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TO: Honorable Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: July 21, 2025

RE: Request for Information on Past Funding and Staffing of the Planning & Development Department.

Councilmember Latisha Johnson issued a request for the Legislative Policy Division (LPD) to provide information on the Planning & Development Department (PDD) prior to the establishment of the Detroit Land Bank Authority (DLBA). As noted by Councilmember Johnson, PDD was responsible for managing and administering the sale of public owned land prior to the creation of the DLBA.

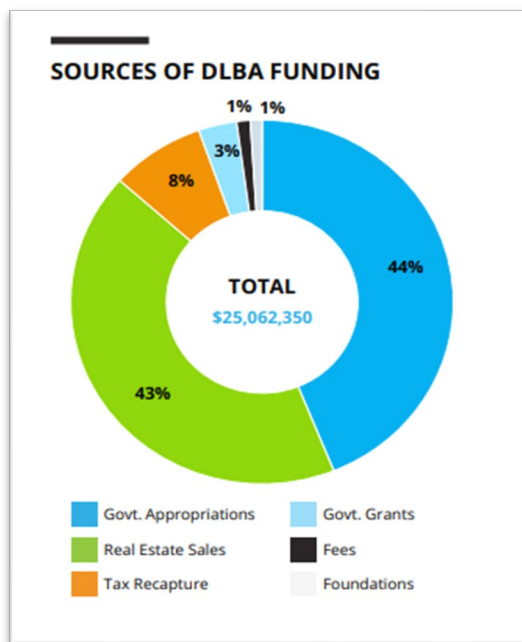
Land banks are considered as quasi-governmental entities that are given legal powers by state law to acquire vacant, abandoned, and deteriorated properties, normally through foreclosure; extinguish debt and liens; clear title; and transfer those properties to new, responsible ownership in alignment with community goals. The DLBA was created in 2008 with a mission to move foreclosed property back to productive use utilizing the unique legal powers granted by the state.¹ The DLBA's role expanded significantly in 2014 when most of the city of Detroit's publicly owned residential property was consolidated into the DLBA's inventory.² In addition, in 2014, DLBA's mission was greatly expanded to include demolition activities funded with re-programmed federal Hardest Hit grant dollars.³

¹ DLBA's original responsibilities was limited to executing Neighborhood Stabilization Program activities. Source: Next Five 2025–2030 Strategic Plan, Detroit Land Bank Authority, 2024.

² Ibid, Next Five 2025–2030 Strategic Plan, Detroit Land Bank Authority, 2024.

³ Michigan State Housing Development (MSHDA) to re-program \$100MM from the funds they already allocated to MSHDA under the Michigan Award for Hardest Hit Fund (\$498MM). https://www.michigan.gov/-media/Project/Websites/leo/Documents/Land_Bank2/HHF_FAQs_9_5_13. Also see Detroit Hardest Hit Fund Strategic Plan 2013; and DLBA City Council Quarterly Report FY 2020 Q1.

Demolition activity ceased in 2023 when all allocated Hardest Hit funds were expended. In the last ten years, the DLBA introduced various programs to assist the community in obtaining publicly owned, residential land held in their inventory: Auction, Own it Now, Buy Back/Occupied, Rehabbed & Ready, Marketed Properties, Economic Development, Compliance, Nuisance Abatement Program (NAP), Side Lots sales, Neighborhood Lots, Create-a-Project (CAP), Infill, and Community Partners.⁴



Sources of Funds: DLBA

DLBA Revenue Sources -Graph data as of August 1, 2024⁵

City of Detroit- General Fund Contributions
 Revenues generated from Operations: property sales, administrative fees, rental fees.
 Repayment of loans (Section 108) and miscellaneous receipts
 Federal and State Grants
 Wayne County
 Private Donations

