# Regional Housing Needs and Neighborhood Resiliency Strategy for Southeast Michigan

**November 2012**

**SEMCOG** . . . *Creating Success in Southeast Michigan*

## Mission

SEMCOG, the Southeast Michigan Council of Governments, is the only organization in Southeast Michigan that brings together all of the region's governments to solve regional challenges.

SEMCOG is creating success in Southeast Michigan by:

- Promoting informed decision making to improve Southeast Michigan and its local governments by providing insightful data analysis;
- Promoting the efficient use of tax dollars for both long-term infrastructure investment and shorter-term governmental efficiency;
- Solving regional issues that go beyond the boundaries of individual local governments
- Delivering direct assistance to member governments in the areas of transportation, environment, and community and economic development; and
- Advocating on behalf of Southeast Michigan in Lansing and Washington.

# Regional Housing Needs and Neighborhood Resiliency Strategy for Southeast Michigan

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## Abstract

This report addresses Southeast Michigan's housing needs and neighborhood resiliency in a holistic framework that identifies unique challenges facing the region as it rebounds from the economic and housing crisis of the last decade.

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## Purpose

Population, economic, and building trends in the last 10 years have dramatically altered Southeast Michigan's housing needs. Although the region has lost more than 125,000 residents since 2000, more than 108,000 new housing units have been added. This mismatch of housing supply and demand is one of the region's core challenges impacting sustainability and quality of life. This report addresses the region's housing needs and neighborhood resiliency in a holistic framework that identifies unique challenges facing the region as it rebounds from the economic and housing crisis of the last decade.

A region's housing market is one of the main indicators of economic stability and, therefore, the condition, quality, and availability of diverse housing types create stronger markets and desirable communities. Housing is the single largest land use, comprising 45 percent of the land in Southeast Michigan's seven counties. Since the vast majority of this housing is immobile (fixed in a specific geographic location), durable (most of our housing stock, when maintained at a decent level, can last 100 years or more), and expensive (by and large the greatest expense for a family), it must be a community and a region's priority to ensure that this housing stock is well maintained, as well as located and constructed to meet the needs of its residents. Unlike many regions across the country that are developing sustainability strategies to manage growth, sustainability in Southeast Michigan will depend on how well our communities manage infrastructure, neighborhoods, and housing that were built to serve a much larger population. Cities and counties within the region have assessed housing needs based upon five-year consolidated plans or by individual zoning and subdivision ordinances. These plans, while setting goals and priorities to meet identified housing and community development needs at the local level, have not sufficiently addressed housing on a regional level. The systemic challenge of managing neighborhoods built to serve a larger population must be addressed in a strategic and regional manner.

## Process

This Regional Housing Needs and Neighborhood Resiliency Strategy for Southeast Michigan was developed by SEMCOG's Housing Strategy Task Force, made up of 39 members representing housing advocacy organizations; local, county, state, and federal government agencies; housing development professionals; research, policy, and educational institutions; and transit providers. The task force met quarterly between September 2011 and September 2012.

Included in this strategy is the region's first Fair Housing and Equity Assessment (FHEA) for Southeast Michigan (Appendix C). The development of a regional FHEA is a requirement under HUD's Sustainable Communities Regional Planning Grant Initiative. The goal of the FHEA is to undertake a regional scale analysis across five components, to gain a full picture of regional equity and access to opportunity. These five components are: identification and assessment of: 1) Segregated Areas and Areas of Increasing Diversity and/or Racial/Ethnic Integration; 2) Racially Concentrated Areas of Poverty; 3) Access to Existing Areas of High Opportunities; 4) Major Public Investment; and 5) Fair Housing Issues, Services, and Activities. The end result of this regional scale analysis is to understand the historical, current and future context for equity and opportunity in the region and the data and evidence that demonstrates those dynamics, and to integrate knowledge developed through the regional FHEA exercise into the strategy development process.

# A Foundation for Action

Since any strategy or plan is only as good as the policies and actions it inspires, this strategy focuses on policy and local action recommendations that respond to the region's systemic housing issues, as well as challenges to neighborhood stability, condition of housing stock and fair housing opportunities, and availability of affordable housing that provides access to jobs and services. As such, this strategy identifies 38 recommendations that address the region's housing needs and promote resilient neighborhoods within our communities. These recommendations are divided into 14 state and federal policy recommendations to be advocated through SEMCOG and its partners, and 24 local and regional action recommendations that can be customized by local and regional jurisdictions for neighborhood level solutions to improve desirability, stability, and resiliency of local housing markets.

This strategy is a living document, meaning that its policy and local action recommendations will both evolve over time and be integrated into other regional planning efforts. For example, several of the policy recommendations will serve as the basis of SEMCOG's housing policy included in the region's 2013-2014 Legislative Policy Platform, while other recommendations will be integrated into both regional (e.g. the regional transportation plan and Redeveloping Commercial and Industrial Corridors Toolkit) and local (e.g. Local Consolidated Plans, Analysis of Impediments (AI) to Fair Housing Choice, and zoning and land use) planning efforts.

Chapter 1 of this strategy provides the regional housing findings as developed through data analysis, local and regional housing needs assessments, and SEMCOG's Regional Housing Strategy Task Force. At the end of each finding the appropriate policy and/or local action recommendations required to address the finding are provided. These findings are categorized into five broad categories: 1) Systemic Regional Issues; 2) Neighborhoods; 3) Housing Stock; 4) Fair Housing; and 5) Affordability and Accessibility. These categories were selected based upon the following guiding principles:

- There are **Systemic Regional Issues** that are key to creating resilient neighborhoods and must be addressed at the regional level;
- **Neighborhoods** are the backbone of our communities and their health is a main indicator of economic stability in the region;
- The condition, quality, and availability of our **Housing Stock** have been impacted by the region's changing demographics – primarily declines in population and household wealth;
- Maintaining and promoting **Fair Housing** and neighborhoods that are diverse and equitable is vital for a sustainable and thriving region; and
- The **Affordability and Accessibility** of the region's housing must be preserved and encouraged.

The following state and federal policy recommendations and local action recommendations are placed up front in this strategy because they set the foundation for action in addressing the region's housing challenges and opportunities. Chapter 2 of this strategy provides greater detail and background for each of the 14 state and federal policy recommendations, while Chapter 3 provides implementation guidance as well as best practices and resources for each of the 24 local and regional action recommendations. Additionally, Appendix A displays how the 14 State and Federal Policy Recommendations and 24 Local and Regional Actions align with the Regional Housing Findings in a comprehensive matrix.

## State and Federal Policy Recommendations

1. Support continued federal initiatives for foreclosure prevention.

2. Encourage support and funding for housing counseling.

3. Promote dependable and consistent federal support and funding that addresses the core housing challenges of the region – demolition, deconstruction, and removal of substandard housing.

4. Develop programs and increase funding for housing rehabilitation, energy efficiency, and weatherization.

5. Promote policy changes to improve appraisal process and oversight.

6. Support federal fair housing policy that encourages equal access to housing opportunities for all persons.

7. Financially incentivize housing development in mature areas – especially infill development near or along transit corridors and locations near employment centers and services.

8. Improve public transit throughout Southeast Michigan to link housing to jobs and services.

9. Support essential programs that address the region's senior housing needs, specifically the Section 202 Supportive Housing for the Elderly.

10. Support programs that combat and prevent homelessness in the region.

11. Expand financing tools and market incentives in neighborhoods destabilized by high numbers of foreclosures, vacancies, and diminished private market investment.

12. Provide adequate funding and promote policies that enable Public Housing Authorities (including subsidized and low-income rental housing) to appropriately invest in the upkeep and maintenance of their properties.

13. Continue funding and increase flexibility of the Low Income Housing Tax Credit (LIHTC) program.

14. Provide adequate funding for administrative costs of the Section 8 Housing Choice Voucher Program and renew all authorized vouchers.


## Local and Regional Action Recommendations

15. Strategic and targeted demolition, deconstruction, and green reuse strategies to stabilize neighborhoods.

16. Strategic construction, residential rehabilitation, and infill development in market-demand and infrastructure supported areas.

17. Proactive promotion of foreclosure information and housing counseling opportunities to homeowners and renters.

18. Encourage *communities for a lifetime* through regional and local policies which provide housing choices that enable people to remain in the community as they age.

19. Enable strategic construction and adaptive reuse of housing to meet the needs of elderly households.

20. Utilize, where applicable, land banking tools and strategies that enable communities to gain control, clear title, hold, manage, and convey vacant, abandoned and foreclosed properties to productive reuse.

21. Implement property maintenance and improvement initiatives.

22. Utilize targeted code enforcement and property maintenance policies.

23. Implement a Vacant Property Registration Ordinance that allows communities to inspect, monitor and require owners to register vacant properties as soon as they become vacant.

24. Implement a Rental Housing Policy (includes Rental Registration, Inspection, and Certification ordinance/regulation) to ensure a minimum standard of housing quality.

25. Develop a comprehensive Housing Asset Management Strategy.

26. Build partnerships with residents, business owners, elected officials, and other stakeholders to preserve clean, safe, and healthy neighborhoods.

27. Implement proactive actions in obtaining accurate and credible appraisals.

28. Expand and enhance landlord education programs and outreach.

29. Encourage needed housing types through local land use, building, and zoning regulations.

30. Encourage public/private partnerships in redevelopment of local housing markets.

31. Provide citizens, homeowners, landlords, and others with information on housing choices, housing values, housing costs – including housing, transportation, and energy costs.

32. Improve and make more uniform fair housing information on community Web sites.

33. Educate and inform local officials, general public, and landlords of fair housing laws and best practices.

34. Increase local and regional education campaigns on the community benefits of providing affordable and inclusive housing options.

35. Establish, where applicable, a Human Relations Commission whose focus is on fostering mutual self-respect and understanding and promoting amicable relations among all racial, religious, and ethnic groups.

36. Encourage higher density, Transit Oriented Development (TOD) and LEED-ND Smart Location and Linkage rating system to increase housing development in areas that already have existing infrastructure.

37. Prioritize incentives for rental preservation and affordable housing in areas that are transit accessible, and near employment opportunities and services.

38. Expand and enhance residential energy efficiency education and access to incentives.

# Chapter 1: Regional Housing Findings

## Systemic Regional Issues

**Declining population and households, slow growth, and large numbers of foreclosures have resulted in the region having sufficient housing to meet current and future needs**

Between 2000 and 2010, Southeast Michigan lost 128,625 people and 460 households. These losses resulted in a near doubling of the region's vacancy rate (Figures 6, 7, 8, 9). During this same time period, the region added 108,851 new housing units.

Table 1

### Declining Population and Households, 2000-2010

| SEMCOG Region | 2000 | 2010 | Change |
|---|---|---|---|
| Total Population | 4,833,368 | 4,704,743 | *-128,625* |
| Total Households | 1,845,218 | 1,844,758 | *-460* |
| Total Housing Units | 1,951,898 | 2,060,749 | *108,851* |
| Vacant Units | 106,680 | 215,991 | *109,311* |
| Vacancy Rate | 5.5% | 10.5% | *5.0%* |

Source: SEMCOG

Data shows that the region has been declining in population since its peak in 2001. It is expected to take until 2034 before the population returns to the 2010 level. By 2040, the region is expected to add 37,340 people and 110,195 households (Figure 10). The significantly larger increase in households is due to households continuing to get smaller in size.

Table 2

### Forecasted Population and Household Change, 2010-2040

| SEMCOG Region | 2010 | 2040 | Change |
|---|---|---|---|
| Total Population | 4,704,743 | 4,742,083 | *37,340* |
| Total Households | 1,844,758 | 1,954,953 | *110,195* |

Source: SEMCOG

Figure 1
**Declining Population and Slow Growth**
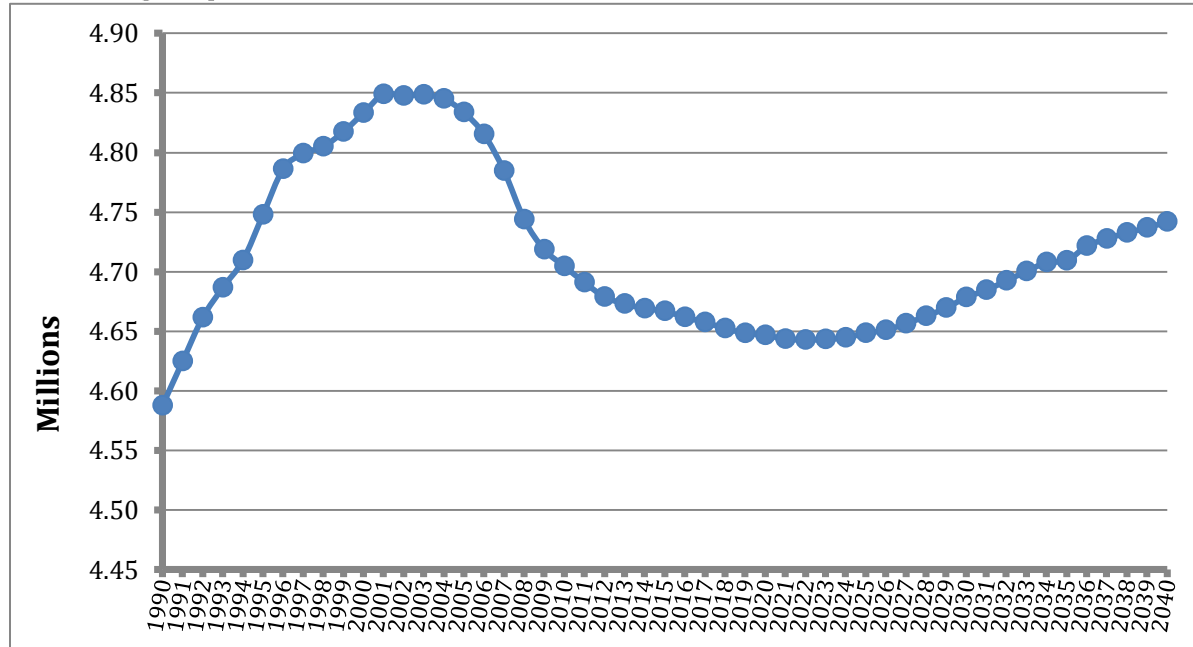


Source: SEMCOG

Over the last 10 years, the region experienced an accelerated shifting in the location of household demand. Many of the region's urban core communities experienced significant declines in household demand, while demand in many suburban communities grew. This accelerated shift in household demand has resulted in an oversupply of housing units in many of the region's older communities (Figure 7).

