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TO: The Honorable City Council

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: July 29, 2022

RE: **DLBA Q3 FY 2022 and Detroit Demolition Department**

City Council Member Latisha Johnson requested the Legislative Policy Division (LPD) to provide a detailed audit report on the Detroit Demolition Department's use of Proposal N Neighborhood Improvement Bond (NIB) Funding for Salvage (i.e., "Stabilization¹") and Demolition, and the Detroit Land Bank Authority (DLBA)'s use of Hardest Hit Funding.

As your Honorable Body knows, given that conducting audits is under the auspices of the Office of the Auditor General, LPD does not engage in financial and operational audits of City departments and component units such as DLBA². And as such, LPD provides here information gleaned from City's financial systems and records; and DLBA's most recent quarterly and audited annual financial reports.

¹ Using Proposal N NIB dollars, the Demolition Department plans to preserve or stabilize 6,000 homes for future renovation and sale through debris removal, roof repair, and securing of property in the neighborhoods in the City.

² It is important to note that the Office of the Auditor General (OAG) has conducted audits of the City's Demolition Activity and of the DLBA (links to these audits are as follows: https://detroitmi.gov/sites/detroitmi.localhost/files/2019-11/AuditofDemolitionActivitiesInterimReport_11082019.pdf, <https://detroitmi.gov/sites/detroitmi.localhost/files/2020-08/ResponsesAuditofDemolition1.pdf>, <https://detroitmi.gov/sites/detroitmi.localhost/files/2020-07/DetroitLandBankLimiterdScopeForensicAudit.pdf>, and <https://detroitmi.gov/sites/detroitmi.localhost/files/2021-11/DLBA%20Limited%20Scope%20Forensic%20Audit%20Supplemental%20Report%20November%202021.pdf>. The Administration has made a concerted effort to address many of the OAG's findings and recommendations regarding Demolition and DLBA activity. Council may consider requesting the OAG to conduct follow-up audits of the City's Demolition and DLBA activity and operations, including the City's use of Prop N NIB dollars and American Rescue Plan Dollars (ARPA) dollars for Demolition and DLBA activity.

For reference, LPD’s quarterly Proposal N NIB funds status for quarter ending March 31, 2022 (Attachment A), DLBA’s FY 2021 audited annual financial statements (Attachment B), and DLBA’s FY 2022 3rd quarter report (Attachment C), are attached to this report.

The Proposal N NIB Stabilization portion budget and expenditures are housed in Appropriation 21003 Neighborhood Improvement Bonds and Cost Center 160020 Residential Demolition.

As of March 31, 2022, the total Proposal N NIB budget allocated to the Stabilization portion of the program is \$25.8 million; and the Detroit Demolition Department spent \$1.4 million on rehabilitating salvageable structures and encumbered additional \$1.3 million for future rehabilitation contracts. As of March 31, 2022, the Rehabilitation program has \$23.1 million available.

Below schedule represents the Rehabilitation portion of the NIB funds status as of March 31, 2022. This schedule is intended to show the Rehabilitation portion only as the entire Proposal N funds status was reported in our last quarterly report as of March 31, 2022.

Cost Center	Cost Center Description	Object	Object Description	Total Budget	FY2022 Activity			Funds Available
					FY2021 Actual Expenditures	Encumbrances	Actual Expenditures	
160020	Residential Demolition							
	Rehabilitation activity:	622400	Repairs & Maint-Facilities	10,800,000		-	-	10,800,000
		622900	Repairs & Maint-Misc	13,500,000		1,295,103	1,374,124	10,830,772
		628500	Miscellaneous Expense	1,500,000		-	-	1,500,000
	Rehabilitation Total			25,800,000		1,295,103	1,374,124	23,130,772

LPD also reviewed DLBA’s fiscal year 2021 audited annual financial statements and the audit report shows that DLBA received approximately \$6.5 million³ in Hardest Hit Funds in fiscal year 2021. This was substantial reduction from the \$63.3 million DLBA received in FY 2020. The Management’s Discussion and Analysis (MD&A) section of the report states that the reduction was due to close out of the Hardest Hit Fund program⁴. In addition, DLBA’s FY 2022 3rd quarter report shows receipt of \$1.1 million⁵ in Hardest Hit Funds as of March 31, 2022.

For Council’s recollection, in September 2020 your Honorable Body approved a Neighborhood Improvement Plan resolution entitled “Resolution Supporting the Administration’s Commitment to the goals of the Neighborhood Improvement Plan, to be Supported in Part by Proposal N, the Neighborhood Improvement Bonds” (Attachment D). This resolution outlines a series of governance, procurement, and community development policy objectives the Administration is committed to implement in the expenditure of the Proposal N NIBs, thereby serving as a guide for the use of the bond funds. Council should consider requesting the Administration for an update on the implementation of the commitments made in this resolution.

Finally, we should note that LPD will produce its next Proposal N NIB quarterly status report ending on June 30, 2022, in late September 2022. This is to give OCFO enough time to post year-end accounting adjustments in preparation for the annual fiscal audit.

³ Page 15 of DLBA’s FY 2021 audited annual financial statements.

⁴ Page 6 of DLBA’s FY 2021 audited annual financial statements.

⁵ Page 57 of DBLA’s FY 2022 3rd quarter report.

Please let us know if we can be any more assistance.

Attachments:

LPD's March 31, 2022, Proposal N funds status report (Attachment A)

DLBA's FY 2021 Audited annual financial report (Attachment B)

DLBA's FY 2022 3rd quarter report (Attachment C)

Neighborhood Improvement Plan Resolution (Attachment D)

cc: Auditor General's Office
LaJuan Counts, Director, Detroit Demolition Department
Steven Morris, Deputy Agency CFO
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO – Policy & Administrator Director
Steven Watson, Deputy CFO/Budget Director
Gail Fulton, Mayor's Office

Attachment A

LPD's March 31, 2022 Proposal N funds status report

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TO: The Honorable City Council

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: June 1, 2022

RE: **PROPOSAL N NEIGHBORHOOD IMPROVEMENT BOND FUNDS STATUS AS OF MARCH 31, 2022**

This report is intended to give your Honorable Body an appropriation/cost center level status as of March 31, 2022, of the Proposal N Neighborhood Improvement Bond (Proposal N NIB) funds. On November 3, 2020, the citizens of the City of Detroit approved the bond issuance of not to exceed \$250 million in unlimited tax obligation bonds¹ for the purpose of paying the cost of neighborhood improvements in the City through property rehabilitation, demolition, and blight remediation. The City of Detroit's Demolition Department is responsible for using the Proposal N NIB funds to demolish an additional 8,000 blighted homes and preserve 6,000 homes for future renovation and sale² to improve the safety, value, and health of the neighborhoods in the City.

As your Honorable Body knows, of the not to exceed \$250 bond authorization, the City issued the first \$175 million in Proposal N NIBs in February 2021. This was a very successful bond sale as the City of Detroit received an additional \$30.75 million in bond premium³ on top of the \$175 million with a total bond proceeds of \$205.7 million.

¹ Unlimited tax general obligation (UTGO) bonds are voter-authorized bonds paid off from property taxes based on the City of Detroit's property tax debt millage. In contrast, limited tax general obligation (LTGO) bonds are non-voter bonds and paid for out of the City's general fund and are not paid for out of property taxes based on the property tax debt millage.

² The Demolition Department plans to preserve or stabilize 6,000 homes for future renovation and sale through debris removal, roof repair, and securing of property in the neighborhoods in the City.

³ According to the Office of the Chief Financial Officer, because there was a high demand for the Proposal N NIBs, along with market conditions at that time, the bonds sold at a premium, and the City was able to secure an additional \$30.75 million in

The Legislative Policy Division (LPD) also notes that since City Council approved appropriation 21003 to house the Prop N NIB proceeds in July 2020, these bond proceeds were budgeted in appropriation 21003 Neighborhood Improvement Bonds in February 2021 when the bonds were sold. As a result, the activity in appropriation 21003 Neighborhood Improvement Bonds is not reflected in the FY 2022 budget and FY 2022-2025 four-year financial plan. Consequently, the Prop N NIB proceeds will be balanced forward at the end of each fiscal year until the Prop N NIB proceeds are exhausted.

LPD further notes the Demolition Department uses Prop N NIB proceeds to pay for its operational costs, including staff costs, professional & contractual services costs, operating supplies costs, operation services costs, equipment acquisition costs, and other expenses costs⁴. For FY 2022, the 73 budgeted positions in the Demolition Department will be paid from the Prop N NIB funds housed in appropriation 21003 Neighborhood Improvement Bonds.

For the sake of transparency, Attachment I represents a spreadsheet prepared by LPD showing the Prop N NIB funds activity as of March 31, 2022 in appropriation 21003 Neighborhood Improvement Bonds (main program) discussed above. The spreadsheet further breaks down appropriation 21003 by cost centers (sub-programs): 160010-Demolition Administration; 160020-Residential Demolition; 160040-Demolition Environmental; and 160050-Demolition Compliance.

During FY 2021, the City spent \$5.6 million (\$567,855 on payroll, \$3.6 million on demolition contracts, and \$1.4 million in bond sale expenses) and the remaining amount of \$200.1 million was brought forward to be spent in FY 2022 and beyond. The \$200.1 million we show as brought forward includes \$770,916.45 pending budget adjustment that the OCFO team will post in the current fiscal year.

As of March 31, 2022, of the \$200.1 million that was brought forward to the current fiscal year, the City encumbered \$63.5 million for demolition contracts and spent \$34.3 million: \$31 million on demolition contracts and \$3.3 million on payroll costs for City employees that are performing demolition related work. The remaining \$102.3 million is available as March 31, 2022.

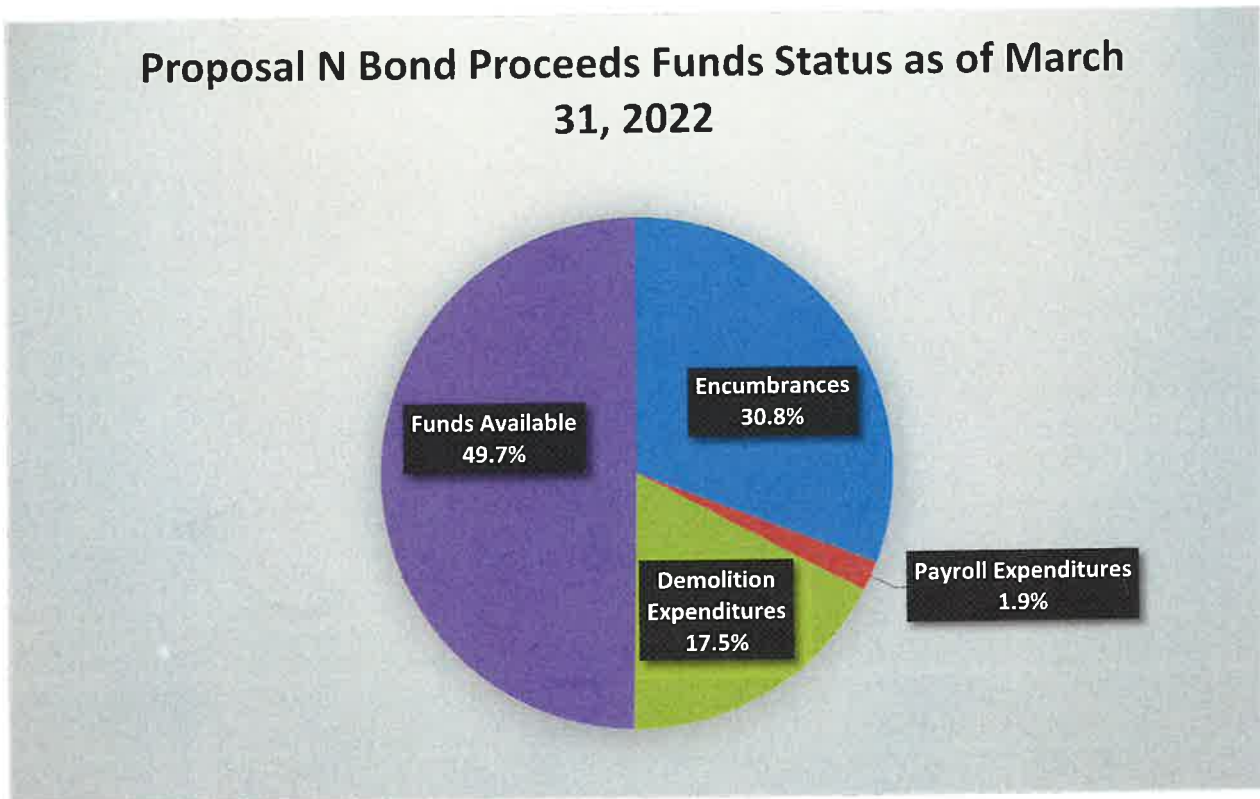
Below schedule summarizes funds status as of March 31, 2022, and it includes activities for both fiscal years 2021 and 2022:

bond proceeds as a bond premium. It is important to note that the City is only responsible to pay off the par amount of the bonds of \$175 million with a coupon interest rate of 5% over the 30-year life of the bonds to the bondholders. The bondholders were willing to pay the City the premium of \$30.75 million since the bonds were effectively priced to yield a bond interest rate of approximately 3.3% at time of the bond sale.

⁴ The Office of the Chief Financial Officer has received a legal opinion from the City of Detroit's bond counsel (Miller Canfield) on the legality of using Prop N Bond funds for the Demolition Department's operations. A copy of the opinion was provided to City Council.

Cost Center	Cost Center Description	Total Budget	FY 2021 Actual Expenditures	FY 2022 Activity		Funds Available
				Encumbrances	Actual Expenditures	
160010	Demolition Administration	7,690,167	265,738	2,450	1,568,959	5,853,021
160020	Residential Demolition	188,794,644	3,642,293	63,455,693	30,804,665	90,891,993
160040	Demolition Environmental	737,250	42,286	287	257,158	437,518
160050	Demolition Compliance	7,090,500	259,831	8,283	1,679,390	5,142,997
351380	2018 UTGO Bonds	1,436,228	1,416,427	-	-	19,801
Grand Total		205,748,790	5,626,576	63,466,712	34,310,171	102,345,330

Below graph summarizes funds status in percent terms as of March 31, 2022, and it includes activities for both fiscal years 2021 and 2022:



Please refer to attachment I for cost center level detail for encumbrances, actual expenditures, and funds available as of March 31, 2022.

Please let us know if we can be any more assistance.

Attachments

cc: Auditor General's Office
Jay Rising, Chief Financial Officer
John Naglick, Chief Deputy CFO-Finance Director
Tanya Stoudemire, Chief Deputy CFO – Policy & Administrator Director
Steven Watson, Deputy CFO/Budget Director
LaJuan Counts, Executive Demolition Director-Demolition Department
Steven Morris, OCFO Agency CFO
Meagan Elliott, Director of Grants Management
Valerie Agolli, Debt Manager, OCFO
Donnie Johnson, Business Analyst, Office of Budget
Gail Fulton, Mayor's Office

Attachment B

DLBA's FY 2021 Audited annual financial report

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

FINANCIAL STATEMENTS
(With Required Supplementary Information)

June 30, 2021 and 2020



DETROIT LAND BANK AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

November 3, 2021

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, 2021 and 2020, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibility (continued)

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

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, 2021 and 2020, 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.

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 9 and budgetary comparison on pages 31 through 33 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 3, 2021, 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.



CERTIFIED PUBLIC ACCOUNTANTS
Detroit, Michigan

DETROIT LAND BANK AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2021 and 2020

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, 2021 and 2020. 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, 2021 totaled 27 properties, compared to 2,988 in the previous fiscal year. The DLBA's inventory of property decreased to 79,688 parcels, compared to 86,898 parcels 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 10 and 11) 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 12, 13, 15, and 16) 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, 2021 and 2020

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 14 and 17 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 18, 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 31 and 32.

DETROIT LAND BANK AUTHORITY

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

June 30, 2021 and 2020

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, 2021, 2020, and 2019:

Table 1
Statements of Net Position
June 30, 2021, 2020, and 2019
(in millions of dollars)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Cash	\$ 34.3	\$ 26.2	\$ 19.4
Escrow deposits	2.0	2.0	2.0
Accounts receivable	3.7	13.7	38.9
Property held for resale	16.9	20.2	21.9
Capital assets	0.4	0.5	0.7
Prepaid expenses	0.1	0.1	0.2
	<u>57.4</u>	<u>62.7</u>	<u>83.1</u>
Total Assets			
Liabilities:			
Accounts payable and accrued expenses	1.5	6.6	27.9
Deferred revenue	4.8	5.0	5.1
Escrow deposits payable	2.0	2.0	2.0
Advances and loans	2.0	12.0	12.0
	<u>10.3</u>	<u>25.6</u>	<u>47.0</u>
Total Liabilities			
Net Position:			
Net investment in capital assets	0.4	0.5	0.7
Restricted	6.2	7.6	7.6
Unrestricted	40.5	29.0	27.8
	<u>\$ 47.1</u>	<u>\$ 37.1</u>	<u>\$ 36.1</u>
Total Net Position			

Total assets decreased to \$57.4 million as of June 30, 2021 from \$62.7 million as of June 30, 2020. This decrease was mainly because the prior year's grant receivable was collected and used for demolitions under the Hardest Hit Fund ("HHF") program and, during the year ended June 30, 2021, the DLBA concluded the HHF program and completed all related demolitions.

DETROIT LAND BANK AUTHORITY

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

June 30, 2021 and 2020

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE (CONTINUED)

Total liabilities decreased to \$10.3 million as of June 30, 2021, compared to \$25.6 million as of June 30, 2020. This decrease was due primarily to the full repayment of the Demolition Advance Fund. In addition, there were lower accounts payable, primarily due to the closeout of the HHF Demolition Program, which resulted in fewer payables to demolition contractors.

Table 2 reflects a condensed summary of the DLBA's revenue, expenses, and changes in net position for the years ended June 30, 2021, 2020, and 2019:

Table 2
Statements of Activities
For the Years Ended June 30, 2021, 2020, and 2019
(in millions of dollars)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenue:			
Program revenue	\$ 30.0	\$ 62.0	\$ 86.3
Expenses:			
Land bank program	<u>20.0</u>	<u>61.0</u>	<u>80.6</u>
Change in Net Position	10.0	1.0	5.7
Net Position, Beginning of Year	<u>37.1</u>	<u>36.1</u>	<u>30.4</u>
Net Position, End of Year	<u>\$ 47.1</u>	<u>\$ 37.1</u>	<u>\$ 36.1</u>

For the year ended June 30, 2021, the DLBA's general fund revenue on the modified accrual basis was \$34.8 million, compared to the final budget of \$29.8 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 \$19.9 million, compared to the final budget of \$19.6 million.

Total revenue for the year ended June 30, 2021 on the accrual basis decreased to \$30.0 million from \$62.0 million in the previous year, again primarily due to the closeout of the HHF program, resulting in decreased funding for demolition activities.

Total expenses for the year ended June 30, 2021 on the accrual basis decreased to \$20.0 million from \$61.0 million in the previous year, primarily due to the closeout of demolition activities.

DETROIT LAND BANK AUTHORITY

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

June 30, 2021 and 2020

CAPITAL ASSETS

As of June 30, 2021, the DLBA has \$358,618 invested in capital assets, including furniture, computers, software, and other equipment. Accumulated depreciation as of June 30, 2021 was \$1,135,127.

ECONOMIC FACTORS

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

- Inventory division, which is responsible for acquiring property, receiving donated property, evaluating property, and assessing the disposition of property
- Demolition division, which manages all demolition activities related to the management of the HHF Federal Demolition Program
- Disposition division, which is responsible for disposing of property through a variety of structure and vacant land sales programs
- 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
- Operations division, which is responsible for website management and development, Sales Force database management, client services, and human resource management

The DLBA is demolishing and removing derelict structures, holding and maintaining property, and disposing of 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.

