

Policy Report

by Katy Locker, Staff Attorney

New State Laws Authorize City Administrative Hearings Boards to Enforce Anti-Blight Ordinances: Detroit is First in Line

A package of bills designed to improve the enforcement of blight violations was signed by Gov. Jennifer Granholm on January 8, 2004.¹ The new laws will give most Michigan cities the option of streamlining their anti-blight enforcement system. Under the laws, “blight violations” are defined as violations of the municipal code pertaining to zoning, building or property maintenance, solid waste and illegal dumping, noxious weeds, and vehicle abandonment, among other things.

Creation of Administrative Hearings Boards

The new laws authorize the creation of administrative hearings boards in all cities of more than 7,500 (and in Wayne County, cities of more than 3,300). Cities will be able to appoint hearing officers (experienced attorneys who have undertaken a specified training) to issue judgments, much like a court judgment, that would allow the city to take garnishment or liens on property if violators fail to pay. Property owners’ due process rights will be retained and they will be able to appeal rulings by the hearing officers to the circuit court.

City Responsibilities

A city that chooses to establish an administrative hearings board will be responsible for the cost of establishing and maintaining such a board. The return to the city is anticipated to be increased collection of civil fines and

a decrease in blight within the city. Under the existing system, municipal ordinance violations are bogged down in an overloaded court system.

Process

To initiate a proceeding for a blight violation, a city would have to serve on the alleged violator a notice directing him or her to pay a civil fine or appear

“This department will allow us to focus our efforts on those who disrespect the condition of their land and property, and our City.”

at the administrative hearings bureau. Civil fines of up to \$10,000 may be imposed. The law allows the city to obtain a lien against land, a building, or a structure involved in a blight violation, if a defendant does not pay the civil fine within 30 days after it was due.

Chicago as a Model

The City of Chicago established a Department of Administrative Hearings on January 1, 1997. The Department hears cases involving some form of public disorder, blight or nuisance that may directly impact the public health, safety, welfare and quality-of-life in Chicago communities. Outside attorneys serve as administrative law officers and preside over 400,000 cases per year, including tens of thousands of cases previously

prosecuted in an overburdened state court system. Information on Chicago’s system is available at: www.ci.chi.il.us/AdminHearings/Information.

Detroit’s Efforts

The Detroit City Council has been working with the Mayor’s Office and the Department of Environmental Affairs to “decriminalize” a number of Detroit ordinances relating to blight. The first such municipal civil infraction ordinances changing criminal violations into civil violations were adopted in late 2002. The penalties range from a minimum of \$100 per day to as much as \$10,000 per day, depending on the violation.

The City of Detroit’s proposed 2004–2005 budget includes funding of a Department of Administrative Hearings. Initial projections are that the new department would process 70,000 blight violations in the first year. In introducing the proposal for this new department, Mayor Kwame Kilpatrick said “This department will allow us to focus our efforts on those who disrespect the condition of their land and property, and our City. It will provide a coordinated effort to go after those who refuse to do their part to keep this City clean.”

¹ House Bill 5216 (Public Act 316), HB 5217/PA 317, HB 5218/PA 318, HB 5219/PA 319, HB 5220/PA 320, and HB 5224/PA 321.

Detroit nonprofit developer turns to Community Legal Resources publication to help clear title problems *continued from page 4*

in the Gratiot Woods neighborhood. DCPA also runs a variety of senior and community programs, a business development center which incubates small businesses, and has launched a commercial development program aimed at strengthening commercial opportunities along Gratiot Avenue.

Chris Bray, DCPA's Director of Housing and Development, reports that the organization was able to obtain clear title on six properties with the help of the Clearing Clouded Title manual. All six parcels were acquired from the state and had gone through the tax foreclosure process. With the help of the manual, DCPA discovered that interest holders on some of the properties had not received proper notice of the foreclosure proceedings,

or that notice of the foreclosure process was properly sent but inadequately recorded. DCPA turned to the manual for direction and, ultimately, the title problems related to these six parcels were resolved, clearing the way for new affordable housing construction in their neighborhood.

