

CITY OF DETROIT

Michael E. Duggan, Mayor

Housing and Revitalization Department

**Donald Rencher**, Director

2018 ANNUAL ACTION PLAN



2 Woodward Avenue, Ste 908 Detroit, MI 48226

[www.detroitmi.gov/hrd](http://www.detroitmi.gov/hrd)

## Executive Summary

### AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

#### 1. Introduction

The U.S. Department of Housing and Urban Development (HUD) Consolidated Plan is a collaborative process establishing unified community development actions. The plan provides a comprehensive housing and community development vision that includes affordable housing, relocation, non-housing community development (public facilities, public improvements, infrastructure, public services, and economic development) fair housing, protection of the environment, and an avenue for citizen involvement.

According to HUD guidance the overall goal of community planning and development programs is to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities principally for low- and moderate-income persons. This is achieved by extending and strengthening partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing. It also describes community development, homeless, non-homeless special needs/supportive housing needs, and strategies for a five year period. The plan is also designed to improve program accountability and support results oriented management. Information is gathered through a number of methods, including consultation with local agencies, public outreach, a review of demographic and economic data sets, and a housing market analysis. Once finished, these portions of the Consolidated Plan form the basis of the Strategic Plan. The Strategic Plan details how the grantee will address its priority needs. The strategies must reflect the current condition of the market, expected availability of funds, and local capacity to administer the plan.

The Annual Action Plan implements the strategies, goals, and objectives established in the Five Year Consolidated Plan. The Annual Action Plan is also the annual funding application for the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership, and Housing Opportunities for Persons With AIDS (HOPWA) programs. The 2018 allocations are shown below:

<b>Program</b>	<b>2018 Award</b>
<b>CDBG</b>	<b>\$34,379,413</b>
<b>HOME</b>	<b>\$ 7,243,157</b>
<b>ESG</b>	<b>\$ 2,816,974</b>
<b>HOPWA</b>	<b>\$ 2,723,332</b>
<b>TOTAL</b>	<b>\$47,162,876</b>

This year's Annual Action Plan funding for all programs totaling **\$47,162,876** will be used to make:

- Decent housing available and affordable to low and moderate income citizens
- Suitable living environments available and/or sustainable in low and moderate income areas
- Economic opportunities available for businesses in the City of Detroit

The City of Detroit applied and received approval for a Neighborhood Revitalization Strategy Area (NRSA) designation from HUD in 2014. The designation also makes housing rehabilitation accessible to all Detroit citizens regardless of income. The City of Detroit also established three Slum/Blight areas. These areas will take advantage of activities that aid in the prevention or elimination of blight.

On March 31, 2015 it was announced that the Detroit Housing Commission (DHC) would return to local control. The DHC is Detroit's Public Housing Agency (PHA). The change was effective March 16, 2015. The DHC was under Department of Housing and Urban Development (HUD) oversight through a 10 year receivership. The Housing and Revitalization Department (H&RD) proposes to acquire approximately 400 vacant units from the DHC portfolio including 127 scattered site homes from various neighborhoods throughout the city. This plan benefits the DHC by removing significant impediments toward the goal of achieving High-Performer status with HUD.

## **2. Summarize the objectives and outcomes identified in the Plan**

An accomplishment summary of outcomes and objectives the City expects to achieve in 2018 (for HUD-funded programs benefiting extremely low, very low, and low income residents) is shown in the table below:

	Outcome 1 Availability/Accessibility	Outcome 2 Affordability	Outcome 3 Sustainability
Objective 1	<b>\$2,618,121</b>	<b>\$9,409,147</b>	<b>N/A</b>
Decent Housing	<b>210 Units</b>	<b>125 units; 3,055 people</b>	

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Objective 2	<b>\$10,875,703</b>	<b>N/A</b>	<b>\$5,081,206</b>
Suitable Living Environment	<b>22,679 people</b>		<b>60 units</b>
Objective 3	<b>N/A</b>	<b>N/A</b>	<b>\$5,058,336</b>
Economic Opportunity			<b>160 businesses</b>
			<b>500 people</b>

### 2018 Draft Accomplishment Summary (estimated)

Objectives and outcomes for each funded activity are shown in the attached activity chart (See Attachment B, 2018-2019 Action Plan Activity Spreadsheet).

### 3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

During the past year the City of Detroit's performance was evaluated, by staff, noting the following accomplishments and challenges:

- The City of Detroit stayed within the statutory CDBG expenditure limitations for administration and public services.
- Over 70 percent of the City of Detroit's CDBG funds were expended on activities benefiting low and moderate-income residents (Primary Objective).
- Financed the rehabilitation or development of over **180** housing units over the last year
- Continued addressing lead poisoning issues in housing rehabilitation
- Currently creating city-wide housing policy to set strategies for the City's future grant funding allocations
- As part of its economic development efforts, the City provided technical assistance, direct financial assistance, rehabilitation assistance, and infrastructure improvements to businesses and non-profits in Detroit.

- The Emergency Solutions Grant (ESG) provided **5,041** homeless families and individuals with shelter and meals
- ESG provided a wide variety of services to the homeless, including, housing placement, clothing and food distribution, health care, case management, legal assistance, recreation, counseling, social service advocacy, education and job training and placement and homeless prevention
- HOPWA provided **210** eligible households with rental assistance or long-term housing
- HOPWA provided a wide range of services such as, housing placement, short-term emergency assistance, transportation, case management, life skills classes, health advocacy, clothing, and light housekeeping to **230** eligible households
- The City of Detroit met HUD's CDBG 1.5 spending requirement as of May 2018 (3<sup>rd</sup> straight year), significant changes were implemented to help the City achieve the requirement.

### **Recommendations to Improve Performance**

In addition to the City of Detroit's accomplishments and challenges, the following suggestions would improve performance:

- Reconcile the accounting problems between HUD's Integrated Disbursement and Information System (IDIS) and the City's new Enterprise Resource Planning (ERP) financial system
- Discontinue partial public facility rehabilitation funding. The City of Detroit should fund the complete rehabilitation needs of fewer facilities each year
- Fund public service organizations at amounts consistent with proposed project needs and ability to spend in a timely manner
- Continue to explore institutional structure available to provide small grants to neighborhood organizations (for targeted improvements and/or services without undue burden to staff productivity)

## **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

During the development of the 2018-2019 Annual Action Plan at least two public hearings must be held. One hearing is held at the beginning of the Annual Action Plan process and one is held later in the process (Draft Action Plan development).

The City of Detroit conducted its first public hearing in October 2017. The hearing was used to gain feedback into the 2018-2019 Action Plan process (see AP-12 Participation).

H&RD staff along w/OCP and the Legislative Policy Division (LPD) jointly reviewed all proposals resulting in the following recommendations shown below:

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Total Proposals Received for 2018-2019 **89**

Activity Number of Recommended Organizations **55**

Public Service activities **46**  
Homeless Public Service activities **30**  
Public Facility Rehabilitation activities **13**

City Council held an appeals hearing for CDBG applicants and a public hearing on the Mayor's CDBG proposal recommendations as part of the Action Plan budget process.

In addition, during the consultation process H&RD staff spoke with key stakeholders to gain perspective on community needs. During the consultation process we contacted the following agencies and organizations or gathered information from their website:

Government Agencies:

- Detroit Department of Transportation
- Detroit Health Department
- Detroit Public Schools
- Detroit Building Authority (DBA)
- H&RD Office of Programmatic Underwriting
- H&RD Office of Housing Underwriting and Supportive Housing
- H&RD Office of Public Private Partnerships
- Planning & Development Department
- Wayne County
- Michigan Department of Community Mental Health
- Detroit Housing Commission (DHC)
- Michigan State Housing Development Authority (MSHDA)
- Michigan Department of Community Health (MDCH)

Community Organizations:

- Homeless Action Network of Detroit (HAND)
- Local Initiatives Support Corporation (LISC)
- United Way
- Fair Housing Center of Detroit
- Detroit Alliance for Fair Banking
- Detroit Area Agency on Aging
- Southwest Housing Solutions

Other Agencies:

- Detroit Economic Growth Corporation (DEGC)
- Detroit Land Bank Authority (DLBA)

- Detroit Future City (DFC)
- Employment Solutions Corporation
- Southeast Michigan HIV/AIDS Association

## **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The first 2018-2019 Action Plan public hearing covered the process for the upcoming year. The hearing also covered prior year accomplishments. The hearing was held on October 25, 2017. Four individuals were in attendance. Comments focused on some of the problems community organizations were having with the City's BidSync system, the procurement process and how awards were publicly announced. Specific BidSync questions were referred to the Office of Contacts and Procurement. Additional questions regarding the contract process, awards and the next Request For Proposal notice were referred to the Office of Programmatic Underwriting, Neighborhood Opportunity Funds Division.

The second 2018-2019 Action Plan public hearing was held July 18, 2018. The hearing focused on the 2018-2019 Draft Action Plan narrative and budget. Three individuals attended the hearing. Questions centered on the draft action plan, the availability of the CDBG home repair program funding and when the next NOF proposals will be available. See Attachment B for detailed responses from hearings 1 and 2.

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

All comments and views were accepted.

## **7. Summary**

Five years ago, the City of Detroit filed for bankruptcy, admitting in the largest U.S. municipal filing ever. Despite of going through a financial bankruptcy, The City of Detroit ended the 2017 fiscal year with its third consecutive balanced budget and a surplus of \$53.8 million. The Mayor and the City Council continues to revitalize the City of Detroit with its enhanced long-term financial condition, implementing major reinvestments and improvements to public safety, neighborhoods, transportation, recreation and other public services that improve residents' quality of life. Federal funding will play an important role in that revitalization. The 2018-19 Annual Action Plan funding total is \$47,162,876 will be used to make:

- Decent housing available and affordable to low and moderate income citizens
- Suitable living environments available and/or sustainable in low and moderate income areas
- Economic opportunities available for businesses operating in the City of Detroit

The consultation process with stakeholders was key to establishing goals and strategies for the 2018-2019 Action Plan. In addition to input from the Mayor and City Council, actions during the consultation process included the following:

- Two public hearings
- Review of pertinent documents
- Interviews with agencies and government officials
- A consensus review of CDBG NOFA submissions



**PR-05 Lead & Responsible Agencies – 91.200(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	DETROIT	Housing and Revitalization Department
HOPWA Administrator	DETROIT	City of Detroit Health Department
HOME Administrator	DETROIT	Housing and Revitalization Department
ESG Administrator	DETROIT	Housing and Revitalization Department

**Table 1 – Responsible Agencies**

The Housing and Revitalization Department is the responsible entity within the City of Detroit for the Consolidated Plan. In addition, to being the lead agency for the Consolidated Plan, H&RD also manages HOME, ESG and much of the CDBG program. The HOPWA program is managed by the City of Detroit Health Department.

**Consolidated Plan Public Contact Information**

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## **AP-10 Consultation – 91.100, 91.200(b), 91.215(I)**

### **1. Introduction**

H&RD has been working with the Detroit Land Bank Authority (DLBA) and Detroit Building Authority (DBA) on collaborative effort towards the goal of Detroit Housing Commission (DHC) achieving High-Performer status with HUD. H&RD staff and the Homeless Action Network of Detroit (HAND) met throughout the year to develop a strategy for the allocation of ESG and other homeless funds to be used throughout the City of Detroit. H&RD, as an ESG grantee, also works with HAND to develop performance standards, evaluate provider proposals, and help determine homeless community needs.

### **Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))**

H&RD is working with the Detroit Housing Commission (DHC) on the Path to High-Performance goal. The goal will be achieved by collaborating with the DLBA and DBA. The plan is to acquire and dispose of approximately 400 vacant units from the DHC’s portfolio. These same units are barriers to DHC reform and impact the Commission’s ability to effectively administer HUD housing programs and serve low income Detroiters. However, these units have redevelopment potential, but require significant reinvestment to eliminate blight. This portfolio consists of Lee Plaza apartment units, the Woodland apartments and approximately 127 scattered site homes throughout Detroit neighborhoods, including University District/Bagley, Grandmont-Rosedale and Fitzgerald. The acquisition required exhausting and closing out remaining balances from the Urban Development Action Grant (UDAG) and the Neighborhood Stabilization Program 3 (NSP3) funds. This plan will not only remove significant impediments towards the goal of high-performer status, it will:

1. Benefit DHC with access to the Moving the Work (MTW) program which could allow access to \$11 million annually in untapped Rental Assistance. This will help Detroiters find employment, become self-sufficient and increase housing choices for low-income individuals. Also, this allows DHC flexibility of combining Public Housing Operating and Capital funds, and Housing Choice Voucher funds to better fit the needs of Detroit communities and;
2. Provide 1.4 million in new capital resources to the DHC, which allows DHC to redirect resources to make improvements to properties such as The Villages at Parkside, Gardenview Estates and Brewster Homes.

Other benefits to the City will result in:

- Increases in access to rental assistance consistent with the City’s Inclusionary Housing Study recommendation

- Resolves complaints filed through the Department of Neighborhoods of vacant DHC homes in strong, occupied neighborhoods
- Well-located houses that DLBA can market and sell in University/Bagley and on W. Grand Blvd.
- Ensures stabilization and rehabilitation of Lee Plaza, a historic asset and valued by Detroiters

During 2018-2019, 32 organizations are slated to provide the following priority services:

- Educational Services
- Senior Services
- Health Services
- Public Safety Services
- Recreational Services

These priority services were determined necessary through hearings, a prior survey instrument, agency input, and government input. CDBG funds are made available to community organizations to provide partial support for these priority services. These funds also help grantees leverage additional funding from other public and private funders. CDBG public service funds will also be used to provide employment for Detroit Youth in the City's designated NRSAs. The Summer Jobs for Youth training program was developed in partnership with private businesses and non-profit organizations. CDBG funds will be leveraged with a corporate match to provide services for youth outside the NRSAs.

Since the City funds many public services, it is in the interest of the City to make sure these services are provided in facilities that are up to code and Americans with Disabilities Act (ADA) compliant. Under the Public Facility Rehabilitation activity, the City provided funds to 6 different organizations. These facilities are typically:

- Neighborhood facilities
- Recreational facilities
- Youth facilities
- Senior facilities

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

In 2015, the Continuum of Care was restructured to meet the guidelines laid out in the HEARTH Act. There is currently an elected and appointed Continuum of Care board tasked with making decisions on behalf of the larger community to meet the needs of those experiencing homelessness. This includes prioritizing projects through the CoC application process, implementing coordinated assessment, implementing the CoC/ESG written standards, and overseeing the work of various committees, including those tasked implementing plans for the provision of services to target populations. The CoC currently

has population-specific subcommittees focused on chronic homelessness, youth, and Veterans, with the expectation that a families committee will commence before the end of 2018. The City of Detroit is well represented on this board, with three appointed seats, as well as on the majority of the subcommittees.

The Homeless Action Network of Detroit (HAND) serves as lead agency for the Detroit Continuum of Care (CoC). The City of Detroit meets monthly with HAND to discuss HMIS usage and implementation, best practices, training of ESG or CDBG homeless public services grantees, etc.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

HRD staff have collaborated with HAND, as well as other funders of homeless services to establish written performance standards for all homeless service programs. These standards were approved by the CoC board back in 2016.

Established in 2017, a committee of the CoC board, the Performance and Evaluation Committee, has undertaken the goal of full implementation of the written standards through the creation of a collaborative monitoring process for organizations who receive funds either through ESG or CDBG subgrantee awards and/or Continuum of Care resources. This will allow a “full picture” assessment of organization performance across programs to ensure they are making the desired impact to end homelessness for Detroit residents.

In addition, HAND participates in development of H&RD’s CDBG and ESG Request for Proposals. HAND staff also participate in proposal review to ensure that entities:

- Align their efforts
- Fund quality providers that serve HUD priority populations (as outlined in the United States Interagency Council on Homelessness (USICH) program Opening Doors),
- Are in agreement regarding local community needs.

In past years, the City has also participated in review new project applications for CoC reallocated or bonus dollars.

**2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities**

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	Detroit Housing Commission
	<b>Agency/Group/Organization Type</b>	PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Detroit Public Housing Commission and H&RD collaboration efforts to coordinate projects within the City of Detroit w/the goal of achieving High-Performer status by acquiring approximately 400 vacant units. DHC also updated the Public Housing Section. (see AP-60)
2	<b>Agency/Group/Organization</b>	HOMELESS ACTION NETWORK OF DETROIT
	<b>Agency/Group/Organization Type</b>	Continuum of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	HAND was closely involved in CDBG and ESG homeless planning and implementation activities throughout the year. (Also see AP-90 program specific requirements) Although since 1996, HAND has served as the lead entity for the Continuum of Care for the City of Detroit, its jurisdiction responsibilities stretches to other cities such as Hamtramck, and Highland Park, Michigan as well.
3	<b>Agency/Group/Organization</b>	Fair Housing Center of Metropolitan Detroit
	<b>Agency/Group/Organization Type</b>	Service-Fair Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Fair Housing Center (FHC) of Metropolitan Detroit conducts training and fair housing tests. They represent fair housing crises in the Metropolitan Detroit area. The City of Detroit contacted the organization as a possible partner for training purposes and for fair housing conferences.
4	<b>Agency/Group/Organization</b>	Jobs and Economy Team
	<b>Agency/Group/Organization Type</b>	Other government - Local Grantee Department
	<b>What section of the Plan was addressed by Consultation?</b>	Market Analysis Economic Development
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The JET is instrumental in developing economic development initiatives in the City of Detroit as discussed in several areas throughout the report.
5	<b>Agency/Group/Organization</b>	Department of Neighborhoods
	<b>Agency/Group/Organization Type</b>	Other government - Local Grantee Department
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Community Development and Blight Control
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Several meetings were held with the Department of Neighborhoods staff to coordinate information regarding blight control and neighborhood conditions.
6	<b>Agency/Group/Organization</b>	Detroit Police Department
	<b>Agency/Group/Organization Type</b>	Other government - Local

	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs Safety and Domestic Violence
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	We spoke with the Domestic Violence unit and visited their website for information. This coordination will allow us to determine the best funding strategy for domestic violence survivors.
7	<b>Agency/Group/Organization</b>	City of Detroit Health Department
	<b>Agency/Group/Organization Type</b>	Services-Persons with HIV/AIDS Health Agency Child Welfare Agency Other government - Local Grantee Department
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs HOPWA Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The City consulted with the Substance abuse unit and visited their website for information. This coordination will allow us to determine the best program strategy for substance abuse. The city also spoke with the HOPWA coordinator regarding HIV/AIDS. This coordination helps define Consolidated Plan HIV/AIDS strategies. The City of Detroit Health Department also assist with Lead-based paint and remediation strategy (see additional consultation/coordination plans in AP-85 Other Actions section under Action Plans to reduce lead-based paint hazards).
8	<b>Agency/Group/Organization</b>	Housing and Revitalization Department
	<b>Agency/Group/Organization Type</b>	Other government - Local

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	We spoke with the HOME team, CDBG emergency housing grant team, and the Zero percent Interest Loan team to document housing rehabilitation plans.
9	<b>Agency/Group/Organization</b>	Detroit Land Bank Authority
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Blight Control and Demolition
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	We gathered information from DLBA staff and their website regarding work completed and upcoming initiatives. HRD will use the information to better coordinate and report on demolition and blight control efforts.
10	<b>Agency/Group/Organization</b>	Detroit Regional Chamber
	<b>Agency/Group/Organization Type</b>	Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Market Analysis Economic Development
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	To determine the type and extent of economic strategies available to revitalize the City of Detroit.
11	<b>Agency/Group/Organization</b>	Detroit Building Authority
	<b>Agency/Group/Organization Type</b>	Other government - Local



	<b>What section of the Plan was addressed by Consultation?</b>	Demolition of Dangerous structures
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	We spoke with the demolition coordinator for CDBG and other funding including General funds to coordinate efforts of demolition work between H&RD, DON, and DBA that will assist in achieving the City's demolition goals.
12	<b>Agency/Group/Organization</b>	Local Initiatives Support Corporation
	<b>Agency/Group/Organization Type</b>	Services - Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	LISC is consulted and is primarily responsible for operating the City's 0% interest loan program. The program is operated in the city's Neighborhood Revitalization Strategy Area (NRSA) and the designated Slum and Blighted area. LISC's coordinated efforts works with providing loans to low and moderated income persons in these designated strategy areas.
13	<b>Agency/Group/Organization</b>	Detroit Employment Solutions
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Detroit Employment Solutions along with City Connect Detroit are consulted to operate and provide the City's Summer Youth Employment and Job Training through a program called Grow Detroit's Young Talent (GYDT). GDYT is a summer youth employment program that combines work readiness training with on the job experience designed to prepare Detroiters ages 14-24 for Detroit's workforce. The CDBG funded portion supports summer youth low-income persons living in areas designated in one of the five Neighborhood Revitalization Strategy Areas.

**Identify any Agency Types not consulted and provide rationale for not consulting**

N/A

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Homeless Action Network of Detroit	Collaboration between H&RD and HAND impacted 2016 Action Plan homeless goals.
Detroit Master Plan of Policies	City of Detroit	The Master Plan outlines local policy supporting the plan project and activity development.
Affirmatively Furthering Fair Housing (AAFH)	City of Detroit	The AAFH is coordinated with the Consolidated Plan housing strategies and goals (including affordable housing).
Capital Agenda	City of Detroit	The Capital Agenda identifies capital projects within the City of Detroit by city department.
Blight Task Force Report	Blight Task Force	The City of Detroit Blight Task Force report is in line with the Mayor's 10 Point Plan that guides strategies within the Consolidated Plan
Every Neighborhood Has A Future	City of Detroit	The Mayor's Neighborhood Plan guides investments within Detroit Neighborhoods including Consolidated Plan funding.
Detroit Future City Strategic Framework	Detroit Future City	Detroit Future City analyses provide vision and actions that coordinate with Consolidated Plan strategies and goals.

**Table 3 – Other local / regional / federal planning efforts**

The City of Detroit also works with the State of Michigan, Wayne County, Southeast Michigan Council of Governments (SEMCOG) and other adjacent entities to coordinate initiatives in the area.

## **AP-12 Participation – 91.105, 91.200(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

The City of Detroit published the Action Plan and all associated public hearings and summaries in the Detroit Newspaper and the City of Detroit website for public review and comments. The summary described the processes associated with planned development for the City of Detroit including a needs assessment, market analysis, strategic plan and purpose. The draft Action Plan is available for public review and comment for 15 days, following each public hearing. Copies of the draft Action Plan are also available to the public at the City of Detroit, Housing & Revitalization Department.

Two public hearings were held to allow citizens to review the FY 2018-19 draft Action Plan. The following are the dates and location of the public hearings:

1. October 25, 2017, 4:30 pm to 6:30 pm, Housing and Revitalization Department, 2 Woodward Ave, Suite 908, Detroit, MI 48226.
2. July 18, 2018, 4:30 pm to 6:30 pm, Housing and Revitalization Department, 2 Woodward Ave, Suite 908, Detroit, MI 48226.

The City of Detroit citizens are notified of public hearings two (2) weeks prior to the hearing dates. Hearing participants received information about the Action Plan, Citizen Participation process, HUD requirements for an entitlement City, amount of funding that the City anticipates receiving and how those funds are used by the City of Detroit.

With reasonable notice, the City will make arrangements for non-English speaking residents to have translators take part in the public hearing and related activities. Such arrangements may include interpreters and preparation of selected materials in a foreign language. Persons with disabilities who need special accommodations, auxiliary aids, or other services to participate in the public hearings, should contact the Housing and Revitalization Department prior to public hearing. The Public Housing Commission notifies public housing residents (low-income) of a public hearing related to new public housing developments in the area.

During these hearings and meetings citizens and community organizations were given the opportunity to ask questions and offer input into plan development and funding recommendations.

The consultation process used several methods to involve individuals, community organizations, and local governments during information gathering. For example, to gather information and maintain communication flow with participants the following activities took place:

- Public Hearings
- E-Blast communication
- Notices was posted at local libraries and public facilities

Participant comments were received through various means including the following:

- City of Detroit e-mail access
- Regular mail
- Telephone

Public hearings contacts included community organizations, federal, state, and local governments. Information was gleaned from interviews and the internet (online reports, program information, strategies and studies). These organizations assist affected groups and service organizations including: youth, elderly, the disabled, persons with HIV/ AIDS, homeless individuals and families, public housing residents, housing advocates, housing developers, data analysts, other grant funders, fair housing advocates, and other special needs advocates.

As a result, citizen input influenced the City to streamline the BidSync process and offer more hands on system training. In addition, more onsite workshops were held to provide technical assistance and best practices to non-profit organizations seeking grant funding. The workshops were held on July 20, 2017, North Rosedale Park Civic Association, 18445 Scarsdale, Detroit, MI 48227; August 25, 2017, Restaurant Opportunity Center, 311 E. Grand River, Detroit, MI 48226; September 6, 2017, Eastern Market, Shed #5, 2934 Russell, Detroit, MI 48234; September 16, 2017, Focus Hope, 1400 Oakman Blvd, Detroit, MI 48238; March 29, 2018, Charles H. Wright Museum, 315 E. Warren, Detroit, MI 48201; June 18, 2018, Coleman A. Young Municipal Center, 13th floor, Detroit, MI 48226; and June 21, 2018, YMCA, 1401 Broadway, Detroit, MI 48226.

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
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1	Public Hearing	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> <p>Community Organizations</p>	<p>Announcement of public hearing for Action Plan and CDBG Workshop:2 responses received from the public hearings</p>	<p>Comment #1: Comments made by representative of a community organization. She expressed concern about providing more home repair grants, more youth programs and to rebuilding in areas where homes are torn down. Comment #2: Comments made by representative of a community organization. He expressed concern with cutting high weeds and dead trees in area; blight removal from demolished homes in area; more beautification efforts.</p>	<p>All comments were accepted.</p>	<p><a href="http://www.detroitmi.gov/hrd">http://www.detroitmi.gov/hrd</a></p>
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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Newspaper Ad	Minorities Persons with disabilities Non-targeted/broad community community organizations	No written responses were received.	No written comments were received.	N/A	<a href="http://www.detroitmi.gov/hrd">http://www.detroitmi.gov/hrd</a>
3	Internet Outreach	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing stakeholders	No written responses were received.	No written comments were received.	N/A	<a href="http://www.detroitmi.gov/hrd">http://www.detroitmi.gov/hrd</a>



Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
4	Public Meeting	Minorities non-profit organization	There were a total of 432 attendees at the CDBG workshops/meetings .	No written comments were received.	N/A	<a href="http://www.detroitmi.gov/hrd">http://www.detroitmi.gov/hrd</a>

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

The anticipated federal resources to carry out activities and projects during the program year include the Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Housing Opportunities for Person with Aids Program (HOPWA), and Emergency Solutions Grant (ESG). In 2018 the City of Detroit does not expect to receive any program income. In the 2017-2018 fiscal year, the City received 2.4 million in Section 108 loan settlements, however, in the upcoming fiscal year, the City expects to receive 1.7 million in proceeds from Section 108 loan guarantees. The 2018 Fiscal Year awards are shown in the priority below:

All funds have been allocated to meet housing, homeless, public service, and community development needs and goals identified in the Consolidated Plan. The City of Detroit plans to use these resources for the following eligible activities:

Eligible CDBG activities include: Blight Removal and Demolition, Community Development, Economic Development, Public Service, Homeless Public Services, Public Facility Rehabilitation, Home Repair, Relocation, Code Enforcement and staffing costs

Eligible HOME projects include: HOME NOFA, including: multifamily, rental, new construction, rehabilitation, and homebuyer assistance

Eligible HOPWA activities include: Permanent housing and transitional housing, supportive services, and information/referral services

Eligible ESG activities include: Rapid Re-housing, Transitional Housing, Financial Assistance, Overnight Shelter, Rental Assistance and Outreach

Services.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	34,379,413	716,393	42,853,916	77,949,722	68,866,392	The CDBG funds will be used to benefit low-and-moderate income persons through various social and economic programs, assisting with housing needs and eliminating slums and blight in targeted areas. The funds will assist in restoring and restructuring distressed areas while improving population growth throughout the city. Also, funds maybe designated to perform relocation activities. (Note: The program income is estimated based on last year's program income received from the 0% interest loan home repair program. Also, the funds will not be used in the overall CDBG budget.)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	7,243,157	0	10,486,839	17,729,996	13,464,252	HOME funds will be used to provide affordable housing including multifamily, rental, new construction, rehabilitation, and homebuyer activities to families whose household income is at 80% of the Area Median Income or less. Assistance will be provided in the form of grants and/or loans to for-profit and non-profit developers as gap financing. HOME funds will be leveraged with private and public funding sources to support the development of single and multifamily units through low income tax credits, equity from Federal Historic Tax Credits, developer equity, and from other banks and lending programs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	2,723,332	0	2,493,308	5,216,640	4,606,489	The HOPWA program funds will be used to serve homeless and non-homeless persons who meet income guidelines and are infected/and or affected by HIV/AIDS through Tenant Based Rental Assistance (TBRA) and Community Residential Programs while providing information and supportive services.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	2,816,974	0	4,055,043	6,872,017	6,393,618	ESG funds will provide a 1 to 1 match with the CDBG Programs. Funds will be used for Emergency Shelters, Warming Centers, Homeless Prevention, Rapid Re-Housing and Street Outreach with the primary goal of eliminating homelessness.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Other	7,069,886	0	0	7,069,886	7,069,886	Declared Disaster Recovery (DDR) funds are intended to reduce weaknesses in Detroit aging storm water management system that contributed to the 2014 Flood. Proposed projects can establish more resilient, cost effective, and innovative infrastructure systems. These projects are designed to enhance quality of life by using natural systems to:1. manage storm water and reduce flooding2. spur economic development and neighborhood vitality3. decrease blight through vacant land use and strategic demolition

Table 5 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The City of Detroit uses Community Development Block Grant (CDBG) funds to partially meet federal match requirements for the Emergency Solutions Grant Program (ESG). CDBG allocations awarded to homeless community organizations are applied to the match. The remaining ESG match is met by ESG recipients through in-kind contributions and other funding commitments.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

Vacant land and buildings present both challenges and opportunities to address needs identified in the Annual Action Plan. A significant amount of land is held by various public and private entities, all of which are collaborating to devise policies for the acquisition, disposition, and maintenance of publicly held land assets. The City has worked closely with the Detroit Land Bank Authority, the Michigan Fast Track Land Bank Authority, Detroit Public Schools, Detroit Housing Commission, Detroit Building Authority, and the Wayne County Treasurer to align decision-making regarding the sale, maintenance and demolition of publicly-owned parcels. All decisions regarding acquisition, disposition, maintenance and demolition of publicly-owned parcels will be consistent with the City's overall Investment Strategy including blight control. The Collaboration and coordination needed to manage vacant parcels is critical to neighborhood stabilization and enhanced quality of life for Detroit's stakeholders.



## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Reduce homeless citizens in City of Detroit	2015	2019	Homeless	City-Wide	Emergency Shelter and Transitional Housing Homeless Outreach Homeless Prevention Rapid Re-housing Rental Assistance	CDBG: \$2,394,095 ESG: \$2,816,974	Tenant-based rental assistance / Rapid Rehousing: 610 Households Assisted
2	Rehabilitation of Existing Housing Units	2015	2019	Affordable Housing rehabilitation of existing housing units	City-Wide NRSA Areas Slums and Blight Designation	Rehabilitation of existing units	CDBG: \$2,618,121	Homeowner Housing Rehabilitated: 145 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Affordable Housing	2015	2019	Affordable Housing	City-Wide	Acquisition of Existing Units Production of new housing units Rehabilitation of existing units	CDBG: \$0 HOME: \$7,243,157	Rental units constructed: 27 Household Housing Unit Rental units rehabilitated: 86 Household Housing Unit
4	Econ Dev (Creation of Jobs/Small Businesses)	2015	2019	Non-Housing Community Development	City-Wide NRSA Areas	Economic Development Jobs/Small Business Public Services	CDBG: \$5,058,336	Public service activities other than Low/Moderate Income Housing Benefit: 500 Persons Assisted Businesses Assisted: 160
5	Public Services Activities for Citizens of Detroit	2015	2019	Public Service	City-Wide NRSA Areas	Public Services	CDBG: \$5,460,701	Public service activities other than Low/Moderate Income Housing Benefit: 9325 Persons Assisted
6	Public Facilities and Improvements	2015	2019	Non-Housing Community Development	City-Wide	Public Facilities	CDBG: \$938,375	Other: 6 Other
7	Blight removal and demolition	2015	2019	Demolition	City-Wide	Acquisition of Existing Units Demolition Clearing	CDBG: \$5,081,206	Buildings Demolished: 60 Buildings
8	Section 108 Repayment	2015	2019	Non-Housing Community Development	City-Wide	Economic Development	CDBG: \$6,302,493	Other: 9 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Help those with special needs (non-homeless)	2015	2019	Non-Homeless Special Needs	City-Wide	Homeless Prevention Public Services Rental Assistance	HOPWA: \$2,723,332	Tenant-based rental assistance / Rapid Rehousing: 210 Households Assisted HIV/AIDS Housing Operations: 20 Household Housing Unit

Table 6 – Goals Summary

### Goal Descriptions

1	<b>Goal Name</b>	Reduce homeless citizens in City of Detroit
	<b>Goal Description</b>	Homeless programs that address the needs of individuals who are homeless or at-risk of becoming homeless through homeless outreach, emergency shelter, homeless prevention, rental assistance, and rapid re-housing. These funds will be coordinated, collaborative, and community-driven in allocating resources throughout the City of Detroit.
2	<b>Goal Name</b>	Rehabilitation of Existing Housing Units
	<b>Goal Description</b>	Housing rehabilitation including emergency home repair and the zero interest loan program. This program will take place city wide, designated Neighborhood Revitalization Strategy Areas and designated slum and blight areas.
3	<b>Goal Name</b>	Affordable Housing
	<b>Goal Description</b>	HOME and CDBG funds used to support multi-family housing development.

4	<b>Goal Name</b>	Econ Dev (Creation of Jobs/Small Businesses)
	<b>Goal Description</b>	Small business assistance and creation of jobs
5	<b>Goal Name</b>	Public Services Activities for Citizens of Detroit
	<b>Goal Description</b>	Public Service providing for services for low-moderate incomes persons and families as well as NRSA public service.
6	<b>Goal Name</b>	Public Facilities and Improvements
	<b>Goal Description</b>	Public facility rehabilitation for places that offer public services.
7	<b>Goal Name</b>	Blight removal and demolition
	<b>Goal Description</b>	The program objective is to eliminate blight and stabilize neighborhoods.
8	<b>Goal Name</b>	Section 108 Repayment
	<b>Goal Description</b>	Repayment of Section 108 Section Loans for development projects.
9	<b>Goal Name</b>	Help those with special needs (non-homeless)
	<b>Goal Description</b>	Help those with HIV/AIDS with the housing and other services.

# Projects

## AP-35 Projects – 91.220(d)

### Introduction

The activities described in the 2018-2019 Action Plan, reflect the City’s highest priorities and goals. Blight Removal and Demolition, Housing Development, Public Facility Rehabilitation, Public Services and Non-Housing Special Needs are critical community needs that will be addressed by investing HUD funds wisely and strategically. The plan is a culmination of data analysis, prioritization of resources, collaboration between the Mayor and City Council, and partnerships with community groups and other stakeholders to revitalize Detroit neighborhoods.

Over seventy percent of HUD funds are targeted in geographic locations that aligns with other investments, taking advantage of community assets and advancing the restoration of distressed communities. It is a strategy born of necessity. In Detroit, the demand for services far exceeds available funding levels, and almost all Census tracts in Detroit are over 51 percent low to moderate income. Accordingly, the Action Plan and Public Housing Assistance used geographic targeting to be more strategic in making investments that will benefit low and moderate income people throughout the City.

### Projects

#	Project Name
1	ADMINISTRATION AND PLANNING (AD/PLN)
2	BLIGHT REMOVAL AND DEMOLITION (DEMO)
3	ECONOMIC DEVELOPMENT (ED)
4	HOME Assisted Housing
5	CDBG HOME REPAIR (HR) & LEAD REMEDIATION
6	HOMELESS PUBLIC SERVICE (HPS)
7	PUBLIC FACILITY REHAB (PFR)
8	PUBLIC SERVICE (PS)
9	SECTION 108 LOANS (REPAY)
10	ESG18 Detroit (2018)
11	HOPWA (2018)

Table 7 - Project Information

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

**AP-38 Project Summary**  
**Project Summary Information**

<b>1</b>	<b>Project Name</b>	ADMINISTRATION AND PLANNING (ADM/PLN)
	<b>Target Area</b>	City-Wide NRSA Areas Slums and Blight Designation
	<b>Goals Supported</b>	Reduce homeless citizens in City of Detroit Rehabilitation of Existing Housing Units Affordable Housing Econ Dev (Creation of Jobs/Small Businesses) Public Services Activities for Citizens of Detroit Public Facilities and Improvements Blight removal and demolition Help those with special needs (non-homeless)
	<b>Needs Addressed</b>	Economic Development Public Services Public Facilities Homeless Prevention Rental Assistance Production of new housing units Rehabilitation of existing units Demolition Clearing Acquisition of Existing Units Homeless Outreach Emergency Shelter and Transitional Housing Rapid Re-housing Jobs/Small Business
	<b>Funding</b>	\$6,875,882
	<b>Description</b>	Administration - Direct staff costs related to HUD community development and program management.Planning - Direct staff costs related to community development and urban planning including conducting planning studies for low and moderate income neighborhoods for the City of Detroit.
	<b>Target Date</b>	7/1/2018 – 6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	N/A

	<b>Planned Activities</b>	CDBG Staffing costs
<b>2</b>	<b>Project Name</b>	BLIGHT REMOVAL AND DEMOLITION (DEMO)
	<b>Target Area</b>	City-Wide NRSA Areas Slums and Blight Designation
	<b>Goals Supported</b>	Blight removal and demolition
	<b>Needs Addressed</b>	Demolition Clearing
	<b>Funding</b>	\$5,081,206
	<b>Description</b>	Blight Removal and Demolition- CDBG dollars will serve as a match for the Detroit Fire Escrow fund and to demolish vacant and abandoned commercial buildings, schools and parks on an emergency basis. CDBG funds will complement over \$23 million in Hardest Hit Funds and the City's Quality of Life General fund in residential demolition facilitated by the Detroit Building Authority and the Detroit Land Bank Authority.
	<b>Target Date</b>	7/1/2018 – 6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	Blighted areas city-wide
	<b>Planned Activities</b>	Demolish vacant and abandoned commercial and residential buildings
<b>3</b>	<b>Project Name</b>	ECONOMIC DEVELOPMENT (ED) (Motor City Match)
	<b>Target Area</b>	City-Wide and NRSA
	<b>Goals Supported</b>	Econ Dev (Creation of Jobs/Small Businesses)
	<b>Needs Addressed</b>	Economic Development Jobs/Small Business
	<b>Funding</b>	CDBG: \$2,308,336
	<b>Description</b>	Economic Development endeavors aimed at sustaining or increasing businesses (incl. small businesses) activity levels and including job creation and /or retention.
	<b>Target Date</b>	7/1/2018 – 6/30/2019



	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	City-Wide and NRSA
	<b>Planned Activities</b>	Improve economic opportunities for low-income persons; small business development for local businesses in the City of Detroit.
<b>4</b>	<b>Project Name</b>	HOME Assisted Housing
	<b>Target Area</b>	City-Wide
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Rehabilitation of existing units and homeownership
	<b>Funding</b>	HOME: \$7,243,157
	<b>Description</b>	The development of affordable new construction and acquisition rehabilitation housing units for rental to families whose household income is at 80% of the Area Median Income or less. Assistance will be provided in the form of grants and/or loans to for-profit and non-profit developers as gap financing.
	<b>Target Date</b>	7/1/2018 – 6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	976
	<b>Location Description</b>	
	<b>Planned Activities</b>	Homeownership units constructed or acquired with rehabilitation
<b>5</b>	<b>Project Name</b>	CDBG HOME REPAIR (HR) & LEAD REMEDIATION
	<b>Target Area</b>	City-Wide
	<b>Goals Supported</b>	Rehabilitation of Existing Housing Units
	<b>Needs Addressed</b>	Rehabilitation of existing units
	<b>Funding</b>	CDBG: \$5,018,325

	<b>Description</b>	Home repairs and lead remediation for low/moderate income homeowners including staffing costs for single/multi-family housing. Provision of grants for eligible low- and moderate-income homeowners. The CDBG Lead remediation also matches the Lead Grant.
	<b>Target Date</b>	7/1/2018 – 6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	210
	<b>Location Description</b>	City-wide
	<b>Planned Activities</b>	see description
<b>6</b>	<b>Project Name</b>	HOMELESS PUBLIC SERVICE (HPS)
	<b>Target Area</b>	City-Wide
	<b>Goals Supported</b>	Reduce homeless citizens in City of Detroit
	<b>Needs Addressed</b>	Homeless Prevention Homeless Outreach Emergency Shelter and Transitional Housing Rapid Re-housing
	<b>Funding</b>	CDBG: \$2,394,095
	<b>Description</b>	Homeless public services to include rapid re-housing, street outreach, emergency shelter, and homeless prevention. These funds will be used to help match ESG.
	<b>Target Date</b>	7/1/2018 – 6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	5669
	<b>Location Description</b>	City-wide
	<b>Planned Activities</b>	Homeless public services planned activities to include rapid re-housing, street outreach, emergency shelter, homeless prevention and warming centers.
	<b>Project Name</b>	PUBLIC FACILITY REHAB (PFR)

7	<b>Target Area</b>	City-Wide
	<b>Goals Supported</b>	Public Facilities and Improvements
	<b>Needs Addressed</b>	Public Facilities
	<b>Funding</b>	CDBG: \$938,375
	<b>Description</b>	Rehabilitation of various public facilities throughout the City of Detroit.
	<b>Target Date</b>	7/1/2018 – 6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	City-wide
	<b>Planned Activities</b>	Rehabilitation of various public facilities throughout the City of Detroit.
8	<b>Project Name</b>	PUBLIC SERVICE (PS)
	<b>Target Area</b>	City-Wide NRSA Areas
	<b>Goals Supported</b>	Public Services Activities for Citizens of Detroit
	<b>Needs Addressed</b>	Public Services
	<b>Funding</b>	CDBG: \$5,460,701
	<b>Description</b>	Public service activities throughout the City of Detroit for various services including education, seniors, recreation/youth, public safety, and health.
	<b>Target Date</b>	7/1/2018 – 6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	9,325
	<b>Location Description</b>	City-wide (incl NRSA)
	<b>Planned Activities</b>	Public service activities throughout the City of Detroit for various services including education, seniors, recreation/youth, public safety, and health.
	<b>Project Name</b>	SECTION 108 LOANS (REPAY)

9	<b>Target Area</b>	City-Wide
	<b>Goals Supported</b>	Section 108 Repayment
	<b>Needs Addressed</b>	Economic Development Public Improvement & Infrastructure
	<b>Funding</b>	CDBG: \$6,302,493
	<b>Description</b>	Repayments of section 108 Loans
	<b>Target Date</b>	7/1/2018 – 6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	N/A
	<b>Planned Activities</b>	Repayments of section 108 Loans
	10	<b>Project Name</b>
<b>Target Area</b>		City-Wide
<b>Goals Supported</b>		Reduce homeless citizens in City of Detroit
<b>Needs Addressed</b>		Homeless Prevention Rapid Re-housing
<b>Funding</b>		ESG: \$2,816,974
<b>Description</b>		Emergency Solutions Grant Administration and Projects for Rapid Re-housing, Emergency Shelter, Homeless Prevention and Street Outreach activities.
<b>Target Date</b>		7/1/2018 – 6/30/2019
<b>Estimate the number and type of families that will benefit from the proposed activities</b>		5,041
<b>Location Description</b>		City-wide
<b>Planned Activities</b>		Rapid Re-housing, Emergency Shelter, Homeless Prevention and Street Outreach
	<b>Project Name</b>	HOPWA (2018)

<b>11</b>	<b>Target Area</b>	City-Wide
	<b>Goals Supported</b>	Help those with special needs (non-homeless)
	<b>Needs Addressed</b>	Rental Assistance
	<b>Funding</b>	HOPWA: \$2,723,332
	<b>Description</b>	HOPWA Administration. HOPWA grant administration activities.
	<b>Target Date</b>	7/1/2018 – 6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	230
	<b>Location Description</b>	City-wide
	<b>Planned Activities</b>	short-term emergency/transitional housing, information and referral services, and rental assistance to individuals and families affected by HIV/AIDS

## **AP-50 Geographic Distribution – 91.220(f)**

### **Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

Through the Neighborhood Revitalization Strategy Areas (NRSA), the City of Detroit uses CDBG funds to address economic development and housing needs in designated neighborhoods. The City of Detroit NRSA plan seeks to focus investment in five areas. The following is a description of the five NRSA within the City of Detroit:

#### **NRSA 1**

Located between Jefferson Avenue and the Detroit River on the far-east side of Detroit. NRSA1 have a large number of vacant housing and vacant parcels that threatens stability. This NRSA have neighborhoods such as West Village, Jefferson Village, Jefferson-Chalmers and Marina district. The boundaries are: Jefferson Ave, Mack, E. Grand Blvd, and Mt. Elliott.

#### **NRSA 2**

Located on the City's Northeast side. NRSA2 have high levels of mortgage foreclosure that has led to an increase of abandonment and tax foreclosure. This NRSA have neighborhoods such as, Osborn, City Airport, Morning Side, Regent Park, East English Village, and East Warren Avenue commercial area. The boundaries are: E. 8 mile, Mound, Van Dyke, E. Warren, E. Outer Drive and Kelly

#### **NRSA 3**

Located in the Southwest Detroit target area. NRSA3 have a strong resident Hispanic community that is significantly investing in the housing market as well as the commercial district. The historic neighborhoods included in NRSA3 are Corktown, Hubbard Farms, and Woodbridge. Other neighbors are Springwells Village, and Mexicantown. The NRSA3 commercial districts include Vernor Highway and

Michigan Avenue. The boundaries are: W. Warren, Lodge Fwy, E. Jefferson and Fort Street.

#### **NRSA 4**

Located within several historic neighborhoods such as the Boston Edison District, New Center and Arden Park. It also have neighborhoods including Hope Village, Dexter-Linwood, and Northend that have high vacancy rates, a concentration of City owned properties and significant tax and mortgage foreclosures. NRSA4 contains commercial districts, such as, McNichols and New Center. The McNichols commercial corridor is characterized by low-density service related business. The boundaries are: W. Grand Blvd, Wyoming, W. McNichols, and Lodge Fwy.

#### **NRSA 5**

Located on the Northwest side of Detroit. This NRSA includes areas surrounding the historic neighborhood of Grandmont-Rosedale, and Brightmoor neighborhood. There is a significant decline in population in the Brightmoor community. This NRSA area is surrounded by distressed housing markets with a considerable amount of publically-owned parcels and tax foreclosures. The boundaries are: Joy Road, W. Seven Mile, Telegraph, and Fenkell.

#### **Slum and Blight Area**

There are three (3) slum and blighted areas that meets HUD criteria.

**Area 1** - Located on the west side of Detroit. The boundaries are Greenfield, Southfield Road, Lasher and Ford Road.

**Area 2**- Located on the southwest side of Detroit. The boundaries are Interstate I-75 highway, W. Jefferson (Detroit River) and Vinewood

**Area 3**- Located on the east side of Detroit. The boundaries are E. McNichols, Mt. Elliott, E. Davison and Conant Street.

#### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
City-Wide	85

Target Area	Percentage of Funds
NRSA Areas	14
Slums and Blight Designation	1

**Table 8 - Geographic Distribution**

**Rationale for the priorities for allocating investments geographically**

The majority of Detroit’s targeted investments will benefit low and moderate income people or low and moderate income areas. City-wide targeting takes into account that 83 percent of the City’s block groups have 51 percent or more low and moderate income residents.

NRSA areas designated in 2015. Benefits include:

- **Job Creation/Retention as Low/Moderate Income Area Benefit:** Job creation/retention activities undertaken pursuant to the strategy may be qualified as meeting area benefit requirements, thus eliminating the need for a business to track the income of persons that take, or are considered for, such jobs (24 CFR 570.208 (a)(1)(vii) and (d)(5)(i));
- **Aggregation of Housing Units:** Housing units can be considered to be part of a single structure for the purposes of applying the low-and moderate- income national objective criteria. As long as 51% or more of all the assisted units provide a LMI benefit, all units are considered as meeting a national objective; therefore allowing assistance to housing occupied by non-LMI households. All eligible housing assistance such as home repair, new construction through a CBDO and home purchase assistance are allowed. (24 CFR 570.208(a)(3) and (d)(5)(ii));
- **Aggregate Public Benefit Standard Exemption:** Economic development activities carried out under the strategy may, at the grantee's option, may be exempt from the aggregate public benefit standards, thus increasing a grantee's flexibility for program design as well as reducing its record-keeping requirements (24 CFR 570.209 (b) (2)(v)(L) and (M)); and
- **Public Service Cap Exemption:** Public services carried out in the NRSA by a Community Based Development Organization (CBDO) are exempt from the 15% public service cap allowing more services in the NRSA and better leveraging of public service funding. (24 CFR 570.204(b)(2)(ii)).

Major NRSA projects include the following:

- **Youth Employment:** This year the City will invest CDBG funds totaling \$2.75 million for a Summer Jobs training program for Detroit youth. The program will provide job training, skill building, and employment opportunities for “at risk” and low-income youth to help them gain valuable workplace experience. Funds will be leveraged with a corporate match.
- **0% Interest Loan Program (from previous years funding):** In addition to loan funds available City-wide, CDBG funds is still available for housing rehabilitation loans in NRSA's.
- **The Motor City Match/Restore program** is vital part of Detroit small businesses with funds totaling over 2.3 million. This program has assisted businesses with technical assistance, improving façade exteriors and landscaping. It has also increase economic opportunities,



including job growth throughout the city and NRSA areas.

Specific CDBG related Slum and Blight areas: The City of Detroit launched a new initiative in 2015 designed to revitalize declining areas within the City. Three areas were determined to meet the CDBG slum and blight “area basis” description. These areas met the following requirements:

1. The areas met the definition of a slum, blighted, deteriorating or deteriorated area under state or local law or ordinance.
2. The area met one or both conditions of “a” or “b” below:
  - a. At least 25% of the properties in the area experience one or more of the following conditions:
    - Physical deterioration of buildings or improvements;
    - Abandonment of properties;
    - Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;
    - Significant declines in property values or abnormally low property values relative to other areas in the community;
    - Known or suspected environmental contamination.
  - b. The public improvements in the area are in a general state of deterioration.

## **Discussion**

Target area activities will primarily benefit low/moderate income citizens or areas within the city where at least 51 percent or more Detroit residents are low/moderate income. This year at least 82 percent of investments will benefit low and moderate income citizens or low and moderate income areas within the City (exceeding the minimum threshold for the primary objective).

Geographic allocations will be targeted using a plan based on the Detroit Future Cities strategic plan, NRSA plan, and Slum and Blight designations. 83 percent of Detroit block groups have 51 percent or more low/moderate income residents. Accordingly, resources available in this Action Plan, DHC, and remaining NSP resources were geographically targeted to benefit as many low and moderate income residents as possible. HOME projects also target low and moderate income residents and targets specific geographic areas according to the HOME Notice of Funding Availability (NOFA). The HOME NOFA is scheduled for completion later this year.

City-wide activities provide services to the entire City, overlapping NRSA and Slum and Blight areas. City-wide allocations include CDBG and ESG organizations providing shelter, outreach, and services for the homeless and those at risk for homelessness. In addition, many housing programs such as HOPWA and CDBG (housing rehabilitation activities) are available city-wide. See Maps for NRSA and Slum & Blight

areas.

# Affordable Housing

## AP-55 Affordable Housing – 91.220(g)

### Introduction

Providing decent, safe, and affordable housing is a critical step to revitalizing many of Detroit's neighborhoods. It is also an important anti-poverty strategy. The City is committed to ensuring that existing housing is in good condition and new housing is built in areas targeted for growth, and that a path to housing is available for individuals and families who are homeless or at risk of homelessness, or are low to moderate income. By doing so, the City can help keep at-risk populations from becoming homeless and prevent housing costs from becoming an overwhelming burden to low and moderate income households.

The City uses a combination of Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) funds to assist the most vulnerable populations in our community including homeless and low/moderate income housing needs. CDBG and ESG funds help prevent homelessness and assist those that are already homeless with shelter and supportive services. HOPWA funding addresses affordable housing needs faced by those struggling with an HIV/AIDS diagnosis. HOME, CDBG and 108 Loan funds are used to build rental housing, help with down payments and rehabilitate homes for low and moderate income persons/families in Detroit. HOME funds will be used for Rental Housing projects only and will not provide homebuyer assistance. In addition, community partner funds are used with CDBG funds to provide Zero Percent Home Repair Loans to City of Detroit homeowners.

H&RD also funds its Senior Emergency Repair Program with CDBG and General Funds. These funds are used to serve low-to-moderate seniors who own their home with emergency rehabilitation items such as roofs, furnaces and hot water heaters. The City completed its 2014 Lead Hazard Reduction Program grant in FY 17-18 abating lead paint hazards in 230 low-to-moderate owner-occupied and rental units, and will be applying for additional funding through HUD as soon as the Notice of Funding Availability has been published. H&RD has also applied for additional lead paint abatement funds through the Michigan Department of Health and Human Services and has begun outreach to philanthropic entities to raise additional funds towards the abatement of lead paint hazards in low-to-moderate owner-occupied and rental homes.

In 2018-2019 the City will continue to refine the process used to select housing rehabilitation and new construction projects (for example in geographically targeted areas of the City). H&RD will continue to utilize the Targeted Multifamily Housing Areas Map to assist in making 2018-2019 HOME NOFA investment decisions. The City will seek to significantly leverage HOME, CDBG and other local funds with a clear, consistent, and updatable procedure including investing in stable communities where other

services are provided.

Goals for investing in rehabilitated and newly constructed housing in 2018-2019 include:

- Promoting and supporting sustainable, safe, and healthy homes and neighborhoods in the City of Detroit through housing rehabilitation and lead hazard control services
- Reducing distressed housing conditions and supporting blight reduction in neighborhoods
- Establishing formal criteria that can be used to make informed geographically targeted investment decisions

Other long term plans are underway to select the most appropriate grant subrecipients for target area work. Matching subrecipient strengths with priority rehabilitation and strategic goals may soon increase housing output.

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	5,669
Non-Homeless	9,325
Special-Needs	1,310
Total	16,304

**Table 9 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	190
The Production of New Units	50
Rehab of Existing Units	351
Acquisition of Existing Units	385
Total	976

**Table 10 - One Year Goals for Affordable Housing by Support Type**

## Discussion

**1. HOME:** In the 2018-2019 HOME Notice of Funding Availability (NOFA), funds will be targeted to strategic areas in the City. In addition to targeting, discussed in the Geographic Distribution section above, HOME funds will also be prioritized for projects in areas with lower vacancy, market strength or areas located near local employment districts or transit. New construction will be limited to areas where there is clear demand and long term housing viability. Under the HOME Investor Rental Program H&RD expects to rehabilitate 151 units and build another 50 rental units for low/moderate income

individuals.

**2. CDBG Rehabilitation:** H&RD's 2018-2019 Housing Rehabilitation Program will focus on the following:

- Eliminating lead-based paint hazards
- Repairing deteriorated building components affecting occupant's health and safety
- Reducing home energy losses

Detroit is making progress against residential blight by repairing homes in both "NRSA" and "Slum and Blight" designated areas. In 2018-2019 the City of Detroit's Senior Emergency Home Repair Program, currently administered by H&RD, continues to assist low and moderate income senior residents with emergency home repair grants. In addition, using CDBG funds, the City will leverage private capital investment to increase home repair dollars to residents of the City of Detroit through the Zero Percent Home Repair Loan Program.. The following details how each method will serve low and moderate income homeowners:

- Senior Emergency Home Repair Grant – These CDBG funds, in addition to General Funds, are targeted to low and moderate income Senior Detroit homeowners. The grant is used to provide emergency replacement and repair of roofs, furnaces, porches, plumbing, and electrical concerns affecting the immediate health and safety of occupants. An estimated 175 homeowners will be assisted with an approximate expenditure of \$15,000 per home.
- Zero Percent Home Repair Loan Program - These privately leveraged CDBG funds will provide zero percent interest home repair loans and credit enhancements, to low and moderate income homeowners. The program will also provide loan guarantees to lenders, making these high risk loans attractive to investors in Detroit' future. In addition, those areas designated NRSA areas and Slum and Blight areas will allow residents who are above 80 percent of area median income to participate in the program. An estimated 100 homes will be assisted with an average CDBG expenditures of \$12,500, with a match of leveraged private capital, per home.

These improvements will be made in areas with market viability, density, and future housing demand.

**3. CDBG Development Assistance Program:** Under this program, 25 low-to-moderate income persons in four neighborhoods will be helped with down payment and closing costs assistance, also rehabilitation of 12 units of low and moderate income rental units.

**4. Lead Hazard Reduction Demonstration Grant:** H&RD just completed its 2014 LHRD program and will apply for additional funding as it becomes available.

**5. Neighborhood Stabilization Program 3 (NSP3):** Although this program has closed, program income

from NSP3 projects could leverage enough funding for 6 homebuyer units in 2018-2019.

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

The basic need of public housing residents is for decent, safe, affordable housing. To meet this need, the Detroit Housing Commission (DHC) does the following:

- Owns and operates 13 family and elderly public housing developments totaling approximately 3,500 units
- Oversees development activities for Four (4) federally funded HOPE VI revitalization projects (Woodbridge Estates, Cornerstone Estates, The Villages at Parkside (off-site component Emerald Springs) and Gardenview Estates that provide rental and homeowner opportunities
- Administers approximately 6,000 Housing Choice Vouchers under the Assisted Housing Program
- Encourages homeownership and self-sufficiency through a number of different programs

### **Actions planned during the next year to address the needs to public housing**

The Detroit Housing Commission's (DHC) planned efforts to comprehensively and effectively address the needs of public housing will be executed in the following manner:

- DHC has created a comprehensive Capital Improvement Plan that addresses the needs of our properties based on the guidance received from Physical Needs Assessments, input from DHC staff and input from DHC residents. The Plan is created and executed in accordance with HUD guidance and regulations. DHC has effectively expended and administered CFP funds received to improve and preserve DHC properties. DHC will continue to develop and implement the Capital Improvement Plan to improve the quality of life for DHC's residents.
- The Detroit Housing Commission has successfully been awarded an Emergency Safety and Security Grants in the past and will continue to see new opportunities to increase revenues or decrease expenses to improve our operations and our ability to serve the community in need of affordable housing
- DHC has applied for a Lead-Based Paint grant and will implement the grant if awarded to identify and abate lead paint and lead paint hazards at Smith Homes, Sojourner Truth and throughout our scattered site single family home portfolio
- DHC will continue to follow a Five Year Action Plan with an emphasis on ADA compliance, energy efficiency upgrades, vacancy reduction and the overall improvement of the physical condition of DHC's ACC inventory
- DHC will explore opportunities to collaborate with governmental agencies, non-profit community organizations, and developer partners to further the development & preservation of affordable housing in the City of Detroit
- DHC will continue to pursue the disposal and/or demolition of blighted properties in its

inventory

- DHC will identify sources of financing to leverage its ability to increase affordable housing with the goal of increasing the total Annual Contributions Contract (ACC) Inventory to reach the PHA limits set in The Faircloth Amendment
- DHC will develop Woodbridge Estates Phase IX and Gardenview Estates Phase V. Woodbridge Estates phase IX will consist of 80 senior units which includes 39 ACC units. Gardenview Estates phase V will consist of 97 rental units which includes 30 ACC units, totaling 607 units (541 rentals and 66 homeownership units)
- DHC has and will continue to form partnerships with developers to provide Project Based Vouchers (PBV) rental assistance to further affordable housing in the City of Detroit
- DHC will look to leverage our Public Housing properties to further affordable housing and increase our ability to serve current and future residents. These actions may include selling properties such as Douglass Homes, partnering with entities to develop or provide services at properties such as at Graderniew or Parkside or seeking tax-credits for properties such as Gardenview 5A and 5B
- DHC will consider converting some or all public housing properties to voucher assisted housing through the RAD program as approved and as determined to be beneficial to DHC and their residents
- DHC, with HUD national staff, will be opening an Envision Center to promote family self-sufficiency

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

The Resident Advisory Board (RAB) provides the PHA and its residents with a forum for sharing information about the Agency's Annual Plan. In compliance with Section 511 of the United States Housing Act and regulations in 24 CFR part 903, the DHC has an established Resident Advisory Board (RAB) that is a part of the PHA Annual Plan process. The DHC's RAB membership is comprised of individuals who reflect and represent the residents assisted by the PHA. The role of the RAB is to assist the PHA in developing the PHA Plan and in making any significant amendment or modification to the Plan which include but is not limited to Capital Improvement plans, Development plans, and policy or process changes to both the Low Income Public Housing and Housing Choice Voucher programs.

DHC presented its annual plan to the RAB board on January 30 and made the Plan available for comment on February 12. DHC has encouraged the public to comment on the draft throughout the 45-day comment period. At the conclusion of the comment period, DHC's Board of Commissioners held a public hearing on April 12 to seek feedback and input from the public. No public comments were received at the hearing. On April 12 DHC's Board of Commissioners approved the plan and submission to HUD was completed on April 12, 2018.

The Detroit Housing Commission has partnered with several HUD certified non-profit organizations to



assist in the preparation of residents to become Home Ownership ready. These programs and services include but are not limited to credit counseling, basic home maintenance, financial assistance and education. Additionally, the Detroit Housing Commission offers two homeownership programs exclusive to DHC residents to address the needs of the public housing residents.

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

The Detroit Housing Commission is designated as a standard performer in Public Housing and a high performer in Housing Choice Vouchers. DHC will continue to move toward the goal of achieving High-Performer status.

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

The City of Detroit addresses the needs of its most vulnerable citizens by working with local partners to fund and/or implement CDBG, ESG, and other activities to prevent homelessness, provide shelter, and supportive services. Homelessness funding is also used to support the Coordinated Access Model (CAM) and the Homeless Management Information System (HMIS). The CAM system is Detroit's implementation of coordinated entry system, used to assess those experiencing homelessness and match them to resources. HMIS is the database which allows the CoC lead agency, the Homeless Action Network of Detroit, to track program and system performance.

Several initiatives were created or strengthened over the course of the last year to help solve the most urgent needs of those experiencing homelessness and still help as many individuals and families as possible including: the move of the CAM system from a call center to site based "access point" model, the system-wide expansion of a homelessness diversion program to help avoid shelter entry and the completion of and implementation of policies and procedures for Rapid Rehousing, with all other components in-process, the use of the chronic by-name list for these experiencing chronic homelessness, especially the unsheltered to place over 250 persons in permanent supportive housing during 2018.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The City of Detroit is an active participant in an annual unsheltered Point in Time Count to assess progress toward ending homelessness. During the course of the last several years, we have seen a significant reduction in the overall number. Specific to the unsheltered populations, the provider network is focused on:

1. Ensuring the safety of residents who are unsheltered during dangerous weather conditions through the funding of street outreach and seasonal warming centers.
2. Coordinating access to permanent housing for those sleeping rough as a high priority population.

During the 2018-2019 term, Detroit will continue to implement the coordinated assessment process that has been in place since early 2014. This coordinated assessment process reaches out to and assesses persons experiencing homelessness, and is required per the HEARTH Act. Locally, this system is referred to as the Coordinated Assessment Model (CAM). The intent of CAM is to provide a streamlined process by which people who are homeless or at-risk of homelessness are assessed for the most appropriate intervention to meet their needs, and able to access those resources.

Through the CAM, households experiencing homelessness, who are either residing in shelters or are unsheltered, receive an assessment using our community's common assessment tool--the Service Prioritization Decision Assistance Tool (SPDAT). The SPDAT assigns a numeric value to help determine what type of intervention a household is best suited for: either that the person will be able to end his/her homelessness on their own; shorter-term assistance such as Rapid Re-Housing (RRH); or longer-term, more intensive assistance such as permanent supportive housing. These assessments are completed at CAM access points. Once the assessment has been made, the household will be referred to a service provider to provide the assistance.

The creation of a chronic by-name list has ensured outreach providers are focused on completing assessments on persons who are unsheltered. These street outreach teams canvass the streets and strategically target locations where persons are known to be. In addition to outreach and engagement, these teams "navigate" the unsheltered to supportive housing by helping them compile the necessary documents to qualify for, and be matched to supportive housing.

## **Addressing the emergency shelter and transitional housing needs of homeless persons**

### Addressing emergency shelter needs

In the 2018-2019 term, Detroit will address the emergency housing needs of homeless persons in the following ways:

- Improving services to those in shelter. The City of Detroit will unveil its Shelter Policies and Procedures as well as a training series designed to ensure standardization across programs and help shelter staff assist residents to obtain permanent housing.
- Emergency Shelter: There are approximately 20 different emergency shelter providers. Some of these shelters are specifically targeted to youth, veterans, or victims of domestic violence. These projects are expected to continue operations in 2018-2019.
- Warming Centers: During the winter additional seasonal emergency shelter programs opened to provide shelter space for persons during the cold weather months. It is estimated there will be two Warming Centers operating during the winter of 2018-2019.
- The City of Detroit will continue to support a shelter diversion program. This program,

coordinated through the shelter access points, identifies persons seeking emergency shelter who could be diverted to an alternative housing setting with mediation support and/or a small amount of financial assistance. The project was expanded in 2017 and to date has diverted almost 1/5 of household seeking shelter services.

- In 2018-2019, The City will continue placing greater emphasis on housing outcomes for shelter providers through the full implementation of our written standards in coordination with the Continuum of Care.

#### Addressing transitional housing needs

The Continuum of Care has reduced its inventory of transitional housing through strategic reallocations. In 2018-2019, the focus will be providing high quality transitional housing for individuals and families who express a desire to live in these settings and improving occupancy in these facilities.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

Chronically Homeless Individuals and Families - Permanent Supportive Housing (PSH) provides a permanent rental subsidy and wrap-around services for persons who have significant barriers to housing. The Detroit CoC currently has focused its recent efforts around ensuring that supportive housing is going to the households who need it most, through the creation of a by-name list of those experiencing chronic homelessness and the preferencing of those who are unsheltered or have a high level of vulnerability as determined by the VI-SPDAT for available units of supportive housing.

Veterans and Their Families – The City of Detroit participates in the Built for Zero campaign to improve our community’s response to Veteran homelessness in the hopes of ending Veteran homelessness in Detroit. Through this process we have improved our community’s response to Veteran homelessness through the creation of policies and procedures on how Veterans are served, as well as the establishment of a high quality by name list of Veterans experiencing homelessness. We continue to monitor our progress through regular leadership team meetings and by name list meetings. There are currently approximately 300 Veterans experiencing homelessness in Detroit. In our working on Veteran homelessness we deploy the following tools to address Veteran needs:

- Supportive Services for Veteran Families (SSVF): SSVF will provide both RRH and prevention assistance for veterans (both single veterans and families with Veteran head of households).

RRH provides short- to medium-term rental assistance and services to quickly move people from a homeless situation back into housing. Prevention assistance provides assistance to persons at-risk of homelessness by using funds to pay rental or utility arrearages, or security deposits and limited rental assistance going forward for persons who need to move to a new housing unit. There are currently three SSVF programs operating in Detroit.

- HUD-VASH: HUD-VASH is a permanent supportive housing program funded by both HUD and the Veterans Administration (VA). There are currently over 300 HUD-VASH vouchers in Detroit.
- Grant Per Diem Transitional Housing (GPDTH): GPDTH beds provide transitional housing assistance to veterans experiencing homelessness, the majority of whom are single males. The intent of the GPDTH programs is to move these individuals into permanent housing.

Families with Children - The needs of families with children will be addressed by:

- A portion of the emergency shelter and transitional housing beds in Detroit will be specifically targeted to families with children
- Families with children will be eligible for ESG-funded RRH and prevention programs
- Linking families to Housing Choice Vouchers provided by the DHC or the Michigan State Housing Development Authority

Unaccompanied Youth - In the 2018-2019 term, the Youth Taskforce established by City Council President Pro-Tem Mary Sheffield will continue to operate to coordinate a more seamless approach to addressing the needs of youth as a subset of the larger CAM system. In addition, the following resources will be available:

- There will be three emergency shelters that are specifically for youth.
- There will be four transitional housing programs specifically targeted to youth; three are able to serve pregnant/parenting teens.
- There will be an organization that specifically provides outreach, counseling, and supportive services to homeless youth who identify as Lesbian, Gay, Bisexual, Transgender, or Questioning (LGBTQ).

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

Providing Financial Assistance - One key strategy for the 2018-2019 term will be to provide short-term leasing assistance and utility and/or rental arrears payments. Detroit will do this by using Emergency

Solutions Grant (ESG) funds via RRH or Prevention.

Preventing discharges into homelessness: Within the Detroit CoC, there are State mandated policies that prevent a person from being discharged from one of these institutions of care into homelessness:

- Foster care
- Mental health care
- Correctional facilities

Additionally, providers within the CoC actively coordinate with these systems to help ensure that persons who have resided in each of them for longer than 90 days are not discharged into homelessness. For households that need affordable housing resources in order to avoid entry into homelessness, resources are provided by homelessness prevention providers, through State Emergency Relief provided by MI Department of Health and Human Services, as well as the safety net social service agencies that provide housing as support services to different subpopulations.

Providing supportive services: Through the ESG-funded programs, persons who are at-risk of homelessness will be able to access an array of supportive services to help stabilize a person experiencing a housing crisis, including mediation of landlord/tenant disputes, other legal assistance, and case management.

Expanding affordable housing opportunities: Detroit works to increase the availability of rental subsidies for low-income individuals and families and expand the use of Housing Choice Vouchers for those at risk of homelessness. When these opportunities are unavailable case managers often attempt to negotiate with landlords to make rents affordable.

Increased coordination with the local workforce investment board: The City of Detroit is working to help connect programs such as homelessness prevention to provide “warm handoffs” for individuals seeking employment. Through a one stop center, Detroiters can receive a skills assessment and training, as well as job placement to help increase income and avoid entry into the homelessness system.

## **Discussion**

During 2018-2019 CDBG funds totaling \$2,394,095 will support the following homeless activities:

- Street Outreach
- Emergency Shelter Services (Shelter and Essential Services)
- Rapid Re-housing (Financial Assistance/Short Term Case Management, Housing Navigation, & Housing relocation stabilization Services)
- Homeless Prevention Services (Housing Navigation /relocation services & Foreclosure

Prevention)

- Warming Centers

CDBG homeless funds are also used to meet the 2018-2019 ESG match. ESG regulations require a 100 percent match for every dollar received from HUD. During 2018-2019 CDBG funds will match 85 percent of the 2018 ESG award (\$2,394,095). The remaining 15 percent match will be met by community organizations receiving ESG funding. Community organizations traditionally meet the match through in-kind contributions and other award commitments. The match is documented in their contracts.

**AP-70 HOPWA Goals– 91.220 (I)(3)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	0
Tenant-based rental assistance	210
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	20
<b>Total</b>	<b>230</b>



## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

The City of Detroit is committed to increasing affordable housing opportunities for low and moderate-income households. The City strategic goals to improve barriers of affordable housing includes fair housing, stabilizing neighborhoods, retaining residents and providing quality housing options.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

The City public policies encourages affordable housing development. In 2018 the City released its Multifamily Affordable Housing Strategy (see Appendix B). Through it, the City established the goals of preserving 10,000 existing affordable housing units and developing 2,000 new affordable housing units through 2023. These goals will be accomplished through implementation of initiatives described in the Strategy such as the implementation of the City's Affordable Housing Preservation Action Plan, establishment of the Affordable Housing Leverage Fund ("AHLF"), leveraging tax incentives to achieve inclusionary growth, and leveraging publicly owned land for mixed income development.

In addition to the initiatives described in the Strategy, the City is encouraging affordable and mixed-income development through tax incentives and in collaboration with other public/private financial institutions. The City's neighborhood investment program, managed by Invest Detroit, financing supports economic and community development in underserved communities in the City. This program, known as the Strategic Neighborhood Fund ("SNF"), supports the revitalization of ten Detroit neighborhoods. The SNF was designed to build stronger, healthier neighborhoods in by organizing community leadership and improving the engagement, empowerment and capacity-building of the residents and organizations in the target communities.

The ten neighborhoods targeted through SNF, closely mirror the ten neighborhoods identified for neighborhood planning projects managed by the Planning and Development Department. Through these plans development sites are identified for mixed-use and mixed-income developments to ensure that affordable housing is part of the preservation and redevelopment of these neighborhoods. SNF and AHLF will ensure that these developments contain units reserved for a mix of incomes.

The City is also implementing its Inclusionary Housing Ordinance that requires new residential development projects receiving direct financial support from the City to reserve 20% of rental units as affordable housing. This approach guarantees affordable housing to low-income residents for many years. Additionally, the City's zoning ordinance division accepts recommendations to amend districts to include mixed-use commercial, single and multi-family residential development within low-income

neighborhoods.

**Discussion:**

Pursuant to its authority under the Fair Housing Act, HUD has long directed program participants to undertake an assessment of fair housing issues—previously under the Analysis of Impediments to Fair Housing Choice (AI) approach, and following the effective date of the Affirmatively Furthering Fair Housing (AFFH) rule, under the new Assessment of Fair Housing (AFH) approach. This Guidebook (Guidebook) seeks to help program participants and members of the public understand the AFFH rule, the obligation to complete an AFH, and the linkage between an AFH and other required planning processes. For more specific information about AFFH fair housing planning obligations, refer to the AFFH rule.

The AFFH rule requires fair housing planning and describes the required elements of the fair housing planning process. The first step in the planning process is completing the fair housing analysis required in the AFH. The rule establishes specific requirements program participants will follow for developing and submitting an AFH and for incorporating and implementing that AFH into subsequent Consolidated Plans and Public Housing Agency (PHA) Plans. This process will help to connect housing and community development policy and investment planning with meaningful actions that affirmatively further fair housing. The new approach put in place by this rule is designed to improve program participants' fair housing planning processes by providing data and greater clarity to the steps that program participants must take to assess fair housing issues and contributing factors, set fair housing priorities and goals to overcome them, and, ultimately, take meaningful actions to affirmatively further fair housing. A goal of the AFFH rule is to make sure states and insular areas, local communities, and PHAs understand their responsibilities in the area of fair housing planning. As the Department works to foster effective fair housing planning, goal setting, strategies, and actions, it recognizes that the people who are most familiar with fair housing issues in cities, counties, and states are the people who live there and deal with these issues on a daily basis.

A recent fair housing study conducted by Wayne State University revealed a need for more accessible housing in Detroit. This claim is supported by the fact that failure to accommodate a person with a disability is one of the leading causes for fair housing complaints in Detroit over the past 5-years. The focus group participants stated disability is a frequent basis for fair housing violation because it is often obvious. In cases where a person's disability is noticeable, a potential landlord is often unwilling to

accommodate them. Disability is a huge barrier to housing.

The City of Detroit, Housing & Revitalization Department held a Fair Housing Conference on April 5, 2018 for developers, property managers and non-profit organizations. Currently, the City of Detroit, City Council is implementating a Fair Housing Ordinance.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

A variety of collaborations, programs and initiatives that encourage job growth and provide services to those in need take place within the City of Detroit. Detroit has been hit hard by the foreclosure crisis, the 2008 economic downturn, population loss, bankruptcy, and other challenges experienced by older industrial cities. As such, demand for services, programs, and activities supported by federal funds have increased significantly thus the need for coordination, leveraging funds, collaborating on projects, and strategically targeting funds is imperative.

### **Actions planned to address obstacles to meeting underserved needs**

The City of Detroit is focused on leveraging our funding with other government funding streams and private resources. For example, the City of Detroit will work with our federal, state, and local partners to develop new housing options for poverty level families through such programs as the Affordable Housing Leverage Fund or the use Low-Income Housing Tax Credits (LIHTC). In addition, the City will continue to pursue opportunities presented on the federal level and will work with the Michigan State Housing Development Authority to fund LIHTC projects in target areas.

Detroit has suffered from population loss over the last sixty years but still has an infrastructure that at one time supported 2 million people. With a declining tax base it has been hard for the City to keep up with infrastructure investment. H&RD will use CDBG-Declared Disaster Recovery (DDR) funds to reduce weaknesses in Detroit's aging storm water management system that contributed to the 2014 flood.

Of particular concern is the problem of vacant or substandard homes that are contributing to the overall problem of blight and decay. The City will aggressively remove blight through coordinated initiatives initially targeting the neighborhoods where they are likely to have the greatest impact, and then progressively expanding across the City. Our commercial demolition program uses CDBG funding to target dangerous commercial and industrial buildings in low to moderate income areas and to remove blight. The residential demolition program is primarily contained within the Hardest Hit Fund (HHF) designated areas, though some demolitions take place outside of HHF are when non-HHF dollars are used. To date, Michigan has programmed \$175M for blight elimination, with the City of Detroit receiving \$107.3M for demolition. The Hardest Hit Fund's represent the largest source of funding for blight elimination.

The actions of replacing the aging storm water management system, removing blight in targeted neighborhoods and demolishing residential, commercial and industrial buildings has helped the City

sustain healthy neighborhoods where the underserved resides

### **Actions planned to foster and maintain affordable housing**

The City of Detroit has organized its affordable housing policy around two goals through 2023: preserving the affordability of 10,000 units of existing affordable housing and developing 2,000 new affordable housing units (300 of which will be supportive housing units). These goals were established through the City's Multifamily Affordable Housing Strategy that was released in March of 2018 (see Appendix B Multifamily Affordable Housing Strategy). The Strategy outlines the initiatives the City will implement to achieve the goals. To help achieve the initiatives the City has set up the Office of Policy Development and Implementation in the Housing and Revitalization Department and established the Affordable Housing Leverage Fund. In the coming year the City will continue to, or begin implementing the following initiatives related to affordable housing preservation and development:

- Preservation Action Plan – The City has established the Detroit Preservation Partnership to implement the Preservation Action Plan that was developed with nearly 40 community stakeholders in 2017. The Partnership will be responsible for developing a complete database on all known affordable housing in Detroit, developing a prioritization strategy to prevent loss of affordability where developments are threatened by obsolescence or rising real estate market trends, and working with owners to develop preservation plans.
- Strengthen the Detroit Housing Commission – The Detroit Housing Commission (DHC) plays a central role in the City's affordable housing system, overseeing more than 3,300 units of public housing and more than 6,000 housing choice vouchers. Critically, the DHC is the only avenue for increasing the number of project-based rental assisted units that serve extremely low-income households. To ensure the provision of new quality housing opportunities for extremely and very low-income households, the DHC and the City must work together to leverage DHC resources and expertise in managing deeply affordable housing units throughout the city. Transformation – new housing developments, whether rehabilitation or new construction, positively impact the surrounding neighborhood and contribute to an increased quality of life for its residents and neighbors. Transformation occurs through aesthetically pleasing developments that increase walkability and are part of a larger vision for a neighborhood.
- Leverage publicly owned land for affordable housing development - Non-recreational publicly owned land totals 13,700 acres, much of which is vacant or underutilized, and some of which includes vacant multifamily buildings that can be rehabilitated. The City has already taken several meaningful steps to leverage its land ownership to promote the development of affordable housing. From 2016 to 2018, HRD released five Requests for Proposals (RFPs) for residential development on public land, all of which required proposers to provide 20% of rental housing units created on-site to low-income households (up to 80% AMI). The City will continue to require affordability as part of RFPs for residential development on public land and will require expanded affordability on certain projects.
- Affordable Housing Leverage Fund - The City will create the Affordable Housing Leverage Fund

(AHLF), a \$250 million fund. The City will work with stakeholders including financial institutions, CDFIs, and philanthropic organizations to establish the AHLF, aiming to initiate project funding commitments by early 2019.

### **Actions planned to reduce lead-based paint hazards**

The 2015 American Community Survey (ACS), reports that approximately 93% of Detroit's housing units were built before 1978, with 32% being built before 1940. Given the age of the City of Detroit's housing stock, there's a growing concern of lead-based paint hazards in residential units. The City of Detroit, through its Housing & Revitalization Department (H&RD), is committed to seeking funding in reducing lead hazards and providing prevention information and educational awareness with the various learning disabilities and other significant health issues among children living in affected homes.

Through HUD's Office of Lead Hazard Control and Healthy Homes (OLHCHH), funds are competitively awarded to help units of local government in making homes lead safe. These funds are used in conjunction with our Conventional Home Repair program activity to identify and remediate lead-based paint hazard in privately owned rental or owner occupied housing. In addition, the grant will also identify and address, where feasible, other health and safety issues through the use of a Healthy Homes Rating System. This system "rates hazards for their potential to harm residents and enables those risks to be removed or minimized."

In 2014, H&RD was awarded its 4th Lead Hazard Reduction Demonstration Grant from OLHCHH covering a 36-month period that began December 1, 2014 and ends May 30, 2018 with the closeout period until August 20, 2018. The target accomplishment was to reduce lead hazards in approximately 228 housing units in which children under the age of 6 resides. As of May 2018, HRD has completed 182 units with an additional 46 units in various stages that are scheduled for completed by February 2018.

On January 1, 2010, The City of Detroit enacted legislation that included new requirements for rental property owners. Rental properties in the City of Detroit must have a Lead Clearance, certifying that properties are lead-safe before they can be rented out. This provision holds landlords responsible for lead hazard in their properties. That ordinance was updated in October 2017 to increase enforcement around the leg within the city that have higher rates of Elevated Blood Lead Levels (EBLLS).

The City of Detroit's Health Department (DHD) developed a coalition of city departments, state departments and community partners to coordinate childhood lead prevention in the City. The coalition, also known as Lead Safe Detroit, provides the following services: Provides capillary testing to children younger than 6 years of age and provides coordinated, comprehensive nursing case management services in the child's home; Maintains a data and surveillance system to track trends and better coordinate services throughout the city; Distributes lead prevention education material and provides presentations to parents, health care professionals, and rental property owners; Provides referrals to other agencies for lead hazard remediation; Ensures schools, daycares and homes have water testing; Strengthens Environmental Controls on Demolitions. In addition, Lead Safe Detroit meets

on a monthly basis with multiple partners across the city and the Southeast Michigan region to work on a variety of lead prevention issues including, but not limited to, enforcement, service delivery, lead education, and lead-safe housing.

In March 2018, HRD partnered with multiple agencies including the Detroit Land Bank Authority, Detroit Building Authority, Detroit Health Department and Building & Safety Engineering Environmental Department to form the first ever Detroit Lead Poisoning Prevention Task Force and create a formal strategy to address lead poisoning in the City of Detroit.

### **Actions planned to develop institutional structure**

The City of Detroit has developed its institutional structure by establishing partnerships with City departments, neighborhood organizations, private institutions, non-profit organizations and continuum of care providers. When implementing the plan and to help carry-out the objectives in the Consolidated Plan and Annual Action Plan, the City will continue to coordinate and collaborate with its partners. Included in the partnership structure are the expertise of contractors, service providers and others with the specialized knowledge needed to carry out programs and projects. The Consolidated Plan programs are usually accomplished through (carry out) the Housing and Revitalization Department, contracts with subrecipients, Community Based Development Organizations (CBDO), HOME program developers, Community Housing Development Organizations (CHDOs) and other City departments.

The Housing & Revitalization Department (H&RD) administers the CDBG, ESG, HOME and HOPWA entitlement grants. H&RD are responsible for the following activities: community development, single family rehabilitation, multi-family housing, public service, homeless public service, economic development, public facility rehabilitation, lead prevention, Section 108 loan and affordable housing. The program delivery of the funded activities are carried out through contracts by developers and non-profit organizations.

The City's partners and their responsibilities in providing programs/services thru HUD's grant programs are the following:

The Planning & Development Department (P&DD) is responsible for: Historic designation advisory, historic review clearances, planning studies, site plan review, city master plan, zoning district boundaries approvals, and development plans.

The Detroit Building Authority, Detroit Land Bank Authority, and the Department of Neighborhoods are responsible for: Demolition of residential and commercial building and elimination of blight within the 7 districts in Detroit.

The City of Detroit, Health & Wellness Department funded programs/services are: The Housing

Opportunities for Persons with AIDS (HOPWA) grant programs; and Tenant Based Rental Assistance (TBRA), Community Residential/Transitional, and Housing Supportive Services.

CLEAR Corps/Detroit, Health & Wellness Department, and Building Safety Engineering and Environmental Department (BSEED) collaborated efforts are through the following programs: Lead Prevention Program, Lead Safe Detroit, Lead Abatement Grant, Lead Education, Healthy Homes Detroit Program and lead hazard inspection for a rental property.

The H&RD housing programs are collaborated with the Detroit Housing Commission (DHC). The DHC manages the following program: Section 8 - Low-income public housing.

The H&RD homeless programs are collaborated or carried out by a human service organization, Wayne Metropolitan Community Action Agency (WMCAA). WMCAA provides essential services, and community resources to low- and moderate-income individuals and families throughout all of Wayne County. The services include the following: Housing placement, moving, utility assistance, health care, weatherization, transportation and food access.

The City of Detroit funds three (3) economic development activities through contracts. The economic development programs are: Motor City Match (business owner program), Summer Youth Employment and Zero Percent Home Repair Loan (homeowners program).

### **Actions planned to enhance coordination between public and private housing and social service agencies**

H&RD will continue its support to the Detroit Housing Commission (DHC) in their continuing efforts to achieve Public Housing High-Performer status with HUD along with maintaining that status in the Housing Choice Voucher program. This designation will give DHC the ability to access more financial support for public housing through competitive applications such as Choice Neighborhood applications.

The City of Detroit will also be supporting the DHC in the development of an EnVision Center. HUD Secretary Dr. Ben Carson is promoting the establishment of EnVision Centers to leverage public and private resources for the benefit of individuals and families living in HUD-assisted housing. EnVision Centers will offer HUD-assisted families access to support services that can help them achieve self-sufficiency.



## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

#### Introduction:

While it is not possible to address all the housing and non-housing needs identified in this Action Plan H&RD will do its best to strategically invest funding from the four federally funded programs. CDBG funds will be used to benefit low-and-moderate income persons through various social and economic, and housing homeownership assistance programs. HOME funds will be used to provide affordable housing including new construction of multi-family rental units. HOPWA program funds will be used to serve homeless and non-homeless persons residents infected and/or affected by HIV/AIDS through Tenant based Rental Assistance (TBRA) and Community Residential Programs while providing information and supportive services. Finally ESG funds will be used for emergency shelters, warming centers, homeless prevention, rapid re-housing and street outreach.

City of Detroit is expected to receive 1.7 million in proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the strategic plan. Primarily

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>0</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
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2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

82%

**HOME Investment Partnership Program (HOME)  
Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

Low Income Housing Tax Credits (LIHTC), FHA Insured Mortgages, Historic Tax Credits (HTC), developer equity, foundation grants and/or financing, private investment from other banks and lenders, and Community Reinvestment Fund Program (CRP).

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City does not currently undertake homebuyer activities through the HOME Investment Loan Program.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The City is only using CDBG or NSP for homebuyer assistance activities and will not use HOME funds to fund these homebuyer activities.

The City of Detroit may use any of the following methods to ensure affordability for 5 years for income eligible applicants when using CDBG or NSP funds for homebuyer assistance:

1. Prorate the amount recaptured based on the time the homeowner has owned and occupied the units measured against the required affordability period. A portion of CDBG homebuyer assistance provided may be required to be repaid if the property is sold or ownership is transferred prior to the end of the 5 year lien, based on the percentage of the affordability period that has expired.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

None

**Emergency Solutions Grant (ESG)  
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

Written standard for providing ESG were formalized and approved by the CoC board in 2016. The Detroit Continuum of Care had created a coordinated assessment system that assesses all clients seeking services with a standardized assessment tool (the VI-SPDAT), and ensures coordinated entry into shelter programs and prioritization of clients for services on the basis of their assessment score. The Coordinated Assessment Model, or CAM, as it is known locally, can be accessed via phone as a way to obtain assistance. The CAM lead implementer for Detroit Southwest Solutions. The system exempts clients experiencing domestic violence for utilizing this system for services. Individuals reporting they are fleeing domestic partner violence are referred to the YWCA for eligibility services.

For the 2017-2018 ESG allocation, at the advice of the HUD field office, we did not run a formal ESG process. Instead, we reviewed the performance and assessed financial stability of past year subrecipients and made award recommendations: Fund at current level, reduce funding, increase funding or do not fund. Because we have done extensive review of past subrecipients, this allowed us to have confidence in our awards but to expedite the process.

In order to meet the homeless participation requirement, the City of Detroit requires that all ESG awardees ensure that they have a person with lived homelessness experience on their board of directors to ensure the voices of those who have experienced homelessness are integrated into the service work of these agencies.

ESG performance is evaluated from both a programmatic and financial perspective. Organizations are assessed for risk prior to grant award, and financial and programmatic monitoring is integrated into the work of the contract managers. We ensure the performance of organizations both through the utilization of HMIS data and the qualitative information obtained through file review. (Also see Detroit Homeless System Written Standards in the Appendices)

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Detroit has established a coordinated assessment system known as CAM, which was implemented in a phased approach beginning in 2014. The key components of the system include access to shelter

placement via a call center, use of a standardized assessment tool (the VI-SPDAT and full SPDAT) and a coordinated process for access to rapid rehousing and permanent supportive housing. The City of Detroit has committed to providing \$1.1M of ESG to support the CAM system over the course of 4 years.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City continues to use its CDBG funds as a match for the annual ESG allocation. The City of Detroit uses an RFP process each year to select the best qualified organizations to implement ESG activities. All organizations are required to provide any needed match to the funds awarded. Matching sources may include cash contributions expended for allowable costs, and non-cash contributions including, but not limited to, the value of any real property, equipment, goods, or services provided that the costs would have been allowable.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City of Detroit adheres to homeless participation requirements at 24 CFR 576.405(a). The City of Detroit has required that all sub grantee organizations appoint one homeless or formerly homeless individual to its board of directors in order to be considered for ESG funding. Our purpose is to ensure the needs of homeless individuals are taken into consideration as organizations make policy decisions.

5. Describe performance standards for evaluating ESG.

Over the course of 2017, (and will continue throughout 2018) the City of Detroit worked closely with the Continuum of Care and ESG provider agencies to better understand metrics of success related to ESG program types. The City of Detroit has enlisted the support of Priority Community technical assistance providers to ensure the entire request for proposal, contracting and sub grantee monitoring process work together to encourage continuous improvement from sub grantees. Over the course of the next two years, the City of Detroit hopes to move to a performance based contracting system that will encourage the most effective use of federal funds and help establish a more effective homelessness response system with an emphasis on exits to permanent housing (for households accessing an ESG funded service program or agency).

