

**DETROIT LAND BANK AUTHORITY**

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

**Tuesday, April 21, 2015**  
**2:00 PM**

**MINUTES**

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

**Absent:** Erica Ward Gerson

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

**CALL TO ORDER**

Vice Chairperson Bruhn called the April 21, 2015 Board of Directors meeting to order at 2:10 pm.

**ROLL CALL**

Four of five Board members were present and a quorum was met.

**ADOPTION OF AGENDA**

Vice Chairperson Bruhn called for the adoption of the agenda. **Motion by Member Lipa to adopt the agenda. Supported by Member Hosey. MOTION APPROVED.**

**REVIEW AND APPROVAL OF MINUTES**

**Motion by Member Hosey to adopt February 24, 2015 minutes. Supported by Member Lipa. MOTION APPROVED.**

**PUBLIC COMMENT**

Yvonne Brown, a resident of Detroit's Gratiot-Grand neighborhood, introduced herself and described her concern for losing her home as it has been foreclosed on by the Wayne County Treasurer and is currently in the Land Bank's inventory. Ms. Brown was provided home buying counseling information and informed that the Land Bank is continuing to work out a policy to address occupied homes. Fayette Coleman, a resident of Detroit's Brightmoor neighborhood, introduced herself and indicated she would like to buy her home back from the Land Bank as Ms. Coleman had also gone through foreclosure and her home was also owned by the Land Bank. Deputy Director of Disposition, Dekonti Mends-Cole spoke with her regarding the forthcoming occupied policy. Michelle Oberholtzer, a representative of Tricycle Collective, requested that the Land Bank finalize a policy to allow foreclosed homeowners, such as Ms. Brown and Ms. Coleman, to purchase their property back from the Land Bank. Ms. Oberholtzer proposed a pilot

program be launched between the Land Bank and Tricycle Collective where occupants of Land Bank homes could purchase the home outright for \$500.

Vanessa Peake, Director of the Urban Development Corporation, distributed details regarding her organization's "No Money" plan, which proposed to rehabilitate a group of Land Bank and City-owned properties in the Northeast side of Detroit.

Ernest Little, a realtor in Detroit, introduced himself and provided multiple examples of homes he has sold in the past and the total selling prices he was able to secure on successful sales. Mr. Little explained that the work he and his colleagues engage in as realtors help to increase selling amounts for homes and requested that the Land Bank consider working with local realtors to increase the selling values of auction homes.

Aaron Handlesman, a facilitator from the Detroit Community Land Trust Coalition (Land Trust), proposed a partnership with his organization and the Land Bank to focus on policy creation with and through community involvement. Mr. Handlesman indicated he has met with Land Bank staff about his proposed plan and hopes the Board will consider reviewing and adopting such a policy.

## **EXECUTIVE DIRECTOR'S REPORT**

Executive Director Kevin Simowski discussed the highlights of the past month at the Land Bank, including: the recent launch of the Employee Discount Program; the launch of DLBA's operational system, Salesforce; and the appointment of the City Master Planner and the Land Bank's coordination with him to date. Mr. Simowski also noted the approval of the demolition advance fund by City Council and confirmed that the Land Bank is now current with all contractors engaged for Round 1 of Hardest Hit Fund (HHF) demolition. Mr. Simowski announced that the Legal Department reached the milestone of 2,000 nuisance abatement complaints. Mr. Simowski congratulated CFO, Michelle Story-Stewart, for winning a grant from JP Morgan Chase to assist with selecting accounting software, and Deputy Director of Disposition, Dekonti Mends-Cole, for being a finalist for an IBM grant. Mr. Simowski confirmed the Quarterly Report was provided to City Council on time and would be independently distributed to the Board. Finally, Mr. Simowski announced new staff members Tamika Weems, HR Generalist, and Jano Hanna, Assistant Deputy Director of Acquisitions and Land Reuse.

## **STAFF REPORTS**

### **Acquisitions and Land Reuse.**

Carrie Lewand-Monroe, Deputy Director, confirmed Mr. Simowski's comments and appreciation for City Council's approval of the \$20M line of credit to assist with the HHF program. Mrs. Lewand-Monroe noted that her team is also working with Michigan State Housing Development Authority to create efficiencies and speed up the time to reimbursement; for the entire month of February, \$3M was reimbursed, while three weeks into April a total of \$7.1M has already been reimbursed. Mrs. Lewand-Monroe also provided an update on the progress of Round 2 for HHF, noting that Frost Laws were still in effect, which limits the weight of trucks on roads and impedes production. To date, 1,700 asbestos surveys are completed and contracts are expected to be awarded to contractors within the next week; Mrs. Lewand-Monroe stated that Round 2 was on track to meet its deadline.

### **Disposition.**

Dekonti Mends-Cole, Deputy Director, distributed the auction, community partners and side lot sales reports. Mrs. Mends-Cole discussed the auction, highlighting the 262 closings since inception of the auction and \$320K in auction revenue for the month of March. Mrs. Mends-Cole discussed the Community

Partner Program and noted a total of 147 partners to date, with 13 sales resulting from the program in the prior week. Mrs. Mends-Cole also discussed the Side Lot Program, which has sold 954 lots since inception. Finally, Mrs. Mends-Cole announced the launch of the rehab loan product and indicated over 300 RSVPs have already been received in anticipation of the launch event and a discussion ensued.

