

DETROIT LAND BANK AUTHORITY

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

Tuesday, December 16, 2014
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

CALL TO ORDER

Chairperson Ward Gerson called the December 16, 2014 DLBA Board of Directors meeting to order at 2:02 pm.

ROLL CALL

Four of five 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, as amended to include *XI. Executive Session*.

Motion by Member Bruhn to adopt the agenda. Supported by Member Hosey. MOTION APPROVED.

REVIEW AND APPROVAL OF MINUTES

Chairperson Ward Gerson asked for adoption of the minutes from the November 18th public meeting. **Motion by Member Bruhn to adopt November 18, 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 Kevin Simowski provided an update to the Board. Mr. Simowski discussed the recent Side Lot Fairs, noting that over 300 visitors attended and approximately 85 lots were sold; additionally, Mr. Simowski thanked the Board for its support and attendance, noting the next fair will be held on January 10, 2015. Mr. Simowski confirmed MSHDA's announcement that the DLBA will be receiving a second award of \$50M for demolition funding. Mr. Simowski discussed the upcoming finalization of approximately 13,000 foreclosures by the Wayne County Treasurer, which will include an estimated 1,600 occupied homes. Mr. Simowski stated that the DLBA had its first annual holiday luncheon, which was well attended and was a great show of appreciation for the staff. Mr. Simowski echoed his appreciation for the staff as well as the Board for its dedicated involvement in 2014. This concluded the Executive Director report.

STAFF REPORTS

Acquisitions and Land Reuse.

Carrie Lewand-Monroe, Deputy Director, provided a report on Acquisitions and Land Reuse. Mrs. Lewand-Monroe distributed a set of reports, including a breakdown of the properties that will be received from Wayne County Treasurer after the upcoming set of foreclosures. Mrs. Lewand-Monroe then discussed the recent award of \$50M from MSHDA; she noted that the award was composed of \$2.6M from Round 1, of which Detroit was the only city to receive additional funding, and the remaining \$47.4M was from Round 2 funding. Mrs. Lewand-Monroe stated that this \$50M must be spent within the next 6 months and that the demolition team is on track to continue with approximately 100 demolitions per week during the winter, increasing to 200-250 demolitions per week in the spring, which will sufficiently use the awarded funds within the allotted timeframe. A discussion ensued where Mrs. Lewand-Monroe addressed questions of the Board regarding the funding requirements related to Rounds 1 and 2 of the MSHDA funding. This concluded the Acquisitions and Land Reuse staff report.

Disposition.

Dekonti Mends-Cole, Deputy Director, provided a report on Disposition. Mrs. Mends-Cole stated the recent Side Lot Fair resulted in 57 deed transfers, as well as increased online applications for lots. Mrs. Mends-Cole noted that there have been 123 closings to date, in addition to 279 commitments on properties. Mrs. Mends-Cole discussed her team's efforts to better prepare buyers and assist them through the closing and rehab processes. Mrs. Mends-Cole also noted that the DLBA now has 81 confirmed community partners and discussed some of the recent direct sales made as a result of these partnerships. Mrs. Mends-Cole further noted that her team is working directly with the Mayor's Faith Based Advisor to assist community churches in increasing capacity for taking on property. Mrs. Mends-Cole addressed questions from the Board regarding side lot sales, website transparency of those sales, and an update on the community partnership with the Michigan Welfare Rights group. A discussion ensued. This concluded the Disposition staff report.

Legal.

Michael Brady, General Counsel, provided a report on Legal. Mr. Brady distributed reports to the Board, highlighting the following figures to-date: 1,976 poster homes, 1,217 lawsuits filed, 325 agreements, 238 default judgments, 169 quiet titles. Mr. Brady noted the team is staffing up for a goal of increasing filed lawsuits to 75 per week; he also indicated that the Legal Department recently restructured its case-handling process in preparation for the increase in filings. Mr. Brady then discussed his legislative work on tax foreclosure reform, which is anticipated to move through the Michigan legislature and to the Governor this week, indicating that if this legislation is passed it will help relieve the number of occupied properties coming to the DLBA through the Wayne County Treasurer's foreclosures in future years. Mr. Brady answered questions from the Board regarding the legislation and a discussion ensued. This concluded the Legal staff report.

