

October 23, 2018  
Formal Agenda

**PLANNING AND  
ECONOMIC  
DEVELOPMENT  
STANDING  
COMMITTEE**



October 15, 2018

The Honorable Brenda Jones, President  
Detroit City Council  
Coleman A. Young Municipal Activity Center, 13<sup>th</sup> Floor  
Detroit, MI 48226

Subject: City Council Quarterly Report, 1<sup>st</sup> Quarter FY 2019, Detroit Land Bank Authority

Dear Council President Jones:

I am pleased to submit this quarterly report on behalf of the Detroit Land Bank Authority. As you will see, during the 1<sup>st</sup> Quarter of FY2019 we sold a total of 440 properties through our various sales pipelines including Action, Own-it-Now, and Community Partners. This quarter we also sold 499 Side Lots, allowing us to celebrate having sold over 10,000 Side Lots since the program was founded. The entire team at the DLBA remains focused on applying proactive strategies to put the publicly-owned parcels we manage back into productive use. We ended this quarter with 94,562 properties in inventory, of which 28,798 are structures and 65,764 are vacant lots.

Our Demolition Department continues to eliminate blight in neighborhoods. Since restructuring the procurement function earlier this year, we consistently are able to put more than 400 properties per month under contract through a competitive RFP process. This quarter our Client Services staff answered over 25,446 calls from the public, and welcomed over 3,189 walk-in customers to our offices. The Community Affairs staff ensures our citizens have regular access to information about our programs and how to access them.

Our team is pleased to report that between our HHF spending of \$162,272,654 to date, combined with the economic impact of our structure sales, estimated rehab output of those sales, and increased property value associated with side lots sales, the DLBA has created an economic value to Detroit's neighborhoods of \$358,144,392. The multi-program, neighborhood-based approach to blight elimination and redevelopment managed by the DLBA with the support and involvement of the City Council and city administration is having an impact we can all be proud of.

As always, I look forward to continuing the partnership between the Detroit Land Bank Authority and City Council as we serve the citizens of Detroit and our entire community.

Sincerely,

A handwritten signature in black ink, appearing to read "Saskia Thompson".

Saskia Thompson  
Executive Director

## FINANCE DEPARTMENT

IRENE TUCKER, CHIEF FINANCIAL OFFICER

The Detroit Land Bank Authority (DLBA) Finance Department continues the transformation process by aligning itself to fully support the DLBA's dynamic and ever-evolving operational day-to-day functions. The summary below will discuss (1) September 2018 Fiscal Year to Date Revenue and Expenses - Actual versus Budget; (2) Balance Sheet Highlights; and (3) Status Update on the Hardest Hit Fund.

### **September 2018 Fiscal Year to Date Revenue and Expenses - Actual versus Budget**

Overall Revenue for the period was \$19.9M versus Budget of \$19.3M. Expenses were \$20.4M versus Budget of \$20.3M. Budget versus Actual variances were primarily driven by timing of demolition activities being executed related to the Hardest Hit Fund – Rounds 4 and 5.

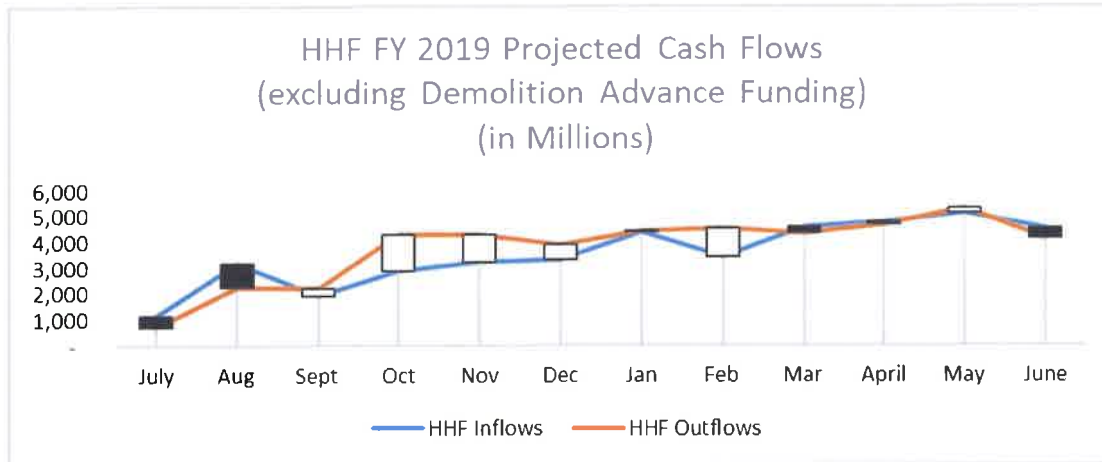
### **September 2018 Balance Sheet Highlights**

- The Balance Sheet ended strong with a working capital ratio showing the DLBA's current assets exceeded current liabilities by 1.6 times.
- Restricted cash balance of \$7.4M consisted of maintenance fees for over 10,000 demolitions completed within the Hardest Hit Fund Program (inception to date), along with private donor donations where obligations have not been fulfilled.
- Designated cash from private donors and contractual obligations amounted to \$9.8M (i.e., Demolition, Rehabbed and Ready).

### **HARDEST HIT FUND UPDATES**

#### **FY19 Activity**

From July 2018 through September 2018, over \$5M was paid for reimbursable demolition expenses relating to this program. Cash receipts from our partner, MSHDA, exceeded \$6M representing reimbursements of over 340 demolitions. However, it is projected the timing of payments to vendors will exceed reimbursements within this fiscal year. The following chart is a summary of the projected cash flows to the end of this fiscal year.



#### Inception to Date

To date, the Hardest Hit Fund reimbursed expenses exceeded \$160M. Thanks to the ongoing support of both City Council and the City of Detroit, the Demolition Advance Fund significantly funded vendor payments. As of September 30, 2018, there was an outstanding balance of \$5M that will be paid in full upon completion of the program – see Chart below. We anticipate Draw #4 during Q2 of this fiscal year to assist in payments to the HHF demolition contractors. We look forward to our continued partnership with City Council and the City of Detroit in eliminating the City’s blight.

Demo Advance Fund Balance Summary		
Date	Action	\$ Amount
March-15	Setup of Fund	20.0
April-15	Draw # 1	(15.0)
April-16	Repayment	10.0
<b>June 30, 2016 Balance</b>		<b>(5.0)</b>
August-16	Draw # 2	(4.0)
October-16	Draw # 3	(6.0)
June-17	Repayment	5.0
May-18	Repayment	5.0
<b>September 30, 2018 Balance</b>		<b>(5.0)</b>

**APPENDIX 1 UNAUDITED YEAR TO DATE SEPTEMBER 30, 2018 REVENUE AND EXPENSES**

**Income Statement Summary- Management View**

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Company Name: **Detroit Land Bank Authority**  
 As of Period Ending: **2019/003**  
 Audit Status: **Unaudited**  
 Report Status: **Draft**

City Council Grouping Level	Actual YTD	Budget YTD	Variance
<b>Income</b>			
Structure Sales	1,320,515	1,232,224	88,291
Side Lot Sales	128,622	87,500	41,122
Cost of Inventory	(628,842)	0.00	(628,842)
Discounts	(325,037)	0.00	(325,037)
Gain (Loss) on Sale of Property	(38,768)	0.00	(38,768)
<b>Total Net Sales</b>	<b>456,491</b>	<b>1,319,724</b>	<b>(863,233)</b>
Government Revenue	15,804,929	14,160,560	1,644,369
<b>Total Government Revenues(MSHDA)</b>	<b>15,804,929</b>	<b>14,160,560</b>	<b>1,644,369</b>
COD Operating	3,500,000	3,500,000	0
COD Blight	278,200	0.00	278,200
<b>Total City of Detroit Revenue</b>	<b>3,778,200</b>	<b>3,500,000</b>	<b>278,200</b>
Inter-Company Revenue	0.00	0.00	0.00
Private Grant Revenue	114,755	175,000	(60,245)
<b>Total Other Private Grant Revenue</b>	<b>114,755</b>	<b>175,000</b>	<b>(60,245)</b>
Donated Goods and Service	106,600	0.00	106,600
Inventory Impairment	(548,300)	0.00	(548,300)
<b>Total Donated Goods and Service</b>	<b>(441,700)</b>	<b>0.00</b>	<b>(441,700)</b>
Closing Refunds to the Seller	32,150	0.00	32,150
Fire Escrow Proceeds	40,506	0.00	40,506
Housing Showing Fees	7,955	2,750	5,205
Lease Revenue	1,000	5,000	(4,000)
Legal Recoveries	4,000	6,250	(2,250)
Other Income	4,488	0.00	4,488
Quiet Title Fees	96,910	15,000	81,910
5/50 Proceeds	0.00	112,500	(112,500)
<b>Total Other Income</b>	<b>187,009</b>	<b>141,500</b>	<b>45,509</b>
Inter-Department Revenue	312,847	312,847	0.00
<b>Total Inter-Departmental</b>	<b>312,847</b>	<b>312,847</b>	<b>0.00</b>

**APPENDIX 1 UNAUDITED YEAR TO DATE SEPTEMBER 30, 2018 REVENUE AND EXPENSES**

<b>SUB TOTAL</b>	<b>20,212,530</b>	<b>19,609,631</b>	<b>602,899</b>
<b>Elimination</b>			
Inter-Department Revenue	(312,847)	(312,847)	0.00
<b>Total Inter-Departmental</b>	<b>(312,847)</b>	<b>(312,847)</b>	<b>0.00</b>
	<b>(312,847)</b>	<b>(312,847)</b>	<b>0.00</b>
<b>Total Income</b>	<b>19,899,683</b>	<b>19,296,784</b>	<b>602,899</b>
<b>Expenses</b>			
	25	0.00	(25)
General Admin Costs	333,448	444,262	110,814
Personnel Costs	2,790,093	3,071,715	281,622
Facilities Costs	343,108	337,012	(6,096)
Professional Services	554,514	1,224,209	669,695
Program Expense	16,359,758	14,219,587	(2,140,171)
Inter Company Expenses	312,847	312,847	0.00
	<b>20,693,792</b>	<b>19,609,631</b>	<b>1,084,160</b>
<b>SUB TOTAL</b>	<b>20,693,792</b>	<b>19,609,631</b>	<b>1,084,160</b>
<b>Elimination</b>			
Inter Company Expenses	(312,847)	(312,847)	0.00
	<b>(312,847)</b>	<b>(312,847)</b>	<b>0.00</b>
	<b>(312,847)</b>	<b>(312,847)</b>	<b>0.00</b>
<b>Total Expense</b>	<b>20,380,945</b>	<b>19,296,784</b>	<b>1,084,160</b>
<b>Net Income</b>	<b>(481,261)</b>	<b>(0)</b>	<b>(481,261)</b>

**APPENDIX 2 UNAUDITED SEPTEMBER 30, 2018 BALANCE SHEET**

**Balance Sheet Detailed - Management View**

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Company Name: **Detroit Land Bank Authority**  
 As of Period Ending: **2019/003**  
 Audit Status: **Unaudited**  
 Report Status: **Draft**

<b>Balance Sheet</b>	<b>Current Period June 30 (Last year) Current Vs June</b>		
<b>Current Assets</b>			
Cash and Cash Equivalents	19,988,163	20,291,061	(304,898)
Accrued/Accounts Receivable	30,032,961	19,456,157	10,576,804
Other Current Assets	23,216,961	23,407,430	(190,468)
<b>Current Assets Total</b>	<b>73,236,085</b>	<b>63,154,648</b>	<b>10,081,437</b>
<b>Fixed Assets</b>			
Fixed Assets	635,595	616,331	19,263
<b>Fixed Assets Total</b>	<b>635,595</b>	<b>616,331</b>	<b>19,263</b>
<b>Total Assets</b>	<b>73,871,679</b>	<b>63,770,979</b>	<b>10,100,700</b>
<b>Current Liabilities</b>			
Demo Advance Fund - City of Detroit	5,000,000	5,000,000	0.00
Accrued/Accounts Payable/Other Liabilities	39,164,280	28,582,318	(10,581,962)
<b>Current Liabilities Total</b>	<b>44,164,280</b>	<b>33,582,318</b>	<b>(10,581,962)</b>
<b>Equity</b>			
Equity	29,707,399	30,188,661	(481,261)
<b>Equity Total</b>	<b>29,707,399</b>	<b>30,188,661</b>	<b>(481,261)</b>
<b>Total Liabilities and Equity</b>	<b>73,871,679</b>	<b>63,770,979</b>	<b>10,100,700</b>



### APPENDIX 3 SUMMARY OF DLBA'S REVENUE FUNDING SOURCES

**MSHDA Hardest Hit Fund (HHF)**

Reimbursements for approved and accurate invoices for demolished homes in the HHF areas of Detroit

**Demo Advance Fund (Line of Credit)**

Extended by the City of Detroit and repaid exclusively by reimbursements from HHF (MSHDA) to be fully paid at the end of the program; allows for vendors to be paid prior to reimbursements from the State.