As previously reported in communications from LPD dated October 18, 2019, and February 1, 2022, the DLBA was created under an Intergovernmental agreement between the City and the Michigan Fast Track Land Bank Authority pursuant to Public Act 258 of 2003. The initial term of the agreement was effective as of February 18, 2009. A first Amended Agreement was entered into on August 5, 2013. The most recent Agreement, the Second Amended and Restated Agreement was effective as of December 23, 2013. Under Section 9.01 of the Second Amended and Restated Intergovernmental Agreement, after the initial term the DLBA (December 23, 2023) the “Agreement” shall continue until terminated by joint action of the Parties; or by the City Council and Mayor withdrawal under Section 9.02.⁶

Planning & Development Department Activities Prior to the Creation of the DLBA

Chart 1 below provides information on Planning & Development Department activities in response to the questions posed by Councilmember Johnson.

1. How many full-time employees were in the Planning Department?

Please see column (E) in Chart 1 below for total PDD budgeted position for FY 2009-2013. For Council’s edification, column (F) in Chart 1 below represents budgeted positions for the Real Estate Division for FY 2009-2013.

2. How much revenue did the Planning Department generate within the five years prior to the creation of the DLBA?

⁴ Ibid, Next Five 2025–2030 Strategic Plan, Detroit Land Bank Authority, 2024.

⁵ Ibid, Next Five 2025–2030 Strategic Plan, Detroit Land Bank Authority, 2024.

⁶ Section 9.02 states: Either party may withdraw from this Agreement after the initial term upon six (6) months’ notice in writing to the City Authority and Parties as provided under Section 9.01; provided, however, that withdrawal by the City requires the approval of the City Council and the Mayor.

Please see Chart 2 below for revenues for PDD property sales for FY 2009-2013. As explained in Note 1 below, PDD's Real Estate Division generated revenues from the sale of residential, commercial and surplus city properties. However, all property sales were recorded in one General Fund cost center-Community Development.

3. What was the source of funding and funding level of the Planning Department prior to the creation of the DLBA?

Please see responses to question 2 above.

CHART 1 (Expenditures)						
	(A)	(B)	(C)	(D)	(E)	(F)
<i>Fiscal Year</i>	<i>PDD Divisions (responsible for property sales/maintenance)</i>	<i>Appropriation/ Cost Center (CC)⁷</i>	<i>Total Appr- CC Budget (in millions)</i>	<i>Total Appr- CC Actual (in millions)</i>	<i>Total PDD Positions Budget</i>	<i>Total PDD Positions- Budget in Division shown</i>
2009	Real Estate (1)	00015-360131	\$3.0	3.6	177	21
2010	Real Estate	00015-360131	2.0	2.6	170	13
2011	Real Estate	13168-365080 ⁸	1.6	1.7	169	10
2012	Real Estate	13168-365080	.762	.849	149	6
2013	Real Estate	13168-365080	.580	.562	125	5
<i>Source: OCFO- Office of Budget Fiscal Years - Adopted Budgets, Legal Budgets and Budget Summaries</i>						

Note:

- (1) During FY 2009-2013, PDD's Real Estate/Development Division was responsible for the procurement, management, and sales of City-owned real estate, capital development projects including acquisition and disposition of development land sites) and the administration of the neighborhood Opportunity fund (NOF) public facility rehabilitation program. The activity for this division was recorded in the General Fund (fund 1000) .

CHART 2 (General Fund Revenues)				
<i>Fiscal Year</i>	<i>PDD Division</i>	<i>Appropriation/ Cost Center ⁹</i>	<i>PDD Gen Fund Revenues- Budget</i>	<i>PDD Gen Fund Revenues- Actual</i>
2009	Community Development	00014-360130	\$9.3	\$18.6 ¹⁰
2010	Community Development	00014-360130	9.9	3.22
2011	Community Development	00014-360130	3.1	.518
2012	Community Development	00014-360130	2.1	2.1
2013	Community Development	00014-360130	2.1	2.0 ¹¹
<i>Source: OCFO- Office of Budget Fiscal Years - Adopted Budgets, Legal Budgets and Budget Summaries</i>				

⁷ The Real Estate Division's account string record expenditures for positions and operations.