# APPENDICES:

# 2018-2019 ACTION PLAN BUDGET:



2018-2019 HUD Annual Action Plan Projects and Activities

Program Name	Activity	National Objective	Matrix Code	Sponsor Name (Activity Name)	Recommended Amount	Project Description	Site Address	Start Date	Completion Date	Objective	Outcome	Specific Objectives	Accomplishment Type	Proposed Accomplishment	Outcome Indicators	Priority Need	City wide	NRSA	Slum Blight	City Districts
CDBG	ED	LMA	18C	Economic Development Small Business Devlpt (Motor City Match) (Businesses in NRSA 1 thru 5)	\$ 2,308,336	Economic Dvlpt endeavors aimed at sustaining or increasing business activity levels (including job creation and /or retention).	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	Creating Economic Opportunities	Sustainability	Improve economic opportunities for low-income persons	Businesses	160	Businesses assisted	Business Development	X	All	N/A	All
					\$ 2,308,336	<b>Subtotal ED</b>														
CDBG	HR	LMH	14A	CDBG Lead Remediation	\$ 1,500,000	CDBG Lead remediation (also matches the Lead grant).	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	Decent Housing	Availability/Accessibility	Improve the quality of owner housing	Housing Units	160	Homeowner Housing Rehabilitated	Owner Occupied Housing	ALL	ALL	ALL	ALL
CDBG	HR	LMH	14A	Conventional Home Repair	\$ 500,000	Emergency Home repair for low/moderate income homeowners. City-wide.	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	Decent Housing	Availability/Accessibility	Improve the quality of owner housing	Housing Units	35	Homeowner Housing Rehabilitated	Owner Occupied Housing	ALL	ALL	ALL	ALL
CDBG	HR	LMH	14H	Multi-Family Staffing (Direct)	\$ 2,400,204	Staffing Costs related to Multi-Family Housing (Direct)	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CDBG	HR	LMH	14A	Housing Pre Development Rehab	\$ 618,121	Pre-development cost for the rehabilitation of residential publicly/private owned properties for Detroit low and moderate income residents	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	Decent Housing	Availability/Accessibility	Improve the quality of owner housing	Housing Units	15	Homeowner Housing Rehabilitated	Owner Occupied Housing	ALL	ALL	ALL	ALL
					\$ 5,018,325	<b>Subtotal HR</b>														
CDBG	PFR	LMA	03E	Chapel Hill MBC Non-Profit Hsg/Christian Social Outreach	\$ 136,000	Provide Interior build-out to create art studios and performance spaces, an entry control station, electrical and lighting and a new HVAC to support the newly created spaces	9204 Grand River Detroit MI 48204	7/1/2018	6/30/2020	Suitable Living Environment	Availability/Accessibility	Improve quality/quantity of neighborhood facilities for low/mod persons	Public Facilities	1	Public Facility or Infrastructure Activities	Public Facilities	N/A	N/A	N/A	5,7
CDBG	PFR	LMA	03E	Focus: HOPE	\$ 132,256	Partial Roof Replacement over Westside Food Distribution Center. Improvements also include underground storm piping replacement.	1360 Oakman Detroit MI 48238	7/1/2018	7/2/2020	Suitable Living Environment	Availability/Accessibility	Improve quality/quantity of neighborhood facilities for low/mod persons	Public Facilities	1	Public Facility or Infrastructure Activities	Public Facilities	N/A	4	N/A	2, 3
CDBG	PFR	LMA	03E	Franklin Wright Settlements, Inc.	\$ 212,500	Basement water-proofing, boiler-heating system upgrades, electrical panel upgrades, parking lot improvements, window replacements	3360 Charlevoix Street Detroit MI 48207	7/1/2018	7/3/2020	Suitable Living Environment	Availability/Accessibility	Improve quality/quantity of neighborhood facilities for low/mod persons	Public Facilities	1	Public Facility or Infrastructure Activities	Public Facilities	N/A	1, 4	N/A	3, 4
CDBG	PFR	LMA	03E	Matrix Human Services	\$ 186,469	ADA renovations in lobby area of building including: replacing counters, drinking fountains and signage. Improvements also include fire safety and security system.	120 Parsons St, Detroit, MI 48201	7/1/2018	7/5/2020	Suitable Living Environment	Availability/Accessibility	Improve quality/quantity of neighborhood facilities for low/mod persons	Public Facilities	1	Public Facility or Infrastructure Activities	Public Services	N/A	N/A	N/A	5
CDBG	PFR	LMA	03E	Northeast Guidance Center	\$ 143,650	ADA compliance upgrades to entrance doors of clinic, roof replacement, security lighting and system, parking lot security gate of clinic at 20303 Kelly Rd, Detroit 48225	2900 Conner Avenue, Bldg A, Detroit MI 48215	7/1/2018	7/4/2020	Suitable Living Environment	Availability/Accessibility	Improve quality/quantity of neighborhood facilities for low/mod persons	Public Facilities	1	Public Facility or Infrastructure Activities	Public Services	N/A	1,2	N/A	3,4,5
CDBG	PFR	LMA	03E	Southwest Housing Solutions	\$ 127,500	Improvements include: front door entrance repair, repairs to stairs, sidewalk, curb and create additional handicap access to building. Fire suppression system and electrical upgrades to building.	3553 W. Vernor Detroit, MI 48216	7/1/2018	7/4/2020	Suitable Living Environment	Availability/Accessibility	Improve quality/quantity of neighborhood facilities for low/mod persons	Public Facilities	1	Public Facility or Infrastructure Activities	Public Services	N/A	3	N/A	6



2018-2019 HUD Annual Action Plan Projects and Activities

Program Name	Activity	National Objective	Matrix Code	Sponsor Name (Activity Name)	Recommended Amount	Project Description	Site Address	Start Date	Completion Date	Objective	Outcome	Specific Objectives	Accomplishment Type	Proposed Accomplishment	Outcome Indicators	Priority Need	City wide	NRSA	Slum Blight	City Districts
					\$ 938,375	Subtotal PFR														
CDBG	PS	LMA	05D	Public Service - Summer Jobs Program (NRSA 1-5)	\$ 2,750,000	Public service program that will provide job training and employment opportunities for "at risk and other low income youth in selected Neighborhood Revitalization Strategy areas (NRSA) through programs designed to stabilize deteriorated or deteriorating neighborhoods.	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	Creating Economic Opportunities	Availability/Accessibility	Improve economic opportunities for LMI persons	People	500	Public Service	Public Services	N/A	1 thru 5	N/A	N/A
CDBG	PS	LMA	05K	Detroit Safe Clean and Decent Team	\$ 95,709	Public service program that will provide job training and employment opportunities for "at risk and other low income youth in selected Neighborhood Revitalization Strategy areas (NRSA) through programs designed to stabilize deteriorated or deteriorating neighborhoods.	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	300	Public Service	Public Services	N/A	1 thru 5	N/A	N/A
CDBG	PS	LMC	05C	Accounting Aid Society	\$ 83,331	To provide free tax preparation and counseling assistance to Low/Mod income Detroit households; provides education in financial management.	7700 Second Ave Suite 314 Detroit, MI 48202	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	1200	Public service activities other than low/moderate-income housing benefit	Public Services	X	ALL	ALL	ALL
CDBG	PS	LMC	05D	Alkebu-lan Village	\$ 76,831	Building positive leaders emphasizes placed on mental, moral and physical (Martial) development with culturally-affirming content. Youth K-12 after school program. Recreation/media arts and design/drama/dance and sports.	7701 Harper Ave. Detroit MI 48213	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	120	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	1, 2, 4	3	3, 6
CDBG	PS	LMC	05M	Alzheimer's Association	\$ 85,831	Adult Day Care of adults suffering with Alzheimer's and related illness.	4750 Woodward Ave. Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	100	Public service activities other than low/moderate-income housing benefit	Public Services	X	ALL	ALL	ALL
CDBG	PS	LMC	05D	Clark Park Coalition	\$ 76,831	Provide a range of Youth summer recreation programs , a winter hockey program, and youth employment opportunities.	1130 Clark Street Detroit MI 48208	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	550	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	2, 3	2	4, 5, 6
CDBG	PS	LMC	05D	Detroit Area Pre-College Engineering Program (DAPCEP)	\$ 78,531	Program provides nationally recognized enrichment programs in science technology, engineering, and mathematics.	42 W. Warren Detroit, MI 48202	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	200	Public service activities other than low/moderate-income housing benefit	Public Services	X	ALL	ALL	ALL
CDBG	PS	LMC	05A	Delray United Action Council	\$ 60,928	Community based programs for residents of Southwest Detroit with emphasis on the senior population, i.e. community transportation, community food distribution, senior adult day care nutritional classes, utility assistance (THAW) for low income families, and health screenings.	275 West Grand Blvd. Detroit MI 48216	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	120	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	3	N/A	6
CDBG	PS	LMC	05H	Dominican Literacy	\$ 82,831	Adult Basic Education Program provides one to one tutoring, small group instruction, computer based learning and GED education.	555 Conner Ave Suite 1414 Detroit, MI 48213	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	200	Public service activities other than low/moderate-income housing benefit	Public Services	X	ALL	ALL	ALL

2018-2019 HUD Annual Action Plan Projects and Activities

Program Name	Activity	National Objective	Matrix Code	Sponsor Name (Activity Name)	Recommended Amount	Project Description	Site Address	Start Date	Completion Date	Objective	Outcome	Specific Objectives	Accomplishment Type	Proposed Accomplishment	Outcome Indicators	Priority Need	City wide	NRSA	Slum Blight	City Districts
CDBG	PS	LMC	05H	Greening of Detroit	\$ 95,831	Green Works job training program to provide new opportunities for low-income Detroiters to receive training that allows them to enter the green jobs marketplace.	1418 Michigan Detroit MI 48216	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	250	Public service activities other than low/moderate-income housing benefit	Public Services	X	ALL	ALL	ALL
CDBG	PS	LMC	05C	International Institute of Metropolitan Detroit	\$ 95,831	Low/Mod to assist immigrants and non-immigrants with immigration issues, legal, GED, Financial Literacy, Career Development.	111 East Kirby Detroit, MI 48202	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	300	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	2,3,5	2	4,5,6,7
CDBG	PS	LMC	05I	Jefferson East Business Association	\$ 110,831	Support SAFE Jefferson to increase security and reduce crime within the Jefferson corridor/identify crime hot spots/auto clubs and wheel locks/10,000 residents impacted.	14628 East Jefferson Detroit MI 48215	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	150	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	1	N/A	3, 4, 6
CDBG	PS	LMC	05M	Joy-Southfield CDC	\$ 85,831	HEART Detroit program provides free health promoting resources, preventive health education, chronic disease management, community-based wellness promotion and increased access to affordable healthy food.	18917 Joy Road Detroit MI 48228 18900 Joy Rd. 48228 Zip: 48228_	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	400	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	5	1	7
CDBG	PS	LMC	05A	L&L Adult Day Care	\$ 85,831	Adult Day Care includes transportation and daily exercise regimen to those over 60-years of age or older who have developmental disabilities, mental illness, Alzheimer's, dementia or who are veterans	1485 East Outer Drive Detroit MI 48234	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	30	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	1, 2, 4	N/A	1, 2, 3, 4, 6
CDBG	PS	LMC	05A	LASED	\$ 85,831	Transportation, food assistance, and help in obtaining access to other vital services and wellness for seniors.	4138 W. Vernor Hwy. Detroit MI 48209	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	450	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	3	N/A	6
CDBG	PS	LMC	05A	Luella Hannan Memorial	\$ 85,831	Zena Baum Senior Service Center helps seniors access programs and services they need to age in place, improve physical and emotional health, and remain independent.	4750 Woodward Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	110	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	3, 4	N/A	5,6
CDBG	PS	LMC	05D	Matrix Human Svcs - Youth Leadership	\$ 82,831	Matrix Youth Leadership Program provides youth ages 12-21 in and around Detroit's Osborn neighborhood with support services including counseling, employment and financial literacy assistance, and other services.	13560 E. McNichols Detroit MI 48205	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	220	Public service activities other than low/moderate-income housing benefit	Public Services	X	ALL	ALL	ALL
CDBG	PS	LMC	05D	Mercy Education Project	\$ 80,831	After school tutoring for girls in grades 1-12 from Southwest Detroit, Career readiness, adult education services, adult literacy, GED, work force readiness	1450 Howard Street Detroit MI 48216	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	240	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	2, 3	N/A	4,5,6
CDBG	PS	LMC	05D	Neighborhood Legal Services (Wayne County)	\$ 90,831	To provide comprehensive case management services, including legal representation and shelter for up to ten victims of human trafficking.	7310 Woodward Ave., Suite301 Detroit Mi 48202	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	130	Public service activities other than low/moderate-income housing benefit	Public Services	X	ALL	ALL	ALL
CDBG	PS	LMC	05D	People's Community Services	\$ 76,831	The EPIC Youth program provides after school youth recreational, educational, fine arts activities along with counseling for youth ages 6 to 18.	420 South Leigh Street Detroit MI 48209	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	240	Public service activities other than low/moderate-income housing benefit	Public Services	N/A	3	N/A	6
CDBG	PS	LMC	05D	Police Athletic League	\$ 76,831	Youth mentoring program through organized sports programs funds to support the following programs: youth baseball, softball, track, recreational soccer and the GOAL Detroit Soccer program.	111 West Willis Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	300	Public service activities other than low/moderate-income housing benefit	Public Services	X	ALL	ALL	ALL
CDBG	PS	LMC	05H	Restaurant Opportunity Center of Michigan	\$ 60,828	Job training in restaurant operations/training in front of house restaurant operations.	311 East Grand River Detroit, MI 48226	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	Improved Services for low/mod persons	People	150	Public service activities other than low/moderate-income housing benefit	Public Services	X	ALL	ALL	ALL



2018-2019 HUD Annual Action Plan Projects and Activities

Program Name	Activity	National Objective	Matrix Code	Sponsor Name (Activity Name)	Recommended Amount	Project Description	Site Address	Start Date	Completion Date	Objective	Outcome	Specific Objectives	Accomplishment Type	Proposed Accomplishment	Outcome Indicators	Priority Need	City wide	NRSA	Slum Blight	City Districts
CDBG	PSHL	LMC	03T	Alternatives For Girls (ES)	\$ 100,000	(ES) Provides shelter for young women.	903 West Grand Blvd. Detroit MI 48208	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	100	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	5
CDBG	PSHL	LMC	03T	Cass Community Social Services (ES)	\$ 100,000	Provide rotating shelter and family shelter.	11745 Rosa Parks Blvd. Detroit MI 48206	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	440	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
CDBG	PSHL	LMC	03C	Cass Community Social Services (SO)	\$ 75,000	Outreach program outside business hours focused on unsheltered persons.	11745 Rosa Parks Blvd. Detroit MI 48206	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	100	Homeless person overnight shelter	Outreach	X	ALL	ALL	5
CDBG	PSHL	LMC	03T	Cass Community Social Services (Wm Ctr)	\$ 150,000	Warming shelter for homeless men, women and children.	11745 Rosa Parks Blvd. Detroit MI 48206	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	1000	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
CDBG	PSHL	LMC	03C	Central United Methodist/NOAH (SO)	\$ 100,000	NOAH lunch program and engagement for homeless and unsheltered persons.	23 East Adams Detroit MI 48226	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	2527	Homeless person overnight shelter	Outreach	X	ALL	ALL	5
CDBG	PSHL	LMC	03T	Coalition on Temporary Shelter (COTS) (ES)	\$ 100,000	Provides shelter for families (male, female and children).	26 Peterboro Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	16	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
CDBG	PSHL	LMC	03T	Community Home Support (RR)	\$ 175,000	Quickly rehouse families and individuals that are literally homeless.	2111 Woodward, Suite 608 Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	100	Tenant-based rental assistance/Rapid rehousing	Rapid Re-housing	N/A	3	N/A	5
CDBG	PSHL	LMC	03T	Community Social Services of Wayne County (ES)	\$ 100,000	Shelter provider for pregnant or parenting Detroit teens and their children.	9851 Hamilton Detroit MI 48202	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	1416	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
CDBG	PSHL	LMC	03T	Covenant House (ES)	\$ 100,000	Provides shelter for teens 18-24 years of age.	2959 MLK Blvd. Detroit MI 48208	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	50	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
CDBG	PSHL	LMC	03T	DRMM Genesis II Chicago (ES)	\$ 85,000	Provides shelter for women and families	12900 Chicago W. Detroit, MI 48227	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	50	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
CDBG	PSHL	LMC	03T	DRMM Genesis House III Fairview (ES)	\$ 85,000	Provides shelter for women and children.	150 Stimson Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	50	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
CDBG	PSHL	LMC	03T	DRMM Genesis House III Fairview (Wm Ctr)	\$ 140,000	Warming center for families.	150 Stimson Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	1000	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
CDBG	PSHL	LMC	03T	DRMM Genesis House III Mack (ES)	\$ 85,000	Shelter provider for single women.	150 Stimson Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	300	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6

2018-2019 HUD Annual Action Plan Projects and Activities

Program Name	Activity	National Objective	Matrix Code	Sponsor Name (Activity Name)	Recommended Amount	Project Description	Site Address	Start Date	Completion Date	Objective	Outcome	Specific Objectives	Accomplishment Type	Proposed Accomplishment	Outcome Indicators	Priority Need	City wide	NRSA	Slum Blight	City Districts
CDBG	PSHL	LMC	03T	DRMM 3rd Street (ES)	\$ 85,000	Shelter provider for single women.	150 Stimson Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	1000	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
CDBG	PSHL	LMC	03T	Freedom House (ES)	\$ 90,421	Provides services to political refugees.	2630 W. Lafayette Detroit MI 48216	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	106	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	5,2
CDBG	PSHL	LMC	03T	Mariner's Inn (ES)	\$ 85,000	Provides shelter for single men.	445 Ledyard Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	3045	Homeless person overnight shelter	Emergency shelter and transitional housing	N/A	3	N/A	6
CDBG	PSHL	LMC	05S	Neighborhood Legal Services Michigan (Wayne County) (RR)	\$ 200,000	Quickly rehouse families and individuals that are literally homeless.	7310 Woodward Suite 701 Detroit MI 48202	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	2188	Tenant-based rental assistance/Rapid rehousing	Rapid Re-housing	X	ALL	ALL	5
CDBG	PSHL	LMC	03T	Neighborhood Service Organization (ES)	\$ 90,000	Shelter provider for single men and women.	882 Oakman Blvd. Suite C Detroit MI 48238	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	100	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	5,6
CDBG	PSHL	LMC	03T	Salvation Army (ES)	\$ 100,000	Provides shelter for homeless families.	16130 Northland Drive Southfield, MI 48075	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	100	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
CDBG	PSHL	LMC	05Q	The Heat and Warmth Fund (THAW) (HP)	\$ 100,000	Utility assistance for households at risk of homelessness due to utility shut-off.	535 Griswold, Suite 200 Detroit MI 48226	7/1/2018	6/30/2019	Decent Housing	Affordability	End Chronic Homelessness	People	1425	Homelessness prevention	Prevention	X	ALL	ALL	ALL
CDBG	PSHL	LMC	05Q	United Community Housing coalition (HP)	\$ 148,674	Counseling and financial assistance for those at risk of homeless.	2727 Second Ave., Suite 313 Detroit MI 48201	7/1/2018	6/30/2019	Decent Housing	Affordability	End Chronic Homelessness	People	390	Homelessness prevention	Prevention	X	ALL	ALL	6
CDBG	PSHL	LMC	03T	YWCA Interim House (ES)	\$ 100,000	Provides domestic abuse shelter for women and their children.	982 East Jefferson Detroit MI 48201	7/1/2018	6/30/2019	Suitable Living Environment	Availability/Accessibility	End Chronic Homelessness	People	100	Homeless person overnight shelter	Emergency shelter and transitional housing	X	ALL	ALL	6
				<b>PSHL Subtotal</b>	<b>\$ 2,394,095</b>															
				<b>Total PS &amp; PSHL</b>	<b>\$ 7,854,796</b>															
CDBG	REPAY	N/A	19F	Ferry Street	\$ 414,356	Repayment of Section 108 Loan	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	Other	N/A	N/A	N/A	N/A
	REPAY	N/A	19F	Fort Shelby	\$ 1,923,850	Repayment of Section 108 Loan	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	Other	N/A	N/A	N/A	N/A

2018-2019 HUD Annual Action Plan Projects and Activities

Program Name	Activity	National Objective	Matrix Code	Sponsor Name (Activity Name)	Recommended Amount	Project Description	Site Address	Start Date	Completion Date	Objective	Outcome	Specific Objectives	Accomplishment Type	Proposed Accomplishment	Outcome Indicators	Priority Need	City wide	NRSA	Slum Blight	City Districts
	REPAY	N/A	19F	Garfield II - Note 1 - Garfield Estates	\$ 711,041	Repayment of Section 108 Loan	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	Other	N/A	N/A	N/A	N/A
	REPAY	N/A	19F	Garfield II - Note 2 - N'namdi Ctr196794	\$ 196,794	Repayment of Section 108 Loan	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	Other	N/A	N/A	N/A	N/A
	REPAY	N/A	19F	Garfield Geothermal	\$ 119,400	Repayment of Section 108 Loan	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	Other	N/A	N/A	N/A	N/A
	REPAY	N/A	19F	Garfield Sugar Hill	\$ 356,541	Repayment of Section 108 Loan	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	Other	N/A	N/A	N/A	N/A
	REPAY	N/A	19F	Mexicantown	\$ 354,375	Repayment of Section 108 Loan	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	Other	N/A	N/A	N/A	N/A
	REPAY	N/A	19F	Vernor Lawndale	\$ 140,251	Repayment of Section 108 Loan	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	Other	N/A	N/A	N/A	N/A
	REPAY	N/A	19F	Woodward Garden	\$ 2,085,885	Repayment of Section 108 Loan	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	Other	N/A	N/A	N/A	N/A
				<b>Repayment of 108 Loan Subtotal</b>	<b>\$ 6,302,493</b>															
				<b>Grand Total CDBG</b>	<b>\$ 34,379,413</b>															
ESG	ESG	N/A	20	Emergency Solutions Grant Projects	\$ 2,816,974	ESG Projects	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2019	N/A	N/A	N/A	Other	N/A	N/A	Homeless/HIV/AIDS	X	ALL	ALL	ALL
					\$ 2,816,974	<b>ESG Total</b>														
HOME	AD/PLN	N/A	21H	HOME Administration	\$ 724,316	Administration. Overall management of the HOME program.	2 Woodward CAYMC, Detroit, MI 48226	7/1/2018	6/30/2021	N/A	N/A	N/A	Other	N/A	N/A	Administration/Planning	N/A	N/A	N/A	N/A



## FY 18-19 REVISED BUDGET ANALYSIS

Appr	Cost Center Num	Sponsor	MAYOR'S BUDGET REQ FY 18-19	ADOPTED BUDGET	PENDING AMENDMENT	PROPOSED REVISED BUDGET
<b>CDBG</b>						
20234	365701	HRD - Office of Administration	1,512,837	1,512,837		1,512,837
20238	365706	HRD - Office of Hsg Un - Supportive Hsg	560,223	560,223		560,223
13170	365707	HRD - Office of Programmatic Un - NOF & CDBG Initiatives	1,429,155	1,429,155		1,429,155
05797	360600	Eight Mile Blvd	25,000	25,000		25,000
13635	365003	City Plan Comm/Historic Designation Advisory Board	25,000	25,000		25,000
20542	361111	Single Family Ownership Plan			438,295	438,295
		<b>HRD SUB-TOTAL</b>	3,552,215	3,552,215		3,990,510
<b>PLANNING AND DEVELOPMENT</b>						
14027	433110	PDD - Planning - Staffing	2,685,372	2,435,372		2,435,372
		<b>PDD SUB-TOTAL</b>	2,685,372	2,435,372		2,435,372
<b>DESC</b>						
20543	361111	GDYT Admin			450,000	450,000
		<b>ADMIN AND PLANNING SUB-TOTAL</b>	6,237,587	5,987,587		6,875,882
<b>DEMOLITION</b>						
13635	365006	HRD - Demolition	2,500,000	2,500,000		2,500,000
13635	365708	HRD - Demo Admin	581,206	581,206		581,206
20544	361111	Non-HHF Demolition (Schools & Parks)			2,000,000	2,000,000
		<b>DEMOLITION SUB-TOTAL</b>	3,081,206	3,081,206		5,081,206
<b>ECONOMIC DEV</b>						
13837	365008	Economic Development Small Business Development	2,308,336	2,308,336		2,308,336
		<b>ECON DEV SUB-TOTAL</b>	2,308,336	2,308,336		2,308,336
<b>HOME REPAIR</b>						
10409	362742	CDBG Match - LEAD Grant	1,000,000	1,000,000	500,000	1,500,000
20153	364113	Conventional Home Repair	500,000	500,000		500,000
20541	361111	Pre-Development - Affordable Housing			618,121	618,121
		<b>SUB-TOTAL</b>	1,500,000	1,500,000		2,618,121
20238	365705	HRD - Multi Family Staffing	2,400,204	2,400,204		2,400,204
		<b>SUB-TOTAL</b>	2,400,204	2,400,204		2,400,204
		<b>HOME REPAIR SUB-TOTAL</b>	3,900,204	3,900,204		5,018,325
<b>PUBLIC FACILITY REHAB</b>						
05915	360630	Chapel Hill MBC Non-Profit Hsg/Christian Social Outreach		136,000		136,000
06698	360767	Focus: HOPE	150,000	132,256		132,256
06514	360743	Franklin-Wright Settlements	250,000	212,500		212,500
11893	366905	Matrix Human Services - Reuther Older Adult & Wellness Center	219,375	186,469		186,469
04186	360268	Northeast Guidance Center	169,000	143,650		143,650
12168	365528	Southwest Housing Solutions	150,000	127,500		127,500
		<b>PFR SUB-TOTAL</b>	938,375	938,375		938,375



## FY 18-19 REVISED BUDGET ANALYSIS

Appr	Cost Center Num	Sponsor	MAYOR'S BUDGET REQ FY 18-19	ADOPTED BUDGET	PENDING AMENDMENT	PROPOSED REVISED BUDGET
		<b>HOMELESS PUBLIC SERVICE</b>				
		<i>EMERGENCY SHELTER</i>				
11784	366005	Alternatives for Girls	100,000	100,000		100,000
11838	366310	Cass Community Social Services (Oasis Project)	100,000	100,000		100,000
11785	366010	Coalition on Temporary Shelter (COTS)	100,000	100,000		100,000
12708	367175	Community Social Services of Wayne County (Catholic Social Svcs.)	100,000	100,000		100,000
11786	366015	Covenant House Michigan	100,000	100,000		100,000
20338	364125	DRMM Genesis House II Chicago	85,000	85,000		85,000
11882	366880	Detroit Rescue Mission (DRMM Genesis House III) Fairview	85,000	85,000		85,000
20336	364124	Detroit Rescue Mission (DRMM Genesis House III) Mack	85,000	85,000		85,000
20339	364126	DRMM 3rd Street	85,000	85,000		85,000
11791	366040	Freedom House	90,421	90,421		90,421
11798	366075	Mariners Inn	85,000	85,000		85,000
11801	366090	Neighborhood Service Organization (NSO)	90,000	90,000		90,000
13644	364101	Salvation Army	100,000	100,000		100,000
11809	366130	YWCA Interim House	100,000	100,000		100,000
		<b>EMERGENCY SHELTER SUB-TOTAL</b>	<b>1,305,421</b>	<b>1,305,421</b>		<b>1,305,421</b>
		<i>WARMING CENTERS</i>				
11838	366310	Cass Community Social Services	150,000	150,000		150,000
11882	366880	Detroit Rescue Mission (DRMM Genesis House III) Fairview	140,000	140,000		140,000
		<b>WARMING CENTER SUB-TOTAL</b>	<b>290,000</b>	<b>290,000</b>		290,000
		<i>HOMELESS PREVENTION</i>				
11806	366115	United Community Housing Coalition	148,674	148,674		148,674
06733	360754	The Heat and Warmth Fund (THAW)	100,000	100,000		100,000
		<b>HOMELESS PREVENTION SUB-TOTAL</b>	<b>248,674</b>	<b>248,674</b>		248,674
		<i>RAPID REHOUSING</i>				
20340	364129	Community Home Support	175,000	175,000		175,000
10663	363079	(Wayne County) Neighborhood Legal Services	200,000	200,000		200,000
		<b>RAPID REHOUSING SUB-TOTAL</b>	<b>375,000</b>	<b>375,000</b>		375,000
		<i>STREET OUTREACH</i>				
11896	366920	The Noah Project (Central United Methodist Church)	100,000	100,000		100,000
11838	366310	Cass Community Social Services	75,000	75,000		75,000
		<b>STREET OUTREACH SUB-TOTAL</b>	<b>175,000</b>	<b>175,000</b>		175,000
		<b>TOTAL HOMELESS PUBLIC SERVICE</b>	<b>2,394,094</b>	<b>2,394,095</b>		<b>2,394,095</b>

## FY 18-19 REVISED BUDGET ANALYSIS

Appr	Cost Center Num	Sponsor	MAYOR'S BUDGET REQ FY 18-19	ADOPTED BUDGET	PENDING AMENDMENT	PROPOSED REVISED BUDGET
		<b>PUBLIC SERVICE</b>				
13837	365007	Summer Jobs Program (NRSA)	2,750,000	2,750,000		2,750,000
20546	361111	Detroit Safe Clean and Decent Team			95,709	95,709
		<b>EDUCATION</b>				
07523	360901	Accounting Aid Society	72,500	72,500	10,831	83,331
04139	360238	DAPCEP	67,700	67,700	10,831	78,531
05983	360634	Dominican Literacy Center	72,000	72,000	10,831	82,831
11167	363124	Greening of Detroit	85,000	85,000	10,831	95,831
06709	360772	International Institute	85,000	85,000	10,831	95,831
20487	361111	Matrix Human Svcs - Youth Leadership	72,000	72,000	10,831	82,831
11554	361741	Mercy Education Project	70,000	70,000	10,831	80,831
20347	364133	Restaurant Opportunity Center of Michigan	0	0	60,928	60,928
13840	363231	Sowing Empowerment & Econ Dev (SEED, Inc.)	67,700	67,700	10,831	78,531
10124	362635	St. Vincent and Sarah Fisher Ctr	67,700	67,700	10,831	78,531
13562	367237	The Youth Connection	67,700	67,700	10,831	78,531
13556	367232	Urban Neighborhood Initiative	67,700	67,700	10,831	78,531
05178	360469	Wellspring	85,000	85,000	10,831	95,831
13646	364103	YMCA	70,000	70,000	10,831	80,831
		<b>EDUCATION SUB-TOTAL</b>	<b>950,000</b>	<b>950,000</b>		<b>1,151,731</b>
		<b>HEALTH</b>				
12420	367156	Joy-Southfield CDC	75,000	75,000	10,831	85,831
20545	361111	Ruth Ellis	0	0	63,928	63,928
12719	367186	The Society of St. Vincent de Paul	75,000	75,000	10,831	85,831
13398	367228	The Yunion	75,000	75,000	10,831	85,831
		<b>HEALTH SUB-TOTAL</b>	<b>225,000</b>	<b>225,000</b>		<b>321,421</b>
		<b>RECREATION</b>				
10105	362540	Alkebu-lan Village	66,000	66,000	10,831	76,831
11547	366996	Clark Park Coalition	66,000	66,000	10,831	76,831
05428	360522	People's Community Services	66,000	66,000	10,831	76,831
10113	362580	Police Athletic League	66,000	66,000	10,831	76,831
05544	360558	Southwest Detroit Business Association	66,000	66,000	10,831	76,831
13397	367227	Teen Hype	0	0	60,940	60,940
		<b>RECREATION SUB-TOTAL</b>	<b>330,000</b>	<b>330,000</b>		<b>445,095</b>
		<b>PUBLIC SAFETY</b>				
10663	363079	(Wayne County) Neighborhood Legal Services	80,000	80,000	10,831	90,831
10620	363059	Jefferson East Business Association	100,000	100,000	10,831	110,831
		<b>PUBLIC SAFETY SUB-TOTAL</b>	<b>180,000</b>	<b>180,000</b>		<b>201,662</b>
		<b>SENIORS</b>				
04683	360375	Alzheimer's Association	75,000	75,000	10,831	85,831
06403	360705	Delray United Action Council	0	0	60,928	60,928
10621	363060	L&L Adult Day Care	75,000	75,000	10,831	85,831
05662	360574	LASED	75,000	75,000	10,831	85,831
20488	361111	Luella Hannan Memorial	75,000	75,000	10,831	85,831
05149	360454	St. Patrick Senior Center	80,000	80,000	10,831	90,831
		<b>SENIORS SUB-TOTAL</b>	<b>380,000</b>	<b>380,000</b>		<b>495,083</b>
		<b>TOTAL PUBLIC SERVICE</b>	<b>4,815,000</b>	<b>4,815,000</b>	<b>645,701</b>	<b>5,460,701</b>

## FY 18-19 REVISED BUDGET ANALYSIS

Appr	Cost Center Num	Sponsor	MAYOR'S BUDGET REQ FY 18-19	ADOPTED BUDGET	PENDING AMENDMENT	PROPOSED REVISED BUDGET
13529		<b>SECTION 108 LOANS</b>				
13529	364084	Ferry Street	414,356	414,356		414,356
13529	364090	Fort Shelby	1,923,850	1,923,850		1,923,850
13529	364087	Garfield II - Note 1 - Garfield Estates	711,041	711,041		711,041
13529	364087	Garfield II - Note 2 - N'namdi Ctr.	196,794	196,794		196,794
13529	364092	Garfield Geothermal	119,400	119,400		119,400
13529	364093	Garfield Sugar Hill	356,541	356,541		356,541
13529	364086	Mexicantown	354,375	354,375		354,375
13529	364088	Vernor Lawndale	140,251	140,251		140,251
13529	364091	Woodward Garden	1,312,155	2,085,885		2,085,885
		<b>SECTION 108 SUB-TOTAL</b>	<b>5,528,763</b>	<b>6,302,493</b>		<b>6,302,493</b>
		<b>SUB-TOTAL HRD EXPENSES</b>	<b>26,518,193</b>	<b>27,291,924</b>	<b>4,202,117</b>	<b>31,494,041</b>
		<b>SUB-TOTAL OTHER DEPARTMENTS EXPENSES</b>	<b>2,685,372</b>	<b>2,435,372</b>	<b>450,000</b>	<b>2,885,372</b>
		<b>TOTAL</b>	<b>29,203,565</b>	<b>29,727,296</b>	<b>4,652,117</b>	<b>34,379,413</b>
		<b>CDBG ALLOCATION, PROGRAM AND OTHER INCOME</b>				
		<b>CDBG Line of Credit</b>	<b>29,727,296</b>	<b>29,727,296</b>		34,379,413
		<b>TOTAL</b>	<b>29,727,296</b>	<b>29,727,296</b>		<b>34,379,413</b>
		<b>CDBG SPENDING CAPS</b>				
		Admin/Planning Cap	5,945,459	5,945,459		6,875,883
		Total Admin/Plan Expenses	6,237,587	5,987,587		6,875,882
		Difference	(292,128)	(42,128)		1
		Public Service Cap	4,459,094	4,459,094		5,156,912
		Total Public Service Expenses	7,209,094	7,209,095		7,854,796
		Difference	(2,750,000)	(2,750,000)		(2,697,884)
		<b>HOME</b>				
	365160	HOME Admin (Staffing)	479,075	479,075	245,241	724,316
	363001	HOME CHDO Project Financing	4,311,674	3,533,925	2,984,916	6,518,841
		<b>TOTAL HOME EXPENSES</b>	<b>4,790,749</b>	<b>4,013,000</b>		<b>7,243,157</b>
		<b>TOTAL HOME ALLOCATION</b>	4,790,749	4,013,000	3,230,157	7,243,157
		<b>DIFFERENCE</b>	0	0		0
		<b>ESG</b>				
13340	361507	Emergency Solutions Grant - Staffing	201,238	201,238	10,035	211,273
13340	361508	Emergency Solutions Grant - Projects	2,481,919	2,481,919	123,782	2,605,701
		<b>TOTAL ESG EXPENSES</b>	<b>2,683,157</b>	<b>2,683,157</b>	<b>133,817</b>	<b>2,816,974</b>
		<b>TOTAL ESG ALLOCATION</b>	2,683,157	2,683,157		2,816,974
		<b>DIFFERENCE</b>	0	0		0

DETROIT HOMELESS SYSTEM  
WRITTEN STANDARDS:

# Detroit Homeless System Written Standards

## Introduction:

This document is an outline of the programs that comprise Detroit’s Homeless System. The purpose of this document is to establish policies and procedures for evaluating eligibility for program types, prioritization guidelines for persons entering into a homeless assistance program, duration of assistance, and to determine the minimum or maximum contribution of households receiving rental assistance. This document also includes overarching *Essential Elements* that apply to all programs within the system either current or in the future.

## Definitions:

**Chronically Homeless:** To be considered chronically homeless, an individual or head of household must meet the definition of “homeless individual with a disability” from the McKinney-Vento Act, as amended by the HEARTH Act and have been living in a place not meant for human habitation, in an emergency shelter, or in a safe haven for the last 12 months continuously or on at least four occasions in the last three years where those occasions cumulatively total at least 12 months.<sup>1</sup> An in-depth definition is available in the [Final Rule](#) “Chronically Homeless.”

**Contact:** A contact is defined as an interaction between a worker and a participant. Contacts may range from simple a verbal conversation between the street outreach worker and the participant about the participant’s well-being or needs or may be a referral to service.

**Continuum of Care (CoC):** The group organized to carry out homelessness planning for a community under the HEARTH Act. Responsibilities of the CoC include the operation of the CoC; designating and operating an HMIS; and Continuum of Care planning.

**Coordinated Assessment Model (CAM):** CAM serves as Detroit’s coordinated entry process that serves persons at risk for or experiencing homelessness in Detroit. The process includes standardized structures and protocols that streamline screening, assessment and referral processes for those experiencing homelessness.

**Documented Offer of Permanent Housing:** A documented offer of a permanent housing intervention is where the subsidy or rental assistance is immediately available at the time the offer is made, i.e. a person can immediately be issued a voucher or subsidy and begin the housing search process. The documented offer should include the following information:

- Type of permanent housing intervention
- Date of offer
- Participants’ response to the offer (accept or decline)

**Engagement:** Engagement is defined as the date on which an interactive participant relationship results in a deliberate participant assessment or beginning of a case plan.

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<sup>1</sup> U.S. Department of Housing and Urban Development. April 2016. [CoC FAQ](#).

**Enrollment:** The point at which a client has formally consented to participate in services.

**Homeless:** The HEARTH definition of “homeless” consists of four categories. The categories are: (1) Individuals and families who lack a fixed, regular, and adequate nighttime residence and includes a subset for an individual who resided in an emergency shelter or a place not meant for human habitation and who is exiting an institution where he or she temporarily resided; (2) individuals and families who will imminently lose their primary nighttime residence; (3) unaccompanied youth and families with children and youth who are defined as homeless under other federal statutes who do not otherwise qualify as homeless under this definition; and (4) individuals and families who are fleeing, or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.<sup>2</sup> A more in-depth definition is available within the HEARTH “Homeless” [Final Rule](#).

**Homeless Management Information System (HMIS):** A database that allows agencies within the homeless system to collect basic demographic information, track services, update case plans, and track outcomes at the project and participant level.

**Housing Case Management:** Housing Case Management is a collaborative process that assesses, plans, implements, coordinates, monitors, and evaluates the options and services required to meet the client's housing and human service needs. It is characterized by advocacy, communication, and resource management and promotes quality and cost-effective interventions and outcomes. The case management services are comprehensive in nature to ensure a more effective service delivery but are tailored to the varying needs of the individual &/or family.

The process includes identifying the individual & /or family's strengths and goals determined in the Individualized Housing Assistance Plan (IHAP) developed before/ & or during housing navigation. The case manager &/or Housing Navigator works with the individual &/or family to achieve short- and long-term goals, helping them access the necessary services. Although locating and obtaining housing is usually the primary goal, this cooperative relationship addresses the following:

- Provide housing stabilization services that include arranging, coordinating, linking and monitoring the delivery of services that assist participants to obtain and sustain housing stability
- Monitoring program participant progress
- Assuring that the rights of participants are protected
- Development of individualized housing plans for each program participant
- Counseling, education, employment, and life skills goals

**Housing First:** Housing First is an approach to homeless assistance that prioritizes rapid placement and stabilization in permanent housing and does not have service participation requirements or preconditions such as sobriety or a minimum income threshold. Projects using a housing first approach often have supportive services; however, participation in those services is based on the needs and desires of the program participant. The Detroit CoC should review system- and project-level eligibility criteria to identify and remove barriers to accessing services and housing that are experienced by homeless individuals and families.<sup>3</sup>

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<sup>2</sup> U.S. Department of Housing and Urban Development. December 2011. [HEARTH “Homeless” Final Rule](#).

<sup>3</sup> U.S. Department of Housing and Urban Development, Office of Community Planning and Development. September 17, 2015. [Notice of Funding Availability for the Continuum of Care \(CoC\) program. Pg. 10 – 11.](#)

**Navigation:** Housing Navigators will serve as the main point of contact for homeless households determined to be eligible for Permanent Supportive Housing, per outcome score on the Full SPDAT assessment. The Coordinated Assessment Model (CAM) Navigator’s primary responsibility is to provide case management services, at the level and intensity required to ensure the household is “housing ready.” *Housing Navigation* should include the following activities:

- Provide the CAM Lead (Intake Team) with Navigation appointment time slots. The CAM External Intake team will schedule appointments for consumers assessed in shelter that score PSH on the Full SPDAT in designated appointment slots. (CHS Only)
- Assess consumers referred to Navigation for PSH eligibility (i.e., presence of HUD approved disability). A Housing Choice Voucher (HCV) pre-application, and CAM HMIS referral should be completed for consumers with no verified disability
- Develop a client-centered Individualized Housing Assistance Plan to address/remove PSH eligibility barriers. The IHAP should be completed in person, and at the initial Navigation meeting with consumer and monitored bi-weekly
- Provide community resources/referrals to address barriers identified in the IHAP, and provide direct assistance with helping the household access these resources and benefits (i.e., mainstream and entitlement benefits, linking/coordinating mental health services, follow-up with primary care physician, legal services, etc.)
- Provide in-person housing case management and supports coordination to assist households in obtaining all necessary basic eligibility documentation required for housing
- Explain PSH CoC Prioritization, as stated in Policy & Procedures
- Provide consumer with bi-weekly PSH Match status updates following the bi-weekly PSH Match meetings
- Ensure consumer’s Verification of Homelessness documentation is within 30 days, prior to PSH Match
- Provide any necessary support to PSH provider/consumer, post PSH Match, to facilitate a successful housing placement
- Complete required documentation in HMIS

**SPDAT and VI-SPDAT:** The SPDAT is an evidence-informed approach to assessing an individual’s or family’s acuity. The tool, across multiple components, prioritizes who to serve next and why, while concurrently identifying the areas in the person/family’s life where support is most likely necessary in order to avoid housing instability. While the SPDAT is an assessment tool, the VI-SPDAT is a survey to help prioritize participants.<sup>4</sup>

### **Federal Regulations:**

All projects must comply with the [Fair Housing Act](#) (including [Equal Access and Family Separation](#)), the [Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity](#) regulations, and the [Americans with Disabilities Act](#) regulations.

### **Overall Essential Elements:**

All programs within the Detroit Homeless System, current or future, will adhere to the following *Essential Elements*:

- All programs will participate in HMIS (participation is defined in the [HMIS Policies and Procedures](#))

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<sup>4</sup> OrgCode Consulting, Inc.  
Version 1

- All programs will participate in CAM and adhere to its policies and procedures (participation is defined in the [CAM Policies and Procedures](#))
- All agencies operating programs will be, at a minimum, a non-voting member of the Continuum of Care ([Continuum of Care Governance Charter](#))
- All programs will utilize a Housing First approach
- All programs will utilize all CoC-standardized forms and other types of documentation in order to facilitate agencies' ability to successfully comply with HUD requirements. The number of these forms and other types of documentation will remain as minimal as possible
- All programs will operate within a philosophy of providing Client/Participant Choice
- All programs abide by and adopt HUD/CoC Policies related to: ADA, Fair Housing, Equal Access & Family Separation, Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity
- All programs agree to abide by and consistently apply these Written Standards

### **Program Policies**

The Detroit Continuum of Care will establish and approve policies on:

- Avoiding family separation (for family shelter) regardless of head of household age
- Program entry criteria
- Program discharge
- Accessibility accommodations (shelters should have some capacity to serve participants that need accessibility accommodations, including serving transgender persons in single sex shelters and individuals with a disability)



## **Engagement Programs/Services:**

Engagement Programs/Services are those services provided to participants before they reach the front door of the homeless services system (the front door being the shelter system). This may include services to both those already homeless as well as to those at imminent risk of losing their housing.

## **OUTREACH:**

<b>Program Description</b>	<b>Essential Program Elements</b>	<b>Time Frame</b>	<b>Population</b>	<b>Measurement</b>
Low barrier/Low demand street outreach or engagement that provides basic needs assistance and linkage to permanent housing.	<ul style="list-style-type: none"> <li>• Develop trust to engage hard to reach homeless</li> <li>• Have dedicated staff to complete VI-SPDATs with all outreach participants, then to complete full SPDATs with anyone scoring on the VI-SPDAT for Permanent Housing</li> <li>• Provides contact, engagement and enrollment services as defined by these standards</li> <li>• Provide navigation services to link those served with housing</li> <li>• Provide access to basic needs including identification; health care services, etc.</li> <li>• Coordination with other outreach teams to avoid duplication of services and optimize coverage</li> <li>• Engage in efforts to determine participants' eligibility</li> <li>• Hours of Operation include business and non-business hours</li> </ul>	None	<p>Individuals and families experiencing homelessness who are not linked to other services.</p> <p>Service preference should be given to the unsheltered.</p>	<ul style="list-style-type: none"> <li>• % of participants enrolled in the program will meet the definition of unsheltered</li> <li>• VI-SPDAT are completed on % of enrolled participants</li> <li>• % of all enrolled participants develop a housing goal</li> <li>• % of those who develop a housing goal exit homelessness to permanent housing</li> <li>• % retaining housing at one month and two year intervals</li> <li>• The extent to which persons who exit homelessness to Permanent Housing destinations return to homelessness within 6 and 24 months</li> <li>• Increase in placements to permanent housing destinations, temporary destinations (except for a place not meant for human habitation), and some institutional destinations</li> </ul>

**PREVENTION:**

	<b>Program Description</b>	<b>Essential Program Elements</b>	<b>Time Frame</b>	<b>Population</b>	<b>Measurement</b>
<b>Services Only</b>	<p>Stabilization services to prevent shelter entrance and promote housing retention.</p> <p>Expanded coordination of legal services programs to cover more tenants facing eviction and more cooperation from the City &amp; Court to allow for on-site counseling.</p>	<ul style="list-style-type: none"> <li>• Have dedicated staff to complete an individualized assessment that assesses household needs, financial needs (including job training and placement), and eligibility for mainstream resources</li> <li>• Creates a housing stabilization plan with project participants</li> <li>• Provides needed housing stabilization services</li> <li>• Provides linkages to mainstream resources based on eligibility and need</li> <li>• Coordinates with DHHS and organizations daily for diversion program</li> <li>• Services include: mediation, legal services and utility financial assistance, relocation assistance</li> </ul>	<p>Services for up to 18 months for legal and mediation</p> <p>Utility and Relocation assistance once every 12 months</p>	<p>Those at imminent risk of being homeless (exact documentation needed to determine eligibility is based on programs' funding sources)</p>	<ul style="list-style-type: none"> <li>• % of household that receive assistance will not become literally homeless within 6 months</li> <li>• % of household that receive assistance will not become literally homeless within 12 months</li> <li>• % of household that receive assistance will not become literally homeless within 2 years</li> <li>• Reduce the number of bailiff evictions by providing greater opportunities for legal representation in court, and expansion of eviction diversion program. Set a specific numeric goal once 36th District Court data is obtained, for baseline.</li> <li>• Expand the 36th District Court Eviction Diversion program to more than one management company. Better coordination and support for relocation before eviction.</li> </ul>

	<b>Program Description</b>	<b>Essential Program Elements</b>	<b>Time Frame</b>	<b>Population</b>	<b>Measurement</b>
<b>Financial Assistance and Services</b>	<p>Short to medium term financial assistance and stabilization services to prevent shelter entrance and promote housing retention.</p> <p>Expanded coordination of legal services programs to cover more tenants facing eviction and more cooperation from the City &amp; Court to allow for on-site counseling.</p>	<ul style="list-style-type: none"> <li>• Have dedicated staff to complete an individualized assessment that assesses household needs, financial needs (including job training and placement), and eligibility for mainstream resources</li> <li>• Provides housing stabilization plan</li> <li>• Provides needed housing stabilization services including both financial and supportive services</li> <li>• Provides linkages to mainstream resources based on eligibility and need</li> <li>• Coordinates with DHHS and organizations daily for diversion program.</li> <li>• Services include: mediation, legal services, relocation assistance and utility financial assistance</li> <li>• Financial Assistance includes: 6 months of rental and/or utility arrears; 1-time security deposit and/or utility deposit; 12 months of rental assistance</li> </ul>	<p>Financial assistance up to 18 months based on need and one-time assistance for security and/or utility deposit if needed (need for these services determined by case managers utilizing a risk matrix).</p>	<p>Those at imminent risk of being homeless as defined in the Risk Matrix. Financial Assistance is prioritized through the scoring framework of the Risk Matrix.</p>	<ul style="list-style-type: none"> <li>• % of household that receive assistance will not become literally homeless within 6 months.</li> <li>• % of household that receive assistance will not become literally homeless within 12 months.</li> <li>• % of household that receive assistance will not become literally homeless within 2 years.</li> <li>• Reduce the number of bailiff evictions by providing greater opportunities for legal representation in court, and expansion of eviction diversion program. Set a specific numeric goal once 36th District Court data is obtained, for baseline.</li> <li>• Expand the 36th District Court Eviction Diversion program to more than one management company. Better coordination and support for relocation before eviction.</li> </ul>

**DIVERSION:**

Program Description	Essential Program Elements	Time Frame	Population	Measurement
<p>A program that diverts homeless families from entering shelter by helping them to identify immediate alternate housing arrangements and connecting them with services and financial assistance, if necessary.</p>	<ul style="list-style-type: none"> <li>• Completes housing barrier needs assessment</li> <li>• Creates a housing stabilization plan with the participant</li> <li>• Provides conflict mediation</li> <li>• Provides housing location services</li> <li>• Provides housing stabilization services</li> <li>• Provides linkages to mainstream resources</li> <li>• Provides flexible financial assistance to maintain or obtain housing (car repairs, food cards, bus tickets, etc.).</li> </ul>	<p>Financial assistance in a 12 month period not to exceed \$1000</p>	<p>Homeless or “at-risk” families presenting for shelter</p>	<ul style="list-style-type: none"> <li>• % of households that receive assistance will not enter into the homeless system</li> <li>• % of household that receive assistance will not become literally homeless within 6 months</li> <li>• % of household that receive assistance will not become literally homeless within 12 months</li> <li>• % of household that receive assistance will not become literally homeless within 2 years</li> </ul>

## Temporary Housing:

Time-limited temporary housing where individuals experiencing homelessness may stay and receive supportive services that are designed to enable individuals to move into permanent housing.

### EMERGENCY SHELTER:

	Program Description	Essential Program Elements	Time Frame	Population	Measurement
Site-Based Emergency Shelter	<p>Low barrier, site based, temporary shelter to deal with an individual's or family's immediate housing crisis.</p> <p>The project must meet the following guidelines:</p> <ul style="list-style-type: none"> <li>the primary intent of the project is to serve homeless persons,</li> <li>the project verifies homeless status as part of its eligibility determination, and</li> <li>the actual project participants are predominantly homeless</li> </ul>	<ul style="list-style-type: none"> <li>Low programmatic barriers to entry and shelter stay</li> <li>Operates 24 hours a day / 7 days a week</li> <li>Accessed through CAM during CAM Business Hours; accessed directly via the shelter provider during non-CAM business hours</li> <li>Sobriety is not a condition for entry</li> <li>Identification is not a condition for entry</li> <li>Safe physical environment</li> <li>Completes VI-SPDATs (as noted in the CAM Policies and Procedures)</li> <li>Creates a housing stabilization plan with the participant</li> <li>Provides housing case management</li> <li>Provides at least one meal per day per participant</li> <li>Provides linkages to mainstream resources and services, including TANF, SNAP, SSI/SSDI, Medicaid/ Medicare, Children's Protective Services (CPS) etc. (case managers expected to help participants apply for benefits and navigate systems as needed).</li> <li>Cooperatively works with service providers within the system to provide needed services to consumers to quickly move them to permanent housing</li> </ul>	Average length of stay under 90 days	All literally homeless who meet Categories 1, 2, or 4 of HUD's definition of homeless	<ul style="list-style-type: none"> <li>% of those served will receive a VI/SPDAT</li> <li>Of those who stay in shelter more than 14 days, % will establish a housing goal</li> <li>% will exit shelter to a permanent housing destination. This percentage should increase each year.</li> <li>The extent to which persons who exit homelessness to permanent housing destinations return to homelessness within 6 to 24 months</li> </ul> <p>*Shelters targeting special populations, such as youth or those fleeing domestic violence, may have different outcomes, with exits to transitional housing as an acceptable and appropriate outcome</p>

	<b>Program Description</b>	<b>Essential Program Elements</b>	<b>Time Frame</b>	<b>Population</b>	<b>Measurement</b>
<b>Warming Centers</b>	<p>Low barrier, site based, temporary shelter to deal with an individual's or family's immediate housing crisis.</p> <p>Services are typically provided during cold weather months, with the primary purpose being to provide safe shelter to protect against the elements.</p>	<ul style="list-style-type: none"> <li>• Low programmatic barriers to entry and shelter stay</li> <li>• As funding allows, operates 7 days a week from evening to morning. Ideally, open during the day when there is inclement weather</li> <li>• Can be accessed through CAM during CAM Business Hours; can always be accessed directly via the Warming Center provider</li> <li>• Sobriety is not a condition for entry</li> <li>• Identification is not a condition for entry</li> <li>• Safe physical environment</li> <li>• Access to sleeping space, bathing opportunities, and food items</li> <li>• Case management is provided to the extent that funding and staffing capacity allows.</li> <li>• Referrals should be made to CAM and or Outreach for clients utilizing services for 14 consecutive days</li> </ul>	Average length of stay under 90 days	All literally homeless who meet Categories 1, 2, or 4 of HUD's definition of homeless	<ul style="list-style-type: none"> <li>• % of participants served will be entered into HMIS in accordance with the HMIS Policies &amp; Procedures.</li> </ul>

	<b>Program Description</b>	<b>Essential Program Elements</b>	<b>Time Frame</b>	<b>Population</b>	<b>Measurement</b>
<b>Hotel/Motel Vouchers</b>	Hotel or motel vouchers meant to address individuals' or families' immediate housing crises, should no appropriate emergency shelter be available.	<ul style="list-style-type: none"> <li>• To be used on an emergency basis when no other emergency shelter or safe housing options are available</li> <li>• Low programmatic barriers for receiving vouchers</li> <li>• Sobriety is not a condition for receiving vouchers</li> <li>• Identification is not a condition for entry</li> <li>• Safe physical environment</li> <li>• Completes VI-SPDATs (as noted in the CAM Policies and Procedures)</li> <li>• Creates a housing stabilization plan with the participant</li> <li>• Provides housing case management</li> <li>• Provides linkages to mainstream resources and services, including TANF, SNAP, SSI/SSDI, Medicaid/ Medicare, Children's Protective Services (CPS) etc. (case managers expected to help participants apply for benefits and navigate systems as needed).</li> <li>• Cooperatively works with service providers within the system to provide needed services to consumers to quickly move them to permanent housing</li> </ul>	Length of stay should not exceed 30 days, except for rare and extreme circumstances	All literally homeless who meet Categories 1, 2, or 4 of HUD's definition of homeless	<ul style="list-style-type: none"> <li>• % of participants served will be entered into HMIS in accordance with the HMIS Policies &amp; Procedures.</li> <li>• % of participants who exit to permanent housing.</li> </ul>

**TRANSITIONAL HOUSING:**

	<b>Program Description</b>	<b>Essential Program Elements</b>	<b>Time Frame</b>	<b>Population</b>	<b>Measurement</b>
<b>Bridge Housing</b>	Short-term temporary housing to facilitate the movement to permanent housing for an individual or family who has accepted an offer of permanent housing (that has been documented) but has not moved in yet.	<ul style="list-style-type: none"> <li>• Temporary Housing is provided</li> <li>• Participants are required to pay 30% of their adjusted gross income towards their rent.</li> <li>• Services are not required</li> <li>• Access to Permanent Housing Service Provider is allowed for each participant/ family in bridge housing</li> </ul>	Average length of stay under 90 days	<p>Literally Homeless that meet Category 1 or 4 of HUD's definition of homeless AND</p> <p>Has accepted an offer of Permanent Housing but is awaiting housing location or approval</p>	<ul style="list-style-type: none"> <li>• % of participants who move into permanent housing within 90 days</li> </ul>



	<b>Program Description</b>	<b>Essential Program Elements</b>	<b>Time Frame</b>	<b>Population</b>	<b>Measurement</b>
<b>Service-Intensive Transitional Housing</b>	<p>Time-limited (up to 24 months) housing program intended to facilitate the movement of homeless individuals and families to permanent housing. Homeless persons may live in transitional housing programs for up to 24 months and receive supportive services that enable them to live more independently.</p> <p>Settings for TH: Transition in Place, scattered site, or project-based</p> <p>Limited to serving:</p> <ul style="list-style-type: none"> <li>Youth ages 13 to 24</li> <li>Persons fleeing/attempting to flee domestic violence</li> <li>Persons seeking substance abuse treatment</li> </ul> <p>The project must meet the following guidelines:</p> <ul style="list-style-type: none"> <li>the primary intent of the project is to serve homeless persons,</li> <li>the project verifies homeless status as part of its eligibility determination, and</li> <li>the actual project participants are predominantly homeless</li> </ul>	<ul style="list-style-type: none"> <li>Household holds lease and/or occupancy agreement. Occupancy agreement must comply with HUD requirements.</li> <li>Participants are required to pay 30% of their adjusted gross income towards their rent.</li> <li>Barriers to entry should be low, but a project may require specific eligibility criteria to effectively serve priority populations (e.g., willingness/desire to participate in services).</li> <li>If Project-based: 24-hour residential environment (safe/structured setting, provision of meals or cooking space, access to laundry, storage, etc.)</li> <li>Participants supported to establish and implement housing stabilization plan to secure permanent housing upon program exit. Services that are tailored to the target population may include: <ul style="list-style-type: none"> <li>Employment assessment and connection to employment services and/or education/GED services (as directed by the assessment)</li> <li>Financial counseling to help resolve rental arrears and/or debt, to establish budgeting skills, to establish savings plan, and /or other money management skills needed.</li> <li>Connections to mainstream benefits and services, including TANF, SNAP, SSI/SSDI, Medicaid/ Medicare, CPS, etc. (case managers expected to help participants apply for benefits and navigate systems as needed).</li> <li>Housing search assistance (either directly or through coordination with a partner).</li> <li>Assistance building (re-building) family and community support networks.</li> </ul> </li> </ul>	<p>Up to 2 years of housing subsidy and case management</p> <p>Up to 6 months of follow-up services provided after exit</p>	<p>Literally Homeless that meet Category 1 or 4 of HUD's definition of homeless AND</p> <ul style="list-style-type: none"> <li>Household is not able to be diverted</li> <li>Household is not initially slated for PSH</li> <li>Household does not meet the definition for being chronically homeless</li> </ul> <p>Household has a score of 40-67 on the full F-SPDAT</p> <p>Individual has a score of 29-50 on the full SPDAT</p>	<ul style="list-style-type: none"> <li>% households that exit to permanent housing</li> <li>% of all participants that gain employment income</li> <li>% of all participants that gain non-employment cash income</li> <li>% of participants that obtain mainstream benefits</li> <li>The extent to which persons who exit homelessness to permanent housing destinations return to homelessness within 6 to 24 months</li> </ul>

## Permanent Housing

Housing that is safe and stable where the household has a lease or sub-lease in their name, a subsidy is provided and voluntary services (as determined by assessment) to help in retaining the housing.

### RAPID REHOUSING:

Program Description	Essential Program Elements	Time Frame	Population	Measurement
<p>Short to medium term housing assistance program that rapidly moves homeless individuals and families, regardless of disability or background, into appropriate permanent housing with needed services to maintain stability.</p> <p>The project must meet the following guidelines:</p> <ul style="list-style-type: none"> <li>the primary intent of the project is to serve homeless persons,</li> <li>the project verifies homeless status as part of its eligibility determination, and</li> <li>the actual project participants are predominantly homeless at entry</li> </ul>	<ul style="list-style-type: none"> <li>Individuals and families placed in leased based permanent housing with an initial lease of 12 months. Household holds lease and may remain in unit permanently (i.e., following exit from the program).</li> <li>The units in which rental assistance is provided must comply with HUD's rental reasonableness standards.</li> <li>Participants receiving medium-term rental assistance are required to pay a portion of their income towards their rent according to the following scale:               <ul style="list-style-type: none"> <li>Months 4 to 9: participant pays 10% of income towards rent</li> <li>Months 10 to 15: participant pays 20% of income towards rent</li> <li>Months 16 to 18: participant pays 30% of income towards rent</li> </ul> </li> <li>Security Deposits: A security deposit may not exceed 1.5 times the rent</li> <li>Utility Deposits, Payments, and/ or Arrearages: Maximum 6 months or \$2,500, whichever comes first</li> <li>An individual or family may receive any combination of the following: short to medium-term rental assistance, and/ or security deposit, and/ or utility deposit, or arrears.</li> <li>Participants that have zero income at any point while receiving RRH assistance will not be denied assistance if they are otherwise eligible for assistance.</li> <li>Participants with zero income will not be required to pay a portion of their income towards rent. If it appears that the participant will need a longer subsidy than can be provided by RRH, all attempts should be made to assist the participant in securing such a subsidy.</li> </ul>	<p><b>Short-term rental assistance:</b> up to 3 months rental assistance</p> <p><b>Medium-term rental assistance:</b> 4-18 months of rental assistance. Participants receiving medium term rental assistance will be able to receive rental assistance in 3-month increments, up to a total of 18 months.</p>	<p>Category 1 or 4 homeless with an income of less than 30% of AMI (for ESG funded projects)</p> <p>People coming from street or shelter (for CoC funded projects)</p> <p>Referred and prioritized through appropriate VI/SPDAT Score</p>	<ul style="list-style-type: none"> <li>Referral acceptance within X business days</li> <li>% of households served will achieve permanent housing within 60 days of referral so long as funds are available. "Available" means allocated, under contract and being reimbursed on a timely basis.</li> <li>% of those served are able to maintain housing without RRH assistance by 180 days</li> <li>% of those served are not literally homeless after one year</li> <li>% of those served are placed on the MSHDA Housing Choice Voucher (HCV) Homeless Preference wait list</li> <li>Increase in the percent of adults who gain or increase employment or non-employment cash income over time</li> </ul>

	<ul style="list-style-type: none"> <li>• Provision of case management to conduct individualized assessment and develop stabilization plan (which includes support mapping). Case management is required to meet with participants at least once monthly.</li> <li>• Provision of financial assistance (security deposits, utility assistance, short- to medium- term rental assistance) and services (legal assistance, mediation, credit/financial counseling, and connection to mainstream benefits/services).</li> <li>• Provision of housing search assistance (either directly or through a partner).</li> <li>• Provision of employment assistance (either directly or through a partner).</li> <li>• Connection to benefits and other mainstream resources.</li> <li>• Serves as liaison to landlords for the program.</li> </ul>			
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**PERMANENT SUPPORTIVE HOUSING:**

Program Description	Essential Program Elements	Time Frame	Population	Measurement
<p>Permanent Housing that is coupled with supportive services that are appropriate to the needs and preferences of residents. Individuals have leases, must abide by rights and responsibilities, and may remain with no program imposed time limits. Majority of projects serve households with a disabled head of household, but disability requirement will be based on subsidy source requirement.</p> <p>Settings for PSH: Project-Based, Tenant-Based</p> <p>Type of PSH: Leasing (Master Lease for those with high barrier, hard to lease populations) or Rental Assistance (Participant holds the lease directly with the landlord)</p> <p>The project must meet the following guidelines:</p> <ul style="list-style-type: none"> <li>• the primary intent of the project is to serve homeless persons,</li> <li>• the project verifies homeless status as part of its eligibility determination, and</li> <li>• the actual project participants are predominantly homeless at entry</li> </ul>	<ul style="list-style-type: none"> <li>• Household holds a lease. An initial lease of 1 year is required and may change to a month to month lease after the initial year.</li> <li>• If projects elect to charge rent, participants will pay no more than 30% of their monthly income toward rent</li> <li>• Subsidy can be deep or shallow subsidy and change over time based on the needs of the participant.</li> <li>• Assessment is conducted to determine service needs (this assessment is not used for eligibility but to develop the service plan).</li> <li>• Services are intensive, flexible, tenant-driven, voluntary, and offered in the participant’s housing if they so choose.</li> <li>• Primary focus of services is tenancy supports that help people access and remain in housing.</li> <li>• Additional focus of services is to connect tenants to or directly provide tenant-driven supportive services, including mental health services, substance abuse services, physical health services, benefits assistance, employment assistance, etc.</li> <li>• Providers should only use funder eligibility to screen participants, reducing barriers to entry (i.e., housing should be provided without clinical prerequisites for sobriety or completion of treatment, and reduced barriers for credit history and minor criminal convictions).</li> <li>• Annual reassessment using common assessment tool to determine ongoing services needed by the households and/or to determine the household’s readiness to “move-on” from PSH.</li> <li>• Coordinate with landlords/property managers to support tenancy and prevent evictions.</li> </ul>	<p>No time limits</p>	<p>Chronically homeless individuals and families and other highly vulnerable individuals and families (as determined by full SPDAT assessment and Score)</p>	<ul style="list-style-type: none"> <li>• % of slots will be filled via coordinated entry</li> <li>• % who exit PSH project avoid subsequent homelessness at 6, 12, and 24 months</li> <li>• % of all participants gain non-employment cash income</li> <li>• % of all participants gain employment income</li> <li>• % who retain permanent housing (either retaining PSH or moving to other permanent housing)</li> </ul>

**SAFE HAVEN:**

Program Description	Essential Program Elements	Time Frame	Population	Measurement
<p>A form of supportive housing that serves hard-to-reach homeless persons with severe mental illness who come primarily from the streets and have been unable or unwilling to participate in housing or supportive services.</p> <p>The project must meet the following guidelines:</p> <ul style="list-style-type: none"> <li>• Must be located in a facility, meaning a structure, or structures, or clearly identifiable portion of a structure or structures;</li> <li>• Must have private or semi-private accommodations;</li> <li>• Must limit overnight occupancy to no more than 25 persons;</li> <li>• Must prohibit the use of illegal drugs in the facility;</li> <li>• Must provide access to needed services in a low demand facility, but cannot require program participants to utilize them; and</li> <li>• May include a drop-in center as part of outreach activities.</li> </ul>	<ul style="list-style-type: none"> <li>• 24 hour site coverage by supportive staff</li> <li>• Linkage to treatment centers, both residential and outpatient. Treatment may include (but not necessarily be limited to) substance abuse, mental health, and/or physical rehabilitation treatment as per the needs and desires of the client.</li> <li>• Outreach and engagement services, as appropriate</li> <li>• Daily living services provided (e.g. meals, grocery shopping)</li> <li>• Low threshold admittance</li> </ul>	<p>No time limits</p>	<p>CoC funded Safe Havens are limited to serving individuals coming directly from the streets</p> <p>Literally homeless, hard to engage persons with serious mental illness or dual diagnosis (MI/SA) who are not currently engaged in housing or systems of care</p>	<ul style="list-style-type: none"> <li>• % of participants will exit to more independent permanent housing at program exit</li> <li>• % of all participants exit with employment income</li> <li>• % of all participants exit with non-employment cash income</li> <li>• % of participants exit with non-cash benefits</li> </ul>

AP 90 - HOPWA METHOD FOR SELECTING  
PROJECT SPONSORS:

## AP-90 Program Specific (HOPWA)

### I. Identify the method of selecting project sponsors and describe the one year goals for HOPWA funded projects:

#### A. Selection of Project Sponsors

The City of Detroit Health Department manages the HOPWA Program. The Health Department follows the City's procurement policy from the Office of Contracts and Procurement Department. The summary of the procurement process of selecting program sponsors for the HOPWA program are as follows:

*"Request For Proposal" (RFP)* application is issued for potential program sponsors based on the contract cycle. The RFP is open and available to the community, including grassroots, faith-based and all other community organizations for proposal bids. All RFP's are advertised on community websites, local and minority newspapers such as the Detroit News/Free Press and discussed at coalition and committee meetings. The evaluation and scoring for the proposals are based on an independent review panel made up of representatives of the community. Last cycle, there were only three proposals submitted and of the three, two were selected.

#### B. Goals for HOPWA funded projects

HOPWA's goals are based on community need and prior year activities.

**GOAL:** *"To connect HIV positive Detroit and Wayne County residence with Tenant Based Rental Assistance (TBRA), Community Residential/Transitional Housing, and Coordinated Supportive Services."*

##### 1. Tenant Based Rental Assistance (TBRA)

- HOPWA's one year goal under TBRA is to assist 250 eligible individuals and their beneficiaries with Housing assistance which include, subsidized rental payments and Case Management services.

##### 2. Community Residential/Transitional Housing

Two funded Agency's. One for HIV positive Men (including Transgender) and the other for HIV positive Women (including Transgender)

- a) Women: Goal, 15
- b) Men: Goal- 15

#### C. Supportive Services

Client enrolled in the HOPWA program are provided Case Management services and through individualized Case Plans, support services are identified and managed.

MULTIFAMILY AFFORDABLE HOUSING  
STRATEGY:





# MULTIFAMILY AFFORDABLE HOUSING STRATEGY

CITY OF DETROIT | 2018



Mayor Duggan and community stakeholders at the groundbreaking of the Saint Rita Apartments, a long-vacant building that will be redeveloped to provide 26 permanent supportive housing units.

## ONE CITY. FOR ALL OF US.

This central principle guides our work. While we have made significant progress toward being a stronger, safer city in recent years, we have much work to do. To continue this effort, we propose a comprehensive multifamily affordable housing strategy to build and preserve 12,000 affordable housing units in Detroit over the next five years.

In recent years, we have removed or renovated over 17,000 vacant, blighted houses and structures, installed 65,000 street lights, and brought police and fire response times under national averages. The City now operates with a balanced budget, and the unemployment rate is at its lowest since 2001.

Although this visible progress has benefitted Detroiters, we must continue to build an inclusive city that serves and provides opportunities for all. While investment produces economic success and new opportunities within our city, we are also faced with new challenges. We must ensure that rising housing costs are met with the creation of new affordable housing, and that investment in key neighborhoods includes preservation of existing affordable housing. Together, such policies can fight displacement and ensure that all Detroiters benefit from the city's future successes.

Our work toward building an inclusive city is guided by eight principles:

- 1 Everyone is welcome in our city.
- 2 We will not support development that moves Detroiters out so others can move in.
- 3 We will fight economic segregation. Every area of Detroit will have a place for people of all incomes.
- 4 Blight removal is critical, but we must save every house we can.
- 5 We will work to build neighborhoods of density, where daily needs can be met within walking distance of home.
- 6 Those who stayed will have an active voice in their neighborhood's redevelopment.
- 7 Jobs and opportunities will be brought close to the neighborhoods whenever possible and made available first to Detroiters.
- 8 The Detroit Riverfront belongs to everyone.

The preservation and creation of affordable housing is the cornerstone of our growth strategy. Affordable housing offers housing stability for the city's lowest-income residents and provides housing options to households at a range of incomes in all neighborhoods. This document outlines a proactive set of initiatives to promote affordable housing that aligns with the City's commitment to diversity and inclusion.

To implement these principles in housing development, this plan calls for the preservation of 10,000 units of existing affordable multifamily units and development of 2,000 new affordable multifamily units.

Achieving these goals will require targeted actions and close collaboration between the City, residents, and the development community, as outlined in this document. The following chapters lay out the strategies and actions we will take to achieve them. In coming months, we will reinforce these strategies and discuss our progress, as part of neighborhood planning processes and District community meetings.

We are committed to building a strong, inclusive Detroit. Together, we can ensure that this is one city for all of us.

Mayor Duggan



Stakeholders in the Old Redford neighborhood at the launch of the Motor City Re-Store program, which provides matching grants to improve commercial storefronts.

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# INTRODUCTION



The Strathmore in Midtown is a 129-unit mixed-income housing development that opened in 2016.

## Affordable housing is central to the City of Detroit's growth strategy and will play a key role in the City's ability to retain existing residents, attract new residents, and create mixed-income neighborhoods.

The City of Detroit is focused on two fronts: preserving the affordability and quality of the existing housing stock, and producing new housing that is priced affordably to people across a range of incomes. Both critical approaches support the City's objective to provide residents with quality affordable housing options accessible to public transit, employment hubs, and other essential services.

To date, the City has made significant commitments to affordable housing, including taking aggressive action to preserve affordable housing and requiring new multifamily housing developments receiving direct public financial support to include at least 20% of units

affordable to households making up to 80% of Area Median Income (AMI) (with public financial support defined as investments of federal housing development funds or the sale of public land at below market value).

This document addresses the City's goals and strategies for multifamily affordable housing and serves as a guide for the agencies and departments that will perform this work, led by the Housing and Revitalization Department (HRD).

The following chapters of this document outline the key strategies the City will pursue to reach its goals. Central to these strategies is the City's commitment to make the lead investment of \$50 million to establish the Affordable Housing Leverage Fund and work with financial institutions and philanthropic stakeholders to build a \$250 million fund. This fund will be used to preserve existing affordable housing, produce new affordable housing, including supportive housing, and strengthen neighborhoods through investments in large-scale single-family stabilization projects. The Implementation chapter of this document includes details on the fund and a set of initiatives focused on bolstering the City's capacity to realize its vision.

### GOAL 1:

**Preserve the affordability of 10,000 units of multifamily housing by 2023 to retain quality affordable housing options for residents, and use all available tools to prevent the loss of quality unregulated affordable multifamily housing.**

Preserving the existing stock of affordable housing, comprised of both regulated and naturally occurring affordable housing (NOAH), will help retain affordable housing options for residents and provide the opportunity for Detroiters of all incomes to remain in Detroit. The City will achieve its preservation goals by tracking the stock of affordable housing, training property owners in preservation methods, maintaining and extending rental subsidies when possible, and targeting recapitalization efforts to units that are reaching the end of their affordability requirement.

### GOAL 2:

**Produce 2,000 new affordable multifamily housing units by 2023, equivalent to 20% of projected overall multifamily housing development.**

The production of new affordable housing will expand the supply of quality housing in Detroit and promote long-term community revitalization and economic diversity. As part of this goal, the City will target production of units for low-income residents, focusing on units affordable to households earning up to 60% of AMI. Towards this goal, the City will leverage public land to encourage affordable housing development and target supportive housing to address chronic homelessness.

# Focus

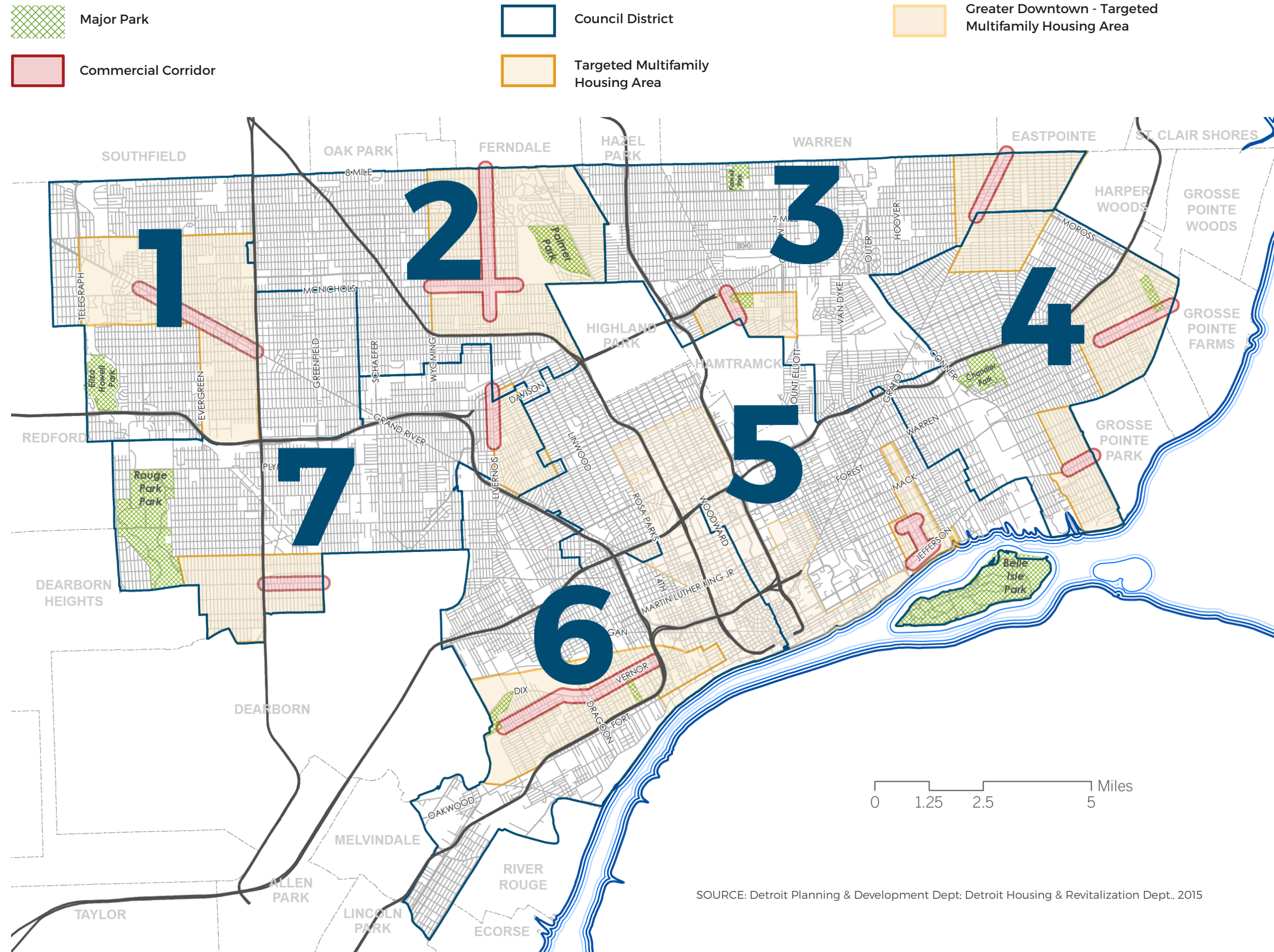
This document focuses on the affordability and quality of Detroit's existing and newly developed multifamily housing, which has comprised the majority of new housing development taking place in Detroit in recent years.

However, the City also recognizes that the affordability of single-family housing is a significant concern. In recent years, several programs have been made available to address single-family housing in Detroit, such as the 0% Interest Home Repair Loan Program, Rehabbed & Ready, and the Detroit Home Mortgage. The City has committed to developing additional strategies for single-family housing in 2018.

In line with the City's ongoing development and planning initiatives, the strategies described here prioritize investments in the Targeted Multifamily Housing Areas to create walkable, urban nodes that provide services, transit, and access to employment, and strategies to preserve affordable housing units, city-wide.

Through the actions outlined in this document, HRD will lead the preservation and development of quality housing affordable for a wide range of incomes. Affordable housing regulations divide income bands at households making up to 30%, 50%, 60%, and 80% of AMI, labeled as extremely low-income, very low-income, and low-income (including households making up to 60% AMI for LIHTC qualification and up to 80% of AMI otherwise), respectively. These income cohorts are set for varied household sizes, and are referred to frequently throughout this document. In Detroit, the AMI for a four-person household was \$68,600 as of 2017. As an example of how this translates to the AMI levels in this document, 60% of AMI is equivalent to \$32,940 for a two-person household and \$41,160 for a four-person household.

Figure 1: Targeted Multifamily Housing Areas



SOURCE: Detroit Planning & Development Dept; Detroit Housing & Revitalization Dept., 2015

Figure 2: Housing Affordability Income Brackets

Category	Classification	1-Person	2-Person	4-Person
30% AMI	Extremely Low-Income	\$14,450	\$16,500	\$24,600
50% AMI	Very Low-Income	\$24,050	\$27,450	\$34,300
60% AMI	Low-Income	\$28,860	\$32,940	\$41,160
80% AMI	Low-Income	\$38,450	\$43,950	\$54,900
100% AMI	Moderate-Income	\$48,100	\$54,900	\$68,600

SOURCE: U.S. Department of Housing and Urban Development, Michigan State Housing Development Authority, 2017

## Current State of Housing Affordability in Detroit

**Detroit is beginning to see demographic and market changes, indicating a slowing in the rate of population loss.** While data on Detroit's population has yet to show overall population gains, the rate of population loss in the city has steadily slowed since 2010. In 2016, the population declined by 0.5%, a similar decline to the year prior and together the smallest decreases since the Great Recession. In addition, utility connection data shows an increase of over 3,000 household connections from March 2016 to March 2017, suggesting that Detroit is reaching a turning point. If current population trends continue, Detroit is expected to see growth in coming years.

The revitalization of neighborhoods within Greater Downtown and select other areas is attracting a young and educated population who seek walkable urban

neighborhoods with retail, open space, and amenities. Based on analysis of U.S. Census data, between 2010 and 2016, the population in Greater Downtown increased by over 9,000 residents, the majority of whom moved to the area from outside Detroit and were between the ages of 18-34.

Demand is driving significant levels of new construction. In 2016 and 2017, over 2,000 new multifamily residential units were completed, primarily concentrated in Greater Downtown. While new activity and investment is creating valuable benefits for Detroit, the increasing desirability of these locations also places pressure on housing affordability.

Rents have experienced steep growth, particularly in Greater Downtown, where from 2005 to 2016 rents increased by over 37%, from an average of \$746 per month to \$1,020 per month. During the same time, average rents increased in the city as a whole by 26%, from \$650 per month to \$820.

As Detroit's housing market continues to recover in the wake of decades of disinvestment compounded by the Great Recession, neighborhoods with urban amenities may face affordability challenges due to increased demand and rising housing costs. The City is focused on stemming the threat of displacement in these neighborhoods.

Elsewhere in the city, demand is driven by the changing needs and preferences of the existing population. Throughout the city, more than a quarter of Detroit residents are over the age of 55. The City must invest in housing that is affordable to, and meets the needs of, its senior population.

**Though housing prices in Detroit are less expensive when compared to other major cities and land values are low, many Detroiters face housing affordability challenges.** In 2017, the average apartment asking rent in Detroit was 37% lower than in Chicago, 25% lower than in Philadelphia, and 11% lower than in Pittsburgh. However, as of 2014, 57% of Detroit renters paid more than 30% of their household income on housing costs, above the national average of 52%. This is a challenge for Detroit's extremely low- and very low-income residents who spend a significant portion of their income on housing costs. In 2014, 64% of extremely low-income renter households, approximately one third of Detroit's residents, were "severely cost burdened," or paying more than 50% of their household income on housing costs.

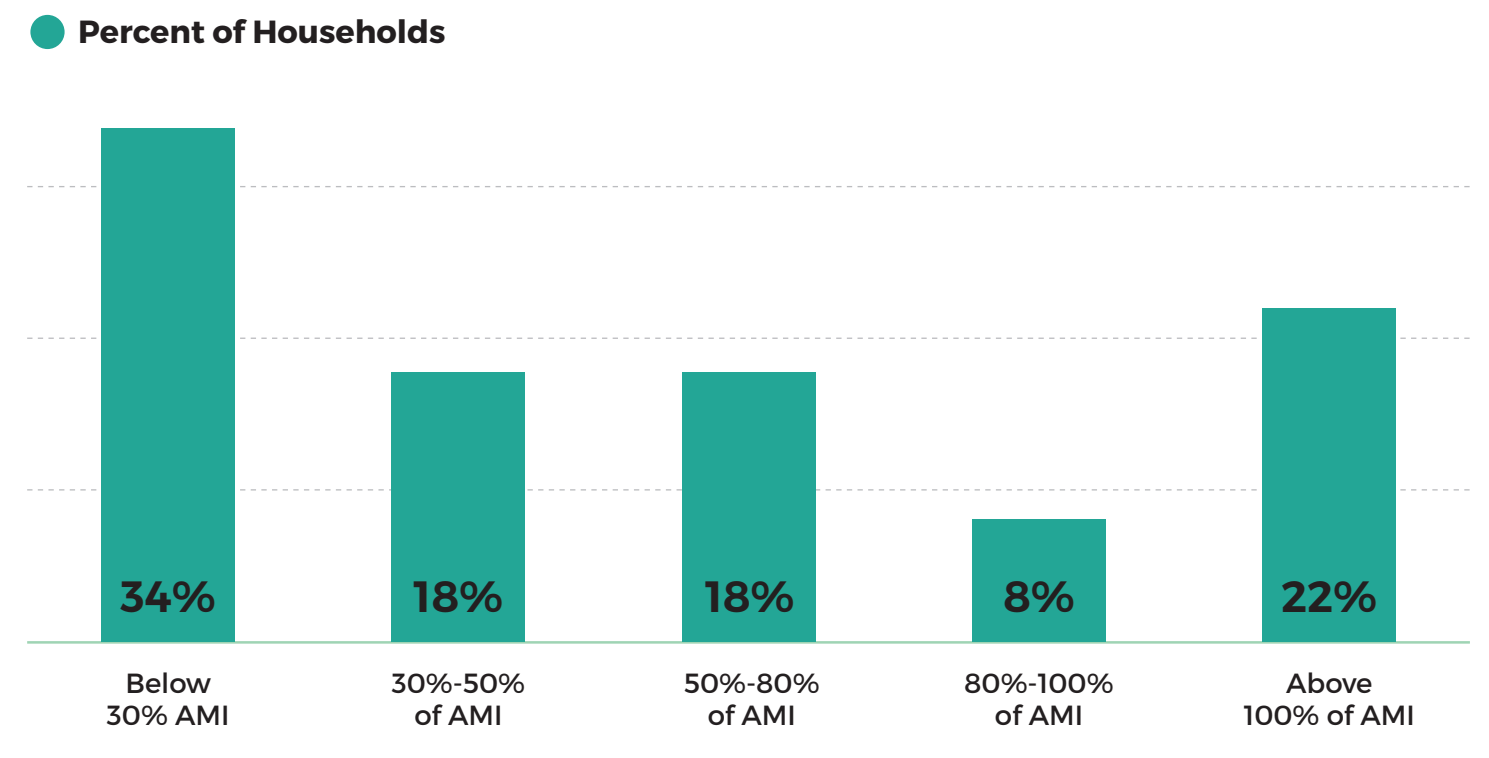
**Detroit's high commercial property tax rate and relatively high cost of construction place a significant**

**burden on improving existing multifamily properties and developing new affordable housing.** Current Detroit market conditions and a high property tax rate mean that almost all multifamily development and existing regulated affordable developments rely on some form of tax incentive for financial feasibility.

**In neighborhoods where major development has not recently occurred, the economics of preserving or producing affordable housing are particularly challenging.** Many neighborhoods still struggle with overall disinvestment and weak market conditions, resulting in challenging dynamics for preserving existing or creating new housing stock. In addition, disinvestment poses challenges to the quality of Detroit's naturally occurring affordable housing stock, particularly when extended periods of low-value rents or vacancy strain the financial feasibility of upkeep and maintenance.

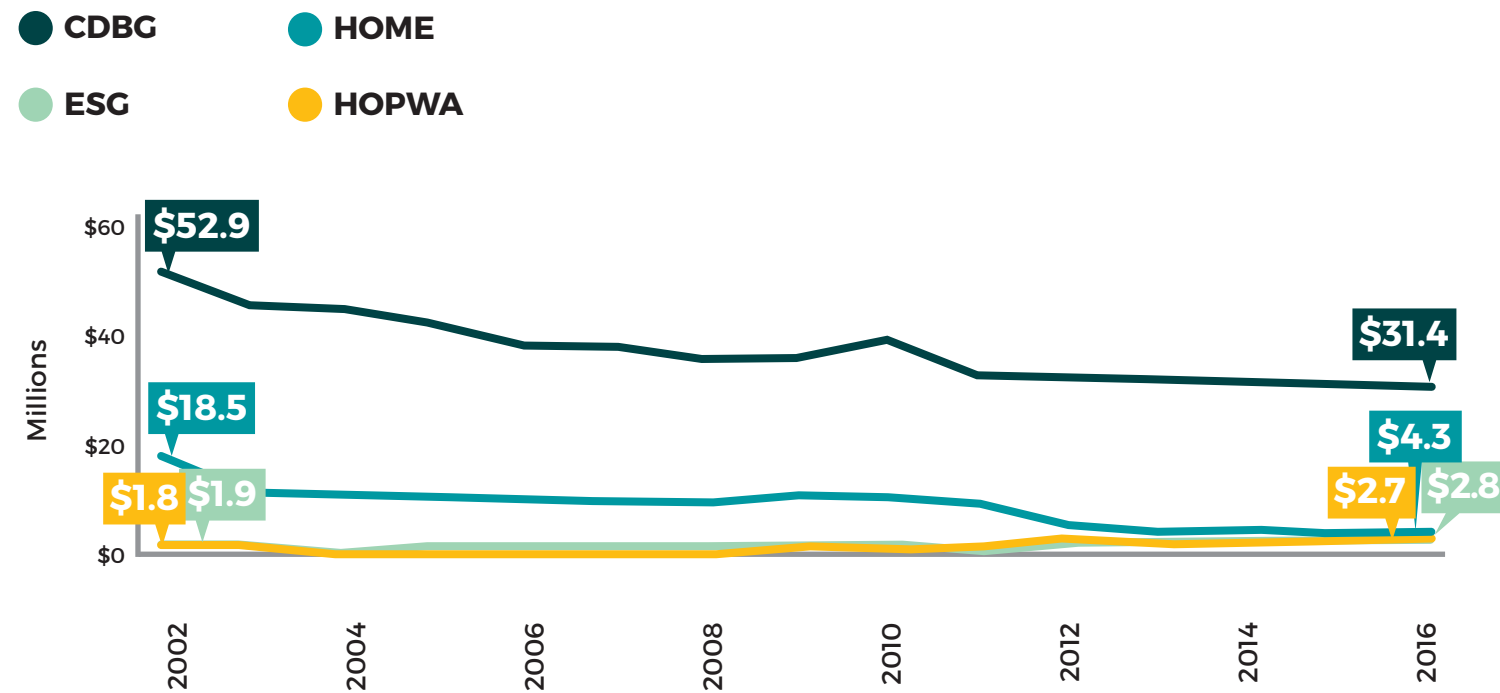
**Federal funding to support affordable housing initiatives has declined steeply.** Detroit, like many cities, has relied on federal funding from the Department of Housing and Urban Development (HUD) to produce affordable housing and provide services, particularly for households with the greatest need.

Figure 3: Household Income by AMI Benchmark



SOURCE: U.S. Department of Housing and Urban Development CHAS data, 2014

Figure 4: Annual Federal Funding Allocation



SOURCE: U.S. Department of Housing and Urban Development

In 2002, total federal funding to Detroit for housing programs was just over \$75 million, including over \$18 million from the HOME Investment Partnerships Program (HOME), a key resource for the construction of affordable and supportive housing units; almost \$53 million from the Community Development Block Grant (CDBG) program, which supports HRD's housing programs and non-profit service providers; and an additional \$4 million from the Emergency Shelter Grant (ESG) program and the Housing Opportunities for Persons with AIDS (HOPWA) programs.

In recent years, the total level of federal funding allocated to affordable housing has decreased substantially. In 2016, the City received only \$41 million in federal funding, a 45% decrease from 2002. Although HOPWA and ESG slightly increased over this period, the HOME program saw a 77% decrease, a reduction of over \$14 million in funding. This decrease greatly impacts the City's preservation and new production prospects. Figure 4 shows the change in Detroit's federal funding allocation over time.

**Though the overall number of people experiencing homelessness has decreased in recent years, as**

**measured by the annual Point-in-Time count, chronic and long-term homelessness remains an issue.** Although persons experiencing homelessness decreased by 19% from 2015-2017, an increasing number of people are experiencing homelessness for more than one year, or more than four times within three years. Individuals who meet these criteria are defined as chronically homeless.

In January 2017, 249 people were recorded as experiencing chronic or long-term homelessness – 105 of those people sleeping on the street or in a place not meant for human habitation. These individuals often struggle with financial challenges and additional barriers to housing stability, including mental illness, physical or developmental disabilities, substance use, and/or criminal history. Supportive housing – affordable housing that includes support services designed to help tenants stay stably housed and build necessary life skills – is critical to meeting the needs of the city's most vulnerable residents. The strategies to build supportive housing described in this document supplement the tactical approaches providers currently use to fight homelessness. However, there is not currently a regional strategy to tackle this issue.

## A Strategy for Multifamily Affordable Housing

Since 2014, the City has taken steps to ensure the preservation and development of affordable housing across all city neighborhoods.

This document outlines the strategies that the City will pursue to provide affordable housing in Detroit and prepare for future market changes, ensuring that the city is well positioned both to grow and to build inclusive, mixed-income neighborhoods. The strategies and actions to which the City is committing are outlined in the Goals, Strategies, and Actions figure on the following page and detailed in the following sections.

In coordination with the release of this document, the City will provide opportunities for residents and other stakeholders to engage on the topics discussed below through:

- Neighborhood planning processes, during which residents will be engaged to connect neighborhood planning to the City's broader affordable housing strategies.
- Community meetings to provide additional information and foster discussion with residents.
- An annual update to City Council on the progress made in implementing the strategies and initiatives detailed in this document.



Cathedral Tower, which offers 236 affordably priced units in Midtown, will undergo a \$12 million renovation through an agreement that will preserve its affordable designation.

# GOALS, STRATEGIES, AND ACTIONS

	Strategy	Action 1	Action 2	Action 3	Action 4
<p><b>GOAL 1</b></p> <p><b>Preserving Existing Affordable Housing</b></p> <p>Preserve 10,000 units of affordable multifamily housing by 2023</p>	<p><b>Implement near-term initiatives of the Preservation Action Plan</b></p>	<p>Develop and maintain an inventory of affordable housing stock</p>	<p>Develop a framework for prioritizing preservation efforts</p>	<p>Train local developers to expand knowledge of preservation methods</p>	<p>Improve coordination of preservation funding requests</p>
	<p><b>Ensure the sustainable operations of regulated affordable housing</b></p>	<p>Enhance oversight of properties financed by the City</p>	<p>Provide technical assistance to existing projects to improve operations</p>	<p>Cultivate a network of developers with extensive preservation experience</p>	
	<p><b>Actively maintain project-based rental assistance contracts</b></p>	<p>Assess stability of developments served by rental assistance and develop a response protocol for at-risk buildings</p>	<p>Identify a pool of destination buildings for the relocation of rental assistance contracts</p>	<p>Coordinate with the DHC to utilize the RAD program for HUD-assisted properties</p>	
<p><b>GOAL 2</b></p> <p><b>Developing New Affordable Housing</b></p> <p>Produce 2,000 units of new affordable multifamily housing by 2023</p>	<p><b>Strengthen the Detroit Housing Commission</b></p>	<p>DHC will seek High Performer status in 2018 and Moving to Work in 2019</p>	<p>Create new rental assistance for extremely low-income households</p>		
	<p><b>Leverage public land for affordable housing development</b></p>	<p>Develop a database of vacant multifamily buildings for potential redevelopment</p>	<p>Explore the creation of a land trust</p>		
	<p><b>Address chronic homelessness in Detroit</b></p>	<p>Identify sites for supportive housing (SH) development</p>	<p>Support changes to the scoring structure of the statewide Qualified Action Plan to support new SH development</p>	<p>Develop an updated plan for the Moving Up initiative</p>	

## IMPLEMENTATION

### TOOLS: Create and access increased funding

#### Create local funding sources

- Continue partnership with Invest Detroit in the Strategic Neighborhood Fund
- Create the Affordable Housing Leverage Fund (**AHLF**) to provide low-cost financing and gap funding to property owners and developers

#### Streamline use of tax incentives

- Revise and publish a consistent set of criteria for awarding tax incentives
- Create a system to track development projects that have received incentives
- Require building owners to submit a retention plan when incentives are requested for occupied properties


### KEY ACTORS: Empower key actors to execute on the City's goals

#### Establish the Office of Policy and Program Development

- Design programs and oversee implementation of the Multifamily Affordable Housing Strategy
- Ensure Plan goals, strategies, and initiatives are incorporated into the housing strategies of neighborhood plans



# PRESERVING AFFORDABLE HOUSING



The Kamper-Stevens development, located on Washington Blvd., will continue to offer affordable rents through 2047 after a successful preservation effort completed by the City in 2017.  
Credit: Dan Austin

## Preservation, maintaining the affordability of an existing unit over time, is critical to retaining the city's existing population and ensuring future affordable housing options for all Detroiters.

The existing stock of affordable housing in Detroit includes regulated affordable housing – units that receive public subsidy and have rent requirements in place – and naturally occurring affordable housing (NOAH) units, defined as housing units priced by market forces at levels that are affordable to low-income residents. Without affordable housing policies and programs targeted at the preservation of existing affordable units, the city risks losing affordably priced housing, both regulated and naturally occurring, particularly in neighborhoods with improving market conditions.

The two primary threats to affordable housing are rising market rents and functional obsolescence. Affordable properties in strong markets are often at risk of conversion to market-rate rental units or condominiums, while affordable properties in weak markets often suffer from disinvestment and potential foreclosure.

Preservation is more cost effective than new development on a per-unit basis and is made possible by financing and operating subsidy tools that require the lasting affordability of units in exchange for continued streams of income or fees for property owners. The tools currently used for preserving affordable housing are limited and oversubscribed. The development of new preservation strategies and actions by the City will prevent displacement and ensure adequate maintenance and safety, as well as sufficient quantity, of affordable units.

There are approximately 22,000 existing regulated affordable housing units operating in Detroit, made up of:

- **Public housing units:** Public housing units are funded by the federal government and serve extremely low-income households. In Detroit, the Detroit Housing Commission (DHC) manages over 3,300 public housing units.
- **Rent-assisted and income-restricted multifamily buildings:** Rent-assisted multifamily buildings were developed in the 1970s and 1980s through

Federal Housing Administration (FHA) financing and insurance programs that required long-lasting affordability in exchange for favorable loan terms and often guaranteed rent payments via rental subsidy contracts. Rental assistance contracts serve approximately 9,500 Detroit households, many of which include elderly residents. As these loans reach maturity, rental subsidy contracts often do as well. Rental subsidy contracts can be extended for the original residential development or moved to serve other affordable developments.

- **LIHTC housing:** Low-Income Housing Tax Credit (LIHTC) properties primarily serve very low-income and low-income (up to 60% of AMI) households and are managed by private or non-profit developers. Most LIHTC properties have a 15-year required affordability period, plus an “extended use period” that extends affordability requirements. Properties may then option out after the initial 15-year period and convert to market-rate pricing. In strengthening markets with rising rents, this becomes an appealing option for LIHTC owners and, as a result, properties become vulnerable to loss of affordability. Over 14,000 LIHTC units have been developed in Detroit, many of which also utilize rental assistance.

In addition to regulated housing, Detroit's housing stock includes a significant number of NOAH units. The City defines NOAH as unregulated housing units that are affordable to low-income households (up to 60% AMI). In 2015, approximately 67% of Detroit's multifamily non-regulated housing stock met NOAH standards. While a large share of Detroit's housing stock qualifies as NOAH, the focus of preservation strategies is on units in areas where housing costs are rising rapidly and properties are at risk of losing their NOAH status.

The city's stock of regulated and NOAH units is aging and in need of reinvestment. Regulated affordable housing, particularly public housing, faces obsolescence given the age of properties and the decline in federal funding to maintain them. For NOAH units, particularly those in weak markets, extended periods of low-value rents strain the financial feasibility of upkeep.

This document establishes a goal for the preservation of 10,000 units of affordable housing units by 2023, which is roughly equivalent to the number of existing regulated affordable housing with required affordability terms that will expire during that time. While many units are likely to continue to exist as affordable units with minimal intervention, there are approximately

2,500 units with expiring terms or that are at risk of severe obsolescence that demand more active intervention to preserve affordability. The City is focused on preserving these units as part of the overall preservation goal.

## The Development of a Preservation Action Plan

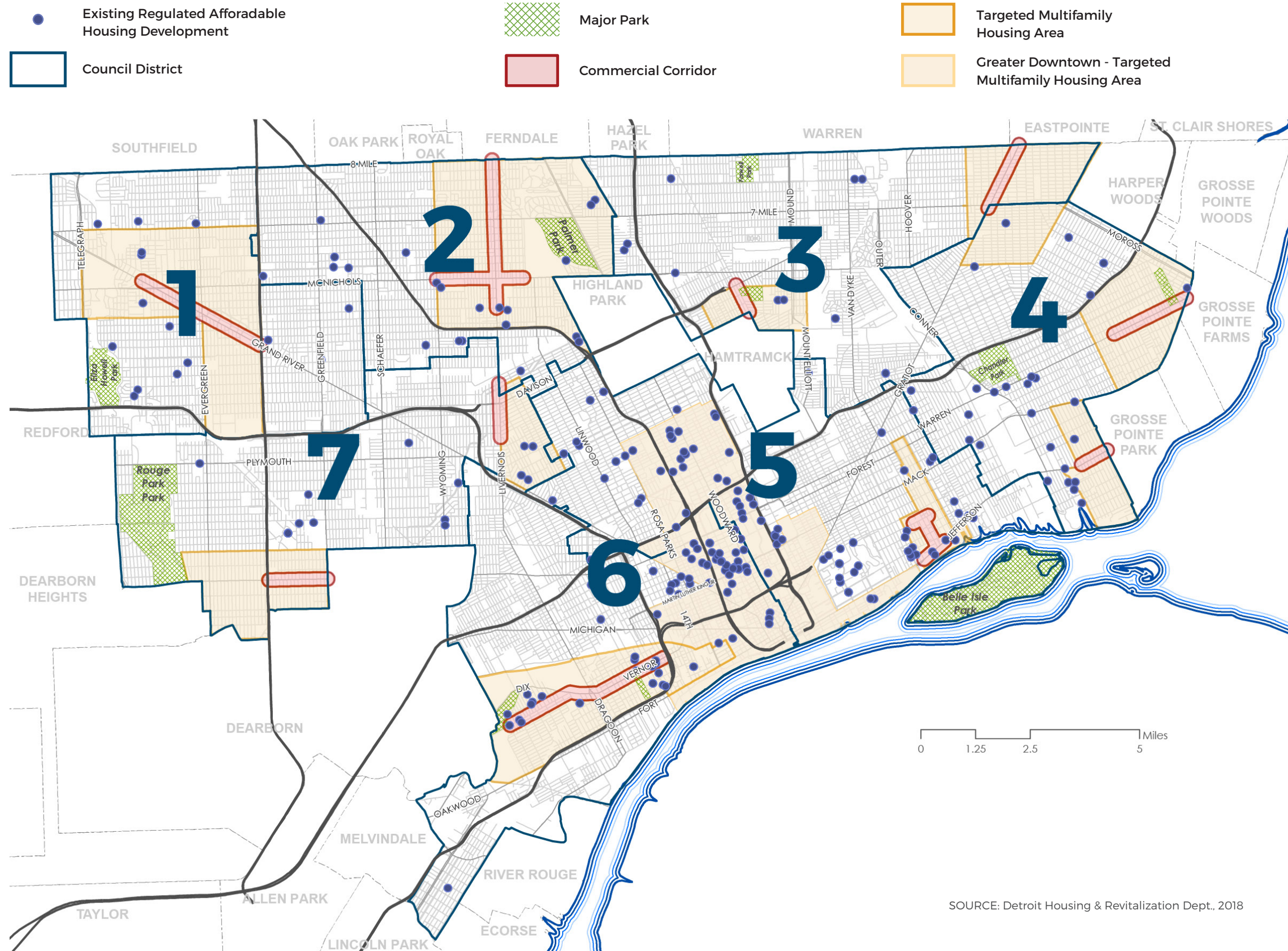
In mid-2017, the City convened and led a task force comprised of community stakeholders to develop a Preservation Action Plan that will guide preservation efforts over the next five years. The creation of this group, known as the Detroit Affordable Housing Preservation Task Force, was modeled on best practices of cities like Chicago, Washington D.C., and Cleveland, which have established task forces to coordinate efforts around securing the long-term affordability and quality of LIHTC properties.

The Task Force's work was informed by previous preservation-focused working groups, including the LIHTC Working Group led by Community Development Advocates of Detroit (CDAD), Senior Housing Preservation-Detroit (SHP-D), the Recapitalization Task Force led by the Detroit Local Initiatives Support Corporation (LISC) office, and the Community Development Financial Institution (CDFI) Coalition of Detroit. The Task Force collaborated on a Preservation Action Plan through four working groups focused on: financially sustainable regulated affordable multifamily housing, financially distressed regulated multifamily housing, naturally occurring affordable multifamily housing, and scattered-site single-family LIHTC developments (not discussed in this document, but an important part of the group's work).

Affordable housing preservation strategies that the City will pursue are based on a shared set of implementation goals:

- Prevent regulated affordable units from converting to market rate.
- Prevent the loss of public investment, specifically HOME investments and rental assistance contracts funded through federal housing assistance programs.

**Figure 7: Existing Regulated Affordable Housing Developments**



## Existing Housing Preservation Tools

### 9% Low-Income Housing Tax Credits (LIHTC)

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (MSHDA)  
LIHTC are allocated on a competitive basis through each state's housing finance agency, MSHDA in Michigan. MSHDA reserves a portion of the credits it has to allocate to preserving existing regulated affordable housing. Annually, MSHDA allocates approximately \$22 million in credits statewide. These credits allow developers to generate equity to finance the construction of affordable units.

### 4% Tax Credits + Tax-Exempt Bond Financing

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (MSHDA)  
This is a non-competitive and unlimited program available for the financing of affordable housing preservation and development. Developments using this program must be able to support debt payments supported by tax-exempt bond financing, which must be applied for first. Development projects receiving this bond financing are then eligible to receive a non-competitive allocation of 4% tax credits. Equity realized through the 4% tax credits is worth much less than those developed through 9% credits.

### Rental Assistance Demonstration – Component I (RAD-1)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)  
RAD-1 is a program available to public housing commissions/authorities to privately finance major renovations to existing public housing. The number of units eligible to participate nationwide in the RAD-1 program is limited by the U.S. Congress. Currently the program is more than fully subscribed.

### HOME Investment Partnership (HOME)

CITY OF DETROIT THROUGH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)  
Annually, the City of Detroit receives an allocation of HOME funds to use for affordable housing activities. The Federal budget determines how much funding will be available nationwide for the program, and a formula determined by the U.S. Congress determines how much funding each community receives. In the 2016 Federal budget year the City received an allocation of \$4,252,103. These funds are then allocated to affordable development projects through a competitive process open to all affordable housing projects.

### HUD 223(f)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)  
HUD 223(f) is a Federal Housing Administration (FHA) mortgage insurance program for HUD-approved lenders that facilitates the purchase or refinancing of existing multifamily rental housing.

### Mark-to-Market (M2M)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)  
The M2M program preserves affordability by restructuring the financial debt carried by an existing affordable housing development to the level a development can support at market rate rents. Only housing developments assisted by Section 8 rental housing assistance contracts that were financed by an FHA insured mortgage (excluding Section 202 and Section 515 financing) are eligible to participate in M2M.

- Improve conditions and retain the affordability of properties suffering from deterioration, vacancy, abandonment, and/or foreclosure.

The Preservation Action Plan goals support and reinforce the City's overall preservation goal and require a commitment by the City to work closely with the Task Force to carry out a set of specific initiatives over the next five years.

## STRATEGY 1

### Implement near-term initiatives of the Preservation Action Plan, including the establishment of the Detroit Affordable Housing Preservation Partnership.

Key to realizing the goals of the Preservation Action Plan will be the establishment of the Detroit Affordable Housing Preservation Partnership (the Preservation Partnership). The Preservation Partnership will be led by HRD, and include a locally based CDFI, a tenant representative, and the DHC. The Preservation Partnership will launch in 2018. Foundational strategies of the Preservation Action Plan will be advanced by early 2019 and lay the groundwork for longer-term initiatives. Near-term initiatives include the following:

- Develop and maintain an affordable housing inventory that tracks both regulated and naturally occurring affordable housing. This system will help the City and stakeholders track and quantify the affordable housing supply and guide deployment of public preservation funding and technical assistance to prevent the loss or conversion of affordable units.
- Develop a framework for prioritizing preservation efforts, which will be used to approach preservation in a manner that targets the most critical or threatened housing. The framework will include criteria based on cost, location, timing, and overall impact, and will be reevaluated annually by the City to ensure prioritization remains current.
- Train local developers on how to preserve their affordable housing properties. With over 4,500 LIHTC units over 15 years of age, and numerous other aging

affordable units, raising awareness of strategies for reinvestment to ensure adequate maintenance and safety of housing is essential. Owner outreach and technical assistance will be critical to preserving LIHTC units as their term of affordability expires and they face the potential for conversion.

- Improve coordination of preservation funding requests. Enhancing the efficiency with which funding requests are made will generate an increased tax credit allocation to support increased preservation activity.

## STRATEGY 2

### Ensure the sustainable operations of regulated affordable housing.

The City and the Preservation Partnership will also implement longer-term initiatives beyond 2018. Detroit's roughly 22,000 units of regulated affordable housing are some of the City's greatest assets to preventing displacement. As these units age, their affordable status becomes more uncertain due to affordable contract requirements, building condition, management capacity, and surrounding market conditions.

Regulated affordable housing units are categorized here as sustainable or unsustainable. Sustainable units are financially solvent, operated by professional property managers, and have sufficient replacement and operating reserves. Unsustainable units have a declining physical condition resulting from frequently deferred maintenance, poor property management, and ownership instability, all of which threaten the ability of the City to provide quality affordable housing units.

For sustainable regulated affordable housing units, the City's focus is on ensuring the continued reliability of affordable units, preserving past investments and government subsidies. For unsustainable regulated affordable housing units, the City's focus is on stabilizing operations and converting the units to sustainable models. To achieve this, the City will:

- Enhance oversight activities by 2020 for properties for which the City has provided financing. HRD will lead this effort, allowing the City to evaluate the performance of properties and provide constructive intervention for struggling assets. This strategy will

## ■ PRESERVING AFFORDABLE HOUSING

supplement those laid out in the Preservation Action Plan and allow the City to evaluate and quantify progress.

- Provide technical assistance to owners to improve operations and enhance project performance. The City will also work with HUD to encourage property managers to budget for service providers, particularly for disabled and elderly households already assisted by HUD programs.
- Cultivate a network of developers with extensive experience working on preservation projects, so that the City is better positioned to reach its goals.

# STRATEGY 3

## Actively Maintain Project-Based Rental Assistance Contracts.

Existing rental subsidy contracts are a rare and highly valuable affordable housing resource. They assist extremely- and very low-income households in paying rent by providing a subsidy equal to the difference between 30% of a household's monthly income and the rental rate for a unit. Project-based rental assistance is provided for DHC public housing and for a set of multifamily rental properties that were built decades ago with assistance from HUD.

In 2013, Detroit lost 127 rental assistance contract units when the Griswold Building (now known as The Albert) was converted to market-rate pricing, displacing the largely senior resident population. In 2016, the Kamper-Stevens buildings in downtown Detroit were similarly

threatened with displacement of residents and loss of rental subsidy contracts. However, HUD, MSHDA, the City, and the property owner worked together to extend the 163 rental subsidy contracts and secure financing to perform the necessary rehabilitation.

The City will continue to pursue opportunities with HUD and property owners to ensure that residents served by rental assistance are not displaced by taking the following actions:

- Assess the stability of developments served by rental assistance and develop a response protocol for at-risk buildings. HUD and the City will meet quarterly to review developments that are nearing the end of their required affordability or are classified as troubled due to concerns about financial solvency, physical conditions, or management. The City will conduct outreach to developers to communicate policy related to terminating rental subsidy contracts.
- Identify a pool of destination buildings for the relocation of rental assistance contracts if needed. In the case that a building owner or developer elects to move a rental assistance contract, or building operations have created unsafe or unsustainable units, having a set of ready destination properties will allow the City and HUD to alleviate complications associated with this administratively intense process and increase the likelihood that the contracts will remain in service.
- Coordinate with the DHC to utilize the rental assistance demonstration (RAD) program to improve building conditions. The DHC recently submitted a RAD interest letter and will continue to assess where RAD fits into plans to preserve its affordable housing units upon the anticipated expansion of the RAD program for DHC properties.



Affordable housing leaders announce the preservation and rehabilitation of the Ryan Court townhomes and apartments and Roberts III apartments, as well as the development of Peterboro Arms and Brush Park South.

# DEVELOPMENT OF MULTIFAMILY AFFORDABLE HOUSING

## STRATEGY 1

### Strengthen the Detroit Housing Commission

The Detroit Housing Commission (DHC) plays a central role in the City's affordable housing system, overseeing more than 3,300 units of public housing and more than 6,000 housing choice vouchers. Critically, the DHC is the only avenue for increasing the number of project-based rental assisted units that serve extremely low-income households. To ensure the provision of new quality housing opportunities for extremely and very low-income households, the DHC and the City must work together to leverage DHC resources and expertise in managing deeply affordable housing units throughout the city.

- The DHC will seek High Performer status in 2018 and Moving to Work in 2019. Since emerging from federal receivership and returning to local control in 2014, the DHC has been repositioning the agency to enhance its management and provision of affordable housing. In September 2017, the DHC took a substantial step in improving its performance rating when the City acquired 385 dilapidated, vacant units that the DHC was unable to rehabilitate given current federal funding levels for public housing. The DHC seeks to become designated by HUD as a High Performer and Moving to Work designee.
- DHC and the City will create new rental assistance for extremely low-income households (30% of AMI). With its non-active Annual Contributions Contract (ACC) and through Moving to Work authority, the DHC will work with the City as an affordable housing partner, allocating rental assistance to create new mixed-income housing and preserve existing affordable housing.

The creation of mixed-income neighborhoods that provide access to jobs, services, and transportation is central to the City's goal to grow inclusively. To ensure that all neighborhoods include quality affordable housing, the City is implementing policies that require commitments to create new affordable housing and expanding resources to align with these commitments. As of the publication of this strategy, there are over 5,400 units of new market-rate multifamily housing in planning stages or under construction in Detroit, a peak in activity since the Great Recession.

In 2015, the City initiated a practice requiring all new multifamily housing that receives direct public monetary support for development to include at least 20% of units affordable to low-income households (with public financial support defined as investments of federal housing development funds or the sale of public land at below market value). This initiative has helped increase the total pipeline of planned and under construction affordable units in Detroit, which stands at over 1,100 units as of January 2018, and includes units from all federal, state, and local programs. Since 2015, over 20% of multifamily housing units constructed in Detroit have included an affordability requirement for households earning up to 60% of AMI.

In September 2017, the City further committed to mixed-income development through approval of an ordinance requiring new multifamily housing developments receiving direct public monetary support to include affordably priced units. Although qualifying projects will be required to set aside 20% of units priced at a minimum of up to 80% of AMI, deeper levels of affordability will be required for some projects based on funding sources.

This plan establishes a goal of producing new affordable housing units equivalent to 20% of the overall housing production through 2023. Based on current trends, the City projects that 10,000 units of housing will be completed or in the development pipeline during that time. To meet the above goal, 2,000 new units of affordable housing need to be produced or in pre-development by 2023.

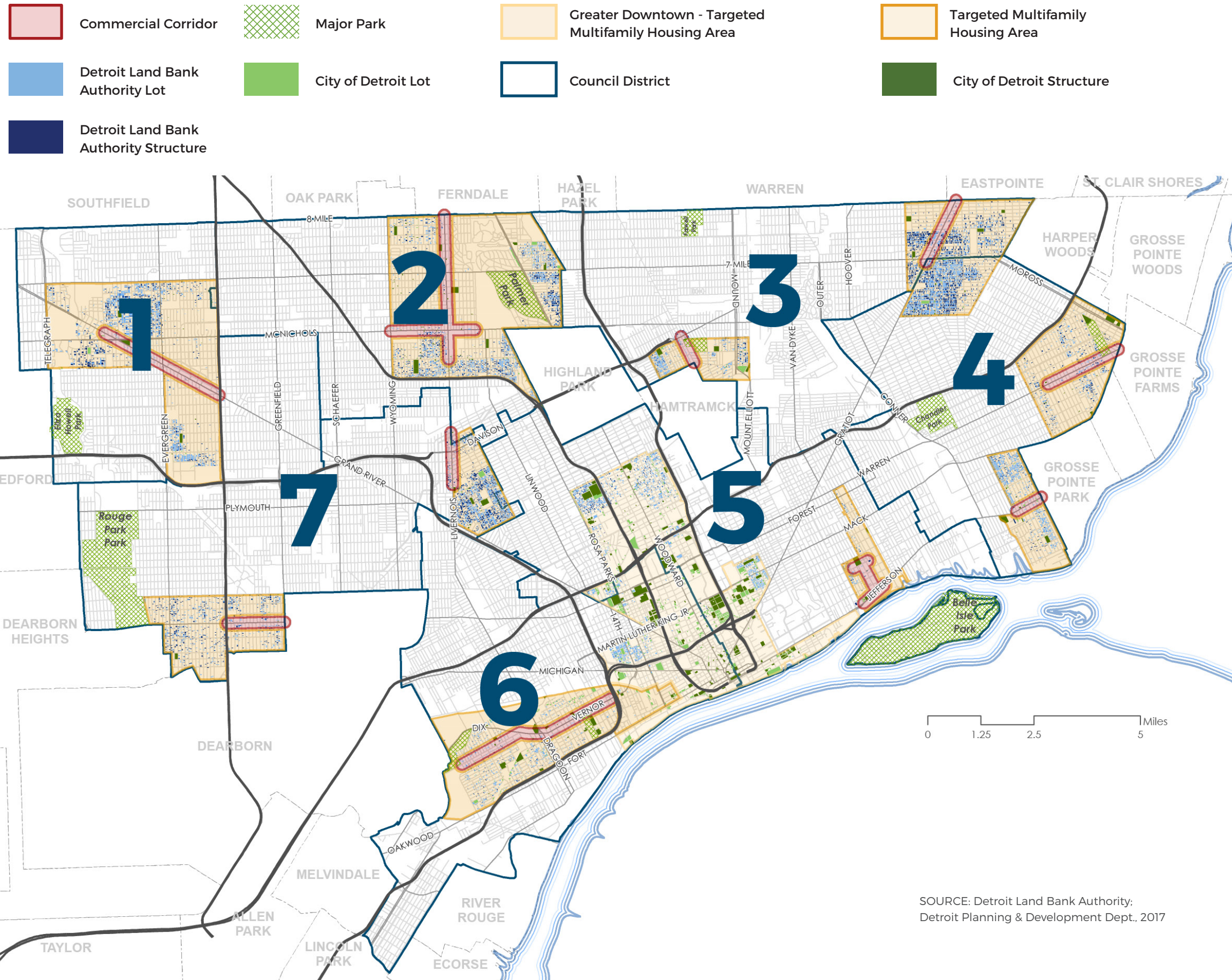


Mayor Duggan and local stakeholders at the launch of a strategic program to bring \$4 million in investment to redevelopment within the Fitzgerald neighborhood.



A resident of Hartford Village arrives home. Hartford Village is a mixed-income development exclusively for seniors that opened in 2017.

Figure 8: Public Land within Targeted Multifamily Housing Areas



## STRATEGY 2

**Identify and utilize publicly owned land, as well as City and privately owned vacant multifamily buildings, to encourage the production of affordable housing.**

Non-recreational publicly owned land totals 13,700 acres, much of which is vacant or underutilized, and some of which includes vacant multifamily buildings that can be rehabilitated. The City has already taken several meaningful steps to leverage its land ownership to promote the development of affordable housing. From 2016 to 2017, HRD released five Requests for Proposals (RFPs) for residential development on public land, all of which required proposers to provide 20% of rental housing units created on-site to low-income households (up to 80% AMI). The City will continue to require affordability as part of RFPs for residential development on public land and will require expanded affordability on certain projects. For instance, the Sugar Hill site development will include units affordable to a range of incomes, from 50% of AMI to 80% of AMI.

Within neighborhoods undergoing City-led planning efforts, the City will create a formal strategy for prioritizing affordable housing development on publicly owned land. The prioritization strategy will consider development type, disposition strategy, and timeframe (near-, mid-, or long-term). In addition, neighborhood-level criteria will be established for evaluating a publicly owned site's potential to incorporate affordable housing. This will include proximity to local assets and other attributes that make sites ideal for affordable and mixed-income housing, including:

- Proximity to public transit, particularly public transit that provides a link to job centers.
- Proximity to job centers or major local employers.
- Proximity to retail and other services, particularly sources for fresh food and healthcare.
- Forthcoming public investment in new development and infrastructure.
- Parcel size and proximity to other publicly owned land.

Requirements for affordable housing will be made public through RFPs for the sale of specific parcels of land, consistent with current practices.

- HRD will develop a database of vacant multifamily buildings for potential redevelopment. An initial scan of multifamily buildings shows that the predominant building size is between five and 20 units. These buildings are an opportunity for neighborhood-scale stabilization and revitalization, and for neighborhood-oriented developers to lead revitalization of Detroit’s neighborhoods.
- The City will also explore the long-term management of public land for affordable housing, commercial uses, and management of open space. The scale of Detroit’s public land ownership allows the City flexibility to design a land trust that creates affordable housing by putting previously vacant land to use. The City will lead evaluation and review of the optimal land trust model that allows for community stewardship of land, provides for greater control over the affordability of housing built on public land, and includes a mechanism for ensuring long-term affordability. Based on findings of the evaluation, the City will select a partner and move forward with implementation in 2018.