#### **Legal.**

Michael Brady, General Counsel, confirmed Mr. Simowski's announcement regarding recently surpassing 2,000 complaints. Of the 2,214 total complaints filed, Mr. Brady stated the team has received 434 default judgments and 8 show cause motions, with no losses in court yet. Mr. Brady reiterated that agreement compliance remains the primary goal of the Nuisance Abatement Program. Mr. Brady noted his team has also filed 353 quiet title suits to date with 184 resulting judgments. Mr. Brady discussed the team's partnership with Department of Neighborhoods and the District Managers' positive feedback. Mr. Brady also noted an RFQ was recently released for external legal counsel, explaining the Land Bank was seeking to have a "pre-qualified" pool of external legal teams. Mr. Brady answered questions from the Board regarding the RFQ and a discussion ensued.

#### **Public Affairs.**

Craig Fahle, Public Affairs Director, reported a positive change in questions and discussion among the community regarding the Land Bank's activities, as was noted at the 24 community meetings attended in the past month. Mr. Fahle discussed upcoming auction open houses and a special Earth Day event being held by a Community Partner who recently purchased nine side lots. Finally, Mr. Fahle commented that media coverage has steadily transitioned from discussing policies to reporting results.

### **STANDING COMMITTEE REPORTS**

#### **Project Review.**

Member Lipa provided the Project Review report to the Board, first confirming the Acquisition and Land Reuse staff report. Member Lipa discussed an anticipation of cost relief for Round 2 of HHF demolition due to the line of credit. Member Lipa also reported the discussion of prospective projects with not-for-profit partners and a discussion ensued.

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

Member Hosey provided the Finance and Audit report to the Board, noting the 2015-2016 Budget was also approved by City Council in the past month. Member Hosey also noted the auction loan programs were a topic of discussion and the concern that even the 150% Loan-to-Value ratio will not be enough for more distressed neighborhoods to benefit, but that hopefully the program would spur better growth that would in turn affect these neighborhoods.

#### **Community Engagement.**

Member Pernell-Shelton provided the Community Engagement report to the Board. Member Pernell-Shelton confirmed the Public Affairs staff report and additionally discussed the public comment regarding realtor involvement in the Land Bank's auction program. Member Pernell-Shelton discussed the potential for regular meetings to collect public ideas and input, such as the public comment observed earlier in the meeting. A discussion ensued.

### **TREASURER'S REPORT**

Michelle Story-Stewart, Chief Financial Officer, provided the Treasurer's report to the Board. She distributed financials for the period ending March 31 and discussed key balance sheet and profit and loss figures. Mrs. Story-Stewart answered questions from the Board and a discussion ensued.

## OLD BUSINESS

Vice Chairperson Bruhn opened the floor for any Old Business. None was outstanding.

## NEW BUSINESS

### Resolutions.

**Resolution 04-01-2015**, regarding approving the revised 2014-2015 budget. Mrs. Story-Stewart provided an overview of the resolution and a discussion ensued. **Motion by Member Hosey. Supported by Member Pernell-Shelton. MOTION APPROVED.**

**Resolution 04-02-2015**, regarding approving the 2015-2016 operating budget. Mrs. Story-Stewart provided an overview of the resolution and a discussion ensued. **Motion by Member Hosey. Supported by Member Lipa. MOTION APPROVED.**

**Resolution 04-03-2015**, regarding authorizing the Executive Director to negotiate and sign the Amended and Restated Memorandum of Understanding between the City of Detroit and the Detroit Land Bank Authority on behalf of the Detroit Land Bank Authority. Mr. Brady provided an overview of the resolution and a discussion ensued. **Motion to approve the resolution by Member Hosey. Supported by Member Pernell-Shelton. MOTION APPROVED.**

**Resolution 04-04-2015**, regarding authorizing the Executive Director to negotiate and sign the Land Transfer Agreement between the City of Detroit and Detroit Land Bank Authority on behalf of the Detroit Land Bank Authority. Mr. Brady provided an overview of the resolution and a discussion ensued. **Motion to approve the resolution by Member Hosey. Supported by Member Lipa. MOTION APPROVED.**

**Resolution 04-05-2015** was tabled to be discussed in Executive Session.

**Resolution 04-06-2015**, regarding authorizing the Executive Director to sign a lease for office space on behalf of the Detroit Land Bank Authority. Mr. Simowski provided an overview of the resolution and noted any final executed lease will be subsequently provided to the Board for review. A discussion ensued. **Motion to approve the resolution by Member Lipa. Supported by Member Hosey. MOTION APPROVED.**

## EXECUTIVE SESSION

*In accordance with the State of Michigan's Open Meetings Act, Section 8, Closed Sessions are permitted. The conditions of such a Closed Session includes the following: 1) The Session must be for a "limited purpose," 2) the Session must be conducted during the course of an open meeting and 3) per Section 9(1) of the OMA, the minutes of the open meeting must include the purpose for which a closed session is held.*

*It is noted that the purpose of the Executive Session was called for a permitted purpose as described within OMA, Section 8; "to consider material exempt from discussion or disclosure by state or federal statute. "*

Vice Chairperson Bruhn called for the meeting to break to Executive Session at 3:43. The meeting returned to public session at 4:16.

### Resolutions.

**Resolution 04-05-2015**, regarding authorizing the Executive Director to negotiate and sign an agreement for certain renovation projects. Mrs. Mends-Cole and Mr. Brady provided an overview of the resolution and fielded non-legal questions from the Board. A discussion ensued. Vice Chairperson Bruhn requested

to approve the resolution in concept only and for the Executive Director to finalize the agreement and bring it back for Board approval. **Motion to conceptually approve the resolution by Member Hosey. Supported by Member Pernell-Shelton. MOTION CONCEPTUALLY APPROVED.**

#### **ADJOURNMENT**

Mr. Simowski announced that the Board meeting for the month of May was currently scheduled during the Reclaiming Vacant Land Conference and therefore was being moved a week earlier to May 12. There being no further business, Vice Chairperson Bruhn adjourned the meeting at 4:32 pm.