

LEGAL DEPARTMENT BOARD OF DIRECTORS REPORT

For the Month of February 2020

The Legal Department is responsible for the legal affairs of the Detroit Land Bank Authority (DLBA). We provide legal advice and support that facilitates property disposition, remediates nuisances, and addresses illegal activity at properties throughout Detroit, helping the DLBA achieve its goal of restoring blighted and vacant properties to productive use. The Legal Department also represents the DLBA in a variety of legal, regulatory, transactional, and other contexts.

This report describes some of the significant responsibilities of the Legal Department and provides certain data for the month ended February 29, 2020.

QUIET TITLE

The Legal Department files and oversees expedited Quiet Title Actions pursuant to authority under the Land Bank Fast Track Act. In September 2014, the Chief Judge of the Wayne County Circuit Court issued a directive creating a special docket allowing for very efficient filing of these actions. Filing quiet title action on our properties allows us to sell them with clear, insurable title which provides buyers with confidence in their ownership and any investment they make in the property. It is also a requirement for a lender to provide financing secured by a mortgage. During the month ended February 29, 2020, the Quiet Title Team filed 160 Quiet Title Actions and obtained 49 judgments.

NUISANCE ABATEMENT

Abandoned Properties

The DLBA established its Nuisance Abatement Program (NAP) in February 2014. The criteria for being designated as a NAP eligible property are that a property is vacant and unoccupied, boarded, open to trespass, and appears to be abandoned or neglected.

The City of Detroit Department of Neighborhoods defined the NAP Target Areas with input from members of the community. To determine specific boundaries, the DLBA used data sources to specify areas where NAP actions would be most effective those being areas with relatively low levels of vacancy where a limited number of NAP lawsuits could make a significant difference to an otherwise stable block. The NAP Team identifies NAP property addresses within these NAP Target Areas using several sources, then locations are verified by investigators, community groups, or neighbors in targeted geographic areas.

In order to achieve proper service of process the DLBA searches tax, title, and other records for each property to determine current interest holders of record, including owners, mortgage companies, and other liens. A NAP civil suit names current owners of record and requests abatement of the 'nuisance' created by the property's condition. Owners or interest holders in a

property who fail to respond to the lawsuit may lose their ownership rights to the property at a hearing for default judgment.

During February 2020, the Legal Department identified and placed notices (“posters”) on 21 properties. These actions will result in agreements to address the blight or in judgments awarding ownership of the properties to the DLBA to facilitate blight resolution through its various programs. During the month, we entered into 15 agreements with property owners to rehabilitate their properties.

Drug House Unit

The Drug House Unit (DHU) involves a joint effort by the Detroit Police Department (DPD) and the DLBA with the goal of stabilizing neighborhoods by addressing the use of properties within the City for drug trafficking. We receive weekly emails from the DPD reporting properties where officers find drugs and drug paraphernalia during surveillance and raids. Based on this data, we determine next steps based on the ownership of the property. If a property is privately-owned and more than two raids occur within a one year period, we may proceed with a lawsuit. If a property is DLBA-owned, the Legal Team determines how to address occupancy at the property based on its internal investigation into the nature of the reported activities.

During the month, DPD conducted thirteen raids. Of those thirteen raids, five were at a DLBA owned property (two of the five were at one DLBA-owned property), and eight were at privately owned properties. Only privately-owned properties are eligible for DHU action so the DHU Team sent warning letters to these eight properties.

The five raids at DLBA-owned properties occurred at four properties. Of those four, one investigation is in progress and investigations will commence on the others during the month of March.

DHU February 2020 Results

DHU Process	Number of Raids
DLBA-Owned	5
Other Publicly-Owned	0
Privately-Owned	8
Lawsuit in Process	0
Consent Judgments	0
Default Judgments	0
Total	13

REMOVALS

The Legal Department is responsible for the removal of unauthorized occupants from DLBA-owned properties. Due to the impact removals have on occupants, every removal is reviewed individually and with a high level of scrutiny. We review every occupant for potential Buy Back Program eligibility; if the occupant is found to meet none of the initial Buy Back Program entry points or has been vetted and found ineligible for the Buy Back Program, we may go forward with removal. Buy Back vetting will not occur if we find there to be extenuating circumstances such as confirmed reports of illegal activity at the property or confirmed vacancy and third-party sale. If the DLBA deems a property unfit for habitation, the we will connect the occupant to the Detroit Health Department to assist with relocation while initiating removal proceedings. The final step in a removal proceeding is to secure the property and return it to the Inventory Department pipeline for assessment and potential sale. During the month of February, the DLBA completed removal proceedings at seven properties.

FREEDOM OF INFORMATION ACT (FOIA) REQUESTS

Under the Michigan Freedom of Information Act (FOIA), all persons, except those who are incarcerated, can submit a FOIA request to the DLBA FOIA Coordinator. During February 2020, we received two new FOIA requests and three (two from a previous month) were completed, all within the statutory timeframes.