## STRATEGY 3

### Address chronic homelessness in the City of Detroit by producing new supportive housing units and improving the capacity of organizations providing supportive housing services.

People experiencing chronic homelessness often cycle between institutions, requiring emergency medical services, psychiatric services, hospital inpatient stays, and police attention, at great cost to many care systems. In 2017, 249 chronically homeless individuals in Detroit were identified through the City’s annual Point-in-Time count – 144 residing in shelter and 105 sleeping on the streets or in other places not meant for human habitation. The national best practice for individuals experiencing

long-term homelessness is to provide them with supportive housing, which is a form of permanent housing that includes access to medical and social services. For this population, many of whom have been homeless for years on end, supportive housing can act as the platform to stabilize behavioral and physical health.

In Detroit, existing supportive housing has been effective in reducing homelessness. According to Detroit’s system for tracking the use of supportive housing, in 2016, 96% of households in supportive housing either maintained their tenancy or moved to another permanent housing situation. This rate has been stable over 10 years. Stable tenancy, low attrition rates, and steady demand for supportive housing indicate the need to expand existing supportive housing polices to end chronic homelessness in Detroit. This strategy calls for the development of 300 new supportive housing units.

In pursuing the development of additional supportive housing, the City is working closely with the Homeless Action Network of Detroit (HAND). HAND is the lead agency for Detroit’s Continuum of Care (CoC), a Detroit planning body coordinating housing services for homeless individuals. HAND’s “Moving Up” initiative allows for stable tenants graduating from the intensive services in supportive housing to exchange their supportive housing voucher for a portable Section 8 voucher, thereby freeing up the supportive housing voucher and services for a new tenant exiting homelessness. Since 2014, 246 former recipients of supportive housing graduated from supportive housing as a result of a commitment of vouchers from MSHDA.

The City will pursue this strategy by:

- Identifying, with community support, sites for supportive housing development. To ensure that these sites are developed as supportive housing, the City and its partners will conduct an outreach campaign to provide information on the value such developments can add to a community and their effectiveness in serving households with high needs. The City will work with communities to identify developers and property managers with proven records in building and operating supportive housing through an RFP process.
- Supporting changes to the scoring structure of Addendum iii of the MSHDA Qualified Allocation Plan (QAP) used to allocate LIHTC to provide additional support for projects that provide permanent supportive housing units, with the goal of ending chronic homelessness. The City will

advocate for the Michigan Interagency Council on Homelessness recommendations to the 2018-2019 MSHDA LIHTC QAP to improve the quality of supportive housing and target supportive housing to those most in need. The recommendations are meant to align the QAP with the statewide plan to end homelessness.

- Developing an updated plan for Moving Up by March 2018 through a Memorandum of Understanding

(MOU), in coordination with the DHC and HAND, to support the continued effectiveness of the Moving Up initiative. The MOU will contain metrics for evaluating the success of the initiative, such as the annual number of households served. The City is convening HAND and the DHC through monthly workgroup meetings to discuss the structure of Moving Up, bring the DHC on board as a partner, and operationalize DHC’s participation through the creation of the MOU.



The Treymore Apartment building offers affordable housing in the Cass Corridor neighborhood of Midtown .



The groundbreaking of the Saint Rita Apartments, a future permanent supportive housing development.

**Execution of the strategies described in this document will require sufficient funding and a coordinated commitment from all agencies involved in implementation. To preserve and develop 12,000 units, the City must build organizational capacity, leverage existing incentives and programs, and create additional financial resources.**

## Create local funding sources

To preserve 10,000 existing affordable units and produce 2,000 affordable units by 2023, the City must look beyond the traditional sources of funding. Across the country, programs to leverage local sources of funding (broadly called Affordable Housing Trust Funds) have successfully supported affordable housing goals. These funds generally combine public and private contributions, often working in partnership with philanthropic organizations. While there are similarities in basic structure and purpose of these funds, the specific funding mechanisms and allocation of funds for each is adapted to fit the circumstances of its location. For instance, in Seattle, Washington, an affordable housing trust fund is funded through a special property tax assessment district, generating approximately \$20 million annually. In 2016, it was used to deploy loans of up to \$7 million that resulted in the production of approximately 350 rental units and provided support to an additional 780 households in the form of eviction prevention assistance and rapid rehousing assistance for the homeless.

The City has projected a total need of \$800 million to achieve the goals specified in this document, including \$300 million aligned with preservation efforts and \$500 million aligned with support for new development. The flexibility and diversity of sources that can be used within an affordable housing trust fund make it an ideal structure for Detroit. The fund will be used to leverage traditional funding sources including traditional bank loans, Low-Income Housing Tax Credits (LIHTC), tax-

exempt bonds, brownfields and historic tax credits, below-market-rate debt financing, and grants.

Preserving existing affordable housing units is critical to ensuring that residents can remain in their neighborhoods as the city changes and grows. Funding for preservation is currently used to acquire and rehabilitate existing affordable housing and drawn from limited sources, including LIHTC, tax-exempt bond financing, and other federal funding sources.

Funding new development of affordable housing units is critical to ensuring that neighborhoods experiencing significant development activity include affordable units and become mixed-income neighborhoods, providing economic and other opportunities to residents across a range of incomes. Currently, Detroit's improved pipeline of affordable and mixed-income housing must compete for limited sources to support affordable units, including LIHTC and federal subsidy programs.

**The City will develop additional funding resources by continuing its partnership with Invest Detroit in the Strategic Neighborhood Fund.** The Strategic Neighborhood Fund (SNF) is a partnership between the City and Invest Detroit to make targeted, catalytic investments to create sustainable growth in 10 strategic neighborhoods. The SNF supplies gap financing to high-quality multifamily and mixed-use development with at least 20% of units reserved as affordable for low-income households (up to 80% of AMI), as well as other projects that support the development of commercial opportunities and streetscape improvements while enhancing the quality of parks and open space connecting neighborhoods.

The first phase of the SNF was launched in 2016 and supports the revitalization of West Village, Southwest Detroit, and Livernois-McNichols through a \$30 million fund raised through philanthropic grants and contributions from the public sector that will leverage at least \$80 million in debt equity financing. Future phases of the SNF will help to drive development to seven additional neighborhoods, supporting the City's goals to produce new units in these neighborhoods.

**The City will create the Affordable Housing Leverage Fund (AHLF), a \$250 million fund.** The City will work with stakeholders including financial institutions, CDFIs, and philanthropic organizations to establish the AHLF, aiming to initiate project funding commitments by early 2019.



The AHLF will provide low-cost financing and gap funding to property owners and developers. While the AHLF will focus primarily on projects that preserve or create rental units for very low-income households, more broadly it will allocate funds to projects that:

- Preserve existing affordable housing.
- Maintain affordability in the Greater Downtown.
- Create deeper affordability in strategic neighborhoods.
- Build supportive housing for Detroiters experiencing chronic homelessness.
- Strengthen neighborhoods through investments in neighborhood-scale single-family stabilization projects.

The AHLF will identify funds for below-market debt financing and grants. Based on the City's preservation and production goals, approximately \$150 million is needed in below-market-rate capital and approximately \$100 million is needed in grant capital. The City will work with traditional financial institutions, CDFIs, and philanthropic organizations to line up sources and funds. As a lead commitment, the City will make \$50 million in grant funds available, generated through existing federal housing funding and other local sources. This combined \$250 million goal, representing approximately one third of the total anticipated funding required to achieve the goals of this plan, is a significant step toward implementation. It will supplement the estimated \$550 million expected to be available through traditional funding sources (such as LIHTC or debt and equity lending) to meet the projected \$800 million need to meet the goals of this plan.

In 2018, the City will identify a fund manager with a strong local presence and experience managing similar capital funds. The AHLF manager will be responsible for working with the City to identify capital resources, coordinate the underwriting process, and create consolidated recommendations for the AHLF Credit Committee to allocate funds. The AHLF Credit Committee will be comprised of key financial supporters of the fund and charged with identifying affordable housing developments that advance the goals of the AHLF.

As part of the AHLF, the City will pilot an initiative with MSHDA to develop a mixed-income financing program to leverage low-interest loans and grant funds committed to AHLF with 4% LIHTC and tax-exempt bond financing. This financing approach could

significantly increase the supportable loan amount on transactions, greatly enhancing the ability to finance preservation deals, for example.

## Streamline the use of tax incentives

Both new and existing regulated affordable housing developments in Detroit rely on incentives for financial feasibility due to market conditions, the high cost of construction, and the high commercial property tax rate. Effective commercial property tax rates in the city are the second highest in the country among major cities and twice the statewide average tax rate for Michigan. Although revenue generated from these taxes funds services, the high tax rate places a burden on the financial feasibility of development and building operations.

Tax incentives are critical to the financial feasibility of operating affordable housing and must be maintained to preserve the existing regulated affordable housing stock. In regulated and naturally occurring affordable housing, the potential for increasing property taxes is a strong deterrent to investing in property improvements. As real estate values rise, it often becomes increasingly attractive for property owners to seek incentives to improve properties and raise rents. While the City is interested in continued investment and improvement of housing quality in Detroit, rehabilitation or renovation of occupied buildings threatens to displace existing residents who cannot afford increased housing costs.

Similarly, almost all new multifamily development relies on tax incentives. The most common incentives used to support recent multifamily developments include Neighborhood Enterprise Zones (NEZ), Tax-Increment Financing (TIF) for brownfield sites, and tax abatement under the Obsolete Property Rehabilitation Act (OPRA) and Commercial Rehabilitation Act PA 210 (PA 210). However, these incentive programs have a limited term, and when they expire, reversion to the standard property tax rate makes the long-term financial sustainability of developments uncertain.

Incentives for new development projects are discretionary and granted on a case-by-case basis. Property owners and developers must demonstrate that a project could not occur without the incentive, then receive multiple approvals from City Council. Each part of this process poses challenges related to predictability, timing, and standardized treatment

of regulations, creating hurdles to development and dampening market confidence. Additionally, the City lacks a comprehensive mechanism to track performance metrics of proposed projects when incentives are granted, which limits the ability to adapt incentives to shifting market conditions. To overcome some of these challenges, the City will enact guidelines establishing a consistent set of application criteria and approval mechanisms. Still, further improvements are necessary to accelerate and enhance affordable housing development.

The need for tax incentives creates an opportunity to align development uses with planning efforts to encourage the development or preservation of affordable housing.

**The City will revise and publish a consistent set of criteria for awarding tax incentives for multifamily projects that include affordable units in new construction or non-occupied structures.** The City will coordinate with the City Council and work with the Detroit Economic Growth Corporation (DEGC) to update criteria for incentives, including:

- Prioritizing neighborhood Targeted Multifamily Housing Areas (TMHAs) for allocation of district-based development incentives.
- Where market conditions allow, granting the maximum allowable abatement period only to multifamily projects that meet preferred investment criteria, such as pricing 20% of rental units for low-income residents.
- Working with City Council to streamline and clarify regulatory guidance such that developers can expect approvals of projects if they meet certain approved thresholds of affordability.

**The City will create a system to track multifamily development projects that have received incentives to ensure compliance with established agreements.** The City will lead the development of a system to be completed by 2019, with support from DEGC, and make the project list publicly accessible. The information gained through this system and regular reporting on monitored developments will position the City to gain insight into how market conditions are impacting the need for incentives.

**The City will work to prevent the displacement of residents by requiring building owners seeking incentives for reinvestment or redevelopment of an**

### occupied building to create a retention plan with an affordable housing outcome for every resident.

Owners seeking incentives for safe, clean, and decent occupied buildings will be required to provide a plan including affordable housing for income-eligible current occupants on site or a comparably priced housing unit located off-site in a comparable location.

## Establish the Office of Policy Development and Implementation

The City recognizes that addressing Detroit's need for affordable housing through the creation and implementation of the tools and strategies laid out in this document will require intensive efforts. To oversee implementation, HRD will establish the Office of Policy Development and Implementation (OPDI), which will be tasked with designing programs and initiatives, leading implementation of new policies, and integrating these activities into the regular operations of the City. In addition, OPDI will ensure that the goals, strategies, and initiatives of this plan are incorporated into the housing strategies within neighborhood plans. To do so, OPDI will work closely with the Planning and Development Department, who is leading the development of neighborhood plans. The OPDI will include new staff with specific areas of focus and expertise in affordability preservation, land trusts, affordable housing trust funds, development incentives, affordability compliance, capacity building, and single-family affordable housing strategies.





Community members attend the ribbon-cutting ceremony for Hartford Village, a senior living community.



Mayor Duggan, City Councilman Scott Benson, Housing and Revitalization Director Arthur Jemison, and community stakeholders celebrate the announcement to convert the building that once housed the Archdiocese of Detroit's Transfiguration School in the City's Campau-Banglatown neighborhood into 23 affordable housing units.

# ACKNOWLEDGMENTS

Development of this document was led by the City of Detroit Housing and Revitalization Department. Production was directed by Julie Schneider, Associate Director for Policy Development and Implementation, under the leadership of Arthur Jemison, Director of the Housing and Revitalization Department.

The City of Detroit Housing and Revitalization Department thanks the following organizations and individuals for their contributions of time and expertise:

- Mayor Michael E. Duggan
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- Corporation for Supportive Housing
- Detroit Community Development Financial Institution Coalition
- Detroit Economic Growth Corporation
- Detroit Housing Commission
- Detroit Land Bank Authority
- Detroit Preservation Task Force
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- HR&A Advisors, Inc.
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- U.S. Department of Housing and Urban Development - Detroit Field Office
- University of Michigan Poverty Solutions Center

# GLOSSARY

## Area Median Income (AMI)

Area Median Income (AMI) represents the midpoint in the distribution of household incomes within a certain geographic region. HUD publishes annual AMI levels for regions, adjusted for family size. The HUD-provided AMI is used to determine applicants' eligibility for both federally and locally funded housing programs where participation is dependent on income levels. The Detroit-Warren-Livonia, MI HUD Metro Fair Market Rents (FMR) Area contains the following areas: Lapeer County, MI; Macomb County, MI; Oakland County, MI; St. Clair County, MI; and Wayne County, MI.

## 2017 Detroit MSA Income Limits

Category	30% AMI	50% AMI	60% AMI	80% AMI
1-Person	\$14,450	\$24,050	\$28,860	\$38,450
2-Person	\$16,500	\$27,450	\$32,940	\$43,950
3-Person	\$20,420	\$30,900	\$37,080	\$49,450
4-Person	\$24,600	\$34,300	\$41,160	\$54,900
5-Person	\$28,780	\$37,050	\$44,460	\$59,300
6-Person	\$32,960	\$39,800	\$47,760	\$63,700
7-Person	\$37,140	\$42,550	\$51,060	\$68,100
8-Person	\$41,320	\$45,300	\$54,360	\$72,500

SOURCE: U.S. Department of Housing and Urban Development (HUD)

## Community Development Block Grant (CDBG)

The Community Development Block Grant program, authorized by the federal government in 1974, provides annual grants to participating state and local jurisdictions, called "non-entitlement" and "entitlement" communities respectively. HUD determines the amount of each grant by using a formula comprised of several

measures of community need, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas. At least 70% of CDBG funds must be used for activities that benefit low- and moderate-income persons. In addition, each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

## Community Development Financial Institution (CDFIs)

Community Development Financial Institutions (CDFIs) are financial institutions, certified by the U.S. Treasury Department, to provide credit and financial services to underserved people and communities. They can encompass a range of non-profit and for-profit entities including community development banks, community development credit unions, community development loan funds, community development venture capital funds, and microenterprise loan funds.

## Cost Burden

A household is considered cost burdened when 30% or more of household income is spent on gross housing costs (can apply to renters or homeowners).

## Emergency Solutions Grants (ESG)

In 2012, the HEARTH Act revised the Emergency Shelter Grants Program to create the Emergency Solutions Grants (ESG) Program. ESG is a formula grant that provides funding for homeless outreach, emergency shelter rehab or conversion, homelessness prevention, and rapid rehousing to help homeless individuals or families living in shelters. Eligible ESG recipients generally consist of metropolitan cities, urban counties, territories, and states. Metropolitan cities, urban counties, and territories may provide Emergency Shelter Grants Program funds for projects operated by local government agencies and private non-profit organizations. Local government grantees must match grant funds with an equal amount of funds from cash or in-kind sources.

## HOME Investment Partnership (HOME)

HOME Investment Partnership (HOME) was authorized by the federal government in 1990. It is a federal block grant to participating jurisdictions, which then use the funds to provide affordable rental and homeownership housing to low- and moderate-income families. When HOME funds are used for rental activities, at least 90% of the units must be occupied by households with incomes at or below 60% of AMI, with the remaining 10% are to be occupied by households with incomes at or below 80% of AMI. In rental properties with five or more HOME units, 20% of the units must be set aside for households with incomes at or below 50% of AMI. Depending on the amount of HOME subsidy per unit, HOME funding applies 5- to 20-year affordability restrictions on units.

## HOPWA

Under the HOPWA Program, HUD makes grants to local communities, states, and non-profit organizations for projects that benefit low-income persons (earning less than or equal to 80% of AMI) living with HIV/AIDS and their families. Two types of grants are made under the HOPWA program: HOPWA formula grants and HOPWA competitive funds. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs.

## HUD-Insured Properties

HUD's Federal Housing Administration (FHA) provides mortgage subsidies to private owners of multifamily housing to reduce development costs. In return, HUD requires assisted properties to agree to low-income "use restrictions," which restrict occupancy to households under specific income limits and limit rent levels. Properties that fall under this category include Section 221(d)(3) BMIR, Section 236, and other non-subsidized HUD insured properties.

## Low-Income Housing Tax Credit (LIHTC)

The Low-Income Housing Tax Credit Program is a federal program that provides a dollar-for-dollar tax credit to support the development of affordable rental housing. The LIHTC program distributes federal income tax credits to developers through state housing finance agencies, which are responsible for determining which projects receive tax credits under the state's allocation. There are two general types of credits that can be

awarded. 9% credits are higher-value credits that cover a greater percentage of projects' development costs, and are awarded on a competitive basis. 4% credits are lower-value credits that cover a lower percentage of projects' development costs, and are generally awarded to any projects that meet specific programmatic requirements and are financially feasible. 4% credits are usually paired with tax-exempt bond financing to make up the difference.

## Michigan State Housing Development Authority

The State of Michigan agency that finances affordable housing opportunities through the sale of tax-exempt bonds and management of federal tax credit programs, the federal HOME project, the state Housing Trust Fund, and other programs.

## Millage Rates

Municipal tax rates are presented as millage rates, defined as the taxes per \$1,000 of value in Michigan.

## Moving to Work (MTW)

Moving to Work (MTW), authorized by the federal government in 1996, is a demonstration program for public housing agencies (PHAs) to design and test locally designed strategies that are more efficient in use of federal dollars. PHAs may request waivers of federal statutes and rules governing public housing and vouchers to design and test new approaches for reducing program costs, encouraging economic self-sufficiency, and increasing housing choices for low-income families. As of 2008, 27 PHAs were participating in MTW. The 2016 Consolidated Appropriations Act expanded the Moving to Work demonstration by an additional 100 public housing authorities (PHAs) over seven years.

## Multifamily Housing

For the purposes of this document, multifamily housing is defined as a residential building consisting of more than five housing units.

## Naturally Occurring Affordable Housing (NOAH)

Naturally occurring affordable housing is defined as housing that is priced by market forces at rates that are affordable to low income households. Housing is

traditionally considered affordable if the total housing cost (rent or mortgage plus utilities) for the household represents no more than 30% of its income. NOAH housing often makes up a significant portion of a jurisdiction's affordable housing stock, in addition to publicly subsidized housing.

#### **Project-Based Section 8 Vouchers**

The Project-Based Section 8 Program, as it is now known, was established in 1974. HUD entered into Housing Assistance Payments (HAP) contracts with private owners to serve low-income tenants. Under these contracts, tenants pay 30% of their adjusted monthly income for rent and utilities and HUD pays the owner the difference between the tenant's payment and the agreed-upon contract rent. New residents of Project-Based Section 8 units can have incomes of no more than 80% of AMI, and 40% must have incomes below 30% of AMI.

#### **Public Housing**

Public housing is a type of affordable housing that has been traditionally owned by a local government agency or authority. In most places, this is a public housing authority. HUD provides federal aid to local housing authorities to operate housing for residents, who pay rents that they can afford. In the United States today, there are approximately 1.2 million households living in public housing units, managed by some 3,300 housing authorities (HUD).

#### **Qualified Allocation Plan (QAP)**

Per federal requirements, the Michigan State Housing Development Authority develops an annual Qualified Allocation Plan (QAP) to competitively allocate LIHTC across the state. This includes geographic and income-specific requirements. MISHDA can only allocate credits in conformance with the QAP.

#### **Quality Housing**

Quality housing is defined as housing that meets local building standards to obtain a certificate of occupancy and/or federal Housing Quality Standards (HQS).

#### **Regulated Affordable Housing**

Regulated affordable housing includes public housing, but also affordable rental and ownership housing developed by non-profit and for-profit developers using public subsidies. The level of affordability, or maximum rents or sale prices for these units, are based on the Area Median Income for the Detroit-Warren-

Livonia Metropolitan Statistical Area, and enforced by a funder or regulatory body (such as the City or the U.S. Department of Housing and Urban Development).

#### **Rental Assistance Demonstration (RAD)**

Rental Assistance Demonstration (RAD), authorized by the federal government as part of its FY12 and FY15 HUD appropriations bills, is a voluntary program intended to preserve public housing by providing PHAs with access to private capital to make needed capital improvements. Under RAD's first component, PHAs and other owners of public housing are allowed to convert units to project-based Section 8 programs or project-based vouchers (PBVs). The 2015 Appropriations Act authorizes up to 185,000 units to convert assistance under this component.

#### **Section 202 (Direct Loans)**

The Section 202 Program was authorized by the federal government in 1959. While the program has evolved over the years, it has either provided direct loans or capital advances from the federal government for the low-income senior housing development. From 1959 to 1990, the program provided below-market-rate direct loans, generally at a 3% interest rate for up to 50 years, to non-profit organizations. In addition, from 1974 to 1990, these loans were subsidized further by Project-Based Section 8 contracts. In 1990, the funding moved from below-market-rate direct loans to capital advances.

#### **Section 202 and 811 (Project Rental Assistance)**

The Section 202 Program (Supportive Housing for the Elderly) provides capital and operating funds to non-profit organizations that develop and operate housing for seniors with very low-incomes, while the Section 811 Program (Supportive Housing for Persons with Disabilities) provides funding for the development and operation of housing for low-income people with significant and long-term disabilities. Each of these programs provide project rental assistance contracts, which subsidize the operating expenses of these developments. Residents pay 30% of their adjusted income towards rent, and the PRAC makes up the difference between rental income and operating expenses.

#### **Severe Cost Burden**

A household is considered severely cost burdened when 50% or more of household income is spent on housing costs (can apply to renters or homeowners).

#### **Special Assessment Districts**

In a special assessment district (SAD), a local

government provides a specific public benefit to a group of properties and imposes a special assessment (extra tax) on them to pay the costs of providing the benefit.

#### **Supportive Housing**

Supportive housing is affordable housing that also includes support services designed to help tenants stay stably housed and build necessary life skills. Supportive housing can be designed either to be permanent or temporary for residents, with temporary housing targeted towards individuals who may be able to transition to traditional housing without support services over time. Supportive housing has been a successful tool to house populations that may be difficult to serve with traditional housing, such as chronically homeless adults.

#### **Tax-Increment Financing**

A funding mechanism wherein a local government uses anticipated future increases in tax revenues to finance current improvements, such as new or improved infrastructure, that are expected to generate those increased revenues. With a traditional TIF, a local government establishes a district and borrows funds to pay for public improvements required to enable private development in the district. The debt (project development financing bonds) is secured by and repaid

from the incremental property tax revenue associated with the private development.

#### **U.S. Department of Housing and Urban Development (HUD)**

The U.S. Department of Housing and Urban Development (HUD) is the federal agency charged with overseeing affordable housing and community development programs related to home ownership, low-income housing assistance, fair housing laws, homelessness, aid for distressed neighborhoods, and housing development.

#### **Year-15 - "Extended Use Period"**

Low-Income Housing Tax Credit projects have a 15-year required affordability period, which is followed by a second 15-year affordability period, called the "extended use period," intended to maintain their affordability requirements for a total of 30 years.

#### **Zoning**

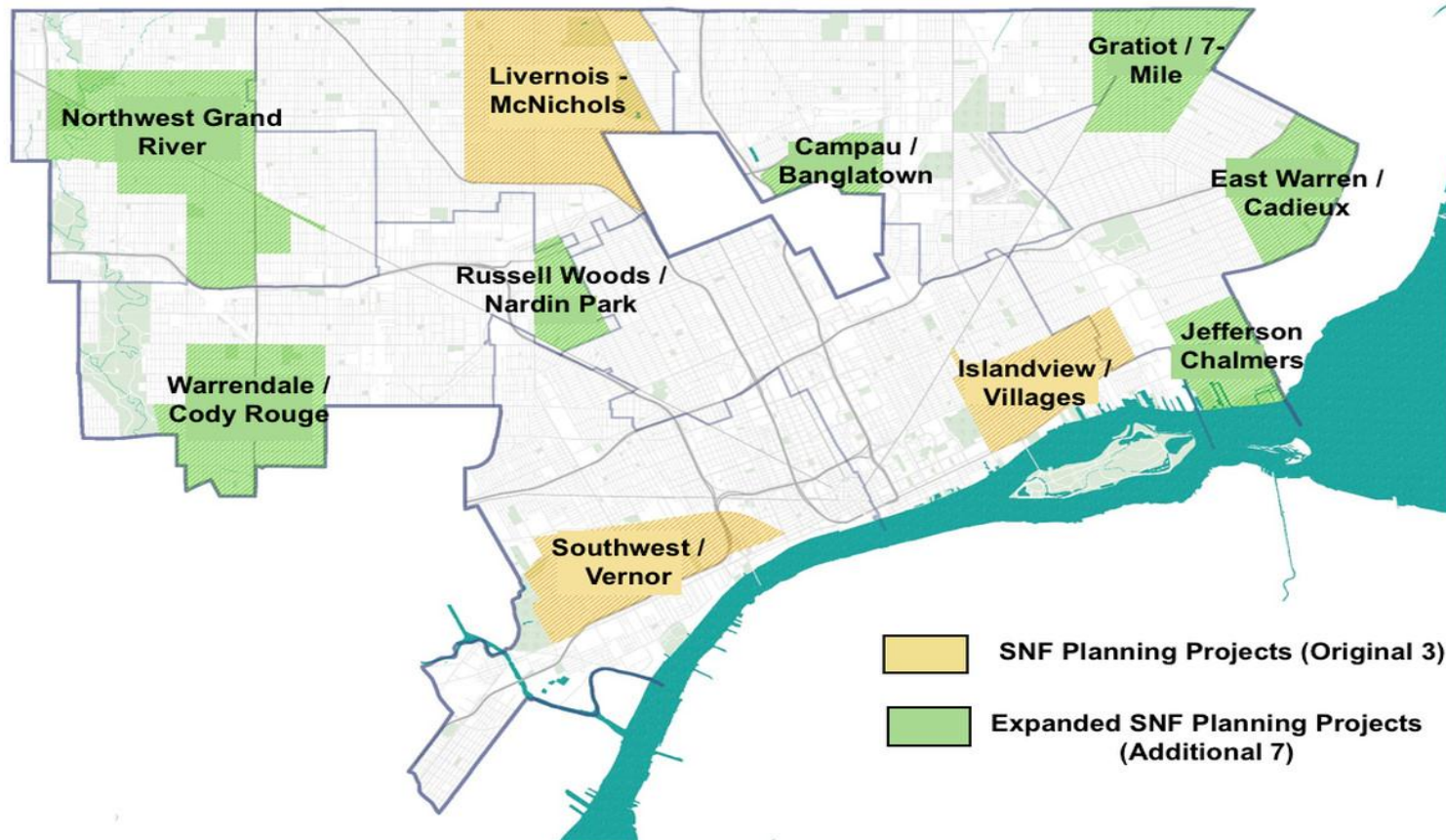
A planning tool used primarily by local governments, zoning regulates buildings' use, size, and shape, and other factors, such as parking, signage, accessory structures, and landscaping.

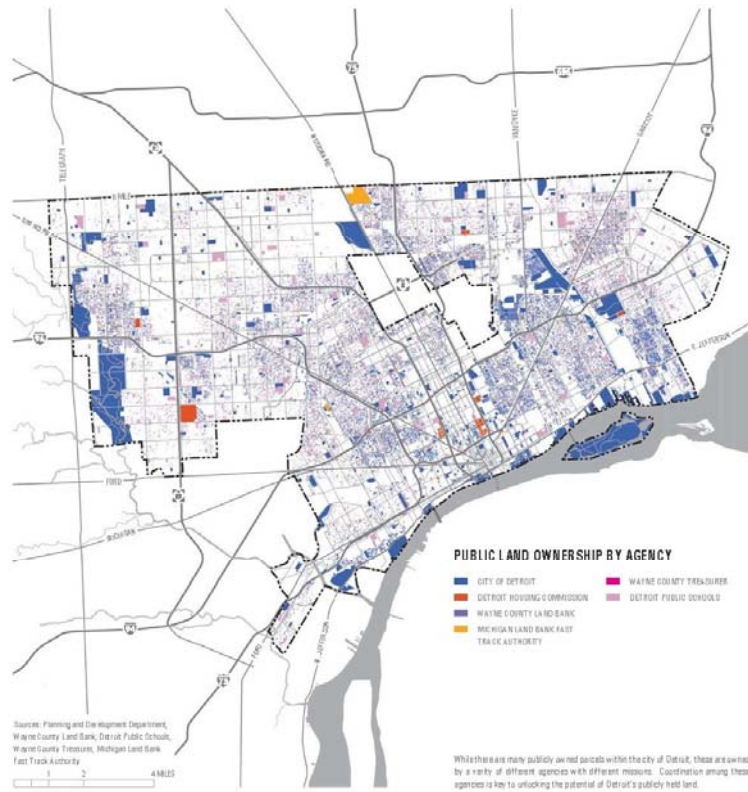


MAPS:

## City of Detroit – Master Plan of Policies

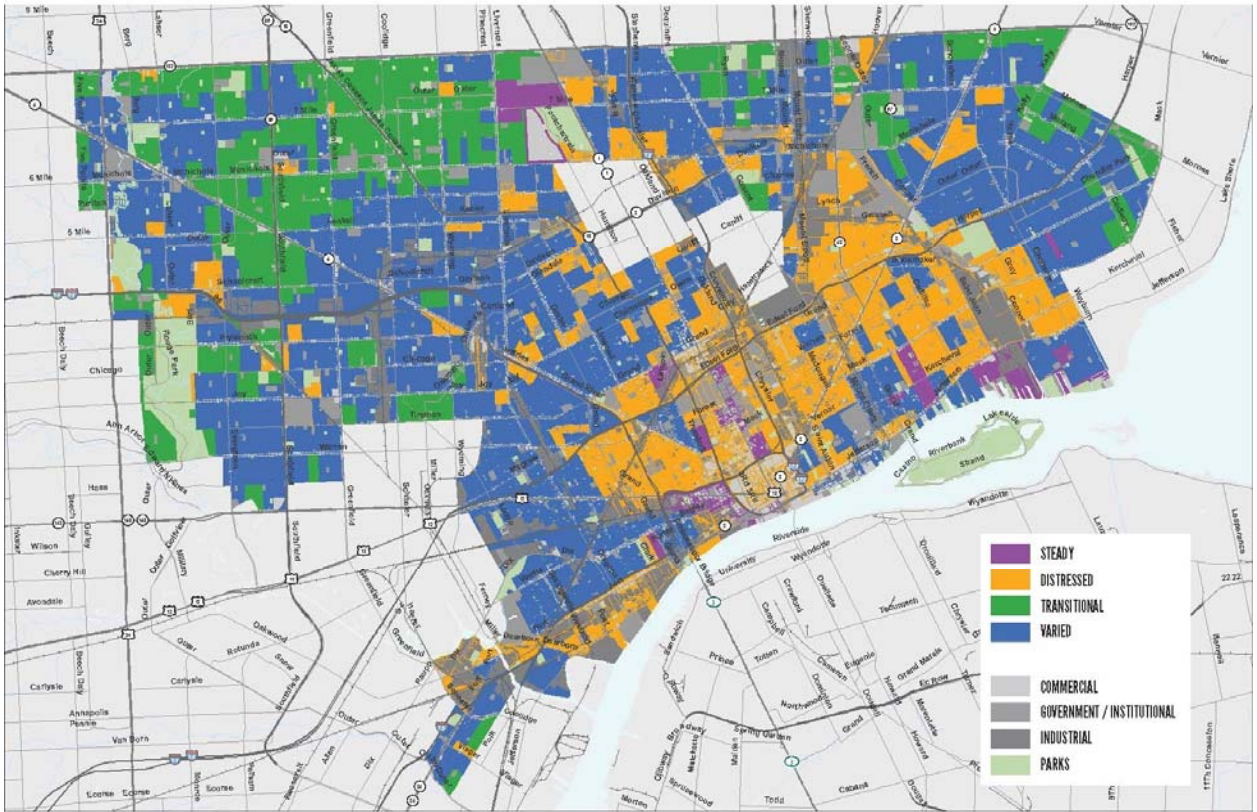
### 10 Neighborhood Clusters targeted through the Strategic Neighborhood Fund (SNF)



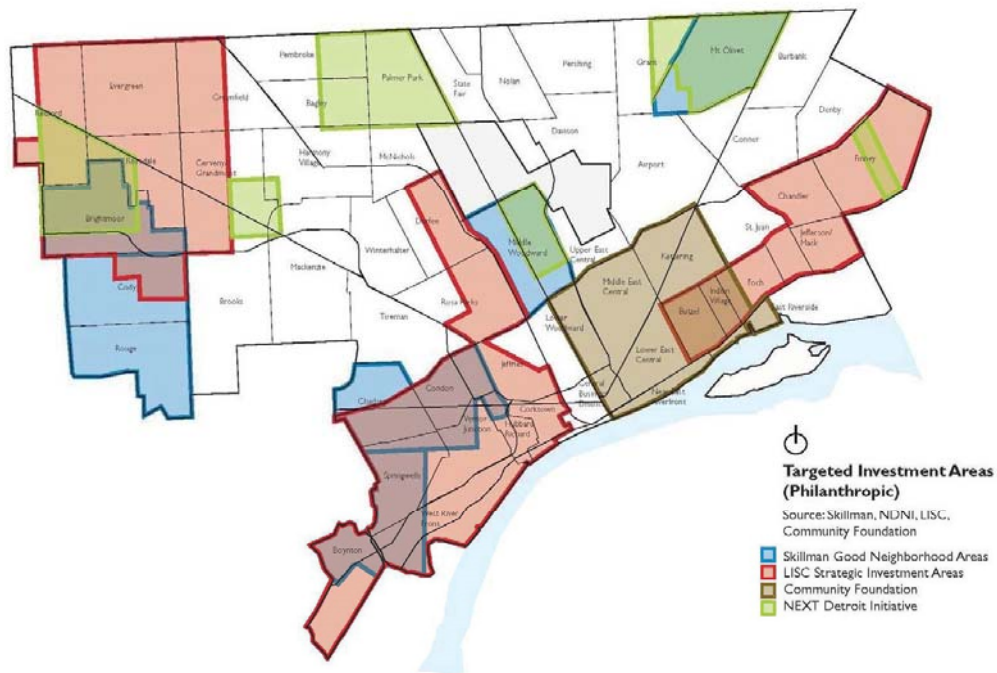


### Detroit Future City Land Ownership by Agency



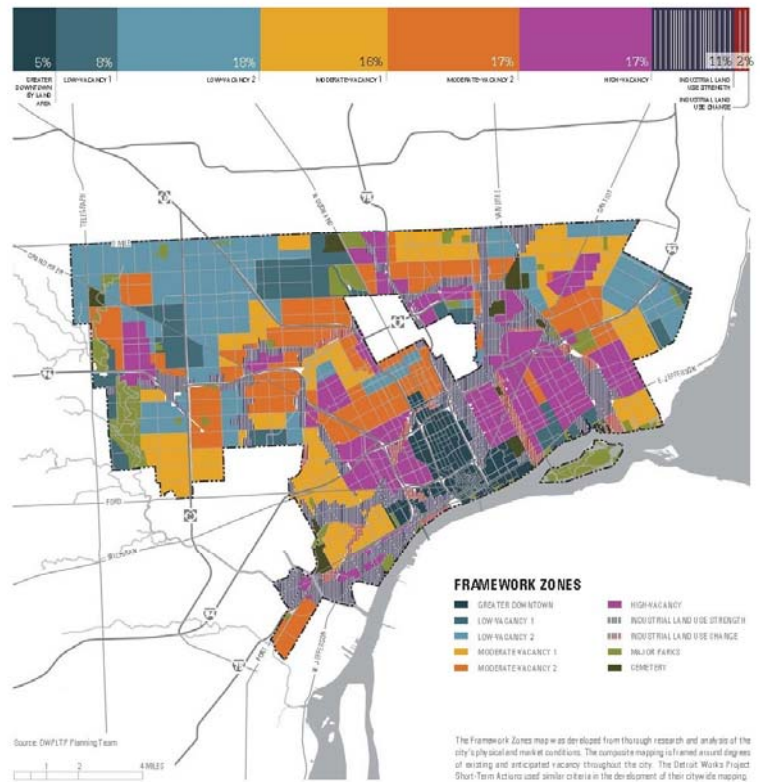


**Neighborhood Analysis MVA Map**

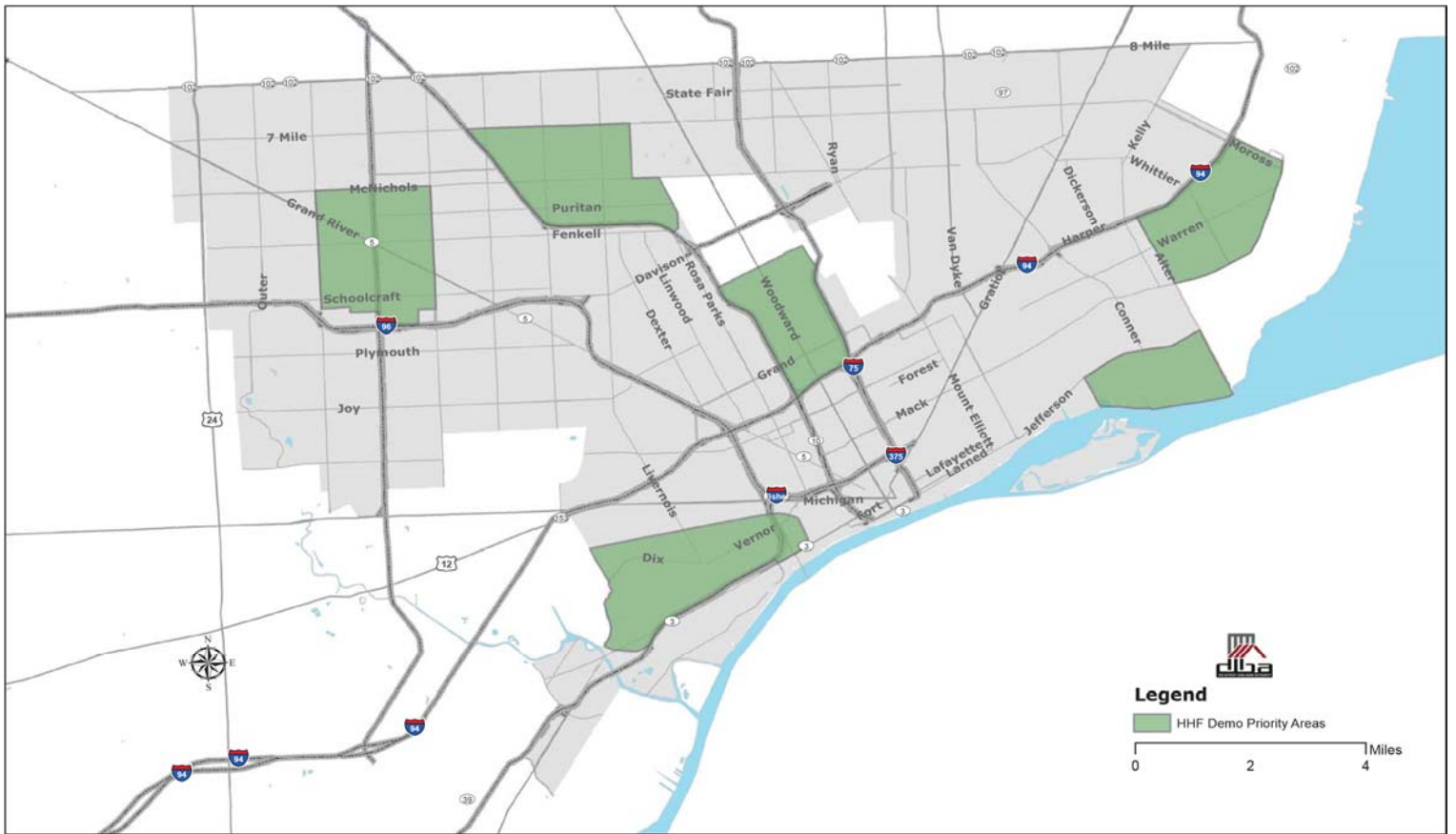


many *investments*

**Targeted Investment Areas (Philanthropic)**



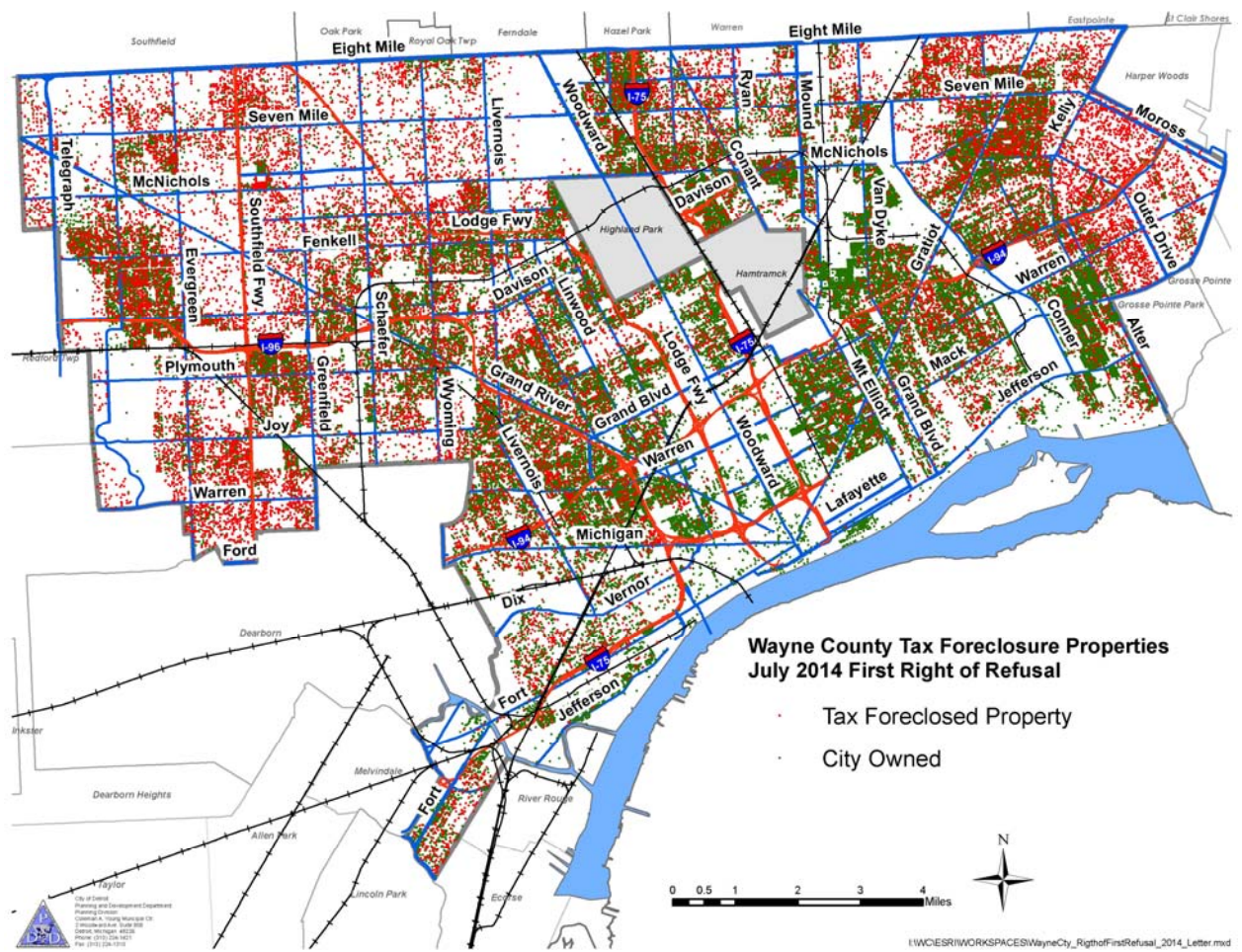
## Detroit Future City Framework Zones



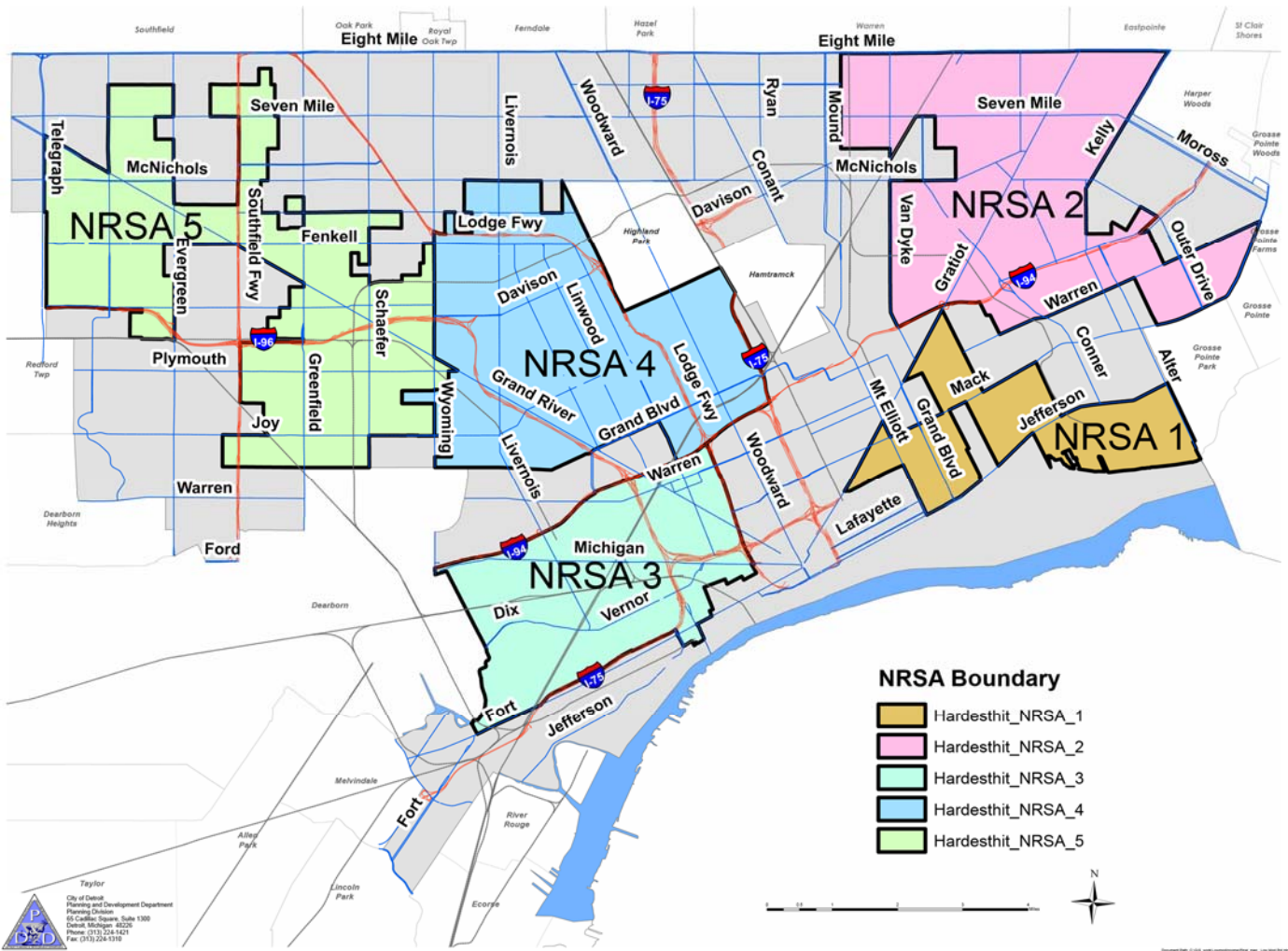
**DETROIT LAND BANK AUTHORITY**

Source: State of Michigan, City of Detroit  
Date: 1/3/2014

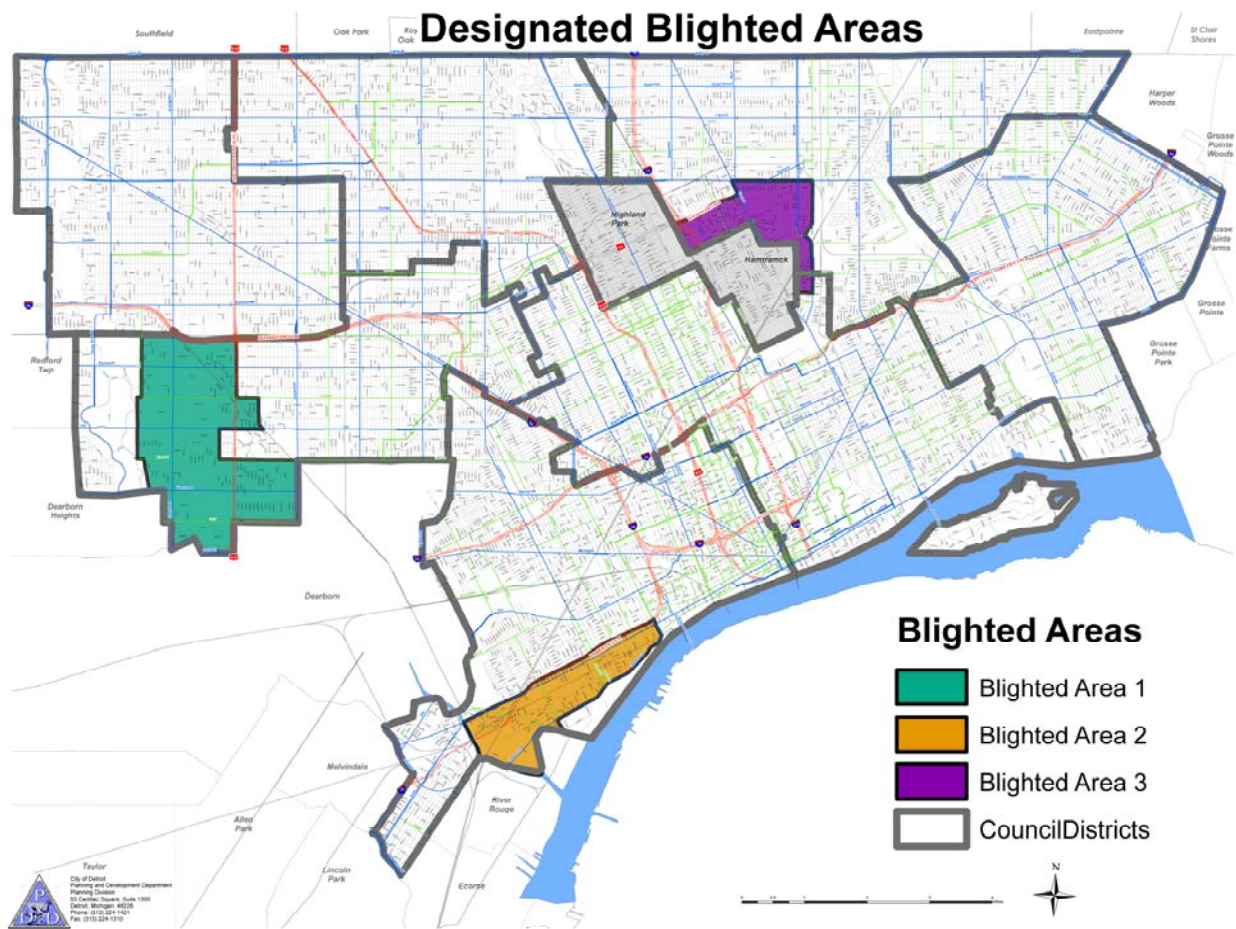
**Hardest Hit Fund Areas**



**Wayne County Tax Foreclosure Properties**

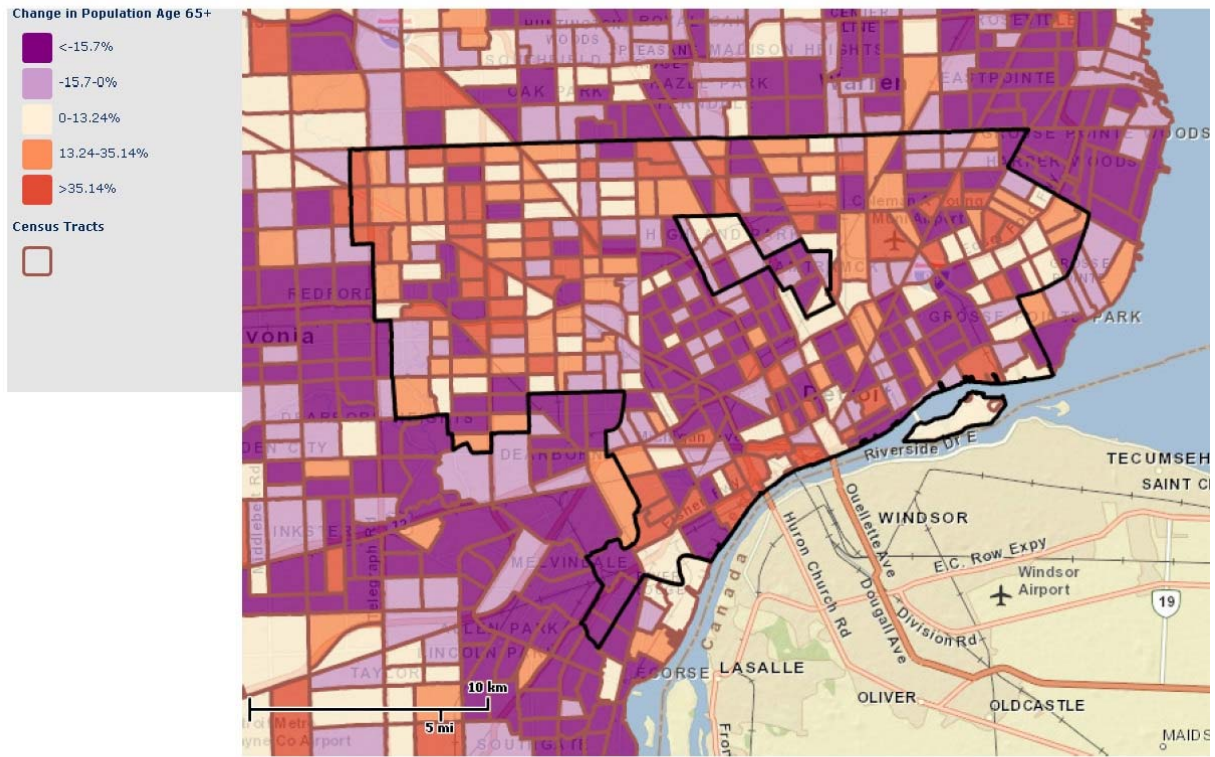


**NRSA Boundaries**



## Slums & Blight Designated Areas

**23. CPD Maps / Change In Population Age 65+**  
 Consolidated Plan and Continuum of Care Planning Tool

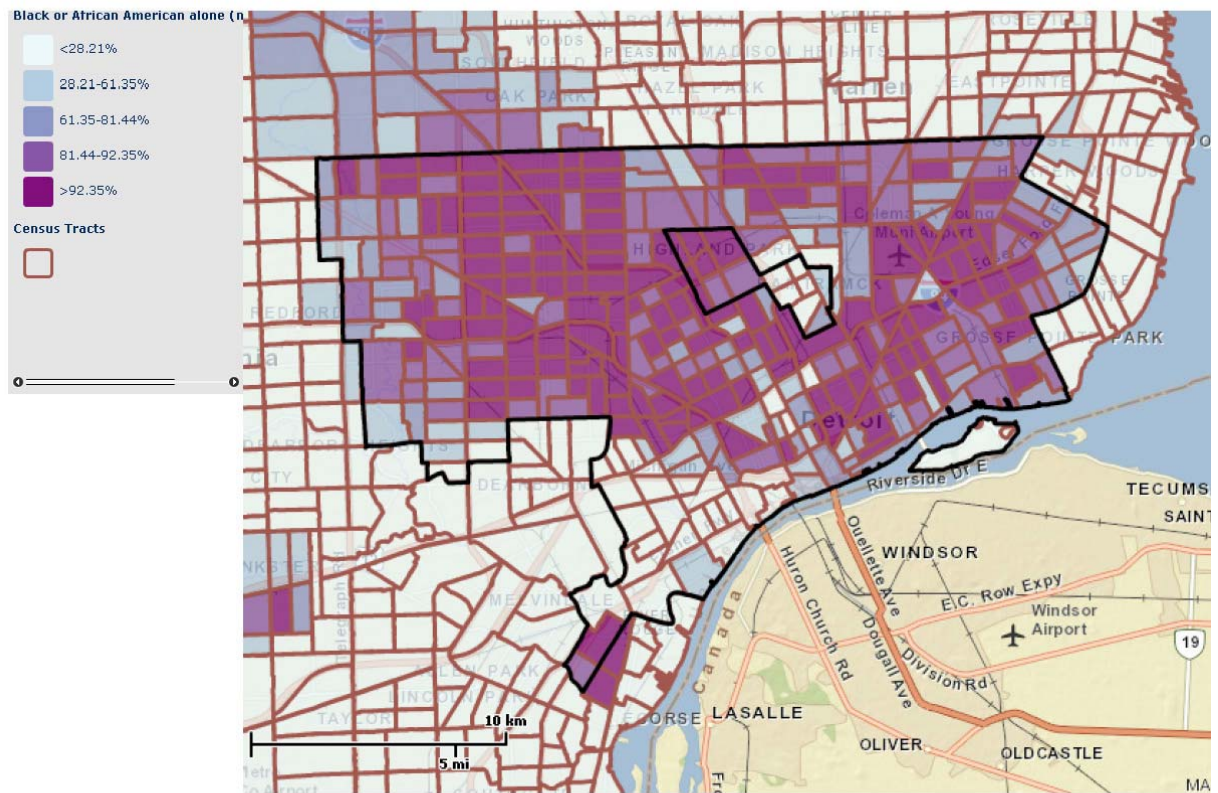


**Change in Population 65 or Older**



### 3. CPD Maps / Race / Ethnicity - Black

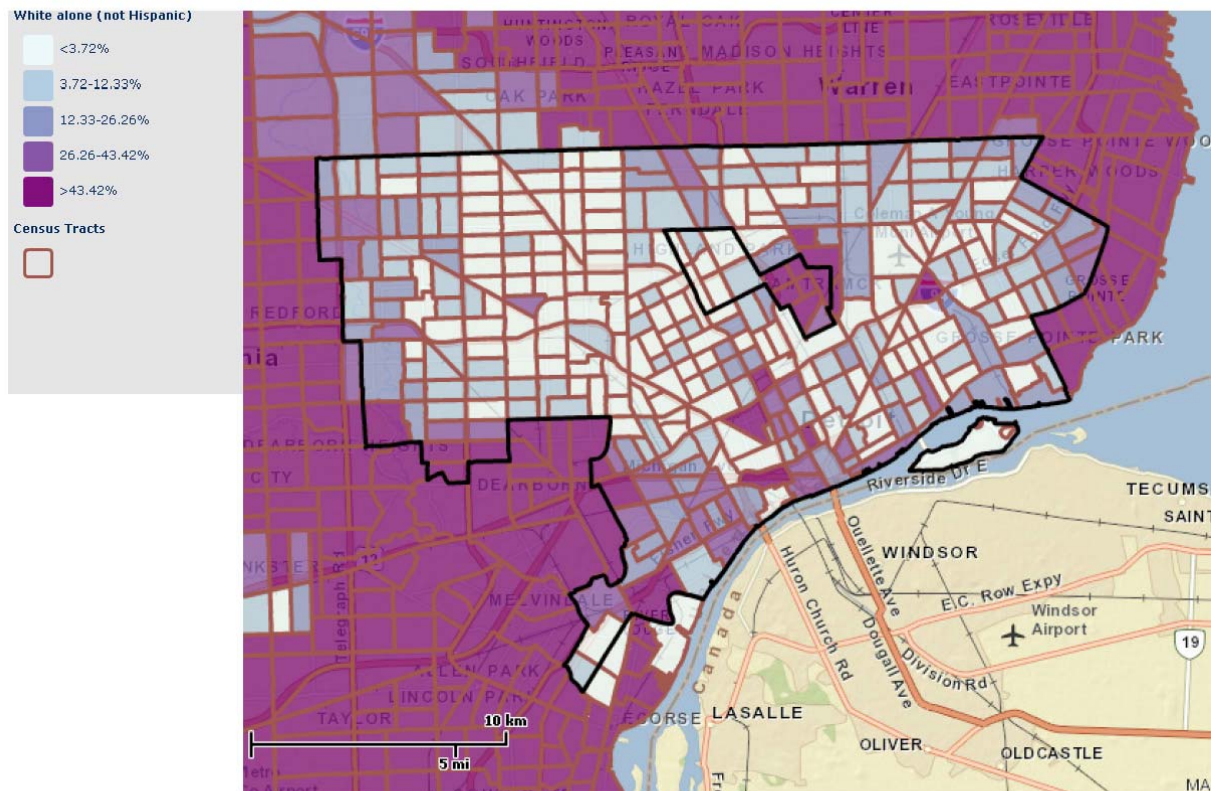
Consolidated Plan and Continuum of Care Planning Tool



### Race Ethnicity - Black

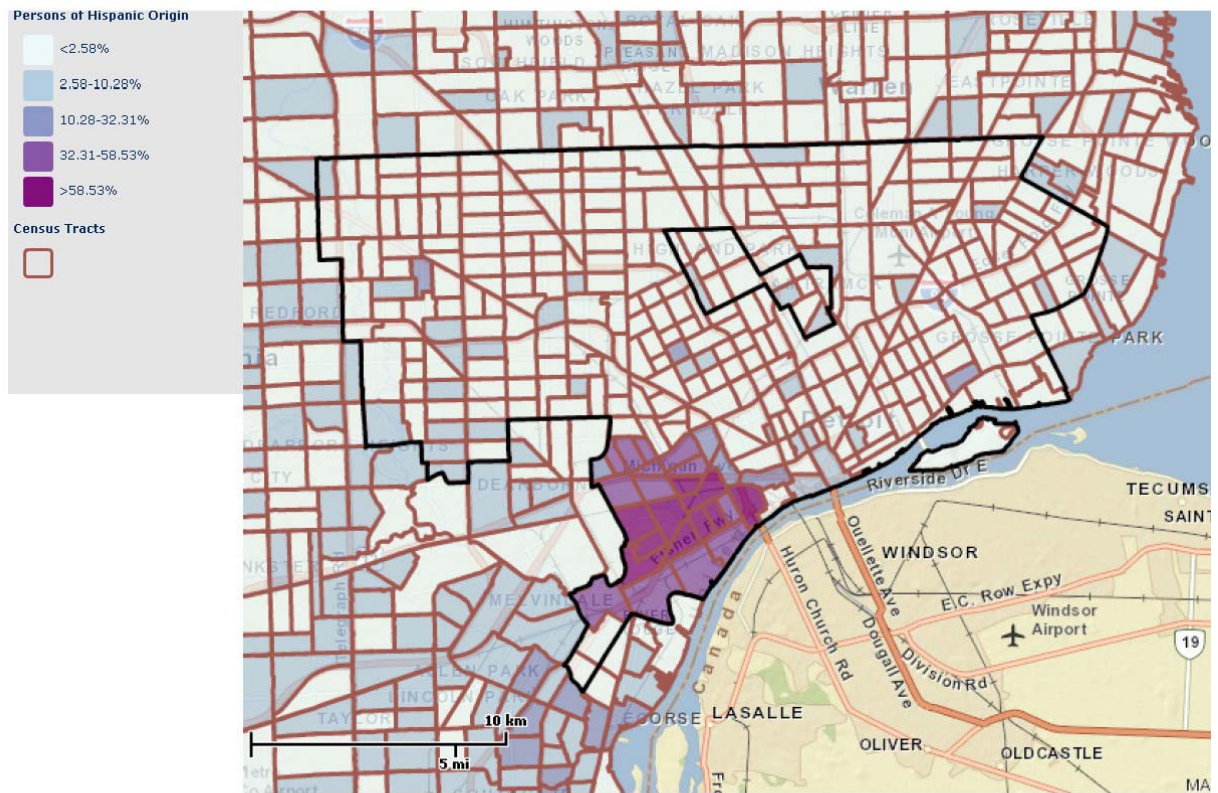
## 5. CPD Maps / Race / Ethnicity White Alone

Consolidated Plan and Continuum of Care Planning Tool



### Race Ethnicity - White

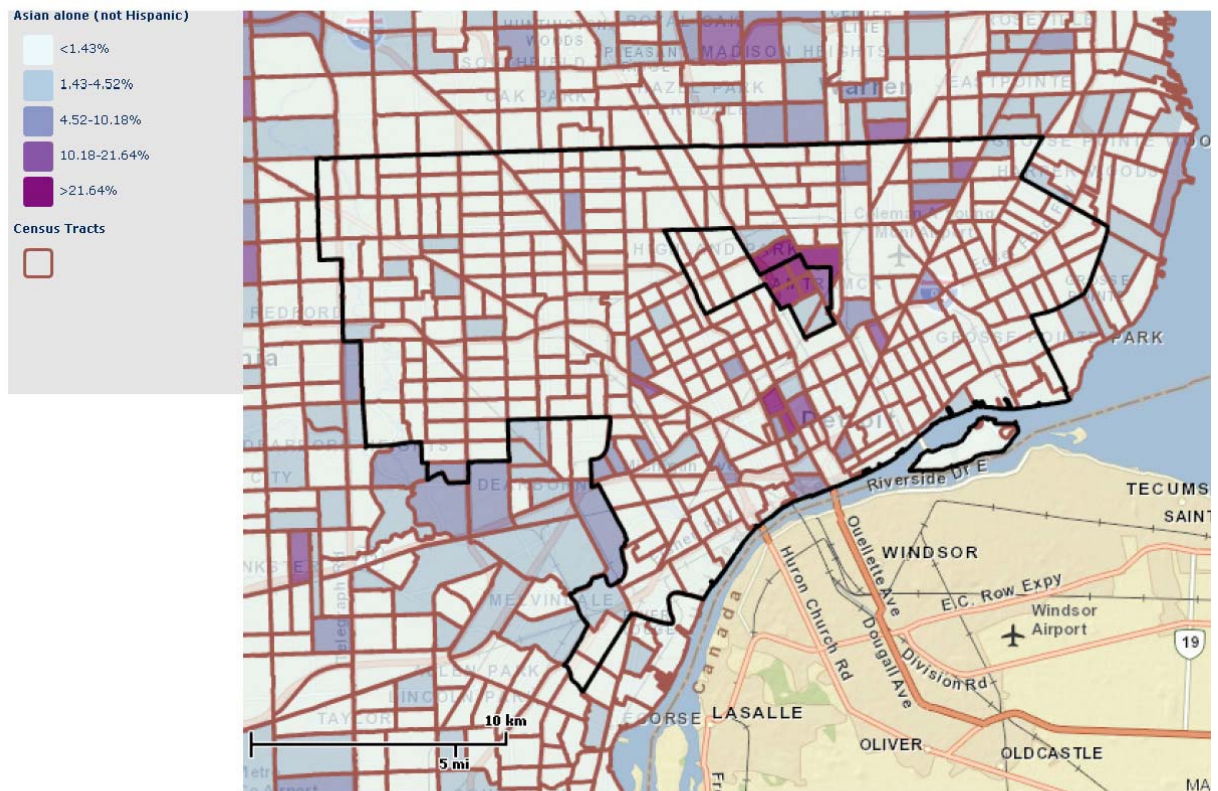
#### 4. CPD Maps / Race / Ethnicity - Hispanic Consolidated Plan and Continuum of Care Planning Tool



#### Race Ethnicity - Hispanic

## 6. CPD Maps / Race / Ethnicity Asian Alone

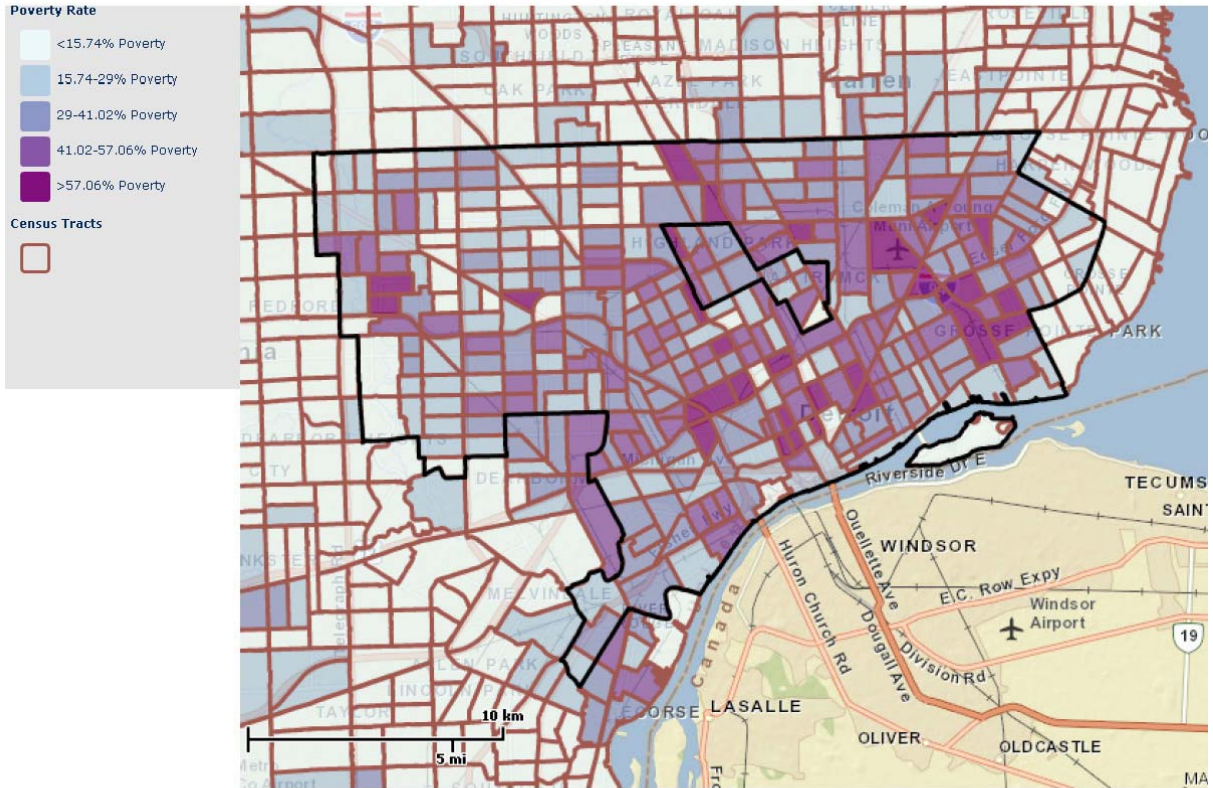
Consolidated Plan and Continuum of Care Planning Tool



### Race Ethnicity - Asian

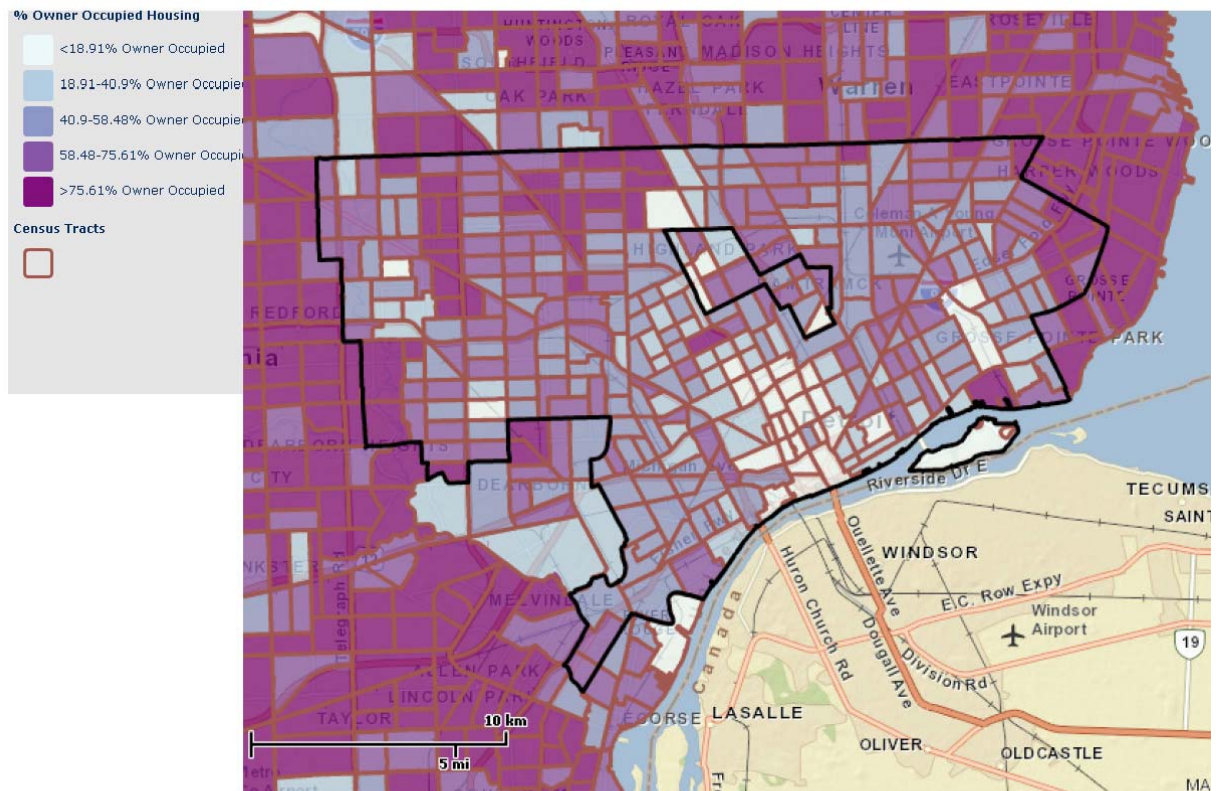
# 18. CPD Maps Poverty Rate

Consolidated Plan and Continuum of Care Planning Tool



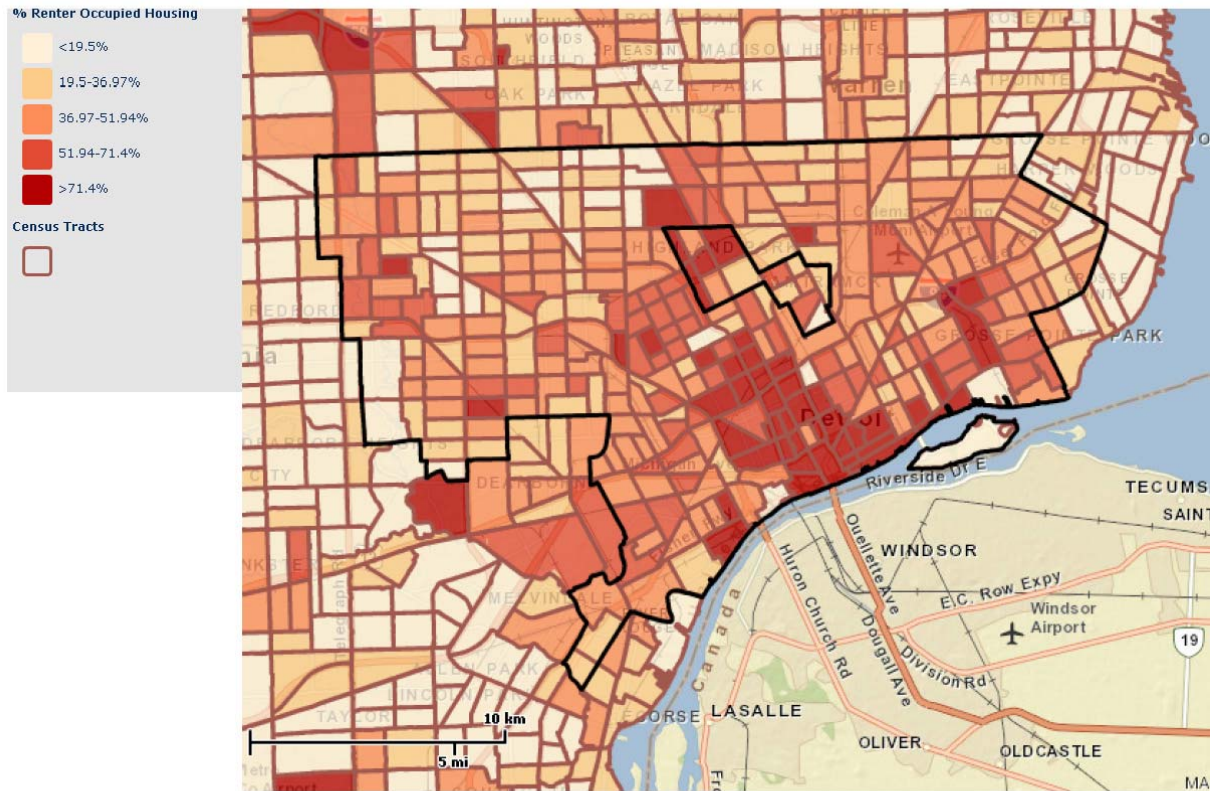
## Poverty Rate

## 7. CPD Maps % Owner Occupied Housing Consolidated Plan and Continuum of Care Planning Tool



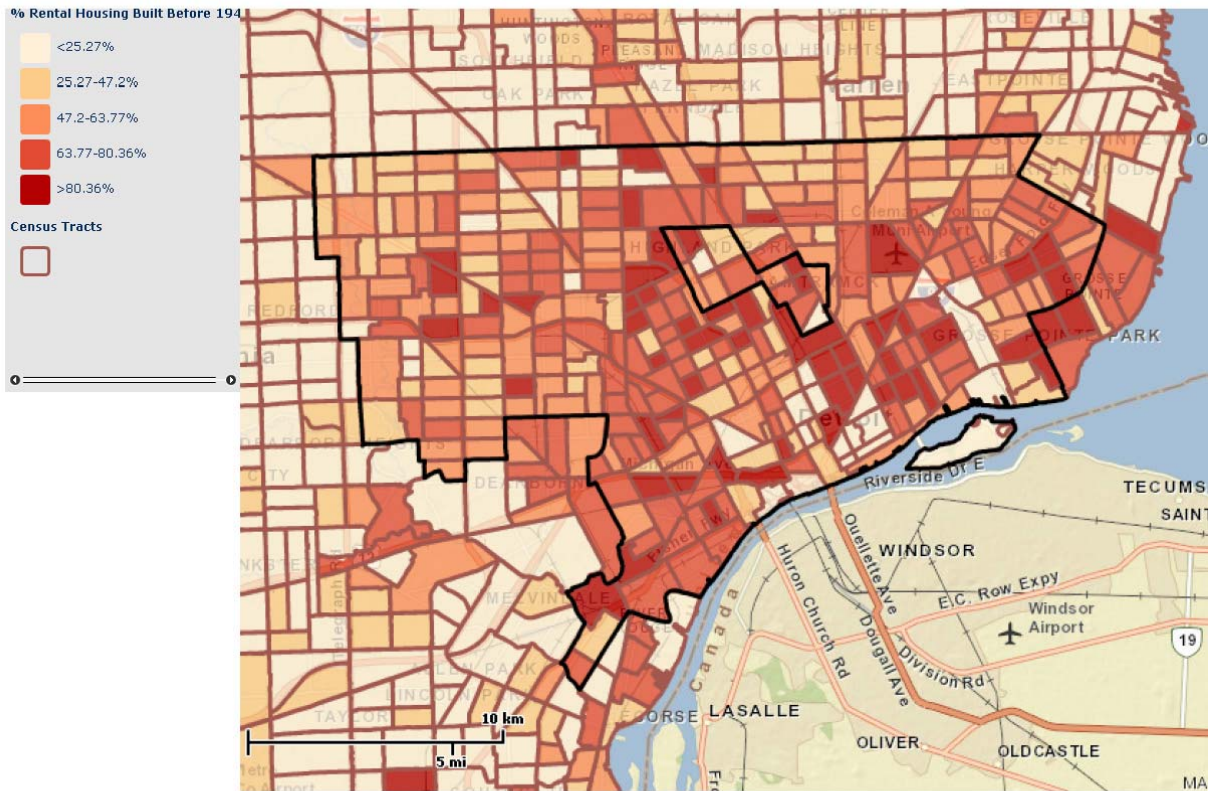
### Owner Occupied Housing

## 8. CPD Maps % Renter Occupied Housing Consolidated Plan and Continuum of Care Planning Tool



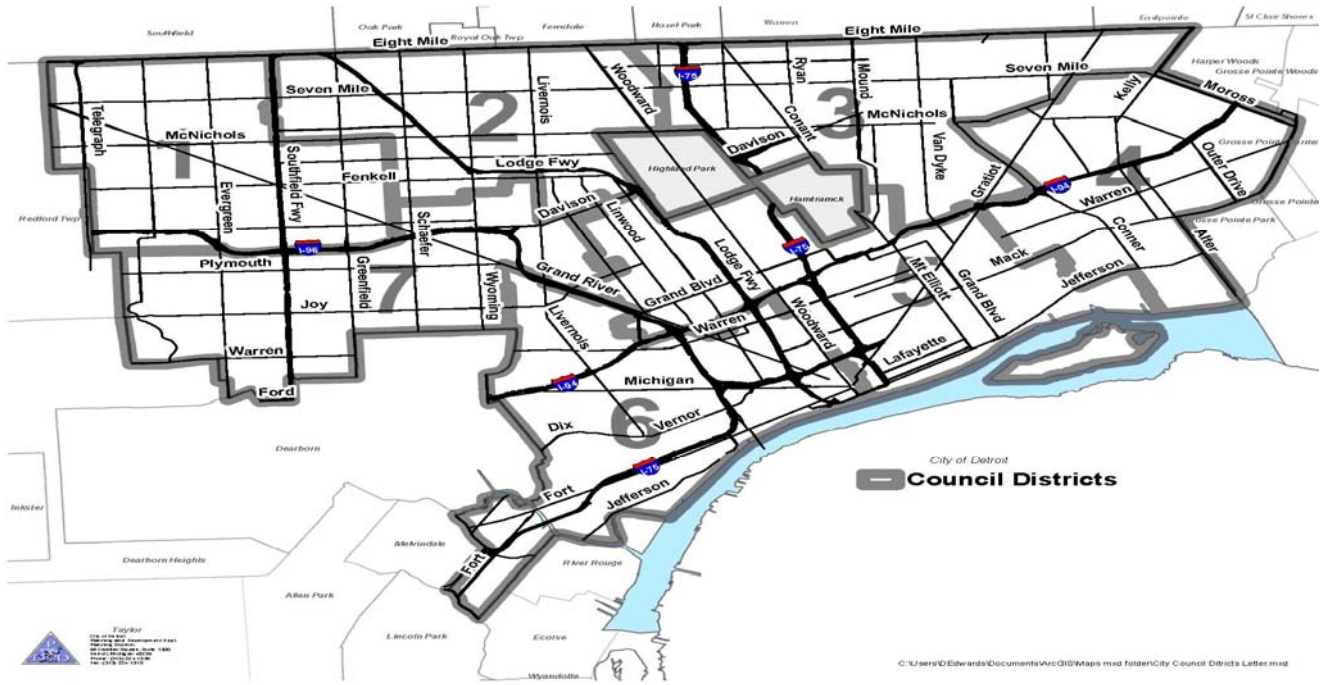
### Renter Occupied Housing

**10. CPD Maps % Rental Housing Built Before 1949**  
 Consolidated Plan and Continuum of Care Planning Tool



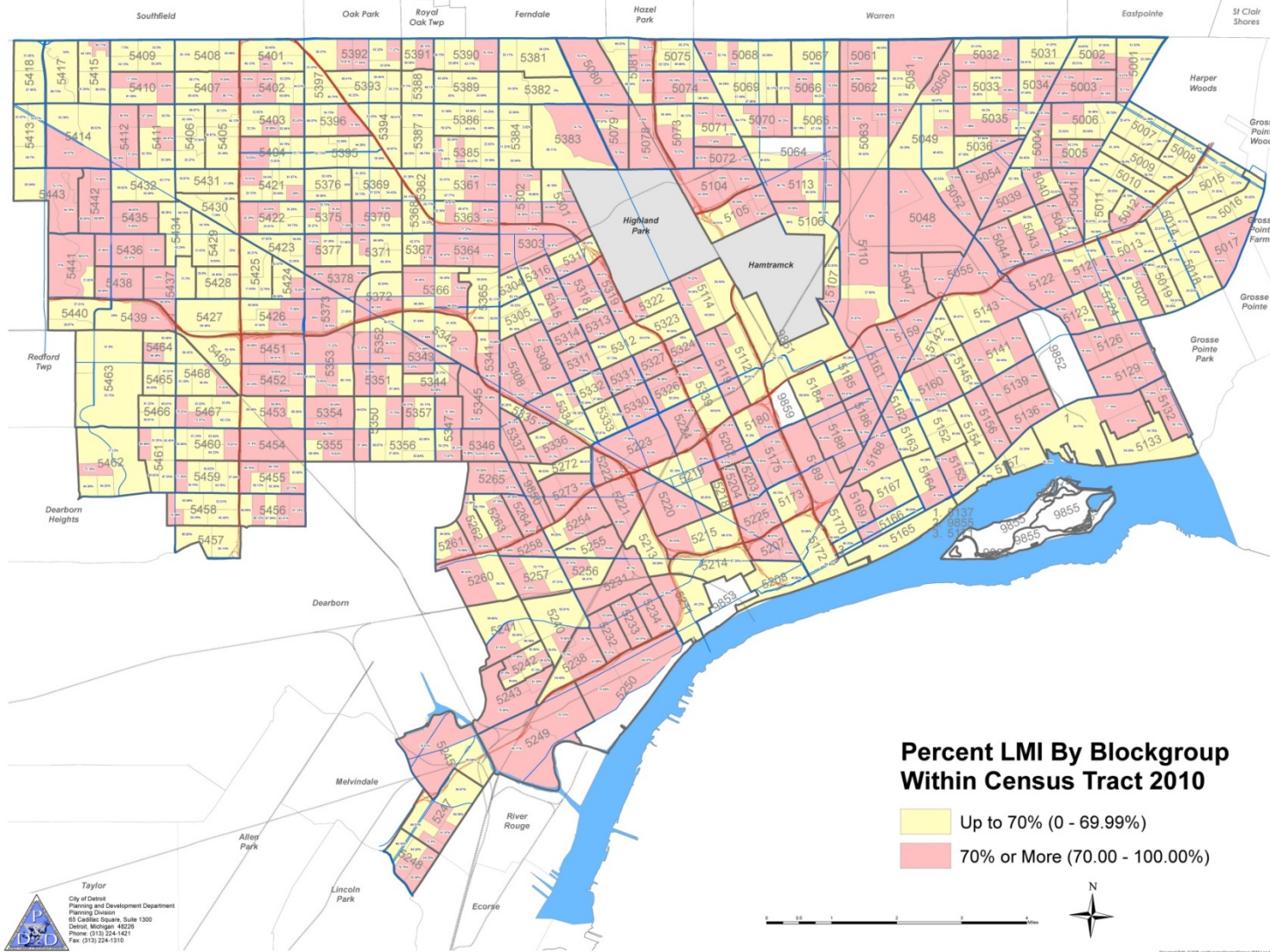
**Percent Rental Housing Built Before 1949**





**City Council Districts**

# CENSUS 2010 LOW/MOD MAP



**CITY OF DETROIT  
RESOURCES FOR AFFIRMATIVELY FURTHERING FAIR HOUSING**

<b>RESOURCE</b>	<b>FUNDING AMOUNT</b>
<b>Community Development Block Grant (CDBG)</b>	
Wayne County Neighborhood Legal Services	\$290,831
Ruth Ellis	\$63,928
Delray United Action Council	\$60,928
United Community Housing Coalition	\$148,674
<b>Total</b>	<b>\$546,361</b>

<b>RESOURCE</b>	<b>FUNDING AMOUNT</b>
<b>City of Detroit General Fund</b>	
Civil Rights Inclusion & Opportunity (Fair housing complaints & outreach)	\$173,945

## CITY OF DETROIT FAIR HOUSING REPORT

Submission date: **May 15, 2018**

Submitter name: **Donald Rencher**

Type of submission: **single program participant**

Type of program participant(s) **Consolidated plan participant**

For PHAs, Jurisdiction in which the program participant is located:

Submitter members (if applicable): **Marlene Robinson, Warren Duncan and Jennifer Mahone**

Sole or lead submitter contact information:

a. Name: **Val Miller**

b. Title: **Associate Director**

c. Department: **Housing and Revitalization**

d. Street address: **2 Woodward, Suite 908**

e. City: **Detroit**

f. State: **MI**

g. Zip code: **48226**

Period covered by this assessment: **FY 2017 - 2024**

Initial, amended, or renewal AFH: **Initial**

To the best of its knowledge and belief, the statements and information contained herein are true, accurate, and complete and the program participant has developed this AFH in compliance with the requirements of 24 C.F.R. §§ 5.150-5.180 or comparable replacement regulations of the Department of Housing and Urban Development;

The program participant will take meaningful actions to further the goals identified in its AFH conducted in accordance with the requirements in §§ 5.150 through 5.180 and 24 C.F.R. §§ 91.225(a)(1), 91.325(a)(1), 91.425(a)(1), 570.487(b)(1), 570.601, 903.7(o), and 903.15(d), as applicable.

All Joint and Regional Participants are bound by the certification, except that some of the analysis, goals or priorities included in the AFH may only apply to an individual program participant as expressly stated in the AFH.



Donald Rencher, Director

# **Assessment of Fair Housing**

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## I. Executive Summary

Detroit and its region have a long history of segregation and fair housing issues. Detroit is often cited as one of the most highly segregated cities in America, and patterns of racial segregation in the region are clear, with large proportions of the region's African-American and low-income residents concentrated in Detroit and a few select suburbs. Beyond segregation of African-American and White residents, the region's immigrant population is highly concentrated into selected neighborhoods as well. HUD-Identified Racially and Ethnic Concentrated Areas of Poverty (R/ECAP) in the region are focused in Detroit, Inkster, and Pontiac. Opportunity, property values, homeownership rates, and income tend to increase with distance from these R/ECAP areas. This impacts fair housing by shaping public perceptions about city residents and by limiting the resources available to city residents trying to improve their lives and the lives of their children.

In this study, focus groups, stakeholder interviews and demographic and spatial analyses were conducted to help identify obstacles to fair housing and access to opportunities that housing may reinforce.<sup>1</sup> An analysis focused on the federally protected classes was conducted to determine where there might be segregation by race, national origin, disability, and family status. Other consideration was given to economic segregation and age segregation to cover some of the groups protected by state and local laws. Future studies should consider addressing the experiences of additional groups protected by city laws, such as sexual orientation and gender identity, as interviews indicated that protections may not be well known.

Despite laws intended to further fair and affordable housing, residents of Detroit continue to face issues related to housing discrimination. Privately practiced discrimination and lack of knowledge of the fair housing laws or the complaint process were identified as long-term obstacles to fair housing. Meanwhile, the City of Detroit must deal with the fallout of a foreclosure crisis and accompanying property abandonment, while at the same time balancing development interest in the central city with the need for affordable housing in these quickly developing areas. The City faces this challenge while also coping with budget issues related to the recent municipal bankruptcy. Fair housing complaints in the area are related to racial steering, unfair lending practices, failure to make reasonable accommodation to disabled residents, and illegal 'no-children' policies, which all influence who is given access to the best housing in the area.

Foreclosure and abandonment have had lasting impacts on the conditions in Detroit communities and their residents' quality of life. Downtown and Midtown have rental housing along major bus routes near urban amenities and jobs, but these new housing developments are expensive enough to lead to economic displacement of the poor and lower-income residents out of these areas. Neighborhoods that succeed in redeveloping receive investment from public and private interests as the City works to invest in its stronger neighborhoods. Residents are often displaced to more affordable neighborhoods that are not prioritized for investment or redevelopment and experience continuing foreclosure, delayed maintenance of housing, and reduced urban services.

To Affirmatively Further Fair Housing in the region and city, local governments must move beyond identifying fair housing barriers and take collaborative action to assure that opportunities for residents in all protected groups are improved. To do so, the following actions have been identified for the purposes of increasing knowledge about fair housing laws, reducing economic and racial segregation, increasing opportunities for the poor and disabled, and balancing housing needs with development pressure:

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<sup>1</sup> The City of Detroit Housing and Revitalization Department contracted with the Wayne State University's Center for Urban Studies to complete this fair housing study.

- a) Conduct outreach efforts to increase awareness of fair housing laws, including which groups are protected and how to file a complaint;
- b) Work with partners to make the complaint process more accessible;
- c) Partner with other fair housing groups to improve capacity for outreach;
- d) Increase outreach in Downtown and Midtown - areas with the most reported complaint
- e) Work with developers to improve affordable housing and its integration in Downtown and Midtown;
- f) Work with financiers to identify paths to homeownership for Detroit residents;
- g) Work with developers to improve, and increase quantity, of accessible housing;
- h) Work with groups in redeveloping areas to meet the needs of seniors;
- i) Measure quality of City services and improve neighborhood conditions; and
- j) Aggressively enforce housing and building codes.

The City of Detroit has identified a series of concrete steps designed to meet these goals, including an increase in collaboration with non-profit and municipal partners, targeted outreach and the pursuit of additional resources. Achievement of the stated goals would lead to an improved atmosphere for fair housing practices, reduced discrimination complaints, and better adherence to the law. These goals have been set to affirmatively further fair housing, reducing segregation, discrimination, and obstacles to opportunity.

## II. Community Participation Process

Affirmatively Furthering Fair Housing (AFFH) includes an extensive community participation process involving outreach activities, public hearings, and broad dissemination of information to the public through media outlets. The community participation process in the present analysis was, however, primarily based on the Analysis of Impediments to Fair Housing format; therefore, it did not include such extensive community participation methods.<sup>2</sup> However, it included other community outreach efforts and interactive data gathering methods that enabled the research team to raise the issue of fair housing with key stakeholders, obtain their input into the process, and more importantly present the voices of fair housing advocates and protected groups in this report. The main data gathering methods used were focus groups and individual interviews.

This section begins with a description of outreach activities undertaken to facilitate meaningful community participation. It further provides an overview of the recruitment efforts for the focus groups and individual interviews, a description of the organizations that assisted those efforts, and a summary of key themes from the focus groups and interviews.

### Data Gathering Procedures and Analysis

Altogether, four focus groups and six individual interviews were planned with two target constituencies: 1) members of four protected classes; and 2) representatives of fair housing organizations (both public and non-profit), and organizations that provide housing services in Detroit. The protected classes identified for the focus groups were Black/African Americans, Hispanic Americans, Arab/Chaldean Americans, and people with disabilities. These groups were identified because fair housing complaint data shows that race and disability are the two most common grounds for fair housing complaints over the last five years. Secondly, the three ethnic groups identified are among the largest minority ethnic groups in Detroit.

#### Focus group participants

Each focus group comprised a specific ethnic group and was hosted at a community-based organization that primarily serves members of that ethnic group. The session with people with disabilities was held at the Center for Urban Studies on the Wayne State University campus.

#### Individual interview participants

Individual interview participants represented fair housing agencies, real estate and community housing support agencies. Interviews were conducted at the participant's place of employment or over the phone. It also included people with disabilities.

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<sup>2</sup> The City of Detroit Housing and Revitalization Department contracted with the Wayne State University's Center for Urban Studies to complete this fair housing study prior to the release of the AFFH rule. This study attempts to meet the AFFH reporting guidelines as much as possible.



## Recruitment

Various methods were used to recruit interview and focus group participants. First, research staff from the Center for Urban Studies assembled a list of organizations that provide fair housing services and/or housing-related counseling services to Detroit residents, paying particular attention to those that specialize in outreach to the four protected groups targeted in this study. Next, they contacted administrators of these organizations by telephone to explain the purpose of the focus groups and request their assistance with recruitment of focus group participants and hosting the focus groups. The research staff also paid visits to some of the organizations contacted to further discuss the project and explain its procedures. Further, the research staff developed and distributed flyers through the agencies contacted and across the constituent communities to raise community awareness and to invite focus group participants.

For the individual interviews, research staff contacted the administrators and housing coordinators at various agencies from the list that was created for the purposes of this study, and contacted them by email or by phone to invite them to participate. Similar to the focus group process, research staff explained the purpose of the study and its procedures to the individuals contacted and asked who would be the most appropriate persons within their organizations to participate. For public organizations, a list of potential participants was requested to protect the identity of the person to be interviewed in order to ensure openness.

## Outcomes of Outreach Effort

Only two of the four focus groups originally planned were held successfully with a total of 17 participants. These were the focus group for Black/African American residents (n=8), and the focus group for Hispanic Americans (n=9).

The focus groups with Arab Americans and people with disabilities could not be held. Turnout for the focus group for people with disabilities was very low and so the research team decided to replace it with individual interviews (n=4). Two attempts to hold a focus group with Arab Americans were unsuccessful as were attempts to arrange individual interviews with members of that ethnic group. Following the failure, efforts were intensified through direct phone calls to agencies, in-person agency follow-ups, flyer distribution and assistance from community members, but it yielded no results.

One reason for the challenges with focus group recruitment was the confidentiality of client information. Agencies that were willing to assist with recruitment were mostly unable to share client contact information with the research staff to contact potential participants directly. Also, only two of fifteen agencies engaged in the community participation process were able to provide the research team with a list of potential participants. The others posted the flyers at their offices or sent them to clients by email asking them to directly contact the Center for Urban Studies.

## Data Analysis

Content analysis was conducted on the interview and focus group data. The data was first coded then the codes were grouped to develop common themes for presenting findings. The findings are presented according to major topics and discussed in the following subsection.

## **Community Organizations Directly Engaged in the Community Participation Process**

The following organizations were contacted and invited to engage in the community participation process of this study:

1. *The City of Detroit*
2. *Michigan State Department of Civil Rights*
3. *ACC (Arab American and Chaldean Council)*
4. *ACCESS (Arab Community Center for Economic and Social Services)*
5. *Bridging Communities, Inc.*
6. *Church of the Messiah Housing Corporation*
7. *Community Housing Network*
8. *COTS (Coalition on Temporary Shelter)*
9. *The Disability Network*
10. *Fair Housing Center of Metro Detroit*
11. *Grandmont Rosedale Development Corporation*
12. *Jefferson East, Inc.*
13. *JVS (Jewish Vocational Services)*
14. *NSO (Neighborhood Service Organization)*
15. *Patton Community Center*
16. *Real Estate One*
17. *U-SNAP-BAC (United Streets Networking and Planning: Building A Community)*

Bridging Communities, Inc. and U-SNAP-BAC also acted as host sites for the Hispanic American and Black/African American focus groups, respectively.

## **Recurring Themes throughout the Community Participation Process**

Participants were asked a series of questions regarding their experiences with fair housing violations. Their responses are presented below.

### Housing-related discrimination as an ongoing occurrence in Detroit

Participants in the individual interviews and focus groups expressed that there is housing discrimination in Detroit, though it is not widespread or happening at an alarming rate. They noted that housing-related discrimination happens both with rentals and home buying. However, the majority of focus

group and interview participants said they had not personally experienced any housing discrimination. The few people that said they had were mostly unable to firmly link their experiences to a prohibited ground. For example, an interview participant with a disability said she was denied housing rental. When asked why, she said it was because the landlords did not like Section 8 tenants. When further asked if the landlord gave her any reason for not renting to her, she answered "No," adding "They [referring to officials at the Section 8 office] said you have to get a job".

A participant in the Hispanic focus group said he was discriminated against when he applied for housing in Midtown Detroit. According to him, he was not given any reason for the denial but he believed it was because of "how I look and how I speak," indicating that his Hispanic looks and accent were the reason. When asked why he thought so, he said they just looked at him once and then denied him.

Another Hispanic focus group participant said he had never experienced housing-related discrimination but he has seen it around. Decrying housing related discrimination, a housing service provider said:

*There are unfair practices in rentals. For example, sometimes lease agreements do not contain all the information they ought to contain. Sometimes there is no lease at all and so the tenant does not really have a tenancy. Sometimes people don't understand their rights and live in substandard conditions. (Individual Interviewee)*

According to interviewees who are familiar with fair housing issues, housing-related discrimination often occurs in a subtle way making it hard for victims to realize they have been discriminated against. For example, one interviewee said:

*Sometimes, you get folks who appear to have been very nice to you, said all the right things, gave you all the right clues, welcomed you warmly, but there's just something in your gut that says something didn't feel right. So, when that happens, we send testers. Often, what we find is that when we send out white testers, there are vacancies; no waiting list. You can move right in. Send out Black testers? Oh, we have no vacancies today, but you can fill out this card to join the waiting list. Fill out this card and we'll let you know. So, that's the subtle way; people may have the feeling, but they don't report it. (Individual Interviewee)*

When asked which areas fair housing violations frequently occur, one interview participant said it is related to the volume of housing available. In her words:

*I think that those are the areas that are considered the most desirable and have the most activity. So you're going to get more complaints where there's more activity. I mean, just the fact that there's housing going up is going to start something. People see the construction and make a mental note--"Oh, let me go and inquire; it looks like they're about ready." But in some of the other areas, they might have a house here or a house there; there's no volume. So, the sheer volume of housing means there will be complaints. (Individual Interviewee)*

### Race, color and disability as common bases for discrimination

Participants concurred with the fair housing data indicating that race, color and disability are the most common basis for housing-related discrimination. According to them, race and color are the mostly frequent basis for violation of the fair housing laws because they are so obvious; unlike other protected

classes, people could often see what you look like and may conclude that they did not want you in their neighborhood or preferred not to rent to you.

One interviewee, talked about a case of race-related discrimination by association. According to her, a white lady reported being harassed by her landlord because she had a visitor who was black. While she was not evicted because of that, the constant questioning about having “friends like this” clearly indicated to her that the landlord did not want black people in his building, not only as tenants but even as visitors.

#### Other bases for housing-related discrimination

*Familial Status.* Another group of people that was identified as frequently facing housing-related discrimination is people with children. Sometimes landlords and property managers deny people housing saying they do not allow children. Others very kindly state that the building is not child-friendly, but the participants expressed the belief that it’s often a façade; they just do not want kids in their building.

*Seniors.* Many participants noted that seniors are becoming a particularly vulnerable group with regards to fair housing. Interviewees who are knowledgeable about the issue said this group is one of the most affected by the new development in Downtown Detroit. Many of them are people who have lived in their neighborhoods for a long time, worked and retired, and are now on a fixed income. When the rents skyrocket, such people are automatically pushed out because of their fixed incomes.

According to the Fair Housing Center, they receive calls from people saying things like, “I am 85 years old and I am being displaced”. When faced with eviction, such individuals are forced to leave housing to which they have adapted with regards to their health status. Finding new housing that could accommodate them becomes a huge challenge. While not a federally protected group, the state and city include age as a protected class.

*LGBT community.* Some participants identified the members of the LGBT community as another group that is vulnerable to housing-related discrimination. According to one participant, although sexual orientation is not stated as one of the grounds for discrimination covered by the fair housing laws, it is increasingly becoming a basis of housing-related discrimination. This interviewee noted that some jurisdictions have added it, but that Detroit does not appear to have included such a protection as of yet. In reality, sexual orientation, gender identification, and even manner of dress are viewed, by many, as protected classes in Detroit, indicating a need for outreach.

*Non-English speaking immigrants.* There are immigrants who are documented but do not speak English, especially within the Hispanic American community. Very often, such individuals are confused with, or lumped together with undocumented immigrants. Some participants identified this group as people who are often discriminated against in relation to housing. According to some interview and focus group participants, when landlords suspect that a person is undocumented, they often deny them housing. The mere fact that a person does not speak English serves as basis for suspicion that they are undocumented, and denial of housing to such a person is a violation of the fair housing laws.

## Who is involved in fair housing violations

People identified as most often involved in fair housing violations are landlords, property managers and realtors, often those who are unaware of the fair housing laws. According to some interviewees, such individuals sometimes do things that violate the laws without knowing. When tasked to fill up a new or renovated building without proper guidelines, agents and property managers come up with “their own directions,” especially in cases where the investors are from outside the state or the country. One interviewee stated that there are many new investors coming into Detroit from outside, and they often hire agents, realtors and management agencies to represent them. If they hire individuals who do not know the law, chances are that they would violate them.

One participant also talked about certain enclaves in Detroit where residents organize and contrive to control who lives in their neighborhood. According to this participant, such areas “have their own security” making it hard for “certain kinds of people” to even walk around to see if housing is available.

## Other Issues

*Economic.* A newly emerging area of concern for almost all the participants in the interviews and focus groups was economic. Most participants expressed that Downtown Detroit is currently undergoing “gentrification”.<sup>3</sup> According to interview and focus group participants, people are being intentionally and systematically pushed out of Downtown Detroit by raising rents. With new development going on in the area, people are seeing their rents double overnight, not only in the new buildings, but in existing and renovated buildings as well. In the words of some interviewees, “people are being priced out.” They noted that in some areas of Detroit, housing costs and rent have risen to levels where people with average income cannot afford. Purchasing prices and rent have been pushed so far above the cost of living, and income levels that would normally support decent housing can no longer do so. The result is that, not only are people being pushed out of their neighborhoods, but many other people with decent jobs are being kept away as well. To them, it appears that those areas, especially Downtown Detroit and Midtown Detroit are surreptitiously developing into exclusive enclaves for “rich people” who one interviewee described as “white millennials”.

The impact of the development in Downtown Detroit is also affecting small business owners because of increasing storefront prices. In the words of one interviewee, “They just can’t afford it. The lease is up. The storefront rent is going up. Your apartment is *gonna* be \$1500 instead of \$750 and the same thing is happening to purchasing prices”; people just have to leave.

