

**THIRD AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING**

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

This Third Amended and Restated Memorandum of Understanding (this “MOU”) is entered into this ____ day of _____, 2024 (the “Effective Date”) between the City of Detroit (the “City”) and the Detroit Land Bank Authority (the “Detroit Land Bank”). The City and the Detroit Land Bank are referred to from time to time in this MOU individually as a “Party” and together as the “Parties.”

WITNESSETH:

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

WHEREAS, the Detroit Land Bank is governed by a Board of Directors consisting of five Directors, one of which is appointed by the Michigan State Housing Development Authority and four of which are appointed by the Mayor of the City, with recommendation from City Council on one appointment and subject to the timely approval of City Council on all four City appointments; and that all future appointees reside within the City of Detroit.

WHEREAS, the City has determined that the City’s endemic blight continues to create a public nuisance and constitutes a Blight Emergency; and

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

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

WHEREAS, the City wishes to engage the Detroit Land Bank and the Detroit Land Bank wishes to perform certain work under certain DLBA Programs that serve and enhance the policies

of the City and help to eliminate blight in Detroit in exchange for the City providing certain supplemental funding to the Detroit Land Bank; and

WHEREAS, the City and Detroit Land Bank entered into that certain Memorandum of Understanding dated March 14, 2014 (“Original MOU”), that was amended and restated by a First Amended and Restated Memorandum of Understanding (the “First Restated MOU”) approved by Detroit City Council on May 5, 2015, and was amended and restated again by a Second Amended and Restated Memorandum of Understanding (the “Second Restated MOU”) and, together with the Original MOU and the First Restated MOU, the “Previous MOUs”) approved by Detroit City Council on May 19, 2020 to accomplish such wishes of the Parties; and

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

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

1. Incorporation of Recitals. The foregoing recitals are incorporated herein as terms of this MOU as though fully restated in this Paragraph 1.
2. Restatement. The Previous MOUs are hereby amended and restated in their entirety by this MOU and this MOU shall supersede and replace the Previous MOUs in all respects.
3. Term. The term of this MOU shall commence on December 19, 2023, and shall expire on the earlier of (i) December 31, 2026 or (ii) the date that pursuant to Article IX of the Intergovernmental Agreement that agreement is terminated or a party to that agreement withdraws from the agreement. The Detroit Land Bank has completed its work with respect to demolitions funded by the Hardest Hit Funds and has adopted and implemented one or more policies intended to sell every saleable structure in its inventory and all available vacant land.
4. The Detroit Land Bank Duties. The Detroit Land Bank is responsible for performing the following under this MOU:
 - a. *City Council Liaison*. The Detroit Land Bank will continue to provide a liaison for direct communications with Detroit City Council Members and their staff, and to meet with Members regularly.
 - b. *Community Engagement*.
 - i. At the invitation of a Detroit City Council Member, the Detroit Land Bank will participate in at least two (2) community meetings for each Detroit City Council Member per year.

- ii. The Detroit Land Bank will continue to provide a multilingual call center and multilingual lobby services open to the public.

c. *Reporting.*

- i. The Detroit Land Bank will continue to provide the City quarterly written summaries of the work performed by the Detroit Land Bank in conducting its DLBA Programs, the most recent quarterly summary is attached hereto as Exhibit C.
- ii. The Detroit Land Bank will provide the City with reports required in connection with the Proposal N Bonds.
- iii. Before listing a property for sale that had been queued for demolition, the Detroit Land Bank will inquire with the City of Detroit Construction and Demolition Department whether they may have cut the water or sewer line to the property. If the Detroit Land Bank receives definitive information from the Construction and Demolition Department that the water and/or sewer line to the property has been cut, the Detroit Land Bank will notify potential buyers on its website (and, if sold, in closing documentation) that the water and/or sewer line, as applicable, to that property has been cut.

d. *Property Database.* The Detroit Land Bank shall continue to operate and maintain an Inventory Management system that includes a property database (the “Database”) that has both a physical component of maintenance as well as a clerical or administrative component of identifying and addressing issues that prevent property from being returned to productive use. Additionally, the Detroit Land Bank shall work cooperatively with the City, including providing the City certain access to the Database, to track through the Database public ownership of properties and the City’s and the Detroit Land Bank’s sales and demolition of real property.

e. *Nuisance Abatement Program.* On February 18, 2014, City Council adopted a resolution that authorizes the Detroit Land Bank to exercise the power to abate public nuisances by pursuing any action legally available (“Nuisance Proceedings”). Furthermore, such resolution provides that in the event the outcome of any such Nuisance Proceeding is in favor of the Detroit Land Bank, title to the subject property shall vest with the Detroit Land Bank. The Detroit Land Bank shall continue to be responsible for the maintenance and upkeep of any properties it takes title to pursuant to any Nuisance Proceedings, subject to available funding. The Detroit Land Bank will also continue to work collaboratively with City departments in connection with addressing blighted structures.