Because the region's population is not growing, any new housing development becomes added supply. Additionally, this depopulation, combined with an aging housing stock has resulted in surplus land and structures. Because of these dynamics, the region needs policy and strategies that focus on rehabbing, demolishing, deconstructing, or converting current housing to new uses. Without implementation of such policy and strategies, the region will only see more and more vacancies, abandonment, and continued low housing values and increased neighborhood decline.

## Policy Recommendations

- Promote dependable and consistent federal support and funding that addresses the core housing challenges of the region – demolition, deconstruction, and removal of substandard housing.
- Develop programs and increase funding for housing rehabilitation, energy efficiency, and weatherization.
- Expand financing tools and market incentives in neighborhoods destabilized by high numbers of foreclosures, vacancies, and diminished private market investment.

## Local Actions

- Strategic and targeted demolition, deconstruction, and green reuse strategies to stabilize neighborhoods.
- Strategic construction, residential rehabilitation, and infill development in market-demand and infrastructure supported areas.

**Up until the last five years, more housing units were built than the increase in households could occupy. This has resulted in: 1) higher vacancies in older, less competitive areas, and 2) systemic and accelerated neighborhood decline**

The brunt of Southeast Michigan's housing problem happened in the second half of the decade. Unlike places like Las Vegas, NV and Phoenix, AZ where speculation and overbuilding created the real estate bubble, our housing problem was mainly a result of economic downturn.

Our regional vacancy rate nearly doubled from 5.5 percent in 2000 to 10.5 percent in 2010. As the region's population grew during the early years of the 2000s, we were building, on average, more than 20,000 housing units a year. Population loss since then has resulted in a significant drop in building activities and higher vacancy rates.

Many communities have too many vacant housing units with too few households able or willing to occupy (Figures 6, 7, 8, 9).

Figure 2
## Building Permits and Vacancy Rates, 2000-2011
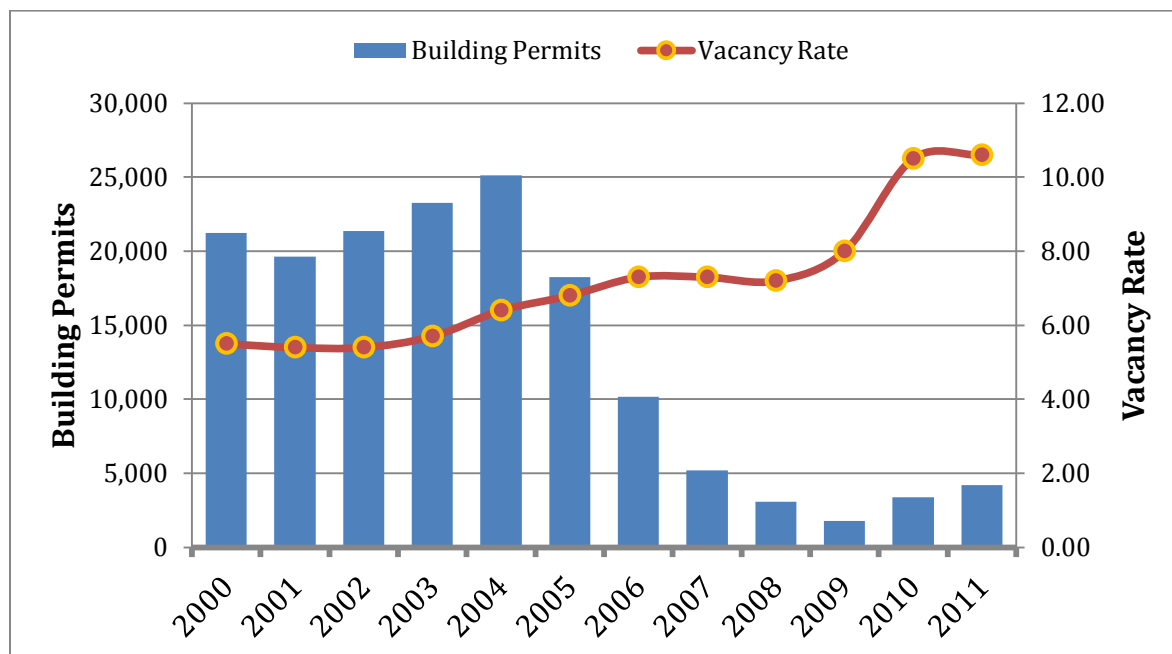


Source: SEMCOG

## Policy Recommendations

- Promote dependable and consistent federal support and funding that addresses the core housing challenges of the region – demolition, deconstruction, and removal of substandard housing.
- Develop programs and increase funding for housing rehabilitation, energy efficiency, and weatherization.
- Financially incentivize housing development in mature areas – especially infill development near or along transit corridors and locations near employment centers and services.

### Local Actions

- Strategic construction, residential rehabilitation, and infill development in market-demand and infrastructure supported areas.

- Prioritize incentives for rental preservation and affordable housing in areas that are transit accessible, and near employment opportunities and services.

## An increase in elderly residents and fewer households with children affect housing needs and choice

Between 2010 and 2040, households over 65 will increase by 300,000, or 77 percent. By year 2040, a full 35 percent of all households in the region will be headed by a person over 65 years of age. While households over 65 will greatly increase, the other household types are expected to decline (Figures 14, 15, 16):

- Households with children are expected to decline over the next three decades by about 63,000 or 11 percent; and

- Households without children – younger adults or "empty-nesters," but not elderly – will decline by about 128,000 or 15 percent.

This demographic shift will increase demand for assisted living units set aside for elderly households as well as for accessible features and other adaptive changes to single-family homes, conventional apartments, and townhouses.

Older adults are living longer, which means they are more likely to need additional services and require modified homes during their lifetime. According to the National Highway Traffic Safety Administration, the majority of older drivers will outlive their ability to drive by about 7 to 10 years. This means that the demands of alternative forms of transportation are likely to be greatly increased as the region's population continues to age at an accelerated rate.

Much of our region's housing stock is designed to meet the needs of a family with children. For instance, in many communities single-family housing is the dominate option for individuals and families. Regionally, 68.7 percent of the region's housing stock is single-family detached units.

As the population's health, lifestyle, and preferences change due to age and physical ability, certain barriers including second floor bedrooms, large yards, narrow hallways and doorways, and subdivisions located far from amenities and services may become impediments to the well-being of the aging population.

Figure 3
## Households by Type, 2010-2040



**Households over 65**
21% ... 35%

**Households under 65, no child**
47% ... 38%

**Households under 65, with children**
32% ... 27%
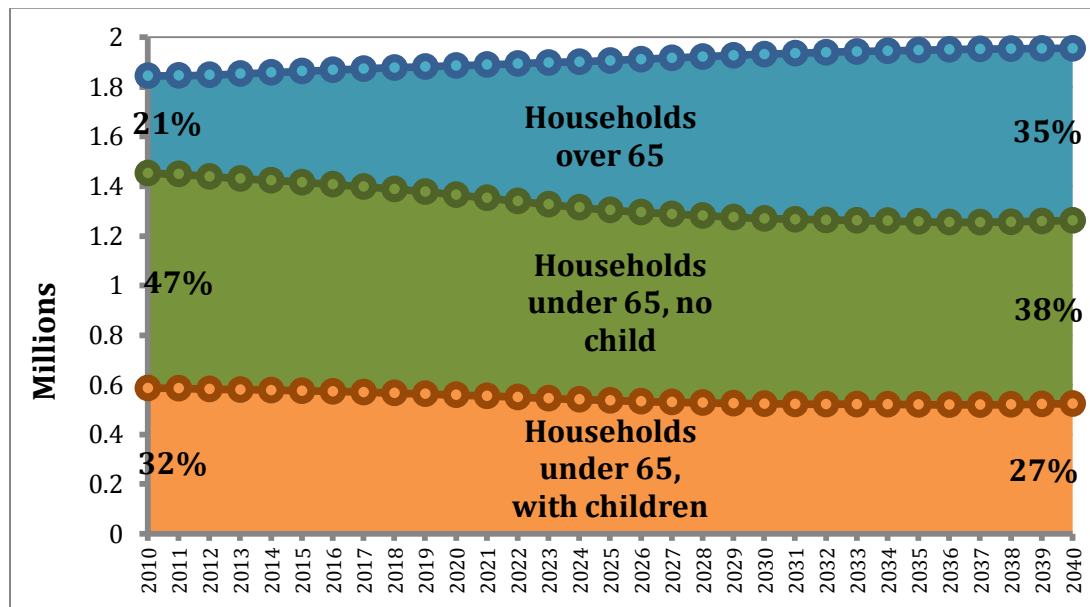
Source: SEMCOG

Figure 4
## Population by Age Group, 2000-2040
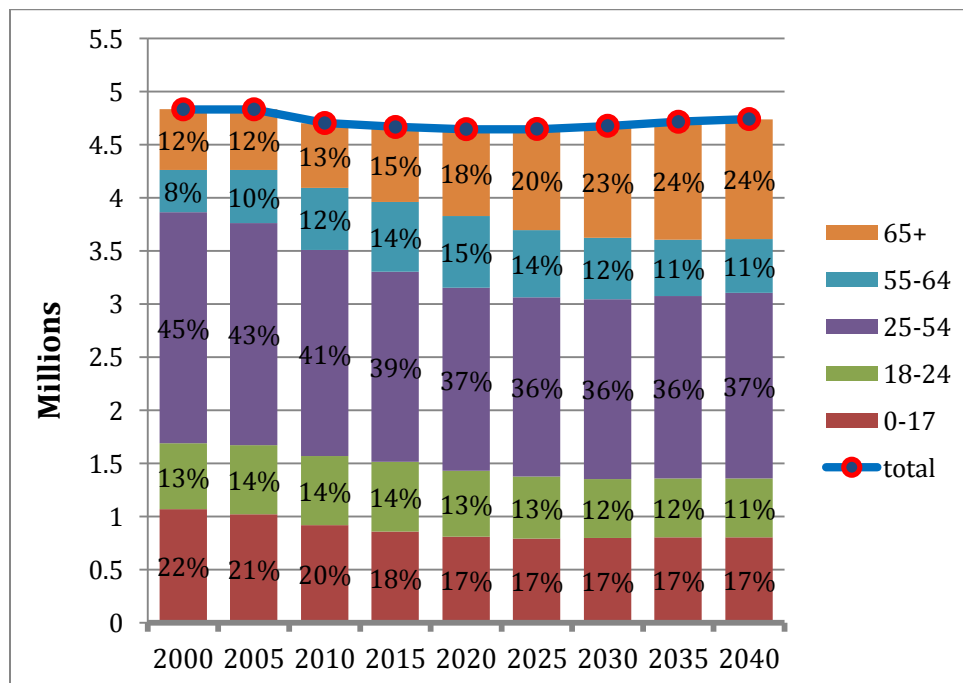


Legend: 65+, 55-64, 25-54, 18-24, 0-17, total

Source: SEMCOG

## Policy Recommendations

- Encourage support and funding for housing counseling.

- Financially incentivize housing development in mature areas – especially infill development near or along transit corridors and locations near employment centers and services.

- Improve public transit throughout Southeast Michigan to link housing to jobs and services.

- Support essential programs that address the region's senior housing needs, specifically the Section 202 Supportive Housing for the Elderly.

- Provide adequate funding for administrative costs of the Section 8 Housing Choice Voucher Program and renew all authorized vouchers.

