



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

40

CITY CLERK 2020 JAN 28 AM 10:11

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE SUITE 808
DETROIT, MICHIGAN 48226
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January 7, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Property Sale
1835 E McNichols, Detroit, MI 48203**

Honorable City Council:

The City of Detroit, Planning and Development Department (“P&DD”) has received an offer from Fressher Start LLC (the “Purchaser”), to purchase certain City-owned real property at 1835 E McNichols (the “Property”) for the purchase price of Two Thousand Four Hundred Sixteen and 00/100 Dollars (\$2,416.00).

Fressher Start LLC proposes to utilize the property as green space for their adjacent businesses at 1839 E McNichols. Currently, the property is within a B4 zoning district (General Business District). Fressher Start LLC proposed use of the Property shall be consistent with the allowable uses for which the Property is zoned.

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD, or his or her authorized designee to execute a quit claim deed and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to Fressher Start LLC.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor’s Office

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 1835 E McNichols, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to Fressher Start LLC (the "Purchaser") for the purchase price of Two Thousand Four Hundred Sixteen and 00/100 Dollars (\$2,416.00).

RESOLVED, that the Director of the Planning and Development Department, or his or her authorized designee, is authorized to execute a quit claim deed and other such documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) One Hundred Forty Five and 00/100 Dollars (\$145.00) shall be paid to the DBA from the sale proceeds, 2) One Hundred Twenty One and 00/100 Dollars (\$121.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the P&DD Director, or his or her authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his or her authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTION

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

N-E MC NICHOLS RD LOT 242 LELAND HEIGHTS SUB L35 P14 PLATS, W C R 9/153 20
X 100

a/k/a 1835 E McNichols
Tax Parcel ID 09006675.

36 F

Description Correct
Engineer of Surveys

By: 

Basil Sarim, P.S.
Professional Surveyor
City of Detroit/DPW, CED



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

4A

CITY CLERK 2020 JUN 23 04:10:10

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January 7, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Property Sale
4310 St Lawrence, Detroit, MI 48210**

Honorable City Council:

The City of Detroit, Planning and Development Department (“P&DD”) has received an offer from Manal Alshamee (the “Purchaser”), to purchase certain City-owned real property at 4310 St Lawrence (the “Property”) for the purchase price of One Thousand Six Hundred Thirty 00/100 Dollars (\$1,630.00).

Manal Alshamee proposes to utilize the property as a side lot to his adjacent home at 4310 St Lawrence. Currently, the property is within a R2 zoning district (Two-Family Residential District). Manal Alshamee proposed use of the Property shall be consistent with the allowable uses for which the Property is zoned.

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD, or his or her authorized designee to execute a quit claim deed and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to Manal Alshamee.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor’s Office

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 4310 St Lawrence, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to Manal Alshamee (the "Purchaser") for the purchase price of One Thousand Six Hundred Thirty 00/100 Dollars (\$1,630.00).

RESOLVED, that the Director of the Planning and Development Department, or his or her authorized designee, is authorized to execute a quit claim deed and other such documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) Ninety Eight and 00/100 Dollars (\$98.00) shall be paid to the DBA from the sale proceeds, 2) Eighty Two and 00/100 Dollars (\$82.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the P&DD Director, or his or her authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his or her authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTION

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

E ST LAWRENCE N 29.48 FT LOT 205 S 11.04 FT LOT 204 AND W 9' VAC ALLEY ADJ
LONYO SUB NO 1 L45 P70 PLATS, W C R 20/439 40.52 X 124

a/k/a 4310 St Lawrence
Tax Parcel ID 09006675.

4 F

Description Correct
Engineer of Surveys

By: 

Basil Sarim, P.S.
Professional Surveyor
City of Detroit/DPW, CED



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

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CITY CLERK 2020 JAN 28 AM 10:40

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January 7, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Property Sale
5000 Mt Elliott, Detroit MI 48221**

Honorable City Council:

The City of Detroit, Planning and Development Department (“P&DD”) has received an offer from Sheri Houghland (the “Purchaser”), to purchase certain City-owned real property at 5000 Mt Elliott (the “Property”) for the purchase price of Three Thousand Eight Hundred Fifty and 00/100 Dollars (\$3,850.00).

Sheri Houghland proposes to rehabilitate the building into a private art studio. Currently, the property is within a M4 zoning district (Intensive Industrial District). Sheri Houghland proposed use of the Property shall be consistent with the allowable uses for which the Property is zoned.

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD, or his or her authorized designee to execute a quit claim deed and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to Sheri Houghland.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor’s Office

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 5000 Mt Elliott, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to Sheri Houghland (the "Purchaser") for the purchase price of Three Thousand Eight Hundred Fifty and 00/100 Dollars (\$3,850.00).

RESOLVED, that the Director of the Planning and Development Department, or his or her authorized designee, is authorized to execute a quit claim deed and other such documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) Two Hundred Thirty One and 00/100 Dollars (\$231.00) shall be paid to the DBA from the sale proceeds, 2) One Hundred Ninety Three and 00/100 Dollars (\$193.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the P&DD Director, or his or her authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his or her authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTION

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

E MT ELLIOTT LOT 1 SMITHS SUB L12 P91 PLATS, W C R 15/75 39.39 X 119.16 100

a/k/a 5000 Mt. Elliott
Tax Parcel ID 15014090.

48 C

Description Correct
Engineer of Surveys

By: 

Basil Sarim, P.S.
Professional Surveyor
City of Detroit/DPW, CED



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

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CITY CLERK 2020 JAN 23 AM 10:10

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January 7, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Property Sale
7575 Melrose, Detroit MI 48211**

Honorable City Council:

The City of Detroit, Planning and Development Department (“P&DD”) has received an offer from Jacquelyn Nagle (the “Purchaser”), to purchase certain City-owned real property at 7575 Melrose (the “Property”) for the purchase price of Eleven Thousand Three Hundred and 00/100 Dollars (\$11,300.00).

Jacquelyn Nagle proposes to construct a residential home on the vacant lot. Currently, the property is within a R2 zoning district (Two Family Residential District). Jacquelyn Nagle proposed use of the Property shall be consistent with the allowable uses for which the Property is zoned.

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD, or his or her authorized designee to execute a quit claim deed and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to Jacquelyn Nagle.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor’s Office

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 7575 Melrose, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to Jacquelyn Nagle (the "Purchaser") for the purchase price of Eleven Thousand Three Hundred and 00/100 Dollars (\$11,300.00).

RESOLVED, that the Director of the Planning and Development Department, or his or her authorized designee, is authorized to execute a development agreement and issue a quit claim deed for the sale of the Property, as well as execute such other documents as may be necessary or convenient to effect the transfer of the Properties to Jacquelyn Nagle consistent with this resolution; and be it further

RESOLVED, that the development agreement shall obligate Jacquelyn Nagle to cause a residential structure to be constructed on the Property, and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) shall be paid to the DBA from the sale proceeds, 2) Five Hundred Sixty Five and 00/100 Dollars (\$565.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the Director of the Planning and Development Department, or his or her authorized designee is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Properties, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the development agreement and quit claim deed will be considered confirmed when executed by the Director of the Planning and Development Department, or his or her authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTION

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

W MELROSE LOT 34 STANDISHS SUB L8 P19 PLATS, W C R 5/141 30 X 125

a/k/a 7575 Melrose
Tax Parcel ID 05004640..

41 C

Description Correct
Engineer of Surveys

By: 

Basil Sarim, P.S.
Professional Surveyor
City of Detroit/DPW, CED



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

444

CITY CLERK 2020 JAN 23 AM 10:11

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January 7, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Property Sale
8444 Woodward Ave, Detroit MI 48202**

Honorable City Council:

The City of Detroit, Planning and Development Department (“P&DD”) has received an offer from Jubway Inc (the “Purchaser”), to purchase certain City-owned real property at 8444 Woodward Ave (the “Property”) for the purchase price of One Hundred Twenty One Thousand Three Hundred and 00/100 Dollars (\$121,300.00).

Jubway Inc proposes to utilize the property as parking for their adjacent apartment building at 30 E Philadelphia. Currently, the property is within a B4 zoning district (General Business District). Jubway Inc proposed use of the Property shall be consistent with the allowable uses for which the Property is zoned.

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD, or his or her authorized designee to execute a quit claim deed and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to Jubway Inc.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor’s Office

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 8444 Woodward Ave, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to Jubway Inc (the "Purchaser") for the purchase price of One Hundred Twenty One Thousand Three Hundred and 00/100 Dollars (\$121,300.00).

RESOLVED, that the Director of the Planning and Development Department, or his or her authorized designee, is authorized to execute a quit claim deed and other such documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) Seven Thousand Two Hundred Seventy Eight and 00/100 Dollars (\$7,278.00) shall be paid to the DBA from the sale proceeds, 2) Six Thousand Sixty Five 00/100 Dollars (\$6,065.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the P&DD Director, or his or her authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his or her authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTION


Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

E WOODWARD W 120 FT OF LOT 2 BELA HUBBARDS SUB L21 P7 PLATS, W C R 1/111
67.5 X 120

a/k/a 8444 Woodward Ave
Tax Parcel ID 01004327.002L

32 F

Description Correct
Engineer of Surveys

By: 
Basil Sarim, P.S.
Professional Surveyor
City of Detroit/DPW, CED



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

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CITY CLERK 2020 JAN 23 04:10:10

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January 7, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Property Sale
8537 Van Dyke, Detroit, MI 48213**

Honorable City Council:

The City of Detroit, Planning and Development Department (“P&DD”) has received an offer from First Behavioral Choice, LLC (the “Purchaser”), to purchase certain City-owned real property at 8537 Van Dyke (the “Property”) for the purchase price of Five Thousand 00/100 Dollars (\$5,000.00).

First Behavioral Choice, LLC proposes to utilize the property as offices for their community mental health services business. Currently, the property is within a B4 zoning district (General Business District). First Behavioral Choice, LLC proposed use of the Property shall be consistent with the allowable uses for which the Property is zoned.

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD, or his or her authorized designee to execute a quit claim deed and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to First Behavioral Choice, LLC.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor’s Office

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 8537 Van Dyke, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to First Behavioral Choice, LLC. (the "Purchaser") for the purchase price of Five Thousand and 00/100 Dollars (\$5,000.00).

RESOLVED, that the Director of the Planning and Development Department, or his or her authorized designee, is authorized to execute a quit claim deed and other such documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) Three Hundred and 00/100 Dollars (\$300.00) shall be paid to the DBA from the sale proceeds, 2) Two Hundred Fifty and 00/100 Dollars (\$250.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the P&DD Director, or his or her authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his or her authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTION

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

W VAN DYKE LOTS 177 & 178 EXC VAN DYKE AS WD GABLE & PISCOPINKS SUB L29
P86 PLATS, W C R 15/243 60.04 X 81.15A

a/k/a 8537 Van Dyke
Tax Parcel ID 15005632.

50 F

Description Correct
Engineer of Surveys

By: 

Basil Sarim, P.S.
Professional Surveyor
City of Detroit/DPW, CED



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

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January 7, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Property Sale
8942 Puritan**

Honorable City Council:

The City of Detroit, Planning and Development Department (“P&DD”) has received an offer from LEO'S REAL ESTATE #3, L.L.C. (the “Purchaser”), to purchase certain City-owned real property at 8942 Puritan (the “Property”) for the purchase price of Sixty Three Thousand Six Hundred 00/100 Dollars (\$63,600.00).

LEO'S REAL ESTATE #3, L.L.C. proposes to utilize the property as parking for their adjacent business at 8900 Puritan. Currently, the property is within a B2 zoning district (Local Business and Residential District). LEO'S REAL ESTATE #3, L.L.C. proposed use of the Property shall be consistent with the allowable uses for which the Property is zoned.

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD, or his or her authorized designee to execute a quit claim deed and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to LEO'S REAL ESTATE #3, L.L.C..

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor's Office

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 8942 Puritan, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to LEO'S REAL ESTATE #3, L.L.C. (the "Purchaser") for the purchase price of Sixty Three Thousand Six Hundred 00/100 Dollars (\$63,600.00).

RESOLVED, that the Director of the Planning and Development Department, or his or her authorized designee, is authorized to execute a quit claim deed and other such documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) Three Thousand Eight Hundred Sixteen and 00/100 Dollars (\$3,816.00) shall be paid to the DBA from the sale proceeds, 2) Three Thousand One Hundred Eighty 00/100 Dollars (\$3,180.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the P&DD Director, or his or her authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his or her authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTION

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

N PURITAN LOTS 56 THRU 60 PURITAN HEIGHTS SUB L34 P60 PLATS, W C R 16/302
106 X 100

a/k/a 8942 Puritan
Tax Parcel ID 16007746.

Description Correct
Engineer of Surveys

By: _____
Basil Sarim, P.S.
Professional Surveyor
City of Detroit/DPW, CED



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

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January 7, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Property Sale
2915 Drexel, 13111 Charlevoix and 2908 Lenox, Detroit MI 48215**

Honorable City Council:

The City of Detroit, Planning and Development Department (“P&DD”) has received an offer from Tracie Rance (the “Purchaser”), to purchase certain City-owned real properties at 2915 Drexel, 1311 Charlevoix and 2908 Lenox (the “Property”) for the purchase price of Ten Thousand Eight Hundred Thirty and 00/100 Dollars (\$10,830.00).

Tracie Rance proposes to utilize the vacant lots and green space and parking for her adjacent building at 13143 Charlevoix. Currently, the property is within a B4 zoning district (General Business District). Tracie Rance proposed use of the Property shall be consistent with the allowable uses for which the Property is zoned.

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD, or his or her authorized designee to execute a quit claim deed and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to Tracie Rance.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor’s Office

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 2915 Drexel, 13111 Charlevoix and 2908 Lenox, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to Tracie Rance (the "Purchaser") for the purchase price of Ten Thousand Eight Hundred Thirty and 00/100 Dollars (\$10,830.00).

RESOLVED, that the Director of the Planning and Development Department, or his or her authorized designee, is authorized to execute a quit claim deed and other such documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) shall be paid to the DBA from the sale proceeds, 2) Five Hundred Forty Two and 00/100 Dollars (\$542.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the P&DD Director, or his or her authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his or her authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTION

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

Parcel 1

✓ W DREXEL S 20 FT LOT 173 N 20 FT LOT 174 BLK 3-JEFFERSON & MACK AVE SUB L18 P75 PLATS, W C R 21/309 40 X 108.42A

a/k/a **2915 Drexel**
Tax Parcel ID 21050933.

Parcel 2

✓ N CHARLEVOIX LOT 60 BLK 3 JEFFERSON & MACK AVE SUB L18 P75 PLATS, W C R 21/309 108.54 IRREG

a/k/a **13111 Charlevoix**
Tax Parcel ID 21000951.

Parcel 3

✓ E LENOX LOT 61 BLK 3-JEFFERSON & MACK AVE SUB L18 P75 PLATS, W C R 21/309 30 X 108.45A

a/k/a **2908 Lenox**
Tax Parcel ID 21049686.

Description Correct
Engineer of Surveys

By: 

Basil Sarim, P.S.
Professional Surveyor
City of Detroit/DPW, CED

Map 63



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

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CITY CLERK 2020 JAN 29 AM 10:40

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE SUITE 808
DETROIT, MICHIGAN 48226
(313) 224-1339 • TTY:711
(313) 224-1310
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January 7, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Property Sale
19159 John R, Detroit, Michigan 48203**

Honorable City Council:

The City of Detroit, Planning and Development Department (“P&DD”) has received an offer from Arab American and Chaldean Council (the “Purchaser”), to purchase certain City-owned real property at 19159 John R (the “Property”) for the purchase price of Seventy Thousand and 00/100 Dollars (\$70,000.00).

Arab American and Chaldean Council proposes to utilize the property as green space for their adjacent youth recreation and leadership center. Currently, the property is within a M4 zoning district (Intensive Industrial District). Arab American and Chaldean Council proposed use of the Property shall be consistent with the allowable uses for which the Property is zoned.

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD, or his or her authorized designee to execute a quit claim deed and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to Arab American and Chaldean Council.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor's Office

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 19159 John R, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to Arab American and Chaldean Council (the "Purchaser") for the purchase price of Seventy Thousand and 00/100 Dollars (\$70,000.00).

RESOLVED, that the Director of the Planning and Development Department, or his or her authorized designee, is authorized to execute a quit claim deed and other such documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) Four Thousand Two Hundred and 00/100 Dollars (\$4,200.00) shall be paid to the DBA from the sale proceeds, 2) Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the P&DD Director, or his or her authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his or her authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

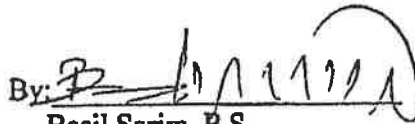
EXHIBIT A

LEGAL DESCRIPTION

Land in the City of Detroit, County of Wayne and State of Michigan being W JOHN R S 382.10 FT ON W LINE, B G S 381.54 FT ON E LINE EXC S 117.10 FT LYG N & ADJ SEVEN MILE RD W & ADJ JOHN R AVE E & ADJ LINDALE PARK SUB S E 1/4 OF SEC 2 T 1 S R 11 E 1/-- 78,110 SQ FT

A/K/A 19159 John R 370
Ward 01 Item No. 008928.002

Description Correct
Engineer of Surveys

By: 
Basil Sarim, P.S.
Professional Surveyor
City of Detroit/DPW, CED



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

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January 23, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Correction (Legal Description) - Property Sale
In the General Area of 1544 Mack, Detroit, MI 48207**

Honorable City Council:

The City of Detroit, Planning and Development Department has received an offer from Gojcaj & Gojcaj LLC (the "Purchaser), whose address is 39742 Moriah, Sterling Heights, MI 48313 to purchase certain City-owned real property, specifically described in Exhibit A, in the general area of 1544 Mack, Detroit, MI (the "Property"). Under the terms of the proposed sale, the property will be conveyed to the purchaser for the purchase price of One Thousand and 00/100 Dollars (\$1,000.00).

The Purchaser operates the Louie's Ham and Corned Beef Shop, which is located at 3570 Riopelle, on the parcel adjacent to the Property. The Purchaser has operated the deli and restaurant for nearly twenty years at this location. Recently, while in the process of attempting to obtain a bank loan, it was determined that they did not own all of the requisite parcels to qualify for the loan.

On November 26, 2019, your Honorable Body authorized the sale of property in the general area of 3570 Riopelle to Gojcaj & Gocaj LLC. It has come to our attention that the legal description in the sales resolution was stated incorrectly and issued in error.

Nearly twenty years ago, following the widening of Mack Avenue, the City did not vacate, split, and combine all of the adjacent parcels properly, which left multiple parcels and alleys unaddressed or unoccupied. As a result the deli and restaurant was developed partially on City-owned property. This included a non-vacated alley running through the Purchaser's dining room. At this time, the city has completed the process of properly splitting and combining its respective parcels, properly vacating the necessary alleys, and has reached an agreement with the Purchaser for the newly created parcel which abuts Mack Avenue.

Currently, the property is within an M3 zoning district (General Industrial District). The purchaser's proposed use of the property shall be consistent with the allowable uses for which the property is zoned.



We request that your Honorable Body adopt the attached resolution to authorize an amendment to the sale resolution to reflect the correct legal description for sale.

Respectfully submitted,

A handwritten signature in cursive script, reading "Katharine G. Trudeau".

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor's Office



RESOLUTION

BY COUNCIL MEMBER: _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property in the general area of 1544 Mack, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to Gojcaj & Gojcaj LLC (the "Purchaser") for the purchase price of One Thousand and 00/100 Dollars (\$1,000.00); and be it further

RESOLVED, that the Director of the Planning and Development Department, or his authorized designee, is authorized to execute a quit claim deed and such other documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further; and be it further

RESOLVED, that the P&DD Director, or his authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTIONS

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

Parcel 1

S MACK PART OF LOTS 38, 39 AND 40, AND HALF VAC ALLEY ADJ PLAT OF PT OF DEQUINDRE FARM L53 P195 DEEDS, W C R 7/35; DESC AS: COMM AT E LINE RIOPELLE AVE (43.81 FT WD) N LINE HALE ST (40 FT WD) TH N 62D 54M 57S E 109.50 FT TH N 27D 02M 50S W 120.00 FT TH N 62D 54M 57S E 64.91 FT TO POB TH N 27D 02M 50S W 29.90 FT TH N 62D 54M 57S E 124.83 FT TH S 27D 02M 50S E 29.90 FT TH S 62D 54M 57S W 124.83 FT TO POB, 0.086 AC

1544 Mack

Tax ID: 07000999.001



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT



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January 21, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Correction (Legal Description) - Property Sale
In the General Area of 1556 Mack, Detroit, MI 48207**

Honorable City Council:

The City of Detroit, Planning and Development Department has received an offer from Market Properties, L.L.C. (the "Purchaser"), whose address is 21959 Siegal Dr., Novi, MI 48375 to purchase certain City-owned real property, specifically described in Exhibit A, in the general area of 1556 Mack, Detroit, MI (the "Property"). The P&DD entered into a purchase agreement, dated January 21, 2020, with the Purchaser. Under the terms of the proposed Purchase Agreement, the property will be conveyed to the purchaser for the purchase price of One Thousand and 00/100 Dollars (\$1,000.00).

The Purchaser operates Wigley's Corned Beef, which is located at 1537 Hale Street, on the parcel adjacent to the Property. The Purchaser has operated their Market in Eastern Market since 1924. Recently, while in the process of attempting to obtain a bank loan, it was determined that they did not own all of the requisite parcels to qualify for the loan.

On November 26, 2019, your Honorable Body authorized the sale of property in the general area of 1532 Mack to Market Properties, L.L.C. It has come to our attention that the legal description in the sales resolution was stated incorrectly and issued in error.

Nearly twenty years ago, following the widening of Mack Avenue, the City did not vacate, split, and combine all of the adjacent parcels properly. As a result the deli and restaurant was developed partially on City-owned property. This included a non-vacated alley running through the Purchaser's dining room. The city has completed the process of properly splitting and combining its respective parcels, properly vacating the necessary alleys, and has reached an agreement with the Purchaser for the newly created parcel.

Currently, the property is within an M3 zoning district (General Industrial District). The purchaser's proposed use of the property shall be consistent with the allowable uses for which the property is zoned.



We request that your Honorable Body adopt the attached resolution to authorize an amendment to the sale resolution to reflect the correct legal description for sale.

Respectfully submitted,

A handwritten signature in cursive script that reads "Katharine G. Trudeau". The signature is fluid and matches the typed name below it.

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor's Office



RESOLUTION

BY COUNCIL MEMBER: _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property in the general area of 1556 Mack, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to Market Properties, L.L.C. (the "Purchaser) for the purchase price of One Thousand and 00/100 Dollars (\$1,000.00); and be it further

RESOLVED, that the Director of the Planning and Development Department, or his authorized designee, is authorized to execute a quit claim deed and such other documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further; and be it further

RESOLVED, that the P&DD Director, or his authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTIONS

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

Parcel 1

S MACK PART OF LOT 34 AND HALF VAC ALLEY ADJ F J B CRANES SUB L53 P346 DEEDS, W C R 7/34 AND PART OF 40 AND HALF VAC ALLEY ADJ PLAT OF PT OF DEQUINDRE FARM L53 P195 DEEDS, W C R 7/35; DESC AS: COMM AT E LINE RIOPELLE AVE (43.81 FT WD) N LINE HALE ST (40 FT WD) TH N 62D 54M 57S E 109.50 FT TH N 27D 02M 50S W 120.00 FT TO POB TH N 27D 02M 50S W 29.90 FT TH N 62D 54M 57S E 64.91 FT TH S 27D 02M 50S E 29.90 FT TH S 62D 54M 57S W 64.91 TO POB, 0.045 AC

1556 Mack Avenue

Tax ID: 07000999.000



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

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2 WOODWARD AVENUE SUITE 808
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January 21, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Second Amended and Restated Memorandum of Understanding
City of Detroit and Detroit Land Bank Authority**

Honorable City Council:

The City of Detroit ("City") has engaged the Detroit Land Bank Authority ("DLBA") to perform certain services for the City, which the DLBA is well suited to address by its structure and powers granted under Public Act 258 of 2003, to meet the evolving needs of the City and its residents in stabilizing Detroit neighborhoods, addressing challenging market failures, fighting blight and promoting economic growth. To define the scope and manner of the services, the City and DLBA entered into that certain Memorandum of Understanding dated March 14, 2014 that was amended and restated by a First Amended and Restated Memorandum of Understanding approved by Detroit City Council on May 5, 2015 (the "MOU").

The City and DLBA now wish to further amend the MOU with a Second Amended and Restated Memorandum of Understanding to extend the term of the MOU and recognize certain updated DLBA programs and policies that will assist the City in managing its surplus residential real estate portfolio. Among the updated programs and policies are: (1) providing a DLBA liaison for direct communications with City Council Members and their staff, (2) providing for at least two community meetings per City Council Member per year and (3) providing certain land sale discount and disposition programs and strategies. The extension of the term shall be to December 19, 2023, which is the current termination date of the Intergovernmental Agreement between the City of Detroit, DLBA, and the Michigan Land Bank Fast Track Authority. As the end of that term approaches, the City will work with the DLBA to reevaluate its services to the City and define its future role.

