The Voice of the Washtenaw and Livingston County's Rental Housing Industry!

Volume 23, Issue 9 — December 2007

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# Presented By The Home Depot Supply

# CLAStar

Getting to know your Board: Bonnie Bisson, Senior District Manager, Cort Furniture Rental

AIMS update information:
FCC Ruling on voiding exclusive contracts
for Multi-family Housing

Associate Spotlight: Salisbury Landscape Group

GLAStar Winners from WA3

Events and Education

# The Price of Lulling

Every month the rent is late, but you never tell the resident to pay the late fee. In fact, you never even complain about the late rent. Every month you steam, though. Finally, you've had enough.

By Robert L. Cain, Copyright 2007 Cain Publications, Inc.

The rent doesn't arrive by the fifth of the month, so you send a three-day notice to pay up or get out. The rent doesn't arrive by the eighth of the month and you file the eviction. On the 15th the resident brings the rent over and you turn it down. "Too late," you tell him, "you're out of here." The eviction court judge doesn't agree.

The resident claims when you go to court that he thought it was perfectly permissible to pay the rent late, since you'd always accepted it late before and never said a word about it. What's the big deal this time?

The judge hems, haws, says "hmmm" a couple of times, then rules that you had "lulled" the resident into thinking it was okay to pay late. That means you have to accept the rent this time and not evict him. Your only consolation is that at least next month the rent had better be on time, because next time

the court will not accept "lulling" as a defense for late rent. That could all turn around if you allow the tenant to pay late consistently again.

Late rent could be the price of being a "good guy" and "understanding." In bad-resident speak "understanding" is defined as a landlord who "doesn't hassle you" about late rent, being a discourteous neighbor or failing to abide by the complex rules.

But why did all this come about?

You felt sorry for your resident, what with one piece of bad luck after another, the stories about which he dumped on you. All that hard luck interfered

with his ability to pay the rent anywhere near the first of the month

WA3 Calendar the first of the month.

Briefs: That's one of the

- December 7 Holiday
   Awards Banquet, Washte naw Country Club. Hon ors go to all committee
   members, Nova winners,
   Retiring Board Member,
   and the Randolph White
   Memorial Award.
- January 22, General Membership Meeting. Topic: What does NAA do for you?

That's one of the two times a landlord gets into trouble, when he feels sorry for somebody.

What you didn't anticipate was that your resident would get upset when you had had enough and finally decided that you would insist that he pay the rent pretty close to when it was due.

"No good deed goes unpunished," observed Clare Booth Luce. That is especially true of the rental property business when we are dealing with residents who haven't

(Continued on page 3)



Washtenaw Area Apartment Association 2008 S. State Street, Suite C, Ann Arbor, MI 48104 734/663-1200; FAX 734/821-0497 Email: info@wa3hq.org

# check us out on the web: www.wa3hq.org

#### **Deadline:**

15th of the month for next month's publication. Submit all materials to Alice Ehn, Executive Officer

#### 2007 Directors:

#### **Executive Officers:**

- •Tom Clark, *President*Clark Properties; 734-996-2836
- •Kelly O'Donnell, *Vice President and Program Chair*, Edward Surovell Realtors; 734-994-4400
- •Jennifer Paillon, *Secretary*, McKinley, 734-769-8520
- •Jamie Schmunk, *Treasurer*Wilson White Management, 734-995-0600 *Directors:*
- •Francis Clark, *Legislative Chair*Madison Property Management; 734-9945284
- •Ed Streit, *Product and Service Council Co-Chair*, Coinmach, 800-572-2421
- •Bonnie Bisson, *Product and Service Council Co-Chair*; Cort/Instant Furniture Rental; 734-327-4500
- •Melissa Seitz, *Education Chair* Wilson White Management, 734-995-0600
- •Jim Fuller, *Membership Chair* Michigan Commercial Realty, 734-662-1234

#### PMAM REPRESENTATIVES:

- •Melissa Seitz, Wilson White Management
- •George Markley, Midwest Management

#### Property Mgmt. Assoc. of Michigan

Association Executive: Kathy Vallie 2675 44th St, #303, Wyoming, MI 49519 616/531-6141, FAX 616/257-0398 www.pmamhq.com

# National Apartment Association

4300 Wilson Blvd, Suite 400, Arlington, VA, 22203 703/518-6141, FAX 703/248-9440 www.naahq.org

## President's Message:



#### By Tom Clark

It's hard to believe this is my last message to you as your president for this year. I want to thank everyone for the opportunity to serve as your president and the support of the association over this past year. Thank you to all the members of the Board of Directors for serving this year and thank you to Alice for putting up with me and guiding me through.