## Local Actions

- Encourage *communities for a lifetime* through regional and local policies which provide housing choices that enable people to remain in the community as they age.

- Enable strategic construction and adaptive reuse of housing to meet the needs of elderly households.

- Encourage needed housing types through local land use, building, and zoning regulations.

- Encourage higher density, Transit Oriented Development (TOD), and LEED-ND Smart Location and Linkage rating system to increase housing development in areas that already have existing infrastructure.

- Prioritize incentives for rental preservation and affordable housing in areas that are transit accessible and near employment opportunities and services.

# Neighborhoods

## Neighborhoods of all value levels across the region are negatively affected by increases in foreclosures

As of December 2010, 1 in 40 housing units in the region were in some stage of foreclosure. At this rate, it is estimated in FY 2010 that local governments directly lost $113,517,700 in property taxes due to foreclosures.

Table 3

## Foreclosures and Impacts on Residential Taxable Value

|  | 2009 | 2010 | 2011 | Total Change 2009-2011 |
|---|---|---|---|---|
| Decline in Residential Taxable Value from previous year | $ 6.8 billion | $ 13.5 billion | $ 6.7 billion | *$27 billion* |
| Housing Foreclosure Rate | 1 in 29 | 1 in 39 | 1 in 43 | - |
| Percent Decline in Residential Taxable Value from previous year | 5.20% | 11.00% | 6.10% | *22.3%* |

Source: SEMCOG

According to the Joint Economic Committee of Congress, the average foreclosure costs $77,935. This total breaks down as follows:

- $50,000 –Lender

- $19,227 – Local government – decrease in tax base

- $1,508 – Neighbors – decrease in home value

- $7,200 – Homeowners – loss of equity, moving expenses, legal fees, etc.

Neighborhoods that have been destabilized by foreclosures are at a disadvantage for attracting private investment. It is critical that local governments and public entities consider incentives that will particularly increase new investment in neighborhoods that have been affected by the foreclosure crisis (Figure 17).

Prior to any incentive considerations, local officials need to have an understanding of market demand in their different neighborhoods. Not all neighborhoods in a community or a region are equal. Incentives to increase new investment should consider several elements (Table 12).

Local government revenues are reduced by low home values while costs associated with inspecting, securing, and maintaining vacant and/or foreclosed properties are likely to increase.

Current renters are less inclined to transition to homeownership because of concerns that housing values will continue to decline and for credit issues.

Property speculators purchasing real-estate owned (REO) and foreclosed properties often fail to keep up with maintenance and taxes, allowing properties to sit empty and fall into disrepair.

## Policy Recommendations

- Support continued federal initiatives for foreclosure prevention.
- Encourage support and funding for housing counseling.

## Local Actions

- Proactive promotion of foreclosure information and housing counseling opportunities to homeowners and renters.
- Utilize, where applicable, land banking tools and strategies that enable communities to gain control, clear title, hold, manage, and convey vacant, abandoned, and foreclosed properties to productive reuse.
- Build partnerships with residents, business owners, elected officials, and other stakeholders to preserve clean, safe, and healthy neighborhoods.

## Increases in vacancies and properties that are not well maintained negatively impact neighborhood stability

Between 2000 and 2010, the region's vacant housing units doubled from 106,680 in 2000 to 215,991 in 2010 (Figures 8, 9).

This increase in vacancy was a leading cause of the region's decline in median housing value. Housing values in the region declined by $13,622 over the last decade, from $174,166 in 2000 to $160,544 in 2010 (Figures 18, 19, 20, 21).

Vacant properties lower surrounding home values, increase the cost of maintenance and future rehabilitation, can be fire hazards, and can harbor crime in once stable communities.

Cost of addressing code, fire, and crime issues increase as the number of vacant housing units increase, including costs that a local government may take on related to property maintenance or abatement of health, public safety, and environmental issues.

Existing homeowners are less likely to invest in rehabilitation or repairs if they feel that doing so is not a good investment. Due to declines in equity or being underwater, many homeowners have lost confidence in their housing and in their neighborhood.

Homeowners of older homes tend to have greater home repair needs than homeowners in more modern and newly constructed units. Additionally, the financial costs of making repairs and upgrading older homes are often greater. Without financial incentives, many of the region's older neighborhoods are likely to continue to be negatively impacted with deferred maintenance and under-invested housing issues.

Vacant properties can quickly become blighted, dangerous, and magnets for crime. Intervention in the maintenance of vacant property is critical to staving off the spiral of neighborhood and commercial district decline. The rapidly changing nature of property ownership and occupancy status has made it difficult for local governments, as well as neighbors, to track the status of property. Often it is unclear whether a commercial or residential property is occupied, being improved, for sale, foreclosed, or abandoned.

## Policy Recommendations

- Promote dependable and consistent federal support and funding that addresses the core housing challenges of the region – demolition, deconstruction, and removal of substandard housing.

- Develop programs and increase funding for housing rehabilitation, energy efficiency, and weatherization.
- Expand financing tools and market incentives in neighborhoods destabilized by high numbers of foreclosures, vacancies, and diminished private market investment.

## Local Actions

- Implement property maintenance and improvement initiatives.
- Utilize targeted code enforcement and property maintenance policies.
- Implement a Vacant Property Registration Ordinance that allows communities to inspect, monitor and require owners to register vacant properties as soon as they become vacant.
- Implement a Rental Housing Policy (includes Rental Registration, Inspection, and Certification ordinance/regulation) to ensure a minimum standard of housing quality.
- Develop a comprehensive Housing Asset Management Strategy       .
- Build partnerships with residents, business owners, elected officials, and other stakeholders to preserve clean, safe, and healthy neighborhoods.


## Current appraisal process artificially lowers housing values, and thus, decreases neighborhood stability

Without understanding and addressing the process in which our real estate is valued and appraised, the region's struggling housing market and shrinking municipal revenues cannot improve. Currently there is little to no consistency in the process in which appraisals are conducted.

The Home Valuation Code of Conduct (HVCC) and subsequent enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act have greatly impacted the appraisal process and the method in which real estate is valued. Of most significance is the increased reliance and frequent use of Appraisal Management Companies (AMCs). According to the National Community Reinvestment Coalition's June 28, 2012 testimony before the U.S. House of Representatives Committee on Financial Services, AMCs currently order more than 80 percent of all appraisals. This large increase in AMC reliance is of great concern since there is currently very little federal or state oversight of AMCs. A January 2012 Government Accountability Office (GAO) report found that existing oversight of AMCs does not provide adequate assurance that AMCs are complying with industry standards. Specific issues involving AMCs include:

- The process in which AMCs select appraisers, review appraisal reports, and establish qualifications for appraisal reviewers have led to a decline in appraisal quality; and
- AMCs often select appraisers based on who accepts the lowest fee and completes the appraisal report the fastest rather than who is the most qualified, has the appropriate experience, and is familiar with the relevant neighborhood or area.

In a declining market, such as Southeast Michigan, inconsistent appraisal methods, lack of appropriate oversight in appraiser compliance, and ineffective accountability and transparency in the appraisal process have resulted in low appraisals that effectively drive prices downward with each reduced price used to justify reducing the price of every future sale.

Appraisers not familiar with local neighborhoods are making appraisals based on distressed sales, which negatively affects the values of all property transactions, even those that have a willing seller and a willing buyer. Deals are called off due to appraisals that come in lower than the previously agreed upon sale price.

Existing homeowners are less able to access lines of credit/home equity loans for housing rehab and maintenance due to decline in home value and low/inaccurate appraisals. Existing homeowners find it difficult to sell their homes due to the number of foreclosed properties on the market in the neighborhood that sell for much lower prices.

## Policy Recommendations

- Promote policy changes to improve appraisal process and oversight.

## Local Actions

- Implement proactive actions in obtaining accurate and credible appraisals.

## Increases in rental properties in primarily single-family/owner-occupied neighborhoods require strategic actions by communities

Between 2000 and 2010 the region lost 28,468 owner-occupied housing units, while gaining 27,913 renter-occupied units.

Table 4
## Owner-Occupied and Renter-Occupied Housing Units

|                 | 2000      | %     | 2010      | %     | Change  |
|-----------------|-----------|-------|-----------|-------|---------|
| Owner occupied  | 1,324,468 | 67.9% | 1,296,000 | 62.9% | -28,468 |
| Renter occupied | 520,845   | 26.7% | 548,758   | 26.6% | 27,913  |

Source: SEMCOG

Between 2000 and 2010 the region's home ownership rate decreased from 71.8 percent to 70.3 percent.

Although rental housing is not inherently negative, some neighborhoods are being negatively impacted by landlords with little-to-no experience, who are located at great distances from the rental unit (in many cases several states away), or lack the incentive or ability to maintain units to proper levels. Problems related to rental housing are increasing and need to be addressed in a strategic manner.

As a result of the effects of the foreclosure crisis, many property owners opt to rent their home instead of facing foreclosure or selling the home at a loss due to being under-water on their mortgage. Often these inexperienced and unintentional landlords are seeking to avoid financial pitfalls rather than recognizing the investment that is required to maintain high-quality rental housing (Figure 22).

Well-designed, well-located rental housing – both new or upgraded – can broaden economic opportunity and encourage future investment and development in our communities, to the benefit of residents of all income levels.

## Local Actions

- Implement a Rental Housing Policy (includes Rental Registration, Inspection, and Certification ordinance/regulation) to ensure a minimum standard of housing quality.
- Develop a comprehensive Housing Asset Management Strategy.
- Build partnerships with residents, business owners, elected officials, and other stakeholders to preserve clean, safe, and healthy neighborhoods.
- Expand and enhance landlord education programs and oureach.

# Housing Stock

## Type and quality/condition of housing stock creates a mismatch between demand and available supply – particularly in older urban areas

In 2010, the majority of the region's housing stock was more than 40 years old. Much of this aged housing stock is in need of rehabilitation, lead paint remediation, or in some cases demolition. A significant portion of the region's housing stock is in poor physical condition or lacks the amenities home buyers desire in "choosing" a home. The region's high supply of housing is primarily geographically misaligned with the growing demand of households (Figures 11, 12, 13).

Table 5
## Median Age of Housing Stock by Tenure

|                  | 2000     | 2010     |
|------------------|----------|----------|
| Owner Occupied   | 38 years | 44 years |
| Renter Occupied  | 36 years | 42 years |

Source: SEMCOG

In many communities, housing choice/mix by type and tenure does not align with need. In 2010, the region's housing stock was comprised of 68.7 percent single-family detached units, 3.1 percent duplex units, 6.5 percent townhouse/attached condos, 18.6 percent multi-unit apartments, and 3.1 percent mobile or manufactured housing. Compared to the national average (61.4%), as well as similar metropolitan areas, the region's housing stock is much more concentrated in single-family detached units. Between 2000 and 2010, the region lost 28,468 owner-occupied housing units, while gaining 27,913 renter-occupied units.

Table 6
## Housing Units by Type

|                             | 2000      | %      | 2010      | %      | Change   |
|-----------------------------|-----------|--------|-----------|--------|----------|
| Single Family Detached      | 1,329,030 | 68.9%  | 1,417,064 | 68.7%  | 88,034   |
| Duplex                      | 73,676    | 3.8%   | 63,205    | 3.1%   | -10,471  |
| Townhouse / Attached Condo  | 110,192   | 5.7%   | 134,654   | 6.5%   | 24,462   |
| Multi-Unit Apartment        | 368,821   | 18.9%  | 383,601   | 18.6%  | 14,780   |
| Mobile Home / Manufactured Housing | 69,544 | 3.6% | 63,732  | 3.1%   | -5,812   |
| Other                       | 730       | 0.04%  | 257       | 0.01%  | -473     |
| Total                       | 1,951,993 | 100%   | 2,062,513 | 100%   | 110,520  |

Source: SEMCOG

## Policy Recommendations

- Promote dependable and consistent federal support and funding that addresses the core housing challenges of the region – demolition, deconstruction, and removal of substandard housing.
- Develop programs and increase funding for housing rehabilitation, energy efficiency, and weatherization.
- Expand financing tools and market incentives in neighborhoods destabilized by high numbers of foreclosures, vacancies, and diminished private market investment.

## Local Actions

- Strategic and targeted demolition, deconstruction, and green reuse strategies to stabilize neighborhoods.
- Strategic construction, residential rehabilitation, and infill development in market-demand and infrastructure supported areas.
- Encourage needed housing types through local land use, building, and zoning regulations.
- Encourage public/private partnerships in redevelopment of local housing markets.

## Need for affordable housing is increasing while availability is decreasing due to lack of funding and loss of stock due to age and deferred maintenance

Subsidized rental housing is provided through government assistance in the form of a) voucher-based assistance, where the subsidy is attached to the household receiving assistance; and b) project-based assistance, where the subsidy is attached to a housing unit.

Smaller and older rental buildings – which are especially vulnerable to loss due to under-maintenance and demolition – account for a high share of affordable housing units in the region. The rental housing stock is older today than it has ever been and, as it continues to age, owners must devote an increasing share of rents to maintenance and replacement of aging systems to maintain the structures in adequate condition.

