



**TO: Council Member Gabriela Santiago-Romero**

**THRU: Planning and Economic Development Standing Committee ; Council President Mary Sheffield**

**FROM: Tammy Daniels, CEO, Detroit Land Bank Authority**

**DATE: November 3, 2023**

**RE: DLBA Memorandum of Understanding 2023**

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Please accept the DLBA's this written response to the questions received on November 1, 2023:

**1. Please provide the criteria of the Detroit Land Bank Authority (DLBA) when conducting an inspection of a property.**

When the Detroit Land Bank Authority evaluates the physical condition of vacant structures it balances three factors – an interior structural assessment, a market analysis, and a review of public input. While interior assessment holds the greatest weight, staff review all three factors when determining whether to stabilize, rehab through Rehabbed & Ready, or demolish a vacant structure. This assessment process is inherently different from the assessments completed by other City departments because market strength is a consideration, and because the land bank is performing inspections as a property owner, so can assess factors like interior foundation condition, joist integrity, etc., which may not be evident from the exterior.

When conducting an inspection, DLBA inspectors visit each home, inside and out, and assess the structural integrity of the property and the feasibility of rehab. Inspectors assess the foundation, roof, gutter and downspout system, masonry, siding, porch, garage, framing, utility and mechanical systems, building envelope, and other general interior and exterior conditions. After the inspection, office staff quality control and evaluation the inspection results, comparing these results against market strength and current resident input recorded through demolition or purchase inquiries.

**2. When does the Department provide an inspection? (e.g., during blight surveys)**

The Detroit Land Bank Authority conducts interior inspections of its vacant structures upon initial acquisition, and periodically reinspects properties to consider field reports of subsequent damage, occupancy change, or new demolition or purchase inquiries from residents. The land bank also conducts other types of property assessments, such as windshield surveys through the citywide blight survey and exterior occupancy verification, though these are typically conducted when an interior inspection is not possible.

3. The MOU states the DLBA provides “partial (e.g. white box) or complete renovation of structures.”
  - a. Please provide a detailed cost breakdown to partially white box properties.
    - i. Please explain why the Department only partially white boxes properties.
  - b. Please provide cost breakdown to fully white box properties.
  - c. How much would it cost to run a complete “white boxing” program on an annual basis?

“The DLBA offers two types of partial renovations: (1) white-boxed or (2) exterior-only (only pre-construction and exterior items are completed) in both single-family and duplex properties. This approach allows homeowners the flexibility to customize their homes according to their own style and needs based on their budget. Our partial renovation program is dedicated to providing accessibility to homeownership in areas where markets have been stabilized, and by offering accessible housing solutions. The DLBA seeks empower individuals and families with increased housing options, ultimately contributing to the overall well-being and vitality of our neighborhoods.

White boxing is a type of partial renovation where all pre-construction items (sewer line, foundation, asbestos abatement), exterior components (roof, windows, doors, exterior lighting, masonry, siding and carpentry), interior items (selective demo (taking property to the studs) plumbing rough, mechanical rough, electrical rough, insulation, subfloors, and drywall (mud/tape) are completed by our qualified contractors, which are the more challenging components of a renovation, leaving the interior finishes for the homeowner to complete based on their preference and budget). Please note that a detailed cost breakdown is difficult to provide because each property is unique, requiring varying levels of investment in the different pre-construction items listed above, but based on our historical data we can provide the average cost per square foot.

(a) The DLBA’s average cost to **white-box** a property is \$50/sq ft, and our average cost for **exterior-only** is \$40/sq ft.

(b/c) To run a “fully” **white-boxed** program where the average property is 2000 sq ft, and the avg. cost per sq ft is \$50; it would cost an estimated \$100,000k per property. To run a program, with an estimated target of completing 20 properties/year, it would cost ~\$2.5M (including staff, security, and utilities).