



Detroit Land Bank Authority

DETROIT LAND BANK AUTHORITY

QUARTERLY REPORT TO CITY COUNCIL

APRIL - 2018



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April 16, 2018

The Honorable Brenda Jones, President
Detroit City Council
Coleman A. Young Municipal Activity Center, 13th Floor
Detroit, MI 48226

Subject: City Council Quarterly Report, 3rd Quarter FY 2018, Detroit Land Bank Authority

Dear Council President Jones:

I am pleased to submit this quarterly report on behalf of the Detroit Land Bank Authority. As you will see, during the 3rd Quarter of FY2018 we sold 166 Auction properties and 134 houses through our Own-it-Now sales program. This quarter we also sold 408 Side Lots, many of which were sold during two side lots fairs, bring the total sold since the inception of the program to over 9,200. As always, we will continue to look for meaningful ways to put the publicly-owned properties in the DLBA inventory back into productive use.

We continue to expand our visibility and accessibility in the community, and recently promoted Rod Liggins as our new Community Affairs Director. This department of the DLBA is tasked with ensuring all of our citizens can access our programs, and our Community Affairs staff members are available through community meetings and office hours held out in neighborhoods, not just in our office downtown. Additionally, our Client Services Division has been moved to our Inventory Department under Darnell Adams, so that this staff is experienced in and has a detailed knowledge of the DLBA inventory and can address questions directly. This quarter the Client Services staff answered over 18,000 calls from the public, and welcomed over 2,800 walk-in customers to our offices. These are just a few of the changes we are making to increase the interaction and level of transparency we have with our customers.

I look forward to continuing the partnership between the Detroit Land Bank Authority and City Council as we serve the citizens of Detroit and our entire community.

Sincerely,



Saskia Thompson
Executive Director

Financial Overview

Irene Tucker, Chief Financial Officer

The Finance Department continues with the transformation process in aligning itself to fully support the DLBA's dynamic and ever-evolving operational day-to-day functions. The summary below will discuss (1) March FY 2018 Actual to Budget; (2) Balance Sheet Highlights; and (3) Status Update on the Hardest Hit Funds.

March 2018 Fiscal Year to Date Actual versus Budget

Revenue for the period was \$44.2M vs. Budget of \$60.2M. Expenses were \$34M vs. Budget of \$60.9M. Variance was primarily driven by timing of demolition activities being executed related to the Hardest Hit Fund – Rounds 4 and 5.

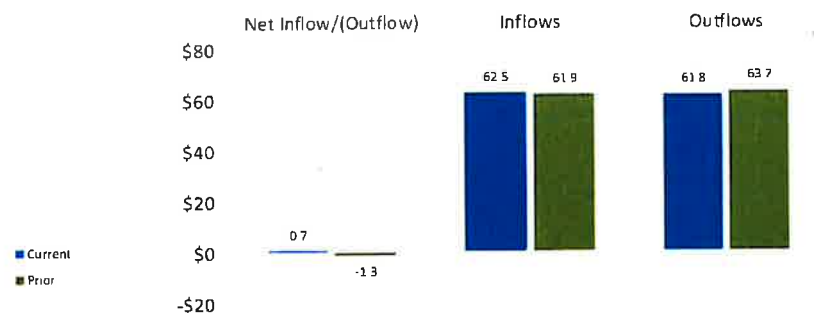
March 2018 Balance Sheet Highlights

- ✚ The balance sheet ended strong with a working capital ratio that indicated that the DLBA's current assets exceed current liabilities by 2.1 times.
- ✚ Hardest Hit Funding cash (unrestricted) for Demolition was \$5.5M.
- ✚ Restricted cash balance of \$7M primarily consisted of maintenance fees for over 9,000 demolitions completed from the Hardest Hit Program's inception to date and private funding for programs like Rehabbed and Ready.
- ✚ Designated cash from private donors was \$1.7M.
- ✚ Pursuant to the chart below, cash outflows are currently being forecasted to exceed cash inflows by \$.7k, the overall cash position projection indicated existing cash will be able to support these activities.

Detroit Land Bank Authority

Financial Overview - in Millions

FYTD 18 March Cash Flow Forecast (9+3)



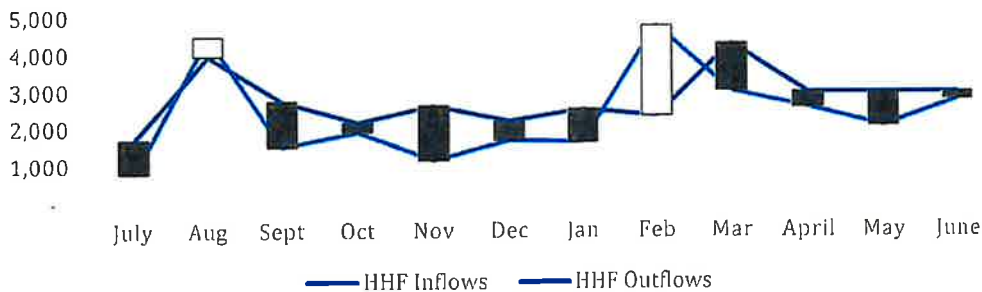
Note: 9 months of actual cash Expenses and Revenues with 3 months projected to 6/30/18 (cash basis)

Hardest Hit Fund Updates

FY18 Activity

From July 2017 to March 2018, over \$20.9M was paid for reimbursable demolition expenses relating to this program. Cash receipts from our partner, MSHDA, exceeded \$24.4M representing reimbursements of over 1,400 demolitions. The chart below is a summary of the forecasted cash flows to June 30, 2018 (Note - 9 months of actuals and 3 months forecasted).

HHF FY 2018 Actual Cash Flows (excluding Demolition Advance Funding) (in Millions)



Inception to Date

To date, the Hardest Hit Fund reimbursable expenses paid exceeded \$150M and reimbursements from MSHDA were greater than \$140M. Thanks to the gracious support of both City Council and the City of Detroit, the Demolition Advance Fund significantly funded vendor payments through the program. To date, there is a balance of \$10M owed that will be paid in full upon the completion of the program. We look forward to our continued partnership with the City Council in eliminating Detroit's blight.

Appendix

1. Unaudited Year to Date March 31, 2018 Revenue Statement Summary
2. Unaudited March 31, 2018 Balance Sheet
3. Summary of DLBA's Revenue Funding Sources
4. Graphic Summary of Revenue and Expenses

Appendix 1: Unaudited Year to Date March 31, 2018 Revenue Statement Summary

Draft - Detroit Land Bank Authority
Income Statement Detailed
For the Period Ending March 31, 2018
(Unaudited)



	YTD Actual	YTD Budget	Variance
Income			
SALES			
Structure Sales	6,406,148	2,992,500	3,413,648
Discounts	(1,010,710)	-	(1,010,710)
Side Lot Sales	553,422	262,500	290,922
Gain (Loss) on Sale of Property	(239,342)	-	(239,342)
Cost of Inventory	(839,800)	-	(839,800)
Total Net Sales	4,869,718	3,255,000	1,614,718
GOVERNMENT REVENUES (MSHDA)			
Government Revenues	19,140,352	44,757,596	(25,617,244)
Total Government Revenues	19,140,352	44,757,596	(25,617,244)
CITY OF DETROIT REVENUE			
COD Operating	17,000,000	10,500,000	6,500,000
COD Blight	900,974	580,000	320,974
Total COD Revenue	17,900,974	11,080,000	6,820,974
OTHER PRIVATE GRANT REVENUE			
Private Grant Revenue	440,760	700,000	(259,240)
Inter-Company Revenue	1,120,000	-	1,120,000
Total Other Private Grant Revenue	1,560,760	700,000	860,760
DONATED GOODS AND SERVICES			
Donated Goods and Services	730,500	-	730,500
Inventory Impairment	(698,244)	-	(698,244)
Total Donated Goods and Services	32,256	-	32,256
Total Other Income	751,806	414,000	337,806
Total Income	44,255,866	60,206,596	(15,950,730)
Expenses			
Facilities Costs	929,267	814,405	(114,862)
General Admin Costs	992,936	958,500	(34,436)
Personnel Costs	7,057,642	8,134,838	1,077,196
Professional Services	2,254,342	3,224,492	970,150
Program Expense	22,813,198	47,814,673	25,001,475
Total Expense	34,047,385	60,946,908	26,899,523
Net Income	\$10,208,481	\$(740,312)	\$10,948,792

Appendix 2: Unaudited March 31, 2018 Balance Sheet

Draft - Detroit Land Bank Authority

Balance Sheet Detailed

As of March 31, 2018

(Unaudited)



