



CITY OF DETROIT

MARY WATERS

COUNCIL MEMBER AT-LARGE

MEMORANDUM

To: Executive Director Tammy Daniels, Detroit Land Bank Authority
Through: Mary Sheffield, City Council President
From: Council Member At-Large Mary Waters submitting memorandum relative to
Date: 4/3/24
RE: Detroit Land Bank Authority MOU Amendments w/ Explanation

SUMMARY:

Please see the following suggested amendments to the DLBA Memorandum of Understanding along with rationale (in blue):

- 1. The effective term of the DLBA MOU shall be reduced, from 10 years to 5 years.**
As Detroit evolves, so must the Detroit Land Bank Authority. Reducing the effective term of the MOU will allow a greater flexibility should the DLBA conclude its mission early.
It also shows a good faith effort of the DLBA to look toward the future, where nearly all properties and lots have been returned to productive use and the DLBA is no longer needed.
- 2. The notice period for dissolution of the DLBA shall be reduced, from 6 months' notice to 90 days notice.**
Given the significant reduction in structures over the lifespan of the DLBA, forecasting its conclusion should be occurring daily. The 6 month time span provides too much of a window for further encumbrances/issues to arrive that can delay dissolution.

3. **Under the MOU, the DLBA shall not conduct demolitions, evaluate properties for demolition, or set criteria regarding demolition of a DLBA-owned structure.**

Demolition issues have plagued the DLBA, and should solely reside in the Department of Construction and Demolition. While the demolition power was delegated to the DLBA, we are now at a point in our city's future where we may fully resume those duties with adequate funding, staff, and cooperation of other city departments.

4. **The DLBA shall dissolve the program currently known as NAP (Nuisance Abatement Program), and shall refer all properties that would otherwise be sent to NAP to the appropriate city department(s).**

The Nuisance Abatement Program has exceeded its useful life. At present, the City of Detroit is in a comfortable position to de-delegate this portion of its powers from the DLBA, to the appropriate City departments. The appropriate departments would be Buildings, Safety, Environmental and Engineering Department, the Housing and Revitalization Department, Department of Appeals and Hearings, and the Law Department.

The staff allocated to NAP communications/suits in the DLBA already exists in city administration proper, and it is a waste of resources to duplicate those efforts as to private landowners.

Further, the targets of NAP properties are private landholders, who would not reasonably expect to interact with the Detroit Land Bank Authority. This causes confusion, delay, frustration and waste. Private landholders have brought stories to council of going through NAP, then getting sent to DAH and subsequently a hearing for the same issue, and then back to NAP, etc. Some properties have even been demolished in error, leading to loss of generational wealth and neighborhood stabilization.

OR;

The Nuisance Abatement Program shall operate in the following manner to the extent that it does not conflict with state/local law:

1. **All blight complaints shall be referred to the Buildings, Safety, Engineering and Environmental Department to conduct an inspection of the property in question**
 - a. **After inspection, the property owner will have (3) months to remediate the blight**
 - b. **If after 3 months, no action has been taken by the property owner, then BSEED will issue three (3) tickets at the rate of one (1) ticket per month**
 - c. **If the tickets are not resolved, BSEED will then refer the property to the Department of Appeals and Hearings, AND simultaneously refer the property and its owner to the Housing and Revitalization Department for repair/renovation support and referral to outside agencies**
2. **Simultaneous referral to Department of Appeals and Hearings and Housing and Revitalization Department**
 - A1) **The Department of Appeal and Hearings will follow the normal process for sending a blighted property to Dangerous Buildings Hearings before the Detroit City Council**
 - A2) **The Housing and Revitalization Department will contact property owner three (3) times via certified mail, to advise of home repair/renovation programs**

3. If property is sent to Dangerous Buildings Hearings, and the owner fails to respond at the hearing, the Chair of the hearings will refer the properties to the Law Department for the commencement of a Nuisance Abatement suit.
 - a. Prior to commencement of the suit, the Law Department will send notice to all interested holders to the property indicating intent to sue under NAP via certified mail
 - b. Law Department will follow their normal procedures for commencing a suit:
 - i. If verdict is found in favor of the property owner, no further action will be taken.
 - ii. If verdict is found in favor of the City, then property will be placed into the inventory of the Housing and Revitalization Department.
 - iii. If settlement reached, both parties will abide by the terms of the settlement agreement.

The Nuisance Abatement Program has exceeded its useful life, and though the powers had been delegated to the DLBA, the city is in a comfortable position to resume. The above process removes the Detroit Land Bank Authority from taking enforcement action against private property owners, and places it squarely with the City, reducing confusion and delay with residents. Further, the Detroit City Council delegated the powers to the DLBA via resolution, which are generally non-binding and express what the council would like to see happen, as opposed to an ordinance.

5. The DLBA shall not sell more than 5 parcels of land without city council approval.

As the inventory of the DLBA decreases, the need for large purchases without city council approval should also decrease. The city is in a more comfortable position to provide more oversight, and more intentional planning about the direction of properties in the city.
6. The DLBA shall not create any homeownership programs or set any requirements or criteria for Detroit residents to buy landbank owned property. The DLBA shall only clear title and issue out deeds.
 - a. The Housing and Revitalization Department shall set eligibility criteria for the Occupied Programs under the DLBA.

The Detroit Land Bank Authority undertook the admirable mission of returning distressed properties back to productive use, and has used a variety of programs to meet their goal. However, the programs dealing with residential occupancy have been plagued by inefficiencies, confusing policies, and overwhelming demand. The Housing and Revitalization Department already has staff that has worked with similar programs, and will have better insight when it comes to setting program eligibility criteria and conducting outreach.

Please reach out to our office with any questions or concerns.

DEPARTMENTAL CONTACTS:

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