As I look back at the many successful events and accomplishments of the association this year, I know next year will be prosperous and exciting. The association is in good hands as Kelly O'Donnell will lead us in 2008. She has been a key contributor this year as well as the past several years and brings enthusiasm and energy to move us forward. She will be sup-

ported by an extremely talented Board of Directors.

But, 2007 is not over yet and the association has the annual Holiday Awards Banquet in early December at our usual location at Washtenaw Country Club. Please consider to use this venue as your company's holiday party. It is always a success.

Again, thank you for allowing me the opportunity to serve as your president and let's make 2008 a better year for the association.

# **EO** Message

#### By: Alice J. Ehn

It's December already. Another year gone by. As I look forward to next year and start cementing in all the programs and classes I am excited about what the committees have lined up for all of us.

The Education committee has been working hard pulling together a wonderful program for the first half of the year. We will for the first time in a long time have a National Trainer, Cathy Macaione come and do two 1/2 day classes titled "Top reasons why I can't rent" and "There's a fortune in Followup" for all the Independent Rental Owners, Leasing persons and Managers in our group. For maintenance there is a CAMT I designation class scheduled for the end of March and early April, an HVAC testing class in March and a CPO in April. For leasing there is a NALP designation scheduled the second week of April. Then there will be a Legal class in May again, our Legal Wednesday, and we are taking name on a wait list for an accelerated CAM class that will be all in one week. The actual education calendar has not been finalized yet because there will be a Advanced Instructor Training offered by NAA in Chicago that the association is going to pay for 3 of our instructors to go and we don't know the dates of that training yet. We also have a "want to" list started for this training if anyone is interested. Classes also being considered are Fair Housing and OSHA safety classes.

The Program Committee is working on the January breakfast meeting, February Education Trade Expo with an Economic Outlook and Maintenance Mania, March and April breakfast meetings, May luncheon or Tiger game outing, June Golf Outing, and a Beach Party. If anyone has ideas for topics, just call the office.

With so much happening around the association, we can always use volunteers. If you have 3 hours per month that you would like to get involved and meet others, let the office know and we can work with you on what committee fits your talents. It doesn't have to be attending meetings. There is lots of independent things that can be done that would help move the association forward. Just email or call and we will get your name to the committee chair.

SEE YOU ALL AT THE HOLIDAY AWARDS BANQUET!!!

## Getting to Know your Board: Bonnie Bisson, Chair Product and Service Council



Your name? Bonnie Bisson Your Title? Senior District Manager How long have you been a member of the WA3? 14 years

What is the most rewarding part of your position with the WA3? I enjoyed starting the Product & Service Council and getting to know our great vendor members. We

have very dedicated associate partners that value the members of this association.

What was the last book that you read? Marley & Me What has been your most memorable moment with the WA3? One of my most memorable moments was seeing WA3 become members of PMAM/NAA a few years ago.

What is your favorite quote or saying? "Happiness is an inside job."

What three words best describe your personality? Hopelessly optimistic...with a twist.

*If you could meet anyone – who would it be and why?* My mother-in-law. She died when my husband was 7, but she raised an incredibly awesome son.

What has been the best piece of advice given to you? "Do the right thing, even when no one is watching."

What other activities do you like to do for fun? I run several times a week, play on a women's soccer team and watch a lot of mini-mite hockey.

What other activities, groups are you apart of? My three kids determine what other activities I do. I basically watch what they do.

What keeps you up at night? To be perfectly honest, I sleep like a baby.

What is your pet peeve? People who complain about everything.



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(Continued from page 1)

earned the right to live in our properties. Our "good deed" of making allowances for late rent payment was punished.

There is lots we can do to avoid getting taken advantage of by resident who do not see the importance of being good residents. Obviously it begins in the resident selection process. But management begins with day one of their residency when we go over the importance of prompt rent payment, taking care of their homes and being good neighbors. If their being a good resident does not seem to be important to us, how can we expect it to be important to them?