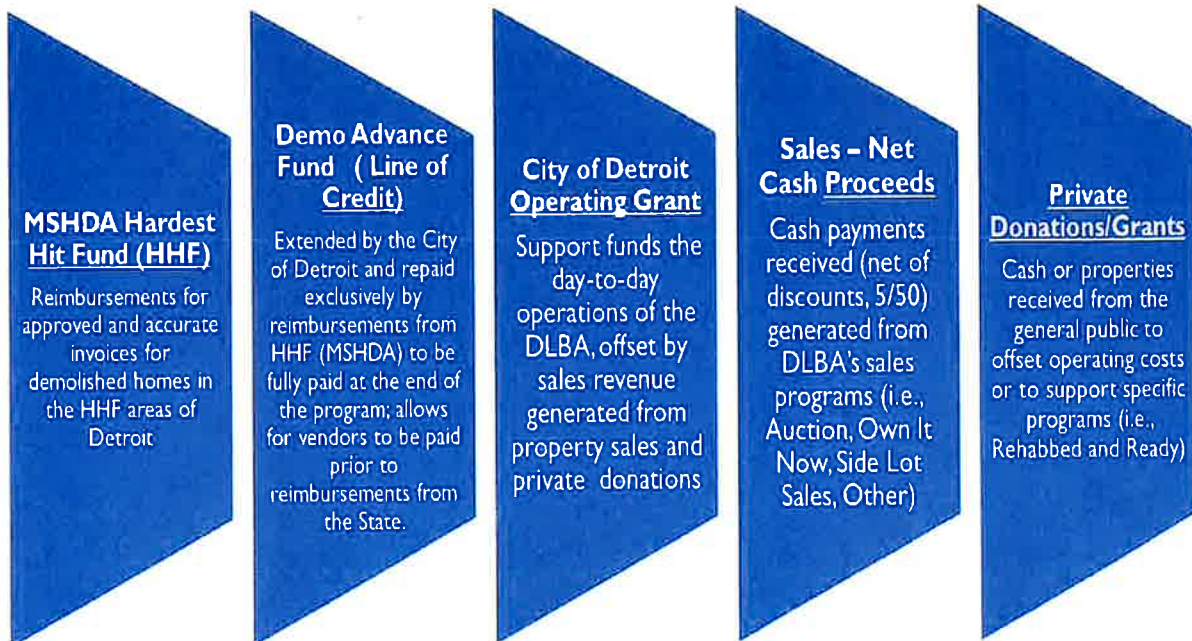
Row Labels	Current Period	June 30, 2017	Current vs June
Current Assets			
Cash And Cash Equivalents	20,813,791	11,646,419	9,167,372
Accrued/Accounts Receivable	10,619,600	18,252,688	(7,633,088)
Other Current Assets	23,494,680	24,515,504	(1,020,823)
Current Assets Total	54,928,072	54,414,611	513,461
Fixed Assets Total	344,686	204,417	140,269
Total Assets	55,272,758	54,619,028	653,730

	Current Period	June 30, 2017	Current vs June
Current Liabilities			
Demo Advance Fund	10,000,000	10,000,000	-
Line of Credit - City of Detroit	-	6,500,000	6,500,000
Accrued/Accounts Payable/Other Liabilities	15,080,321	18,135,072	3,054,751
Total Liabilities	25,080,321	34,635,072	9,554,751
Equity	30,192,437	19,983,956	(10,208,481)
Total Liabilities & Equity	55,272,758	54,619,028	(653,730)

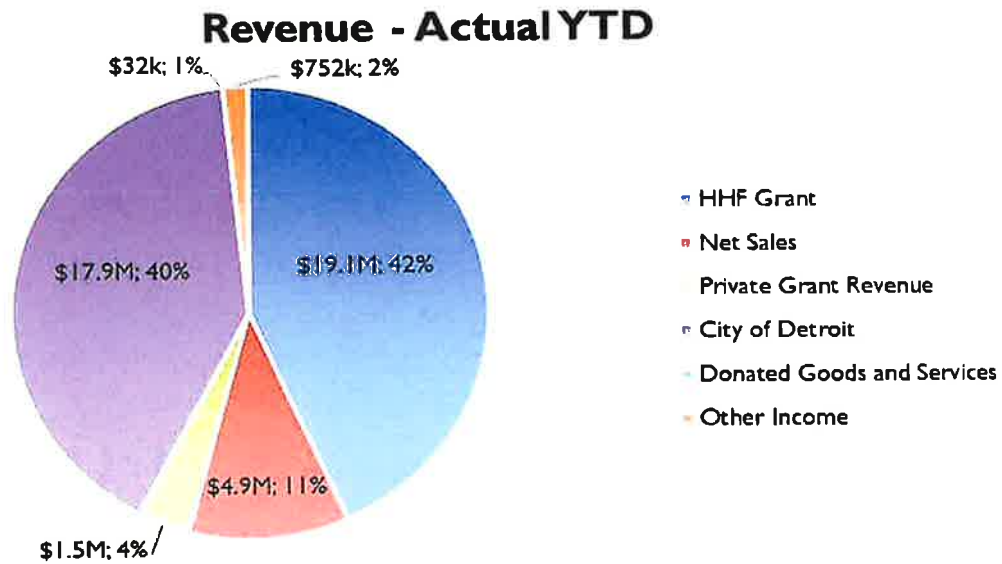
Note: CDC balance of \$248,497.85 is excluded from June 30, 2017

Note: Total Balance Sheet of \$54,619,028 plus CDC Balance of \$248,498 equals Total Balance Sheet of \$54,867,526 (page 10) of the 2017 Audited Financial Statements

Appendix 3: Summary of DLBA's Revenue Funding Sources



Appendix 4: Graphic Summary of Revenue and Expenses



*HHF Grant includes: State Revenues, HHF Admin Fee, and HHF Maintenance Fee

*Net Sales includes: Structure Sales, Discounts, Side Lot Sales, Gain (Loss) on Sale of Property, minus Cost of Inventory

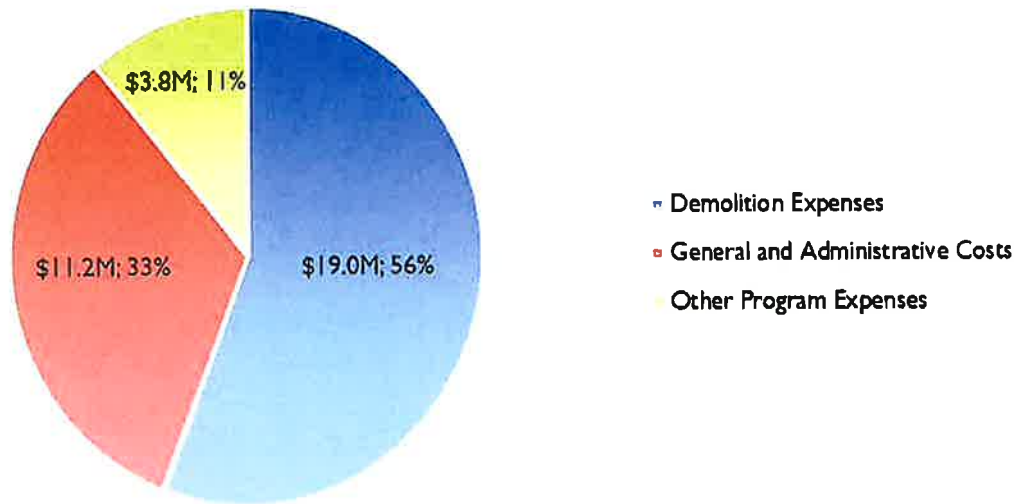
*Private Grant Revenue includes: Private Grant Revenue and Inter-Company Revenue

*Donated Goods and Services includes: Donated Goods and Services minus Impairment of Inventory

*City of Detroit includes: City Revenues and Non-Reimbursable – Demo – City of Detroit

*Other Income includes: 5/50 Proceeds, Closing Refunds, Fire Escrow Proceeds, House Showing Fees, Lease Revenue, Legal Recoveries, Other Income, Program Income, and Quiet Title Fees

Expenses - Actual YTD



***Demolition Expenses include:** Demolition General, Demo – Asbestos Survey, Other Surveys, Demo Winter Grade, Abatement Remediation, Demo Over 25K, Demo Non-Reimbursable, Demo Non HHF, Demo Utility Cut and Demo Clean Fill

***General and Administrative Costs include:** Facilities Costs, General Administration Costs, Inter-Company Expense, Personnel Costs and Professional Services minus Inter-Departmental Expense