For reasons stated above, we hereby request that your Honorable Body adopt the attached resolution that approves the Second Amended and Restated Memorandum of Understanding.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor's Office

RESOLUTION

BY COUNCIL MEMBER: _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves that certain Second Amended and Restated Memorandum of Understanding by and between the City of Detroit (“City”) and the Detroit Land Bank Authority (“DLBA”) that is attached hereto and incorporated herein as Exhibit A (the “MOU”); and be it further

RESOLVED, that the Mayor, or his authorized designee, is authorized to execute the MOU on behalf of the City; and be it further

RESOLVED, that the City’s Chief Financial Officer be and is hereby authorized to increase the necessary accounts and honor expenditures, vouchers and payrolls when presented in accordance with this resolution and the MOU; and be it finally

RESOLVED, that the MOU will be considered confirmed when executed by the Mayor, or his authorized designee, and the Chief Procurement Officer, and approved by the Corporation Counsel as to form.

(See attached Exhibit A)

EXHIBIT A

**SECOND AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING**

**SECOND AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING**

**Between the City of Detroit and the
Detroit Land Bank Authority**

This Second Amended and Restated Memorandum of Understanding (this “MOU”) is entered into this ____ day of _____, 2020 (the “Effective Date”) between the City of Detroit (the “City”) and the Detroit Land Bank Authority (the “Detroit Land Bank”). The City and the Detroit Land Bank are referred to from time to time in this MOU individually as a “Party” and together as the “Parties.”

WITNESSETH:

WHEREAS, the Detroit Land Bank was created by the City and the Michigan Land Bank Fast Track Authority (the “State Authority”) pursuant to that certain Intergovernmental Agreement dated September 15, 2008, as amended and restated from time to time, by and between the City and the State Authority (the “Intergovernmental Agreement”) to provide a separate authority to acquire, develop and re-sell land located in the City of Detroit in accordance with Public Act 258 of 2003 (the “Act”). The current organizational structure of the Detroit Land Bank is attached hereto as Exhibit A; and

WHEREAS, the Detroit Land Bank is governed by a Board of Directors consisting of five Directors, four of which are appointed by the Mayor of the City subject to the timely approval of City Council and one by the Michigan State Housing Development Authority; and

WHEREAS, the City has previously determined that the City’s endemic blight creates a public nuisance and constitutes a Blight Emergency; and

WHEREAS, the Detroit Land Bank is well suited by its structure and powers granted under the Act to remain nimble to meet the evolving needs of the City and its residents by adjusting current programs, or creating new ones, to encourage home ownership in Detroit, help stabilize Detroit neighborhoods, address challenging market failures, fight blight and promote economic growth and entrepreneurship (the “DLBA Programs”). A current list and brief description of certain significant DLBA Programs are attached hereto as Exhibit B; and

WHEREAS, the Detroit Land Bank is ideally situated to dispose of property due to its special powers granted under the Act that allow the Detroit Land Bank to expedite the clearing of title and negotiate sales in order to return land to the City’s tax rolls in a responsible and expeditious manner; and

WHEREAS, the City wishes to engage the Detroit Land Bank and the Detroit Land Bank wishes to perform certain work under certain DLBA Programs that serve and enhance the policies of the City and help to eliminate blight in Detroit in exchange for the City providing certain supplemental funding to the Detroit Land Bank; and

WHEREAS, the City and Detroit Land Bank entered into that certain Memorandum of Understanding dated March 14, 2014 (“Original MOU”) that was amended and restated by a First Amended and Restated Memorandum of Understanding (the “First Restated MOU”) approved by Detroit City Council on May 5, 2015 to accomplish such wishes of the Parties; and

WHEREAS, the purpose of this MOU is to amend and restate the Original MOU and First Restated MOU such that this MOU shall serve as an enforceable contract that defines the scope and manner of certain services to be provided to the City by the Detroit Land Bank; and

NOW THEREFORE, in consideration of the mutual undertakings of the Parties, each of which agrees to be bound by the terms and subject to the conditions set forth herein, it is hereby agreed as follows:

1. Incorporation of Recitals. The foregoing recitals are incorporated herein as terms of this MOU as though fully restated in this Paragraph 1.
2. Restatement. The Original MOU and First Restated MOU are hereby amended and restated in their entirety by this MOU and this MOU shall supersede and replace both the Original MOU and First Restated MOU in all respects.
3. Term. The term of this MOU shall commence on March 14, 2014 and shall expire on December 19, 2023 which is the current termination date of the Intergovernmental Agreement. The Detroit Land Bank expects that by this date it will have completed its work with respect to demolitions funded by the Hardest Hit Funds, made an effort to sell every saleable structure in its inventory through one of its sales programs, and adopted and implemented one or more policies to sell its inventory of vacant land. With these goals achieved or exceeded, the Parties believe that it would be appropriate no later than this date to have discussed the Detroit Land Bank’s future role.
4. The Detroit Land Bank Duties. The Detroit Land Bank is responsible for performing the following under this MOU:
 - a. *City Council Liaison*. The Detroit Land Bank will provide a liaison for direct communications with Detroit City Council Members and their staff.
 - b. *Community Engagement*.
 - i. At the invitation of a Detroit City Council Member, the Detroit Land Bank will participate in at least two (2) community meetings for each Detroit City Council Member per year.
 - ii. The Detroit Land Bank will continue to provide a multilingual call center and multilingual lobby services open to the public.
 - c. *Reporting*. The Detroit Land Bank agrees to continue to provide the City quarterly written summaries of the work performed by the Detroit Land Bank in conducting

its DLBA Programs, the most recent quarterly summary is attached hereto as Exhibit C.

- d. *Property Database.* The Detroit Land Bank shall operate and maintain an Inventory Management system that includes a property database (the "Database") that has both a physical component of maintenance as well as a clerical or administrative component of identifying and removing issues preventing property from being returned to productive use. Additionally, the Detroit Land Bank shall work cooperatively with the City, including providing the City certain access to the Database, to track through the Database public ownership of properties and the City's sales and demolition of real property.
- e. *Nuisance Abatement Program.* On February 18, 2014, City Council adopted a resolution that authorizes the Detroit Land Bank to exercise the power to abate public nuisances by pursuing any action legally available ("Nuisance Proceedings"). Furthermore, such resolution provides that in the event the outcome of any such Nuisance Proceeding is in favor of the Detroit Land Bank, title to the subject property shall vest with the Detroit Land Bank. The Detroit Land Bank shall continue to be responsible for the maintenance and upkeep of any properties it takes title to pursuant to any Nuisance Proceedings, subject to available funding.

In furtherance of the Nuisance Proceedings, the City was required to deposit Two Million and 00/100 Dollars (\$2,000,000.00) into a designated "Title Insurance Escrow Account" in December 2017 to be used to address third party claims related to any Nuisance Proceedings. The City hereby ratifies the prior creation, expenditures and agreements for such account and authorizes the City's Chief Financial Officer to enter into and execute any and all agreements and escrow documents and authorize disbursements that are necessary or convenient to administer the Title Insurance Escrow Account.

- f. *HHF Demolition Program.* As part of the DLBA Programs, the Detroit Land Bank shall be responsible for operating and administering a demolition program (the "Demolition Program"). Demolition has proven to be a necessity for some of the long-deteriorated housing stock acquired by the Detroit Land Bank from the City and other sources.

The Detroit Land Bank's Demolition Program shall be responsible for the administration of Federal Hardest Hit Funds (the "HHF") for use in demolishing properties in the City. The Detroit Land Bank anticipates that (a) no later than December 31, 2020 all demolition activity related to this program will be complete; and (b) the Demolition Advance Fund (as defined below) will be repaid in full no later than forty-five (45) business days after the Detroit Land Bank receives the final disbursement of HHF funding from the Michigan State Housing Development Authority ("MSHDA"). HHF has a limit of \$25,000 per property. In order to remove dangerous buildings that threaten public health and safety, the demolition of which may exceed such HHF per property limit, the City is hereby authorized to

pay the Detroit Land Bank, as further conditioned below, to cover the difference in demolition related costs above the HHF limit. In order to be paid for such costs, the City's Chief Financial Officer must grant approval to the Detroit Land Bank and the Detroit Land Bank shall provide the City's Chief Financial Officer with invoices and supporting documentation in a form and manner acceptable to the City's Chief Financial Officer.

- g. *Non-HHF Demolitions.* The City currently performs demolition of certain structures located on Detroit Land Bank property and, after completion of HHF demolitions, the demolition of structures located on Detroit Land Bank property will continue to be performed by the City. Unless the Parties agree otherwise, the Detroit Land Bank will survey all such structures and identify certain of them for demolition. The City will have full responsibility for the prioritization, administration, performance, property clean up and all related expenses in connection with all such demolition activity.
- h. *Disposition Programs.* The Detroit Land Bank will continue to implement its land disposition programs which are aimed at encouraging homeownership, occupancy, responsibility for vacant property, and increasing the City's tax base. Examples of disposition programs to date include the BuildingDetroit.org auction programs, the Side Lot Sales, and the Community Partnership Program for nonprofit and faith-based organizations as further described in the attached Exhibit B.
- i. *Development Projects.* At the request of the City, the Detroit Land Bank will endeavor to assist in real estate development projects and opportunities.
- j. *Approval for Property Sales.* For any real property that is received by the Detroit Land Bank from the City, the Detroit Land Bank shall seek the approval of the Mayor and City Council prior to the subsequent transfer of ten (10) or more of such parcels to the same transferee within any rolling 12-month period.
- k. *Compliance with Land Use Plans.* The Detroit Land Bank shall adhere to the City's Zoning Ordinance and any other land use ordinances and strategies adopted by the City.
- l. *City Development Agreements.* As directed by the City's Planning & Development Department, the Detroit Land Bank shall continue to abide by any other contracts previously entered into by the City's Planning & Development Department for any parcels subsequently acquired by the Detroit Land Bank from the City.
- m. *Land Trusts.* The Detroit Land Bank will endeavor to assist in the sale or lease of land for City sponsored land trusts or cooperatives, should the City adopt such a policy.
- n. *Side Lots.* The Detroit Land Bank will offer its side lots ("Side Lots") for sale at the purchase price of One Hundred and 00/100 Dollars (\$100.00) each. The Detroit

Land Bank will seek the approval of City Council prior to increasing such purchase price for Side Lots.

- o. *Vacant Land Policies.* The Detroit Land Bank will adopt one or more vacant land policies that will provide transparent methods for the disposition of vacant lots currently in its inventory as well as any that come into its inventory in the future. This will include, among other things, offering vacant parcels for sale or lease for urban agricultural use, and for sale in connection with job creation projects, new construction residential infill projects and to nearby residents.
 - p. *Policies Facilitating Land Sales.* The Detroit Land Bank will evaluate programs suggested by the City and will also recommend new programs that will facilitate the purchase of Detroit Land Bank property by Detroiters. Such programs may include new discount programs and expanding the existing Building Block Program.
 - q. *Policy Availability on Website.* The Detroit Land Bank will provide on its website copies of its policies regarding land sales (both vacant and with structures) in a manner that is transparent and accessible to the public.
 - r. *Other Blight Remediation Services.* In addition to the services set forth in this MOU, the Detroit Land Bank shall also provide the City with mutually agreed upon services and/or activities necessary or convenient to the City to address blight remediation (“Blight Services”) in Detroit. These services may include, but are not limited to, renovation of structures, nonstructural blight removal and cleaning title. Any such Blight Services shall require the prior approval of the City’s Chief Financial Officer and shall be disclosed to City Council prior to disbursement.
5. The City Duties. The City is responsible for performing the following under this MOU:
- a. *City Payments.*
 - i. For each respective City of Detroit fiscal year budget of this MOU, City Council will approve an annual budget allocation to the Detroit Land Bank to fund in-part its obligations under this MOU and to support other Detroit Land Bank operations.
 - ii. Any payments in excess of the annual allocation made by the City to the Detroit Land Bank will be in such amounts as are approved by the City Council for blight remediation services and any other relevant services.
 - b. *Demolition Advance Fund.* On March 10, 2015, City Council adopted a resolution that authorized the City, with the approval of the City’s Chief Financial Officer, to create a Demolition Advance Fund for the Detroit Land Bank in an amount not to exceed of Twenty Million and 00/100 Dollars (\$20,000,000.00) (the “Demolition Advance Fund”).

In recognition of the significant delays by MSHDA in providing reimbursement to the Detroit Land Bank for demolition costs funded by HHF under the Detroit Land Bank's Demolition Program, the City created the Demolition Advance Fund to help make it possible for the Detroit Land Bank to make timely payments to contractors that are performing demolition work under the Demolition Program to avoid potential shut-downs or substantial delays in the Demolition Program. The Demolition Advance Fund allows the Detroit Land Bank to receive from the City not more than \$20 million in outstanding advances at any time, which advances can be utilized by the Detroit Land Bank solely for cash flow to make payments to third parties, providing demolition related contract services under the HHF Demolition Program, and which advances shall be repaid by the Detroit Land Bank within forty-five (45) business days of receiving the final disbursement of HHF dollars from MSHDA.

- c. *Providing City Services.* In recognition of the City's buying power and economies of scale, the City shall provide the Detroit Land Bank use of the services of certain City departments in an effort to reduce the overall cost of public expenditures. Such use of services of certain City departments may include, but is not limited to: (1) utilization of the City's experience and capacity to monitor demolition contracts; and (2) partnership with the City's General Services Department for maintenance of certain properties in the City.
 - d. *Promoting Events.* The City will assist the Detroit Land Bank in efforts to increase awareness of Detroit Land Bank programs and to encourage attendance at its events that are open to the public, such as the City's Department of Neighborhoods promoting the Detroit Land Bank's Building Block events and open houses for Auction and Rehabbed & Ready homes.
 - e. *Lis Pendens Release.* In support of the Detroit Land Bank's efforts to clear title of abandoned properties to return them to a productive reuse that generates tax revenue for the City, the City hereby discharges and releases any and all lis pendens that were executed by the City's Buildings, Safety Engineering & Environmental Department against properties associated with the Detroit Land Bank. The City hereby authorizes the Detroit Land Bank to record an instrument with the Wayne County Register of Deeds to evidence such discharges and releases approved by this MOU. Any such instrument shall be in a standardized form that is approved by the City's Law Department.
6. Property Transfers. The Parties acknowledge that the City has consolidated the public ownership of certain residential parcels of real property through prior transfers authorized by the Original MOU, the First Restated MOU and multiple City Council resolutions authorizing the transfer of such parcels to the Detroit Land Bank for resale to reduce blight in the City and strengthen and revitalize the economy of the City. Consistent with this effort, the City's Planning & Development Department will continue to transfer property to the Detroit Land Bank as appropriate.

7. Invoicing Requirements. On a periodic basis, no more often than monthly, the Detroit Land Bank Authority shall provide invoices and supporting documentation in a form and manner reasonably acceptable to the City's Chief Financial Officer for payments due to the Detroit Land Bank as provided for in this MOU.
8. Audits, Monitoring, Record Keeping and Reports. The Detroit Land Bank shall make available all books, documents, papers, records (herein collectively called "Records") and project sites directly pertinent to this MOU for monitoring, audits, inspections, examinations and making excerpts and transcriptions by the City (including the City's Auditor General), MSHDA, the U.S. Department of Housing and Urban Development, and the Comptroller General of the United States, at all reasonable times. The Detroit Land Bank shall make available all such Records—for itself, its demolition contractors, and, moving forward, for any new contractors and subcontractors—in their entirety, including all identifying labels and case names, with no deletions, for all such monitoring, audits, inspections, examinations, and making of excerpts and transcriptions. The Detroit Land Bank shall keep full and complete records documenting all services performed under this MOU including, but not limited to, records of all activities performed pursuant to this MOU and all financial records associated therewith. The Detroit Land Bank shall provide the City with monitoring access to the site of any demolition performed hereunder. All financial Records pertinent to this MOU shall be kept in accordance with generally accepted accounting practices. The Detroit Land Bank shall keep a property inventory for all property received in whole or in part from the City of Detroit, consistent with all Federal property management requirements. The Detroit Land Bank shall implement a process for expedited provision of or access to its Records at the request of the City's Chief Financial Officer or Corporate Counsel.
9. Demolition Insurance. The Detroit Land Bank represents and warrants that it is and will continue to be an additional insured under the insurance coverage that is required to be provided under all of the contracts for demolition entered into for the Demolition Program with the use of HHF. The City represents and warrants that it will cause the Detroit Land Bank to be an additional insured under the insurance coverage that is required to be provided by City contractors under all of the City contracts for demolition occurring on Detroit Land Bank property.
10. Confirmation and Ratification. All prior actions by the City authorized by the Original MOU and First Restated MOU, including transfers of property, are hereby ratified and confirmed approved by this MOU.
11. Amendments. Any change, modification or amendment of this MOU (an "Amendment"), must be in writing, signed by authorized representatives of the parties hereto and approved in accordance with Paragraph 12 below.
12. Conditions to Effectiveness. This MOU shall not be effective, nor shall any Amendment be effective until all of the following occur:

- a. It has been approved by the City's Mayor and the City Council; and
- b. It has been approved by the Board of Directors of the Detroit Land Bank.

[Signatures contained on the following page]

The City and Detroit Land Bank, by and through their authorized officers and representatives, have executed this MOU as follows:

CITY OF DETROIT

BY: _____

Print: Michael E. Duggan

ITS: Mayor

DETROIT LAND BANK AUTHORITY

BY: _____

Print: Saskia Thompson

ITS: Executive Director

Approved by Detroit City Council on:

Chief Procurement Officer

Approved as to form in accordance with § 7.5-206 of the 2012 City of Detroit Charter.

Approved by the Finance Director in accordance with § 17-5-4 of the Detroit City Code.

Supervising Assistant Corporation Counsel

Finance Director

THIS MOU IS NOT VALID OR AUTHORIZED UNTIL APPROVED BY THE DETROIT CITY COUNCIL AND SIGNED BY THE CHIEF PROCUREMENT OFFICER.

EXHIBIT A
DETROIT LAND BANK ORGANIZATION CHART

[see attached document]

Detroit Land Bank Authority Organizational Chart

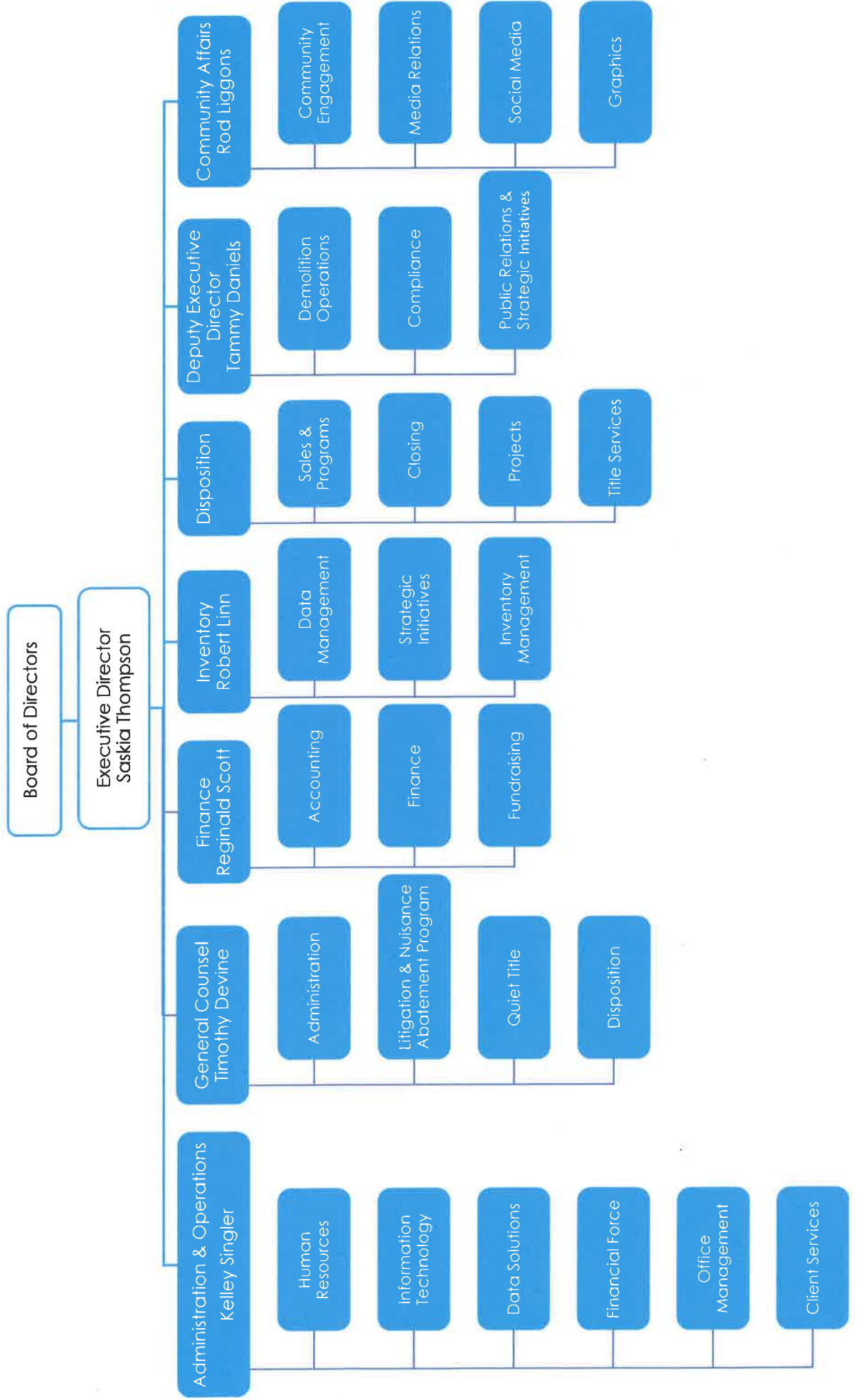


EXHIBIT B
DETROIT LAND BANK PROGRAMS

Nuisance Proceedings and Blight Abatement:	The DLBA’s Legal Department administers Nuisance Proceedings and Blight Abatement programs and will endeavor to develop new legal theories, claims and actions that will support the DLBA’s other blight abatement programs. Two of the existing programs are the Nuisance Abatement Program (NAP) and the Drug House Program. NAP identifies blighted and abandoned property in areas of low vacancy and requests that the interest holders abate the nuisance within a specified time. If they fail to do so, they may lose their ownership rights to the property at a court hearing. The DLBA has a Compliance team that is responsible for ensuring that property owners who enter into consent orders with the DLBA comply with their requirements.
Title Clearance:	The DLBA reviews title information on real property in its inventory and works with title companies to determine if the DLBA has clear title. When necessary, the DLBA performs quiet title actions pursuant to the special expedited quiet title powers granted Michigan land banks by statute.
Acquisition:	The DLBA’s Inventory Department oversees the acquisition of real property primarily by accepting transfers from other government agencies, but also through voluntary donations from financial institutions and private residents. Acquired properties are reviewed in order to identify those that are ready for sale, those that require demolition and those that are in need of some additional activity (e.g. quiet title to clear liens).
Inventory Management:	In addition to acquisition, the Inventory Department manages the DLBA’s real property inventory using, among other tools, data analysis and pipeline management techniques, and is also responsible for property maintenance subject to City approval and available resources. The Department has other responsibilities, including support for all other DLBA programs with, among other things, data analysis and their ability to sort and map all of the DLBA property inventory.
Disposition:	<p>The DLBA’s Disposition Department manages the sale or other transfer of DLBA real property through a number of programs including the following</p> <ul style="list-style-type: none"> • Online Auction and Own-It-Now, • Nonprofit and Faith-based Community Partners, • Side Lot Sales, • Rehabbed and Ready, • Economic Development Projects, • Buy Back, and • Occupied Non-Profit. The Department will endeavor to develop new programs that may include sales of non-adjacent lots to residents, lease programs, and programs seeking to further address occupied properties. The DLBA Compliance team is responsible for ensuring

	that purchasers of property from the DLBA who enter into agreements containing renovation or development requirements do, in fact, comply with those requirements.
Discount Programs:	The DLBA offers discounts to certain purchasers of its properties including discounts to entities that qualify as DLBA Community Partners and discounts designed to encourage home ownership among individuals already connected to the City of Detroit. Among the latter, the DLBA currently offers a 50% discount to City of Detroit employees and to educators working in the City on properties purchased in the DLBA's Auction Program. The City employee discount extends to contractual employees, retirees and their immediately family members. The educator discount is offered to full-time educators and support staff. The skilled trade employment program discount offers a 50% discount to members of trade union locals that participate in the City's Skilled Trade Employment Program. The DLBA also offers a 20% discount to buyers who prior to bidding complete a designated homebuyer counseling course. As with all DLBA discount programs, these discounts are subject to change.
Demolition Programs:	In partnership with the Mayor's Office, City Council and the Detroit Building Authority, the DLBA's Demolition Department reduces blight primarily in highly populated/high density areas, radial thoroughfares and commercial corridors throughout the City. The majority of demolition projects are funded with money provided by the federal government's Hardest Hit Fund which is funded under the TARP program.
Community Relations and Outreach Efforts:	The DLBA's Community Affairs Department handles client communication by responding to resident inquiries. They also promote the DLBA's programs and educate the citizens of Detroit about the DLBA through proactive engagement of local media outlets as well as social media channels. The Department is also responsible for community outreach activities including attendance at public meetings and open houses.