Copies of *Clearing Clouded Title for the Redevelopment of Urban Land: a Guide for Nonprofit Organizations* are still available. If your organization, or another organization you may know, would like a free copy, please contact Alan Reiter at (313) 964-4130 or areiter@michiganlegal.org.



Community Legal Resources is a joint project of Michigan Legal Services and the Pro Bono Committee of the Business Law Section of the American Bar Association working in conjunction with the Michigan Litigation Assistance Partnership Program.

Our mission is to foster pro bono legal representation for unfulfilled legal needs of nonprofit community organizations in Michigan that serve low-income individuals and communities, with an emphasis on community economic development activities.

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A Publication of Community Legal Resources

Lawyers at Visteon, Foley & Lardner, and Dickinson Wright lead new CLR policy initiative team

Visteon Corporation and its counsel, Foley & Lardner and Dickinson Wright, have recently volunteered to assist Community Legal Resources with its 2004 policy initiatives.



CLR Land Initiatives Team: (from left) Yvette M. VanRiper, Karl A. Hochkammer, David M. DiRita, Andrew J. Tavi, Richard S. Bailey and Lynn A. Gandhi

In conjunction with CLR's staff attorney, Katy Locker, the Visteon-Foley-Dickinson team is researching and preparing materials related to the new land bank legislation, the possibility of a community land trust or other land holding mechanisms in Detroit, and methodologies for dealing with tax-reverted properties. This collaborative approach to the work provides insight into the topics from a variety of legal viewpoints and provides an opportunity for brainstorming alternative strategies.

Visteon Corporation lawyers include: Stacy L. Fox, Senior Vice President, David M. DiRita, Deputy General Counsel, and Lynn A. Ghandi, Associate General Counsel.

FOLEY ■ LARDNER ATTORNEYS AT LAW

Foley & Lardner lawyers include: Steven H. Hilfinger, Detroit Office Managing Partner, Yvette M. VanRiper, Senior Counsel, Karl A. Hochkammer, Senior Counsel, and Andrew J. Tavi, Associate.



Dickinson Wright lawyers include: James A. Plemmons, Member, and Richard S. Bailey, Associate.

Community Legal Resources thanks Visteon Corporation for advancing this new approach to using volunteer lawyers and thanks Foley & Lardner and Dickinson Wright for its contributions to CLR's land initiatives.



Special thanks to Visteon Corporation for its recent financial contribution to CLR's land initiatives project.

Letter from the Director

Dear Friend of

Community Legal Resources:

Welcome to another issue of the *CLR News*. It's hard to believe the year is nearly half over—clearly we've all been busy with the challenging work of building neighborhoods in Detroit and across Michigan. These are difficult times for nonprofits. Many of our client organizations are faced with shrinking operating support, a growing demand for services, and stricter regulatory compliance standards in light of corporate accounting scandals. All of this in addition to the difficult tasks of reclaiming vacant land in our neighborhoods and creating affordable housing, commercial opportunities, after-school and job training programs... But new state laws and local ordinances are creating possibilities for real change in our communities, and we are committed to helping nonprofits understand and take advantage of these tools. We are proud to be considered a valued partner in these efforts.

So what have we been up to?

Community Legal Resources continues to provide free legal services to nonprofit organizations working to rebuild our communities. Since January, 39 volunteer lawyers from 18 firms have been matched with 35 nonprofit organizations in Detroit, Pontiac, Grand Rapids, Flint, South Haven and Holland. Three new firms have joined our pool of volunteer lawyers: Warner Norcross & Judd LLP, Kilpatrick & Associates, and Andrew Stacer PLC. In addition, a group of lawyers from Visteon Corporation and the law firms of Dickinson Wright and Foley & Lardner have volunteered to serve as our "Land Initiatives" legal team (see cover story). Bob Boesinger of the law firm Dickinson Wright PLLC was recognized as the first 2004 Volunteer of the Quarter for his work with three

nonprofit organizations: Finally United, the Housing Development Corporation and Cass Corridor Food Co-op. Legal Director Alan Reiter meets almost daily with new clients and volunteers, providing technical support when needed and finding creative ways of addressing nonprofit-specific issues. As our pool of legal support grows across the state, we are constantly reaching out to nonprofit directors who may not know of our service and encouraging our funders and other supporters to refer groups our way.