The DLBA will continue to execute federal, state, and local grants that have a public land component focused on neighborhood revitalization. During earlier years, 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"). More recently, the DLBA has substantially completed the MSHDA-administered Federal HHF program and has fully closed out the program during the current fiscal year.

DETROIT LAND BANK AUTHORITY

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

June 30, 2021 and 2020

ECONOMIC FACTORS (CONTINUED)

The current fiscal year was significantly impacted by COVID-19, which caused a decrease in sales, and revenue reductions that resulted in drastic budget cuts. In spite of these factors, the DLBA will continue to focus on sales, as well as neighborhood revitalization by continuing to build relationships with the philanthropic community, seeking to attract foundation grant support to leverage public funds.

- HHF — In partnership with the Michigan Land Bank Authority since 2014, the DLBA has received all of the \$265.3 million federal grant as of June 30, 2021. Based on its efficient implementation of protocol and effective operational practices, the demolition team was responsible for 15,057 demolitions since the inception of the program, including 27 demolitions that occurred during the year ended June 30, 2021, which represents the completion of the grant over all rounds of award.
- 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 also received a loan loss reserve to fill any shortfalls in sales price versus rehabilitation costs. Property rehabilitation has expanded within a multitude of neighborhoods and is funded by operating revenue and City rehabilitation funding. Independent contractors and 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.

DETROIT LAND BANK AUTHORITY

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

June 30, 2021 and 2020

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, 2021 and 2020

	Governmental Activities	
	2021	2020
Assets:		
Cash (Note B):		
Unrestricted	\$ 28,148,666	\$ 18,661,675
Restricted	6,199,227	7,587,226
Total Cash	34,347,893	26,248,901
Escrow deposits (Note B)	2,000,000	2,000,000
Accounts receivable (no allowance considered necessary)	3,701,485	13,727,468
Prepaid expenses	125,384	89,119
Property held for resale (Note A)	16,911,923	20,150,888
Capital assets (Note C):		
Depreciable capital assets, net	358,618	530,842
Total Assets	57,445,303	62,747,218
Liabilities:		
Accounts payable and accrued expenses	1,519,425	6,601,338
Deferred revenue (Note D)	4,857,240	5,035,287
Escrow deposits payable (Note B)	2,000,000	2,000,000
Advances and loans (Note E)	2,000,000	12,000,000
Total Liabilities	10,376,665	25,636,625
Net Position:		
Net investment in capital assets	358,618	530,842
Restricted	6,199,227	7,587,226
Unrestricted	40,510,793	28,992,525
Total Net Position	\$ 47,068,638	\$ 37,110,593

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2021 and 2020

	Governmental Activities	
	2021	2020
Expenses:		
Land bank program:		
Demolition expenses	\$ 2,451,948	\$ 37,378,391
Salaries and wages	8,476,476	9,558,240
Payroll taxes	694,180	764,816
Employee benefits	1,508,548	1,441,829
Acquisition and maintenance	2,613,967	5,265,639
Board-ups, sales preparation, and debris removal	1,057,468	2,671,433
Professional fees	429,721	623,236
Advertising	15,742	215,794
Occupancy	1,238,564	1,346,962
Office expenses	332,068	371,597
Insurance	195,311	268,418
Depreciation (Note C)	197,699	216,285
Other expenses	842,150	813,926
	20,053,842	60,936,566
Total Program Expenses		
Program Revenue:		
Land bank program:		
Hardest Hit Fund grant	1,383,150	36,569,296
Other grants and contracts	13,646,058	18,967,841
Donated properties	200,900	34,000
Structure sales	15,816,548	8,437,212
Side lot sales	1,476,884	671,633
Other program revenue	270,372	298,430
Loss on disposition of property held for resale	(2,782,025)	(2,998,705)
	30,011,887	61,979,707
Total Program Revenue		
Change in Net Position	9,958,045	1,043,141
Net Position, Beginning of Year	37,110,593	36,067,452
Net Position, End of Year	\$ 47,068,638	\$ 37,110,593

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

BALANCE SHEETS — GOVERNMENTAL FUNDS

June 30, 2021 and 2020

	2021			2020		
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
ASSETS						
Cash (Note B):						
Unrestricted	\$ 27,901,857	\$ 246,809	\$ 28,148,666	\$ 18,413,997	\$ 247,678	\$ 18,661,675
Restricted	6,199,227		6,199,227	7,587,226		7,587,226
Total Cash	34,101,084	246,809	34,347,893	26,001,223	247,678	26,248,901
Escrow deposits (Note B)	2,000,000		2,000,000	2,000,000		2,000,000
Accounts receivable (no allowance considered necessary)	3,701,485		3,701,485	13,727,468		13,727,468
Prepaid expenditures	125,384		125,384	89,119		89,119
Property held for resale (Note A)	16,911,923		16,911,923	20,150,888		20,150,888
Total Assets	\$ 56,839,876	\$ 246,809	\$ 57,086,685	\$ 61,968,698	\$ 247,678	\$ 62,216,376

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

BALANCE SHEETS — GOVERNMENTAL FUNDS (CONTINUED)

June 30, 2021 and 2020

	2021			2020		
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$ 1,519,425	\$ -0-	\$ 1,519,425	\$ 6,601,338	\$ -0-	\$ 6,601,338
Deferred revenue (Note D)	4,857,240		4,857,240	5,035,287		5,035,287
Escrow deposits payable (Note B)	2,000,000		2,000,000	2,000,000		2,000,000
Advances and loans (Note E)	2,000,000		2,000,000	12,000,000		12,000,000
Total Liabilities	10,376,665	-0-	10,376,665	25,636,625	-0-	25,636,625
Deferred Inflows of Resources:						
Unavailable revenue (Note D)			-0-	5,088,841		5,088,841
Total Liabilities and Deferred Inflows of Resources	10,376,665	-0-	10,376,665	30,725,466	-0-	30,725,466
Fund Balances:						
Nonspendable	17,037,307		17,037,307	20,240,007		20,240,007
Restricted	6,199,227	246,809	6,446,036	7,587,226	247,678	7,834,904
Unassigned	23,226,677		23,226,677	3,415,999		3,415,999
Total Fund Balances	46,463,211	246,809	46,710,020	31,243,232	247,678	31,490,910
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 56,839,876	\$ 246,809	\$ 57,086,685	\$ 61,968,698	\$ 247,678	\$ 62,216,376

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS TO STATEMENTS OF NET POSITION

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Total Fund Balances, Governmental Funds	\$ 46,710,020	\$ 31,490,910
<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	1,493,745	1,468,270
Less: Accumulated depreciation	(1,135,127)	(937,428)
<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>-0-</u>	<u>5,088,841</u>
Total Net Position, Governmental Activities	<u>\$ 47,068,638</u>	<u>\$ 37,110,593</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, 2021 and 2020

	2021		2020			
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
Revenue:						
Hardest Hit Fund grant	\$ 6,471,991	\$ -0-	\$ 6,471,991	\$ 63,256,243	\$ -0-	\$ 63,256,243
Other grants and contracts	13,372,258	273,800	13,646,058	18,929,641	38,200	18,967,841
Donated properties	200,900		200,900	34,000		34,000
Structure sales	15,816,548		15,816,548	8,437,212		8,437,212
Side lot sales	1,476,884		1,476,884	671,633		671,633
Other revenue	270,372		270,372	298,258	172	298,430
Loss on disposition of property held for resale	(2,782,025)		(2,782,025)	(2,998,705)		(2,998,705)
Total Revenue	34,826,928	273,800	35,100,728	88,628,282	38,372	88,666,654
Expenditures:						
Current:						
Demolition expenses	2,451,948		2,451,948	37,378,391		37,378,391
Salaries and wages	8,476,476		8,476,476	9,558,240		9,558,240
Payroll taxes	694,180		694,180	764,816		764,816
Employee benefits	1,508,548		1,508,548	1,441,829		1,441,829
Acquisition and maintenance	2,613,967		2,613,967	5,265,639		5,265,639
Board-ups, sales preparation, and debris removal	1,057,468		1,057,468	2,671,433		2,671,433
Professional fees	429,721		429,721	623,236		623,236
Advertising	15,742		15,742	215,794		215,794
Occupancy	1,238,564		1,238,564	1,346,962		1,346,962
Office expenses	332,068		332,068	371,597		371,597
Insurance	195,311		195,311	268,418		268,418
Other expenses	841,281	869	842,150	813,558	368	813,926
Capital outlay (Note C)	25,475		25,475	52,031		52,031
Total Expenditures	19,880,749	869	19,881,618	60,771,944	368	60,772,312

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, 2021 and 2020

	2021		2020			
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
Excess of Revenue over Expenditures	\$ 14,946,179	\$ 272,931	\$ 15,219,110	\$ 27,856,338	\$ 38,004	\$ 27,894,342
Other Financing Sources (Uses):						
Interfund transfers	273,800	(273,800)	-0-	38,200	(38,200)	-0-
Change in Fund Balances	15,219,979	(869)	15,219,110	27,894,538	(196)	27,894,342
Fund Balances, Beginning of Year	31,243,232	247,678	31,490,910	3,348,694	247,874	3,596,568
Fund Balances, End of Year	\$ 46,463,211	\$ 246,809	\$ 46,710,020	\$ 31,243,232	\$ 247,678	\$ 31,490,910

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Change in Fund Balances, Governmental Funds	\$ 15,219,110	\$ 27,894,342
<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	25,475	52,031
Depreciation expense	(197,699)	(216,285)
<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	-0-	5,088,841
Less: Unavailable revenue, beginning of year	<u>(5,088,841)</u>	<u>(31,775,788)</u>
Change in Net Position, Governmental Activities	<u>\$ 9,958,045</u>	<u>\$ 1,043,141</u>

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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. The financial information of the DLBA CDC is included as a blended component unit in the accompanying financial statements.

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.

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.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

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

Basis of Presentation (continued)

Fund Financial Statements (continued)

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.

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.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

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

Basis of Presentation (continued)

Fund Financial Statements (continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

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

Basis of Accounting (continued)

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.

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.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

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

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 79,688 and 86,898 properties in inventory held for resale as of June 30, 2021 and 2020, respectively, with a cost of \$16,911,923 and \$20,150,888 as of June 30, 2021 and 2020, 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.

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.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

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

Fair Value Measurements (continued)

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, 2021 and 2020, the DLBA does not have any financial assets or liabilities subject to being classified in any of the above categories.

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 year ended June 30, 2020 totaled \$36,569,296, or 59 percent of total revenue. The DLBA utilized three vendors during the year ended June 30, 2020 for purchases of \$34,500,609, or 52 percent of total purchases. A balance of \$1,098,643 was due to these vendors as of June 30, 2020. The DLBA did not have any such concentration of revenue or purchases during the year ended June 30, 2021.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

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, 2021 and 2020, 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>2021</u>	<u>2020</u>
Carrying amount of deposits	<u>\$ 34,347,893</u>	<u>\$ 26,248,901</u>
Total bank balances	<u>\$ 34,429,110</u>	<u>\$ 26,268,653</u>
Uninsured and uncollateralized bank balances	<u>\$ 33,682,301</u>	<u>\$ 25,520,975</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. 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, 2021 and 2020, 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>2021</u>	<u>2020</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>

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE C — CAPITAL ASSETS

Depreciable capital asset activity for the years ended June 30, 2021 and 2020 is as follows:

	<u>Furniture and Equipment</u>	<u>Computer and Telephone</u>	<u>Software</u>	<u>Vehicles</u>	<u>Total</u>
Cost:					
Balance, July 1, 2019	\$ 392,581	\$ 490,596	\$ 533,062	\$ -0-	\$ 1,416,239
Acquisitions		52,031			52,031
Balance, June 30, 2020	392,581	542,627	533,062	-0-	1,468,270
Acquisitions				25,475	25,475
Balance, June 30, 2021	\$ 392,581	\$ 542,627	\$ 533,062	\$ 25,475	\$ 1,493,745
Accumulated Depreciation:					
Balance, July 1, 2019	\$ 69,018	\$ 201,256	\$ 450,869	\$ -0-	\$ 721,143
Depreciation expense	78,516	85,662	52,107		216,285
Balance, June 30, 2020	147,534	286,918	502,976	-0-	937,428
Depreciation expense	78,516	84,427	30,086	4,670	197,699
Balance, June 30, 2021	\$ 226,050	\$ 371,345	\$ 533,062	\$ 4,670	\$ 1,135,127
Net Depreciable Capital Assets:					
Balance, June 30, 2020	\$ 245,047	\$ 255,709	\$ 30,086	\$ -0-	\$ 530,842
Balance, June 30, 2021	\$ 166,531	\$ 171,282	\$ -0-	\$ 20,805	\$ 358,618

NOTE D — DEFERRED REVENUE AND DEFERRED INFLOWS OF RESOURCES

The DLBA had \$4,857,240 and \$5,035,287 as of June 30, 2021 and 2020, 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, 2021 and 2020 and are recorded as deferred revenue.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE D — DEFERRED REVENUE AND DEFERRED INFLOWS OF RESOURCES (CONTINUED)

The DLBA had a balance of \$-0- and \$5,088,841 as of June 30, 2021 and 2020, 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.

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, 2021 and 2020, \$20,000,000 and \$10,000,000, respectively, of this line of credit was 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 maturity has been extended to October 31, 2021, with the option for the DLBA to make quarterly repayments, beginning January 31, 2022. 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.

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, 2021 and 2020

NOTE E — ADVANCES AND LOANS (CONTINUED)

Activity related to these advances and loans for the years ended June 30, 2021 and 2020 is as follows:

	<u>Line of Credit</u>	<u>Loan Due to Outside Party</u>	<u>Total</u>
Balance, July 1, 2019	\$ 10,000,000	\$ 2,000,000	\$ 12,000,000
Balance, June 30, 2020	10,000,000	2,000,000	12,000,000
Less: Repayments	(10,000,000)		(10,000,000)
Balance, June 30, 2021	\$ -0-	\$ 2,000,000	\$ 2,000,000

NOTE F — LEASES

The DLBA leases office space and equipment under operating leases that expire at various dates through April 2024. Future minimum lease payments under these leases as of June 30, 2021 are as follows:

For the Years Ending June 30:	
2022	\$ 888,554
2023	3,946
2024	<u>2,587</u>
Total Minimum Lease Payments	<u>\$ 895,087</u>

Rental expense under operating leases for the years ended June 30, 2021 and 2020 was \$871,528 and \$858,428, respectively.

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.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

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, 2021, DLBA amended the operating budget to align projected revenue and actual expenditures. Furthermore, the budget amendment was also completed to analyze actual maintenance costs. As a result, the maintenance expenses were extrapolated from one expense account to multiple expense accounts for the purpose of analyzing the costs related to specific services in comparison to aggregate costs.

During the year ended June 30, 2021, the DLBA incurred expenditures in excess of the amounts budgeted as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Demolition expenses	\$ 800,000	\$ 2,451,948	\$ (1,651,948)
Board-ups, sales preparation, and debris removal	-0-	1,057,468	(1,057,468)
Advertising	15,000	15,742	(742)
Occupancy	1,060,000	1,238,564	(178,564)

Revenue was sufficient to cover the excess expenditures.

NOTE I — CONTINGENCIES

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE I — CONTINGENCIES (CONTINUED)

The full impact of the COVID-19 outbreak continues to evolve as of the date that the accompanying financial statements were available to be issued. As such, it is uncertain as to the full magnitude that the pandemic will have on the DLBA's net position, liquidity, and future operations. The DLBA's operations are dependent on access to grants and contracts from federal, state, and local governments. The COVID-19 outbreak may have a continued impact on economic and market conditions.

As of the date of issuance of the financial statements, the DLBA's operations have not been significantly impacted, but the DLBA's management continues to monitor the situation.

NOTE J — NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board issued Statement of Governmental Accounting Standards ("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, 2022, with earlier implementation permitted. The DLBA's management is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

DETROIT LAND BANK AUTHORITY

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

For the Years Ended June 30, 2021 and 2020

	2021				2020			
	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	\$ 1,646,100	\$ 1,486,650	\$ 6,471,991	\$ 4,985,341	\$ 42,880,077	\$ 36,964,000	\$ 63,256,243	\$ 26,292,243
Other grants and contracts	11,475,972	11,715,000	13,372,258	1,657,258	13,200,000	17,765,000	18,929,641	1,164,641
Donated properties		45,000	200,900	155,900		39,000	34,000	(5,000)
Structure sales	7,719,120	14,985,000	15,816,548	831,548	8,698,120	5,845,000	8,437,212	2,592,212
Side lot sales	400,000	1,450,000	1,476,884	26,884	200,000	565,000	671,633	106,633
Other revenue	222,000	666,525	270,372	(396,153)	184,815	559,500	298,258	(261,242)
Loss on disposition of property held for resale		(535,000)	(2,782,025)	(2,247,025)		(75,000)	(2,998,705)	(2,923,705)
Total Revenue	21,463,192	29,813,175	34,826,928	5,013,753	65,163,012	61,662,500	88,628,282	26,965,782
Expenditures:								
Current:								
Demolition expenses		800,000	2,451,948	(1,651,948)	39,521,927	40,000,000	37,378,391	2,621,609
Salaries and wages	9,631,886	8,967,000	8,476,476	490,524	10,520,344	10,000,000	9,558,240	441,760
Payroll taxes	775,751	725,000	694,180	30,820	835,804	800,000	764,816	35,184
Employee benefits	1,696,955	1,600,000	1,508,548	91,452	2,179,603	1,600,000	1,441,829	158,171
Acquisition and maintenance	6,112,700	4,423,500	2,613,967	1,809,533	9,463,286	8,176,000	5,265,639	2,910,361
Board-ups, sales preparation, and debris removal			1,057,468	(1,057,468)			2,671,433	(2,671,433)
Professional fees	225,000	485,000	429,721	55,279	365,000	700,000	623,236	76,764
Advertising	55,000	15,000	15,742	(742)	325,000	240,000	215,794	24,206
Occupancy	1,152,000	1,060,000	1,238,564	(178,564)	891,048	1,400,000	1,346,962	53,038
Office expenses	429,900	385,000	332,068	52,932	301,000	425,000	371,597	53,403
Insurance	105,000	200,000	195,311	4,689	130,000	270,000	268,418	1,582
Other expenses	1,279,000	900,500	841,281	59,219	1,630,000	1,140,020	813,558	326,462
Capital outlay			25,475	(25,475)			52,031	(52,031)
Total Expenditures	\$ 21,463,192	\$ 19,561,000	\$ 19,880,749	\$ (319,749)	\$ 66,163,012	\$ 64,751,020	\$ 60,771,944	\$ 3,979,076

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, 2021 and 2020

	2021			2020				
	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-	\$ 10,252,175	\$ 14,946,179	\$ 4,694,004	\$ (1,000,000)	\$ (3,088,520)	\$ 27,856,338	\$ 30,944,858
Other Financing Sources: Interfund transfers			273,800	273,800			38,200	38,200
Change in Fund Balance	\$ -0-	\$ 10,252,175	\$ 15,219,979	\$ 4,967,804	\$ (1,000,000)	\$ (3,088,520)	\$ 27,894,538	\$ 30,983,058

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, 2021 and 2020

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.

Attachment C

DLBA's FY 2022 3rd quarter report

FY 2022
Q3

CITY COUNCIL QUARTERLY REPORT



buildingdetroit.org

DETROIT LAND BANK AUTHORITY



A Continued Partnership Focused on Visibility & Accessibility to the Community

COY SOUTH QUARTERLY REPORT



WILSON AND WILSON



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CITY COUNCIL QUARTERLY REPORT
Q3 FY 2022

April 13, 2021

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

Subject: City Council Quarterly Report, 3rd Quarter FY 2022, Detroit Land Bank Authority

Dear Council President Sheffield:

I am pleased to submit this third-quarter report for FY 2022 on behalf of the Detroit Land Bank Authority (DLBA) and to have this opportunity to highlight our continued success.

