

City of Detroit

CITY COUNCIL

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TO: Honorable City Council

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: April 4, 2023

RE: **RESOLUTION ASKING THE OFFICE OF THE INSPECTOR GENERAL TO CONDUCT AN AUDIT OF THE DETROIT LAND BANK AUTHORITY**

Council member Mary Waters requested that the Legislative Policy Division (LPD) draft a RESOLUTION ASKING THE OFFICE OF THE INSPECTOR GENERAL TO CONDUCT AN AUDIT OF THE DETROIT LAND BANK AUTHORITY.

Please contact us if we can be of any further assistance.

BY COUNCIL MEMBER MARY WATERS

**RESOLUTION ASKING THE OFFICE OF THE INSPECTOR GENERAL TO CONDUCT AN
AUDIT OF THE DETROIT LAND BANK AUTHORITY**

- WHEREAS,** The mission of the Detroit City Council is to promote the economic, cultural and physical welfare of Detroit’s citizens and residents through Charter-mandated legislative functions; and
- WHEREAS,** The mission of the Detroit Land Bank Authority (DLBA) is to return the city's blighted and vacant properties to productive use. The DLBA utilizes a variety of sales programs to make homeownership and land purchases accessible to Detroiters; and
- WHEREAS,** According to its website, DLBA’s commitment to revitalization includes its Compliance program, which requires renovation and occupancy to improve neighborhoods and combat real estate speculation. The Detroit Land Bank Authority works directly with individual buyers, as well as community partner organizations and developers for projects big and small; and
- WHEREAS,** One of the DLBA’s programs created to foster homeownership is the Buy Back/Occupied program. This program is designed to allow individuals that previously had an equitable interest in the occupancy of a property, to “Buy Back” the property from the Land Bank. However, it has been recently alleged that some occupants of the DLBA properties are not being given an opportunity to participate in the Buy Back/Occupied program and instead the occupied property is being offered to the DLBA’s community partner organizations and/or developers to purchase those properties, thereby bypassing on collaborating with the residents who occupy and/or denying eligible Detroiters participation in the program as set forth in the Buy Back/Occupied program guidelines; and
- WHEREAS,** This practice would violate the tenets extolled by the DLBA, by denying occupants of DLBA homes the ability to “Buy Back” back the properties under the program which falls within the investigative purview of the Office of the Inspector General; and
- WHEREAS,** There has also been several allegations that some of the occupants of the DLBA homes were defrauded by individuals who had no true ownership of the property resulting in the fraudulent landowner criminally taking the occupant’s money. The unscrupulous actions of the fraudulent landowner and the alleged failure of the DLBA of not properly giving the occupants an opportunity to participate in the By Back program further victimizes the defrauded residents; and
- WHEREAS,** It is the will of the Council that this situation be investigated and for the truth to be revealed. The Office of Inspector General (OIG) investigates waste, abuse, fraud, and corruption in City government. The jurisdiction of the OIG extends to all employees, contractors and those seeking to do business with the City of Detroit; **NOW THEREFORE BE IT**
- RESOLVED,** That the Detroit City Council requests that the Office of Inspector General conduct an audit of the Detroit Land Bank Authority, specifically focused on the Buy Back program for occupied homes, in order to identify any malfeasance or non-compliance which may have led to eligible Detroiters being denied participation in the program. **BE IT FURTHER**

RESOLVED, If there is any criminal behavior revealed, it is also suggested that the criminal matters be forward to the Detroit Police Department; **BE IT FINALLY**

RESOLVED, Copies of this resolution shall be provided to Mayor Mike Dugan and the Office of Inspector General.