The reason bad residents get to use lulling as a defense is that landlords don't take the trouble to send the notices, call the residents, or deal with problems in a timely manner. Whatever the reason - not wanting to offend your resident, avoiding confrontation, or even laziness - the result is that the non-paying, misbehaving resident gets away with behavior that is injurious to our properties and profits.

Reprinted with permission. "Robert Cain is a nationally-recognized speaker and writer on property management and real estate issues. For a free sample copy of the Rental Property Reporter call 800-654-5456 or visit their web site at www.rentalprop.com."

# Look to page 5 for a way to help your resident with late rent in Washtenaw County

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## **AIMS Update from National:**

#### FCC BANS EXCLUSIVE ACCESS CONTRACTS

On March 22, the Federal Communications Commission (FCC) issued a notice of proposed rulemaking that re-opened the issue of whether an apartment firm should be barred from granting exclusive access to its properties to providers of video service. On October 31, the FCC voted to retroactively prohibit these exclusive agreements. Although the actual order has yet to be published in the Federal Register, it is clear that apartment firms are no longer permitted to leverage their bargaining power via the granting of exclusive access agreements with video companies to provide better service and lower prices to residents. (In exchange for granting exclusive access to an apartment community for a limited term, voice, video and data companies have often offered lower fees, expanded products, and higher service standards.)

It is important to note that the FCC ban does not apply to exclusive marketing agreements and **does not** give providers mandatory access to properties.

The ban on exclusive access agreements comes despite the fact that the FCC has on more than one occasion found that exclusive agreements in the residential setting can help create competition—in late 2000, the FCC banned exclusive contracts in commercial properties but specifically exempted apartment properties. The FCC now states that it is concerned with how apartment owners' freedom to negotiate telecommunications contracts affects the Commission's goal of encouraging multichannel video competition and promoting broadband expansion.

Responding to the FCC's proposal, NAA/NMHC and a coalition of national real estate groups allied under the banner of the Real Access Alliance (RAA) submitted comments and met with Commissioners. We strongly urged them not to issue new rules concerning exclusive contracts between apartment operators and telecommunications providers. We argued that regulation is unnecessary in this area because there is no market failure requiring intervention. We noted that exclusive access agreements actually advance the Commission's goals of expanding broadband access by enabling telecom providers to recover the expenses required to install new facilities and to upgrade existing ones. Appealing this rule or challenging it in court are options being considered by the RAA and NAA/NMHC.

# INCREASES IN SOME MORTGAGE INSURANCE PREMIUMS

Against strong opposition from NAA/NMHC and other housing groups, on October 18 the Department of Housing and Urban Development (HUD) announced its intention to proceed with a 35.6 percent increase in the mortgage insurance premium for selected multifamily mortgage products. The increase from 45 bps to 61 bps is targeted at mortgages for unsubsidized rental properties, including mortgages to purchase or to refinance existing apartment properties, and for financing for new construction or significant rehabilitation.

HUD claims the increase is necessary due to increased administrative costs for the popular FHA multifamily financing programs. However, HUD did not elaborate or provide evidence or information related to the higher program costs. The 16-basis point increase will affect the Section 221(d)(4) program for new construction and substantial rehabilitation and the 223(f) and 223(a) programs for the acquisition and refinance of apartment properties. Historically and in recent years, these specific FHA multifamily mortgage programs have enjoyed the lowest default rates in the FHA-insured mortgage program. As such, these popular mortgage programs contribute significantly to FHA revenues, offsetting program costs and contingent liabilities, default and other capital costs elsewhere in the

FHA mortgage insurance system.

As part of the housing industry's unified effort, NAA/NMHC will file comments calling on the Department not to implement the increases on December 1 as proposed. NAA/NMHC are also seeking congressional intervention on the matter, noting objections by members of Congress over HUD's intent to raise the multifamily mortgage premium. NAA/NMHC's letter to HUD objecting to the proposed increase is available at <a href="https://www.naahq.org/govern\_affairs/lssues">www.naahq.org/govern\_affairs/lssues</a>.

#### **UPDATED ACTION ON TERROISM INSURANCE**

Just before adjourning for its Thanksgiving recess on Friday, the U.S. Senate passed the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA; H.R. 2761 [as amended by the Senate]). In a letter sent last month to the Senate Banking Committee, NAA/NMHC had strongly urged adoption of this legislation to ensure continued stability in the real estate market and for the strength of the overall economy.