This quarter, the DLBA reached a milestone of 15,000 structure sales across all programs. This achievement is unprecedented among land banks nationwide and demonstrates our organization's unique ability to help remedy Detroit's decades-long struggle with residential blight. I am also proud to report that our sales programs continue to be an affordable and accessible pathway to ownership for Detroit residents. Voluntary buyer surveys show that 72% of Auction and Own It Now buyers are Detroiters, and 67% go from renting to owning through their DLBA purchase. 15,000+ structure sales combined with more than 20,000 vacant lot sales represent a significant increase in home and land ownership among residents as well as a massive reduction in blight.

Despite our sales success, we understand residents' ongoing concerns about the availability of properties in our inventory that are not currently for sale, and we have a multi-faceted approach to addressing that feedback. First, we want to emphasize that our inventory of salvageable structures is running low. Detroiters interested in buying land bank houses should act soon. We expect to **list all saleable structures** currently in our inventory **by the end of fiscal year 2023**. Second, we launched a refreshed website this quarter with a new, fully interactive map that allows the public to easily search our entire inventory. Third, we closed the quarter with **more than 28,000 vacant lots available to buyers on buildingdetroit.org** between our Side Lot and Neighborhood Lot programs. Additionally, in response to community feedback, our inventory staff is working diligently to **add 10,000 more vacant land listings this calendar year**.

We are committed to enhancing our community engagement efforts with the return of in-person events as COVID restrictions continue to relax. We maintained a presence through virtual events and social media throughout the pandemic. Now, we are focused on planning our own engagement events and ensuring the DLBA is well-represented at community meetings hosted by City Council and other City partners. This strategy includes growing a robust Communications & Engagement team with our Constituent Experience Liaison, City Council & Government Liaison, Digital Content Specialist, and the planned addition of a role dedicated to community presentations. This effort will also emphasize fostering relationships with faith-based and neighborhood-based organizations across the City of Detroit.

The DLBA's commitment to improving Detroit's neighborhoods and helping residents achieve their home and land ownership goals is stronger than ever. This quarter, the land bank streamlined and updated structure sale policies, reached sales milestones, and set an aggressive pace for increasing our listing rate across a broad spectrum of programs. I look forward to continued collaboration with City Council as we work to achieve our mutual goals of resolving Detroit's residential blight and improving residents' quality of life.

Sincerely,



Tammy Daniels

Interim Executive Director, Detroit Land Bank Authority



A Continued Partnership Focused on Visibility & Accessibility to the Community

DLBA

FAST FACTS

Q3 FY2022

SALES & CLOSINGS Q3 FY22:

Structures:

Sold: 627 Auction & Own It Now

Closed: 331 Auction & Own It Now

Community Partner Lots & Structures Sold: 5

Projects Lots & Structures Sold: 16

Side Lots Sold: 359

Neighborhood Lots Sold: 206

Rehabbed & Ready: 94 (Since Inception)

INVENTORY:

Total properties: 75,621

Vacant land: 62,870

Structures: 12,751

- Residential: 12,178
- Non-Residential: 67
- Accessory: 506

Residential Structures: 12,178

- Demolition: 5,138
- Occupied: 2,269
- Sales/Salvage: 4,771

Side Lots for sale: 9,454

Neighborhood Lots for sale: 18,767

COMMUNITY ENGAGEMENT:

Community Meetings Hosted and Attended: 35

Client Services calls answered: 9,930

Lobby Visitors Served: 1,051

COMPLIANCE: (program to date):

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

- Currently monitored: 7,524
- **Achieved compliance: 6,317**

DEMOLITION:

HHF reimbursed spending to date: \$265,378,691.06

HHF total structures demolished and reimbursed to date 15,083

HHF grant reimbursement remaining: \$0

KEY STATS:

Total Vacant Lots sold: 21,531

Total structure closings across all programs: 15,242

Total sales across programs since inception: 36,773

CONTACT:

Main Office: 313-974-6869

Questions: Inquire@buildingdetroit.org

Website: buildingdetroit.org

Facebook: [@BuildingDetroit](https://www.facebook.com/BuildingDetroit)

Instagram: [@BuildingDet](https://www.instagram.com/BuildingDet)

DETROIT LAND BANK AUTHORITY

#showusyourlot



Show us before and after pictures of the Lot you purchased from the DLBA for a chance to be featured on the DLBA Land Reuse webpage and social media

Send in before and after pictures to landreuse@detroitlandbank.org with the lot address and your contact information.



buildingdetroit.org/land-reuse-programs/

COVID-19 DLBA IMPACT

The Detroit Land Bank Authority (DLBA) complied with all aspects of local, state, and federal public health recommendations related to COVID-19 throughout the second quarter.

Remote and In-Person Work

Most DLBA employees continue to primarily work from home. However, all employees are required to be “DLBA Ready”, meaning they are ready, willing, and able to report to the office or field for work-related duties as needed. In line with state and federal workplace guidelines, DLBA staff must submit proof of vaccination to Human Resources or submit weekly COVID test results. In addition, all employees leaving their homes for the purpose of DLBA business continue to complete an online health screening questionnaire each day. This process ensures Human Resources can track staff and be alerted promptly to anyone experiencing coronavirus symptoms. The DLBA requires all in-person staff to wear masks in public spaces and take appropriate social distancing precautions.

This quarter, the DLBA began space and schedule planning efforts to accommodate a hybrid Return to Office in Q4. Beginning in May, staff will work on-site two-to-three days per week and work from home the remaining days. Department leaders will ensure schedules are set to encourage in-person interaction, while allowing employees to maintain social distancing and avoid overcrowding. The organization contracted professional office space planners to optimize all three floors of the DLBA’s suite to ensure the health and safety of staff. Updated space planning is also essential because staff and team composition have changed during two years of remote work.

The DLBA is well-equipped to maintain remote work. Integrated cloud-based systems power staff workflow including the Salesforce database, Microsoft Office applications, Zoom, and the Vonage telecommunications platform. These systems optimize daily operations for DLBA employees, facilitating collaboration and efficiency. DLBA employees utilize the organization’s advanced technology to ensure the DLBA’s mission is fulfilled despite limitations related to COVID-19.

Client Services

The DLBA’s public lobby on the 12th floor of the Guardian Building remains open by appointment. All visitors must complete a self-administered temperature check, health screening questionnaire, and wear a mask. The Client Services team continues to operate the DLBA call center with record-high call volume. As an alternative to calling 313-974-6869, constituents can email Client Services at inquire@detroitlandbank.org. DLBA staff continues to leveraging additional technology and customer engagement platforms through the launch of the DLBA’s All Listing Map, website-based customer inquiry access, and expanding organization wide program staffing. In the second quarter, the DLBA continued to utilize repurposed office space within its suite to provide safe, socially distanced, virtual conference rooms. These rooms give constituents access to DLBA computers and software to meet with staff, explore listings, complete transactions, and more.

Community Engagement

By leveraging technology, the DLBA maintains all essential functions across departments and remains accessible to the community. The organization is actively engaging Detroiters through a variety of virtual events on Zoom and Facebook. The DLBA hosts several virtual events each month maintaining a robust community engagement effort. These events reach thousands of people through Facebook with dozens participating in individual events live via Zoom. Most virtual events are also available as videos on the DLBA’s Facebook page, ensuring these valuable resources are available to community members at any time.

Staff members working in critical areas like Sales and Programming, Compliance, Rehabbed and Ready, and Inventory represent the DLBA at virtual community events. This structure allows Detroiters to connect directly with the DLBA employees who specialize in these areas – providing residents with accurate, timely answers to their questions and concerns.

Property Access

Inventory staff continued to expand free Open House opportunities for potential buyers throughout the third quarter. The DLBA resumed offering Open Houses for Auction properties in December 2021, marking the first Open House events since the start of the pandemic in March 2020. Open Houses are set up with appropriate safety measures, including masks, social distancing, and contact tracing. The DLBA also continued to offer private showings for buyers interested in its Auction, Own It Now, and Rehabbed and Ready houses. Potential buyers can request private showings on buildingdetroit.org through a property’s listing page.

Public Meetings

The Detroit Land Bank Authority’s Board of Directors continued to host monthly public meetings using Zoom, giving community members ample opportunity to follow DLBA business operations and ask specific questions about properties in their neighborhoods. The Zoom format allows residents to participate via web browser, smartphone app, or telephone. Meeting notices, agendas, and minutes are posted on buildingdetroit.org.

New Website

The Detroit Land Bank Authority’s mission is to return blighted and vacant property to productive use. We want to provide as many opportunities as possible for people to purchase property. We’ve designed multiple sales programs to suit a variety of buyers. Browse our website to learn about the different ways you can purchase DLBA property.



COMMUNICATIONS & ENGAGEMENT

In the third quarter, the Assistant Director selected a new City Council and Government Liaison, Dwayne Barnes, after two rounds of interviews. Mr. Barnes will join the DLBA and begin outreach to City Council offices, the Department of Neighborhoods, and the Ombudsman in April.

In the previous quarter, the Communications and Engagement team onboarded two new hires for newly created roles:

- **Constituent Experience Liaison:** Antonisha Smith's primary responsibilities include analyzing and supporting areas for process improvement within the DLBA to enhance constituents' experiences when engaging with the land bank. This role also provides a key escalation pathway for concerns and will work in collaboration with the City Council Liaison.
- **Digital Content Specialist:** Charisma Tatum's primary duties include creating and managing content for DLBA social media platforms and support the organization with additional content needs.

Next quarter, the team expects to add an additional role focused on community meetings, DLBA program education, and targeted communication efforts tailored to faith-based and neighborhood-based organizations.

PUBLIC RELATIONS

Media Coverage

The DLBA continued to gain positive media attention for its programs and buyer success stories in the third quarter, particularly in March. Local media outlets highlighted project expansions with Community Partners including Rescue MI Nature Now, a multi-family housing redevelopment at Patterson Terrace, and one buyer's transformation of a craftsman bungalow in Jefferson Chalmers, among other exciting efforts. The City's media services team also profiled a successful DLBA buyer who completed his renovation near the Joe Louis Greenway in March. Melvin Walker's story was featured as part of the City's Opportunity Rising YouTube series. In addition, Executive Director Tammy Daniels joined the panelists on Adolph Mongo's Detroit in Black & White 910 AM radio show for the first of what will be a series of monthly segments.



January	February	March
<p>DLBA Leadership Change</p> <ul style="list-style-type: none"> • Crain’s, Detroit News, Free Press, Deadline Detroit & more <p>DLBA CFO Michigan Chronicle Men of Excellence</p> <ul style="list-style-type: none"> • Michigan Chronicle 	<p>Gov. Announces MEDG Housing Developments in Detroit</p> <ul style="list-style-type: none"> • Michigan Chronicle, Legal News, Construction Review Online, The Guardian <p>Vacant Land Opportunities post-demolition</p> <ul style="list-style-type: none"> • WXYZ, Fox 17 <p>Patterson Terrace Redevelopment</p> <ul style="list-style-type: none"> • Detroit Free Press <p>Vacant Houses Reoccupied Amid Pandemic</p> <ul style="list-style-type: none"> • Crain’s <p>How Can Detroit Farmers Avoid Losing Land</p> <ul style="list-style-type: none"> • Planet Detroit 	<p>Jefferson/Chalmers DLBA Buyer Renovation</p> <ul style="list-style-type: none"> • Detroit News <p>DLBA Sales Success & Budget</p> <ul style="list-style-type: none"> • Detroit Free Press <p>Rescue MI Nature Now Project success and expansion</p> <ul style="list-style-type: none"> • Crain’s <p>Detroit’s Residential Blight Fight</p> <ul style="list-style-type: none"> • Detroit News <p>Detroit in Black & White DLBA featured guest</p> <ul style="list-style-type: none"> • 910AM the Superstation (new monthly appearance) <p>Detroit Housing Market Trends</p> <ul style="list-style-type: none"> • Crain’s <p>Increasing Black Homeownership</p> <ul style="list-style-type: none"> • Bridge Detroit <p>Orchard Village Development</p> <ul style="list-style-type: none"> • Crain’s <p>Bargain Block</p> <ul style="list-style-type: none"> • HOUR Detroit, SEEN

Detroit Free Press

DETROIT
Detroit Land Bank Authority expects its remaining structures to be listed for sale by 2023

Dana Afana
 Detroit Free Press

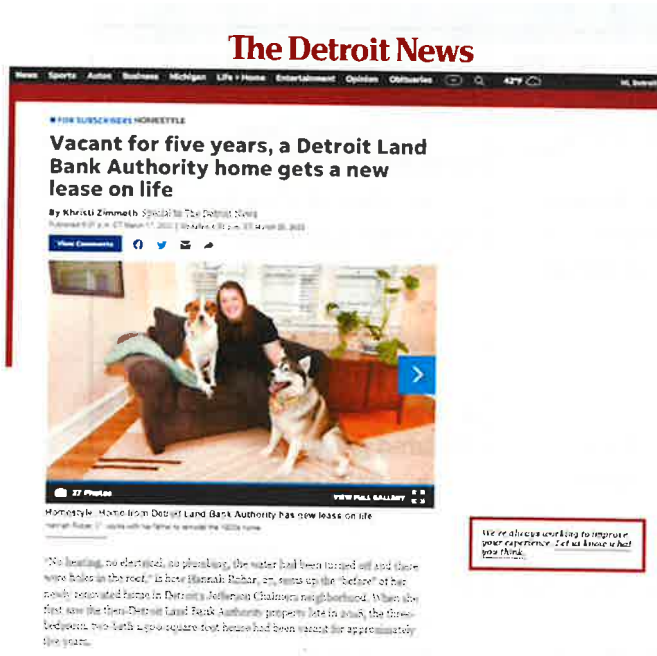
Published 11:38 am EDT March 11, 2022 | Updated 7:48 pm EDT March 11, 2022

View Comments

The Detroit Land Bank Authority, an entity responsible for selling vacant homes and lots in the city, expects to sell most of its structures by the end of 2023.

Spokeswoman Alyssa Strickland told the Free Press in an email "people doubted the DLBA could do this, but over the last eight years, we've proven not only that we can sell houses and target residential blight, but that we're able to successfully do it at a speed that's unprecedented anywhere in the country."

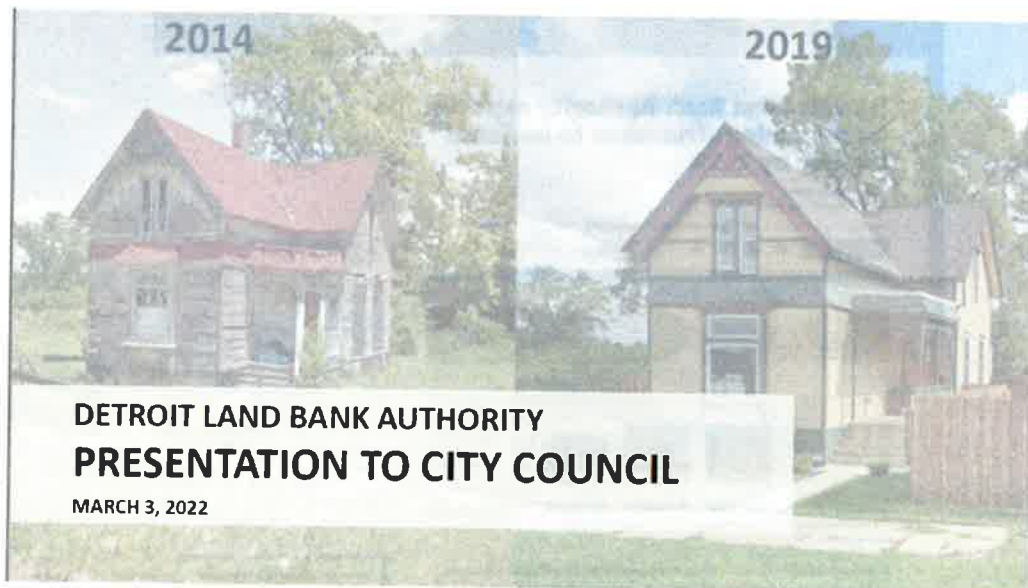
We're always working to improve your experience. Let us know what you think.



Opportunity Rising: Melvin Walker's vision becomes home ownership

Communications & Content Creation

DLBA leadership and departments often request content creation or revisions for buildingdetroit.org, internal communications, public statements, presentations, interagency responses, and special projects. Content for the third quarter included work on new pages and information updates for the new website, Vacant Land Reuse marketing materials, City Council presentations, internal communications on behalf of executive staff, newsletter revisions for Rehabbed & Ready, Vacant Land, and Compliance, and executive presentations.




DETROIT LAND BANK AUTHORITY

NEIGHBORHOOD LOT ENDORSER FAQ

Neighborhood Lot Endorsers (NLE) help communities by endorsing DLBA Neighborhood Lot applications for acceptable uses prior to purchase.

HERE'S HOW IT WORKS!



1. HOW MANY NEIGHBORHOOD LOTS CAN AN NLE ENDORSE?

- There is no limit on the number of Neighborhood Lots an applicant can endorse.
- An applicant can purchase up to 2 lots per calendar year (2015 - 2016).

4. CAN AN NLE CONTACT THE APPLICANT TO LEARN MORE ABOUT PLANS FOR THE PROPERTY?

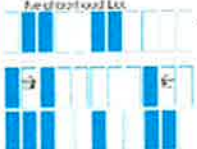
- Once a property application is submitted, DLBA is the relevant neighborhood address. An email will be sent to the applicant's email address. NLEs may contact the applicant to obtain more information on the listed use and the highest and best use. Applicants also should be able to make contact after making an NLE application in their area and may reach out to them to discuss details for endorsement.

2. CAN AN ORGANIZATION BE AN NLE AND STILL PURCHASE NEIGHBORHOOD LOTS?

- An organization cannot endorse their own Neighborhood Lot applications. Purchases must be the primary resident of the property (less than 500 feet) of the lot. Organizations can be NLEs and still purchase as long as they are DLBA sales programs including the Community Partnership program. The marketing group is permitted to endorse lots even while acting as their own DLBA projects.
- Visit the DLBA's Community Partnership webpage for more information and sign up for the Community Partnership program.
- Steps to building a successful community partnership:
 - sign up as a partner for sale
 - DLBA will send you a Neighborhood Lot application for sale
 - DLBA will send you a Neighborhood Lot application for sale

5. WHAT IS THE NEIGHBORHOOD LOT ELIGIBILITY CHECK? CAN NLEs ENDORSE AN APPLICATION FROM OUT-OF-STATE HOMEOWNERS?

- After an NLE endorses a property, the applicant goes through an eligibility check.
- To be eligible to purchase, an applicant must demonstrate they are the current and primary resident of the home address within 500 feet of the Neighborhood Lot.



- The Neighborhood Lot program allows homeowners to purchase lots within 500 ft of their home, including those across the street (see diagram).

3. WHAT IS THE DEADLINE FOR AN NLE TO ENDORSE A PROPERTY?

- The DLBA has a weekly endorsement period beginning from the date the application is submitted. If an application is not endorsed within 10 days and then application will be considered a "late buyer". The Applicant can review their application and re-apply.

6. HOW CAN I LEARN MORE?

- Visit the DLBA Land Bank website to attend public open house events and post event recordings. Recordings and handouts are also available on Facebook.
- [DLBA Neighborhood Lot Endorser Application](#)
- [DLBA Home for Sale on Neighborhood Lots](#)

To become a Neighborhood Lot Endorser, email: landrew@detroitalandbank.org

For more information on the Neighborhood Lot Program: <http://www.detroitlandbank.org/neighborhood-lot-program>

Social Media

The DLBA continues to leverage the power of social media to promote its property listings, educate the community about its programs, and respond to feedback from Detroit residents. By connecting with community partners and joining community forums, the DLBA works to improve its reputation and spread awareness for its programs and buying opportunities.