The most affected are people with low income, people on fixed income such as seniors who are living on their retirement benefits, people on government assistance, and small business owners. One interviewee alluded that the “gentrification of Downtown and Midtown Detroit areas involve other basis besides income. In her words, “They emptied the building; they refurbished it; they are getting ready to fill it up again; and they are being real selective about who they are letting move in. And it’s not always because a person does not have an income”.

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<sup>3</sup> Dictionary.com defines gentrification as “the buying and renovation of houses and stores in deteriorated urban neighborhoods by upper or middle-income families or individuals, thus improving property values but often displacing low-income families and small businesses”.

*Financial.* Some participants said they had been denied mortgage and financing but they acknowledged that this has been due to “bad credit.” Having said that, they would like to see some programs to assist people who have had “bad credit” to obtain housing. They also spoke against the fact that young people who have “no credit” are unable to obtain housing. When asked whether the banks are engaged in lending malpractices that violate the fair housing laws, one participant who was very knowledgeable about the topic responded in the negative. According to her, because the banks had previously encountered strong opposition to *redlining*, they are now very careful with their lending practices.<sup>4</sup> According to the interviewee, this practice appears to be a thing of the past as it relates to race and color, but is very much in practice relative to insurance rates in Detroit.

*Affordable Housing.* Some interview and focus group participants hinted that the affordable housing stock in Detroit is insufficient. Focus group participants talked about experiencing challenges trying to get into affordable housing. According to some of them, they were denied entry without being given any reason. Affordable housing serves low-income families, people with disabilities, seniors and other vulnerable populations. As purchase and renting prices go up and housing becomes unaffordable, the demand for affordable housing goes up, outstripping the supply.

Affordable housing includes subsidized housing and Section 8 housing. Some interviewees noted that sometimes people who live in these types of housing experience incidents that they see as housing-related discrimination yet they are hesitant to lodge a complaint or speak up because of the fear of losing their housing altogether. This includes people with disabilities who need extra accommodation.

*Lack of Awareness of Fair Housing Laws and Process.* One of the main themes from the interviews and focus groups was a lack of awareness about the fair housing laws and its enforcement in Detroit. The majority of participants from the protected classes (19 out of 21 people), namely black/African Americans, Hispanic and Latino Americans, and people with disabilities, said they did not know about the fair housing laws nor about the complaint process. The few people who said they had heard about the fair housing laws also did not know about the complaint process. Therefore, even when people feel they have been discriminated against, they often do nothing about it.

The Fair Housing Center and the Michigan Department of Civil Rights said they organize public education programs on fair housing. However, these programs appear to have limited reach and therefore, the vast majority of the population, especially members of the protected classes, are generally unaware about the law or their rights under it. Data from the Fair Housing Center showed that it has organized 50 fair housing training workshops since January 2015. These workshops were mainly for realtors, property managers, law students, and members of the law enforcement community. Only five of the fifty workshops appear to have been offered to the general public at various libraries and City Hall offices. According to the Fair Housing Center, they recognize the need for more public education efforts because they have encountered situations where people have violated the fair housing laws out of ignorance. According to them, they would like to organize more public education events but with limited capacity (only 8 full-time staff) and limited funding, they are unable to do more.

Participants also recognized that most of the time, housing-related discrimination occurs in a very subtle way leaving the victims unsuspecting. The violator would talk nicely and give no indication that the individual is not wanted. This makes public education and awareness about the laws very crucial to its effective implementation.

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<sup>4</sup> According to Dictionary.com, redlining is “a discriminatory practice by which banks, insurance companies, etc., refuse or limit loans, mortgages, insurance, etc., within specific geographic areas, especially inner-city neighborhoods.”

## Issues that came up but were not considered as strong themes

*Denial of Home Insurance:* One participant said she was aware that some people living in areas affected by blight and demolitions are having difficulties obtaining home insurance. This information, however, needs further verification as no one else mentioned it.

*Undocumented Immigrants:* Some people talked about violations against undocumented immigrants. This was not included in the final analysis because the fair housing laws prohibit housing-related discrimination against citizens and legal residents of the United States.

*Neighborhood Enclaves:* One interviewee spoke about certain communities that seek to screen potential new residents. Neighborhoods specifically mentioned were Palmer Park, Green Acres, University District, and Rosedale Park. The context of the comments was that these neighborhoods obtain their own security, get together, and decide who will be allowed in or not. The participant also noted that the people living in these neighborhoods are expected to possess specific looks and earn a specific level of income. This information requires additional verification as no one else mentioned it.

## **Suggested Solutions**

*Increase public awareness:* There is need for increased public education about the fair housing laws. This should include all stakeholders in the housing industry including landlords, realtors, property managers, bankers, home-owners and renters.

*Make the complaint process more accessible:* Unaware of the assistance available at the organizations involved in the implementation of the fair housing laws, many people refrain from taking action against violators of the law mostly because of the daunting financial commitment associated with legal cases. Making people more aware of the types of assistance available to them would encourage more people to take action to protect their rights under the fair housing laws. Also, there are those individuals who live in subsidized housing who refrain from taking action against fair housing violations because of the fear of losing the housing altogether.

*Empowerment of residents:* Awareness and availability of financial support are not enough because even when people become aware or feel that they have been discriminated against, very few feel they have the time and energy required for a drawn out legal process. There is, therefore, a need for programs aimed at empowering individuals to take action when their rights to fair housing are violated.

### **III. Assessment of Past Goals and Actions**

This section reviews efforts that have been made by the City of Detroit to identify and eliminate impediments to fair housing choice and to affirmatively further fair housing. Since the completion of the previous Fair Housing Analysis in 2009, the City has undertaken massive changes in its government operations. The City confronted a serious financial crisis caused by annual budget deficits, continued population decline, a historic recession, and reports of past mismanagement and corruption. In 2009, the City faced a \$332 million budget deficit and was challenged in providing minimal level of municipal services to its residents.<sup>5</sup> In April 2012, the City entered into an agreement with the State of Michigan that allowed for greater fiscal oversight by State government in exchange for the State providing Detroit help with its finances. In February 2013, the State took financial control of the City and the City filed for Chapter 9 bankruptcy in July 2013. This is the largest municipal bankruptcy filing in U.S. history by debt, estimated at \$18–20 billion. The City began a process of shedding and restructuring its financial debt and emerged from bankruptcy in December 2014. Toward reorganization and reform of government operations, the City's restructuring plan calls for more than \$1.7 billion to be spent on improving City services over the next decade.

#### **Policies and Programs**

During the past five years, despite the City's financial troubles, there has been an increase in real estate development, housing revitalization, construction and commercial development -- almost all of which has taken place in the Greater Downtown and Midtown areas of Detroit.

#### Large-scale demolition

In most other neighborhoods, the City has pursued large-scale demolition of blighted residential structures -- focused on removing some 40,000 blighted structures citywide over a five-year period. Since implementation, over 10,000 structures have been demolished. Much of the demolition has taken place in neighborhoods that continue to experience population loss. These developments have raised concerns about gentrification, equity and affordability in housing for Detroit residents. These newer concerns add to those outlined in previous fair housing reports, namely the limited supply of publicly-assisted housing in face of very high poverty levels in Detroit, limited city services, and specific shortages of housing for seniors and disabled, as well as the history of discrimination and segregation in the region.

#### Strategic framework

Along with its reorganization, the City has recently adopted a "strategic framework" for community revitalization. Major aspects of the strategy deal with the demolition and clearing of blight and the creation of a set of vibrant sub-communities (or magnet areas) within the city. A prominent theme in the framework, notably, is an emphasis on meeting the needs of the large proportion of Detroiters who are low and moderate income, and seniors and disabled who face housing challenges, among other issues.

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<sup>5</sup> <http://www.detroitmi.gov/How-Do-I/City-of-Detroit-CAFR-Find-How-Do-I-City-of-Detroit-MI>



The strategic framework blends the work of three plans: the Mayor's vision "Every Neighborhood Has a Future", the Detroit Future City Plan, and the City's Neighborhood Revitalization Strategy Areas (NRSA) plan. Each of these designate several areas of the city for focused revitalization. The City has already begun to target resources toward these areas. In order to coordinate investment and create a greater impact in neighborhoods, the City used the boundaries for the State of Michigan Hardest Hit Fund (HHF) program as a starting point in creating the target NRSAs. The boundaries were also based on Detroit Future City planning efforts and are areas with strong marketability for redevelopment investments (City of Detroit Draft 2015-2019 HUD Consolidated Plan, 2016).

The Detroit Future City Strategic Framework is a comprehensive framework to coordinate, guide, and maximize the impact of the City's development efforts. This planning effort was an intensive process over three years to develop a comprehensive inventory and analysis of all of the City's neighborhoods. The vision resulted from a 24-month-long planning process that drew upon interactions among Detroit residents and civic leaders from both the nonprofit and for-profit sectors. From the results of this citywide public engagement effort, a team of technical experts: crafted and refined the vision; rendered specific strategies for reaching it; shared their work publicly at key points; and shaped it in response to changing information and community feedback throughout the process (Detroit Future City, 2016).<sup>6</sup>

The City secured resources through the State of Michigan Hardest Hit Fund for blight reduction and redevelopment and Neighborhood Stabilization Program funding (NSP1, 2, and 3) which brings \$110 million to address vacant, foreclosed and abandoned housing units using a variety of financing mechanisms. The City's HUD Consolidated Plan invests over \$40 million annually of federal Community Development Block Grant (CDBG), HOME Investment Partnership and Emergency Shelter Grant funds.

### Stabilizing neighborhoods

In addition to the massive demolition initiative, several new initiatives such as auction of publicly-owned residential properties, the sale of vacant lots, and aggressive code enforcement are being implemented together to stabilize neighborhoods. The City's new home repair loan program and continuance of the much needed emergency repair and lead abatement programs will further stabilization efforts.

The guiding principles of the City's HUD 2015-2019 Consolidated Plan seek to ensure that resources are strategically targeted for maximum impact to enhance quality of life for Detroit citizens, particularly supporting building wealth among lower income residents. Detroit has been hard hit by the foreclosure crisis, the economic downturn, population loss and other challenges experienced by older industrial cities. As such, demand for services, programs and activities supported by federal funds have significantly increased.

Toward fair housing choice, the City is also working with its housing partners on preserving existing affordable housing (public housing and Sec 8) and has set a goal of 20%-40% of units reserved for "affordable"/lower-income renters for any new residential development getting City incentives.

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<sup>6</sup> <http://detroitfuturecity.com/framework>

## **Achievement of Goals and Actions**

This sections highlights the specific fair housing goals and the progress made toward their achievement. A table is also provided as a summary of the City's activities by goal area.

### Increase awareness of fair housing laws

The City's annual efforts toward increasing awareness of fair housing laws include partnering with the Fair Housing Center of Metropolitan Detroit on training sessions for residents and neighborhood groups. In recent years, training sessions on fair housing law are provided to city residents, often in conjunction with community-based organizations (FHC, 2016).<sup>7</sup> In addition to training, a great deal of community engagement on housing issues has been accomplished. The City and its non-profit planning partners spearheaded the massive Detroit Future City planning initiative. This two-year process engaged residents and culminated in a vision and strategy document that is being used to coordinate housing and economic development projects in the city. This plan is complemented by other neighborhood planning processes including the City's NRSA Plan, and the City's HUD Consolidated Plan which involved numerous community meetings, surveys and workshops. The Detroit LISC (Local Initiatives Support Corporation) office also completed an analysis of low-income/assisted housing that points to the need to preserve the existing stock of affordable housing in areas currently seeing growth<sup>8</sup>.

Other activities contributing to community education on fair housing laws include: City government reorganization, particularly separating the City's planning staff from staff overseeing neighborhood revitalization efforts. The separation is designed to add capacities and increase focus on fair and affordable housing issues. The City has also collaborated on neighborhood workshops with national and local non-profit organizations, some which have an emphasis on promoting financial literacy among residents. Additionally, the Detroit Housing Commission is now back under local control of the City, which aims to bring better coordination with City government on efforts to preserve public housing options and increase awareness of fair housing laws.

### Improve neighborhood conditions and measure quality of City services

The most visible sign of the city's decline is its troubled, abandoned housing stock. The number of vacant or blighted homes in the city was estimated at 78,000 at its peak. In October 2009, the City completed a citywide parcel housing conditions survey. The Detroit Residential Parcel Survey was a landmark survey of Detroit's residential property. Surveyors went out in the field in August and September of 2009 to survey every residential property with one-to-four housing units in Detroit. This included 350,000 single-family houses, duplexes, and multi-family structures up to four units. The data was instrumental in supporting planning efforts that have resulted in the targeted neighborhood strategies that are now being implemented.

Since emerging from bankruptcy in 2014, new investments in infrastructure (road, equipment, facilities) and improvements in City services have been made in several service areas: public safety, streetlights, blight, trash collection, parks, and public transportation. These include blight removal, improvements in police/fire/EMS equipment and improved response times, improved garbage pickup, and street lighting repairs and upgrades, among others. The City has also increased the level of buildings and

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<sup>7</sup> <http://www.fairhousingdetroit.org/about/purpose-and-programs>

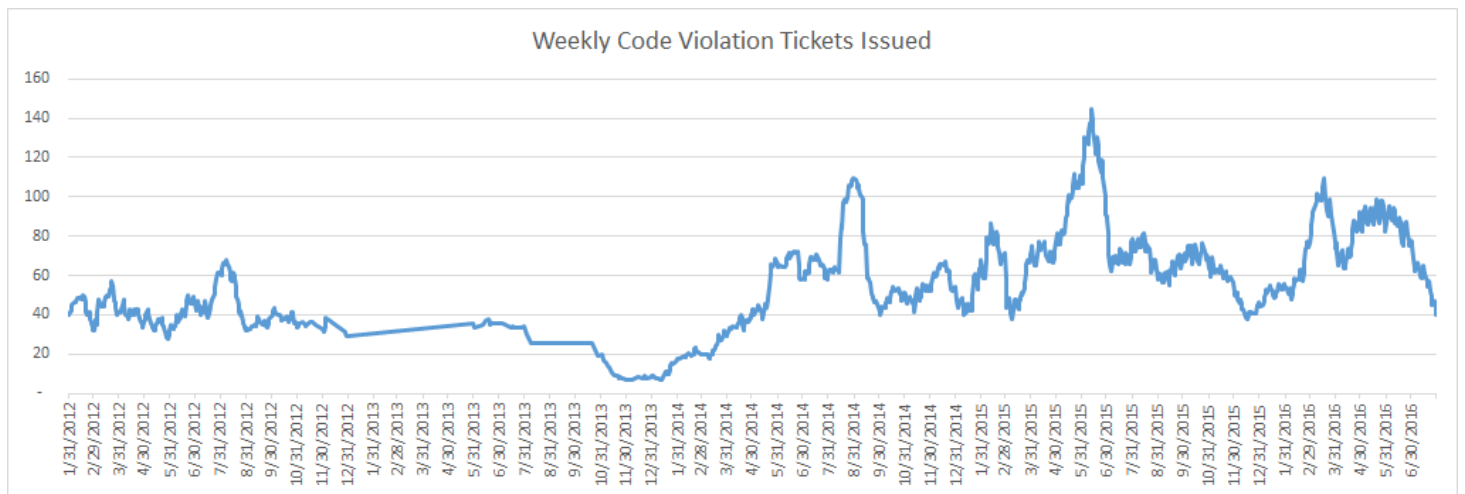
<sup>8</sup> <http://www.modeldmedia.com/features/affordable-housing-063015.aspx>

safety code enforcement and had pursued nuisance abatement lawsuits against owners of blighted rental properties and tax scofflaws.

With respect to public housing, the City secured \$8.5 million for capital improvements to several existing public housing sites. The funding will support large-scale improvements such as replacing roofs or making upgrades to plumbing and electrical systems.

### Aggressively enforce housing and building codes

The City's efforts to increase government transparency and accountability are evident in its publishing of citizen complaints and buildings and safety code enforcement data. A quick analysis of trends in code enforcement ticketing reveals that the City has doubled the level of code violation tickets since 2014.



Source: <http://data.detroitmi.gov>

## Challenges

Despite recent gains, housing options and quality in some Detroit neighborhoods – including Downtown and Midtown where there have been major investments or where there are strong anchor institutions – most other neighborhoods continue to face major challenges including abandonment, disrepair, and depopulation. In light of these challenges, the City's targeted revitalization strategies will involve both re-locating residents with housing needs and ensuring equity with regard to new housing development. Toward affirmatively promoting fair housing, the Duggan Administration has set a goal of 20%-40% of units reserved for "affordable"/lower-income renter for any new residential development getting City incentives.

It will continue to be a challenge for City government over the short term to address the chronic poverty levels which are at the root of many of the fair housing issues in Detroit. The high poverty rates result in excess demand for affordable housing, especially among seniors and disabled.

Other challenges facing Detroit include: continued high levels of racial and income segregation in the Metropolitan Detroit region; low fair housing and financial literacy rates among residents; a likely decrease in affordable housing units for extremely low income renters, given the large number of demolitions occurring; the lack of mortgage activity, foreclosures, and poor credit among residents (many from protected classes) in the City's poorest neighborhoods.

*City Progress on Promoting Fair Housing*

	<i>Goal #1 Increase awareness of fair housing laws</i>	<i>Goal #2 Improve neighborhoods and City service delivery</i>	<i>Goal #3 Enforce housing and building codes</i>
<i>Progress made toward their achievement</i>	Community engagement citywide and neighborhood planning processes; Citywide planning framework; Government reorganization; Neighborhood workshops; Training by Fair Housing Center of Metropolitan Detroit; LISC Analysis	Citywide parcel conditions survey; Infrastructure improvements; Increased blight enforcement	Increased code enforcement  Increased government transparency
<i>Barriers</i>	Chronic poverty High segregation Low housing and financial literacy	Lack of mortgage activity Foreclosures and poor credit Continued population loss and housing decay	Demolition efforts not keeping pace with abandonment; Decrease in affordable housing units for extremely low income renters
<i>Actions (planned) to be taken</i>	Goal of 20%-40% of units reserved for "affordable"/lower-income renters  Better coordination with Detroit Housing Commission	Increased community education activities on housing needed (training with FHC); Capital improvements to existing public housing sites; Efforts to preserve existing low income housing (LISC analysis)	Enforcement of landlord rental property registration; increased compliance with existing City regulations; Stepped up enforcement and inspections planned to begin January 2016
<i>Program participants' influence on the selection of current goals</i>	Current goals are very similar with past goals - given the City's high poverty levels, public housing shortfall, and levels of housing deterioration  New challenges in light of City's targeted revitalization strategy including re-locating residents with housing needs and ensuring equity with regard to new housing development	Resident input gained through district meetings held by Detroit Future City (Detroit Works long term planning), 2010-2013; Community workshops	Improve Detroit mobile app launched (by See Click Fix)

## **IV. Fair Housing Analysis**

The following section provides evidence and analysis of current conditions in the city of Detroit and the region about the people, locations and issues related to fair housing. Fair housing issues, include local geographic conditions that limit access to opportunities or fair housing choice and may include issues such as regional segregation, racial, ethnic and poverty concentration and disproportionate housing needs.

While HUD makes available data for analysis based on 2010 Census data, where possible, the Wayne State University Center for Urban Studies utilizes 2014 American Community Survey 5-year estimates because of the time-distance from Census 2010 and quickly changing demographics in some areas of Detroit. The following sections will delve into the details of factors that may impede fair housing.

- In Section A, the demographics of the city and regional population will be examined to better understand the geographic distribution of citizens who are from protected groups. We look at race, ethnicity, national origin and language proficiency as well as other aspects of population dynamics.
- In Section B, we examine segregation and integration at both the city and regional levels, as well as the location and demographics of HUD-identified Racial/Ethnic Concentrated Areas of Poverty, examining their location and expansion. Here, we also present an analysis of access to opportunities conducted to better understand how community amenities, such as quality schools, jobs and transportation options are made available or unavailable to protected groups because of housing obstacles and segregation.
- In Section C, we analyze any disproportionate housing needs that may exist, as well as the role of public housing in fair housing.
- In Section D, an examination is conducted into the needs of the population with disabilities, how that population is distributed in the city, and the region. Obstacles that residents with disabilities may face in obtaining housing are also discussed.
- In Section E, we analyze the existing data on complaints and resolutions to complaints made during the study period.

## A. Demographic Summary

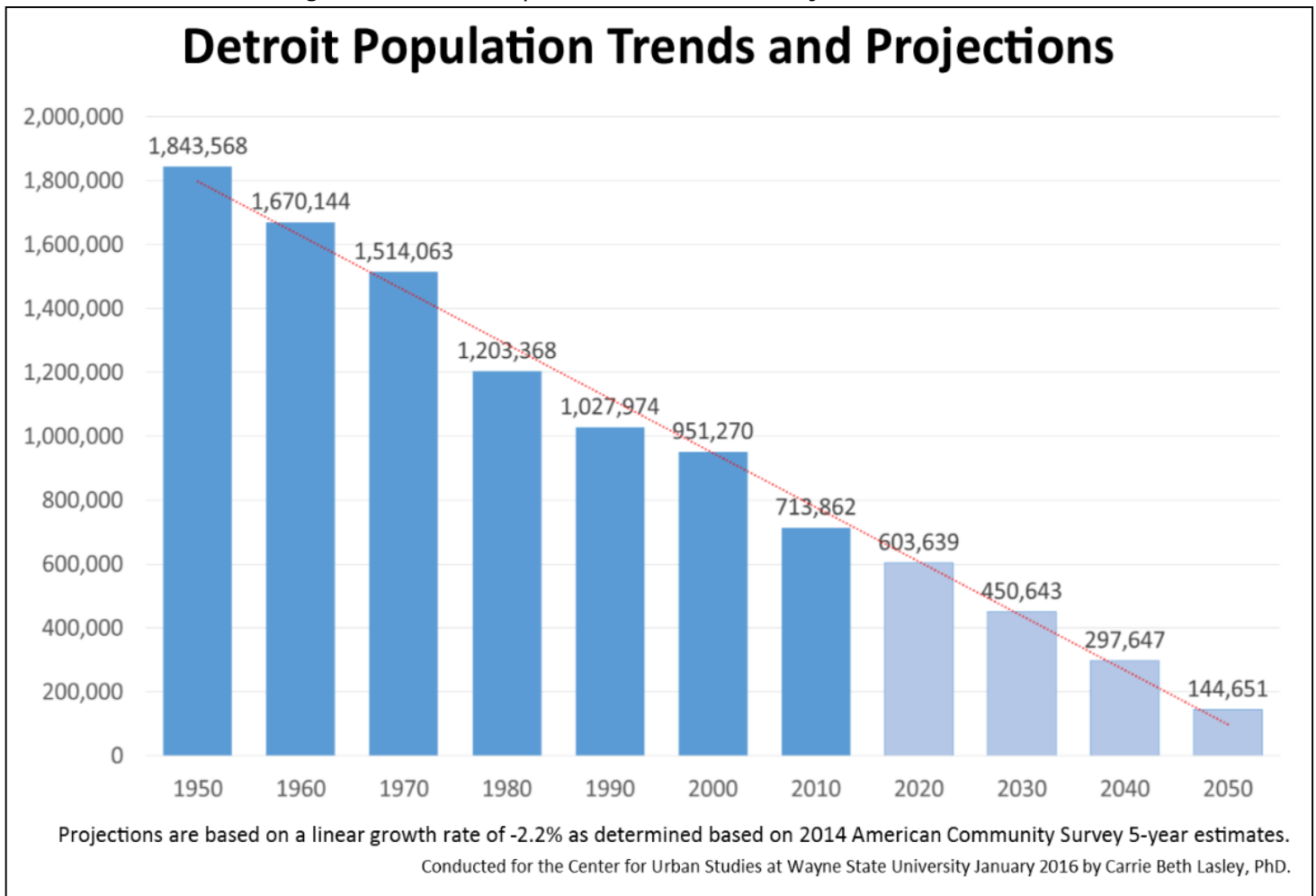
### Demographic patterns and trends overtime

Since the 1950s, Detroit's population has been in decline, peaking at 1,843,568 in the 1950 Census, and falling to 713,862 at the 2010 Census, a loss of more than 61 percent (Figure 1). During the same period, the metropolitan area population increased from 3,421,766 to 4,296,250, indicating that the regional population increase took place in the suburbs, while the urban center of Detroit continues to lose population. In recent decades, some suburban areas have begun to lose population as well.

Since 1990, although the population has decreased in Detroit, the city has increased in becoming home to proportionally more minorities and immigrants than its suburban frontier. The white non-Hispanic proportion of the city's population has decreased from 20.6 percent to 7.8 percent while immigrants have increased from 3.4 percent of the population in 1990 to 5.1 percent in 2010.

Detroit also has proportionally more residents with disabilities than suburban areas, but shares common demographic breakdowns for families, children and the elderly. In 1990, African American residents were predominantly in Detroit, Pontiac, River Rouge and Inkster. Over time, African-Americans have begun to live in areas such as Southfield and other near-Detroit suburbs in larger numbers.

Figure 1: Detroit Population Trends and Projections 1950-2050



Source: US Census Bureau

Table 1 shows the demographics of Detroit and the Metropolitan area (i.e., this data is based on the 2010 Census). It indicates that Detroit is much more diverse than the region as a whole, with just 7.8 percent of Detroit's population defined as non-Hispanic white, while the region has more than two-thirds of the population identifying as white. Detroit also contains a more sizable immigrant population, almost twice as high as the region. It also has a higher proportion of people with disabilities and a greater number of children than the surrounding region.

Table 2 shows demographic trends for Detroit and the region from 1990 to 2010. In that time, Detroit has become more diverse, with an increased immigrant population, but fewer families with children. In 1990, Detroit's non-Hispanic white population was more than 20 percent, but decreased to less than 8 percent by 2010. The foreign-born population in the city has increased from 3.4 to 5.1 percent, and families with children have dropped by about 5 percent during the 20-year span. During that same period, the region has also increased in diversity, but this has been primarily through an influx of Hispanic and Asian residents, while the proportion of African-American residents remained at approximately 22 percent.

Table 1: Demographics

	(Detroit, MI CDBG, HOME, ESG) Jurisdiction		(Detroit-Warren-Dearborn, MI CBSA) Region			
Race/Ethnicity	#	%	#	%		
White, Non-Hispanic	55,604	7.79	2,916,144	67.88		
Black, Non-Hispanic	586,573	82.18	972,689	22.64		
Hispanic	48,679	6.82	168,065	3.91		
Asian or Pacific Islander, Non-Hispanic	7,518	1.05	141,351	3.29		
Native American, Non-Hispanic	1,927	0.27	12,501	0.29		
Other, Non-Hispanic	994	0.14	4,855	0.11		
National Origin	Country		Country			
#1 country of origin	Mexico	15,609	2.19	Iraq	42,657	0.99
#2 country of origin	Bangladesh	3,376	0.47	India	38,871	0.90
#3 country of origin	Yemen	2,082	0.29	Mexico	34,022	0.79
#4 country of origin	Iraq	1,684	0.24	Canada	25,480	0.59
#5 country of origin	Nigeria	1,105	0.15	Lebanon	18,103	0.42
#6 country of origin	Jamaica	1,031	0.14	Philippines	12,821	0.30
#7 country of origin	Canada	885	0.12	China excl. Hong Kong & Taiw	12,398	0.29
#8 country of origin	India	790	0.11	Yemen	11,518	0.27
#9 country of origin	Guatemala	568	0.08	Albania	10,648	0.25
#10 country of origin	Poland	504	0.07	Germany	10,444	0.24
Limited English Proficiency (LEP)	Language		Language			
#1 LEP Language	Spanish	16,697	2.54	Arabic	41,508	0.97
#2 LEP Language	Arabic	3,448	0.53	Spanish	38,721	0.90
#3 LEP Language	Other Indic Language	2,694	0.41	Other Indo-European	12,621	0.29
#4 LEP Language	African	720	0.11	Other & unspecified	11,327	0.26
#5 LEP Language	Polish	463	0.07	Other Indic languag	8,898	0.21
#6 LEP Language	French	431	0.07	Chinese	8,413	0.20
#7 LEP Language	Chinese	271	0.04	Polish	5,487	0.13
#8 LEP Language	Other Slavic Language	229	0.03	Italian	5,056	0.12
#9 LEP Language	Other & Unspecified Language	201	0.03	Other Slavic langua	4,340	0.10
#10 LEP Language	Japanese	200	0.03	Japanese	4,094	0.10
Disability Type						
Hearing difficulty		20,990	3.23		143,564	3.58
Vision difficulty		29,935	4.60		99,118	2.47
Cognitive difficulty		59,386	9.13		231,093	5.76
Ambulatory difficulty		79,416	12.21		318,971	7.95
Self-care difficulty		37,384	5.75		131,600	3.28
Independent living difficulty		60,281	9.27		229,940	5.73
Sex						
Male		337,679	47.31		2,082,043	48.46
Female		376,098	52.69		2,214,207	51.54
Age						
Under 18		190,347	26.67		1,043,759	24.29
18-64		441,505	61.85		2,685,390	62.51
65+		81,925	11.48		567,101	13.20
Family Type						
Families with children		74,251	45.57		494,109	44.50

Note 1: All % represent a share of the total population within the jurisdiction or region, except family type, which is out of total families.

Note 2: 10 most populous places of birth and languages at the jurisdiction level may not be the same as the 10 most populous at the Region level, and are thus labeled separately.

Note 3: Data Sources: Decennial Census; ACS

Note 4: Refer to the Data Documentation for details ([www.hudexchange.info](http://www.hudexchange.info)).



Table 2: Demographic Trends

Race/Ethnicity	(Detroit, MI CDBG, HOME, ESG) Jurisdiction						(Detroit-Warren-Dearborn, MI CBSA) Region					
	1990		2000		2010		1990		2000		2010	
	#	%	#	%	#	%	#	%	#	%	#	%
White, Non-Hispanic	212,110	20.63	99,892	10.50	55,604	7.79	3,154,530	74.24	3,110,466	69.85	2,916,144	67.88
Black, Non-Hispanic	774,228	75.32	782,793	82.28	586,573	82.18	935,894	22.03	1,035,164	23.25	972,689	22.64
Hispanic	28,333	2.76	47,119	4.95	48,679	6.82	82,502	1.94	126,711	2.85	168,065	3.91
Asian or Pacific Islander, Non-Hispanic	7,954	0.77	11,018	1.16	7,518	1.05	55,158	1.30	117,816	2.65	141,351	3.29
Native American, Non-Hispanic	3,168	0.31	3,622	0.38	1,927	0.27	14,687	0.35	28,870	0.65	12,501	0.29
<b>National Origin</b>												
Foreign-born	34,493	3.36	45,554	4.79	36,080	5.05	235,209	5.54	337,064	7.57	379,498	8.83
<b>LEP</b>												
Limited English Proficiency	26,788	2.61	38,440	4.04	26,379	3.70	113,623	2.67	177,453	3.99	182,385	4.25
<b>Sex</b>												
Male	476,106	46.32	448,229	47.12	337,679	47.31	2,042,438	48.07	2,163,147	48.58	2,082,043	48.46
Female	551,652	53.68	503,067	52.88	376,098	52.69	2,206,107	51.93	2,289,410	51.42	2,214,207	51.54
<b>Age</b>												
Under 18	302,392	29.42	302,613	31.81	190,347	26.67	1,107,311	26.06	1,209,628	27.17	1,043,759	24.29
18-64	600,608	58.44	549,022	57.71	441,505	61.85	2,637,195	62.07	2,709,348	60.85	2,685,390	62.51
65+	124,757	12.14	99,660	10.48	81,925	11.48	504,039	11.86	533,581	11.98	567,101	13.20
<b>Family Type</b>												
Families with children	123,377	49.86	95,268	51.93	74,251	45.57	520,272	46.26	479,814	48.18	494,109	44.50

Note 1: All % represent a share of the total population within the jurisdiction or region for that year, except family type, which is out of total families.  
 Note 2: Data Sources: Decennial Census; ACS  
 Note 3: Refer to the Data Documentation for details ([www.hudexchange.info](http://www.hudexchange.info)).

### Population loss as an impediment

Population loss and its impact on housing is primarily related to the changing supply and demand as well as the quality of housing and neighborhoods available to residents. Large-scale spending on developing affordable housing with the use of Community Development Block Grant funds has the possibility of helping to match fair housing needs with solutions. Demolition, while reducing the burdens of blight and abandonment may result in different impacts in different areas of the city and could alter where available and safe housing is located, especially for those who may experience discrimination.

Programs like the Neighborhood Enterprise Zone (NEZ) have been noted to create a situation of policy preference for one neighborhood over the other. Private money often follows public spending, as is the case in Detroit. Large foundations have selected targeted neighborhoods for investment, and these areas are seeing more private funding, and many of these neighborhoods are those that are targeted for heavy demolition. Policies that prefer one neighborhood to the other can impact fair housing if the areas selected leave out one group or another or if efforts to mitigate population loss impacts exclude a discriminated group.

Population loss presents a quality of life problem for neighborhoods, and how this problem is addressed can determine if a neighborhood will receive the funding necessary to survive the challenges of population loss or if it is to continue to struggle. This approach of selecting healthier neighborhoods for targeted investment is called Urban Triage (Krumholz 1990), and it runs counter to the goals of equity planning, in which the goal is to increase the options for the residents of the city that have the fewest. At the heart of equity planning is fair housing. Urban triage, however, focuses resources on targeted areas for

the purpose of “saving” these areas from urban decline. The results of this policy is increased services and options for those in the target areas, while decline speeds up in the areas deemed less worthy of investment.

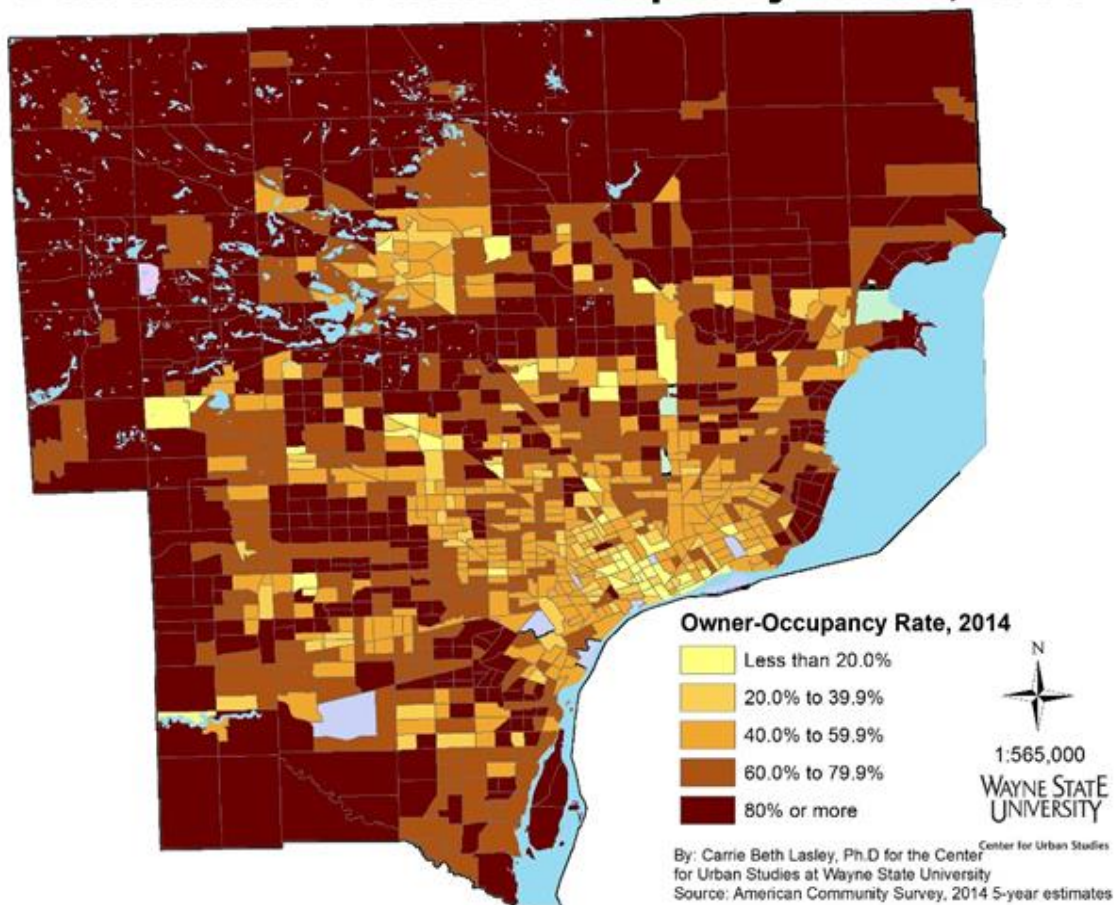
The result is that there is economic displacement in two directions. Residents try to seek housing in better-resourced neighborhoods, where there are more jobs and better community development projects, thus increasing the rate of population loss in poorly resourced neighborhoods and exacerbating existing issues related to population loss and property abandonment. At the same time, new development and demand in these better-resourced neighborhoods lead to increased demand and rents, and eventually economic displacement of poorer residents who cannot afford climbing rents. This leads to the patchwork trends observed in Detroit’s rents, population trends and property values.

### Location of homeowners and renters, and trends overtime

Homeownership rates vary across the region, in a clear pattern. Much like the non-Hispanic white population, owner-occupancy generally increases with distance from the city. While much of the central part of the city has more than 80 percent renters, the rural edges of the metro area have 80 percent or more owner-occupiers (Figure 2). Exceptions to this pattern include the high homeownership rates in the wealthy Grosse Pointe area, just outside the city’s east side along the river, and lower rates of home ownership in and around Pontiac, which is more diverse and has more poverty than neighboring communities.

Figure 2: Detroit Owner-Occupancy Rates 2014

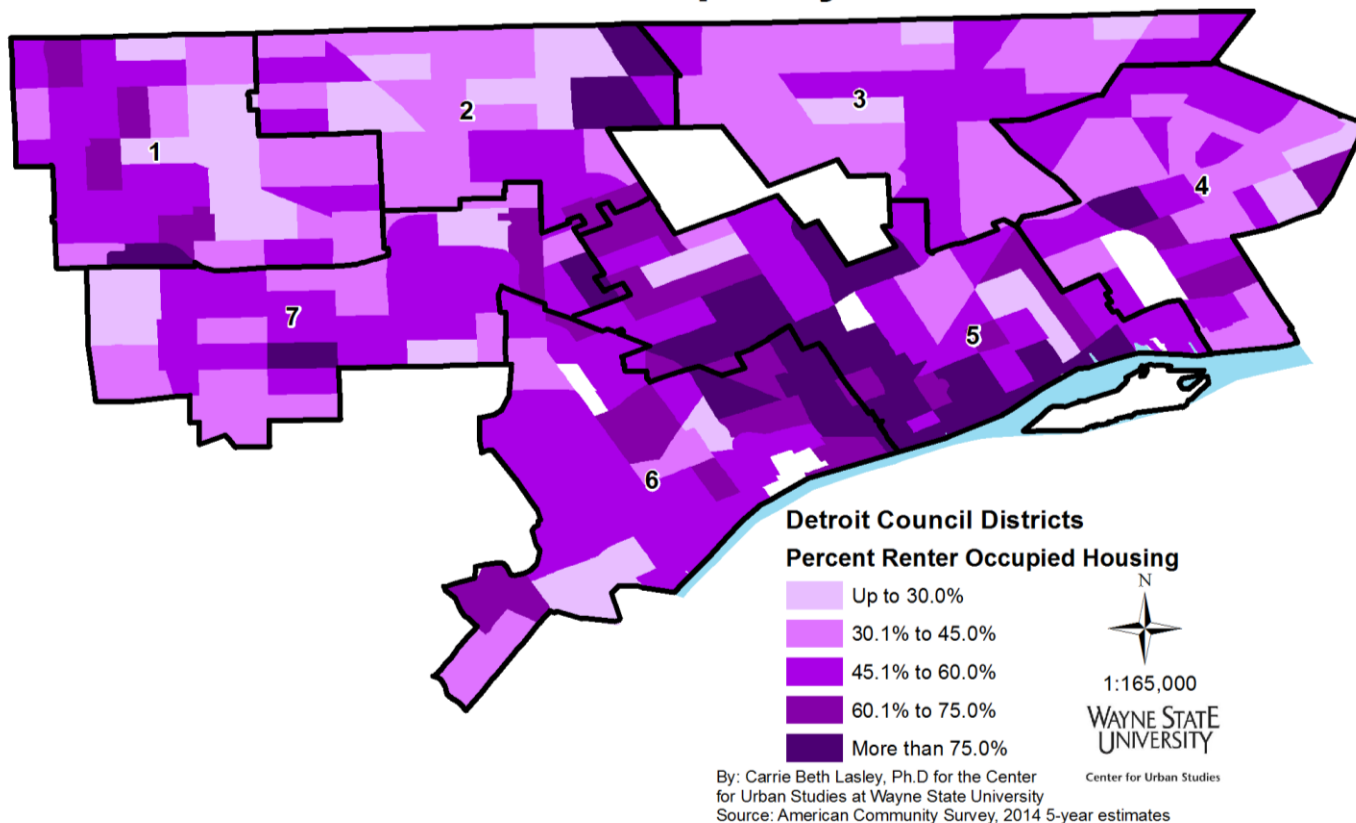
## Detroit Metro Owner-Occupancy Rates, 2014



On average, 49.8 percent of Detroit residents are renters (Figure 3). A mapping of renter-occupied units shows that many of the areas of concentrated wealth and non-Hispanic white residents in the city are also areas of high rental prevalence. Downtown, Midtown, the Riverfront, and Palmer Woods show high levels of renters, often more than 75 percent.

Figure 3: Renter Occupancy

### Detroit Renter Occupancy Rates 2014



Since 2000, Detroit, out-Wayne County, Oakland, and Macomb counties each have experienced decreases of 3.7% or more in owner-occupied housing (Figure 4). For these jurisdictions, the loss of homeowners between 2010 and 2014 outpaced the losses experienced over the previous decade.

Figure 4: Owner Occupied Trends

	2000	2010	2014	Change 2014 vs. 2000
Detroit	54.9%	54.5%	50.7%	-4.2%
Wayne (excluding Detroit)	75.7%	75.5%	72.0%	-3.7%
Macomb	78.9%	79.1%	74.2%	-4.7%
Oakland	74.7%	74.6%	70.9%	-3.9%

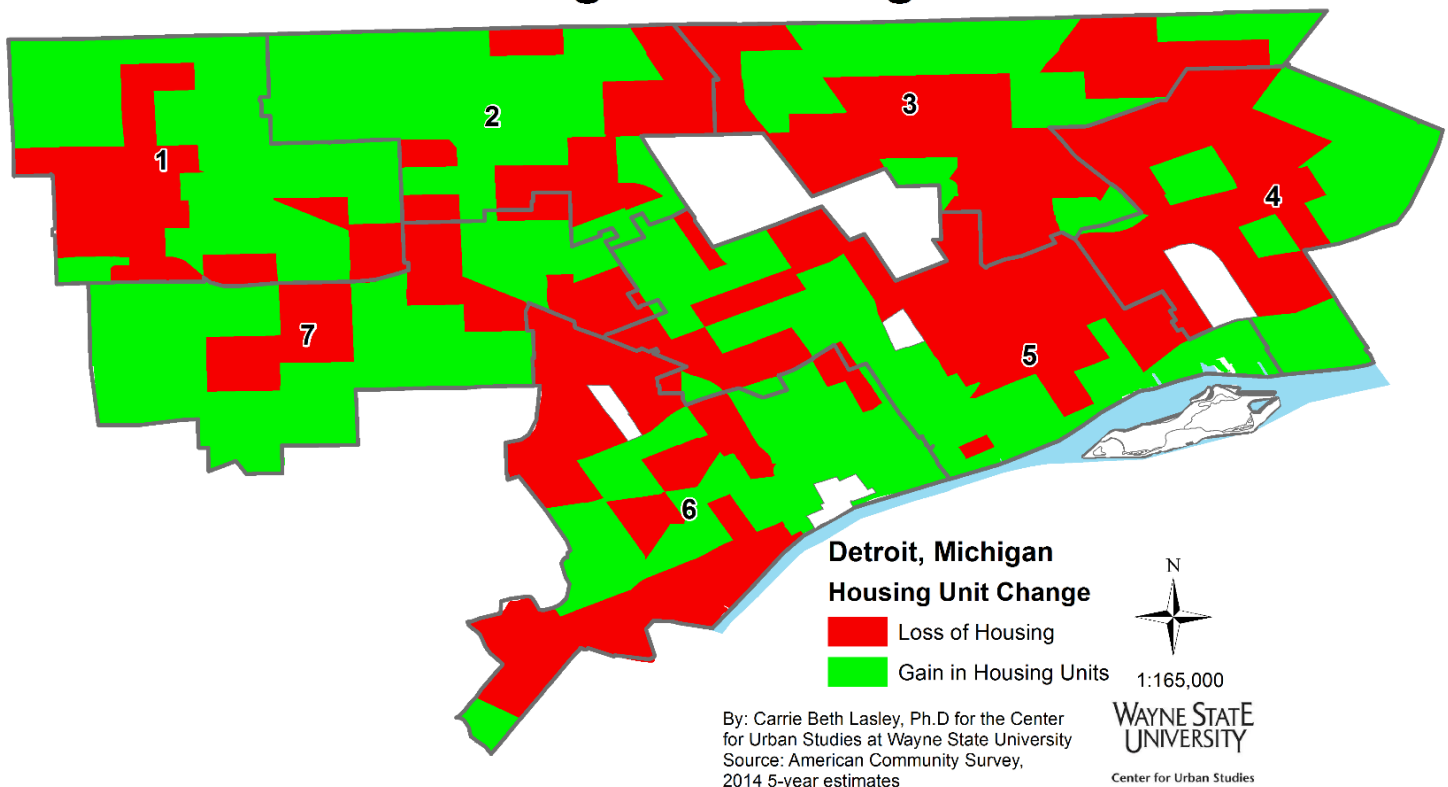
## Impact of economic recession on housing

This evaluation focused on very recent trends in home ownership and rentals because of the magnitude of the impact of the economic recession in the late 2000s. The economic downturn sped up the loss of residents, resulting in surplus housing, home abandonment, and neglect. This has, in turn, led to depressed property values, reduced rent demands, and increased access to affordable housing, but often reducing quality housing options and neighborhood quality of life. Moreover, the deteriorating physical condition and safety of surplus and abandoned homes have become one of the major issues facing the city.

There were 363,282 housing units in Detroit in 2014, representing a loss in total housing units of 1,778 from 2010 and 4,507 from 2008. As Detroit loses population, the number of housing units is decreasing as well, but not at the same pace. Although there are wide continuous areas of housing unit loss in the city, the patterns are less obvious. However, Downtown and Midtown (areas of 48201 and 48202) and the areas bordering external suburbs appear to have more areas of housing growth while the east side appears to more consistently lose housing (Figure 5).

Figure 5: Housing Unit Trends 2010-2014

### Detroit Housing Unit Change 2010-2014



Trend wise, Detroit's housing is seeing increasing vacancies, despite a decreasing number of homes, indicating that abandonment is outpacing building removal. Since 2009, the housing vacancy rate has increased by 8.6 percent (Figure 6). While the decrease in demand is good for reducing rents and increasing the incentive of landlords to deal with all prospective tenants, it reduced quality housing options for all. Of

the existing housing units, 109,083 were listed as vacant in 2014, according to the American Community Survey 2014 5-year estimates. This represents 30.0 percent of housing units in Detroit.

*Figure 6: Housing Vacancies in Detroit, 2009-2014*

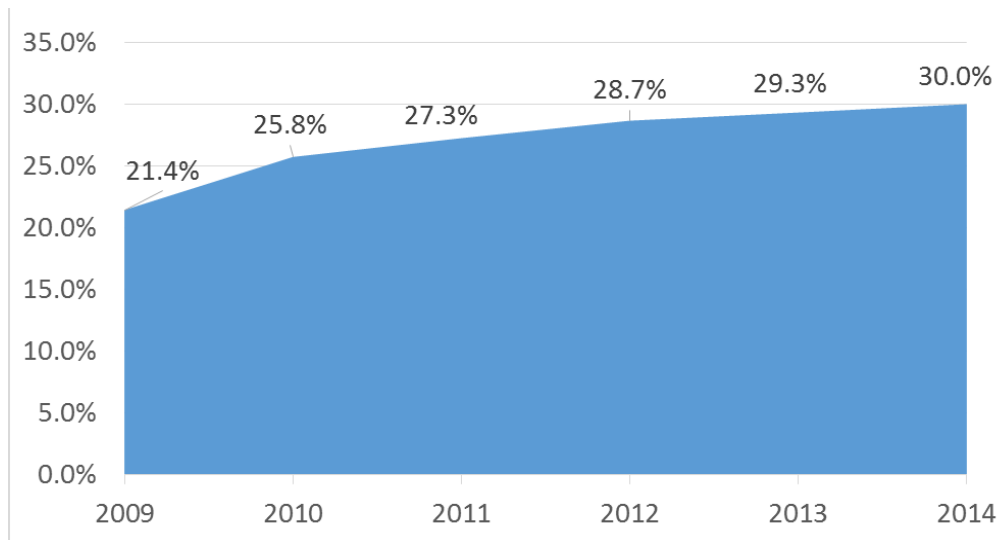
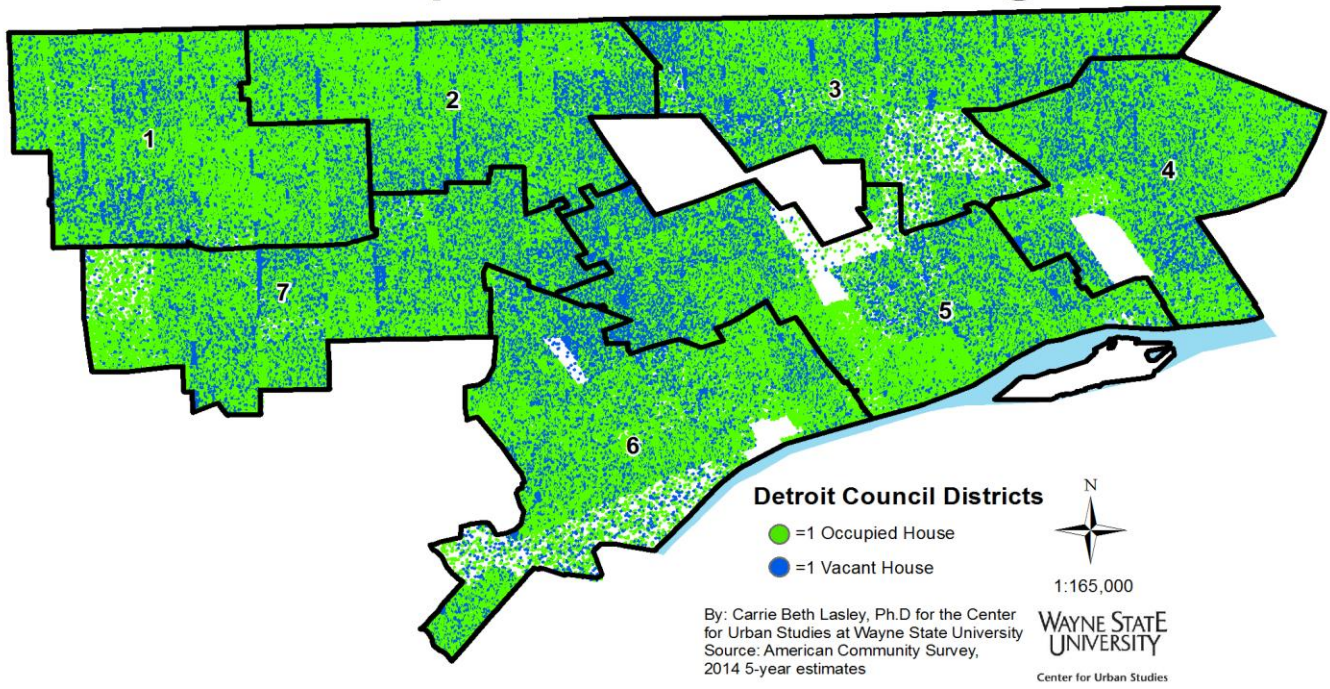


Figure 7 shows all occupied and vacant buildings. Areas in which blue dots dominate are areas that have a large number of vacant homes. Although there is a marbling of blue throughout the city, vacancies are concentrated in the central part of town, while there are fewer vacancies in Midtown and Downtown and parts of northwest Detroit in the second City Council District.

Figure 7: Occupied and Vacant Housing

## Detroit Occupied and Vacant Housing Units



## **B. General Issues**

In the section that follows, we examine segregation and integration at both the city and regional levels, as well as the location and demographics of HUD-identified Racial/Ethnic Concentrated Areas of Poverty, examining their location and expansion. Here, we also present an analysis of access to opportunities conducted to better understand how community amenities, such as quality schools, jobs, and transportation options are made available or unavailable to protected groups because of housing obstacles and segregation.

### **i. Segregation/Integration**

Racial segregation is prevalent in Detroit and it has been a problem since the 1930s, and its history is pocked with civil rights and desegregation battles (Sugrue, 1996). Detroit has been recognized by demographers and sociologists as one of the most segregated cities in the United States. The city of Detroit has been singled out for research in a number of studies on segregation over the years because of its strong and persistent pattern of racial segregation, and has been cited as an example of “white flight” from the city to the suburbs (Farley, Steeh, Jackson, Krysan, & Reeves, 1993; Farley, Schuman, Bianchi, Colasanto, & Hatchett, 1978; Farley, Steeh, Krysan, Jackson, & Reeves, 1994; Zenk, et al., 2005; Darden, Rahbar, Jezierski, Li, & Velie, 2010; Massey & Denton, 1993). Segregation creates disparities in health, wealth and opportunity among geographically-bound racial subgroups and has historically led to reduced housing alternatives and reduced quality of housing for some groups.

Table 3: Racial/Ethnic Dissimilarity

Racial/Ethnic Dissimilarity Index	(Detroit, MI CDBG, HOME, ESG) Jurisdiction			(Detroit-Warren-Dearborn, MI CBSA) Region		
	1990	2000	2010	1990	2000	2010
Non-White/White	60.94	54.92	55.26	77.76	72.04	64.40
Black/White	64.01	59.69	61.40	87.33	84.86	76.88
Hispanic/White	53.90	58.22	60.54	40.27	46.04	45.42
Asian or Pacific Islander/White	48.98	53.29	68.18	43.22	45.90	52.95

Note 1: Data Sources: Decennial Census

Note 2: Refer to the Data Documentation for details ([www.hudexchange.info](http://www.hudexchange.info)).

Detroit has experienced high levels of segregation since 1990. Table 3 represents levels of dissimilarity in Detroit and the region. An index lower than 40 is considered low segregation, between 40 and 54 indicate moderate segregation, while those higher than 55 are considered highly segregated. None of the groups in Table 3 fall into the lower segregation category for either Detroit or the region.

Regionally, levels of segregation from White residents have been consistently higher for Blacks than for Hispanic or Asian/Pacific Islander residents. In the region in 2010, Hispanics and Asians/Pacific Islanders were found to be moderately segregated from Whites, while Blacks and non-White residents combined were highly segregated from Whites. In Detroit in 2010, each of the groups (i.e., non-White combined, Black, Hispanic, and Asian/Pacific Islander) were considered to be highly segregated from Whites. While segregation of Whites and non-Whites has declined in Detroit since 1990, it has not been significant or

uniform across groups. Black Detroiters are less segregated from Whites in 2010 compared to 1990, while Hispanics and Asian/Pacific Islanders have become more segregated from Whites.

The clustering of different racial/ethnic groups can lead to the steering of those groups into increasingly segregated neighborhoods. These neighborhoods can become areas of civic neglect, as residents with mobility historically leave their homes for other neighborhoods when dissimilar neighbors move in. When they leave, they take with them resources in the form of tax dollars and other benefits, increasing disparities in neighborhood amenities and property values. Highly concentrated clustering allows a discriminatory organization, business or individual to more easily discriminate on the basis of zip code or address. Residents may be steered to particular neighborhoods because it is an area where residents with similar demographic characteristics are clustered. Because of existing and historical power structures, segregation leads to a pattern of increased resources and opportunity for non-minority, wealthy and able-bodied residents in contrast to the neighborhood outcomes for other residents.

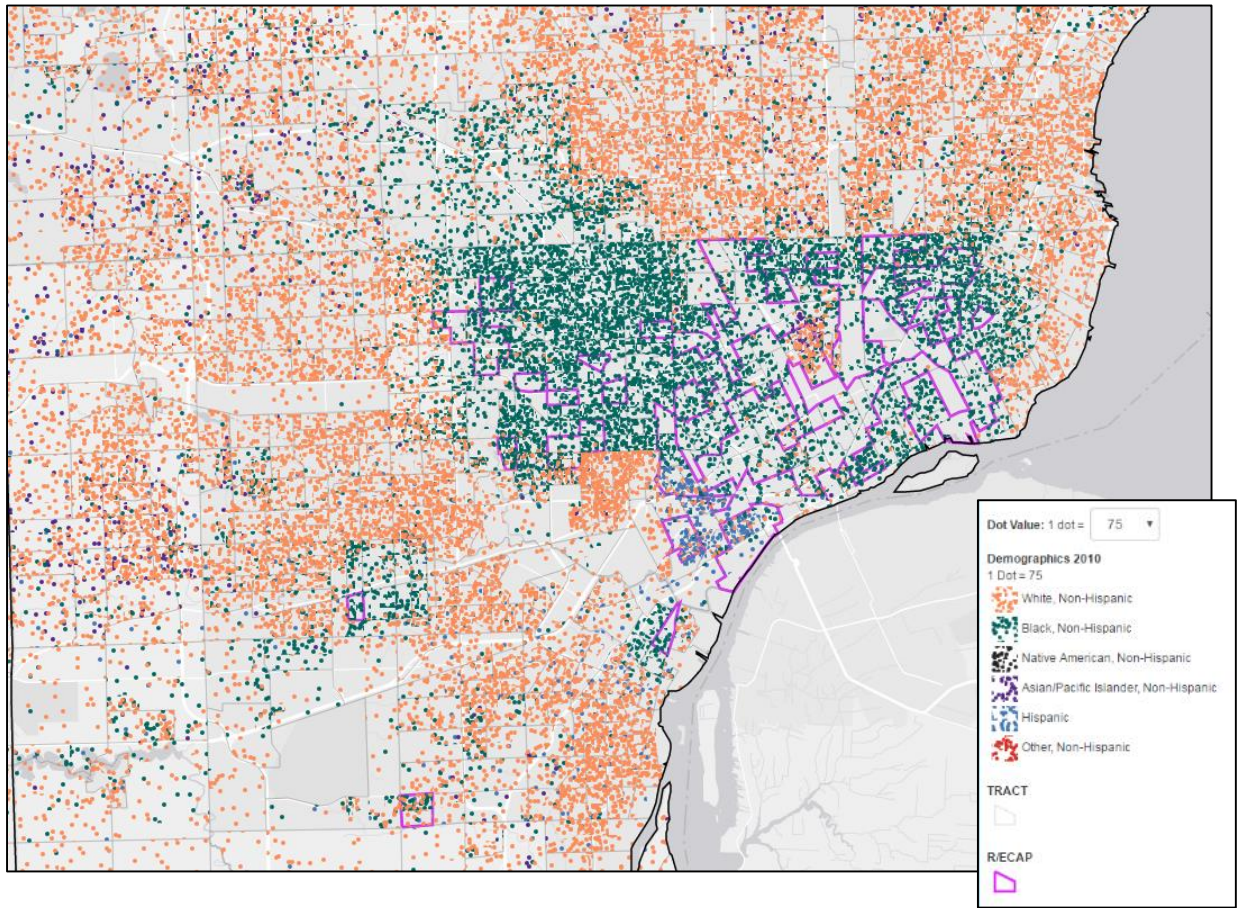
Through lending practices, public housing decisions and public reaction, Detroit has struggled with segregation. Neighborhoods in the city are heavily segregated by race and class, and perhaps even more critically, Detroit serves as a segregated "neighborhood" in the region, as a site with a high concentration of racial and ethnic minorities and of concentrated poverty.

Map 1 shows a regional distribution by race and ethnicity of Detroit and its nearby suburbs in 2010. Areas of Racially/Ethnically-Concentrated Areas of Poverty (R/ECAPs) are marked in purple on the map. While Detroit is not clearly delineated, its presence is clearly marked by racial segregation. White non-Hispanic residents were concentrated outside of the city, and in the suburb of Hamtramck, which lies within Detroit. Meanwhile racial minorities, especially African American and Hispanic residents, were heavily concentrated in the city of Detroit, with additional presence in Northwest suburbs and a few additional suburbs south of the city. This indicates that the regional market of Metropolitan Detroit experiences high segregation. R/ECAPs in the maps are exclusively in Detroit and other minority suburbs, but not in areas with a majority non-Hispanic white population.

In many ways, Detroit can be viewed as the regional R/ECAP in the context of the Metro area. Since 1990, (i.e., Map 2) Detroit has become more racially segregated as its previously white areas of Detroit have become majority black. Southfield and other northwest suburbs are becoming more diverse over time, not indicating so much an increase in integration as a slow creep of the dividing line between races beyond the city limits of Detroit.

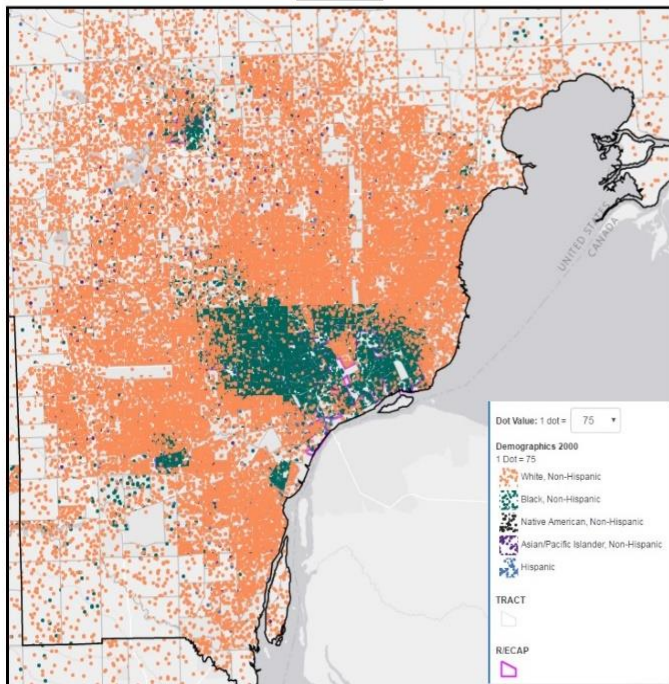


Map 1: Race/Ethnicity

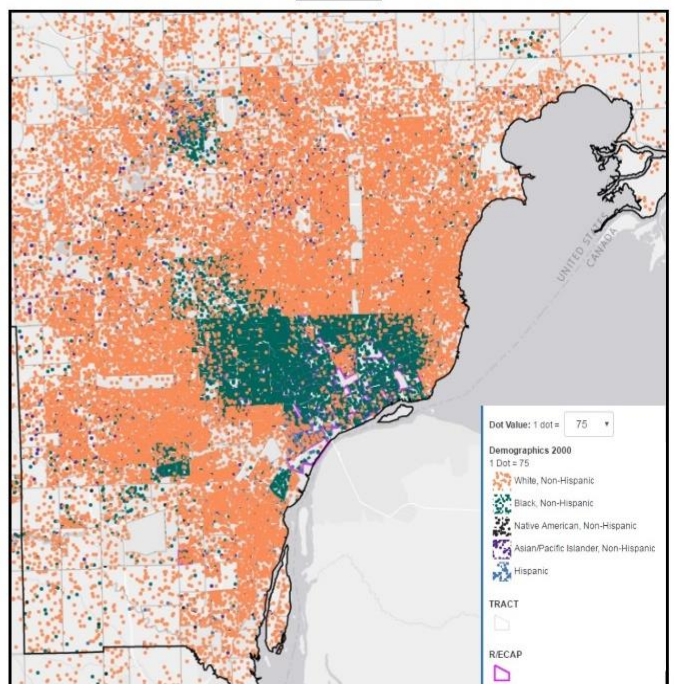


Map 2: Race/Ethnicity Trends

**1990**



**2000**



## Isolation indexes of segregation

Over the next figures, we will examine the racial distribution of residents as well as their national origin to better understand where protected classes live. Although HUD provides maps for this discussion, the Center generated maps using updated data (2014) to address inaccuracies under review by HUD's technical partners. For analysis within the city of Detroit, 2014 American Community Survey 5-year estimates were used to conduct a Isolation Index of Segregation for select groups well-represented in the city of Detroit.

The Isolation Index of Segregation measures the separation of one group from any other group across a designated geographical area. This is an exposure measure indicating the likelihood of one race exposing itself residentially to another. The purpose of the measure is to determine if there are areas in which a racial group is isolated. For example, a city can have 20 percent of its population classified as white, but find that the isolation of this racial group is high, indicating that white residents live in a few specific areas and do not integrate with non-white neighbors.

Data for each census tract in Detroit were calculated for each of the groups discussed in this section. Each census tract's isolation index was calculated and placed in a geographic information system (GIS). The indexes were analyzed in the GIS to determine hot spots (areas of heavy isolation) and cold spots (areas of increased integration) by applying Hot Spot Analysis using the Getis-Ord  $G_i^*$  statistic, which produced P-values based on the rate of clustering and the relationship to nearby index numbers. The results are mapped, with the confidence level of the cluster shown in the legend. In these maps, areas of heavy concentration of the population of interest are highlighted in red, while blue indicates that there is an unexpected absence of the population.

*African-American population.* Detroit has a very large African-American population. The majority (80.9 percent) of Detroit's residents identify as African-American alone (U.S. Census Bureau, 2014). In 2010, Detroit had the fourth largest African-American population among U.S. cities, behind the larger communities of New York, Chicago and Philadelphia (Rastogi & Johnson, 2010). By proportion, Detroit has the most African-American residents among U.S. cities with at least 100,000 people (Rastogi & Johnson, 2010). African-American residents live in all Council Districts in Detroit, and are the majority population in all but District 6 (i.e., Map 3A).

The analysis of the racial Isolation Index of Segregation indicated that there are areas of heavy isolation of African American residents, primarily in northern areas of the city (i.e., Figure 8). Conversely, there are areas of low isolation in Southwest Detroit and in the Midtown area in District 5.

# Detroit African-American Population by City Council District

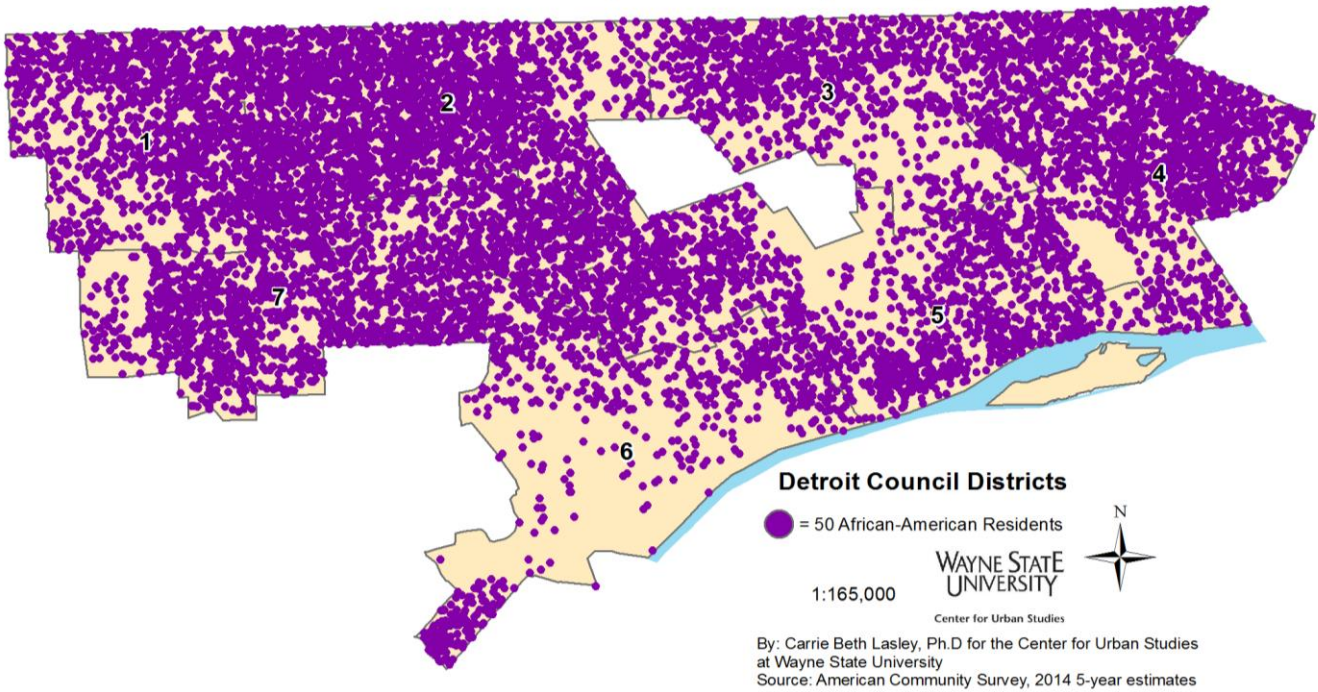
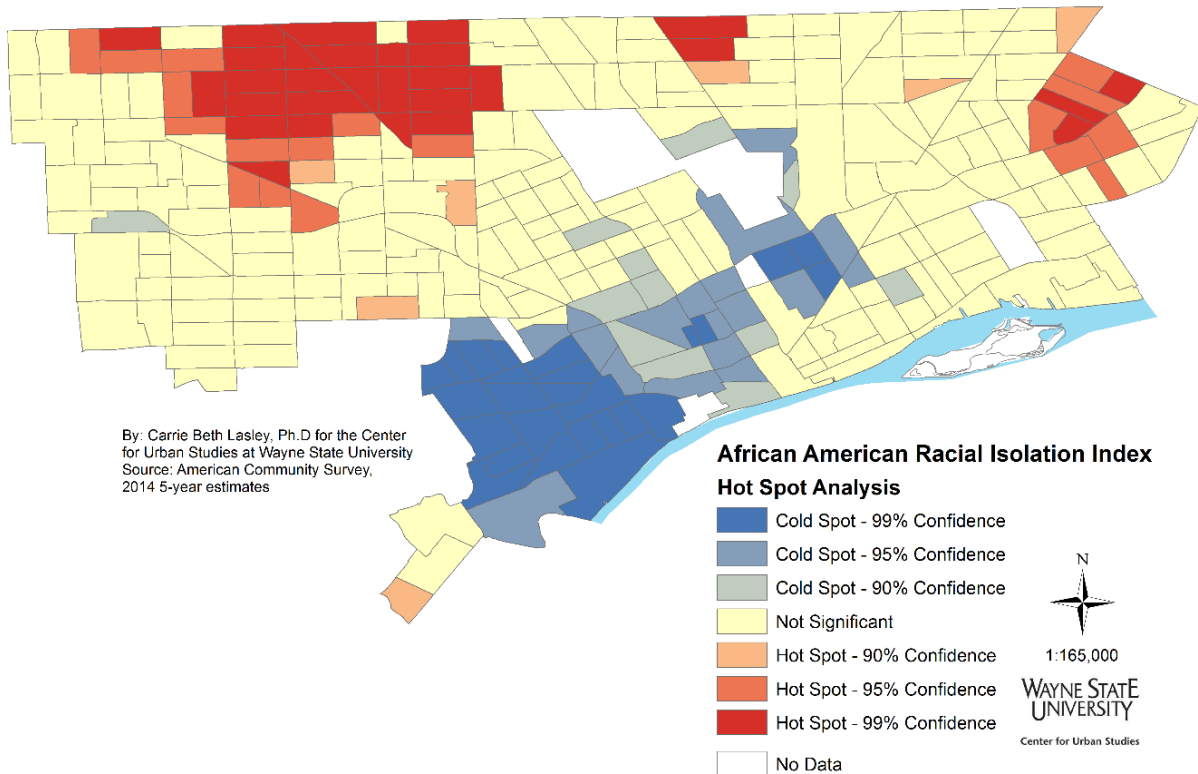


Figure 8: African American Isolation Index of Segregation

# African American Racial Isolation Index of Segregation



Asian population. Just 1.2 percent of Detroit residents identify as Asian, or about 8,400 people (U.S. Census Bureau, 2014). The largest proportion of Asian residents are of Indian, Bangladeshi or Pakistani descent (6,042 or 71.9 percent of Asian Detroiters), followed by Other Asians (12.8 percent), Chinese (5.9 percent), Filipino (5.1 percent) and Hmong (4.3 percent).

Three clear spatial clusters develop when residents are mapped (i.e., Map 3B). In the northeast, there is a concentration of Hmong residents, and this is the only area of the city where they appear in concentration. Near the inset suburbs of Hamtramck and Highland Park there is a concentration of South Asian residents, and near Wayne State University there is a mixture of Asian residents. In the segregation analysis, the South Asian and university areas are identified as areas of racial isolation (i.e., Figure 9).

Map 3B: Race/National Origin

### Detroit Asian Population by City Council District

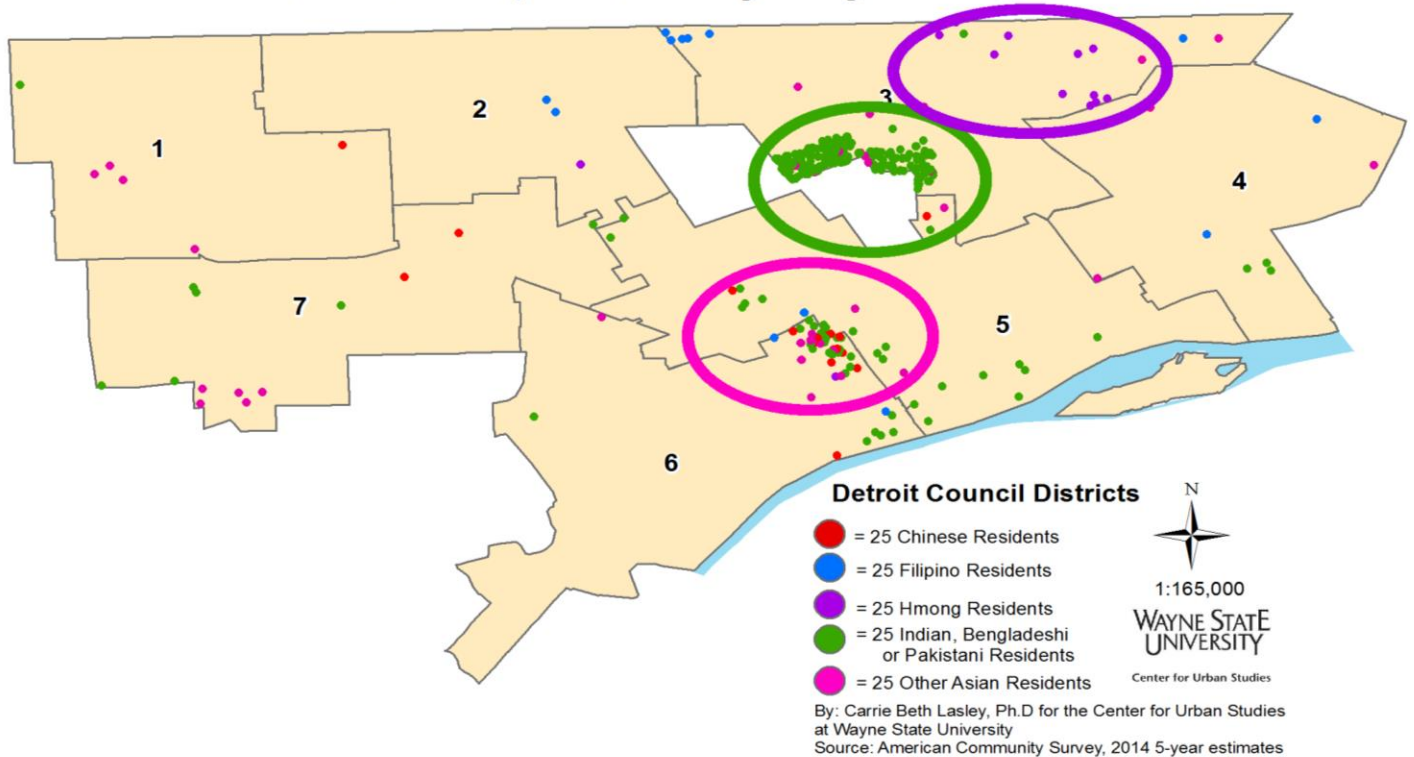
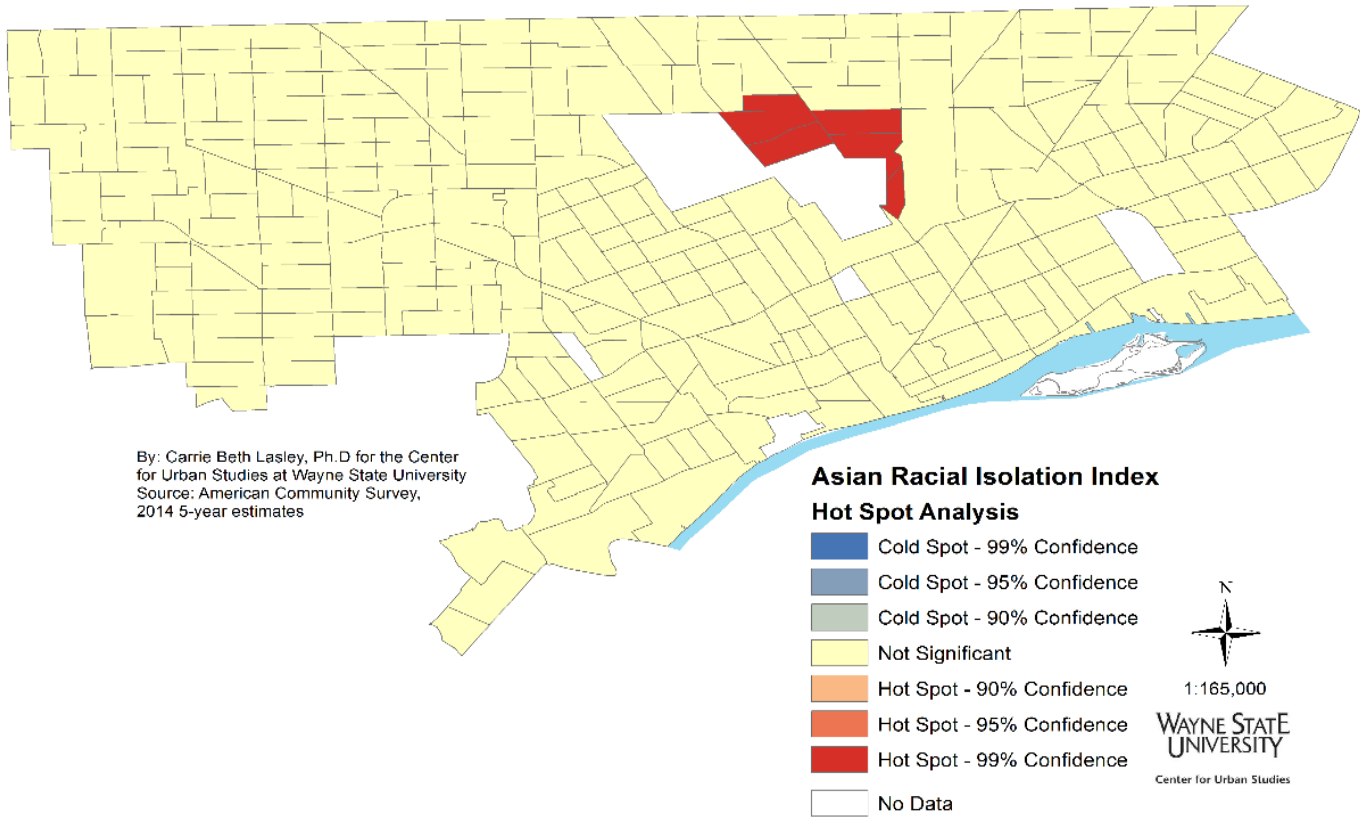


Figure 9: Asian Isolation Index of Segregation

## Asian Racial Isolation Index of Segregation



*Non-Hispanic White population.* While Detroit has often stood out as an example of non-Hispanic white resident leaving the city for the suburbs, Detroit still has non-Hispanic white residents, comprising 8.7 percent of the population, or about 60,000 people. Map 3C shows the distribution of non-Hispanic white residents, which includes Caucasians of multiple ethnicities and Arabs.

When considering all non-Hispanic white residents, three main areas of concentration emerge; the City Council District 4, the Downtown and Mid-town areas, and the near riverside areas of District 5 and District 6 as the areas with the highest clustering of white residents. Figure 10 on white racial isolation indicates that non-Hispanic white residents are heavily concentrated in Southwest Detroit, but a closer examination of the ethnic breakdown of white residents gives a more nuanced look at isolation of ethnicities.

# Detroit Non-Hispanic White Population by City Council District

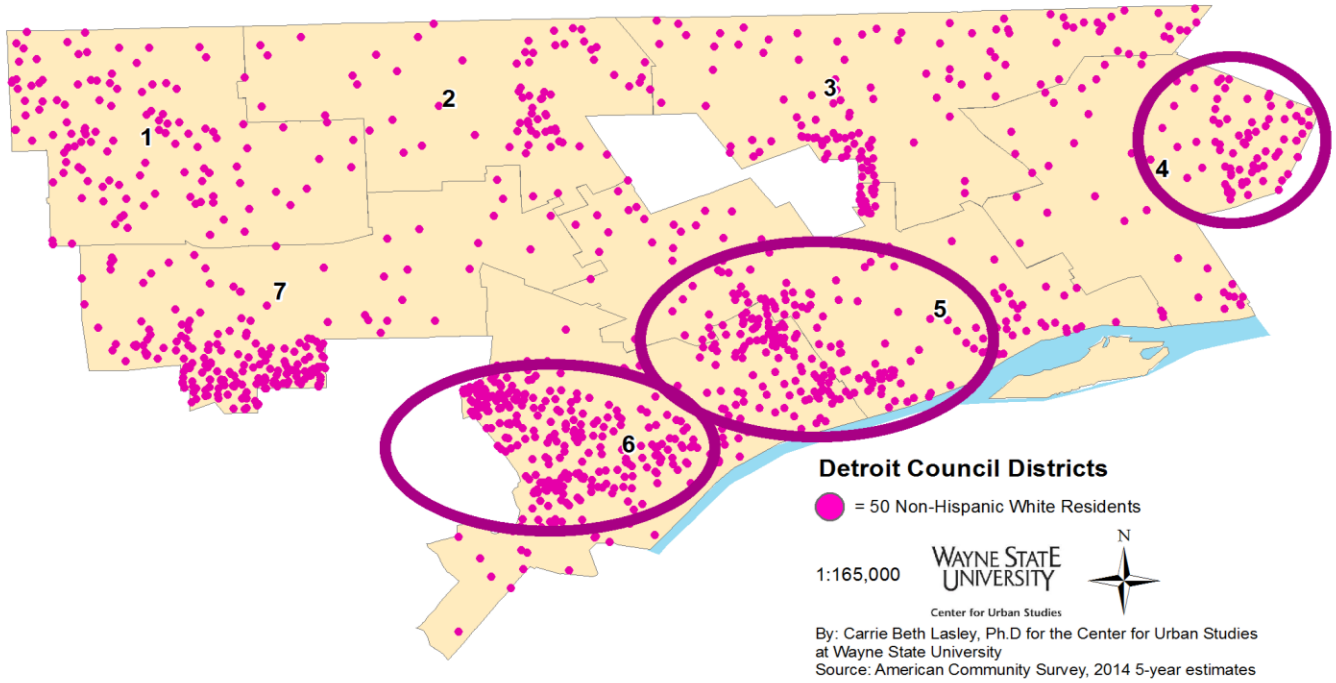
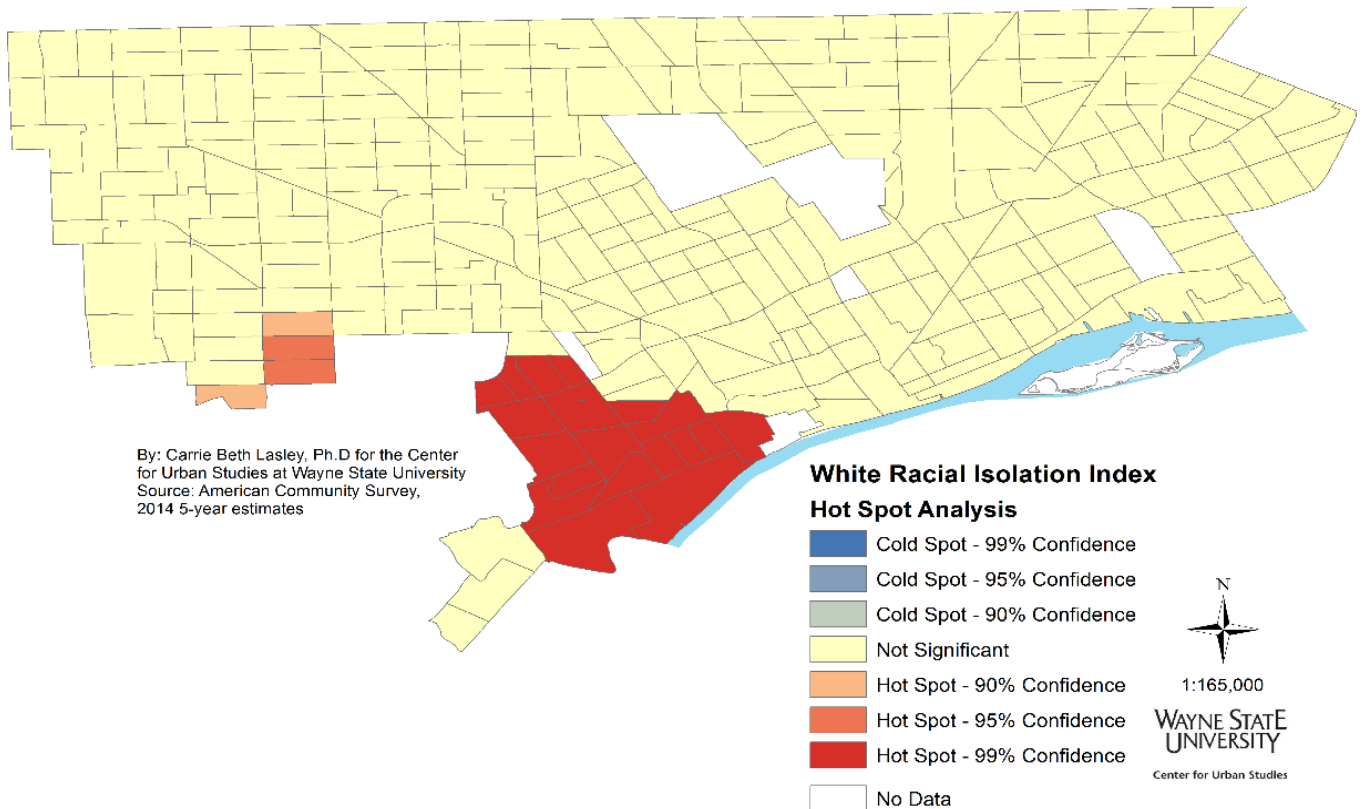


Figure 10: Non-Hispanic White Isolation Index of Segregation

# White Racial Isolation Index of Segregation



Arab population. Remaining clusters of non-Hispanic white residents are residents of Arab ethnicity, as shown in Map 3D. Areas in Council Districts 6 and 7, near the heavily Arab suburb of Dearborn (42 percent Arab), and in Council District 3, near heavily Arab Hamtramck (24 percent Arab) indicated that Arabic residential clusters cross boundaries into Detroit from these communities. A smaller cluster of Syrian/Chaldean/Assyrian residents are clustered in eastern District 2, in an area traditionally known as Chaldean Town.

The largest population represented on Map 3D are Iraqi residents (9.2% of Detroit Arabs), followed by Lebanese (5.7%) and Syrians/Assyrians/Chaldeans (3.1%). The largest subgroup of Arabs is Arab/Other Arab (71.9%). A large proportion of these residents are believed to be Yemeni and Yemeni-American (Abraham & Shryock, 2000). Also, according to the Office of Immigration Statistics (2013), Yemen has doubled its emigration rates to the United States since 2004.

The clusters in near Dearborn and Hamtramck also demonstrated a strong tendency for ethnic isolation in these areas. Districts 6, 7 and 3 each have areas of dense and isolated Arab enclaves, as shown in Figure 11 that identifies areas of racial isolation.

Map 3D: Race/National Origin  
**Detroit Arab Population by City Council District**

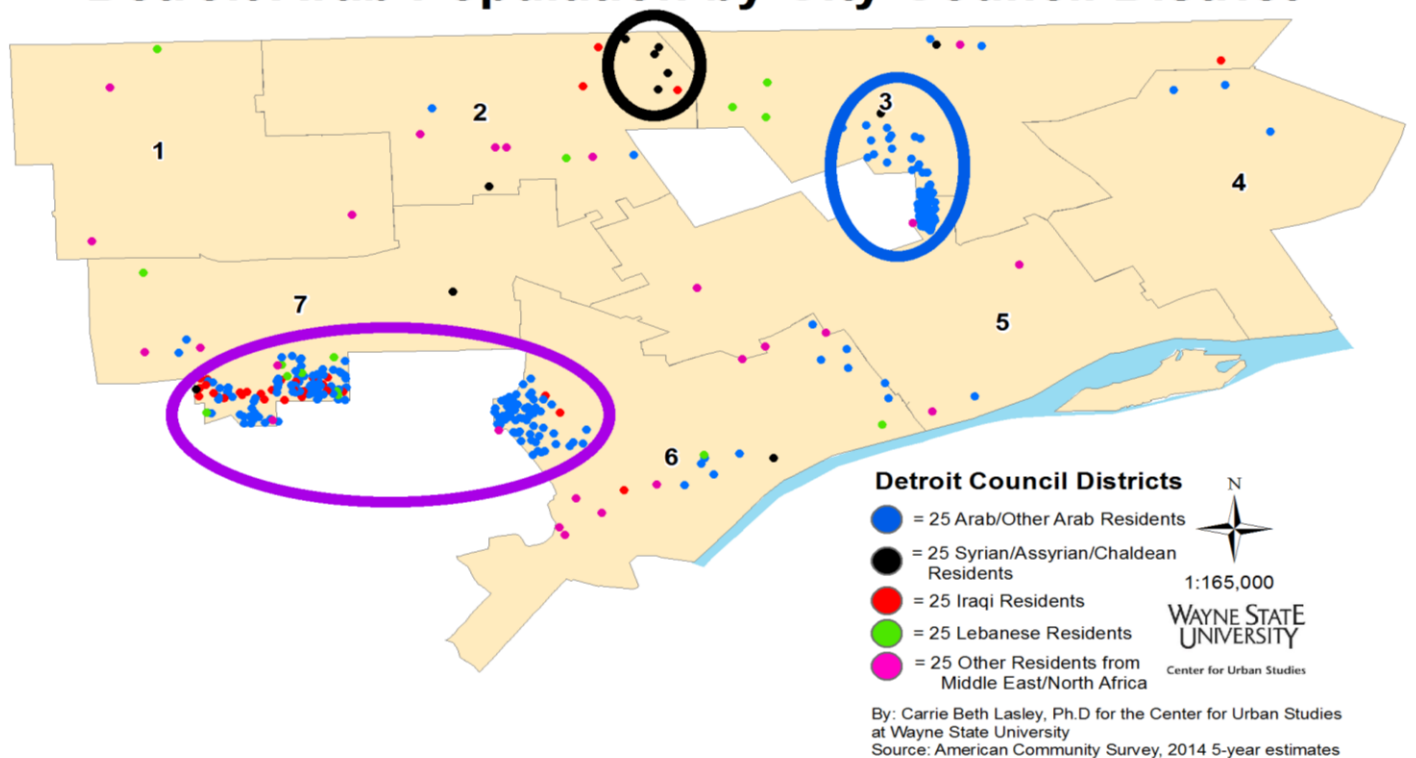
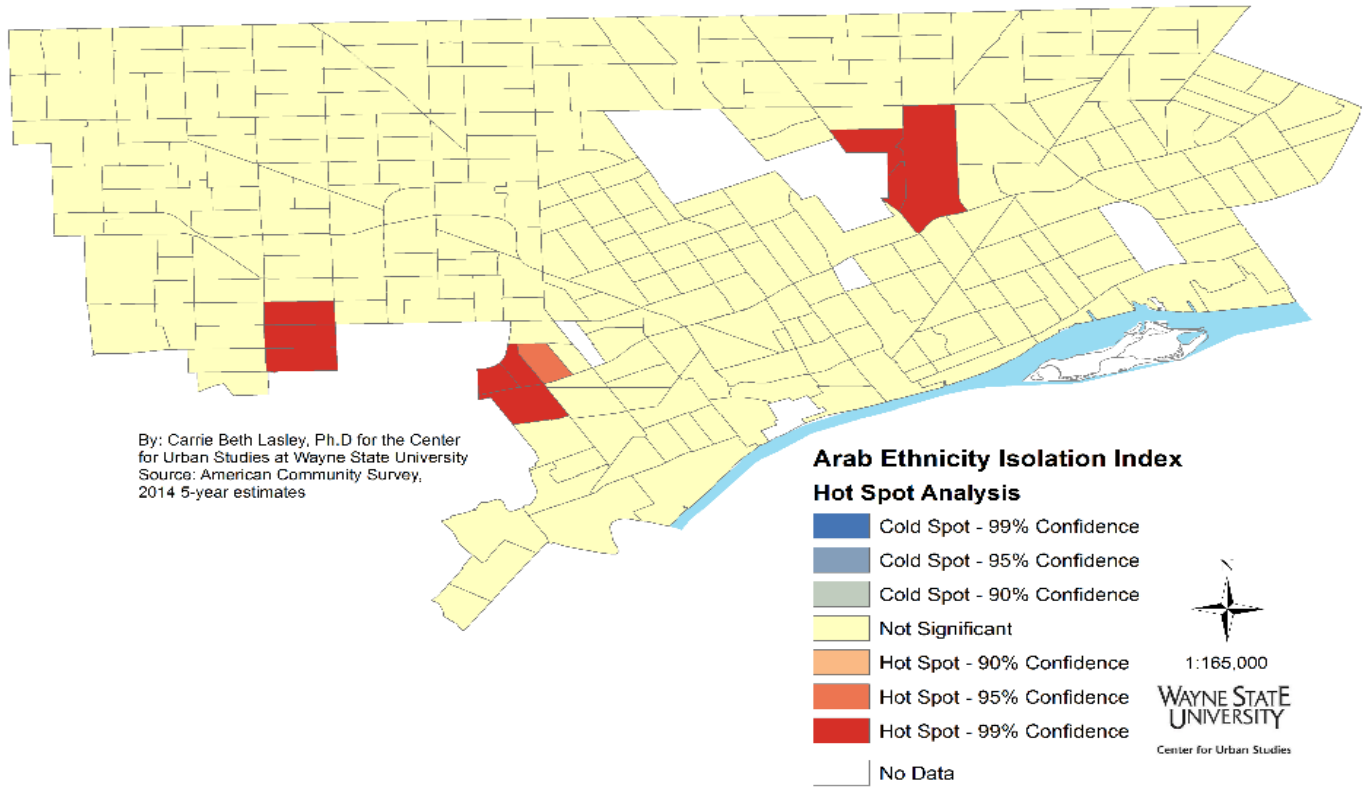


Figure 11: Arab Isolation Index of Segregation

## Arab Ethnicity Isolation Index of Segregation



*Hispanic population.* Hispanic residents can be of any race, and in Detroit, 53.5 percent of Hispanic residents identified their race as white, and another 38.9 identify as a race other than those identified in the Census (White, Black, Asian, Pacific Islander or Native American). In total, there were 50,917 Hispanic-identified residents in Detroit in 2014, according to the American Community Survey 5-year estimates. Of those residents, 76.8 percent were Mexican, 12.5 percent were Puerto Rican, 4.9 percent were Central American, and 5.8 percent were from elsewhere or otherwise identified as Hispanic. Hispanic residents in Detroit primarily live in Southwest Detroit in Districts 6 and 7 (i.e., Map 3E).

Hispanic residents have not settled into origin-specific areas, but form a large pan-Latino enclave in Southwest. Hispanics in this area are ethnically isolated from other races at a high rate (i.e., Figure 12).



## Detroit Hispanic Population by City Council District

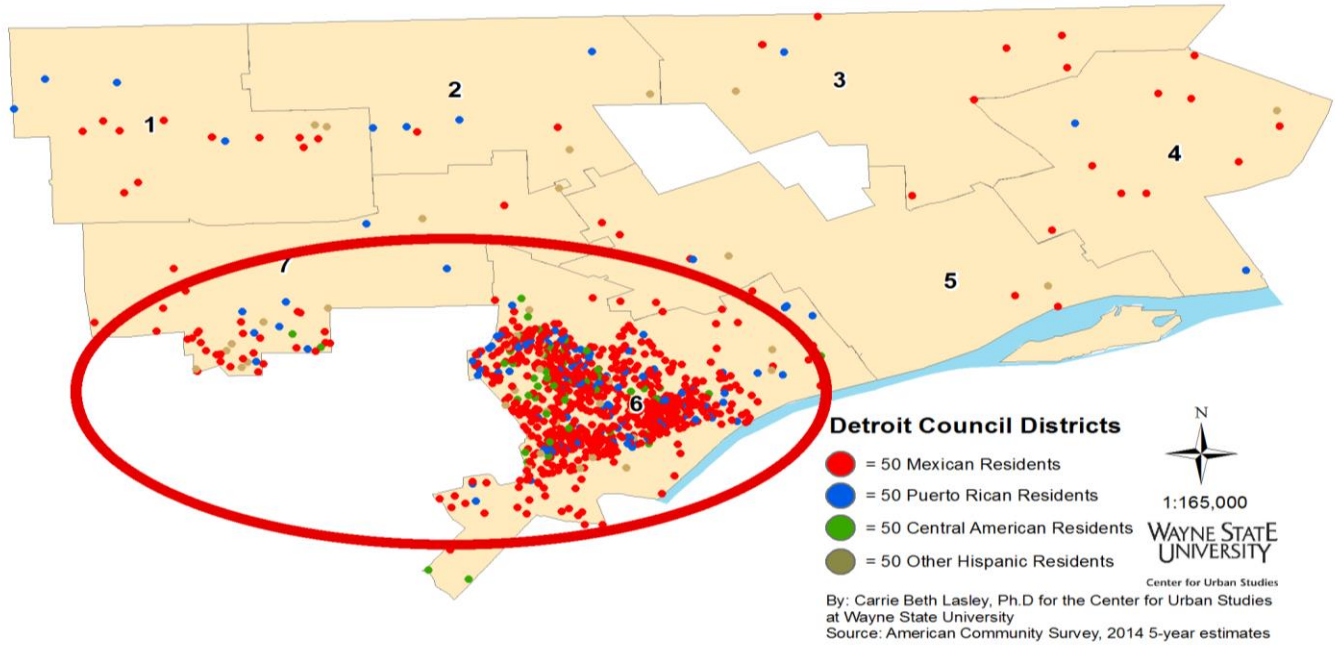
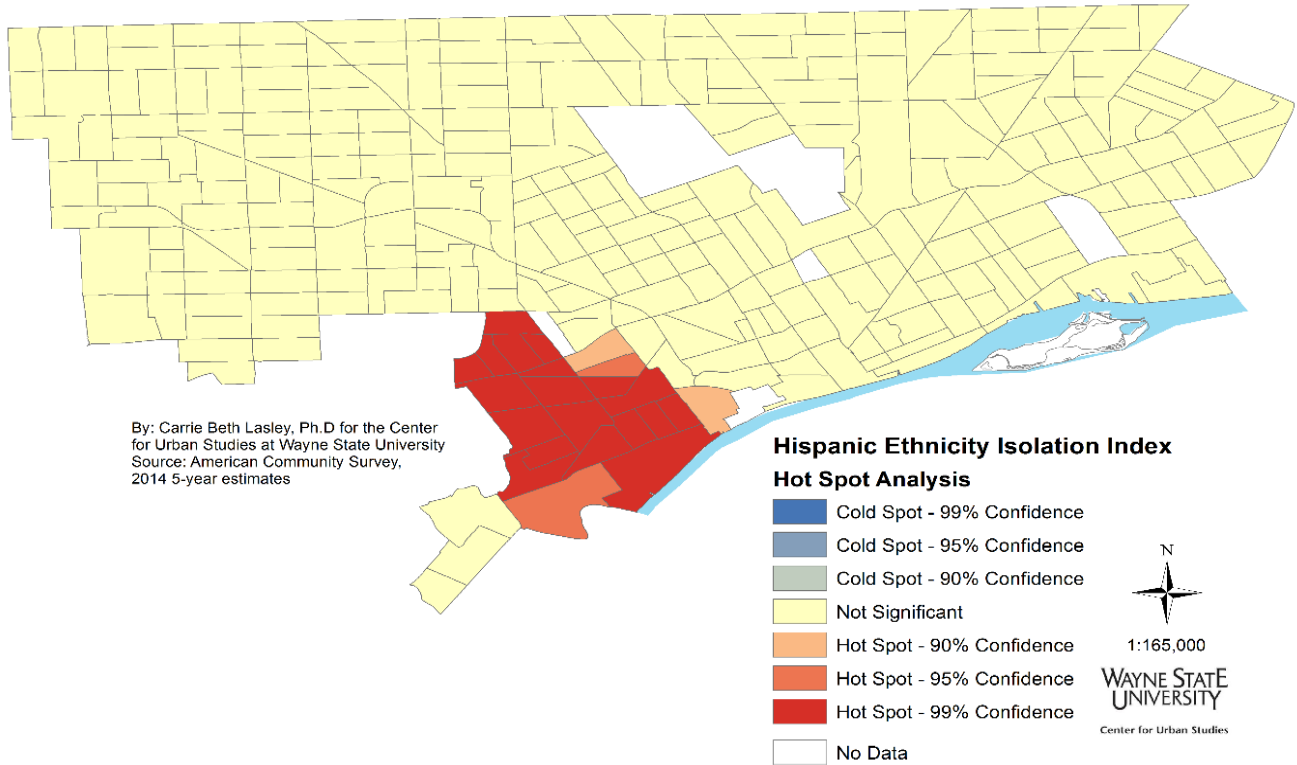


Figure 12: Hispanic Isolation Index of Segregation

## Hispanic Ethnicity Isolation Index of Segregation



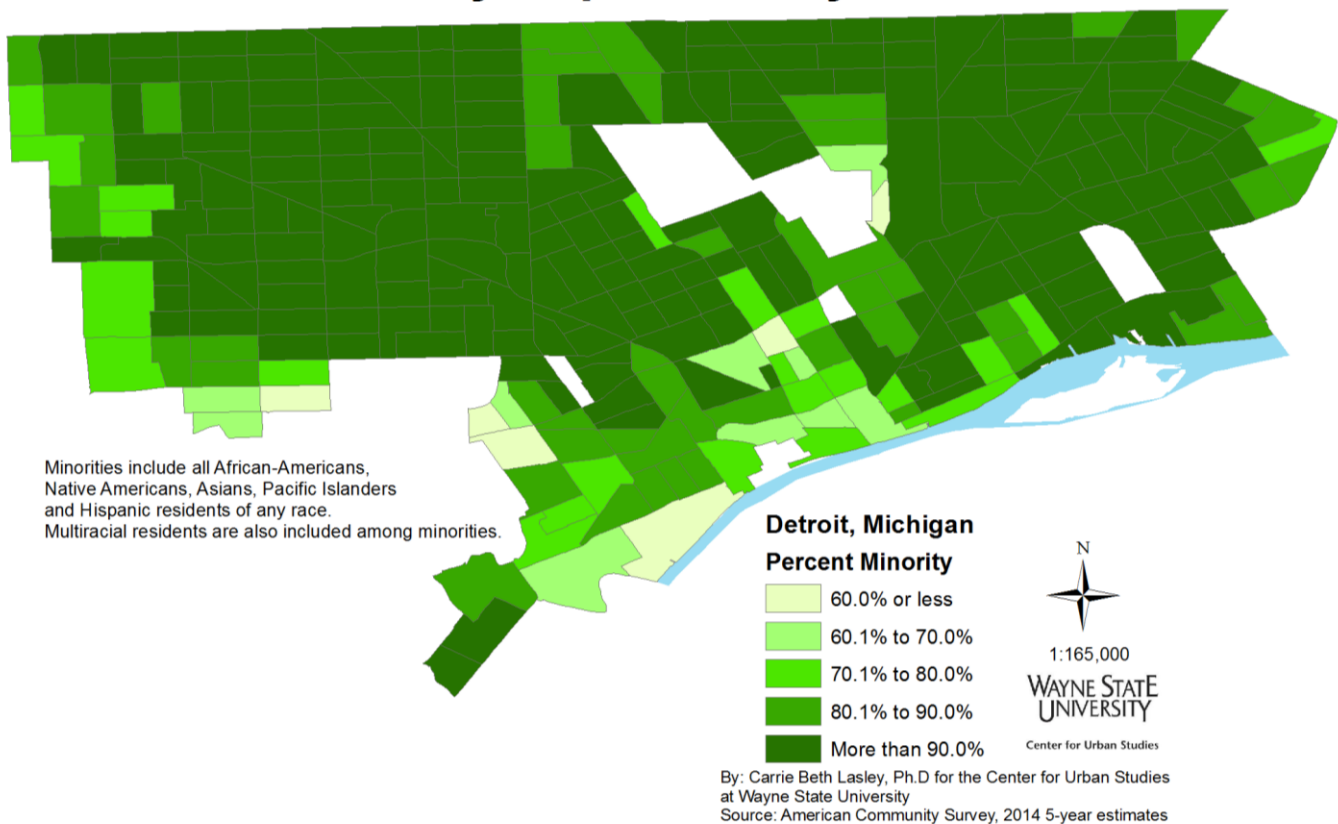
## Location of owner and renter occupied housing by ethnicity

In general, Detroit is a diverse city that experiences high rates of racial and ethnic segregation. Nearly 90 percent (89.4%) of residents identify as a race other than white, with white Hispanics comprising another 2.8 percent of the population (i.e., Figure 13). Nationally, just 26.2 percent of Americans identify as non-white, according to the 2014 American Community Survey 5-year estimates.