In furtherance of the Nuisance Proceedings, the City was required to deposit Two Million and 00/100 Dollars (\$2,000,000.00) into a designated “Title Insurance Escrow Account” in December 2017 to be used to address third party claims related

to any Nuisance Proceedings. Since its inception and through the Effective Date, the balance of the Title Insurance Escrow Account has remained at \$2,000,000.00. The City hereby ratifies the prior creation, expenditures and agreements for such account and authorizes the City's Chief Financial Officer to enter into and execute any and all agreements and escrow documents and authorize disbursements that are necessary or convenient to administer the Title Insurance Escrow Account.

- f. *HHF Demolition Program.* As part of the DLBA Programs, the Detroit Land Bank was responsible for operating and administering a demolition program (the "Demolition Program") that was funded by Federal Hardest Hit Funds (the "HHF"). All demolition activity related to this program is complete; and the Demolition Advance Fund of up to \$20 million was repaid in full in accordance with its terms on March 16, 2021. The Detroit Land Bank will continue to cooperate with the City to address any issues that arise in connection with HHF demolitions.
- g. *Non-HHF Demolitions.* The City currently performs and will continue to perform demolition of certain structures located on Detroit Land Bank property. The Detroit Land Bank will work collaboratively with the City as requested in support of these or other demolitions. The City will have full responsibility for the prioritization, administration, performance, property clean up and all related expenses in connection with all such demolition activity.
- h. *Disposition Programs.* The Detroit Land Bank will continue to implement its land disposition programs which are aimed at encouraging homeownership, occupancy, responsibility for vacant property, and increasing the City's tax base. Examples of disposition programs to date include: for structures, the Structure Sales Policy, which includes the BuildingDetroit.org Auction program, the Own it Now program, the Buy Back Program, the Occupied Property Disposition Program, and Rehabbed and Ready; and for vacant land, the Side Lot Sales, and the Neighborhood Lot Programs, and the Create-A-Project and Lot Beautification Programs; and for both structures and vacant land, and the Community Partnership Program for nonprofit and faith-based organizations; and discount programs including for sales of houses to City employees and educators, and for sales of vacant land for affordable housing projects, all as further described in the attached Exhibit B.
- i. *Development Projects.* At the request of the City, the Detroit Land Bank will continue to endeavor to assist in real estate development projects and opportunities. These projects may include, but are not limited to, large scale renovations or new construction for affordable housing, other residential, commercial, industrial or mixed-use developments, urban agriculture, beautification, and green space projects.
- j. *Approval for Property Sales.* The Detroit Land Bank shall continue to seek the approval of the Mayor and City Council prior to the subsequent transfer of ten (10) or more of such parcels to the same transferee within any rolling 12-month period; provided, however, that this limitation shall not apply to transfers to the City.

- k. *Compliance with Land Use Plans.* The Detroit Land Bank shall adhere to the City's Master Plan, Detroit Zoning Ordinance and any other land use ordinances and strategies adopted by the City.
- l. *City Development Agreements.* As directed by the City's Planning & Development Department, the Detroit Land Bank shall continue to abide by any other contracts previously entered into by the City's Planning & Development Department for any parcels subsequently acquired by the Detroit Land Bank from the City.
- m. *Land Trusts.* The Detroit Land Bank will endeavor to assist in the sale or lease of land for City sponsored land trusts or cooperatives, should the City adopt such a policy.
- n. *Side Lots.* The Detroit Land Bank will continue to offer its side lots ("Side Lots") for sale at the purchase price of One Hundred and 00/100 Dollars (\$100.00) each. The Detroit Land Bank will seek the approval of City Council prior to increasing such purchase price for Side Lots.
- o. *Vacant Land Policies.* The Detroit Land Bank has adopted one or more vacant land policies that will provide transparent methods for the disposition of vacant lots currently in its inventory as well as any that come into its inventory in the future. This includes, among other things, offering vacant parcels for sale or lease for urban agricultural use, and for sale in connection with job creation projects, new construction residential infill projects and to nearby residents.
- p. *Policies Facilitating Land Sales.* The Detroit Land Bank will continue to evaluate programs suggested by the City and will also recommend new programs that will facilitate the purchase of Detroit Land Bank property by Detroiters. The Detroit Land Bank will report any new programs in its quarterly reports to City Council described in Section 4(c) above. Such programs may include:
 - i. new discount programs, including a discount to Detroit residents who paid excessive property taxes due to past overassessments of their homes;
 - ii. expanding the existing Building Block Program;
 - iii. participating in the City's proposed nonprofit rehab grant program; and
 - iv. participating with the City in joint marketing of land assemblages comprised of parcels some of which are owned by the City and others by the Land Bank.
- q. *Detroit Land Bank Website.*
 - i. The Detroit Land Bank will continue to provide on its website copies of its policies regarding land sales (both vacant and with structures) in a manner that is transparent and accessible to the public.