The Digital Content Specialist (DCS) is focused on:

- Growing digital footprint through engagement and dynamic content calendar
- Collaborating with Client Service to assist constituents through inquiries
- Creating dialogue with community partners digitally
- Identifying educational and community engagement opportunities
- Integrating City campaigns and messaging goals

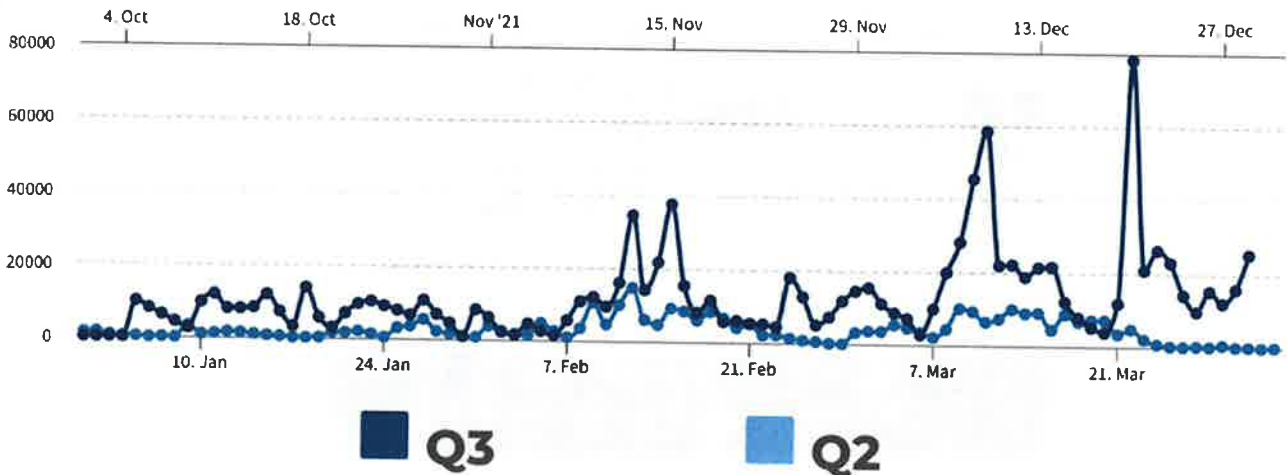
During the third quarter, the DLBA's Facebook and Instagram pages saw continuous growth in followers, reach and engagement. Facebook continues to be the strongest channel gaining one million unique page impressions; meaning DLBA posts reached Facebook users' screens more than one million times during the quarter. Instagram saw an increased reach of more than 50%, with a follower growth of over 500 new accounts. Daily posting also saw significant spikes in reach and engagements.

Q3 Facebook Impressions

1.1M
impressions

Page impressions

↗ 255% from 317K



Impressions: The number of times post were displayed on the screens of users.

COMMUNICATIONS & ENGAGEMENT

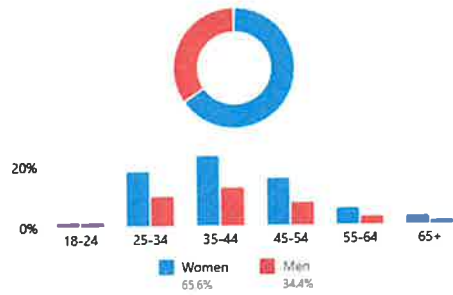
Audience

Current audience Potential audience

Facebook Page Likes

18,727

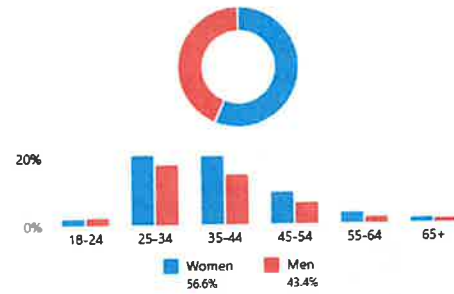
Age & Gender



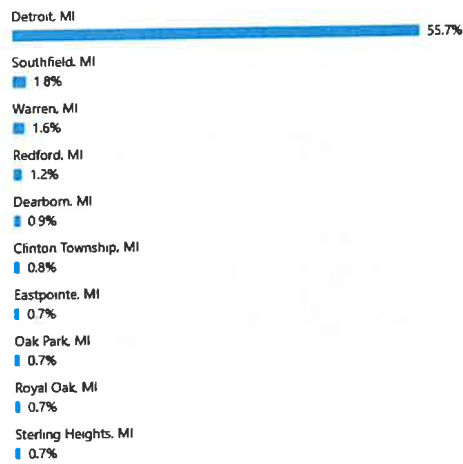
Instagram Followers

7,552

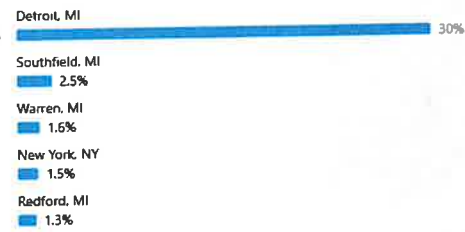
Age & Gender



Top Cities



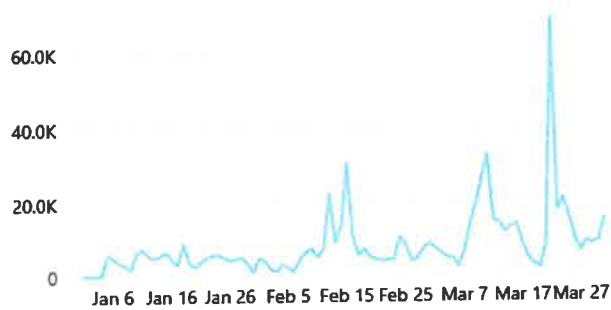
Top Cities



Reach

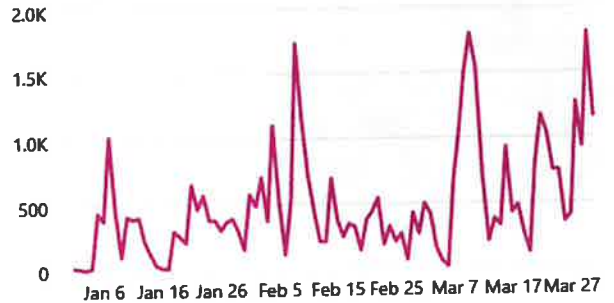
Facebook Page Reach

225,962 ↑ 280.8%



Instagram Reach

7,017 ↑ 59.2%




COMMUNICATIONS & ENGAGEMENT

DLBA social media content continues to showcase listings, educate the public about resources available and proactively promote the success of programs such as Compliance and Rehabbed & Ready. Posts also offer followers new insight into DLBA maintenance procedures, Marketed Properties, and discounts. DLBA maintains social media channel inboxes and comments, in partnership with Client Services, to assist constituents with inquiries and record feedback to improve internal processes.

Detroit Land Bank Authority
Published by Christina Z. Tolson
March 22 at 4:36 PM

This spacious colonial features a classic design! It has over 2,500 sq. ft. of living space with a private third floor ensuite, 3 additional bedrooms, 1.5 baths, a private office across from the living room that features a grand fireplace, with natural hardwood floors throughout.

Stay tuned!



26 Comments 37 Shares

Performance for your post

45082 People reached

182 Likes, comments & shares

1639 Post clicks

237 Photo views 0 Link clicks 1402 Other clicks

Distribution summary
16.8x higher than your other posts within 30 days of publishing

↑ 16.8x more ↑ 2.0x more ↑ 8.1x more
Post impressions Post clicks Reactions

View more details

Negative feedback

2 Hide all posts 1 Hide post

0 Report as spam 0 Unlink Page

182 Likes, comments & shares

Branded content distribution

Total reach	Organic reach	Paid reach
45082	45082	0

View breakdown

Total impressions	Organic impressions	Paid impressions
46113	46113	0

Detroit Land Bank Authority
Published by Christina Z. Tolson
March 9 at 12:59 PM

Let's get into these exterior photos of 17238 Westphalia #BuildingDetroit

Find all other details at: buildingsdetroit.org/properties/17238-westphalia



58 4 Comments 42 Shares

Like Comment Share

Comment as Detroit Land Bank Authority

Performance for your post

48577 People reached

122 Likes, comments & shares

990 Post clicks

297 Photo views 209 Link clicks 484 Other clicks

Distribution summary
3.3x higher than your other posts within 21+ days of publishing

↑ 3.5x more ↑ 4.2x more ↑ 4.1x more
Post impressions Post clicks Reactions

View more details

Negative feedback

3 Hide all posts 0 Hide post

0 Report as spam 0 Unlink Page

122 Likes, comments & shares

Branded content distribution

Total reach	Organic reach	Paid reach
48577	48577	0

View breakdown

Total impressions	Organic impressions	Paid impressions
57970	57970	0

Detroit Land Bank Authority
Published by Christina Z. Tolson
March 10 at 8:15 PM

With 15,000 STRUCTURES SOLD, the DLBA has been fighting bright and providing Detroit residents with accessible homebuying opportunities since 2014. These transformations showcase the success of our programs. Show us your transformation with #DLBA15K to join us in celebrating this milestone!

#BuildingDetroit



23 Shares

Like Comment Share

Performance for your post

34961 People reached

120 Likes, comments & shares

540 Post clicks

264 Photo views 1 Link clicks 275 Other clicks

Distribution summary
2.3x higher than your other posts within 21+ days of publishing

↑ 2.3x more ↑ 2.2x more ↑ 6.1x more
Post impressions Post clicks Reactions

View more details

Negative feedback

2 Hide all posts 1 Hide post

0 Report as spam 0 Unlink Page

120 Likes, comments & shares

Branded content distribution

Total reach	Organic reach	Paid reach
34961	34961	0

View breakdown

Total impressions	Organic impressions	Paid impressions
50951	50951	0

COMMUNICATIONS & ENGAGEMENT

This quarter, the Digital Content Specialist solicited user generated content from its platforms to add to the DLBA's visual archive and grow its asset library for storytelling. The DLBA continues to leverage innovative digital tools that broaden awareness and influence outside of its current follower base. In addition to sourcing content directly from followers, the DCS also began shooting videos for an upcoming series of buyer success stories. These DLBA transformations and the Detroiters who made them possible will be featured on social media platforms next quarter.



DLBA Success Story Buyers Sterling and Lenore Jackson at their house on W. Grand Blvd in District 6's Chadsey Condon neighborhood.



DLBA Success Story Buyer Melvin Walker outside his renovation on Alpine in District 6's Midwest neighborhood.

To stay up to date, follow the DLBA on Facebook @buildingdetroit and Instagram @buildingdet.

STRATEGIC INITIATIVES

Community Engagement

Virtual Events

In the third quarter, live virtual events offered Detroiters an opportunity to directly engage with the land bank and learn about processes and programs. The DLBA hosted multiple virtual events via Zoom and Facebook Live including its Monthly Virtual Office Hours series, Neighborhood Enhancement Program Lunch and Learn for Community Partners, and a Live Sales Experience with the Rehabbed & Ready team. These events reached thousands of people through Facebook with dozens participating in each individual event. Plus, most virtual events are available as videos on the DLBA's Facebook page, ensuring these valuable resources are available to community members who did not attend the events. This structure allows Detroiters to connect directly with the DLBA employees who specialize in these areas – providing residents with accurate, timely answers to their questions and concerns.

Virtual Office Hour
Welcome!

Thank you for joining us. The presentation will begin in a few moments. If you have a question about a specific property, please use the Q&A button at the bottom of the screen to submit your question, with the property address. We will also take live questions after each presenter.

DLBA March Virtual Office Hour: Compliance
Catch this replay of DLBA March Virtual Office Hour where we dig into how compliance works! See more

2.4K People reached
786 3-Second Video Views
16 Comments 786 Views

Community Partnership Application

Name of Resident Organization

Primary Contact Person

DLBA Neighborhood Enhancement Program Lunch & Learn
Catch this Lunch and Learn replay with the DLBA to learn more about how our Community Partners can...

2.5K People reached
709 3-Second Video Views
13 Comments 709 Views

Constituent Experience

The Constituent Experience Liaison (CEL) is committed to improving the quality and efficacy of the DLBA's interaction with Detroit residents and assisting constituents with complicated, escalated concerns. To achieve this, the CEL identifies areas for DLBA improvement, conducts ongoing analysis of core customer service functions, supports leadership with navigating escalated inquiries, and fosters community outreach efforts. The CEL's core objectives include:

- Internal process analysis
- Best practice recommendations
- Direct community engagement
- One-on-one connection with residents

Process Analysis & Best Practices

In the third quarter, the CEL provided status updates on more than 140 open Salesforce inquiries for the Office of the Ombudsman. The CEL reviewed each inquiry to provide real time status updates and to search for common trends with the application of Salesforce inquiry statuses.

Building on the findings from the Ombudsman's inquiry project, the CEL led a series of internal meetings to evaluate departmental use of Salesforce inquiry statuses. The goal is to remove potentially ambiguous language to enhance community/City partners' experiences when using Salesforce, following up on inquiries, and fostering a greater understanding of the DLBA workflow.

The CEL began conducting outreach to City partners (DONs and Ombudsman) to strengthen inter-agency relationships. As a result, the CEL coordinated presentations for both offices to explain DLBA workflow and clarify confusion about processes and programs.

Escalations & Community Outreach

As a key point in the organization's escalation pathway, the CEL also investigated escalated inquiries assigned by the Executive Director. An investigation shepherded by the CEL includes but is not limited to, conducting interviews with internal staff, constituents, and external parties, as well as reviewing Salesforce inquiry data. Upon investigating each inquiry, the CEL compiled comprehensive reports and created centralized information hub to track escalations.

The CEL developed an outreach strategy to increase the DLBA's presence within the community by engaging with local block clubs and community associations. The overall goal is to ensure that the land bank maintains a strong presence in the community and staffing capacity to provide coverage to City Council meetings, neighborhood association, and block club meetings.

In March, the CEL began to execute the outreach strategy by attending various community meetings on behalf of DLBA and with the Executive Director. In doing so, the CEL initiated contact with community block clubs and associations to obtain monthly meeting schedules and arranged for the CEL and City Council & Government Liaison (CCL) to begin community engagement presentations.

March Outreach			
City Council	DON Cast	DONs Bi-Weekly	Neighborhood/Block Club
3	2	2	3

Q3 Outreach	January	February	March
Internal Analysis	6	20	23
Constituent Inquiry Escalations	11	6	30
Inquiries (City Partners)	141	50	N/A
Community Outreach	N/A	N/A	10

City Council Liaison

The City Council and Government Liaison (CCL) is a hub for inquiries from City Council, the Ombudsman’s Office, the Department of Neighborhoods, and other government agencies to streamline responses and identify common challenges faced by stakeholders and clients. In the third quarter, the CCL position was vacant, following the transition of the previous liaison to a different department. In January and February, the Assistant Director and Executive Director conducted two rounds of candidate interviews. In March, Dwayne Barnes accepted an offer for the position and will join the DLBA in April.

Immediate onboarding priorities will include introductory meetings with each City Council office, the DONs, and the City’s Ombudsman. The CCL will work to establish open lines of communication and assist city departments with concerns on behalf of their staff as well as residents. In this role, Mr. Barnes will also engage in community outreach and represent the DLBA at a variety of public meetings and events. The CCL can be reached via email at dbarnes@detroitlandbank.org or by calling (313) 880-3659.

INTERIM EXECUTIVE DIRECTOR

TAMMY DANIELS

In January, the DLBA's Board of Directors officially appointed Tammy Daniels as Interim Executive Director.

In addition to leading the organizations core business functions and strategy as Executive Director, focus remains on identifying critical areas for organizational growth, promoting best practices, and expanding community outreach efforts.

The Executive Director also oversees the DLBA's Communications & Engagement team and its property rehabilitation divisions: Rehabbed & Ready and Compliance.

Previously, as Deputy Executive Director, Daniels also supervised the DLBA's Demolition department. The DLBA officially closed its demolition program in the first quarter of fiscal year 2022. MSHDA reimbursed the DLBA \$265,378,691.06, the full grant amount, for 15,083 demolitions across all five rounds of HHF. The DLBA fully repaid the City's Demo Advance Fund in fiscal year 2021.

PROPERTY REHABILITATION

Rehabbed & Ready

Rehabbed & Ready (R&R) is a philanthropic initiative to improve residential market values and bolster home ownership in the City of Detroit. Through collaboration with Quicken Loans and construction contractors, as well as the City's Housing & Revitalization Department, Planning & Development Department, and Department of Neighborhoods, dilapidated DLBA structures 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 demolition of DLBA-owned structures, along with the DLBA's Nuisance Abatement and disposition programs in areas selected for Rehabbed & Ready projects.

- **Closings:** The R&R team has successfully renovated and sold a total of 94 residential properties, with new homeowners moving into neighborhoods including Crary/St Marys, College Park, Evergreen-Outer Drive, Bagley, Schulze, East English Village, Martin Park, Greenfield-Grand River, Morningside, Island View Greater Villages, and Fitzgerald.
- **Public Open Houses:** Prior to COVID-19 restrictions, Open House events were a staple in the R&R program, ensuring prospective buyers have ample opportunity to view new listings. To continue to connect with the public in a safe environment, the R&R team collaborated with the Assistant Director of Public Relations to create Virtual Sales Events to mimic the Open House experience and provide additional buyer education resources. New R&R content is posted on the DLBA's social media channels.
- **Private Showings:** Prospective buyers can schedule private tours of current listings through buildingdetroit.org Sunday through Friday.
- **Neighborhood Engagement:** The Property Rehab team publishes monthly newsletters to subscribers which include construction updates, listing notifications, contractor opportunities, etc. Currently, 1000+ realtors, 300+ interested contractors, and 700+ prospective buyers are subscribed.

Rehabbed & Ready MSHDA MOD

- The Property Rehabilitation Team was awarded \$200,000 through the MSHDA MOD Grant Program
- Project Description: Modular Development on DLBA vacant lots
- Project Location: 3572/3578 16th Street (white boxes in image below)



6,404 sq/ft (0.15 Acres) - 60ft wide and 107ft deep

- Timeline

Activity	START	END
Procurement, Title, Parcel Application		
Title Clearance	4/1/22	9/28/22
Parcel Application	4/1/22	9/28/22
Procurement	9/28/22	11/27/22
Manufacturing, Preparation, On-site Construction		
Manufacturing	11/27/22	5/6/23
Site Prep/Utility Work	11/27/22	5/6/23
Home Delivery	5/6/23	5/11/23
On-site Construction	5/11/23	10/18/23
Marketing Property		
Prep for Listing	10/18/23	11/17/23
List Property	11/18/23	11/18/23
On the Market (avg)	11/18/23	1/2/24
Closing (avg)	1/2/24	3/2/24



Featured Property

16526 Santa Rosa in District 2, Sold in Q3

COMPLIANCE

The DLBA's Compliance Team enforces agreements signed by property owners who have either purchased a property from the DLBA ("Sales Compliance") or whose property was the subject of a Nuisance Abatement Program action ("NAP Compliance"). For both Sales and NAP Compliance, property owners agree to rehabilitate the property within six months and provide regular updates to the Compliance Team documenting and verifying progress. For Sales in Historic Districts, property owners agree to rehabilitate the property within nine 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 will evaluate progress to determine if an extension is warranted.