**City of Detroit Operating Grant**

Support funds the day-to-day operations of the DLBA, offset by sales revenue generated from property sales and private donations

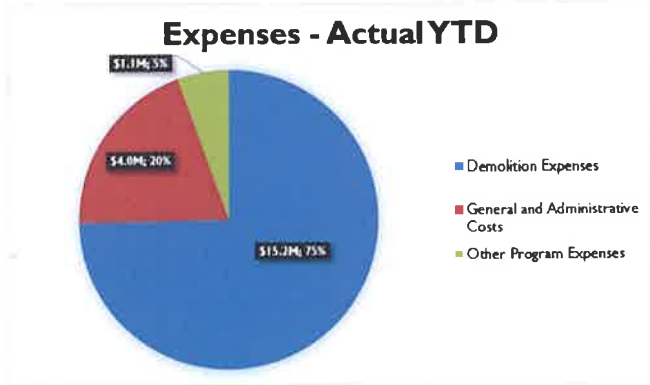
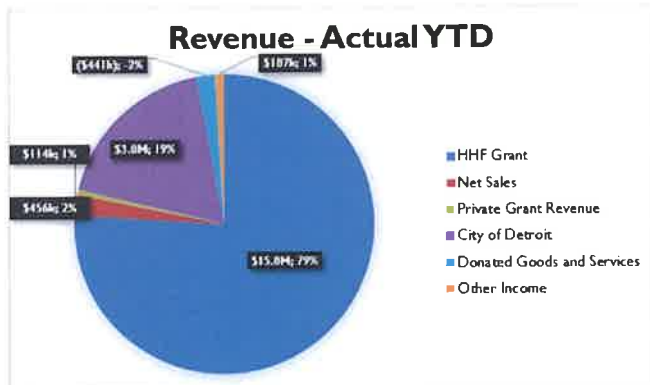
**Sales – Net Cash Proceeds**

Cash payments received (net of discounts, 5/50) generated from DLBA's sales programs (i.e., Auction, Own It Now, Side Lot Sales, Other)

**Private Donations/Grants**

Cash or properties received from the general public to offset operating costs or to support specific programs (i.e., Rehabbed and Ready)

### APPENDIX 4 GRAPHIC SUMMARY OF REVENUE AND EXPENSES FISCAL YEAR 2018 – SEPTEMBER YEAR TO DATE REVENUE AND EXPENSES SUMMARY



\*HHF Grant includes: State Revenues, HHF Admin Fee, and HHF Maintenance Fee

\*Net Sales includes: Structure Sales, Discounts, Side Lot Sales, Gain (Loss) on Sale of Property, minus Cost of Inventory

\*Private Grant Revenue Includes: Private Grant Revenue and Inter-Company Revenue

\*Donated Goods and Services includes: Donated Goods and Services minus Impairment of Inventory

\*City of Detroit Includes: City Revenues and Non-Reimbursable – Demo – City of Detroit

\*Other Income includes: 5/50 Proceeds, Closing Refunds, Fire Escrow Proceeds, House Showing Fees, Lease Revenue, Legal Recoveries, Other Income, Program Income, and Quiet Title Fees

\*Demolition Expenses include: Demolition General, Demo – Asbestos Survey, Other Surveys, Demo Winter Grade, Abatement Remediation, Demo Over 25K, Demo Non-Reimbursable, Demo Non HHF, Demo Utility Cut and Demo Clean Fill

\*General and Administrative Costs include: Facilities Costs, General Administration Costs, Inter-Company Expense, Personnel Costs and Professional Services minus Inter-Departmental Expense

\*Other Program Expenses include: Program Expense (excluding all Demolition Expenses listed above)



# DETROIT LAND BANK AUTHORITY

## INVENTORY DEPARTMENT

DARNELL ADAMS, DIRECTOR OF INVENTORY

The Detroit Land Bank Authority (DLBA) is the largest land owner in the City of Detroit, holding title to approximately 25% of all parcels in the City of Detroit. In addition, the DLBA is the largest Land Bank in the United States.

The DLBA's Inventory Department provides best practices in land management and customer service for the DLBA's vast inventory of publicly owned land. Inventory oversees the acquisition, data management, property management, client services, title management, and coordination of DLBA-owned properties with other public partners. The Inventory Department is responsible for determining the best pathway, within the DLBA's policies, for returning properties in its ownership to productive use. This includes, but is not limited to, determining whether DLBA-owned structures are salvageable or need to be demolished, as well as establishing which properties to list for sale and when.

The DLBA currently owns 94,562 properties; historically the DLBA has held title to approximately 112,000 properties since January 2014. More than 17,000 properties have been disposed of since 2014.

### DATA MANAGEMENT DIVISION

Each year the total number of properties coming into the DLBA's ownership has outpaced the number of properties returning to private ownership. However, in 2017 the DLBA was able to shed almost five thousand (5,000) parcels before taking ownership to almost two thousand (2,000) new properties from the Wayne County Treasurer's Unsold Tax Foreclosure Auctions. For the first time in the DLBA's short history, its ownership declined.

#### DLBA YEAR OVER YEAR OWNERSHIP OVER TIME

DATE	NUMBER OF PROPERTIES	PERCENT CHANGE OVER TIME
JANUARY 2014	1,469	100.00%
JANUARY 2015	48,540	3204.29%
JANUARY 2016	96,419	98.64%
JANUARY 2017	99,738	3.44%
JANUARY 2018	96,740	-3.01%
SEPTEMBER 2018	94,562	-2.25%

*Percent change in ownership overtime (January 2014 – July 2018) The DLBA's inventory has decreased by 2.25% since January 2018*

	Accessory Structure	Nonresidential Structure	Vacant Land	Residential Structure	Grand Total
Non HHF	143	20	18,577	10,932	29,672
HHF	428	96	47,187	17,179	64,890
<b>Grand Total</b>	<b>571</b>	<b>116</b>	<b>65,764</b>	<b>28,111</b>	<b>94,562</b>

Property Class: HHF vs Non-HHF Breakdown

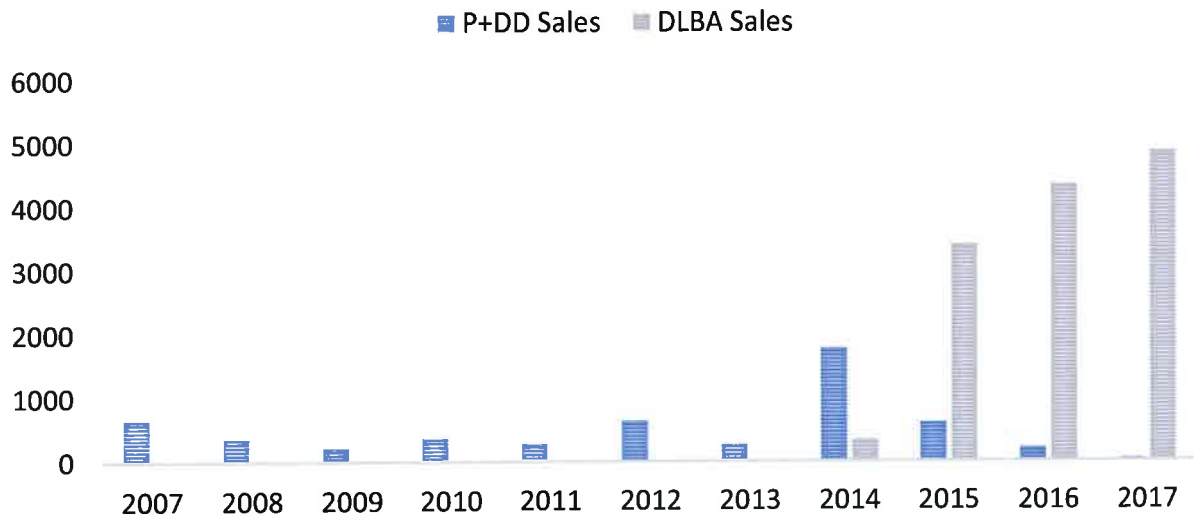
## HISTORICAL DATA

Note: Historical data only references property acquired from a public agency. Data as of September 30, 2018. Excludes properties later transferred via corrective transfer.

### DLBA INVENTORY - DATE OF PUBLIC OWNERSHIP

Year Entered Public Ownership	Transfers from P&DD	Transfers from Michigan Land Bank	Transfers from WCT	Grand Total
1937-2013	53,000	10,442	6,572	70,014
2014-2017	0	0	37,601	37,601
<b>Grand Total</b>	<b>53,000</b>	<b>10,442</b>	<b>44,173</b>	<b>107,615</b>

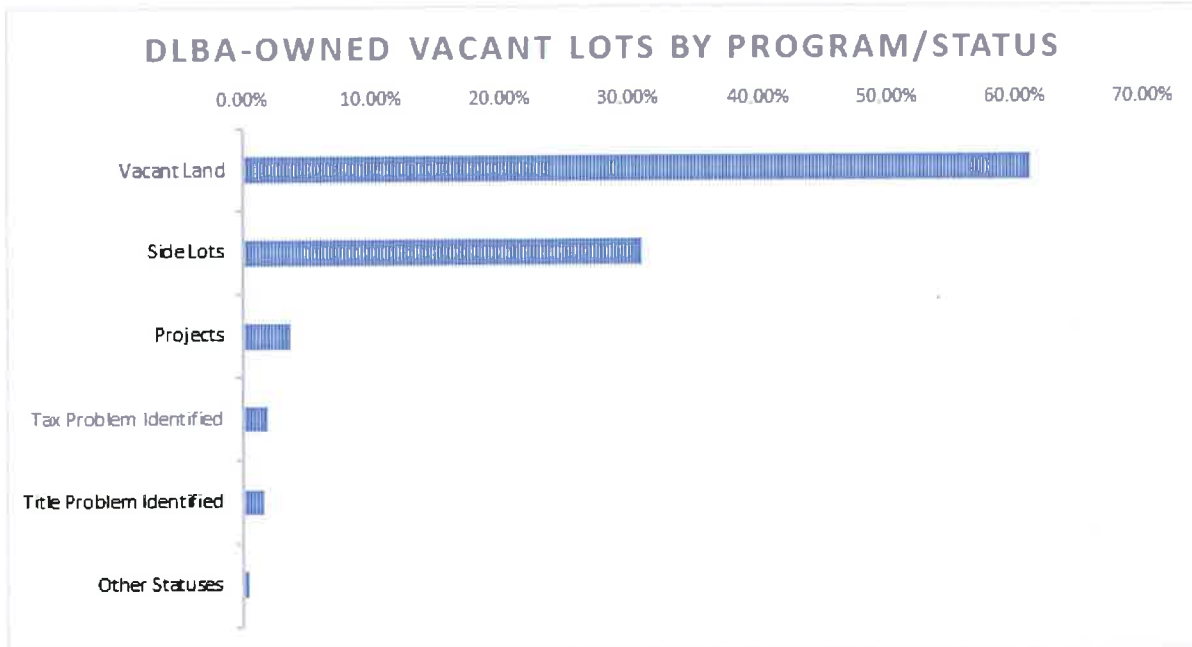
Year Entered Public Ownership	DLBA Acquired	DLBA Sales	DLBA Owned	Percent of Total
1937-2013	70,014	8,901	61,113	65.76%
2014-2017	37,601	5,980	31,621	34.24%
<b>Grand Total</b>	<b>107,615</b>	<b>14,881</b>	<b>92,734</b>	<b>100.00%</b>



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Annual Average 2012-2017
P+DD Sales	654	364	226	368	273	637	263	1,773	610	210	38	588.5
DLBA Sales	0	0	0	0	0	5	15	341	3,400	4,346	4,865	2,162

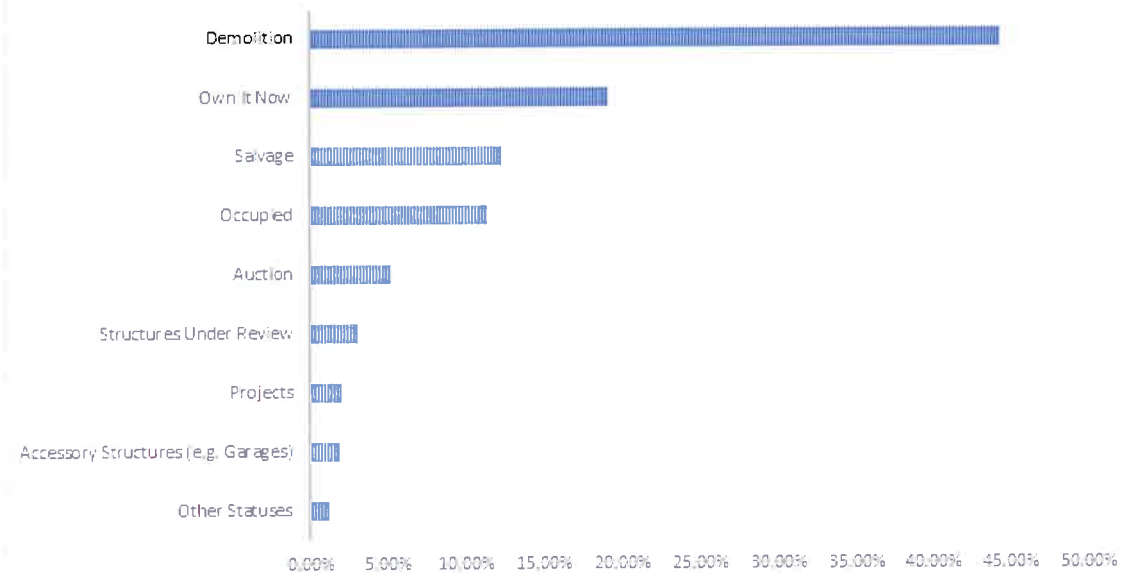
Note: These figures include the 2014 P&DD sale of 1,500 parcels to Hantz Farms