EXHIBIT C
QUARTERLY SUMMARY REPORT

[see attached document]

CITY COUNCIL QUARTERLY REPORT



DETROIT LAND BANK AUTHORITY



A Continued Partnership Focused on Visibility & Accessibility to the Community

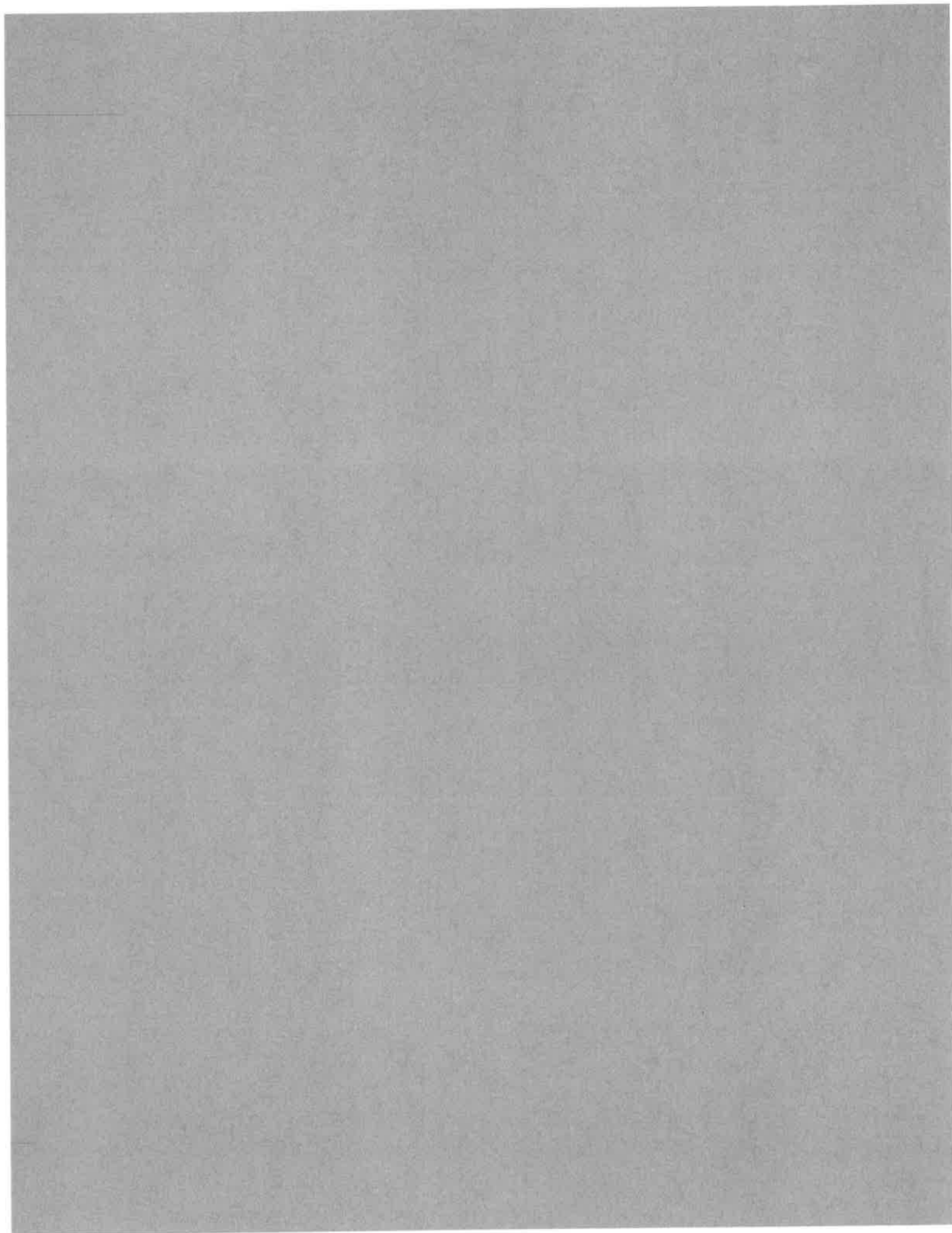




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CITY COUNCIL QUARTERLY REPORT

Q2 FY 2020

January 15, 2019

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

Subject: City Council Quarterly Report, 2nd Quarter FY 2020, Detroit Land Bank Authority

Dear Council President Jones:

I am pleased to submit this quarterly report on behalf of the Detroit Land Bank Authority (DLBA). The DLBA makes homeownership more accessible to people, especially Detroiters, often excluded from traditional real estate transactions. Our programs offer a strategic, multi-faceted approach to addressing residential blight across all seven Council districts. Each sale and demolition represent an investment into a Detroit neighborhood and a reduction in blight. Since 2014, the DLBA addressed a total of 36,630 properties through

Our sales programs could not be successful without the hard work and dedication of our buyers. We are proud that voluntary exit surveys show nearly 70% of our buyers are Detroit residents at the time of purchase, and more than 60% were renters before investing in their DLBA home. This quarter 219 Auction and Own It Now buyers completed renovations of their properties and exited our Compliance program. Since 2014, property owners rehabilitated 4,078 houses through Auction, Own It Now, Community Partners, and the Nuisance Abatement programs. Every renovation makes a noticeable impact on a block, which is why we focused on reorganizing our Compliance team and process this quarter. The changes will roll out over the next quarter and streamline operations and improve the experience for our buyers.

demolition or sale -- an estimated economic impact of \$548,656,637.25, more than half a billion dollars, to the City.

Own It Now sales continue to top Auction sales as our team pushes into emerging markets. The good news for residents is that neighborhoods that have not seen as much investment will start noticing sales and renovations in their communities. Building Blocks events are growing in popularity, connecting potential buyers with local organizations as well as

resources to make their property rehabilitations a success. With sales outpacing acquisitions, the DLBA's inventory is shrinking steadily, with 88,728 total parcels currently.

The DLBA remains committed to improving the quality of life for all Detroiters by advancing holistic blight remediation efforts in every city neighborhood.

Sincerely,



Saskia Thompson

Executive Director
Detroit Land Bank Authority



A Continued Partnership Focused on Visibility & Accessibility to the Community

DLBA

FAST FACTS

Q2 FY2020

SALES:

Structures:

Auction & OIN Sold: 629

Auction & OIN Closings: 652

Community Partner Sold: 42

Projects Sold: 62

Side Lots Sold: 769

Rehabbed & Ready Sold Since Inception: 69

INVENTORY:

Total properties: 88,698

Vacant land: 66,631

Structures: 22,061

- 21,403 residential
- 94 commercial
- 570 accessory

Side Lots for sale: 26, 321

COMMUNITY ENGAGEMENT:

Q1 community meetings: 52

Community emails answered: 790

Office walk-ins: 2,431

Client Services calls answered: 16,974

DEMOLITION:

400 properties under contract per month since restructuring procurement July 2018.

HHF reimbursed spending to date:

\$231,999,732.25

HHF total structures demolished and reimbursed to date 13,487:

- HHF1: 3,878
- HHF 2: 2,995
- HHF3: 1,465
- HHF 4: 2,339
- HHF 5: 2,810

HHF grant remaining: \$33,256,417.25

COMPLIANCE: (program to date):

All Programs (Auction, OIN, Community Partners & NAP)

- Currently monitored: 4,131
- Achieved compliance: 4,078

KEY STATS:

- Economic value to Detroit's neighborhoods: **\$548,656,637.25**
- Total Side Lots sold: 14,065
- 8,352 total structure closings across all programs, including CP, Projects, BNP, Buy Back, etc.
- 22,417 total sales including all structures, lots and side lots

The DLBA has sold a total of **1,232 acres** of land as Side Lots in the City of Detroit.

This is equal to 1.25 times the size of Belle Isle!



Since July 1st 2019, The DLBA has removed debris/overgrowth at **1,302 properties**.

23,000 cubic yards of debris were removed during this time.



X 657

That's the equivalent of **657** standard size shipping containers.

DEPUTY EXECUTIVE DIRECTOR

TAMMY DANIELS

The Deputy Executive Director supports the Executive Director in the development and implementation of the Detroit Land Bank Authority's (DLBA) strategic initiatives and policies. Promoted from Demolition Director at the close of the fiscal year 2019, Tammy Daniels transitioned to Deputy Executive Director in the first quarter of the fiscal year 2020. The transition was the first step in a reorganization, instrumental to identifying critical areas for organizational growth and promoting best practices.

Under the new structure, the Deputy Executive Director oversees the following departments:

- Demolition
- Compliance
- Public Relations & Strategic Initiatives

DEMOLITION

The DLBA, in partnership with the Mayor's Office, City Council, and the Detroit Building Authority (DBA), continues to impact all Council districts through its various demolition programs. The DLBA gears its target demolitions within the federally designated HHF geographic boundaries toward reducing blight and spurring economic activity in these neighborhoods. The DLBA's strategic demolition efforts are complemented by strategic reinvestment and rehabilitation, leading to significant increases in property values across the city.

HARDEST HIT FUNDS

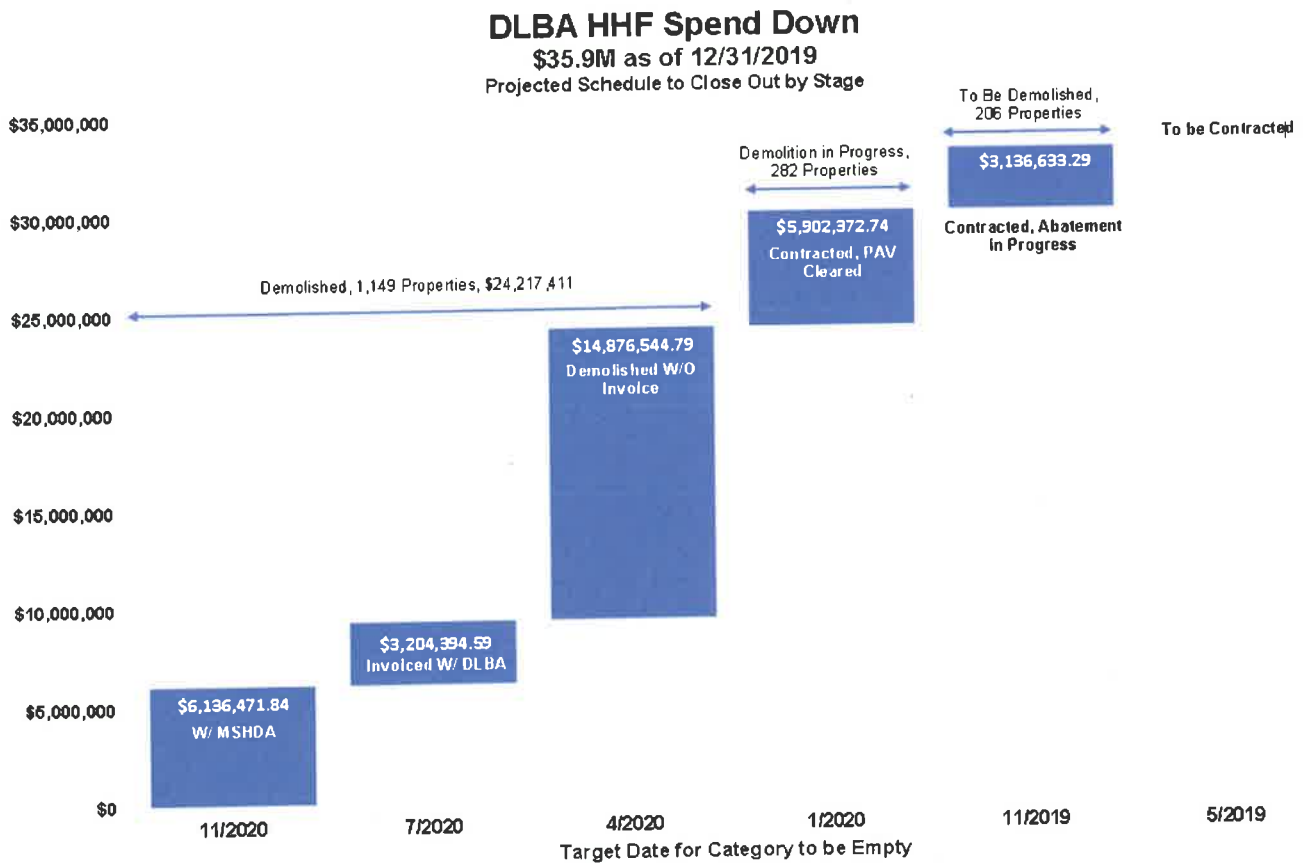
The federal Hardest Hit Fund (HHF) program administered by the DLBA is near completion, with all remaining funds now under contract and fewer than 500 structures slated to be torn down with HHF dollars. To date, MSHDA has reimbursed the DLBA \$231,999,732.25 for 13,487 demolitions across all five rounds of HHF.

As of the close of this reporting period, two rounds of HHF funding are currently open, as the DLBA successfully closed out HHF2 and HHF4 during the last reporting period.

MSHDA Grant Reimbursement Payments Received (Since 2014)

HHF ROUND	# PROPERTIES	FUNDED PROPERTIES	TOTAL REVISED GRANT	REIMBURSEMENT IN PROCESS	REMAINING FUNDS
HHF 1	3,878	\$61,554,129.50	\$62,752,307.64	\$852,705.25	\$1,198,178.59
HHF 2	2,995	\$51,189,750.53	\$51,193,132.61	\$0	\$0
HHF 3	1,465	\$21,249,169.99	\$21,255,638.25	\$0	\$0
HHF 4	2,339	\$41,913,118.63	\$41,901,646.00	\$0	\$0
HHF 5	2,810	\$56,093,564.05	\$88,153,425.00	\$8,418,468.27	\$32,059,860.95
TOTAL	13,487	\$231,999,732.25	\$265,256,149.50	\$9,296,133.99	\$33,256,417.25

	# PROPERTIES	INVOICE AMOUNT
REIMBURSEMENT TOTAL	13,487	\$231,999,732.25
TOTAL AWARD		\$258,653,459.00
TOTAL REFUNDS		\$6,602,690.50
REVISED TOTAL AWARD		\$265,256,149.50
REIMBURSEMENTS IN PROCESS		\$9,296,133.99
REMAINING FUNDS		\$33,059,860.95
GRANT USAGE %		87%



Please see the Hardest Hit Fund Program tab of www.buildingdetroit.org for a complete list of properties demolished and released to contractors. The DLBA continues to work diligently with the demolition contractors to ensure their invoices and supporting documents are correct, complete, and processed in a timely manner.

ONGOING INVESTIGATIONS

McDonagh

In February 2019, the Detroit Building Authority (DBA) the DLBA's HHF project manager received credible information that McDonagh Demolition foundation walls, slabs, and other demolition debris buried at multiple sites, in direct violation of their contractual obligations. The DLBA and DBA issued a Stop Work Order immediately and launched an internal investigation requiring McDonagh to verify all sites were properly excavated, debris removed, and backfilled. As of the date of this report, McDonagh has completed all the work necessary to close out its contracts and is currently submitting invoices accordingly.

City of Detroit Office of Inspector General: Third Party Air Monitoring Contractors

On August 9, 2019, the City of Detroit's Office of Inspector General (OIG) issued interim suspensions for BBEK Environmental, Green Way, HC Consultants and principals representing all three companies, for violations of MCL 338.3221 which requires air quality monitors be wholly independent and of abatement contractors. These suspensions have been extended to January 31, 2020.

On September 20, 2019, the OIG issued an interim suspension for Environmental Specialty Services (ESS) due to their alleged involvement in criminal activity related to the demolition program and the fact that asbestos abatement impacts the health and safety of Detroit residents. This suspension has been extended to January 8, 2020.

SIGTARP

On June 4, 2019, at the request of U.S. Representatives Brenda Lawrence and Rashida Talib, SIGTARP initiated an evaluation to update its review of technical and other requirements for demolitions in the HHF Blight Elimination Program in Michigan. SIGTARP, with the Army Corp of Engineers, continue to evaluate any ongoing and completed demolition activities in Detroit, analyzing demolitions in relation to industry best practices and safeguards to determine any program risks. As of the date of this report, the evaluation is in process.

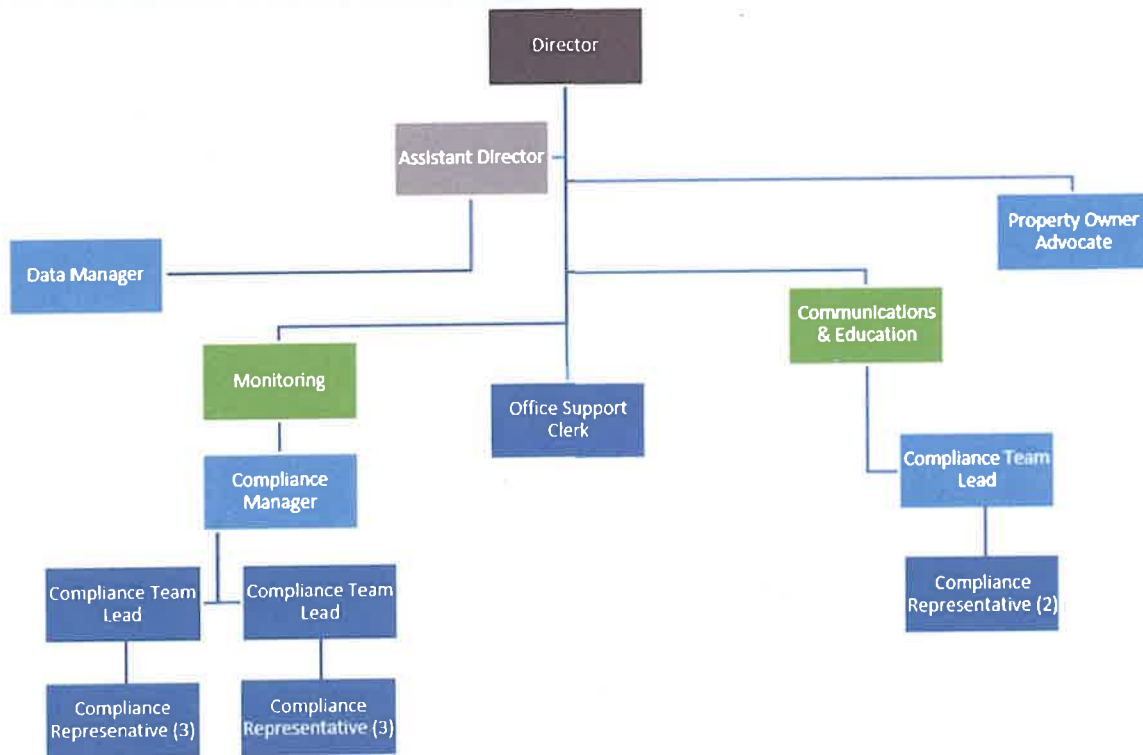
DEMOLITION ADVANCE FUND

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, while the DLBA awaits reimbursement payments from MSHDA. The DLBA in partnership with the Office of the CFO has been working to amend the Memorandum of Understanding with the City to ensure conformity with the City Council's Resolution that created the DAF. The amended agreement will be presented to City Council upon completion

As a result of the DLBA's efforts, working in conjunction with MSHDA and its City partners, more than 13,487 blighted structures were demolished with HHF money. The DLBA estimates demolition of an additional 1,500 structures with the remaining HHF allocation. Removal of these blighted structures from the City's landscape stabilizes neighborhoods and motivates the real estate market, both of which are crucial to the City's resurgence

COMPLIANCE

Last quarter, the Detroit Land Bank Authority transitioned its Compliance Team under the Deputy Executive Director’s oversight from the Legal Department. The move is part of a planned restructuring of the Compliance Team, which will establish revised internal operations, client communications, and requirements; improving DLBA-buyer experience and renovation success. During the last quarter, the organizational structure of the Compliance Team was completed updated, with the notable additional roles of Assistant Director, Property Owner Advocate, and a Data Manager. The DLBA is currently reviewing resumes for these key positions and expects to have them filled within the next quarter



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 Program 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. The Compliance team provides an automatic 90-day extension for properties located in a historic district or properties purchased in the winter.

The Sales Compliance reporting period begins on the date of closing when the property owner takes title to the property and obtains possession. At closing, 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. Achieving Sales Compliance involves an objective, three-part criteria including:

1. Obtaining the appropriate inspection from the City of Detroit’s Buildings, Safety, Engineering, and Environmental Department (BSEED)
2. Occupying the property
3. Exterior maintained – no boards, no blight.

The NAP Compliance program works with property owners who have entered into an agreement to avoid or stop litigation on properties identified as vacant, blighted, and a nuisance. The agreement outlines their responsibilities for rehabilitating or demolishing the property or selling it 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 DLBA attorneys for court action. To achieve NAP Compliance owners must demonstrate the property is no longer a nuisance to the residents and the neighborhoods evidenced by occupancy and exterior maintenance – no boards, no blight. After achieving NAP Compliance, 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	2019	2nd Quarter FY20 (10/1 - 12/31)	Program-to-Date	2019	2nd Quarter FY20 (10/1 - 12/31)	Program-to-Date	2019	2nd Quarter FY20 (10/1 - 12/31)	Program-to-Date	2019	2nd Quarter FY20 (10/1 - 12/31)
Currently Monitored	3420	2026	633	121	63	12	590	278	56	4131	2367	701
Compliance Achieved	2622	969	219	149	33	12	1307	185	43	4078	1187	274
*Closed Not Completed Compliance Obligations	530	109	6	59	1	0	689	396	23	1278	506	29

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



Before and After, Own It Now House on Evergreen

Employee Discount Agreements Currently Monitored (Showing Age of Agreement & Age of Delinquency)												
	Auction (All Properties)				Auction (With City Employee Discount)				Auction (With Educator Discount)			
Total Under Compliance	1109				241				23			
Total Across Age	220	325	374	190	33	82	78	48	7	8	6	2
Age of Agreement	<6 Mo.	.5-1 yr	1-2 yrs	2 yrs+	<6 Mo.	.5-1 yr	1-2 yrs	2 yrs+	<6 Mo.	.5-1 yr	1-2 yrs	2 yrs+
Compliant	143	194	194	82	21	47	34	19	5	5	3	1
Delinquent (0-30 days)	39	51	58	31	7	18	16	5	2	2	1	1
Delinquent (31-90 days)	30	49	56	37	4	13	18	13	0	1	1	0
Delinquent (90+ days)	3	7	10	6	1	1	2	4	0	0	1	0
Potential Reconveyance (Sales Only)	5	24	56	34	0	3	8	7	0	0	0	0

Employee Discount Agreements that have Achieved Compliance (Showing Age of Agreement)												
	Auction (All Properties)				Auction (With Employee Discount)				Auction (With Educator Discount)			
Total Achieved Compliance	1366				157				8			
Total Across Age	202	482	512	170	23	67	56	11	1	3	4	0
Time to Achieving Compliance	<6 Mo.	.5-1 yr	1-2 yrs	2 yrs+	<6 Mo.	.5-1 yr	1-2 yrs	2 yrs+	<6 Mo.	.5-1 yr	1-2 yrs	2 yrs+
Occupied	160	423	447	151	17	61	46	9	1	3	4	0
Listed for sale or Rent	42	59	65	19	6	6	10	2	0	0	0	0
Demolished	0	0	0	0	0	0	0	0	0	0	0	0



Before and After, Own it Now house on 28th Street

PUBLIC RELATIONS & STRATEGIC INITIATIVES

In the second quarter, the DLBA's Public Information Officer transitioned from the Community Affairs team to an expanded role as Assistant Director of Public Relations and Strategic Initiatives under the Deputy Executive Director. In addition to a continued focus on proactive media engagement, the expanded role includes a targeted effort to identify and remedy internal and external roadblocks and develop process improvements across the organization. The Assistant Director of Public Relations and Strategic Initiatives also supervises the new City Council and Government Liaison.

MEDIA RELATIONS

The Assistant Director builds the DLBA's brand through a multi-faceted communications approach serving three main goals:

1. Proactive, positive storytelling through traditional media
2. Prevention or management of negative media coverage
3. Internal process and client-facing communication improvements

Positive Storytelling: Features & Mentions

October 2019	November 2019	December 2019
<p>Pair transforms several Own It Now houses in their neighborhood</p> <ul style="list-style-type: none"> • Outlet: Fox 2 <p>Detroit man rehabs DLBA house for mom, buys second property</p> <ul style="list-style-type: none"> • Outlets: Business Insider, WDIV 	<p>Local church buys DLBA house, teams up with Building Blocks</p> <ul style="list-style-type: none"> • Outlet: WDIV <p>Rehabbed & Ready recruiting local contractors</p> <ul style="list-style-type: none"> • Outlet: Fox 2 	<p>DLBA Accomplishments John Gallagher Editorial</p> <ul style="list-style-type: none"> • Outlet: Detroit Free Press <p>Monica street rehab listed for sale</p> <ul style="list-style-type: none"> • Outlet: Curbed Detroit <p>Sisters lead effort, team with DLBA to transform Canfield neighborhood</p> <ul style="list-style-type: none"> • Outlet: fox2detroit.com <p>DLBA buyer receives first grant from land bank to buy furnace</p> <ul style="list-style-type: none"> • Outlet: Fox 2 <p>Islandview rehab listed for sale</p> <ul style="list-style-type: none"> • Outlet: Curbed Detroit

Media Coverage Response & Management

Story	Outlet
Tree Falls on Neighbor's House	WXYZ
Reginald Scott II named new DLBA CFO	Crain's Detroit
Non-HHF Wrongful Demo	Detroit Free Press

In addition to the management of media stories that were published or broadcast, the PIO answers and investigates media, citizen, city agency, and inter-departmental property inquiries daily; ultimately preventing misinformed media coverage.

Media Outreach & Networking

The Assistant Director also collaborates with local media outlets and filmmakers for long-term planning. During the quarter, DLBA executives and staff participated in interviews for later release with ABC News and digital content creators with Salesforce.



VIDEO: INTERNATIONAL - A DETROIT MAN BOUGHT AN ABANDONED HOUSE IN THE CITY FOR \$2,100 AND SPENT 9 MONTHS

A Detroit man bought an abandoned house in the city for \$2,100 and spent 9 months renovating it for his mom. Here's how he did it — and what it looks like now.