Table 7
## Median Year Built of Housing Stock by Tenure

|  | 2000 | 2010 |
|---|---|---|
| Owner Occupied | 1962 | 1966 |
| Renter Occupied | 1964 | 1968 |

Source: SEMCOG

There is much greater demand for both voucher- and project-based housing assistance in the region then is available.

- Voucher-based assistance
  - In Southeast Michigan, many more households qualify for vouchers than receive them. Maintaining and expanding the existing voucher program depends on sufficient annual federal appropriations, which will likely continue to be a challenge in the future. This is not just a challenge for Southeast Michigan. The National Low Income Housing Coalition estimates that an additional 250,000 vouchers are needed to meet the national demand for housing that is affordable to lower-income households. Moreover, growth in the number of vouchers has stalled

since 2004. It should also be noted that while vouchers are not usually tied to a particular development, there is still a great deal of concentration of the region's households using vouchers in the City of Detroit. This concentration may be linked to the difficulty in transferring vouchers across public housing authority (PHA) jurisdictions and concentrations of property owners with lower cost units that are familiar with the program and willing to accept vouchers.

- Project-based assistance

  – In Southeast Michigan project-based programs (including public housing) face both a funding challenge as well as a physical asset challenge. The region's stock of public housing is challenged with aging complexes in need of repair and expiring program contracts.

  – The region's public housing complexes are aging at an alarming rate. The primary challenges in maintaining the existing public housing stock are: appropriate investment into deteriorating complexes for capital needs; and keeping rents that are affordable to low-income households. Nationally, 700,000 HUD project-based assisted housing units were lost between 1995 and 2009 due to demolition, physical deterioration, or conversion to higher market-rate rents when subsidy contracts expired.

    Project-based rental stock is disproportionately located in urban cities (especially the City of Detroit), which increases the concentration of poverty to the detriment of both occupants and the surrounding neighborhoods.

In addition to voucher-based and project-based programs, the Low Income Housing Tax Credit (LIHTC) program is a successful housing production and preservation program. LIHTC is an indirect federal subsidy used to finance development of affordable housing for low-income households. The LIHTC program is administered by the Michigan State Housing Development Authority (MSHDA) and provides the private market with an incentive to invest in affordable rental housing. Federal housing tax credits are awarded to developers of qualified projects. Developers sell these tax credits to investors to raise capital for their projects.

## Policy Recommendations

- Provide adequate funding and promote policies that enable Public Housing Authorities (including subsidized and low-income rental housing) to appropriately invest in the upkeep and maintenance of their properties.

- Continue funding and increase flexibility of the Low Income Housing Tax Credit (LIHTC) program.

- Provide adequate funding for administrative costs of the Section 8 Housing Choice Voucher Program and renew all authorized vouchers.

## Local Actions

- Implement a Vacant Property Registration Ordinance that allows communities to inspect, monitor, and require owners to register vacant properties as soon as they become vacant.

- Expand and enhance landlord education programs and outreach.


## Age and condition of housing stock increase maintenance and energy cost needs/demands

As shown in Table 5, in 2010 the average age of the region's owner-occupied housing stock was 44 years, while the region's rental housing stock was 42 years old.

Older houses tend to be less energy-efficient than newer houses, and studies reveal that older urban housing stock in cold climate zones may have the greatest potential for saving energy by weatherization retrofitting.

A study of energy savings in single-family homes through the Department of Energy's Weatherization Assistance Program from 1993-2005 found that the program achieved savings of 23 percent in gas-heated single-family detached homes.

## Policy Recommendations

- Develop programs and increase funding for housing rehabilitation, energy efficiency, and weatherization.

## Local Actions

- Implement property maintenance and improvement initiatives.

- Expand and enhance residential energy efficiency education and access to incentives.

# Fair Housing

### Racial and ethnic minorities are geographically concentrated in the region – particularly in urban municipalities

See Appendix C: Fair Housing and Equity Assessment (FHEA) for Southeast Michigan for details.

### Policy Recommendations

- Support federal fair housing policy that encourages equal access to housing opportunities for all persons.

### Local Actions

- Encourage needed housing types through local land use, building, and zoning regulations.
- Provide citizens, homeowners, landlords, and others with information on housing choices, housing values, housing costs – including housing, transportation, and energy costs.
- Improve and make more uniform fair housing information on community Web sites.
- Educate and inform local officials, general public, and landlords of fair housing laws and best practices.
- Increase local and regional education campaigns on the community benefits of providing affordable and inclusive housing options.


### Minority populations bear the brunt of the negative impacts of neighborhood decline

See Appendix C: Fair Housing and Equity Assessment (FHEA) for Southeast Michigan for details.

### Policy Recommendations

- Support federal fair housing policy that encourages equal access to housing opportunities for all persons.

### Local Actions

- Improve and make more uniform fair housing information on community Web sites.
- Educate and inform local officials, general public, and landlords of fair housing laws and best practices.
- Increase local and regional education campaigns on the community benefits of providing affordable and inclusive housing options.
- Establish, where applicable, a Human Relations Commission whose focus is on fostering mutual self-respect and understanding, and promoting amicable relations among all racial, religious, and ethnic groups.

# Affordability and Accessibility

### There is a disconnect in the location of affordable housing and access to amenities such as jobs and services

According to the Center for Neighborhood Technology's Housing + Transportation Affordability Index, 29.5 percent of the region's households spend 30 percent or more of their annual income on housing costs, while 70.2 percent of the region's households spend 45 percent or more of their annual income on the combined costs of housing and transportation (Figures 23, 24). Additionally, the Housing + Transportation Affordability Index finds that the average household spends 52 percent of their income on the combined costs of housing and transportation.

The average commute time for workers in the region is 26 minutes. Many of the region's newer or more rural communities have travel times of 30 minutes or greater, while many of the region's more urban and suburban areas have travel times of less than 29 minutes (Figure 25).

It should be noted that workers in several census tracts in the City of Detroit spend on average more than 35 minutes commuting to work. This relatively long commute time is likely because a larger percentage of workers take public transportation, which on average takes longer one-way than driving a car.

Table 8
### Housing Costs as a Percent of Household Income

|  | Households | % of Households |
|---|---|---|
| < 30% of Household Income | 1,288,735 | 70.5% |
| > 30% of Household Income | 540,015 | 29.5% |
| Total | 1,828,750 | 100% |

Source: Center for Neighborhood Technology, Housing + Transportation Affordability Index

Table 9
### Combined Housing and Transportation Costs as a Percent of Household Income

|  | Households | % of Households |
|---|---|---|
| < 45% of Household Income | 545,687 | 29.8% |
| > 45% of Household Income | 1,283,063 | 70.2% |
| Total | 1,828,750 | 100% |

Source: Center for Neighborhood Technology, Housing + Transportation Affordability Index

### Policy Recommendations

- Financially incentivize housing development in mature areas – especially infill development near or along transit corridors and locations near employment centers and services.

- Improve public transit throughout Southeast Michigan to link housing to jobs and services.

## Local Actions

- Provide citizens, homeowners, landlords, and others with information on housing choices, housing values, housing costs – including housing, transportation, and energy costs.

- Encourage higher density, Transit Oriented Development (TOD) and LEED-ND Smart Location and Linkage rating system to increase housing development in areas that already have existing infrastructure.

- Prioritize incentives for rental preservation and affordable housing in areas that are transit accessible and near employment opportunities and services.

- Expand and enhance residential energy efficiency education and access to incentives.

## Job loss and low incomes restrict housing affordability and access to housing

Between 2000 and 2010 the regional median household income declined by $12,173 or 18.6 percent. Much of this decline in income is the result of job loss and the ongoing contraction of the automotive industry in the region. Similarly, the region's median housing value also declined by $13,622 or 7.8 percent between 2000 and 2010 (Figures 26, 27).

The region's unemployment rate more than doubled between 2002 and 2010. Persons in poverty increased from 10.6 percent in 2000 to 14.3 percent in 2010 (Figure 28).

Table 10
## Job Loss and Unemployment

|  | 2002 | 2005 | 2010 |
|---|---|---|---|
| Number of Jobs | 2,146,568 | 2,077,088 | 1,818,175 |
| Unemployment Rate | 6.1% | 7.0% | 13.3% |

Source: SEMCOG

## Policy Recommendations

- Encourage support and funding for housing counseling.

- Support programs that combat and prevent homelessness in the region.

## Local Actions

- Provide citizens, homeowners, landlords, and others with information on housing choices, housing values, housing costs – including housing, transportation, and energy costs.

- Increase local and regional education campaigns on the community benefits of providing affordable and inclusive housing options.

- Prioritize incentives for rental preservation and affordable housing in areas that are transit accessible, and near employment opportunities and services.

- Expand and enhance residential energy efficiency education and access to incentives.

# Chapter 2: State and Federal Policy Recommendations

## 1. Support continued federal initiatives for foreclosure prevention

The National Foreclosure Mitigation Counseling (NFMC) program was established to address the growing need for foreclosure mitigation assistance for homeowners that could not be met with HUD housing counseling assistance program alone. NFMC does not address other core housing services, but rather augments HUD's existing foreclosure prevention counseling services with additional funds to address the magnitude and severity of the ongoing foreclosure crisis.

Although the cost of a foreclosure is estimated at $78,935; the estimated cost of preventing a foreclosure is $3,300. In addition to the simple economic benefits of foreclosure prevention through counseling, research from the Urban Institute found that foreclosure counseling nearly doubles a homeowner's chances of obtaining a mortgage modification, and that homeowners receiving counseling were more than two-thirds likely to remain current on their mortgage after curing a serious delinquency or foreclosure.

Foreclosure prevention funds should be directed to counseling, legal services, and mortgage fraud and scam protection. In addition to increased and consistent funding for foreclosure counseling and prevention programs, President Obama's Plan to Help Responsible Homeowners and Heal the Housing Market is a positive step in the right direction, as is the Federal Government and State Attorney General's Settlement Agreement "to provide homeowner relief and new protections."

## 2. Encourage support and funding for housing counseling

The HUD housing counseling assistance program is the only federal program that provides explicit support for households considering purchasing their first home, non-foreclosure post-purchase counseling, renter and homeless prevention counseling, and reverse mortgage counseling for seniors.

Congress must recognize and support funding for housing counseling agencies. It is vital that Congress continues to invest in the future success of homeowners and renters to ensure another housing crisis does not occur. While foreclosure mitigation counseling continues to be vital in stemming the impacts of the foreclosure crisis, counseling programs that focus on proactive and preventative services such as pre-purchase counseling and non-delinquency post-purchase counseling on topics such as home maintenance and repair is necessary for any housing recovery to occur in the region.

HUD appropriations for housing counseling have not responded to demand, despite the surge in need for pre and post-purchase counseling.

- The FY2011 Continuing Appropriations Act eliminated all ($88 million) funding for the HUD counseling assistance program. Although $42 million was restored in March 2012, the need for housing counseling services far outpaces the current funding sources.

## 3. Promote dependable and consistent federal support and funding that addresses the core housing challenges of the region – demolition, deconstruction, and removal of substandard housing

Communities in the region depend on federal support and long-term public commitment of funds such as CDBG and HOME. Funding for these programs is uncertain. In order for communities to carry out the kind of strategic planning and implementation needed for transformative efforts that address the region's core housing challenges, they must have federal support.

In Southeast Michigan, funding for removal of substandard and obsolete housing is critical for neighborhood resiliency. Continued funding and flexibility in programs – specifically the Neighborhood Stabilization Program (NSP) – that allows for all of the following actions is required: demolition, deconstruction, and reuse/greening of vacant lots.

Two bills currently in Congress could assist in addressing this challenge if adequately funded and strategically allocated. These two introduced bills are:

- "Project Rebuild Act" – Provides both competitive and formula funding to communities to purchase, rehabilitate, demolish, or redevelop foreclosed, abandoned, or vacant properties.
- "Restore Our Neighborhoods Act" – Establishes a bond program to finance demolitions to eliminate blight and curb crime as well as aid the recovery of property value for homeowners. The bonds will encourage public-private partnerships and provide interest-free dollars for demolition that can be used for commercial and residential demolitions.

## 4. Develop programs and increase funding for housing rehabilitation and weatherization

Homeowner rehabilitation programs are vital for low-and moderate-income households who need assistance in covering the costs of rehabilitation and maintenance. Many communities in the region provide homeowner rehabilitation assistance through either deferred payment and low interest loans, or grants and in-kind assistance.

MSHDA's Property Improvement Program (PIP) assists with housing rehabilitation; however, funding for rehabilitation of housing as grants, rather than loans is required to address the extent of the region's challenges.

Weatherization is a term used to describe small-scale, typically low-cost changes made to an existing home to improve energy-efficiency and durability. Typical weatherization strategies include:

- Installing or improving attic and wall insulation;
- Sealing gaps around doors, windows, and in other areas with weather-stripping and caulk; and
- Replacing old, drafty windows and doors with energy-efficient models.