The distribution of white and minority residents is not uniform across the city. Areas nearest the river and near borders with suburbs typically are home to more non-minority populations. Of the 297 census tracts that comprise Detroit, 205 (69%) have at least 90 percent of residents reporting their ethnicity as a race other than non-Hispanic white, and just 3 (0.9%) did not have a majority minority population (each of these will later be discussed as segments of ethnic white areas).

Figure 13: Minority Population of Detroit by Percentage

## Detroit Minority Population by Census Tract

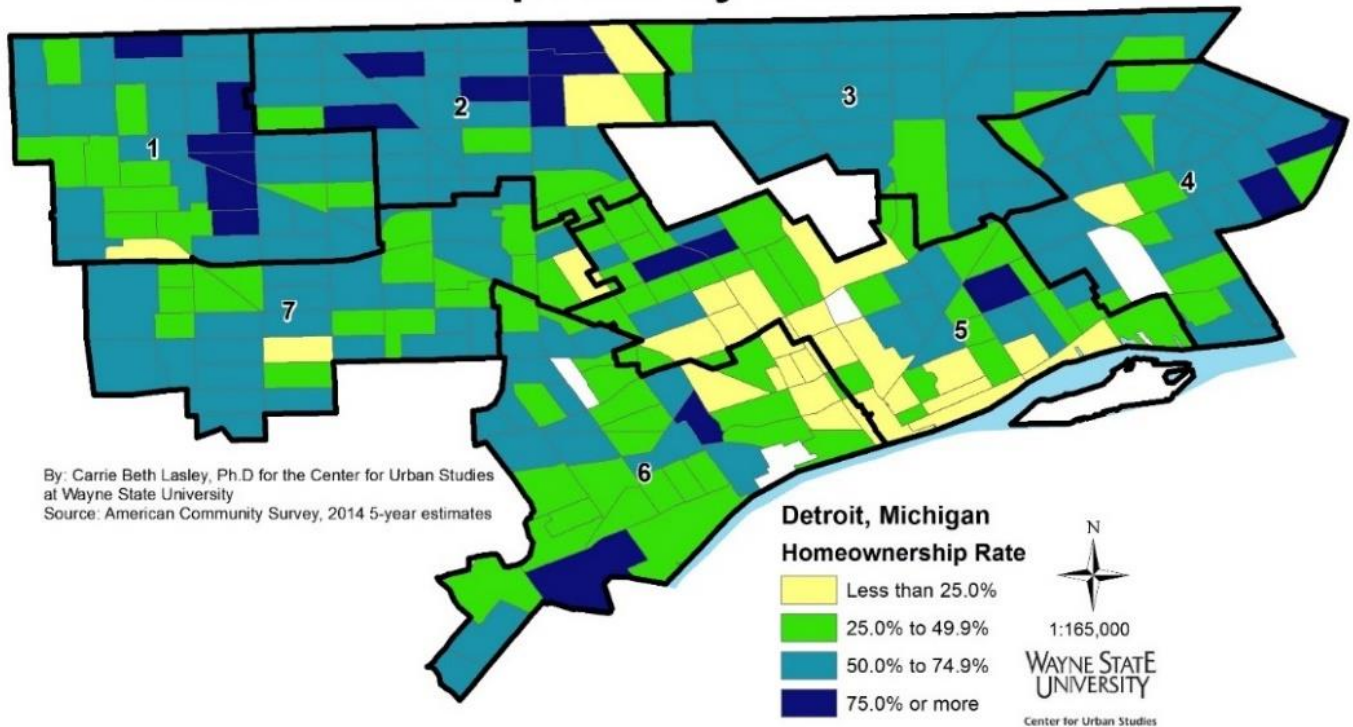


Interesting patterns emerge when examining the relationship between ethnic and racial clustering and home ownership (i.e., Figure 14). Areas where there is non-ethnic white clustering (not Hispanic or Arab), such as the Palmer Park area and the Far East neighborhoods, have the highest rates of home ownership. Other non-ethnic white areas, such as Downtown and Midtown, have the lowest rates of home ownership. Arabs and Asians, concentrated near Hamtramck and Dearborn exhibit a lower, but also high rate of home ownership. Hispanic residents, concentrated in Southwest Detroit, live in an area with less than 50 percent of owner-occupied housing. African-Americans, widely distributed across the city, experience the full range of home ownership rates, from areas of low home ownership to areas of very high home ownership.

Figure 14 indicates that there is a lower-than-anticipated level of home ownership among Hispanics, and a divide among renters and buyers among white residents. Meanwhile, within the city of Detroit, race does not appear to provide a barrier to home ownership among African Americans. Many heavily minority areas of the city, including northwest Detroit, have high rates of home ownership.

Figure 14: Homeownership Rates in Detroit, 2014

## Homeownership Rate by Tract and District



### Patterns of segregation over time

According to HUD, Detroit and its region experience moderate to high levels of segregation throughout the area. As previously mentioned, segregation in the city between white and black residents has been decreasing since 1990, while increasing for Hispanics and Asians/Pacific Islanders. This pattern has been similar in the suburbs; however, these areas continue to experience very high levels of segregation.

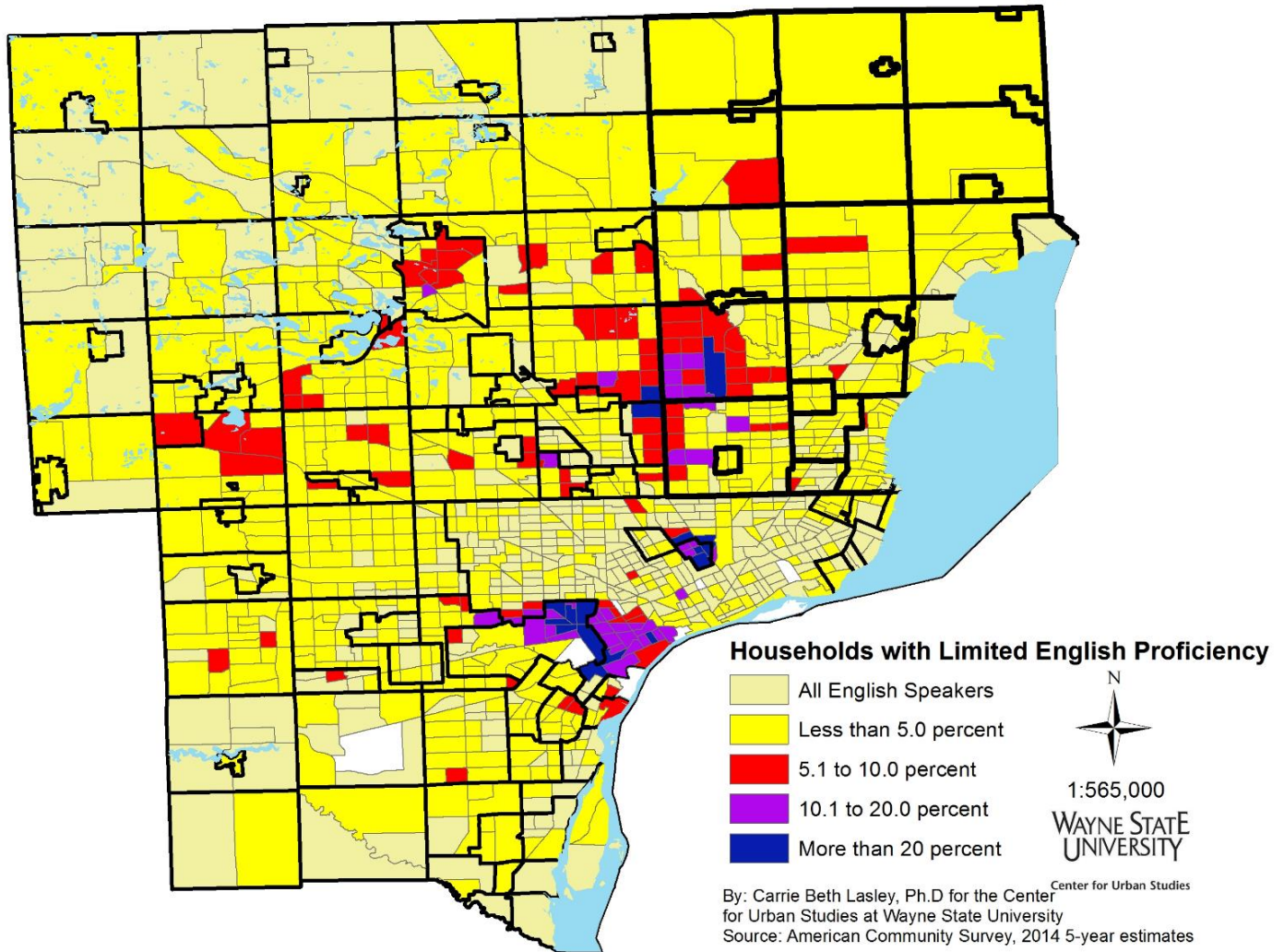
Limited English proficiency (LEP). Much like race, and national origin, residents with limited English proficiency (LEP) are highly segregated, often overlapping with concentration related to national origin. Map 4 shows the distribution of households with LEP.<sup>9</sup> Throughout the region, most Metro Detroit residents speak English proficiently, but there are concentrations of residents with LEP in the city and the region. In the city of Detroit, there is a large number of Hispanic residents in Southwest Detroit, where at least 5 percent of the population speak English with limited proficiency. Most of this area has 10 to 20 percent of the population struggling with English. Outside of the city there are additional areas of LEP, including Arab areas of Hamtramck and Dearborn, as well as Arab/Asian mixed areas of Hamtramck and the I-75 corridor in Macomb

<sup>9</sup> This map stands in place of HUD-generated maps, which are under review with the technical partners to address inaccuracies, and limits our discussion of trends over time.

and Oakland Counties around Madison Heights. There is no less than 10 percent LEP in any part of Hamtramck. Throughout the urbanized area, there are occasional areas with 5-10 percent LEP.

Map 4: Limited English Proficiency

## Detroit Metro Limited English Proficiency, 2014



*Demographic trends, policies, or practices that could lead to higher segregation.* Detroit and the region have seen high levels of segregation in the second half of the 20<sup>th</sup> Century and into this one, with minorities originally segregated by discriminatory housing policies such as redlining and mortgage practices. Detroit, in many ways, became the poster-community for housing discrimination, with racially charged protests and riots related to housing integration. Large urban development projects such as Interstate I-75 and the building of arenas and large industrial facilities further displaced minority residents.

Detroit has been viewed as a classic case of segregation in its region and in the city borders, even celebrating concentrated ethnicities with neighborhood names like Mexicantown and Banglatown. While having neighbors nearby who share a cultural background and sometimes a language and religion can help residents, it also helps create areas in which stereotypes, prejudice, lack of access to resources and other

problems can fester. The concentration of groups of residents – race, class, national origin or otherwise – can be intentional by a resident wanting to live near others with a similar background, or they can be generated through the steering of one type of resident to particular areas in the community.

Detroit and the region now face a complicated situation of population loss and accompanying housing abandonment related to modern discriminatory practices of sub-prime lending, and the impacts are felt most sharply in non-white communities. Impractical mortgage schemes disproportionately targeted minority, poor, and urban residents, assuring Detroit and a few other minority-heavy communities would struggle disproportionately with the fallout from the economic crisis. The presence of abandoned properties reduces neighboring property values, encourages continued departures from the more diverse urban core, and likely increases segregation and alters perceptions about the area and the competence of its residents. At the same time, economic relocation from areas with demand are likely to increase segregation in the city.

As regional and internal patterns of segregation persist, Detroit is likely to see a similar level of heavy segregation in the future that impacts fair housing due to existing impediments to mobility, disparities in the quality of public services such as education and transportation, gaps in access to financial services, and continued geographic concentrations of wealth and poverty.

### Contributing factors of segregation

Detroit is a majority-minority city surrounded primarily by suburbs with fewer racial minorities. In the past 20 years, Detroit has lost more than half of its non-Hispanic White population. It has also seen a dramatic loss in population over the latter half of the last Century and continuing until today. The region is highly segregated, and has a violent history related to segregation. While there are no longer housing protests and riots, Detroit continues to experience some of the highest rates of segregation in the nation, and its residents experience heavy racial and ethnic clustering. These areas of segregation are highly tied to jurisdiction, creating a problem in municipal disparities. Communities that have the largest number of protected-group members in their borders often have the least capacity to ensure fair housing for these residents.

The history of segregation in Detroit, driven by discriminatory lending practices, racial steering, and migration of white residents to the suburbs, has had a lasting impact on the city. The experience of segregation is part of the history of the community, fostering a sense that ethnically segregated communities are part of the natural development of communities and neighborhoods. With low-income residents and ethnic and racial minorities geographically concentrated in Detroit, a city emerging from bankruptcy, the region may continue to face problems with ensuring fair housing. Regional cooperation in fair housing efforts will be essential to overcoming this burden, as segregation tends to follow along jurisdictional lines.

The bankruptcy of Detroit was accompanied by financial emergency management in many of its other diverse communities, including Pontiac and Hamtramck. This indicates a lack of sufficient resources in high-minority communities compared to Caucasian areas. This lack of resources in minority communities is likely to lead to decreased housing conditions in aging housing stock, reduction of services and opportunities, and indicates a lack of commercial and industrial taxpayers in these communities.

Owing to financial instability, Detroit and other minority communities lack the resources to revitalize neighborhoods or address issues with aging housing. This has led to increased deterioration in the housing stock, and further reduced property values and tax revenues. It will take regional cooperation of private, state and federal intervention to overcome factors influencing fair housing in these jurisdictions.

**ii. Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs)**

HUD has identified areas of Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs). For the Detroit Metropolitan region (i.e., Figures 15 and 16), most of the R/ECAPs are located in the city of Detroit, primarily because, as discussed in the previous section, the city of Detroit is the area in the region with concentrated poverty and a large minority population, as opposed to its suburbs. Very few R/ECAP areas exist out of Detroit. The areas that are identified as outlying R/ECAPs are in other historically and currently African American majority cities – Inkster and Pontiac. This concentration of poverty and racial minorities has been increasing over time.

R/ECAP residents comprise 49.3 percent of the population of Detroit. Detroit R/ECAP residents are 46.0 percent of all R/ECAP residents in the region. There is a R/ECAP in each of the Detroit City Council Districts.

*Figure 15: Regional HUD-identified R/ECAPs*

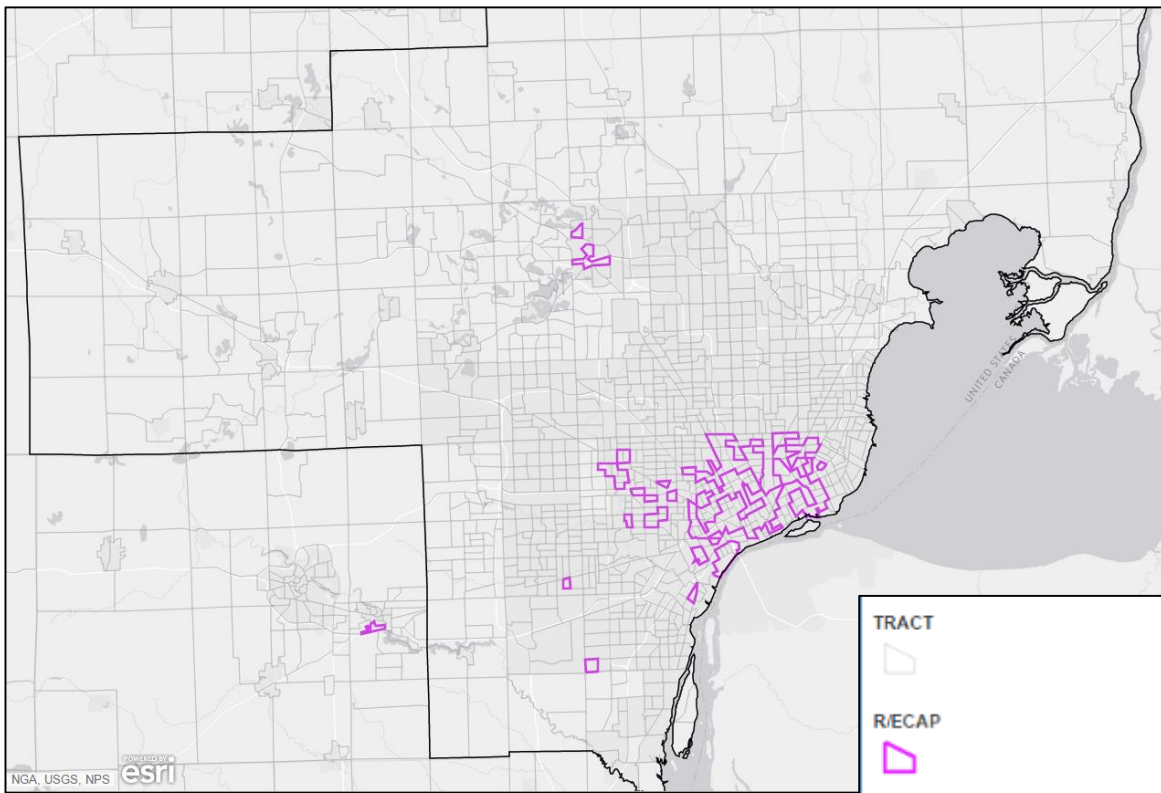
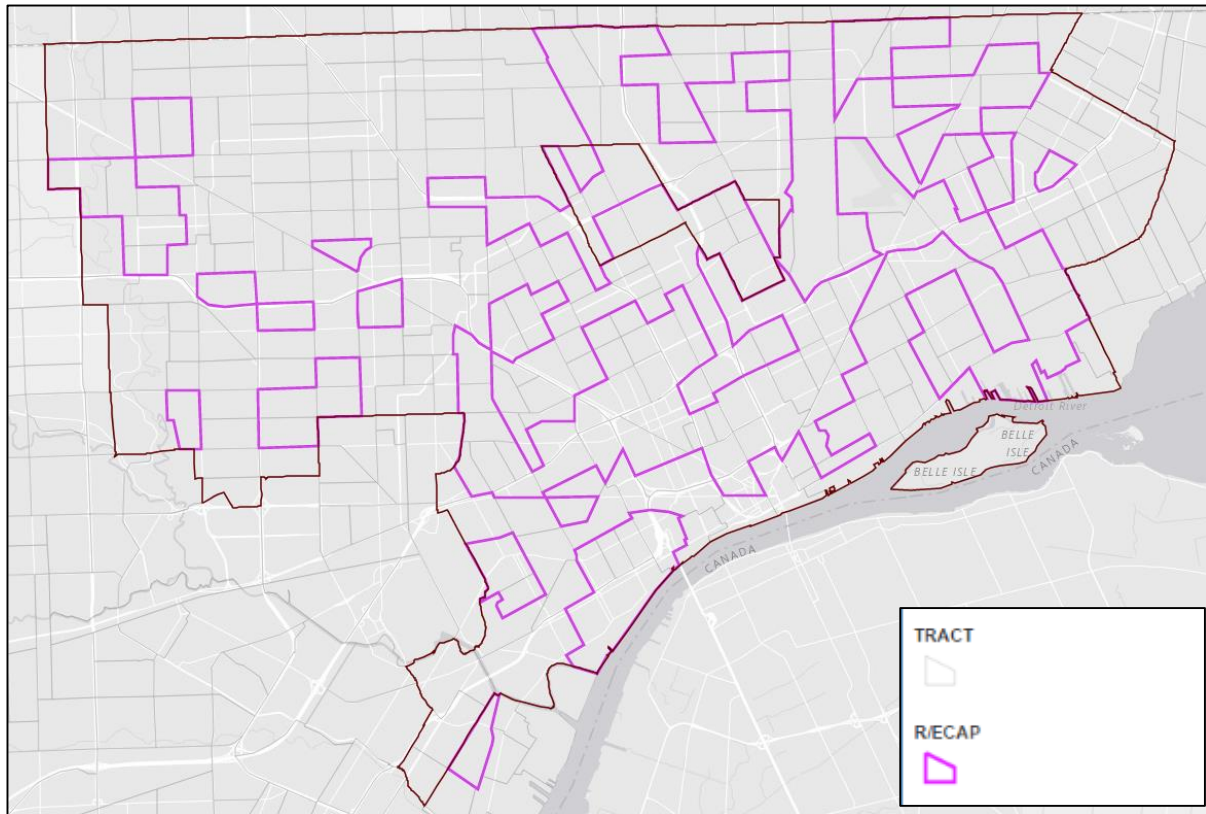


Figure 16: HUD-identified R/ECAPs



Detroit comprises 85.1 percent of the region's total R/ECAP population in 2010, and thus its statistics greatly influence the regional demographics. In both the city and the region, the R/ECAP population was about 80 percent African American and about 7.8 percent Hispanic. The top five national origins were the same – Mexico, Bangladesh, Yemen, Iraq and India. In both the jurisdiction and the region, just under half of the families had children (i.e., Table 4).

Figure 17 shows the R/ECAP areas in 1990 and in 2010. These areas are concentrated in Detroit and two other communities (Pontiac and Inkster) that are predominantly African American. In 2010, a new R/ECAP area emerged in Woodhaven in southern Wayne County. Otherwise, growth in R/ECAP areas occurred in census tracts that were adjacent to areas that were existing R/ECAPs in 1990. It does not appear that any new areas were declassified as R/ECAPs over the study period; the existing ones merely increased in size

Table 4: R/ECAP Demographics

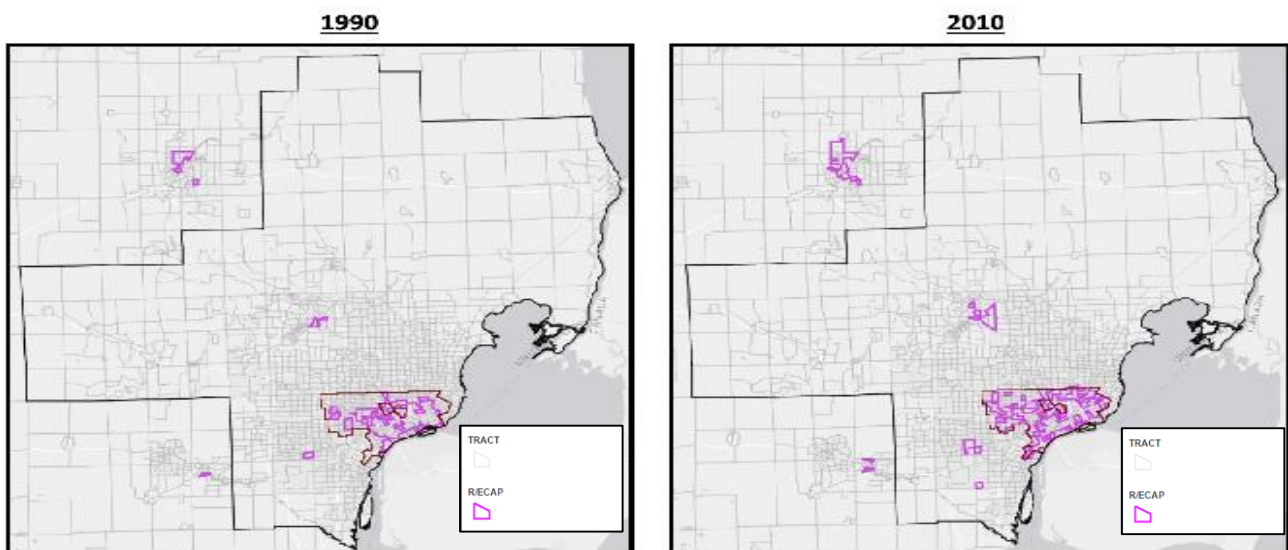
R/ECAP Race/Ethnicity	(Detroit, MI CDBG, HOME, ESG) Jurisdiction		(Detroit-Warren-Dearborn, MI CBSA) Region	
	#	%	#	%
Total Population in R/ECAPs	352,303	-	413,982	-
White, Non-Hispanic	28,843	8.19	40,708	9.83
Black, Non-Hispanic	281,903	80.02	323,404	78.12
Hispanic	27,681	7.86	32,291	7.80
Asian or Pacific Islander, Non-Hispanic	5,873	1.67	7,245	1.75
Native American, Non-Hispanic	1,068	0.30	1,299	0.31
Other, Non-Hispanic	527	0.15	618	0.15
<b>R/ECAP Family Type</b>				
Total Families in R/ECAPs	77,966	-	92,223	-
Families with children	37,588	48.21	45,049	48.85
<b>R/ECAP National Origin</b>				
	<b>Country</b>		<b>Country</b>	
Total Population in R/ECAPs	352,303	-	413,982	-
#1 country of origin	Mexico	8,816 2.50	Mexico	9,785 2.36
#2 country of origin	Bangladesh	3,368 0.96	Bangladesh	3,879 0.94
#3 country of origin	Yemen	1,352 0.38	Yemen	1,776 0.43
#4 country of origin	Iraq	929 0.26	Iraq	939 0.23
#5 country of origin	India	627 0.18	India	643 0.16
#6 country of origin	Nigeria	455 0.13	Poland	521 0.13
#7 country of origin	Guatemala	444 0.13	Nigeria	499 0.12
#8 country of origin	Poland	431 0.12	Guatemala	444 0.11
#9 country of origin	Jamaica	408 0.12	Jamaica	426 0.1
#10 country of origin	Romania	349 0.10	Canada	385 0.09

Note 1: 10 most populous groups at the jurisdiction level may not be the same as the 10 most populous at the Region level, and are thus labeled separately.

Note 2: Data Sources: Decennial Census; ACS

Note 3: Refer to the Data Documentation for details ([www.hudexchange.info](http://www.hudexchange.info)).

Figure 17: HUD identified R/ECAP Trends





## Contributing factors of R/ECAPs

R/ECAPs in the region exist only in areas with concentrated African-American populations, and appear to be a growing part of Detroit and the region. With persistently high levels of segregation in Detroit and the surrounding region, the growth of these areas is likely to increase. R/ECAPS in the region are focused within a few municipalities, which makes it challenging to gain the support of wealthier municipalities to address issues related to concentrated poverty and disparities in the region. Residents with fewer impediments to mobility can “move with their feet,” to communities that can focus their tax dollars on other concerns. Taxpayers living in R/ECAP jurisdictions then must see a disproportionately larger amount of their taxes dealing with issues of poverty and the externalities created by them – including deteriorating housing, reduced spending on property maintenance, property abandonment, and foreclosure.

Community revitalization strategies that are municipally driven will not adequately address this regional issue, and regional cooperation on issues that increase access of residents to suburban areas have historically struggled to meet stated objectives and gain full participation. Community revitalization efforts in Detroit have primarily focused on Neighborhood Stabilization, a repurposed title for “urban triage,” coined in the 1970s by Cleveland Planning Director Norman Krumholz. It indicates that a city focus resources on the areas that are most viable, rather than on equity planning, which focuses on the needs of those most harmed by urban policy. This approach is most likely to result in neglecting R/ECAP areas, which because of high poverty rates and associated externalities, are least likely to be viewed as areas that can be stabilized. This means that under-resourced areas are likely to continue losing resources to meet the needs of priority areas. While a neighborhood stabilization approach may be successful in stopping the expansion of R/ECAP areas, it is likely to increase disparate conditions in these areas, in housing, and in other arenas.

***iii. Disparities in Access to Opportunity***

Table 12 shows HUD’S AFFH Tool summary of access to opportunity by race/ethnicity in the city and the region. Disparities among access to opportunity by race are apparent in the city, and the difference is even greater at the regional level. Long-term investment and cooperation among Detroit and its suburbs will be necessary to overcome disparities in access to opportunity. Detroit and its interior suburbs continue to face fiscal crises, leading to additional cuts in services such as education and transportation, a higher dependency on polluting industry, and fewer resources to deal with large crime problems. This section of the study examines each of the opportunity indicators presented in Table 12.

*Table 12: Opportunity Indicators by Race/Ethnicity*

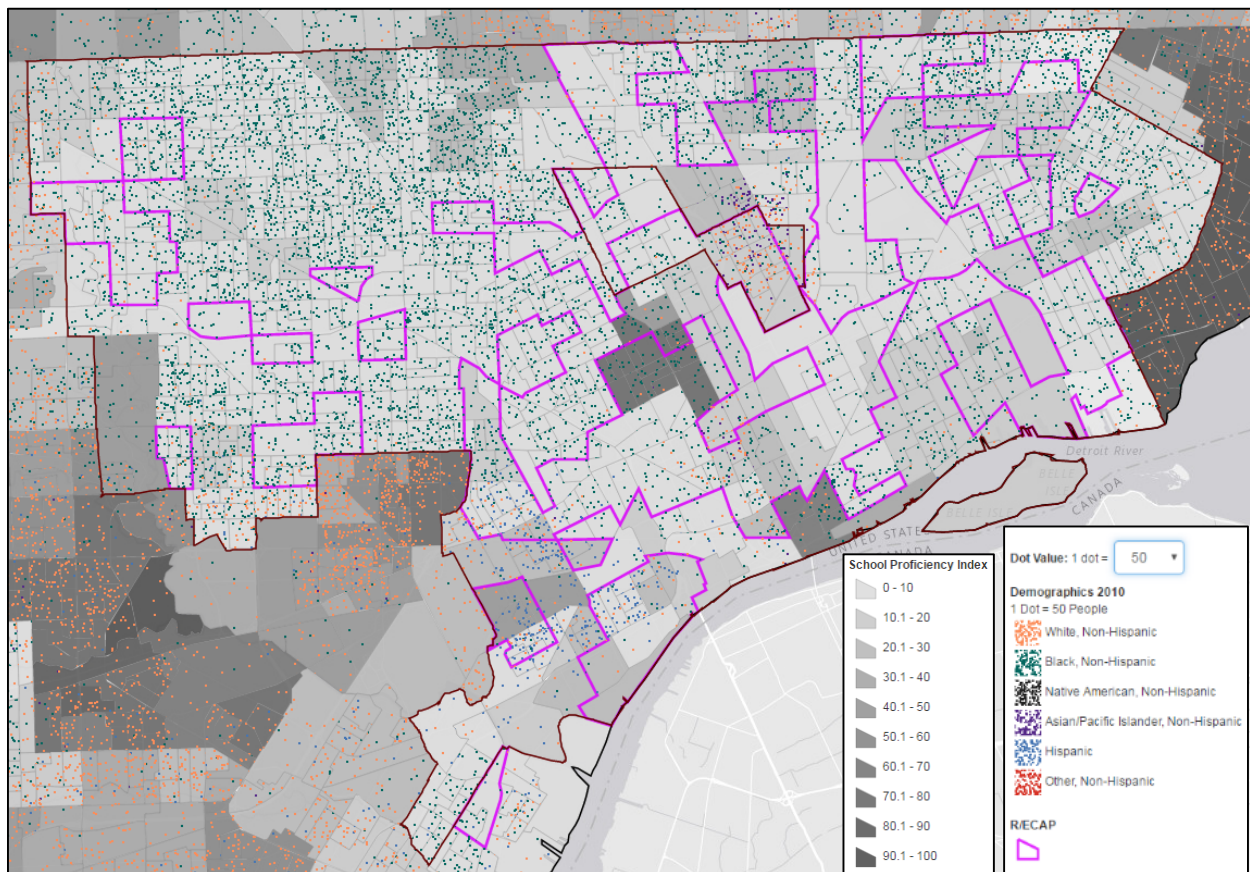
<b>(Detroit, MI CDBG, HOME, ESG) Jurisdiction</b>	<b>Low Poverty Index</b>	<b>School Proficiency Index</b>	<b>Labor Market Index</b>	<b>Transit Index</b>	<b>Low Transportation Cost Index</b>	<b>Jobs Proximity Index</b>	<b>Environmental Health Index</b>
<b>Total Population</b>							
White, Non-Hispanic	10.99	12.33	9.70	33.54	61.62	52.08	14.00
Black, Non-Hispanic	11.10	9.91	5.80	32.72	58.32	41.25	17.07
Hispanic	6.49	14.31	4.34	35.29	62.14	55.70	8.39
Asian or Pacific Islander, Non-Hispanic	9.58	13.25	10.51	35.49	63.08	45.16	12.66
Native American, Non-Hispanic	9.58	11.01	6.07	33.50	60.29	43.94	15.66
<b>Population below federal poverty line</b>							
White, Non-Hispanic	7.00	11.84	5.64	33.59	61.27	53.70	12.63
Black, Non-Hispanic	7.51	9.40	3.68	32.67	58.84	42.55	16.43
Hispanic	6.03	13.11	4.55	35.57	62.64	55.60	8.16
Asian or Pacific Islander, Non-Hispanic	6.68	15.99	9.15	35.88	62.02	41.55	10.16
Native American, Non-Hispanic	6.87	15.20	3.98	34.31	60.93	54.37	11.70
<b>(Detroit-Warren-Dearborn, MI CBSA) Region</b>	<b>Low Poverty Index</b>	<b>School Proficiency Index</b>	<b>Labor Market Index</b>	<b>Transit Index</b>	<b>Low Transportation Cost Index</b>	<b>Jobs Proximity Index</b>	<b>Environmental Health Index</b>
<b>Total Population</b>							
White, Non-Hispanic	61.48	61.55	51.40	25.85	47.07	50.16	44.39
Black, Non-Hispanic	22.80	22.01	18.04	31.61	57.84	47.11	21.43
Hispanic	37.81	40.02	31.20	29.61	53.90	53.15	29.51
Asian or Pacific Islander, Non-Hispanic	62.90	65.85	61.77	28.77	52.16	54.49	35.26
Native American, Non-Hispanic	46.22	46.65	36.63	27.29	50.77	49.96	38.20
<b>Population below federal poverty line</b>							
White, Non-Hispanic	42.23	49.27	35.22	27.68	51.92	53.20	38.01
Black, Non-Hispanic	12.15	15.08	8.78	32.19	59.04	44.90	18.77
Hispanic	21.34	27.99	19.31	31.63	57.28	54.82	23.53
Asian or Pacific Islander, Non-Hispanic	31.86	40.54	31.53	32.26	59.88	50.81	23.12
Native American, Non-Hispanic	27.70	28.73	23.22	29.90	54.76	56.36	25.77
Note 1: Data Sources: Decennial Census; ACS; Great Schools; Common Core of Data; SABINS; LAI; LEHD; NATA							
Note 2: Refer to the Data Documentation for details ( <a href="http://www.hudexchange.info">www.hudexchange.info</a> ).							

## Educational Opportunities

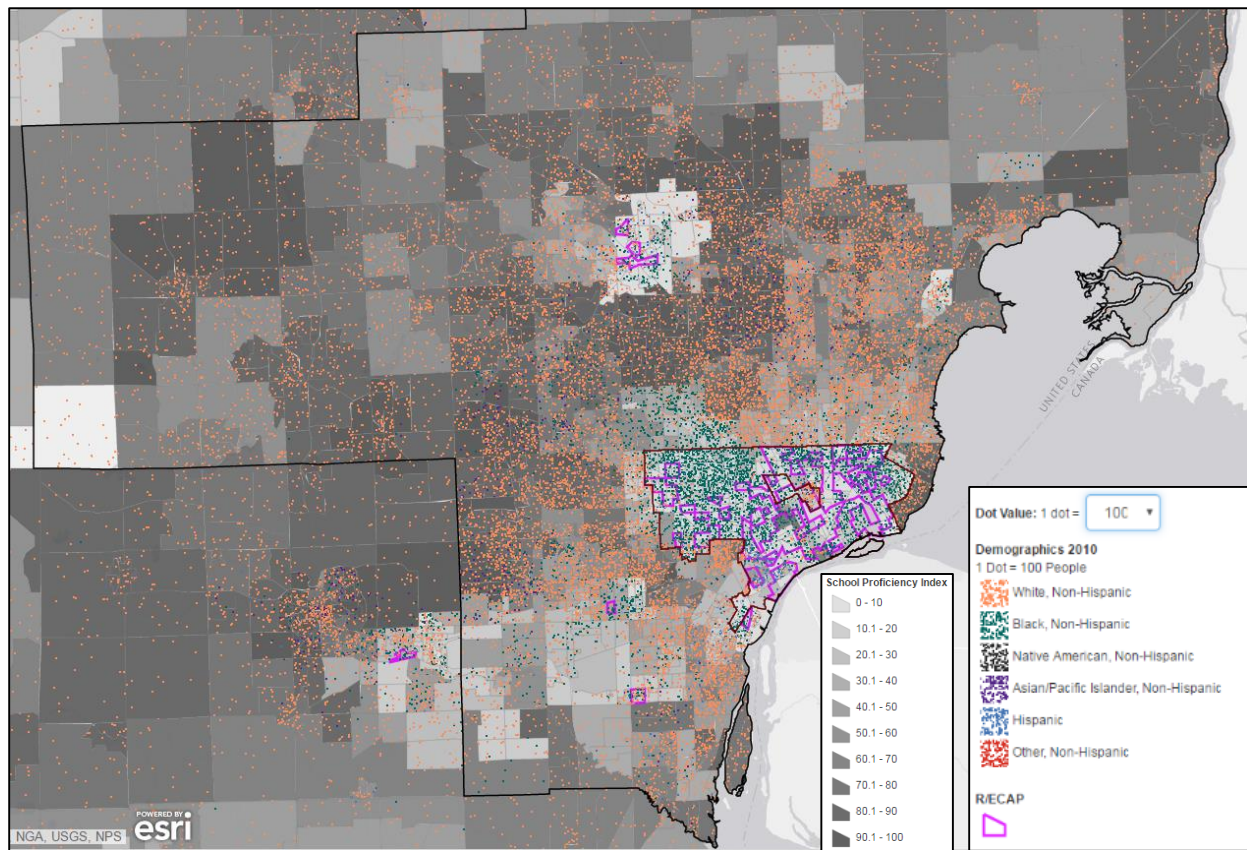
While the State School Aid Act in Michigan establishes open enrollment to schools across jurisdictions, effectively making all public schools available to Detroit residents, there is little practicality for most residents taking advantage of this in a way that allows their children to go to proficient schools. Map 9A shows the school proficiency and race in Detroit, and Map 9B shows the same for the region. The darker areas are those with more proficient schools than the lighter areas. This value is determined by ranking the performance of fourth graders on standardized exams.

While students may enroll in any school system, there is often no transportation available to help students get to other schools. Thus, for parents without transportation or with unreliable transportation or opportunity to drive students far, the choice is limited and proficient schools in the city are few. In practice, what open enrollment offers is an alternative for Detroit children who come from families with means, to go to better schools, while leaving those without good transportation and economic situations to choose between poorly performing schools.

*Map 9A: Demographics and School Proficiency - Race/Ethnicity in Detroit*



Map 9B: Demographics and School Proficiency – Race/Ethnicity in Region

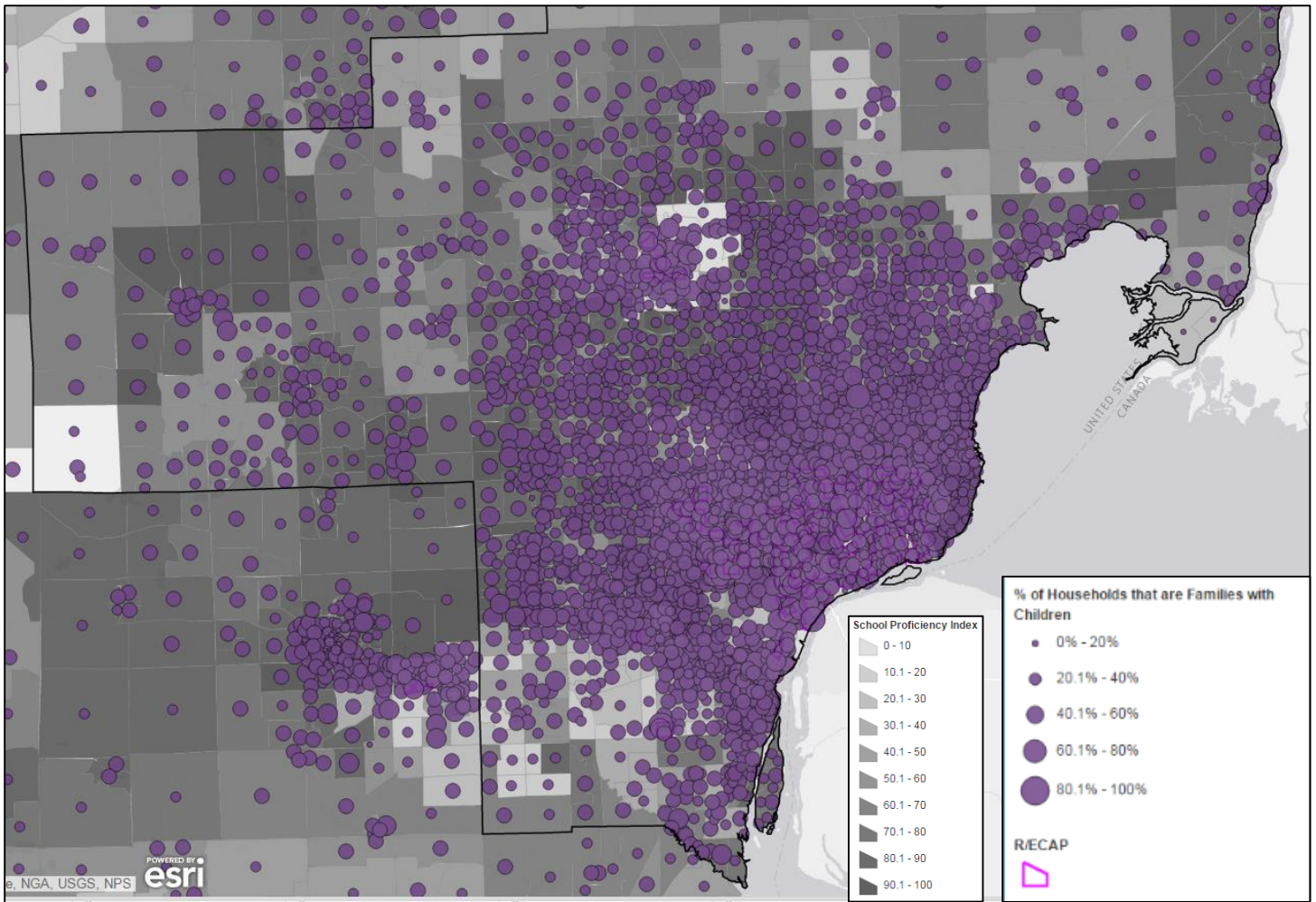


While local public transit options are available to most Detroit schools and some suburban schools, there are not many proficient schools in Detroit or near it. There are a few proficient schools in Downtown and Midtown, where racial composition is changing. Beyond that, there are few proficient schools even in near suburbs. Areas with schools scoring low on the proficiency index are mostly focused in African American communities, while areas with the highest performing schools are in predominantly non-Hispanic White areas. Map 9C shows the percentage of families with children in relation to school performance. Despite having proportionally more families, Detroit has poorer-performing schools.

The juxtaposition of racial, ethnic and family demographics indicates that Detroit has more families and minorities and also fewer high-performing schools. While laws passed have the possibility of providing additional access to proficient schools for children in Detroit, the economic, social and time constraints may limit the number of families able to access additional educational resources, which are located in wealthier, more white areas far from the city limits.

Detroit should encourage improved transportation alternatives for both students and adults in order to increase opportunity to residents in the short-term, while investing in creating new education and economic opportunities within the city limits, because few quality options currently exist.

Map 9C: Demographics and School Proficiency – Family Status in Region



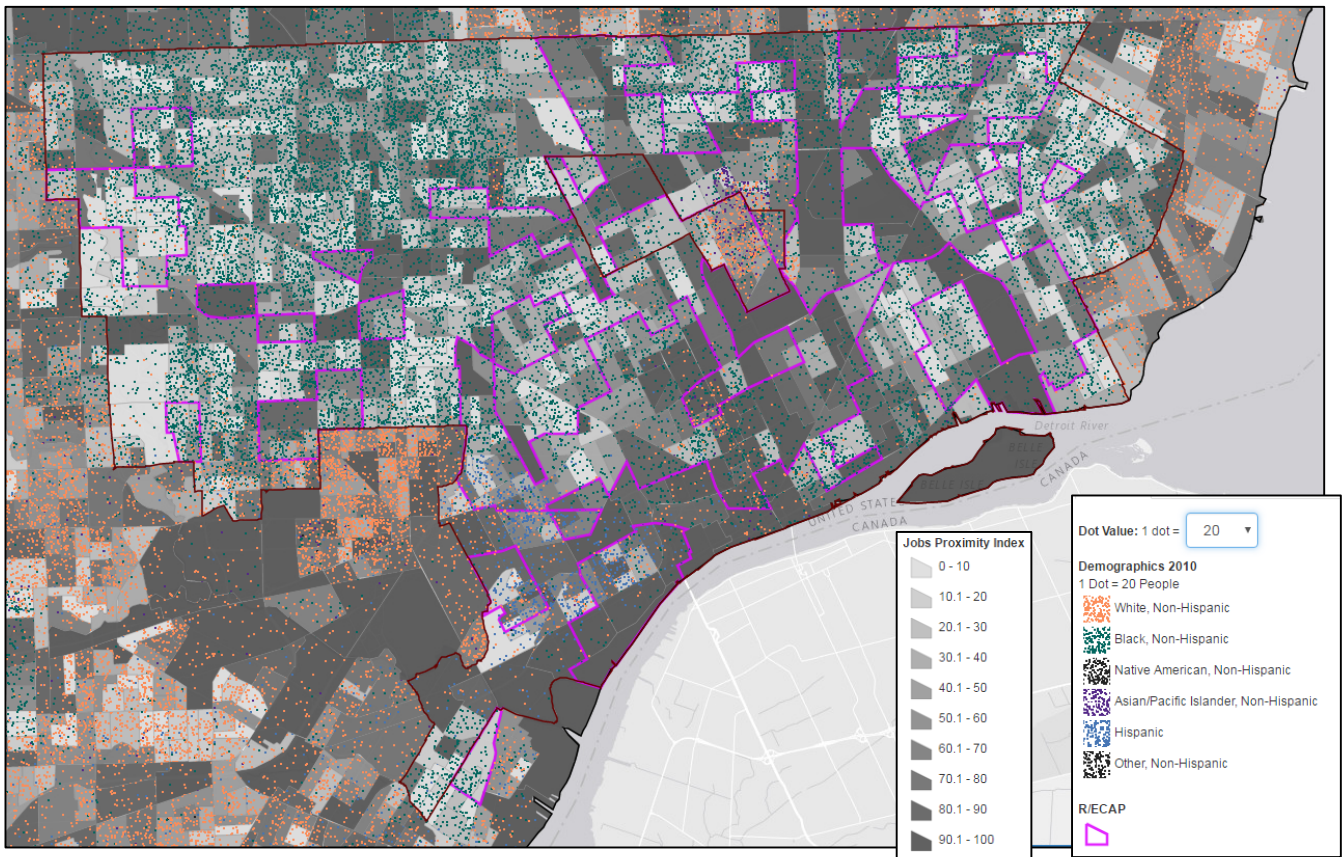
### Employment Opportunities

The AFFHT produced maps related to Labor Market and Job Proximity from the 2010 Census. Job Proximity measures the physical distance between place of residence and place of work. The Labor Market Index is related to unemployment, labor force participation and educational attainment.

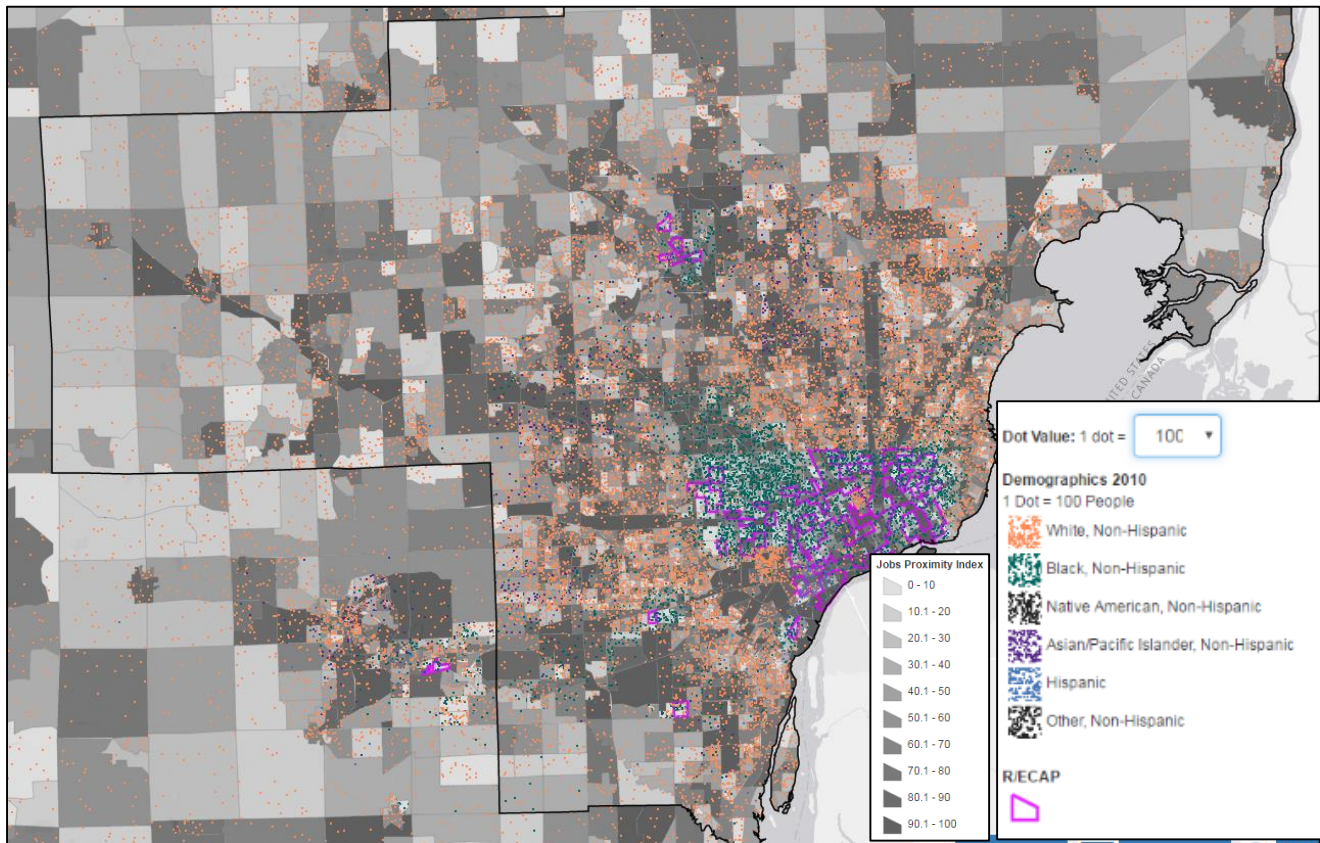
Maps 10A and 10B show race in relation to Job Proximity Index in the city and in the metro region. The region and city, in general, have a fairly even distribution of access to proximate jobs. Areas with high job proximity tend to follow along major highway and Interstate corridors. However, the largest areas with low access to opportunity are on the west side of Detroit, an area with a large number of racial minorities and families. As shown in Table 12, African American residents in the city and region generally have lower scores for job proximity and labor market than peers from other racial and ethnic groups. Among labor market index measures, African American residents often score less than half as high on the index as white residents.

There were large areas of the outer city that had very low job proximity. The East Side, West Side and the 7 Mile corridor in the center had very low Job Proximity Indices. Regionally, areas with high job proximity were focused near Interstates and U.S. highways.

Map 10A: Demographics and Job Proximity



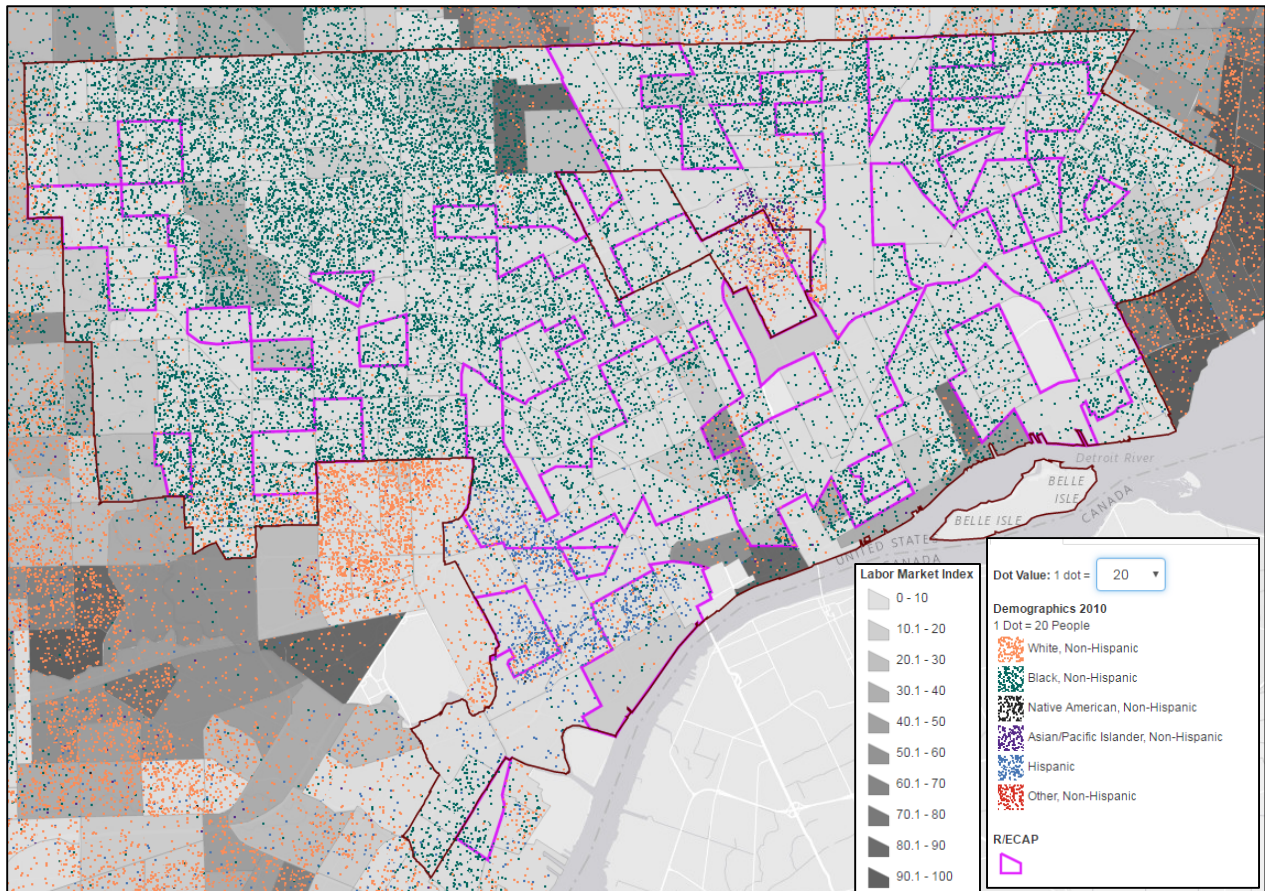
Map 10B: Demographics and Job Proximity



Maps 11A and 11B show labor market indexes for Detroit and the Metro region, respectively, and their correlation to racial groups in the area. Labor markets follow similar patterns to access to educational opportunities. Labor market index measures for Detroit are low. Labor market scores are higher in more affluent suburban and white areas far from the city limits, indicating that residents in these areas have achieved higher levels of education, participate in the labor force at a higher rate, and experience lower rates of unemployment. Except for a few tracts in downtown and Palmer Park, Labor Market Index ratings are low for all of Detroit, where there are concentrations of African Americans, Hispanics and the impoverished in the region.

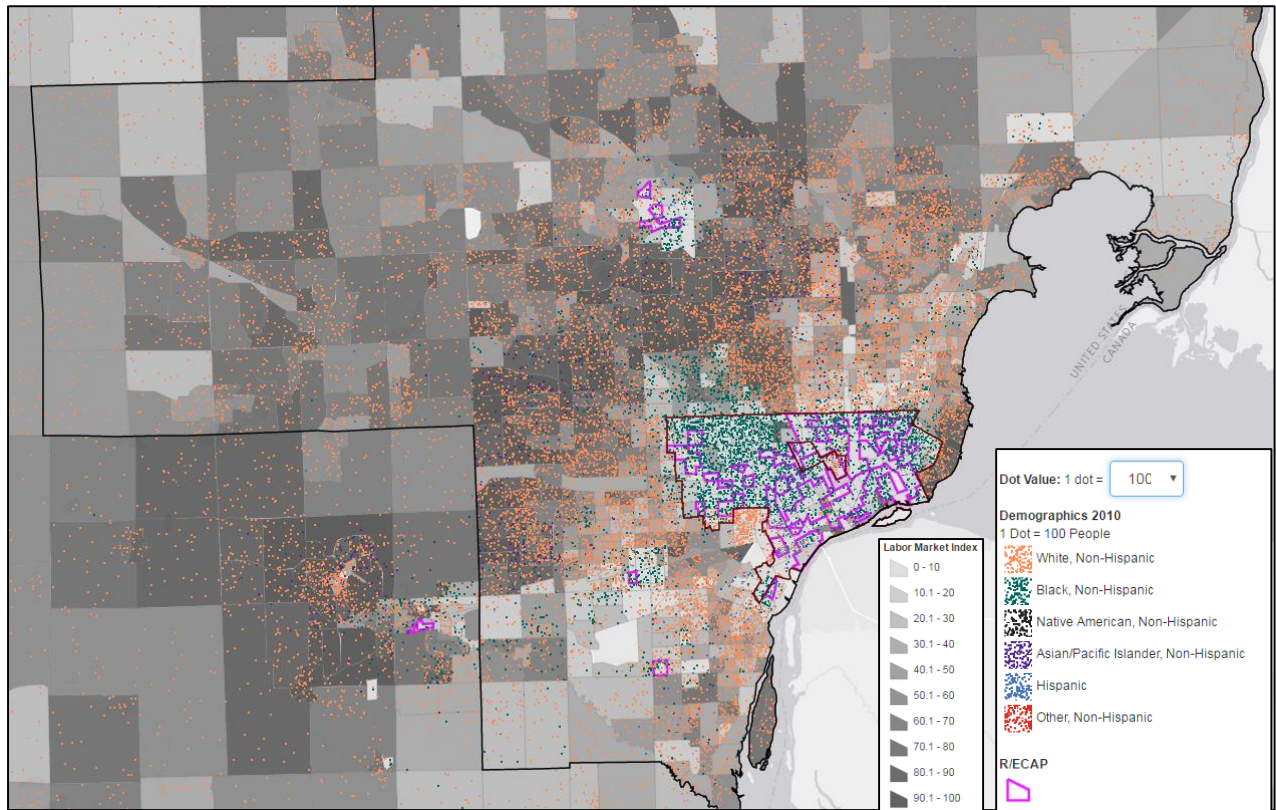
In the region, the labor market generally improves with distance from Detroit until the rural edge of the region. Exceptions in the region include Pontiac and Inkster, the two other historically and predominantly African American areas, and the other communities that have R/ECAP tracts in their boundaries. This pattern demonstrates that R/ECAP areas coincide with areas where residents participate in the labor force at low rates, are more likely to be unemployed, and have lower levels of education achievement. Residents in areas with higher Labor Market Index measures are generally white, have a higher median income and pay higher median rents.

Map 11A: Demographics and Labor Market Index





Map 11B: Demographics and Labor Market Engagement

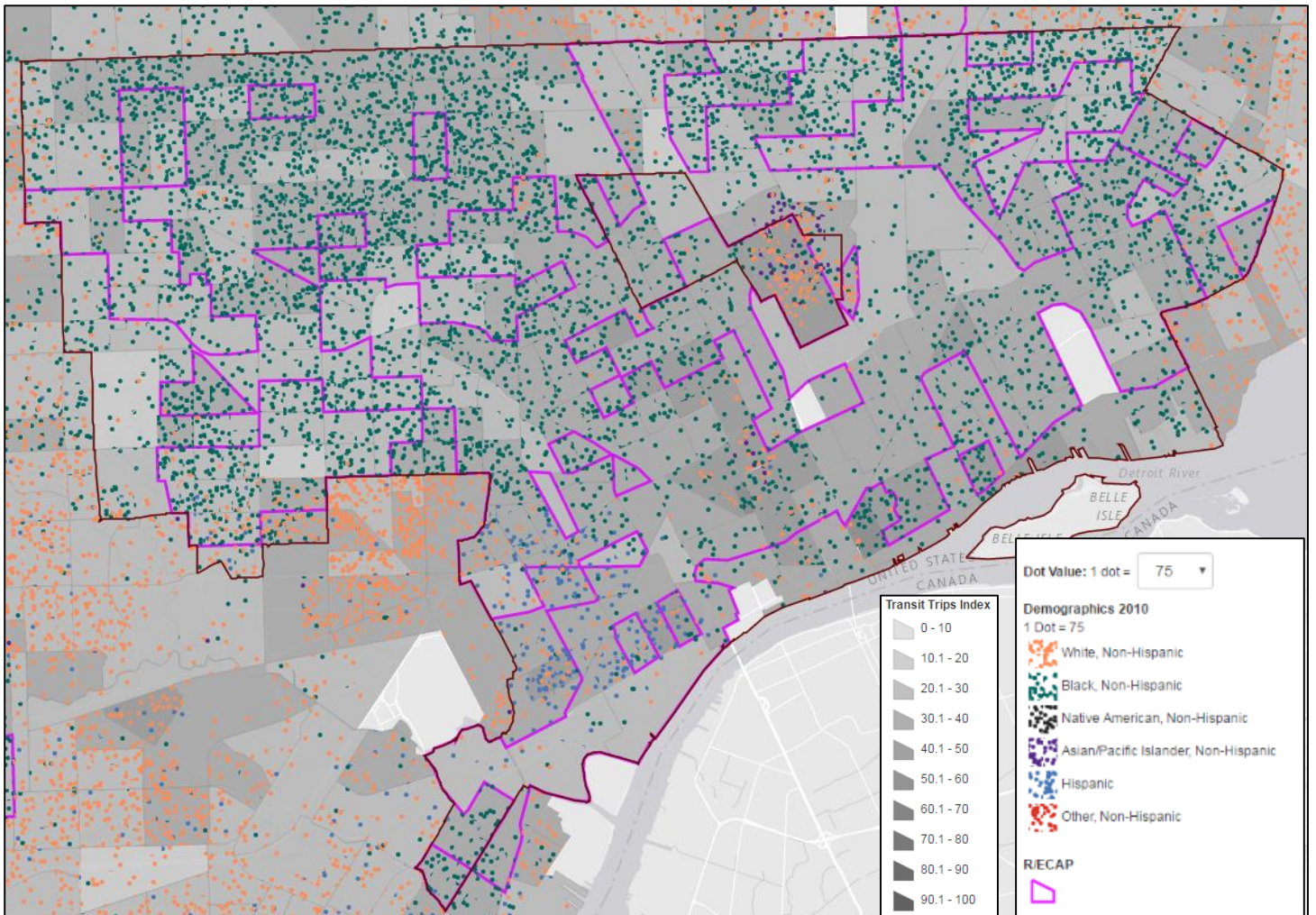


### Transportation Opportunities

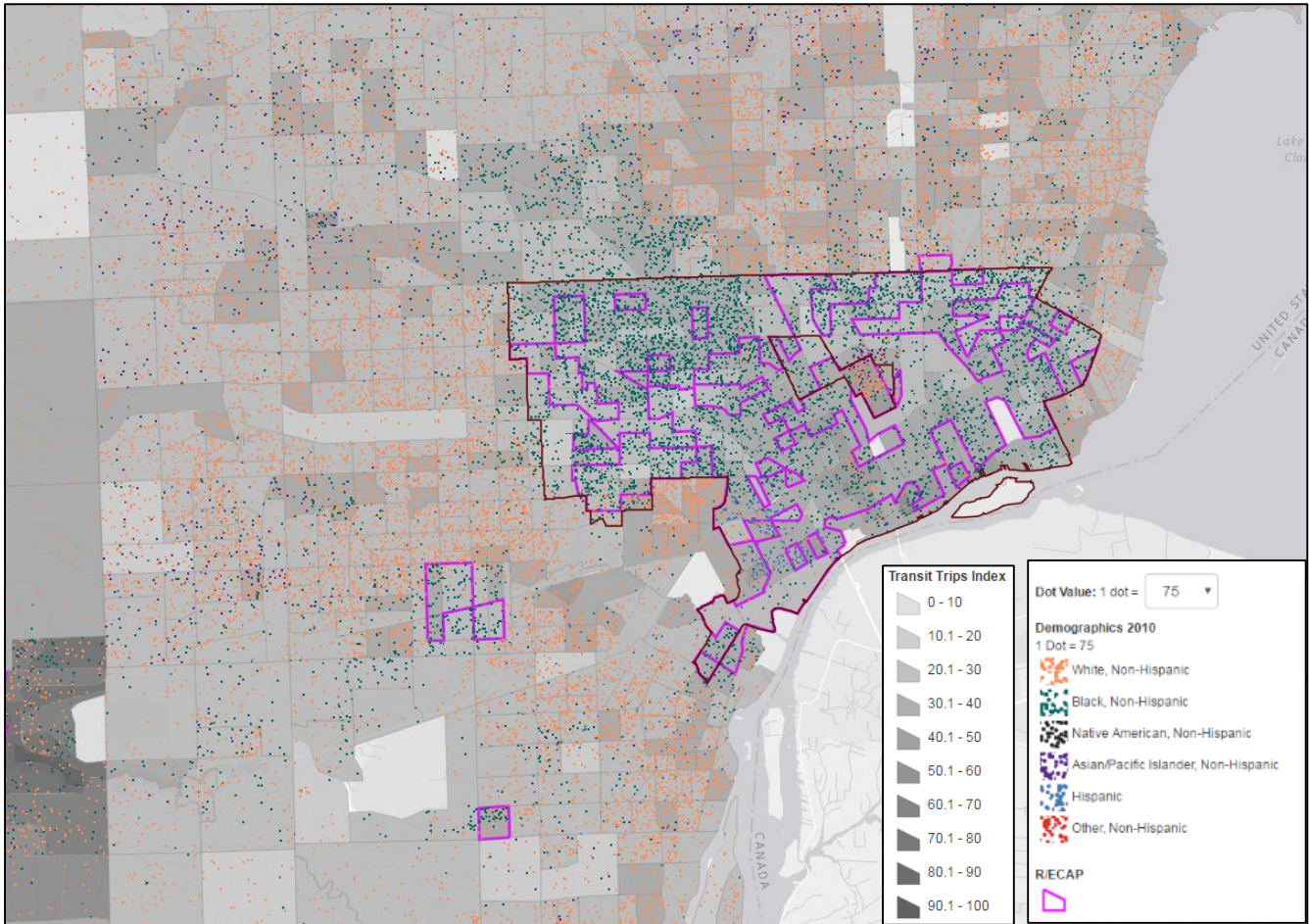
This section will evaluate the role of transportation in gaining access to resources as well as the resource of transportation itself. HUD provides two indexes to evaluate transportation access. The Transit Trips Index, which measures how often low-income residents use transit, and the Low Transportation Cost Index, which measures the proximity and costs of these trips.

Unsurprisingly, when transit trips are mapped in Detroit, using the AFFH Tool in Map 12A and 12B, Detroit has a higher number of trips than its suburbs, and a relatively uniform number of trips in the city. The pattern of transit trips demonstrates that there are more transit-reliant residents, but a look at the regional pattern indicates that there are a number of areas in the suburbs in which there is a substantial public-transit ridership. Again, Detroit is the core area of minorities, immigrants and the poor, but predominantly African American communities outside of Detroit do not have higher rates of ridership than neighboring tracts in white neighborhoods.

Map 12A: Demographics and Transit Trips



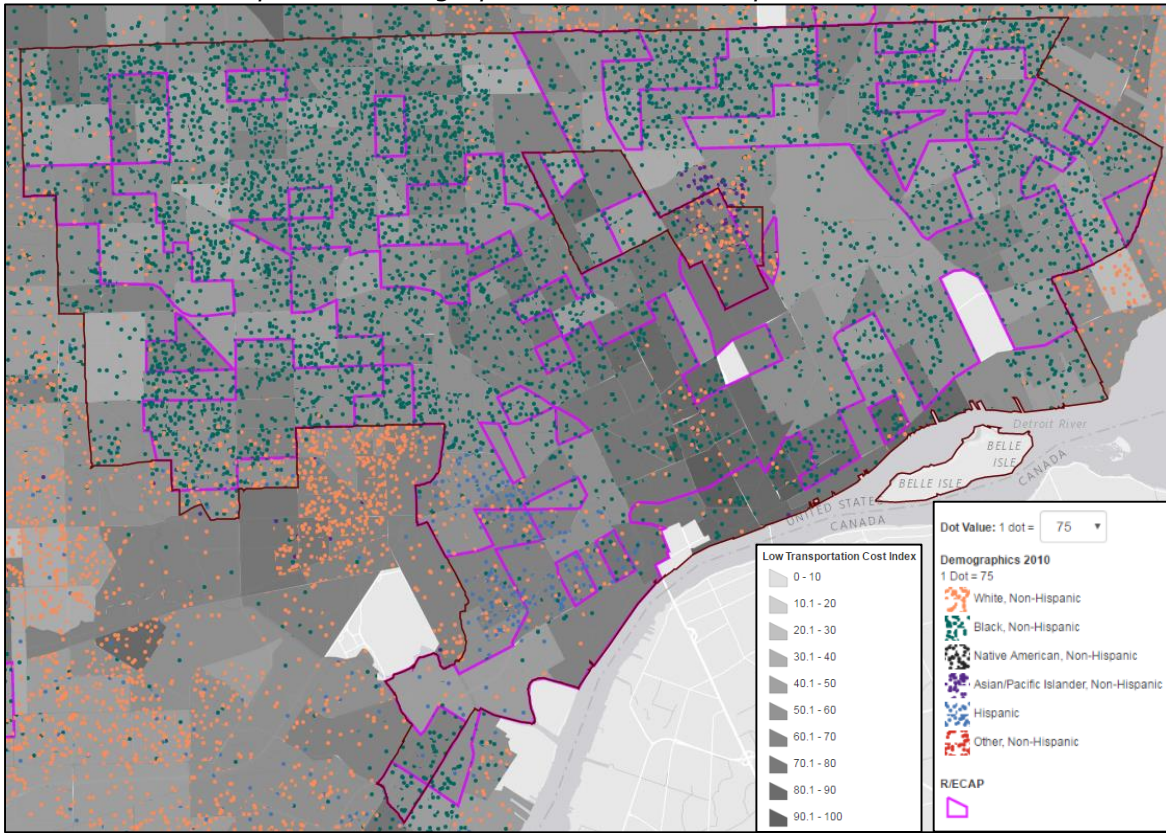
Map 12B: Demographics and Transit Trips



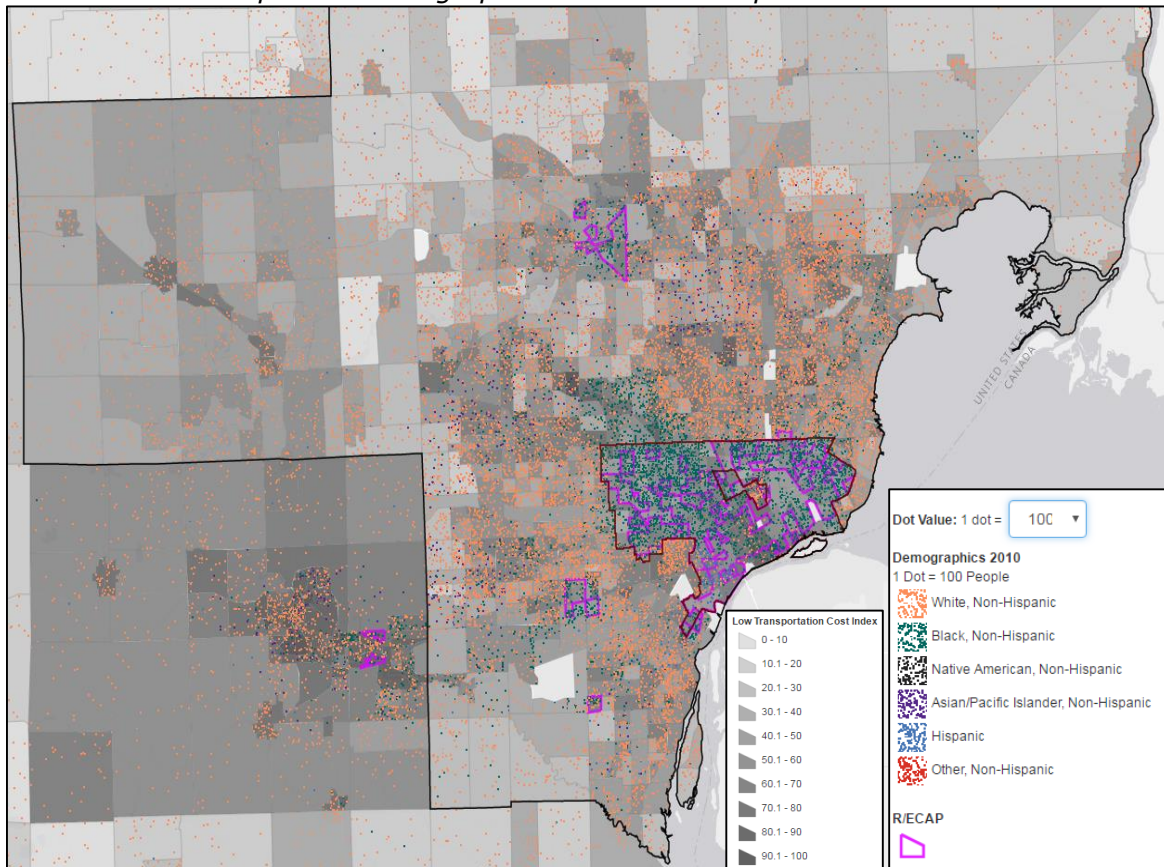
Because of access to public transit, Detroit had a relatively lower transportation cost than suburban neighbors. As shown in Maps 13A and 13B, transportation costs in the city are lowest in Midtown, Downtown and along the river, areas that are undergoing a demographic shift to be more white and affluent. There are areas in southern Oakland and Macomb counties that have transportation costs as low as that of Detroit residents. With higher incomes in these areas, it means a smaller proportion of income can be spent on transportation in these areas as compared to Detroit. Table 12 indicates that Detroit residents have slightly lower transportation costs, and that there are not large disparities in transportation cost scores among different racial groups.

Transportation costs can limit the availability of neighborhoods a resident can live in while still accessing employment and services, shown in Maps 13A and 13B. Most of Detroit has access to low-cost transportation. However, higher density areas of Downtown and Midtown have the most access, despite being areas of lower proportions of racial minorities and families.

Map 13A: Demographics and Low Transportation Costs



Map 13B: Demographics and Low Transportation Costs



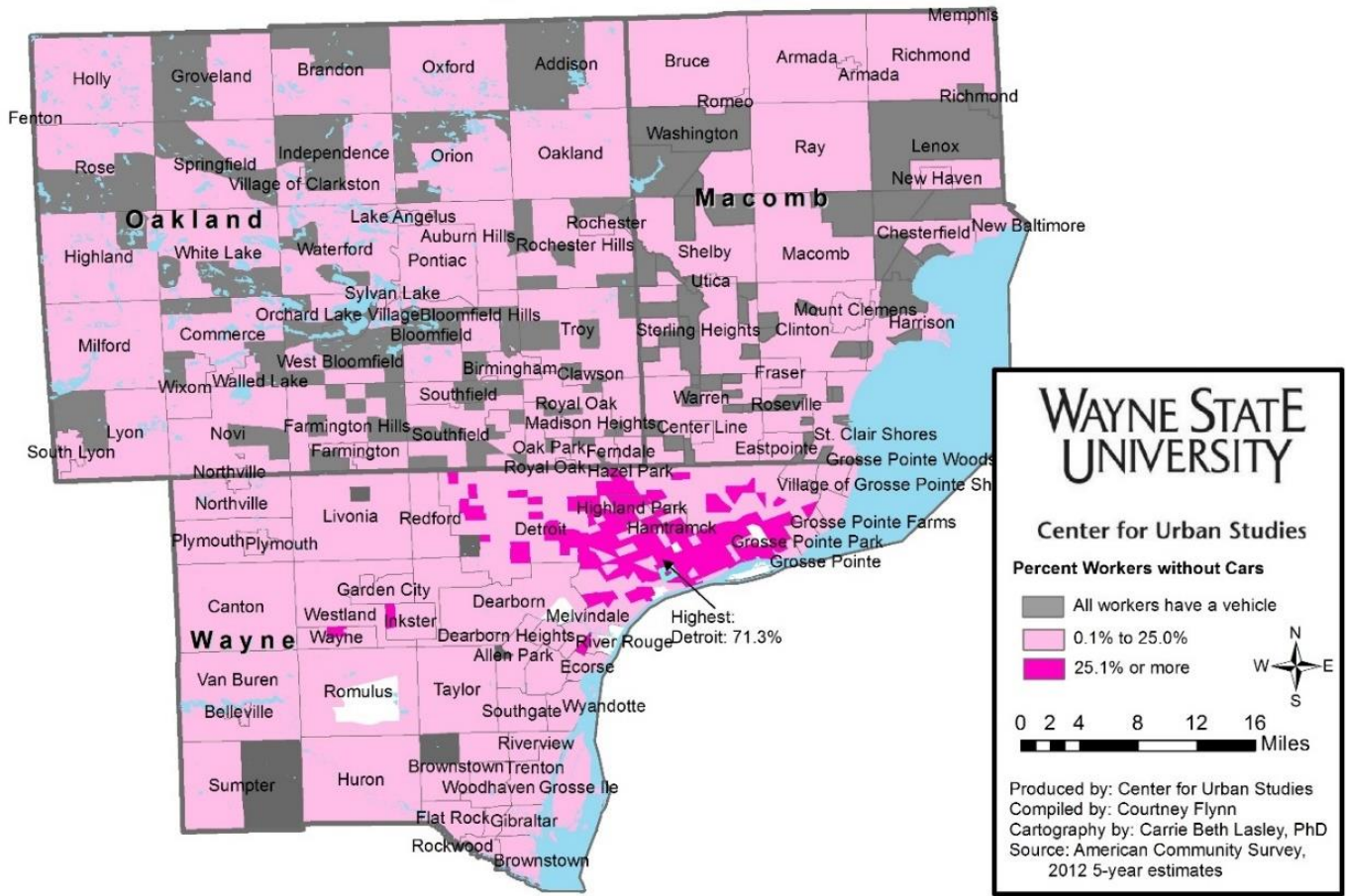
In examining access to transportation, two types of transportation access will be examined – private and public transit.

A larger proportion of Detroit workers (11 percent) than the national average (4.4 percent) say they do not have access to a vehicle, according to the 2012 5-year estimates for the American Community Survey. Since the previous sections indicated that there are more economic and educational opportunities outside of the city, private transportation can enable access to those opportunities since there are no jurisdictional policy barriers.

Figure 18 shows access to a vehicle as reported by Detroit residents in the 2012 American Community Survey 5-year estimates. Only Detroit and three isolated areas in Wayne County have a census tract in which more than a quarter of workers do not have access to a car. One area in Detroit has an area in which 71.3 percent of workers did not have access to a vehicle. There were 13 tracts in Detroit in which the majority of workers did not have access to a vehicle, thus limiting their access to employment and better schools.

In suburban areas, there were a large number of census tracts in which all workers had access to a vehicle.

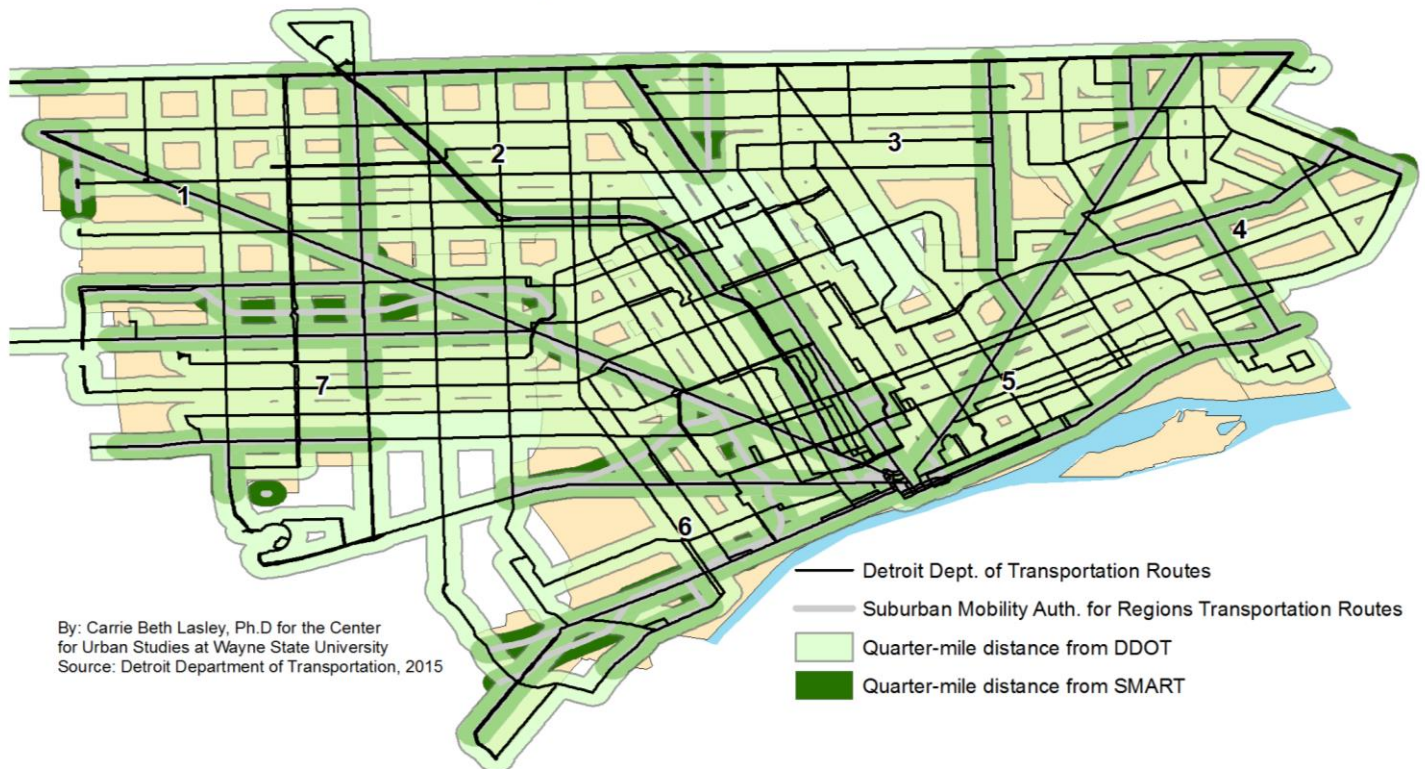
Figure 18: Access to a Vehicle in Metro Detroit



Two public-transit providers provide transportation services in the city of Detroit – Detroit Department of Transportation (DDOT) and the Suburban Mobility Authority for Regional Transportation (SMART). DDOT routes stay primarily within city limits, but SMART routes connect the city to suburban areas. Transfer is possible between the two systems, but fares follow different rates. These two systems provide service to all residents of Detroit within one mile of their homes, but produce service within a quarter-mile of the homes of most Detroiters, as shown in Figure 19.

Figure 19: Access to Public Transportation in Detroit

## Public Transportation Access in Detroit



DDOT reports that it serves 32 million passengers over 1,200 miles of routes annually. Previous analyses indicate that there are a large number of Detroiters dependent upon transit service. Despite this, a great deal of changes was made in the system during this assessment period to deal with budget cuts. Significant cuts were made to DDOT service hours, routes, salaries, staffing, and frequency between 2009 and 2014.

- In 2009: one route is cut; hours are cut on 10 lines; wait times increased by 10 minutes.
- In 2010: the Federal Government awarded \$25 million through a Transportation Investment Generating Economic Recovery (TIGER) grant to construct a 3.3-mile light rail system connecting Downtown to Midtown. This project is pared down from an initial 9-mile plan for light rail to run the extent of Woodward to the smaller version.
- In 2011: overnight service is reduced; wait times increased; two lines are combined; several routes shortened.
- In 2012: overnight service is eliminated; one line is eliminated; hours cut are on 34 of 38 remaining routes. These cuts lead to a Title VI Civil Rights complaint being filed by a North End non-profit on the basis of racial and economic discrimination because of the high rate of dependency on transit by Detroit residents who are losing access to opportunities with the loss of overnight service.
- In 2013: the deterioration of working conditions leads to a worker sick-out.
- In 2014: increased grants and budgetary allocations improve support for public transit, named a priority under new Mayor Mike Duggan. Positive changes occur to DDOT service in the later years of

the reporting period. Hiring and increased bus deployment, return of some overnight services, and increased bus tracking are among improvements in the past two years.

- In 2015: new wage scales are set, with drivers experiencing a bump to competitive wages for drivers in the area.
- In 2016: DDOT expanded service hours to 24 hours in its three busiest lines.

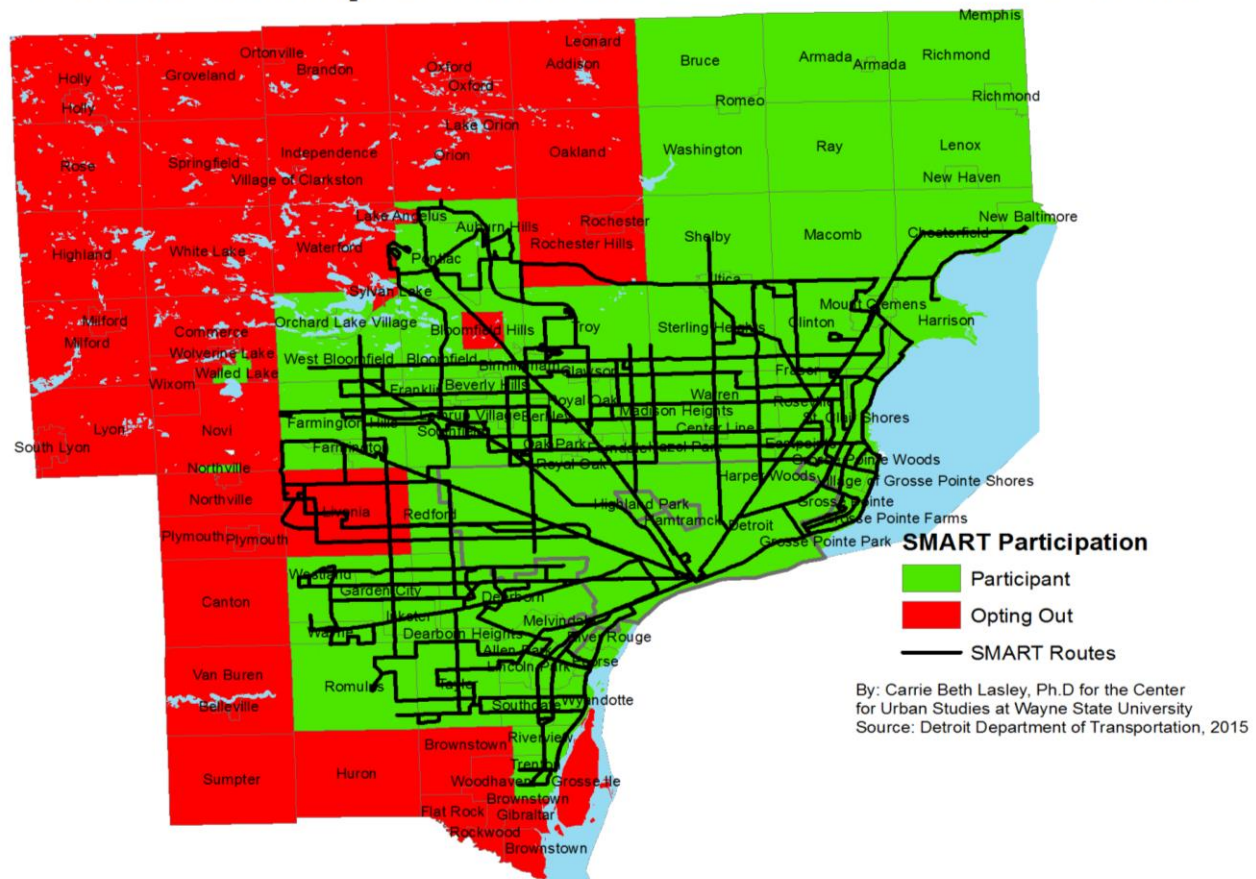
SMART buses connect Detroit to most suburban communities in Wayne, Oakland and Macomb Counties. Some communities choose to opt out of participating in SMART, and these locations remain difficult for transit-dependent Detroit residents to travel to. SMART is funded by a millage from all participating communities. Buses travel more than 36,000 miles each weekday on 591 buses. SMART also underwent service cuts during the reporting period. In 2009, fares were increased by \$0.50. In 2011, 11 routes were removed.

The ability of a community to opt-out of the system limits access to jobs and education in these areas for transit-dependent residents, shown in Figure 20. While all communities in Macomb County participate in the system, many outlying communities in Oakland and Wayne opt out of the system. In addition to impacting access to jobs and education, this would also limit a transit-dependent resident from choosing to live in the community unless they could find employment in a walking distance from their home. Similarly, many of the areas that do not have SMART access also have workers who do not have access to cars. The practice of opting out limits residents without vehicles in these communities from accessing education and employment resources elsewhere, and may also impose a challenge in accessing other basic goods and services, such as health care and child care.



Figure 20: Access to Public Transportation in Metro Detroit

## Public Transportation Access in Metro Detroit



### Low Poverty Exposure Opportunities

Table 12 shows a breakdown of impoverished residents compared to overall numbers as well, using the HUD-provided index for Low-Poverty Exposure, measuring the poverty rate for each census tract. This index measures exposure to households living below the federal poverty line. The results indicate that Detroit residents of all races have a high exposure to poverty. While Hispanics had the lowest numbers, index numbers for all city residents were less than 12 on a scale to 100. The difference between poor residents and all residents was about 3 points for all racial groups in the city of Detroit. However, for the region, the numbers are very different.

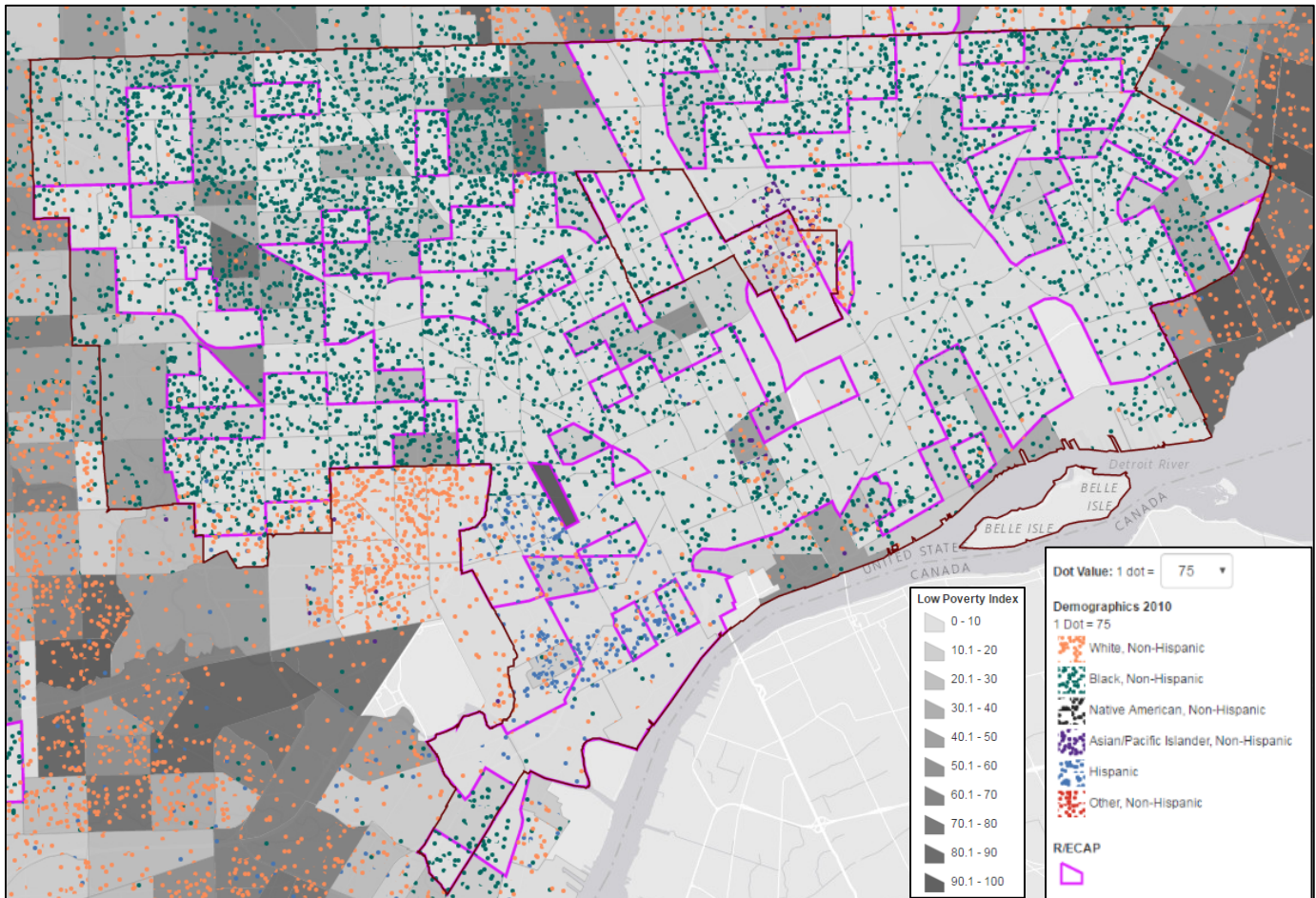
The lowest index score for any group in the region is poor African American residents. At 12.15, their index number is still higher than the highest number posted by any group in the city. Asians and White residents in the region had a low exposure to poverty, scoring around 63 on the scale, thus six times less exposure to poverty than Detroit residents. Also of note is the difference in scores between racial groups in the region as a whole. Asian regional residents above the poverty line had the highest regional index at 62.9, while impoverished African-American residents had the lowest at 12.15, just barely above Detroit numbers.

Maps 14A and 14B relate to poverty exposure and demographics for the city and region. In the city, the pattern from the segregation analysis holds, in that most African American areas of the city are also areas where there is high exposure to poverty. In the less diverse region, exposure to poverty generally

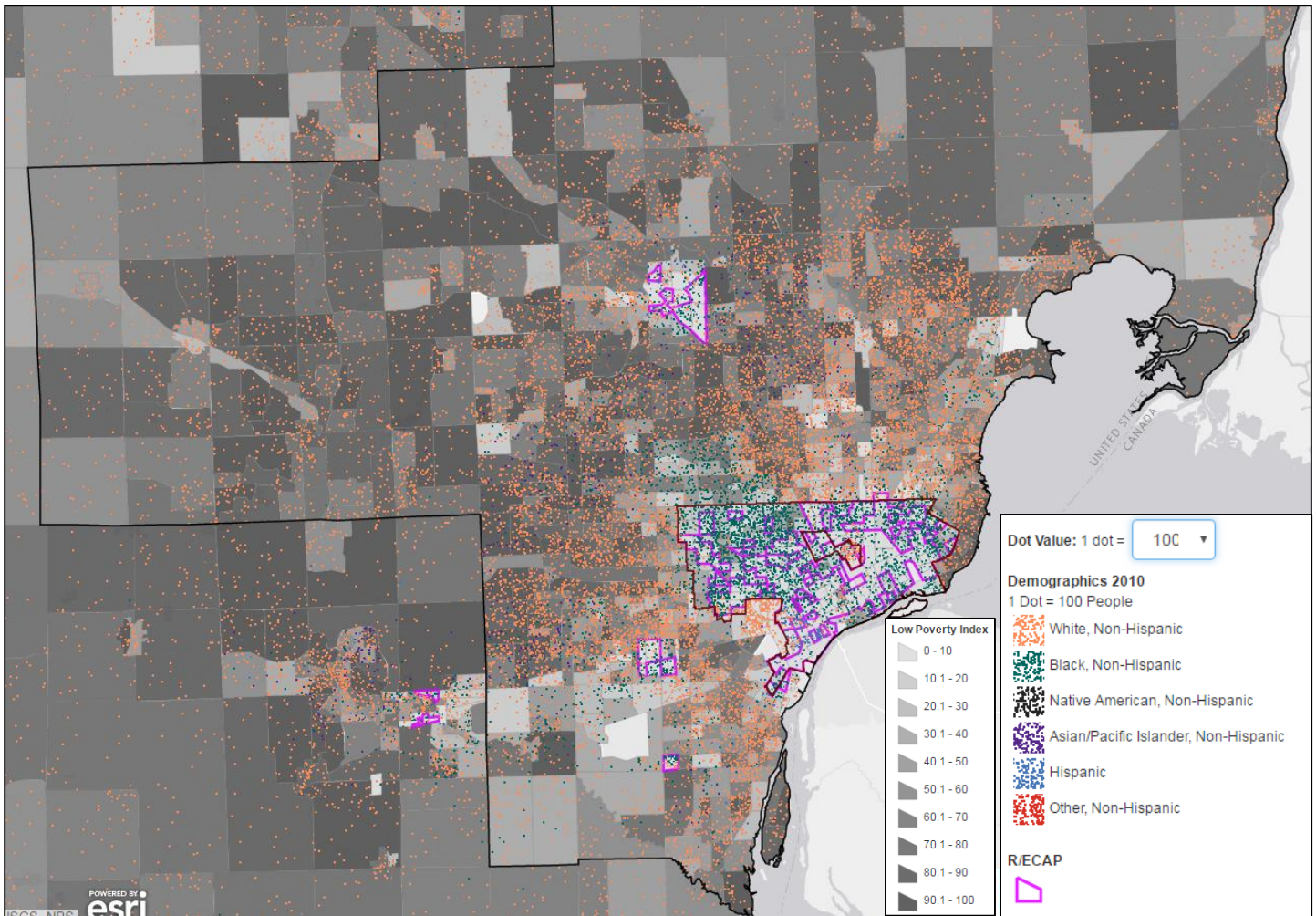
increases with nearness to the city of Detroit, except for the few predominantly African-American suburbs. In areas with a large number of immigrants, whether in the city, in areas near Hamtramck or Southwest Detroit, or in suburbs such as Dearborn, there is generally a higher exposure to poverty.

This pattern likely emerges as a consequence of disparities already discussed. Residents with higher incomes can choose to live nearer to better schools and jobs, and thus leave for these areas, leaving those with more barriers to mobility behind, and over time, concentrating poverty in these areas, specifically in Detroit. Discriminatory housing practices in the past century and the recent mortgage crisis have contributed in maintaining and increasing this divide.

Map 14A: Demographics and Poverty



Map 14B: Demographics and Poverty



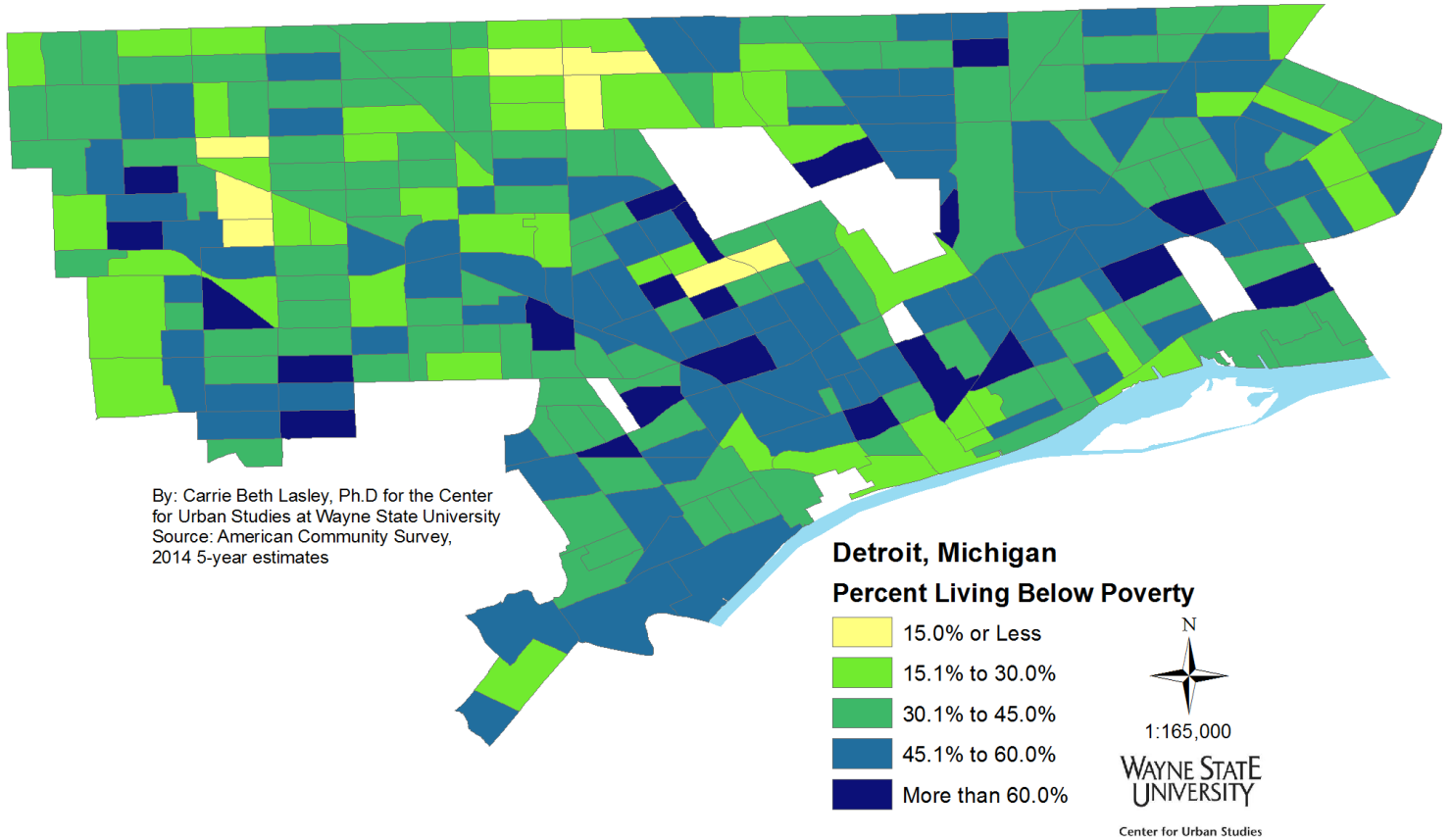
Detroit's poverty rate (39.8 percent) is more than twice the national average of 15.6 percent. More than a quarter (27.3 percent) of adult Detroit residents and the majority of children (56.2 percent) live below the federal poverty line. These essentially exceed the national averages (14.5 percent adults; 21.9 percent children) by about 200 percent.

Just eight census tracts of 297 in Detroit have a lower poverty rate than the national average (i.e., Figure 21). Analysis indicated that not only does Detroit serve as the most significant community of concentrated poverty in the region, but also within its boundaries, there are areas of high poverty and wealth isolation. Earlier in this section, a segregation analysis of poverty was examined, uncovering areas of high poverty and areas in which little poverty exists. This section explores those areas and the relationship of Detroit residents to wealth and poverty.

Isolation index analysis conducted on census tracts in Detroit, demonstrated that there were significant areas of concentrated poverty, mainly in areas where there are large numbers of foreign-born residents. Areas with comparatively lower exposure to poverty were generally areas with a larger number of Non-Hispanic white residents.

Figure 21: Residents below Poverty

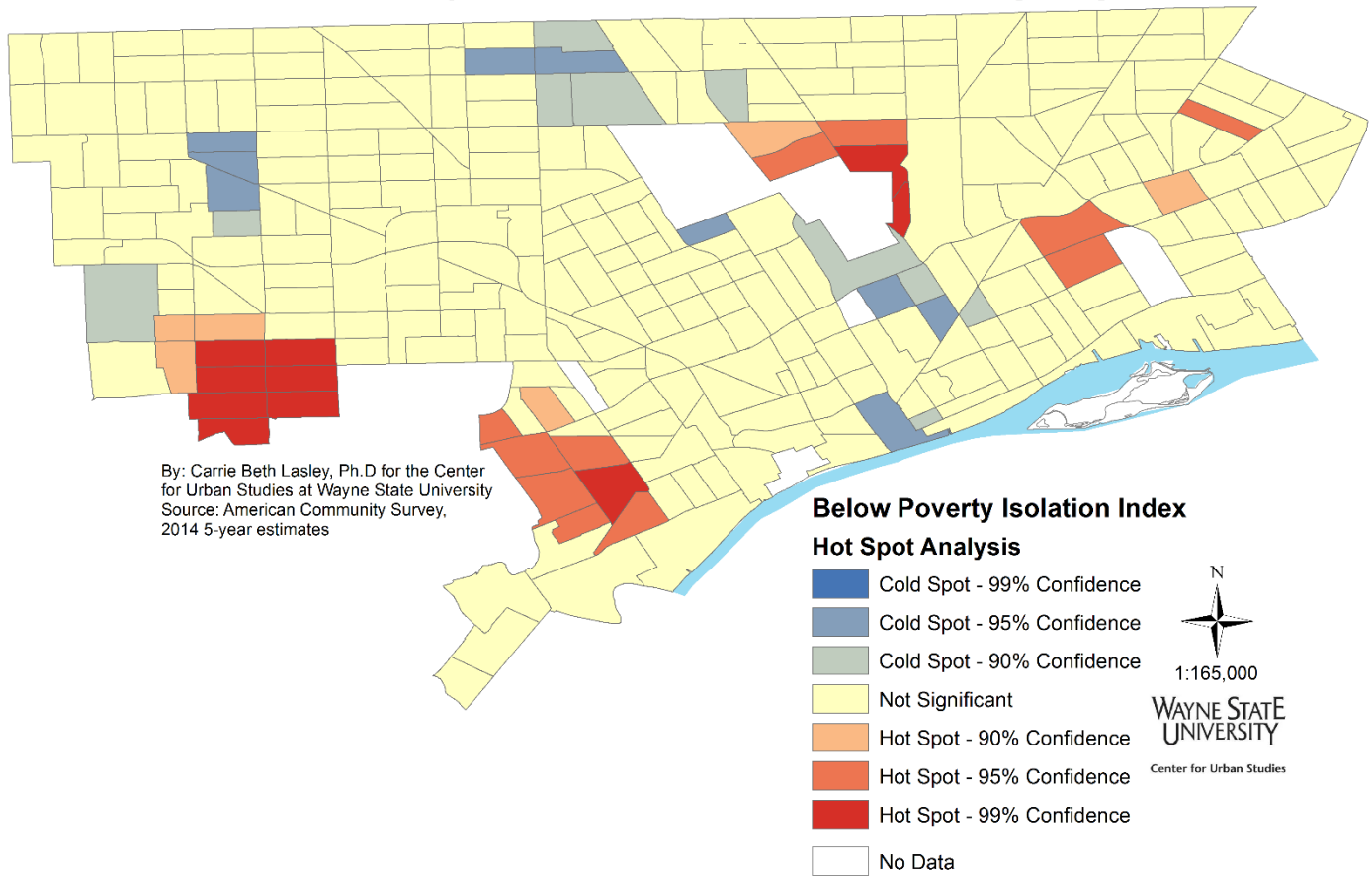
## Detroit Residents Below Poverty by Census Tract



Isolation Index of Segregation analysis was conducted to determine the level and distribution of impoverished residents in Detroit (i.e., Figure 22). A number of areas indicated a high level of concentrated poverty. Areas north and east of inset suburbs Highland Park and Hamtramck, and areas abutting suburban Dearborn in west and southwest Detroit, and to a lesser degree, some neighborhoods on the East Side demonstrate high levels of concentrated poverty in which impoverished residents are isolated from others. These areas have concentrated populations of immigrant ethnic groups, including Arabs, Asians and Hispanics. Downtown, Palmer Park, areas south of Hamtramck and Highland Park, and an area of Brightmoor on the West side indicate areas of decreased isolation of impoverished residents. In these areas, there is a lower-than-expected number of impoverished residents.

