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TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 12, 2025

RE: **Resolution Urging Modification of the Detroit Land Bank Memorandum of Understanding**

This Honorable Body has requested the Legislative Policy Division (LPD) to compile in a resolution the suggested changes submitted by City Council Offices, to the proposed Third Amended and Restated Memorandum of Understanding between the City of Detroit (City) and the Detroit Land Bank Authority (DLBA). LPD is attaching a clean copy of the proposed resolution as well as a lined copy showing the proposed changes.

LPD notes, that two items that were suggested to be in the resolution were not included. The items and reasons for their not being included are listed below:

- (1) The first item.

WHEREAS, the Detroit Land Bank is governed by a Board of Directors consisting of five Directors, one of which is appointed by the Michigan State Housing Development Authority, **two are appointed by City Council and two of which**

are appointed by the Mayor of the City, subject to the timely approval of City Council on all five appointments; and that all future appointees must reside within the City of Detroit.

The changes requested cannot be included in the MOU resolution because they are in direct conflict with the Intergovernmental Agreement and State Law:

MCL 124.773(6) provides that the Intergovernmental Agreement shall provide the qualification, method and term of the board members. The Intergovernmental Agreement between the City and the State of Michigan provides under Article IV, that the mayor selects the four members for the City with City Council approval and does not restrict those selected to residence of the City. The City cannot unilaterally change what the intergovernmental agreement provides which is established pursuant to statute. To make these changes, the Intergovernmental Agreement would have to be amended instead of the MOU.

(2) The second item.

Term. The term of this MOU shall commence on December 19, 2023, and shall expire on the earlier of (i) December 31, 2026 or (ii) the date that pursuant to Article IX of the Intergovernmental Agreement that agreement is terminated or a party to that agreement withdraws from the agreement. Withdrawal shall require 90 days notice to all interested parties prior to renewal of this MOU. The Detroit Land Bank has completed its work with respect to demolitions funded by the Hardest Hit Funds and has adopted and implemented one or more policies intended to sell every saleable structure in its inventory and all available vacant land.

The changes requested cannot be included in the MOU resolution because withdrawal from the Intergovernmental Agreement will dissolve the DLBA. The MOU will co-terminate with the Intergovernmental Agreement. If this occurs there will be no MOU renewal because there will be no DLBA.

The proposed resolution is being submitted for your consideration. Please call upon us if we can be of further assistance.

**RESOLUTION URGING THE MODIFICATION OF THE DETROIT LAND BANK
AUTHORITY MEMORANDUM OF UNDERSTANDING**

BY CITY COUNCIL MEMBER

WHEREAS, The City of Detroit and the Detroit Land Bank Authority (DLBA) are considering entering into a Third Amended and Restated Memorandum of Understanding; and

WHEREAS, The Detroit City Council believes that there are areas that the DLBA can improve as it provides services to residents of the city of Detroit.

WHEREAS, The Detroit City Council has identified areas of modification to the proposed restated memorandum of understanding, **BE IT THEREFORE**

RESOLVED, The Detroit City Council urges the Administration and the DLBA to consider implementing the following proposed modifications to the Third Amended and Restated Memorandum of Understanding:

- (1) The fourth WHEREAS in the proposed Third Amended and Restated Memorandum of Understanding read as follows:

WHEREAS, the Detroit Land Bank has powers granted under the Act meet the evolving needs of the City and its residents by adjusting current programs, and to encourage home ownership in Detroit, help stabilize Detroit neighborhoods, (the “DLBA Programs”). A current list and brief description of certain significant DLBA Programs are attached hereto as Exhibit B; and

- (2) Section 4 Detroit Land Bank Duties, to include the following language:

- Subsection e, Nuisance Abatement Program shall read as follows:

Nuisance Abatement Program. On February 18, 2014, City Council adopted a resolution that authorizes the Detroit Land Bank to exercise the power to abate public nuisances by pursuing any action legally available (“Nuisance Proceedings”). Furthermore, such resolution provides that in the event the outcome of any such Nuisance Proceeding is in favor of the Detroit Land Bank, title to the subject property shall vest with the Detroit Land Bank. On _____, 2025, the City Council adopted a resolution that spread the responsibilities of the Nuisance Abatement Program to the Buildings, Safety, Environmental and Engineering Department, the Department of Appeals and Hearings, and the Housing and Revitalization Department. The Detroit Land Bank shall continue to be responsible for the maintenance and upkeep of any

properties it takes title to pursuant to any Nuisance Proceedings, subject to available funding. The Detroit Land Bank will also continue to work collaboratively with City departments in connection with addressing blighted structures.

Properties selected for the Nuisance Abatement Program will only be acquired through referrals from the Buildings, Safety Engineering, and Environmental Department. The Detroit Land Bank Authority will not conduct independent surveys to assess and acquire property for the Nuisance Abatement Program.

In furtherance of the Nuisance Proceedings, the City was required to deposit Two Million and 00/100 Dollars (\$2,000,000.00) into a designated “Title Insurance Escrow Account” in December 2017 to be used to address third party claims related to any Nuisance Proceedings. Since its inception and through the Effective Date, the balance of the Title Insurance Escrow Account has remained at \$2,000,000.00. The City hereby ratifies the prior creation, expenditures and agreements for such account and authorizes the City’s Chief Financial Officer to enter into and execute any and all agreements and escrow documents and authorize disbursements that are necessary or convenient to administer the Title Insurance Escrow Account.

- subsection h, Disposition Programs to read as follows:

The Detroit Land Bank will share the responsibilities of its land disposition programs which are aimed at encouraging homeownership, occupancy, responsibility for vacant property, and increasing the City’s tax base, with the Housing and Revitalization Department, Buildings, Safety, Environmental and Engineering Department, and the Department of Appeals and Hearings.

Examples of disposition programs to date include: for structures, the Structure Sales Policy, which includes the BuildingDetroit.org Auction program, the Own it Now program, the Buy Back Program, the Occupied Property Disposition Program, and Rehabbed and Ready; and for vacant land, the Side Lot Sales, and the Neighborhood Lot Programs, and the Create-A-Project and Lot Beautification Programs; and for both structures and vacant land, and the Community Partnership Program for nonprofit and faith-based organizations; and discount programs including for sale of houses to City employees and educators, and for sales of vacant lots and affordable housing projects as further described in the attached Exhibit B .

- Subsection m, Land Trust to read as follows:

The Detroit Land Bank will endeavor to assist in the sale or lease of land for City sponsored land trust or cooperatives, should the City adopt such a policy, including but not limited to:

The Detroit Land Bank as part of its Community Partnership Program shall assist the Housing and Revitalization Department (HRD) in providing land in the DLBA inventory identified by a qualified CLT under the City’s Community Land Trust Ordinance for disposition. Land identified by a qualified CLT through HRD pursuant to the ordinance shall be transferred for the purpose and manner detailed

under the City's CLT ordinance.

BE IT FINALLY

RESOLVED, A copy of this resolution is submitted to Mayor Mike Duggan and the Director of the Detroit Land Bank Authority, Tammy Daniels.

**RESOLUTION URGING THE MODIFICATION OF THE DETROIT LAND BANK
AUTHORITY MEMORANDUM OF UNDERSTANDING**

BY CITY COUNCIL MEMBER

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- (1) The fourth WHEREAS in the proposed Third Amended and Restated Memorandum of Understanding read as follows:

WHEREAS, the Detroit Land Bank ~~is well suited by its structure and has~~ powers granted under the Act ~~to remain nimble to~~ meet the evolving needs of the City and its residents by adjusting current programs, ~~or creating new ones, and~~ to encourage home ownership in Detroit, help stabilize Detroit neighborhoods, ~~address challenging market failures, fight blight and promote economic growth and entrepreneurship~~ (the “DLBA Programs”). A current list and brief description of certain significant DLBA Programs are attached hereto as Exhibit B; and

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