In older, more urban communities within the region much of the housing stock was built prior to 1970. In these units, weatherization can help households enjoy lower utility costs as well as a healthier and more comfortable indoor living environment.

The Weatherization Assistance Program (WAP), the Energy Efficiency and Conservation Block Grant Program, and the Low-Income Home Energy Assistance Program (LIHEAP) provide assistance to low- and moderate-income households. These programs should continue to be fully funded.

## 5. Promote policy changes to improve appraisal process and oversight

A June 2012 Government Accountability Office (GAO) report found that appraisal monitoring procedures need to be improved, and that current appraisal policies and procedures are not consistently implemented.

Federal policy is required to address the current inadequacies in the appraisal process. Specifically:

- Greater oversight of Appraisal Management Companies (AMCs).
  - The role and impact of AMCs must be critically reviewed to ensure that they are not negatively affecting appraisal quality.
  - Since the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law No. 11-203) AMCs are insisting appraisers provide appraisal reports with an unacceptable turnaround time, a burdensome scope of work, and for a significantly reduced fee. Too often less experienced appraisers are accepting these AMC assignments and the end result are less credible home valuations.
  - All AMCs should be required to register with the state appraisal regulatory body.

      In Michigan, this regulatory body is the Department of Licensing and Regulatory Affairs (LARA). There is pending legislation that would address much of this concern.

  - Improve and enhance appraiser competency by encouraging communication between appraisers and others involved in the appraisal report.

The structure of state funding, enforcement, and oversight of the Michigan Department of Licensing and Regulatory Affairs (LARA) needs to be reviewed and enhanced. Current funding of state appraisal boards (i.e., LARA) is often directed to the state's general fund, which results in insufficient protection for the public. Funding streams to LARA's regulation of appraisers needs to be dedicated in its mission of appraiser regulation and consumer protection.

Enforcement, regulation, and oversight needs to be enhanced and restructured. Currently there is little recourse for consumers to report and file complaints of low and inconsistent appraisals. Although LARA does provide real estate appraiser complaint forms and instructions on its website, the process is cumbersome for consumers and the response time is often much too long for any remediation to any findings of the complaint.

## 6. Support federal fair housing policy that encourages equal access to housing opportunities for all persons

The federal Fair Housing Act protects everyone's right to live free from housing discrimination. Under the Act, it is illegal to discriminate on the basis of race, color, religion, national origin, gender, disability, or familial status in rental housing, real estate sales, lending, insurance, and any financial or other services related to housing. Additionally, the federal government, and all of its programs and activities, must take proactive steps to advance fair housing, not just avoid discrimination. Support for federal fair housing policy that affirmatively furthers fair housing and encourages equal access to housing opportunities for all persons is vital for a sustainable and thriving region.

## 7. Financially incentivize housing development in mature areas – especially infill development near or along transit corridors and locations near employment centers and services

Any investment in housing development needs to be strategic, targeted, and prioritized. Focusing on housing redevelopment and infill housing construction will help revitalize mature areas.

Communities should consider utilizing infill incentives to promote the development of vacant land – or rehabilitation of existing structures – in areas where infrastructure and services are already in place. Often, infill development will occur in close proximity with downtowns, main streets, transit corridors, employment, shopping, and recreation and cultural amenities.

Infill projects make efficient use of existing infrastructure and help avoid new "greenfield development" that often require extension of new roads, sewer and water connections, and other new services. Infill development can be more expensive, so developer incentives are often required.

- Require developers/builders of housing in *greenfields* – areas without existing infrastructure – to pay for necessary infrastructure investments.

## 8. Improve public transit throughout Southeast Michigan to link housing to jobs and services

A good transit system can attract development, businesses, tourism, and conventions and connects people to jobs, making the region more economically competitive.

Transit improves accessibility and mobility for citizens, particularly people without cars, the elderly, persons with disabilities, and younger drivers.

Transit provides an alternative to driving and connects people to jobs. It promotes more environmentally friendly travel alternatives and can spur economic development.

There is a regional transit vision that would cost $8 billion to construct and operate, using bus rapid transit.

- See SEMCOG's Direction2035, the region's long-range vision for transportation.

## 9. Support essential programs that address the region's senior housing needs, specifically the Section 202 Supportive Housing for the Elderly

The current supply of Section 202 housing is inadequate to meet the growing needs of low- and moderate-income older adults.

The Section 202 Supportive Housing for the Elderly program is the primary source of public funding for production of new housing for older adults. In addition to providing funding for newly constructed units, additional Section 202 funds are needed to preserve, upgrade, and retrofit existing assisted developments that serve older persons.

A critical aspect of Section 202 housing is that it can accommodate residents with supportive services as they become more frail. These units very often include both *design* support services (grab rails, ramp, or level entrance ways, wheelchair accessibility, onsite laundry, and community space for social and

recreational facilities) and formal support services (meals, housekeeping, assistance with medications, bathing, etc).

According to HUD, "research has shown that program costs (for the Section 202 housing program) are reasonable in relation to costs of other development programs as well as industry norms. Additionally, the program has the potential to reduce Medicaid expenditures while providing a humane alternative to institutionalization."

- See Section 202 Supportive Housing for the Elderly: Program Status and Performance Measurement.

## 10. Support programs that combat and prevent homelessness in the region

The lasting impacts of the economic and housing crisis has illuminated the importance of maintaining adequate program funding for HUD's homeless assistance programs. Federal housing policy needs to strike an appropriate balance between promoting responsible homeownership and addressing the acute shortage of affordable rental housing units, while combating and preventing homelessness. Such a policy will likely involve a number of proven, effective federal programs and policies, including HUD's HOME Investment Partnerships program, the Low Income Housing Tax Credit (LIHTC) program, as well as a commitment to providing the resources required to implement legislative reforms to HUD's homeless assistance programs.

## 11. Expand financing tools and market incentives in neighborhoods destabilized by high numbers of foreclosures, vacancies, and diminished private market investment

Consider alternative funding mechanisms to maintain current defaulted homeowners in their homes with "rent-to-buy" or new mortgage options. Consider incentives for owners of foreclosed and vacant properties to renovate and maintain them to a high standard.

The Federal Housing Financing Agency's (FHFA) Rehab-to-Rent program is a great step in the right direction in developing an efficient and effective real estate owned (REO) management strategy to make better use of vacant and foreclosed homes. Although this program is still in its pilot phase, the potential results are promising. The disposition of REO properties should be tailored to the specific needs and market conditions of local communities, such as employment opportunities, industry mix, income-level, and the age and quality of the housing stock.

- The Center for American Progress' report – Rehab-to-Rent Can Help Hard-Hit Communities and Our Economy: What to Consider When Converting Vacant Foreclosed Homes into Affordable, Energy Efficient Rentals – provides a comprehensive analysis of the program, as well as six benchmarks to be considered.

## 12. Provide adequate funding and promote policies that enable Public Housing Authorities (including subsidized and low-income rental housing) to appropriately invest in the upkeep and maintenance of their properties

Operating costs and annual capital needs of public housing need to be funded through direct appropriations to address the deferred maintenance needs and to modernize aging properties. If a federal commitment to the public housing program is not restored, future attempts to address those challenges will simply become even more expensive, and further delay will undoubtedly result in the continued deterioration of the region's critical housing infrastructure for many of the most vulnerable families.

Dedicated resources for Public Housing Authorities (PHAs) to revitalize severely distressed public housing properties should be included in either the HOPE VI program or the Choice Neighborhoods Initiative.

Promote policies that support the ability of PHAs to address functional and market obsolescence, including rehabilitating properties to a standard that is suitable and reasonable, given the markets in which the properties are located.

Annual renewal funding for Project-based Section 8 should be predictable, timely, and sufficient to fund rental contract for a full 12 months.

## 13. Continue funding and increase flexibility of the Low Income Housing Tax Credit (LIHTC) program

New construction of housing – even affordable housing – must be strategic and provide a clear community benefit. Use of LIHTC needs to be flexible to provide funding for:

- Maximizing the ability of the existing housing stock to provide affordable, adequate housing for residents;
- Upgrading private market rental housing for low income residents; and
- Fostering affordable housing opportunities in mixed-income communities.

Upgrading private rental housing in stable neighborhoods is critical and using LIHTC to focus on upgrading existing housing rather than creating new units in areas already with a surplus of rental housing will help improve neighborhood stability.

## 14. Provide adequate funding for administrative costs of the Section 8 Housing Choice Voucher (HCV) program and renew all authorized vouchers

Funding for Section 8 Housing Choice Voucher Program needs to be adequate to renew all authorized vouchers and provide for new ones. Administration fees for HCV must be adequately funded through direct appropriations. The funding for administration of the HCV program is currently at an all time low in the program's history.

The National Association of Housing and Redevelopment Officials (NAHRO) estimates that the severe reduction in administrative fee funding will lead to a 13 percent reduction in the number of low-income households housed in 2012 – meaning approximately 280,000 families will be at risk of losing voucher assistance and falling into homelessness.

# Chapter 3: Local and Regional Action Recommendations

### 15. Strategic and targeted demolition, deconstruction, and green reuse strategies to stabilize neighborhoods

Demolition has been heavily used in many urban core cities over the past 50 years, which has significantly reduced the region's housing unit supply. Unfortunately, the decline from continued net loss in the number of households living in these areas exceeded the reduction in the inventory. Demolition in these markets has not stabilized the market; instead, it has increased the amount of vacant land as more buildings and housing units continue to be abandoned.

An affective demolition/deconstruction policy should include:

- Both the front-end (property acquisition, costs, contractor procurement) and back-end process (longer-term post demolition strategies, including vacant land reuse, greening, new construction, side-lot transfers)
- Detailed targeting of implementation based upon data assessment.
- See Table 11 for considerations for demolition.

Communities are encouraged to consider "deconstruction" as an alternative to demolition where applicable and when financially feasible. Deconstruction involves dismantling buildings and salvaging material for reuse and recycling, reducing the disposal of material in landfills and providing low-cost materials for renovations.

According to the Saginaw County Land Bank's Case Study of a Successful Deconstruction Program, the average cost of deconstruction is $12,000 per house, in contrast to $6,000 per house for demolition. However, 80 percent of the materials in a home that is deconstructed can be reused, recycled, or sold. On average, $3,000 is spent in dumping fees when demolishing a property.
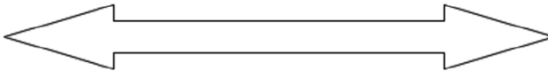
Deconstruction initiatives also have the potential of creating local job opportunities. For example, the City of Saginaw has partnered with Habitat for Humanity to create a deconstruction business that works to hire and train workers identified through the city's homeless shelters and the state's prisoner reentry initiative.

A green reuse strategy will likely include both a short term holding strategy for areas of potential redevelopment as well as a longer-term adaptive reuse strategy for areas more suited for preservation. What vacant properties are best positioned for green reuse will likely depend on the size and characteristics of the vacant property, such as whether it is in close proximity to parks and green space, or if the surrounding area has market demand for development or not. Short-term holding strategies for green reuse may range from 0-5 years and may include basic greening techniques such as community gardens and landscape buffering, with the end goal of future redevelop on the site.

Longer-term preservation or adaptive reuse strategies include parks, tree nurseries, urban agriculture, constructed wetlands. Side lot programs are another way in which a county or community can stabilize and strengthen property owners' investments in their neighborhood by transferring vacant/abandoned parcels to adjacent homestead property owners.

Table 11
**Considerations for Demolishing or Preserving Vacant Buildings**

| Demolish | | Preserve |
|---|---|---|
| The building is obsolete, by virtue of size, physical character, or poor quality of construction. | Quality of building | The building is attractive, of high quality, or of architectural or historic value. |
| The building has deteriorated to the point that it cannot be restored, or the cost of restoration would be prohibitive in light of the economic value of the property. | Condition of building | The building is largely intact and can be restored at a cost that is reasonable in light of the economic value of the property. |
| The building, by virtue of location and physical character, is not likely to draw the investment needed to bring it back into productive reuse. | Reuse potential of building | The building, by virtue of location and physical character, is likely to draw the investment needed to bring it back into productive reuse. |
| The building is located in an area where the neighborhood fabric has largely been lost through incompatible land uses, abandonment, and demolition. | Quality of neighborhood fabric | The building is located in an area that still has a strong neighborhood fabric, and its physical presence contributes to that fabric |
| Demolition will contribute to the opportunity to carry out a rebuilding or reuse strategy for the area, which may involve either/both rebuilding or alternative "green" nondevelopment reuses | Reuse potential of resulting vacant land | The demolition of the building will result in a potentially unusable vacant lot, rather than an opportunity for meaningful revitalization or green reuse. |
| The nuisance created by the building and the harm that it is doing to neighbors in its present condition or the surrounding area, in the absence of immediate reuse potential, outweigh the benefits of saving it for possible future reuse. | Nuisance level of building | The reuse potential of the building, even if not immediate, outweighs the current harm that the building is doing in its present condition, particularly if enhanced efforts are made to secure or stabilize the property. |

Source: Adapted from Alan Mallach (2012)

**Sample practices and resources:**

- SEMCOG's Green Infrastructure Vision
- DTE Energy – Deconstruction Activities
- The Greening of Detroit

## 16. Strategic construction, residential rehabilitation, and infill development in market-demand and infrastructure supported areas

Housing development incentives must be market driven. Any addition of housing supply must align with demand because any additional housing – even affordable housing – in areas without market demand will further destabilize the neighborhood through reduced prices, increased vacancies, and decreased quality of life.

