

DETROIT LAND BANK AUTHORITY
BOARD OF DIRECTORS MEETING
GUARDIAN BUILDING
500 Griswold St, Suite 1200 • Detroit, Michigan
(Belle Isle Conference Room)

Tuesday, December 15, 2015

2:00 PM

MINUTES

Present: Marsha Bruhn
Richard Hosey
Larry Lipa
Erica Ward Gerson

Absent: Patricia Pernell-Shelton

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

CALL TO ORDER

Chairperson Ward Gerson called the December 15, 2015 meeting to order at 2:05 P.M.

ROLL CALL

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

ADOPTION OF THE AGENDA

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

REVIEW AND APPROVAL OF MINUTES

Motion by Member Bruhn to adopt the November 17, 2015 minutes. Supported by Member Hosey. MOTION APPROVED.

PUBLIC COMMENT

Chairperson Ward Gerson opened the meeting to public comment. Ms. Joanne Warwick provided a law review article on blight and the Nuisance Abatement Program. She raised a concern about the blight bundle and requested a meeting with Michael Brady, General Counsel, to discuss further. Ms. Warwick also requested that the Public Comment session be moved to the end of the agenda.

EXECUTIVE DIRECTOR'S REPORT

Carrie Lewand-Monroe, Acting Executive Director, provided an update to the Board. Mrs. Lewand-Monroe reported on the updated organizational structure, noting that the DLBA is nearing 90 employees, and provided an updated organization chart reflecting minor adjustments made to the Legal and Disposition departments. Mrs. Lewand-Monroe noted that the DLBA continues its search for a Disposition Director, with one interview in progress. Mrs. Lewand-Monroe reported the DLBA requested assistance from the Chase Service Corporation through its "Tech for Good" grant, for software that would automate deed processing and recording, and will report to the Board the outcome of the request. Mrs. Lewand-Monroe also noted that the DLBA's demolition program is undergoing an audit by the City Inspector General, with an anticipated completion by spring 2016. Mrs. Lewand-Monroe announced that the Fisher Foundation awarded a grant in the amount of five hundred thousand dollars for blight removal in Brightmoor and DLBA has engaged community leaders to find best areas

to invest the grant money. A discussion ensued regarding the grant funds and Mrs. Lewand-Monroe addressed questions of the Board.

STAFF REPORTS

Acquisitions and Land Reuse.

Pura Bascos, Director, Acquisitions and Land Reuse (AL&R), reported that the AL&R team is currently working on closing out two demolition programs, NSP2 and HHF2. Mrs. Bascos noted that an extension was provided beyond the end of the year for the NSP2 program, allowing for completion of the work. Mrs. Bascos stated that approximately \$14 million of the HHF2 \$50 million is spent to date, with nearly 700 properties already reimbursed by MHSDA. Mrs. Bascos confirmed that the AL&R team will meet the spending deadlines for HHF2.

Disposition.

Carrie Lewand-Monroe, Acting Executive Director, gave the Disposition update. Mrs. Lewand-Monroe presented a detailed comprehensive analysis of the current auction pipeline, noting that since the recent revamp of the pipeline, 27 of 36 new properties have sold. Mrs. Lewand-Monroe reported 2,736 side lot sales to date and reported a third round of side lot fairs will begin in February 2016. Mrs. Lewand-Monroe reported that the Disposition team continues to finalize details to implement the Occupied Pilot program in 2016. Mrs. Lewand-Monroe noted assistance from Bloomberg and Associates, who are providing analysis and research to assist in forming the Occupied Pilot program. Mrs. Lewand-Monroe reported 267 community partners to date and 253 properties sold to the community partners. Mrs. Lewand-Monroe reported the Rehabbed and Ready program has listed 13 homes for sale and has signed 9 purchase agreements. A discussion ensued regarding the closing process and rate of auction sales; Mrs. Lewand-Monroe and Mr. Brady addressed questions of the Board. It was noted that there is a need to reconcile the two reports.

Legal.

Michael Brady, General Counsel, provided the Legal team update, reporting 4,626 posterred properties, 3,352 lawsuits filed and 1,200 default judgments to date. Mr. Brady additionally reported 1,341 agreements entered to date, of which 600 are in compliance. Mr. Brady reported that they are In the midst of revising and improving quiet title process and intend to scale up by end of January 2016.

Public Affairs.