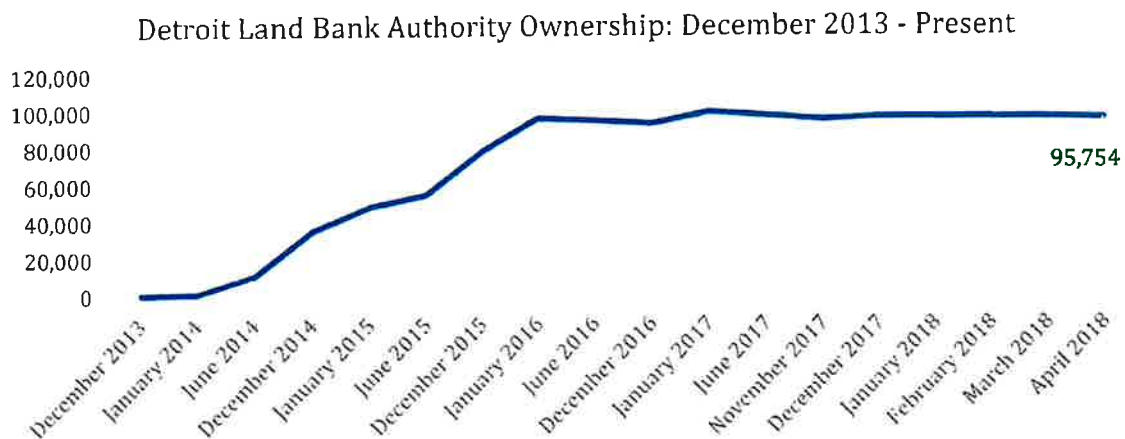
***Other Program Expenses include:** Program Expense (excluding all Demolition Expenses listed above)

Inventory Department
Darnell Adams, Director of Inventory

The Detroit Land Bank Authority is the largest land owner in the City of Detroit; holding title to approximately 25% of all land in the City of Detroit. The Detroit Land Bank Authority is the largest Land Bank in the United States.

The Inventory Department provides best practices in land management and customer service for the DLBA's vast inventory of publicly owned land. Inventory manages the acquisition, data management, property management, client services, title management, and coordination DLBA owned properties with other public partners. Inventory strives to strategically identify ways to move and manage 95k+ properties back to productive use. The Detroit Land Bank Authority (DLBA) is currently home to 95,754. Historically, the DLBA has held title to approximately 110k properties since January 2014. The agency has been able to move out of its inventory more than 13k properties since 2014 through various sales programs.

Data Management Division



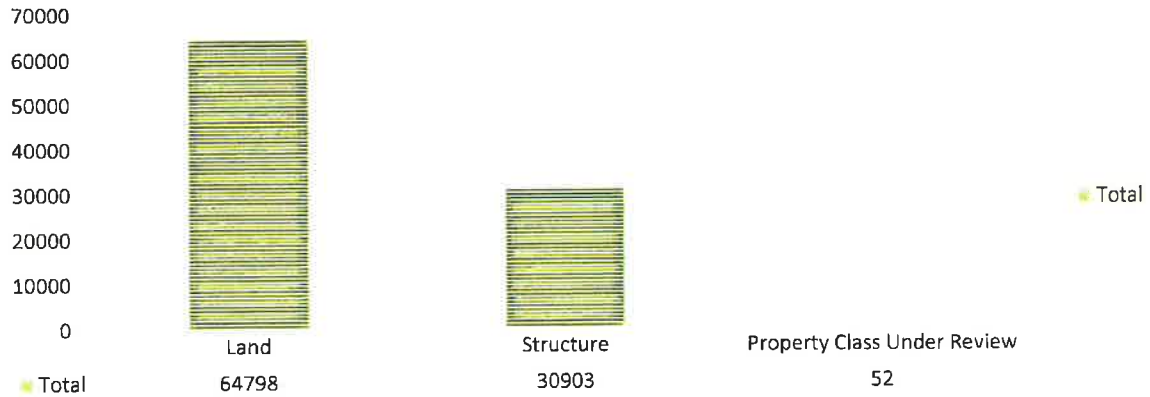
Graph1: DLBA ownership overtime (December 2013 – January 2018)

Each year the total number of properties coming into the DLBA's ownership has outpaced the number of properties exiting the DLBA back into private ownership. 2017 was the first year that the number of properties received from the Wayne County Treasurer's Unsold Tax Foreclosure Auctions was lower than the number of properties sold through all of our sales programs. For the first time in the DLBA's short history, its ownership is declining. The table below shows the percentage in change of the DLBA's ownership year over year, since January 2014.

Date	Number of Properties	Percent Change Year Over Year
January 2014	1,469	100%
January 2015	48,540	3204%
January 2016	96,419	99%
January 2017	99,738	3%
January 2018	96,740	-3%

Percent change in ownership overtime (January 2014 – January 2018)

DLBA OWNED PROPERTIES (LAND VS STRUCTURE BREAKDOWN)



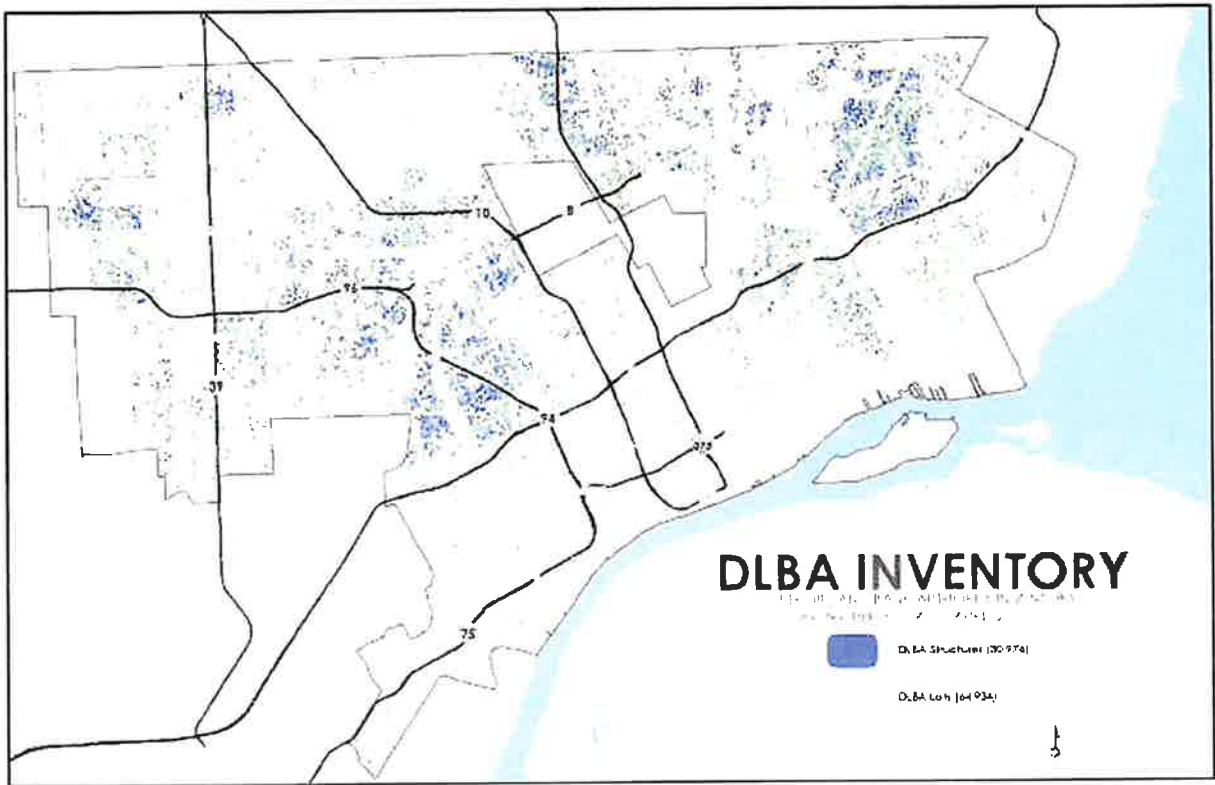
DLBA INVENTORY - HHF VS NON-HHF



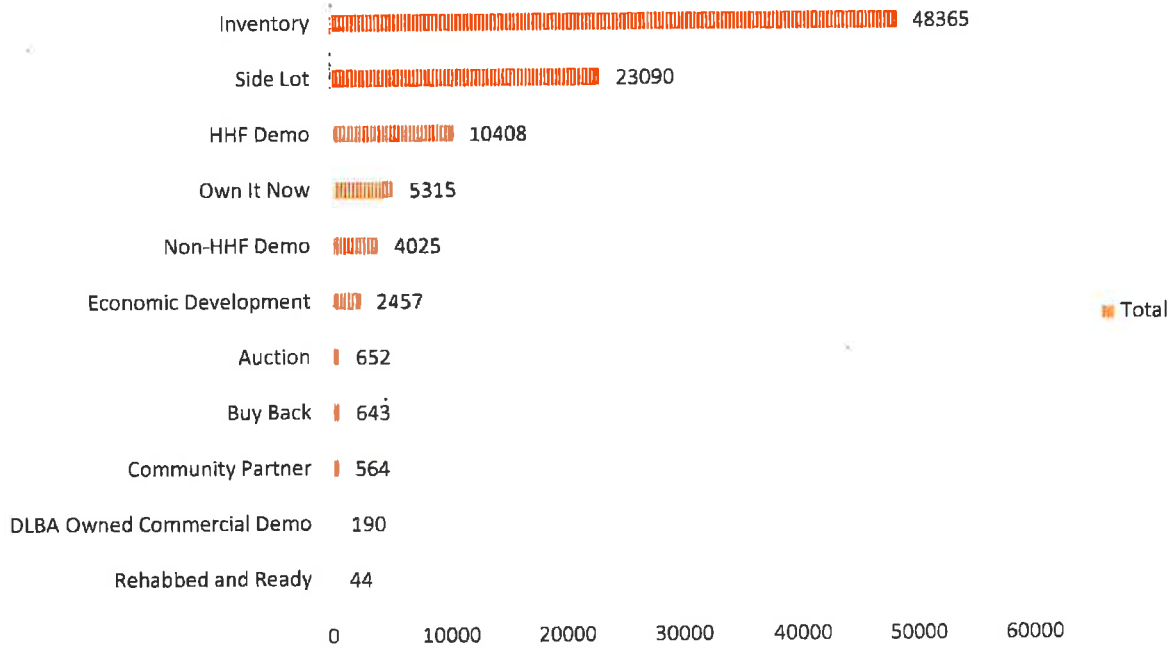
Property Class: HHF vs Non-HHF Breakdown