Before and After, Auction Property on Buckingham St. (District 4)

Sales Compliance

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 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

Nuisance Abatement Program (NAP)

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 neighborhood 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			Community Partners			Nuisance Abatement			All Programs		
	Program-to-Date	FY2022	3rd Quarter FY22 (01/01 - 03/31)	Program-to-Date	FY2022	3rd Quarter FY22 (01/01 - 03/31)	Program-to-Date	FY2022	3rd Quarter FY22 (01/01 - 03/31)	Program-to-Date	FY2022	3rd Quarter FY22 (01/01 - 03/31)
Currently Monitored	6879	1162	328	136	17	5	125	69	46	7140	1248	379
Compliance Achieved	5293	922	413	229	17	26	1535	117	68	7057	1056	507

	Auction (Program to Date)				Auction (With Employee Discount)				Auction (With Educator Discount)			
	<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+
Total Under Compliance	1198				106				5			
Total Across Age	147	244	307	500	0	5	8	93	0	0	1	4
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	69	119	114	67	0	1	0	14	0	0	1	1
Delinquent (0-30 days)	49	38	37	35	0	0	0	2	0	0	0	0
Delinquent (31-90 days)	21	30	43	50	0	0	0	6	0	0	0	0
Delinquent (90+ days)	8	54	84	206	0	0	0	63	0	0	0	3
Properties Reconveyance Taken Over	0	1	28	142	0	0	0	14	0	0	0	0

	Auction (Program to Date)				Auction (With Employee Discount)				Auction (With Educator Discount)			
	<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+
Total Achieved Compliance	2084				409				11			
Total Across Age	213	578	740	553	36	126	124	123	0	3	6	2
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	168	512	656	485	30	115	112	119	0	3	6	2
Listed for sale or Rent	45	66	83	45	6	11	12	4	0	0	0	0
Demolished	0	0	1	3	0	0	0	0	0	0	0	0

Compliance Collaboration & Outreach

Compliance has engaged in outreach efforts, to strengthen its partnership with various City of Detroit departments. Compliance is eager to foster working relationships with City Council and the Department of Neighborhoods. The purpose is to facilitate a relationship where information can be shared for the benefit of the community.

- Collaboration with City of Milwaukee Housing Team (Meeting held on Friday, February 25th) District Managers Meeting
 - o The meeting was requested by Amy Turim, City of Milwaukee, Real Estate Development Services Manager. The meeting was requested to assist City of Milwaukee staff in learning from the DLBA, concerning our process for post-closing monitoring, ensuring owner occupancy when required, and reversionary or other consequences for lack of performance.
- City Of Detroit Six Sigma Green Belt Program
 - o Raquel Figueroa (Team Lead/Supervisor) and Reafeal Lewis- Cole (Asst. Manager) are participating in the Green Belt program. Upon completion, they will both obtain Green Belt certification.
 - o Duration: 13-week instruction, requiring 10 hours per week. Instruction will be conducted in a virtual classroom, which includes E-Learning and project work
 - o Draft Project Objective Statements:
 - Reafeal – Increase the number of property owners applying for grant funding through the Finish-Line program, by streamlining the application process and scope of benefits.
 - Raquel- Increase the services and resource materials for Spanish speaking property owners, to ensure that the DLBA does not compromise quality of service to them.

Compliance Assignment Policy

Objective:

To facilitate the timely revitalization of property in the City of Detroit by allowing purchasers of DLBA property to transfer their interest in the property to a third party, who will agree to assume all obligations of the original purchaser and timely complete the project.

Rationale:

Assignments should be completed in rare occasions, where due to a hardship, the property owner is no longer able to fulfill the requirements outlined in their rehab agreement. Assignments are not to be used as a vehicle to avoid reconveyance, due to violation of the rehab agreement.

Eligibility Guidelines:

- PO must submit the assignment application. PO must show proof of being on track to achieve compliance, prior to assignment request
 - o PO must show that substantial progress was made on the property
 - Minimum of \$15,000 spent in repairs
 - Or
 - 50% of rehab requirements met (must have minimum of 2 interior rehab requirements complete)

- PO Current on Property Taxes
 - o If it is a private sale (not using a title company), back taxes must be paid in full
 - o If the potential buyer and owner is going through a title company, taxes must be handled at the time of closing, per the agreed purchase agreement
- No Outstanding Blight Tickets

Update:

Compliance is currently evaluating and documenting recommended enhancements to the Assignment Policy. The recommended enhancements to the assignment policy will be ready for review next quarter.

Compliance Achieved Verification Process

The Compliance Department modified the verification process for property owners to achieve compliance. The new process adds a level of authentication, to verify the photos received from property owners prior to filing the DLBA's Release of Interest.

Upon entering the final stage of Achieving Compliance, the Compliance team sends an investigator to the property to capture photos of the interior and exterior. The investigator will compile the final photos, ensuring all Compliance requirements are met and upload them to Salesforce. Once the investigator's photos are reviewed by the Compliance team, the Property Owner receives a confirmation, indicating the status of their request to Achieve Compliance.

During the third quarter, the Compliance department worked to expand the efficiency of the verification process by initiating a Request for Quote (RFQ) Bid #22MR069. Onboarding additional investigators will help to reduce any bottlenecks and delays to the Compliance Achieved process. Compliance's RFQ closed on March 25, 2022, and moved to the scoring phase and vendor selection. Vendor selection is expected early next quarter.

Compliance "Finish-Line" Grant Program

Finish-Line Grant Background

The Detroit Land Bank Authority received grants from Fifth Third Bank and Amerifirst Home Mortgage to assist buyers with critical renovation items. This grant is important because many buyers do not have the funds to purchase the big-ticket items needed to complete the renovation process. As of the date of this report, the program has helped 12 families cross the finish line. Compliance has \$23,221.99 remaining in the Finish-Line Grant Program. Efforts are underway, to secure additional funding to grow the scope of the Finish-Line Grant program.

This program is designed to provide small grants (up to \$5,000) for specific items, that are necessary to make the property livable, including:

- Furnace
- Water Heater
- Final bathroom fixtures (sink, toilet)
- Kitchen appliances (stove and refrigerator)

To be eligible, potential grantees must:

- Be low-to-moderate income (dependent on household size and current AMI data or be on public assistance)
- Be a current or future owner-occupant of the property
- Be current on property taxes
- Not own any other properties in the City of Detroit
- Have completed their home renovation except for only one of the following
 - o Installed furnace
 - o Installed water heater
 - o Completed/functional bathroom (sink, toilet)
 - o Kitchen appliances(stove and refrigerator)

Pending Grant Recipient:

- T. Stevens who lives on Grayfield (District 1)
- T. Stevens has presented preliminary eligibility information to receive a furnace
- Compliance is awaiting the required three quotes, from the Property Owner before moving forward with the process. Additionally, we requested additional information regarding proof of income. Compliance has granted her additional time to provide us the requested information.



Before and After, Own it Now Property on Pfent St (District 3)



INVENTORY

ROBERT LINN, DIRECTOR

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

VACANT LAND POLICY: BACKGROUND, UPDATES, AND IMPLEMENTATION

At its March 2022 meeting, the Detroit Land Bank Authority's Board of Directors approved an updated Structure Sales Policy. Staff proposed the policy to address resident feedback, make the structure sales more accessible to residents, and to allow the land bank to list homes for sale more efficiently. The policy includes four chapters which modernized the Auction policy and formalized and expanded three sales channels: Own It Now, Demolition Candidates, and Marketed Sales.

- **Auction** – The Auction chapter of the Structure Sales Policy largely restated the existing Auction policy – approved in 2014 – with a few significant changes. Most notably, the policy caps purchaser down payments at \$5,000 to make the process more accessible; creates a formalized process selecting runner-up, and second runner-up bidders in case of winning bidder ineligibility; and grants staff the authority to combine garages, driveways, carports, and accessory units with a primary structure before listing.
- **Own It Now** – The new Own It Now chapter of the Structure Sales Policy formalizes the existing Own It Now process, with similar changes to the Auction chapter, including a \$5,000 cap on down payments, a formalized process for selecting runner-up bidders, and the staff ability to combine an adjacent garage or driveway before listing.
- **Demolition Candidates** – The new Demolition Candidates chapter of the Structure Sales Policy codifies and modifies an existing process of selling homes pulled from the demolition pipeline through the Own It Now program. Through this chapter of the policy, staff are empowered to list demolition candidates through a process that largely mirrors the Own It Now program, but with additional buyer eligibility criteria, including that they tour the property before purchase, and demonstrate proof of funds of \$20,000 or \$5,000 and a skilled trades license.
- **Marketed Sales** – The new Marketed Sales chapter of the Structure Sales Policy provides greater flexibility for staff to list and sell properties through realtors and brokers in a more efficient process. Given the land bank's effort to prioritize listing homes through the Own It Now and Auction programs where possible, the policy specifically targets structures of a unique nature, properties in exceptionally distressed conditions, and small bundles of properties. The policy requires board approval for sales of five or more parcels or of more than \$75,000.

Staff are actively working to implement all the new policy provisions and expect to achieve a more comprehensive implementation of changes in Q4 of FY22 and Q1 of FY23.

STRUCTURE SALES PIPELINE UPDATES

LISTING HORIZON

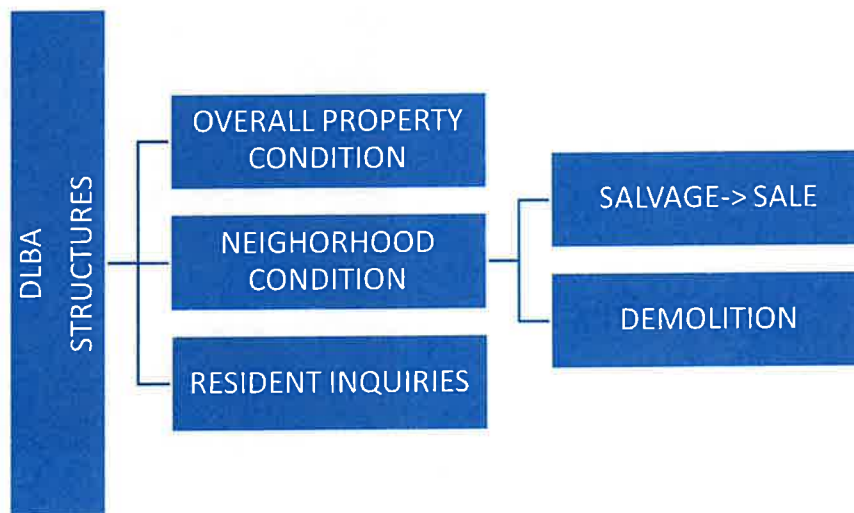
After eight years of listings, the land bank’s inventory of unlisted homes in the sales pipeline is declining at a rapid pace. Currently, there are approximately 2,600 properties undergoing preparation for sale through the Auction and Own It Now programs. This number is likely to fluctuate slightly for a variety of reasons including requests to pull properties from demolition, new acquisitions, and new vacancies. However, this variation is expected to be nominal.

With our current listing rate, and factoring in future increases in listings, staff expect to list an average of 400 properties per month. These rates will vary depending on factors such as title work and quiet title, property preparation, and staff capacity. Still, assuming an average listing rate of 400 properties month, the DLBA expects its entire current structure inventory to be listed for sale by the end of FY23. Some houses do not sell the first time they are listed or sell but the buyer backs out before closing. Therefore, the DLBA expects home listings will continue to be available.

PROPERTY INSPECTIONS

Property inspections provide vital information and are a large factor in determining structure pipeline movement. Most property inspections are completed by contracted inspectors who provide photos and condition survey information. Inspection reports are then reviewed by the Property Evaluation and Pipeline Management Team (PEAP), who provide recommendations for next steps. Inspections are ordered for a variety of reasons including, recent acquisitions, requests to pull from demolition, report of recent fire damage, and reports of vacancy at previously occupied properties. However, most inspections are ordered to get updated information for properties identified as sales candidates or currently listed for sale through one of the DLBA’s disposition programs. Ordering regular inspections is necessary to stay informed of any condition changes that occur overtime at vacant properties. While the focus of the property inspection is to provide updated condition information there are other factors the team considers in their recommendation such as resident inquiries, block condition, and overall neighborhood/ market condition.

How Structures are Selected for Pipelines



INVENTORY

When reviewing property inspection results, the team considers three main areas to determine the overall condition and assessment:

- Roof
- Foundation
- Structures (joists, columns, beams, and load-bearing walls)

Generally, if a property's overall condition is determined to be fair or good, staff deem the property salvageable. However, if any component of the house is in extraordinarily poor condition, that could push an overall fair condition property towards a demo assessment. Typically, if a property's overall condition is determined to be poor, then staff are likely to move the property to the demolition pipeline.

Purchase and demolition inquiries from Detroiters are another factor the team takes into consideration as part of property evaluation. Inquiries include traditional home purchase requests for a specific property that is not yet listed for sale as well as requests to remove a property from the demolition list and move it to sale. Staff use this feedback from the community to better inform property assessment and prioritization.

Finally, the team looks at overall neighborhood and market conditions when reviewing property inspections to determine pipeline placement. For instance, if a structure is in a neighborhood with a recent uptick in sales and housing market movement, that could be an indication that the property may be a better fit for a sales pipeline instead of demolition, even if the house falls slightly below standard salvage criteria. Ongoing development or projects in the neighborhood may also give the team more insight on what the residents want to see happen with certain properties.

All these factors help staff determine the appropriate pipeline for each property. Ultimately, the Inventory department's priority is identifying the best way to put properties back to productive use while being responsive residents' input.

To meet the organization's listing goals, staff started to expand capacity to facilitate the further increase in the number of inspections ordered. In Q3, staff ordered and reviewed an average of 400-500 inspections each month and are working to increase that average in the coming months.

OPEN HOUSES

In the third quarter, Inventory hosted open house events for all properties listed through the Auction. Open houses relaunched late last quarter, after being suspended in March 2020 for COVID health and safety concerns. These open house events are an important tool to provide residents with a free opportunity to view upcoming Auction listings in person. Staff believe that visiting houses is a critical tool for potential buyers to understand the current condition and scope of repairs for each property. Currently, the DLBA is hosting open house events bi-weekly. As Auction listing rates increase in the months ahead, additional open house events will be added to the schedule.

The DLBA provides each open house visitor a copy of the Property Condition Report for that house, and response from visitors is positive. Property Condition Reports are also available online, on the listing page for every Auction property. Each report outlines the necessary repairs, so potential buyers can have a better understanding of the work required to make the house



livable. Outside each open house, visitors and neighbors will see a vehicle with a car topper sign (pictured), which serves a dual purpose of attracting visitors and alerting neighbors that the activity happening at the property is sanctioned by the DLBA.

VARIABLE AUCTION SCHEDULE

Since the Auction program launched, the DLBA has maintained a consistent daily listing rate, ranging from one per day to four per day, depending on capacity factors in the given time frame. For example, in 2018, the DLBA had four Auctions per day and currently, potential buyers will see two listings per day. Now, with a focus on listing all remaining structure inventory as quickly as possible, staff plan to move towards a variable auction schedule next quarter. That means some days two properties may be up for Auction and the next day, there may be three or more houses accepting bids. This will allow staff to list properties faster, while providing flexibility to scale back if there are unexpected delays in the sales preparation pipeline.

MAINTENANCE THROUGH PROPOSAL N

Thanks to Proposal N and the City's Prop N team, sales preparation for most DLBA Auction houses includes enhanced clean-out and securing services. Prior to Prop N, budget constraints limited DLBA auction sale prep maintenance included interior debris removal and clearing debris and overgrowth from the front and side yards. Since Prop N stabilization began in early FY 22, the most impactful improvement is the elimination of debris and overgrowth in back yards. The additional maintenance in backyards would have averaged to double the cost of auction pre-sale maintenance. Due to limited resources, this was something that could not be prioritized without Prop N funding. This additional maintenance helps address many outstanding maintenance inquiries where concerns were focused on the conditions of back yards. Another major Prop N benefit is the installation of clear boarding on all windows and doors, immediately improving external appearance and providing longer-lasting security. Prior to Prop N, only first floor and basement windows and doors were secured, with plywood, to prevent trespass.



VACANT LAND UPDATES

This quarter, Inventory Department staff worked to coordinate a bulk listing of new Side Lots for all districts. As a result, more than 3,800 new Side Lots will be available to more than 3,500 households across the city early next quarter. Staff have prepared more than 4,600 post cards that will arrive in the mail by late April.

DETROIT LAND BANK AUTHORITY

A SIDE LOT

NEXT TO YOUR HOME IS AVAILABLE

FOR SALE! \$100



<i>Council District</i>	New Side Lot Listings	Private Structures	Postcards Sent
1	86	157	206
2	169	217	302
3	857	756	964
4	1,493	1,196	1,533
5	754	611	769
6	289	278	377
7	169	366	492
Total	3,817	3,581	4,643

Step 1
Go to buildingdetroit.org to login or create account

Step 2
Click on "Side Lots" tab to identify lot with your home address or lot address

Step 3
Select "Purchase" and complete application

Step 4
You will receive an email confirmation

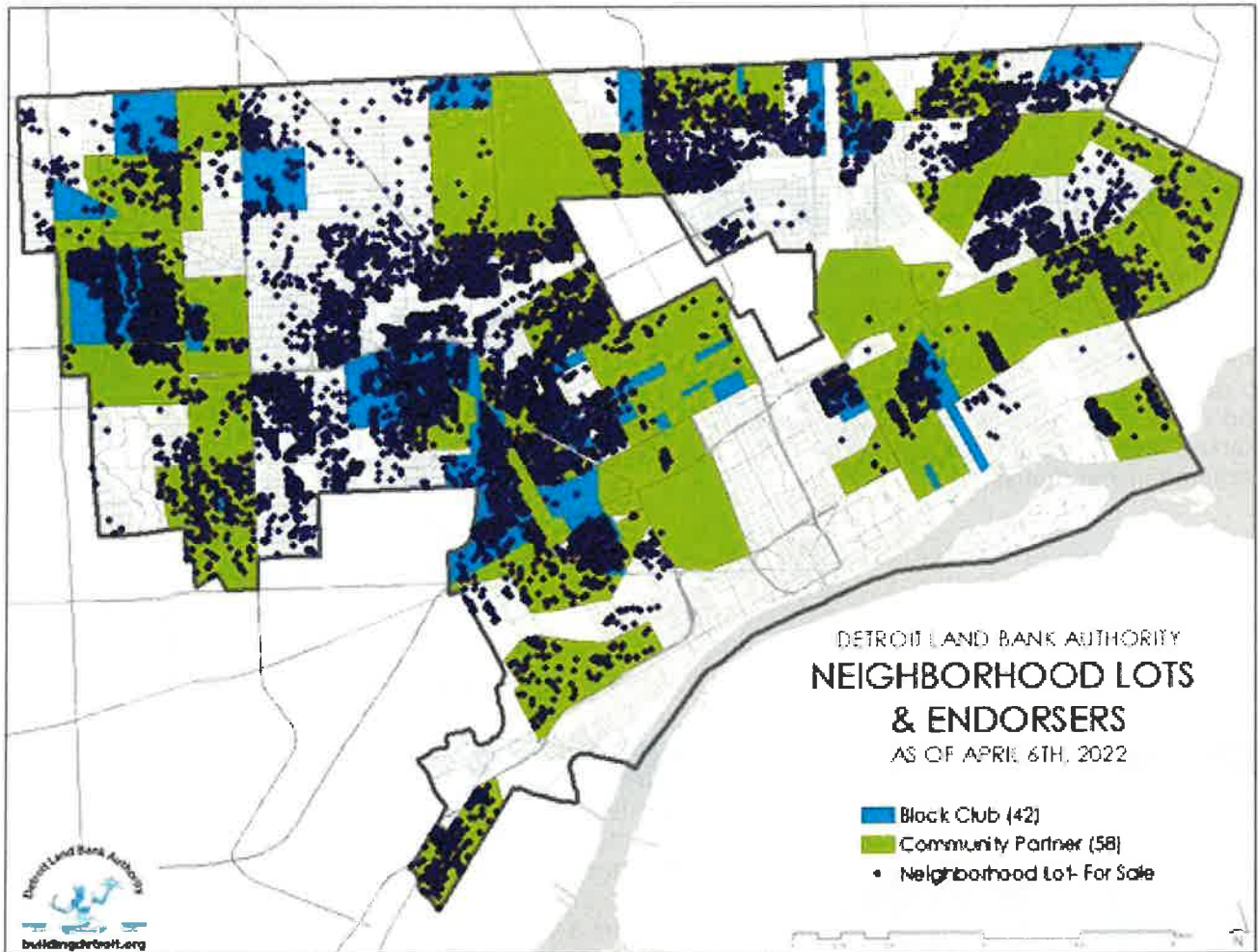
To apply for the lot, please visit buildingdetroit.org/sidelots/

Please direct inquiries to inquire@detroitlandbank.org
(313) 974-6869



Neighborhood Lot Endorsers

In Q3, department staff onboarded 22 new Community Partner and block clubs as Neighborhood Lot Endorsers (NLEs). These new endorsement partners bring the DLBA to a total of more than 100 active Neighborhood Lot Endorsers across the city!



