transaction to be truthful and to even divulge this information. Illinois has a, and I mean, a laundry list, probably 30 or 40 different obligations on the sellers part to say this is how much the taxes were last year, is what your payment will be, the interest rate that you're paying, when you will take over ownership and agreement upon which repairs are required and what agreement has taken place on either sides. Let's say you need to replace a roof, there's an agreement in advance, which party will have to repair that. Typically, as of now, the purchaser in this contract, wears that burden, holy. If you were presuming that people seeking contract for deed transactions cannot procure traditional financing, the presumption that they could bear a $4,000 roof expense is unlikely at best. And typically, a lack of upkeep on a home is a default double issue for contract greedy transaction so the vendor could evict that person for not repairing the roof. That's kind of the power for these people who go into these. Largely, and this is a broad stroke I'm going to paint here, I would say in my research almost 90% of contract for deeds are predatory in some way. Four out of five are satisfied. Somebody who's entering these transactions must know that the likelihood is that the person they're selling their home to is 80% of the time not going to actually get through the whole thing. For a 30-year contract, there's no payoff period, there's either you pay it off, or you don't have anything, you just have to walk away. That was an example in my neighborhood that kick started this whole thing is the mother died, she was the contract holder, because it was not a record it could not be conveyed in probate. So it just sat in the either, and her son wanted to move out of the house, or sell the house to get something larger for his children, and he couldn't he had $19,000 left on the contract to pay off. So it's, there's no building of equity there's all these different things but where in Illinois is created after six months you're making equity or seller's protections. It must be recorded or it's delayed. There's different purchasers' protections as well. It just gives teeth and the ability for both parties, because, you know, Nancy Burns can attest that the issue can be on both sides vendors and purchasers alike. For them to be able to go after their interest in these properties if things were to go south. As of now, they're both out of luck entirely. Right.

Chairman Burroughs said Ms. Erwin, what I do want to say thank you for bringing this to attention. I'm really pleased to know that your calls were answered, and things were put into motion to get you your answers. I do want to acknowledge the fact that we do have the Registered deeds Nancy Burns in our, in attendance this evening. Ms. Burns if you would care to come to the podium and share with the public. What options might be available, or how they educate and what information we may need.

Nancy Burns, Register of Deed, said, we had a meeting the other day with Melissa. Kathy Erwin and myself and we had legal counsel there Wendy Green. Unfortunately, our hands are tied we are there to record documents. But I will tell you she's right on target as far as legislation would have to be introduced. Don't get me wrong, Commissioner Burroughs, and I know you’re a representative. I always get scared when we create legislation. No offense Gabby but it scares me sometimes because as Tom would say, our Commissioner Burroughs would say, you create a legislation but it can be butchered up there in Topeka, and then all of a sudden you've got something you don't really want. It doesn't fit us. I wish we could just make our own little legislation in the city and ignore Topeka sometimes. No offense, please. But she has right but there is one thing we did at this meeting which I need to go out and talk with Greg Talken and Tom, and all of them out there in the Code Enforcement. Today have access to our search engine, which when I came into office you did not. Delinquent tax didn't have access to our Laredo. Codes didn't and Codes really needs that. That's really vital, but there's like six or seven other offices that have access to it now. So we have about 130 some people on our Laredo system, so they can go in and look, every day, because we are current in all our filings, if any, if there's a deed out there. So what we do when a person does come in. Of course, we have a lot of e-filings and we'd have to address that but when a person comes in with the deed and we stamp it with it it's called a parcel stamp. we put the parcel then we asked them I go okay, where is the tax statement going to? We write that on there. It's the new person, and if that's a different address, like, I would like it to go to

Overland Park, or Kansas City, Missouri, we put the address on there so they can get that tax statement to them. To me that's a red flag. That's something I really need to show, probably out there in codes. Look at that part, if it's different than that what that deed is, then I would suspect that is rental. This is just me talking here. That would be a red flag rental needs to go out there, or send them a letter saying is this rental property. I know this is kind of getting off the track of contract for deed, but it does it I think that's a good mechanism for them to look at, or is this property in a contract for deed, they can you know they can look at that address and if it's different. I would say yes it's rental property and are they in a Contract for Deed. Again it's education. I will tell you, I can't tell you how many people have lost like $45, $35,000 they paid, cold cash. They come in and they want a deed and now they have nothing on file no contract no affidavit of equitable interest, nothing, they, they have to go and hunt this person down and we have to refer him to an attorney to go and help them find get that property and their name because they're not going to deed it over to them. Unfortunately, there's some bad people out there that do this. The Contract for Deed is, you know, there's a lot of contract that are good contracts, but I would have to agree with her that. A lot of them are very good, but hopefully legislation could change that but like I said at the meeting, you got to have your realtors on board. You've got to have everybody on board when you get up there in legislation and present something like this. I'm changing the Contract for Deed and what's required before they can even file it in my office. We would need some big legislation. and you'd have to have the Register of Deeds Association on your side too, but we talked about that. Unfortunately, it's out there in the community that people don't file their Contract for Deeds. Don't file an affidavit of equity. They don't file that title. Then you have the people with Contract for Deeds that do file it, then it's defaulted. Now they have to get a deed and have that person sign over that deed to the property, and they can't find them. So it's a tough. Then you do a quiet title. Anyway, any questions to me.

Chairman Burroughs said I would like to state that the seriousness of this issue. It's appreciative that you would come forward and speak and educate us about the issue for not only on Ms. Erwin's behalf, but on those who may be considering a Contract for Deed. What we may be looking forward to in the future and how we can address that as a government committee.

Ms. Burns said and now when I do go out and speak at neighborhood groups, I tell them all these horror stories if anybody's out there you know you need to be protected. And of course, we have the property fraud alert. That's only an alert that somebody tampering with your property, and I try and push that to everyone that comes into our office and give as much information out there on that. Anyway, thanks for having me. I've never been to one of these.

Chairman Burroughs said thanks for being here this evening and educating us. Thank you for what you do over there to ensure documents are filed properly and lawfully.

Ms. Sieben said just wanted to let the commissioners that are here tonight and Commissioner McKiernan on the phone know that we will be working a 2020 SOAR related to this talk to some staff early last week on it. I was sitting here emailing Nancy and Wendy, just so we can get the language together correctly but as we're working through that and updating our software as well or get incorporating all of this.

Chairman Burroughs said I anticipate seeing something. As I stated this concludes our meeting for this evening.

Adjourn
Chairman Burroughs adjourned the meeting at 5:46 p.m.
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