	Accessory Structure	NonResidential Lot	NonResidential Structure	Property Class Under Review	Residential Lot	Residential Structure	Grand Total
Not HHF	137	76	28	9	18,397	11,149	29,796
HHF	437	568	125	43	45,757	19,027	65,957
Grand Total	574	644	153	52	64,154	30,176	95,753

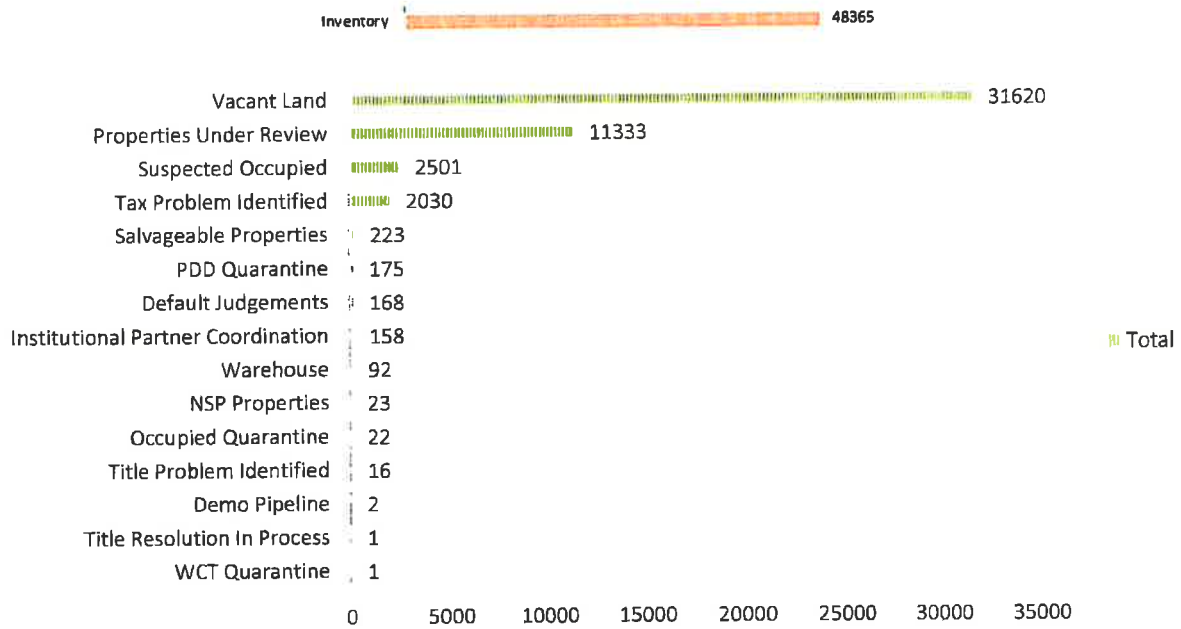
Inventory Management Division



INVENTORY PIPELINE MANAGEMENT (PROPERTIES X PROGRAM)

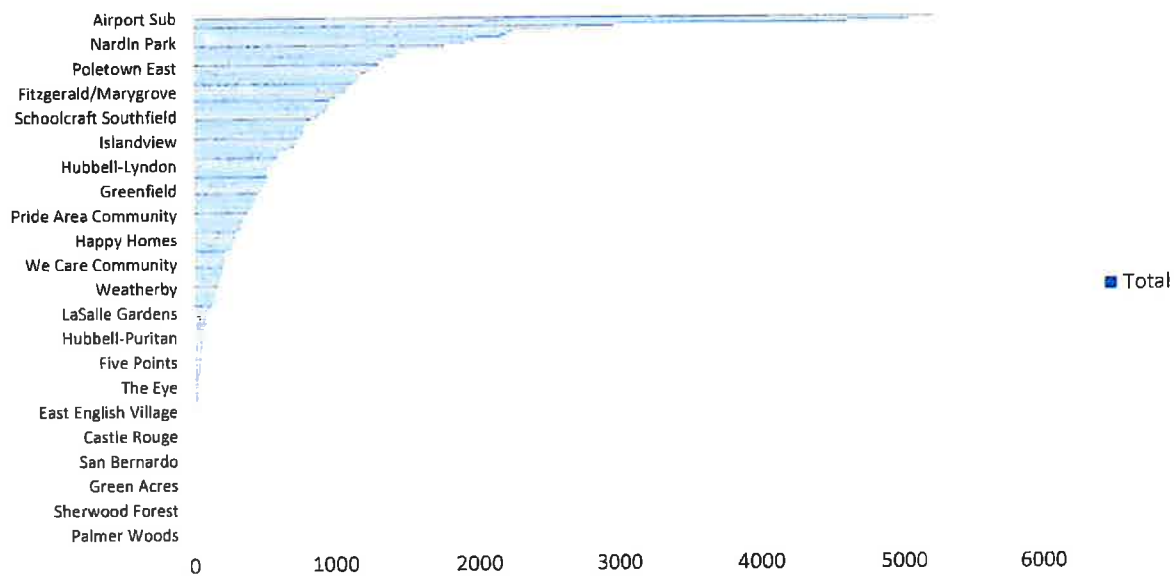


INVENTORY STATUS BREAKDOWN



Ownership x Neighborhood

(Vacant Land & Structures)



Not all neighborhoods are displayed in the graph above. Our data suggest that there are more than 200 neighborhoods throughout the City of Detroit.

Client Services Division

The Clients Services team has been taking great strides to reduce the wait time for customers contacting us via phone and the office. We continue to invest in training and technology that improves our ability to monitor quality assurance and improve the accuracy of the information being provided to the public. We are also training staff in other departments to assist with client concerns when necessary. In addition, we have representatives that are fluent in multiple languages, so we can better service residents and clients.

We are proud of our accomplishments in this arena. Phone wait times are down significantly, while the number of customer inquiries we receive grows. Currently, 10 full time staff are devoted to customer service.

Call Center Summary

	JAN	FEB	MAR	YTD Grand Total	MTDV	
Total Calls Received:	6,490	6,068	8,791	21,349	45%	↑
Total Calls Answered:	5,947	5,464	7,072	18,483	29%	↑
Total Calls Abandoned:	648	536	1533	2,717	186%	↑

Call Time Summary

	JAN	FEB	MAR	YTD Average	MTDV	
Average Speed to Answer:	0:01:07	0:01:27	0:01:31	0:01:21	5%	↑
Average Time to Abandon:	0:03:10	0:03:08	0:02:36	0:02:58	-17%	↓

	JAN	FEB	MAR	YTD	MTDV	
Longest Wait Time:	1:37:47	0:31:33	0:37:04	1:37:47	17%	↑

In-Office Services Summary

	JAN	FEB	MAR	YTD Grand Total	MTDV	
Walk-in Count:	825	868	1,165	2,858	34%	↑

Call Disposition Summary

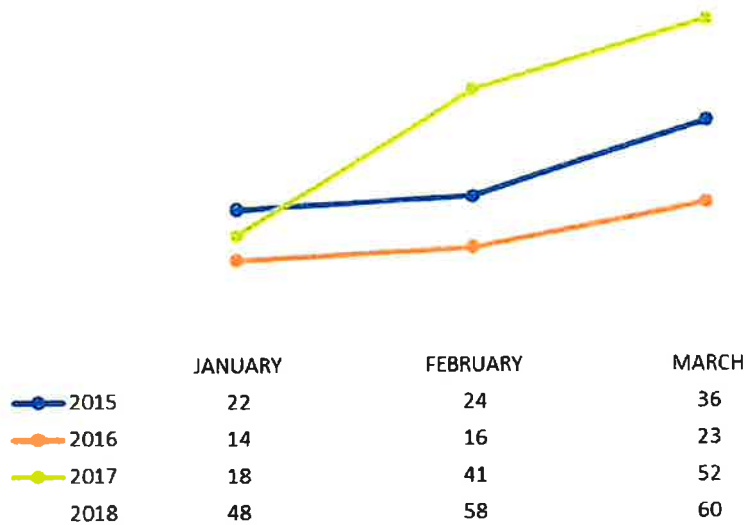
High Frequency Disposition	Total
General	5,282
Home Purchase	812

Disposition Department Overview
Reginald Scott, Director of Disposition

Auction

The DLBA continues to auction homes daily on the website www.buildingdetroit.org. Sales through this platform remain strong.

