

**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 15, 2014**

**MINUTES**

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

**Absent:** None

**Others Present:** Detroit Land Bank Authority (DLBA) staff  
Councilman Scott Benson and staffer  
Public

**CALL TO ORDER:** Chairperson Ward Gerson called the April 15, 2014 DLBA Board of Directors meeting to order at 2:11 pm.

**ROLL CALL:** All of the board members were present, a quorum was met, and the meeting began.

**PUBLIC COMMENT:** No comments were given from the public.

**ADOPTION OF AGENDA:** Chairperson Ward Gerson called for the adoption of the agenda. Member Bruhn stated that there were a couple of extra resolutions to be added to the agenda. Resolution 04-01-14, Resolution 04-02-14, and Resolution 04-04-14.

**Motion by: Member Marsha Bruhn to adopt the agenda with the addition of 3 resolutions added under new business. Supported by: Member Richard Hosey. MOTION APPROVED.**

**REVIEW AND APPROVAL OF MINUTES:** Chairperson Ward Gerson called for the approval of the minutes.

**Motion by: Member Richard Hosey to adopt the April 15, 2014 minutes as amended. Supported by: Member Patricia Pernell-Shelton. MOTION APPROVED.**

**EXECUTIVE DIRECTOR'S REPORT:** Executive Director Richard Wiener provided a verbal report to the board. He stated that the Detroit City Council met this morning and adopted a resolution in a unanimous

vote to transfer roughly 16,399 structures from the City of Detroit to the DLBA. These structures are residential four-plexes or less. He gave recognition to the efforts of board chairperson Erica Ward Gerson and her facilitation, discussions, and negotiations with City Council and applauded their inordinate leap of faith and vote of confidence in the DLBA and our evolving relationship.

Member Bruhn asked about the City Council amendment and Chairperson Ward Gerson spoke about the amendment change. Specifically, the previous agreement was changed and the word contiguous was removed. Basically, the DLBA will need City Council's approval to transfer 10 parcels of properties to the same individual at the same time whether contiguous or not. Council President Brenda Jones requested that the board take a leap of faith with City Council and once the DLBA's programs are up and running and we've proven how they work, the DLBA can come back before Council and ask to have the change removed. Executive Director Richard Wiener also acknowledged and thanked Councilman Scott Benson for attending the meeting and for his vote and involvement as a committee member who cares about planning and land use issues.

In keeping with housekeeping announcements, he introduced 5 new employees to the board. Robert Linn, Data/GIS Manager, Frieda Williams, Office Manager, Nicole Johnson, Data Clerk, and 2 contract employees to assist legal with processing and posting in the Nuisance Abatement suits, Miguel Bruce and Herb Alexander. Capacity to house staff is an issue and Richard Wiener offered to have a more definite solution for the board in 2 weeks. The floor was turned over to Dekonti Mends-Cole, Deputy Director to present the Hardest Hit Fund (HHF) report.

#### **STAFF REPORTS:**

**Demolition.** In the absence of Carrie Lewand-Monroe and Dave Manardo, Dekonti gave the Hardest Hit Fund (HHF) Demolition Program report. Demos are to begin May 1 with about 280 properties with 14 contractors, 11 of which are Detroit-based companies. In addition, asbestos surveys are out on about 260 properties and compliance documents are being gathered for approximately 400 properties. There is a customer service line that is available to residents that have concerns with the demolition. Door signs in various languages are being placed on houses and preventive measures are being taken to avoid dispersion of lead dust. The process of wet-wet demolition demonstrates that the DLBA is an environmental steward and was explained to the board by Richard Wiener. The goal of the DLBA is to demolish 550 properties a month.

**Auction.** The auction update was presented by Dekonti with the announcement of the April 27, 2014 Open House of the 12 properties in East English Village. She informed the board that the Mayor is committed to manning one of the houses and showing potential buyers around the house. The bidding will begin on May 5th with the live website [buildingdetroit.org](http://buildingdetroit.org) along with a hotline which is 1-844-BUY-DLBA. Chairperson Ward Gerson announced that as of 11:00am today, there had been 200,000 views, 40,000 visitors to the site, and 850 registered bidders in less than 24 hours.

**Nuisance Abatement:** The floor was then turned over to Kevin Simowski, General Counsel, and head of the Nuisance Abatement program. He stated that the launch started on Wednesday, April 9, 2014 with the posting of notices on roughly 82 houses. Twenty-eight responses had been received from property owners who want to avoid being sued, and one that signed the DLBA's first agreement to abate the nuisance this morning. The agreement indicates that within 15 days evidence is presented that work has begun on the house, trash cleaned up and the dwelling is secured. Within 30 days, evidence of a licensed contractor to repair the property must be shown, and within 6 months there must be a certificate of

occupancy. Due to the amount of work going on at this time, staff member Kevin ended his report and was excused to continue his work.