⁸ Actual Revenues from real estate activity of \$48,835 in appropriation 00015- 360131 in FY 2010-11. In FY 2011-12 actual revenues from real estate activity of \$1,950 was recorded in the appropriation previously noted. These amounts are not included in the figures noted in the chart above.

⁹ General Fund Revenues were budgeted and recorded in one cost center for property sales. Revenues generated from the sale of property were recorded in 1000-00014-360130-464100-Community Development.

¹⁰ Actual Revenues from sale of assets was \$18.6 million in appropriation 00014-360130.

¹¹ FY 2012-13 actual sale of assets figure is an estimate.

In comparing the responsibilities of PDD during the period FY 2009-2013, with DLBA's current programmatic responsibilities, we note the following:

- A. PDD did not operate an Auction program, Own-It-Now program, Buy Back or Occupied Programs as the DLBA currently does.
- B. PDD did not have marketing programs for property sales as the DLBA currently does.
- C. PDD did not provide online property purchase applications (this process was performed manually with customer in-person review of paper property listings and submission of paper purchase applications).
- D. Planning did have a vacant lot- side lot program called the "White Picket Fence Program". City Council pre-approved a list of side lots in targeted areas to make available for sale for \$200.
- E. PDD did not provide the Rehabbed & Ready Program as the DLBA currently does. PDD's Project 14 was a similar initiative to the Rehabbed & Ready Program offered to attract First Responders to move back to Detroit. However, the rehabbed homes that were available were owned and rehabbed by the DLBA.¹² PDD also provided a down payment assistance program with Chase Bank during this time.
- F. A similar program to the Nuisance Abatement Program (NAP) may have existed under the Building Safety, Engineering and Environmental Department (BSEED) and/or the Law Department, but not in PDD.
- G. Compliance activity under PDD during this time was minimal.

Planning & Development Department and DLBA - Major Initiatives for the five-year period fiscal years 2009 through 2013:

- Fiscal Year 2008-09: Creation of the DLBA. Executed Articles of Incorporation, Bylaws, Board of Directors, etc. PDD budgeted revenues from the sale of real property declined from \$13 million in FY 2006-07 to \$9 million in FY 2008-2009. However, PDD's actual revenue from the Sale of Assets was \$18.6 million in FY 2009. LPD suspects revenue from the sale of commercial property contributed to the large amount of actual property sale revenue in FY 2009. PDD completed the sale of 3,200 properties and acquired 150 properties for development.
- Fiscal Year 2009-10: PDD improved the Detroit Property Information System (DPI) to more effectively process applications for the purchase of City owned land. Inventory backlogs were reviewed and brought up to date. Information about City owned property was updated. PDD budgeted almost \$10 million in revenue from the sale of real property, but actual property sale revenue amounted to around \$3 million in FY 2010. Undoubtedly, the precipitous drop in property sale revenue was largely due to the negative impacts of the Great Recession on the City of Detroit, which led to widespread job losses, high unemployment, high level of foreclosures, dramatic decrease in home values and in the number of new mortgages originated, increased number of blighted and vacant properties, population decline, and persistent high levels of poverty.¹³ The number of real estate sales completed was 3,075 and 200 properties were acquired for development.

¹² On a related note, the Housing Revitalization Department (HRD) had a \$2 million gap fund grant through Invest Detroit that allowed Bridging Neighborhoods to renovate DLBA homes in Strategic Neighborhood Fund (SNF) areas. HRD used Gordie Howe Bridge funding to perform the renovations and then offered the homes first to Home Swap participants. If they were not selected after being up for 60 days, HRD then moved the homes to the for-sale market. Most homes had a gap from what it cost to renovate versus what HRD sold them for. HRD utilized the \$2 million grant to cover that gap to ensure the Gordie Howe Bridge funding remained whole if a Delray resident did not select the home. This program is most similar to the DLBA's Rehabbed and Ready program. HRD sold 30 homes in the last 3 years and is in the process of closing out the Invest Detroit grant, per discussions with HRD staff July 8-9, 2025.