AUCTION SALES*
Comparison of Q3 Sales Trends

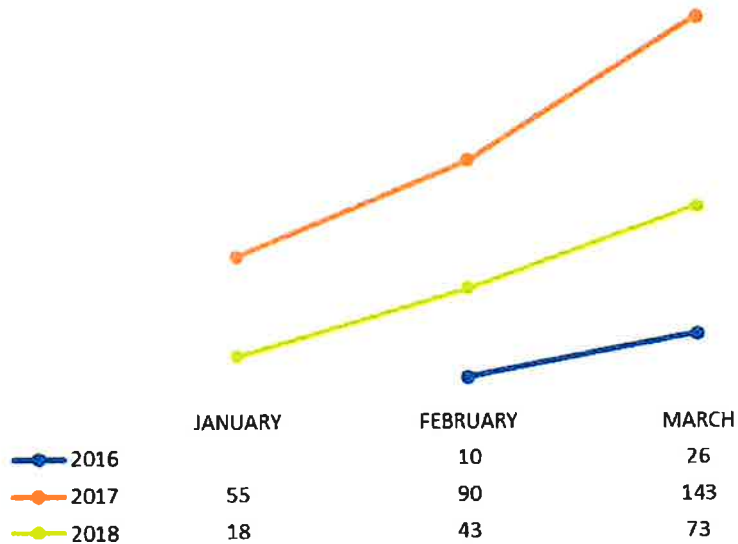


<u>Year</u>	<u>Total sold</u>
2018	166
2017	111
2016	53
2015	82

Own-it-Now

Own It Now responds to public requests for properties and is more like a traditional real-estate sale with offers accepted over a period of time. Any person can contact us with an address, and with certain exceptions, we will list the property for sale online with offers accepted 24 hours a day, 7 days a week.

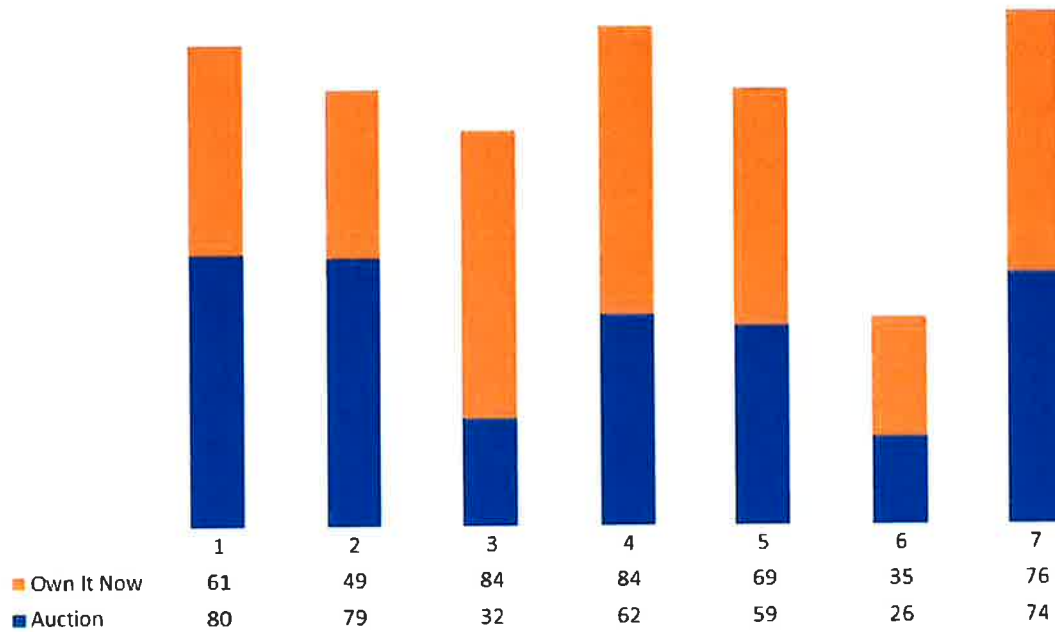
OWN IT NOW SALES* Comparison of Q3 Sales Trends



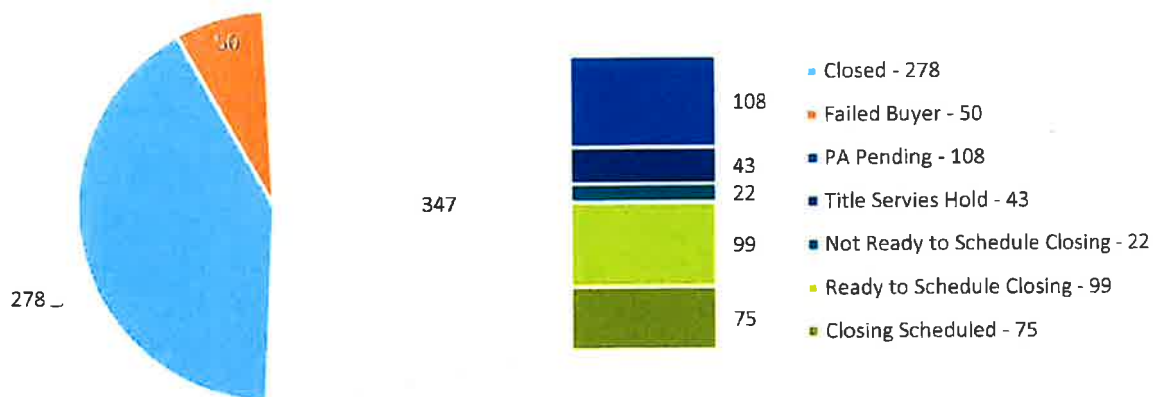
<u>Year</u>	<u>Total Sold</u>
2018	134
2017	288
2016	36

****Does not include failed buyers (a failed buyer is an individual or entity who paid the initial deposit but did not complete the final purchase of the property)**

AUCTION AND OWN IT NOW SALES **By Council District for Q3**



CLOSING **CURRENT CLOSING PIPELINE FOR AUCTION AND OWN IT NOW**

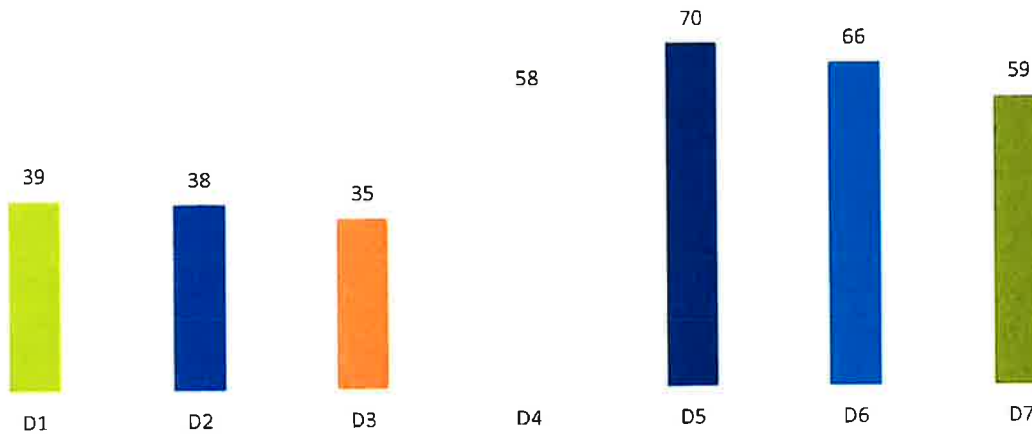


SIDE LOT FAIRS SPRING 2018

STATS

	3/24/2018	4/7/2018	Total
# of Lots Sold	187	178	365
<i>Document Received</i>			
HHF Letter	44	35	79
Deed	143	143	286

Side Lot Sales per District



Buy Back Program

The Buy Back Team had two closings this quarter in which participants purchased the property and entered into the Buy Back Pilot Program. On February 16, 2018 we closed on 34 properties and on March 20, 2018 we closed on 26 properties.”