Absent federal reauthorization, the terrorism risk insurance program will expire at the end of 2007, threatening the return of a market in which coverage would again become unavailable and unaffordable.

The House of Representatives passed a broader companion bill, the Terrorism Risk Insurance Revision and Extension Act of 2007 (TRIREA; H.R. 2761) on September 19, so the House and the Senate must now iron out their differences in conference.

The Senate measure extends the Terrorism Risk Insurance Act for 7 years, maintains the current trigger levels of \$100 million, extends coverage to include domestic acts of terrorism, and provides for a Government

(Continued on page 5)



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## **Barrier Buster Fund: Help prevent Evictions**

#### Need to prevent an Eviction, here's how you can help!

In the last 12 months, over 350 residents of Washtenaw County received one-time cash assistance to prevent an eviction, assist with a utility bill or help with a car repair. If you've ever wondered how you can help support a good tenant get through a rough patch, here is your opportunity. The County and the Ann Arbor Area Community Foundation have got together and put \$50,000 on the table to support the program, now it's up to you to match that investment.

The County, City of Ann Arbor and the State of Michigan have teamed up with 211 regional call center, area landlords and over 35 local non-profit agencies to assist county residents with short term needs that promote housing stability. The initiative and the group that oversees the progress are called the Barrier Busters Action Group. The 211 Regional Call Center is 24 hour, seven day a week information and referral system. Residents just need to dial 2 - 1 - 1 to find out information on available resources for a range of issues including eviction prevention assistance. You can even let your tenants know to tell the operator that they were referred by their landlord. The operator is trained to screen the caller and provide immediate assistance if necessary and appropriate.

You and your tenants may not have heard of the Barrier Busters Action Group or even 211, but it's a good bet that some of them have benefited from the work of the group and the Emergency Unmet Needs Fund. Agency participants have online access to a shared Unmet Needs Fund and through a third party payment system, one time cash assistance for rent or other issues is handled quickly and efficiently to keep people housed.

Evictions cost you money, when families are put out on the street, it costs the community money. Keeping people housed is not just a good thing, it saves money. But, we need you to help out. You can make a donation to the Barrier Busters Eviction Prevention fund at the Ann Arbor Area Community Foundation that will be matched dollar for dollar by Washtenaw County. The funds are used exclusively to support eviction prevention and to help keep people housed.

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It can't be done without your support.

To donate, simply mail a check made out to the Ann Arbor Area Community Foundation with the words "Barrier Busters Eviction Prevention" on the memo line to:

Ann Arbor Area Community Foundation, 301 N. Main St., Suite 300, Ann Arbor, MI 48104

## If you have an immediate need for one of your residents, please call the



## Helpline To link to a Barrier Buster agency.

The purpose of the Barrier Busters Action Group is to establish a system for the reduction of barriers and the resolution of urgent or crisis situations between participating agencies. An urgent or crisis situation may defined as involving one or more of the following:

- An immediate danger to the health or safety of the individual.
- Repeated, recent requests for service that have gone unanswered.
- A consumer's request has bounced from agency to agency with each agency indicating that the other is responsible.

#### (Continued from page 4)

Accountability Office (GAO) study on the availability and affordability of coverage for nuclear, chemical, biological, and radiological (NCBR) events. The House measure, by comparison, provides for a 15-year extension and lowers the program trigger levels to encourage smaller insurer participation. It also expands the program to cover domestic terrorism and makes coverage available for NCBR losses.

The Bush Administration has clearly indicated its preference for the modest changes included in the Senate bill and has threatened a veto for any further expansion of the program.

As members of the Coalition to Insure Against Terrorism (CIAT), NAA/NMHC will continue our efforts to support and advance an extension before the program expires at year-end.

If there are questions or concerns, those may be directed to Jeanne McGlynn Delgado, NAA/NMHC Vice President of Operations and Risk Management Policy at idelgado@nmhc.org.



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# Associate Spotlight: Salisbury Landscape Group



#### Quick Tips for Lawn & Landscape

- Keeping Grass at a length of 3.5' to 4' is optimal
- 2. Applying a Grub Control in July
- 3. Mow Grass in a different direction

every time

- 4. Organic mulch is better because it holds water better (less watering)
- 5. Lawns should be aerated twice a year so the soil doesn't get compacted.

