

DETROIT LAND BANK AUTHORITY

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

Tuesday, October 25, 2016

2:00 PM

MINUTES

Present: Erica Ward Gerson
Richard Hosey
Larry Lipa
Patricia Pernell-Shelton
Rasul Raheem

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

CALL TO ORDER

Chairperson Ward Gerson called the October 25, 2016 meeting to order at 2:06 P.M.

ROLL CALL

All 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 Lipa to approve the September 20th and September 29th Board meeting minutes. Supported by Member Hosey. MOTION APPROVED.

PUBLIC COMMENT

Chairperson Ward Gerson opened the floor to public comment. Prior to public comment, Mrs. Lewand-Monroe apologized to the general public that were not admitted to past meetings in a timely manner and confirmed that a process was created to ensure all public present by the posted meeting time will be admitted prior to the start of the meeting. Joanne Warwick, Detroit resident, thanked Mrs. Lewand-Monroe the new procedure for admittance to meetings. Ms. Warwick further stated her concern about a DLBA property that was demolished due to deterioration and suggested neighborhood monitoring to safeguard property conditions. Tyson Gersh, secretary of the North End Neighbors Block Club, announced his organization has partnered with the Motown Mission request for property maintenance. This partnering resulted in the identification of two-thirds of the properties within the Club's boundary as DLBA-owned. Darnell Adams, Inventory Director, was identified to assist Mr. Gersh with this matter.

EXECUTIVE DIRECTOR'S REPORT

Carrie Lewand-Monroe, Executive Director, provided an update to the Board. Mrs. Lewand-Monroe reported the Quarterly City Council Report was recently submitted for the third quarter of 2016 and provided a copy to the Board.

Demolition

Mrs. Lewand-Monroe reported the Demolition team continues to work with MSHDA to operationalize new policies and procedures. DLBA recently received the new MSHDA Blight Manual that contains updated state-wide requirements for the program. Details are still being finalized with MSHDA, such as a final review of the new RFP and scope of services, as well as incorporating a second asbestos inspection. Mrs. Lewand-Monroe further reported that under HHF Round 3 the DLBA received a total of \$21.2M and an estimated 100 structures have been demolished under this round. Mrs. Lewand-Monroe reported that the DLBA has continued invoice processing and is working with the Detroit Building Authority to release an additional 100 properties for RFP in the coming weeks.

Inventory

Mrs. Lewand-Monroe reported that the Inventory team is working to transfer approximately 1,140 residential parcels with existing City Council approval from the Planning & Development Department to the DLBA. PDD states these properties do not have an open application for purchase. The property transfer is scheduled to begin in mid-October and is expected to be completed by November 2016. Mrs. Lewand-Monroe reported the Inventory team has prepared 419 properties for auction year-to-date, with an additional 482 properties in the auction pipeline, which will extend the auction through early 2017. Mrs. Lewand-Monroe reported that the Inventory team includes a pre-sale inspection report as part of prepping properties for auction. These reports, completed through the City's Buildings, Safety, Engineering and environmental Department (BSEED), though helpful, are costly and lack depth of detail. To resolve, 3 new inspectors joined the Inventory team this month to provide property condition reports, allowing DLBA to better inform prospective auction at a much lower cost per inspection.

Disposition

Mrs. Lewand-Monroe reported that as of September 30, 2016 the Community Partners program has sold 614 properties since program inception, which includes 99 structures and 515 lots. Mrs. Lewand-Monroe reported DLBA's Buy Back Pilot program currently has 109 participating families and plans to add 50 additional families at the next Buy Back Fair in November. Mrs. Lewand-Monroe noted DLBA's continued work with Bloomberg Associates on the Buy Back program. Mrs. Lewand-Monroe confirmed the website update on 9/15/16 allowing the Own It Now program to accept highest offers. Mrs. Lewand-Monroe also reported the Side Lot program is on target to reach the goal of 6,000 side lots sold by December 2016, with 5,409 side lots sold to date. Mrs. Lewand-Monroe noted 138 closings occurred in August 2016, which was highest monthly total for closings to date. Mrs. Lewand-Monroe reported the following program metrics as of 10/14/16: Side Lots sales, 5,409; Auction sales, 1,281; Auction closings, 896; Community Partner participants, 390; Community Partner sales, 614; Own It Now sales, 397; Rehabbed & Ready closings, 20; Rehabbed & Ready sales, 23.

Legal

Mrs. Lewand-Monroe reported that the news regarding the frivolous lawsuit challenging the DLBA's existence was defeated last week in Wayne County Circuit Court. Mrs. Lewand-Monroe reported that the Legal team is continuing to work on the Nuisance Abatement program and provided program numbers as of 10/14/16: NAP Complaints filed, 3,708; NAP Agreements, 1,470; Default Judgements, 1,373; Quiet Title Judgements, 1,458; resulting occupied homes, 1,169.

Public Affairs

Mrs. Lewand-Monroe reported the total registered bidders at www.buildingdetroit.org increased to a total of 16,100 individuals this past month. In addition, the 40,000+ visitors averaged over seven pages per web visit. The DLBA attended and participated in 43 community meetings, including block club meetings, City Council hosted-meetings, homebuyer education courses and conferences, over the last quarter. The DLBA also hosted 13 open house events that were attended by 989 people with a total of 215 homes having been shown throughout the city.

Customer service improvements continue to be a priority focus at the DLBA. The DLBA has averaged 280 calls per day, as well as 65 walk-in customers. Wait times have decreased due to the addition of two new client service specialists, one of whom is fluent in Spanish. The average queue time has dropped from 4 minutes 29 seconds to 3 minutes 39 seconds over the past three weeks and the percentage of abandoned calls dropped to 35% from 45% percent. We are expecting an improvement when the DLBA switches phone services from Comcast to EvolveIP.

STANDING COMMITTEE REPORTS

Finance and Audit.

Member Hosey provided the Finance and Audit Committee update, noting the Committee discussed current resolutions and the new auditor process.

Community Engagement

Member Pernel-Shelton confirmed the staff report. Mrs. Pernel-Shelton commented that the committee had met last week and she would like to have a discussion about the sale of auction homes to City employees.

TREASURER'S REPORT

Irene Tucker, Chief Financial Officer, reported that she was happy to finalize the year-end audit and is already implementing process improvements.

OLD BUSINESS

Chairperson Ward Gerson opened the floor for any Old Business, there was none.

NEW BUSINESS

Resolutions.

10-01-2016 Resolution accepting draft audited financial statements. The group reviewed the draft and discussion ensued. **Motion by Member Hosey. Supported by Member Raheem. MOTION APPROVED.**

Secretary Raheem called roll for each Board Member to go into Closed Session. **Unanimously approved.** Chairperson Ward Gerson dismissed for Closed session at 2:44 p.m.

CLOSED 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 Closed Session was called for a permitted purpose as described within OMA, Section 8(e): "to consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation," as well as a permitted purpose as described within OMA, Section 8(h): "to consider material exempt from discussion or disclosure by state or federal statute," specifically, Section 13(1)(g) of Michigan's Freedom of Information Act, which protects the attorney-client privilege.

Chairperson Ward Gerson adjourned Closed Session and re-opened public meeting at 4:28 p.m.

ADJOURNMENT

There being no further business, Chairperson Ward Gerson adjourned the meeting at 4:41 p.m.