The Occupied Properties Buy Back Pilot provides an opportunity for an eligible occupant in a Detroit Land Bank Authority (DLBA) owned house the ability to purchase that house. This Pilot allows responsible current occupants to remain in the house and help to stabilize the neighborhoods. The applicant is eligible for the Pilot if they qualify in any one of the following categories:

- The applicant was the most recent owner of record before the home was acquired by a public entity; or
- The applicant is or was the tenant of the most recent owner of record before the home was acquired by a public entity. A “tenant” for this purpose includes being an occupant of property that was formerly held by a family member of the Applicant; or
- The applicant is the tenant of someone who claimed to own the property; or

- The applicant can demonstrate that he or she has made substantial improvements to the property; or
- The applicant has paid for utilities in the home for at least 12 months.

The applicant will agree to all program conditions in a development agreement, pay \$1,000 to the DLBA for the house, and make a monthly payment of at least \$100 into a savings account for future taxes for a minimum of twelve months or until the next tax payment is due. The occupant is required to maintain the exterior of the property, keep their water bill current, and participate in quarterly “home preservation” workshops. The deed will be held in escrow until that period and will be conveyed to the occupant afterward when they exit the program.

BUY BACK IN REVIEW Q3

Q3 Summary	
Completed Buy Back Program (January 2018)	17
Current Buy Back Pipeline	883
Monitor Compliance (for July 2018 exit)	177
Monitor Compliance (for July 2019 exit)	59
Eligibility Under Review	512
Inspection in Progress	8
Need to take HPE Course	65
Ready to Close	55
Potential Reconveyance	3
Sales Hold	4

Projects Team

The Community Partnership Team and the Economic Development Team has now become the “Projects Team.”

Development Update

The Fitzgerald Development and the Herman Kiefer Development made significant progress this quarter. The Fitz Forward team completed the required Pre-Closing Obligation. This included securing and boarding over 100 structures. On February 7th, the Herman Kiefer development team closed on the hospital. This allowed them to move forward with the boarding and securing of the DLBA structures. This will be completed by May 2018.

Community Partnership Program

The Community Partnership program continues to encourage faith- and community- based organizations to transform the neighborhoods that they serve through projects such as home

rehabilitation, deconstruction, new construction, lot beautification, community gardens, and pocket parks.

The program guides nonprofits, faith based organizations and community development organizations through the process of acquiring property through the DLBA. This program allows organizations to present proposed projects through development plans. The plans assist the Community Partnership Team in identifying properties and areas that will assist the organization in its goal.

To be eligible for the program an organization must meet the following criteria.

- Headquartered in the City of Detroit;
- Have a federal 501(c)(3) tax exempt status;
- Be current on its property taxes;
- Not have any material blight violations or fines;
- Have a letter of acknowledgment from the District Manager or City Councilperson where the organization is headquartered or its catchment area
- Work in a defined geographic target area as agreed on by the Community Partner and the DLBA, in no case, will the project area exceed 5 square miles.

Rehabbed & Ready

Rehabbed & Ready is a philanthropic initiative aimed to improve residential market values and bolster home ownership in the City of Detroit. Through collaboration with Quicken Loans, dilapidated DLBA inventory are undergoing full rehabilitation, bringing houses to at- or above-market conditions. As a neighborhood-based initiative, there are parallel efforts in place to reduce blight and encourage occupancy via the DLBA's existing demolition, nuisance abatement programs and other Disposition programs in the Rehabbed & Ready selected neighborhoods. Below, is a summary of Rehabbed & Ready's progress during the 1st quarter of 2018:

- **R&R Closings.** In the first quarter of 2018 we existed the selling season with multiple closings, bringing total sold through R&R to 47, with new homeowners moving into neighborhoods including Crary/St Marys, College Park, Evergreen-Outer Drive, Bagley, East English Village, Martin Park, Greenfield-Grandriver, and Morningside.
- **Open Houses remain a staple in R&R program.** To ensure prospective home owners have adequate opportunities to view our new homes, in addition to public open houses we added private showings. Being flexible will allow us to move our inventory quicker during this upcoming selling season.
 - *Rehabbed & Ready public open houses* occur on Wednesdays and Sundays, for the entire time a home is listed for sale.
 - *Rehabbed & Ready private showings* can be scheduled through our website for any day except for Saturday.
 - *Neighborhood Engagement:* We ended Q1 2018, with 447 individuals joining our e-mail marketing list to stay updated on new listings, price reductions, and offer deadlines.
- **What's next?**
 - *Building the Internal Team:* We are continuing to build our internal processes. The R&R team now has 4 full-time staff, 1 part-time temporary Office Clerk and is poised to quickly improve on the program now that resources are on-board. We turn our focus to decreasing the per-home loss on sale and increasing the number of rehab contractors and tradesmen.
 - *R&R Pipeline:* We currently have 10 properties in the pre-construction phase, 8 that are under construction and 18 that we are currently reviewing.
 - *Closings on Deck:* At the end of Q1, 3 homes are under contract.

By focusing efforts in select neighborhoods and spacing out sales of turn-key ready homes, the DLBA will continue to raise market comparables ("comps") and stabilize appraisals, which result in greater access to mortgages throughout the City.

Rehabbed & Ready- Before & After Pictures

Property Address: 15455 Winthrop

Before



After



Property Address: 5527 Bishop

Before



After



Demolition Department Overview

Tammy Daniels, Interim Director of Demolition

The Demolition Department, in partnership with the Mayor's Office, City Council, and the Detroit Building Authority (DBA), continues to manage a program that tackles blight reduction through targeted demolitions using Hardest Hit Funds allocated to Detroit.

Hardest Hit Funds

The initial funding from the Hardest Hit Fund (HHF1) provided \$57,342,668.95 in demolition funds and was closed in the Third Quarter 2015, with a mere \$700.00 remaining balance, which was transferred to the next round. This initial program funding allowed for the demolition of 3,683 residential structures and the transfer of approximately 300 side lots to adjacent property owners.

The second round of Hardest Hit Funds (HHF2) provided \$50,000,719.05 in demolition funds. As of December 31, 2017, the DLBA has been reimbursed \$49,985,042.62 by MSHDA. Early in the Fourth Quarter 2017, the DLBA's demolition team reduced the grant funds remaining under this round to \$5,410.94, effectively closing out HHF2. We anticipate the remaining balance will be transferred to future rounds. This second round of funding allowed for the demolition of 2,931 residential structures.

The third round of Hardest Hit Funds (HHF3) provided \$21,255,000.00 in demolition funds. As of March 31, 2018, the DLBA has been reimbursed \$20,355,968.19; leaving \$899,031.81 to be drawn down by the DLBA. We anticipate the close of this round of funding on or before October 1, 2018. This third round of funding allows for the demolition of approximately 1,478 properties across the seven Council Districts.

The fourth round of Hardest Hit Funds (HHF4) provided \$41,901,646.00 in demolition funds. As of March 31, 2018, in partnership with the DBA, the DBA has completed the procurement process for 2,400 of the structures slated for demolition with this round of funding. As of the same date, the DLBA has been reimbursed \$20,576,447.60; leaving \$21,325,198.40 in grant funds to be drawn down by the DLBA, which is inclusive of the \$6,205,249.51 which the DLBA is currently seeking reimbursement. This fourth round of funding allows for the demolition of approximately 2,700 residential structures.

The fifth round of Hardest Hit Funds (HHF5) provides for \$88,153,425.00 in demolition funds. As of March 31, 2018, in partnership with the DBA, the DLBA has continued the procurement process for this final round of funding. Beginning in June of 2017, the Environmental Due Diligence Procurement Process began in earnest. There are currently 3,100 properties under contract with an additional 1,600 properties currently in the pipeline awaiting the issuance of an Environmental Due Diligence RFP. The first HHF5 demolition RFPs were issued in September 2017, and the DLBA expects to demolish approximately 5,200 residential structures under this final round of funding.

Effective March 27, 2018, MSHDA revised its blight manual and imposed new restrictions on the procurement process for the HHF program. Specifically, the latest revision prohibits the use of geographic preferences within the competitive bidding process. While the DLBA believes that geographic preferences for Detroit based/headquartered businesses is appropriate within the competitive bidding context, it will fully comply with the updated blight manual and all other guidelines issued by MSHDA and U.S. Treasury.

The DLBA continues to work diligently with the demolition contractors to ensure their invoices and supporting documents are correct and complete, and processed in a timely manner. Please see the Hardest Hit Fund Program tab of www.buildingdetroit.org for a complete list of properties that have been demolished and released to contractors.

Neighborhood Stabilization Program

DLBA was awarded NSP Program Income funds for demolition in the amount of \$4.3 million with very specific eligibility requirements. Specifically, the structures had to be owned by the DLBA, located in approved census tracts (pre-determined by HUD), and undergo Section 106 Historical Review. To date, the DLBA has demolished 273 structures with NSP funding, perhaps most notably, Blackwell Middle School. As of the date of this report, the DLBA has completed its spenddown, and closed out the program.