Libertina Brandt
21 Oct 2019

TWITTER FACEBOOK LINKEDIN WHATSAPP EMAIL PRINT

- The Detroit Land Bank Authority is auctioning off thousands of publicly owned properties through its public platform, Auction — and the bidding starts at \$1,000.
- In June 2017, Vincent Orr, a native Detroitter, won an abandoned home through the bidding process for just \$2,100.
- In an interview with *Business Insider*, Orr explained how he transformed the house into a livable space for \$40,000.
- Visit *Business Insider's* homepage for more stories.



Land Bank makes Detroit contractors a priority in rehabbed and ready program

By Hilary Cochrane | Published November 15, 2018 | News | FOX 2 Detroit

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DETROIT (FOX 2) — Orlando has been doing work as a contractor for the Detroit Land Bank Authority for three years.

"There has been more than enough work for us, we would like to have more contractors get on board so we can stop getting so much work," he said. "It's a lot of work and the pay is good."





STRATEGIC INITIATIVES

City Council Liaison

In December 2019, the DLBA promoted Amanda Watts, a former member of the legal team to the role of City Council and Government Liaison. The Liaison dedicates her time to interacting with various departments to respond to requests from City Council and other government entities in an efficient manner. The Liaison serves as a hub for inquiries from Council, the Ombudsman, and other government agencies to streamline responses and identify common challenges faced by stakeholders and clients. During the quarter, the Liaison met with Gail Fulton, Assistant to the Detroit City Council Legislative Liaison as well as Ombudsman Bruce Simpson. Unfortunately, due to recess and holidays, the Liaison was unable to meet with City Council members in December, however, Ms. Fulton will assist with scheduling introductory meetings between DLBA’s Liaison and City Council members early in the third quarter.

During December, the Liaison assisted with several inquiries from the Ombudsman’s office.

<i>Council District</i>	<i>Inquiries Received</i>	<i>Inquiries in Progress</i>	<i>Inquiries Closed</i>
<i>District 1</i>	1	1	1
<i>District 2</i>	5	5	0
<i>District 3</i>	2	2	1
<i>District 4</i>	1	1	0
<i>District 5</i>	1	1	1
<i>District 6</i>	6	6	0
<i>District 7</i>	0	0	0

In addition to inquiries received from the Ombudsman’s office, the Liaison also fielded email inquiries from Council members and their staff.

<i>Council District</i>	<i>Description</i>	<i>Status</i>
<i>District 2</i>	16937 Griggs: Constituent requested debris clean up	Responded to constituent explaining the property was demolished on 12/19/19
<i>District 2</i>	15751 Cruse Constituent requested debris clean up	Responded to constituent explaining there was a partial clean up and a second work order was created to address the remaining debris. The debris has been removed.
<i>District 5</i>	2142 Leland: Lot purchase/availability inquiry	Constituent will be notified via postcard when the lot is made available for sale in 2020

Dangerous Buildings List

The Assistant Director served as project manager for the removal of Orders to Demolish (ODM) from all properties associated with the Detroit Land Bank Authority. During the second quarter, the Assistant Director continued to provide ongoing support and coordination to assist DLBA and City departments as well as impacted buyers, navigating ODM-related issues. City Council approved the ODM removal resolution in July 2019. The change covers all properties in the DLBA’s inventory as well as sold properties with which the land bank maintains legal interest; approximately 2,700 properties at the time of approval. Clearing ODMs reduces the burden on buyers, clearing an additional roadblock to blight removal.

DLBA Website

Extensive revision to DLBA’s website continues, aimed at providing better information to the public about DLBA policies, inventory, sales, and programs. The Assistant Director provides support in identifying areas for improvement as well as in content drafting and revision for DLBA departments. Second quarter updates supported by the Assistant Director included the launch of a new Buy Back page for buildingdetroit.org and revisions to the Other Projects page.

INVENTORY

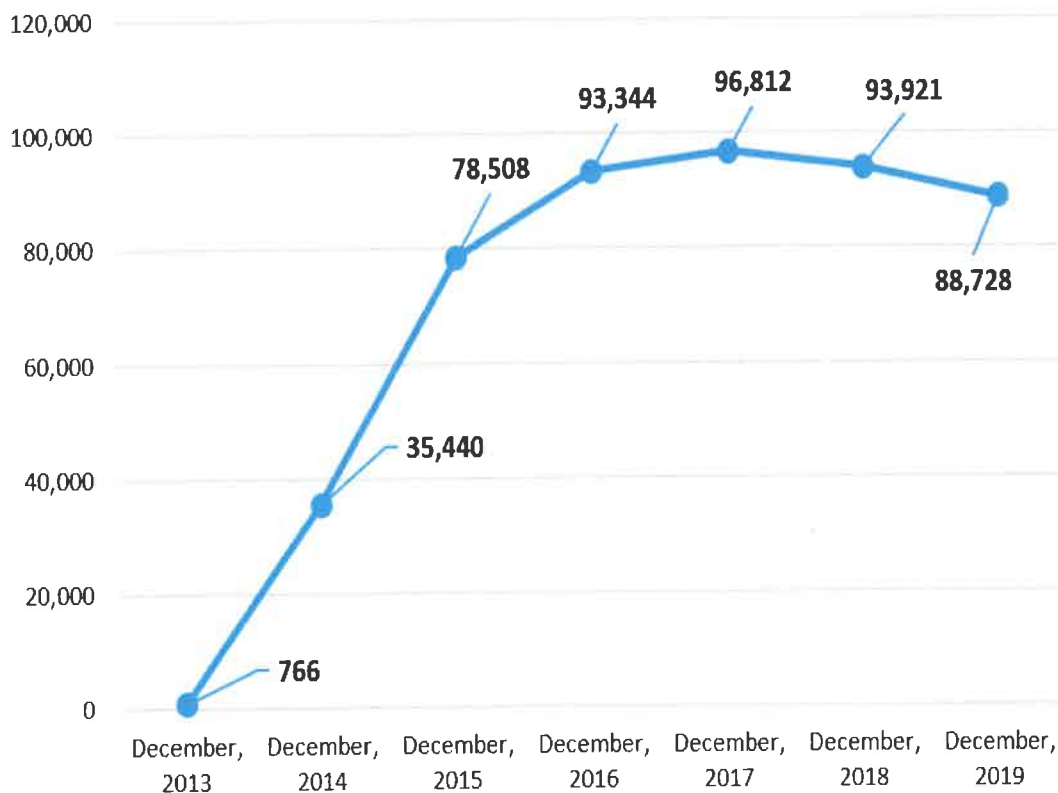
ROBERT LINN, DIRECTOR

The Detroit Land Bank Authority's (DLBA) Inventory Department oversees the acquisition, assessment, and pipeline assignments for all parcels in the DLBA's inventory. The department also oversees data analysis and coordinates with other City agencies to inform a flexible and dynamic sales strategy for the organization.

This quarter, the Inventory Department restructured the Data Management team to create the Research and Analysis team. Under the new leadership of Katherine Weiler, the team is broadening its focus to place greater emphasis on academic research initiatives, statistical analysis, and data visualization which will improve resident experience and enhance the operation and efficacy of the department. By increasing the use of automated and scripted data management techniques, staff has increased efficiency, allowing for the increased staff focus on investment in new initiatives.

OVERALL INVENTORY

Through varying rates of acquisition, demolition, and disposition, the composition of the DLBA's inventory is in constant flux. As sales continue to outpace acquisitions, the size of the organization's inventory is shrinking at a steady rate.



ACQUISITION

This quarter, staff accepted unsold residential tax foreclosures, as part of the annual Second Right of Refusal offering from the Wayne County Treasurer’s Office. By statute, the Treasurer’s Office must offer these properties at no charge, and in keeping with the land bank’s mission to serve as the owner of last resort for abandoned property, the DLBA accepts these properties into its inventory. This year, the land bank acquired 686 parcels through the initial offering but anticipates acquiring a small set of additional properties.

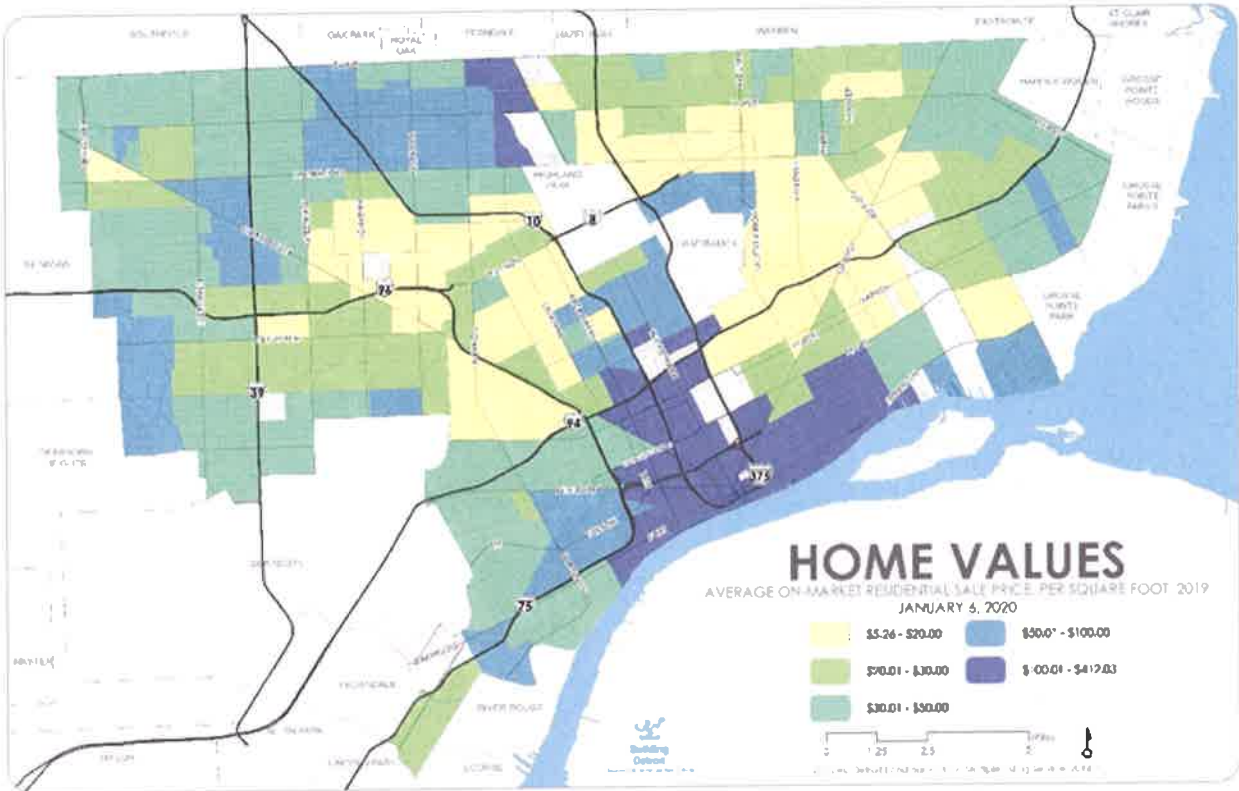
Property Type	Accepted Foreclosures
<i>Vacant Lots</i>	419
<i>Vacant Residential Structures</i>	267
<i>Grand Total</i>	686

In addition to these vacant homes and vacant lots, there were 12 occupied homes. However, rather than accepting the occupied properties, land bank staff worked with the Wayne County Treasurer’s Office on a pilot program which transferred the property to the United Community Housing Coalition; allowing coalition staff to work with the occupants directly.

MARKET CONDITIONS

The second quarter also marked the conclusion of another strong calendar year in the local housing market. Analysis of 2019 private market activity points to increased stability and growth across Detroit. Citywide, average home values maintained the positive trajectory of the last five years, while mortgage activity increased.

Year	Mortgage Sales	Cash Sales	Total Sales	Percent Mortgages	Avg. Sale Price
2014	490	3,252	3,742	13.09%	\$33,645.00
2015	557	2,620	3,177	17.53%	\$50,852.00
2016	710	3,040	3,750	18.93%	\$54,272.00
2017	994	3,280	4,274	23.26%	\$60,835.00
2018	1,271	3,289	4,560	27.87%	\$74,297.41
2019	1,527	3,223	4,750	32.15%	\$82,479.03



At the same time, an increasing number of Detroit neighborhoods now have average home values that indicate wide-spread rehabilitation viability – typically a minimum value of \$30 per square foot. Many neighborhoods, including Chandler Park, Chadsey Condon, Eden Gardens, and Pride Area Community, saw new purchase mortgage originations for the first time in recent memory.

RESEARCH AND ANALYSIS

The Inventory Department’s Research and Analysis Team oversees data analysis, data management, and data creation. The Research and Analysis team also administers the vacant land listing and notification process.

Team Structure

As the makeup of the DLBA inventory continues to change and become more concentrated in harder-to-reach markets, department staff focus on an increasingly strategic approach to home and land sales. In support of this effort, the Research and Analysis team, formerly the Data Management team, informs strategy through extensive analytics, academic outreach, case study review and exchanges.

Academic Research Resources

The Research and Analysis team makes a concerted effort to partner and coordinate with various universities and academic researchers. These partnerships bring valuable suggestions for improving the DLBA’s programs and processes, and better help staff understand how to maximize impact.

October 2019	November 2019	December 2019
MSU Center for Community & Economic Development - Round-table meeting designed to bring academic and government thought-leaders to the table to discuss market challenges and potential solutions	U of M Ross School of Business - Data exchange in support of student study of Rehabbed & Ready	U of M College of Architecture & Urban Planning - Identify new means of understanding resident demand and market opportunities through neighborhood and sub-neighborhood analyses - Provide recommendations for new home sales programs to serve weak-demand areas, including new avenues to identify and reach potential buyers

Building Blocks Events Expansion

In Q3 2019, the Research and Analysis team identified 36 potential pilot areas for DLBA’s budding Building Blocks event concept. The team selected these areas using several indicators such as the concentration of vacant and salvageable DLBA-owned homes, neighborhood amenities, city investments, and resident interest. After an interdepartmental DLBA review, the Inventory Département selected 21 pilot areas.

To support and continue the Building Blocks strategy, the Research and Analysis team will conduct an extensive analysis in Q3 to select additional areas to host Building Blocks events.

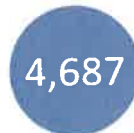
Side lot Uploads

Early in FY2020, the Research and Analysis team added a staff member to assist with Side Lot inquiries from residents and list eligible Side Lots for sale on buildingdetroit.org. In calendar year 2019, the team responded to 4,687 side lot inquiries and added a total of new 7,366 side lot listings. In November alone, the Research and Analysis team completed a bulk upload of 4,932 side lot listings. The significant uptick in side lot listings this quarter is due to recently completed demolitions, lots adjacent to newly occupied homes, and lots with newly resolved tax delinquencies. As with each new listing, staff sent a postcard to all adjacent neighbors for each new Side Lot.

2019 Side Lot Listings



2019 Side Lot Inquiry Responses



This quarter, the Research and Analysis team also began an AB testing experiment to identify new means of reaching prospective Side Lot purchasers. In addition to sending postcards – the organization’s current strategy – staff will send different types of letters to test, statistically, whether different formats lead to a better response from residents.

PROPERTY MAINTENANCE

The Inventory Department aims to balance the imperative need for maintenance on the DLBA’s 89,000 parcels. The DLBA works proactively to prepare homes selected for upcoming sale each month through the Own It Now and Auction pipelines, through services such as boarding, debris removal, and basement pump outs, etc. Additionally, staff respond to and prioritize inquiries received regarding overgrowth, illegal dumping, and structures open to trespass.

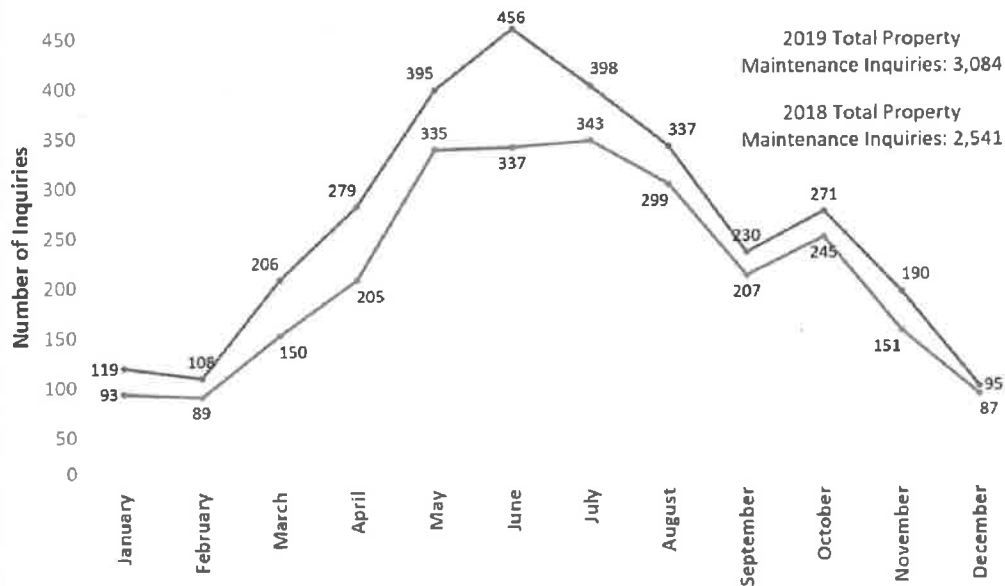
Sale Preparation

Throughout 2019, the Inventory Department strategically collaborated to increase the number of structures prepped for sale, ultimately increasing listings offered. The Property Maintenance team initiated more than 23,000 work order line items in 2019. In September, Inventory overcame a backlog of work orders due to vendor capacity issues. In response, staff actively strived to balance property preservation workflow through all vendors, creating a scheduled work-order assignment calendar that recognizes capacity, performance, and geographic proximity. This appropriation of workflow has increased efficiency with completion and allowed for a more balanced cadence of work to each vendor. The DLBA’s goal to increase sales drove this considerable effort, resulting in the preparation of 4,318 Own It Now homes and 728 Auction homes, or 5,046 total; a 20% increase, year-over-year.

Maintenance Inquiries

In addition to preparing homes to be listed for sale, the Inventory team prioritizes work and acts in response to maintenance related inquiries. During the calendar year of 2019, the DLBA received 10,340 maintenance-based inquiries; a 37% overall increase in maintenance inquiries from 2018. The request to have properties boarded and secured represented 33% (3,343) of these inquiries. The request for debris clean-up and lawn care for blighted lots and vacant homes represented 44% of the inquiries, even with the additional mowing added to the lawn care schedule in 2019. Finally, tree maintenance requests accounted for 22% (2,288) of the maintenance inquiries; an increase from 1,212 tree maintenance inquiries in 2018. As the tree population continues to age in the city of Detroit, combined with a lack of routine maintenance, we anticipate tree maintenance inquiries to increase during 2020.

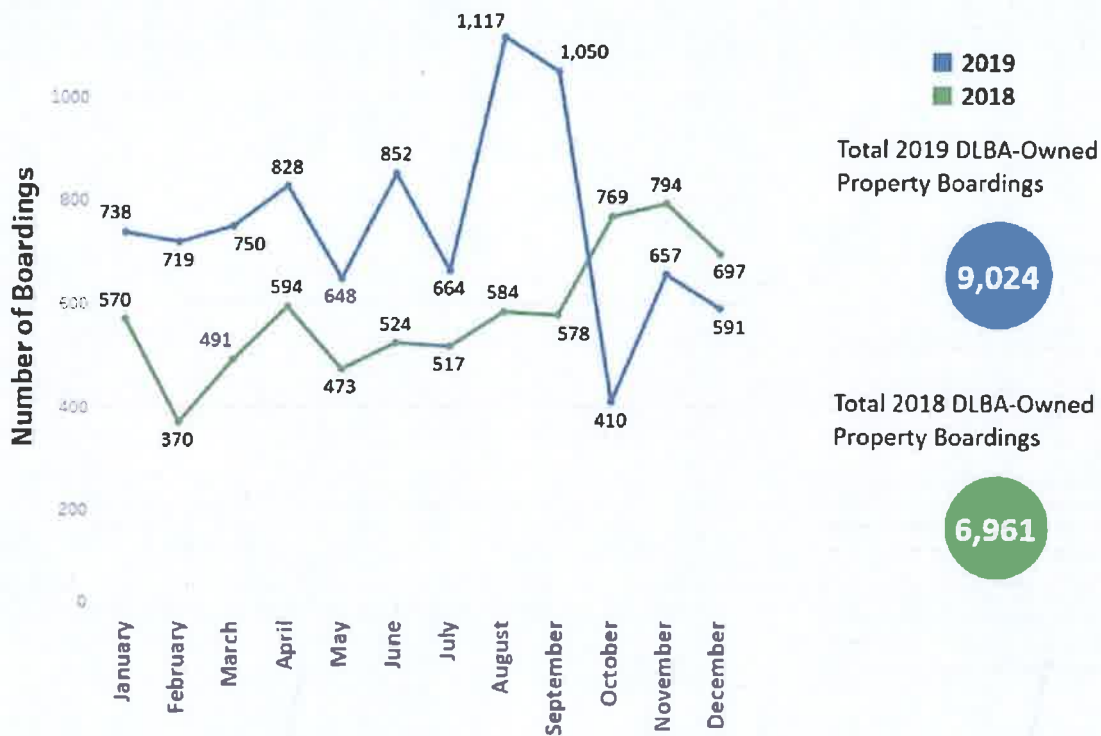
Property Maintenance Inquiries by Month, Year over Year Comparison



Property Board-Up

Department staff continues to partner with the City’s General Services department for boarding up vacant and blighted houses, the clean-up of exterior debris, tree maintenance, and lawn care. This effort includes a geographically-zoned maintenance schedule created in coordination with GSD but is also responsive to citizen complaints and inquiries. Since partnering with GSD in Q1 2018, crews have boarded 16,871 DLBA structures in the first half of the FY2020, crews boarded 108 DLBA structures through work orders submitted to GSD, a 71% decrease over the same timeframe in FY2019. The consensus through the Board-Up Brigade effort is that the initial securement of most vacant and blighted homes is complete. The focus is now on keeping boarded houses secure. During the first half of FY2020, the inventory department completed 589 non-GSD board-ups for sales preparation and in response to citizen inquiries.

DLBA-Owned Property Boardings



STRATEGIC INITIATIVES

With the close of the second quarter, the Strategic Initiatives Team is focused on growth across its areas of focus, including continued success with its Building Blocks program and seeking new project opportunities that will enhance the DLBA’s ability to return the city’s blighted and vacant properties to productive use.

Building Blocks

The Strategic Initiatives team piloted Building Blocks in 2019 as a series of neighborhood-focused events promoting Auction and Own It Now home sales in low-demand markets. Building Blocks engages local organizations, highlights neighborhood amenities and anchor institutions, and brings together resources to support homeownership. The planning culminates in a one-day event that features several open houses, buyer resources, and family-friendly entertainment. Properties are listed for sale within the next few weeks following the event.

In December, the Strategic Initiatives Team completed its ninth Building Blocks event in the Franklin Park Neighborhood. This event was closely coordinated with the Department of Neighborhoods through their Pathways to Homeownership workshop series and aligned with the Planning and Development Department's Strategic Neighborhood Fund planning and engagement process. This heavily coordinated engagement reflects the team's commitment to exploring a variety of partnership opportunities for each event. Since launching the pilot in June of 2019, the team has evolved its engagement approach, specifically working with a greater number of resources across four different focus areas:

- City/DLBA Representatives: different City and DLBA departments are present at the Saturday event to answer questions from potential buyers
- Financial Representatives: different financial institutions are present at the events including banks, grant programs, and the City's Financial Empowerment Center
- Home Rehabilitation Representatives: renovation experts including Home Depot, DLBA's Rehabbed and Ready Team and Property Inspectors
- Neighborhood Representatives: local institutions like libraries, schools, health centers, and block clubs

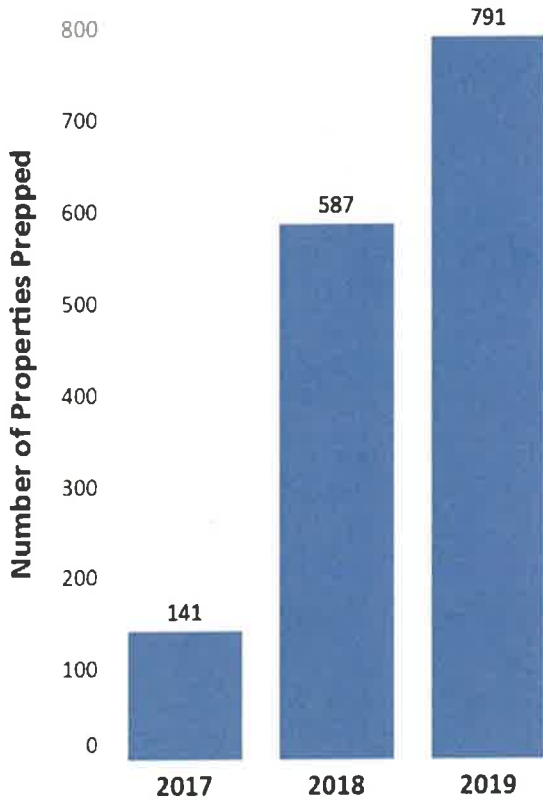


Oakman Boulevard Building Blocks (District 2)

The team has seen a correlation between the number of resources engaged and the number of residents who attend Building Blocks events. As time progresses and there are more sales to assess, the team will evaluate whether these increased resources boost the number of sales and successful renovations as part of the Building Blocks strategy. is removal, board-ups, lawn services, tarping roofs, and pumping out basements.