## INVENTORY MANAGEMENT DIVISION



<b>Current Status (Vacant Lots Only)</b>	<b>Number of Properties</b>	<b>Percentage</b>
Vacant Land	39888	61.15%
Side Lots	20801	31.07%
Projects	2420	3.71%
Tax Problem Identified	1283	1.97%
Title Problem Identified	1096	1.68%
Other Statuses	276	0.42%
<b>TOTAL</b>	<b>65764</b>	<b>100.00%</b>

## DLBA-OWNED STRUCTURES BY PROGRAM/STATUS



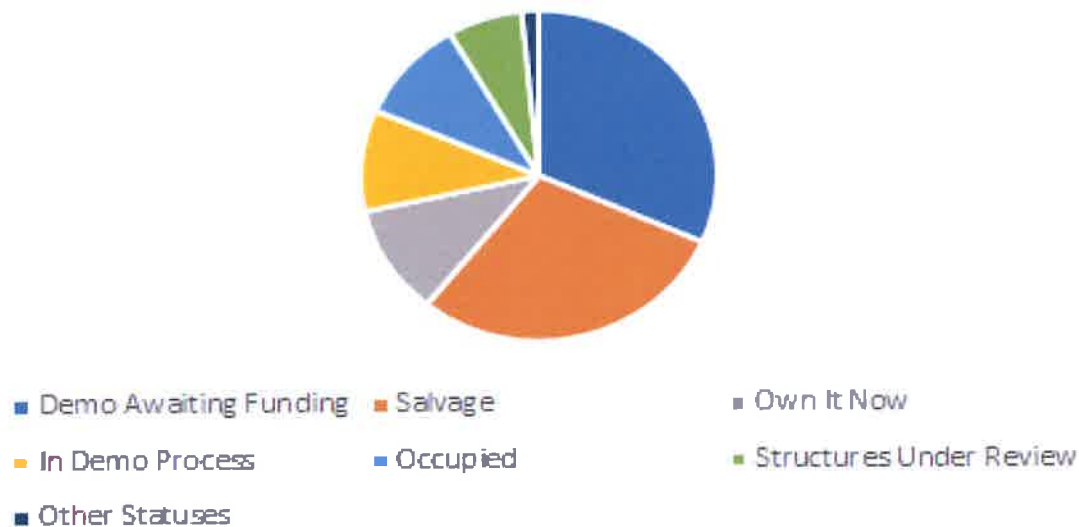
Label on Chart	Number	Percentage
Other Statuses	324	1.14%
Accessory Structures (e.g. Garages)	539	1.89%
Projects	560	1.96%
Structures Under Review	1137	3.02%
Auction	1482	5.20%
Occupied	3213	11.26%
Salvage	3496	12.26%
Own-It-Now	5435	19.05%
Demolition	12612	44.22%
<b>TOTAL</b>	<b>28798</b>	<b>100.00%</b>

### INVENTORY: PIPELINE MANAGEMENT

Inventory is responsible for determining the most appropriate pathway to move DLBA-owned properties back to private ownership and productive use. Part of this process includes regular inspections of DLBA-owned structures in which information needed to determine whether a structure should be demolished or moved to sale for rehab is gathered. Recently over 11,700 structures were inspected (just under 40% of all structures owned by the DLBA); capturing updated property conditions and occupancy information of DLBA-owned structures is critical in ensuring appropriate pipeline allocation.

A focus of the recent mass inspection effort was DLBA-owned structures located *outside of Hardest Hit Fund (HHF) zones*. Due to the lack of federal funding for demolition in these areas, many of these structures had never been inspected by the DLBA. The DLBA is committed to ensuring that every DLBA-owned structure located outside of HHF zones are assessed for a program. As part of this recent effort, 6,936 DLBA-owned properties located outside of HHF zones were inspected taking the first step toward ensuring every DLBA-owned structure located outside of HHF zones is assessed for a program. While funding for demolition in these areas is limited, these inspections are critical for identifying demolition candidates. Additionally, should future funding become available, inspections inform greater programming scope including prioritizing urgent demolition needs, identifying houses to move toward sale and rehab, and potential occupancy information.

DLBA-Owned Structures Outside of HHF Zones by Program/Status



Current Status (Non HHF Structures)	Number of Properties	Percentage
Demo Awaiting Funding	3500	31.67%
Salvageable	3229	29.22%
Own-It-Now	1185	10.72%
In Demo Process	1098	9.94%
Occupied	1034	9.36%
Structures Under Review	755	6.83%
Other Statuses	249	2.25%
<b>Total</b>	<b>11050</b>	<b>100%</b>

As illustrated by a recent example, the Inventory Department began working with Global Detroit, a community partner, and a local church, Iglesia La Luz del Mundo, to move houses toward sale and rehab in the area around the church. This area is in a Non-HHF zone. Using data collected in the above-mentioned inspections, the DLBA identifies sale and rehab candidates in this footprint, making those houses available for sale through the Own-It-Now (OIN) program. In collaboration with the church, the DLBA connected interested community members with this opportunity for rehab and home ownership.

As noted above, the Inventory Department determines which houses move toward the DLBA's home sales program. The two largest of these programs, Auction and Own-It-Now, work in different, yet complimentary ways.

### **AUCTION**

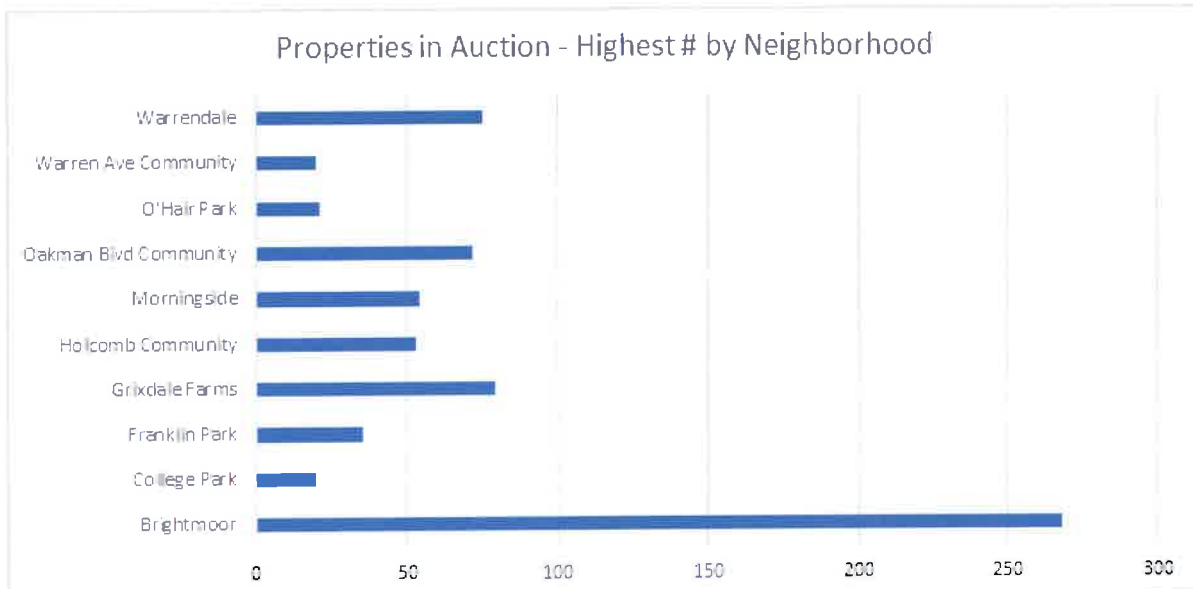
The Auction program identifies the strongest markets, blocks, and individual properties most likely to be of interest to buyers in the DLBA's inventory. Reducing vacancies in these areas, strengthens these markets and spreading to adjacent blocks and neighborhoods. DLBA's inventory in those adjacent blocks and neighborhoods increases in value, thereby making rehab more economically feasible.

Preparing properties for sale through the Auction program can be quite expensive, costing, on average, approximately \$2,500 per property, and sometimes much more. In addition to cleaning the property of trash and debris, the DLBA hosts open houses providing the public the opportunity to view properties. DLBA inspectors inspect each property providing an estimated cost of repairs necessary to bring the property up to minimum building codes using standard grade materials. Given this cost, we select properties most likely to sell commensurate to the sale preparation expense.

Beginning July 1, 2018, Auction listings increased from three (3) to four (4) DLBA properties per day; allowing the DLBA to sell approximately 330 additional properties per year. This furthers our goal of increasing stability in Detroit neighborhoods through home renovations and decreasing overall DLBA inventory.

The Auction program has listed 2,449 unique properties for sale since its May 5, 2014 inception.

Below is a graph of neighborhoods depicting a high concentration of properties in the Auction pipeline. Please note the graph below reflects just a few of the many neighborhoods the program operates within.



Neighborhoods	Number of Properties
Brightmoor	268
College Park	20
Franklin Park	35
Grixdale Farms	79
Holcomb Community	53
Morningside	54
Oakman Blvd Community	72
O'Hair Park	21
Warren Ave Community	20
Warrendale	75
<b>TOTAL</b>	<b>697</b>

### OWN-IT-NOW

The Own-It-Now (OIN) program developed as a leaner, more cost-effective program designed to move vacant DLBA-owned houses to sale and rehab without incurring the substantial Auction program preparation costs. Unlike the Auction program, Own-It-Now houses are not clear of debris and there are no open house, but with private preview opportunities, therefore these



properties can be moved to sale quickly and with much less expense. Since the program's launch in February of 2016, 3,118 Own-It-Now properties have been made available for sale.

The program's lean process allows the DLBA to test emerging real estate markets and strategically move into softer markets on the margins of areas where the DLBA's Auction program is operating and private markets are active. Through Own-It-Now, the Inventory Department is working to set the stage for future Auction sales and neighborhood stabilization. These programs providing residents the opportunity to buy and rehab homes where the private market does not.

Purchase requests from members of the public play a central role in determining which houses are listed for sale through the Own-It-Now program. In fact, 72% of houses listed on the Own-It-Now site resulted from a request to purchase from the public. With some houses receiving multiple requests, 3,476 purchase requests from members of the public have been addressed through Own-It-Now listings since program launch.

The Inventory Department is currently ramping up the number houses listed for sale on the Own-It-Now platform. Inventory plans to list double the number of properties made available for public purchase and rehab by early 2019. This allows the DLBA to respond faster to more purchase requests while taking initial steps towards market stabilization in neighborhoods across the city.

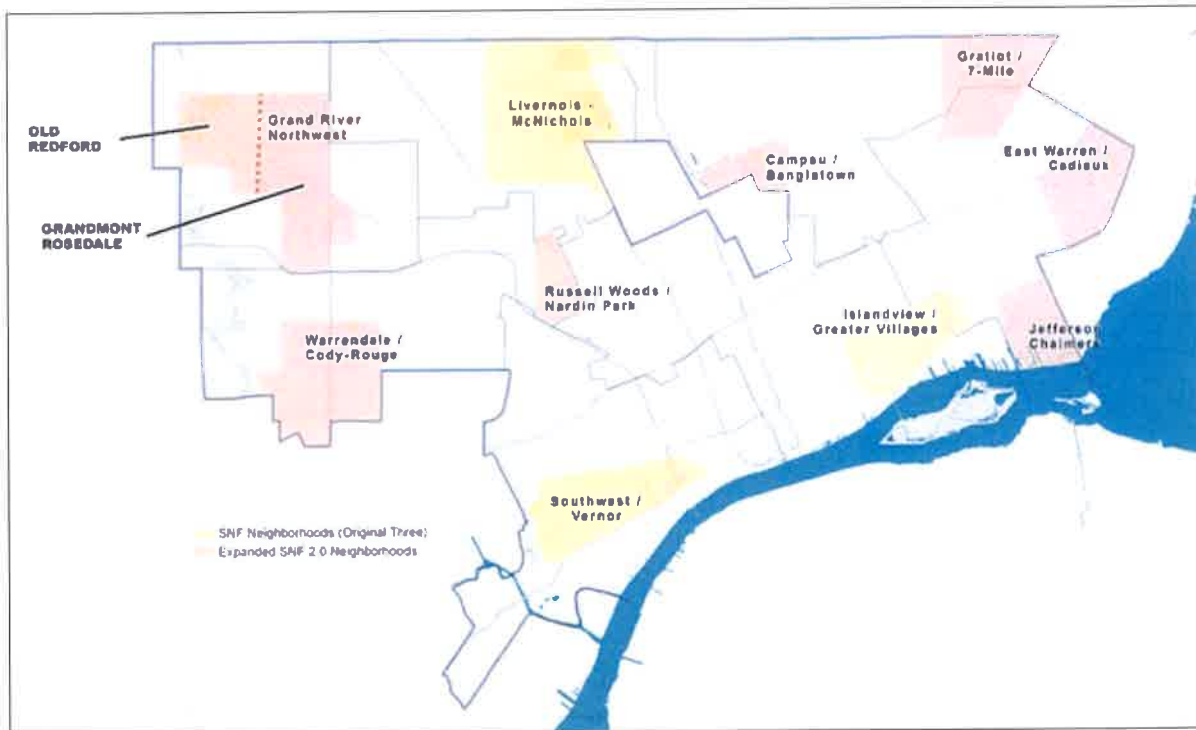
#### **INVENTORY DEPARTMENT: PROJECT MANAGEMENT**

The Detroit Land Bank Authority (DLBA) has worked closely with the Department of Neighborhood's, Bridging Neighborhoods Program (BNP) since October 2017. Bridging Neighborhoods Program "will facilitate the transition of families from the Delray area in Southwest to other Detroit neighborhoods." The DLBA's Inventory Department helped identify nearly eight hundred (800) properties across twenty-nine (29) neighborhoods and Detroit's districts that fit the program specifications. As of September 2018, twenty-three (23) properties have been identified as "Program Properties," or properties actively being shown to Delray residents. Twelve (12) DLBA properties are currently under contract with residents participating in the Bridging Neighborhoods Program.