Non-HHF MSHDA Grant

In August 2017, in partnership with the Detroit Building Authority, the DLBA was awarded a \$458,000.00 non-HHF grant from MSHDA that is to be used for the demolition of blighted residential structures within the City of Detroit. As a pre-condition of the award, the City of Detroit was required to match the MSHDA grant funds; therefore \$916,000.00 will be used to demolish 60 additional blighted properties. The Detroit Building Authority is serving as the administrator and project manager for this project. The 60 properties that were selected in large part, fall outside of the traditional HHF boundaries. The demolition of these structures is expected to be completed on or before June 30, 2018.

Legal Department Overview
Mike Brady, General Counsel

The Detroit Land Bank Authority (DLBA) Legal Department provides legal counsel and assistance to the Board of Directors, the Executive Director, and to the organization's staff for all programs (e.g. disposition, acquisition, and demolition). Additionally, the Legal Department staffs various DLBA programs, including Quiet Title, Compliance, and the Nuisance Abatement Program.

Quiet Title

The Legal Department files and oversees expedited Quiet Title Actions pursuant to authority under Section 9 of the Land Bank Fast Track Act, MCL 124.759. On September 2, 2014 the Chief Judge of the Wayne County Circuit Court issued a special docket directive which created a special docket allowing the Detroit Land Bank Authority to file these actions in an efficient manner. Quiet title actions are filed on properties that have been acquired by the DLBA and which will enable the DLBA to dispose of those properties with a clear title. As of March 31, 2018, this last quarter, the Legal Department has received two hundred and sixty-six quiet title judgments.

Nuisance Abatement / Abandoned Properties

The Nuisance Abatement Program (NAP) within the Detroit Land Bank Authority (DLBA) was established in February 2014. The Detroit City Council delegated non-exclusive authority to commence Nuisance Abatement litigation on February 18, 2014 (Council Action Number 23).

Properties that meet the criteria are: vacant and unoccupied, boarded, open to trespass, clearly abandoned or neglected. The property addresses are initially identified through governmental data, and then verified by investigators, community groups, or neighbors, in targeted geographic areas. The NAP Target Areas were defined by the City of Detroit Department of Neighborhoods with input from members of the community. Specific boundaries were determined with the use of data sources to specify areas where NAP actions would be most effective.

Service of Process is made on all current owners. A search of tax and title records is conducted for each property, to determine all current interest holders of record; including owners, mortgage companies, and any other liens. All current owners of record are named in the civil lawsuit, which requests that the 'nuisance' created by the condition be abated. Owners or interest holders in property who fail to respond to the lawsuit may lose their ownership rights to the property at a hearing for default judgment.

This last quarter, as of March 31, 2018, the Legal Department had identified, placed notices ("posters") on and filed suit against two hundred and eleven properties in thirty different neighborhoods throughout the City. These result in agreements to address the blight or in judgments awarding ownership of the properties to the DLBA so that the blight may be addressed through the DLBA's various programs.

In the last quarter, there were over sixty-five agreements with property owners to rehabilitate their properties. During this same time frame, the NAP program received nineteen default judgments, three donations, and one property purchased through 'We Buy It'.

Compliance

The DLBA's Compliance Team enforces agreements signed by property owners who have either purchased a property from the DLBA ("Sales Compliance"), or whose property was the subject of a nuisance abatement action ("NAP Compliance"). For both Sales and NAP Compliance, property owners agree to rehabilitate the property within six (6) months and to provide regular updates to the Compliance Team documenting and verifying that progress. If a property owner is not able to achieve compliance within the initial timeframe, but has shown acceptable "proof of progress," the Compliance Team provides 90-day extensions. Also, if the property is located within a local historic district, or the property was purchased during the winter months, an automatic 90-day extension is provided.

For Sales Compliance, the compliance reporting period begins on the date of closing, when the property owner takes title to the property and obtains possession. At that same time, the property owner simultaneously executes a Reconveyance Deed that the DLBA can record if the property owner fails to rehabilitate the property and meet the obligations outlined in the purchase agreement. Sales Compliance is achieved by obtaining the appropriate certificates from the City of Detroit's Building Safety Engineering Environmental Department. Once Sales Compliance is achieved, the DLBA releases its interest and destroys the Reconveyance Deed.

For NAP Compliance, the property had been identified as vacant, blighted, and a nuisance. To avoid or stop litigation, a property owner signs an agreement which outlines their responsibilities for rehabilitating or demolishing the property, or selling to someone who will. If the property owner fails to provide "proof of progress" on the subject property, the Compliance Team transfers the matter to attorneys for court action. NAP Compliance is achieved by showing that the property is no longer a nuisance to the residents and the neighborhood. Once NAP Compliance is achieved, the DLBA releases its lis pendens and dismisses the lawsuit.

The following chart and pictures document the Compliance Team's activity from this last quarter:

	Auction/Own It Now (Sales)			Community Partners (Sales)			Nuisance Abatement Program			Grand Total		
			1st			1st			1st			1st
	Program- to-date	2018	Quarter (1/1-3/31)	Program- to-date	2018	Quarter (1/1-3/31)	Program- to-date	2018	Quarter (1/1-3/31)	Program- to-date	2018	Quarter (1/1-3/31)
Currently Monitored Compliance	1775	278	278	77	7	7	361	101	101	2213	386	386
Achieved	1143	161	161	81	8	8	1009	21	21	2233	190	190
*Failed Compliance Obligations	253	158	44	34	11	5	288	129	12	575	298	61

20304 Dresden (D3) – Own It Now

BEFORE

5-26-2017



AFTER

1-05-2018



524 KIRBY (D5) - NAP

BEFORE

4-22-2015



AFTER

3-8-2018



16861 MONTE VISTA(D2) - AUCTION

BEFORE

5-12-2017



AFTER

3-6-2018



19334 HARTWELL(D2) – AUCTION

BEFORE

11-22-2016



AFTER

3-13-2018



7501 DOLPHIN(D7) – AUCTION

BEFORE

5-19-2017



AFTER

3-1-2018



17242 BELAND(D3) – AUCTION

BEFORE

5/23/2017



AFTER

1/18/2018



17180 WISCONSIN(D2) – AUCTION

BEFORE

9/13/2017



AFTER

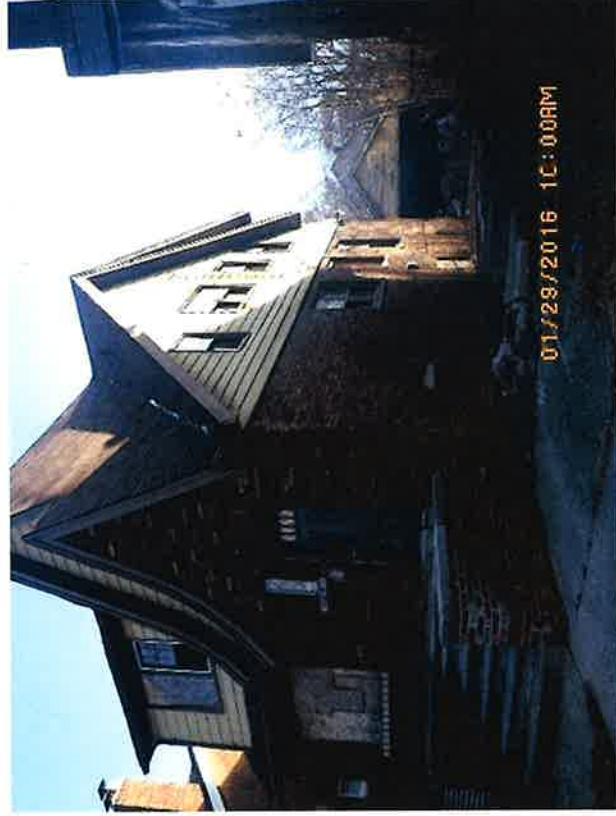
3/19/2018



15878 KENTUCKY (D2) – OWN IT NOW

BEFORE

8/22/2017



AFTER

2/23/2018



4562 CHARLES (D3) – NAP

BEFORE

4/13/2015



AFTER

12/13/2017



1712 TYLER (D5) – OWN IT NOW

BEFORE

12/1/2017



IN PROGRESS



1106 CASGRAIN (D6) – OWN IT NOW

BEFORE

9/14/2017



AFTER

3/09/2018



Community Affairs Department
Rod Liggons, Director

Formerly known as Public Affairs, the Community Affairs department is focusing its efforts on being a consistent visible and committed presence in every neighborhood in Detroit. It will remain driven to share with Detroiters and those who want to be Detroiters how to own your own home through the Detroit Land Bank Authority. (DLBA) The Community Affairs department is responsible for keeping the neighborhoods, the city itself and others engaged on home and property ownership and the responsibilities that come with it. This department also oversees how the DLBA message is delivered through traditional media and social media platforms. We attend neighborhood, block club, and faith-based organization meetings in the neighborhoods of all seven districts that make up the city of Detroit.