Communities are encouraged to use zoning and land use plans that allow and encourage infill housing development opportunities. Updates to zoning codes to encourage infill development may include:

- Reduction of lot sizes, setback, and parking requirements,
- Zoning for mixed-use development, and
- Increase density allowances or bonuses.

Communities need to understand their neighborhoods' individual characteristics and market strengths and weaknesses. For instance, some neighborhoods may have a market for houses in good condition, but no market for vacant houses requiring major rehabilitation because the rehab cost may exceed the market value of the house. Other neighborhoods may have many attractive houses that would be desirable if located in another area or neighborhood, while some neighborhoods may contain properties that are too small or otherwise less attractive to current buyers. A neighborhood's specific market characteristics should determine a community's strategic response.

- The Center for Community Progress' Building American Cities Toolkit contains two tables that should be used by communities seeking to improve market-demand and neighborhood stability through strategic construction, residential rehabilitation, or infill development (Tables 12 and 13).

Table 12
## Elements Impacting Neighborhood Amenity Value

| Amenity Value | Elements |
|---|---|
| **Appearance** | • Appearance of vacant lots<br>• Appearance of vacant buildings<br>• Trash and debris in streets and front yards<br>• Unattractive, incompatible uses such as junk yards, auto-body shops<br>• Graffiti<br>• Quality of streetscape<br>• Appearance of commercial areas (facades, parking areas, sidewalks) |
| **Parks and Open Space** | • Amount of characteristics of open space<br>• Utility of open space (fit between neighborhood recreational needs and nature of facilities)<br>• Maintenance and appearance of open space<br>• Programming and activity level in open space<br>• Safety of open space |
| **Economic Opportunity** | • Number of quality jobs<br>• Number and quality of jobs easily accessible to residents through public transportation<br>• Small-business opportunities |
| **Transportation** | • Journey to work access<br>• Variety of other public transportation destination (downtown, shopping centers, other major destination)<br>• Frequency of service<br>• Quality of service (length of trip, appearance of vehicles, price) |
| **Shopping** | • Access to basic shopping needs<br>• Variety and nature of shopping<br>• Appearance of stores<br>• Price and quality of merchandise<br>• Access to dining and entertainment opportunities |
| **Schools** | • Quality of education opportunities<br>• Safety on school grounds and on way to/from school<br>• Appearance/condition of school facilities |

Source: Center for Community Progress: Building American Cities Toolkit (2012)

Table 13
**Strategies to Increase the Desirability of Neighborhood Housing Stock**

| Market Deficiency | Strategies |
|---|---|
| **Physical characteristics of housing stock do not reflect market demand** | • Create large-scale market-changing or transformative redevelopment projects<br>• Build new housing in smaller developments or scattered throughout the neighborhood designed to meet target market demand<br>• Create housing to meet demand through rehabilitation and reconfiguration of existing stock<br>• Create housing to meet demand through adaptive reuse of non-residential structures, such as industrial loft buildings |
| **Cost to build or rehabilitate housing in neighborhood exceeds market value of improved property** | • Provide incentives for individuals to build or rehabilitate housing for owner-occupancy<br>• Use capital subsidies to enable developers or CDCs to build or rehabilitate housing to sell to home buyers |
| **Properties in neighborhood are not appreciating or losing value** | • Provide equity-protection insurance |
| **Potential target markets are not aware of availability of desirable housing stock** | • Carry out neighborhood target marketing<br>• Undertake neighborhood promotional activities<br>• Increase effectiveness of real-estate brokerage activities in neighborhood |

Source: Center for Community Progress: Building American Cities Toolkit (2012)

**Sample practices and resources:**

- *Center for Community Progress: Building American Cities Toolkit*
- Syracuse, NY Home Equity Protection Program

## 17. Proactive promotion of foreclosure information and housing counseling opportunities to homeowners and renters

Communities must promote effective homeowner and renter education programs and/or policies, such as:

- Partnering with local nonprofits and CDCs, especially HUD and MSHDA certified housing counseling agencies.
- Use of all possible incentives and financing programs, as well as linking to rehabilitation support services.
- Coordinated homeownership fairs and open houses hosted in partnership with real estate agents.
- Continued training for counselors and mediators – providing updates on changes to laws, regulations, and programs available to borrowers.

Housing counseling agencies provide assistance to a variety of households – renters hoping to become homeowners, homeowners trying to avoid foreclosure, and the homeless searching for housing options. Since 2006 housing counselors have been at the forefront in helping homeowners facing foreclosure navigate the mortgage loan modification process, etc. Although "emergency" foreclosure counseling is critical, it must be broadened to include financial literacy education.

The *Foreclosure Counseling Outcome Study*, released by HUD in May 2012, found "nearly 70 percent of clients who sought counseling before becoming delinquent were in their home and current on their mortgage payments at the 18-month follow-up period, whereas only 30 percent of clients who were six or more months behind at the time they entered counseling were in their home and current at follow-up." This finding emphasizes the importance and necessity for homeowners to seek out housing counseling assistance well before they are in danger of foreclosure. Communities need to proactively link homeowners/renters with housing counseling agencies through active promotion on the community Web site, in newsletters, e-mail blasts, tax bill information, as well as in high traffic community destinations such as libraries, municipal buildings, and local events.

## 18. Encourage *communities for a lifetime* through regional and local policies which provide housing choices that enable people to remain in the community as they age

Planning for creating c*ommunities for a life*time – communities where seniors remain independent and age in place within their communities throughout their lifetimes - should include the following:

- Ensure that aging residents can remain in their community by expanding and diversifying housing options.
  - In many communities, modifications to zoning ordinances may be required to increase the availability of single-story townhouses, apartments, condos, and accessory dwelling units within single-family zones. In some cases, land-use plans or special overlay zoning for senior housing that may include higher-density residential areas will be necessary. These areas should offer smaller, more affordable housing types to create more walkable communities that can be accessible and enjoyed by both drivers and non-drivers alike.
  - Raise public awareness about the benefits of mixed-use neighborhoods, especially the community benefits of mixing residential and commercial properties in close proximity or on the same site.
- Facilitate mobility and independence by locating housing close to amenities and services.
  - Communities should develop incentives for senior developments to be located close to transit, retail, and services.
  - Transit options, including paratransit and specialized transit for seniors, should be expanded and improved.
  - As often as possible, housing should be within walking distance of basic services. Generally, walkability for an older adult is approximately ¼ mile.
  - Public parks and open spaces should be incorporated into neighborhoods so that seniors can easily access them.
  - Create walking-friendly neighborhoods offering access to services and optimal ways to be socially and civically active.

    Physical activity and social engagement correlate strongly with healthy aging. Features such as benches, crossing lights timed at a slower pace, sidewalks that accommodate walkers, wheelchairs and other mobility aids should be considered when developing walkable environments.
- Increase access to affordable housing options for older adults.
  - Develop and support an array of financial services to enable older adults to obtain and remain in the kind of housing they choose as they age.

- Use CDBG to fund basic senior home maintenance and repair, and supportive public services for seniors.

### 19. Enable strategic construction and adaptive reuse of housing to meet the needs of elderly households

Promote the design and modification of homes to meet the physical needs of individuals as they age.

- New residential construction should incorporate accessibility features into the design to insure that an older adult can live in the unit as long as possible. In many cases this will include building homes to universal design standards so they are accessible to people of all abilities. Features of universal design may include – zero-step (step-free) entrance; wide doorways and hallways on the first floor; bathroom and bedroom on the first floor; multiple countertop heights; electrical plugs at midwall; curbless shower with handheld adjustable shower head; etc. The goal of any home utilizing universal design should be to gear features to help seniors remain in their homes, prevent injuries, and promote active living. However, good universal design features should have general utility and market appeal for all people, regardless of age and physical ability.

- Regulations, ordinances, and local and state building codes should support and encourage modification of existing housing stock to fit diverse housing needs.

Implement strategies that lower the costs of home modifications and provide access to information of programs for older adults. Potential community strategies for home modifications could include:

- Allocating CDBG or HOME funding for home modification assistance;

- Offering tax credits and low- or no-interest deferred loan programs;

- Streamlining the permitting process for the addition of exterior features.

- Referring residents to the local Area Agency on Aging for information and services on home modifications, reverse mortgages and other financial tools, and referral services to qualified home improvement contractors or nonprofits that operate home accessibility programs. Many types of home modifications are possible that may assist older adults, including:

  - Lever door handles;

  - 32-inch minimum entry door, with 36 inches preferred;

  - Nonslip surfaces;

  - Stairs with handrails on both sides;

  - Kitchen counters at varying work heights and with rounded corners;

  - Single-lever faucets; and

  - Grab bars.

Encourage development of detached accessory dwelling units throughout the region. This could increase the supply of affordable housing for seniors without dramatically altering the scale of character of existing residential neighborhoods.

**Sample practices and resources:**
- Area Agency on Aging 1-B
- Area Agency on Aging 1-C

- [Detroit Area Agency on Aging](#)
- [AARP's Home Fit Guide](#)

## 20. Utilize, where applicable, land banking tools and strategies that enable communities to gain control, clear title, hold, manage, and convey vacant, abandoned and foreclosed properties to productive reuse

A land bank is a public entity created to acquire, manage, maintain, and repurpose vacant, abandoned, and foreclosed properties. It is intended to restore vacant properties to productive reuse and place them back on the local tax rolls. In Michigan, land banks allow the county, or the City of Detroit, to take control of land and maintain it until appropriate private reuse opportunities emerge.

Land banks can be useful tools for prioritizing communities' goals while effectively managing property acquisition and disposition. Additionally, land banks provide a locally driven, neighborhood-focused alternative to auctioning off foreclosed properties to the highest bidder, including speculators and absentee investors. A land bank is better positioned than a public auction to convert valuable properties to productive use, and can use the earnings from sales to rehabilitate, clean, board, or even bulldoze other properties in worse condition.

Land bank strategies and programs:

- Side-lot-transfers – Stabilizes neighborhoods by transferring vacant, foreclosed properties to adjacent homeowners, who are more likely to care for the land next to their homes. Shifting ownership of the side lots to adjacent homeowners reduces the public costs associated with maintaining these properties, while also returning them to the tax roll and increasing property tax revenue.
- Renovation/rehabilitation for rental or sale – Assesses those properties that are either strategically situated or can be renovated and sold for market price or rented. Often this program can be aligned with a rent-to-own option to encourage home ownership to qualified tenants.
- Demolition – Removal of abandoned and dilapidated properties that pose a threat to the well being of the neighborhood and eliminates blighting influences.
- Adopt-a-lot – People or businesses within the community commit to caring for vacant land in the neighborhood, which in turn reduces crime, increases property values, and improves the appearance of the neighborhood.
- Clean and green – Supports community groups within the neighborhood in cleaning, maintaining, and beatifying Land Bank properties
- Mow-to-own – Establish care contract that allow neighbors to earn legal ownership of nearby land bank properties by providing good maintenance.

**Sample practices and resources:**
- [Genesee County Land Bank](#)
- [Detroit Land Bank Authority](#)
- [Wayne County Land Bank](#)
- [St. Clair County Land Bank](#)
- [Michigan Land Bank Fast Track Authority](#)

## 21.  Implement property maintenance and improvement initiatives

The primary goal of property maintenance, improvement, and rehabilitation initiatives is to enable income-eligible homeowners to make critical repairs to improve the safety and health of their living environment while also improving the desirability of the surrounding neighborhood. Initiatives can range from bringing the property up to code, fixing or replacing a damaged roof, remedying faulty wiring, to upgrades that improve the residential energy efficiency or home accessibility. Effective property maintenance and improvement initiatives should include:

- Financing mechanisms that provide low-interest loans to homeowners with low and moderate incomes to make essential home improvements. Support for home improvement and property maintenance can prevent blight and stabilize neighborhoods by bringing properties up to code and reduce hazards that can negatively impact nearby residents and properties.

Encourage and support use of the [Federal Housing Administration's (FHA) 203(k) Program](#). In neighborhoods with an oversupply of vacant homes in need of rehabilitation, a 203(k) mortgage provides willing and able buyers with enough money to both buy the house plus enough money to fix it up. 203(k) mortgages are only available to homeowners, not investors, and require only licensed contractors to provide services of rehabilitation.

- While individuals have the ability to access these loans, they can potentially be used by municipal housing authorities to rehabilitate properties and add them to the affordable housing stock. An advantage of 203(k) loans is that they are assumable; once a property is rehabilitated and ownership is transferred to another party, responsibility for the loan is transferred with it.