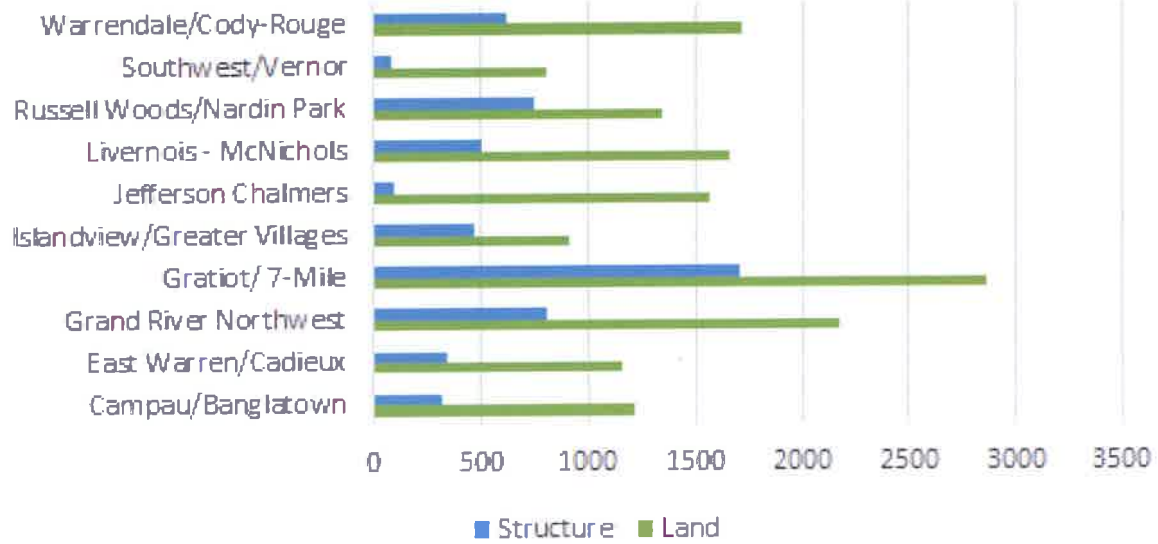
DLBA Properties Reviewed by BNP	
Priority Property	34
Hold Property	68
Program Property	23
Rejected Property	566
Under Contract	12
<b>TOTAL</b>	<b>703</b>

	Priority	Hold	Program	Under Contract	Rejected
District 1		4	4		16
District 2		1			5
District 3	9	5			30
District 4		12	3	4	59
District 5					
District 6	80	35	8	5	243
District 7	25	11	8	3	213

DLBA's Inventory Department works closely with the City's Planning & Development Department on Neighborhood Framework Plans related to Strategic Neighborhood Fund expansion. DLBA provided data regarding inventory, contact of local organizations providing insight, and involvement in Public Meetings and Planning Charrettes led by the Planning & Development Department.



## DLBA Inventory in SNF Areas



Strategic Neighborhood Fund (SNF) Ownership Information	Land	Structure
Campau/Banglatown	1211	318
East Warren/Cadieux	1158	336
Grand River Northwest	2177	812
Gratiot/ 7-Mile	2865	1702
Islandview/Greater Villages	908	470
Jefferson Chalmers	1567	100
Livernois - McNichols	1663	506
Russell Woods/Nardin Park	1348	747
Southwest/Vernor	813	88
Warrendale/Cody-Rouge	1719	618
<b>TOTAL</b>	<b>15429</b>	<b>5697</b>

## PROPERTY MAINTENANCE

In coordination with the City of Detroit and General Services Department (GSD), the DLBA is working to address inventory maintenance concerns. GSD's Board Up Brigade responds to vacant home board ups across the city. Additionally, GSD cuts grass at all unfenced vacant lots and front lawns of overgrown vacant structures, both privately and publicly owned.

GSD is reviewing a list of high-priority maintenance requests to address concerns such as overgrown yards, illegal dumping, and hazardous trees on DLBA properties. The high priority maintenance requests are generated by city agencies (City Council, Department of Neighborhoods), as well as resident complaints made directly to the DLBA. While GSD works through the backlog of maintenance concerns, the DLBA reviews and submits new requests daily. This work is communicated and tracked via Salesforce; constituents can call the DLBA and receive status updates regarding their maintenance concerns.

## CLIENT SERVICES DIVISION

Client Services continue to improve the quality of client' experience with the Detroit Land Bank Authority, the Clients Services team has taken great strides to reduce the wait time for clients contacting the DLBA via phone and in-office visits. Client Services continues to invest in training and technology refining our ability to monitor quality assurance and improve the accuracy of the information provided to the public. Expanding cross-departmental training and providing language translation services greatly expands and enhances overall client relations.

### Client Services Overview - 3rd Quarter

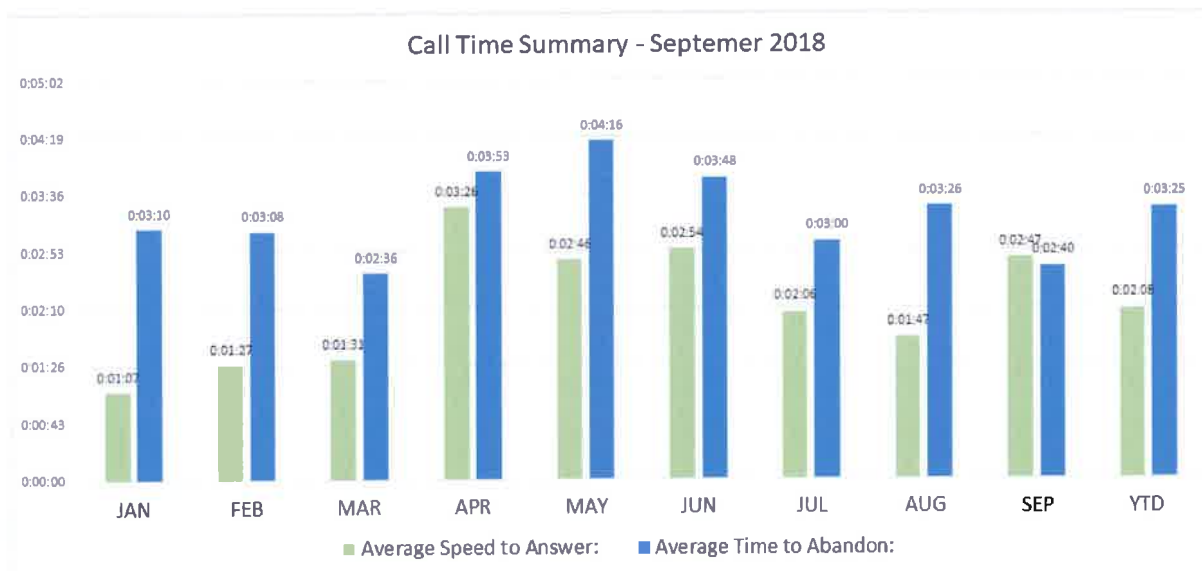
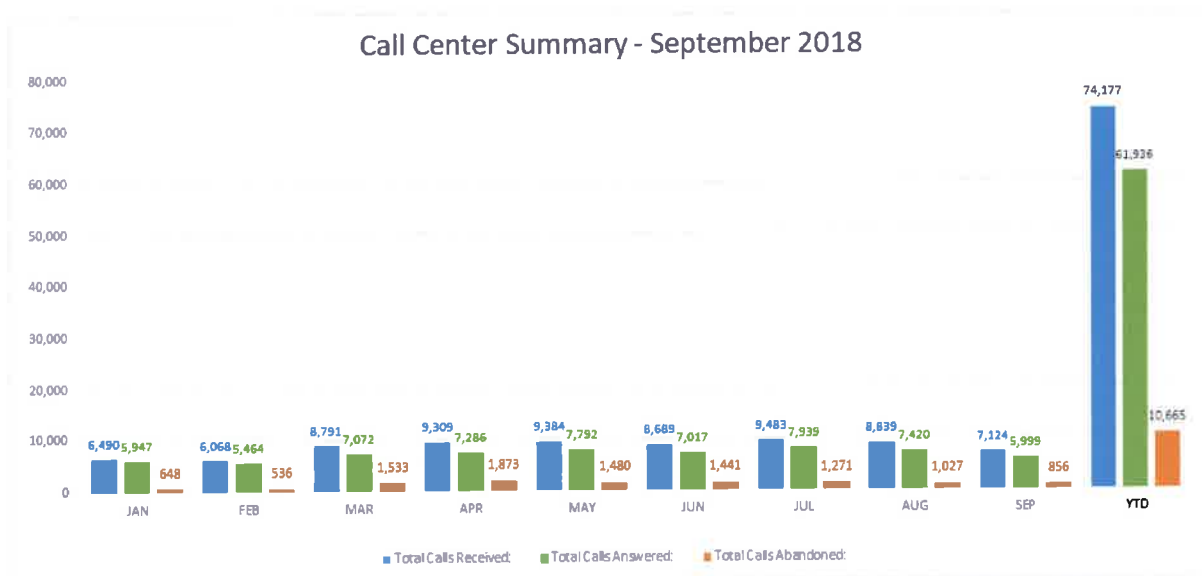
3RD QTR													
Call Center Summary	JUL	MTDV	YTDV	AUG	MTDV	YTDV	SEP	MTDV	YTDV	QTR Total	QTQV	YTD	YTD
Total Calls Received:	9,483	9%	36%	8,839	-7%	10%	7,124	-19%	-3%	25,446	-7%	74,177	74,177
Total Calls Answered:	7,939	13%	28%	7,420	-7%	4%	5,999	-19%	-8%	21,358	-3%	61,936	61,936
Total Calls Abandoned:	1,271	-12%	76%	1,027	-19%	18%	856	-17%	13%	3,155	-34%	10,666	10,665

3RD QTR													
Call Time Summary	JUL	MTDV	YTDV	AUG	MTDV	YTDV	SEP	MTDV	YTDV	QTR AVG	QTQV	YTD AVG	YTD
Average Speed to Answer:	0:02:06	-28%	40%	0:01:47	-15%	7%	0:02:47	56%	74%	0:02:13	-27%	0:02:12	0:02:12
Average Time to Abandon:	0:03:00	-21%	-19%	0:03:26	14%	-5%	0:02:40	-22%	-26%	0:03:02	-24%	0:03:20	0:03:20

3RD QTR													
	JUL	MTDV	YTDV	AUG	MTDV	YTDV	SEP	MTDV	YTDV	QTR AVG	QTQV	YTD AVG	YTD
Longest Wait Time:	0:34:09	26%	-51%	0:47:12	38%	-68%	0:35:26	-25%	-48%	0:38:56	34%	0:32:46	0:32:46

3RD QTR					
In-Office Services	JUL	AUG	SEP	QTR	YTD
Walk-in Count:	1,232	1,027	930	3,189	9,616

The DLBA has introduced a queue call back function. If there is a wait time, constituents can now choose to hold or have the DLBA call them back in the order in which their call was received. The DLBA responded to 25,446 calls and 3,189 walk-ins last quarter.



## TITLE SERVICES

Prior to properties being offered for sale, title services are conducted. The end goal is to remove all outstanding encumbrances, liens and charges thereby providing insurable title. At close of the 3<sup>rd</sup> quarter calendar year 2018, 2,384 initial title reviews were conducted. Title review can include review of a property's title status via title searches, utility account statues, and property tax reviews. With the assistance from the DLBA's Legal Department, additional title vendors were acquired, in turn increasing production capacity while also decreasing our overall processing time.