**STANDING COMMITTEE REPORTS:**

**Project Review Committee:** Mike Brady, Policy Consultant, described the activity of the Community Engagement Committee. He explained the District Managers and the District of Neighborhoods (DON) task being the liaison between the community and some of the different departments of City Hall and how they are to be advocates for their neighborhoods within City Hall and, by extension, the DLBA. Mike stated that the DLBA began thinking of how to best utilize the 7 district managers and the 7 assistant district managers. With Charlie Beckham, Director of DON and Vicki Kovari, deputy director of DON and the individual district managers' assistance, certain silos are being broken down to assist with the reorganizing of government and city services to residents. Residents are asked to send their questions concerning blight, demolition, boarding up, etc. to the district managers who, in turn, will relay them to the DLBA to be addressed. Training for the district managers is being offered to help them know how to field questions moving forward. Chairperson Ward Gerson explained to Councilman Benson that Dekonti Mends-Cole is in charge of all property disposition, not just the auction, and Mike Brady is our policy guru. Member Pernell-Shelton added to Mike's comments the importance of the meetings to the residents seeing everyone--the Mayor, City Council and staff of the city and the DLBA--visible and answering questions. "These community meetings are showing how we can function together as one and be very powerful".

**Finance and Audit Committee:** Member Hosey explained that the Finance and Audit committee is focusing on the current finances of the DLBA and preparing for the future. The committee is working to get lines of credit in place, make sure the DLBA stays liquid and is able to pay the contractors in a timely manner. Michelle Story-Stewart, Chief Financial Officer, explained the financial summary she passed out to the members. The budget was set in June 2013 when the DLBA had 2 staff members and was expected to grow to 5. The DLBA is currently at 26 employees. Chairperson Ward Gerson requested a revised budget be presented at the next DLBA board meeting. Michelle informed the board that the 2014-15 new budget will also be presented at the next board meeting. She introduced Ghebre Mehreteab (Gabe), GSM Advisors, to give the fundraising report. He explained that he was tasked to raise \$6.5 million. The Detroit Development Fund (DDF) approved a \$2 million loan, Enterprise Community Loan Fund approved a \$1.5 million loan, and PNC Bank is in the process of approving a \$2 million loan. The DDF offered another million if we needed it. These loans are unsecured.

**Project Review:** Member Lipa proceeded with his report of the Project Review Committee. He explained that the process was not just blight removal but a very big effort going on to keep the dust down, filling the holes, capping drains, putting down seeds and maintaining the lots. He and Member Bruhn have been focusing on reducing the costs, getting processes in order and better scheduling. They are also focusing on small and minority-owned businesses to do the demolition.

**TREASURER'S REPORT:** Michelle Story-Stewart gave a financial update (see attached budget).

**UNFINISHED BUSINESS:** Member Hosey informed Chairperson Ward Gerson that Michelle has the 2013-14 budget that is to be presented at the next meeting and would like to present it now. Michelle explained the differences between the 2013-14 original budget and the 2013-14 actual budget. With no questions being asked the meeting proceeded to new business.

**NEW BUSINESS:** Chairperson Ward Gerson asked Member Hosey to proceed with the 3 new resolutions.

Member Hosey explained the current Chase Bank counter-signature requirements and much discussion ensued. Member Bruhn wanted to see the suggested changes in the context of the full accounting policies and procedures previously adopted by the board. Chairperson Ward Gerson requested from Michelle that the board look at all of the policies and procedures since they were at a different time and by a different DLBA board and staff.

Member Bruhn suggested putting together a chart that would streamline the terms of procuring the board services and what approvals are needed. Chairperson Ward Gerson called for a motion of approval. **Resolution 04-01-2014.**

**Motion by: Member Richard Hosey to approve the resolution changing the requirements for Counter-Signatures on checks signed by the Executive Director in any amount from \$5,000 to \$25,000. Supported by: Larry Lipa. MOTION APPROVED. Abstain: Member Bruhn.**

Chairperson Ward Gerson noted that there had already been discussion on the second resolution allowing the Executive Director to delegate to the Chief Financial Officer the authority to sign checks up to \$10,000. Chairperson Ward Gerson called for a motion of approval. **Resolution 04-02-2014.**

**Motion by: Member Richard Hosey to approve the resolution allowing the Chief Financial Officer (CFO) to execute checks for disbursements in an amount equal to or less than \$10,000. Supported by: Member Larry Lipa. MOTION APPROVED. Abstain: Member Bruhn.**

Chairperson Ward Gerson turned the meeting over to Ms. Story-Stewart to explain the Section 3 account. Staff member Michelle explained the Section 3 account of \$5,600 and the reason behind the accumulation of the \$5,600. The account was set up around the DLBA's NSP contracts in which there was a requirement that low income folks and/or business residents and/or businesses were used in those projects, and benefitted from those projects. And when contractors did not meet that guideline, then they were charged a fee and that fee was set into this Section 3 account. That money was to be set aside for scholarships, training, jobs etc. for the very low income people that it was supposed to serve. There's \$5,600 left in this account, which has not been used for training or jobs or anything like that. We want to use that \$5,600 to train and/or provide jobs for folks in the NSP communities to help with the auction properties. With no objections from the board on the usage of these funds, Chairperson Ward Gerson called for approval. **Resolution 04-04-2014.**

**Motion by: Member Richard Hosey to adopt a resolution to consolidate bank accounts and to repurpose certain Section 3 funds to other permitted uses. Supported by: Member Patricia Pernel-Shelton. MOTION APPROVED.**

The meeting was adjourned at 3:26 PM.