¹³ The Great Recession had a devastating impact on the City of Detroit: 1) Massive job losses: The Great Recession of 2008-09 took a severe toll on the U.S. auto industry. Between 2007 and 2009, employment declined from 185,000 to 123,400 in assembly plants and from 607,700 to 413,500 in parts plants. Source: "Detroit back from the brink? Auto industry crisis and restructuring, 2008-11", by Thomas H. Klier and James Rubenstein, 2Q/2012 Economic Perspectives,

- Fiscal Year 2010-11: PDD's budget for the Sale of Assets was \$3 million; actual revenues received was \$518,000. Again, undoubtedly, the continued precipitous drop in property sale revenue was due to high unemployment, shrinking population, and declining property values.¹⁴ The number of real estate sales completed was 3,075 and appx 450 properties were acquired for development.
- Fiscal Year 2011-12: One of PDD's goals was to revise processes and procedures to purchase city-owned land and properties. The Real Estate Development Division, a merger of the Development and Real Estate Divisions, was responsible for the procurement, management, and selling of City owned real estate, capital development projects, and the administration of Notice of Funding (NOF) public facility rehabilitation contracts, for the purpose of developing and stabilizing neighborhoods. Meanwhile, PDD budgeted \$2.1 million for sale of property revenue in FY 2012. However, the actual sale of real estate in the City of Detroit from a half a million in FY 2011 to about \$2.1 million in FY 2012. LPD feels this is largely attributed to the decline in the unemployment rate in the City of Detroit in 2012.¹⁵ (Please note that LPD was unable to obtain the number of real estate sales completed and the number of properties acquired for development data for FY 2012.)
- Fiscal Year 2012-13: In 2013, most of Detroit's vacant properties were held by the City of Detroit; the State Land Bank, the Wayne County Land Bank, and the Wayne County Treasurer. Beginning in 2014, vacant residential property from these public entities were consolidated into the DLBA's inventory with the support of community development advocates. Meanwhile, PDD again budgeted \$2.1 million for sale of property revenue in FY 2013. However, it is estimated that the actual property sale revenue ended up at about \$2.1 million in FY 2013. Again, LPD feels this is largely attributed to the decline in the unemployment rate in the City of Detroit in 2013.¹⁶ (Please note that LPD was unable to obtain the number of real estate sales completed and the number of properties acquired for development data for FY 2013.)