Craig Fahle, Director, Public Affairs, distributed a handout and provided a media update. Mr. Fahle reported over 40 new stories, including some from national media outlets, were released since the last month's meeting, specifically noting the recent AFL-CIO and Brightmoor Demolition press conferences. Mr. Fahle reported that the marketing plan in place September through December 2015 was successful, noting targeted display ads increased all web traffic by 25%, of which 43% were new visitors and the click through rate for all web traffic also increased by a factor of 8%. Mr. Fahle commented that the community outreach is going well and reported that Rod Liggons, Public Affairs Manager, continues to attend community meetings on behalf of the DLBA regularly. Mr. Fahle further reported that the Arise Detroit summit was very successful, resulting in many new community partner applicants. Finally, Mr. Fahle reported that planning for side lot fairs are underway and 30 open houses are scheduled in the next month. A discussion ensued regarding the marketing campaign's success and Mr. Fahle addressed the questions of the Board.

STANDING COMMITTEE REPORTS

Finance and Audit.

Member Hosey reported the Finance team's progress toward creating and presenting better report presentation, including illustrative graphics. Member Hosey noted a report detailing restricted and unrestricted cash balances will be forthcoming.

Project Review.

Member Lipa confirmed the Disposition and A&LR staff reports, with nothing further to note.

Community Engagement.

Member Bruhn reported that the Community Engagement sub-committee did not meet this month.

TREASURER'S REPORT

Michelle Story-Stewart, Chief Financial Officer, reiterated an updated reporting format, as discussed by Member Hosey. Mrs. Story-Stewart highlighted the HHF Funds and thanked Mrs. Bascos for working with contractors to get payments in on time., as well as reduced expenses and the recent receipt of grant funds from the Fisher Foundation Mrs. Story-Stewart reported the recent switch to electronic pay stubs for all DLBA staff, as well as the upcoming transitions to electronic timesheet submissions and automated budget generation via the new FinancialForce platform. A discussion ensued regarding revenue and Kate Spratt, Interim Controller, addressed questions of the Board.

Audit Report.

Auditors from Alan C. Young and Associates, P.C. provided a summary of the audit findings to the Board. Alan C. Young and Associates' audit concluded that there were no compliance findings, no significant deficiencies nor any material weaknesses in internal controls. The DLBA received an unmodified audit report.

OLD BUSINESS

Chairperson Ward Gerson opened the floor for any Old Business. None was outstanding.

NEW BUSINESS

Resolutions.

Resolution 12-01-2015, regarding appointing Executive Director. Chairperson Ward Gerson provided an overview of the resolution and a discussion ensued. **Motion by Member Hosey. Supported by Member Bruhn. MOTION APPROVED.**

Resolution 12-02-2015, regarding accepting audited financial statements. Chairperson Ward Gerson and Mrs. Story-Stewart provided an overview of the resolution and a discussion ensued. **Motion by Member Hosey. Supported by Member Lipa. MOTION APPROVED.**

Resolution 12-03-2015, authorizing the Executive Director to negotiate and sign an amended agreement for funds for certain renovation projects. Chairperson Ward Gerson provided an overview of the resolution and a discussion ensued. **Motion by Member Hosey. Supported by Member Bruhn. MOTION APPROVED.**

Freedom of Information Act (FOIA) Appeal Review.

Michael Brady, General Counsel, informed the Board that two FOIA requests have been appealed by the requestor due to the fees associated with the request. Mr. Brady provided a memo addressing the FOIA request process, and what reimbursement is reasonable for a public body to require as a result of any such requests. Mr. Brady provided an overview of the DLBA's FOIA response process and noted that, unless extensive staff hours are required to compile a response, the DLBA generally does not assess a fee, though the DLBA is permitted to do so by law. Mr. Brady described the two appeals in detail, along with the estimated time to compile the FOIA response and a breakdown of fees associated with both requests. Mr. Brady recommended that the assessed fees be upheld due to the extensive staff time required to appropriately respond and in accordance with the law. **Motion to deny first FOIA request appeal. Motion by Member Hosey. Supported by Member Bruhn. MOTION APPROVED. Motion to deny second FOIA request appeal. Motion by Member Hosey. Supported by Member Bruhn. MOTION APPROVED.**

ADJOURNMENT

Chairperson Ward Gerson informed members that a schedule for 2016 Board meeting dates is forthcoming. There being no further business, Chairperson Ward Gerson adjourned the meeting at 4:07 p.m.