Properties Prepped in Building Block Event Areas



Part of the Building Blocks strategy includes coordination of increased property maintenance, because maintenance greatly impacts the property security and marketability. The maintenance needs across DLBA inventory are significantly greater than the DLBA’s financial capacity to complete such work. Because of these limited resources, the DLBA typically completes proactive maintenance only for properties that will be listed for sale. In Building Blocks neighborhoods, however, the DLBA completes standard sales preparation maintenance as well as additional maintenance of adjacent DLBA properties not listed for sale. Some examples of this supplementary maintenance include mowing the grass of a vacant lot next to an Own It Now home, or removing exterior debris at a property awaiting demolition. The goal is to make the Auction and Own It Now properties listed for sale in the area more marketable. Because property maintenance needs exceed DLBA’s current financial capacity, the team applied for grant dollars to support community-driven efforts to prevent illegal dumping.

Grants

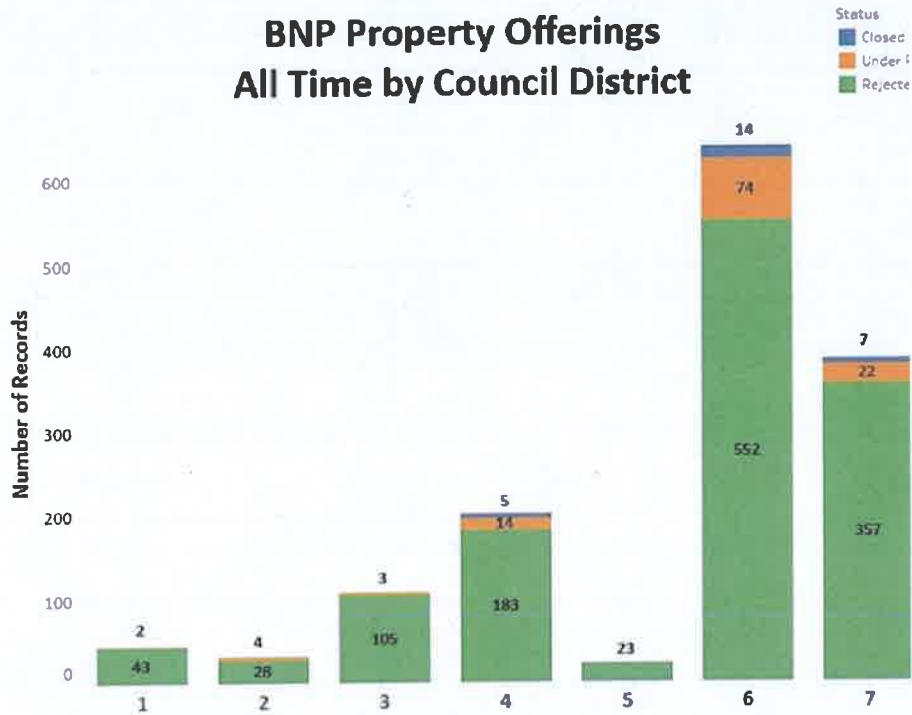
The Strategic Initiatives Team submitted a Planning and Implementation Grant request for Kresge Foundation’s Kresge Innovation Project: Detroit. The primary goals of this project would be 1) to support the planning of a community-driven land activation approach and 2) to pilot its implementation in concert with DLBA’s Building Blocks events through July 2021.

The concept was born out of a continued need for additional holistic neighborhood support in Building Blocks locations and has already helped the team identify key areas of need to support further implementation

Inter-Agency Coordination

Inter-Agency coordination continued to strengthen in the second quarter, with specific coordination around the Bridging Neighborhoods Program, park enhancements, and the City-led efforts related to the Strategic Neighborhood Fund.

Ongoing coordination has taken place over the past year to prepare and transfer approximately sixty parcels to Detroit’s Parks and Recreation Department for park enhancements across the city’s seven districts. This coordination reflects an improved process of parcel review and ensures DLBA can continue to be responsive to purchase inquiries from current and potential residents.



PROPERTY EVALUATION AND PIPELINE MANAGEMENT

The Property Evaluation and Pipeline Management team of the Inventory Department combines property condition information, zoning, market data, neighborhood plans, and resident input to determine the best strategy for returning DLBA-owned structures to productive use. Team staff use those data points--balancing condition, location, and public input -- to evaluate DLBA-owned structures for demolition or sale¹. The following chart shows the current breakdown of vacant DLBA-owned structures by demolition or sales/rehab candidates.

¹ For more detail on this process, please see the Property Evaluation and Pipeline Management section of the Q1 2020 City Council quarterly report.

Candidates, and Properties Currently For Sale or Sold

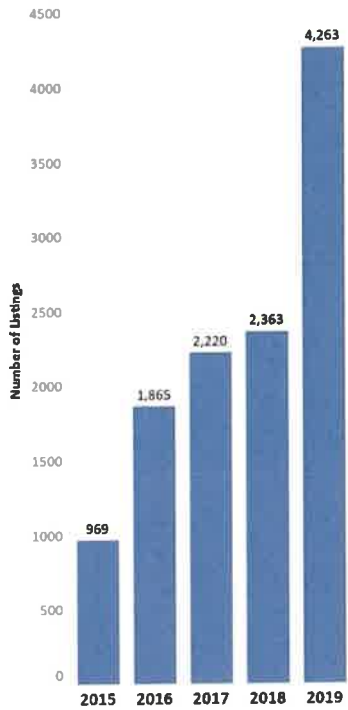


The Property Evaluation and Pipeline Management team also identifies home sale opportunities and oversees the preparation and listing of properties for sale. In CY2019, the team set out to significantly increase the number of homes listed for sale through the DLBA's Auction and Own It Now programs, to provide even more opportunities for purchase and rehabilitation of vacant houses in neighborhoods across the city.

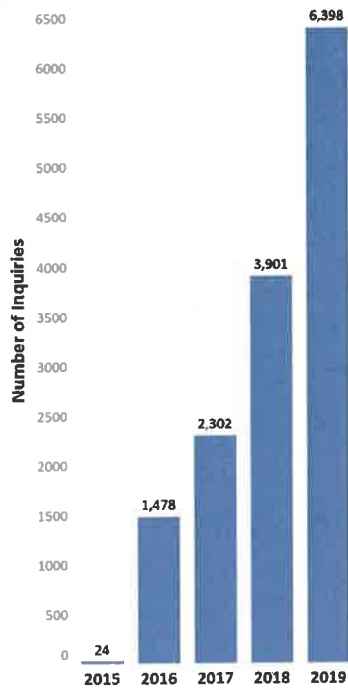
The chart below illustrates the team's success in ramping up sale listings. The Inventory Department vastly expanded the number of homes available for sale and rehabilitation in CY2019 by preparing and posting 4,263 listings through the Auction and Own It Now programs – a year-over-year increase of more than 80.4%. In November 2019 alone, the Property Evaluation and Pipeline Management team listed 597 houses for sale through Own It Now or Auction; the highest number of listings in a single month since the DLBA's inception.

The Property Evaluation and Pipeline Management Division reviews each home prior to sale, coordinating inspections, photo review, title searches, and online listing creation for hundreds of houses per week. The team balances condition, location, and public input in prioritizing homes for sale in a way that stabilizes neighborhoods while responding to resident requests. This increase in home listings has allowed the DLBA to respond to more home purchase requests from members of the public than in any previous year.

Homes Listed for Sale by Year

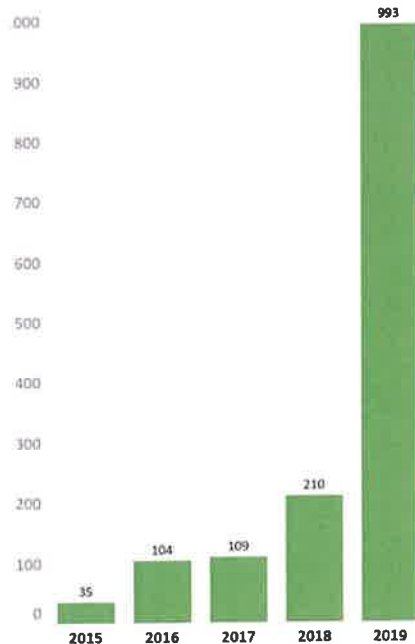


Purchase Inquiries followed by Home Sale Listing



During this period of growth, the Property Evaluation and Pipeline Management Division focused on intervening more heavily in areas of the city that have historically received less investment. For example, in the DLBA listed nearly five times as many homes for sale outside of Hardest Hit Fund (HHF) zones in CY2019 than it did in CY2018

Homes Listed for Sale Outside of HHF Zones by Year



DISPOSITION

REGINALD SCOTT, DIRECTOR

The Detroit Land Bank Authority’s (DLBA) core blight remediation effort is the disposition of property. The Disposition Department facilitates structure and land sales through a wide range of programs. Most of the DLBA’s structure and land transactions are online, through the Auction, Own It Now, and Side Lot platforms. The DLBA also sells property through the Rehabbed & Ready, Occupied Programs, Projects team, and, per the Memorandum of Understanding with the City of Detroit, the DLBA also engages in real estate transactions in support of strategic City initiatives.

AUCTION

The DLBA auctions two houses daily on its website, buildingdetroit.org. Auction properties are the DLBA’s strongest rehabilitation candidates, focused in areas with the best potential return on buyer investment. The number of available Auction properties continues to decline as the DLBA exhausts its strongest inventory and moves into neighborhoods with weaker real estate markets and structures requiring more extensive sales preparation as well as renovation.

AUCTION CLOSED*	
Comparison of Q2 Closing Trends	
Year	Total Closed (Q2)
2015	76
2016	100
2017	98
2018	132
2019	222
2020	116

OWN IT NOW

Own It Now responds to public requests for properties in emerging neighborhoods. Any person can contact the DLBA with an address, and with certain exceptions, we will list the property for sale. Once a property is listed online, offers are accepted 24 hours a day, seven days a week. The first offer on a property triggers a 72-hour countdown, the person with the highest offer at the close of that timeframe wins the property.

OWN IT NOW CLOSED*	
Comparison of Q2 Closing Trends	
Year	Total Closed (Q2)
2017	141
2018	204
2019	246
2020	536

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)

DISPOSITION

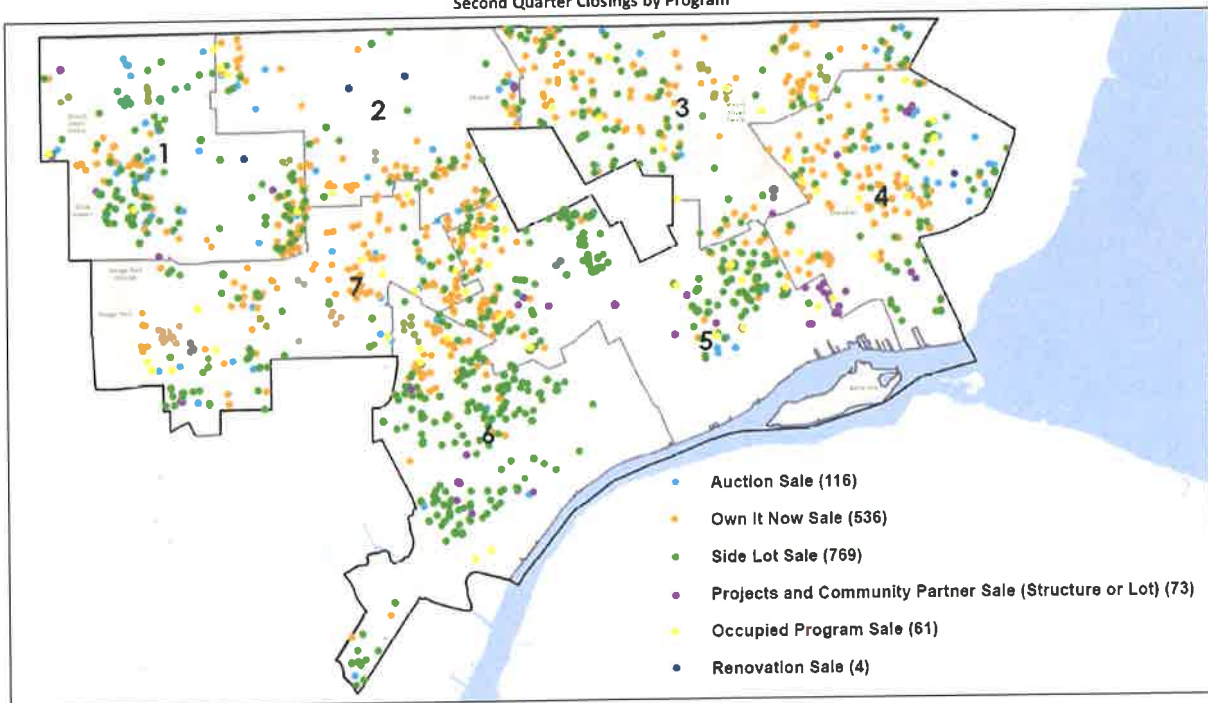
AUCTION AND OWN IT NOW CLOSED								
BY COUNCIL DISTRICT FOR Q2								
	1	2	3	4	5	6	7	GRAND TOTAL
AUCTION	33	14	13	20	10	6	20	116
OWN IT NOW	63	56	117	88	71	44	97	536
GRAND TOTAL	96	70	130	108	81	50	117	652

SIDE LOTS

In 2018, Dispositions launched a monthly District Side Lot Sale pilot. While similar to Side Lot Fairs, these events are smaller in scale and allow the DLBA to provide more direct and frequent sale services in the community. During the second quarter, there were a total of 769 side lots sold.

SIDE LOTS SOLD								
BY COUNCIL DISTRICT FOR Q2								
MONTH SOLD	1	2	3	4	5	6	7	GRAND TOTAL
OCTOBER	10	6	64	21	78	29	12	220
NOVEMBER	38	14	25	26	80	139	39	361
DECEMBER	68	9	13	25	32	33	8	188
GRAND TOTAL	116	29	102	72	190	201	59	769

Detroit Land Bank Authority
Second Quarter Closings by Program



PROPERTY REHABS

Rehabbed & Ready

Rehabbed & Ready (R&R) is a philanthropic initiative to improve residential market values and bolster homeownership in the City of Detroit. Through collaboration with Quicken Loans, dilapidated DLBA houses undergo full rehabilitation to at- or above-market conditions. As a neighborhood-based initiative, there are parallel efforts in place to reduce blight and encourage occupancy via the DLBA's existing demolition, nuisance abatement programs, and other Disposition programs in the Rehabbed & Ready selected neighborhoods.

- **R&R Closings.** We ended this quarter bringing the total sold through R&R to **69**, 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 the R&R program.**
 - o Rehabbed & Ready public open houses occur on Wednesdays and Sundays, for the entire time a home is listed for sale.
 - o Rehabbed & Ready private showings can be scheduled through our website for any day except for Saturday.
 - o Neighborhood Engagement: **1,902** individuals joined our e-mail marketing list to stay up to date on new listings, price reductions, and offer deadlines.

Strategic partnerships:

- **Michigan Historic Preservation Network (MHPN):** Russell Woods is a Local Historic District. This will be the Property Rehab team's first entrance into a Historically Designated neighborhood. MHPN will join the project in a project management and consultant capacity to help navigate the historic rehabilitation process and benefit from their preservation expertise.

What does this project management role consist of:

- 5-7% of each scope of work in draws that mirror the general contractor draw schedule
- Consult with the DLBA on design packets and scopes
- Make regular site visits to ensure that all contractor work is done according to the Secretary of the Interior's Standards for Rehabilitation
- Assist in any required research
- Prepare DLBA staff for, and assist in, any required presentations to the Historic District Commission



DISPOSITION

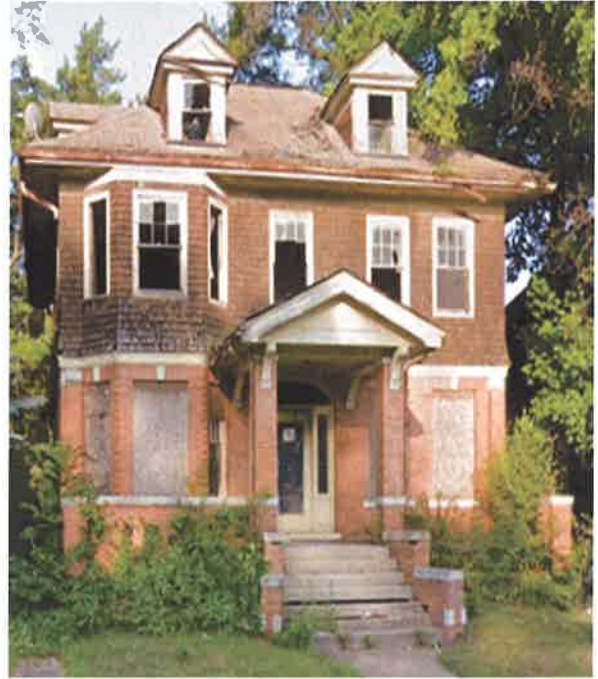
- **Detroit Mercy School of Architecture:** We are coordinating with the school regarding 4098 Fullerton in Russell Woods. They want to utilize the property as a design studio for the winter term 2019. The school will produce a design packet and provide it to our Property Rehab Team to review, finalize and put into action with our construction team.
 - In addition, we are working with green construction experts with a goal of turning the house into an energy efficient demonstration property for six months to one year post-rehab. Then, it will be put on the market for sale.
 - We are seeking product donations, financial donations, and strategic partnerships for the project.
 - MOU: The school is preparing an MOU for our legal team and board to review.
- **Fitzgerald Neighborhood Rehab Status**
 - Properties: 7
 - Funded: \$500k City of Detroit and \$500K DLBA
 - All seven properties are currently under construction
- **IVGV Neighborhood Rehab Status**
 - Properties: 16
 - Three (3) properties are currently under construction and with an estimated completion target January 2020.
 - The team is currently preparing the other 13 for rehabilitation.

Property Before and After Renovation



Seyburn

Property Before and After Renovation



Field

Property Before and After Renovation



Townsend

PROJECTS TEAM

The Community Partnership Team and the Economic Development Team has now become the "Projects Team." Developers and Community Partners follow the same process for property acquisition, with Community Partners receiving a 20% discount off the purchase prices. Applicants looking to acquire property through the Projects Team may do so through the online application process on buildingdetroit.org or the marketing tract, with listings available on the Multiple Listings Service (MLS).

Projects Closed				
Lots and Structures				
	Oct	Nov	Dec	Q2 Total
Community Partners	9	21	12	42
Economic Development	30	11	21	62
Grand Total	39	32	33	104

Development Update

The Detroit Land Bank Authority, in partnership with the City of Detroit's Housing and Revitalization Department and Planning and Development Department, seeks a developer for approximately 1.1 acres of vacant land in the Woodbridge neighborhood. The site has approximately 300 feet of frontage along Merrick street and 230 feet of frontage along Avery street. The property is zoned R2 which allows for single and two-family residences by-right and townhomes via a conditional use.

The successful respondent will demonstrate a strong track record in delivering quality projects on time and have residential and/or mixed-use development experience coupled with a commitment to creating quality, well-designed housing

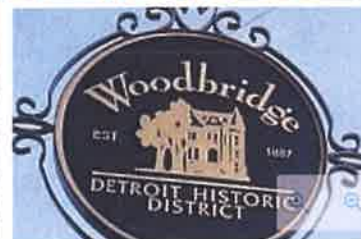


James J. Bugalino
BROKER / OWNER

\$ 350,000

1727 Merrick
Detroit, MI 48208

VACANT LAND - FOR SALE



Community Partnership Program

The Community Partnership program continues to encourage faith and community-based organizations to transform the neighborhoods that they serve through projects such as home rehabilitation, deconstruction, new construction, lot beautification, community gardens, and pocket parks.

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

To be eligible for the program, an organization must meet the following criteria.

- Headquartered in the City of Detroit;
- Have a federal 501(c)(3) tax-exempt status;
- Be current on its property taxes;
- Not have any material blight violations or fines;
- Have a letter of acknowledgment from the District Manager or City Council member where the organization is headquartered, or its catchment area
- Work in a defined geographic target area as agreed on by the Community Partner and the DLBA, in no case, will the project area exceed 5 square miles.

Community Partnership Endorsements

The DLBA also encourages Partners to help better their communities by identifying and endorsing homeowners who can fix up and maintain the house and live in the community as good neighbors. The Community Partner must provide in writing to the DLBA its process for selecting and endorsing a bidder. It is expected that a bidder endorsed by a community group will live in the house themselves for at least three years.

For each auction of a house in its service area, the Community Partner may endorse one bidder it deems to be a good neighbor for the community. The Community Partner's endorsement means the endorsed bidder will get an automatic 20% discount on the final bid price, as long as the final price does not fall below \$1,000.

All winning bidders must comply with the terms of the Auction Purchase Agreement, including the deadlines for closing, rehabilitating, and occupying the property. If endorsed bidders fail to meet these deadlines, the DLBA may terminate the Endorsement Partnership. The DLBA is relying on the Community Partners to vet the bidders before endorsing them.



OCCUPIED PROGRAMS

Our occupied programs further the mission of the DLBA and focus on providing a path to homeownership for occupants living in DLBA-owned properties along with returning properties to the tax roll. Our tiered approach includes our flagship Buy Back Program, Occupied Non-Profit Program, and Occupied Sales Program.

Buy Back

The DLBA created the Buy Back Program to provide a path forward for occupants of houses in its inventory. Buy Back allows an eligible occupant of a DLBA-owned property the opportunity to gain ownership of the house in which they live. After qualifying for the program and purchasing the property, the occupant officially enters the program and must display consistent savings until their next tax bill arrives.

Month-Year	Closed	Total
October-19	16	\$16,000
November-19	21	\$21,000
December-19	13	\$13,000
Total	50	\$50,000

Executive Summary	
Buy Back Closed	765
Buy Back Complete	555
Monitor Compliance for July 2020 exit	193
Reconveyance Complete	11

Occupied Non-Profit

The team created the Occupied Non-Profit program to engage non-profit organizations and provide opportunities to increase neighborhood stability. Currently, seven non-profit partners assist occupants who do not qualify for the Buy Back Program to transition to homeownership. Once title is transferred, the non-profit partner provides the occupant services that include renovation, resource support, plus lease and purchase options.

Month-Year	Closed
October-19	1
November-19	3
December-19	0
Total	4

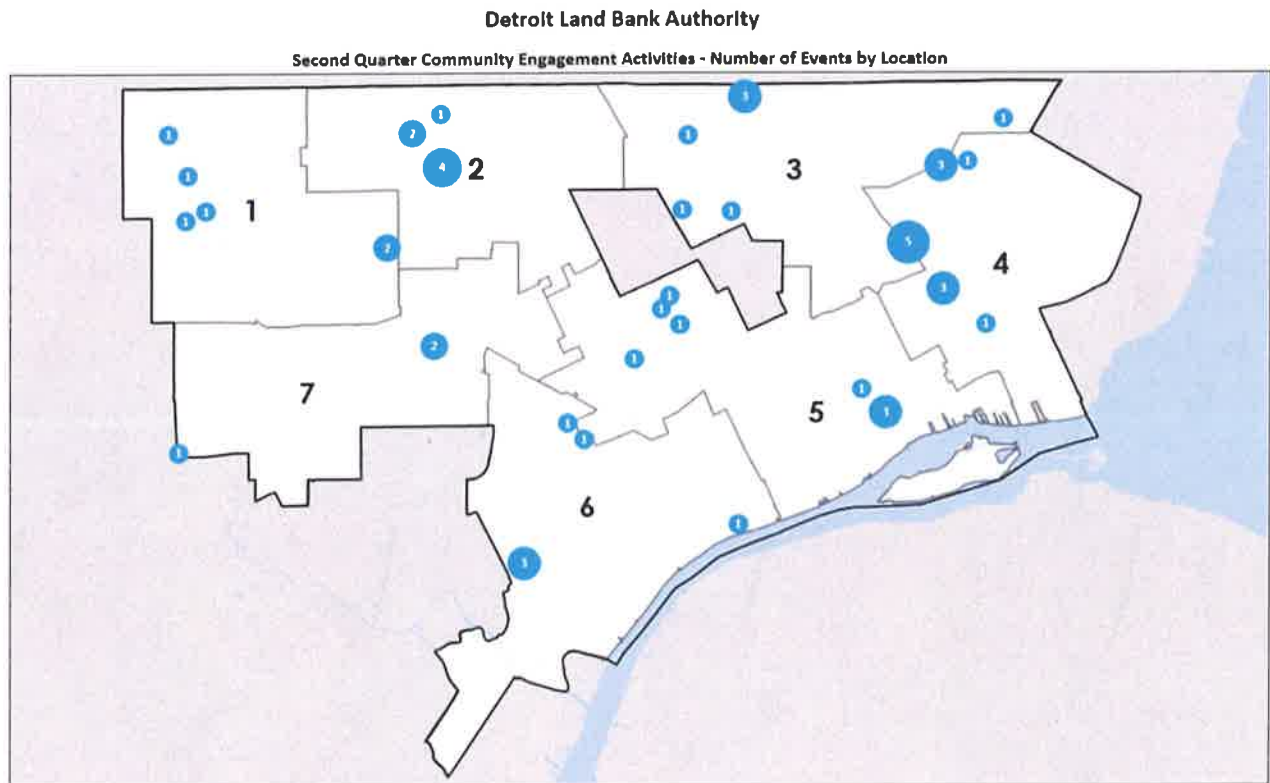
COMMUNITY AFFAIRS

ROD LIGGONS, DIRECTOR

The Detroit Land Bank Authority's (DLBA) Community Affairs Department is committed to educating Detroiters about homeownership opportunities through increased public engagement, spreading brand awareness, attracting potential buyers, and educating people about DLBA programs and resources. From traditional media to grassroots organizing, the Community Affairs team is on the front lines of the DLBA's effort to fight blight through the rehabilitation and revitalization of properties citywide.