Federal Reserve Bank of Chicago <https://www.chicagofed.org/publications/economic-perspectives/2012/2q-klier-rubenstein>; 2) High unemployment: Unemployment steadily rose in the early-to-mid-2000s, plateaued, then began rising more sharply in 2007, when the Great Recession began. Detroit's average annual unemployment rate jumped from 15.62% in 2008 to 23.9% in 2009—a 41.9% increase. The average annual rate rose a bit more to 24% in 2010, which is the highest unemployment rate seen in the city since 2000. Source: "Data: Detroit unemployment rate drops to lowest point in 23 years," by Cassidy Johncox, May 3, 2023, clickondetroit <https://www.clickondetroit.com/news/local/2023/05/03/data-detroit-unemployment-rate-drops-to-lowest-point-in-23-years/>; 3) High level of foreclosures: When the Great Recession walloped Detroit, thousands of people fell behind on property taxes and lost their homes. Since 2008, one-third of properties in the city have been tax-foreclosed. Source: "The lost homes of Detroit", January 11, 2020, Reveal News <https://revealnews.org/podcast/the-lost-homes-of-detroit/>; 4) Dramatic decrease in home values and in the number of new mortgages originated: Property in Detroit was already cheap compared to other large cities, but the recession pushed home values into free fall. By 2009, the median sale price of residential property had plunged 86 percent, to \$9,500. Source: "Detroit's housing crisis is the work of its own government", by Mark Betanourt, December 29, 2017, VICE <https://www.vice.com/en/article/detroits-housing-crisis-is-the-work-of-its-own-government/>; In addition, before the subprime mortgage crisis, Detroit averaged more than 3,000 mortgages a year. Sixteen years later, the city has not returned to that 3,000 mark. Fewer than 375 mortgages were issued each year between 2009 and 2013. Source: "Detroit's housing market has been broken since 2006, study says", by Louis Aguilar, April 15, 2021, Bridge Detroit <https://www.bridgedetroit.com/detroits-housing-market-has-been-broken-since-2006-study-says/#:~:text=It%20helped%20spark%20a%20foreclosure%20crisis%20and,home%20values%20grew%20the%20most%20in%202020>; 5) Increased number of blighted and vacant properties: Tax foreclosure in the city of Detroit increased rapidly from between 2,500 and 5,000 annually in the early 2000s to over 20,000 by 2013. From 2010 through 2013, there were approximately 50,000 tax foreclosures in the city of Detroit. In addition, between 2005 and 2013, there were roughly 70,000 completed mortgage foreclosures in Detroit. Source: "The Eviction Machine: Neighborhood Instability and Blight in Detroit's Neighborhoods", by Joshua Akers, Eric Seymour, July 2019, Poverty Solutions, University of Michigan <https://poverty.umich.edu/files/2019/08/Akers-et-al-Eviction-Machine-Revised-August-12.pdf>; LPD feels the economic downturn caused by the Great Recession led to a surge in foreclosures and mortgage defaults, particularly impacting Detroit's already struggling housing market. This resulted in a large number of abandoned and vacant homes. 6) Population decline: The city of Detroit lost 10.5 percent of its population, or nearly 75,000 residents between 2010 and 2020, according to the once a decade census count. The 2020 census captures a time when the city was lurching toward bankruptcy and reeling from the subprime mortgage crisis. Source: "As Detroit's population keeps falling, how did we get here?", by Louis Aguilar, August 24, 2021, Bridge Detroit <https://www.bridgedetroit.com/as-detroits-population-keeps-falling-how-did-we-get-here/>; and 7) High poverty levels: The city of Detroit's poverty rate averaged around 33% from 2005 through 2008. But the poverty rate increased: 36% for 2009 and 37.9% for 2010. Source: "Southeast Michigan Poverty Report", Data Driven Detroit and Forgotten Harvest, https://datadrivendetroit.org/web_ftp/Presentations/Forgotten_Harvest_Final_Cover.pdf

¹⁴ Ibid

¹⁵ The city of Detroit's unemployment rate decreased from around 20% in 2011 to 18.7% in 2012. Source: "Data: Detroit unemployment rate drops to lowest point in 23 years," by Cassidy Johncox, May 3, 2023, clickondetroit <https://www.clickondetroit.com/news/local/2023/05/03/data-detroit-unemployment-rate-drops-to-lowest-point-in-23-years/>

¹⁶ The city of Detroit's unemployment rate decreased from 18.7% in 2012 to 18.5% in 2013. Source: Ibid

Currently, the Detroit Building Authority (DBA) is responsible for the management of the city's commercial real estate property (city owned surplus property). This activity was transferred from Planning to the DBA in 2015; at which time, the DBA entered into a contract with Summit Commercial LLC to manage the sale of city-owned commercial real estate property.^{17/18}

As noted in our previous communication¹⁹, there are several departments that are responsible for the maintenance and disposition of city-owned properties prior to FY 2014. We discussed in this report the Planning Department and the Detroit Building Authority activities regarding residential and commercial city-owned property.