- ii. The Detroit Land Bank will continue to provide on its website an interactive map of the City that shows, among other things, availability of Detroit Land Bank property for sale under various programs.
- r. *Other Blight Remediation Services.* In addition to the services set forth in this MOU, the Detroit Land Bank shall also provide the City with mutually agreed upon services and/or activities necessary or convenient to the City to address blight remediation (“Blight Services”) in Detroit that are limited to the following:
 - conducting blight surveys;
 - partial (e.g., white box) or complete renovation of structures, with a focus on blighted structures around schools, community centers, places of worship, and other gathering spaces;
 - nonstructural blight removal; and
 - cleaning title.

Any such Blight Services shall require the prior approval of the City’s Chief Financial Officer and shall be disclosed to City Council prior to disbursement.

- s. *Occupied Land Bank Properties.* The Detroit Land Bank will continue to work with the City’s Housing and Revitalization Department (“HRD”) and develop new programs regarding unauthorized occupants in Detroit Land Bank properties, including expanded outreach efforts and supportive services including with respect to relocation. Specific efforts include but are not limited to the following.
 - The Detroit Land Bank will route to HRD occupants who are in an unsafe house, are unresponsive to the Detroit Land Bank’s outreach attempts, and/or who do not meet Buy Back Program eligibility requirements or have not been compliant with the program’s requirements.
 - The Detroit Land Bank’s Occupied Property Disposition Program will continue to be made available to occupants who do not meet Buy Back Program eligibility requirements.
 - The Detroit Land Bank will facilitate introductions between HRD and Occupied Property Disposition Program partners.

5. The City Duties. The City is responsible for performing the following under this MOU:
- a. *City Payments.*
 - i. For each respective City of Detroit fiscal year budget of this MOU, City Council will approve an annual budget allocation to the Detroit Land Bank to fund in-part its obligations under this MOU and to support other Detroit Land Bank operations.
 - ii. Any payments in excess of the annual allocation made by the City to the Detroit Land Bank will be in such amounts as are approved by the City Council for blight remediation services and any other approved services.
 - b. *Providing City Services.* In recognition of the City's buying power and economies of scale, the City shall provide the Detroit Land Bank use of the services of certain City departments in an effort to reduce the overall cost of public expenditures. Such use of services of certain City departments may include, but is not limited to: partnership with the City's General Services Department for maintenance of certain properties in the City.
 - c. *Promoting Events.* The City will assist the Detroit Land Bank in efforts to increase awareness of Detroit Land Bank programs and to encourage attendance at its events that are open to the public, such as the City's Department of Neighborhoods promoting the Detroit Land Bank's Building Block events and open houses for Auction and Rehabbed & Ready homes.
 - d. *Lis Pendens Release.* In support of the Detroit Land Bank's efforts to clear title of abandoned properties to return them to a productive reuse that generates tax revenue for the City, the City hereby discharges and releases any and all lis pendens that were executed by the City's Buildings, Safety Engineering & Environmental Department against properties associated with the Detroit Land Bank. The City hereby authorizes the Detroit Land Bank to record an instrument with the Wayne County Register of Deeds to evidence such discharges and releases approved by this MOU. Any such instrument shall be in a standardized form that is approved by the City's Law Department.
6. Property Transfers. The Parties acknowledge that the City has consolidated the public ownership of certain residential parcels of real property through prior transfers authorized by the Previous MOUs and multiple City Council resolutions authorizing the transfer of such parcels to the Detroit Land Bank for resale to reduce blight in the City and strengthen and revitalize the economy of the City. The Parties will continue to review their respective real property inventories and on a quarterly basis identify parcels for transfer to the other Party. Consistent with this effort, the City's Planning & Development Department will continue to transfer property to the Detroit Land Bank

and the Detroit Land Bank to the City, as appropriate, and subject to applicable City Council approvals.