**Sample practices and resources:**
- [Oakland County's Home Improvement Program](#)
- [MSHDA's Property Improvement Program](#)

## 22.  Utilize targeted code enforcement and property maintenance policies

Code enforcement is the basic means in which communities attempt to ensure that properties are maintained to minimum quality standards. When used proactively, code enforcement can help local governments identify, halt, and reverse the negative impacts of vacant, abandoned, and problem properties. Code enforcement policies should be transparent and consistently enforced to prevent substandard housing from becoming nuisances and to encourage property owners to maintain properties to a high standard. A successful code enforcement system offers incentives for responsible ownership along with disincentives or penalties for irresponsible behavior. Effective code enforcement and property maintenance policies should:

- Be targeted and proactive, rather than reactive (complaint-driven);
- Be integrated with other abandonment and blight prevention strategies; and
- Be coordinated with residents and businesses within the community who have a vested interest in maintaining a quality neighborhood and who can easily report code or blight issues.

Although code enforcement activities and standards need to be imposed on all properties within a community, limited resources and capacity make geographic targeting of code enforcement more effective. This may include:

- Linking enforcement to other neighborhood revitalization and development activities, such as Neighborhood Stabilization Program (NSP) target areas.

- Aligning enforcement to areas with concentrations of foreclosures, crime activity, and shifts in owner-occupied to rental-occupied properties.

- Focusing on specific building types (such as small, multifamily buildings) or on specific problems (such as illegal dumping or abandoned cars).

Using decorative or artistic boarding as a method of making vacant properties appear occupied should be considered when possible as opposed to the more traditional boards. Decorative boarding may be as simple as painting a window with a lamp or some other decorative feature behind it.

**Sample practices and resources:**

- Sterling Heights SHINE initiative – Aligns City Neighborhood Services staff with residents to educate and enforce code compliance to maintain property and enhance neighborhood character.

- Eyes on Southfield program – Enables residents, through a single phone number, to notify the City when a potential code or appearance issue is observed. The phone number is available 24-hours a day, seven days a week.

- Cleveland, OH – Artistic Board-Ups – The City of Cleveland contracted with NeighborService, Inc. to use artistic boarding to minimize the visual blight associated with boarded-up homes. This technique was used on 22 homes in Cleveland's Slavic Village neighborhood and the city has reported a reduction in crime associated with the vacant properties.

## 23. Implement a Vacant Property Registration Ordinance that allows communities to inspect, monitor and require owners to register vacant properties as soon as they become vacant

Communities are encouraged to adopt vacant property registration ordinances that not only enable them to track a property's status, but create an additional incentive for property holders to aggressively market and improve property so that it can return to an active use that enhances, rather than detracts from the value of the surrounding neighborhood and market. Enacting a vacant property ordinance can help municipalities keep track of vacant inventories and hold owners accountable for neglect and blight. An effective vacant property ordinance should include both residential and commercial/industrial properties. An effective Vacant Property Program will likely also include:

- Mandatory contact information of the owner (point of contact for every owner of a vacant building). The local point of contact is someone who can respond to issues in a timely fashion as they arise. If the owner is located outside the region, contact information for a local property manager/servicer should be included.

- Registration and/or annual fees that cover the costs city departments incur when monitoring vacant properties. This fee may be modest to cover the basic costs associated with maintaining the program. However, penalties for failure to register within a defined time period should be substantial as to incentivize timely registration.

- Mandatory maintenance standards should be transparent to owners and must be enforced by the community

- A designated "vacant property coordinator." The most successful programs have a coordinator (potentially code enforcement officer, public safety, or newly created position).

With or without a vacant property registration ordinance, many communities are likely to struggle to inventory their vacant housing stock. These communities should use neighborhood groups, community leaders, and municipal workers, such as police, fire, and utility workers, to assist in identifying vacant and abandoned properties and to report code violations.

**Sample practices and resources:**

- City of Dearborn's Vacant Property Registration program
- Local Vacant Property Registration Ordinances in the U.S.: An Analysis of Growth, Regional Trends, and Some Key Characteristics
- SEMCOG's VPRO Web site
- Community Foreclosure Response Toolkit

## 24. Implement a Rental Housing Policy (includes Rental Registration, Inspection, and Certification ordinance/regulation) to ensure a minimum standard of housing quality

An effective Rental Housing Policy should include both a registration and inspection/certification component:

- Registration – The process of tracking and identifying owners and properties. A registration ordinance should include:
  - All rental housing types available within the community, including single-family, multi-family, duplexes, etc.
  - Contact information of property owner and local property manager. If property owner is located outside the area, he/she should be required to provide the contact information for a local property management firm or agent who can respond timely to issues as they arise.
  - A registration fee to support maintenance of the rental registry and cost of the inspection program. This fee may be modest to cover the basic costs associated with maintaining the program. However, penalties for failure to register within a defined time period should be substantial as to incentivize timely registration.
  - A process to identify owners and properties that is proactive. Typical identification of rental properties include:

    Self-identification – Owners is responsible for returning a rental registration form either online or through the mail;

    Neighborhood identification – Residents and neighborhood-based organizations report potential unregistered rental properties; and

    City/municipality identified – Code enforcement and public safety personnel report potential unregistered rental properties.
  - An online database of registered rental properties that is transparent and easily accessible.
- Inspection and Certification – Registered rental properties must be inspected and certified to assure that any unsafe conditions are corrected and that vulnerable populations are not disproportionately affected by hazardous housing. An effective inspection and certification program of rental units will likely include:

- Both reactive (based upon complaints) and proactive (targeted inspections based upon accurate data) code enforcement of rental units;

- All rental housing types – Single-family, multi-family, duplexes, etc; and

- A process to continually track down unregistered and uncertified properties.

A strongly enforced rental housing policy program does not necessarily need to measure success as being the number of rental properties with a noticeable improvement in physical condition, but rather it creates a relationship between owner/landlord and community in which the owner is aware that he/she is known to the municipality and is accountable for his actions with respect to the property.

Once a Rental Ordinance is in place, the municipality must enforce the regulations responsibly, respond to inquiries and complaints, carry out inspections in a timely, constructive fashion, and avoid imposing burdens on landlords not clearly justified by public health, safety, and welfare.

However, imposing financial penalties or fines are encouraged for landlords who, after being given adequate notice and time to comply, fail to comply with requirements. Both the amount of the penalty and the amount of time the landlord has to comply in order to avoid the penalty should be carefully considered and be proportionate to the weight of the violation. Penalties should be used as ways to encourage good practices, just as they are used to penalize continued bad practices.

**Sample practices and resources:**
- City of Warren
- City of Grand Rapids

## 25. Develop a comprehensive Housing Asset Management Strategy

An effective housing asset management strategy addresses housing conditions on a citywide basis and imposes penalties on noncompliant property owners without creating regulatory barriers that make it difficult for responsible owners to operate profitably.

Most housing asset management strategies will likely combine each of the previously listed strategies together (ordinances to register and inspect vacant and rental properties and implementation of targeted code enforcement). An additional strategy that some communities may wish to explore would include enacting a requirement for a pre-sale inspection of all residential properties as a condition of sale. A pre-sale inspection ordinance may include:

- A requirement that the seller of a property contacts the local government and requests an inspection within a maximum of days of the listing date or offer to offer to sell (generally 3-5 days). If code violations are found during the inspection, they must be corrected by the seller or buyer as a condition of sale.

- A requirement that the seller notifies the local unit of government of the property buyer's name and address within a maximum number of days of transfer (generally 3-5 days).

- Local government verification of a property's allowable use prior to sale. This verification assures the buyer that the property has no zoning code use violations, such as the illegal conversion of a single-family to a multi-family property or the development of a property for more dwellings units than zoning allows.

**Sample practices and resources:**

- [Allentown's Housing Asset Management Strategy](#)

## 26. Build partnerships with residents, business owners, elected officials, and other stakeholders to preserve clean, safe, and healthy neighborhoods

Many communities throughout the region already have neighborhood associations, area block clubs, or other grassroots organizations whose main emphasis is on preserving and enhancing the quality and sociability of a neighborhood. However, few have mechanisms in place to provide and enhance resources to assist residents in establishing neighborhood associations or clubs.

To build capacity in preventing and responding to destabilization events such as blight and crime, communities should both encourage and enhance the presence of neighborhood associations. Not only does an active neighborhood association or block club curb the occurrence of negative impacts on the community's quality of life, it also encourages social and neighborly interaction and pride often through events and beautification activities.

**Sample practices and resources:**

- [North Rosedale Park Neighborhood Association, Detroit, MI](#) - active resident driven association with the charge to "promote the interest and welfare of all residents in the community."

- [Neighborhood Association of Heritage Hill, Grand Rapids, MI](#) - active neighborhood association that provides several services including the crime prevention program, neighborhood improvement program, apartment/homes for sale listing service, social events, and an annual tour of homes.

- [City of Phoenix: Neighborhood and Volunteer Tool Kit](#) – assembles information to provide residents with the basics on topics relating to strengthening neighborhood participation.

## 27. Implement proactive actions in obtaining accurate and credible appraisals

Communities and consumers should take the following actions when working with an appraiser:

- Demand the use of a highly qualified appraiser, some with field experience in your market and knowledge and experience to handle the assignment properly. To screen for outside appraisers who may not have geographic competency, consumers should ask the following questions:

  – How far is their office from the subject property?

  – Do they have MLS data?

  – Are they familiar with the area?

  – How frequently are they in the subject market area?

  – When was the last time they were in the subject's area?

- Request the qualifications of the appraiser from the lender.

- Accompany the appraiser during the inspection.

  – An experienced appraiser should welcome any information from the consumer that they consider important and that would assist in developing credible results.

– While consumers are not legally able to influence an appraisal, they are encouraged to meet on-site with the appraiser, build rapport, provide data for comparable properties, and provide any pertinent information that may assist the appraiser is his/her valuation. If possible a consumer should provide appraiser with a predominant feature list of the property; listings for 4-6 best sales and 3-4 best active listings.

- Appeal an appraisal if the consumer feels it neglected recent, comparable sales information or any available information that was not considered.

- Ask the lender to order a second appraisal by a qualified appraiser of any problems were found with the first.

- File complaints with the appropriate state appraisal board or professional appraisal organizations.

**Resources:**

- SEMCOG report: Housing Valuation and Its Impact on the Michigan Economy

## 28. Expand and enhance landlord education programs and outreach

Local governments should consider providing training programs for landlords that concentrate on: tools and techniques in code compliance; inspection procedures; eviction proceedings; tenant/applicant screening and selection; applying for repair loans or grants; fair housing laws; lead poisoning prevention; and detecting and preventing drug activity from occurring on rental properties. Training programs may also be aligned with rental licensing and training.

**Sample practices and resources:**

- City of Milwaukee's Free Landlord Training Program

## 29. Encourage needed housing types through local land use, building, and zoning regulations

Communities should encourage a variety of housing styles in urban neighborhoods, including apartments, townhomes, duplexes, small single-family homes and lots, and live-work units.

Flexible Zoning Regulations such as encouragement of Planned Unit Development (PUD), traditional neighborhood developments (TND), and density bonuses for affordable housing should be included in community zoning ordinances. Accessory dwellings should also be considered in both urban and suburban communities to help provide affordable housing in single-family residential districts.

Infill construction should be a priority, over new construction in greenfields. Infill construction can be more expensive than greenfield construction, so developer incentives are encouraged. Incentives may include offering density bonuses for projects with a mix of housing types and units, granting parking reductions for affordable multi-family projects, or accelerating the permit process.

Local land use controls and building regulations should not add unnecessarily to the costs of building or improving the region's housing stock.

Zoning codes should include updates that make it easier for developers to convert former office, industrial, and retail spaces for residential use and to develop more residences above ground floor retail establishments. These updates may include greater use of overlay districts, including form-based codes, which can:

- Streamline the regulatory process for people wanting to invest in existing neighborhoods.
- Focus on "high-amenity" areas where a community likely needs private-sector investment the most because these are the areas where they have the greatest amount of public-sector obligation for maintaining infrastructures, such as water, sewer, and streets.

**Sample practices and resources:**

- City of Birmingham's Triangle Overlay District
- South Marquette Waterfront Form-Based Code (ordinance)
- Town Commons: A Traditional Neighborhood Development (Howell, MI)
- Smart Growth Tactics – Density based zoning and mixed land uses

## 30. Encourage public/private partnerships in redevelopment of local housing markets

Encourage lenders to give "right of first refusal" to nonprofits and local governments for purchase of real-estate owned properties – especially in older urban areas.

Maximize lender donation/discount of foreclosed/real-estate owned properties to non-profits and local governments. Local governments can capitalize on these donations to augment their land banks, further revitalization efforts and provide housing for vulnerable populations. Bank of America and Wells Fargo have donated some of their real-estate owned properties to local governments and non-profit housing providers for reuse.

