DETROIT: THE EVOLUTION OF A HOUSING CRISIS

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EXECUTIVE SUMMARY

Access to safe, affordable housing is a crucial factor in an individual’s health status, academic success and economic stability. Housing costs have risen during the nation’s recovery from the Great Recession, leading to what is commonly said to be a crisis-level shortage of affordable housing. For people of color, however, the housing crisis is not a new problem. That the health issues driving the cycle of poverty disproportionately affect people of color, especially African Americans, is a direct result of a long history of policy designed to deny them quality housing and the opportunity to build generational wealth through homeownership.

Detroit provides a stark example of how the drastic skewing of economic resources stemming from explicitly racist housing laws in the past continues to drive residential segregation, poor health and poverty today. From discriminatory deed restrictions and redlining to the subprime mortgage industry and illegal tax foreclosures, African Americans in Detroit have faced constant barriers to homeownership and systemic theft of their wealth. Additionally, White migration to the suburbs sparked decades of disinvestment in the city. As a result, African Americans have been relegated to substandard rental housing and neighborhoods that offer little in the way of health, education and employment.

Median income in the city currently is about half of the state median income. At the same time, housing costs are rising. Consequently, Detroiters spend a larger share of their income on housing than people living in other Michigan communities. This means they have less money in their budgets for other necessities like food, healthcare and transportation. Renters—now the majority of the city’s households—are particularly burdened, having to spend nearly half of their income on housing. In the larger metro area, affordable units are available for fewer than 1 in 3 renter families with extremely low incomes.

Following decades of decline in the city, the flood of investment and modest population growth in recent years is cause for optimism. Thus far, however, the benefits have often materialized in the form of massive tax breaks for profitable businesses, jobs for which many longtime residents lack the necessary qualifications, and apartments that are too expensive to ease the housing shortage plaguing the least affluent families. Detroit’s revitalization should not come at the further expense of historically marginalized people. New investments in the city should produce jobs, homes and neighborhood improvements that benefit all Detroiters—especially those whose families have borne the brunt of community neglect despite paying city taxes for years. To that end, the League makes the following policy recommendations:

- Focus more affordable housing efforts on the households with the very lowest incomes.
- Strengthen the community benefits ordinance to ensure that the Detroit residents subsidizing developers benefit from the ensuing economic development.
- Establish water shutoff protections and income-based bills for households with low incomes to protect their health and help stabilize their housing situation.
- Provide for eviction expungement so struggling families or those wronged by unethical landlords aren’t indefinitely blacklisted from rental housing.
- Strengthen consumer protections in land contracts to ensure that unscrupulous sellers can’t cheat buyers out of the return on their investment.