Figure 22: Poverty Isolation Index of Segregation

## Detroit Poverty Isolation Index of Segregation



### Income

With high unemployment and poverty, it is not surprising that Detroit has a low median household income. Detroit’s median household income (\$24,172) is less than half that of the national median (\$53,482) or the state median (\$49,087) and more than \$15,000 less than Wayne County’s median income (i.e., Figure 23). The census tract with the lowest median household income was just west of downtown Detroit, where the median was \$8,733. The highest was north-central in the neighborhood of Palmer Woods.

Figure 23: Median Household Income

Location	Median Household Income
Detroit	\$24,172
Wayne County	\$41,421
Michigan	\$49,087
United States	\$53,482
Low-Detroit (W Downtown)	\$8,733
High-Detroit (Palmer Woods)	\$103,587

The mean household income (\$25,112) for Detroit was slightly higher than the median, but 24.6% of tracts registered a median household income of less than \$20,000, and just one tract had a median income of over \$100,000 (i.e., Figure 24). Areas in the central part of the city largely experience the lowest median household incomes. Income generally increases with nearness to the edge of the city.

Figure 24: Median Household Income

## Detroit Median Household Income by Census Tract

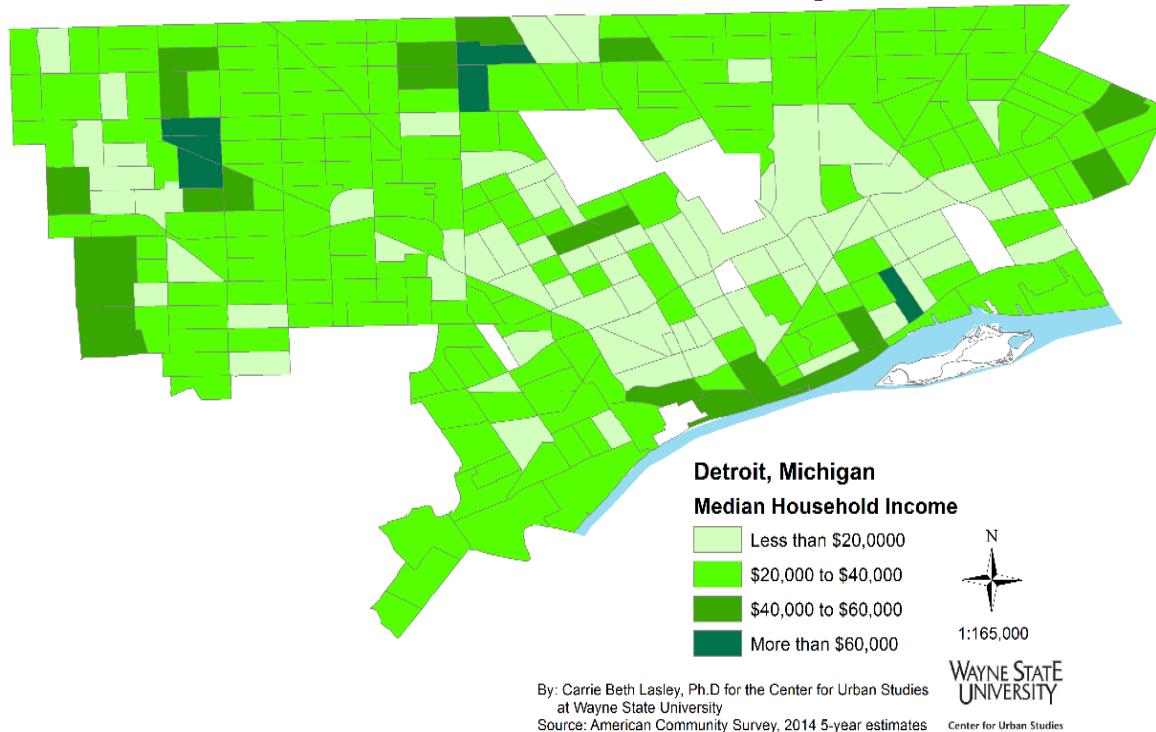


Figure 25 shows median household income as it relates to local, county, state and federal medians. Data is displayed as a percentage of the stated median. This data was also calculated as it related to the federal poverty line (not shown). The lowest-earning census tract had a median income that was 36.6 percent of the federal poverty line, and just 16.3 percent of the national median. The highest earning census tract made 434 percent of the federal poverty line, and 194 percent of the national median. The mean relationship to the federal poverty line is 105 percent or 47 percent of the national median household income.

Individual income could demonstrate a higher diversity than median household income figures. To determine if low- and high-income earners concentrate, segregation analyses of income were conducted using the isolation Index of Segregation. The results are shown in Figure 26.

Figure 25: Detroit Median Household Income by Census Tract in Relation to Other Medians

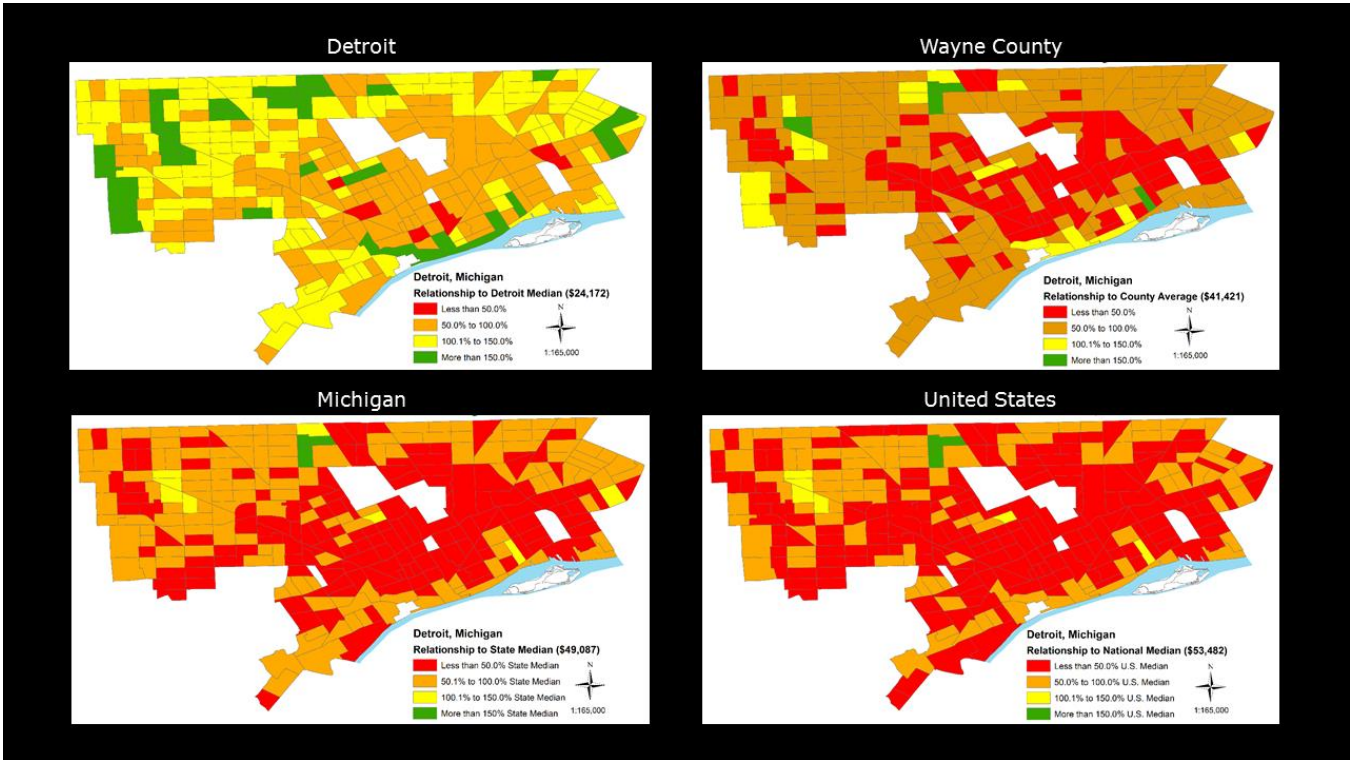
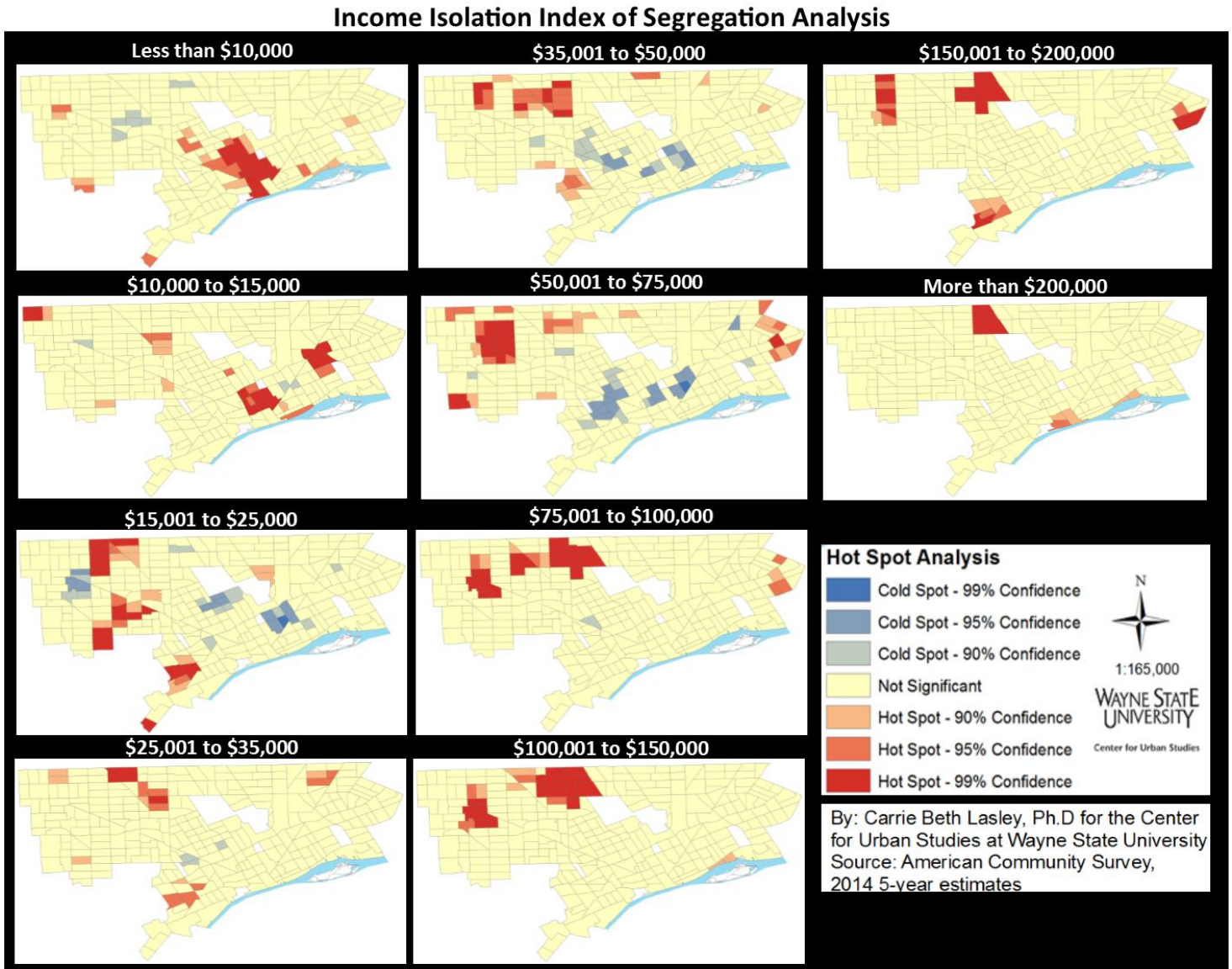


Figure 26: Income Isolation Index of Segregation in Detroit



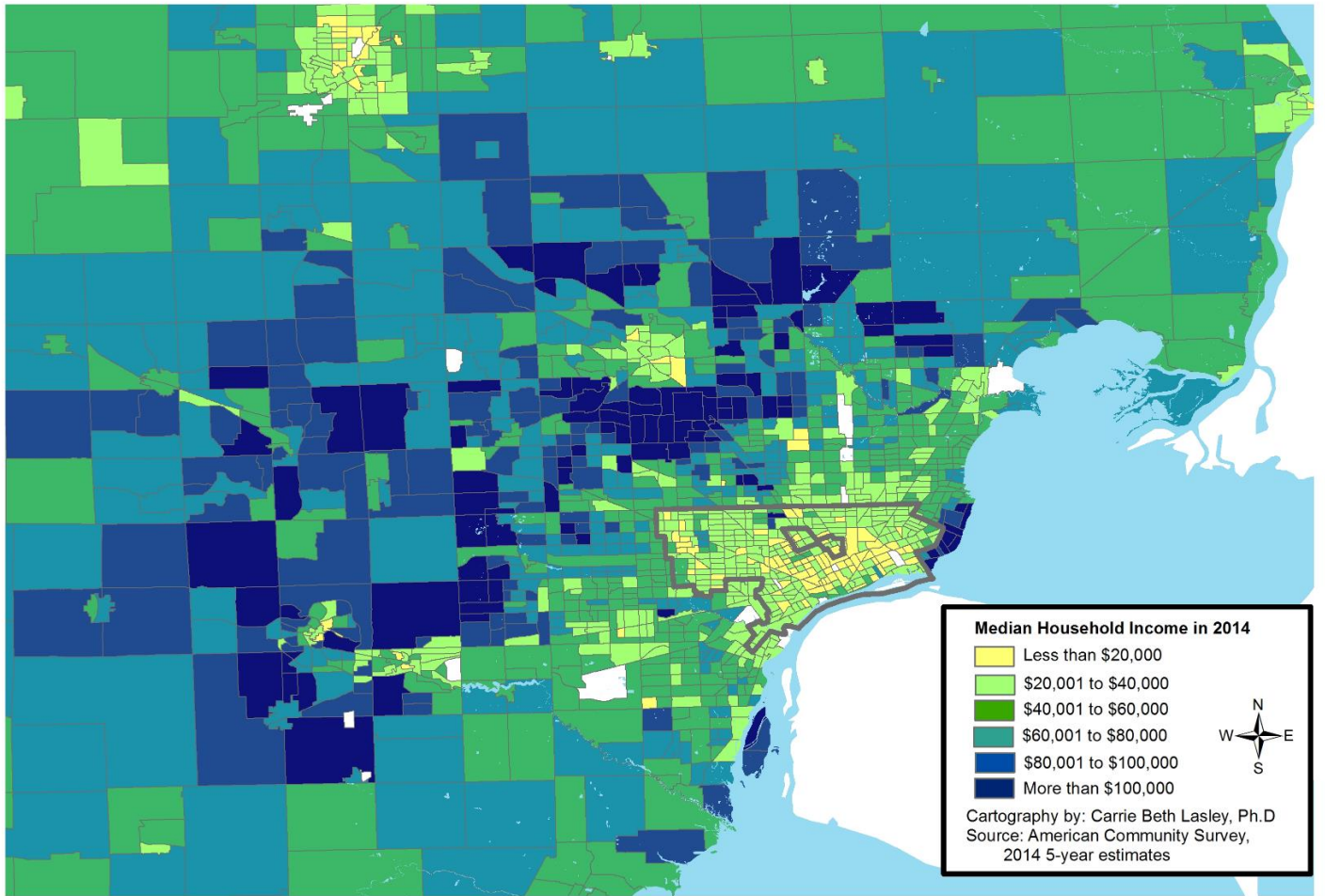
Patterns of income segregation emerge. While much of the East side and Southwest demonstrates low levels of income segregation, Northwest Detroit, North-Central and the riverfront show marked segregation. High-income earners (more than \$150,000) concentrate along the river, near the wealthy Grosse Pointe suburbs and the north-central neighborhood of Palmer Woods. Low-income earners (less than \$15,000) demonstrate clustering just outside the high-income concentrations away from the river.

The regional pattern is shown in Figure 27. Detroit has the majority of low-earning tracts and only limited areas of high income. Suburbs with lower-earning residents live nearer the city except for the Grosse Pointe on the east side near the river, which are high-earning. Most high-earning areas are well beyond city limits. Thus residents in Detroit have a high exposure to poverty, and many of those outside the city have a low exposure to poverty. Since Detroit is also the regional location with the most families, immigrants and racial and ethnic minorities, this also means that these residents are disproportionately exposed to poverty. The disproportionate exposure is reinforced by policies related to transportation.



Figure 27: Metro Detroit Median Household Income 2014

# Metro Detroit Median Household Income in 2014

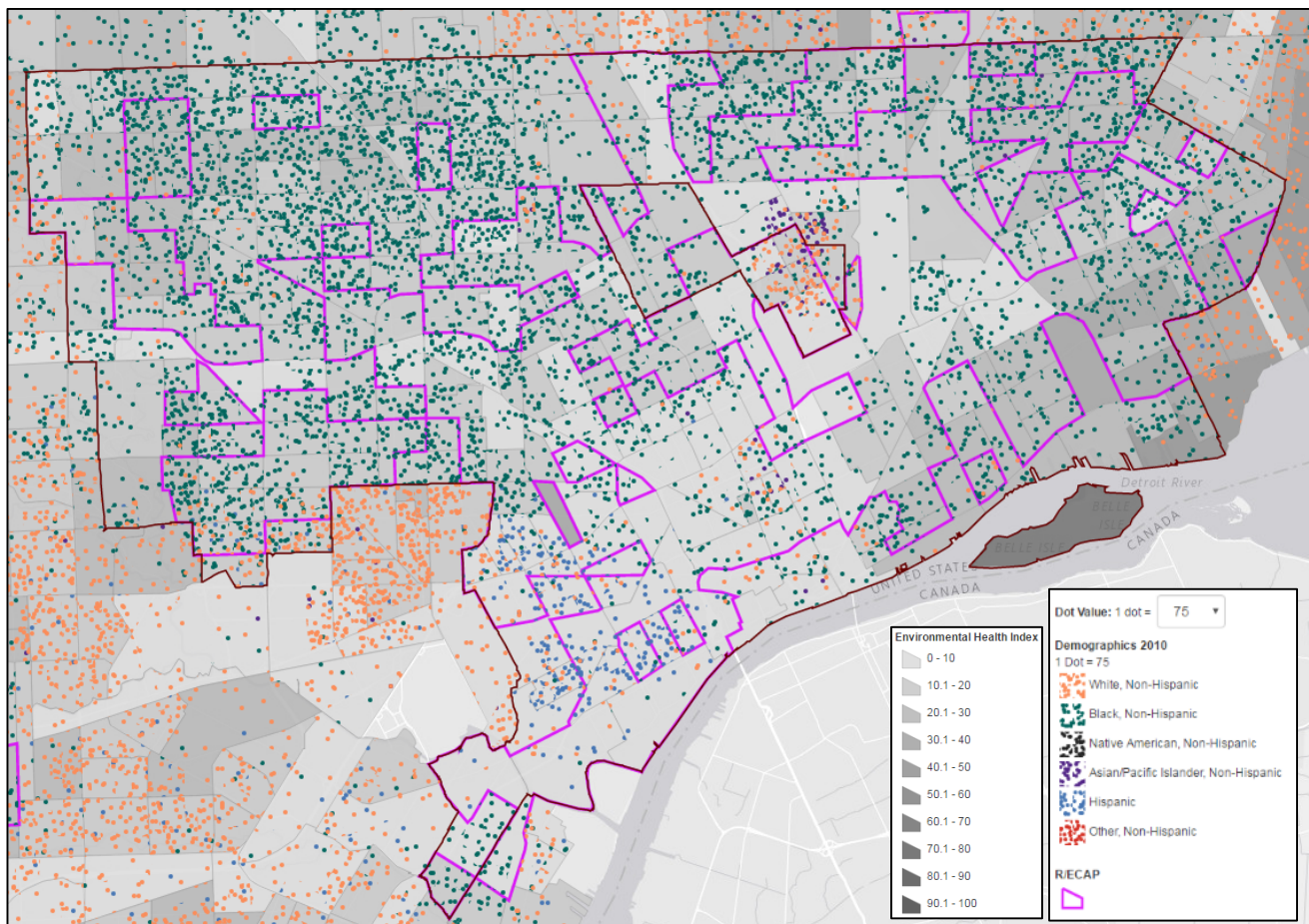


## Environmentally Healthy Neighborhood Opportunities

Detroit's rich industrial history and current position as a port and transportation hub creates a number of environmental concerns in the city and the region. In this section, the environmental health of communities will be analyzed to determine if they disproportionately impact protected groups. The AFFHT provides information about air pollution by creating an Environmental Health Index based on air quality and toxin exposure. Additional information is provided to give a fuller understanding of environmental health.

Maps 15A and 15B provided by the AFFHT indicate areas with relatively high or low environmental health based on exposure to air pollution. These maps show that, much like other amenities, environmental health gets better with distance from Detroit, thus disproportionately burdening minorities and immigrants in the area. Regionally, environmental health improves with distance from the city and major highways.

*Map 15A: Demographics and Environmental Health*



Map 15B: Demographics and Environmental Health

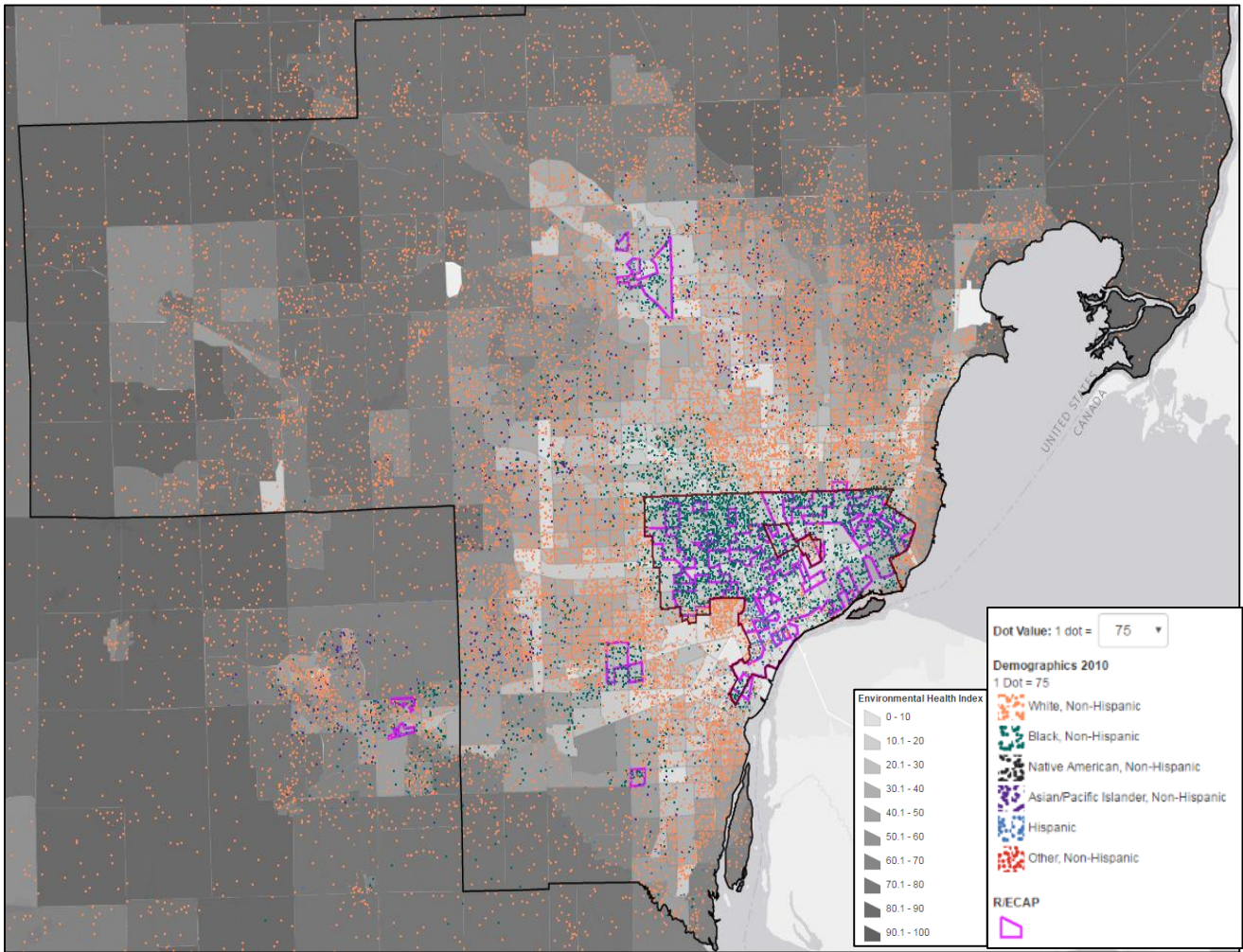
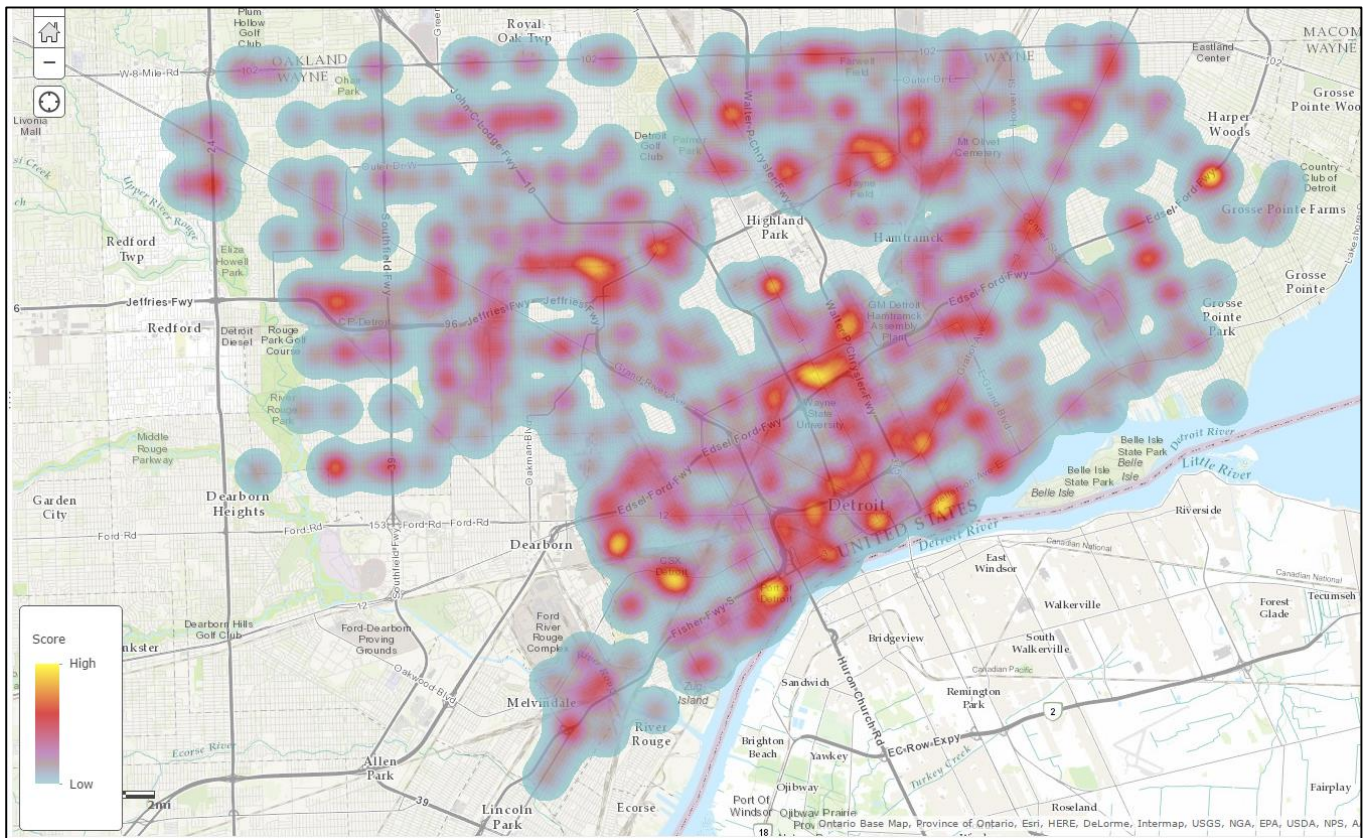


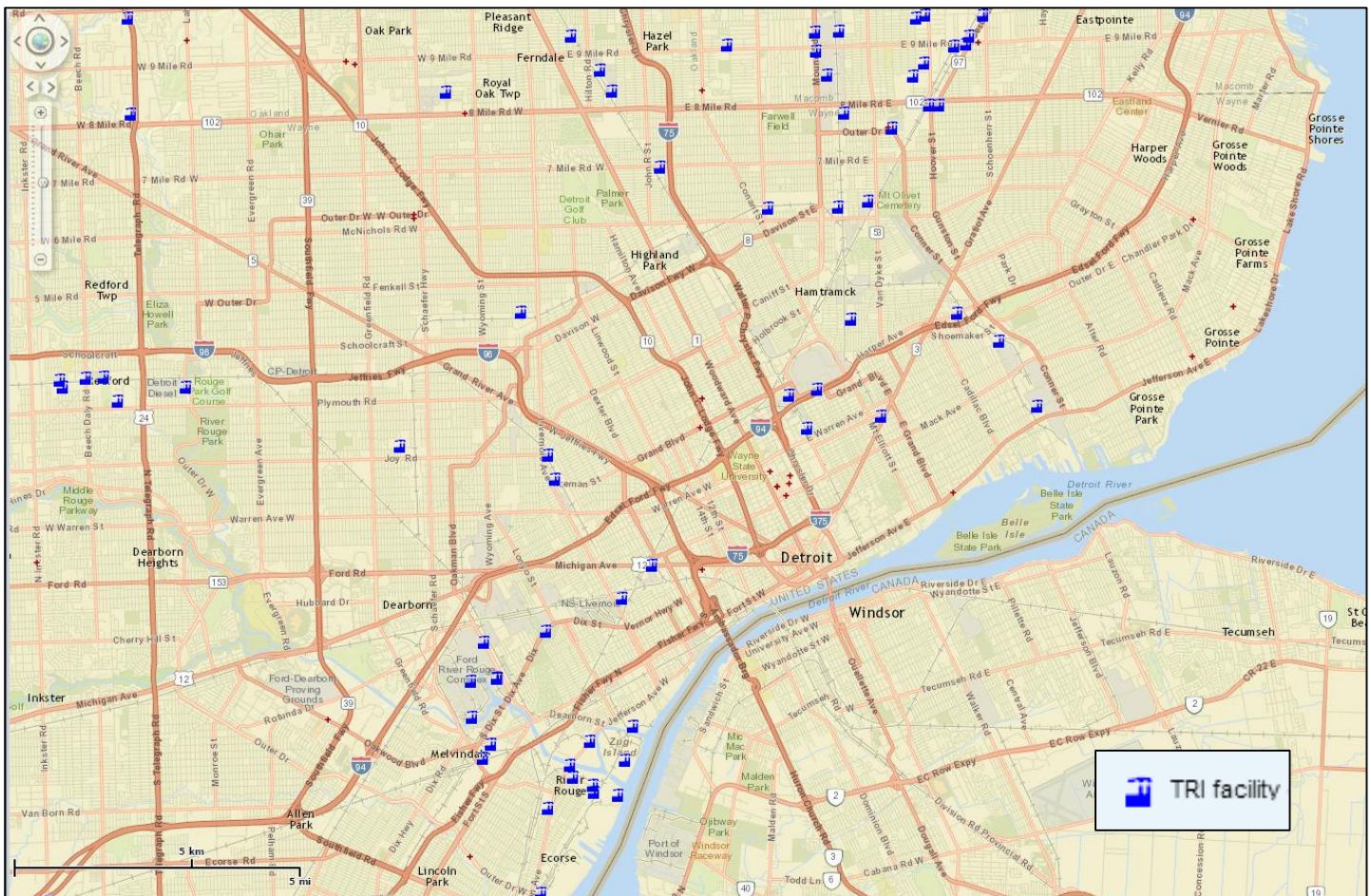
Figure 28 shows Brownfields data from the EPA and the density of these sites in Detroit. A brownfield, according to the EPA, is, “a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant,” according to the Brownfields program website. The EPA’s brownfields program began in 1995. Brownfields often represent abandoned industrial or dump sites that are costly to redevelop and may expose nearby residents to harmful toxins. Most Detroit residents live near at least one Brownfield and there is only one area of any significant size that has no exposure to brownfields – predominantly white and wealthy Palmer Park.

Figure 28: Brownfield Density in Detroit



While Brownfields can be an indicator of exposure to harmful land toxins, the EPA’s Toxic Release Inventory (TRI) can help identify areas of environmentally unhealthy air and land that is still being polluted. Polluters must register and report releases to the EPA. Figure 29 shows the EPA’s map of TRI facilities in the area. There is a concentration of TRI facilities in Southwest Detroit and nearby areas. There is also a concentration in Northeast Detroit and nearby. Southwest residents are proportionately more likely to be immigrants, and residents in Northeast Detroit are more likely to be African American. Both areas have a large number of families. These areas also fail to include areas of wealth in the city. Thus, residents would be less likely to have access to information about how their environment impacts them and their families and would have less political capital to lobby decision makers to reduce pollution or encourage new polluters to locate elsewhere. These residents may also be less likely to have access to comprehensive health care to address developing health problems.

Figure 29: Toxic Release Inventory Locations in Detroit



### Patterns in Disparities in Access to Opportunity

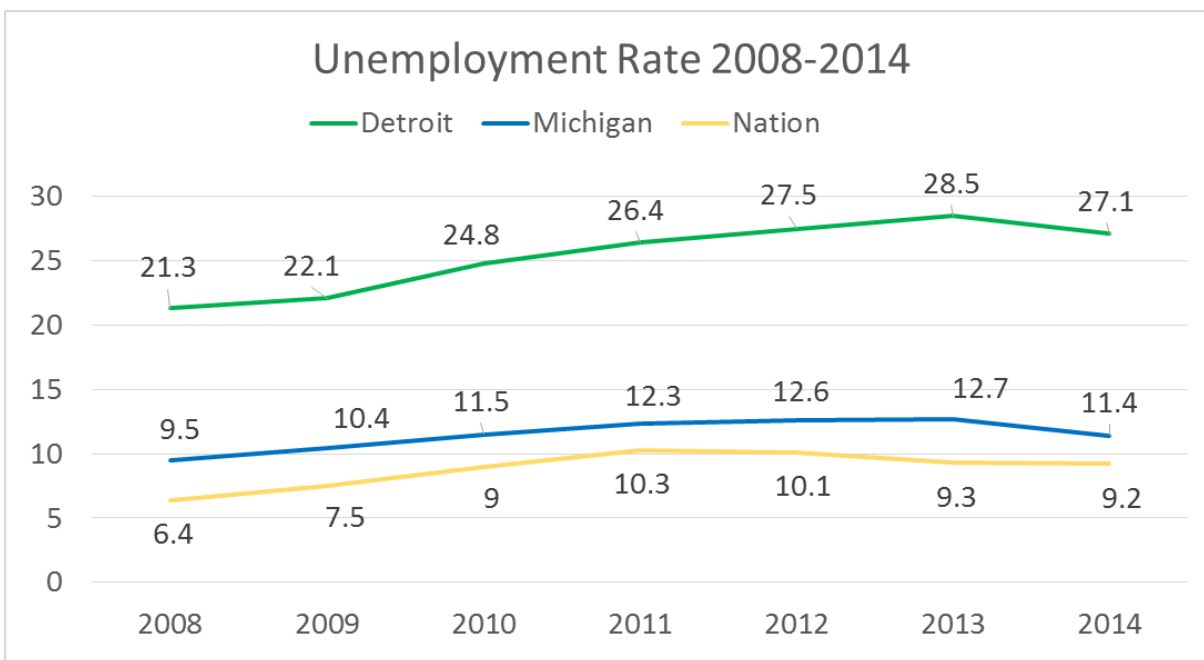
Throughout the nation and the world, environmentally undesirable land uses have been sited in minority and poor neighborhoods for a number of reasons, including the lower costs of occupancy, lighter zoning and inability of residents to mount a successful public campaign to get the undesirable land use to choose another location. Residents with money and access to political and economic power structures often successfully lobby to get dirty industry and polluters to locate elsewhere, with minorities and the poor being economically limited to areas with poor environmental conditions, and then being incapable of relocating due to decreased property values related to pollution.

In the previous section, we examined the level of access to opportunity Detroit residents face to better understand how it may impact housing fairness in the city and the region. Most opportunities were limited for all city of Detroit residents, while opportunities are available to suburban residents, who are more likely to be white, employed and without children. Opportunities for education and jobs fall disproportionately lower for most Detroit residents, who tend to be among the poorest in the region and are more likely to be a racial or ethnic minority. While policies may enable a resident to access these resources by the word of the law, limited resources - including the intentional limiting of transportation resources by some municipalities - reduce the ability to access them.

Also provided by the AFFHT is a summary of access demographics for the areas covered in this section. An additional look at the data uncovers a few new patterns. While statistics in the city show a pattern of decreased variability among groups, which is to say that all groups inside the city of Detroit face an equally high number of burdens and a low number of opportunities, Hispanic residents in Detroit face higher environmental health burdens than other groups in the city and in the region as a whole. At the regional level, a pattern of disparity emerges among races. Asians and non-Hispanic whites have low poverty exposure and higher access to proficient schools than other groups at the regional level.

In addition to posting a high poverty rate, Detroit also has very high unemployment rates. In 2014, the unemployment rate of 27.1 percent represented a decrease in unemployment over the previous year but was nearly triple the national average in that year (9.2 percent). This was the first indication of improvement in unemployment since at least 2008 at the city level (i.e., Figure 30).

Figure 30: Unemployment in Detroit and Nation 2008-2014



Unemployment was not uniform across the city in 2014 (Figure 31). Areas on the East Side and in the center of the city had generally higher unemployment than areas on the West side, Downtown or Midtown. Unemployment rates varied from 1.8 percent in downtown Detroit to 57.3 percent in Central Detroit. In 8 of 297 tracts, the majority of the population was unemployed.

Using unemployment rates by census tract from the 2014 American Community Survey 5-year estimates, an analysis of the Isolation Index of Segregation was conducted to determine if there were areas of concentrated employment and unemployment in the city (i.e., Figure 32). When analyzed for segregation, this pattern of high unemployment in some areas and low unemployment in others results in patterns of concentrated unemployment and isolation from unemployment. The analysis indicated that areas along 7 Mile Road in northern Detroit on both sides had numerous areas of concentrated unemployment. In contrast, areas in Midtown and Downtown indicated concentrated employment at a higher rate than would exist in an even distribution.

Figure 31: Percent of Residents Unemployed

## Detroit Unemployment by Census Tract

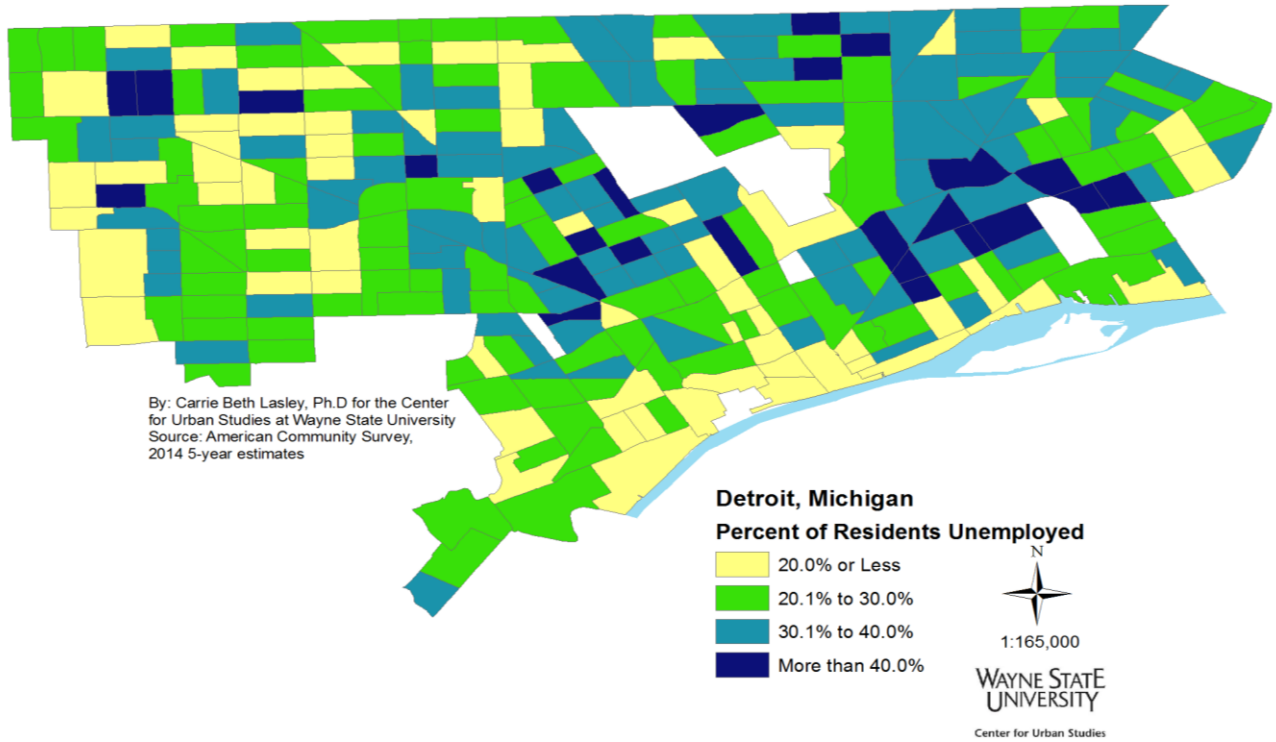
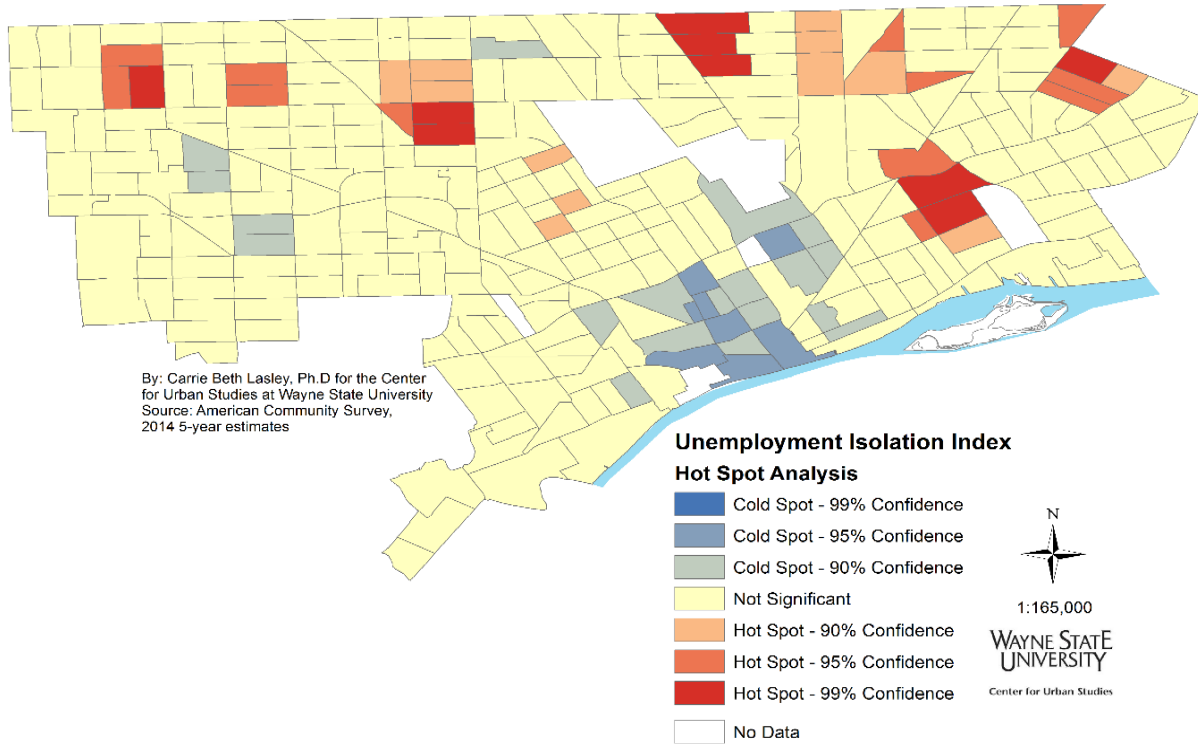


Figure 32: Unemployment Isolation Index of Segregation

## Detroit Unemployment Isolation Index of Segregation



## Contributing Factors of Disparities in Access to Opportunity

Across a range of access to opportunity metrics, a picture of inequity emerges. Suburban residents, especially white and Asian suburban residents, have a disproportionately high access to opportunity when compared to others. Detroit residents have lower access to opportunity than do suburban residents. This is true across the board except for transportation, in which all groups were approaching equity.

This pattern is likely to continue and to worsen. Regional cooperation appears to be finally coming to fruition in transportation, where there is the least inequity. At the same time, Detroit Public Schools is in emergency management, weathering scandal and possibly facing closures due to poor performance. Regional cooperation will need to be more than an open-enrollment policy if the policy is going to address the needs of children.

Targeting investment in neighborhoods that have the possibility of being stabilized will also increase inequities. Limiting investment to high-performing neighborhoods means that the problems in low-performing areas are likely to worsen. This means reduced property values and increased housing abandonment. This also reduces the obstacles for polluting industry to enter these neighborhoods as a fast-fix for property abandonment.

In education, employment, and environmental health, clear patterns of disparity emerge. School quality and the labor market improve with distance from Detroit, which is predominantly minority and has the largest number of immigrants. The lack of a viable regional transit solution limits the access of some to jobs and quality schools, as well as fresh air and clean soil. Air quality worsens with nearness to Detroit. Historic policies established this urban-suburban distinction, but years after discriminatory housing practices have been deemed illegal, Detroit remains overburdened and its residents lack access to opportunities that other communities have. While policies such as open-enrollment education and regional transit, theoretically remove barriers to access, income, transportation, and segregation remain strong hurdles for Detroit residents to access opportunities in real ways. Detroit residents are more likely to be a member of a protected class than their suburban counterparts.

Historical racism, discriminatory housing patterns and racial conflict created these strong patterns of segregation. In 2015, journalists at the Huffington Post named Detroit as the most segregated city in the United States. Modern housing discrimination and the effects of the mortgage crisis burdened minorities more than others. Detroit was among one of the most impacted cities by the over-saturation of sub-prime mortgages and the resulting foreclosures. This inability to access market-rate mortgages from the financial sector is one historical and current factor that contributes to access to opportunity today.

The flight of residents with higher incomes to suburban areas also reduces the city's ability to provide services to those who remain. Lower revenues from lower-income earners and decreased property values led to the financial bankruptcy situation from which Detroit emerged recently. Private investment often follows public investment, and thus, employers and others invest in suburban communities, further increasing disparities between suburbs and Detroit.

Federally, the 2013 formalizing of standards related to disparate impact could greatly impact Detroit residents' housing futures. The codification of this intent is to mitigate unfair mortgage practices, such as those practiced heavily in Detroit leading up to the 2009 economic crisis. Mortgage lenders had been targeting previously underserved minority communities for the purpose of benefiting from higher rates and defaults. New language in the law makes these practices illegal as part of the Fair Housing Act, and, if successful, would likely impact the rate of foreclosures in the city and region moving forward and mitigate issues related to property abandonment. Prior to formalizing the language, there had been a number of high-profile cases to reach the Supreme Court related to unfair housing practices, citing concerns such as racial profiling, adjusting rates and payment scales based on race and other factors. The first of these cases



to cite a “disparate impact” on a protected group was related to Detroit. In *Adkins, et al vs. Morgan Stanley*, the plaintiffs are Detroit residents who were given a mortgage after being told to exaggerate income on the application by brokers. Similar loans with known high likelihoods for default were packaged and sold on the secondary mortgage market to pensions. The class action suit was denied by the courts, stating that it was not appropriate for a class action case, but it paved the way for others. Cases against Countrywide, Wells Fargo, SunTrust, C&F and PrimeLending were settled after the Department of Justice found they violated Fair Housing laws, leading to the clarification in the law. These actions are likely to reduce the uneven abandonment experienced in Detroit since the last report.

#### **iv. Disproportionate Housing Needs**

HUD provides three metrics for examining housing needs and burdens. These are: 1) housing cost burden and severe housing cost burden, 2) overcrowding, and 3) substandard housing. Housing cost burden relates to housing costs as a share of household income. A household is cost-burdened when the cost of rent or mortgage and utilities is 30% or more of its income, and is severely cost-burdened when the housing cost is 50% or more of income. Overcrowding is determined when a household has more than one person per room in the home. Substandard housing is related to the absence or inoperability of kitchen and bathroom facilities.

The HUD AFFH tool combines the key elements of these three metrics to assess housing problems and severe housing problems. Housing problems consist of incomplete kitchen facilities, incomplete plumbing, more than one person per room, and housing cost burden greater than 30%. The distribution of housing problems by race and familial status for Detroit and the Detroit-Warren-Dearborn region is presented in Table 9. Table 9 also provides the distribution of housing problems by three family type categories - namely, small family (less than 5 members), large family (5 or more members), and non-family household (e.g. single person or roommates).

*Table 9: Demographics of Households with Disproportionate Housing Needs*

<b>Disproportionate Housing Needs</b>	<b>(Detroit, MI CDBG, HOME, ESG) Jurisdiction</b>			<b>(Detroit-Warren-Dearborn, MI CBSA) Region</b>		
<b>Households experiencing any of 4 housing problems*</b>	<b># with problems</b>	<b># households</b>	<b>% with problems</b>	<b># with problems</b>	<b># households</b>	<b>% with problems</b>
<b>Race/Ethnicity</b>						
White, Non-Hispanic	9,735	24,615	39.55	370,390	1,172,225	31.60
Black, Non-Hispanic	112,655	215,370	52.31	183,659	362,846	50.62
Hispanic	6,210	12,145	51.13	20,319	46,381	43.81
Asian or Pacific Islander, Non-Hispanic	1,255	2,385	52.62	13,179	45,566	28.92
Native American, Non-Hispanic	409	723	56.57	1,717	4,463	38.47
Other, Non-Hispanic	1,915	3,599	53.21	9,491	20,598	46.08
<i>Total</i>	<i>132,205</i>	<i>258,865</i>	<i>51.07</i>	<i>598,785</i>	<i>1,652,100</i>	<i>36.24</i>
<b>Household Type and Size</b>						
Family households, <5 people	58,935	122,045	48.29	282,125	931,024	30.30
Family households, 5+ people	18,005	29,580	60.87	67,705	154,444	43.84
Non-family households	55,265	107,250	51.53	248,975	566,655	43.94
<b>Households experiencing any of 4 Severe Housing Problems**</b>	<b># with severe problems</b>	<b># households</b>	<b>% with severe problems</b>	<b># with severe problems</b>	<b># households</b>	<b>% with severe problems</b>
<b>Race/Ethnicity</b>						
White, Non-Hispanic	6,140	24,615	24.94	174,060	1,172,225	14.85
Black, Non-Hispanic	71,955	215,370	33.41	110,449	362,846	30.44
Hispanic	4,134	12,145	34.04	11,603	46,381	25.02
Asian or Pacific Islander, Non-Hispanic	905	2,385	37.95	6,769	45,566	14.86
Native American, Non-Hispanic	244	723	33.75	883	4,463	19.78
Other, Non-Hispanic	1,054	3,599	29.29	5,017	20,598	24.36
<i>Total</i>	<i>84,440</i>	<i>258,865</i>	<i>32.62</i>	<i>308,805</i>	<i>1,652,100</i>	<i>18.69</i>
<p>Note 1: The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%. The four severe housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 50%.</p> <p>Note 2: All % represent a share of the total population within the jurisdiction or region, except household type and size, which is out of total households.</p> <p>Note 3: Data Sources: CHAS</p> <p>Note 4: Refer to the Data Documentation for details (<a href="http://www.hudexchange.info">www.hudexchange.info</a>).</p>						

The distribution shows that more than half of households in Detroit (51.1%) have housing problems, 32.6% of them severe. Both are much higher than the percentages for the Detroit-Warren-Dearborn region where 36.2% of households have housing problems with 18.7% severe. The distribution further shows that

all the major racial/ethnic groups in Detroit are affected by housing problems. The racial/ethnic groups most affected by severe housing problems are Asian or Pacific Islanders (38.0%), Hispanics (34.0%), Native Americans (33.8%), and Black/African Americans (33.4%). Whites (24.9%) are the least affected.

The distribution of housing problems by family size shows that Detroit families in all the three categories are affected. However, the most affected are large families (60.9%) followed by non-family households (51.5%) and small families (48.3%).

### Housing Cost Burden and Severe Housing Cost Burden

This study revealed that a high percentage of households in Detroit are severely cost-burdened. It further showed that all racial and ethnic groups in Detroit are cost-burdened. The percentage of cost-burdened households ranges from 21.9% among Whites (non-Hispanic) to 31.8% among Native Americans (non-Hispanic). The distribution of households with severe cost burden is presented in Table 10 by race and type of household for Detroit and the larger Detroit-Warren-Dearborn region.

*Table 10: Demographics of Households with Severe Housing Cost Burden*

Households with Severe Housing Cost Burden*	(Detroit, MI CDBG, HOME, ESG) Jurisdiction			(Detroit-Warren-Dearborn, MI CBSA) Region		
	# with severe cost burden	# households	% with severe cost burden	# with severe cost burden	# households	% with severe cost burden
Race/Ethnicity						
White, Non-Hispanic	5,390	24,615	21.90	159,470	1,172,225	13.60
Black, Non-Hispanic	64,950	215,370	30.16	100,090	362,846	27.58
Hispanic	3,115	12,145	25.65	9,060	46,381	19.53
Asian or Pacific Islander, Non-Hispanic	570	2,385	23.90	4,805	45,566	10.55
Native American, Non-Hispanic	230	723	31.81	780	4,463	17.48
Other, Non-Hispanic	835	3,599	23.20	4,404	20,598	21.38
<i>Total</i>	<i>75,090</i>	<i>258,865</i>	<i>29.01</i>	<i>278,609</i>	<i>1,652,100</i>	<i>16.86</i>
<b>Household Type and Size</b>						
Family households, <5 people	34,210	122,045	28.03	126,858	931,024	13.63
Family households, 5+ people	8,460	29,580	28.60	25,417	154,444	16.46
Non-family households	32,429	107,250	30.24	126,337	566,655	22.30
Note 1: Severe housing cost burden is defined as greater than 50% of income.						
Note 2: All % represent a share of the total population within the jurisdiction or region, except household type and size, which is out of total households.						
Note 3: The # households is the denominator for the % with problems, and may differ from the # households for the table on severe housing problems.						
Note 4: Data Sources: CHAS						
Note 5: Refer to the Data Documentation for details ( <a href="http://www.hudexchange.info">www.hudexchange.info</a> ).						

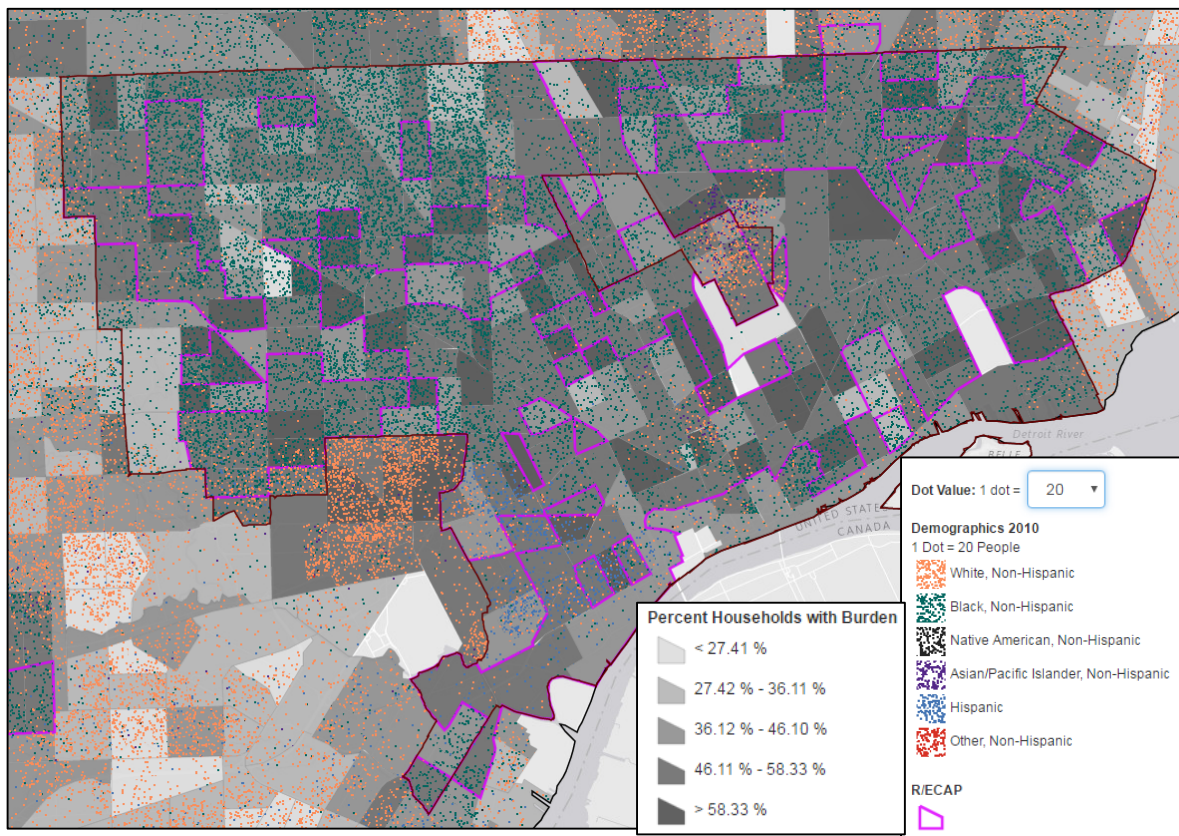
Table 10 shows that households with severe cost burden are more concentrated in Detroit (29.0%) than the region (16.9%). Table 10 further shows that Native American (non-Hispanic) and Black and African-Americans are the most severely cost-burdened racial/ethnic groups in Detroit (31.8% and 30.2%, respectively). However, the number of severely cost-burdened Native American households in Detroit (230) pales in comparison with the number of severely cost-burdened Black and African American households (64,950). At the regional level, the most severely cost-burdened racial/ethnic groups are: Black and African Americans (27.6%) and non-Hispanics of some other race (21.4%). The least severely cost-burdened racial group in Detroit is non-Hispanic White (21.9%) and in the region is Asian or Pacific Islander (10.6%).

In Detroit, severe housing cost burden affects a slightly higher percentage of non-family households (30.2%) than small family households (28.0%) and large family households (28.6%). Similar to the breakdown by ethnicity, these percentages are relatively lower at the regional level. In the region, a higher percentage of non-family households (22.3%) are severely cost-burdened compared to large family households (16.5%) and small family households (13.6%).

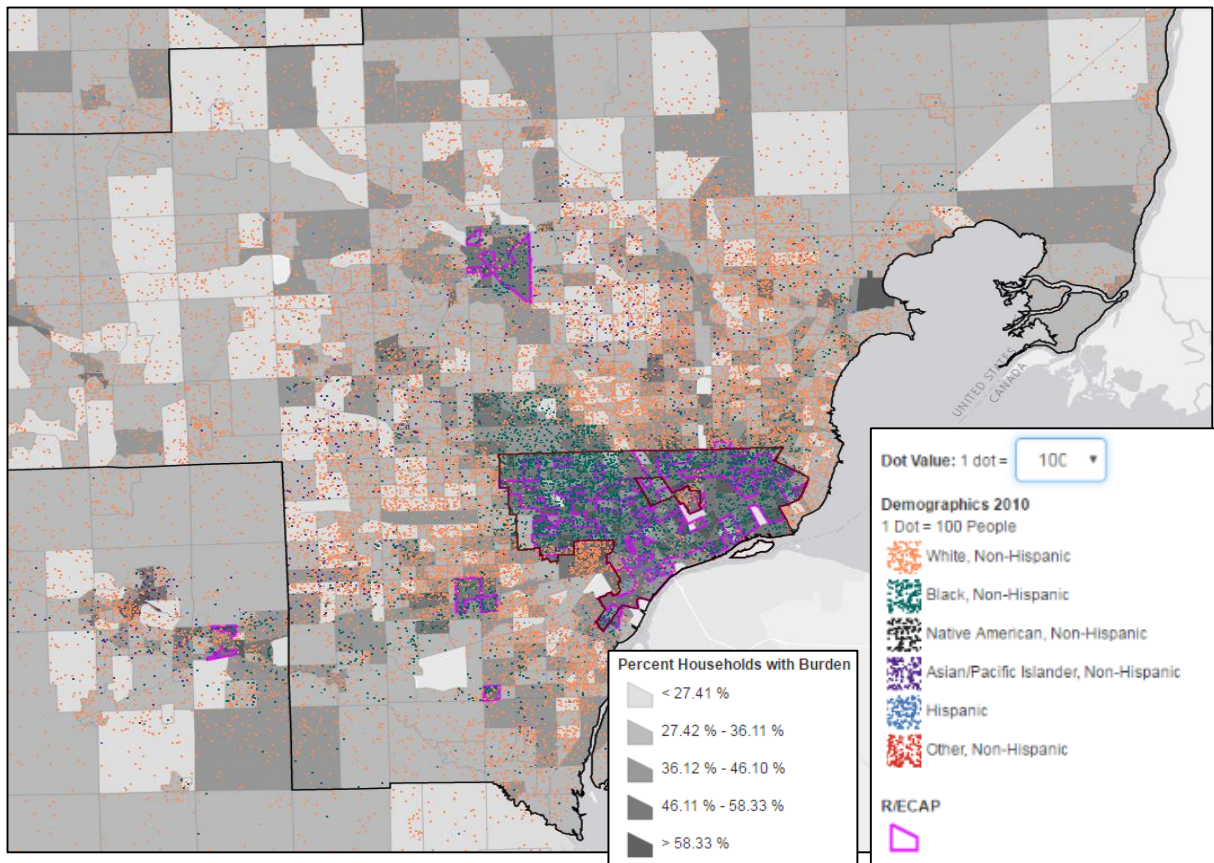
The AFFHT provides maps related to housing burdens and needs (i.e., Maps 7 and 8). These maps indicate that Detroit and other areas with a large minority population (i.e., segregated/isolated areas) have a disproportionate housing burden when compared to other areas of the region, and these areas are best viewed as R/ECAPs on the maps. There are just a few census tracts in the region in which there is both a high housing burden and a majority non-Hispanic white population, such as those areas near Ann Arbor. Housing burden areas in the city of Detroit align with the racially segregated areas of African American and Hispanic residents (i.e., refer to Figures 8-10, and 12). In other words, the African American hot spots of northwestern and eastern Detroit have a high percentage of households with housing burden (i.e., Figures 8 and Map 7). Furthermore, the Hispanic hot spot of southern Detroit also has a high percentage of households with housing burden (i.e., Figure 12 and Map 7).

Areas inside and outside of the R/ECAP areas have approximately equal burden in the city of Detroit. However, R/ECAP communities outside of Detroit have higher housing burdens than neighboring communities. A look at the statistics for severe housing burden by demographic group indicates that in the city and in the region, African American and Hispanic residents are disproportionately burdened more than other groups, and this difference is more pronounced at the regional level. No family size appears to be more greatly burdened than others.

Map 7: Housing Burden and Race/Ethnicity



Map 8: Housing Burden and Race/Ethnicity



In the city of Detroit, housing was more burdensome overall, compared to the rest of the region. Areas inside and outside of R/ECAP areas appear to be similarly burdened in Detroit. However, R/ECAP communities outside of Detroit have higher housing cost burdens compared to neighboring communities.

### Housing Types and Overcrowding

Detroit has a range of housing types; from studios and one-bedroom units to five-bedroom units. Together, two and three bedroom homes form more than 70 percent of the housing in Detroit, as shown in Figure 33. The most common housing type is 3-bedroom homes which make up more than 40 percent of Detroit homes, and these are well spread across the city (Figure 34).

The locations of available housing types in Detroit are shown in Figures 34 and 35. Smaller apartments are more common in Downtown and Midtown areas, while larger homes are more common in such historic areas as Palmer Park, Boston-Edison and Indian Village. Efficiencies and one-bedroom can be difficult to find near the suburbs.

Figure 33: Housing Type by Bedroom in Detroit

**BEDROOMS PER HOUSE IN DETROIT 2014**

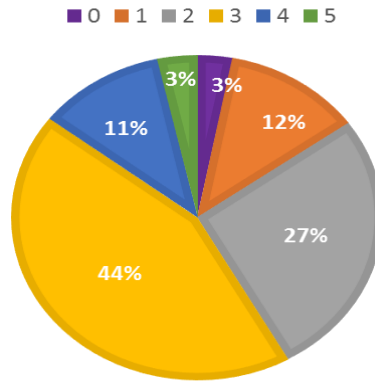


Figure 34: Locations of Housing Types by Bedroom

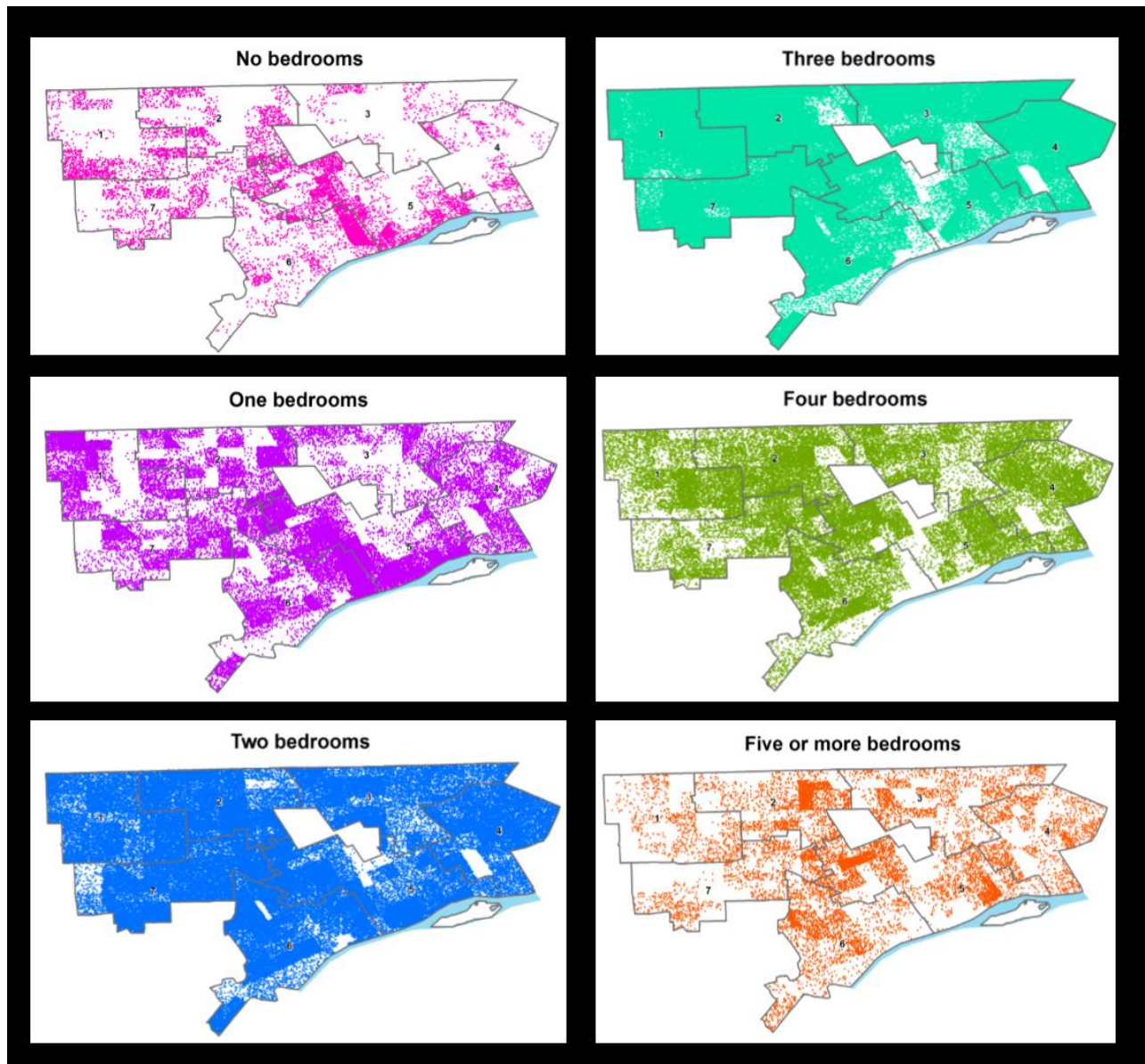
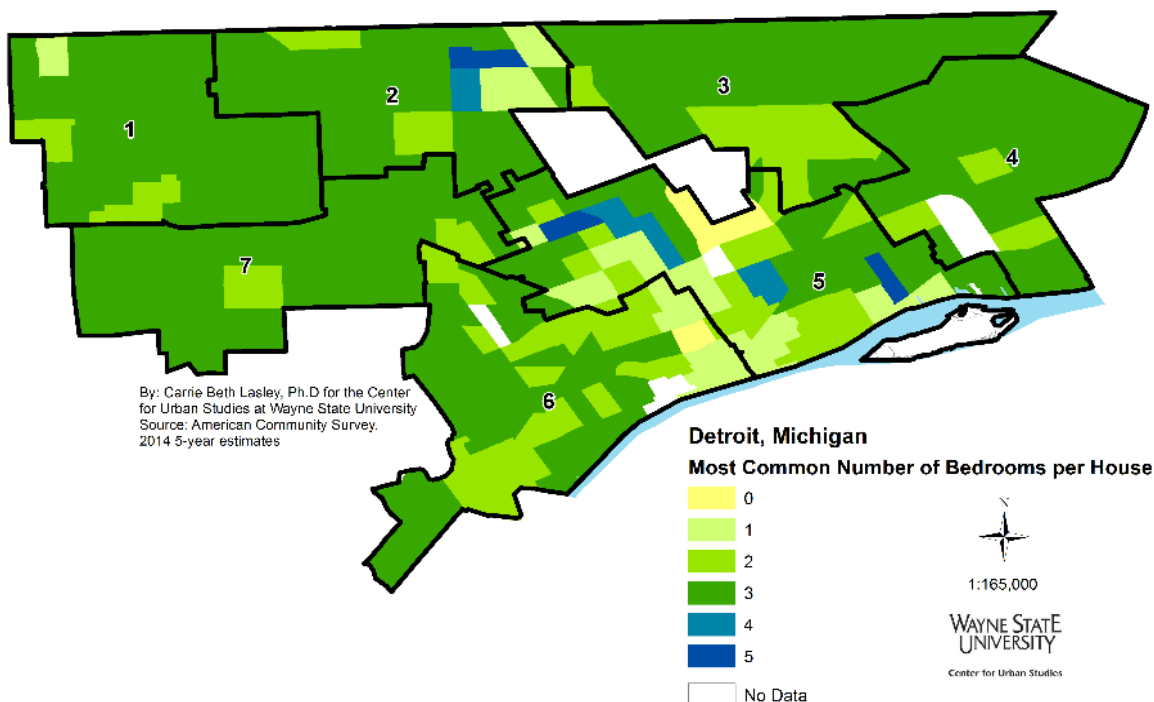


Figure 35: Most Common Housing Types by Bedroom

## Most Prevalent Number of Bedrooms by Census Tract



Overcrowding, measured as a home with more than one person per room, is more prevalent in Detroit than in other parts of the region, as shown in Figures 36 and 37. Overcrowding is very high in the areas of Hamtramck, Southwest Detroit, Dearborn, which have large concentrations of ethnic minorities including as Arabs, Hispanics, and Asians.

Figures 36 shows that Detroit has a higher incidence of overcrowding compared to the region. The area with the highest levels of overcrowding is South-East Detroit and Hamtramck where between 6 and over 10 percent of homes have more than one person per room (see Figure 37). Although there is overcrowding in most other areas in Detroit, it is relatively mild with 1 to 3 percent of homes having more than one person per room.

Figure 36: Overcrowding in Metro Detroit

### Overcrowding in Metropolitan Detroit, 2014

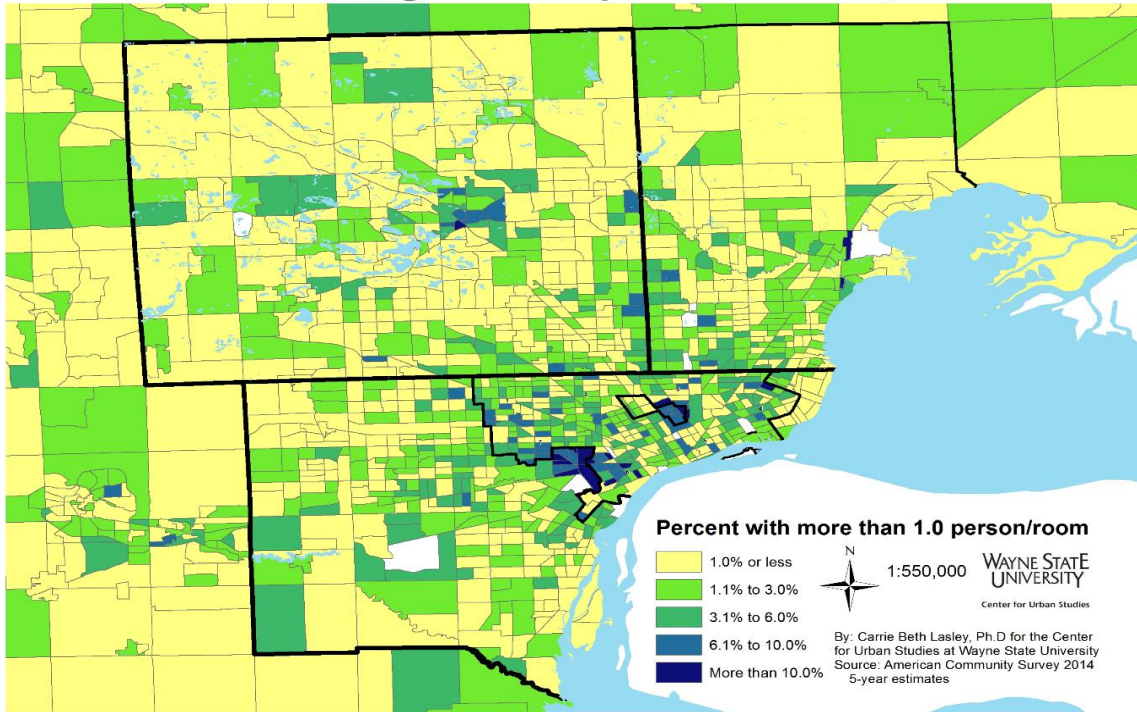
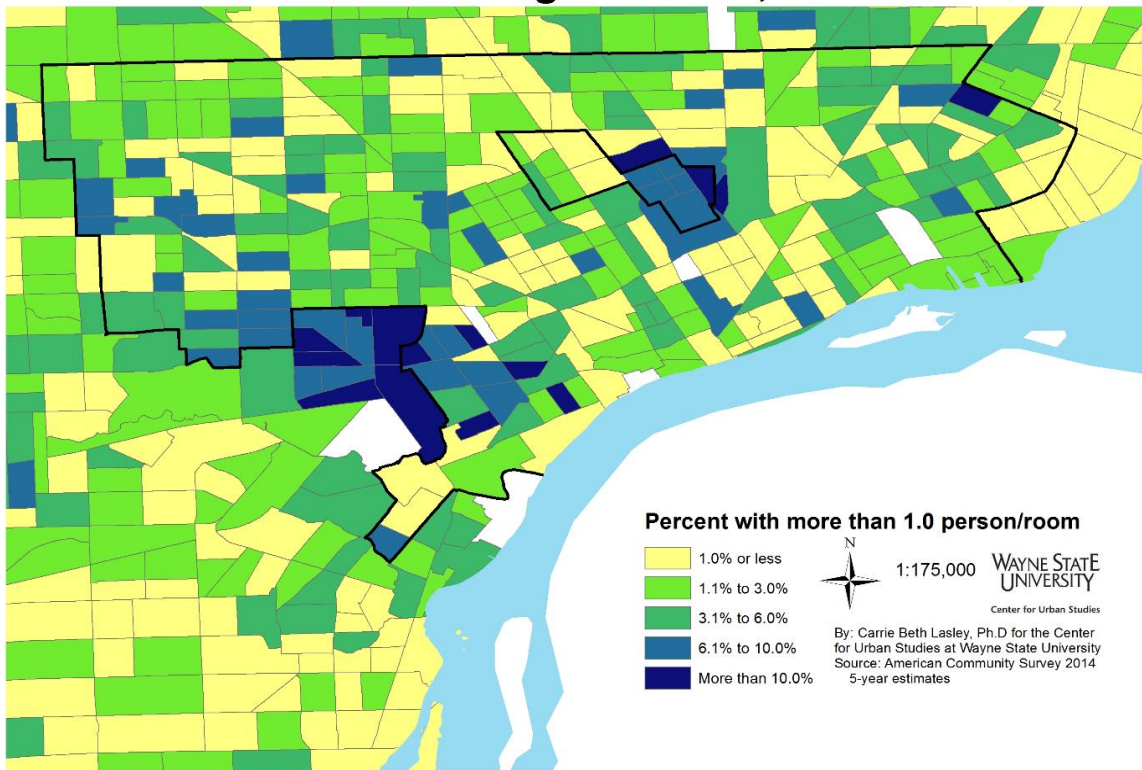


Figure 37: Overcrowding in Detroit

### Overcrowding in Detroit, 2014





## Publicly Supported Housing

There are four main publicly supported housing programs in Detroit; namely, Public Housing which are brick-and-mortar publicly-owned and managed units; Project-Based Section 8 Housing, which provides subsidy payments for private market rental housing; Other Multifamily Housing, which provides subsidy payments for private projects with set-aside units for affordable housing; and the Housing Choice Voucher (HCV) Program, which provides vouchers for rent assistance to recipients. Table 11A shows the availability of publicly-supported housing by category. The table shows that most households with children utilize the Housing Choice Voucher Program and Public Housing. Families with children also form about one-fifth of Project-Based Section 8 housing users. HCV and Public Housing have more 3+ bedroom units, while Other Multifamily and Project-Based Section 8 are associated with smaller housing units.

*Table 11A: The Distribution of Publicly Supported Housing Programs by Number of Bedrooms and Number of Children*

	<b>(Detroit, MI CDBG, HOME, ESG) Jurisdiction</b>							
	<b>Households in 0-1 Bedroom Units</b>		<b>Households in 2 Bedroom Units</b>		<b>Households in 3+ Bedroom Units</b>		<b>Households with Children</b>	
<b>Housing Type</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Public Housing	1,347	47.53	608	21.45	847	29.89	1,114	39.31
Project-Based Section 8	7,690	70.06	2,482	22.61	754	6.87	2,387	21.75
Other Multifamily	1,585	93.29	92	5.41	12	0.71	96	5.65
HCV Program	2,169	22.35	2,182	22.49	5,069	52.24	4,815	49.62
Note 1: Data Sources: APSH								
<a href="http://www.hudexchange.info">Note 2: Refer to the Data Documentation for details (www.hudexchange.info).</a>								

## Rates of Renter and Owner Occupied Housing

Rates of owner-occupancy increase with distance from the center of Detroit. Rural areas and outlying suburbs have owner-occupancy rates exceeding 80 percent. Detroit's city center, on the other hand, has owner-occupancy rates below 20 percent. This implies low rates of home ownership among minorities and immigrants who are the primary residents of the city center.

A number of factors, in addition to historical and continuing racial and financial segregation contribute to the disparity in home ownership. Home financing and home insurance barriers are key contributing factors to the disparity in home ownership. Homes with very low property values are difficult to finance; it is difficult to find a mortgage broker willing to write for a low sum. This, coupled with high insurance rates, further increase the costs of owning a home in Detroit compared to its suburban areas, and this disproportionately affects minorities and immigrants.

## Contributing Factors of Disproportionate Housing Needs

Detroit offers a range of homes for residents and families of all sizes, but needs to prioritize creating affordable housing to reduce burdens on struggling households, especially African-American and Asian

households. Planning, zoning, and new development activities should avoid creating areas where family-living arrangements are hard to find. For example, redevelopment in the Downtown and Midtown areas consist primarily of smaller units, unfit for families.

The gentrification of Downtown and Midtown has led to the displacement of low-income residents in these areas as affordable apartments become more expensive, are converted into condominiums, or are otherwise redeveloped. New housing developments in these areas tend to cater to smaller households, such as retirees and pre-family professionals who work Downtown.

Additionally, the Neighborhood Stabilization Program and local foundations have prioritized a few areas of the city for reinvestment, demolition, and programming. These neighborhoods, selected because they were seen as salvageable, receive more demolition activity and programming, increasing inter-neighborhood disparities in relation to affordable housing and reinvestment. Neighborhoods outside the selected areas have very little new resources being directed to mitigate arising issues or address housing needs.

A clear disparity exists when evaluating housing burdens and housing needs. Detroit residents are disproportionately burdened with high-cost, low-quality housing when compared to neighboring communities. African American and Hispanic residents are the most heavily impacted by these disparities. These results indicate that while the range of housing may be appropriate, there is a real need to invest in affordable housing in the city and to improve housing quality for city residents.

African Americans in the city and region and Hispanic and Asian Americans in the city live in the most problematic housing while also paying a disproportionate amount of their income for housing. Improving the quality of housing in the City and improving affordability for underserved groups should be priorities. While crowding is not a significant problem for most in Detroit and the region, it is a problem for one group of ethnic minorities – Arabs. The City, and suburban partners facing similar problems, may consider reaching out to this community to determine if other housing alternatives may better serve their needs.

### C. Publicly Supported Housing Analysis

Throughout the study period there were just minor fluctuations in the availability of public housing units, approximately 3,700 units. At the close of 2015, there were 3,724 units, according to the Detroit Housing Commission. This number has changed as older units were demolished and new units are built, but has remained essentially the same since 2008. A number of agencies permit Section 8 housing vouchers to be used in Detroit and a wider geographical area, and other public-assistance alternatives exist within the region. These alternative programs provide more housing assistance than Detroit’s public housing program. The HUD-AFFH Tool provides data about the number of publicly-supported units and the percentage of total housing that it comprises, which is shown in Table 5.

Table 5: Publicly Supported Housing by Program Category

	<b>(Detroit, MI CDBG, HOME, ESG) Jurisdiction</b>	
<b>Housing Units</b>	<b>#</b>	<b>%</b>
Total housing units	349,170	-
Public Housing	4,298	1.23
Project-based Section 8	13,199	3.78
Other Multifamily	2,818	0.81
HCV Program	10,861	3.11
Note 1: Data Sources: Decennial Census; APSH Note 2: Refer to the Data Documentation for details ( <a href="http://www.hudexchange.info">www.hudexchange.info</a> ).		

In our discussion on housing needs and burdens, we examined the prominence of the Housing Choice Voucher (HCV) program and Public Housing in meeting the housing needs of families, but a look at the overall public assistance program indicates that neither is the most popular program. Project-based Section 8 provides 21.5 percent more units than then HCV program, and Public Housing provides fewer than half as many units as the HCV program. Altogether, publicly-supported housing represents 8.9 percent of all units in Detroit.

Table 6 shows the breakdown of publicly-supported housing recipients by race, program and income level. African American residents, partially because they are a large proportion of the city’s population, are the primary residents in publicly supported housing in Detroit. However, though African Americans represent 82 percent of the city’s population, nearly all residents of brick-and-mortar public housing (98.79%) and participants in the HCV program (97.35%) are African Americans. Section 8 was disproportionately utilized by White public housing residents, and Asians and Hispanics were more likely to utilize Other Multifamily options. These patterns of uneven utilization of public housing alternatives by race, whether intentional or not, is likely to contribute to segregation and disparities already discussed, as well as fuel privately-held racial stereotypes about African American residents and brick-and-mortar public housing projects.

Table 6: Publicly Supported Housing Residents by Race/Ethnicity

(Detroit, MI CDBG, HOME, ESG) Jurisdiction	Race/Ethnicity							
	White		Black		Hispanic		Asian or Pacific Islander	
	#	%	#	%	#	%	#	%
<b>Housing Type</b>								
Public Housing	15	0.53	2,779	98.79	12	0.43	2	0.07
Project-Based Section 8	1,454	13.35	9,131	83.82	178	1.63	116	1.06
Other Multifamily	112	6.68	1,354	80.79	149	8.89	59	3.52
HCV Program	175	1.83	9,284	97.35	46	0.48	3	0.03
<b>0-30% of AMI</b>	7,215	8.61	70,715	84.38	3,615	4.31	815	0.97
<b>0-50% of AMI</b>	10,080	7.82	107,820	83.67	6,320	4.90	1,265	0.98
<b>0-80% of AMI</b>	14,580	8.25	147,295	83.37	9,140	5.17	1,545	0.87
<b>(Detroit, MI CDBG, HOME, ESG)</b>	55,604	7.79	586,573	82.18	48,679	6.82	7,518	1.05

Note 1: Data Sources: Decennial Census; APSH; CHAS

Note 2: #s presented are numbers of households not individuals.

Note 3: Refer to the Data Documentation for details ([www.hudexchange.info](http://www.hudexchange.info)).

In addition to race, the HUD AFFH Tool produces information about families, age, and disability, both in and out of the R/ECAP areas. This information is displayed in Table 7, which looks at the distribution of residents with disabilities, elderly, and racial groups in publicly-supported housing in Detroit in R/ECAP and non-R/ECAP areas. Unlike when we compared public housing and race, there is a more uniform distribution of public housing alternatives among residents with disabilities, through Public Housing and Section 8 residents in R/ECAP tracts were more likely to have a disability than those in non-R/ECAP tracts. Other HUD Multi-family programs primarily housed elderly residents, who receive aid under a number of elderly-focused programs such as Rental Housing for the Elderly and the Assisted-Living Conversion Program. While the HCV program led to a more uniform distribution of aid recipients in R/ECAP and non-R/ECAP areas, Public Housing and Other Multifamily programs concentrated in R/ECAP tracts.

Table 7: R/ECAPs and Non-R/ECAPs Demographics by Publicly Supported Housing Program Category

(Detroit, MI CDBG, HOME, ESG) Jurisdiction	Total # units (occupied)	% Elderly	% with a disability*	% White	% Black	% Hispanic	% Asian or Pacific Islander	% Families with children
<b>Public Housing</b>								
R/ECAP tracts	2,793	25.90	31.07	0.57	98.70	0.46	0.08	36.84
Non R/ECAP tracts	203	18.41	11.94	0.00	100.00	0.00	0.00	71.64
<b>Project-based Section 8</b>								
R/ECAP tracts	6,551	39.71	27.49	8.06	89.71	0.52		26.60
Non R/ECAP tracts	5,735	57.79	24.34	19.86	76.57	3.01	0.37	15.77
<b>Other HUD Multifamily</b>								
R/ECAP tracts	1,405	74.98	3.68	6.89	80.45			7.91
Non R/ECAP tracts	717	86.27	13.24	6.31	81.40	3.16	9.14	
<b>HCV Program</b>								
R/ECAP tracts	4,539	11.01	22.99	2.59	96.61	0.53	0.00	45.31
Non R/ECAP tracts	5,367	10.16	20.82	1.24	97.93	0.45	0.06	53.21

Note 1: Disability information is often reported for heads of household or spouse/co-head only. Here, the data reflect information on all members of the household.

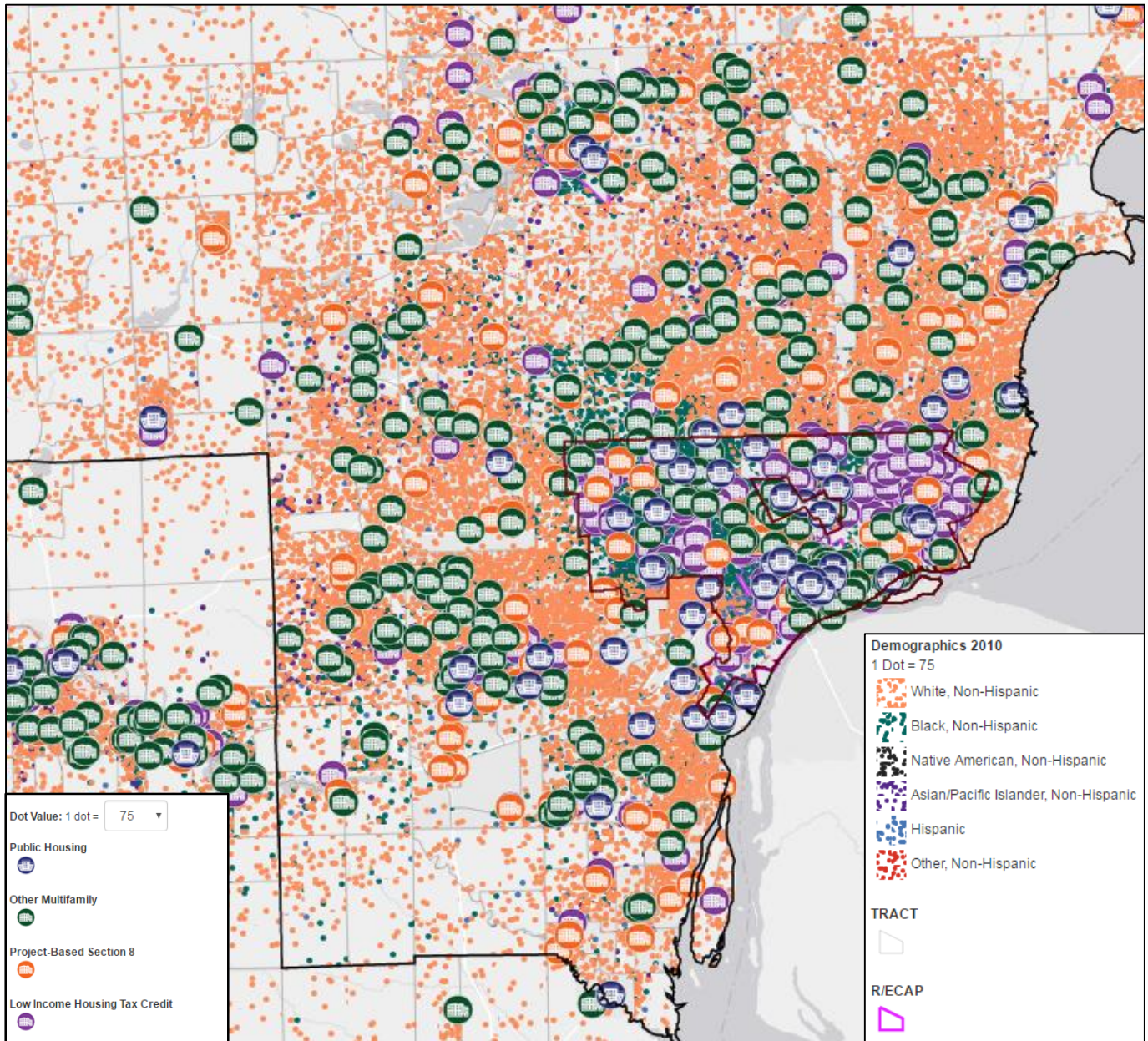
Note 2: Data Sources: APSH

Note 3: Refer to the Data Documentation for details ([www.hudexchange.info](http://www.hudexchange.info)).

## Publicly Supported Housing Location and Occupancy

Map 5 shows the type of public housing and race in the region by location. Detroit uses the widest range of public housing alternatives, and also contains a majority of the region's R/ECAP areas. The purpose of this discussion is to identify patterns in the geographic location of publicly-supported housing and their proximity to protected groups. Detroit and other areas where protected groups live appear to deploy a range of housing alternatives throughout their borders, in theory providing a wide range of opportunities, but in practice, racial groups appear prevalent in particular programs, as discussed above.

*Map 5: Publicly Supported Housing and Race/Ethnicity*



The region has a limited number of public housing developments outside of Detroit, with most of this type of housing found inside the city of Detroit (i.e., Map 5). Data indicates that African Americans are

disproportionally represented in this type of development, which are predominantly located in R/ECAP tracts. Detroit and other communities in the region struggling financially are employing a large number of Low Income Tax Credits to motivate private developers to include affordable housing.

Map 6 shows the Housing Choice Vouchers were also more prevalent in Detroit. This program was popular among African American residents and was also more popular on the West side of Detroit than the East side. Only very near suburbs and some more rural areas used this program frequently other than Detroit. Housing Choice Vouchers appear to be more prevalent in R/ECAP communities, including Detroit and Inkster and in suburbs nearest Detroit.

Map 6: Housing Choice Vouchers and Race/Ethnicity

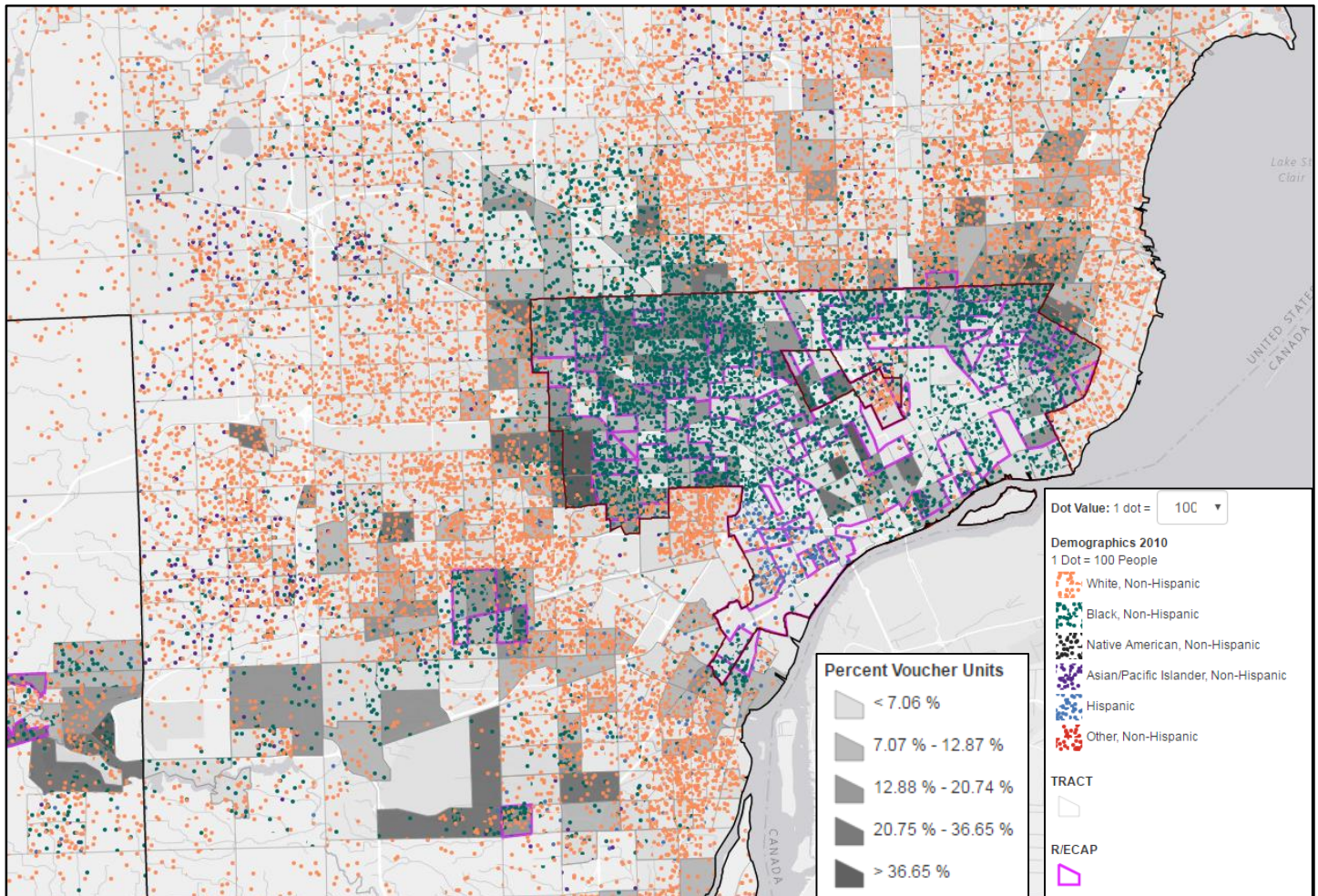


Table 8 shows the demographics of each public housing complex by race and units with children. While children appear to be somewhat concentrated in some complexes, this appears to be due to the size of the units available at that location. As discussed previously, nearly all residents are African American, and there was no pattern or clustering of those of other races in any one complex.

Table 8: Demographics of Publicly Supported Housing Developments by Program Category

Public Housing (Detroit, MI CDBG, HOME, ESG) Jurisdiction			Public Housing Race/Ethnicity (%)	Public Housing Households with Children (%)
<b>Developments</b>				
Parkside Village Iv Rehab	White		1	65
	Black		99	
	Hispanic		0	
	Asian		0	
Riverbend Towers	White		1	0
	Black		99	
	Hispanic		0	
	Asian		0	
Gardenview Estates Ii B	White		0	64
	Black		100	
	Hispanic		0	
	Asian		0	
Woodbridge Estates Ii	White		0	53
	Black		100	
	Hispanic		0	
	Asian		0	
Woodbridge Estates I	White		0	81
	Black		94	
	Hispanic		0	
	Asian		0	
Alexandrine Square Apartment	White		0	0
	Black		0	
	Hispanic		0	
	Asian		0	
Cornerstone Phase Vliic	White		0	76
	Black		100	
	Hispanic		0	
	Asian		0	
Emerald Springs 1b	White		0	95
	Black		97	
	Hispanic		3	
	Asian		0	
Scattered Sites	White		2	83
	Black		98	
	Hispanic		0	
	Asian		0	
Gardenview Estates Iia	White		0	48
	Black		100	
	Hispanic		0	
	Asian		0	
Gardenview Estates	White		0	72
	Black		96	
	Hispanic		0	
	Asian		0	
Cornerstone Estates 7b	White		2	86
	Black		95	
	Hispanic		2	
	Asian		2	

Public Housing (Detroit, MI CDBG, HOME, ESG) Jurisdiction			Public Housing Race/Ethnicity (%)	Public Housing Households with Children (%)
<b>Developments</b>				
Jeffries Homes	White		1	0
	Black		98	
	Hispanic		0	
	Asian		0	
Brewster-Douglas	White		0	60
	Black		100	
	Hispanic		0	
	Asian		0	
Scattered Sites	White		1	74
	Black		99	
	Hispanic		0	
	Asian		0	
Scattered Sites	White		0	66
	Black		100	
	Hispanic		0	
	Asian		0	
Algonquin	White		0	73
	Black		100	
	Hispanic		0	
	Asian		0	
Greenbrook	White		0	19
	Black		100	
	Hispanic		0	
	Asian		0	
Woodbridge Iii	White		8	62
	Black		92	
	Hispanic		0	
	Asian		0	
Woodbridge V	White		0	58
	Black		95	
	Hispanic		0	
	Asian		0	
Gardenview Estates Iii A	White		0	78
	Black		100	
	Hispanic		0	
	Asian		0	
State Fair Apts	White		1	13
	Black		97	
	Hispanic		1	
	Asian		0	
Parkside Village Ii Rehab	White		0	58
	Black		100	
	Hispanic		0	
	Asian		0	
Gardenview Estates Iii B	White		0	71
	Black		100	
	Hispanic		0	
	Asian		0	

Public Housing (Detroit, MI CDBG, HOME, ESG) Jurisdiction			Public Housing Race/Ethnicity (%)	Public Housing Households with Children (%)
<b>Developments</b>				
Emerald Springs 1a	White		0	0
	Black		0	
	Hispanic		0	
	Asian		0	
Sheridan Place I	White		2	0
	Black		96	
	Hispanic		2	
	Asian		0	
Sojourner Truth	White		0	80
	Black		99	
	Hispanic		1	
	Asian		0	
	White		0	0
	Black		0	
	Hispanic		0	
	Asian		0	
Warren West	White		2	0
	Black		98	
	Hispanic		0	
	Asian		0	
Diggs Homes	White		1	37
	Black		98	
	Hispanic		0	
	Asian		1	
Harriet Tubman	White		0	15
	Black		100	
	Hispanic		0	
	Asian		0	
Gardenview Estates Ii C	White		0	70
	Black		100	
	Hispanic		0	
	Asian		0	
Smith Homes	White		1	80
	Black		96	
	Hispanic		2	
	Asian		0	
Cornerstone Estates 7a	White		0	68
	Black		100	
	Hispanic		0	
	Asian		0	
Woodbridge Iv	White		0	40
	Black		100	
	Hispanic		0	
	Asian		0	

The distribution of public housing alternatives by race demonstrates the exclusion of White residents in public housing. This absence of White public housing residents also contributes to Detroit’s high segregation rate in regards to race, by creating concentrations of African American residents in public housing sites. While there is no normative information about which alternative is most satisfactory, by including so few residents of other races, there is an avenue for discrimination and/or neglect via the efficiency, public image and funding of these programs (i.e., to defund one program would disproportionately impact one or more racial groups).

Publicly-supported housing are predictable by race and the presence of children, and thus open to manipulation by policy change. This practice can contribute to the already discussed challenges in the region related to segregation and fuel private discriminatory thinking by reinforcing the belief that public housing is for African Americans. Public housing appears to offer alternatives to meet a variety of housing needs, and is geographically dispersed in the city. However, the programs that are most popular among African-Americans and the elderly are those that are heavily located in R/ECAP areas. Because the programs that are popular among African-Americans are also those least used in suburban areas, these programs may be subject to a lack of political support from these areas, and thus may be subject to disproportionate defunding. Regional cooperation would help improve integration, increase opportunities, secure funding futures and benefit fair housing in the region as a whole.

#### D. Disability and Access Analysis

The number of residents with disabilities in Detroit and the region is shown in Table 13 by type of disability. Other than in hearing difficulty, the other forms of disability were more prevalent among Detroit residents than they were in the region as a whole. Proportions for hearing difficulty in Detroit and the region were roughly equivalent. In all other categories, the percent of Detroit residents experiencing a form of disability was 40 percent to 80 percent higher than the region.

Table 13: Disability by Type

Disability Type	(Detroit, MI CDBG, HOME, ESG) Jurisdiction		(Detroit-Warren-Dearborn, MI CBSA) Region	
	#	%	#	%
Hearing difficulty	20,990	3.23	143,564	3.58
Vision difficulty	29,935	4.60	99,118	2.47
Cognitive difficulty	59,386	9.13	231,093	5.76
Ambulatory difficulty	79,416	12.21	318,971	7.95
Self-care difficulty	37,384	5.75	131,600	3.28
Independent living difficulty	60,281	9.27	229,940	5.73

Note 1: All % represent a share of the total population within the jurisdiction or region.

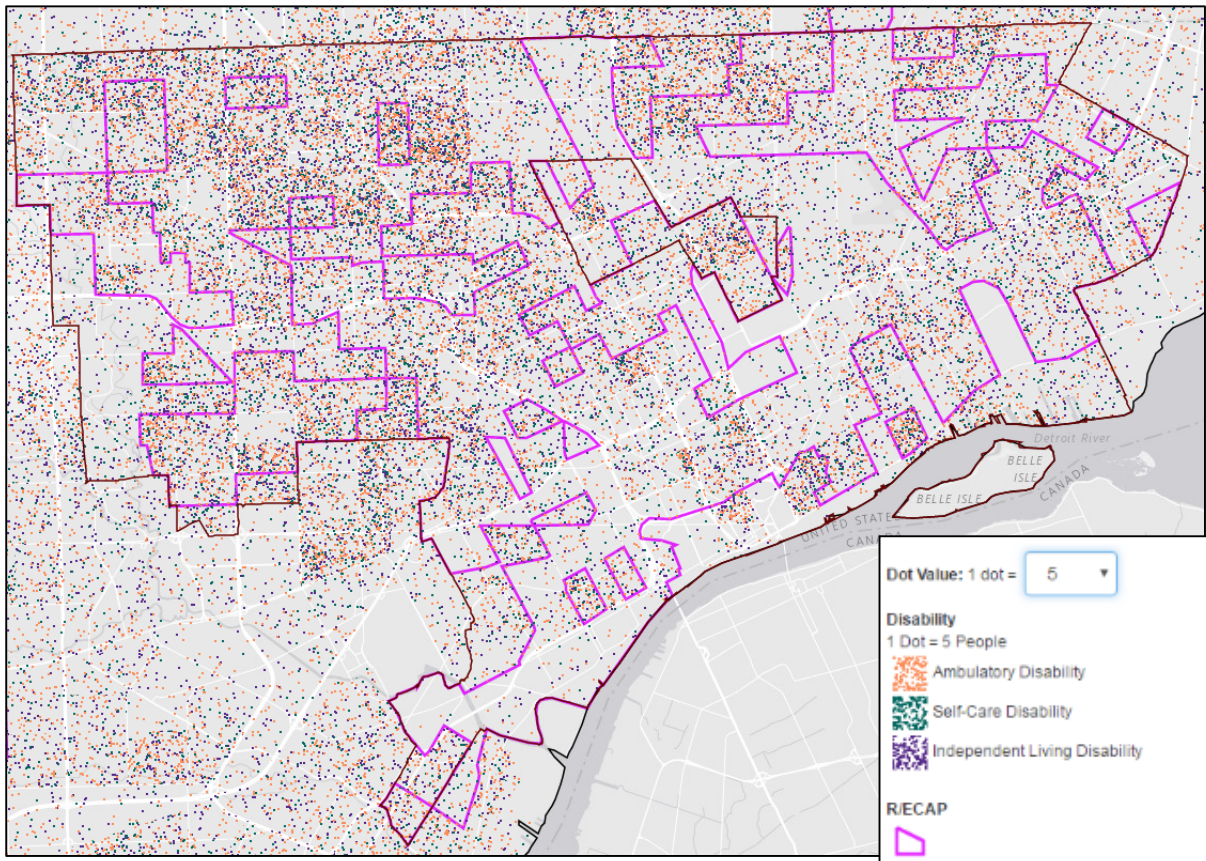
Note 2: Data Sources: ACS

Note 3: Refer to the Data Documentation for details ([www.hudexchange.info](http://www.hudexchange.info)).