Advertising and Marketing

Another change you will see or have already seen is that any time there is an item presented by the DLBA, you will see our name and website together. (Detroit Land Bank Authority is buildingdetroit.org) This endeavor will help those who seek to learn about the DLBA know exactly where to go. In the coming weeks, you will begin to hear radio spots on stations reaching almost every demographic known, ensuring that if someone wants to buy a house or side lot from the Detroit Land Bank Authority, they will know where to learn about our various programs. We will even have ads running in numerous print media that are geared towards defined ethnic or cultural communities and markets. We will also begin utilizing local television stations to keep potential buyers and bidders updated on our programs and procedures.

Our website, buildingdetroit.org, has been updated and upgraded to handle the increased interest from Detroiters and non-Detroiters alike. Since every part of the home buying process (apart from Closing) is performed on our website, it is very important that all relevant information related to registering, bidding, making offers and purchasing DLBA properties are found in the most user-friendly location possible. This is a constant effort to ensure that buying a DLBA house or side lot is a smooth, transparent experience.

We know in this technological era, social media is an effective resource in ways to promote, encourage and highlight the benefits and responsibilities of home ownership. Facebook and Instagram are our primary social media outlets and our current plan is to update our pages and posts several times during the day, every day, including weekends. We auction three properties and sell Own It Now and Side Lot properties every day. We need to and will ensure that anyone who wants to own a DLBA property has the chance to own a DLBA property. On both our website and social media, we will increase the number of Before/After pictures of DLBA houses and side lots that have been sold and rehabbed. We want to display how hard work and a financial investment can not only improve that property, but provide a rippling effect of rehabilitation to that entire block and neighborhood.

Community Engagement

Our Community Engagement division allows the DLBA to interact directly with potential buyers and will be increasing its outreach considerably in coming months. For the first time ever for the DLBA, we have recently begun hosting our own monthly Office Hours in all seven districts. Here, people can come and learn about how to purchase properties, become Community Partners and get questions answered regarding DLBA properties on the spot.

Community Affairs staff attend about 15-20 community meetings a month and with the added DLBA hosted meetings, there are multiple opportunities for former homeowners and current tenants to learn about becoming first-time or returning homeowners. Our initial meetings have been attended by residents armed with questions, seeking knowledge on how the home and side lot buying process works. This is our main priority to keep the neighborhoods engaged and informed about our programs and property availability. We will expand this outreach into churches, mosques, barber shops, salons and anywhere we become aware of people gathering and coming together.

We are also promoting the discount programs for City of Detroit and Detroit School employees. Both of these programs have been enthusiastically received across the entire city and we are sure with increased promotion; these discounts will be a great benefit for those that take advantage of these discounts and the neighborhoods where they choose to rehab and occupy.

The Detroit Land Bank Authority Presents:

Office Hours

5:00 PM
To
7:00 PM

**LET'S DISCUSS YOUR
DLBA CONCERNS**

**MARK
YOUR
CALENDARS**
WE ARE IN
YOUR
DISTRICT
EVERY
MONTH

District 1

April 24th	May 29th	June 26th
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Crowell Community Center
16630 Lahser

As always, you can reach the Detroit Land Bank Authority at
Phone (313) 974-6869 **E-mail** Communityrelations@detroitlandbank.org

BuildingDetroit.org

The Detroit Land Bank Authority Presents:

Office Hours

5:00 PM
To
7:00 PM

**LET'S DISCUSS YOUR
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District 2

April 18th	May 23rd	June 20th
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Northwest Activities Center
18100 Meyers

As always, you can reach the Detroit Land Bank Authority at
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BuildingDetroit.org

The Detroit Land Bank Authority Presents:

Office Hours

5:00 PM
To
7:00 PM

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MONTH

District 3

April 16th	May 21st	June 18th
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Farwell Rec Center
2711 E. Outer Drive

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BuildingDetroit.org

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Office Hours

5:00 PM
To
7:00 PM

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District 4

April 12th	May 17th	June 14th
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Samaritan Center
5555 Conner

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Phone (313) 974-6869 **E-mail** Communityrelations@detroitlandbank.org

BuildingDetroit.org

The Detroit Land Bank Authority Presents:

Office Hours

5:00 PM
To
7:00 PM

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MONTH**

District 5

April 10th		June 12th	→	Butzel Family Center 7737 Kercheval
May 15th			→	Joseph Walker Williams Center 8431 Rosa Parks

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Phone (313) 974-6869 **E-mail** Communityrelations@detroitlandbank.org

BuildingDetroit.org

The Detroit Land Bank Authority Presents:

Office Hours

5:00 PM
To
7:00 PM

**LET'S DISCUSS YOUR
DLBA CONCERNS**

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District 6

April 5th		May 9th		June 6th
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**Patton Rec Center
2301 Woodmere**

As always, you can reach the Detroit Land Bank Authority at
Phone (313) 974-6869 **E-mail** Communityrelations@detroitlandbank.org

BuildingDetroit.org

The Detroit Land Bank Authority Presents:

Office Hours

5:00 PM
To
7:00 PM

**LET'S DISCUSS YOUR
DLBA CONCERNS**

**MARK
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WE ARE IN
YOUR
DISTRICT
EVERY
MONTH**

District 7

April 3rd		May 7th		June 4th
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**Adam Butzel Rec Center
10500 Lyndon**

As always, you can reach the Detroit Land Bank Authority at
Phone (313) 974-6869 **E-mail** Communityrelations@detroitlandbank.org

BuildingDetroit.org

**THE DETROIT LAND BANK AUTHORITY
IS
BUILDINGDETROIT.ORG**



BEFORE



**WELCOME
HOME**



AFTER

**THE DETROIT LAND BANK AUTHORITY
IS
BUILDINGDETROIT.ORG**



BEFORE



**WELCOME
HOME**



AFTER

Districts 3 & 4

THE DETROIT LAND BANK AUTHORITY
IS
BUILDINGDETROIT.ORG



BEFORE

WELCOME HOME

AFTER

THE DETROIT LAND BANK AUTHORITY
IS
BUILDINGDETROIT.ORG



BEFORE

WELCOME HOME

AFTER

Districts 5 & 6

THE DETROIT LAND BANK AUTHORITY IS BUILDINGDETROIT.ORG



BEFORE



AFTER

THE DETROIT LAND BANK AUTHORITY IS BUILDINGDETROIT.ORG



BEFORE



AFTER

District 7

THE DETROIT LAND BANK AUTHORITY IS BUILDINGDETROIT.ORG






Detroit Land Bank Authority
buildingdetroit.org

INVEST WHERE YOU PROTECT & SERVE GET 50% OFF

DISCOUNTS MUST BE APPROVED BEFORE BIDDING AND WILL BE APPLIED AT CLOSING THE 50% DISCOUNT ON AN AUCTION HOME CAN BE USED BY FIRE/EMT PERSONNEL AND THEIR FAMILY MEMBERS.



buildingdetroit.org
communityrelations@detroitlandbank.org



LIVE WHERE YOU WORK!

GET 50% OFF

DISCOUNTS MUST BE APPROVED BEFORE BIDDING AND WILL BE APPLIED AT CLOSING THE 50% DISCOUNT ON AN AUCTION HOME CAN BE USED BY FIRE/EMT PERSONNEL AND THEIR FAMILY MEMBERS.

QUESTIONS:

communityrelations@detroitlandbank.org



LIVE WHERE YOU PROTECT & SERVE

DISCOUNTS MUST BE APPROVED BEFORE BIDDING AND WILL BE APPLIED AT CLOSING THE 50% DISCOUNT ON AN AUCTION HOME CAN BE USED BY FIRE/EMT PERSONNEL AND THEIR FAMILY MEMBERS.

BIDDING STARTS AT \$1,000

REGISTER AT
buildingdetroit.org




QUESTIONS:
communityrelations@detroitlandbank.org

NOTICE TO OCCUPANT

THIS PROPERTY IS OWNED BY THE CITY OF DETROIT LAND BANK. YOU ARE IN THIS PROPERTY ILLEGALLY WITHOUT LAND BANK PERMISSION.

OCCUPANT: If you are an occupant of a property owned by the City of Detroit Land Bank, you must contact the City of Detroit Land Bank at (313) 974-5069 to see if you qualify for a discount on the property.



LIVE WHERE YOU WORK!

GET 50% OFF

SCHOOL EMPLOYEE DISCOUNT

REGISTER TODAY
buildingdetroit.org



GET 50% OFF

BIDDING STARTS AT \$1,000
REGISTER TODAY

buildingdetroit.org

DISCOUNTS MUST BE APPROVED BEFORE BIDDING AND WILL BE APPLIED AT CLOSING THE 50% DISCOUNT ON AN AUCTION HOME CAN BE USED BY SCHOOL EMPLOYEE PERSONNEL.

QUESTIONS:
communityrelations@detroitlandbank.org

WELCOME HOME

