

**DETROIT LAND BANK AUTHORITY**  

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**BOARD OF DIRECTORS MEETING**  
**CADILLAC TOWER**  
**65 Cadillac Square, Suite #3200 • Detroit, Michigan**  
**(Conference Room)**

**Tuesday, October 21, 2014**  
**2:00 PM**

**MINUTES**

**Present:** Marsha Bruhn  
Larry Lipa  
Patricia Pernell-Shelton  
Erica Ward Gerson  
Richard Hosey

**Absent:** None

**Others Present:** Detroit Land Bank Authority (DLBA) staff  
Public

**CALL TO ORDER**

Chairperson Ward Gerson called the October 21, 2014 DLBA Board of Directors meeting to order at 2:02 pm.

**ROLL CALL**

All of the board members were present and a quorum was met and the meeting began.

**ADOPTION OF AGENDA**

Chairperson Ward Gerson called for the adoption of the agenda. **Motion by Member Hosey to adopt the agenda. Supported by Member Pernell-Shelton. MOTION APPROVED.**

**REVIEW AND APPROVAL OF MINUTES**

Chairperson Ward Gerson asked for adoption of the minutes from the September 16<sup>th</sup> public meeting. **Motion by Member Bruhn to adopt September 16, 2014 minutes. Supported by Member Hosey. MOTION APPROVED.**

**PUBLIC COMMENT**

Chairperson Ward Gerson opened the meeting to public comment, noting that none was offered.

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director Richard Wiener provided an update to the Board. Mr. Wiener noted that the Second Quarterly Report was provided to City Council earlier in the month and indicated the response from Council was again positive. This was especially due to the amount of information readily available on [www.BuildingDetroit.org](http://www.BuildingDetroit.org), which reduced the length of the report and also allowed the Council and the general public access to a host of information to keep interested parties up-to-date on the DLBA's activities. Mr. Wiener discussed the continued consistent operations of each DLBA program, specifically highlighting the faster closings of auction houses and

increased media attention. Finally, Mr. Wiener commented on the status of his transition to the Executive Team, stating that he felt the transition had gone remarkably well and felt both confident and comfortable with moving forward with his planned retirement.

## **STAFF REPORTS/PUBLIC REPORTS**

### **Demolition.**

Carrie Lewand-Monroe, Senior Advisor, provided a report on Demolition. Mrs. Lewand-Monroe reported that the Hardest Hit Fund (HHF) Program is set to demolish a total of 3,770 structures, of which 2,315 are demolished to date, 511 are under contract and 944 are in queue to be demolished. Mrs. Lewand-Monroe also indicated that the Michigan State Housing Development Authority (MSHDA) awarded the DLBA with an additional \$5M in funding as a result of the successes the DLBA has demonstrated since taking responsibility for the program earlier in the year. She confirmed enough properties are already in queue to be demolished prior to the April 30, 2015 spending deadline. Mrs. Lewand-Monroe also reported that MSHDA identified leftover National Stabilization Program 2 (NSP2) funding, which they wished to grant to the DLBA for further demolitions. The additional funding totals \$4.3M, would not be limited to residential demolition, but would be limited to demolitions within the predetermined NSP2 areas, and would be subject to a July 15, 2015 spending deadline. Mrs. Lewand-Monroe stated that the agreement with MSHDA is still in draft form and relates to Resolution 10-03-2014, up for the Board's vote today.

Mrs. Lewand-Monroe stated she is also the department head of the Inventory Management team and provided an update to the Board. To date, 23,389 properties are held in the DLBA's inventory. A total of 10,313 additional properties were recently authorized for transfer by City Council, from the City's Planning and Development Department (P&DD). By working directly with P&DD, the Inventory Management team determined that 6,999 properties are ready for immediate transfer, anticipating deeds for these properties within 2-3 weeks. Mrs. Lewand-Monroe confirmed the difference in properties authorized and properties ready for immediate transfer were due to unknown ownership and outstanding applications with P&DD. A discussion ensued regarding the properties where Mrs. Lewand-Monroe addressed questions of the Board. This concluded the Demolition and Inventory Management staff report.

### **Disposition.**

Dekonti Mends-Cole, Deputy Director, provided a report on Disposition. Mrs. Mends-Cole stated the DLBA has closed 75 home auction sales to date, of which the majority have identified themselves as homebuyers. The first certificate of occupancy, indicating the first completely rehabilitated house was completed this month. Mrs. Mends-Cole indicated an additional 5 certificates of occupancy are anticipated to be submitted prior to winter. Mrs. Mends-Cole also stated that to date there have been 42 failed closings, to which the response from the auction winner is that they were unaware of the actual rehabilitation costs. As a result, the Disposition team is beginning to provide more resources and transparency to the estimated dollar costs to rehabilitate these homes. For side lots, Mrs. Mends-Cole reported approximately 10% of lots available for sale have received applications, resulting in 50 side lot sales and 31 rejected applications. Rejected applications primarily related to applications from homeowners who were not directly adjacent to the lot, or owed back taxes. Mrs. Mends-Cole indicated that in some cases, these rejected applications have resulted in homeowners paying the owed taxes in order to reapply and purchase the side lot.

Additionally, Mrs. Mends-Cole reported on the DLBA's Community Partners, noting that there are 31 partners to date. This includes faith-based partners, redevelopment partners, endorsement partners and blight partners. A discussion ensued regarding the types of community partners. This concluded the Disposition staff report.