Our previous communication also discussed the activities of the Building, Safety, Environmental Engineering Department and the General Services Department. The designation of dangerous vacant properties and the demolition of residential properties was undertaken by BSEED. The Adopted Budget for 2012-2013 did not list any FTEs for demolition administration, however, \$2,928,995 was appropriated.²⁰

In addition, our previous communication indicated that the maintenance of vacant lots under the City's ownership was provided by the General Services Department (GSD) Grounds Maintenance Division. The Grounds Maintenance Division maintains all city-owned grounds, parks, right of ways, vacant lots, and the urban forest. According to the 2012-2013 Adopted budget the Ground Maintenance Division had 43 FTEs and an appropriation of \$3,117,284.²¹

We are available to discuss or answer any additional questions you may have. Please contact us if we can be of any further assistance.

Attachment

cc: Auditor General's Office
Tanya Stoudemire, Chief Financial Officer
Donnie Johnson, Acting Deputy CFO/Budget Director
Alexa Bush, Director, Planning & Development Department Director
Eunice Williams, Agency CFO
Malik Washington, Council Liaison, Mayor's Office

¹⁷ <https://summitcommercialllc.com/about-us>. Summit Commercial has vast experience working with public sector clients and we have played a strategic role in the management and disposition of large municipal commercial property portfolios. Most notably the Summit Commercial team has spent several years representing the City of Detroit and the Detroit Building Authority in the sale of all of the City's surplus commercial real estate. Summit Commercial's efforts have been instrumental in the valuation and the successful sale of over 1,300 parcels generating over \$35,000,000 in revenue for the City of Detroit, increased tax revenue, increased property values in several key areas, spurred private development and eliminated considerable blight. Sales have included a variety of property types including vacant land, commercial bldgs., school bldgs., single family homes, industrial properties, and parking garages. Other public sector clients have included the State of Michigan, Detroit Public Library, Wayne County, and the Detroit Land Bank Authority.

¹⁸ Council should note a Property Management Agreement between the City of Detroit and the City of Detroit Building Authority was executed on June 26, 2018. In addition, the Summitt Contract was amended in 2015, 2018 and yearly since 2021. Current contract amount is \$705,999.96 per the DBA- Property Management. Every amendment includes brokerage fees of 5% on all commissionable transactions to the contractor.

¹⁹ Legislative Policy Division, "Recirculate Report Regarding the Dissolution of the DLBA", dated January 21, 2025. See attachment.

²⁰ Ibid.

²¹ Ibid.


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TO: Honorable Detroit City Council

FROM: David Whitaker, Director
Legislative Policy Division 

SUBJECT: Recirculate Report regarding Dissolution of DLBA

DATE: January 21, 2025

The Legislative Policy Division (LPD) has received a request to recirculate the report regarding the dissolution of the Detroit Land Bank, originally created on February 1, 2022.

Please let us know how you would like to proceed with this request.

Thank you for your attention to this matter.

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TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: February 1, 2022

RE: **Dissolution of DLBA**

The Legislative Policy Division (LPD) has received a request to provide a supplemental report regarding the dissolution of the Detroit Land Bank Authority (DLBA) as well as answers to questions regarding the City of Detroit's ability to undertake the management, disposition and demolition of the DLBA's property inventory.

As indicated in prior LPD report dated October 18, 2019, the DLBA is created under an Intergovernmental Agreement between the City of Detroit and the Michigan Land Bank Fast Track Authority (MLB), pursuant to Public Act 258 of 2003, Land Bank Fast Track Act. Under the Second Amended and Restated Intergovernmental Agreement between the City and the MLB (hereinafter the Agreement) the "Initial Term" of the agreement will end on or about December 19, 2023. Pursuant to Section 9.01 of the Agreement, after the Initial Term the DLBA shall continue until terminated by joint action of the Parties; or by the City Council and Mayor withdrawal under Section 9.02 which provides:

Either Party may withdraw from this Agreement after the initial term upon six (6) months' notice in writing to the City Authority and Parties as provided under Section 9.01; provided, however, that withdrawal by the City requires the approval of the City council and Mayor.