Associate Spotlight provided by Salisbury Landscape Group, Contact Brian Gonczy for more information about how he can help you with all your lawn and landscaping needs. Address: 50946 Martz Rd, Belleville, MI 48111, Phone: 734-482-1900 or at brian@gosalisbury.com or on the web at www.gosalisbury.com



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#### **2008 Election Results**

#### **WA3 Board of Directors**

- Kelly O'Donnell from Edward Surovell serving her third term on the directors
- Teresa Welsh from Keystone Oaks Management will serve her fist term
- Jeff Hazel from Associated Estates serving his first term locally but a seasoned veteran on boards elsewhere
- Mary Arno with Windemere Park Apartments managed by Habitat Properties. This will be her first term on the board.
- Jim Fink, with Reach, Reach, Fink and Valvo serving his first term with WA3

#### Current members returning in 2008:

- Jenny Paillon, McKinley
- · Ed Streit, Coinmach
- Jim Fuller, Michigan Commercial Realty
- Melissa Seitz, Wilson White Management

#### PMAM Representatives include:

- George Markley with Midwest Management beginning his fourth term on the state Board
- Paula Rote-Tigani, Arbor Village Apartments managed by Wilson White Management will serve her first year on the State Board

#### PMAM Associate voted to the Board:

 Melissa Fuller received the most votes for the one vendor spot open on the PMAM Board. This will be her first year serving at this capacity. Melissa served locally at WA3.

## Ad Pricing for the Update

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Half page:	\$215	\$200	\$185
Quarter page:	\$145	\$130	\$115
Eight page:	\$90	\$75	\$60

- Email your ad in jpg format to info@wa3hq.org
- Prices are for Black and White and diminish with a longer monthly commitment
- \$10 extra for color ads on a monthly basis
- Deadline to submit ads: 15th or the month for next months publication

## The GLAStar Winners Are:

# **New Members:**



**Managers Only** January 17, 2008 Golfside Lake's New Club House 8:30 to 9:30 am



Best Website of the Year: Winner Associate Member Cate-

gory - Cort Furniture Rentals

Best Advertisement of the Year: Winner for Associate Category - Cort Furniture Rentals

Best Leasing Office: Winner for 301-450 units - Lake Vil-

lage of Ann Arbor

Best Curb Appeal: Winner for 301-450 units - Lake Village of Ann Arbor

Outstanding Leasing Team of the Year: Winner for 1-150

units - Harbor Cove and Beach Club

Assistant Manager of the Year: Winner for 301-450 units - Ericka McInnes, Arbor Landings

Assistant Manager of the Year: Winner for 451 & up units - Ann English, Windemere Park Apartments

Best Overall STAR Community: Winner for Senior Community - Oakhaven Manor in Howell.

Best Overall STAR Commu-

nity: Winner for 451 & up units - Windemere Park Apartments

Chapter Presidents Award: Kelly O'Donnell with Edward Surovell Realty





Members Members

Stavile winners.

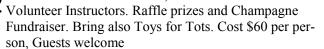
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# **Events:**

#### **DECEMBER:**

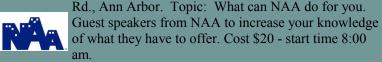
7 - Holiday Event, Washtenaw Country Club, 2955 Packard, Ypsilanti, MI, Dinner, Dancing, Drinks and Award presentations for all Board Members, Committee Volunteers and



11 - Director's Retreat, All past Presidents, current Board of Directors and next years Board of Directors meet to discuss the future of the association and what direction it should go. Contact current Board member if you would like input in the direction of your association.

#### **JANUARY:**

**22 - General Membership Breakfast,** Weber's Inn, 3050 Jackson





**29 - Leadership Training with PMAM,** All day training on Association Leadership open to all Board and Committee members of every local chapter. Cost: FREE

#### **FEBRUARY:**

- **6 Capitol Day in Lansing,** Join a delegation of members to visit your state representatives in Lansing and attend a Legislative reception following a day on the hill.
- 13 Education Trade Expo and Maintenance Mania: Starting at 11:00 am with an Economic Outlook, then lunch on the Trade Show Floor and Maintenance Mania immediately following.

GREAT THINGS ARE HAPPENING ALL NEXT YEAR!!



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