DISPOSITION

JANO HANNA, 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, Side Lot, and more recently, Neighborhood Lot platforms. The DLBA also sells property through Rehabbed & Ready, Occupied Programs, Real Estate team, and, per the Memorandum of Understanding with the City of Detroit, the DLBA engages in real estate transactions in support of strategic City initiatives.

AUCTION

The DLBA auctions 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 and renovation

AUCTION CLOSED	
Comparison of Fiscal Year Q3 Closing Trends	
Year	Total Closed (Q3)
2015	104
2016	54
2017	79
2018	121
2019	198
2020	89
2021	122
2022	88

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 work to 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 and the person with the highest offer at the close of that timeframe wins the property.

OWN IT NOW CLOSED	
Comparison of Fiscal Year Q3 Closing Trends	
Year	Total Closed (Q3)
2016	14
2017	201
2018	157
2019	280
2020	474
2021	873
2022	243

AUCTION AND OWN IT NOW CLOSED								
By Council District for Q3								
	1	2	3	4	5	6	7	Grand Total
Auction	7	6	29	10	9	13	14	88
Own It Now	11	13	57	52	43	26	41	243
Grand Total	18	19	86	62	52	39	55	331

BIDDERS

Closings are only one way to measure market demand for a given region. The number of applications processed also informs demand as seen in the table below.

AUCTION AND OWN IT NOW BIDDERS								
By Council District for Q3								
	1	2	3	4	5	6	7	Grand Total
Auction	60	65	148	63	62	131	102	631
Own It Now	136	212	623	375	400	440	412	2598
Grand Total	196	277	771	438	462	571	514	3229

DISCOUNTS

Supporting the DLBA's mission of returning Detroit's blighted and vacant properties to productive use, Disposition promotes a variety of sales initiatives. Discount programs provide the opportunity for eligible participants to utilize a 50% discount on DLBA Auction homes. The 20% Home Buyer Counseling Discount & Community Partner Endorsement is available to eligible participants for Own It Now or Auction homes. Each discount request is verified by the HR/Designated Point Person (DPP) for the applicable entity. Discounts will be applied at closing. One discount will be given per registered discount bidder. Bidders cannot combine or use multiple discounts.

DISCOUNTS					
By Category for Q3					
Applications	% Off	Approved	Rejected	Used	
City Employee	50%	59	17	4	
Detroit School Employee	50%	0	0	3	
Skilled Trade Employment Program STEP	50%	13	4	0	
Home Buyer Counseling	20%	13	4	5	
Community Partner Endorsement	20%	0	0	0	
Q3 Total		85	25	12	

SIDE LOTS & VACANT LAND REUSE

The Side Lot program caters exclusively to Detroit homeowners and provides easy access to vacant lots adjacent to occupied homes for \$100. Since 2014, and as of the date of this report, the DLBA has sold 20,734 Side Lots, making it the Land Bank's most popular sales platform. During Q3, the DLBA sold 359 Side Lots, 17 Oversize Lots/Accessory, and 206 Neighborhood Lots.

SIDE LOTS SOLD								
By Council District for Q3								
Month SOLD	1	2	3	4	5	6	7	Grand Total
January	15	4	25	21	17	27	11	120
February	11	9	21	13	20	12	10	96
March	13	18	25	23	21	26	17	143
Grand Total	39	31	71	57	58	65	38	359

CLOSINGS

The Closing Team is responsible for coordinating all aspects of pre-closing and closing services for all disposition programs within the Detroit Land Bank Authority (DLBA), including, but not limited to, coordinating with lenders and title companies, conducting the closing, preparation and recording of documents, and authorizing appropriate post-closing disbursements and reconciliation associated with the settlement process.

The number of executed closings at the close of Q3 showed a marked increase compared to Q2. 76 properties closed in January, 107 in February, and 184 in March.

TITLE SERVICES

Clear, insurable title is critical for anyone buying property—not just from the DLBA, but in general. Clear title provides confidence to the property owner in their ownership and any investment they make. It is an absolute prerequisite for any lending institution considering a mortgage. In fact, clear title is so important that it is one reason the state legislature created land banks. In the third quarter, the Title Team received 1,088 new title orders. New title orders include examination of the title commitment for ownership (vesting) and underwriter's requirements to eliminate outstanding interests, including tax and utility status, that may prevent future marketable title.

In total, 2,221 properties were assessed in Q3 FY2022. Of those, 87 were confirmed to have marketable title with no delinquent taxes and graded as ready for sale. 1,496 (Update Reviews) were reviewed to confirm continued clear title with no new interested parties, new recorded/unrecorded liens, or tax bills were assessed against the property, which would prevent moving forward in the sale process. For 442 (In-house title clearance), the Title Team requested tax clearances, BSEED releases, and handled escalations to underwriters to clear title issues. For the remaining 196 (Quiet Title Required), court action was required to eliminate outstanding interests on title which would otherwise prevent the sale of the property.

COMMUNITY PARTNERSHIP & ECONOMIC DEVELOPMENT

The Community Partnership and the Economic Development teams operate under Disposition's Real Estate Team umbrella on a wide variety of projects. Developers and Community Partners follow the same process for property acquisition, however, with a recent policy amendment, our Community Partners now receive additional benefits. Applicants looking to acquire property through either track may do so through the application portal process or through the marketing program.

MARKETING PROGRAM

In addition to the DLBA's online sales platforms, the Disposition Department uses licensed realtors to market properties through the traditional real estate market. Buyers can find DLBA single family homes, mixed bundles of structures and vacant land, infill lots, and assemblages for Land Based Projects on the DLBA's website, buildingdetroit.org, as well as the Multiple Listing Service (MLS) and place offers through real estate Brokers.

Approved Marketing Deal Highlights

Two lots, 2728, 2738 Rosa Parks, in North Corktown were approved for sale by the DLBA's Board of Directors. Combined with applicant's current 12-unit townhome development at Harrison & Perry, these two projects will add a total of 23 new build homes to the community and create an anchor for future housing development in the area.

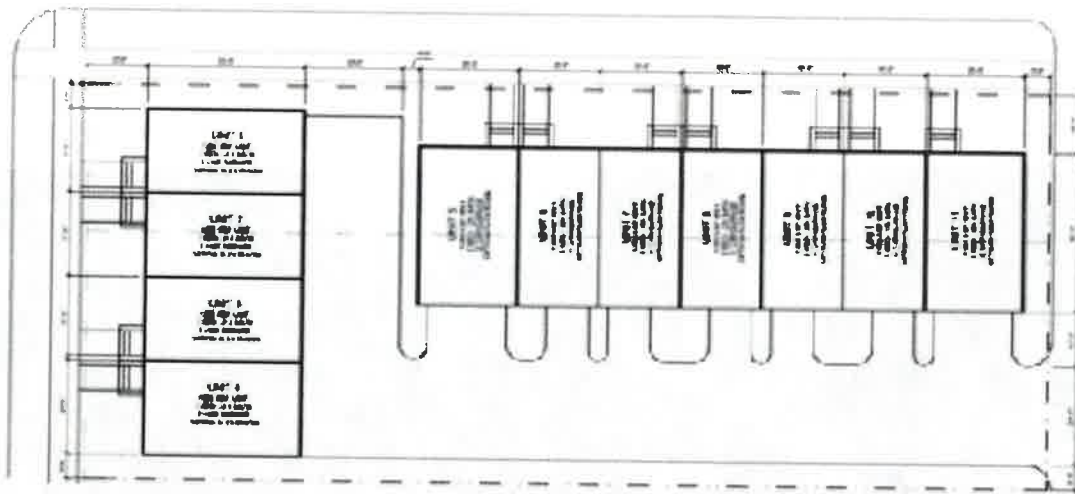


DISPOSITION

Rosa & Perry - Proposed Design (NW Corner of Rosa Parks & Perry)



ROSA PARKS BLVD.



ALLEY

CONCEPT SITE PLAN
SCALE: 1/8" = 1'-0"

Proposed 11 Units Development

Zone:	R3
Total lot area:	15800
Building Footprint:	2150
Building Total GFA:	13,750 (including Garage)
100% coverage:	at 4% plot ratio

4545 architecture

10/18/2021

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 nonprofits, faith-based organizations, and community development organizations through the process of acquiring property through the DLBA. This program allows organizations to present proposed projects through development plans.

The DLBA Board of Directors recently adopted an amendment to the Community Partner Policy. The eligibility criteria remain the same:

- Headquartered in the City of Detroit
- Have a federal 501(c)(3) tax-exempt status
- Be current on its property taxes
- No blight violations or fines

But the benefits were significantly expanded, namely with additional discounts toward the purchase price:

- Increased discount to 50% for direct sales (not to fall below \$250 for lots and \$1,000 for structures)
- Codified a fixed 20% discount on the purchase of homes online
- Discounts on Quiet Title Services
- Historic pricing for sales holds

Community Partnership Endorsements

The DLBA also encourages Community Partners to help better their blocks by identifying and endorsing potential homeowners who have the ability renovate a house. 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 be the owner-occupant 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 (not to fall below \$1,000 final price).

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.

ECONOMIC DEVELOPMENT

The DLBA's mission of bringing properties back to productive use has been heavily supported by small scale community developers. These developers have worked over the years to thoughtfully restore properties throughout their communities. This quarter's Economic Development spotlight is 11608 John R.



OCCUPIED PROGRAMS

Disposition’s Occupied Programs focus on providing pathways for occupants living in DLBA-owned properties, along with returning properties to the tax roll. The DLBA’s people-first approach includes the Buy Back Program and Occupied Property Disposition Program.

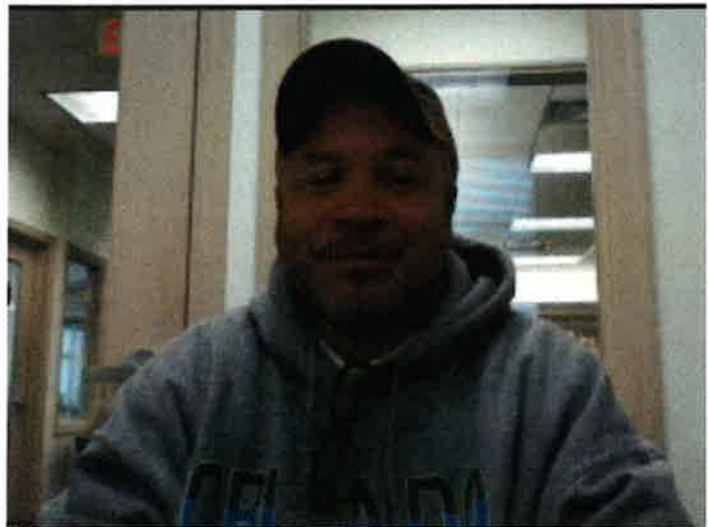
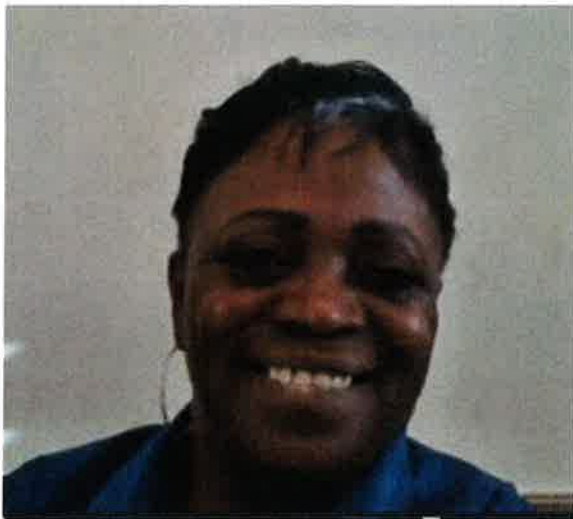
Buy Back

The Buy Back Program provides a path forward for occupants of DLBA-owned houses. It allows an eligible occupant of a DLBA-owned property the opportunity to gain ownership of the house in which they live. After qualifying for Buy Back and purchasing the property for \$1,000, the occupant officially enters program monitoring and must display consistent savings until their first tax bill is issued and paid in full in July of next calendar year. Participants also attend regular homeowner and financial workshops with DLBA partner organizations and must pay their first Summer tax bill in full before exiting the program.

Q3 Buy Back Closings

Month-Year	Closed	Total
Jan-22	18	\$18,000
Feb-22	11	\$11,000
Mar-22	11	\$11,000
Total	40	\$40,000

Executive Summary	
Buy Back Closed (inception to date)	1045
Buy Back Complete (inception to date)	868
Monitor Compliance for July 2022 exit	123
Monitor Compliance for July 2023 exit	40
Reconveyance Complete (inception to date)	18



2021 Occupied Buy Back Participants- Will complete the Buy Back Program in 2022

DISPOSITION

Occupied Property Disposition Program

For occupied properties that do not qualify for Buy Back, the Occupied Property Disposition Program (OPDP) provides an opportunity for the DLBA to sell occupied property to OPDP Partners. Partners are committed to renovating the houses and working with occupants to help them stay in the house as a homeowner or tenant or provide relocation assistance.

The policy enacting the Occupied Property Disposition Program was approved by the Detroit Land Bank Board of Directions in December 2021. The policy supersedes the former Occupied Non-Profit pilot program. Property transfer through OPDP began in 2022.

Q3 Occupied Non-Profit/ Occupied Property Disposition Program Closings

Month-Year	Closed
Jan-22	0
Feb-22	0
Mar-22	3
Total	3

Executive Summary	
ONP/OPDP Closed	176
ONP/OPDP Compliance Achieved	79

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 that facilitates property disposition, remediates nuisances, and addresses illegal activity at properties throughout Detroit, helping the DLBA achieve its goal of restoring blighted and vacant properties to productive use. The Legal Department also represents the DLBA in a variety of legal, regulatory, transactional, and other contexts.

The response to the coronavirus pandemic continued to impact some of the Legal Department's activities during the third quarter of fiscal year 2022. During the quarter, courts were open on a remote basis for certain civil actions including Quiet Title and Nuisance Abatement.

QUIET TITLE

The Legal Department files and oversees expedited Quiet Title Actions pursuant to extraordinary legal authority granted to land banks in Michigan under Section 9 of the Land Bank Fast Track Act, MCL 124.759., which allows the DLBA to obtain quiet title more efficiently, quickly, and cost-effectively than private parties or municipalities. The DLBA files quiet title actions on its properties in support of its commitment to sell structures with clear, insurable title. By doing so, the DLBA provides buyers with confidence in their ownership and any investment they make in property purchased from the DLBA. Clear title also fulfills a standard requirement of a lender providing financing secured by a mortgage.

During the third quarter of fiscal year 2022, the Quiet Title Team filed nine new lawsuits representing 279 properties. The team received judgments for approximately 307 properties during the quarter.

NUISANCE ABATEMENT

Abandoned Properties

The DLBA established its Nuisance Abatement Program (NAP) in February 2014, after the Detroit City Council delegated to the DLBA non-exclusive authority to commence Nuisance Abatement litigation on February 18, 2014 (Council Action Number 23). The criteria for being designated as a NAP-eligible property include that the property is vacant, boarded, and appears to be abandoned or neglected.

The NAP team identifies potential properties using several resources, including neighborhood surveys as well as input from the City's Department of Neighborhoods, community groups, and neighbors. Specific locations are then verified by investigators, who place a large notice (poster) on the property.

To achieve proper service of process, the DLBA searches tax, title, and other records for each property to determine current interest holders of record, including owners, mortgage companies, and other lien holders. A NAP civil suit names current owners and other interest holders of record and requests abatement of the 'nuisance' created by the property's condition. Owners or interest holders in a property who fail to respond to the lawsuit may lose their ownership rights to the property at a hearing for default judgment.

LEGAL

During the third quarter, the Legal Department placed nuisance abatement notices on 563 properties identified to be vacant and blighted. Court proceedings were conducted in remote format, and three judgments transferring title to the DLBA were issued. In addition, the NAP Team entered into 66 agreements with private owners to rehabilitate their properties. During the quarter, the NAP Team filed nuisance abatement lawsuits against 126 vacant and blighted properties.

The NAP team is currently accepting applications and conducting interviews to fill a vacated staff attorney position.

During this quarter, 62 properties achieved compliance after entering into a NAP abatement agreement, below is an example from each City Council district.



Before and After, renovated as a result of a NAP Abatement Agreement –Ferguson, District 1



Before and After, renovated as a result of a NAP Abatement Agreement –Santa Rosa, District 2



Before and After, renovated as a result of a NAP Abatement Agreement –Eastburn, District 3



Before and After, renovated as a result of a NAP Abatement Agreement –4401 Bedford, District 4



Before and After, renovated as a result of a NAP Abatement Agreement –Gladstone, District 5



Before and After, renovated as a result of a NAP Abatement Agreement –Central, District 6



Before and After, renovated as a result of a NAP Abatement Agreement –Leslie, District 7

DRUG HOUSE UNIT

The Drug House Unit (DHU) is a part of the NAP team and represents a joint effort by the Detroit Police Department (DPD) and the DLBA to help stabilize neighborhoods by addressing the use of properties in the City for drug trafficking. The DHU receives weekly emails from DPD reporting properties where officers found drugs and drug paraphernalia during surveillance and raids. Using this information, the DHU determines next steps based on the ownership of the property. If a property is privately-owned, and more than two raids occur within a 12-month period, the DHU may proceed with a lawsuit. If a property is DLBA-owned, the Legal Department's Occupied Property Team determines how to address occupancy at the property based on its internal investigation into the nature of the reported activities.

During the third quarter, DPD reported 25 applicable raids to the DHU. Of these 25 raids, 20 occurred at privately-owned properties. Only privately owned, single-family residences are eligible for DHU action, so warning letters were sent or are in the process of being sent to these property owners. The remaining five raids were conducted at DLBA-owned properties have been or are being investigated by the Occupied Properties Team. Two nuisance abatement lawsuits were filed for illegal narcotic activity during the third quarter.

OCCUPIED PROPERTIES

There are a variety of reasons why DLBA-owned houses become occupied without authorization. Sometimes, unauthorized occupants are former owners who lost the property to tax foreclosure and never left, others are victims of fraudulent "leases" or "sales", some use a DLBA-owned house for illegal activity, and many others are "squatters" with no connection to a property.

The Legal Department's Occupied Property Team receives reports of occupied properties from several sources including neighbors, DLBA employees engaged in sales preparation, and City agencies such as DPD, the Demolition Department, and the Building, Safety Engineering and Environmental Department. Upon receiving a report of an occupied structure, the Occupied Property Team opens an investigation and will move the property toward one of several resolutions. The first step is usually posting a notice on the property that informs occupants that the house is owned by the DLBA and that anyone living there should contact the DLBA immediately. The ultimate resolutions include the occupants leaving of their own accord, qualified occupants being referred to the DLBA's occupied property sales programs including Buy Back, or removal through formal court action or DPD intervention.

During the third fiscal quarter, the DLBA received 165 reports of unauthorized occupancy at DLBA-owned properties. Upon investigation, 47 of these were found to be vacant and seven were referred to DPD. The rest began moving through the team's occupied property process.

The Occupied Property Team 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 assesses every occupant for eligibility for Buy Back or another occupied property disposition program; if the occupant does not qualify for any of these programs, the Legal Team may go forward with removal. Vetting for these programs will not occur if the DLBA finds there to be extenuating circumstances such as confirmed reports of illegal activity at the property, confirmed vacancy, or third-party sale. If the DLBA deems a property unfit for habitation, the DLBA will connect the occupant with the Detroit Health Department and the Community Health Corps 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.