Public Affairs

Craig Fahle, Public Affairs Director, provided a report to the Board. Mr. Fahle discussed the increased marketing for upcoming Side Lot Fairs, noting January 10th, 24th and 31st as upcoming fair dates. Mr. Fahle noted that auction open houses will not occur in January, but will resume in February. Mr. Fahle additionally informed the Board that he is now averaging 3-4 media inquiries per day and noted that with this increase, local coverage of the DLBA has become more detailed, providing increased understanding to the community. A discussion ensued regarding the increased media coverage. This concluded the Public Affairs staff report.

STANDING COMMITTEE REPORTS

Finance and Audit.

Member Hosey provided the Finance and Audit report to the Board. Member Hosey noted that the Committee reviewed the latest financials and projections, including that March continues to be a focal point, having been identified as the time when additional funding will need to be secured to ensure uninterrupted operations.

Member Hosey also stated that the Committee continued to discuss the need for expanding staff to meet increased operational goals. This concluded the Finance and Audit committee report.

Project Review.

Member Lipa provided the Project Review report to the Board. Member Lipa indicated the Acquisitions and Land Reuse and Disposition staff reports covered the items discussed within the Project Review committee. This concluded the Project Review committee report.

Community Engagement.

Member Bruhn provided the Community Engagement report to the Board in place of Member Pernell-Shelton. Member Bruhn indicated the Public Affairs staff report covered the items discussed within the Community Engagement committee and noted that the occupied properties policy was tabled to the following committee meeting. Member Bruhn then suggested that the Board tour neighborhoods six months or so from now to assess the impact of the various DLBA programs on the areas. A discussion ensued regarding plans for a neighborhood tour in Summer 2015. This concluded the Community Engagement committee report.

TREASURER'S REPORT

Alicia Moore, Controller, provided the Treasurer's report to the Board in place of Michelle Story-Stewart, Chief Financial Officer. Ms. Moore introduced Jay Wiles of the DLBA's auditor, Alan C. Young & Associates, who provided a summary of the audit findings to the Board; the audit concluded that there were no compliance findings, no significant deficiencies or material weaknesses in internal controls and that the DLBA received an unmodified audit report.

Ms. Moore then provided her financial report to the Board, distributing November financials, and discussed key balance sheet and profit and loss figures. Ms. Moore answered questions from the Board regarding external fees for the DLBA's outside counsel. A discussion ensued. 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

Resolutions.

Resolution 12-01-2014, regarding adopting the Direct Sales Policy. Mrs. Mends-Cole provided an overview of the resolution and a discussion ensued. **Motion by Member Hosey. Supported by Member Lipa. MOTION APPROVED.**

Resolution 12-02-2014 was tabled to be discussed in Executive Session.

Resolution 12-03-2014, regarding authorizing the Executive Director to sign an agreement with the Detroit Building Authority for Demolition Management Services. Mrs. Lewand-Monroe provided an overview of the resolution and a discussion ensued. **Motion by Member Lipa. Supported by Member Hosey. MOTION APPROVED.**

Resolution 12-04-2014, regarding authorizing the Executive Director to sign an agreement on behalf of the Detroit Land Bank Authority with the Michigan Homeowner Nonprofit Housing Corporation for demolition funding under the help for the Hardest Hit Blight program. Mrs. Lewand-Monroe provided an overview of the resolution and a discussion ensued. **Motion by Member Hosey. Supported by Member Bruhn. 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. "

Chairperson Ward Gerson called for the meeting to break to Executive Session at 3:37. The meeting returned to public session at 4:23.

Resolutions.

Resolution 12-02-2014, regarding authorizing the Executive Director to negotiate and sign an agreement on behalf of the Detroit Land Bank Authority for clerical and administrative services for filing, service of process and default of lawsuits. Chairperson Ward Gerson called for comments or further discussion prior to taking a vote; Member Bruhn requested that a report be provided for the January Board meeting, including the final, signed agreement and summary of terms within the contract described, in the event the resolution was passed. **Motion by Member Lipa. Supported by Member Hosey. MOTION APPROVED.**

ADJOURNMENT

There being no further business, Chairperson Ward Gerson adjourned the meeting at 4:25 p.m.