



TO: Detroit City Council Member Latisha Johnson, District 4
FROM: Tammy Daniels, CEO, Detroit Land Bank Authority
DATE: March 17, 2025 
RE: Responses to 2025-2026 Budget Analysis

In response to the questions received on March 10, 2025, related to the DLBA's 2025-2026 Budget, the DLBA submits the following responses:

- 1. Community Land Trusts (CLTs) are emerging across Detroit neighborhoods as a vehicle to provide permanent, affordable homeownership which requires access to larger swaths of land. The DLBA has been working to support CLTs within already existing programs and policies. However, many of the CLT leaders and developers argue that there needs to be a policy specific to CLTs within the DLBA given their unique design and challenges as mission-driven organizations. Does the DLBA plan to develop a policy specifically to support CLTs in Detroit?*

RESPONSE: The DLBA has been part of an ongoing roundtables with the Detroit Justice Center, Community Development Advocates of Detroit, the Kresge Foundation, and a number of local land trusts to identify best practices and understand the unique needs of land trusts. Through this partnership, the DLBA recently completed its first large-scale sale to a community land trust (CLT) at a significantly reduced price. The shared goal is to ensure long-term affordability. The DLBA continues to sell land at steeply discounted prices for affordable housing projects, regardless of whether the organization is structured as a CLT. The DLBA has supported projects with local non-profits who are creating affordable housing opportunities for the benefit of residents. This experience supported the position that the DLBA's existing policies work for CLTs as well as other non-profits pursuing affordable housing initiatives. The DLBA will continue working with more land trusts and land conservancies to support this critical work.

- 2. What is the status of the DLBA's Next Five Strategic Plan? What are some preliminary recommendations or changes being proposed to improve the DLBA programs and operations? How will the proposed budget support the proposed recommendations?*

RESPONSE: Staff recently received a completed draft of the Next 5 Strategic Plan from the designer and have begun working on implementation and a release strategy. Staff have organized into 10 internal working groups focused on developing plans for 10 activities identified for the first year of the plan. These activities range from redesigning the application process, to improving the marketing of vacant land programs, improving structure security, and improving information on listings for example. Staff are in the first month of the implementation process but will provide updates to Council as our planning progresses. Staff are also working to begin a public engagement process for the strategic plan. Staff recently completed presentations to Detroit Future City's Open Space Working Group, the Detroit Community Development

Investment Roundtable, and have an upcoming presentation scheduled for Council staff on April 1st. Staff are currently planning a more widespread engagement strategy this spring and will share more details with Council in upcoming quarterly reports.

- In the Q2 FY25 Quarterly Report, it is noted that \$14,015,454 (54% of the FY24 budget) was allocated to salaries, wages, benefits, and payroll taxes. Could you provide a detailed breakdown of how these funds are distributed across various staff positions and the specific programs they support?*

RESPONSE:

Department	Salaries	Fringe Costs
Administration	\$ 580,000	\$ 193,081
Finance & Operations	\$1,400,292	\$ 378,079
Real Estate, Sales & Marketing	\$ 2,339,579	\$ 631,686
Property Rehabilitation	\$ 950,978	\$ 256,764
Planning & Analysis	\$ 1,976,813	\$ 533,740
Legal	\$ 1,650,528	\$ 445,643
Operations	\$ 698,388	\$ 188,565
Compliance	\$ 1,410,487	\$ 380,831
TOTAL	\$11,007,065	\$ 3,008,389

- How will the proposed decrease of \$5.5 million from last year's budget allocation impact DLBA's operations?*

RESPONSE:

The proposed decrease of \$5.5M for FY26 will significantly impact the Detroit Land Bank Authority in all areas of current operations. However, the Detroit Land Bank Authority will make every effort to minimize the impact of the reduction.

The Detroit Land Bank Authority has been operating from a loss-based model over the last 10 years, wherein the sales programs operating costs exceeded the revenue generated to operate the program. However, the DLBA has continually operated these programs in the furtherance of City of Detroit initiatives and commitment to put Detroit back in the hands of Detroiters. Moving forward, the DLBA will utilize reserve funding (fund balance) to create new revenue generating programs and re-align DLBA operations to offset the decreased allocation.

5. *How does the DLBA work with BSEED to determine which properties will be demolished? How is the DLBA working towards salvaging and maintaining properties as opposed to demolishing them?*

RESPONSE: Land bank staff work closely with colleagues at the City of Detroit Buildings, Safety Engineering, and Environmental Department's (BSEED) Property Maintenance Division. The dangerous buildings data from BSEED is an instrumental prioritization tool for land bank staff, and the two departments regularly share information to inform each other's processes. Land bank staff, for example, will reinspect structures if BSEED reports dangerous conditions on a site.

When reviewing structures, staff evaluate every property through three lenses:

- A thorough, on-site, interior structural assessment to determine the structural feasibility of rehabilitation
- A market assessment to determine the degree of rehabilitation likely to be supported by the market and the performance of past listings in the area
- A review of public input on the property, assess resident inquiries supporting sale or demolition

With this approach, staff intentionally err on the side of preservation. Given the strength of the market and amount of public interest in recent years, this multifaceted approach to structure evaluation preserves more structures than an approach that relies on condition alone.