Prior to the DLBA dissolution, Section 9.03 of the Agreement provides that the DLBA must wind up its affairs as follows:

- (a) All of the City Authority's debts, liabilities, and obligations to its creditors and all expenses incurred in connection with termination of the City Authority and distribution of its assets shall be paid first.
- (b) The remaining assets, if any shall be distributed to any successor entity unless otherwise agreed by the Parties, provided, however, that approval by the City requires the approval of City Council. In the event that no successor entity exists, the remaining assets shall be distributed as directed by the City unless otherwise agreed by the Parties.

As provided in the Intergovernmental Agreement, if the City Council and Mayor approve the withdrawal from the Agreement, the DLBA would be required to wind up all its affairs. In doing so, all of the DLBA's obligations to creditors and any expenses incurred in undertaking the DLBA's dissolution must be paid first. If no successor exists, the remaining assets shall go to the City unless otherwise agreed by the Parties. Once the remaining assets are distributed, the DLBA would no longer exist.

In addition to the statutory process outlined for dissolution of the DLBA, Council President Sheffield presented a number of questions to be addressed. LPD has attempted to address these questions to the best of our abilities.

- **How many properties does the DLBA currently manage, and how many are lots, residential parcels, or commercial parcels?**

According to the latest DLBA Quarterly Report for Q2 for 2022, 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		

- **What is the annual budget for DLBA operations?**

According to the submitted proposed annual budget for Fiscal Year 2022, the budget for DLBA operations is \$24,411,831.46. Included in the operations budget are the following revenue streams:

City of Detroit	\$11,000,000
Grants	\$ 160,000
Fee Revenue/Economic Dev	\$ 105,750
Side Lot Sales	\$ 275,000

Vacant Land Sales	\$ 200,000
Structure Sales	\$6,406,320
House Showing Fees	\$ 11,000
Pre-Inspection Fee	\$ 132,750
5/50 Revenue	\$ 850,000
Interdepartmental Transfer Disp/Ops	\$4,172,711.46
HHF/Property Maintenance Rnds 1-5	\$1,098,300

- **What is the annual cost to the City to maintain DLBA properties?**

LPD notes, the DLBA does not have a direct funding source other than the City to pay for operations. For this reason, the City undertook to cover much of the cost of maintaining DLBA properties under the General Services Department. The City appropriates \$3.5 million for the services provided in maintaining those properties.

- **What is the annual contribution of City funds to the DLBA for operations?**

As previously indicated the DLBA was not granted a funding stream under its statutory construct. The City has been responsible for providing much of the DLBA's operating budget through a budget appropriation of \$11 million for the 2021 Fiscal Year and the proposed 2022 Fiscal Year.

- **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.

- **Prior to the establishment the DLBA, which City department oversaw the maintenance and disposition of residential properties?**

According to the information LPD was able to ascertain, prior to the establishment and transfer to City owned properties to the DLBA, the management, sale and disposition of residential properties owned by the City was handled through the Planning & Development Department (P&DD)

According to the 2012-2013 Adopted Budget:

The Planning & Development Department's Housing Services Division responsibilities included but was not limited to, the restoration of vacant foreclosed properties that foster home ownership opportunities¹. The number of FTEs in the Housing Services Division was 28. The appropriation

¹ The Housing Services' Division is responsible for the preservation and improvement to the City's housing stock, through providing grant funding assistance for housing rehabilitation, new construction and lead remediation for low

for the Housing Services Division was \$2,636,993. The P&DD's Real Estate/GIS Division responsibilities included but were not limited to, the procurement, management, and selling of City owned real estate. The number of FTEs for the Real Estate Division was 5. The appropriation for the Real Estate Division was \$580,243.²

The designation of dangerous vacant properties and the demolition of residential properties was undertaken by the Building Safety, Engineering and Environmental Department (BSEED).³ The Adopted Budget for 2012-2013 did not list any FTEs for demolition administration, however, \$2,928,995 was appropriated.

