

David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Director, City Planning Commission
Janese Chapman
Director, Historic Designation
Advisory Board


John Alexander
Megha Bamola
LaKisha Barclift, Esq.
Nur Barre
Paige Blessman
M. Rory Bolger, Ph.D., FAICP
Christopher Gulock, AICP

City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

Derrick Headd
Marcel Hurt, Esq.
Kimani Jeffrey
Edward King
Jamie Murphy
Kim Newby
Analine Powers, Ph.D.
Laurie Anne Sabatini
Rebecca Savage
Ryan Schumaker
Sabrina Shockley
Renee Short
Dr. Sheryl Theriot
Thomas Stephens, Esq.
Theresa Thomas
Ashley A. Wilson

TO: COUNCIL MEMBERS
FROM: David Whitaker, Director 
Legislative Policy Division Staff
DATE: May 6, 2022
RE: **DBA Land Sales**

Council member Latisha Johnson requested that the Legislative Policy Division (LPD) provide answers to the following questions regarding the Detroit Building Authority (DBA):

1. How many properties does the DLBA currently manage, and how many are lots, residential parcels, or commercial parcels?
2. What is the annual budget for DBA operations?
3. What is the annual cost to the City to maintain DBA properties?
4. What is the annual contribution of City funds to the DBA for operations?
5. What is the current staffing level at the DLBA?
6. Why are there two separate entities (DBA and DLBA) that hold publicly owned land?
7. Can (Council) require the DBA to provide a quarterly report to Council?

In addition, Council member Johnson is requesting that the Planning and Development Department and the Detroit Building Authority provide a Projects Deal Summary Sheet or similar document when submitting their property sales to Council.

Below, please see our responses to these questions:

(1) How many properties does the DLBA currently manage, and how many are lots, residential parcels, or commercial parcels?

LPD notes, the properties that are in the DLBA portfolio are not owned by the City of Detroit and is not part of the City's property inventory. Under Public Act 258 of 2003, Land Bank Fast Track Act, the DLBA has the right to have full title and interest in the properties within their

portfolio and must have it to perform many of their authorized powers. According to the latest DLBA Quarterly Report for Q2 for 2022,¹ the DLBA’s inventory consist of the following:

Total properties:	76,180		
Vacant land:	62,822	Structures:	13,358
Residential:	12,789	Non-Residential:	60
Accessory:	509	Side Lots for sale:	9,816
Neighborhood Lots for sale:	19,307		

(2) What is the annual budget for DBA operations?

The annual budget for the DBA includes the following:

DBA FY 2023	
Expenditures	\$1,203,945
Revenues	\$1,199,378
Net Tax Cost	\$4,567

(3) What is the annual cost to the City to maintain DBA properties?

The annual cost to the City to maintain DBA properties should be provided by the DBA.

(4) What is the annual contribution of City funds to the DBA for operations?

Please see the answer to #2, for the annual contribution of City funds to the DBA.

(5) What is the current staffing level at the DLBA?

According to the information provided to LPD during the 2021 budget process, the DLBA reported it had 133 Full Time Employees (FTE’s) with 4 current vacancies. At the time the DLBA intended to fully staff all vacant positions during FY21. For FY22, the DLBA is budgeted for 147 FTE’s.

(6) Why are there two separate entities (DBA and DLBA) that hold publicly owned land?

As currently operated the DBA handles the management and disposition of commercial properties and the few residential properties that are within the City’s possession. The DLBA handles the management and disposition of residential properties in which they possess title. Both the DBA and the DLBA are separate legal entities established pursuant to enabling legislation under State law.

¹ These numbers were captured directly from page 3 of the DLBA’s Quarterly Report of Quarter 2 of 2022 without descriptions.

The DBA is established pursuant to Public Act 31 of 1948, Building Authorities, MCL 123,951 et seq. The Act provides that a city may incorporate 1 or more authorities for the purpose of acquiring, furnishing, equipping, owning, improving, enlarging, operating and maintaining a building or buildings, automobile parking lots or structures, transit-oriented developments, transit-oriented facilities, recreational facilities, stadiums, and the necessary site or sites therefore, together with appurtenant properties and facilities necessary or convenient for the effective use of the facilities, for use for any legitimate public purpose etc.

The City of Detroit established the DBA for the purpose allowed by law, including but not limited to, the DBA's bonding authority to finance such endeavors. The City of Detroit has entered into a contractual relationship with the DBA to manage the sale and disposition of City owned properties.

The DLBA is established pursuant to Public Act 258 of 2003, of 2003, Land Bank Fast Tract Act, MCL 124.751 et seq. The City and the Michigan Land Bank Authority entered into the Second Intergovernmental Agreement establishing the DLBA. The DLBA is authorized through the Land Bank Fast Tract Act to acquire, assemble or dispose of and quiet title to public property, including tax reverted property, in a coordinated manner to foster the development of that property and to promote economic growth in this state and local units of government in this state. The City has entered into a Second Amended Memorandum of Understanding agreement which outlines the parameters of which the DLBA operates in the best interest of the City.

(7) Can (Council) require the DBA to provide a quarterly report to Council?

The City Council may request by resolution that the DBA to provide a quarterly report to Council, which may suffice. The DBA was created on October 30, 1973, in accordance with Act No. 31, of the Public Acts of Michigan. The DBA provides commercial real estate services for the City of Detroit, through an interdepartmental agreement with the Housing & Revitalization Department. Given the fact that the DBA is a separate legal entity, the Council may by ordinance, stipulate that the contract between the City and DBA include a provision that requires the DBA to submit a quarterly report to Council.

Finally, we respectfully request that the Planning and Development Department and the Detroit Building Authority provide answers to the following questions.

Question for the Planning and Development Department :

- Is it possible that the Planning and Development Department provide Council a Projects Deal Summary Sheet or similar document when submitting their property sales to Council?

Questions for the Detroit Building Authority:

- Is it possible that the DBA provide Council a Projects Deal Summary Sheet or similar document when submitting their property sales to Council?
- What is the annual cost to the City to maintain DBA properties?

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