New Orders											MTDV	YTD
Disposition Program		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept		
<b>Legal:</b>												
	Newly Granted Judgments	0	6	0		5	2	5	7	3	-57%	26
<b>Disposition:</b>	Projects	16	6	5	6	15	49	39	32	49	53%	193
	BuyBack/ONP	32	21	24	2	38	52	0	1	44	4300%	223
	R&R		0	0	1	2	0	0	3	0	-100%	7
<b>Inventory:</b>	Auction	38	69	57	42	55	11	81	65	137	111%	555
	OIN	85	132	119	99	138	106	115	122	127	4%	1041
	Bridging Neighborhoods Program	12	158	24	33	15	8	33	6	31	417%	339
	<b>Total</b>	<b>183</b>	<b>392</b>	<b>229</b>	<b>183</b>	<b>268</b>	<b>228</b>	<b>273</b>	<b>236</b>	<b>391</b>	<b>66%</b>	<b>2384</b>

Completed Reviews		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	MTDV	YTD
Initial Review = Clear Title	Transitioned for Sale	108	76	173	157	300	125	85	135	313	132%	1472
Update Reviews Completed		86	160	178	154	177	278	92	89	265	198%	1479

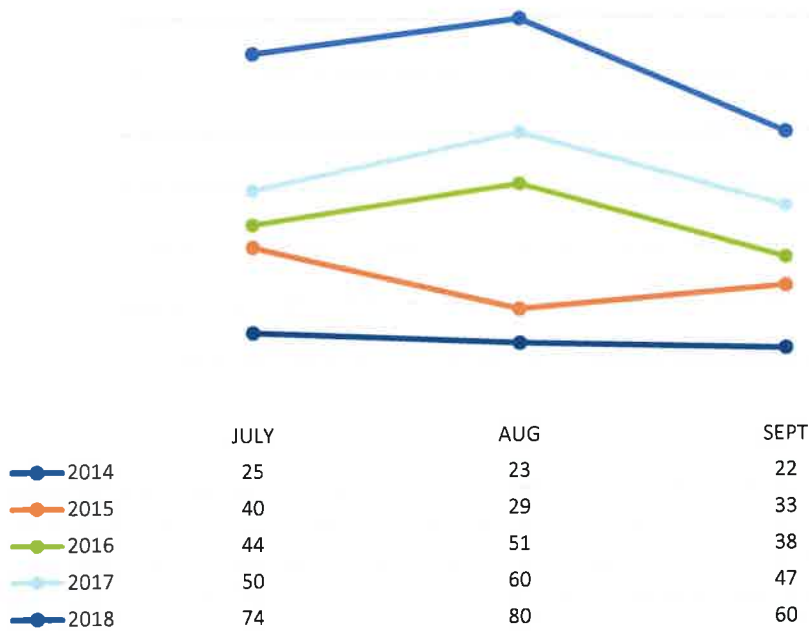
# DISPOSITION DEPARTMENT

REGINALD SCOTT, DIRECTOR OF DISPOSITION

## AUCTION

The Auction program identifies DLBA inventory in the strongest markets most likely to yield interested buyers. As of July 1, 2018, the DLBA has increased auctioning three (3) homes a day to four (4) through the website [www.buildingdetroit.org](http://www.buildingdetroit.org). Sales through this platform remains strong.

**AUCTION SALES\***  
Comparison of Q3 Sales Trends



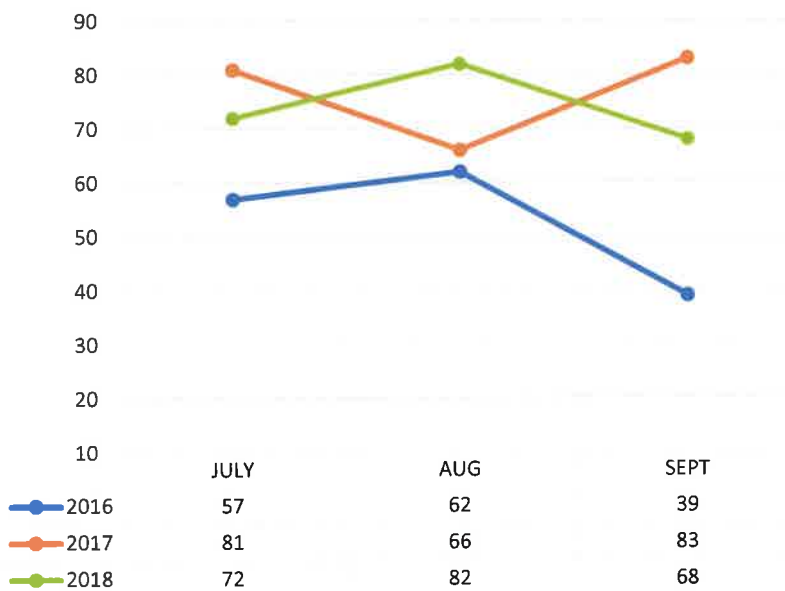
<u>Calendar Year</u>	<u>Total Sold (Q3)</u>
2014	70
2015	102
2016	133
2017	157
2018	214



**OWN-IT-NOW**

Own-It-Now responds to public requests for properties and is more like a traditional real-estate sale with offers accepted over a period of time. Anyone can contact the DLBA with an address, and with certain exceptions, the property is listed for sale online with offers accepted 24 hours a day, 7 days a week.

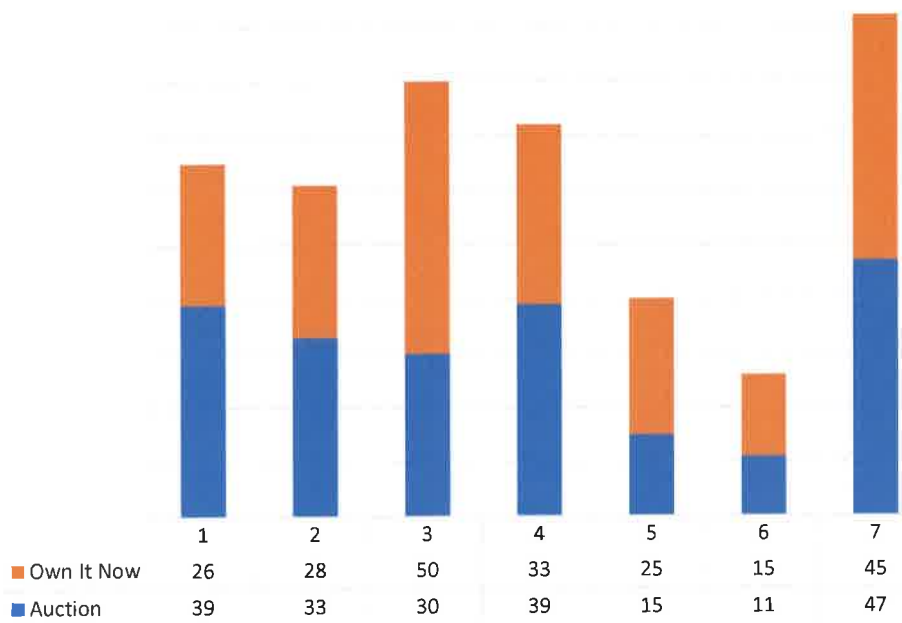
**OWN-IT-NOW SALES\***  
Comparison of Q3 Sales Trends



<u>Calendar Year</u>	<u>Total Sold (Q3)</u>
2016	158
2017	230
2018	222

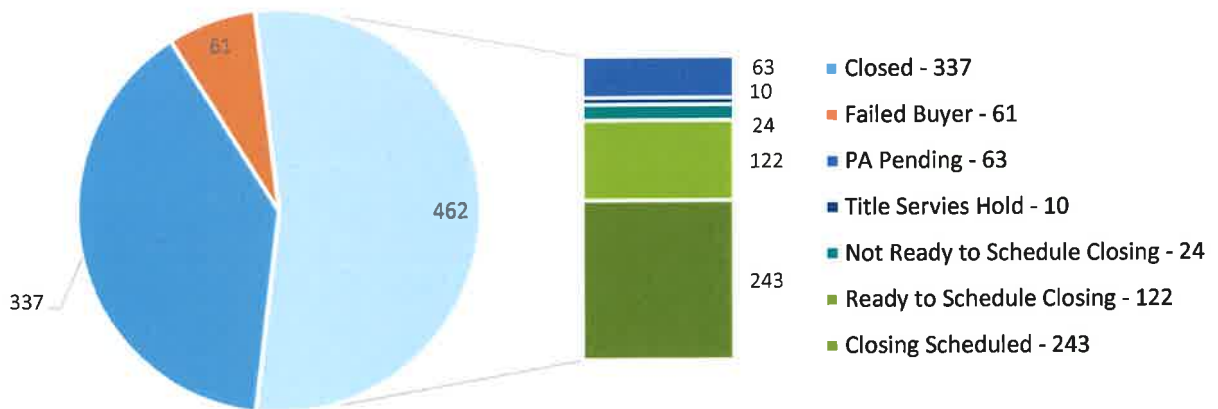
\*\*Does not include failed buyers (a failed buyer is an individual or entity who paid the initial deposit but did not complete the final purchase of the property)

### AUCTION AND OWN-IT-NOW SALES By Council District for Q3



### CLOSING

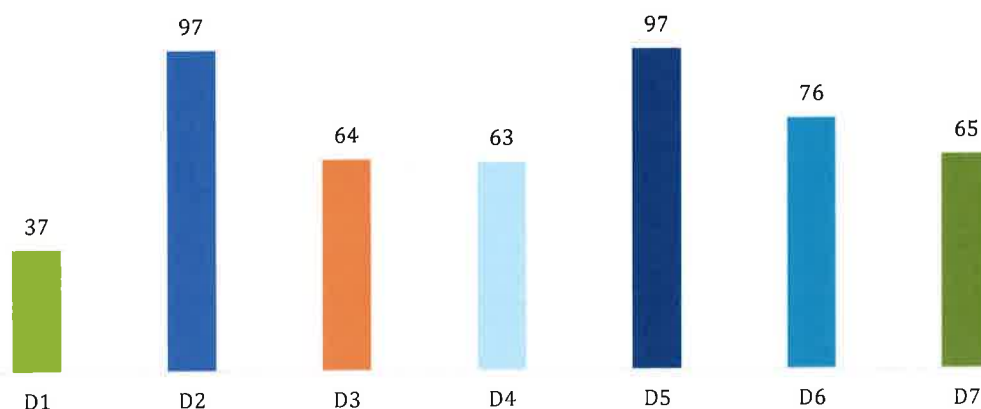
Current Closing Pipeline for Auction and Own-It-Now



## SIDE LOTS

In 2018, Dispositions launched a monthly District Side Lot Sale pilot. Similar to Side Lot Fairs, these events are smaller in scale and provide more direct and frequent sale services in the community. At our last event in September in District 2, the team served over 55 neighbors selling 48 lots. During Quarter 3, a total of 499 side lots, broken down by each Council District, were sold.

Side Lot Sales per District



## REHABBED & READY

Rehabbed & Ready (R&R) is a philanthropic initiative aimed to improve residential market values and bolster home ownership in the City of Detroit. Through collaboration with Quicken Loans, dilapidated DLBA inventory undergo full rehabilitation, bringing houses to at, or above, market conditions. Rehabbed & Ready, a neighborhood-based initiative, works in concordance with the DLBA's existing demolition, nuisance abatement, and other Disposition programs to reduce blight and encourage occupancy in selected neighborhoods. The 3<sup>rd</sup> quarter calendar year 2018 year to date summary of Rehabbed & Ready's progress is listed below:

- **R&R Closings.** This quarter we closed 2 properties, bringing total sold in 2018 through R&R to 52, with new homeowners moving into neighborhoods including Crary/St Marys, College Park, Evergreen-Outer Drive, Bagley, East English Village, Martin Park, Greenfield-Grandriver, and Morningside.
- **Open Houses remain a staple in R&R program.** To ensure prospective home owners have adequate opportunities to view our new homes. The Detroit Land

- Bank Authority conducts public open houses in addition to private showings. Flexibility allows us to move inventory faster during the upcoming selling season.
  - *Rehabbed & Ready public open houses* occur on Wednesdays and Sundays for the entire listing duration.
  - *Rehabbed & Ready private showings* can be scheduled through our website for any day except for Saturday.
  - *Neighborhood Engagement*: We ended this quarter with 634 individuals joining our e-mail marketing list to stay updated on new listings, price reductions, and offer deadlines.
- **What's next?**
  - *Strengthening the Internal Team*: We are continuing to build our internal processes. The R&R team now has 4 full-time staff, 1 part-time temporary Office Clerk which will allow us to quickly improve on the program now that resources are on-board. We turn our focus to decreasing the per-home loss on sales and increasing the number of rehab contractors and tradesmen.
  - *R&R Pipeline*: We currently have 23 properties in the pre-construction phase, 8 under construction, and 9 out to the General Contractor for scoping.

By focusing efforts in select neighborhoods and spacing out sales of turn-key ready homes, the DLBA continues to raise market comparables (“comps”) and stabilize appraisals, resulting in greater access to mortgages throughout the City.

*Property Address: 18114 Ohio*

*Before*



*After*



*Property Address: 5911 Courville*

*Before*



*After*



## **PROJECTS TEAM**

### **Community Partnership Program**

The Community Partnership program continues to encourage faith- and community- based organizations to transform the neighborhoods they serve through projects such as home rehabilitation, deconstruction, new construction, lot beautification, community gardens, and pocket parks. There are currently 213 Compliance (Active) and 395 Project Ready (Registered and Ready) properties.

The program guides nonprofits, faith-based organizations and community development organizations through the process of acquiring property through the DLBA. This program allows organizations to present proposed projects and development plans. The plans assist the Community Partnership Team in identifying properties and areas that will assist the organization in its goal.

### **CP Sales:**

23 Lots

4 Structures

Final Sale Price: \$11,172.63

All time: 938 lots and Structures

### Development Update

Develop Detroit, a DLBA Community Partner, closed on seven (7) DLBA owned parcels; beginning work on the first phase of development in Detroit’s North End. Phase one includes construction of 12 new homes and renovation of seven existing homes in the area bound by Marston Street, Philadelphia Street, John R Street and Woodward Avenue. The homes will range between 1,200 to nearly 2,000 square feet with prices ranging from about \$150,000 to the low \$300,000s with a portion of the residences reserved for affordable housing. The total investment for Develop Detroit’s North End project is \$6.5 million.

Private Developer, Acacia Drewno LLC closed on three properties on East Grand Boulevard and swiftly began renovating each of the townhomes. They plan on building 2 additional homes on St. Paul as well as providing renovations on the privately held unit in the middle of the development. All units will be offered for sale after completion.