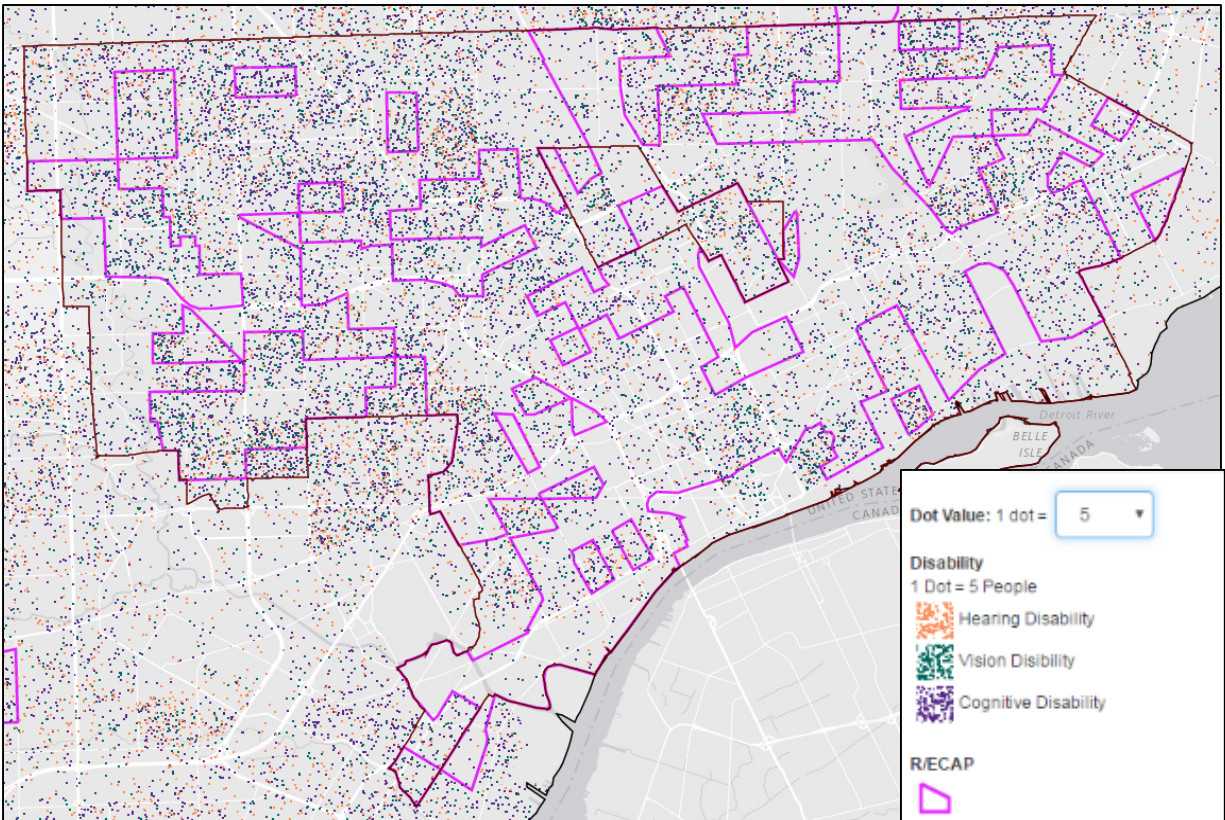
Resources are available to provide more information about the type of disability experienced by Detroit residents. Ambulatory disability was the most prevalent disability type, followed closely by Independent Living and Cognitive difficulties (i.e., Table 13), according to 2010 data from the AFFH tool. Residents with ambulatory difficulty or independent living difficulty often need additional accommodations in their housing. The next four maps show the distribution of residents with disabilities by type of disability, for the city and for the region. When examining the location of residents with disabilities by disability type in the city and region (i.e., Maps 16A and 16B), there are no clear clusters for any disability type in the city. Residents with disabilities are spread throughout the city. The same is true for the region, with the dots on the map essentially mimicking a population proxy.



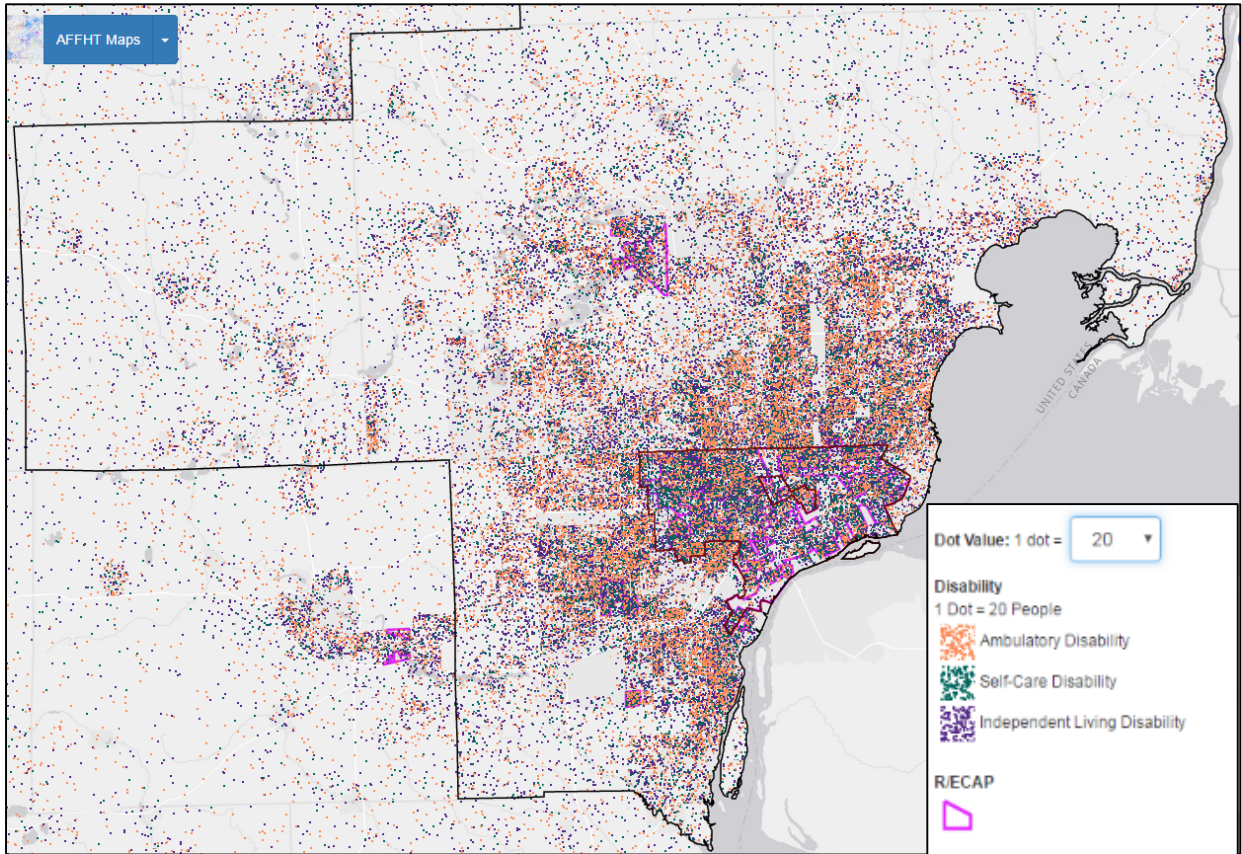
Map 16A: Disability by Type, Detroit - Part 1



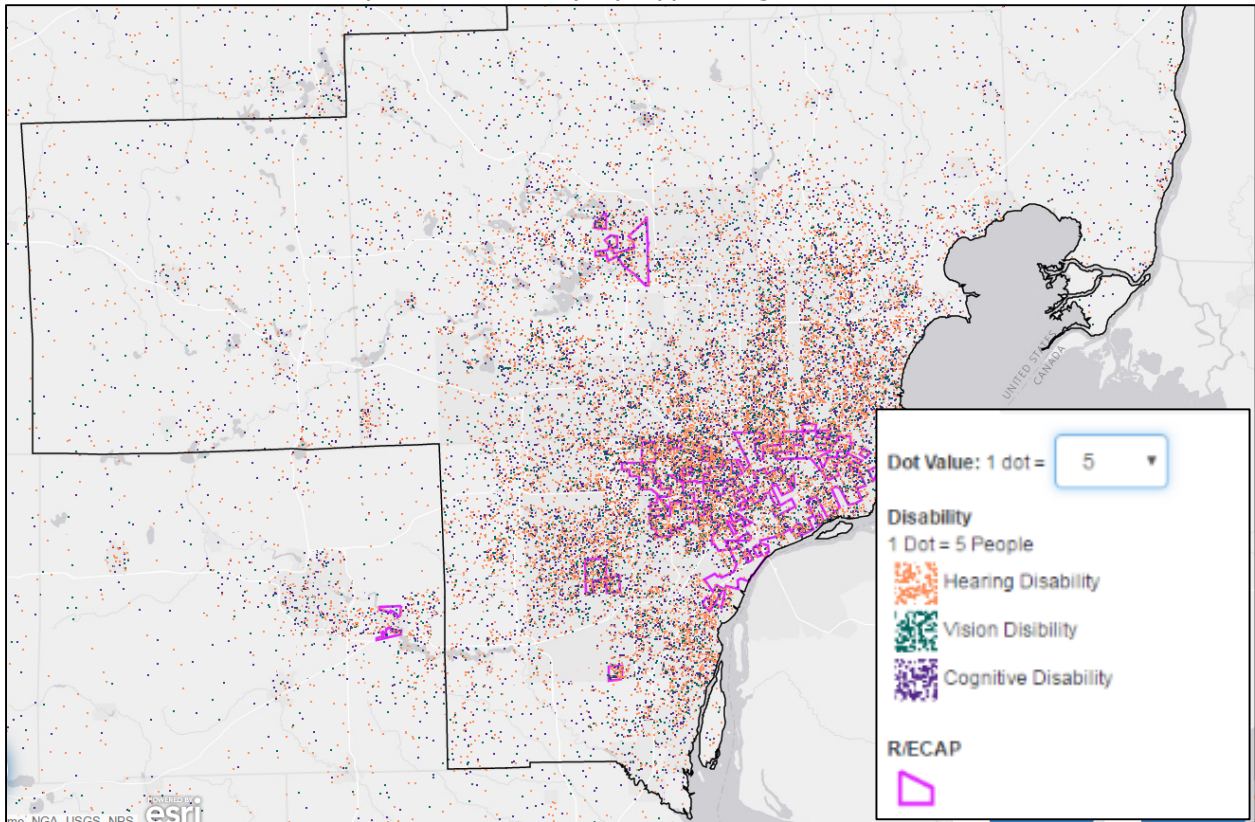
Map 16A: Disability by Type, Detroit - Part 2



Map 16B: Disability by Type, Region – Part 1



Map 16B: Disability by Type, Region – Part 2



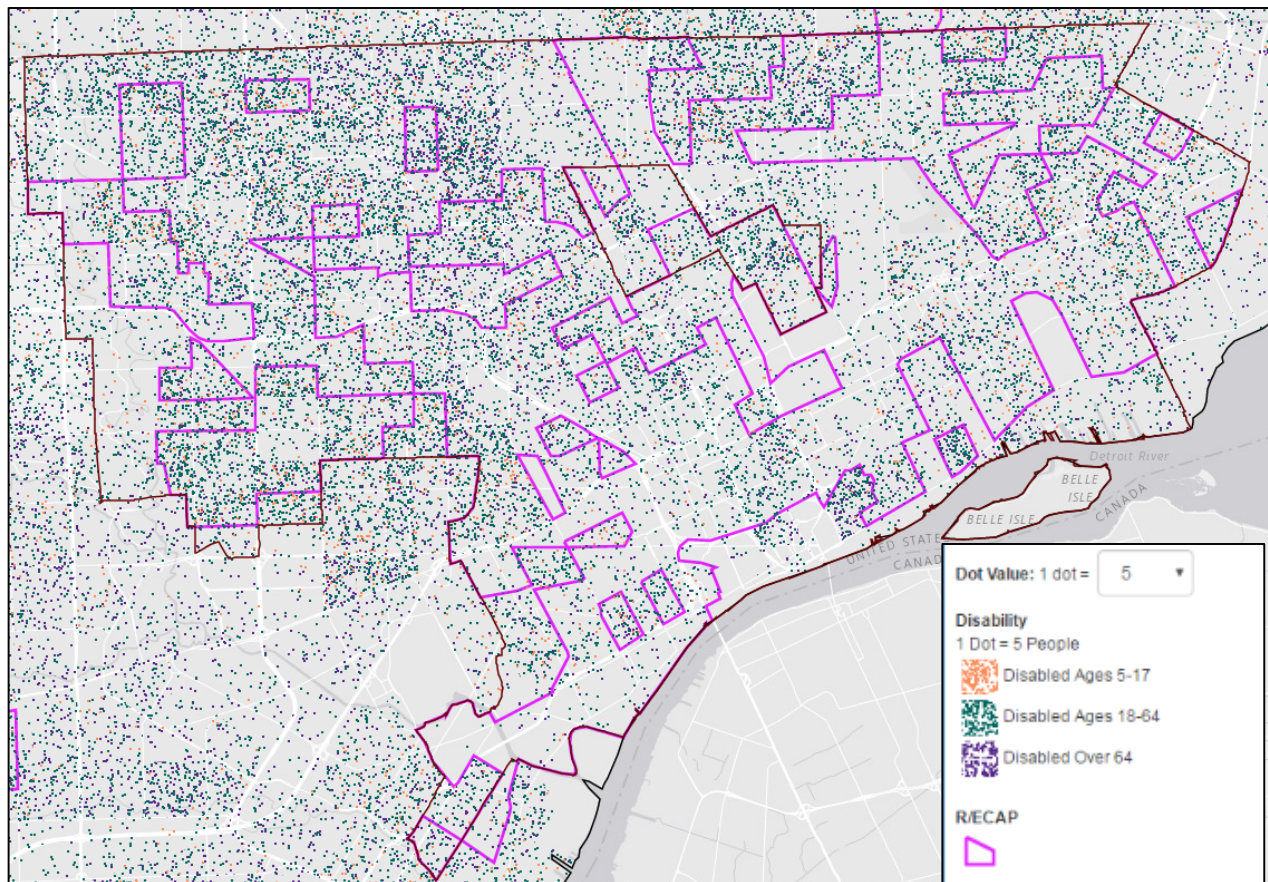
Available statistics further indicate that Detroit has proportionally more residents with a disability for all disability types other than hearing difficulty. Table 14 and Maps 17 show that Detroit also has proportionally more residents with disabilities between the ages of 18 and 64 than the suburbs. There are no clear clusters when tracking disability by age within Detroit; the distribution appears to mimic general population patterns. Also, within Detroit, R/ECAP areas appear to be no more heavily occupied by residents with disabilities than other areas.

Table 14: Disability by Age Group

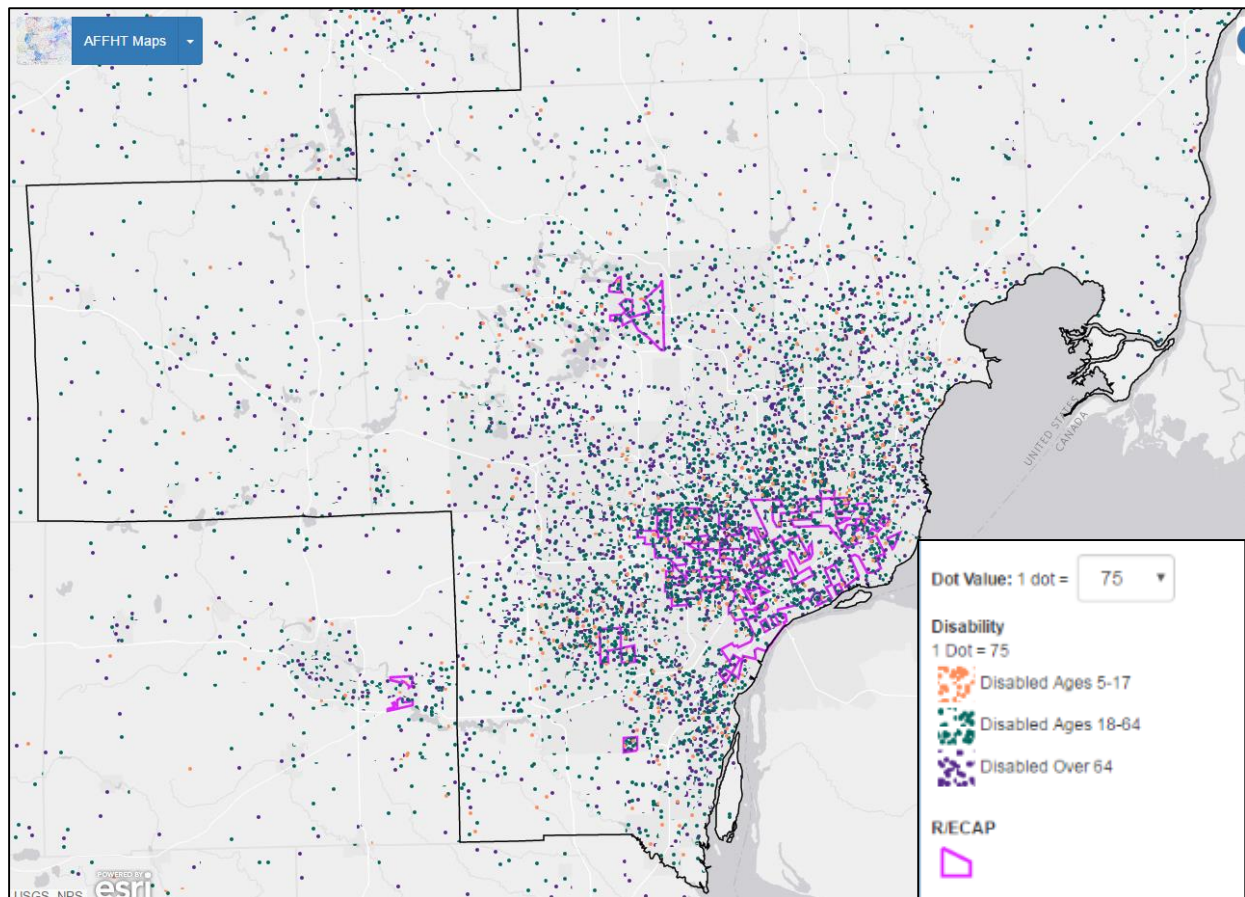
	(Detroit, MI CDBG, HOME, ESG) Jurisdiction		(Detroit-Warren-Dearborn, MI CBSA) Region	
Age of People with Disabilities	#	%	#	%
age 5-17 with Disabilities	10,898	1.68	46,050	1.15
age 18-64 with Disabilities	87,184	13.41	322,415	8.04
age 65+ with Disabilities	37,754	5.81	212,939	5.31

Note 1: All % represent a share of the total population within the jurisdiction or region.  
 Note 2: Data Sources: ACS  
 Note 3: Refer to the Data Documentation for details ([www.hudexchange.info](http://www.hudexchange.info)).

Map 17: Disability by Age Group, Detroit – Part 1



Map 17: Disability by Age Group, Region – Part 2



### Housing Accessibility

This section is about the availability and location of accessible affordable housing for people with disabilities in Detroit. It includes information about access to publicly supported housing in Detroit for people with disabilities and limited information about affordable accessible housing. Although the research team was unable to obtain comprehensive existing data on the number of affordable accessible housing units in Detroit and the region, it used various search methods to identify affordable accessible housing in Detroit and determine how they are clustered. The search methods used were: 1) GIS analysis to determine where group homes and for-rent accessible housing were located, 2) search through the Yellow Pages (yp.com) for accessible housing, and 3) search through the online group-home identifier - grouphomesonline.com - to determine where group homes were available in the city. While this data may not be comprehensive, it gives the reader an idea of the availability and distribution of affordable accessible housing in Detroit for people with disabilities.

The analysis showed that people with disabilities have access to the range of publicly supported housing programs in Detroit and the region. The number and percentage of people with disabilities in publicly supported housing programs in Detroit and the region are provided in Table 15. This table shows that the most frequently used publicly supported housing programs in Detroit and the Detroit-Warren-Dearborn region for people with a disability are Project-Based Section 8 housing and the HCV Program. Project-Based Section 8 housing is accessed by almost 2,863 people with a disability in Detroit (26.1% of Section 8 residents) and by 5,328 region-wide (19.4% of Section 8 residents). The HCV program is accessed by 2,118

people with a disability in Detroit (21.8% of HCV residents) and by 5,957 region-wide (24.4% of HCV residents). People with a disability also form a high percentage of residents in Public Housing in both Detroit (29.7%) and the region (30.0%), although the actual numbers are relatively smaller for both (842 and 2,523, respectively). Other Multifamily housing is the least used program by people with a disability in both Detroit (121) and the region (462).

*Table 15: The Number of People with a Disability in Publicly Supported Housing Programs in Detroit and the Detroit-Warren-Dearborn Region*

<b>(Detroit, MI CDBG, HOME, ESG) Jurisdiction</b>	<b>People with a Disability*</b>	
	<b>#</b>	<b>%</b>
Public Housing	842	29.71
Project-Based Section 8	2,863	26.08
Other Multifamily	121	7.12
HCV Program	2,118	21.83
<b>(Detroit-Warren-Dearborn, MI CBSA) Region</b>		
Public Housing	2,523	29.95
Project-Based Section 8	5,328	19.40
Other Multifamily	462	14.33
HCV Program	5,957	24.36
<p>Note 1: The definition of "disability" used by the Census Bureau may not be comparable to reporting requirements under HUD programs.</p> <p>Note 2: Data Sources: ACS</p> <p><a href="http://www.hudexchange.info">Note 3: Refer to the Data Documentation for details (www.hudexchange.info).</a></p>		

This study identified several group homes and other accessible housing for people with disabilities in Detroit. Through the various search methods used by the research team, a total of 31 group homes were identified and mapped. In addition, 307 accessible housing properties were identified (units were not counted). Figures 38 and 39 show the distribution of group homes and accessible housing properties in Detroit by City Council District.

Access to both group homes and accessible for-rent housing appeared to be highest in District 5, which includes much of Downtown Detroit, part of the hospital district, the near East side and the North End. Figure 38 further shows a clustering of group homes in District 5 on the East side and a concentration of accessible housing along the river and downtown areas. District 6, which includes Southwest Detroit also has a substantial percentage of the total accessible for-rent housing (26.1%) in the city. No group homes were, however, identified in District 6. The distribution in Figure 38 clearly demonstrates that there is generally fewer affordable accessible housing options for people with disability outside the core of the city and the river. While these areas provide some of the best opportunities for schools, jobs, transportation, and hospital access, residents with disabilities may be limited in their choice to live near friends, families, or other amenities in outlying areas of the city.

Figure 38: Housing Accessibility and Group Homes

### Group Homes and Accessible Housing by Council District

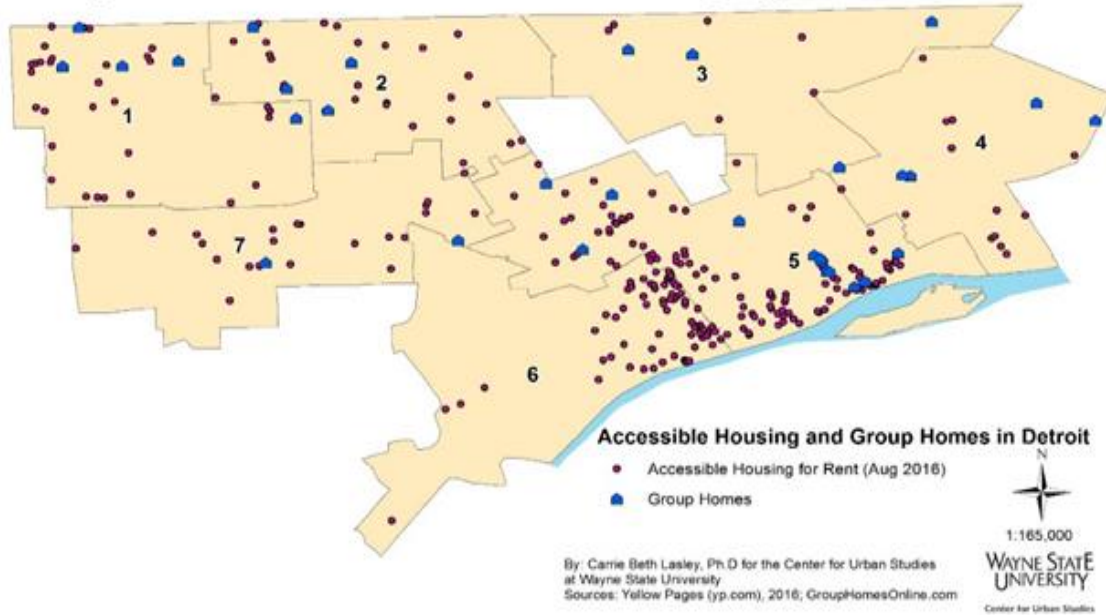
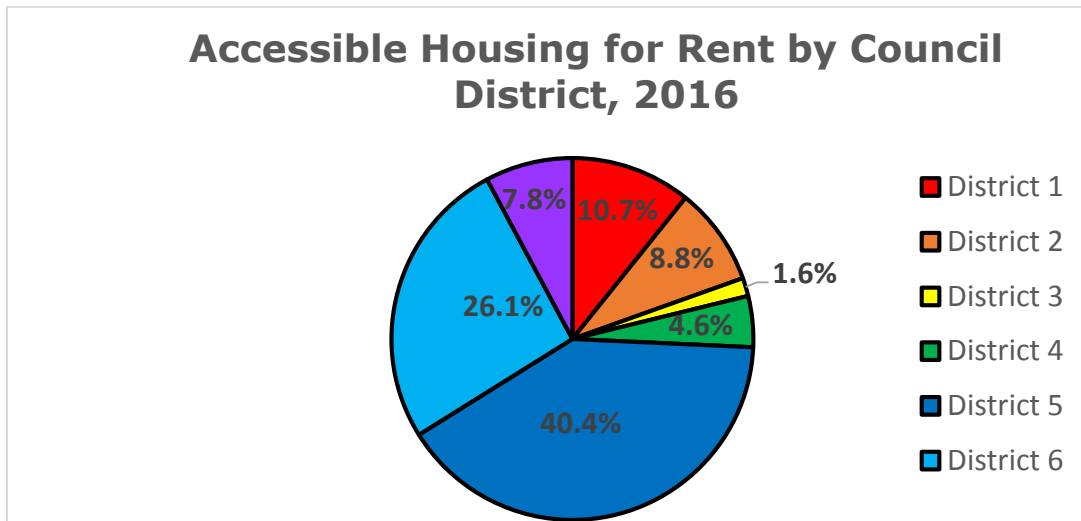


Figure 39: Accessible Housing by District



While the available data shows a range of accessible publicly-supported housing as well as accessible for-rent housing in Detroit, both housing service providers and community members expressed that there is inadequate supply of accessible housing in the city. Some participants noted that there is not enough housing, whether market rentals or affordable housing that accommodate people with a disability in Detroit.

*There are not enough spots set up for people with disabilities. They may need a certain bathroom. It's hard to get people to put up ramps. Landlords don't want to provide that.* Individual Interview Participant

*This population isn't one that people really pay attention to... if you're disabled or low-income, it's really hard for some people to find places to live.* Individual Interview Participant

According to key informants and focus group participants, there is a need for more accessible housing in Detroit. This claim is supported by the fact that failure to accommodate a person with a disability is one of the leading causes for fair housing complaints in Detroit over the past 5-years. Commenting on this fact, focus group participants said disability is a frequent basis for fair housing violation because it is often obvious [though not always]. In cases where a person's disability is noticeable, a potential landlord is often unwilling to accommodate them. A housing service provider noted that "disability is a huge barrier to housing". According to her, landlords often recognize that a person is on disability income from rental applications, and a mere suspicion that a person is receiving Social Security Disabilities (SSD) serves as a disincentive to rent to them.

### Integration of Persons with Disabilities

Generally, participants in this study who spoke about fair housing issues in relation to people with disabilities did not express any belief that there is segregation specific to that population. They, however, alluded to the fact that affordability tends to create a semblance of segregation that typically affects both people with low income and people with disability. Those who cannot afford market rate rentals tend to be pushed into certain areas. Also, the planning and location of affordable housing sometimes creates segregation. In the words of one housing advocate,

*There is not enough affordable housing in the right places. Sometimes, [affordable housing] is built in a way that is segregated and not part of the community.* Individual Interview Participant

*There is not enough affordable housing in the right places.* Individual Interview Participant

Several participants suggested that it may be helpful for the City's Planning Department to pay more attention to fair housing issues when locating affordable housing. Affordable housing should be located in ways that promote integration into the community.

### Disability and Access Issues

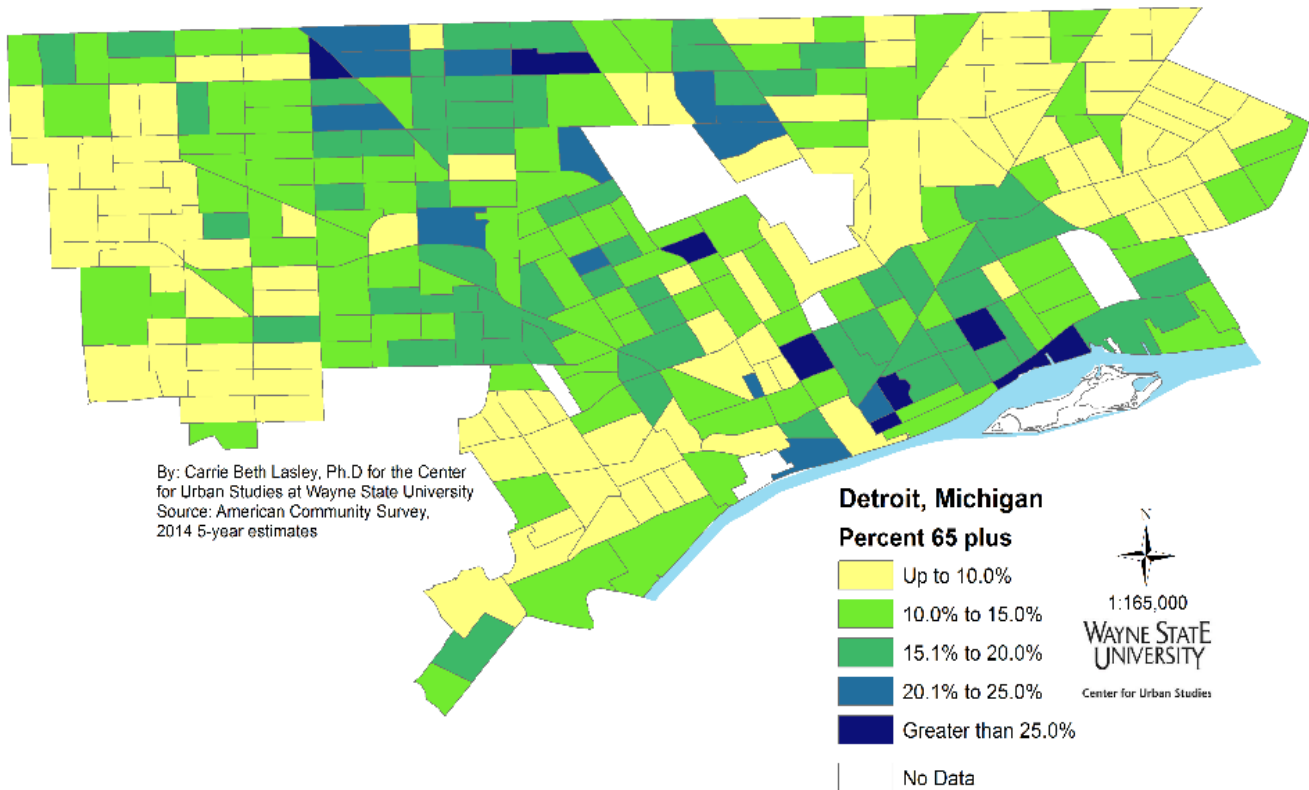
This section discusses the city's ability to meet the specific needs of elderly residents and residents with disability. The Detroit Housing Commission has dedicated three properties to housing elderly residents.

The American Community Survey 2014 5-year estimates found that 12.1 percent of Detroit residents are 65 or over, slightly lower than the national average of 13.7 percent elderly. Elderly residents are more likely to be harmed and become disabled than residents of other ages, and many elderly residents face chronic health problems that require regular medical attention (Dall, et al, 2013). Residents with a disability sometimes have specific housing accommodations that must be met.

Figure 40 shows the proportion of elderly residents (65 years of age or older) by census tract in 2014, according to 5-year American Community Survey estimates. There are areas where there are more or fewer elderly residents than one would expect. East of downtown, has the highest proportion of elderly residents (37.0 percent), but the highest total of elderly residents was along the river in Jefferson East on the East side near Belle Isle.

Figure 40: Elderly Residents

## Detroit Elderly Prevalence by Census Tract

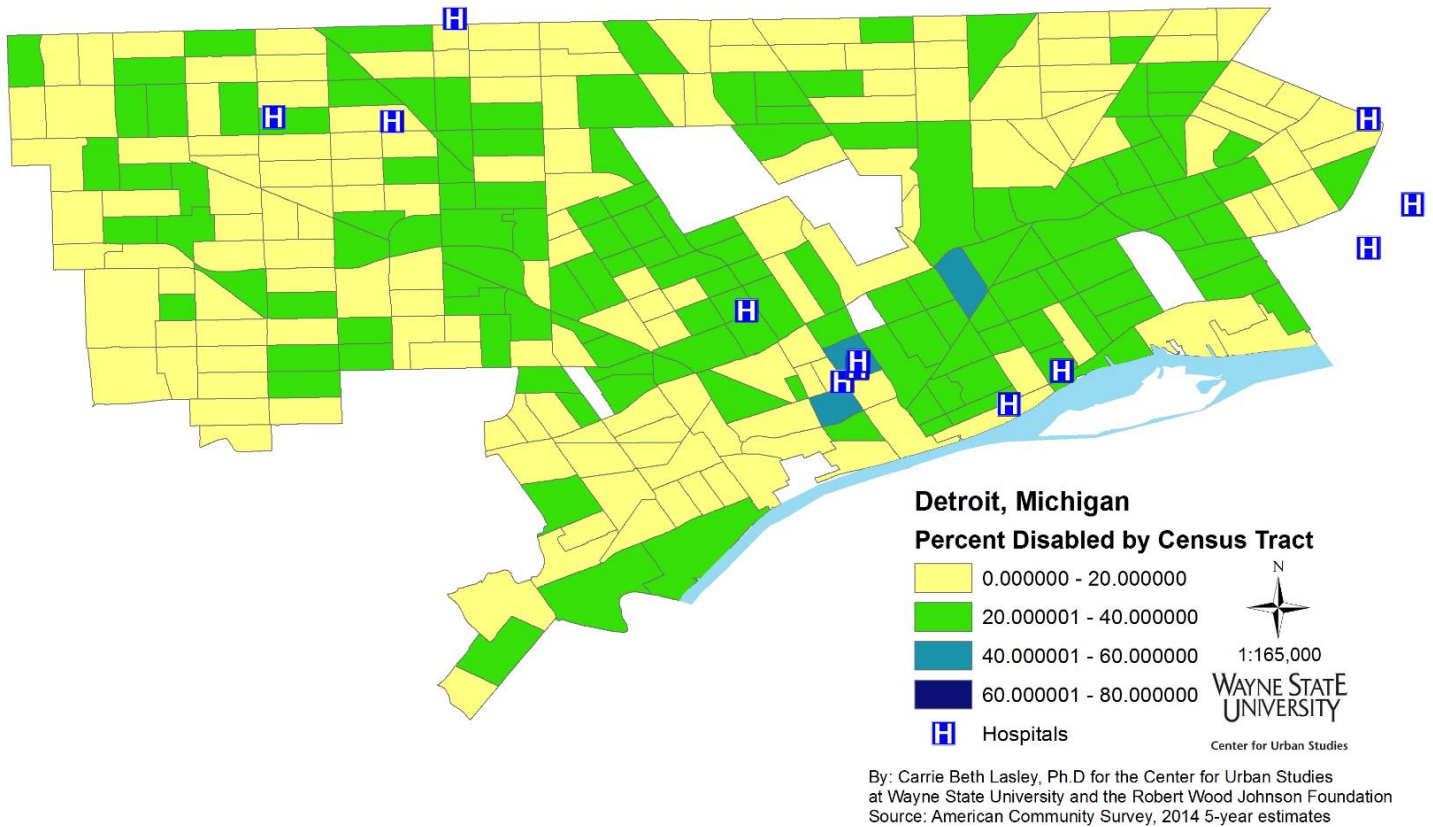


According to the American Community Survey 2014 5-year estimates, Detroit has 135,262 residents with disability, representing nearly one-fifth (19.4 percent) of the population (i.e., Figure 41). On average, people with disabilities form 12.4 percent of the residents in each census tract in Detroit. However, people with disability are not that dispersed in the city; they appear to cluster near hospital facilities. The only exception is a large cluster near the in-set suburb of Highland Park.



Figure 41: Distribution of Detroit Residents with Disability

# Detroit Disability Prevalence by Census Tract



Detroit’s seniors and residents with disability pay a reduced fare for using DDOT and SMART public transportation. Additionally, both services provide door-to-door service for people with disability who call ahead at least two hours prior to service. According to their websites, use of door-to-door service has increased recently for both transit systems after significant upgrades and working with private contractors to meet customer needs including the provision of chair lifts.

Detroit residents with disability have the same level of access to quality schools as other residents because of the wide distribution of schools and open enrollment. This is further enhanced by the improved transportation services, especially for students with disability where schools are not accessible by public transit. Access to schools and other amenities for people with disability may, however, be negatively impacted by the neglected and under-funded sidewalk maintenance program in Detroit, especially with the numerous ongoing construction projects in Downtown and Midtown Detroit. Impassable or poorly maintained sidewalks can increase the time and risk involved in travel for many people with disabilities.

## Disability and Access Issues Contributing Factors

The elderly and people with a disability often have specific housing needs related to accommodating their disability and ensuring independent living (Dall, et al, 2013). While Detroit has many residents with a disability, there is no clustering by disability type, and they are scattered throughout the city. Finding accessible housing can limit residents to certain neighborhoods, as group homes and accessible rental

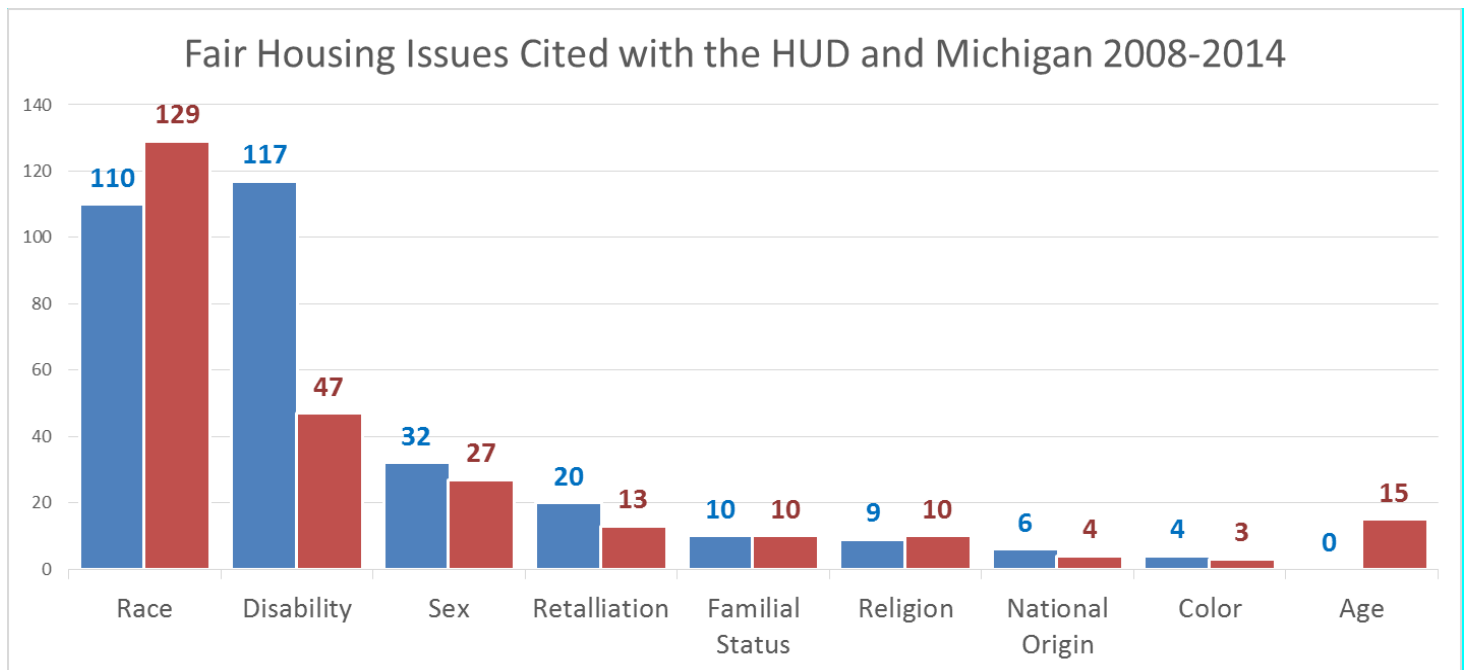
housing are barely available in some City Council Districts. The Americans with Disabilities Act of 1990 requires public schools, transportation, and public facilities to accommodate residents with a disability. Disinvestment in public infrastructure (Frelinger, 2012) may increase the risk related to mobility for many residents as accommodations deteriorate and experience delayed maintenance. This may lead to many Detroit residents with a disability having to use roads instead of sidewalks, putting them at additional risk for harm. Examples of such deferred and delayed maintenance in Detroit that may impact those with mobility issues and include such hazards as trees growing through sidewalks, collapsed buildings blocking sidewalks, and broken ramps on buses.

### E. Fair Housing Enforcement, Outreach Capacity, and Resources Analysis

Four agencies receive and process fair housing complaints in Detroit. These are the local HUD office, the State of Michigan’s Department of Civil Rights, the City of Detroit Office of Civil Rights, and the Metropolitan Detroit Fair Housing Center. The Fair Housing Center shared its disability-related case information; HUD and the State shared all information that was relevant to the report. These data allowed a review of fair housing complaints filed by Detroit residents (i.e., Figure 42).

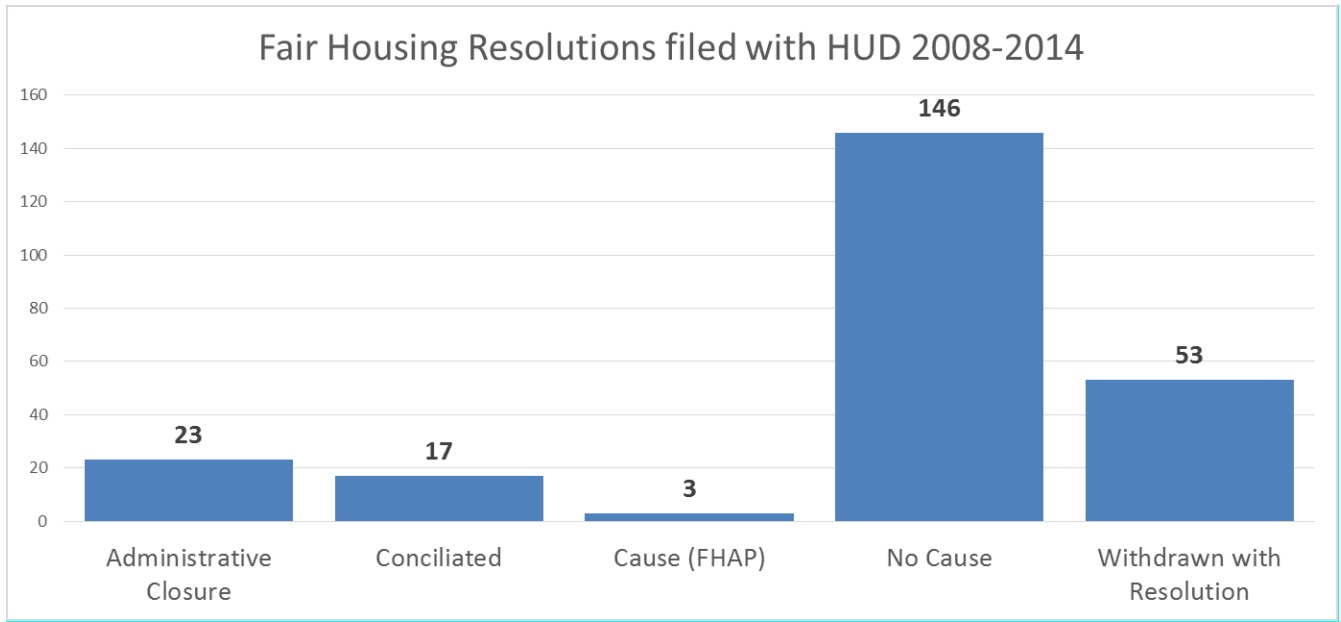
The review of complaint data revealed that the three leading bases of fair housing complaints in Detroit during the period under review were race, disability, and sex. The majority of cases filed with the State were race-based (n=129), while the majority of cases filed with HUD were based on race (n=110) and disability (n=117). A case may have more than one underlying issue when filed, which was the case with the majority of filings with both HUD and the State. Only the State dealt with age-related cases, as age is not a federally protected basis.

Figure 42: Fair Housing Complaints Filed with HUD and State.



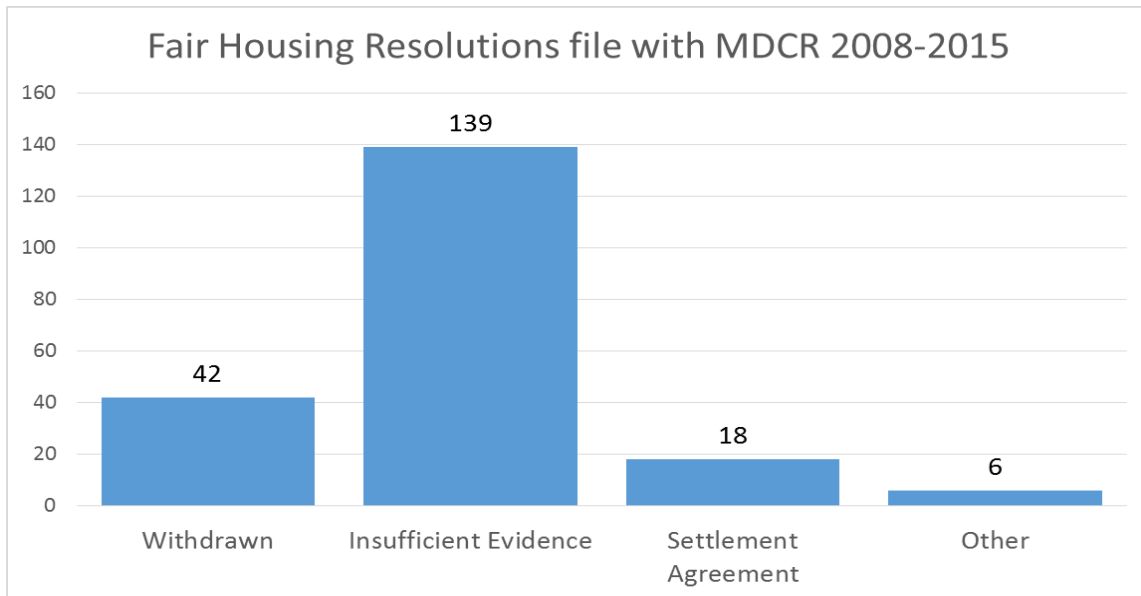
The resolutions of cases were reported by the State and by HUD. About 30 percent of initial filings with HUD led to some form of resolution or action to rectify the issue. Similarly, more than one-quarter (26.1%) of cases reported to the State led to a resolution or action. Figure 43 represents the resolutions of the HUD cases. It shows that about 60 percent of the cases were dismissed without cause with only three cases proceeding to the point where sanctions were taken against violators.

Figure 43: Resolution of Cases Filed with HUD



Resolutions of cases filed with the State are differently categorized and presented in Figure 44. The figure shows that a slightly higher proportion of cases filed with the State (68.5%) were found to have insufficient evidence to move forward. Similar numbers of State (n=18) and HUD cases (n=17) proceeded to a form of conciliated settlement.

Figure 44: Resolution of Cases Filed with State



The geographical distribution of complaints received by the State and HUD is presented in Figures 45 and 46. These maps respectively show the complaints received by HUD and the State by zip code. The distributions of the complaints are similar for both agencies, with each reporting the same three zip codes,

48201, 48202 and 48207 as the origin to the most complaints. Areas included in those three zip codes are Downtown, Midtown and a little bit of the Riverfront.

Figure 45: HUD Cases by Zip Code

## Fair Housing Filings 2008-2014 to HUD

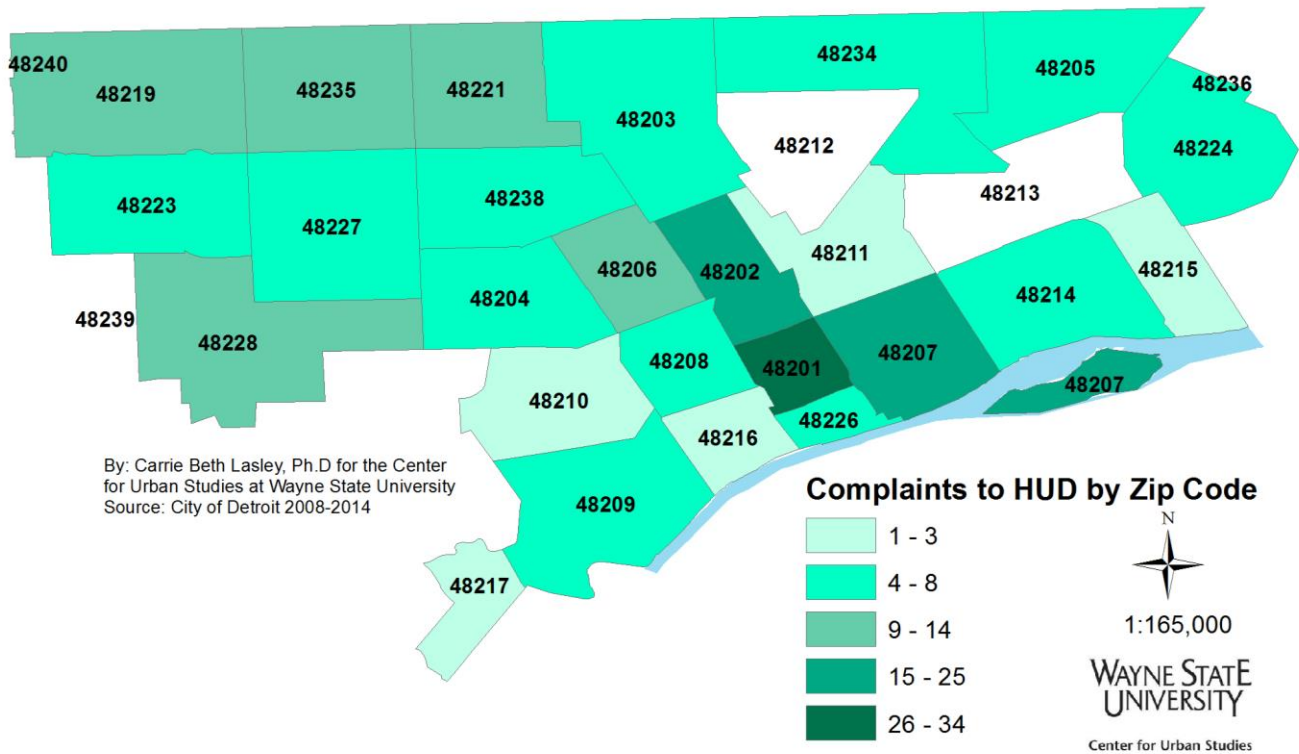
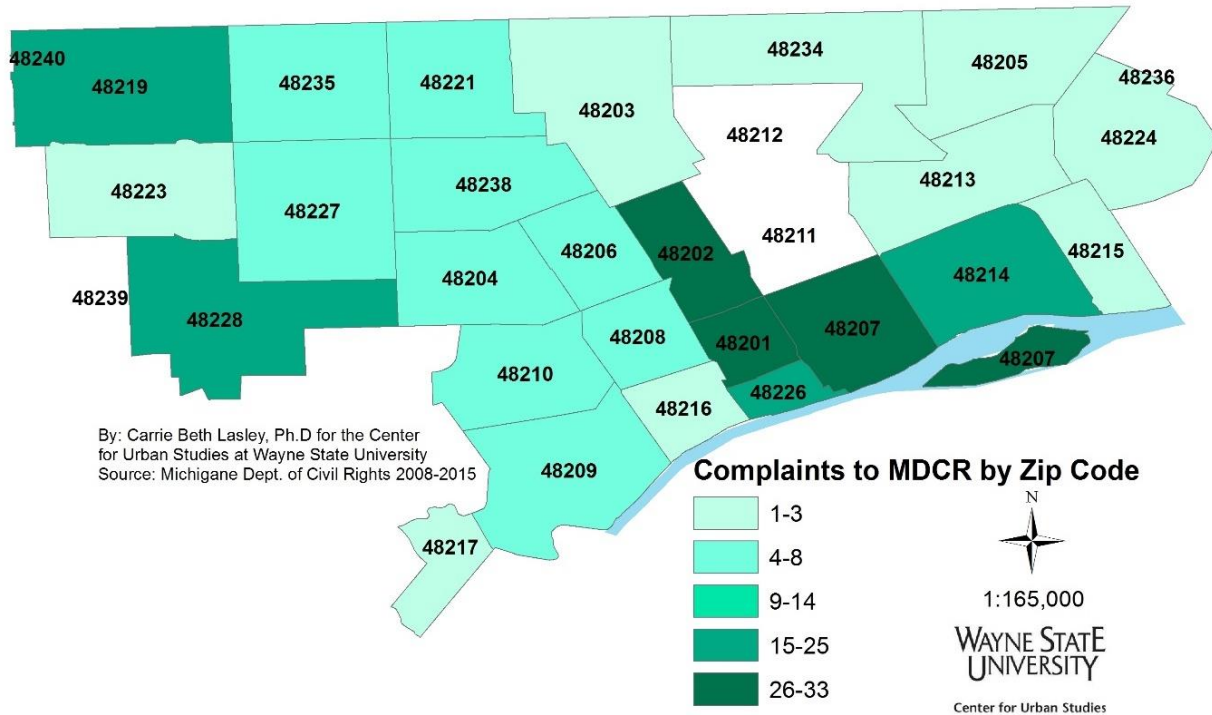


Figure 46: Michigan Department of Civil Rights Cases by Zip Code

## Fair Housing Filings 2008-2015 to State



Additional analysis was conducted on cases in these zip codes. These are the areas in Detroit most recently and most heavily undergoing private investment and redevelopment. Figures 47 and 48 show the issues raised in complaints in the three target zip codes. Numbers were generally similar to the total population as related to the issue found in these complaints. It is noteworthy that HUD received almost as many race as disability complaints from the Midtown and Downtown areas, though the State received nearly three times more complaints on the basis of race than on the basis of disability.

Figure 47: Issues in Complaints to HUD

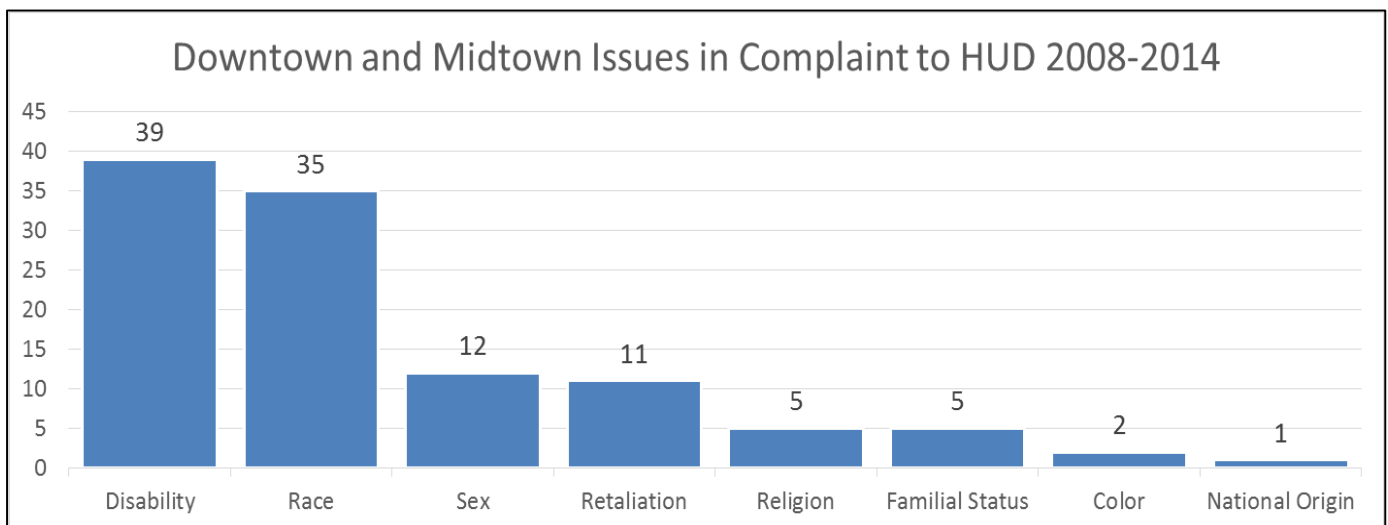
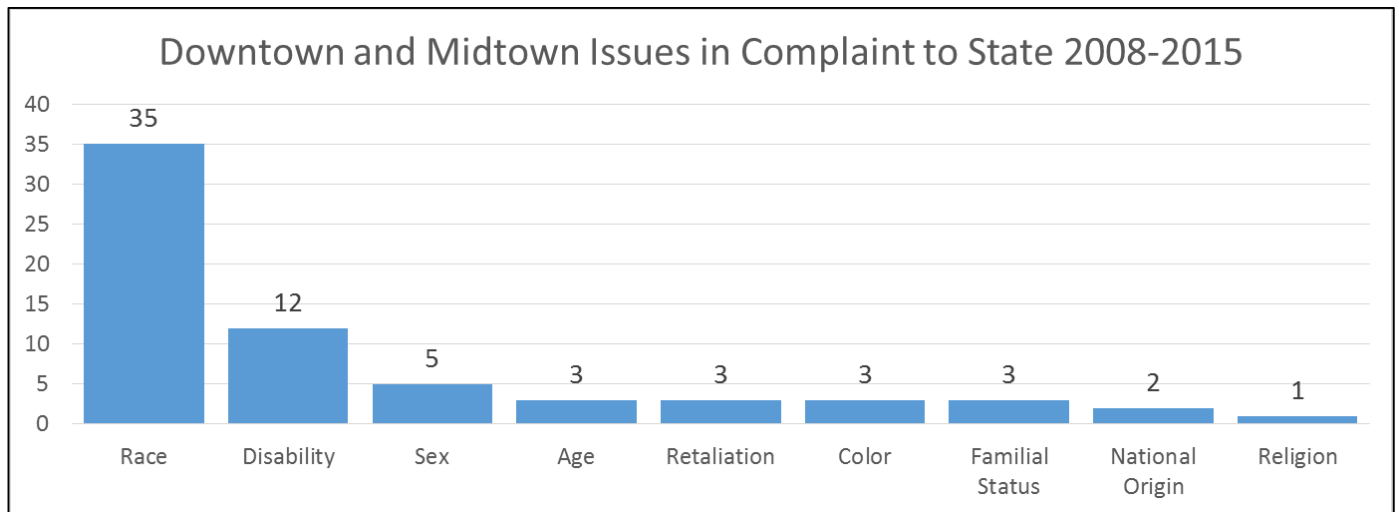


Figure 48: Issues in Complaints to State



### Fair housing law, outreach, and enforcement

Violations of the Fair Housing Act can be reported to the U.S. Department of Housing and Urban Development if it involves one of the stated protected classes. In addition to the federal protections granted for race, color, sex, national origin, familial status, religion, and disability status, the State of Michigan offers additional protections to residents based on age and marital status. Fair Housing violations reported to the state are reported to the Michigan Department of Civil Rights. State law requires that violations are reported within 180 days of the violation, but federal law provides for a 365-day window.

The City of Detroit extends some additional protections to residents seeking housing. Discrimination is illegal by Detroit ordinance on the basis of marital status, public-benefit status, sexual orientation, gender identity or expression, HIV status, or domestic partnership. Additional protections are provided to residents related to immigration status, appearance, and manner of dress, but these protections do not explicitly include housing as other protections do. Violations can be reported by citizens to the Detroit Human Rights Commission. The primary objective for the mayoral- and council-appointed directed commission is to receive complaints and investigate them, as well as conduct its own investigations as it deems appropriate related to housing and other areas of city life, including employment and public facilities. Additionally, the Commission is charged with reducing discrimination and assisting other agencies in this pursuit. The Commission conducts hearings, and has the right to issue mandates for action. Hearings may be appealed to the courts or to city council. The City, like the federal government, has a 365-day period during which to file a complaint after the violating action/inaction occurs. The City has one investigator who receives just a few housing complaints each year.

In addition to the government agencies described, residents who feel they have been discriminated against can turn to the Fair Housing Center of Metro Detroit, or the Fair Housing Center of Southeast Michigan and Mid-Michigan. These agencies conduct investigations, refer complaints to other agencies, and investigate complaints. These agencies often work collaboratively with federal, state and local partners.

In addition to passing more comprehensive laws to protect more citizens from housing discrimination, the City of Detroit has a number of housing and community development programs and budgetary allocations that may impact fair housing. To assess the role that the City plays in Fair Housing, the Center

reviewed the City’s approach to fair housing, the current HUD Consolidated Plan, and the Consolidated Annual Performance and Evaluation Report, as well as others such as the use of CDBG funds as well as Treasury funds for the Neighborhood Stabilization Program. Also examined were allotment of multifamily building permits and the role of demolition on housing supply.

The City of Detroit’s budget is audited annually by an independent auditor, which also provides a Comprehensive Annual Financial Report (CAFR) for each year. In this report, the city’s revenues and expenditures are described. A summary of the spending and the percent of the total budget spent on housing and development in the CAFRs for Fiscal Year 2009 to Fiscal Year 2014 is shown in Figures 49 and 50.

Figure 49: Budget Spending in Housing and Development for the City of Detroit 2009-2014

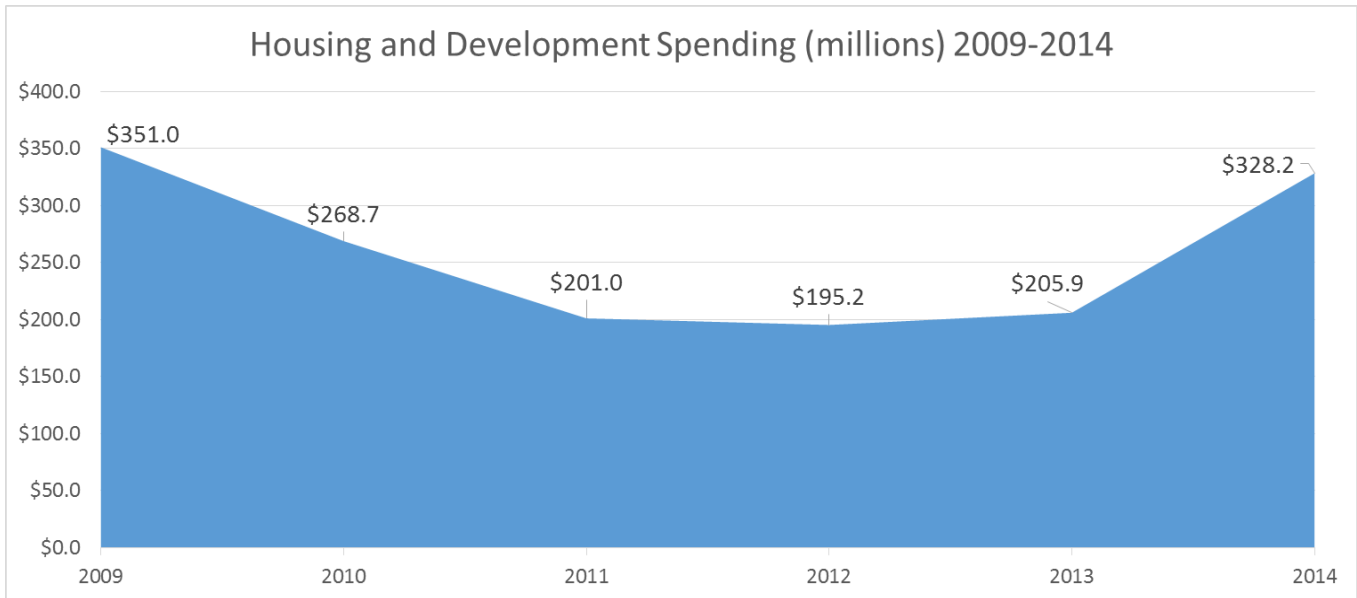
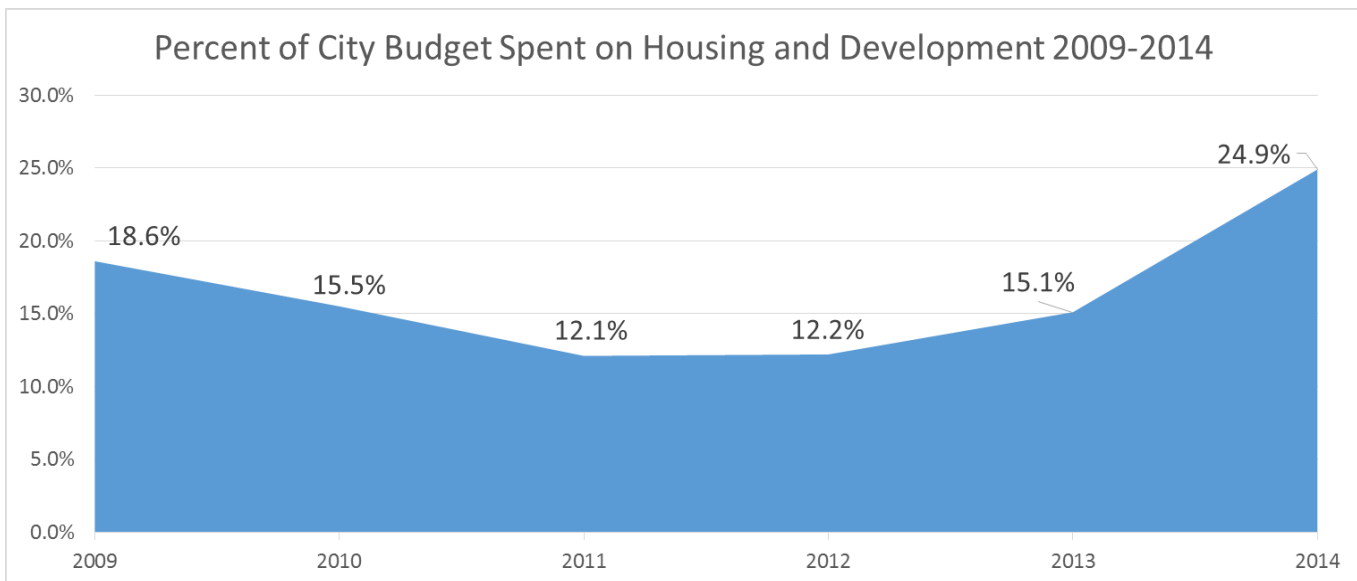


Figure 50: Percent of Budget Spent on Housing and Development for the City of Detroit 2009-2014





In each of the years, housing was the second-largest category of expenditures after public protection (police, fire, and other emergency services). During the five-year period, funding for these services was cut by \$155.8 million between 2009 and 2012 before funding was restored to a higher level. This represented a 44.4 percent drop in financial support for housing and development in a short period. To sustain the cut, the CAFR describes a series of furloughs, attrition and reduced salaries. The increase in 2014 was largely offset by an increase in fees related to emerging from bankruptcy.

In addition to budgetary spending, the City of Detroit has additional federal sources of spending that it can use to fund local housing development, maintenance of residential housing and community development. These sources are described below.

#### *Community Development Block Grants (CDBG):*

The Community Development Block Grant (CDBG) program is federal funding through HUD that allows for community development activities, which can include housing, maintenance, or community facilities, among other approved activities. The amount available to Detroit changes annually. The purpose of these funds is to maintain and support the development of healthy and stable urban neighborhoods, which includes the creation of safe housing and economic development activities for low- and moderate-income residents.

Since 2009, Detroit has used CDBG funding for home repair for low- and moderate-income homeowners. Additional funding has helped fund transitional housing for veterans, emergency homeless shelters, and apartments for teen mothers. Additional CDBG funding from 2013-2015 included assistance to the United Community Housing Coalition for foreclosure prevention.

The Neighborhood Opportunity Fund (NOF) is a local programmatic element using CDBG funding that prioritizes neighborhood improvement projects proposed by recognized neighborhood organizations. These projects may improve local amenities, including shelters, and can be used for home repair, but not the generation of new housing.

In 2015, CDBG-declared Disaster Recovery funding was allocated to the City of Detroit, in the sum of \$8.9 million, to mitigate against future damages after the City experienced flooding in 2014. Three proposals are receiving this funding, each of which involves some small-scale demolition for the purpose of increasing green infrastructure to reduce overburdening of the Combined Sewer Overflow storm water maintenance system.

#### *Neighborhood Stabilization Program (NSP):*

Because of the extensive impact the 2008 economic downturn and financial crisis had on Detroit, specifically in regards to homeownership and abandonment, the U.S. Treasury made a one-time investment in hardest-hit communities as part of the Housing and Economic Recovery Act of 2008. The purpose of these funds is to stabilize neighborhoods most heavily impacted by foreclosure by improving property values in these areas. In the city of Detroit, the impact of the foreclosure crisis is estimated to be more than 67,000 foreclosure properties, of which 65 percent are estimated to remain vacant. Detroit's allocation of NSP funding is approximately \$47 million. There were two phases of NSP funding. The first promoted new development in targeted neighborhoods. The second phase primarily funded residential demolition, comprising about 30 percent of the total allocation. Demolition was determined to be a critical need in meeting the purpose of revitalizing Detroit neighborhoods, reducing blight, stabilizing property values, improving quality of life, creating economic development opportunities and protecting investments by private and public partners (Diggs & Winters, 2009).

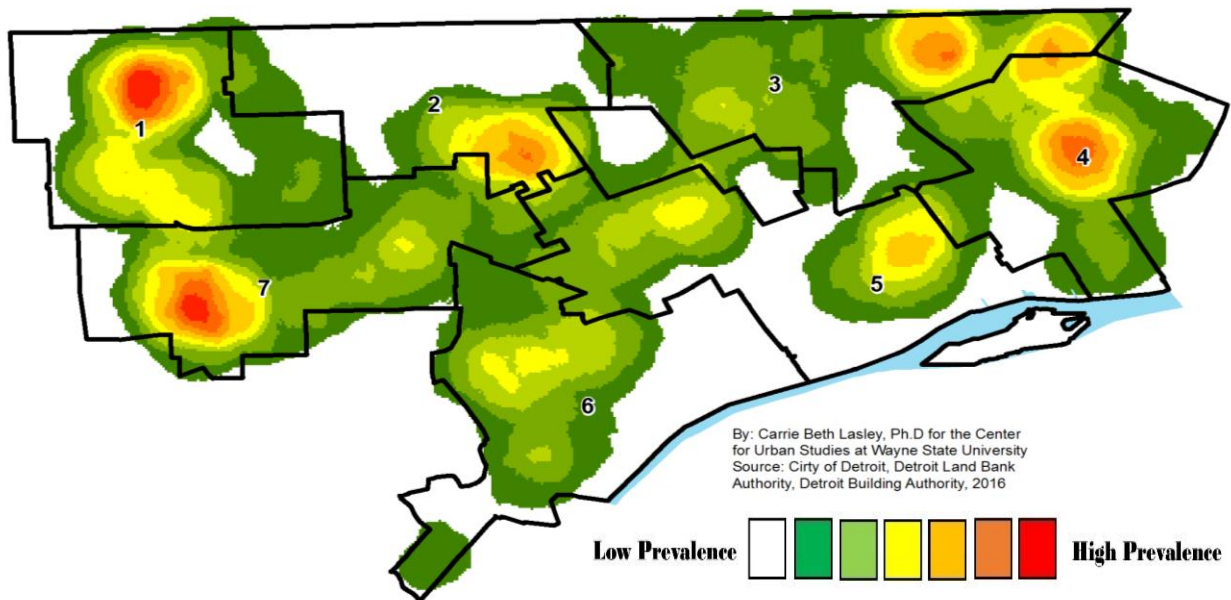
During Phase 1 of NSP, 355 units were funded, for a total of \$19,110,481 for an average funding of \$53,832 per unit of housing created.

In addition to demolition, funding in this program is dedicated to returning affordable homes into use, increasing vacant lot ownership and activities, and rehabilitating homes for occupancy. NSP targets the neighborhoods hardest-hit by the crisis. Funding is prioritized by the federal government in areas in which the majority of residents are of low or moderate income, those with the greatest number of foreclosures, those targeted for sub-prime lending practices, and those that anticipate an increase in foreclosures. Additionally, the City of Detroit chose to prioritize areas with significant private investment, significant CDBG activity, areas within a designated federal Empowerment Zone, areas with significant city investment, areas prioritized in the current Master Plan, and areas prioritized by active foundations. Using these criteria, nine original target neighborhoods were selected for targeted activity (Diggs & Winters, 2009).

With more than \$14 million spent in demolition of potentially occupied housing in targeted neighborhoods, it is expected that the implementation of this fund would be anticipated to have locally significant impacts on housing supply and demand and affordability in neighborhoods with the heaviest investments. At least 1,400 units are targeted to be removed (Diggs & Winters, 2009).

As of July 1, 2016, 9,809 demolitions had occurred using NSP funding, according to the City of Detroit. By federal law, demolition must be spent in designated areas of the city hardest hit by the economic crisis. Areas not included in the NSP areas are Downtown, Midtown, North Central Detroit, Corktown, and along the river on the East side. Thus, the impact of NSP on housing supply is more significant in some neighborhoods than others. Figure 51 shows the demolition density for the Neighborhood Stabilization Program.

Figure 51: Neighborhood Stabilization Program Demolition Density 2014-2016

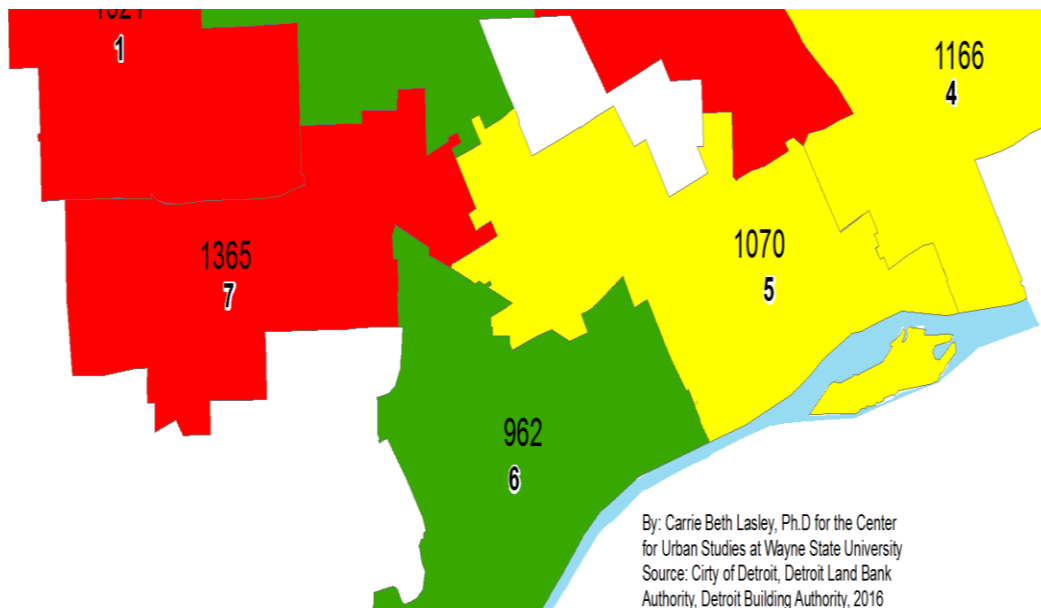


According to the City of Detroit’s Building Authority, in January 2016, property valuations within 500 feet of a demolition increased by 4.2 percent, and where other administrative tools were incorporated into an area, property valuations increased by 13.8 percent. Increases in valuation in the city were not consistently increased during this time, with some neighborhoods, including some in the Hardest Hit Fund

areas, continuing to lose value. While the stated goal was to reduce or eliminate loss in property values to stabilize the neighborhood, this goal can run counter to goals of Fair Housing. This is done by decreasing the supply of housing, thus increasing demand for the properties that still exist. This increases the rent or sale cost of the house, and allows for more prospective tenants to consider the same housing unit. The increased costs for purchase and rent reduce housing affordability, limiting access to low-income residents who are priced out, and increasing competitiveness for existing housing.

Additional demolition programs exist, providing opportunity to balance the localized impact of demolition, if not the general decrease in affordability. Figure 52 shows a breakdown of all demolitions by Council District. Areas with the heaviest density of NSP demolitions remain leaders when all demolition is considered. The three highest council districts for demolition are those with the highest NSP demolitions, and the lowest number of demolitions occur in districts in which significant areas were excluded from the NSP program, indicating that housing supply loss from NSP was not offset with other demolition programs.

Figure 52: All Demolitions by Council District 2014-2015



In addition to allocating money and resources to housing and other programs that may impact housing, the City of Detroit is also responsible for enforcing fair housing and encouraging it in the community.

Contributing Factors

State and local fair housing laws are more comprehensive than federal laws, identifying more protected groups. Local laws protect based on style of dress, gender identity, and relationship status, among other criteria, creating a robust umbrella for residents to seek fair housing. State laws also exceed federal minimums for protected groups.

Complaints are common in the region with more than 250 cases being reported in Detroit from 2008 until 2015 with one of four agencies. While just more than a quarter of these cases are resolved in a manner favorable to the complainant, and the majority rejected for insufficient information to find cause, there are still complaints and lawsuits each year that have successfully argued that fair housing practices are not being followed in Detroit and the region. Race and disability are still common issues in fair housing complaints.

In Detroit's recent history, there have been landmark fair housing and eminent domain cases in which residents were moved out of their homes, such as in the thriving Poletown community near the southern border of Hamtramck with Detroit, so that the area could be redeveloped as a manufacturing facility (410 Mich. 616, 304 N.W.2d 455, 1981 Mich.19 ERC (BNA) 1972.). In this eminent domain case, residents were relocated so that jobs would not be lost to a General Motors relocation, and the justification for the City of Detroit's actions that the taking was for public use, were upheld. A later case rejected the argument in Michigan's Supreme Court, in County of Wayne v. Hathcock in 2004, when the scope of public use was determined not to include the economic benefit of private entities not invested in public services (i.e., utilities) (684 N.W.2d 765 (Mich. 2004)).

Previously discussed cases related to "disparate impact" may also bolster claims of targeted discrimination of local groups. While these cases are federal, the impacts of the practices had severe local impacts. Cases related to fair housing and foreclosures are ongoing in the community and in the region as well. In July 2016, the American Civil Liberties Union filed a case against the Wayne County Treasurer's office to stop the county tax auction from being held. The plaintiffs claim assessments on Detroit homes far exceed market value, thus forcing residents into foreclosure due to unjustified assessment values. A similar case, in which fairness of assessments is the central theme, has been filed against the City of Hamtramck.

Filings in the past two years from the Metro Detroit Fair Housing Center include cases related to "No Kids policies," the rights of service animals, fair lending, age discrimination, disability accommodation, and racial steering and discrimination. A federal lawsuit was brought against Oakland County raising an issue of fairness in how community development funds are spent on housing in the suburban county, claiming that it is discriminatory in failing to address affordable housing needs in minority communities with this funding, and in doing so, has further increased segregation and reduced access to opportunity.

The number of landmark and current cases in recent years, as well as the issues raised, indicate that fair housing continues to be a problem in Detroit. Issues in these lawsuits range from the use of public finance by a municipality to disproportionately impact residents to private discrimination on a wide range of issues. These cases provide an opportunity for and a challenge to outreach efforts and indicate issues may be present with public trust.

## V. Fair Housing Goals and Priorities

A number of conditions, policies and social conditions have led to Fair Housing still being an issue in Detroit and the region today. Race, disability and other demographic and social features can present an obstacle to obtaining housing in Detroit and the region. A number of issues must be addressed for the City of Detroit to effectively Affirmatively Further Fair Housing.

**Segregation** has a historic and present foothold in Detroit. From a history on which housing played a leading role in integrating public housing and private home ownership to today, where a clear racial dividing line can be drawn largely across 8 Mile in Detroit, Southeast Michigan continues to rank among the most segregated regions in the United States. Beginning in the 1950s, white Detroit residents left the city for the suburbs. Detroit is today primarily composed of African-Americans, and the majority of the white population has immigrant roots, a sharp contrast to many of Detroit's white-majority suburbs.

As homeowners left the city for the suburbs in the second half of the 21<sup>st</sup> Century, they lowered the demand for housing in the neighborhoods they left. This is an element of the **disinvestment** in the City that makes funding solutions and maintaining infrastructure difficult. As demand for housing lowers, so do the property values, and with that, tax revenues. As properties lose value, the investment in maintaining the home can exceed the property value, and thus lead to deferred or denied maintenance, which we see in the data as problematic housing and vacancy through abandonment.

Disinvestment, although the process began in the last Century, is still a problem today further complicated by **mortgage crisis**, which has hit low-income African-Americans disproportionately. Detroit and other minority communities face high levels of foreclosure due to this. In 2014, 48 percent of homes in Wayne County were tax delinquent (Kirtner, 2016) and facing possible foreclosure, further contributing to problematic and vacant housing.

These three issues have contributed to a large proportion of the city of Detroit being designated by HUD as R/ECAP areas. The City's area of racial/ethnic concentrated poverty has grown over time. **Concentrated poverty** contributes to the deterioration of housing in much the same way disinvestment does. Residents struggling to make ends meet are unlikely to prioritize property maintenance. The lowering of property values allows residents to enter the housing market who may not have money to invest in improvements without assistance.

These areas of concentrated poverty often lack employment and educational opportunities available in more financially stable neighborhoods. This can be seen at the regional level. Detroit residents, often with other majority-minority communities, have less **access to opportunity**. In the examination of opportunity, regional patterns dictated that opportunity largely increased with distance from Detroit.

Detroit residents are often further inhibited from increased access to opportunity by a **lack of collaboration with suburban neighbors**. Education, for example, is subject to open enrollment across county lines, but schools do not have to help with transportation. Similarly, suburban communities can opt out of public transit, effectively barring transit-dependent people from entering their communities for employment or school.

Although in recent years, Detroit, like many American cities, is seeing a return-to-the-city movement in which middle- and higher-income residents and retiring baby boomers are moving into urban areas, this gentrification process in Detroit has not occurred in all neighborhoods. **Investing in particular neighborhoods** has occurred with private investments, as well as public and charitable investments that have focused on stabilizing neighborhoods in an urban triage approach rather than prioritizing spending in neighborhoods that continue to struggle and decline.

**Discussion:** Focus groups and research indicated that residents have poor knowledge about how to file a complaint and with whom they can file. Although residents have several options with whom to file, the City of Detroit could explore methods in which other communities report to determine if it can be done in a more user-friendly manner. This would promote an efficient method for fair housing complaint reporting and improve the knowledge about practices in the City.

October 12, 2018

Kathy Bagley, CPD Representative  
U.S. Department of Housing and Urban Development  
Office of Community Planning and Development  
477 Michigan Ave. Detroit, MI 48226

Dear Ms. Bagley,

Pursuant to Chapter 27-1-1 of the Detroit City Code - Findings and declarations through its City of Detroit Civil Rights, Inclusion & Opportunity Department (CRIO) (formerly Human Rights), by ordinance, will assist in meeting the City of Detroit statutory obligation to affirmatively further the purposes and policies of the Fair Housing Act. CRIO is charged with investigating and resolving any complaints based on violations regarding the Fair Housing Act and adhering to the attached policies. This includes prejudice, intolerance, bigotry, discrimination, and the disorder occasioned thereby, threaten the civil rights and privileges of the people of the city and menace their institutions.

CRIO shall have the power and general jurisdiction within and without city government, subject to the policies established by the human rights commission, to eliminate discrimination, to approve of procedures which will remedy the effects of past discrimination, and to prevent discrimination in: education, employment, medical care facilities, housing accommodations, commercial space, places of public accommodation, public service, resort or amusement, or other forms of discrimination prohibited by law, based upon race, color, religious beliefs, national origin, age, marital status, disability, public benefit status, sex, sexual orientation, or gender identity or expression; and to take such action as necessary to secure the equal protection of civil rights.

Best Regards,



Charity Dean, Esq.  
Director  
City of Detroit  
Civil Rights, Inclusion and Opportunity Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue- Suite 1240  
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[cdean@detroitmi.gov](mailto:cdean@detroitmi.gov)

## **City of Detroit Human Rights Department Complaint Investigation Procedures**

*The following 10-step process is the current investigative procedure used by the Human Rights Department to conciliate claims of unlawful discrimination and/or harassment pursuant to Section 27 of the Detroit city Code.*

### **Step 1. Intake**

Complainant contacts the Human Rights Department (HRD) by walking in, telephoning, faxing, e-mailing, or referral from another City agency such as Human Resources, City Council, or the Mayor's office.

### **Step 2. Contact and Interview**

Complainant is contacted by telephone or letter to schedule an interview. If complainant is a walk-in and an Investigator is available, an interview may take place at the time of Intake. During the interview, the Complainant is asked to explain the charge being made and what relief is requested; the Investigator ensures that the Intake form has been fully completed.

Investigator reviews, with the Complainant, the complaint process, jurisdiction, powers and limitations of HRD. Information is given to the Complainant regarding other investigative agencies or services that may be available to him or her, i.e. Mich Dept. of Civil Rights, Equal Employ Oppty Commission.

### **Step 3. Recording and Prima Facie Evaluation**

The Intake is logged-in and an initial evaluation of the allegations are evaluated to determine if the complaint is within the scope of HRD's jurisdiction. If the complaint is outside of the department's jurisdiction, a referral letter is forwarded to the Complainant.

If the complaint is within the HRD's jurisdiction, the case is scheduled for discussion at a divisional case review meeting.

### **Step 4. Case Review**

During Case Review, Investigators present a verbal summary of the Complainant's allegations, issues and relevant law. The case is further discussed with the supervising attorney for recommendation and investigation plan.

### **Step 5. Formal Charge and Letter of Concern**

The Complainant and Investigator complete and notarize a Formal Complaint, insuring that the complaint details each element of the charge, properly names all respondents, and identifies all persons to be notified of the charge.

In the alternative, if information is insufficient to support a formal complaint, a formal charge can be prepared in the form of a **Letter of Concern**, which also is detailed and sufficient on its face to notify the Respondent of the elements of the charge.



**Step 6. Review of Respondents Response**

The Respondent's response is reviewed by the Investigator and supervising attorney in a subsequent case review to decide if the investigation should proceed. If the Respondent has adequately responded to the charge, the Complainant then has an opportunity to review and respond to Respondent's response.

If Complainant is satisfied with Respondent's response, a Findings and Recommendation letter is issued and case closes. If Complainant is not satisfied with Respondent's response an early conciliation hearing is scheduled.

**Step 7. Early Conciliation Hearing**

A fact-finding, early resolution hearing is scheduled and conducted with all interested parties. The session is recorded and all elements of the charge and the response to the charges are discussed for clarity. Settlement proposal is encouraged by the meeting facilitator (Sr. Investigator or supervising Attorney).

If no resolution results, the case may be referred to an independent mediator (see step 10) or an investigation begins to determine if the charge is valid based on a preponderance of the evidence.

**Step 8. Investigation**

An investigation may consist of any one or more of the following: witness interviews, site visits, requests for documents, interrogatories/admissions, and/or a review of any evidence that may be presented such as video tapes and e-mails.

**Step 9. Findings & Recommendation**

The Investigator, in consultation with the supervising attorney, makes a determination based on an evaluation of the available evidence. If there is a finding of "no cause", Findings and Recommendation letters are forwarded to all parties

If there is a finding of "cause", a second conciliation meeting and a Settlement Agreement is proposed. If the Parties cannot agree, a Findings and Recommendation letter is forwarded to all parties and the matter is closed.

**Step 10. Mediation**

The case may be referred to an independent Mediator for mediation, if all parties agree, at any stage in the process with the supervising attorney's approval. The findings of the independent mediator are not binding. If mediation is successful the case is closed. If mediation is unsuccessful, depending on the stage in the investigative process, the case may be closed or the case may require further investigation.



# DETROIT PRESERVATION ACTION PLAN

CITY OF DETROIT | 2018



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## **Capital Impact Partners**

**Community Development Advocates of Detroit**

**Cinnaire**

**CSI Support and Development Services**

**Detroit Future City**

**Detroit Housing Commission**

**Detroit Land Bank Authority**

**Dykema**

**Enterprise Community Partners**

**Ginosko Development Company**

**Invest Detroit**

## **Local Initiatives Support Corporation**

**Michigan State Housing Development Authority**

**Senior Housing Preservation - Detroit**

**Talmer Bank and Trust**

**United Community Housing Coalition**

**University of Michigan Taubman College of Architecture and Urban Planning**

**U-SNAP-BAC**

**U.S. Department of Housing and Urban Development – Detroit Field Office**

# INTRODUCTION

**As Detroit makes progress toward being a stronger and safer city, new initiatives are needed to continue to build an inclusive city.** Investment brings new opportunity yet can also bring challenges in the form of rising housing costs. Ensuring that new affordable homes are part of the city’s growth is one strategy to achieve inclusion. Preserving the city’s existing affordable housing stock is just as critical to allowing current residents to remain in their communities and providing future affordable housing choices.

Detroit’s affordable housing stock consists of two types of affordable housing. Regulated affordable housing units are publicly funded and/or have rent restrictions. Naturally occurring affordable housing (NOAH) units are affordable to low-income residents when rented or sold at market rate. Both of these types of housing are at risk of losing their affordability over time without policy interventions.

Depending on market conditions, the two main threats to preserving both types of affordable housing are rising market values and functional obsolescence. In certain limited areas where the housing market is strong, buildings with homes that are currently affordable may be at risk of conversion to market-rate rental units or condominiums due to an owner or developer’s attraction to greater profits or neglect of a property. Affordable properties in weak markets often suffer from disinvestment and potential foreclosure after struggling to maintain sufficient occupancy to support operating costs. To counter these risks to the affordable housing stock, the City of Detroit (“City”) is committed to a strategic approach to preserve existing affordable housing, both regulated and naturally occurring.

## Definition of Preservation

*Distinct from “historic preservation,” which aims to upgrade and retain buildings that are specifically designated as historically significant, “affordable housing preservation” is the act of maintaining quality affordable homes and apartments.*

## Scale of preservation needs in Detroit

Currently, there are approximately 22,000 existing regulated affordable housing units operating in Detroit. These include rent-assisted and income-restricted multifamily buildings, low-income housing tax credit (LIHTC) properties, and public housing units.

Rent-assisted buildings provide long-lasting affordability through federal rental subsidy contracts, tied to loans from the Federal Housing Administration (FHA). In Detroit, rental subsidy contracts serve approximately 9,000 households. As the loans reach maturity, the rental subsidies can end, although they can be extended or moved to serve other affordable developments.

LIHTC properties are managed by private or nonprofit developers. Most LIHTC properties have a 15-year required affordability period, plus an “extended use period” that extends affordability requirements, usually for another 15 years or more. As described in more detail

below, most of these buildings will opt to retain their LIHTC affordability regulations for the extended use period, thus retaining their affordability levels. However, at the end of the required affordability period, properties can go through a regulatory process and request to opt out of affordability regulations and convert to market-rate pricing.

Public housing is operated by a government authority—in this case, the Detroit Housing Commission, which manages over 3,300 public housing units. Because they are government operated, public housing does not face the same threats to affordability as the other two types of regulated affordable housing.

Detroit’s housing stock also includes a significant number of NOAH units. In 2015, approximately 67 percent of Detroit’s non-regulated, market-rate multifamily housing stock (13,000 units) was still priced affordably for households who earn 60 percent of area median income (AMI), which equates to about \$33,000 for a two-person household.

# About the Task Force and Action Plan

The Housing and Revitalization Department (HRD) first convened the Detroit Preservation Task Force on April 25, 2017. Over 40 individuals representing government agencies, developers, financial institutions, community-based organizations, housing advocates, legal experts, philanthropic organizations, academic research institutions, and property managers gathered to contribute toward the Action Plan process. Over the next six months, Task Force members provided a wealth of data and expertise to HRD and their consultant, Grounded Solutions Network—a nonprofit organization with nationally recognized expertise in inclusive development and lasting affordability.

In the first full convening, the Task Force began by identifying Detroit’s highest priority preservation challenges. Next, four working groups were established to take these challenges and craft practical, implementable solutions. Each working group focused on one of the four distinct types of at-risk housing:

1. Sustainable regulated affordable housing stock
2. Unsustainable/troubled regulated affordable housing
3. Scattered-site low-income housing tax credit (LIHTC) housing developments
4. Naturally occurring affordable housing (NOAH)

Each working group met twice to discuss strategies with HRD and Grounded Solutions Network. Many Task Force members also made

additional time for interviews, conference calls, correspondence, and data sharing to help inform the Action Plan. In addition, Grounded Solutions Network conducted a review of national best practices and interviewed over 20 local and national experts who were not able to participate on the Task Force itself.

This resulting document, the Preservation Action Plan, will guide next steps for the City — particularly HRD as the lead department, partners who came together as the Preservation Task Force, and other important stakeholders in Detroit’s affordable housing. Implementation of the Preservation Action Plan will be a collaborative effort requiring leadership from governmental and nongovernmental partners. It will also require additional resources for implementation (described in the following pages).

# Goals of Preservation Action Plan

Preserving the existing stock of affordable housing—both regulated and NOAH—will help retain affordable housing options for residents and provide the opportunity for Detroiters of all incomes to remain in Detroit. The Preservation Action Plan is a guide to prevent housing units that are affordable for working, aging, low-income and vulnerable Detroiters from disappearing. In the immediate future, the City has set an ambitious goal to preserve the affordability of 10,000 units of housing by 2023 to retain quality affordable housing options for residents.

# Immediate Threats to Preserving Affordability

As mentioned previously, the two most immediate threats to preserving both types of affordable housing are rising market values and functional obsolescence. The following sections delve into those two issues in greater detail and describe the City's approach to its preservation work.

## Rising Market Values

Increased demand for housing in Greater Downtown is beginning to drive steep increases in the price of housing; rent rates in downtown increased 11 percent between 2013 and 2016.<sup>1</sup> Future population growth may lead to additional new demand for housing as housing preferences change. After years of population decrease, population loss has slowed in recent years to a decline of only 0.5 percent in 2016. If this trend continues, Detroit may see population growth in the near future. As Detroit's housing market continues to recover in the wake of decades of disinvestment, compounded by the Great Recession, other neighborhoods with urban amenities may face affordability challenges due to increased demand and rising housing costs.

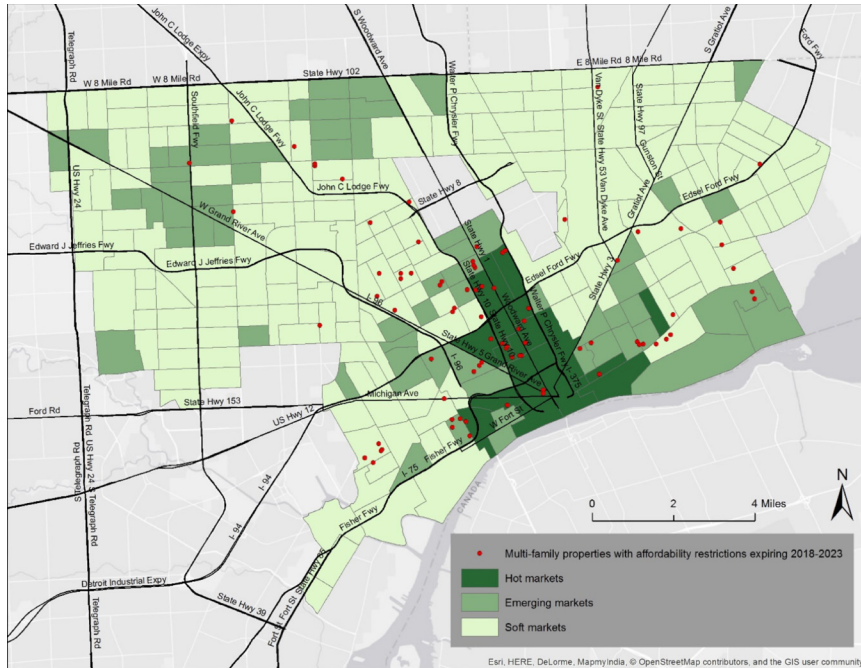
As described previously, both rental subsidy contracts and LIHTC affordability regulations expire after a certain number of years. Increasing market pressures can induce property owners of regulated affordable housing to convert properties to market rate at the conclusion of required affordability terms.

Between 2018 and 2023, nearly 9,000 units in 107 buildings that have support from rental subsidy contracts and/or LIHTC will come to the end of their required affordability term. Most of these buildings will opt to renew their rental subsidy contracts and/or retain their LIHTC affordability regulations for the extended use period, thus retaining their affordability levels. According to a 2012 study from HUD, of the LIHTC properties nationwide with an initial required affordability period that expired by 2009, over two-thirds retained their affordability regulations after the expiration date. However, regulated apartments in neighborhoods with stronger housing markets have an economic incentive to exit from government restrictions and increase their asking rents to market-rate levels.

<sup>1</sup> Broder & Sachse Real Estate Services, cited in <http://www.detroitnews.com/story/business/2016/07/22/downtown-detroit-rent-jump/87460118/>



# DETROIT PRESERVATION ACTION PLAN



**Map 1:**

*Regulated multifamily properties with expiring affordability restrictions by market type*

Map 1 identifies areas of the city with different housing market characteristics<sup>2</sup> and shows regulated multifamily affordable housing developments with affordability restrictions that will expire between 2018 and 2023.

Approximately 2,760 units in 23 buildings with expiring restrictions are located in “hot” housing markets; these buildings are in most urgent need of preservation.

## Recapitalization and resyndication

Affordable housing properties that are financed with low-income housing tax credits (LIHTC) are usually built and managed by a “general partner” but 99 percent owned by an investor, the “equity partner.” The equity partner receives tax benefits for 10 years after investing in development of a LIHTC property, and this partner typically remains the majority owner for 15 years. Fifteen years after receiving their first allocation of tax credits, however, owners of LIHTC properties should consider refinancing to make property upgrades and to continue to operate as affordable housing. This is because the limited rent rates make it financially challenging for building owners to invest in needed repairs, so unmet capital improvement needs tend to build up over the course of 15 years. Refinancing of LIHTC properties often requires a new allocation of tax credits as well as renewed investment from an equity partner and additional loans and grants. The process of seeking a new allocation of tax credits is called resyndication.

2 Market types were defined based on 2017 market rate rents, vacancy rates, the City’s planned areas for investment and growth, and expert knowledge.

In addition, many buildings that are approaching the end of their affordability restriction period have significant financial needs to support repairs, renovations and refinancing. Properties in emerging-market neighborhoods without rapidly rising rents are not necessarily at risk of converting to market rate in the short term, but these properties may still need help with the complex process of recapitalization and/or resyndication to remain affordable after their current affordability restrictions expire. They may also require local investments to upgrade the building and ensure financial sustainability for the extended affordability period. Many properties are aging and have significant maintenance needs, but they have not had sufficient income from rents to fund needed repairs and upgrades due to high vacancy rates and/or low rent rates. Preserving properties in moderate-market neighborhoods is important to prevent displacement as the market improves, and to ensure the neighborhood retains a healthy mix of lower cost units over the long run. Approximately 2,060 units in 24 buildings with affordability restrictions that will expire between 2018 and 2023 are located in emerging housing markets.

Some neighborhoods in Detroit are seeing increased investment that brings new opportunities and amenities. At the same time, new investment can also bring challenges. For NOAH units located in areas that experience significant new development, increasing market pressures can threaten the affordability of the units. In stronger housing markets, owners are economically motivated to raise rents, either with or without renovations, or sell their properties to another developer who can reposition the property as a higher-end,

market-rate development. Higher rents can lead to displacement of current residents. The most at-risk buildings in strong market areas are those that are currently occupied but are in poor physical condition, which means that a significant rehabilitation would provide the opportunity to raise rents substantially. These buildings have the most urgent need for preservation intervention. Fortunately, the need for substantial repairs also provides an opportunity for the City to offer rehabilitation assistance in exchange for continued affordability.

NOAH buildings in emerging markets may not be at imminent risk for large-scale tenant evictions. However, rent hikes and renovations, such as those that have already happened downtown, may become more prevalent in these neighborhoods in future years, as described previously in this report. As such, these NOAH buildings are a secondary priority for preservation investments, after buildings in strong market areas. NOAH buildings in moderate markets present an opportunity to “build in” affordability and preemptively tackle displacement in neighborhoods that may become unaffordable over a longer timeframe.

## Functional Obsolescence

Much of the city’s stock of regulated and naturally affordable housing is aging; 75 percent of Detroit’s multifamily units were built before 1980, and 50 percent were built before 1960.<sup>3</sup> Many buildings are likely in need of reinvestment. For NOAH units, particularly those in weak markets, extended periods of low-value rents can strain the financial feasibility of upkeep and maintenance. As a result, these properties risk falling into neglect. Regulated

3 US Census Bureau 2016 American Community Survey

affordable housing faces obsolescence challenges given the age of properties, the decline in federal funding, and insufficient cash flow to provide upkeep and maintenance of properties. Regulated homes and apartments in lower-rent and lower-income neighborhoods particularly struggle to keep their ledgers balanced and quality high because operating costs and debt service often exceed rental revenue. Though the average rent in Detroit is \$820 per month, rents are significantly lower in some neighborhoods.

Each aging affordable property—whether NOAH or regulated—in the city of Detroit faces a unique set of challenges. Some buildings were originally underwritten with overly optimistic assumptions about future rent levels or operating expenses. In these properties, the financing structure has not supported the development the way that it was intended, and debt payments may be draining scarce operating revenue. Other buildings are owned or managed by small organizations with insufficient staff capacity to expertly minimize operating expenses while also maintaining the property. Still other buildings are owned or managed by organizations that do not have tenant welfare or building sustainability at the heart of their concern. Because each troubled property is distinct, there is no one-size-fits-all solution for moving troubled, distressed, and dilapidated properties toward sustainability.

The City is working closely with the Michigan State Housing Development Authority (MSHDA), the U.S. Department of Housing and Urban Development (HUD) and the Detroit Housing Commission (DHC) to compile complete data on the physical and financial health of affordable housing. Currently available data represents a subset of buildings funded

using the MSHDA LIHTC programs. Based on these data, many of Detroit's regulated affordable buildings are struggling to pay monthly bills, fill their units or accomplish needed repairs. For instance, in 2017, 20 percent of properties were delinquent on their loan payment to MSHDA. These buildings are at risk for poor maintenance and/or high vacancy rates, and may have property management concerns, which can lead to eventual foreclosure or abandonment.

## Landscape of preservation work in Detroit

The issue of preservation has become more visible over the past several years in Detroit. Multiple stakeholders—including the University of Michigan, Capital Impact Partners, Community Development Advocates of Detroit, the Detroit Local Initiatives Support Corporation (LISC), the Community Development Financial Institution (CDFI) Coalition of Detroit, and Senior Housing Preservation-Detroit—have been engaged in a variety of preservation efforts since 2015. Efforts range from research on NOAH properties in greater downtown to preservation of scattered-site LIHTC developments to preserving senior housing.

Thus, the Preservation Action Plan is indebted to the previous work of dozens of organizations and individuals who have committed time, resources and expertise to understanding and confronting preservation challenges in the city. The Action Plan process aims to build upon their contributions.

# STRATEGIES FOR PRESERVATION

The following affordable housing preservation strategies are based on a shared set of implementation goals:

- Prevent regulated affordable units from converting to market rate.
- Prevent loss of public investment, specifically HOME investments and rental assistance contracts funded through federal housing assistance programs.
- Improve conditions and retain the affordability of properties suffering from deterioration, vacancy, abandonment and/or foreclosure.

These implementation goals support and reinforce the City's overall goal of preserving 10,000 affordable housing units by 2023.