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

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

[Signatures contained on the following page]

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

CITY OF DETROIT

BY: _____

Print: Michael E. Duggan

ITS: Mayor

DETROIT LAND BANK AUTHORITY

BY: _____

Print: Tammy Daniels

ITS: Chief Executive Officer

Approved by Detroit City Council on:

Chief Procurement Officer

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

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

Supervising Assistant Corporation Counsel

Finance Director

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

EXHIBIT A
ORGANIZATION CHART

[See attached]

EXHIBIT B
DETROIT LAND BANK PROGRAMS

Nuisance Proceedings and Blight Abatement:	<p>Two of the DLBA’s programs targeting blight are administered by the Legal Department, the are the Nuisance Abatement Program (NAP) and the Drug House Program. NAP identifies blighted and abandoned property in the City and requests that the interest holders enter into an agreement to abate the nuisance within a specified time. If they fail to do so, they may lose their ownership rights to the property at a court hearing.</p> <p>The DLBA’s Legal Department also endeavors to develop new legal theories, claims and actions that will support the DLBA’s other blight abatement programs.</p>
Title Clearance:	<p>The DLBA reviews title information on real property in its inventory and works with title companies to determine if the DLBA has clear title. When necessary, the DLBA’s Legal Department performs quiet title actions pursuant to the special expedited quiet title powers granted Michigan land banks by statute.</p>
Compliance:	<p>The DLBA’s Compliance Team enforces agreements signed by property owners who have either purchased a property from the DLBA or whose property was the subject of a NAP action.</p>
Acquisition:	<p>The DLBA’s Planning and Analysis Department oversees the acquisition of real property primarily by accepting transfers from other government agencies, but also through voluntary donations from financial institutions and private residents. Acquired properties are reviewed in order to identify those that are ready for sale, those that require demolition and those that are in need of some additional activity (e.g. quiet title to clear liens).</p>
Planning and Analysis:	<ul style="list-style-type: none"> • The Planning & Analysis Department oversees the acquisition, assessment, pipeline assignments, and listing of DLBA-owned lots and structures. The department also oversees strategic projects, property inspections, data analysis and coordinates inter-agency planning with other City agencies to inform a flexible and dynamic sales strategy for the organization.
Real Estate Sales & Marketing:	<p>The DLBA’s Real Estate Sales & Marketing Department manages the sale or other transfer of DLBA real property through a number of programs including the following:</p> <ul style="list-style-type: none"> • Online Auction and Own-It-Now, • Nonprofit and Faith-based Community Partners, • Vacant Property Sales, including Side and Neighborhood Lots, • Rehabbed and Ready, • Economic Development Projects,

	<ul style="list-style-type: none"> • Buy Back, and • Occupied Non-Profit. <p>The Department will continue to develop new programs including those seeking to further address occupied properties.</p>
<p>Discount Programs:</p>	<p>The DLBA offers discounts to certain purchasers of its properties including discounts to entities that qualify as DLBA Community Partners or who are endorsed by them and discounts designed to encourage home ownership among individuals already connected to the City of Detroit. Among the latter, the DLBA currently offers a 50% discount on properties purchased in the DLBA’s Auction Program to City of Detroit employees, retirees, and their families, and to educators and school support staff working in the City. The City employee discount extends to contractual employees, retirees and their immediate family members. The skilled trade employment program discount offers a 50% discount on properties purchased in the Auction Program to members of trade union locals that participate in the City’s Skilled Trade Employment Program. The DLBA also offers a 20% discount to buyers who prior to bidding complete a designated homebuyer counseling course, and substantial discounts for purchasers who commit to build affordable housing on the purchased property. As with all DLBA discount programs, these discounts are subject to change.</p>
<p>Public Relations and Strategic Initiatives:</p>	<p>The DLBA’s Public Relations and Strategic Initiatives Department handles client communication by responding to resident inquiries. They also promote the DLBA’s programs and educate the citizens of Detroit about the DLBA through proactive engagement of local media outlets as well as social media channels. The Department is also responsible for community outreach activities including attendance at public meetings and open houses.</p>

EXHIBIT C
QUARTERLY SUMMARY REPORT

[See attached]