Due to the previous closing of courts for civil actions and moratoriums on evictions by various jurisdictions during the pandemic, the DLBA completed minimal removal proceedings during the third quarter of fiscal 2022. Although these moratoriums have now expired, the DLBA recognizes the public health and safety concerns surrounding removals of occupants during a public health crisis. Accordingly, the DLBA only initiated removals in extremely limited circumstances. During the third quarter, the DLBA completed seven removals with the assistance of DPD and initiated six new eviction proceedings. No eviction judgments were granted during the quarter.

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 DLBA FOIA Coordinator. During the third quarter, the DLBA received twelve new FOIA requests. Ten of these requests were completed during the quarter, as well as another two requests from the second quarter of fiscal year 2022, all within the statutory timeframes. The remaining requests will be completed during the next quarter, also within the statutory timeframes.

REAL PROPERTY INTEGRITY UNIT

The Legal Department expanded its Real Property Integrity Unit (RPIU) in April 2020, to combat fraudulent activity on DLBA-owned properties. Deed fraud remains the most common type of real property crime involving DLBA-owned parcels. The RPIU receives internal requests for investigation relating to real property fraud, as well as requests from the DPD and the public. The RPIU conducts initial investigations to determine the best course of action. When criminal activity is suspected, and a suspect is possibly identified, the RPIU refers their investigative findings to a special unit within DPD. The RPIU then continues to collaborate and work with DPD and the Wayne County Prosecutor's Office for eventual criminal prosecution.

ADMINISTRATION & OPERATIONS

KELLEY SINGLER, DIRECTOR

The Administration & Operations Department directs the day-to-day operations and centralized resources of the Detroit Land Bank Authority. The department provides Human Resources, Office Management, Information Technology, Systems Design Team, Website, and Client Services support. In addition to internal programming, Administration & Operations supports many programs utilized by external stakeholders, the public, and other City entities including the DLBA's Salesforce database and buildingdetroit.org.

CLIENT SERVICES

The DLBA Client Services team continually strives to assist customers with the highest level of service. We inform and educate customers to ensure they understand DLBA programs and address their broader concerns. The Client Services team provides daily assistance through use of our in-house computers, helping customers navigate the purchasing process and access information. Many of our customers are senior citizens and it is always our pleasure to help.

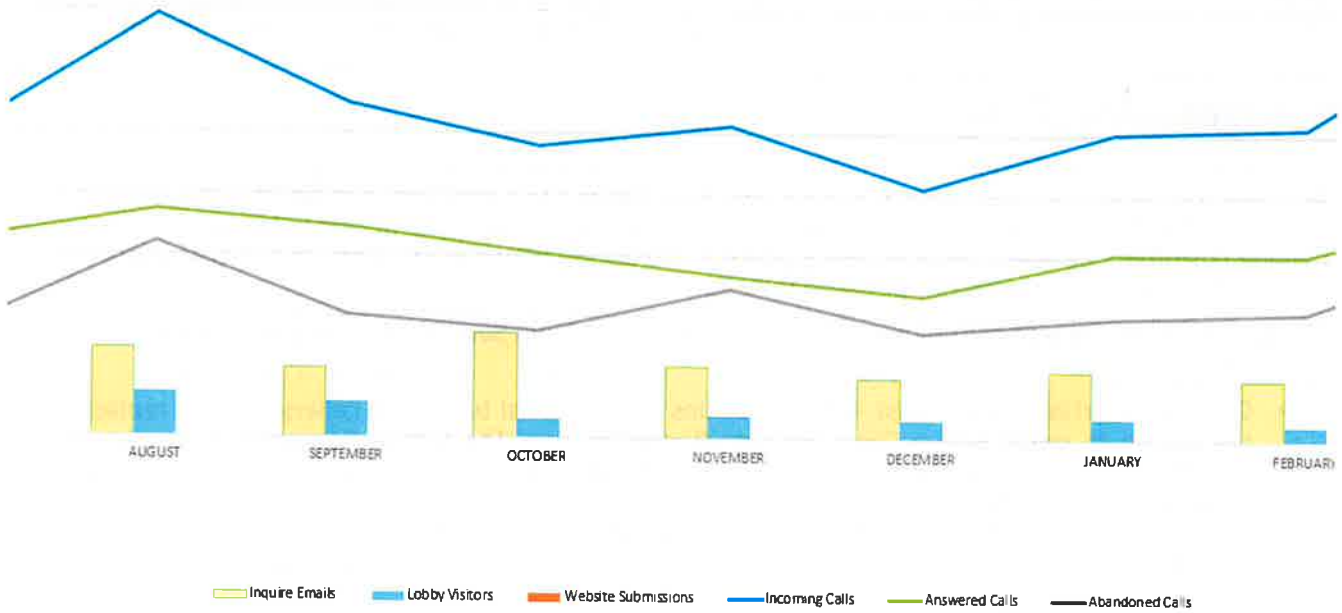
In response to record-high call volumes during the pandemic, Client Services launched several continuous improvement efforts.

- Optimized Virtual Receptionist, which provides an additional benefit to callers without replacing the option to speak with a Client Services Representative. The Virtual Receptionist answers incoming callers' general questions, enabling customers to independently resolve concerns and avoid waiting on hold.
- Added customer service email option, (inquire@detroitlandbank.org) which serves as a supplementary customer communication channel and alternative to a phone call for inquiries and responses.
- Refined post-call survey reporting process, to identify areas of customer service improvement.

In addition to the improvements above, Client Services continues to leverage additional technology and customer engagement platforms through the March launch of the DLBA's interactive All Listing Map, website-based customer inquiry access, and expanded organization wide program staffing.

The DLBA is currently operating within budgetary parameters, to further improve its customer service and call volume responsiveness. The DLBA is undertaking an analysis of resources, efficiency opportunities, and redeploying resources before hiring additional staff.

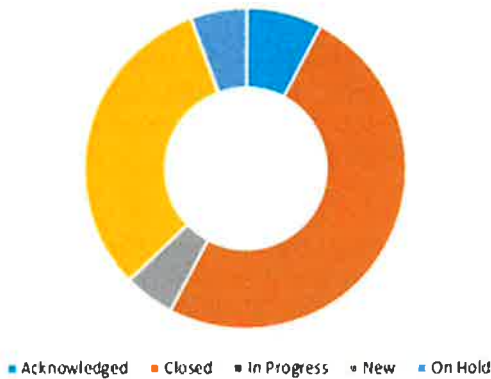
FY 2022 Q3 Customers Assisted via Phone, Email, Website and DLBA Lobby



The Detroit Land Bank Authority’s public lobby remains open by appointment only and the Client Services Call Center continues to operate 100% remotely. The Detroit Land Bank Authority assisted **1,051 lobby visitors** in Q3. With the launch of the All Listings Map on buildingdetroit.org, customers who have questions or would like to learn more about properties not currently listed for sale may complete the Unlisted Property Inquiry webform.

Client Services works to balance the needs of callers and in-office visitors with resolutions in a timely manner, delivering comprehensive solutions to inquiries from customers, residents, and City agencies.

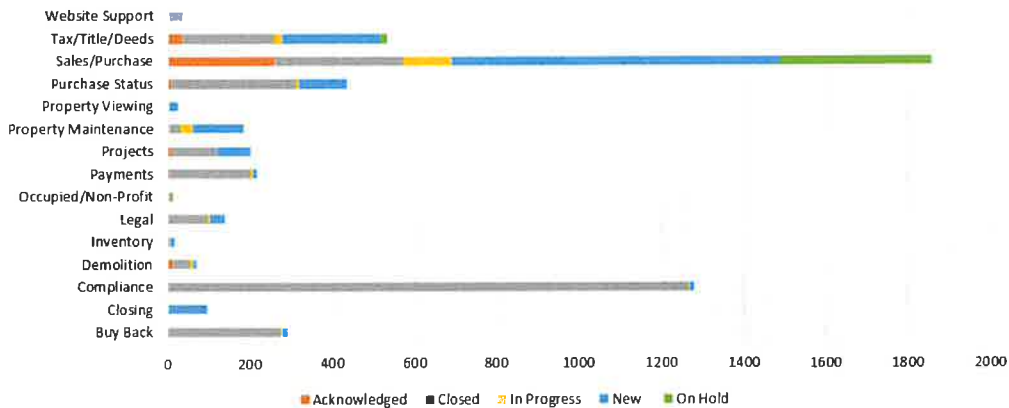
Public Inquiry Services Rendered



Inquiry Status Definitions

Closed – Inquiry issue is resolved
New – New inquiries received by DLBA Client Services Representatives (via phone and walk-in) submitted via Salesforce.
In Progress – Inquiry received by DLBA Client Services Representatives (via phone and walk-in) submitted via Salesforce, referred to the relevant department and is under reviewed.
Acknowledged – Inquiry is confirmed received, logging into Salesforce, and reviewed but progress is not immediate.
On Hold – Inquiries received by DLBA Client Services Representatives (via phone and walk-in) referred via Salesforce to the relevant department for review; often the inquiry cannot be acted upon at that time but is anticipated to be acted upon in the future (Ex: Property Maintenance hold).

Public Inquiry Subject Matter



Client Services assists residents with DLBA matters but is also a resource when contacted regarding municipal agency concerns. The team regularly refers constituents to the Office of the Assessor, Wayne County Treasurer and Register of Deeds, Detroit Building Authority, Improve Detroit App, and BSEED, etc.

HUMAN RESOURCES & OFFICE MANAGEMENT

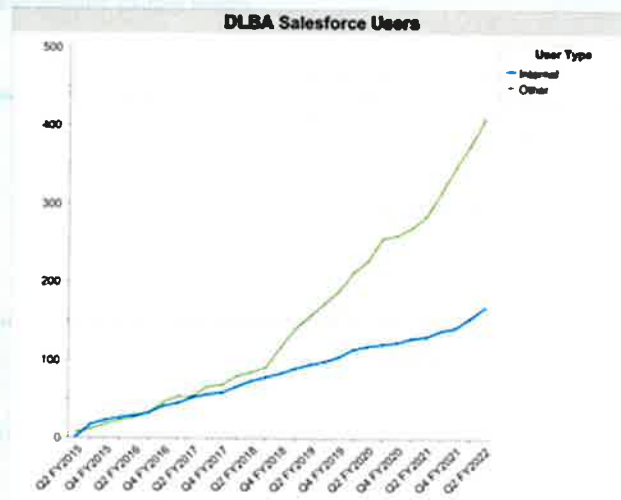
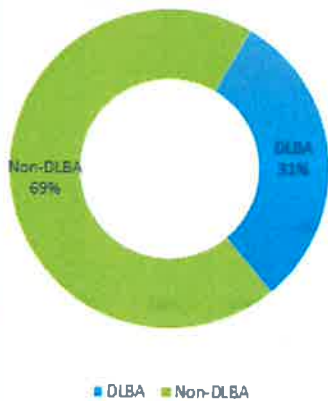
Most DLBA staff continue to primarily work from home. Staff with core office and field-based functions report regularly in-person. All DLBA employees must submit proof of vaccination or weekly negative COVID-19 test results to Human Resources. Employees must also submit an online health screening questionnaire each day they leave their homes for a work-related purpose. This process ensures Human Resources can track staff and be alerted promptly to anyone experiencing coronavirus symptoms. Social distancing and masks are required for all in-office and field work.

SYSTEMS DESIGN TEAM

Data collection, organization, and analysis is critical to the functionality and growth of the Detroit Land Bank Authority's Inventory, Disposition, Demolition, and Legal departments. The DLBA's Salesforce database 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.

This quarter, the Systems Design Team issues an RFP to provide scalable resources for Salesforce and Website platforms for new projects, enhancements, City Demo builds, and overall systems back-up. The primary goal of this RFP is to establish lasting professional relationships with qualified consulting vendor(s) able to provide scalable business resources, enhancements, and expansion projects for the DLBA's Salesforce, Magento, website UI/UX, and/or Mobile Application Development.

Salesforce Users




Website Enhancements

The DLBA's Systems Design Team provides ongoing support and enhancements to the DLBA's website, buildingdetroit.org. Continually working to improve user experience and respond to DLBA programmatic and e-commerce needs is central to facilitating the DLBA's mission.

Key Q3 Website Enhancements Include:

DLBA Refreshed Website and Interactive All Listings Web Map: The primary goal is to drive sales and allow the public to see all DLBA properties for sale (from all programs) and every property in our inventory, in one fully interactive map prominently displayed on Buildingdetroit.org. In addition to the All Listings Map, the DLBA website refresh included enhanced navigation, design, and the addition of several new pages, all using site analytics and best practices to provide a superior public experience.



DETROIT LAND BANK AUTHORITY

ABOUT | PURCHASE PROPERTY | PROGRAMS | COMPLIANCE | EVENTS | OUR IMPACT | FAQ | MORE

Explore. Learn. Buy.

The Detroit Land Bank Authority offers Detroit residents an abundance of home and land ownership opportunities. We've designed our sales programs to make buying property in Detroit more accessible and affordable than ever before. This is your chance to take part. Start your search by clicking on the boxes below or explore the tabs above to learn about our programs.



Buy a House

Whether you're looking for a fixer-upper or something ready to move in, the land bank has a house to meet your needs.



Buy Land


Interested in the lot next door or in your neighborhood? Browse the thousands of vacant lots across the City of Detroit.



All Listings

Not sure what you're looking for? Browse through a map of our entire inventory.

The Detroit Land Bank Authority's public lobby is open by appointment only. Please note, the Guardian Building requires everyone entering the building to wear a mask. Lobby Hours are Monday - Friday from 9 am to 3 pm.



DETROIT LAND BANK AUTHORITY

ABOUT | PURCHASE PROPERTY | PROGRAMS | COMPLIANCE | EVENTS | OUR IMPACT | FAQ | MORE


Looking to purchase property from the land bank?

The Detroit Land Bank Authority makes it so return blighted and vacant property to productive use. That means, we want to provide any and every opportunity as possible for people to purchase property. To accomplish this, we've designed multiple sales programs to suit a variety of buyers. Auction and Open House are our largest platform for house sales, while Side Lots and Neighborhood Lots are our main platforms for vacant land. Browse the section below to learn more about the different ways you can purchase DLBA property.



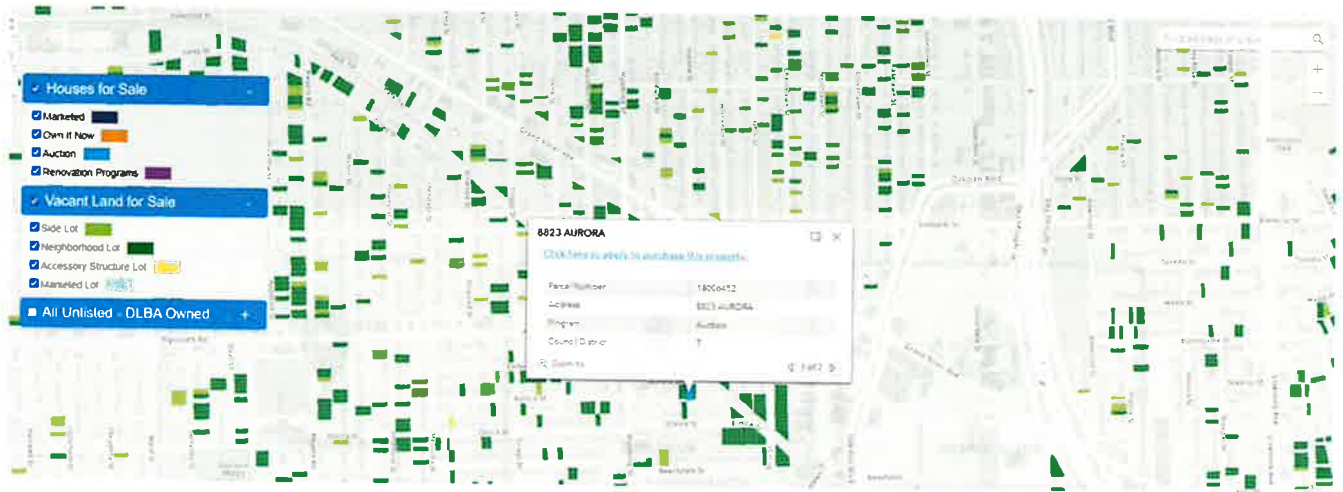
Map showing property listings with filters:

- Houses for Sale**
 - Marketed
 - Open House
 - Auction
 - Blighted Programs
- Vacant Land for Sale**
 - Side Lot
 - Neighborhood Lot
 - Accessory Structure Lot
 - Marketed Lot
- All Unlisted - DLBA Owned



Auction

The auction sales process on our website from 9am to 5pm will end this today. Check the listing page to see when the property you're interested in will open for bidding. The highest bidder at the end of the day will bid start at \$100 and will be given 30 days to pay for the property. Auction properties are pre-qualified for sale with their removal and a detailed report on the condition of the structure. All Auction houses are listed. All listed the listing page carefully to learn more about the property. All Auction properties require inspection which will be conducted by Compliance Teams plus you to learn more. [View Current Listing](#)



Auction Property Details

8823 Aurora, DuSable
 18064132
 DuSable, IL

Neighborhood: Barton-McFarland

Automated media plan on making a range of repairs to the property. This plan is strongly encouraged to realize the

Auction Information

Sale Date	03/18/2022
Starting Price	\$1,000
Ending Price	\$1,000

Documents

- PROPERTY WALK THROUGH VIDEO
- PROPERTY CONDITION REPORT

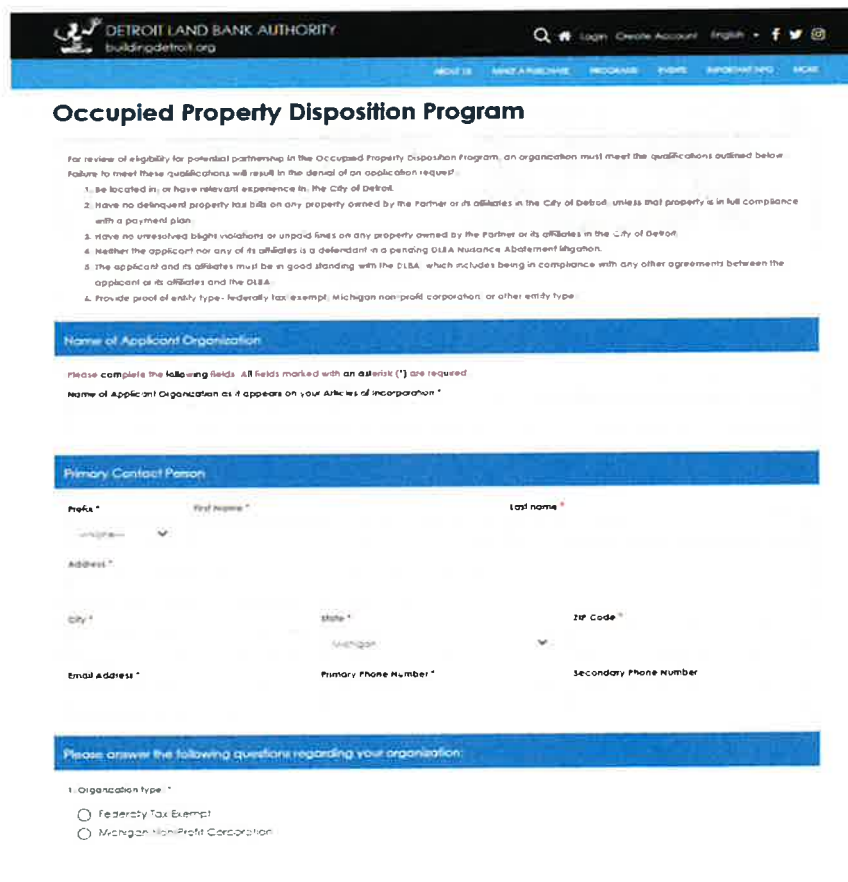
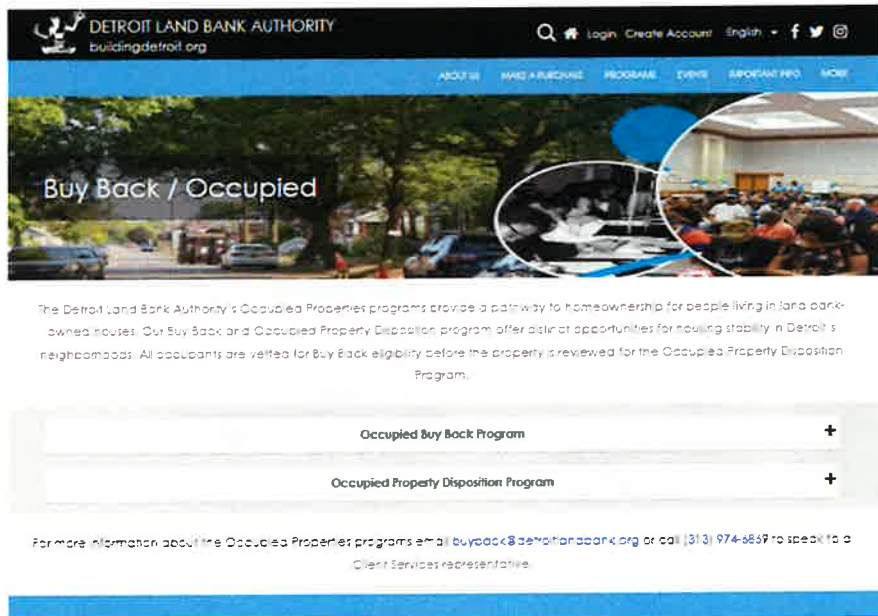
REQUEST PROPERTY VIEWING

Open House

RECOMMEND

Please note that the final bid will often cost more than the winning bid price. Failure to

Buy Back & Occupied Program Web-based Application: Allows customers to apply for Occupied programs directly through the website and creates immediate records in Salesforce for efficient and timely processing.