The maintenance of vacant lots under the City's ownership was provided by the General Services Department (GSD) Grounds Maintenance Division. The Grounds Maintenance Division maintains all city-owned grounds, parks, right of ways, vacant lots and the urban forest. According to the 2012-2013 Adopted Budget the Ground Maintenance Division had 43 FTE's and an appropriation of \$3,117,284.

- **What was the annual cost to the City?**

As indicated above a number of City departments and divisions handled the maintenance and disposition of residential properties under the City's control.

The P&DD had two divisions Housing Services and Real Estate/GIS with a combined appropriation of \$3,217,236.

The BSEED had an appropriation for Demolition administration of \$2,928,995.

The GSD has a Grounds Maintenance Division that maintained all City owned grounds with an appropriation of \$3,117,284.

The total appropriated during 2012-2013 Fiscal Year that may have been available for the maintenance, disposition and/or demolition of residential properties in the City's control was approximately \$9,263,515.

LPD notes, the three City Departments would have better information on how the City handled its inventory of residential properties prior to the establishment of the DLBA. LPD further notes that during the 2012-2013 fiscal year the City was going through financial turmoil and many cuts and reductions were taking place throughout City government.

income, disabled and senior households for rental and owner-occupied properties. In addition, the Division provides funding for new construction and multifamily housing projects, mortgage/down payment assistance, supportive housing and the restoration of vacant foreclosed properties that foster home ownership opportunities.

² The Real Estate Development Division (merger of Development and Real Estate Divisions) is responsible for the procurement, management, and selling of City owned real estate, capital development projects, and the administration of NOF public facility rehabilitation contracts, for the purpose of developing and stabilizing neighborhoods.

³ The Building Safety, Engineering and Environmental Department (BSEED) description of services as stated in the adopted budget 2012-2013, include "Manage the Demolition process for obsolete, damaged and/or abandoned buildings that pose an imminent danger to the public."

- **How many City employees worked on residential disposition?**

As indicated above, the various departments and divisions provided the services regarding residential property maintenance and disposition. According to the Approved Budget 2012-2013 P&DD (Housing Services and Real Estate) had a total of 33 FTE's; The GSD had 43 FTEs for ground maintenance (includes all City owned property) and BSEED showed no FTEs for demolition administration. LPD notes Departments would be in a better position to indicate how personnel was utilized.

- **How many would be needed to bring residential disposition in-house?**

LPD does not have the expertise to ascertain how many FTEs would be needed to bring the residential disposition portfolio from the DLBA back into the City. However, a working group with expertise from the various departments and Human Resources should be able to provide a reasonable projection.

- **Does the City of Detroit have the authority and ability to provide quiet title for properties?**

The City has always had the authority to provide quiet title for properties. However, the DLBA has been provided special tools granted under the Land Bank Fast Track Act, MCL 124.759 *Expedited quiet title and foreclosure action; procedure*. The expedited quiet title tools include but are not limited to; the ability to include multiple properties on one petition to be submitted to the court; modified notification requirements; and expedited hearing schedule before the court. These tools enable the DLBA to provide a clear title to purchasers and allows for the properties to be placed back into productive use in a much quicker and more efficient manner than the City or other public or private entities could provide.

- **Could the DLBA continue providing quiet title, but transfer maintenance and disposition of residential properties to the City of Detroit?**

Pursuant to the Land Bank Fast Track Act, MCL 124.759, the DLBA must have title to the property in which it seeks to quiet title. The DLBA could not transfer title of the properties to the City and execute quiet title on the properties. However, the City and DLBA could enter into an agreement under which the City would be responsible for maintenance and disposition (sale or demolition) of the residential properties in the DLBA's portfolio. This would be possible unless there are any contractual obligations the DLBA has with another entity to provide those services to which an agreement with the City would interfere.

If we can be of further assistance, please call upon us.