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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: June 16, 2021

RE: **RESOLUTION ESTABLISHING A CITY COUNCIL ENDORSEMENT
PROCESS FOR THE DLBA NEIGHBORHOOD LOT PROGRAM**

Council President Brenda Jones requested that LPD convene a working group with the purpose of drafting a resolution to establish objective procedures for how City Council members, moving forward, will endorse residents for the Detroit Land Bank Authority's (DLBA) newly established Neighborhood Lot program. Attached, please find the requested resolution.

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

BY COUNCIL PRESIDENT BRENDA JONES

**RESOLUTION ESTABLISHING A CITY COUNCIL ENDORSEMENT PROCESS FOR THE
DLBA NEIGHBORHOOD LOT PROGRAM**

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, Recently the Detroit Land Bank Authority (DLBA) established a Neighborhood Lot program, which is a new vacant land sales program. Under a comprehensive policy designed to guide this process, only residents within 500 feet of Neighborhood Lots are eligible to purchase them. Neighborhood Lots will sell for \$250 by the DLBA and each lot require a Neighborhood Lot Endorsement prior to any transaction; and

WHEREAS, Pursuant to the DLBA Vacant Land Policy, eligible lots must meet the following criteria:

- (1) The lot must be a vacant residential property without a structure.
- (2) The lot must not exceed 7,500 square feet in size and it must not measure more than 300 linear feet on any side.
- (3) The lot must be within 500 feet of an applicant’s property that contains an occupied residential structure of 1-2 units (the “Applicant’s Nearby Property”).
- (4) Parcel boundary modifications made after January 1, 2019 shall not be considered in adjacency determinations.
- (5) There must be no delinquent or currently due property taxes in connection with the lot.
- (6) The lot must be zoned one of the following residential zoning categories R1, R1H, R2, R2H, R3, or R3H.
- (7) The lot shall not be selected for another DLBA disposition program.
- (8) If applicable, the sale of a Neighborhood Lot must be approved by the appropriate governmental agency. Examples include approval from MSHDA for a lot that was the site of an HHF demolition, or the City’s Housing & Revitalization Department for a lot was acquired or demolished using NSP funds.
- (9) The DLBA may choose to withhold or remove a property from Neighborhood Lot eligibility at any time and for any reason including (a) so it can be sold pursuant to another DLBA Disposition Program; (b) to support broader City strategies; or (c) the lot is part of a contiguous assemblage (including across alleys) of DLBA-owned land totaling 20,000 or more square feet; and

WHEREAS, The Vacant Land Policy, the purchaser shall have the endorsement of at least one of the following:

- (a) A local block club or a local neighborhood association, in each case registered with the City’s Department of Neighborhoods;
- (b) A DLBA approved locally active Community Partners in good standing;
- (c) The local District-elected City Council Member or one of the At Large City Council Members; or
- (d) The local City District Manager or Deputy District Manager

Neighborhood Lot Endorser's will receive an email requesting review and endorsement that comes directly from Salesforce (automated, not manually driven); and

WHEREAS, Once an endorsement is received from a Neighborhood Lot Endorser, per the policy, DLBA's Sales and Programs Team must wait a 10-day hold period. Once the property completes a 10-day hold period, it enters the Sales and Programs eligibility processes. Per policy, to be eligible to purchase a Neighborhood Lot, a prospective purchaser must meet all of the following criteria:

- (1) The purchaser must hold title to the applicant's nearby property, which could include being a purchaser (but not a seller) in a land contract agreement.
- (2) The Applicant's Nearby Property must have a current Principle Residence Exemption.
- (3) The purchaser must be current on property taxes or be in good standing with a payment plan entered into with the Wayne County Treasurer's Office with respect to all property owned in the City of Detroit.
- (4) The purchaser must be in good standing with any agreements the purchaser is a party to with the DLBA; and

WHEREAS, If more than one application is received for a Neighborhood Lot, applicants will be given priority in the following order:

- (a) The applicant living closest to the Neighborhood Lot
- (b) The first applicant to submit a Complete Application

When eligibility is confirmed and an applicant proceeds to closing, the DLBA will execute a Quit Claim Deed for the price of \$250.00. A Quit Claim Deed through this program will have a reconveyance option for a 3-year period. Per the policy, "Purchasers of Neighborhood Lots must agree to maintain the property in accordance with standards established by City and City Planning Commission laws, rules and regulations for a period of three years. Should the purchaser or any future transferee be found to be in repeated violations of these standards, then the DLBA reserves the right to take back title to the property; and

WHEREAS, On May 27, 2021, The Legislative Policy Division (LPD) in conjunction with the Office of Council President Brenda Jones, convened a working group meeting with DLBA, Buildings, Safety Engineering, and Environmental Department, Law Department, Department of Appeals and Hearings, and various Councilmember offices, with the purpose of drafting a resolution to establish objective procedures for how the City Council would endorse residents for DLBA's newly established Neighborhood Lot program; and

WHEREAS, As a result of the working group meeting, the group recommended that the following criteria for an endorsement be established:

- Prior to Council being asked to endorse a purchaser, it is recommended that the DLBA create and distribute an electronic form for departmental checks to ensure that the applicant is in good standing with the City of Detroit and will ultimately be eligible to purchase the subject property. The departmental checks should include:
 - *Blight clearance*
 - *Tax clearances*
 - *Conformation of consistency with zoning and the Master Plan of Policies*
- Adding a receipt function to the submission so endorsers will have proof of their endorsement

- Adding language to the form and FAQ encouraging lot purchasers to provide a **detailed** description of their intended project
- In addition to the purchaser's address, adding a check box that asks if the purchaser meets the homeowner requirement and if that address is within 500 feet of the lot to be purchased, **NOW THEREFORE BE IT**

RESOLVED, That the Detroit City Council recommends the adoption of the Neighborhood Lot working groups list of recommendations; **NOW THEREFORE BE IT**

RESOLVED, That copies of this resolution be forwarded to Mayor Mike Duggan and to Saskia Thompson, the Executive Director of the Detroit Land Bank Authority.