### Occupied Buy Back

The Occupied Buy Back Program was created to provide a path forward for occupants of DLBA-owned houses. Allowing eligible occupant of DLBA-owned properties the opportunity to gain ownership of the house in which he or she lives. After qualifying for the Occupied Buy Back program and the house is purchased, the occupant officially enters the program and must display consistent savings until their next tax bill arrives.

Month-Year	Closed	Total
June-18	21	\$21,000
August-18	36	\$36,000
September-18	3	\$3,000
<b>Total</b>	<b>60</b>	<b>\$60,000</b>

Executive Summary	
<b>Buy Back Complete</b>	<b>338</b>
<b>Monitor Compliance for Aug 2018 exit</b>	<b>9</b>
<b>Entered Partial Payment (Exit Jan 2019)</b>	<b>9</b>
<b>Monitor Compliance for July 2019 exit</b>	<b>144</b>
<b>Buy Back Pipeline</b>	<b>459</b>
Eligibility Under Review	146
Inspection in Progress	12
Need to take HPE Course	40
Ready to Close	94
Potential Reconveyance	0
Reconveyance in Progress	0
Sales Hold	75
<b>Ineligible for Buy Back (Reason Documented)</b>	<b>1387</b>
<b>Reconveyance Complete</b>	<b>4</b>



## DEMOLITION DEPARTMENT

TAMMY DANIELS, DIRECTOR OF DEMOLITION

### **DLBA DEMOLITION PROGRAM**

The Detroit Land Bank Authority (DLBA), in partnership with the Mayor's Office, City Council, and the Detroit Building Authority (DBA), has consistently impacted all Council Districts through its various programs. In 2015, the DLBA's demolition program made great strides towards blight reduction in highly populated/high-density areas, radial thoroughfares, and commercial corridors throughout the City of Detroit. The DLBA's targeted demolitions within the designated Hardest Hit Funds (HHF) geographic boundaries is geared toward reducing blight and spurring economic activity in these neighborhoods. The DLBA's strategic demolition programming complement deliberate reinvestment and rehabilitation, leading to significant increases in property values across the City.

### **HARDEST HIT FUNDS**

In June 2018, MSHDA began issuing credits to the DLBA through its various HHF rounds, these credits represent a refund of settlement proceeds, as well as, the return of the Fire Insurance Escrow ("FIE") dollars paid to MSHDA. The total refund is currently \$6,602,690.50 and will be used to demolish additional residential structures. Refund credits issued back to the DLBA were as follows: HHF1 - \$5,409,638.69; HHF2 - \$1,192,413.56; HHF3 - \$638.25; effectively reopening HHF1 and HHF2 rounds. As of the date of this Quarterly Report, all five (5) rounds of HHF funding are currently open.

The initial funding from the Hardest Hit Fund (HHF1) provided \$57,342,668.95 in demolition funds and closed in the Third Quarter 2015, with a mere \$700.00 remaining balance, which was transferred to the next round. To date, the DLBA has demolished 3,683 residential structures with these funds. As noted above, HHF1 received \$5,409,638.69 in new funding available for the demolition of approximately 315 additional residential properties. The DLBA identified properties within the geographic boundaries of HHF1 to expend these funds. Those identified properties are currently being surveyed by the environmental due diligence contractor or they have been contracted for demolition. The DLBA has until December 31, 2019, to expend all the allocated dollars or request that the remaining unspent dollars be transferred to other rounds.

The second round of Hardest Hit Funds (HHF2) provided \$50,000,719.05 in demolition funds. Early in the Fourth Quarter 2017, the DLBA's demolition team reduced the grant funds remaining under this round to \$5,410.94, effectively closing out HHF2. As noted above, HHF2 received \$1,192,413.56 in additional funding for the demolition of approximately 70 additional residential properties. As of September 30, 2018, the DLBA received \$50,159,277.82 in disbursements by MSHDA. The DLBA identified properties within the geographic boundaries of HHF2 to expend



these funds. Those identified properties are currently being surveyed by the environmental due diligence contractor or they have been contracted for demolition. As of the date of this report, the DLBA has demolished and been reimbursed for the demolition of 2,940 residential structures. The DLBA has until December 31, 2019, to either expend all the allocated dollars or request the remaining unspent dollars be transferred to other rounds. There is \$1,033,854.79 remaining in HHF2, which is inclusive of the \$93,315.54, for which the DLBA is currently seeking reimbursement.

The third round of Hardest Hit Funds (HHF3) provided \$21,255,000.00 in demolition funds. As of September 30, 2018, the DLBA has been reimbursed \$20,867,124.52; leaving \$388,513.73, which is inclusive of the \$260,201.06, for which the DLBA is currently seeking reimbursement. This also includes the \$638.25 in refund credits identified above. We anticipate the close of this round of funding on or before December 31, 2018. As of the date of this report, the DLBA has demolished and been reimbursed for the demolition of 1,442 residential structures across the seven Council Districts.

The fourth round of Hardest Hit Funds (HHF4) provided \$41,901,646.00 in demolition funds. As of September 30, 2018, the DLBA has been reimbursed \$32,773,209.16; leaving \$9,128,436.84 to be drawn down by the DLBA, which is inclusive of the \$3,230,260.40, for which the DLBA is currently seeking reimbursement. To date, 1,883 structures have been demolished and reimbursed by MSHDA. This fourth round of funding allows for the demolition of approximately 2,400 residential structures, and it is expected that HHF4 will be closed out on or before June 30, 2019.

The fifth round of Hardest Hit Funds (HHF5) provides for \$88,153,425.00 in demolition funds. As of September 30, 2018, in partnership with the DBA, the DLBA continues the procurement process for this final round of funding, issuing Demolition and Abatement contracts for 4,000 properties totaling \$25,816,395. The DLBA expects to demolish approximately 5,200 residential structures under this final round of funding. As of the date of this report, the DLBA has been reimbursed \$1,855,158.77; leaving \$86,298,266.23 in grant funds to be drawn down by the DLBA, which is inclusive of the \$4,448,375.86, for which the DLBA is currently seeking reimbursement.

#### **PROCUREMENT TRANSITION**

In April 2018, in an effort to stabilize demolition costs and provide a greater level of predictability with the release of Request for Proposals (“RFP”) for the HHF program, the DLBA began issuing between 400-450 properties per month for demolition RFP. Given the increased volume and timing of RFP releases, the DLBA elected to issue an RFP for Procurement Administrative Services to transition the HHF procurement process to a third-party company skilled at providing such services on the scale and scope the DLBA envisioned. The DLBA noted the DBA, its project

manager, was spending an increasing amount of time, resources, and staff on procurement related issues, limiting its ability to focus on field operations. The DLBA's decision to transition the procurement process to a third party was also driven by the recognition that the DBA's ability to effectively manage field operations could be negatively impacted by the contemplated spike in demo RFP releases and increased supervisory responsibilities imposed by the March 6, 2018, Department of Health protocols for the demolition program.<sup>1</sup> Effective July 1, 2018, with a goal of providing a greater level of stability, transparency, and to encourage participation of a diverse group of contractors; the DLBA transitioned all of its HHF procurement services from the DBA<sup>2</sup> to Price, Waterhouse, Coopers, Public Sector, LLP ("PWC"). PWC was selected based on their response to the RFP, additionally, they bring a wealth of knowledge, experience, and a stellar reputation to the DLBA and the Hardest Hit Fund Demolition Program. As of June 30, 2018, the DLBA and PWC executed a formal agreement and the transition process began in earnest. Working in close conjunction with the DBA, PWC is currently contracted to provide: project management, process mapping (which includes streamlining the current process), review, tabulation and recommendations on approximately 10 RFP groups per month. Additionally, PWC is responsible for administering the annual RFQ process.

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<sup>1</sup> On March 6, 2018, as part of a comprehensive strategy to prevent lead poisoning, the Detroit Health Department recommended additional measures and protections to improve demolition safety and health standards to be followed by demolition contractors and DBA personnel. Those additional protections included: (1) Temporarily suspend demolitions (except for emergency demolitions) between May 1, 2018 and September 30, 2018 in the top 5 Detroit zip codes with the highest percentages of elevated blood lead (48206, 48214, 48202, 48204, 48213); (2) Require site supervisors and permit holders to be certified as Lead Safe through the EPA's Lead Safe "Renovation, Repair and Painting Program"; (3) Hire at least 3 additional field supervisors in 2018, and require a field supervisor to be present on site at the time of demolition, at least 90% of the time over any thirty (30) day timeframe; (4) Require completion of a sequential checklist to be filled out during the demolition process to ensure all steps are completed in order; (5) Require placement of yard signs around the perimeter of a property after demolition to discourage contact with the disturbed soil on a demolition site; (6) Require distribution of a door hanger to all occupied properties within a 200ft radius of a demolition site at least 72 hours prior to starting the demolition process, mailers to be mailed to all homes within 400 feet of a demolition at least 2 weeks ahead of time, and posting of demolition sites through strategic communications with schools and community partners; (7) Require updates to the "Planned Knock Down Date" 24 hours prior to a demolition to ensure appropriate notification occurs; (8) Require reasonable effort to cover open windows at properties adjacent to the demolition site in order to prevent fugitive dust; (9) Require the use of two (2) hoses during the wetting process to thoroughly wet the structure(s) and building materials prior to demolition and during knockdown; (10) Require at least one (1) hose to be used during debris removal and loadout, sufficient enough to minimize fugitive dust; (11) Require halting of the demolition process if wind speed exceeds 20mph as a measure to prevent fugitive dust from spreading from a demolition site; (12) Require "good faith effort" in requesting that any children on the block of the demolition site appearing under the age of 12 be asked to go inside during the demolition process. "Good faith effort" will be defined jointly by the Detroit Health Department and DBA; (13) Cooperate (i.e. share data, be interviewed, etc.) as necessary with an evaluation of the public health impacts of the demolition program, as guided by the Detroit Health Department.

<sup>2</sup> The DLBA and DBA are currently working to amend the February 2, 2015, Memorandum of Understanding to reflect this shift in duties and the corresponding reduction in management fees.

PWC's onboarding was complete in late July 2018, since this transition the DLBA has seen a sharp increase in overall program efficiency. Most notably, the time to review, tabulate, and award RFP's has plummeted from six-eight weeks to two weeks. At the current rate, the DLBA expects elimination of its RFP backlog by mid-October. Under the partnership with PWC, implementation of other process improvements include, but are not limited to, virtual bid openings, recorded bid openings, streamlined documentation, and increased programmatic transparency.

**POLICY CHANGES/COMPLIANCE**

Effective March 27, 2018, MSHDA revised its blight manual and imposed new restrictions on the procurement process for the HHF program. Specifically, the latest revision prohibits the use of geographic preferences within the competitive bidding process. While the DLBA believes geographic preferences for Detroit based/headquartered businesses is appropriate within the competitive bidding context, it will fully comply with the updated blight manual and all other guidelines issued by MSHDA and the U.S. Treasury. In February 2018, the DLBA transitioned to an RFQ process, to avoid the arduous submission process. The RFQ process allows demolition contractors to become pre-qualified to participate in the HHF program by submitting a complete qualification package once a year, in lieu of the old process which required them to submit their qualification documents with every RFP. Since the implementation of the RFQ process, the program maintains a current list of thirteen (13) pre-qualified demolition contractors; of which three (3) are MBE/WBE. Currently, there are four (4) additional demolition contractors seeking pre-qualified status; their applications are currently under review.

The DLBA continues to work diligently with the demolition contractors ensuring their invoices and supporting documents are correct, complete, and processed in a timely manner.

**DETROIT LAND BANK AUTHORITY  
AVERAGE DAYS PER STAGE FOR INVOICES RECEIVED 1/1/2018 THRU 10/08/2018**

<b>Row Labels</b>	<b>Average of Days: Internal Review</b>	<b>Average of Days: MSHDA Review</b>	<b>Average of Days: Pay</b>
Able Demolition	38	17	3
Adamo Group, Inc.	26	31	3
Blue Star	45	17	3
Den-Man Contractors	36	18	4
DMC Consultants	43	11	3
Esso Wrecking Co.	13	32	3
Gayanga Co	26	20	2
Homrich	43	11	4
Rickman Enterprise Group	49	23	4
Salenbien Trucking & Excavating Inc.	29	15	4
<b>Grand Total</b>	<b>34</b>	<b>20</b>	<b>4</b>

*Internal Review and MSHDA Review processes include time necessary for contractors to provide corrected paperwork, pictures, etc.*

Please see the Hardest Hit Fund Program tab of [www.buildingdetroit.org](http://www.buildingdetroit.org) for a complete list of properties demolished and released to contractors.

#### **DEMOLITION ADVANCE FUND**

On March 31, 2015, through the approval of City Council, the \$20 million Demolition Advance Fund (“DAF”) was created. The sole purpose of the DAF was to ensure the DLBA had sufficient cash flow to make payments to contractors providing services under the HHF program. The DLBA, in partnership with the Office of the CFO, has been working to amend the Demolition Advance Fund Loan Agreement to ensure conformity with the City Council’s Resolution that created the fund. The amended agreement will be presented to City Council upon completion.

