

DETROIT LAND BANK AUTHORITY

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

Tuesday, September 16, 2014
2:00 PM

MINUTES

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

Absent: None

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

CALL TO ORDER

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

ROLL CALL

Present at the call of the roll were Members Marsha Bruhn, Larry Lipa, Patricia Pernell-Shelton and Erica Ward Gerson. A quorum was present.

ADOPTION OF AGENDA

Chairperson Ward Gerson called for the adoption of the agenda. **Motion by Member Marsha Bruhn to adopt the agenda. Supported by Member Patricia Pernell-Shelton. MOTION APPROVED.**

REVIEW AND APPROVAL OF MINUTES

Chairperson Ward Gerson asked for adoption of the minutes from the August 19th public meeting. **Motion by Member Marsha Bruhn to adopt August 19th, 2014 minutes. Supported by Member Larry Lipa. MOTION APPROVED.**

PUBLIC COMMENT

Chairperson Ward Gerson opened the meeting to public comment, noting that none was offered.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Richard Wiener provided a report to the Board on the previous month's activities, noting that the DLBA was beginning to see consistency in staffing and growth, the first time since

February. A push for efficiency in processes was evident both within the DLBA and with the DLBA's various contractors and partners. The auction continued at a rate of 2 homes per day and closings increased, the legal team expanded its focus while continuing to file a steady stream of nuisance abatement suits and demolitions continued at a record-breaking pace. Mr. Wiener referenced the upcoming transfer of land from the City of Detroit, via decree by the Emergency Financial Manager, and the forthcoming Second Quarterly Report to City Council. Finally, Mr. Wiener provided remarks regarding his time at the DLBA, the work that had been done and the work that remains. After sharing these remarks, he indicated he will be stepping down as the Executive Director of the DLBA by the end of 2014, utilizing the remaining months as a transition period to the DLBA's new leadership. Chairperson Ward Gerson thanked him on behalf of the DLBA Board and Staff for his dedicated service to the organization and commitment to ensuring an appropriate and complete handoff occurs.

STAFF REPORTS/PUBLIC REPORTS

Demolition.

Chairperson Ward Gerson noted that Carrie Lewand-Monroe was attending a national conference on behalf of the DLBA and therefore would not be providing the staff report. Chairperson Ward Gerson and DLBA Staff Gregory Holman provided a brief update to the Board, noting that the pipeline of houses for demolition was strong, as the Detroit Building Authority continues to demolish approximately 260 homes per week. It was additionally noted that the DLBA's and DBA's demolition program was receiving national recognition for its execution of demolitions in an environmentally responsible manner.

Auction.

Michelle Story-Stewart, Chief Financial Officer (CFO), provided the Auction update on behalf of Dekonti Mends-Cole, Deputy Director, as Mrs. Mends-Cole was also out of town attending a national conference. Mrs. Story-Stewart provided a tentative open house schedule for upcoming Auction houses and a number of to-date listings relating to finalized, delayed or failed closings, side lot applications received and sold, and community partner applications received and approved. Mrs. Story-Stewart noted that delayed and failed closings were generally the result of buyers being incapable of securing financing, the buyer backing out or the buyer being disqualified under the stated Auction rules. Chairperson Ward Gerson additionally commented that the large number of rejected side lot applications related to applicant ineligibility. The first phase of the DLBA's Side Lot initiative required the prospective buyer to own land directly adjacent to the lot, while many of the initial applicants owned land in the vicinity of the lot but not directly adjacent. Mrs. Story-Stewart referred to the upcoming land transfer of approximately 43,000 properties, noting that once owned by the DLBA, these lots will be available for sale one district at a time, as opposed to putting all lots on sale simultaneously. Craig Fahle, Director of Communications and Community Engagement, confirmed this approach and also that the entire land transfer from the City is made up of vacant lots, as opposed to lots with abandoned structures.

Legal.

Kevin Simowski, General Counsel and Principal Deputy Director, provided the Legal update to the Board. Mr. Simowski first requested that the Agenda reflect the staff report to show as "Legal" in all future instances, replacing "Nuisance Abatement," as the Legal department's activities have expanded beyond the scope of Nuisance Abatement lawsuits.