Auction Properties



Property Walkthrough Guide



Auction Property search-Schedule-viewing



Auction Bidding Video

Neighborhood Lots



Tutorial: How to Search for a Neighborhood Lot



Navigating Neighborhood lots



FAQ: Neighborhood Lot Eligibility: who can buy?



Side Lot to Neighborhood Lot: Tips for Buyers

Neighborhood Lot Endorsers



Training: DLBA Neighborhood Lot Endorser Registration Form

FINANCE

REGINALD SCOTT, CFO

The Detroit Land Bank Authority Finance Department continues to operate in a transformative manner fully supportive of the DLBA sales programs. Additionally, we allocate resources to the ever-evolving operational functions that support the rapid disposition of property and return of property to productive use.

March 2022 Income Statement Highlights

Through the 3rd quarter of FY22 the Detroit Land Bank Authority continues to trend in a positive direction relative to sales revenue. The positive revenue trend is steady due to the increase in structure sales following a decline in sales during the 2nd quarter of FY22. Additionally, marketed property sales and project sales have also increased throughout the current fiscal year.

At the close of 3Q, YTD structure sales are 7.4M with over \$1.1M in sales discounts for purchasers. Structure sales have decreased by over 3M when compared to FY21 Q3 structure sales.

Q3 expenditures are also trending in a manner aligned with the FY22 budget with significant resources being allocated to lawn maintenance, inspections and title clearance activity related to Prop N property title clearance.

March 2022 Balance Sheet Highlights

The Balance Sheet ended strong with a working capital ratio showing that the DLBA's current assets exceeded current liabilities by 5.8 times.

Restricted cash balance of \$4.8M consisted of maintenance fees for over 15,000 demolitions completed within the Hardest Hit Fund Program (inception to date), along with private donor donations where obligations have not been fulfilled.

Designated cash from private donors and contractual obligations amounted to \$30.3M (i.e., Demolition, Rehabbed Programs)

Current Liabilities increased slightly during Q3 FY22, when compared to the same period for FY21.

MARCH 2022 FISCAL YEAR TO DATE REVENUE AND EXPENSES

ELIMINATION			
Inter-Department Revenue	(4,408,398)	(4,408,398)	-
Total Inter-Departmental	(4,408,398)	(4,408,398)	-
TOTAL INCOME	17,394,828	16,917,390	477,438
	Actual YTD	Budget YTD	Variance
EXPENSES			
General Admin Costs	970,501	1,060,875	90,374
Personnel Costs	9,627,437	10,657,045	1,029,608
Facilities Costs	1,175,387	1,246,500	71,113
Professional Services	1,216,070	953,765	(262,305)
Program Expense	3,230,092	2,999,205	(230,887)
Inter-Department Expenses	4,408,398	4,408,398	-
EXPENSES SUBTOTAL	20,627,885	21,325,788	697,903
ELIMINATION			
Inter-Department Expenses	(4,408,398)	(4,408,398)	-
Total Inter-Departmental	(4,408,398)	(4,408,398)	-
TOTAL EXPENSES	16,219,487	16,917,390	697,903
NET INCOME	1,175,341	-	1,175,341

MARCH 2022 FISCAL YEAR TO DATE BALANCE SHEET



buildingdetroit.org

Balance Sheet Detailed - Management View

4/12/2022 9:24 PM

Company Name: **Detroit Land Bank Authority**
 As of Period Ending: **2022/009**
 Audit Status: **Unaudited**

Balance Sheet

Current Period June 30 (Last year) Current Vs June

Current Assets			
Cash and Cash Equivalents	36,428,686	36,101,084	327,602
Accrued/Accounts Receivable	5,355,575	3,701,485	1,654,090
Other Current Assets	15,765,250	17,037,307	(1,272,057)
Current Assets Total	57,549,511	56,839,876	709,635
Fixed Assets			
Fixed Assets	304,705	358,618	(53,913)
Fixed Assets Total	304,705	358,618	(53,913)
Total Assets	57,854,216	57,198,494	655,722
Current Liabilities			
Demo Advance Fund - City of Detroit	0.00	0.00	0.00
Line of Credit - City of Detroit	0.00	0.00	0.00
Accrued/Accounts Payable/Other Liabilities	9,857,045	10,376,865	519,820
Current Liabilities Total	9,857,045	10,376,865	519,820
Equity			
Equity	47,997,171	46,821,829	1,175,342
Equity Total	47,997,171	46,821,829	1,175,342
Total Liabilities and Equity	57,854,216	57,198,494	655,722

Attachment D

Neighborhood Improvement Plan Resolution



Mayor's Office

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Detroit, Michigan 48226

Phone 313•224•3400
Fax 313•224•4128
www.detroitmi.gov

September 2, 2020

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

RE: Neighborhood Improvement Program (NIP) - Closing Resolution

Honorable City Council:

The Administration is pleased to present the Neighborhood Improvement Program (NIP) resolution for the Council's consideration. The resolution outlines a series of governance, procurement and community development policy objectives the administration is committed to implement in the expenditure of the bond funds.

If the ballot item is approved by the electorate, the resolution will become a guide for the use of the funds.

If you have any questions about this proposal, please reach out to me at ajemison@detroitmi.gov or Stephanie Washington at washingtons@detroitmi.gov. Thank you for your time and consideration.

Respectfully submitted,

Arthur Jemison
Group Executive - Planning, Housing & Development
Mayor's Office

cc: A. Peeples, Mayor's Office



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Resolution Supporting the Administration's Commitment to the goals of the Neighborhood Improvement Plan, to be Supported in Part by Proposal N, the Neighborhood Improvement Bonds

COUNCIL MEMBER _____

WHEREAS, the Mayor has requested the City Council to approve a ballot initiative by which the City shall borrow an amount not to exceed \$250,000,000 and issue Unlimited Tax General Obligation Bonds of the City for the purpose of Neighborhood Improvement through the preservation and rehabilitation of as many vacant houses as possible, the demolition of abandoned houses that cannot be saved, and improvement from related blight remediation activities (the "Neighborhood Improvement Plan"); and

WHEREAS, the City of Detroit is experiencing historically high unemployment rates and economic hardship on Detroit businesses; and

WHEREAS, the \$250 million Neighborhood Improvement Bonds provide a much needed opportunity for stimulus for Detroit businesses and employment opportunity for Detroit residents under the commitments specified in this resolution; and

WHEREAS, in consideration of the City Council's approval of the proposed Neighborhood Improvement Bond Resolution the Administration agrees to undertake the items within the resolve of this resolution and City Council agrees that its ongoing oversight of the implementation of the Neighborhood Improvement Plan will assure that its implementation will follow the seven goals specified herein; **BE IT THEREFORE**

1. RESOLVED, the City of Detroit will implement the Neighborhood Improvement Plan operated to accomplish eight primary goals as proposed by the Mayor and agreed to by City Council:

1. Save every house possible from demolition by prioritizing the rehab of vacant homes.
2. Give preference to Detroit companies in all rehabilitation and demolition related contracts with a goal of 50%+ work performed by Detroit contractors.
3. Give preference to companies who commit to train and employ Detroiters with a goal of getting these companies to employ at least 51% Detroit residents.
4. Partner with Detroit Community Development Organizations (CDO's) and other qualified groups to rehab homes and redevelop property in the neighborhoods.
5. Give preference to Detroit residents to acquire and reuse the properties in their neighborhoods.



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6. Combine the Neighborhood Improvement Bonds with other funding sources for broader neighborhood redevelopment.
7. Bring Accountability for the Demolition back under the oversight of City Government.
8. Keep the property tax rate at current levels while supporting a \$250 million reinvestment in the neighborhoods; and

2. RESOLVED, Subject to state law and City ordinance, the administration will operate the securing of vacant houses for rehabilitation and for demolition of abandoned houses through a Detroit Vacant House Management Department. The changes will be proposed in an Executive Organization Plan amendment submitted to City Council before the end of the Council Session in November 2020 and will modify the existing Detroit Demolition Department to become the Detroit Vacant House Management Department. The Detroit Vacant House Management Department will be responsible for securing or demolishing vacant houses, but will not be engaged in the sale or ultimate redevelopment of those houses; and

3. RESOLVED, the City will create a Neighborhood Improvement Plan Advisory Board made up of three members appointed by the Mayor, three members appointed by City Council, and one jointly appointed member from a selection of candidates submitted by City of Detroit residents. The Board will review and monitor the goals of the final resolution, review the Quarterly Reports from the Vacant House Management Department and provide recommendations to the Administration and City Council; and

4. RESOLVED, by the end of Council Session in November, 2020, the Vacant House Management Department and DLBA will submit a plan to City Council to provide for the following:

1. A process of identifying all public owned vacant properties that have potential to be rehabbed and occupied if they are promptly secured.
2. A plan for securing all publicly owned salvageable vacant houses from further deterioration, including a plan to clean out debris, to install exterior security materials sufficient to strongly deter entrance from trespassers or vandals, and to protect the interiors from ongoing water damage from leaking roofs or other sources; and

5. RESOLVED, the Office of Contracting and Procurement agrees to submit non-emergency residential demolition contracts in packages not to exceed 2,000 properties not more than quarterly; and

6. RESOLVED, Through the use of the equalization ordinances and aggressive work by Civil Rights, Inclusion & Opportunity Department, The City will qualify contractors for the exterior security of houses and for demolition, with the goal of over 50% of the contracts with one of the



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following certifications: Detroit Based Businesses, Detroit Headquartered Businesses, Detroit Small Businesses, Detroit Resident Businesses, Detroit Based Micro Businesses, Minority Owned Business Enterprises, Women- Owned Business Enterprises, Mentor Ventures, and Joint Ventures. Special packages may be brought to City Council outside of the biannual process to address emergency, public safety or economic development needs. For bond offerings from this authorization, the City will endeavor to contract with minority owned and operated professional services providers, including but not limited to legal services, bond underwriting and financial advisory services. The Office of Procurement and the Civil Rights, Inclusion & Opportunity Department will implement target business outreach to attract and certify additional demolition and rehabilitation businesses in the future. The Administration will also target outreach to unemployed Detroit residents; and

7. RESOLVED, within each procurement for house security services or demolitions, the Office of Contracting and Procurement will set aside contracts for certified Detroit Small Businesses and Detroit Based Micro Businesses. The Office of Procurement intends to set aside 30% of the contracts for certified Detroit Small Businesses and Detroit Based Micro Businesses in the procurement to be awarded in January 2021 and will report to the Administration and City Council following the completion of the procurement. If there is insufficient capacity to meet the 30% set aside in the January 2021 procurement, the Office of Contracting and Procurement and the Civil Rights, Inclusion & Opportunity Department will report to City Council on actions they will take to attract and certify additional Detroit Small Businesses and Detroit Based Micro Businesses in house security or demolition in the future; and

8. RESOLVED, Prior to the submission of a house security or demolition bid package, the Office of Contracting and Procurement agrees to submit at the time of each major procurement for demolition report for all house security or demolition contractors that are not certified as a Detroit Resident Business including the number of employees and the number of Detroit-resident employees at the time of bidding; and

9. RESOLVED, by December 31, representatives from the OCFO and CRIO will work with the Budget, Finance and Audit Standing Committee to review the existing ordinance, develop outcome metrics and recommend changes to the ordinance to better meet the objectives of the Administration and City Council; and

10. RESOLVED, the Neighborhood Improvement Plan will provide employment opportunities for Detroiters, including the following:

1. For employees hired directly by the Vacant House Management Department, every effort will be made to hire Detroiters with the expectation of a success rate comparable



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to the General Service Department's performance in hiring Detroiters in the recent citywide board-up effort.

2. For all bids awarded under the Neighborhood Improvement Plan, the administration has agreed to extend the application of Executive Order 2016-1, regardless of the size of the rehabilitation or demolition contract.
3. Detroit Employment Solutions Corporation agrees to schedule a meeting with house securing and demolition contractors that have been pre-qualified to determine the hiring and training needs of each contractor to inform a gap analysis for implementation of the Blight Elimination Strategy within one (1) month of the approval of this agreement; and

11. RESOLVED, within one (1) month of approval of this agreement, the Detroit Employment Solutions Corporation agrees to implement a Neighborhood Improvement Employment Outreach marketing plan that may include, but not limited to the following: outdoor signage; digital and social media outreach across Detroit at Work and all city channels; outreach to our community partners including City Council, Faith-based, community partners, Detroit Public Community School District, Department of Neighborhoods; Detroit at Work website banners and landing page highlighting details and how to sign up and find our more information (detroitatwork.com averages 50,000 visits a month); Detroit at Work newsletter with over 120,000 Detroiters subscribing; press conference to announce efforts and garner media partners stories, including ethnic media; and translation of marketing materials; and

12. RESOLVED, the Office of Contracting and Procurement, Detroit Employment Solutions Corporation, the Vacant House Management Department, and the Civil Rights, Inclusion & Opportunity Department agree to host employment fairs for contractors that do not qualify for the Detroit Resident Business certification. The Office of Contracting and Procurement will encourage those house security and demolition businesses that do not qualify for this certification to attend; and

13. RESOLVED, in consultation with the City Council, City and Detroit Land Bank Authority (DLBA) will work together to accomplish the following:

1. Evaluate and recommend new discount programs for Detroit residents.
2. Evaluate and recommend methods to make it easier for Detroiters to acquire vacant land and housing (such as the Building Blocks Program).
3. Make recommendations on the future of all vacant lots currently in the DLBA's inventory as well as future vacant lots resulting from the Neighborhood Improvement Plan.
4. Continue to implement the Building Blocks program across the City as structures and land are made available for sale.
5. Implement the Vacant Land Policies Approved by the DLBA Board in March of 2020.



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6. Implement Rehab Academy; and

14. RESOLVED, in partnership with the DLBA, the City will pursue a goal of converting the secured houses into rehabilitation as quickly as possible, with a goal of increasing the number of rehabs to 2,500 per year. This will vary based on housing market conditions, but the City will use multiple strategies to achieve this goal including sales, affordable housing subsidies (with a 50% AMI target), encouraging bank lending for home repair, rehabilitation subsidies, coordinated demolition strategies, expanding programs such as Rehabbed and Ready, planning support, and other initiatives; and

15. RESOLVED, the City and DLBA agree to maximize the use of Community Development Organizations such as Detroit 21 and other non-profits, including churches, to develop community partnerships to speed up the renovation of the secured vacant houses. The City of Detroit and DLBA will implement an outreach plan to inform and prepare CDOs for training opportunities; and

16. RESOLVED, the City will have a rehab and marketing strategy that is aimed at assisting lower income residents (targeting households below 50% AMI) and seniors in purchasing rehabbed or partially rehabbed houses; and

17. RESOLVED, the City will use sustainable renovation standards to provide future property owners with low utility costs, to include but not limited to, high efficiency systems (such as furnace, water heater) and updated windows; and

18. RESOLVED, the Vacant House Management Department will submit quarterly reports detailing the following: number of homes secured, number of houses demolished, proof of field liaisons' visits to each property, proof that all securing and demolition work was monitored - including the backfill activity, any ongoing investigations or litigation, and any violations issued; and

19. RESOLVED, the Vacant House Management Department will conduct a deconstruction pilot which preserves reusable materials that are then made available for purchase by residents engaged in rehabilitation or construction of their homes, to determine the feasibility of incorporating deconstruction into the demolition program on a larger scale; and

20. RESOLVED, Planning and Development Department will complete neighborhood plans driven by the community, through outreach and engagement, including those neighborhoods most impacted by abandoned structures and vacant land, and update the master plan for the City over the next five years with community input; and



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21. RESOLVED, in the areas most affected by demolition of vacant and abandoned structures, the City will be investigating four primary areas for neighborhood planning: the history of the neighborhood; tactical historic preservation opportunities; housing rehabilitation opportunities for vacant properties; interim and medium-term open space strategies. These pillars will help the city and neighbors plan for redevelopment while also creating amenities, prevent illegal dumping and making the neighborhood more attractive. The City will continue to use at least six large community meetings as part of its community engagement in the manner it has conducted its prior neighborhood plans; and

22. RESOLVED, through community meetings, the Planning and Development Department will develop side-lot, landscape and interim use strategies for areas that will remain vacant for the medium term. The City and DLBA will create land use policies that promote and protect public space and explore shared land ownership models such as land trusts; and

23. RESOLVED, the Neighborhood Improvement Plan will include efforts to address non-structural blight, including alley clean-ups, vacant lot cutting, and dead tree removal, and efforts to discourage illegal dumping; and

24. RESOLVED, the City will continue to partner with nonprofits and philanthropies to provide information about pathways out of foreclosure through Make it Home, Homeowner Property Tax Exemption Program, Pay as You Stay, and Right of First Refusal. These efforts will be extended in an unprecedented door-to-door community outreach campaign through a new established Detroit Community Health Corps; and

25. RESOLVED, the City's Mayor's office and applicable department and affiliates will conduct a Community Outreach Plan exceeding the requirements of the proposed Community Engagement Ordinance, the Plan will include but not be limited to:

- a. 7 Charter mandated meetings by the Mayor (Aug-Sep).
- b. 4 Virtual info sessions.
- c. 7 Council District meetings (Councilmember hosted).
- d. 1 Mayor Public Address via TV (pre-Election day); and

26. RESOLVED, the City OCP, in collaboration with the Vacant House Management Department, will consider a procurement for services that provide support such as certified soil, insurance, equipment leasing, etc. for certified Detroit-Based, Detroit headquartered and small businesses; and **BE IT FINALLY**

27. RESOLVED, HRD agrees to use future CARES Act CDBG, HOME, future non-CARES Act CDBG or other eligible funds to support the Detroit Housing Compact / Building the Engine



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Community Development home rehabilitation pilot program. HRD, the Detroit 21 and the Housing Compact members will work together through August 2020 to complete due diligence on the program to help redevelop vacant DLBA structures to be included in the City's HUD Annual Action Plan.