#### **NEIGHBORHOOD STABILIZATION PROGRAM**

DLBA was awarded NSP Program Income funds for demolition in the amount of \$4.3 million with very specific eligibility requirements. Specifically, the structures had to be owned by the DLBA, located in approved census tracts (pre-determined by HUD), and undergo Section 106 Historical Review. To date, the DLBA has demolished 273 structures with NSP funding, perhaps most notably, Blackwell Middle School. As of the date of this report, the DLBA has completed its spenddown and closed out the program.

#### **NON-HHF MSHDA GRANT**

In August 2017, in partnership with the Detroit Building Authority (DBA), the DLBA was awarded a \$458,000.00 non-HHF grant from MSHDA to be used for the demolition of blighted residential structures within the City of Detroit. As a pre-condition of the award, the City of Detroit was required to match the MSHDA grant funds; therefore \$916,000.00 will be used to demolish 60 additional blighted properties. The DBA serves as the administrator and project manager for this project. The 60 properties selected, in large part, fall outside of the traditional HHF boundaries. Environmental Due Diligence work was completed on the subject properties on or about September 25, 2017. The City of Detroit issued the 4.5.2018 Abatement and Demolition RFPs, and the presumptive winner has been selected. The City of Detroit is currently working with the presumptive winner to execute contracts for the abatement and demolition of the 60 structures. Demolition of these structures was expected to be completed on or before June 30, 2018; however, delays due to implementation of the new lead protocols, resulted in the need to request an extension of the grant agreement. That extension was granted; the new deadline for completion is February 28, 2019.

## LEGAL DEPARTMENT

MIKE BRADY, GENERAL COUNSEL

The Detroit Land Bank Authority (DLBA) Legal Department provides legal counsel and assistance to the Board of Directors, the Executive Director, and the organization's staff for all programs (e.g. disposition, acquisition, and demolition). Additionally, the Legal Department staffs various DLBA programs, including Quiet Title, Compliance, and the Nuisance Abatement Program.

### **QUIET TITLE**

The Legal Department files and oversees expedited Quiet Title Actions pursuant to authority under Section 9 of the Land Bank Fast Track Act, MCL 124.759. On September 2, 2014 the Chief Judge of the Wayne County Circuit Court issued a special docket directive which created a special docket allowing the Detroit Land Bank Authority to file these actions in an efficient manner. Quiet title actions are filed on properties acquired by the DLBA and enable the DLBA to dispose of those properties with clear insurable title. As of September 30, 2018, this last quarter, the Legal Department received four hundred and eighty-three (483) quiet title judgments.

### **NUISANCE ABATEMENT / ABANDONED PROPERTIES**

The Nuisance Abatement Program (NAP) within the Detroit Land Bank Authority (DLBA) was established in February 2014. The Detroit City Council delegated non-exclusive authority to commence Nuisance Abatement litigation on February 18, 2014 (Council Action Number 23). Properties meeting the criteria are: vacant and unoccupied, boarded, open to trespass, appear to be abandoned or neglected. The property addresses are initially identified through governmental data, and then verified by investigators, community groups, or neighbors in targeted geographic areas. The NAP Target Areas were defined by the City of Detroit Department of Neighborhoods with input from members of the community. Specific boundaries were determined with the use of data sources to specify areas where NAP actions would be most effective.

Service of Process is made on all current owners. A search of tax and title records is conducted for each property, to determine all current interest holders of record; including owners, mortgage companies, and any other liens. All current owners of record are named in the civil lawsuit, which requests the 'nuisance' created by the condition be abated. Owners or interest holders in properties who fail to respond to the lawsuit may lose their ownership rights to the property at a hearing for default judgment.

This last quarter, as of September 30, 2018, the Legal Department had identified, placed notices ("posters") on and filed suit against one hundred and fifty-seven (157) properties in twenty-seven (27) different neighborhoods throughout the City. These result in agreements to address the blight or in judgments awarding ownership of the properties to the DLBA facilitating blight resolution through the DLBA's various programs.



In the last quarter, there were over one hundred and twelve agreements with property owners to rehabilitate their properties. In the last quarter, as of September 30, 2018, the NAP program received sixteen (16) default judgments, five (5) donations, and six (6) properties purchased through 'We Buy It'.

## COMPLIANCE

The DLBA's Compliance Team enforces agreements signed by property owners who have either purchased a property from the DLBA ("Sales Compliance"), or whose property was the subject of a nuisance abatement action ("NAP Compliance"). For both Sales and NAP Compliance, property owners agree to rehabilitate the property within six (6) months and provide regular updates to the Compliance Team documenting and verifying progress. If a property owner is not able to achieve compliance within the initial timeframe, but has shown acceptable "proof of progress," the Compliance Team provides 90-day extensions. If the property is located within a local historic district, or the property was purchased during the winter months, an automatic 90-day extension is provided.

For Sales Compliance, the compliance reporting period begins on the date of closing, when the property owner takes title to the property and obtains possession. At that same time, the property owner simultaneously executes a Reconveyance Deed the DLBA can record if the property owner fails to rehabilitate the property and meet the obligations outlined in the purchase agreement. Sales Compliance is achieved by obtaining the appropriate certificates from the City of Detroit's Building Safety Engineering Environmental Department. Once Sales Compliance is achieved, the DLBA releases its interest and destroys the Reconveyance Deed.

For NAP Compliance, the property had been identified as vacant, blighted, and a nuisance. To avoid or stop litigation, a property owner signs an agreement outlining their responsibilities for rehabilitating or demolishing the property, or selling to someone who will. If the property owner fails to provide "proof of progress" on the subject property, the Compliance Team transfers the matter to attorneys for court action. NAP Compliance is achieved by showing that the property is no longer a nuisance to the residents and the neighborhood. Once NAP Compliance is achieved, the DLBA releases its lis pendens and dismisses the lawsuit.

	Auction/ Own It Now (Sales)			Community Partners (Sales)			Nuisance Abatement Program (NAP)			All Programs		
	Program- to-Date	2018	3rd Quarter (7/1 -9/30)	Program- to-Date	2018	3rd Quarter (7/1 -9/30)	Program- to-Date	2018	3rd Quarter (7/1 -9/30)	Program- to-Date	2018	3rd Quarter (7/1 -9/30)
<b>Currently Monitored</b>	2041	932	328	93	36	15	538	353	132	2672	1321	475
<b>Compliance Achieved</b>	1398	419	100	97	24	5	1042	54	13	2537	497	118
<b>*Failed Compliance Obligations</b>	366	133	32	40	10	2	365	109	43	771	252	77

\* Does not adjust for properties placed into a new DLBA program after re-conveyance is completed, or after judgment is taken

## COMMUNITY AFFAIRS DEPARTMENT

ROD LIGGONS, DIRECTOR OF COMMUNITY AFFAIRS

The Community Affairs department of the Detroit Land Bank Authority (DLBA) promotes home and property ownership through paid marketing, community engagement, and media relations.

### **MEDIA RELATIONS**

In September, Community Affairs hired Alyssa Strickland as the DLBA's Public Information Officer (PIO), to strengthen media engagement. As PIO, her primary duties include media outreach and response, and taking a proactive approach to media coverage. In doing so, coverage of the positive impact DLBA's programs for Detroiters and their neighborhoods has increased. A graduate of Central Michigan University, Ms. Strickland brings a decade of television news experience to the DLBA, including seven years producing newscasts in the Detroit market.

Since September 1st, the Detroit Land Bank Authority has secured positive media coverage from a variety of local outlets including:

- 10,000 Side Lots Sold: featured on WDIV, Fox 2, WXYZ, U.S. News & World Report, Crain's Detroit Business, and the Associated Press
- Developer rehabs row houses purchased from DLBA; makes free improvements to a privately-owned unit in the middle of development at East Grand Blvd. and St. Paul: Feature story by Fox 2's Roop Raj
- "Detroit Land Bank is Making a Difference": editorial by WXYZ Vice President and General Manager Mike Murri
- "Despite Missteps, Detroit Land Bank Proves its Worth": article by Detroit Free Press business writer John Gallagher

In addition to the coverage listed above, the DLBA has facilitated interviews with partners and clients for future broadcast/publication with NBC News and the Huffington Post.

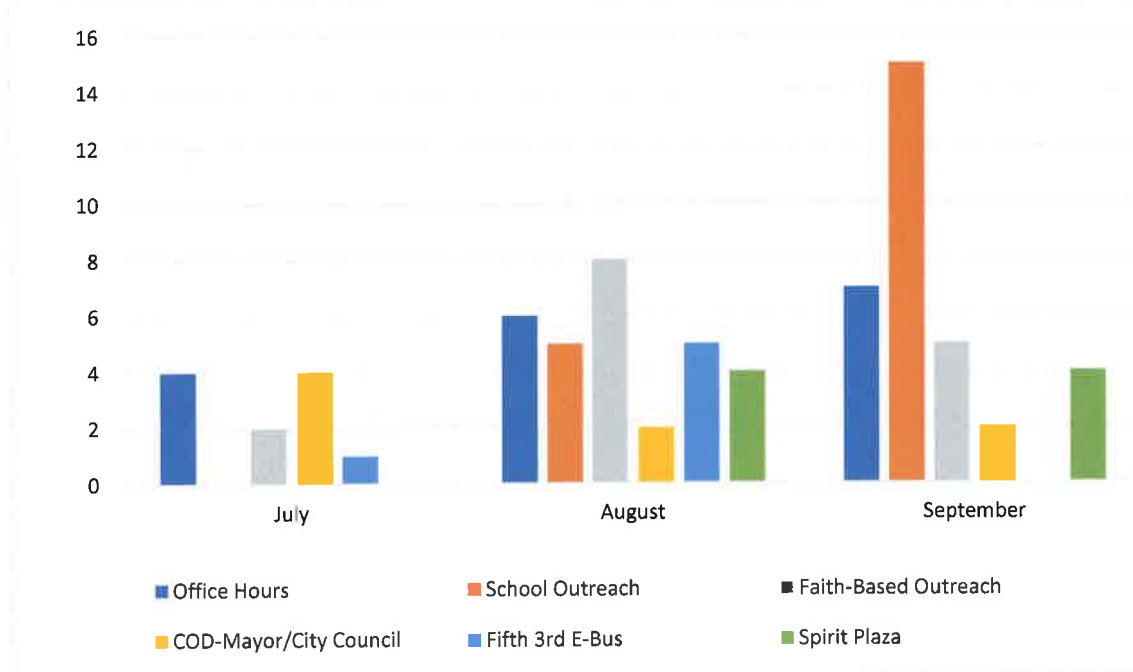
### **COMMUNITY ENGAGEMENT**

The Community Affairs team is making new connections and reaching a wider range of Detroiters by strengthening our presence across the city. During the last quarter, Community Affairs has made inroads with Detroit schools, promoting the DLBA's Detroit School Employee 50% discount on all our Auction properties. This discount is used by the Detroit Public Schools Community District to entice and hire more teachers. The DLBA offers a City of Detroit Employee 50% discount program promoted with Detroit's Police and Fire departments, as well as weekly Spirit of Detroit, Spirit Plaza informational opportunities. Interacting with Detroiters face-to-face throughout each week is key to Community Affairs programming success; hosting information tables in Spirit Plaza; partnering with 5/3 Bank's E-bus; presenting to DPSCD staff members at



district schools to promote the 50% school employee discount; meeting with faith-based organizations at their houses of worship; and continuing to host weekly office hours rotating by Council district.

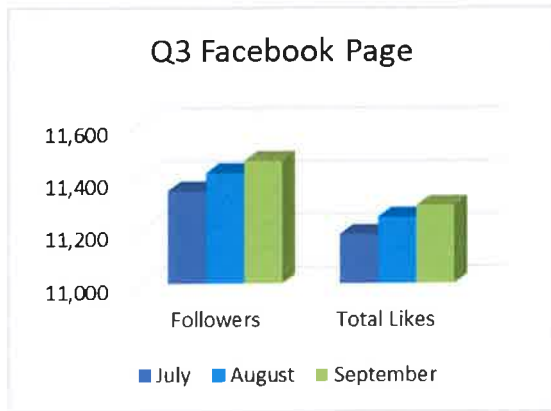
### 3<sup>rd</sup> Quarter Community Engagement



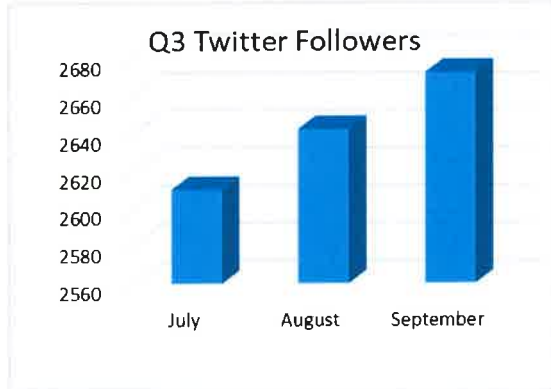
	Office Hours	School Outreach	Faith-Based Outreach	COD-Mayor/City Council	Fifth 3rd E-Bus	Spirit Plaza
<b>July</b>	4	0	2	4	1	0
<b>August</b>	6	5	8	2	5	4
<b>Sept</b>	7	15	5	2	0	4
<b>Total</b>	<b>17</b>	<b>20</b>	<b>15</b>	<b>8</b>	<b>6</b>	<b>8</b>
<b>Citizen contact</b>	<b>125</b>	<b>207</b>	<b>173</b>	<b>30</b>	<b>63</b>	<b>48</b>

## SOCIAL MEDIA

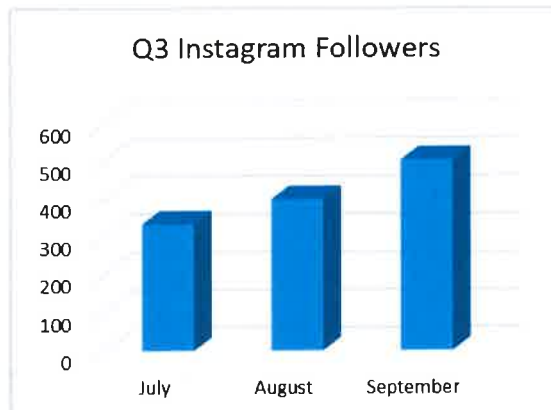
The DLBA's social media presence continues to grow with a substantial increase in followers and page views on Facebook, Instagram, and Twitter. To engage and encourage potential buyers, we are featuring a series of 'Before & After' photos, personal success stories from DLBA owners, inspirational quotes, and daily updates on our latest listings. Interested buyers can even begin their purchase experience through our Facebook page.