Mr. Simowski confirmed the Nuisance Abatement Program's continuing progress, citing a total of 21 neighborhoods being targeted to date. He provided the Board a listing of the targeted neighborhoods to date, and the remaining targets for the initial phase of the program, noting some of the remaining targets are "revisits" to areas that were previously posterred. October 20th will be the end of the initial

phase of the Nuisance Abatement program. Finally, Mr. Simowski commented that, after the end of the Nuisance Abatement's initial phase, the Legal Team will begin to file show cause motions against agreement holders, who did not fulfill their duties in order to maintain their properties as instructed within the agreement.

(Member Richard Hosey arrived)

Community Engagement and Communications.

Craig Fahle, Communications Director, provided the Community Engagement and Communications report to the Board. He noted that in the past month, his department has averaged attendance at about 5 community meetings per week, assisting in increasing the DLBA's presence in the neighborhoods. He noted that the currently released TV spot has 2 weeks of run-time remaining and confirmed that the next prepared commercial will be shared with the Board prior to being released for wider viewing. Mr. Fahle further commented that web traffic has increased on the DLBA's website and encouraged the Board and DLBA Staff to continue to spread word of the DLBA's activities via word of mouth. Mr. Fahle provided printed copies of the DLBA's new logo, which maintains the website www.BuildingDetroit.org as the DLBA's brand.

Mr. Fahle also discussed some prospective plans, including improving resource availability and centralizing Open Houses as the winter months progress and the potential for a Community Side Lot Fair. He concluded that further information will be presented to the Board as these initiatives are brought further to fruition.

STANDING COMMITTEE REPORTS

Chairperson Ward Gerson called for any Standing Committee reports, noting that, though no official meetings were held, the floor was open if any reports were needed.

Member Bruhn noted that, though an official meeting was not held, the Community Engagement Committee held an informal phone call to discuss the DLBA's Side Lot Policy. The DLBA confirmed Staff's Guidance on the Side Lot program recently, and this guidance was provided as a reading material prior to the Board Meeting.

TREASURER'S REPORT

Michelle Story-Stewart, CFO, provided the Treasurer's report to the Board. She indicated that the Finance team continues to prepare for the DLBA's annual audit, as the 2014 fiscal year ended on June 30, 2014. She provided draft financials for the month of July 2014 to the Board and discussed key balance sheet figures. Member Bruhn questioned the reduced staff costs as compared with the June 2014 financials and a discussion ensued. Chairperson Ward Gerson requested Principal Deputy Director Kevin Simowski and Executive Director Rick Wiener to assist in fiduciary supervision during the audit. The Chairperson also requested that the Statement of Cash Flow be presented to the Finance and Audit Committee during the next committee meeting.

OLD BUSINESS

Chairperson Ward Gerson opened the floor for any Old Business.

Member Bruhn provided the DLBA Board of Director's Manual to DLBA staff for historical reference.

Chairperson Ward Gerson reported to the Board that the City of Detroit intends to approve its own Code of Ethics in the near future. She indicated that it would be in the best interest of the DLBA to be consistent with the City of Detroit's Code of Ethics and that adoption of the City's Code of Ethics would not preclude the DLBA from enforcing additional rules as the DLBA sees fit. As a result, implementation of Resolution 08-02-2014, which included an amendment to reinstate a Code of Ethics, is being temporarily delayed to ensure alignment with the City. Chairperson Ward Gerson confirmed that an update would be provided to the Board upon the City's, and therefore the DLBA's, adoption of a Code of Ethics.

NEW BUSINESS

Resolutions.

Resolution 09-01-2014, proposed authorization of contracted services of Thomas J. Ouvry. Chairperson Ward Gerson briefly described the nature of Mr. Ouvry's contract. She noted that the Board was not provided a resume with which to assess the contract. A discussion ensued regarding the professional resume of Mr. Ouvry, as evidenced by DLBA Staff and Board Members. Members decided to move forward with a vote on the Resolution. **Motion by Richard Hosey. Supported by Patricia Pernel-Shelton. MOTION APPROVED.**

ADJOURNMENT

There being no further business, Chairperson Ward Gerson adjourned the meeting at 3:21 p.m.