As described in the following Resources Required section, HRD will establish a Preservation Partnership Team, which will be staffed by a locally based CDFI and include key City partners, to carry out the following strategies over the next five years:



**Create and maintain a Preservation Database and a prioritized list of specific properties for immediate intervention.**

In order to successfully preserve affordable housing, it is essential to make a specific list of the individual buildings that are being targeted for preservation. Each building's needs are distinct, as are the investors and stakeholders who need to be involved in the rehabilitation/refinancing effort. Successful preservation efforts in other communities have depended on creating a concrete list from which to build individualized preservation plans. For example, the DC Preservation Network in Washington, D.C., meets monthly to examine a list of every publicly subsidized building in the City, look at which properties have expiring affordability restrictions, and discuss a plan of action for each at-risk property.

The first step to creating such a list is to compile a Preservation Database that includes a comprehensive inventory of buildings in Detroit with affordable housing units—both regulated and NOAH—along with essential data points about each building that can help prioritize the need for preserving units in that building.

The City of Detroit is currently leading efforts to compile data on the affordability restriction expiration dates, physical needs and financial status for each building with currently regulated affordable housing. Numerous agencies and organizations hold data on affordable housing, but no single entity has, to date, compiled all sources into a single database. The Preservation Partnership Team will complete this database and prioritize buildings for preservation based upon key criteria. Criteria will include:

- Expiration dates for affordability requirements
- Presence and scale of past public investments such as HOME and rental assistance contracts
- Neighborhood strength
- Size of the building
- Property owner

Significantly less data is available on NOAH than on regulated affordable housing, making it difficult to identify specific buildings for immediate interventions. The Preservation Partnership Team will build the Preservation Database to include data on NOAH such as:

- Address
- Contact information for building owner and management company
- Average rents and characteristics of surrounding neighborhood

- Inspection information
- Assessed property value
- Date of construction and/or most recent major renovation

Following the initial creation of the Preservation Database, the Preservation Partnership Team will update the Preservation Database regularly to ensure that the prioritized list remains relevant over time. Database updates and refinements will require regular communication with MSHDA, HUD, HRD, the DHC and other relevant data-holding entities.

**INITIAL BENCHMARK:** Preservation Database created and set up in 2019.



**Collaborate with key stakeholders to coordinate preservation of prioritized multifamily properties.**

The actual day-to-day work to ensure that prioritized multifamily properties are successfully preserved involves a multi-step collaborative process. The Preservation Partnership Team will convene public agencies to collectively review buildings identified in the Preservation Database and discuss threatened buildings in each agency's portfolio. The Preservation Partnership Team will then conduct targeted outreach to owners and managers of identified high-risk buildings—both regulated and NOAH. Outreach will identify the owners' intentions and whether they are interested in preserving affordability in their building. After

determining the owners' intent, the Preservation Partnership Team will work with HRD to coordinate teams of relevant stakeholders—public agencies, funders, investors, tenant representatives, financial planners—to create and implement a plan of action for each property. Plans for properties in areas with rising rents could include, for example, incentives to retain affordability. Plans for troubled and distressed properties could include, for example, training and mentorship for general partners and property managers.

A good model for this process is the Cook County Preservation Compact in the Chicago area, which has a property working group that regularly identifies specific at-risk properties to target for preservation, reaches out to relevant players (e.g. landlords and tenants), and implements a specific preservation approach for each identified property.

Additional specific tasks relevant to preservation of multifamily properties that the Preservation Partnership Team will coordinate include:

**Cultivate a pool of affordable housing developers and owners interested in making their properties destination buildings for rental subsidy contracts should such contracts need to be moved.**

Despite best efforts to preserve affordable rent levels, a small number of affordable housing buildings in high-rent neighborhoods may elect to convert to market rate. In the case of buildings with Section 8 or other rental assistance contracts, HUD has an opportunity to transfer this operating subsidy to an alternative building. If no alternative building

can be found, then the federal subsidy dollars are lost. Part of the Preservation Partnership Team's coordination work will be to recruit and formalize a list of Detroit-based affordable housing developers and owners who are interested in making their properties destination buildings for rental subsidy contracts.

**INITIAL BENCHMARK:** Convene local affordable housing owners and developers in Detroit in 2019.

**Build capacity amongst local housing developers and managing agents for refinancing, rehabilitating and managing aging regulated buildings.**

Many local developers and “general partners” who own buildings would benefit from training and mentorship to support them through major rehabilitation and refinancing/resyndication processes. Similarly, managing affordable housing in the City of Detroit is a difficult business, often with slim margins and numerous challenges. From addressing safety concerns, to re-renting units quickly, to minimizing utility expenses, to complying with the regulations and documentation expected from funders—property managers must be well equipped to handle many responsibilities.

Around the country, opportunities for training, one-on-one mentorship and peer exchange come in a variety of forms. In some areas, trade associations, such as the Nonprofit Housing Association of Northern California, offer practical trainings to their members. In Chicago, the Community Investment Corporation's manager training courses have been widely lauded and appreciated by newer property

managers. In Detroit, “general partners” have expressed a desire for individualized mentorship or technical assistance in addition to classroom learning opportunities. The Preservation Partnership Team will also work with property owners, property managers, funders and investors to identify the top priority training needs and a training/mentorship strategy.

**INITIAL BENCHMARK:** Training and mentorship strategy developed and launched by 2019.

### **Attract nationally recognized, high-performing affordable housing developers and property managers to preservation opportunities in Detroit.**

Preservation of regulated affordable housing is highly complex and requires a different skill set than new development. In some cases, the Preservation Partnership Team will need to identify organizations that can replace current management companies or acquire aging buildings to take them through a rehabilitation/refinancing transition. Attracting expert managers of aging affordable housing and expert developers who focus on preservation may be as simple as issuing and publicizing a well-crafted Request for Qualifications (RFQ), or it may also involve networking efforts on behalf of specific developments.

**INITIAL BENCHMARK:** Convene national best practice preservation owners and developers in Detroit in 2019.

### **Develop programs to provide protections and benefits for tenants who are displaced by market-rate conversion or NOAH renovations.**

When NOAH or regulated affordable buildings undertake a major renovation in order to attract higher-income tenants, current tenants are displaced for the renovation itself and also by unaffordable prices established afterward. Sometimes, even preserved regulated affordable housing must undergo major renovations and raise rent levels, especially if the building has been serving extremely low-income households without sufficient operating subsidies, and consequently, accrued unaddressed maintenance problems.

Many cities, including Detroit, mandate certain tenant protections. These protections can take a wide variety of forms such as notice requirements in advance of an eviction or property conversion, just-cause eviction protections that prohibit eviction unless the owner has a “cause” like a lease violation, relocation compensation, enhanced relocation benefits and notice requirements for seniors and people with disabilities, right to return for tenants that must move out for a renovation, and first right of refusal benefits for tenants or tenant-designees to purchase the building.

The Preservation Partnership Team will conduct a comprehensive review and monitor effectiveness of the state legal landscape around tenant protection mechanisms and of existing City tenant protection policies, such as the recently adopted ordinance requiring a 12-month notice for property conversions. The Preservation Partnership Team will also conduct research to understand the needs of tenants in

Detroit and investigate what additional tenant protections are best suited for use in Detroit to achieve tenant stability, ensuring that strategies are in compliance with the Uniform Relocation Assistance Act where applicable. Based on this research and monitoring, the Preservation Partnership Team will recommend and help implement, as appropriate, mechanisms to strengthen tenant protections—including through City policy—within the state’s legal framework.

**INITIAL BENCHMARK:** Recommendations for tenant protection mechanisms developed in 2019 and implemented by 2020.

### **Develop tax abatement policies that incentivize preservation of affordability.**

Detroit’s property tax rate on commercial property is effectively one of the highest in the country and places a significant burden on existing multifamily properties and new development. As a result of current market conditions and a high property tax rate, almost all new multifamily developments and existing regulated affordable developments rely on some form of tax incentive or abatement to reach financial feasibility and maintain operations.

As real estate values rise in a neighborhood, it becomes increasingly attractive for property owners to seek city tax incentives to improve properties and raise rents. While the City is interested in continued investment and improvement of housing quality in Detroit, this type of development of occupied buildings threatens to displace existing residents who cannot afford increased housing costs.

The City will work to prevent the displacement

of residents by requiring building owners who seek incentives for reinvestment or redevelopment of safe, clean and decent occupied building to create a retention plan with an affordable housing outcome for every resident. This plan must include either a provision of affordable housing for income-eligible current occupants on site, or a minimum one-year lease for existing residents in an off-site housing unit that is comparably priced and located.

In softer market areas, tax abatements could be paired with other local funding and financing tools to retain affordability in properties that are exiting federal affordability requirements.

**INITIAL BENCHMARK:** Develop tax abatement policy recommendations in 2018; implement recommendations in 2019.

### **Design financing options, such as a low-interest loan product, to help developments retain affordable rent levels without relying on complex local, state and federal subsidy programs. Tie receipt of capital to retention of affordability for current tenants and/or to lasting affordability restrictions on units.**

In some cases, currently regulated affordable housing developments are not able to compete for the highest value subsidy programs available, such as the 9 percent tax credit program. When some of these buildings were initially funded using the 9 percent tax credit program 15 years ago, MSHDA was specifically prioritizing a percentage of tax credit developments in Detroit; MSHDA’s priorities have since shifted.



Also, the 9 percent tax credit program scores developments based on a series of neighborhood characteristics, such as amenities within walking distance. While some developments may have scored reasonably well on these characteristics 15 years ago, changing neighborhood conditions mean those same buildings may now be less competitive.

In addition, some properties may not need resyndication with 9 percent tax credits and could refinance with a different loan product. In other cases, continued participation in government programs can make it harder to upgrade the property while preserving affordable rent levels; federal housing programs carry somewhat costly requirements, including “Davis – Bacon” wage rates.

NOAH owners who need to make property improvements may also be attracted by a source of low-cost capital and willing to “trade” tenant protections and/or affordability restrictions on a portion of their units in exchange for low-cost financing. Lowering the cost of borrowing also presents the opportunity for acquisition of NOAH buildings, with the intent of preservation, when NOAH buildings are placed on the open market.

As described in the City’s Multifamily Affordable Housing Strategy, the City will work with stakeholders—including financial institutions, Community Development Finance Institutions (CDFIs) and philanthropic organizations—to establish the Affordable Housing Leverage Fund (AHLF).

The AHLF will provide funds both for preservation of existing affordable housing and for new development of affordable housing. Local funding from the AHLF—or potentially

a separate loan fund that does not carry the same administrative and legal requirements as LIHTC, Section 8 or HOME—could enable NOAH and regulated affordable buildings to keep current tenants and offer ongoing affordability. For these buildings, funding partners will need to create a system for overseeing rent levels and for ensuring that tenants meet income requirements upon initial entry into the unit. However, administrative burdens should be minimized. The City will work with the AHLF fund manager and/or the Preservation Partnership Team to design and implement this type of low-cost financing program.

The Community Investment Coalition, which preserves small apartment buildings in the Chicago area, and the Greater Minnesota Housing Fund’s NOAH Impact Fund, which preserves naturally occurring affordable housing in well-connected Minnesota areas, offer examples of preservation funds focused on preserving affordability without triggering federal and state compliance regimes.

**INITIAL BENCHMARK:** Design pilot low-interest debt instrument with MSHDA in 2018.



**Transition Scattered-Site LIHTC properties to financial sustainability.**

The Preservation Action Plan focuses on multifamily structures, however, there is one exception. Roughly 1,200 single-family homes in the City were initially built with support from the LIHTC program and City-allocated

HOME funding. At the time these homes were developed, the intention was that low-income renters would eventually own some of these properties by the end of the 15-year LIHTC compliance period; other properties were intended to remain as rental housing for the long term. However, most occupants of these homes still cannot afford to purchase their home due to multiple layers of debt on the property. Furthermore, the foreclosure crisis left many of these properties relatively isolated in underpopulated parts of the City.

Scattered-site properties, especially when widely dispersed, are difficult to manage as rental units. These properties do not have on-site office staff; it takes considerable time to travel among units to assess property conditions and make needed repairs. Additionally, scattered-site properties do not benefit from the economies of scale for everything from services like trash pickup, to maintenance of different types of fixtures in various units.

To further complicate matters, some of these homes were built originally by organizations or partnerships that have since dissolved or lack sufficient capacity to oversee the property. As a result, many scattered-site homes have suffered physical deterioration over the years.

Also, many properties are “overleveraged,” with debts exceeding the present-day value of the home. As these homes approach the end of their 15-year LIHTC required affordability period, they may need to refinance to remain long-term rentals or to transition to affordable homeownership.

These single-family structures face unique challenges; they are different from multifamily apartment buildings and require specialized

stakeholder and investor expertise for preservation. The City will work with other agencies and/or consultants to convene a core group of involved syndicators and general partners to outline the process and structure for transferring scattered-site LIHTC developments to affordable homeownership and alternate strategies (e.g. remain as rental) when necessary. The City will seek to include continued, lasting affordability for these homes, particularly in strong- and moderate-market neighborhoods, to the extent feasible.

Some scattered-site developments will reach the end of their 15-year required affordability periods in 2018 and 2019. Other homes are in states of disrepair or in significant arrears on their mortgage payments. Properties that are at risk for foreclosure or abandonment, and properties imminently reaching their age-out date, will be identified and placed into a pilot program to tactically address these urgent needs.

The City of Cleveland’s Year 16 CDC Initiative can serve as a model for the City of Detroit. The initiative stabilized 700 homes owned by community development corporations (CDCs), raised nearly \$2 million to improve properties and purchase bank notes, and transitioned nearly 60 percent of the occupants into successful homeownership.

**INITIAL BENCHMARK:** Identify recapitalization and/or sale strategy for all expired scattered-site, single-family affordable housing developments by 2020.



### Improve coordination and collaboration among stakeholders.

#### Improve coordination among City departments to effectively support asset management, maintenance and retention of affordability for regulated affordable housing.

Multiple departments within the City of Detroit—including the Housing and Revitalization Department (HRD); the Buildings, Safety Engineering and Environmental Department (BSEED); and the Treasurer’s Office — play a role in supporting the sustainability and longevity of regulated affordable housing development. Improved cross-department collaboration will allow the City to better support management and maintenance of these properties, as well as lasting affordability of the units.

For instance, inspection information from BSEED could be useful to HRD for understanding maintenance issues in HOME-funded buildings. Conversely, HRD may be able to support property improvements and coordinate with property managers to remedy code enforcement problems before issues escalate.

Both new and existing regulated affordable housing developments in Detroit are heavily reliant on incentives for financial feasibility. These tax incentives are critical to the financial feasibility of operating affordable housing and must be maintained to preserve the existing housing stock. Regulated buildings can

qualify for a PILOT agreement, granted by the Assessor’s Office, which significantly reduces their tax burden. It will be critical to ensure that all preserved buildings have access to a PILOT agreement that ensures their operational sustainability as well as lasting affordability.

To improve cross-departmental coordination and to make City policies and practices more consistent and transparent, HRD or the Preservation Partnership Team will coordinate regular standing meetings (e.g. quarterly) as well as ad hoc, as-needed meetings to better align multiple departments in supporting the sustainability of regulated affordable housing.

**INITIAL BENCHMARK:** Convene regular multi-department meetings beginning in 2018.

#### Collaborate with the Michigan State Housing Development Authority (MSHDA) to amend MSHDA policies and procedures where possible to encourage quality asset management and retention of affordability for entire the extended use period.

MSHDA helped to finance a majority of Detroit’s existing regulated affordable housing using the LIHTC program, bond financing and other programs. For LIHTC properties approaching year 15, MSHDA is a critical player in determining which properties will be preserved and for how long. While many rules governing the LIHTC program are stipulated by federal law, there is also considerable diversity in how state finance agencies implement the program.

Oregon and Tennessee are examples of other states with high-performing housing finance

agencies (HFAs) that prioritize preservation and cooperation. Oregon's HFA worked with the Portland Housing Bureau and other organizations across the state to establish the Oregon Housing Preservation Project, which aimed to maintain a database of affordable properties in the state and develop a set of strategies to preserve affordable housing properties and their associated federal subsidies. The Network for Oregon Affordable Housing was selected to administer the effort and create a new loan fund, the Oregon Housing Acquisition Fund, to support the acquisition of at-risk properties. This partnership, which issues both preservation loans and loans to purchase and convert existing buildings to affordable housing, has been extremely successful in preserving federally subsidized housing.

The Tennessee HFA website lists all the affordable housing properties for sale, with related documentation. This public site also lists multiple annual trainings offered each year. In particular, the HFA offers compliance training for owners, managers and dedicated compliance staff of housing credit properties. In addition, the state conducted an audit of affordable housing properties and issued a report that describes the age and physical condition of existing affordable rental housing properties in Tennessee. The report also identifies other risk factors for loss of affordable units, such as rental assistance contract expiration dates, to guide future discussions around affordable housing preservation in Tennessee.

Learning from what works elsewhere may be useful for thinking creatively about MSHDA's preservation policies and practices.

MSHDA has been an active and engaged partner with the City throughout the Preservation Action Plan process, contributing time, data and expertise. Moving forward, continued collaboration between HRD and MSHDA will be critical to improving regulated properties and preserving them for longer-term affordability.

**INITIAL BENCHMARK:** MSHDA publishes information regarding all preservation properties by 2019.

### **Collaborate with HUD to determine whether HUD-financed market-rate buildings could be granted incentives to retain affordability for current tenants or transition to a lasting affordable model.**

HUD offers financing options for new market-rate multifamily development, as well as financing for regulated affordable buildings. In Detroit, HUD has financed over two dozen market-rate multifamily buildings, totaling almost 2,500 units. Without restrictions on use or rent, owners of these buildings can raise rents freely. Because it is within HUD's mission to preserve affordable housing opportunities, these buildings could be a prime target for affordability retention. The City will collaborate with HUD to identify a list of HUD-financed market-rate buildings and to create incentives for owners of these buildings to convert all or a portion of their units to a lasting affordability model.

**INITIAL BENCHMARK:** Create a list of all HUD-financed multifamily buildings by 2019; target eligible developments for retention/creation of affordable housing.

### **Facilitate involvement amongst neighborhood organizations and tenants in resolving management, maintenance and safety issues.**

Capacity building for property managers and enforcement from funders and investors are critical to ensure safety, health and livability in affordable properties. However, success stories also show that neighborhoods and tenants have an important role. Preservation efforts in New York and Chicago rely on tenant advocacy organizations for on-the-ground information about living conditions. Tenants in these cities often collaborate in the preservation process when a building is at risk for conversion to market rate.

Today, Detroit-based United Community Housing Coalition (UCHC) and Midtown Detroit Inc. are examples of grassroots organizations that have improved building conditions. For instance, staff of Midtown Detroit Inc. worked persistently with property managers whose buildings were troubled by crime and drugs. As a result, many troubled buildings in the Midtown neighborhood have seen significant improvement.

Additionally, UCHC community organizers help low-income tenants obtain repairs and improve housing conditions. For example, they negotiate disputes with building owners and governmental agencies, as well as provide support for court action to get needed repairs.

However, these organizations' staffing levels and operational capacity are limited. Looking forward, the City will consider how to support tenant and neighborhood organizations at a broader scale, so that affordable housing residents are integrated into the neighborhood

fabric and empowered to care for their homes and neighbors.

**INITIAL BENCHMARK:** Select a community organization as part of the Preservation Partnership Team in 2018 to ensure that development residents have a voice in the preservation organization.

# RESOURCES NEEDED

Implementation of the Preservation Action Plan strategies is dependent on the availability of sufficient resources — both financial resources and staffing resources.

## Financial resources

There is currently no funding exclusively for housing preservation in Detroit. Preservation can be funded through federal programs such as HOME and state programs such as LIHTC, but it competes with new development for those funds. MSHDA sets aside 25 percent of its annual allocation of low-income housing tax credits for preservation projects in the state, but not all existing developments in Detroit are competitive for the LIHTC program.

For example, the 9 percent tax credit program scores developments based on a series of existing neighborhood characteristics—such as amenities within walking distance—that Detroit developments may not have. In addition, because many Detroit developments also have significant deferred maintenance and capital finance needs, few are viable with LIHTC alone; additional subsidy programs are needed for rehabilitation and refinancing costs.

Preservation of affordable housing is a cost-effective way to facilitate an inclusive Detroit housing market. According to HUD, preservation of existing units typically costs about one-half to two-thirds of the cost to build new units, depending on the rehabilitation needs of the property.<sup>4</sup>

Although preservation is more efficient than new construction, it does require significant public and private resources. The City has projected a total unmet funding need of \$250 million (approximately \$150 million in below market rate capital and approximately \$100 million in grant capital) to achieve its goals of preserving 10,000 units and producing 2,000 new units of affordable housing by 2023.

As described in the City’s Multifamily Affordable Housing Strategy, the City will work with stakeholders—including financial institutions, community development finance institutions (CDFIs) and philanthropic organizations—to establish the Affordable Housing Leverage Fund (AHLF). The AHLF will provide funds both for preservation of existing affordable housing and for new development of affordable housing.

4 <https://www.huduser.gov/portal/periodicals/em/summer13/highlight1.html>

## Staff Resources

Successful implementation of the Preservation Action Plan will require significant dedicated staff resources. The City will take two steps to adequately staff implementation of the plan:

### 1. Create the Office of Policy Development and Implementation

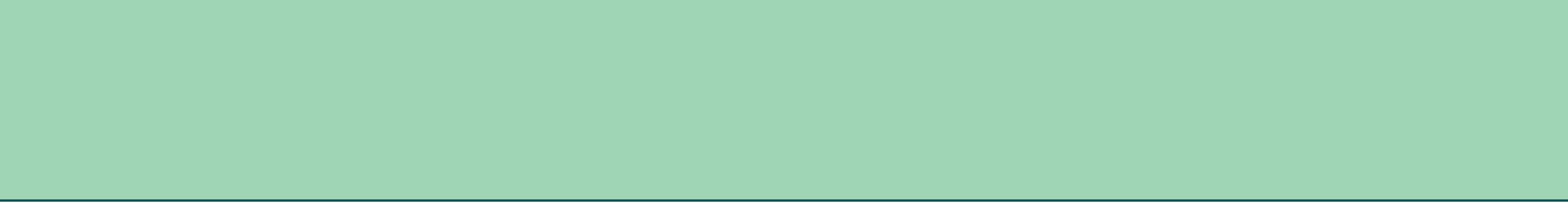
The City recognizes that addressing Detroit's need for affordable housing will require intensive efforts to create and implement the tools and strategies described in this document. To oversee plan implementation, the HRD will establish the Office of Policy Development and Implementation (OPDI), which will be dedicated to designing programs and initiatives, leading the implementation of new policies, and integrating these activities into the regular operations of the City.

In addition, the OPDI will also ensure that the goals, strategies and initiatives of this plan are incorporated into the housing strategies within neighborhood plans. To do so, OPDI will work closely with the Planning and Development Department (PDD), which is leading the creation of the neighborhood plans. The OPDI will include new staff with specific areas of focus and expertise in affordability preservation, community land trusts, affordable housing trust funds, development incentives, affordability compliance, capacity building, and single-family affordable housing strategies.

### 2. Establish a Preservation Partnership Team

Even with additional staff in the new Office of Policy Development and Implementation, successful implementation of the Preservation Action Plan will require staff resources beyond what the City alone can provide. This implementation work will require a high-capacity staff with deep experience in affordable housing finance, credibility, excellent project management skills, and the ability to build trust with diverse stakeholders. Staff from a CDFI will be best suited to carry out this work because the day-to-day work of a CDFI requires a similar set of skills and expertise.

For example, the Chicago area's Cook County Preservation Compact, which brings together the region's public, private and nonprofit leaders to preserve affordable multifamily rental housing, is coordinated by Community Investment Corporation (CIC), a Chicago-area CDFI. In an approach similar to Chicago's, HRD will establish a Preservation Partnership Team, which will be staffed by a locally based CDFI and include key City partners, to implement the strategies in the Preservation Action Plan.





## Compliance with Section 106 of the National Historic Preservation Act of 1966

Every year, the U.S. Department of Housing and Urban Development (HUD) may allocate funds to the City of Detroit or other organizations or agencies which operate within the City of Detroit. Examples of HUD funding programs administered by the City may include, but are not limited to, the following: the Community Development Block Grant (CDBG) Program, the CDBG-Disaster Recovery (CDBG-DR) Program, the CDBG-Declared Disaster Recovery (CDBG-DDR) Program, the Self-Help Homeownership Opportunity Program (SHOP), the Housing Opportunities for Persons With AIDS (HOPWA) Program, the HOME Investments Partnerships (HOME) Program, the Lead Hazard Reduction Demonstration Grant (LHRDG) Program, the Special Purpose Grants Program, the Emergency Shelter Grant (ESG) Program, the Neighborhood Stabilization Program (NSP1 & NSP3), and the Public and Indian Housing Program. These funding programs support a broad range of housing and community development activities and projects. Examples of these projects include single-family and multi-family rehabilitation, property acquisition, property relocation, handicapped accessibility improvements, demolition, new construction, lead hazard reduction and redevelopment projects.

These activities or projects may affect historically- or culturally-significant buildings, properties or sites. The City of Detroit is responsible for ensuring that the activities or projects supported by these funds comply with all applicable historic preservation laws and regulations, one of them being Section 106 of the National Historic Preservation Act of 1966 (NHPA). The City ensures compliance through coordination and consultation with the appropriate regulatory authority per the Section 106 implementation regulations found in 36 CFR Part 800. For HUD-funded activities or projects within the City of Detroit, this authority is the Michigan State Historic Preservation Office (SHPO). However, the SHPO has delegated certain aspects of its authority to the City of Detroit through the use of a Programmatic Agreement (PA). The PA is the legal document that allows the City of Detroit to expedite the review of its HUD-funded activities or projects. This review process is facilitated and managed by the Preservation Specialist who is housed within the City of Detroit Housing & Revitalization Department. A copy of the PA, including a description of the review process, can be found in the attachment.

**PROGRAMMATIC AGREEMENT**  
**AMONG**  
**THE MICHIGAN STATE HISTORIC PRESERVATION OFFICER,**  
**THE CITY OF DETROIT, MICHIGAN AND**  
**THE ADVISORY COUNCIL ON HISTORIC PRESERVATION**  
**REGARDING ADMINISTRATION OF THE**  
**HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS**  
**FUNDED BY THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**WHEREAS**, the U.S. Department of Housing and Urban Development (HUD) provides formula grant funding to the City of Detroit (City); and

**WHEREAS**, the City, by and through its Housing & Revitalization Department (HRD), now or may in the future, establish a program (Program) to administer HUD grant and/or entitlement programs with funds from HUD. Such HUD programs to be administered by the City through its Program may include but are not limited to the following programs: the Community Development Block Grant (CDBG) Program, the CDBG-Disaster Recovery (CDBG-DR) Program, the CDBG-Declared Disaster Recovery (CDBG-DDR) Program, the Self-Help Homeownership Opportunity Program (SHOP), the Housing Opportunities for Persons With AIDS (HOPWA) Program, the HOME Investments Partnerships (HOME) Program, the Lead Hazard Reduction Demonstration Grant (LHRDG) Program, the Special Purpose Grants Program, the Emergency Shelter Grant (ESG) Program, the Neighborhood Stabilization Program (NSP1 & NSP3), and the Public and Indian Housing Program, each as described in Appendix A of this Agreement; and

**WHEREAS**, the City's Program may encompass any of the following activities, each of which may constitute an Undertaking: single-family and multi-family rehabilitation, property acquisition, property relocation, handicapped accessibility improvements, demolition, new construction, lead hazard reduction and redevelopment projects; and

**WHEREAS**, for each of the HUD programs included in the City's Program, HUD is authorized to provide for the assumption of environmental review responsibilities by recipients of funding through each of the HUD programs to be administered by the City through its Program in accordance with HUD's environmental review procedures as set forth in 24 C.F.R. Part 58; and

**WHEREAS**, as a recipient of funding, the City has accepted responsibility of federal environmental review responsibility for the HUD programs to be administered by the City through its Program; and

**WHEREAS**, the City may assist the Detroit Housing Commission (DHC) as the Responsible Entity (RE) for projects that fall under the Public and Indian Housing Program; and

**WHEREAS**, due to the City's acceptance of federal environmental review responsibility, in accordance with section 104(g) of the Housing and Community Development Act of 1974, 42 U.S.C. 5304(g), the City, by and through its Planning & Development Department (PDD) has assumed federal agency responsibility for compliance with Section 106 of the National Historic Preservation Act of 1966 (NHPA), 54 U.S.C. § 306108, (Section 106); and

**WHEREAS**, the City has determined that the administration of its Program may have an effect on properties included in or eligible for inclusion in the National Register of Historic Places (NRHP) and has consulted with the Michigan State Historic Preservation Officer (SHPO) pursuant to Sections 106 and 110(f) of the NHPA and associated regulations contained in 36 CFR § 800.14(b); and

**WHEREAS**, the City, by and through its Historic Designation Advisory Board (HDAB), is responsible for the identification, documentation and surveying of all historic resources to determine their eligibility for the NRHP; and

**WHEREAS**, the City recognizes that the Bay Mills Indian Community, the Grand Traverse Bay Band of Ottawa and Chippewa Indians, the Hannahville Indian Community, the Ketegitigaaning Ojibwe Nation THPO / Lac Vieux Desert Band of Lake Superior Chippewa Indians, the Keweenaw Bay Indian Community of the Lake Superior Band of Chippewa Indians, the Little River Band of Ottawa Indians, the Little Traverse Bay Bands of Odawa Indians, the Mish-e-be-nash-she-wish Band of Potawatomi Indians of Michigan, the Nottawaseppi Huron Band of the Potawatomi, the Pokagon Band of Potawatomi Indians, the Saginaw Chippewa Indian Tribe, and the Sault Ste. Marie Tribe of Chippewa Indians (Tribes) may have sites of religious and cultural significance off Tribal lands, and therefore the City has invited the Tribes to engage in government-to-government consultation and, pursuant to 36 C.F.R. § 800.2(c)(2)(ii)(E), has invited the Tribes to enter into this Agreement to specify how the City and the Tribes will carry out Section 106 responsibilities; and

**WHEREAS**, the Bay Mills Indian Community, the Grand Traverse Bay Band of Ottawa and Chippewa Indians, the Hannahville Indian Community, the Keweenaw Bay Indian Community of the Lake Superior Band of Chippewa Indians, the Mish-e-be-nash-she-wish Band of Potawatomi Indians of Michigan, the Nottawaseppi Huron Band of the Potawatomi, and the Saginaw Chippewa Indian Tribe have not responded to the City's invitation to engage in government-to-government consultation on this Agreement; and

**WHEREAS**, the Little Traverse Bay Bands of Odawa Indians have declined the City's invitation to engage in government-to-government consultation, but have elected to consult on this Agreement as a consulting party and to enter into this Agreement as a concurring party; and

**WHEREAS**, the Ketegitigaaning Ojibwe Nation THPO / Lac Vieux Desert Band of Lake Superior Chippewa Indians, the Little River Band of Ottawa Indians, the Pokagon Band of Potawatomi Indians, and the Sault Ste. Marie Tribe of Chippewa Indians have accepted the City's invitation to engage in government-to-government consultation on this Agreement and to enter into this Agreement as a concurring party; and

**WHEREAS**, in accordance with 36 C.F.R. § 800.14(b)(2), the City has elected to develop this Programmatic Agreement (PA or Agreement) to govern the implementation of its Program, and on March 12, 2015, the Advisory Council on Historic Preservation (ACHP) chose to participate in consultation; and

**WHEREAS**, the Michigan Historic Preservation Network (MHPN), the National Trust for Historic Preservation (NTHP), and Preservation Detroit have been invited and agreed to provide comment to this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing recitals, all of which are incorporated into this Agreement, and subject to the definitions provided in Appendix B, all of which are applicable throughout this Agreement, the City shall ensure that its Program is administered in accordance with the following

stipulations, which the City, the SHPO, and the ACHP (collectively, the Parties) agree shall satisfy the City's Section 106 responsibilities for all individual Undertakings administered under its Program:

## **STIPULATIONS**

The City shall ensure that the following measures are carried out:

### **I. APPLICABILITY**

- A. This Agreement shall apply only to those Undertakings funded, in part or in whole, by the Program, as set forth in 24 C.F.R. § 58.1(b), for which the City has assumed the authority of the Responsible Entity, as further specified in the Stipulations of this Agreement. Any Undertaking not governed by this Agreement shall be subject to compliance with the Section 106 review process as defined in 36 C.F.R. Part 800, Subparts A and B. This Agreement shall become effective only upon its execution by all Parties, pursuant to Stipulation XX of this Agreement.
- B. If a Federal agency or other entity acting under another Federal program has previously completed a Section 106 review and approved an Undertaking within the past five (5) years, the City has no obligation to complete a Section 106 review regarding that Undertaking, provided that the City:
  - 1. Adopts the findings and determinations of the previous Section 106 review;
  - 2. Confirms that the scope and effect, as defined by 36 C.F.R. § 800.16(i), of its Undertaking are the same as the scope and effect of the previous Undertaking; and
  - 3. Determines that the previous review was completed in compliance with Section 106.
  - 4. Document its findings and determinations in its project file that all requirements of Section 106 for the Undertaking have been satisfied.

If the City, in consultation with the SHPO, determines that the previous Section 106 review was insufficient or involved interagency disagreements about eligibility, effect, and/or treatment measures, the City shall conduct a new Section 106 review in accordance with the Stipulations of this Agreement.

### **II. QUALIFIED PERSONNEL**

- A. The City shall employ a staff person or contract with a consultant who shall have professional qualifications in architectural history, historic architecture, or related fields in accordance with the Secretary of the Interior's Professional Qualification Standards, as set forth in 36 C.F.R. Part 61 (Qualification Standards). Such person (Preservation Specialist) will be responsible for administering those Stipulations of this Agreement requiring their particular expertise and for coordinating with appropriate City departments, authorities, and agencies regarding Undertakings included in the City's Program.
  - 1. If the Preservation Specialist vacates, is removed from, or otherwise leaves his or her position as Preservation Specialist, the City will employ a replacement staff person or contract with a replacement consultant who meets the Qualification

Standards to serve as the Preservation Specialist, and will notify the SHPO within fifteen (15) calendar days of the change, including submission of the replacement Preservation Specialist's qualifications.

2. If the City determines that it cannot secure a replacement Preservation Specialist, it shall comply with regulations contained in 36 C.F.R. Part 800, and forward documentation to the SHPO for review.
- B. The HDAB staff person(s) meeting the Qualification Standards will assist the Preservation Specialist in the identification and evaluation of Historic Properties covered under the Stipulations of this Agreement.

### **III. SURVEY AND EVALUATION**

- A. Survey and evaluation of properties will be conducted using a two-tiered approach.
1. *Tier I: Survey*, will include a survey of Detroit guided by the implementation of a Historic Preservation Plan, described in Stipulation XIII of this Agreement.
  2. *Tier II: Evaluation*, will include the review of individual Undertakings included in the City's Program as such Undertakings are submitted to the Preservation Specialist.

#### **B. TIER I: SURVEY**

1. Through the HDAB, the City will conduct a survey of Detroit to identify districts, sites, buildings, structures, and objects that meet the criteria for listing in the NRHP. This survey will be guided by the City's implementation of a Historic Preservation Plan, described in Stipulation XIII of this Agreement.
2. The City will reach out to other public and private agencies who may have their own information regarding previously surveyed areas of the city. This information will help to inform survey decisions within the Preservation Plan. Agencies included, but are not limited to the following: Michigan Department of Transportation (MDOT), U.S. Treasury Department, and the Detroit Land Bank Authority (DLBA).
3. The first survey will commence within six (6) months after the implementation of the Historic Preservation Plan. All surveys will be planned in coordination with PDD and the SHPO and will be conducted and/or supervised by HDAB staff.

#### **C. TIER II: EVALUATION**

Properties forty-five (45) years of age or older within the Area of Potential Effects (APE) of an Undertaking covered by this Agreement shall be evaluated by the Preservation Specialist.

1. The Preservation Specialist will evaluate properties located within the APE for NRHP eligibility within seven (7) calendar days following the receipt of adequate documentation, as identified in Stipulation IV.B, from the City department,

agency, or authority requesting the review.

2. The Preservation Specialist will consult with HDAB staff to determine if the property meets the criteria for listing in the NRHP, either individually or as contributing to a historic district. HDAB staff will provide its determination within seven (7) calendar days of receipt of a written review request from the Preservation Specialist.
3. If the Preservation Specialist and the HDAB staff do not reach an agreement regarding the eligibility of a property for listing in the NRHP, the Preservation Specialist will submit documentation to the SHPO regarding the eligibility of the property. The SHPO will provide written comments within thirty (30) calendar days following the receipt of adequate documentation which, at a minimum, will include the following:
  - a. **For Individual Properties** - A completed SHPO "Historical Significance Response Sheet", a survey card, photographs of the property as well as streetscape views, a map indicating the property's exact location, and a brief history, including when the structure was constructed, the name of the architect or builder, the names of early and subsequent occupants of the structure and any history associated with those occupants.
  - b. **For Districts** - Maps, photographs, a statement of significance, a physical description, a listing of all the addresses of the properties within the district, and whether or not they are contributing or non-contributing.
4. If the City, through the Preservation Specialist, and the SHPO disagree about the eligibility of a property for listing in the NRHP, the City will request a formal determination of eligibility in accordance with the procedures set forth in 36 C.F.R. § 800.4(c)(2).

#### IV. PROJECT REVIEW PROCESS

- A. **Programmatic Exemptions.** The Parties agree that the following types of Undertakings have limited potential to affect Historic Properties and do not require further review from the SHPO.
  1. Undertakings, the effects of which are limited to properties that are less than forty-five (45) years old, unless the affected properties could meet Criterion Consideration G (A property eligible if it is of exceptional significance).
  2. Undertakings limited exclusively to interior portions of single-family residential properties where the proposed work will not be visible from the property's exterior, unless that building is individually listed or eligible for listing in the NRHP, in accordance with ACHP's *Policy Statement on Affordable Housing and Historic Preservation*, dated November 9, 2006.
  3. Undertakings limited exclusively to the activities listed in Appendix C of this

Agreement.

The Preservation Specialist shall be responsible for determining whether the scope of work of an Undertaking is limited to these types of Undertakings. The City will retain individual project files for each Undertaking reviewed in accordance with this stipulation as verification that the scope of work was limited to these Undertakings.

- B. **Adequate Information for Review Requests.** The Preservation Specialist shall ensure that Undertakings reviewed under Stipulation V.B of this Agreement and determined to affect one or more Historic Properties will be treated in accordance with Stipulation V and Stipulation VI of this Agreement. The City department, agency, or authority responsible for the administration of the HUD funded program (i.e. PDD, HRD, DBA) and/or HUD program fund recipients shall submit, at a minimum, a review request to the Preservation Specialist with all appropriate information necessary to perform a project review prior to commencing any work on Undertakings covered by this Agreement as follows:

1. For all Undertakings covered by this Agreement, information shall include:
  - a. Address of property or properties, including Parcel ID Number(s);
  - b. Name of City department/agency/authority making the request;
  - c. Type of Undertaking (demolition, rehabilitation, etc.);
  - d. Name of HUD program (CDBG, HOME, etc.), and;
  - e. At least two (2) photographs of the subject property taken in the past thirty (30) calendar days.
2. **Historic Property Rehabilitation Projects.** Information for rehabilitation Undertakings affecting Historic Properties shall include project specifications and detailed photographs of all work items.
3. **Site Improvement Projects.** Information shall include a description of the work to be completed and maps showing the location of the work.

The City will detail further any additional requirements for project review requests in accordance with Stipulation XII of this Agreement. These procedures will outline how historic preservation reviews are to be coordinated and identify the documentation that the City departments, agencies, and authorities must retain in individual project files.

- C. **Eligibility Determination.** The Preservation Specialist shall determine, in consultation with HDAB staff, if the project APE contains any Historic Properties.

1. In making the determination, the Preservation Specialist will review existing literature, including the following resources:
  - a. City-generated maps of properties and districts previously listed in the NRHP;
  - b. City-generated maps of properties and districts previously determined eligible for the NRHP;

- c. City-generated maps of properties and districts designated as Local Historic Districts; and
  - d. Mapping and data collected in the Tier I Survey as detailed in Stipulation III of this Agreement.
2. The Preservation Specialist will also follow the protocol delineated in the *Tier II Evaluation* section in Stipulation III of this Agreement.
  3. If the Preservation Specialist determines that the APE of the Undertaking includes no Historic Properties, the Preservation Specialist will provide written notification to the City department, agency, or authority that the project may proceed without further coordination.
  4. If the Preservation Specialist determines that the APE of the Undertaking includes one or more Historic Properties, the Preservation Specialist shall provide written notification to the City department, agency, or authority that implementation of the Undertaking shall be in accordance with Stipulation V of this Agreement.

## V. TREATMENT OF HISTORIC PROPERTIES

The City shall ensure that Historic Properties are treated in accordance with the following Stipulations:

### A. Property Acquisitions

1. Upon the acquisition of a Historic Property using Program funds, the City will secure, stabilize and preserve the Historic Property pending its disposal. The methods used to secure and stabilize these properties shall adhere to the Secretary of the Interior's *Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings* (the *Secretary's Standards*) and *Preservation Brief 31, Mothballing Historic Buildings* (U.S. Department of the Interior, National Park Service, September 1993).
2. Prior to the transfer or lease of Historic Properties acquired with Program funds, the City shall consult with the SHPO to determine the need for a preservation easement. If it is determined that a preservation easement is necessary, the City shall submit the proposed preservation easement to the SHPO for review and approval. If the SHPO does not approve of the proposed preservation easement, the City shall request the ACHP's comments pursuant to Stipulation XVII of this Agreement.

### B. Rehabilitation and Public Improvement Projects

1. **Residential and Commercial Rehabilitation Projects.** The City shall ensure that all Undertakings involving residential rehabilitation and commercial rehabilitation projects funded by the Program involving Historic Properties are carried out in accordance with the *Secretary's Standards*. The Preservation Specialist will review and approve all plans and specifications or work write-up prior to the initiation of Program activities.



2. **Site Improvement Projects.** The City shall ensure that Undertakings involving site improvement projects funded by the Program that might impact one or more Historic Properties include sidewalk improvement projects, re-paving of streets, installation of landscaping, street lighting and street furniture and other infrastructure improvements, and adhere to the *Secretary's Standards*. Site improvement projects affecting historic parks shall meet the standards in "Guidelines for Treatment of Cultural Landscapes" (National Park Service, 1996).
3. If the *Secretary's Standards* cannot be met, or if the contemplated action could otherwise have an adverse effect on Historic Properties, the City will consult with the SHPO as per Stipulation XVII.
4. The City will retain work descriptions, before and after photographs of the Historic Properties proposed for or impacted by either rehabilitation or site improvement projects funded by the Program, and the comments of the Detroit Historic District Commission (HDC) when applicable in individual project files. Before and after photographs may be used as evidence of the City's proper application of the *Secretary's Standards*. All files shall be retained for a minimum of three (3) years following project implementation.

**C. Relocation of Historic Properties**

1. Prior to the relocation of a Historic Property using Program funds within, into or out of a listed or eligible historic district, or the relocation of individual buildings listed on or eligible for listing on the NRHP, the City shall consult with the SHPO to identify an acceptable alternative site, preferably within the same district.
2. If the SHPO approves the alternate site, the City shall ensure that the Historic Property is moved by qualified movers in accordance with approaches recommended in *Moving Historic Buildings* (John Obed Curtis, 1979). Once the property is relocated, the City, in consultation with HDAB staff, will re-evaluate the eligibility of the Historic Property for listing in the NRHP.
3. If the SHPO objects to the alternate site, the City and the SHPO shall consult, pursuant to Stipulation XVII of this Agreement.

**D. Accessibility for Disabled Persons**

1. The City shall explore alternative methods for providing accessibility to Historic Properties in accordance with the Americans with Disabilities Act (ADA) and its implementing regulations, as well as other local and federal requirements for accessibility. To the extent feasible, accessible features will be placed on secondary elevations of Historic Properties and will not result in the removal of a Historic Property's significant architectural features. The design of accessible features shall be consistent with the *Secretary's Standards*, National Park Service Preservation Brief No. 32 entitled *Making Historic Properties Accessible* (1993), and the Department of Interior report entitled, *Access to Historic Buildings for the Disabled: Suggestions for Planning and Implementation* (1980).
2. The City will retain documentation regarding alternatives as part of the individual project files.

3. The City will consult with the SHPO, including submitting documentation of alternate methods of creating access for Disabled Persons, when such projects will have an adverse effect on the historic and/or architectural character of a Historic Property.

**E. Demolition**

1. The City may proceed with the demolition of properties determined ineligible for listing on the NRHP or Historic Properties that have lost their integrity as determined by the Preservation Specialist, subject to concurrence by HDAB, without further review.
2. The City shall submit adequate documentation to the SHPO for review and comment regarding the proposed demolition of a Historic Property. The exact requirements of the submittal to the SHPO are provided in Appendix D of this Agreement.

**F. New Construction and Additions**

1. Proposals for new construction and additions using Program funds within or adjacent to a historic district, or adjacent to properties listed in or eligible for listing in the NRHP, will be developed in accordance with the guidelines for new construction contained in the *Secretary's Standards*.
2. The City shall ensure that the design of infill construction on vacant parcels within historic districts adheres to the *Secretary's Standards* and is developed in consultation with the SHPO. If the SHPO approves a prototype design for infill construction within a neighborhood or historic district, the City may request review and approval of Undertakings involving construction projects using the prototype design without further review of the design documents. If the prototype design cannot be adhered to, the City shall submit a modified design to the SHPO for review and approval.
3. Preliminary plans will be developed in consultation with the SHPO. Final plans and specifications will be submitted to the SHPO for review and comment prior to initiation of construction activities. The SHPO will have thirty (30) calendar days from the date of the receipt to review and comment on the final plans and specifications.

**G. Redevelopment Projects**

1. The City will consult with the SHPO during the preparation of redevelopment or urban renewal plans for neighborhood, historic district, or target areas using Program funds. The City will afford the SHPO an opportunity to comment on the document during the draft stages. The SHPO will evaluate the potential effect that the goals, objectives and implementation strategy of the plan will have on Historic Properties. The SHPO's comments will be integrated into the plan or referenced in the document before it is submitted for required local administrative reviews.
2. The City, in consultation with the SHPO, will determine whether the

redevelopment or urban renewal plan should be implemented under the terms of this Agreement or whether a project-specific MOA should be developed in accordance with 36 C.F.R. § 800.6. The City will notify the ACHP of the SHPO's determination and, if appropriate, provide the ACHP with background documentation to initiate the consultation process.

## VI. ARCHEOLOGICAL RESOURCES

- A. All Undertakings located within the geographic area described and delineated in Appendix E of this Agreement shall be reviewed for archeological resources by the SHPO's archaeologist, subject to the following exclusions:
1. Building rehabilitation projects that require no ground disturbing activities.
  2. Programmatic exemptions listed in Appendix C of this Agreement.
- B. All Undertakings using Program funds and involving sites ½-acre or larger and located outside of the geographic area described in Stipulation VI.A of this Agreement shall be reviewed for archeological resources by the SHPO's archaeologist, subject to the following exclusions:
1. Building rehabilitation projects that require no ground disturbing activities.
  2. Programmatic exemptions listed in Appendix C of this Agreement.
- C. When an undertaking qualifies for review by the SHPO as described in Stipulations VI.A and VI.B of this Agreement, the City shall consult with the SHPO's archaeologist to determine whether archeological resources, including human remains, are present at those project locations. The City will submit the following information via electronic mail to the SHPO's archaeologist with a request for comments from the SHPO's archaeologist within fourteen (14) calendar days:
1. Address of property or properties to be reviewed;
  2. USGS 7.5' Quadrangle with the project location(s) clearly marked;
  3. Project type (demolition, rehabilitation, etc.);
  4. Brief description of the project site including size (acres) and any previous ground disturbance; and,
  5. Brief description of the Undertaking, including the length, width, and depth of any ground disturbing activities.
- D. If the SHPO's archaeologist determines that an archeological monitoring is required, the City shall employ archeologists or contract with a consultant who shall meet the Qualification Standards to assist in the identification and evaluation of potentially eligible archeological sites and their recommended treatments. The City may also notify Tribes following the protocol delineated in Stipulation VII of this Agreement. If archeological resources are identified that meet the NRHP criteria, they will be avoided or preserved in

place, if feasible.

- E. If the City determines that it is not feasible to preserve or avoid NRHP-eligible or listed archeological resources, the City shall consult with the SHPO's archaeologist to develop a treatment plan consistent with the ACHP's publication, *Treatment of Archeological Properties: A Handbook* (1980). The City shall ensure that the plan is implemented by a qualified archaeologist once it is approved by the SHPO archaeologist.
- F. The City shall hold a meeting between the PDD staff, SHPO archaeologist, and the Preservation Specialist one (1) calendar year from the execution of this Agreement. In addition to providing an opportunity for the Parties to review the specific information described in Stipulations VI.A-E of this Agreement, such meeting will also provide an opportunity to assess the overall effectiveness of the archaeology review procedures adopted by the City.
- G. If, during the first year of implementation, the following conditions are found to exist within the geographic area defined in Appendix E of this Agreement, then the demolition of any single-family residential structures within this area will be excluded from further review by the SHPO archaeologist:
  - 1. The total number of single-family residential demolition reviews is equal-to or less-than ten (10); and/or,
  - 2. Reviews of single-family residential demolition projects conducted by the SHPO archaeologist have not resulted in the identification of NRHP-eligible or listed sites.

## **VII. TRIBAL CONSULTATION**

- A. The City will notify Tribes that are concurring parties to this Agreement and that have an interest in Program Undertakings located in Detroit and have concurred on the Agreement, if the Undertaking qualifies for review by the SHPO's archaeologist as stated in Stipulation VII of this Agreement.
- B. The City will notify these Tribes of these Undertakings and provide these Tribes an opportunity to:
  - 1. Identify concerns about Historic Properties;
  - 2. Advise on the identification and evaluation of Historic Properties, including those of traditional religious and cultural importance to them, and articulate their views of the Program's effects on such properties;
  - 3. Participate in the resolution of adverse effects, and indicate any areas of concern with which they wish to be advised of any individual Undertakings.
- C. The City shall submit the following information via electronic mail to these Tribes with a request for Tribal comments within fourteen (14) calendar days:

1. Address of property or properties to be reviewed;
  2. USGS 7.5' Quadrangle with the project location(s) clearly marked;
  3. Project type (demolition, rehabilitation, etc.);
  4. Brief description of the project site including size (acres) and any previous ground disturbance;
  5. Brief description of the undertaking, including the length, width and depth of any ground disturbing activities; and,
  6. Copies of any project-related correspondence the City has received from the SHPO.
- H. If within fourteen (14) calendar days there is no response or if no objections are raised by any of these Tribes, the City may proceed with the proposed Undertaking. If any of these Tribe objects to the proposed Undertaking, the City will work with the Tribe to resolve its objections.
- D. The City shall ensure, to the extent allowed by applicable laws, including Section 304 of the National Historic Preservation Act, as amended, and Section 13(1)(o) of the Michigan Freedom of Information Act, M.C.L. § 15.243 (2)(o), that its consultation with other consulting parties shall not include the dissemination of information that might risk harm to a Historic Property or that might impede the use of any site by these Tribes.

## VIII. PUBLIC PARTICIPATION

- A. Each year the City will notify the public of the City's current HUD-funded Program Undertakings and make available for public inspection documentation about the City's Program. Available in this documentation will be general information on the type(s) of Undertakings supported by HUD funds; information on identified Historic Properties in communities that might be affected by such Undertakings; the amount of HUD funds available in the current program year; how interested persons can advise the City of any comments or concerns they may have about the HUD program, and its effect on Historic Properties. A copy of said notice shall be posted in the Michigan Chronicle and on the City of Detroit website. A copy of the notice will also be provided to the Department of Neighborhoods (DONs), Preservation Detroit, the MHPN, the ACHP, the NTHP, the Detroit Historic Neighborhood Coalition, historic district neighborhood associations, and the SHPO.
- B. The City's Housing & Revitalization Department (HRD) annual Consolidated Plan for HUD-funded Programs shall include, at a minimum, a summary of the Section 106 process and a description of this Agreement and the City's requirements hereunder.
- C. **Public Objections and Disputes.** At any time during the implementation of the measures stipulated in this Agreement, if a member of the public raises an objection to any such measure or the manner of its implementation, the City shall take the objection into account and consult as necessary with the objecting party, the SHPO, or the ACHP to resolve the

objection.

1. Subject to all applicable requirements of the Michigan Open Meetings Act, P.A. 267 of 1976, the City may request the member of the public raising the objection to submit in writing, either by mail or electronic mail, a letter to the Preservation Specialist with the following information:
  - a. Contact information (Full Name, Address, Phone Number, Email);
  - b. Address or location of the project; and,
  - c. A summary of the objection.
2. Upon receipt of a written objection, the City will proceed to consider the objection and consult, as necessary, with the objecting party and the SHPO to resolve the issue, for a period of time not to exceed fifteen (15) calendar days.
3. If the City is unable to resolve the objection to the satisfaction of the objecting party, the Preservation Specialist will forward all relevant documentation to the ACHP. The City will consider any ACHP comments in reaching a final decision regarding the objection.

#### **IX. UNANTICIPATED DISCOVERIES**

If previously unidentified Historic Properties, or unanticipated effects, are discovered after the City has completed its review under this Agreement, no further work will proceed in the area of the discovery until the requirements of 36 C.F.R. § 800.13 have been satisfied. The City shall consult with the SHPO and appropriate consulting parties to record, document, and evaluate the eligibility of the Historic Property for the NRHP and the project's effect on the Historic Property. The City will consult with any participating Tribes that may attribute traditional cultural or religious significance to an affected Historic Property. If neither the SHPO, consulting parties, or Tribes submit any objection to the City's plan for addressing the discovery within 48 hours, the City may carry out the requirements of 36 C.F.R. § 800.13, and must notify the ACHP only if there is an adverse effect.

#### **X. DISASTERS AND EMERGENCY REVIEW PROCEDURES**

##### **A. Determine Expedited Review**

1. In response to a disaster or emergency situation declared by the President, a tribal government, or the Governor of a State, or which respond to other immediate threats to life or property, the City may conduct expedited reviews of emergency Undertakings pursuant to 36 C.F.R. § 800.12(c). The time frame for expedited reviews shall be determined between the City and the SHPO following a declared disaster or emergency situation.
2. Should the City determine that it is necessary to extend the expedited review period for emergency Undertakings beyond the initially agreed upon time frame, the City shall, in 30-day increments, as needed, notify in writing the ACHP, SHPO and

participating Tribe(s) pursuant to 36 CFR § 800.12(d) .

**B. Conduct Expedited Reviews**

1. If the emergency Undertaking is an immediate rescue and salvage operation conducted in response to an event to preserve life and property, the City has no Section 106 consultation responsibilities in accordance with 36 C.F.R. § 800.12(d); or
2. If the emergency Undertaking meets one or more of the Programmatic Exemptions in Appendix C of this Agreement, the City shall complete the Section 106 review process pursuant to Stipulation IV.A of this Agreement.
3. If the City determines that the emergency Undertaking would adversely affect a Historic Property during this expedited review period:
  - a. To the extent practicable, the City will propose treatment measures that would address adverse effects during implementation, and request the comments of the SHPO and participating Tribe(s) within three (3) calendar days of receipt of this information unless the City of Detroit determines the nature of the emergency warrants a shorter time period.
  - b. The City may provide this information through written requests, telephone conversations, meetings, or electronic media. In all cases, the City shall clarify that an "expedited review" is being requested for the Undertaking.
  - c. The City shall take into account comments timely provided by the SHPO and/or participating Tribe(s) in deciding how to proceed.
  - d. If neither the SHPO nor any participating Tribe comments within three (3) calendar days, the City may complete Section 106 review for the Undertaking based on the available information.
  - e. The City shall notify the SHPO and participating Tribe(s) of the final decision, indicating how any comments received were considered in reaching that decision.
  - f. The City shall provide the SHPO, ACHP and/or participating Tribe(s) a narrative report documenting the actions taken in accordance with this expedited consultation process within six (6) months following the initiation of the expedited consultation.

**XI. COORDINATION WITH OTHER FEDERAL PROGRAMS**

- A. A Federal agency providing permits, licensing, or financial assistance for a Program Undertaking covered under the terms of this Agreement may, with the concurrence of the City and the SHPO, satisfy its Section 106 compliance responsibilities by complying with the terms of this Agreement. In such situation, the City and the Federal agency shall notify the SHPO and ACHP in writing of their intent to use this Agreement to attain compliance with Section 106 requirements.

- B. If neither the SHPO nor the ACHP respond within fourteen (14) calendar days of receipt of such a notice of intent, the City and the Federal agency may assume SHPO and ACHP concurrence, as referenced above. Copies of all such notification letters shall be maintained in the files established by the Preservation Specialist for each such undertaking.
- C. The Federal agency shall make an official determination based on the results of the Section 106 review of the Undertaking conducted under this Agreement. The Federal agency shall notify the SHPO and ACHP in writing of this determination.
- D. For rehabilitation projects subject to Federal Rehabilitation Tax Credit review by the SHPO and National Park Service (NPS) and/or local historical review, the Preservation Specialist will consult with the relevant SHPO staff and Historic District Commission Staff to discuss coordination of compliance requirements.

## **XII. PROJECT COORDINATION**

### **A. Internal Review Procedures**

1. Within ninety (90) calendar days following the execution of this Agreement, the City will fully develop, adopt, and implement internal procedures to ensure that all Program Undertakings that will affect or have the potential to affect Historic Properties are forwarded to the Preservation Specialist for review, pursuant to this Agreement. The procedures will outline how historic preservation reviews are to be coordinated and the documentation the departments are to retain in individual project files. The City will forward a copy of the procedures to the SHPO.
2. The City will ensure that appropriate City department, agency, and authority staff are provided copies of this Agreement and the internal review procedures. The City will ensure all sub-recipients of HUD funding in the City are aware of this Agreement and its requirements, including the requirement to complete the Section 106 review in coordination with the Preservation Specialist prior to the commencement of project activities.
3. The City shall take appropriate measures to ensure that Program Undertakings, including the issuance of Certificates of Appropriateness, Notices to Proceed, BSEED building permits, construction permits, and demolition permits, all as related to Historic Properties, are not implemented until the City department, agency or authority has received written clearance from the Preservation Specialist.

- B. **Training Manual for the Preservation Specialist.** Within six (6) months following the effective date of this Agreement, the City will fully develop and adopt a training manual for the Preservation Specialist. The manual will outline the roles and responsibilities of the Preservation Specialist as they relate to the execution of the terms of this Agreement requiring their particular expertise and for coordinating with appropriate City departments, authorities and agencies regarding Program assisted undertakings. It will also include specific guidance regarding the internal review procedures to be developed in accordance with Stipulation XII.A of this Agreement. The City will forward a copy of the training manual to the SHPO.



### **XIII. HISTORIC PRESERVATION PLAN**

The City, in consultation with the SHPO and local stakeholders, shall develop and implement a comprehensive Historic Preservation Plan for Detroit. The Plan will include, but is not limited to, an analysis of current information related to historic properties, the current role of historic preservation in the City, goals and priorities in regard to the role of historic preservation in Detroit, and specific policy guidance for City officials relating to historic preservation.

### **XIV. REVISIONS TO THE COMPREHENSIVE MASTER PLAN**

Prior to any modification to the City's Comprehensive Master Plan of Policies, the City will provide reasonable notice of the modification, including a copy the proposed modification, to the SHPO. The SHPO may provide comments to the City and the City shall consider those comments as part of the modification.

### **XV. TECHNICAL ASSISTANCE AND TRAINING**

The SHPO staff will provide technical assistance, consultation, and training as requested by the City in order to assist the City in carrying out the terms of this Agreement. The City, assisted by the SHPO, will provide guidance documents to City staff to assist in compliance with the Stipulations of the Agreement.

### **XVI. IMPLEMENTATION STATUS MEETINGS**

#### **A. Meetings and Reports**

1. A meeting between the Parties, and including any consulting parties, will be initiated by the City and held one (1) calendar year from the effective date of the Agreement.

In addition to providing the opportunity for the Parties to review the specific information described in Stipulation XI.A.3., the meeting described in this Stipulation will also provide parties an opportunity to assess the Agreement's overall effectiveness in addressing the preservation of Historic Properties located within Detroit. Specifically, the meeting will provide the Parties an opportunity to discuss planning, design review, and implementation of undertakings affecting Historic Properties within Detroit and to discuss and evaluate the following issues:

- a. Whether consultations, when required by this Agreement or carried out pursuant to 36 C.F.R. Part 800, have been initiated early enough in the planning process to ensure consideration of potential alternatives to avoid, minimize, or mitigate harm to Historic Properties.
- b. Whether undertakings affecting Historic Properties within the City have adhered to the *Secretary's Standards*, to the extent that adherence to such Standards are required under this Agreement.

- c. Whether there has been effective coordination between the Preservation Specialist and appropriate project managers and contract personnel assigned responsibilities affecting Historic Properties.
  - d. Whether problems or misunderstandings have arisen in the course of consultations, and if so, how these problems were resolved and how they could be avoided in the future.
  - e. Whether there is a need to hold regularly scheduled implementation status meetings.
2. Participants at the meeting on behalf of the City may include staff from PDD and HDAB, as well as any other City departments, agencies, or authorities that administer HUD funds, and the Preservation Specialist.
3. At least two (2) weeks prior to the meeting, the Preservation Specialist will provide the parties and the consulting parties with the following information:
- a. A summary of actions taken under Stipulations V, VI, and VII of this Agreement since the effective date of the Agreement. The summary shall contain:
    - i. Address and historic categorization. If the Undertaking is located in a historic district, the name of the district shall be included.
    - ii. A brief description of the proposed Undertaking.
    - iii. Determination of effect.
    - iv. Date of project review.
    - v. A list of properties determined in the reporting period to be individually eligible for listing on the National Register of Historic Places.
    - vi. A summary of any training given pursuant to Stipulation XV of this Agreement.
    - vii. Notification of any Preservation Specialist staff changes.
  - b. A summary of any planning activities in the City subject to consultation with the SHPO pursuant to Stipulation XIV of this Agreement.
  - c. A brief summary of any and all areas surveyed since the previous meeting.
  - d. A map indicating the area(s) surveyed since the previous meeting.
  - e. A brief description of any and all historic districts determined eligible for listing in the National Register of Historic Places, including boundaries for those area(s).

- f. A brief description of any and all area(s) determined to be not eligible for listing in the National Register of Historic Places, including boundaries for those areas(s).
  - g. A description and location of any and all local historic districts established by the City since the previous meeting.
4. The parties to this Agreement shall meet at least six (6) months before the expiration of this Agreement to determine whether this Agreement should be extended beyond the expiration date, as established pursuant to Stipulation XX of this Agreement. The Preservation Specialist shall be responsible for convening this meeting. The City shall notify the public of this meeting and shall invite the public to submit comments to the SHPO and ACHP regarding the effectiveness of the Agreement prior to the scheduled meeting.

**B. File Retention.**

- 1. The City shall retain individual project files containing determinations of eligibility, the comments of the SHPO, if applicable, written authorization from the Preservation Specialist, specifications and work write-ups, "before" and "after" photographs and other pertinent documentation for at least three (3) years following the completion of the Program activity. Individual project files may be retained in hard copy and/or digital format.
- 2. The City, in consultation with the SHPO and local preservation organizations, will work to develop disposition strategy for project files beyond the time period stated in Stipulation XVI.B.1 of this Agreement.

**XVII. DISPUTE RESOLUTION**

- A. If the SHPO objects to any plans for action proposed pursuant to this Agreement within thirty (30) calendar days, the City shall consult with the SHPO to resolve the objection. If the City determines that the objection cannot be resolved, the City shall forward all documentation relevant to the dispute to the ACHP. Within forty-five (45) calendar days following receipt of the documentation, the ACHP will either:
  - 1. Provide the City with recommendations, which the City will take into account in reaching a final decision regarding the dispute; or
  - 2. Notify the City that it will comment pursuant to this Agreement, and proceed to comment. Any ACHP comment provided in response to such a request will be taken into account by the City with reference to the subject of the dispute.
- B. The City shall consider the any recommendations or comments provided by the ACHP. The City remains responsible for carrying out all actions under this Agreement that are not the subject of the dispute.

#### **XVIII. AMENDMENT**

Any Party to this Agreement may notify the other Parties requesting that the Agreement be amended, whereupon all Parties to the Agreement will consult to consider such amendment. The amendment shall be effective on the date that a copy or copies of such amendment, signed by all of the signatories to this Agreement, is filed with the ACHP.

#### **XIX. TERMINATION**

Any signatory to this Agreement may terminate the Agreement by providing thirty (30) calendar days' written notice to all other signatories. During such notice period, the signatories will make reasonable effort to consult to determine if amendments or other actions could be taken to avoid termination. In the event of termination, the City will comply with 36 C.F.R. § 800.3 through 800.6 with regard to individual Undertakings covered by this Agreement.

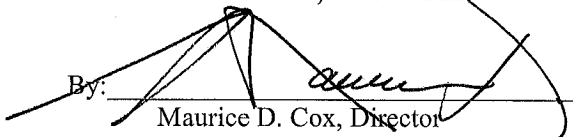
#### **XX. EFFECTIVE DATE AND DURATION**

This Agreement shall become effective on the date it is signed by all parties and shall continue in full force and effect until December 31, 2022 unless otherwise terminated or extended. Any extension shall constitute an amendment to the Agreement, and shall be adopted as such, in accordance with Stipulation XVIII of this Agreement.

Execution and implementation of this Agreement evidences that the City has afforded the ACHP a reasonable opportunity to comment on the Program and that the City has taken into account the effects of the Program on Historic Properties.

**SIGNATORY PARTY:**

**CITY OF DETROIT, MICHIGAN**

By:  Date: 10/18/10  
Maurice D. Cox, Director  
Detroit Planning and Development Department

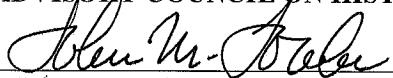
**SIGNATORY PARTY:**

**MICHIGAN STATE HISTORIC PRESERVATION OFFICER**

By: Brian D. Conway Date: 10/27/16  
Brian D. Conway, SHPO

**SIGNATORY PARTY:**

**THE ADVISORY COUNCIL ON HISTORIC PRESERVATION**

By:  Date: 11/9/16  
John M. Fowler, Executive Director

**CONCURRING PARTY:**

**KETEGITIGAANING OJIBWE NATION THPO / LAC VIEUX DESERT BAND OF LAKE  
SUPERIOR CHIPPEWA INDIANS**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Giiwegiizhigookway Martin, THPO



**CONCURRING PARTY:**

**LITTLE RIVER BAND OF OTTAWA INDIANS**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Jonnie J. Sam, Director, Historic Preservation Department

**CONCURRING PARTY:**

**POKAGON BAND OF POTAWATOMI INDIANS**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Jason S. Wesaw, THPO

**CONCURRING PARTY:**

**SAULT STE. MARIE TRIBE OF CHIPPEWA INDIANS**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Colleen Medicine, Cultural Repatriation Specialist

**CONCURRING PARTY:**

**LITTLE TRAVERSE BAY BANDS OF ODAWA INDIANS**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Wesley Andrews, THPO

**CONCURRING PARTY:**

**THE DETROIT CITY COUNCIL**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Brenda Jones, President

**CONCURRING PARTY:**

**CITY OF DETROIT, HOUSING & REVITALIZATION DEPARTMENT**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Arthur Jemison, Director

**CONCURRING PARTY:**

**THE DETROIT LEGISLATIVE POLICY DIVISION/HISTORIC DESIGNATION ADVISORY BOARD**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Janese Chapman, Senior Historic Planner

**CONCURRING PARTY:**

**NATIONAL TRUST FOR HISTORIC PRESERVATION**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Elizabeth Merritt, Deputy General Counsel



**CONCURRING PARTY:**

**PRESERVATION DETROIT**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Amy Elliott Bragg, President

**CONCURRING PARTY:**

**MICHIGAN HISTORIC PRESERVATION NETWORK**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Nancy Finegood, Executive Director

## APPENDIX A

### HUD PROGRAM SUMMARIES

(www.portal.hud.gov)

The following grant programs are authorized under this agreement, however additional HUD programs may be added at a later date. The summaries of each program were obtained from the HUD website.

#### ***Community Development Block Grant (CDBG) Program***

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##### **Web Link:**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs)

##### **About the Program**

The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. CDBG is an important tool for helping local governments tackle serious challenges facing their communities. The CDBG program has made a difference in the lives of millions of people and their communities across the Nation.

The annual CDBG appropriation is allocated between States and local jurisdictions called "non-entitlement" and "entitlement" communities respectively. Entitlement communities are comprised of central cities of Metropolitan Statistical Areas (MSAs); metropolitan cities with populations of at least 50,000; and qualified urban counties with a population of 200,000 or more (excluding the populations of entitlement cities). States distribute CDBG funds to non-entitlement localities not qualified as entitlement communities.

HUD determines the amount of each grant by using a formula comprised of several measures of community need, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas.

##### **Citizen Participation**

A grantee must develop and follow a detailed plan that provides for and encourages citizen participation. This integral process emphasizes participation by persons of low or moderate income, particularly residents of predominantly low- and moderate-income neighborhoods, slum or blighted areas, and areas in which the grantee proposes to use CDBG funds. The plan must provide citizens with the following: reasonable and timely access to local meetings; an opportunity to review proposed activities and program performance; provide for timely written answers to written complaints and grievances; and identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

##### **Eligible Activities**

Over a 1, 2, or 3-year period, as selected by the grantee, not less than 70 percent of CDBG funds must be used for activities that benefit low- and moderate-income persons. In addition, each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency

because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

### **Community Development Block Grant – Declared Disaster Recovery (CDBG-DDR) Program**

This funding is intended to reduce weaknesses in Detroit’s aging storm water management system that contributed to the 2014 Flood. Proposed projects can establish more resilient, cost effective, and innovative infrastructure systems. These proposed projects are at varying developmental stages. These projects are designed to enhance quality of life by using natural systems to:

1. Manage storm water and reduce flooding
2. Spur economic development and neighborhood vitality
3. Decrease blight through vacant land use and strategic demolition

Proposed projects include the following:

- *Selective demolition, green infrastructure installation, and vacant lot treatment.*  
The two areas targeted for this activity are “Aviation Sub” and “Islandview.” Activities would include demolition followed by site treatments that perform green infrastructure function by helping to manage stormwater. Additional vacant parcels will receive landscaping improvements to improve stormwater retention and reduce blight.
- *Westside Green Infrastructure Projects and Planning*  
This project area includes the Upper Rouge Sewershed and is a focus of the National Pollutant Discharge Elimination System permit. Green infrastructure here will help meet the City’s combined sewer overflow reduction requirements, with an additional goal of preventing future basement backup flooding and improving neighborhood quality of life. An assessment of ongoing work and coordinated planning will be performed. Areas included in the westside projects and planning area include Rouge Park, Brightmoor, Grandmont-Rosedale, Cody Rouge, Aviation Sub., and others.
- *Eastside Green Infrastructure Projects and Planning*  
This project area includes the Near Eastside Drainage District which is a priority area in which to create green infrastructure due to its impact on stormwater management. Green infrastructure here will help meet the City’s combined sewer overflow reduction requirements, with an additional goal of preventing future basement backup flooding and improving neighborhood quality of life. Potential renewable energy projects as a way to improve resiliency and reduce water system costs will be explored. An assessment of ongoing work and coordinated planning will be performed. Areas included in the eastside projects and planning area include McDougall Hunt, Islandview, West Village, Indian Village, and others.

### **CDBG - Disaster Recovery (CDBG-DR) Assistance Program**

**Web Link:**

<https://www.hudexchange.info/programs/cdbg-dr/>

HUD provides flexible grants to help cities, counties, parishes, and states recover from presidentially declared disasters, especially in low- and moderate-income areas. HUD publishes allocations and program

requirements in notices in the Federal Register. Generally, CDBG requirements apply unless modified by appropriations statute, waived, or supplanted by alternative requirements. CDBG Disaster Recovery Assistance is also subject to requirements of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).

When major disasters occur, Congress may appropriate additional funding for the CDBG program as Disaster Recovery grants to rebuild the affected areas and bring crucial seed money to stimulate the recovery process. Because CDBG funds a broad range of activities, CDBG Disaster Recovery assistance helps communities and neighborhoods that otherwise might not recover due to limits on other resources. Disaster Recovery grants supplement disaster programs of the Federal Emergency Management Agency (FEMA), the Small Business Administration, and the U.S. Army Corps of Engineers.

### ***Self-Help Homeownership Opportunity Program (SHOP)***

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**Web Link:**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/affordablehousing/programs/shop](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/programs/shop)

SHOP authorizes HUD to make competitive grants to national and regional nonprofit organizations and consortia that have experience in providing or facilitating self-help housing opportunities. Grants are to be used by the grantee or its affiliates for eligible expenses in connection with developing non-luxury housing for low-income families and persons who otherwise would be unable to purchase a house. Eligible expenses for grants are limited to land acquisition (including financing and closing costs), infrastructure improvements (installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure), and administrative costs (up to 20 percent of the grant amount). Homebuyers must contribute a significant amount of sweat equity toward the construction of their homes. SHOP also requires community participation through volunteers who assist the homebuyers on the construction of the homes. Assisted units must be decent, safe, and sanitary non-luxury dwellings that comply with local building and safety codes and standards. These units must be sold to eligible low-income homebuyers at prices below the prevailing market price.

### ***Housing Opportunities for Persons With AIDS (HOPWA)***

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**Web Link:**

<https://www.hudexchange.info/programs/hopwa/>

To address housing needs for low-income persons who are living with HIV/AIDS and their families, the Office of HIV/AIDS housing manages the Housing Opportunities for Persons With AIDS (HOPWA) program.

The HOPWA program is the only Federal program dedicated to addressing the housing needs of persons living with HIV/AIDS and their families. Grantees partner with nonprofit organizations and housing agencies to provide housing and support to these beneficiaries.

HOPWA funds are awarded as grants from two programs:

- For the HOPWA Competitive Program priority is given to the renewal of expiring permanent supportive housing grants.

- The HOPWA Formula Program uses a statutory method to allocate HOPWA funds to eligible States and cities on behalf of their metropolitan areas.

### ***HOME Program***

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**Web Link:**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/affordablehousing/programs/home/](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/programs/home/)

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

Participating jurisdictions may choose among a broad range of eligible activities, using HOME funds to provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; build or rehabilitate housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses.

### ***Lead Hazard Reduction Demonstration Grant (LHRDG) Program***

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**Web Link:**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/healthy\\_homes/lbp/lhc](http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/lbp/lhc)

The purpose of the Lead-Based Paint Hazard Control (LHC) and the Lead Hazard Reduction (LHRD) grant programs is to identify and control lead-based paint hazards in eligible privately owned housing for rental or owner-occupants. The Lead-Based Paint Hazard Control Grant program is the largest program in terms of dollar amount and number of grants.

### ***Special Purpose Grants***

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**Web Link:**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/economicdevelopment/programs/congressional/special](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/economicdevelopment/programs/congressional/special)

Congressional Grants are authorized each year in the annual HUD appropriation and accompanying conference report or congressional record. Congress authorizes a specific level of funding to a designated grantee, to undertake a particular activity cited in the appropriation or conference report. Only those entities designated by Congress may apply for funds. Unsolicited applications are not accepted.

### ***Emergency Shelter Grant (ESG) Program***

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Provides grants by formula to States, metropolitan cities, urban counties and U.S. territories for eligible activities, generally including essential services related to emergency shelter, rehabilitation and conversion of buildings to be used as emergency shelters, operation of emergency shelters, and homelessness prevention services.

### ***Public and Indian Housing (PIH) Program***

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The Office of Public and Indian Housing (PIH) is responsible for administering and managing a number of programs designed to ensure safe and affordable housing for 1.3 million households nationwide. PIH also works with public housing authorities across the country to help them improve their management and service delivery efforts. The five offices of PIH are:

Office of Native American Programs (ONAP) is responsible for improving housing conditions for Native American families. The office also creates economic opportunities for tribes and Indian housing residents and assists tribes with community development initiatives. The office oversees Code Talk, a federal, interagency web site designed to deliver electronic information from government agencies and other organizations to Native American communities.

The Office of Community Relations and Involvement deals individually with low-income housing communities on the state and local levels.

The Office of Public and Assisted Housing Operations helps to offer and maintain affordable housing options for low-income families by offering vouchers that can be exchanged for rental payments.

The Office of Public Housing Investments oversees outreach and investment opportunities in low-income housing developments. This office also looks for sites to demolish.

The Office of Policy, Program and Legislative Initiatives is responsible for helping create the agency's policy and oversees implementation of any new laws or amendments to existing housing laws.

### ***Neighborhood Stabilization Program (NSP1 & NSP3)***

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#### **Web Link:**

<https://www.hudexchange.info/programs/nsp/>

NSP was established for the purpose of providing emergency assistance to stabilize communities with high rates of abandoned and foreclosed homes, and to assist households whose annual incomes are up to 120 percent of the area median income (AMI).

NSP funds may be used for activities which include, but are not limited to:

- Establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties;
- Purchase and rehabilitate homes and residential properties abandoned or foreclosed;
- Establish land banks for foreclosed homes;

- Demolish blighted structures;
- Redevelop demolished or vacant properties

In addition, the use of NSP funds must also meet one of the following CDBG national objectives:

- Housing Activities: Providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120% of area median income.
- Area Benefit Activities: Benefiting all the residents of a primarily residential area in which at least 51% of the residents have incomes at or below 120% of area median income.
- Limited Clientele Activities: Serving a limited clientele whose incomes are at or below 120% of area median income.

NSP grantees develop their own programs and funding priorities. However, grantees must use at least 25% of the funds appropriated to house individuals or families whose incomes do not exceed 50% of the area median income. Activities may not qualify under NSP using the CDBG "prevent or eliminate slums and blight" or "address urgent community development needs" national objectives.



## APPENDIX B

### DEFINITIONS AND ABBREVIATIONS

**ACHP** means the Advisory Council on Historic Preservation, an independent Federal agency that advises the President and Congress on historic preservation matters.

**Adverse Effect** means the altering of a property in a manner that would diminish its integrity or alter the characteristics that qualify the property for inclusion in the National Register of Historic Places.

**Area of Potential Effect**, as defined in 36 C.F.R. § 800.16(d), means the geographic area or areas within which an Undertaking may directly or indirectly cause alterations in the character or use of Historic Properties, if any such properties exist. The area of potential effects is influenced by the scale and nature of an undertaking and may be different for different kinds of effects caused by the undertaking.

**CDBG** means Community Development Block Grant.

**Commercial Buildings** means any structure with a commercial, industrial, or residential use that has more than four (4) housing units.

**Consultation** means the process of seeking, discussing, and considering the views of other participants, and, where feasible, seeking agreement with them regarding matters arising in the section 106 process.

**Dangerous Building** means such buildings as defined by City of Detroit Ordinance 290-H and deemed by the City of Detroit Department of Buildings and Safety Engineering.

**DBA** means the Detroit Building Authority.

**HDAB** means the City of Detroit Historic Designation Advisory Board.

**Historic Property** means any property that is included in or eligible for inclusion in the National Register of Historic Places as set forth in 36 CFR § 800.

**HOME** means HOME Investment Partnerships Program.

**HUD** means the United States Department of Housing and Urban Development.

**Indian Tribe** means an Indian tribe, band, nation, or other organized group or community, including a native village, regional corporation or village corporation, as those terms are defined in Section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. § 1602), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

**Memorandum of Agreement (MOA)** means the document that records the terms and conditions agreed upon to resolve the adverse effects of an undertaking upon historic properties.

**National Register of Historic Places (NRHP)** refers to the official inventory of historic resources in the United States, authorized by the National Historic Preservation Act of 1966 and maintained by the Secretary of the Interior.

**PDD** means the City of Detroit Planning and Development Department.

**Preservation Specialist** means the City employee or consultant who meets the professional qualifications in architectural history, historic architecture or related fields, as specified in the Secretary of the Interior's Professional Qualification Standards, as set forth in 36 CFR Part 61.

**Program** refers to the City of Detroit's program to administer all Undertakings funded by HUD specifically covered by this Programmatic Agreement and administered by the City of Detroit Planning and Development Department.

**Residential Buildings** means any structure with a residential use that has four (4) or fewer housing units.

**Section 106** refers to Section 106 of the National Historic Preservation Act of 1966 and its resulting review process designed to ensure that impacts on historic properties are taken into account during Federal project planning and execution.

**SHPO** means the Michigan State Historic Preservation Officer.

**Standards** means the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings, contained in 36 CFR Part 67.

**Tribal Lands** means all lands within the exterior boundaries of any Indian reservation and all dependent Indian communities.

**Undertaking** means a project, activity, or program funded in whole or in part under the direct or indirect jurisdiction of a Federal agency, including those carried out by or on behalf of a Federal agency; those carried out with Federal financial assistance; and those requiring a Federal permit, license or approval.

## APPENDIX C

### PROGRAMMATIC EXEMPTIONS

The following project activities, which have limited potential to affect Historic Properties and do not require further review from the SHPO when the undertakings are limited solely to these activities:

#### A. Site Improvements

1. Reconstruction of roads where no change in width, surface materials, surface treatments, or vertical alignments of drainage is to occur.
2. Repair/replacement of existing curbs and sidewalks with identical materials within existing dimensions.
3. Repair/replacement of water, gas, storm, and/or sewer lines if it occurs within the dimensions of the original trench and permanent impacts upon surface treatments or landscape features which contribute to the historic or architectural significance of the resource are avoided.
4. Tree plantings adjacent to right-of-way.
5. Repainting parking spaces or streets.

#### B. Interior Rehabilitation

The following may proceed without review if permanent impacts upon interior elements or surface treatments that contribute to the historic or architectural significance of the buildings are avoided.

1. All plumbing rehab/replacement - includes pipes and fixtures.
2. Heating, Venting, and Air-conditioning Systems – rehab, replacement, cleaning provided that no new venting or new venting locations are required. If new venting is required, it shall be located on the rear of the structure and shall not be visible from the public right-of-way.
3. Electrical work.
4. Restroom improvements for handicapped access - provided that work is contained within the existing restroom.
5. Interior surface treatments (floors, walls, ceilings, and woodwork) provided the work is restricted to repainting, refinishing, re-papering, or laying carpet or linoleum and the feature is not significant to the integrity of the property.
6. Installation of insulation provided it is restricted to attics and crawl spaces, upper surfaces of existing ceilings and the ceilings are not dropped, and proper vapor barriers are used. Also, wall insulation should not be installed in historic frame buildings unless an adequate vapor barrier can be added to the interior face of the wall. Insulation must be kept dry to function properly, and therefore requires a vapor barrier and some provision for air movement. Introducing insulation in wall cavities without a vapor barrier and some ventilation can lead to problems such as paint failure or the deterioration of wood members.
7. Repair of or pouring of concrete cellar floor.
8. Installation of new kitchen and bath appliances, cabinets, counters, tubs, sinks and toilets.
9. Repair or replacement of concrete basement floors and interior basement walls.
10. Replacement of door locks.

C. Exterior Rehabilitation

1. Caulking, weather stripping and replacement of window glass with glass of the same surface qualities (color, texture, and reflectivity).
2. Installation or replacement of gutters and downspouts (if the color is historically appropriate for the period and style of the historic resource).
3. Flat or shallow pitch roof repair/replacement (shallow pitch is understood to have a rise-to-run ratio equal to or less than 3 inches to 12 inches), with no part of the surface of the roof visible from the ground.
4. New storm windows - provided they conform to shape and size of historic windows and that the meeting rail coincides with that of the existing sash. Color should match trim; mill finish aluminum is not acceptable. Repair or repainting of existing storm windows.
5. In-kind replacement - this is understood to mean that the new features/items will duplicate the material, dimensions, configuration and detailing of the original of the following:
  - a. Porches - railings, posts/columns, brackets, cornices, steps, flooring
  - b. Roofs
  - c. Siding
  - d. Exterior architectural details and features
  - e. Windows - this understood to include both the frame, panes and sash
  - f. Doors
  - g. Cellar/bulkhead doors
6. Painting previously painted surfaces in color(s) historically appropriate for the period and style of the historic resource.
7. Repair of existing wheelchair ramps.
8. Repair, replace, or install new sidewalks or driveways that match the existing sidewalk or driveway in materials and dimensions.
9. Repair or replacement of chimneys with the same material and dimensions.

## APPENDIX D

### TREATMENT OF HISTORIC PROPERTIES FOR DEMOLITION

The City shall forward documentation to the SHPO for review and comment regarding the proposed demolition of any Historic Property. The form of documentation to be provided to the SHPO will vary depending on the demolition classification as well as building type (Residential or Commercial) and whether it is a single resource or contributes to a district. The guidelines for each submittal are delineated below.

**A. Demolition of Vacant and Dangerous Buildings.** The City shall forward adequate documentation to the SHPO for review and comment regarding the proposed demolition of a Historic Property under the Vacant and Dangerous Buildings program. Documentation for this category of demolition shall include, at a minimum, the following:

1. Photographs of all elevations and significant features;
2. An explanation of how long the property has been listed on the City's Vacant and Dangerous Buildings list and why demolition is proposed;
3. A structural report by a licensed Structural Engineer with experience with historic building structural systems or a licensed architect meeting the Qualification Standards;
4. A summary of alternatives to demolition that were considered and why they were not used;
5. Copies or summaries of any views provided by consulting parties and the public. Sources may include written or recorded public comment, letters and/or email correspondence; and
6. Proposed mitigation measure(s) selected from Appendix F which shall be forwarded to the SHPO in a "two-party" Memorandum of Agreement (MOA).

Depending on the building type and whether it is a single Historic Property or contributes to a historic district, the following additional pieces of information are also required to be provided to the SHPO for review:

1. **Residential Buildings - Individual.**
  - a. Photographs of the property including interior views (if City-owned), photographs showing details of any character-defining features, and historic photographs, if available; and,
  - b. A completed SHPO inventory card, including a brief history of the property including a statement of the historic and/or architectural significance of the resource meeting the criteria for listing in the NRHP.
2. **Residential Buildings - within a District.**
  - a. Photographs including representative streetscape views showing the surrounding built environment. These photos shall be keyed to a localized map.

- b. A completed SHPO inventory card, including brief history of the district including a statement of the historic and/or architectural significance of the district meeting the criteria for listing in the NRHP.

**3. Commercial Buildings - Individual.**

- a. Photographs of the property including interior views, photographs showing details of any character-defining features, and historic photographs, if available;
- b. A completed SHPO inventory card, with a brief history of the property including a statement of the historic and/or architectural significance of the resource meeting the criteria for listing in the NRHP; and,
- c. Mapping showing land and building vacancies within 1,500 feet of the property.

**4. Commercial Buildings - within a District.**

- a. Photographs shall include representative streetscape views showing the surrounding built environment. These photos shall be keyed to a localized map.
- b. A completed SHPO inventory card, with a brief history of the district including a statement of the historic and/or architectural significance of the district meeting the criteria for listing in the NRHP; and,
- c. Mapping showing land and building vacancies within 1,500 feet of the property.

Within thirty (30) calendar days following receipt of adequate documentation, if the SHPO agrees with the proposed demolition of a Historic Property, it shall sign the "two-party" MOA and return it to the City for signature. If the SHPO objects to the proposed demolition, the City and the SHPO shall consult per Stipulation XVII of this Agreement.

**B. Routine Demolition Projects.** Prior to the demolition of a Historic Property not covered under the Vacant and Dangerous Buildings program, the City shall forward adequate documentation to the SHPO for review and comment. This documentation shall include, at a minimum, the following:

- 1. Photographs of all elevations and significant features;
- 2. A structural report by a licensed Structural Engineer with experience with historic building structural systems or a licensed architect meeting the "Qualification Standards";
- 3. A summary of alternatives to demolition that were considered and why they were not used;
- 4. Copies or summaries of any views provided by consulting parties and the public. Sources may include written or recorded public comment, letters and/or email correspondence; and
- 5. Proposed mitigation measure(s) selected from Appendix F which shall be forwarded to the SHPO in a "two-party" Memorandum of Agreement (MOA).

Depending on the building type and whether it is a single Historic Property or contributes to a historic district, the following additional pieces of information are also required to be provided to the SHPO for review:

**1. Residential Buildings - Individual.**

- a. Photographs of the property including interior views (if City-owned), photographs showing details of any character-defining features, and historic photographs, if available; and,
- b. A completed SHPO inventory card, with a brief history of the property including a statement of the historic and/or architectural significance of the resource meeting the criteria for listing in the NRHP.

**2. Residential Buildings - within a District.**

- a. Photographs including representative streetscape views showing the surrounding built environment. These photos shall be keyed to a localized map; and,
- b. A brief history of the district including a statement of the historic and/or architectural significance of the district meeting the criteria for listing in the NRHP.

**3. Commercial Buildings - Individual.**

- a. Photographs of the property including interior views, photographs showing details of any character-defining features, and historic photographs, if available;
- b. A completed SHPO inventory card, with a brief history of the property including a statement of the historic and/or architectural significance of the resource meeting the criteria for listing in the NRHP; and,
- c. Mapping showing land and building vacancies within 1,500 feet of the property.

**4. Commercial Buildings - within a District.**

- a. Photographs shall include representative streetscape views showing the surrounding built environment. These photos shall be keyed to a localized map;
- b. A completed SHPO inventory card, with a brief history of the district including a statement of the historic and/or architectural significance of the district meeting the criteria for listing in the NRHP; and
- c. Mapping showing land and building vacancies within 1,500 feet of the property.

Within thirty (30) calendar days following receipt of adequate documentation, if the SHPO agrees with the proposed demolition of a Historic Property, it shall sign the "two-party" MOA and return it to the City for signature. If the SHPO objects to the proposed demolition, the City and the SHPO shall consult per Stipulation XVII of this Agreement.

**C. Emergency Demolitions Funded by the Program**

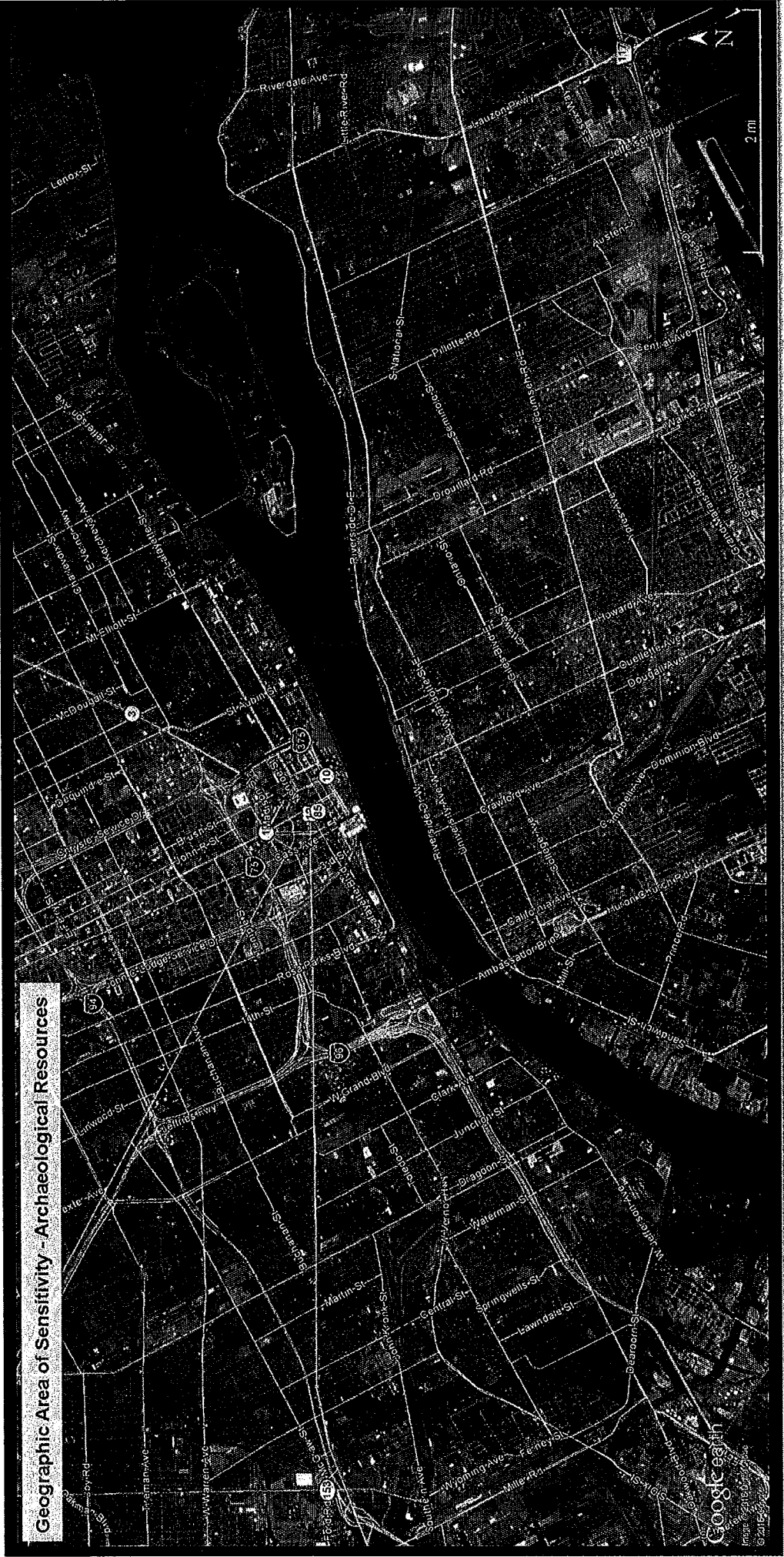
1. When the City determines that the emergency demolition of Historic Properties, including any property type, is required to comply with Detroit City Ordinance No. 290-H to avoid an imminent threat to the health and safety of residents, and Program funds are used for the demolition, the City shall forward documentation to the SHPO via electronic mail and express mail with a request for comments within three (3) business days. Documentation shall include:
  - a. The address of the property and the nature of the emergency;
  - b. At least two (2) recent photographs of the property;
  - c. A signed copy of the local order requiring that emergency demolition commence within 30 days or less; and
  - d. A SHPO inventory card or other documentation regarding the National Register eligibility of the property.
2. The SHPO will notify the City in writing whether it approves the emergency demolition and what, if any, mitigation measures must be implemented prior to demolition (i.e., recordation, architectural salvage, etc.). The City shall ensure that, to the extent feasible, all mitigation measures are implemented and appropriate documentation forwarded to the SHPO within fourteen (14) business days following the completion of demolition activities.
3. If the SHPO objects to the emergency demolition, the City and the SHPO shall consult per Stipulation XVII of this Agreement.



## **APPENDIX E**

### **GEOGRAPHIC AREA OF SENSITIVITY ARCHEAOLOGICAL RESOURCES**

The City, in consultation with the SHPO's archaeologist, have delineated on the attached map a geographic area of sensitivity for archaeological resources. This area is roughly bounded by the Detroit River to the south, the River Rouge to the west, W. Jefferson Street, W. Fort Street and E. Jefferson Street to the north, and Alter Road to the east.



**Geographic Area of Sensitivity - Archaeological Resources**

## APPENDIX F

### MITIGATION MEASURES

If an Undertaking results or will result in one or more adverse effects, the City and SHPO shall develop a treatment measure plan that includes one or more of the following Mitigation Measures, depending on the nature of the Historic Properties affected and the severity of the adverse effects.

#### A. Recordation Package

1. Digital Photography Package: Prior to project implementation, the City shall oversee the successful delivery of a Digital Photography Package prepared by the Preservation Specialist or contractors having professional qualifications in *Architectural History*, *Historic Architecture*, or related fields in accordance with the Secretary of the Interior's Professional Qualification Standards, 36 C.F.R. Part 61, as published at 48 FR 44716 (1983) ("Qualification Standards"). The Digital Photography Package will meet the standards cited in the National Park Service's *National Register of Historic Places Photographic Policy March 2010* or subsequent revisions (<http://www.nps.gov/nr/publications/bulletins/photopolicy/index.htm>).
  - a. The Digital Photography Package shall include a comprehensive collection of photographs of both interior and exterior views showing representative spaces and details of significant architectural features and typical building materials. Exterior photographs shall include full oblique and contextual images of each elevation. Exterior views shall be keyed to a site plan while interior views shall be keyed to a floor plan of the building/structure. The photographs shall be indexed according to the date photographed, site number, site name, site address, direction, frame number, subject matter and photographer's name recorded on the reverse side in pencil.
  - b. The Digital Photography Package shall include one (1) full set of printed color copies of the digital photographs (on appropriate paper, per NPS Photographic Policy), a CD/DVD of the digital photographs, a completed SHPO inventory form, and a written site history of the Historic Property.
  - c. The City shall submit the Digital Photography Package to the SHPO for review and approval. Once approved by the SHPO, the City shall submit full copies of the approved Digital Photography Package to Burton Historical Collection of the Detroit Public Library for permanent retention.
2. 35 mm Black and White Film Photography Package: Prior to project implementation, the designated City shall oversee the successful delivery of a 35 mm Black and White Film Photography Package prepared by the Preservation Specialist or contractors that meet the "Qualification Standards."
  - a. The 35 mm Black and White Film Photography Package shall include a comprehensive collection of photographs of both interior and exterior views showing representative spaces and details of significant architectural features and typical building materials. Exterior photographs shall include full oblique and contextual images of each elevation. Exterior views shall be keyed to a site plan while interior views shall be keyed to a floor plan of the building/structure. The

- photographs shall be indexed according to the date photographed, site number, site name, site address, direction, frame number, subject matter and photographer's name recorded on the reverse side in pencil.
- b. The 35 mm Black and White Film Photography Package shall include one (1) full set of 35mm film black and white photographs printed on acid free paper, the corresponding 35mm film negatives in acid free sleeves, a completed SHPO inventory form, and a written site history of the Historic Property.
  - c. The City shall submit the 35 mm Black and White Film Photography Package to the SHPO for review and approval. Once approved by the SHPO, the City shall submit full copies of the approved 35 mm Black and White Film Photography Package to Burton Historical Collection of the Detroit Public Library for permanent retention.
3. Large Format Film Photography Package: Prior to project implementation, the designated City shall oversee the successful delivery of a Large Format Film Photography Package prepared by the Preservation Specialist or contractors that meet the "Qualification Standards."
- a. The Large Format Film Photography Package shall include a comprehensive collection of photographs of both interior and exterior views showing representative spaces and details of significant architectural features and typical building materials. Exterior photographs shall include full oblique and contextual images of each elevation. Exterior views shall be keyed to a site plan while interior views shall be keyed to a floor plan of the building/structure. The photographs shall be indexed according to the date photographed, site number, site name, site address, direction, frame number, subject matter and photographer's name recorded on the reverse side in pencil.
  - b. The Large Format Film Photography Package shall include one (1) full set of 4 x 5 or 5 x 7-inch photographs printed on acid free paper, the corresponding 4 x 5 or 5 x 7-inch negatives in acid free sleeves, a completed SHPO inventory form, and a written site history of the Historic Property.
  - c. The City shall submit the Large Format Film Photography Package to the SHPO for review and approval. Once approved by the SHPO, the City shall submit full copies of the approved 35 mm Black and White Film Photography Package to Burton Historical Collection of the Detroit Public Library for permanent retention.

## **B. Rehabilitation of Historic Properties**

Prior to project implementation, the City shall consult with the SHPO to identify individual properties within the historic district that would benefit from a renovation and rehabilitation. Once the parties have agreed to a property or properties, the City shall continue to coordinate with the SHPO through the drafting project plans and specifications. The City shall use the Preservation Specialist or contractors that meet the "Qualification Standards" to provide guidance regarding the development of these plans. All work shall follow the "Secretary of the Interior Standards for Rehabilitation."

### **C. Design Review by SHPO**

Prior to project implementation, City shall consult with the SHPO to develop a historically compatible design. Plans and specifications will, to the greatest extent feasible, preserve the basic character of a building. Primary emphasis shall be given to the major street elevations that are visible. Significant contributing features (e.g. trim, windows, doors, porches) will be repaired or replaced with either in-kind materials or materials that come as close as possible to the original materials in basic appearance. Aesthetic camouflaging treatments such as use of veneers, paints, texture compounds and other surface treatments and/or use of sympathetic infill panels and landscaping features will be employed to the greatest extent feasible. Final construction drawings used in the bidding process will be submitted to the SHPO for review and comment prior to the award of a construction contract and the initiation of construction activities. No photography of Native American human remains or funerary objects will be allowed.

### **D. Tribal Treatment Plan**

The City shall consult with the participating Tribes to develop a plan for the protection and treatment of, including but not limited to, Native American remains, funerary objects, cultural and religious landscapes, ceremonial items, traditional gathering areas and cultural items, for known sites and in the event that any are discovered in conjunction with the Undertaking, including archaeological studies, excavation, geotechnical investigations, grading, and all ground-disturbing activity. The plan will also formalize procedures for Tribal monitoring during archaeological studies, grading, and ground disturbing activities for the Undertaking.

### **E. Architectural Salvage**

The City shall consult with the SHPO to determine whether the property contains significant architectural features that could be reused, displayed, interpreted, or curated. If such features exist, the City in consultation with the SHPO, and the property owner, will develop measures to ensure that the selected features are removed in such a manner that minimizes damage and are delivered to an appropriate party for curation and reuse.

### **F. Public Interpretation**

Prior to project implementation, the City shall consult with the SHPO to design an educational interpretive plan. The plan may include historical markers, plaques, signs, displays, educational pamphlets, websites, workshops and other similar mechanisms to educate the public on historic properties within the local community, state, or region. Once an interpretive plan has been agreed to by the parties, SHPO, participating Tribes, and the City will continue to consult throughout implementation of the plan until all agreed upon actions have been completed by the City.

### **G. Historical Context Statements and Narratives**

Prior to project implementation, the City shall consult with the SHPO to determine the topic and framework of a historic context statement or narrative the City shall be responsible for completing. The statement or narrative may focus on an individual property, a historic district, a set of related properties, or relevant themes as identified in the statewide preservation plan. Once the topic of the

historic context statement or narrative has been agreed to, the City shall continue to coordinate with the SHPO through the drafting of the document and delivery of a final product. The SHPO shall have final approval over the end product. The City shall use the Preservation Specialist or contractors that meet the “Qualification Standards.”

#### **H. Oral History Documentation**

Prior to project implementation, the City shall consult with the SHPO to identify oral history documentation needs and agree upon a topic and list of interview candidates. Once the parameters of the oral history project have been agreed upon, the City shall continue to coordinate with the SHPO through the data collection, drafting of the document, and delivery of a final product. The SHPO shall have final approval over the end product. The SHPO shall have final approval over the end product. The City shall use the Preservation Specialist or contractors that meet the “Qualification Standards.”

#### **I. Historic Property Inventory**

Prior to project implementation, the City shall consult with the SHPO to establish the appropriate level of effort to accomplish a Historic Property inventory or synthesis of archeological data. Efforts may be directed toward the resurvey of previously designated historic properties and/or districts which have undergone change or lack sufficient documentation, or the survey of new Historic Properties and/or districts that lack formal designation. Once the boundaries of the survey area have been agreed upon, the City shall continue to coordinate with the SHPO through the data collection process. The City will use SHPO standards for the survey of Historic Properties and SHPO forms as appropriate. The City will prepare a draft inventory report, according to SHPO templates and guidelines, and consult with the SHPO until a final property inventory is approved. The City shall use the Preservation Specialist or contractors that meet the “Qualification Standards.”

#### **J. National Register and National Historic Landmark Nominations**

Prior to project implementation, the City shall consult with the SHPO, to identify the individual properties that would benefit from a completed National Register or National Historic Landmark nomination form. Once the parties have agreed to a property, the City shall continue to coordinate with the SHPO through the drafting of the nomination form. The SHPO will provide adequate guidance to the City during the preparation of the nomination form and shall formally submit the final nomination to the Keeper for inclusion in the National Register of Historic Places. The City shall use the Preservation Specialist or contractors that meet the “Qualification Standards.”

#### **K. Local Historic District Designation**

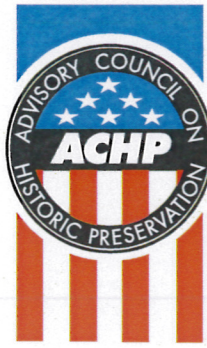
Prior to project implementation, the City shall consult with the SHPO, to assist local interested citizen organization(s) in pursuing local historic district designation of a particular building or district. Once the parties have agreed to a property or properties, the City shall continue to coordinate with the SHPO through the drafting of the designation report. The City shall use HDAB staff that meet the “Qualification Standards.”

**L. Geo-References of Historic Maps and Aerial Photographs**

Prior to project implementation, the City shall consult with the SHPO to identify the historic maps and/or aerial photographs for scanning and geo-referencing. Once a list of maps and/or aerial photographs have been agreed upon, the City shall continue to coordinate with the SHPO through the scanning and geo-referencing process and shall submit drafts of paper maps and electronic files to them for review. The SHPO shall have final approval on the quality of the documentation provided by the City. The final deliverable shall include a paper copy of each scanned image, a geo-referenced copy of each scanned image, and the metadata relating to both the original creation of the paper maps and the digitization process.

**M. Research and Data Recovery Plans for Archaeological Resources**

Prior to project implementation, the City shall consult with the SHPO to develop research and data recovery plans for significant archaeological sites.



Preserving America's Heritage

November 8, 2016

Mr. Maurice Cox  
Director  
Planning and Development Department  
2 Woodward Ave, Suite 808  
Detroit, MI 48226

Ref: *Programmatic Agreement for HUD-Funded Programs  
City of Detroit, Wayne County, Michigan*

Dear Mr. Cox:

Enclosed are two copies of the fully executed referenced Programmatic Agreement. By carrying out the terms of the agreement, you will fulfill your responsibilities under Section 106 of the National Historic Preservation Act and the regulations of the Advisory Council on Historic Preservation, "Protection of Historic Properties" (36 CFR Part 800). An original agreement will remain on file at our office.

We commend the City of Detroit for working closely with the Michigan State Historic Preservation Officer and others toward the consideration of historic properties in these programs. Thank you for your diligence.

If we may be of further assistance as the agreement is implemented, please contact Ms. Jaime Loichinger (202) 517- 0219, or via e-mail at [jloichinger@achp.gov](mailto:jloichinger@achp.gov).

Sincerely,

Charlene Dwin Vaughn, AICP  
Assistant Director  
Office of Federal Agency Programs  
Federal Permitting, Licensing, and Assistance Section

Enclosures