### **Legal.**

Kevin Simowski, Principal Deputy Director and General Counsel, provided a report on Legal. Mr. Simowski stated that 946 complaints and 1104 quiet title actions had been filed as of Friday, October 17<sup>th</sup> and that the Legal department continued to file approximately 50 lawsuits per week. As a result of these filed complaints, 145 default judgments have been awarded. To date, 1,679 properties have been postered, including 23 vacant properties in the Grandmont-Rosedale neighborhood last week, of which 273 agreements were signed. Mr. Simowski reported that a large property owner in the city recently chose to donate 225 properties as a result of the posterding efforts and that a majority of these donated homes should be able to support the auction pipeline.

Mr. Simowski also discussed the drug house program, indicating that the Legal team receives weekly reports from the Detroit Police Department regarding about 15 homes per week. The Legal team follows up on the reported homes, sending a notice warning the landowner of legal action if there is a subsequent raid on the house. To date, 6 drug house suits have been filed. A discussion ensued regarding both Legal programs. This concluded the Legal staff report.

#### **Community Engagement and Communications.**

Craig Fahle, Director of Community Engagement and Communications, provided a report to the Board. Mr. Fahle commented on the side lot advertising campaign, which focuses on notifying the adjacent property owners to side lot availability as soon as the lot is available on the website. Mr. Fahle provided updates on the upcoming homeowner's fair and workshop, in addition to reporting on the new commercial spot for the Marygrove neighborhood. Mr. Fahle indicated that his department is working to create commercial spots for each major neighborhood in which the DLBA is auctioning homes. Mr. Fahle then provided a short presentation of the above-mentioned commercial spots and a brief tour of updates to the website. A discussion regarding the commercials and website ensued. This concluded the Community Engagement and Communications staff report.

### **STANDING COMMITTEE REPORTS**

#### **Finance and Audit.**

Member Hosey provided the Finance and Audit report to the Board. Member Hosey stated that the cash flow projection provided to the committee looked great, focusing on funds available to be spent. Member Hosey also stated that March 2015 is the target for obtaining new funding to support the growing needs of the DLBA. A discussion on staffing ensued. This concluded the Finance and Audit committee report.

#### **Project Review.**

Member Lipa provided the Project Review report to the Board, indicating that the Demolition and Disposition staff reports adequately covered all subjects discussed for the committee meeting, therefore there was nothing further to discuss.

#### **Community Engagement.**

Member Pernell-Shelton provided the Community Engagement report to the Board. Member Pernell-Shelton confirmed Mr. Fahle's comments and commended him for his work on the commercials. Member Pernell-Shelton also commented on the concern for Open Houses as the winter months approach. A discussion ensued. As a result of the discussion, Members Pernell-Shelton and Bruhn requested that all Board Members be notified of scheduled open houses and side lot fairs. This concluded the Community Engagement committee report.

#### **Nuisance Abatement.**

Mr. Simowski confirmed the Nuisance Abatement committee did not meet and therefore there was nothing to report outside of staff comments.

## **TREASURER'S REPORT**

Michelle Story-Stewart, Chief Financial Officer, provided the Treasurer's report to the Board. Mrs. Story-Stewart provided up-to-date financials to the Board and discussed key balance sheet figures. After commenting on the financial figures, Mrs. Story-Stewart provided an update regarding the DLBA's audit. Mrs. Story-Stewart stated the Accounting team continues to work through the DLBA's annual audit, which is extending beyond the anticipated timeframe due to the DLBA's extensive growth in operations during the last fiscal year. Mrs. Story-Stewart noted that she is hopeful the audit will conclude by the end of October and that her department will be looking to the auditor's recommendations to increase internal controls. Mrs. Story-Stewart confirmed that the audit recommendations will be the basis for updates to the Accounting policy once they are received. A discussion ensued regarding the delay in the audit and Mrs. Story-Stewart addressed all questions from the Board. This concluded the Treasurer's report to the Board.

## **OLD BUSINESS**

Chairperson Ward Gerson opened the floor for any Old Business. It was noted that none was outstanding.

## **NEW BUSINESS**

### **RFQ Update.**

Mrs. Mends-Cole provided an update on the results of the recent public Request for Quotes for Property Maintenance and Preservation Professionals. Mrs. Mends-Cole confirmed that O'Brien, GTJ and DND Innovations received the top three highest scores. Mrs. Mends-Cole commented that she hoped prices for these property maintenance and preservation services would lower over time due to increased competition. A discussion ensued and Mrs. Mends-Cole addressed all questions from the Board, concluding the RFQ Update.

### **Resolutions.**

**Resolution 10-01-2014**, regarding appointing Kevin Simowski as the DLBA Executive Director. Chairperson Ward Gerson distributed the resolution, provided an overview of the resolution and a discussion ensued. **Motion by Member Hosey. Supported by Member Lipa. MOTION APPROVED.**

**Resolution 10-02-2014**, regarding the approval of updates to the existing Contracting and Procurement Policy. Mrs. Story-Stewart provided an overview of the resolution and a discussion ensued. As a result of the discussion, Member Bruhn requested the policy be amended to require approval of one "Board Officer" in place of one "Board Member" for contracts ranging from \$50,001 to \$100,000. **Motion to approve the resolution, as amended, by Member Hosey. Supported by Member Lipa. MOTION APPROVED.**

**Resolution 10-03-2014**, regarding authorizing the Executive Director to sign an agreement with MSHDA for additional demolition funding on behalf of the DLBA. Mrs. Lewand-Monroe provided an overview of the resolution and a discussion ensued. **Motion by Member Bruhn. Supported by Member Hosey. MOTION APPROVED.**

**Resolution 10-04-2014**, regarding the approval of discounted purchase prices for auction winners who have completed approved homebuyer education or counseling programs. Chairperson Ward Gerson provided an overview of the resolution and a discussion ensued. **Motion by Member Hosey. Supported by Member Bruhn. MOTION APPROVED**

## **ADJOURNMENT**

There being no further business, Chairperson Ward Gerson adjourned the meeting at 3:48 p.m.