	July	August	September	Net Change	% Growth
<b>Facebook</b>					
Followers	11,352	11,419	11,466		
New Followers	70	66	47	+ 183	1.6%
Total Likes	11,187	11,252	11,296		
New Likes	96	98	64	+ 258	2.3%
Avg. Weekly Page Engagement	389	263	276		
Avg. Weekly Total Reach	2,823	2344	2,392		
Number of Posts	197				

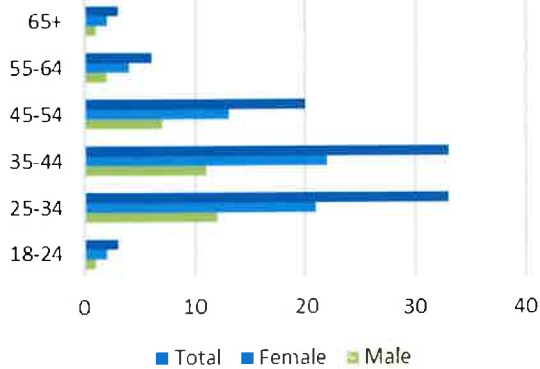


	July	August	September	Q3 Total	% Growth
<b>Twitter</b>					
Followers	2610	2642	2,672	--	
New Followers	51	26	33	110	4.3%
Link Clicks	149	359	78	586	
Profile Vists	898	1371	521	2790	
Mentions	19	39	10	68	
Impressions	46,900	193,000	51,500	291400	
Tweets	203	1365	288	1856	
Retweets	39	117	63	219	
Tweet Likes	87	203	56	346	
Replies	10	25	4	39	
Engagement Rate	0.9	0.7	0.60%		

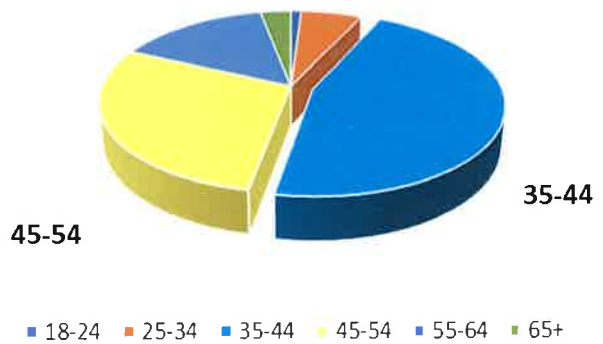


	July	August	September	Net Change	% Growth
<b>Instagram</b>					
Followers	335	400	504		
New Followers	75	65	104	+ 244	93.8%
Avg Weekly Website Clicks	17	6			
Avg Weekly Impressions	26,973	6,290	8293		
Avg. Weekly Reach	283		366		

Facebook User Demographics  
(By Age)



Instagram User Demographics  
(By Age)



Community Affairs utilizes social media as a platform to promote community events hosted or attended by the DBLA. Through these outlets interested groups may submit presentation request forms. To further expand DLBA Community Affairs engagement opportunities, the team is building a YouTube page featuring videos for our customers. These videos will include frequently asked questions, compliance, sales programs, and resources; as well as spotlight buyer successes.

**PAID MARKETING**

This quarter, Community Affairs focused on streamlining our paid marketing campaigns. Our primary audience are Detroiters who want to transition from renter to owner. This demographic is currently targeted with ads on DDOT buses and billboards placed strategically around the city. With the DLBA’s overall mission of restoring blighted and abandoned properties to productive use, we must also consider people living outside of the city-limits who want to be a part of Detroit’s resurgence. To reach this audience, Community Affairs continue to run advertisements on popular local radio stations during morning and evening commute hours, as well as transit ads on SMART buses serving riders across metro Detroit.

The Community Affairs team is actively present in the communities of every Detroit district, bringing our programs to the places needing the greatest impact; the neighborhoods.

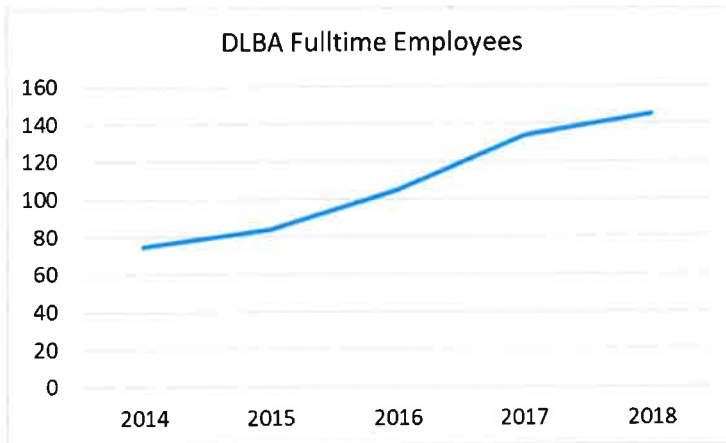
## ADMINISTRATION & OPERATIONS

KELLEY SINGLER, DIRECTOR OF ADMINISTRATION & OPERATIONS

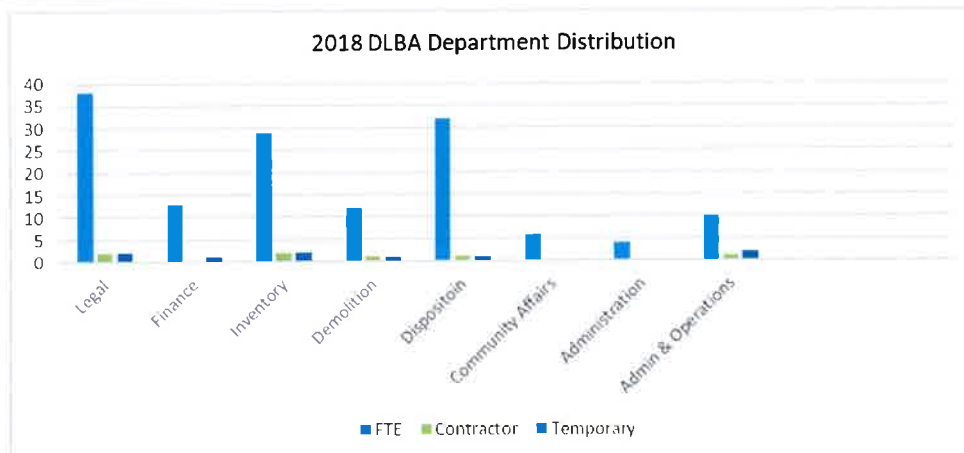
In August, the Detroit Land Bank Authority (DLBA) hired Kelley Singler as Director of the Administration & Operations Department. The newly formed Administration & Operations Department is tasked with managing day-to-day internal operations and centralized resources of the DLBA. Administration & Operations assists the Executive Director and the DLBA's staff in all programs (e.g. Disposition, Inventory, Demolition, Finance, Legal, and Community Affairs) through the administration and support of Human Resources, Office Management, Information Technology, and Data Solutions.

### HUMAN RESOURCES

Administration & Operations provides supervision, oversight, and guidance to Human Resources (HR) in developing an employee-oriented culture emphasizing quality, continuous improvement, and high performance. From 2014 to 2018 the DLBA's full time staff grew over 193%, necessitating changes in HR procedures and practical implementation. As each department expands and diversifies HR adapts to satisfy full time, temporary, and contractor staffing needs.



<u>FY Year</u>	<u>No. Full Time Employees</u>
2014	75
2015	84
2016	105
2017	134
2018	145



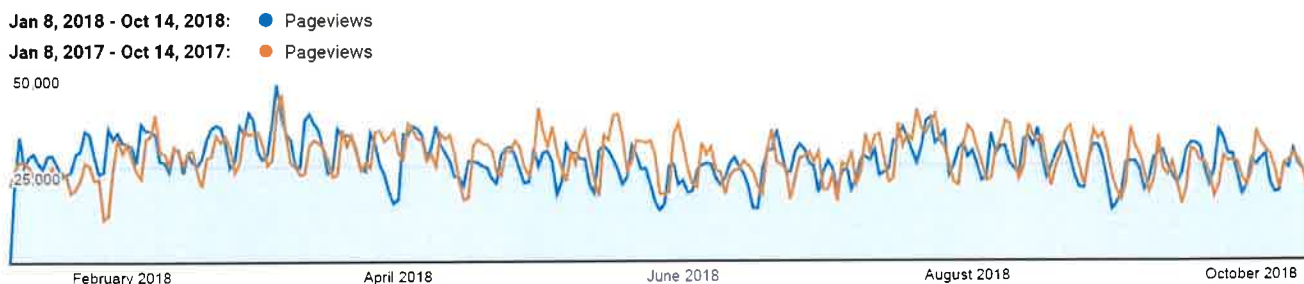
## INFORMATION TECHNOLOGY

Information Technology (IT) administration and support is a core function of Administration & Operations. The IT team provides desktop support and web solutions for the entire DLBA; ensuring technology is invested in and utilized to streamline operations and deliver quality service.

Enhancing and supporting the DLBA's Building Detroit Website is central to IT's functionality. In FY Q1 the following website enhancements were deployed:

- Improved customer dashboard "Track Property" module to enhance customers' experience and track their progress purchasing a property from the beginning to the compliance achieved stage.
- Modified the Demolition page to clearly show which bids are open and awarded; resulting in improved viewing of Request for Proposals (RFP) and Request for Quotes (RFQ) for external contractors.
- Implemented "Queue call back" system for DLBA's main phone number; allowing customers the options to wait on hold, or the option to be called back.

Overall there has been a 7.52% increase of DLBA website traffic.



In addition to website improvements and support, IT assists the Legal team with the collection and preservation of FOIA request documents; services and maintains all DLBA hardware, software, and audio/visual components; as well as on-boarding for new fulltime, contract, and temporary DLBA hires.

## DATA SOLUTIONS

In January 2014 the DLBA owned less than 1,500 properties, by January 2015 this increased to nearly 50,000; requiring a significant scaling up. Returning these properties to productive use required leveraging long term sustainable technological solutions. In March 2015, Data Solution's designed, built, and launched a custom comprehensive instance of Salesforce. The use of Salesforce as the backbone of operations for the DLBA is a critical factor in the DLBA's capacity to expand from moving 341 properties in 2014 to 3,400 in 2015; an increase of 897%.

The DLBA’s Salesforce system is the most comprehensive property database in the City of Detroit synthesizing over 150 data points from 40 sources on every property in the City. With an inventory of almost 95,000 properties, it is critical DLBA staff have as much knowledge about each property as possible. As programming needs evolve, Data Solutions continually collaborates and supports each departments Salesforce needs.

The DLBA strives to work in close partnership with the City and its agencies, to foster these relationships Data Solutions grants Salesforce access encompassing its wealth of data to dozens of partners including: Detroit Police Department, Planning & Development Department, Housing & Revitalization Department, Detroit Economic Growth Corporation, Department of Neighborhoods, Buildings, Safety, Engineering, and Environmental Department, and recently even to City Council. This access provides departments answers to many basic questions and Inquiry submission access, for rapid response by the appropriate DLBA staff.

**Selected Data Sources:**

City Assessor	Housing and Revitalization Department
City Planning Commission	Motor City Mapping
Data Driven Detroit	Neighborhood Enterprise Zones
Detroit Building Authority	Detroit Fire Department
Detroit Future City	U.S. Census Bureau
Detroit Housing Commission	U.S. Dept. of Interior
Buildings, Safety, Engineering, and Environmental Department	United States Postal Service
Detroit Water and Sewerage Department	Wayne County Treasurer

With the aim to work in cooperation and transparency with other City agencies, Administration & Operations supports the DLBA’s vast collection, maintenance, and storage of data in Salesforce. This information is now used to populate the City of Detroit’s Open Data Portal (<https://data.detroitmi.gov/>). Initially only demolition information was included, this expanded to include sales data, and now transmits all properties owned by the DLBA to the site.

Administration & Operations continually identifies best practices and develops opportunities for process improvements, streamlining and improving services across the DLBA. Each quarter the DLBA uses Salesforce to enhance efficiency, reduce redundancy, and provide enhanced support to our partners and the citizens of Detroit.







CITY COUNCIL QUATERLY REPORT  
**Q1 FY 2019**  
DETROIT LAND BANK AUTHORITY



A CONTNUED PARTNERSHIP FOCUSED ON BEING VISIBLE & ACCESSIBLE TO THE COMMUNITY





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