COMMUNITY ENGAGEMENT

In the first quarter of the fiscal year 2020, the team attended or hosted 53 community meetings, engaging hundreds of residents face-to-face and answered more than 790 emails, addressing concerns and connecting Detroiters with the resources they need. The team also filled two vacant positions, bolstering its ability to attend event, meet residents face-to-face, educate potential buyers, and respond to community questions.



Community Meetings & Presentations Attended

Month	Number of Meetings
October 2019	22
November 2019	20
December 2019	10
Total	52

Community Emails Answered

Topic	October 2019	November 2019	December 2019	Total per Topic
Board/Secure	15	6	6	27
Purchase inquiry/Status request	23	12	16	51
Auction information/ Sale Timing	18	5	3	26
Lot Purchase	27	17	2	46
Deed/Purchase Agreement Post Sale Inquiries	5	0	1	6
Inquiry Status update	17	9	2	28
Discount Programs inquiries	3	6	1	10
Demolition Request/Status updates	6	7	7	20
General Inquiry	210	174	192	576
Total per Month	324	236	210	790

SOCIAL MEDIA

The DLBA’s social media pages continued to grow in likes, views, and followers during the second quarter. The team employed a new strategy to enhance posts by including content beyond property highlights. The DLBA’s social channels now feature engaging content that builds on popular hashtags and trends such as Motivational Monday, Tip Tuesday, and Fact Friday.

Facebook

Likes	Reach	Engagement
411	10,962	1,509

Instagram

Discovery	Impressions	Followers
216	1776	2937

GRAPHICS

The Senior Graphics Designer creates all DLBA flyers, billboards, kicker cards, and other printed materials distributed to the community, as well as graphics for social media. Each department relies on custom graphics packages to publicize programs, events, and keep our neighbors informed. The Senior Graphics Designer generates fresh promotional material for each public DLBA event. This quarter included work designing new billboards, website updates, and new signage for the DLBA’s public lobby.

October 2019	November 2019	December 2019
<ul style="list-style-type: none"> • Templates and direction to new team member for updating social media • Building Blocks flyers, handouts, mailer, and social media content • New banners for buildingdetroit.org • Side Lot Postcards for November/December mailing • New billboard design • Promotional items for Office Hours • New signage for public Board of Directors meetings • Flyer/social posts for Halloween event 	<ul style="list-style-type: none"> • HR Photos for new DLBA staff members • Social media post for Community Partners Program • Side Lot Post Cards for December mailing • New Billboard designs • Screen print stencil mock-up for homes • Open House kicker cards & social media posts • Building Block Events flyers, updated mailer, new social media promo 	<ul style="list-style-type: none"> • HR Photos for new DLBA staff members • Banners for Auction, Own It Now, and Past Listing pages • Social media content • Public lobby signage • New Billboard designs • Open House kicker cards & social media posts • Building Block Events flyers, updated mailer, new social media promo



DETROIT LAND BANK AUTHORITY

COMMUNITY PARTNERSHIP PROGRAM
LET'S WORK TOGETHER

APPLY TODAY

The Detroit Land Bank Authority has an opportunity for you to make an impact in the city of Detroit.

PLEASE PROVIDE:

- ▶ Name of organization
- ▶ Address of organization
- ▶ Name & Phone Number of contact person


 Detroit Land Bank Authority
buildingdetroit.org

For follow-up purposes, please email the requested information to:
communitypartnerevents@detroitlandbank.org

	Motivation Monday	Tip Tuesday	Wisdom/Community Wednesday	Throwback Thursday	Fact Friday
Posts created	26	10	11	30	10

DETROIT LAND BANK AUTHORITY'S

COMMUNITY PARTNERSHIP PROGRAM
LET'S WORK TOGETHER

APPLY ONLINE TODAY!

buildingdetroit.org

VIDEO PRODUCTION

The Community Affairs team is sharing buyer success stories to inspire more Detroiters to purchase from the DLBA and renovate homes in their neighborhoods. During the second quarter, the team posted its first Buyer Spotlight video on the DLBA's YouTube page Find it by Google searching "Detroit Land Bank Authority YouTube" (https://www.youtube.com/channel/UCC1qzLiyRg-YxSoxBpmUlBA/featured?view_as=subscriber) Next quarter the team will rollout of fresh content featuring new Rehabbed & Ready initiatives and auction property cleanout. The goal is to give potential buyers a more thorough look at the challenges and possibilities of renovating a DLBA property.

"When I bought my first house, I was making \$15 an hour, it was a struggle. I knew I had to do something different to leave something to my family and the land bank made ownership a possibility"

DLBA BUYER SPOTLIGHT
PORTRAIT OF A HOMEOWNER

buildingdetroit.org
search
register & bid
close & start rehab
MOVE IN!

buildingdetroit.org

INVEST IN YOU!

@BuildingDet
@buildingdetroit

DLBA INNOVATION FUND
BUILDING DETROIT

**INTERESTED IN
PURCHASING A
REHABBED HOME?**



LEGAL

TIM DEVINE, GENERAL COUNSEL

The Legal Department is responsible for the legal affairs of the Detroit Land Bank Authority (DLBA). The Legal Department provides legal advice and support to the DLBA to facilitate property disposition, remediate nuisances, and address illegal activity at properties throughout Detroit, helping the Land Bank to 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.

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 creating a special docket allowing the Detroit Land Bank Authority to file these actions efficiently. The DLBA files quiet title actions on its properties, enabling the DLBA to sell those properties with clear, insurable title. Clear, insurable title is very important for anyone buying property—not just from the DLBA, but in general. Clear title provides the property owner confidence in their ownership and any investment they make in the property. It is also a requirement for a lending institution considering financing a mortgage. As of December 31, 2019, this last quarter, the Legal Department obtained 493 quiet title judgments.

NUISANCE ABATEMENT

ABANDONED PROPERTIES

The DLBA established its Nuisance Abatement Program (NAP) 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 NAP criteria are vacant and unoccupied, boarded, open to trespass, appear to be abandoned or neglected.

The DLBA initially identifies NAP property addresses using several sources, then locations are verified by investigators, community groups, or neighbors in targeted geographic areas. 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: areas with relatively low levels of vacancy where a limited number of NAP lawsuits could make a significant difference to an otherwise stable block.

Service of Process is achieved as to all current owners. 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. The 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 properties who fail to respond to the lawsuit may lose their ownership rights to the property at a hearing for default judgment.

During the second quarter, the Legal Department identified and placed notices ("posters") on 61 properties and filed suit against 54 properties in 28 different neighborhoods throughout the City. 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.

This quarter, there were 48 agreements with property owners to rehabilitate their properties. Additionally, the NAP program obtained 14 default judgments, one donation of abandoned property to the DLBA instead of litigation, and one property purchased from defendant property owners in cost-saving settlements.

NAP Results	Number of Properties
Rehabilitation Agreements	48
Default Judgements	14
Donations	1
Settlement Purchase by DLBA	1



Before and After, NAP Property on Lawndale Achieved Compliance in Q2

NAP lawsuits are an important tool in fulfilling the DLBA’s mission of stabilizing neighborhoods by addressing blighted and abandoned property.

DRUG HOUSE UNIT

The Drug House Unit (DHU) is a facet of the Nuisance Abatement Program (NAP) and represents DPD and DLBA’s joint goal of stabilizing neighborhoods by addressing the use of properties within the City of Detroit for the furtherance of drug trafficking. To identify these properties, the DHU receives weekly emails from the Detroit Police Department (DPD) reporting properties where officers find drugs and drug paraphernalia during surveillance and raids. The DHU reviews DPD data and determines next steps based on the ownership of the property. If a property is privately-owned, and more than two raids occur within a one (1) year period, the DHU 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 exact nature of the activities at the structure.

In the second quarter, the DHU received notice of 24 raids conducted by DPD. Of these raids, 6 were on DLBA-owned properties, 4 were found to be publicly owned, and 13 were on non-DLBA owned properties and, therefore, eligible for DHU action. The DHU sent warning letters to 13 of these eligible properties. One consent judgment was executed with a named Defendant to address the drug trafficking that has

occurred at the property; there were no default judgments and no new lawsuits filed. Of the six raids on DLBA-owned properties, there were five unique addresses impacted. Of those five addresses, two investigations are in progress. The legal department has initiated removal proceedings in two instances. Investigators determined one property was vacant, and the structure is now in the inventory assessment pipeline.

DHU Q2 FY2020 Results

DHU Process	Number of Raids
DLBA-Owned	6
Publicly Owned	4
Warning Letters Sent	13
Lawsuit in Process	0
Consent Judgments	1
Default Judgments	0
Total	24

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. The DLBA reviews every occupant for potential Buy Back Program eligibility first; 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, the legal team may go forward with removal. Buy Back vetting will not occur if the DLBA finds 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 land bank will connect the occupant to the Detroit Health Department (DHD) 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.

In the second quarter, the DLBA initiated removal proceedings at 12 properties and completed removal proceedings at 13 properties.

FREEDOM OF INFORMATION ACT (FOIA) REQUESTS

Under the Michigan Freedom of Information Act (FOIA), MCL 15.231 et seq., all persons, except those who are incarcerated, can submit a FOIA request to the Detroit Land Bank Authority (DLBA) FOIA Coordinator. In the second quarter, the DLBA received 12 new FOIA requests and completed 15 FOIA requests, all within the statutory timeframes.

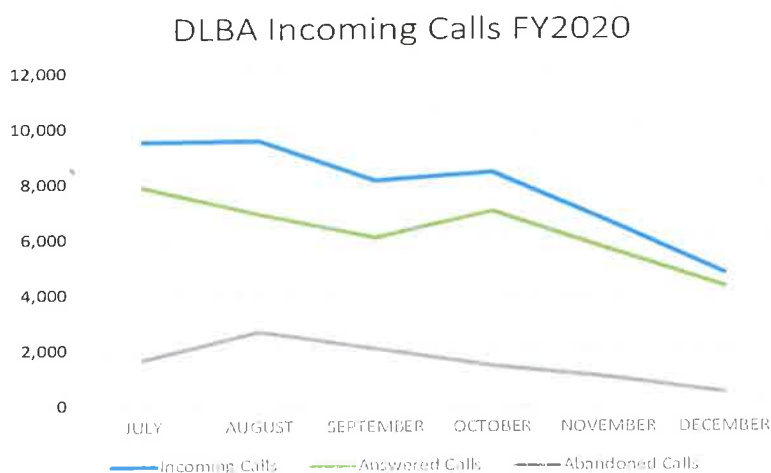
ADMINISTRATION & OPERATIONS

KELLEY SINGLER, DIRECTOR

The Administration & Operations Departments of the Detroit Land Bank Authority (DLBA) directs the day-to-day organization operations and centralized resources of the DLBA. Providing Human Resources, Office Management, Information Technology, Data Solutions, and Client Services support. In addition to internal programming, Administration & Operations supports many external DLBA programs utilized by the public and other City entities including the DLBA's Salesforce database and buildingdetroit.org.

CLIENT SERVICES

The DLBA Client Services team strives to provide exceptional customer service to our internal and external customers through information, resources, and transparency. The team is dedicated and resolution oriented, working to deliver comprehensive solutions to inquiries from customers, residents, and Detroit city agencies.



5,943 FYTD

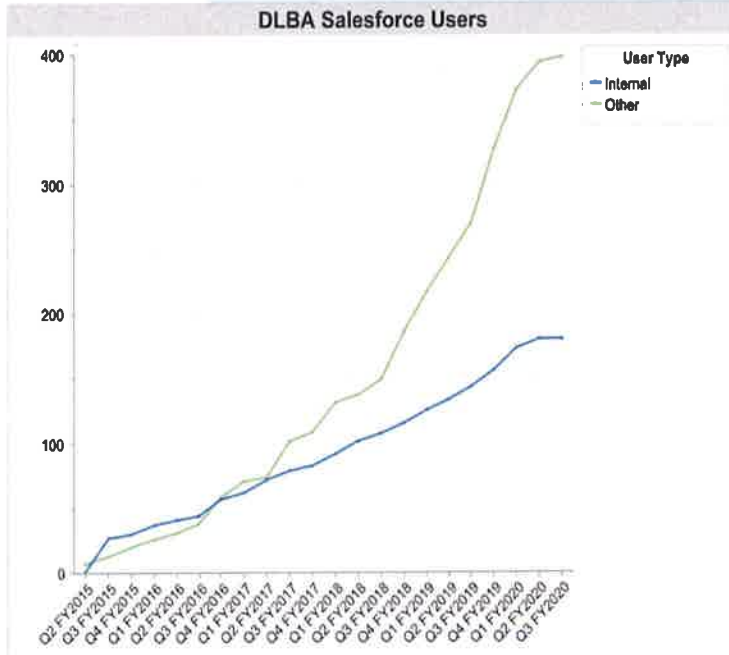
**WALK-IN
CLIENTS**

DATA SOLUTIONS

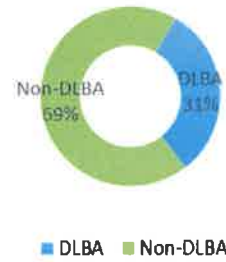
Data collection, organization, and analysis is critical to the functionality and forward growth of the Detroit Land Bank Authority's Inventory, Disposition, Demolition, and Legal departments. The DLBA's Salesforce system is the most comprehensive property database in the City of Detroit and the backbone of the DLBA. Since launching in Q1 2015, its user base, both internally and externally, has constantly increased. As City agencies discovered its comprehensive nature, the DLBA receives frequent requests to add users from departments with diverse missions; from the Detroit Police Department to the Detroit City Council and Department of Neighbors. The DLBA provides access and support at no cost to City agencies.

ADMINISTRATION & OPERATIONS

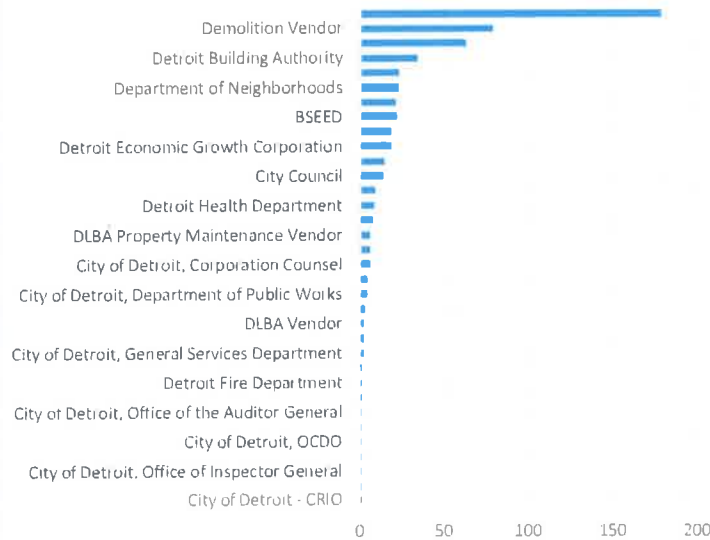
In Q2 2020 a record number of external Salesforce partner users were added. There are currently 578 active Salesforce users across 32 different organizations and City of Detroit departments.



Salesforce Users



Salesforce Users



ADMINISTRATION & OPERATIONS

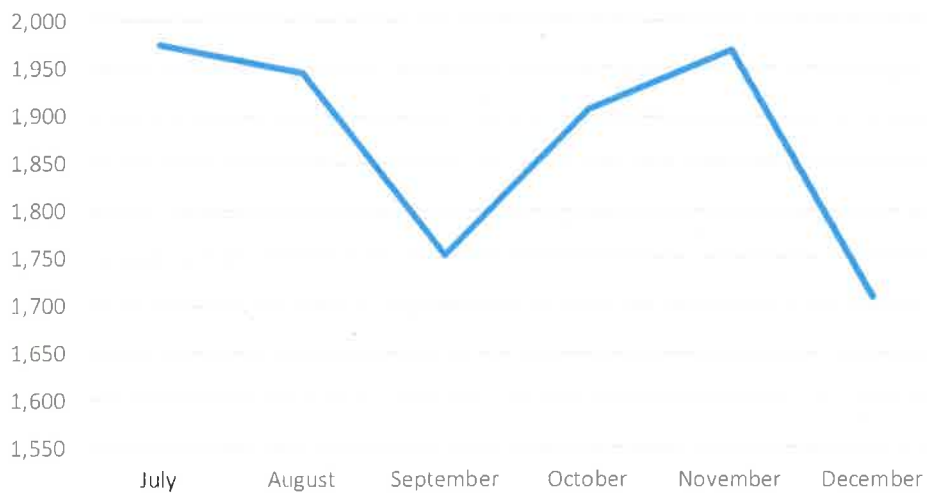
DLBA WEBSITE ENHANCEMENTS

Supporting the DLBA Buildingdetroit.org website, continually improving user experience and programmatic needs is central to Operations's functionality.

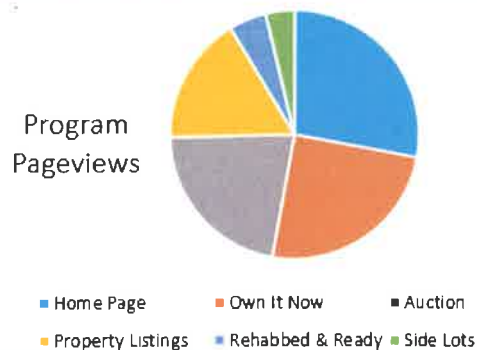
Q2 website enhancements include:

- Banner update for Auction, OIN and Past listings.
- Fixed Acuity issue.
- Remove validation for money order payment method for side lot module.
- Fixed OIN Time expiration issues due to Daylight saving
- Fixed Authorize.net API issue for deposite-1
- "Buy Back" page Spanish translation
- "Building Block" page Spanish translation
- Updated "DLBA Renovation Discount" page.
- Updated banner for "Community Partnership" page
- Community Affairs Event page update
- Removed some Side Lot validations regarding deposits.
- Deed updated reflecting change to Jano Hanna
- New content page for "DLBA Marketed" properties page

buildingdetroit.org New Users FY 2020



Program Pageviews



FINANCE

MARLENE BEACH, INTERIM CFO

The Finance Department continues with 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) December 2019 Fiscal Year to Date Revenue and Expenses - Actual versus Budget; (2) Balance Sheet Highlights; and (3) Status Update on the Hardest Hit Fund.

December 2019 Year to Date Revenue and Expenses - Actual versus Budget

Overall Revenue for the quarter was \$38.5M versus Budget of \$33.1M. Expenses were \$40.0M versus Budget of \$33.1M. Budget versus Actual variances were primarily driven by timing of demolition activities being executed relating to the Hardest Hit Fund.

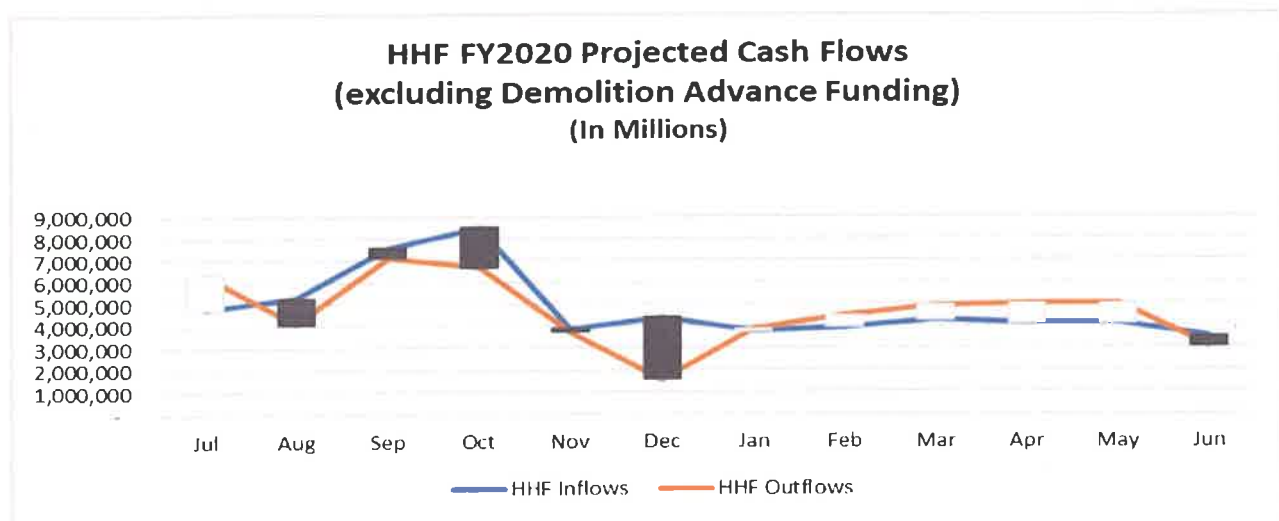
December 2019 Balance Sheet Highlights

- The Balance Sheet ended strong with a working capital ratio showing that the DLBA's current assets exceeded current liabilities by 1.8 times.
- Restricted cash balance of \$6.7M consisted of maintenance fees for over 13,400 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 \$18M (i.e., Demolition, Rehabbed Programs).

Hardest Hit Fund Updates

FY20 Activity

From July 2019 through December 2019, over \$29.5M was paid for reimbursable demolition expenses relating to this program. Cash receipts from our partner, MSHDA, also exceeded \$34.4M. As the program is in the final phases it is projected that the cash flow from reimbursements will exceed the cash flow to payments to vendors as prior year receivable balances are collected. The chart below is a summary of the projected cash flows through the end of this fiscal year.



Inception to Date

To date, the Hardest Hit Fund reimbursed expenses exceeded \$225M and reimbursements were \$216M for direct costs only. Thanks to the ongoing support of both City Council and the City of Detroit, the Demolition Advance Fund significantly supported vendor payments through the program. As of December 31, 2019, there was an outstanding balance of \$10M that will be paid in full upon the completion of the program – see Chart below. We look forward to our continued partnership with City Council and the City of Detroit in eliminating blight.