In addition to this important volunteer referral function, Community Legal Resources hired Staff Attorney Katy Locker in January to work directly with nonprofit organizations on vacant land reclamation and other policy initiatives. Katy's position was conceived during our strategic planning process last summer when we recognized the need for a dedicated attorney to address systemic barriers to neighborhood redevelopment in our cities. Katy has been meeting with nonprofit directors, public officials, real estate experts and volunteer lawyers to develop legal strategies for helping nonprofit organizations make better use of idle public land and address blight and code issues. With a volunteer team she is preparing research and model documents around land banking, land trusts, and property title clearance for use by our nonprofit development clients. In addition, Katy is providing direct legal services to some of our clients and continuing our direct education program.

Finally, Community Legal Resources has developed two new online tools to communicate legal news and information to our nonprofit clients and to the volunteer lawyers who serve them. "E-Briefs" is a periodic e-newsletter

for our nonprofit clients that summarizes two to three legal topics each issue and links the reader to more substantive information. "Pro Bono Briefs" is designed to regularly inform our volunteer lawyer pool about projects we've placed with pro bono lawyers to inspire them to get involved. *E-Briefs* and *Pro Bono Briefs* round out our education and communication tools, providing vehicles for the timely transfer of information in addition to this newsletter and the brief *Legal Lines* and longer publications available on our website (www.clronline.org). We also continue to provide legal advice, research, and articles to the Community Development Advocates of Detroit, the Community Economic Development Association of Michigan, and the Michigan Nonprofit Association and we are a planning partner for the Michigan Conference on Affordable Housing.

Thank you for your continued support of our program and the work of our clients and volunteers. Thoughts on what we could do better or differently? Please send us an email (clr@michiganlegal.org) or give us a call ((313) 964-4130) with your suggestions, to request assistance, or to volunteer. See you around our great neighborhoods.

Angela Zemboy
Executive Director

p.s. The story of Community Legal Resources and the extraordinary volunteerism of Michigan lawyers working with nonprofit organizations is featured in the May/June 2004 issue of Business Law Today, the national magazine of the American Bar Association's Business Law Section. You can view the article on our website at www.clronline.org or at www.abanet.org/buslaw/blt/

Thank you to our contributors

The January issue of CLR News failed to publicly recognize 2003 funders who make our important work possible. The generosity of these supporters helps us to strengthen the nonprofit organizations that are providing vital services to our neighborhoods. Thank you!

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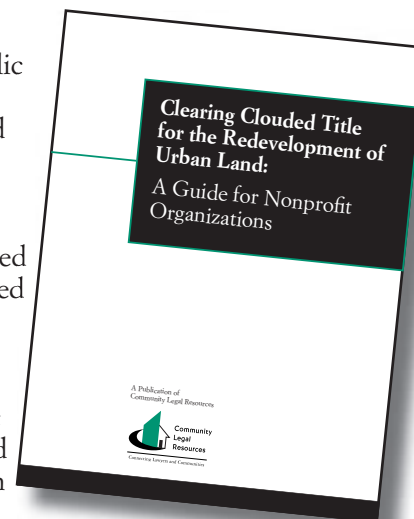
Thank you.

Detroit nonprofit developer turns to Community Legal Resources publication to help clear title problems

In the summer of 2003, Community Legal Resources published *Clearing Clouded Title for the Redevelopment of Urban Land: a Guide for Nonprofit Organizations*. This publication was released in response to the chronic title problems community development corporations faced in their efforts to build affordable housing. Some of the publication's highlights include defining common terminology and concepts; identifying potential problems with a property's title; and utilizing creative strategies to tackle title problems.

The Detroit Catholic Pastoral Alliance (DCPA) is the kind of organization Community Legal Resources had in mind when it drafted the Clearing Clouded Title manual. DCPA began in 1990 as a coalition of Detroit Catholic churches concerned about the aftermath

of church closings and the impact on the social welfare of Detroit's eastside residents. Since then DCPA has rehabilitated a number of houses for sale to low-income residents and is in the process of constructing new single-family homes for low- to moderate-income families



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