Date	Action	\$ Amount
March-15	Setup of Fund	20.0
April-15	Draw # 1	(15.0)
April-15	Repayment	10.0
August-16	Draw # 2	(4.0)
October-16	Draw # 3	(6.0)
June-17	Repayment	5.0
May-18	Repayment	5.0
October-18	Draw # 4	(5.0)
December 31, 2019 Net Draw Balance		(10.0)
December 31, 2019 Available Balance		10.0

UNAUDITED YEAR TO DATE **DECEMBER 31, 2019 REVENUE AND EXPENSES**

buildingdetroit.org

Income Statement Summary- Management View

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Company Name: **Detroit Land Bank Authority**
 As of Period Ending: **2020/006**
 Audit Status: **Unaudited**
 Report Status: **Draft**

City Council Grouping Level	Actual YTD	Budget YTD	Variance	Variance%
Income				
Structure Sales	4,352,199	4,118,560	233,639	5.67%
Side Lot Sales	393,520	100,000	293,520	293.52%
Cost of Inventory	(870,600)	0.00	(870,600)	100.00%
Discounts	(736,440)	0.00	(736,440)	100.00%
Gain (Loss) on Sale of Property	(31,491)	0.00	(31,491)	100.00%
Total Net Sales	3,107,187	4,218,560	(1,111,373)	(26.34%)
Government Revenue	25,279,094	22,002,238	3,276,856	14.89%
Total Government Revenues(MSHDA)	25,279,094	22,002,238	3,276,856	14.89%
COD Operating	6,500,000	6,500,000	0.00	0.00%
COD Blight	3,171,565	0.00	3,171,565	100.00%
Total City of Detroit Revenue	9,671,565	6,500,000	3,171,565	48.79%
Inter-Company Revenue	11,238	0.00	11,238	100.00%
Private Grant Revenue	586,524	100,000	486,524	486.52%
Total Other Private Grant Revenue	597,762	100,000	497,762	497.76%
Donated Goods and Service	15,600	0.00	15,600	100.00%
Inventory Impairment	(643,100)	0.00	(643,100)	100.00%
Total Donated Goods and Service	(627,500)	0.00	(627,500)	100.00%
5/50 Proceeds	227,940	225,000	2,940	1.31%
Closing Refunds to the Seller	62,795	39,908	22,889	57.35%
Housing Showing Fees	17,640	5,500	12,140	220.73%
Lease Revenue	3,300	10,000	(6,700)	(67.00%)
Legal Recoveries	23,425	12,500	10,925	87.40%
Other Income	55,313	0.00	55,313	100.00%
Quiet Title Fees	145,051	30,000	115,051	383.50%
Total Other Income	535,463	322,907	212,556	65.83%
Inter-Department Revenue	555,689	555,689	0.00	0.00%
Total Inter-Departmental	555,689	555,689	0.00	0.00%
SUB TOTAL	39,119,261	33,699,395	5,419,866	16.08%

UNAUDITED YEAR TO DATE DECEMBER 31, 2019 REVENUE AND EXPENSES

Elimination				
Inter-Department Revenue	(555,689)	(555,689)	0.00	0.00%
Total Inter-Departmental	(555,689)	(555,689)	0.00	0.00%
	(555,689)	(555,689)	0.00	0.00%
Total Income	38,563,572	33,143,706	5,419,866	16.35%
Expenses				
General Admin Costs	684,333	911,999	227,666	24.96%
Personnel Costs	5,829,589	6,805,373	975,784	14.34%
Facilities Costs	787,825	700,017	(87,808)	(12.54%)
Professional Services	1,420,813	1,626,892	206,079	12.67%
Program Expense	31,290,756	23,037,220	(8,253,535)	(35.83%)
Inter Company Expenses	555,709	555,689	(20)	(0.00%)
	40,569,024	33,637,191	6,931,834	(20.61%)
SUB TOTAL	40,569,024	33,637,191	6,931,834	(20.61%)
Elimination				
Inter Company Expenses	(555,689)	(555,689)	0.00	0.00%
	(555,689)	(555,689)	0.00	0.00%
	(555,689)	(555,689)	0.00	0.00%
Total Expense	40,013,335	33,081,502	6,931,834	20.95%
Net Income	(1,449,764)	62,204	(1,511,968)	(2.430.66%)

UNAUDITED DECEMBER 31, 2019 BALANCE SHEET



Balance Sheet Detailed - Management View

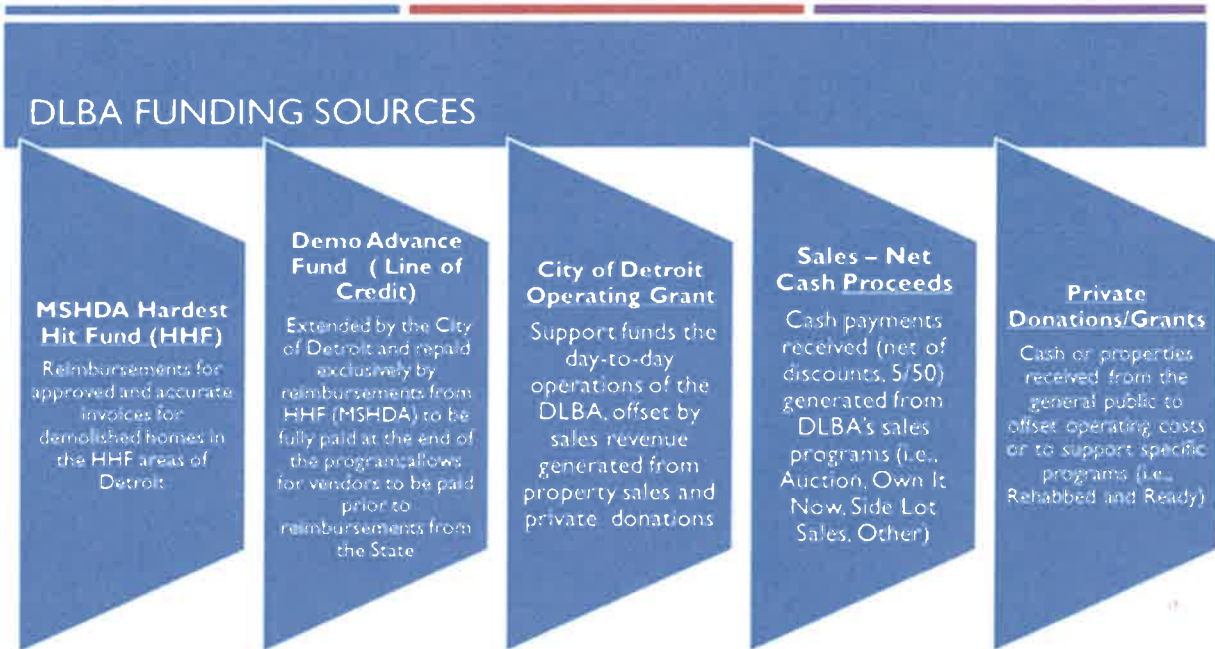
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Company Name: Detroit Land Bank Authority
 As of Period Ending: 2020/006
 Audit Status: Unaudited
 Last Fiscal Year (Closed): 2019

Balance Sheet	Current Period June 30 (Last year)	Current Vs June
Current Assets		
Cash and Cash Equivalents	27,182,096	21,099,730 6,082,366
Accrued/Accounts Receivable	28,497,204	38,900,405 (10,403,201)
Other Current Assets	21,355,355	22,170,475 (815,120)
Current Assets Total	77,034,654	82,170,609 (5,135,955)
Fixed Assets		
Fixed Assets	599,151	695,097 (95,946)
Fixed Assets Total	599,151	695,097 (95,946)
Total Assets	77,633,805	82,865,706 (5,231,901)
Current Liabilities		
Demo Advance Fund - City of Detroit	10,000,000	10,000,000 0.00
Line of Credit - City of Detroit	0.00	0.00 0.00
Accrued/Accounts Payable/Other Liabilities	33,263,990	37,046,128 3,782,138
Current Liabilities Total	43,263,990	47,046,128 3,782,138
Equity		
Equity	34,369,815	35,819,579 (1,449,764)
Equity Total	34,369,815	35,819,579 (1,449,764)
Total Liabilities and Equity	77,633,805	82,865,706 (5,231,901)

SUMMARY OF DLBA'S REVENUE FUNDING SOURCES

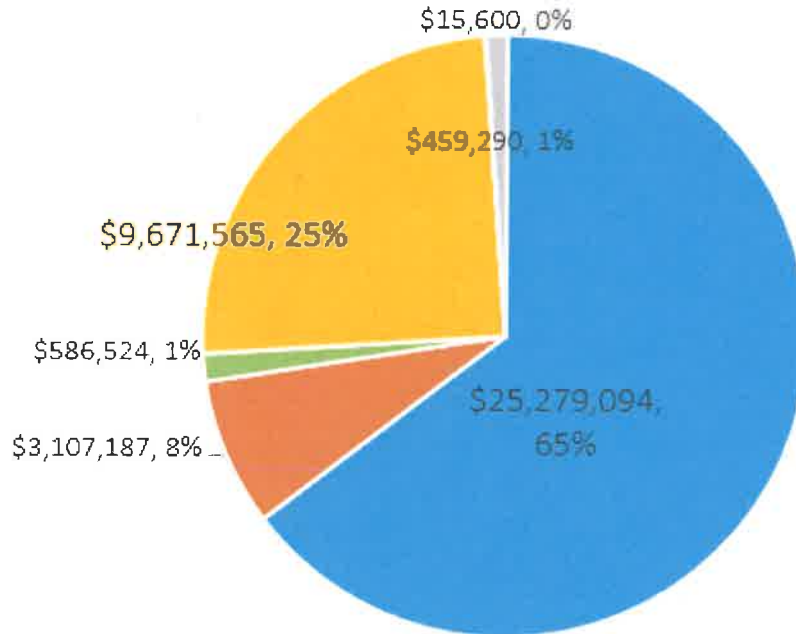
Summary of DLBA's Revenue Funding Sources



GRAPHIC SUMMARY OF REVENUE AND EXPENSES

Fiscal Year 2020 – December Year to Date Revenue Summary

Revenue - Actual YTD



- HHF Grant
- Net Sales
- Private Grant Revenue
- City of Detroit
- Donated Goods and Services
- Other Income

*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

*Donated Goods and Services includes: Donated Goods and Services

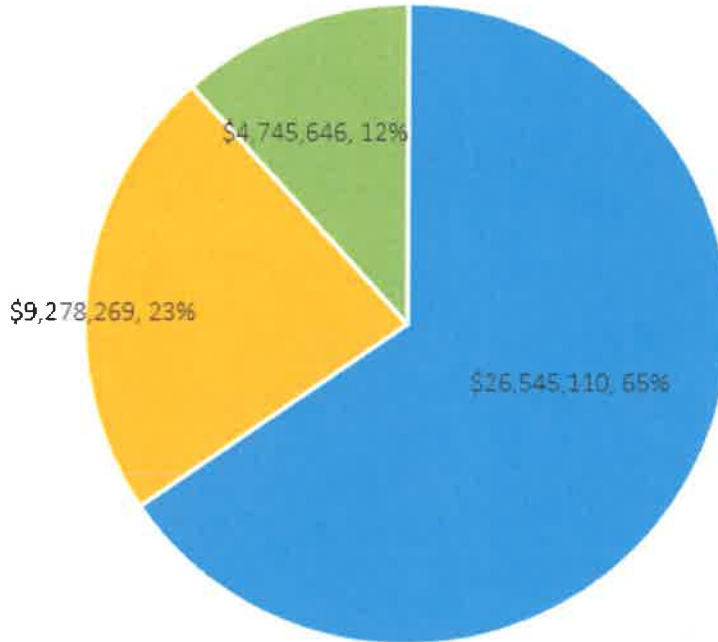
*City of Detroit includes: City Revenues and Non-Reimbursable – Demo – City of Detroit

*Other Income includes: 5/50 Proceeds, Closing Refunds, Fire Escrow Proceeds, House Showing Fees, Lease Revenue, Legal Recoveries, Other Income, Program Income, Quiet Title Fees, and Inter-Company Revenue less Impairment of Inventory

GRAPHIC SUMMARY OF REVENUE AND EXPENSES

Fiscal Year 2020 – December Year to Date Expenses Summary

Expenses - Actual YTD



- Demolition Expenses
- General and Administrative Costs
- Other Program Expenses

*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

*Donated Goods and Services includes: Donated Goods and Services

*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, Quiet Title Fees, and Inter-Company Revenue less Impairment of Inventory

FY 2019 AUDITED FINANCIAL STATEMENTS

DETROIT LAND BANK AUTHORITY
(A Component Unit of the City of Detroit, Michigan)

FINANCIAL STATEMENTS
(With Required Supplementary Information)

June 30, 2019 and 2018



DETROIT LAND BANK AUTHORITY

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1200 Buhl Building
535 Griswold Street
Detroit, Michigan 48226 3689

(313) 965 2655 • Fax (313) 965 4614

INDEPENDENT AUDITOR'S REPORT

November 1, 2019

To the Board of Directors
Detroit Land Bank Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Detroit Land Bank Authority (the "DLBA"), a component unit of the City of Detroit, Michigan, as of, and for the years ended, June 30, 2019 and 2018, as well as the related notes to the financial statements, which collectively comprise the DLBA's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The DLBA's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the DLBA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DLBA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors
Detroit Land Bank Authority
November 1, 2019
Page Two

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the DLBA as of June 30, 2019 and 2018, and the respective changes in financial position thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Pronouncements

As discussed in Note A, effective July 1, 2018, the DLBA has adopted the disclosure provisions contained in Statement of Governmental Accounting Standards No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Our opinions are not modified with respect to this matter.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and budgetary comparison on pages 30 through 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 1, 2019, on our consideration of the DLBA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DLBA's internal control over financial reporting and compliance.

George Johnson & Company

CERTIFIED PUBLIC ACCOUNTANTS

DETROIT LAND BANK AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2019 and 2018

This section of the annual report of the Detroit Land Bank Authority (the "DLBA") presents management's discussion and analysis of the DLBA's financial performance during the fiscal years that ended on June 30, 2019 and 2018. Please read it in conjunction with the DLBA's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The DLBA's purpose is to exercise the powers, duties, functions, and responsibilities of an authority under the Land Bank Act for the benefits of the City of Detroit (the "City") and the State of Michigan. The DLBA endeavors to carry out the powers, duties, functions, and responsibilities of an authority under the Land Bank Act consistent with the inter-governmental agreement including, but not limited to, the power, privilege, and authority to acquire, manage, and dispose of interests in property, and performing all other functions necessary or convenient to implement the purposes, objectives, and provisions of the Land Bank Act and the purposes, objectives, and powers delegated to a City authority under the laws or executive orders.

The DLBA's demolition activities funded by the Hardest Hit Blight program for the fiscal year ended June 30, 2019 totaled 2,204 properties, compared to 1,638 in the previous fiscal year. The DLBA's inventory of property decreased to 90,860 parcels, compared to 95,242 as of the end of the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report contains two types of financial statements. The statements of net position and statements of activities (which are presented on pages 9 and 10) are considered government-wide financial statements. The balance sheets and statements of revenue, expenditures, and changes in fund balances for governmental funds (which are presented on pages 11, 12, 14, and 15) are considered fund financial statements. A further discussion of each type of statement follows.

Government-Wide Financial Statements

The government-wide financial statements report information about the DLBA as a whole using accounting methods similar to those used by private-sector companies and non-profit organizations. The statements of net position include all of the DLBA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statements of activities, regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2019 and 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Financial Statements (continued)

The two government-wide financial statements report the DLBA's net position and how they have changed. Net position represents the difference between the DLBA's total of assets and deferred outflows of resources and its total of liabilities and deferred inflows of resources, and it represents one way to measure the DLBA's financial health, or position. Over time, increases or decreases in the DLBA's net position are an indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide more detailed information about the DLBA's funds, not the DLBA as a whole. Funds are accounting devices that the DLBA uses to keep track of specific sources of funding and spending for particular purposes.

Most of the DLBA's activities are included in governmental funds, which focus on how cash, and other financial assets that can be readily converted to cash, flow in and out, and show the balances left at the end of the year that are available for spending. As such, the fund financial statements provide a detailed short-term view that shows whether there are more or fewer financial resources that can be spent in the near future to finance the DLBA's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, additional information is provided on pages 13 and 16 that explains the relationship between the fund financial statements and the government-wide financial statements.

The notes to the financial statements, which begin on page 17, explain some of the information in the financial statements and provide more detailed data. A comparison of the DLBA's general fund revenue and expenditures to its budget is provided on pages 30 and 31.

DETROIT LAND BANK AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2019 and 2018

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE

Table 1 reflects a condensed summary of the DLBA's assets, liabilities, and net position as of June 30, 2019, 2018, and 2017:

Table 1
Statements of Net Position
June 30, 2019, 2018, and 2017
(in millions of dollars)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets:			
Cash	\$ 19.4	\$ 18.5	\$ 11.9
Escrow deposits	2.0	2.0	-0-
Accounts receivable	38.9	19.5	18.3
Property held for resale	21.9	23.3	24.5
Capital assets	0.7	0.6	0.2
Prepaid expenses	0.2	0.1	-0-
Total Assets	<u>83.1</u>	<u>64.0</u>	<u>54.9</u>
Liabilities:			
Accounts payable and accrued expenses	27.9	19.2	11.0
Deferred revenue	5.1	5.4	5.2
Escrow deposits payable	2.0	2.0	-0-
Advances and loans	12.0	7.0	18.5
Total Liabilities	<u>47.0</u>	<u>33.6</u>	<u>34.7</u>
Net Position:			
Net investment in capital assets	0.7	0.6	0.2
Restricted	7.6	7.5	5.5
Unrestricted	27.8	22.3	14.5
Total Net Position	<u>\$ 36.1</u>	<u>\$ 30.4</u>	<u>\$ 20.2</u>

Total assets increased to \$83.1 million as of June 30, 2019 from \$64.0 million as of June 30, 2018. This increase was mainly a result of revenue accruals earned for demolitions under the Hardest Hit Fund ("HHF") program and other contractual or designated funds.

DETROIT LAND BANK AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2019 and 2018

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE (CONTINUED)

Total liabilities increased to \$47.0 million as of June 30, 2019, compared to \$33.6 million as of June 30, 2018. This increase was due to higher accounts payable, primarily related to costs associated with the HHF Demolition Program.

Table 2 reflects a condensed summary of the DLBA's revenue, expenses, and changes in net position for the years ended June 30, 2019, 2018, and 2017:

Table 2
Statements of Activities
For the Years Ended June 30, 2019, 2018, and 2017
(in millions of dollars)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenue:			
Program revenue	\$ 86.3	\$ 67.5	\$ 67.0
Expenses:			
Land bank program	<u>80.6</u>	<u>57.3</u>	<u>64.1</u>
Change in Net Position	5.7	10.2	2.9
Net Position, Beginning of Year	<u>30.4</u>	<u>20.2</u>	<u>17.3</u>
Net Position, End of Year	<u>\$ 36.1</u>	<u>\$ 30.4</u>	<u>\$ 20.2</u>

For the year ended June 30, 2019, the DLBA's general fund revenue on the modified accrual basis was \$69.1 million, compared to the budget of \$77.2 million. This was due primarily to the timing of revenue received by the HHF program. Total general fund expenses on the modified accrual basis were \$80.7 million, compared to the final budget of \$77.2 million.

Total revenue for the year ended June 30, 2019 on the accrual basis increased to \$86.3 million from \$67.5 million in the previous year, primarily due to increased funding for demolition activities funded through the HHF.

Total expenses for the year ended June 30, 2019 on the accrual basis increased to \$80.6 million from \$57.3 million in the previous year, primarily due to increased demolition activities.

DETROIT LAND BANK AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2019 and 2018

CAPITAL ASSETS

As of June 30, 2019, the DLBA has \$695,096 invested in capital assets, including furniture, computers, software, and other equipment. Accumulated depreciation as of June 30, 2019 was \$721,143.

ECONOMIC FACTORS

The DLBA is dedicated to returning Detroit's vacant, abandoned, and foreclosed property to productive use. To meet this mission, there are four main divisions of the DLBA:

- Inventory division, which is responsible for acquiring, evaluating, and assessing the disposition of the property
- Demolition division, which manages all demolition activities
- Disposition division, which is responsible for disposing of the property through sales or donations
- Legal division, which is responsible for clearing title and enforcing compliance with the City's Housing Regulations and representing the DLBA for all legal matters

The DLBA is demolishing and removing derelict structures, holding and maintaining property, and disposing of the property in conjunction with a development project or other appropriate use. Most transactions that remove a property from the DLBA's inventory generate revenue for the organization. Examples of these transactions include, but are not limited to, property sales, side lot sales, and special purpose projects.

As the opportunity arises, the DLBA will also execute federal, state, and local grants that have a public land component. The DLBA played a key role in implementing several rounds of the federally funded Neighborhood Stabilization Program in conjunction with the City and the Michigan State Housing Development Authority ("MSHDA").

In the coming years, the DLBA will continue to focus on activities through contracts with MSHDA. The DLBA will also continue to build relationships with the philanthropic community, seeking to attract foundation grant support to leverage public funds.

DETROIT LAND BANK AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2019 and 2018

ECONOMIC FACTORS (CONTINUED)

- HHF — In partnership with the Michigan Land Bank Authority, the DLBA received \$52.3 million during the year ended June 30, 2014 and, based on its efficient implementation, the DLBA received an additional \$5 million of HHF monies to demolish approximately 500 additional properties. During the year ended June 30, 2015, the DLBA was awarded another \$50 million to increase demolition of additional blighted structures. The DLBA was awarded an additional \$63.1 million during the year ended June 30, 2016. During the fiscal year ended June 30, 2017, MSHDA awarded \$88.1 million, plus an additional \$5 million, which represented the final round of awards.
- Public and Private Partnerships — The DLBA has formed partnerships with local organizations to implement a program providing newly rehabilitated homes in targeted neighborhoods of Detroit. The DLBA received grants of \$665,000 supported by a loan of \$2 million to rehabilitate the housing and alleviate blight in the surrounding neighborhoods. The DLBA will also receive a loan loss reserve to fill any shortfalls in sales price versus rehabilitation costs. The outside organizations will rehabilitate the identified properties.
- Under Michigan law, the DLBA will receive 50 percent of the specific tax generated on all properties that are sold by the DLBA for five years succeeding the transfer of the property to private owners. The specific tax is equal to the ad valorem taxes that would be generated if the property were not exempt from ad valorem taxation. These funds will be received by the DLBA in the same manner and the same time that the City distributes current tax collections to all taxing jurisdictions for which it collects property taxes. The DLBA budget first realized this revenue source in May 2015.
- The DLBA will continue to market its ability to act as a City-wide development tool in areas that are deemed marketable, as well as to increase visibility to support commercial development investments and develop fee-based services, such as title cleansing. The DLBA's long-term strategy is to act as a resource in the City's neighborhood revitalization efforts, aligning its efforts with the City specifically on management of public land, extending relationships with philanthropy, and partnering with community groups to improve Detroit neighborhoods.

FINANCIAL CONTACT

This financial report is designed to present its users with a general overview of the DLBA's finances and to demonstrate the DLBA's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer's office of the Detroit Land Bank Authority, 500 Griswold, Suite 1200, Detroit, Michigan 48226. Requests can also be made by telephone at (313) 974-6869.

DETROIT LAND BANK AUTHORITY

STATEMENTS OF NET POSITION

June 30, 2019 and 2018

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Assets:		
Cash (Note B):		
Unrestricted	\$ 11,810,648	\$ 11,030,872
Restricted	7,601,956	7,508,407
Total Cash	19,412,604	18,539,279
Escrow deposits (Note B)	2,000,000	2,000,000
Accounts receivable (net of allowance of \$-0- and \$21,528 for 2019 and 2018, respectively)	38,900,405	19,456,157
Prepaid expenses	186,409	66,096
Property held for resale (Note A)	21,919,066	23,341,284
Capital assets (Note C):		
Depreciable capital assets, net	695,096	616,332
Total Assets	83,113,580	64,019,148
Liabilities:		
Accounts payable and accrued expenses	27,910,420	19,170,400
Deferred revenue (Note D)	5,135,708	5,411,918
Escrow deposits payable (Note B)	2,000,000	2,000,000
Advances and loans (Note E)	12,000,000	7,000,000
Total Liabilities	47,046,128	33,582,318
Net Position:		
Net investment in capital assets	695,096	616,332
Restricted	7,601,956	7,508,407
Unrestricted	27,770,400	22,312,091
Total Net Position	\$ 36,067,452	\$ 30,436,830

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2019 and 2018

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Expenses:		
Land bank program:		
Demolition expenses	\$ 56,897,664	\$ 35,444,680
Salaries and wages	9,091,641	7,700,231
Payroll taxes	778,549	674,718
Employee benefits	1,412,641	1,105,985
Acquisition and maintenance	6,324,108	5,884,197
Board-ups, sales preparation, and debris removal	2,316,022	2,303,224
Professional fees	541,254	1,437,834
Advertising	368,702	472,226
Occupancy	1,355,129	1,184,182
Office expenses	344,482	268,068
Insurance	271,090	77,272
Depreciation (Note C)	238,728	182,287
Other expenses	679,175	611,155
Total Program Expenses	80,619,185	57,346,059
Program Revenue:		
Land bank program:		
Hardest Hit Fund grant	60,230,159	35,369,033
Other grants and contracts	18,364,383	23,602,611
Donated properties	335,750	910,000
Structure sales	8,603,034	9,025,906
Side lot sales	998,801	797,737
Other program revenue	1,174,540	1,513,898
Loss on disposition of property held for resale	(3,454,038)	(3,668,750)
Total Program Revenue	86,252,629	67,550,435
Net Program Revenue	5,633,444	10,204,376
General Revenue:		
Loss on disposition of capital assets	(2,822)	-0-
Change in Net Position	5,630,622	10,204,376
Net Position, Beginning of Year	30,436,830	20,232,454
Net Position, End of Year	\$ 36,067,452	\$ 30,436,830

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

BALANCE SHEETS — GOVERNMENTAL FUNDS

June 30, 2019 and 2018

	2019				2018			
	General Fund	Special Revenue Fund	Interfund Eliminations (Note A)	Total All Funds	General Fund	Special Revenue Fund	Interfund Eliminations (Note A)	Total All Funds
ASSETS								
Cash (Note B):								
Unrestricted	\$ 11,497,774	\$ 312,874	\$ -0-	\$ 11,810,648	\$ 10,782,654	\$ 248,218	\$ -0-	\$ 11,030,872
Restricted	7,601,956			7,601,956	7,508,407			7,508,407
Total Cash	19,099,730	312,874	-0-	19,412,604	18,291,061	248,218	-0-	18,539,279
Escrow deposits (Note B)	2,000,000			2,000,000	2,000,000			2,000,000
Accounts receivable (net of allowance of \$-0- and \$21,528 for 2019 and 2018, respectively)	38,965,405		65,000	38,900,405	19,456,207		50	19,456,157
Prepaid expenditures	186,409			186,409	66,096			66,096
Property held for resale (Note A)	21,919,066			21,919,066	23,341,284			23,341,284
Total Assets	\$ 82,170,610	\$ 312,874	\$ 65,000	\$ 82,148,484	\$ 63,154,648	\$ 248,218	\$ 50	\$ 63,402,916

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

BALANCE SHEETS — GOVERNMENTAL FUNDS (CONTINUED)

June 30, 2019 and 2018

	2019				2018			
	General Fund	Special Revenue Fund	Interfund Eliminations (Note A)	Total All Funds	General Fund	Special Revenue Fund	Interfund Eliminations (Note A)	Total All Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$ 27,910,420	\$ 65,000	\$ 65,000	\$ 27,910,420	\$ 19,170,800	\$ 50	\$ 50	\$ 19,170,800
Deferred revenue (Note D)	5,135,708			5,135,708	5,411,918			5,411,918
Escrow deposits payable (Note B)	2,000,000			2,000,000	2,000,000			2,000,000
Advances and loans (Note E)	12,000,000			12,000,000	7,000,000			7,000,000
Total Liabilities	47,046,128	65,000	65,000	47,046,128	33,582,718	50	50	33,582,718
Deferred Inflows of Resources:								
Unavailable revenue (Note D)	31,775,788			31,775,788	15,329,133			15,329,133
Total Liabilities and Deferred Inflows of Resources	78,821,916	65,000	65,000	78,821,916	48,911,851	50	50	48,911,851
Fund Balances:								
Nonspendable	22,105,475			22,105,475	23,407,380			23,407,380
Restricted	7,601,956	247,874		7,849,830	2,408,807	248,168		7,756,575
Unassigned	(26,358,737)			(26,358,737)	(16,672,590)			(16,672,590)
Total Fund Balances	3,348,694	247,874	-	3,596,568	14,243,197	248,168	-	14,491,365
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 82,170,610	\$ 312,874	\$ 65,000	\$ 82,418,484	\$ 63,154,648	\$ 248,218	\$ 50	\$ 63,402,816

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS TO STATEMENTS OF NET POSITION

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Total Fund Balances, Governmental Funds	\$ 3,596,568	\$ 14,491,365
<p>Amounts reported for governmental activities in the statements of net position differ from amounts reported in the governmental funds balance sheets due to the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:</p>		
<p>Depreciable capital assets:</p>		
Cost	1,416,239	1,133,016
Less: Accumulated depreciation	(721,143)	(516,684)
<p>Certain revenue applicable to governmental activities is not available for use as of the end of the period and, therefore, is reported as a deferred inflow of resources in the funds. These amounts consist of the following:</p>		
Unavailable revenue	<u>31,775,788</u>	<u>15,329,133</u>
Total Net Position, Governmental Activities	<u>\$ 36,067,452</u>	<u>\$ 30,436,830</u>

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS

For the Years Ended June 30, 2019 and 2018

	2019			2018		
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
Revenue:						
Hardest Hit Fund grant	\$ 43,783,504	\$ -0-	\$ 43,783,504	\$ 33,986,953	\$ -0-	\$ 33,986,953
Other grants and contracts	18,364,383		18,364,383	23,602,611		23,602,611
Donated properties	335,750		335,750	910,000		910,000
Structure sales	8,603,034		8,603,034	9,025,906		9,025,906
Side lot sales	998,801		998,801	797,737		797,737
Other revenue	509,477	665,063	1,174,540	168,848	1,345,050	1,513,898
Loss on disposition of property held for resale	(1,454,038)		(1,454,038)	(3,668,750)		(3,668,750)
Total Revenue	69,148,911	665,063	69,813,974	64,873,305	1,345,050	66,218,355
Expenditures:						
Current:						
Demolition expenses	56,897,664		56,897,664	35,444,680		35,444,680
Salaries and wages	9,091,641		9,091,641	7,700,231		7,700,231
Payroll taxes	778,549		778,549	674,718		674,718
Employee benefits	1,412,641		1,412,641	1,105,985		1,105,985
Acquisition and maintenance	6,324,108		6,324,108	5,884,197		5,884,197
Board-ups, sales preparation, and debris removal	2,316,022		2,316,022	2,303,224		2,303,224
Professional fees	541,254		541,254	1,437,834		1,437,834
Advertising	368,702		368,702	472,226		472,226
Occupancy	1,355,129		1,355,129	1,184,182		1,184,182
Office expenses	344,482		344,482	268,068		268,068
Insurance	271,090		271,090	77,272		77,272
Other expenses	678,818	357	679,175	610,825	330	611,155
Capital outlay (Note C)	320,314		320,314	594,201		594,201
Total Expenditures	\$ 80,700,414	\$ 357	\$ 80,700,771	\$ 57,757,643	\$ 330	\$ 57,757,973

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS (CONTINUED)

For the Years Ended June 30, 2019 and 2018

	2019			2018		
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
Excess (Deficiency) of Revenue over Expenditures	\$ (11,559,503)	\$ 664,706	\$ (10,894,797)	\$ 7,065,662	\$ 1,344,720	\$ 8,410,382
Other Financing Sources (Uses):						
Interfund transfers	665,000	(665,000)	-0-	1,345,050	(1,345,050)	-0-
Change in Fund Balances	(10,894,503)	(294)	(10,894,797)	8,410,712	(330)	8,410,382
Fund Balances, Beginning of Year	14,243,197	248,168	14,491,365	5,832,485	248,498	6,080,983
Fund Balances, End of Year	\$ 3,348,694	\$ 247,874	\$ 3,596,568	\$ 14,243,197	\$ 248,168	\$ 14,491,365

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Change in Fund Balances, Governmental Funds	\$ (10,894,797)	\$ 8,410,382
<p>Amounts reported for governmental activities in the statements of activities differ from amounts reported in the governmental funds statements of revenue, expenditures, and changes in fund balances due to the following:</p>		
<p>Capital outlays are reported as expenditures in governmental funds. However, in the statements of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense, and gains and losses on the disposition of capital assets are reported on the statements of activities. During the years presented, these amounts are as follows:</p>		
Capital outlay	320,314	594,201
Depreciation expense	(238,728)	(182,287)
Loss on disposition of capital assets	(2,822)	-0-
<p>Certain revenue reported in the statements of activities does not provide current financial resources and, therefore, is not reported as revenue in governmental funds. During the years presented, these amounts are as follows:</p>		
Unavailable revenue, end of year	31,775,788	15,329,133
Less: Unavailable revenue, beginning of year	<u>(15,329,133)</u>	<u>(13,947,053)</u>
Change in Net Position, Governmental Activities	<u>\$ 5,630,622</u>	<u>\$ 10,204,376</u>

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Nature of Activities and Purpose**

The Detroit Land Bank Authority (the "DLBA") was created on February 18, 2009 as a Michigan Public Body Corporate. It was created through an inter-local agreement between the Michigan Land Bank Fast Track Authority and the City of Detroit (the "City") for the purpose of administering land bank programs and functions in the City.

For financial reporting purposes, the DLBA is a component unit of the City because the majority of the members of the DLBA's Board of Directors is appointed by the City's mayor and is confirmed by the Detroit City Council, which approves the DLBA's budget. There are no fiduciary funds included in the accompanying financial statements.

The DLBA has established the Detroit Land Bank Community Development Corporation (the "DLB CDC"). The DLB CDC is a legally separate, tax-exempt component unit of the DLBA. The DLBA has the power to appoint a majority of the DLB CDC's directors, and the DLB CDC was created and operates exclusively to support the DLBA. As such, the financial activity of the DLBA CDC is included as part of the DLBA's financial statements.

Adoption of New Accounting Pronouncements

In March 2018, the Governmental Accounting Standards Board ("GASB") issued Statement of Governmental Accounting Standards ("SGAS") No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Under SGAS No. 88, in addition to previously-existing disclosure requirements related to debt, disclosures are now required regarding the amount of unused lines of credit and assets pledged as collateral for debt. Also, the disclosure requirements for certain terms in debt agreements are expanded, and debt disclosures regarding direct borrowings and direct placements of debt are required to be reported separately from debt disclosures regarding other debt. The DLBA adopted the provisions of SGAS No. 88, effective July 1, 2018. The implementation of SGAS No. 88 did not impact the DLBA's net position, changes in net position, fund balances, or changes in fund balances.

Basis of Presentation

The financial statements of the DLBA consist of government-wide financial statements, which include the statements of net position and statements of activities, and fund financial statements, which include the balance sheets and statements of revenue, expenditures, and changes in fund balances for governmental funds.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Government-Wide Financial Statements

The government-wide financial statements report information about all of the DLBA's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, and expenses. Deferred outflows of resources represent the consumption of net assets by the DLBA that is applicable to a future reporting period, while deferred inflows of resources represent the acquisition of net assets by the DLBA that is applicable to a future reporting period, and net position is the residual of all other elements presented in the statements of net position.

Fund Financial Statements

For purposes of the fund financial statements, the accounts of the DLBA are organized on the basis of governmental funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. The various funds are summarized by type in the fund financial statements. The following funds, all of which are considered major funds, are used by the DLBA:

General Fund

The general fund is the general operating fund of the DLBA. It is used to account for all financial resources other than those required to be accounted for in another fund.

Special Revenue Fund

The special revenue fund reflects the activities of the DLBA CDC. The primary activity of the DLBA CDC is to raise funds for the DLBA and to provide additional sources of operating income.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements (continued)

The DLBA's fund balances are classified as follows, based on the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable

These fund balances consist of amounts that are not in a spendable form (such as property held for resale, inventory, or prepaid expenditures) or that are required to be maintained intact.

Restricted

These fund balances consist of amounts that are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed

These fund balances consist of amounts that are constrained to specific purposes by the DLBA itself, using its highest level of decision-making authority, which is the Board of Directors. To be reported as committed, such amounts cannot be used for any other purpose unless the Board of Directors takes action to remove or change the constraint. The Board of Directors typically establishes (and modifies or rescinds) fund balance commitments by passage of a resolution, or through adoption and amendment of the budget.

Assigned

These fund balances consist of amounts that the DLBA intends to use for a specific purpose. Such intent can be expressed by the governing body, which is the Board of Directors, or by an official or body to which the Board of Directors delegates the authority, such as the DLBA's duly authorized agents. Assigned fund balances are typically established through adoption or amendment of the budget.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements (continued)

Unassigned

These fund balances consist of amounts that are available for any purpose. Only the general fund has a positive unassigned fund balance.

Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are prepared on the accrual basis of accounting using the economic resources measurement focus. Accordingly, revenue is recorded when earned and expenses are recorded when incurred. Grants and other revenue intended for use in specific projects are classified as program revenue. All other revenue is classified as general revenue.

Fund Financial Statements

The fund financial statements are prepared on the modified accrual basis of accounting using the flow of current financial resources as a measurement focus. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual, which is when it is both measurable and available. "Available" means collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable. In applying the susceptible-to-accrual concept to intergovernmental revenue, the legal and contractual requirements of the numerous individual programs are used as guidance. Monies virtually unrestricted as to purpose of expenditure and revocable only for failure to comply with prescribed compliance requirements are reflected as revenue at the time of receipt, or earlier if the susceptible-to-accrual criteria are met.

Expenditures that are incurred for purposes for which both restricted and unrestricted fund balances are available are applied first to available restricted fund balances, then to unrestricted fund balances. Expenditures that are incurred for purposes for which committed, assigned, and unassigned fund balances are available are applied first to available committed fund balances, then to available assigned fund balances, and finally to unassigned fund balances.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Grant Revenue**

Grant revenue is recognized when expenses that are reimbursable under an agreement with the funding source are incurred.

Receivables

All receivables are shown as net of an allowance for uncollectible amounts.

Capital Assets

Capital assets are defined by the DLBA as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the related assets, which range from three to seven years.

Property Held for Resale

Real property inventory consists of properties and their associated costs. Properties are recorded at cost, which includes the purchase price plus all associated costs to get each property ready for sale, and are removed from inventory when title to each property transfers from the DLBA to the purchaser. The DLBA has 90,860 and 95,242 properties in inventory held for resale as of June 30, 2019 and 2018, respectively, with a cost of \$21,919,066 and \$23,341,284 as of June 30, 2019 and 2018, respectively.

Deferred Inflows of Resources

Deferred inflows of resources represent revenue that applies to a future period and are not considered to be available as of the financial statement date. Therefore, these amounts are not recognized as revenue in the fund financial statements until they become available.

Interfund Transactions and Eliminations

Transfers from the DLB CDC to the DLBA to support the DLBA's operations are recorded as interfund transactions in the fund financial statements. All interfund transactions and balances have been eliminated in the accompanying financial statements.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Fair Value Measurements**

The DLBA uses fair value measurements in the preparation of its financial statements, which utilize various inputs, including those that can be readily observable, corroborated, or are generally unobservable. The DLBA utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the DLBA applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

The measurement of fair value includes a hierarchy based on the quality of inputs used to measure fair value. Financial assets and liabilities are categorized into this three-level fair value hierarchy based on the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The various levels of the fair value hierarchy are described as follows:

- Level 1 — Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the DLBA has the ability to access
- Level 2 — Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability
- Level 3 — Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement

The use of observable market data, when available, is required in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

As of June 30, 2019 and 2018, the DLBA does not have any financial assets or liabilities subject to being classified in any of the above categories.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

The DLBA received funding from the Michigan State Housing Development Authority (“MSHDA”) for the purpose of demolishing vacant and abandoned properties in the City. Such revenue received from MSHDA for the years ended June 30, 2019 and 2018 totaled \$60,230,159 and \$35,369,033, respectively, or 70 percent and 52 percent, respectively, of total revenue. The DLBA utilized two vendors during the year ended June 30, 2019 and three vendors during the year ended June 30, 2018 for purchases of \$25,030,403 and \$13,780,178, respectively, or 32 percent and 33 percent, respectively, of total purchases. A balance of \$5,438,524 and \$1,077,746 was due to these vendors as of June 30, 2019 and 2018, respectively.

NOTE B — CASH AND ESCROW DEPOSITS

Cash Deposits

State of Michigan (the “State”) statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts be made with banks doing business, and having a place of business in the State that are also members of a federal or national insurance corporation.

Custodial credit risk is the risk that in the event of a bank failure, the DLBA’s deposits may not be returned to the DLBA. The DLBA does not have a deposit policy for custodial credit risk.

As of June 30, 2019 and 2018, the DLBA’s carrying amounts of deposits and bank balances, and the bank balances that are not covered by federal depository insurance, are as follows:

	<u>2019</u>	<u>2018</u>
Carrying amount of deposits	\$ 19,412,604	\$ 18,539,279
Total bank balances	<u>\$ 21,791,940</u>	<u>\$ 19,583,643</u>
Uninsured and uncollateralized bank balances	<u>\$ 21,291,940</u>	<u>\$ 19,083,643</u>

Escrow Deposits

Escrow deposits are monies which are provided by the City to fulfill the requirements of the DLBA’s title company as part of the abatement program. If a Nuisance and Abatement Program issuer receives any filings with the Court of Claims for property sold by the DLBA, those funds held in the escrow account will be used to cover legal expenses associated with enforcing the requirements of the title sale.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE B — CASH AND ESCROW DEPOSITS (CONTINUED)

Escrow Deposits (continued)

Any escrow funds not used are required to be remitted back to the City. Therefore, the escrow balance has been recognized as both an asset and a liability in the accompanying financial statements.

As of June 30, 2019 and 2018, the DLBA's carrying amounts of escrow deposits and escrow bank balances, and the escrow bank balances that are not covered by federal depository insurance, are as follows:

	<u>2019</u>	<u>2018</u>
Carrying amount of deposits	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Total bank balances	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Uninsured and uncollateralized bank balances	<u>\$ 1,750,000</u>	<u>\$ 1,750,000</u>

NOTE C — CAPITAL ASSETS

Depreciable capital asset activity for the years ended June 30, 2019 and 2018 is as follows:

	<u>Furniture and Equipment</u>	<u>Computer and Telephone</u>	<u>Software</u>	<u>Total</u>
Cost:				
Balance, July 1, 2017	\$ -0-	\$ 162,073	\$ 376,742	\$ 538,815
Acquisitions	166,582	271,299	156,320	594,201
Balance, June 30, 2018	166,582	433,372	533,062	1,133,016
Acquisitions	225,999	94,315		320,314
Less: Dispositions		(37,091)		(37,091)
Balance, June 30, 2019	\$ 392,581	\$ 490,596	\$ 533,062	\$ 1,416,239

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE C — CAPITAL ASSETS (CONTINUED)

	<u>Furniture and Equipment</u>	<u>Computer and Telephone</u>	<u>Software</u>	<u>Total</u>
Accumulated Depreciation:				
Balance, July 1, 2017	\$ -0-	\$ 97,107	\$ 237,290	\$ 334,397
Depreciation expense	22,211	41,904	118,172	182,287
Balance, June 30, 2018	22,211	139,011	355,462	516,684
Depreciation expense	46,807	96,514	95,407	238,728
Less: Dispositions		(34,269)		(34,269)
Balance, June 30, 2019	\$ 69,018	\$ 201,256	\$ 450,869	\$ 721,143
Net Depreciable Capital Assets:				
Balance, June 30, 2018	\$ 144,371	\$ 294,361	\$ 177,600	\$ 616,332
Balance, June 30, 2019	\$ 323,563	\$ 289,340	\$ 82,193	\$ 695,096

NOTE D — DEFERRED REVENUE AND DEFERRED INFLOWS OF RESOURCES

The DLBA had \$5,135,708 and \$5,411,918 as of June 30, 2019 and 2018, respectively, available under a number of grant agreements with funds originating from various foundations, corporations, and the City for activities involving the establishment of administrative operations related to the Nuisance Proceedings and Blight Abatement Programs, in addition to planning activities of the DLBA. These balances remained unutilized as of June 30, 2019 and 2018 and are recorded as deferred revenue.

The DLBA had a balance of \$31,775,788 and \$15,329,133 as of June 30, 2019 and 2018, respectively, primarily in MSHDA funding, for which expenses were incurred prior to the end of the fiscal year but for which reimbursement was not obtained until after the 60-day period described in Note A. Accordingly, these amounts are classified as deferred inflows of resources on the fund financial statements.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE E — ADVANCES AND LOANS

The DLBA receives advances and loans to conduct operations that support the Hardest Hit Fund (“HHF”) and blight elimination until reimbursement is received from MSHDA or from other sources. They are as follows:

Line of Credit

The DLBA has obtained a \$20,000,000 line of credit with the City to bridge funds needed for the HHF program until reimbursement is received from MSHDA. The outstanding balance is due to the City within 45 days of the receipt of the final HHF payment from MSHDA. As of June 30, 2019 and 2018, \$10,000,000 and \$15,000,000 of this line of credit is unused.

Loan Due to Outside Party

The DLBA has obtained a \$2,000,000 loan from an outside party to support blight operations. The loan matures on October 31, 2019, with the option for the DLBA to make quarterly repayments, beginning January 31, 2020. A maximum of eight quarterly payments is permitted, and each payment must at least equal the proceeds received by the DLBA from homes sold during the previous three calendar months.

Interest-Free Advance

The DLBA previously received an interest-free advance from the City to support the non-HHF programs; the outstanding balance was \$6,500,000 as of June 30, 2017. On August 24, 2017, the City notified the DLBA that the City approved treating the balance as an expense on the City’s financial statements and would not require repayment. As such, this advance was reclassified as grant revenue in the accompanying financial statements during the year ended June 30, 2018.

Payments on these advances and loans will be made primarily from the general fund.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE E — ADVANCES AND LOANS (CONTINUED)

Activity related to these advances and loans for the years ended June 30, 2019 and 2018 is as follows:

	<u>Line of Credit</u>	<u>Loan Due to Outside Party</u>	<u>Interest- Free Advance</u>	<u>Total</u>
Balance, July 1, 2017	\$ 10,000,000	\$ 2,000,000	\$ 6,500,000	\$ 18,500,000
Less:				
Repayments	(5,000,000)			(5,000,000)
Reclassification of advance as grant revenue			(6,500,000)	(6,500,000)
Balance, June 30, 2018	5,000,000	2,000,000	-0-	7,000,000
Additions	5,000,000			5,000,000
Balance, June 30, 2018	<u>\$ 10,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ -0-</u>	<u>\$ 12,000,000</u>

NOTE F — LEASES

The DLBA leases office space and equipment under operating leases that expire at various dates through November 2023. Future minimum lease payments under these leases as of June 30, 2019 are as follows:

For the Years Ending June 30:	
2020	\$ 858,428
2021	871,528
2022	888,554
2023	3,449
2024	3,449
Total Minimum Lease Payments	<u>\$ 2,625,408</u>

Rental expense under operating leases for the years ended June 30, 2019 and 2018 was \$843,609 and \$701,454, respectively.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE G — RISK MANAGEMENT

The DLBA has insurance policies covering its directors and officers. It also has general liability insurance and property insurance covering its various assets. Due to the extent of insurance that the DLBA maintains, the risk of loss to the DLBA, in management’s opinion, is minimal.

NOTE H — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and State law for the general fund. All annual appropriations lapse at the end of the fiscal year.

Under the State’s Uniform Budgeting and Accounting Act, actual expenditures for any budgeted expenditure category are not to exceed the amounts budgeted for that category. The Uniform Budgeting and Accounting Act permits governmental entities to amend their budgets during the year, and requires amended budgets to be approved by the governing body prior to expending funds in excess of the amount budgeted for that category.

During the year ended June 30, 2019, the DLBA incurred expenditures in excess of the amounts budgeted as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Demolition expenses	\$ 52,820,880	\$ 56,897,664	\$ (4,076,784)
Payroll taxes	717,881	778,549	(60,668)
Board-ups, sales preparation, and debris removal	109,000	2,316,022	(2,207,022)
Occupancy	973,048	1,355,129	(382,081)
Insurance	154,999	271,090	(116,091)

Revenue was sufficient to cover the excess expenditures.

NOTE I — NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued SGAS No. 87, *Leases*, in June 2017. SGAS No. 87 requires the recognition by lessees of assets and liabilities that arise from all lease transactions, except for leases with a lease term of 12 months or less. The lessee accounting model under SGAS No. 87 will result in all leases with a lease term of more than 12 months being accounted for in substantially the same manner as the existing accounting for capital leases. SGAS No. 87 also requires expanded qualitative and quantitative disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases. SGAS No. 87 applies to the DLBA’s financial statements for the year ending June 30, 2021, with earlier implementation permitted. The DLBA’s management has not determined the impact on its financial statements as a result of implementing SGAS No. 87.

REQUIRED SUPPLEMENTARY INFORMATION

DETROIT LAND BANK AUTHORITY

SCHEDULES OF REVENUE AND EXPENDITURES — BUDGET AND ACTUAL — GENERAL FUND (UNAUDITED)

For the Years Ended June 30, 2019 and 2018

	2019				2018			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget
Revenue:								
Hardest Hit Fund grant	\$ 56,642,241	\$ 56,642,241	\$ 43,783,504	\$ (12,858,737)	\$ 61,288,057	\$ 61,288,057	\$ 33,986,953	\$ (27,301,104)
Other grants and contracts	14,700,000	14,700,000	18,364,283	3,664,283	16,780,000	16,780,000	23,602,611	6,822,611
Donated properties			335,750	335,750			910,000	910,000
Structure sales	5,389,897	5,389,897	8,603,034	3,213,137	4,401,000	4,401,000	9,025,906	4,624,906
Side lot sales	350,000	350,000	998,801	648,801	350,000	350,000	797,737	447,737
Other revenue	105,000	105,000	509,877	404,877	141,000	141,000	168,848	27,848
Loss on disposition of property held for resale			(3,454,038)	(3,454,038)			(3,668,750)	(3,668,750)
Total Revenue	77,187,138	77,187,138	69,140,911	(8,046,227)	82,968,057	82,968,057	64,821,985	(18,136,752)
Expenditures:								
Current:								
Demolition expenses	52,820,880	52,820,880	56,897,664	(4,076,784)	59,516,879	59,516,879	35,444,680	24,072,199
Salaries and wages	9,206,544	9,206,544	9,091,641	114,903	8,342,913	8,342,913	7,700,231	642,682
Payroll taxes	717,881	717,881	778,549	(60,668)	619,410	619,410	674,718	(55,308)
Employee benefits	2,107,817	2,107,817	1,412,641	695,176	1,834,128	1,834,128	1,105,985	728,143
Acquisition and maintenance	7,794,420	7,794,420	6,324,108	1,470,312	6,911,085	6,911,085	5,884,197	1,026,888
Board-ups, sales preparation, and debris removal	109,000	109,000	2,316,022	(2,207,022)	1,450,000	1,450,000	2,303,224	(853,224)
Professional fees	1,080,000	1,080,000	541,254	538,746	1,474,916	1,474,916	1,437,834	37,082
Advertising	575,000	575,000	368,702	206,298	286,853	286,853	472,226	(185,373)
Occupancy	973,048	973,048	1,355,129	(382,081)	1,085,873	1,085,873	1,184,182	(98,309)
Office expenses	395,500	395,500	344,482	51,018	460,000	460,000	268,068	191,932
Insurance	154,999	154,999	271,090	(116,091)	62,000	62,000	77,272	(15,272)
Other expenses	1,252,049	1,252,049	678,818	573,231	916,000	916,000	610,825	305,175
Capital outlay			320,314	(320,314)			994,201	(994,201)
Total Expenditures	\$ 77,187,138	\$ 77,187,138	\$ 88,700,414	\$ (3,513,276)	\$ 82,968,057	\$ 82,968,057	\$ 57,757,643	\$ 25,282,414

See note to schedules of revenue and expenditures — budget and actual (general fund).

DETROIT LAND BANK AUTHORITY

SCHEDULES OF REVENUE AND EXPENDITURES — BUDGET AND ACTUAL — GENERAL FUND (UNAUDITED) (CONTINUED)

For the Years Ended June 30, 2019 and 2018

	2019				2018			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget
Excess (Deficiency) of Revenue over Expenditures	\$ -0-	\$ -0-	\$ (11,599,583)	\$ (11,599,583)	\$ -0-	\$ -0-	\$ 7,865,662	\$ 7,865,662
Other Financing Sources: Inland transfers			665,000	665,000			1,345,050	1,345,050
Change in Fund Balance	\$ -0-	\$ -0-	\$ (10,894,583)	\$ (10,894,583)	\$ -0-	\$ -0-	\$ 8,498,712	\$ 8,498,712

See note to schedules of revenue and expenditures — budget and actual (general fund).

DETROIT LAND BANK AUTHORITY

**NOTE TO SCHEDULES OF REVENUE AND EXPENDITURES —
BUDGET AND ACTUAL — GENERAL FUND (UNAUDITED)**

For the Years Ended June 30, 2019 and 2018

NOTE A — BUDGETS AND BUDGETARY ACCOUNTING

The Detroit Land Bank Authority (the "DLBA") establishes a budget that is reflected in the financial statements for the general fund. The budget is presented on the modified accrual basis of accounting.

Budgeted amounts are as presented and approved by the DLBA's Board of Directors. Appropriations are authorized by the DLBA's management. Unexpended appropriations lapse at the end of the fiscal year.



MEMORANDUM

TO: Donald Rencher, Director
Housing and Revitalization Department

CC: Honorable Colleagues
Janice Winfrey, City Clerk
Stephanie Washington, Legislative Liaison

FROM: Council President Brenda Jones *BJ*

DATE: January 24, 2020

RE: OFCPBJ Small Business Funding Concern Follow Up

Thank you for your small business funding responses. Please see the below follow up question:

1. Of the 530, Motor City Match and Motor City Re-Store applicants, how many applicants were not selected due to a lack of funds rather than a lack of qualifications?