- For example, Bank of America donated 75 properties to Kansas City, MO – 25 of which are foreclosed-upon properties that will be renovated and resold and 50 that will be torn down so that the land can be redeveloped or converted to another use.

## 31. Provide citizens, homeowners, landlords, and others with information on housing choices, housing values, housing costs – including housing, transportation, and energy costs

Housing practitioners often define affordable housing as housing where the costs for rent or mortgage payments and utilities do not exceed 30 percent of the household's income. This measure of affordability ignores transportation costs which, depending on the specific place, may be 15-25 percent of a household's income.

Communities are encouraged to review and provide citizens, homeowners, landlords, and other stakeholders with access to the CNT's Housing + Transportation Index, which calculates transportation costs with a home's location, thereby providing a more accurate measure of a community's affordability.

The typical U.S. household spends about $2,300 in annual energy costs, more than the average cost of property taxes or homeowners insurance. Although households are beginning to implement both low and high cost energy efficiency retrofits and upgrades, many discover they do not recover the costs when the property is sold. Local governments need to work with realtors, appraisers, and residents in improving the exchange of energy information in residential property transactions. Energy information may include historic energy use, energy certifications, energy efficiency improvements (e.g. insulation, high efficiency heating and cooling), and/or appliance descriptions. The Environmental Finance Center for Chatham

County, NC created a "Spectrum of Energy Information Exchange Programs", which may provide local governments with a range of options (Figure 5).

Figure 5
## Spectrum of Energy Information Exchange Programs
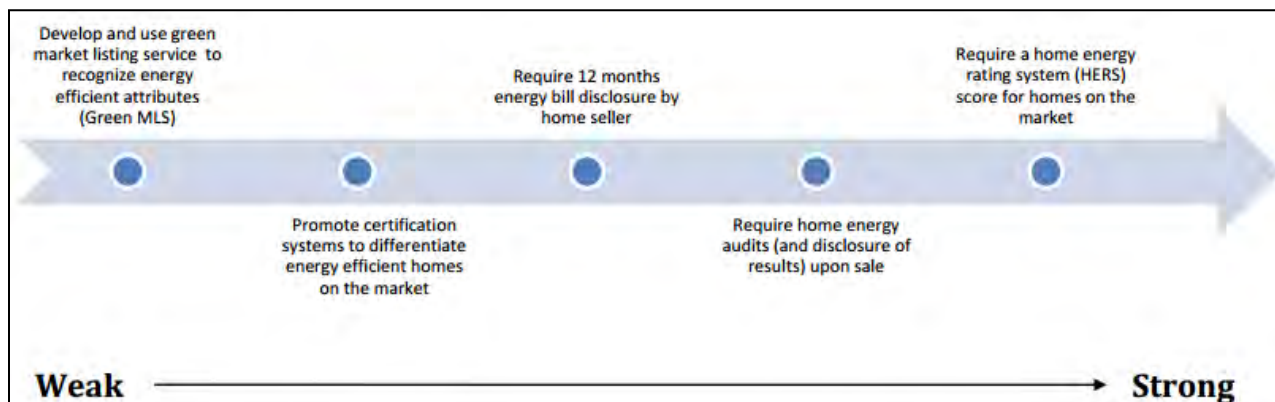


Source: Encouraging the Value of Energy Efficiency in Residential Property Transactions: Strategies for Chatham County and other NC Local Governments, May 2011.

**Sample practices and resources:**

- The Housing + Transportation Affordability Index
- Encouraging the Value of Energy Efficiency in Residential Property Transactions: Strategies for Chatham County and other NC Local Governments – May 2011 report

## 32. Improve and make more uniform fair housing information on community Web sites

Several communities in the region provide fair housing information on their Web sites. The vast majority of these communities are required to complete an *Analysis of Impediments to Fair Housing Choice* and to take actions to overcome the effects of any impediments identified through that analysis.

The majority of communities do not provide fair housing information on their Web site, and the amount and quality of information on the Web sites of those who do varies considerably. This variability creates an opportunity to improve the quality and consistency of fair housing information, not only for the communities who currently provide information, but also for those who currently do not.

Communities are encouraged to add the following information and/or link to the following resources on their community Web sites:

- General fair housing information that includes a section that answers the following question – "What should I do if I feel I have been discriminated against in finding housing?"
- Searches of "fair housing" and "housing discrimination" should direct a user to a general fair housing information Web site.

Since it is known that there is a lack of knowledge by housing consumers of Fair Housing Laws, discriminatory practices, and enforcement agencies and procedures, examples of each should also be included on the Web site for reference to those who may suspect discrimination. Addresses and phone

numbers to call to file a complaint should be visible and easy to find. Examples of important resources and contacts include:

- Link to the [Detroit Office of Fair Housing and Equal Opportunity](#)
- Link to the [Michigan Department of Civil Rights](#)
- Contact information to either the [Fair Housing Center of Metropolitan Detroit](#) or the [Fair Housing Center of Southeastern Michigan](#) (dependent of location of community)

Communities should also consider featuring a translation tool to make the Web site more accessible to those that are linguistically isolated.

**Sample practices and resources:**
- [Oakland County's Housing Solutions](#)
- [City of Dearborn Heights, MI](#)
- [City of East Lansing, MI](#)
- [City of Wichita, KS](#)
- [City of Independence, MS](#)

## 33. Educate and inform local officials, general public, and landlords of fair housing laws and best practices

Communities need to raise awareness of housing literacy, to both build better credit for minorities who are denied loans at a higher rate than whites and prevent residents from being taken advantage of by scams. This awareness of both housing literacy and fair housing laws and best practices can be conducted through fair housing workshops and other public and professional education activities. Local government staff, elected officials, as well as board and commission members who work with housing or housing related issues should be well versed in fair housing.

**Sample practices and resources:**
- [Michigan Association of REALTORS: Fair Housing Training Kit Outline and Instructions](#)
- [Housing Advocates Training (HAT)](#)

## 34. Increase local and regional education campaigns on the community benefits of providing affordable and inclusive housing options

These campaigns should address "Not in My Backyard (NIMBY)" sentiments often connected to increases in affordable housing or inclusion of lower-income residents. Some communities and residents associate affordable housing with reduced property values, increased crime, and loss of community character.

Public education programs and advocacy groups can spread information about the positive effects of affordable and inclusive housing on local communities and help dispel myths. Encourage an open dialogue between neighborhood associations, fair housing advocates, and community staff.

- [Message Guide for Using the Results of *Valuing Housing: Public Perceptions of Affordable Housing in the Chicago Region*](#)

## 35. Establish, where applicable, a Human Relations Commission whose focus is on fostering mutual self-respect and understanding and promoting amicable relations among all racial, religious, and ethnic groups

The establishment of a Human Relations Commission is to help communities resolve disputes and conflicts based on racial discrimination and denial of equal rights. Human Relations Commissions are likely to differ from community to community.

Some commissions will have paid staff – likely a single position that directs the day-to-day planning and operations of the commission, while others will solely be made up of volunteers from throughout the community.

The size of a commission is likely to differ. Generally a commission should be large enough to conduct work in committees and task forces, yet small enough where it can operate efficiently. Most commissions have between seven to fifteen members. The basic objectives of the Human Relations Commission may include:

- Promoting and assisting in developing an environment of fairness and respect among citizens by ensuring that responses to acts of exclusion, bias, and discrimination are meaningful and consistent.
- Developing ways to measure and monitor community relations, race relations, and civil rights issues, particularly those that are sources of intergroup conflict.
- Involving all segments of the community in understanding and appreciating the benefits of positive intergroup relations.
- Offering a range of programs and services that help communities prevent and resolve issues of human relations, race relations, and civil rights.
- Developing ways of anticipating, preparing for, and relieving community tensions arising from intergroup conflict.

**Sample practices and resources:**
- [Department of Justice: Guidelines for Effective Human Relations Commissions](#)
- [City of Jackson Human Relations Commission](#)
- [City of Holland Human Relations Commission](#)
- [City of Livonia Human Relations Commission](#)

## 36. Encourage higher density, Transit Oriented Development (TOD) and LEED-ND Smart Location and Linkage rating system to increase housing development in areas that already have existing infrastructure

Work with local governments with land use responsibility to:

- Facilitate more efficient delivery of public services and infrastructure – including trash removal and sewer systems, which can then be supplied at a lower per-unit cost;
- More effectively address traffic congestion and transportation needs and costs; and

- Cut down on travel times for working families, reducing the time they spend in the car and providing more convenient access to services and amenities that can benefit both families and older adults.

Examine **Transit Oriented Development (TOD)** opportunities, especially along future bus rapid transit corridors. TOD generally refers to compact, mixed use development whose internal design is intended to maximize access to a transit stop in or adjacent to the development. Commercial uses and higher-density residential uses are located near the transit stop and the layout of streets and sidewalks provides convenient walking and bicycling access to the transit stop. TOD can also nurture senior-friendly neighborhoods. Local governments should consider identifying areas within their jurisdiction that are especially well-suited for seniors, considering factors such as topography, access to transit, safety, and proximity to shopping and public services.

Encourage **Environmentally Responsible Building Practices**, which focus on initiatives that can be undertaken to encourage the use of environmentally responsible residential development.

Provide opportunities, utilization, and incorporation of green construction techniques (i.e., Low-Impact Development LID).

Use **LEED-ND Smart Location and Linkage** rating system. This rating system encourages strategies that conserve resources such as reinvesting within existing neighborhoods, cleaning up contaminated sites, protecting natural areas, and facilitating connections to the surrounding community. Building on, or "redeveloping," *previously developed sites* (where there has been previous construction or paving) and "infill" sites (which are surrounded or mostly surrounded by previously developed land) is a key strategy under LEED-ND. Building in these locations uses land efficiently and preserves open space, ecological areas, and agricultural land around cities. It also tends to cluster housing, jobs, stores, and public spaces together. When these conveniences are within easy reach, it makes public transit, cycling, and walking more feasible and reduces the length of car trips.

Good connections for pedestrians, cyclists, and vehicles – both within a neighborhood and to surrounding areas—are essential for a neighborhood to capitalize on a smart location. This means frequent *street connections and pathways* to surrounding areas, a high degree of internal connectivity, and few barriers – such as cul-de-sacs or difficult-to-cross streets – to adjacent areas and uses.

Multi-family housing and higher-density single-family housing should be encouraged where appropriate because it can provide more affordable housing and, at the same time, provide for a more compact development pattern. More compact development allows housing to be located closer to jobs and services, which minimizes vehicle travel and increases opportunities for walking and bicycling.

Developers (both for profit and non-profit) should be encouraged to use green building methods and materials for new and renovated housing, with priority given to energy-saving materials and construction practices, such as low-flow water fixtures; energy-star appliances; and high-efficiency furnaces, water heaters, windows, and insulation.

**Sample practices and resources:**
- Low-Impact Development (LID) Manual for Michigan
- WARM Training Center
- Southeast Michigan Regional Energy Office
- Enterprise Green Communities Initiative
- EPA's Energy Efficiency in Affordable Housing Guide

- [U.S. Green Building Council: LEED for Neighborhood Development](#)
- [A Citizen's Guide to LEED-ND](#)

## 37. Prioritize incentives for rental preservation and affordable housing in areas that are transit accessible, and near employment opportunities and services

Communities should consider providing affordable housing incentives, which encourage developers to incorporate a sufficient amount of affordable housing into their housing stock to meet housing needs. Potential incentives for new development could include:

- Density bonuses – Density bonuses should be considered that allow for additional residential units beyond the maximum which a parcel is zoned in exchange for providing or preserving a desirable public amenity (i.e., incentive for affordable housing through increased density) on the same site or location. Communities in the region that are in need of additional affordable housing, such as communities with a job/housing imbalance and very little subsidized housing, should consider implementing a density bonus program or update existing PUD regulations to allow for increased density as part of an affordable housing strategy.

- Workforce Housing – Owner-occupied housing that is affordable to a four-person household with an income of 100 percent of the area median income or rental housing that is affordable to a three-person household with an income of 60 percent of the area median income.

Providing affordable housing in areas with access to public transportation is an important economic development strategy that promotes diverse neighborhoods, ensures that low-income families have good access to jobs and services, and stabilizes transit ridership.

Update and revise existing zoning ordinances to allow for mixed-use higher density zoning.

## 38. Expand and enhance residential energy efficiency education and access to incentives

In March 2011, the State of Michigan adopted the 2009 International Energy Conservation Code. Local governments need to provide adequate training to all inspectors and proactively ensure that the new energy code is being enforced in all applicable projects.

Local governments are encouraged to consider offering Property Assessed Clean Energy (PACE) financing for both residential and commercial properties. PACE is a program that authorizes a local government to provide up-front funding to eligible property owners to finance the installation of energy efficiency and water conservation improvements and renewable energy systems on their property. The State of Michigan signed PACE legislation into law on in 2010, and the City of Ann Arbor currently operates a PACE Program for commercial and industrial properties.

Using an Energy Efficient Mortgage (EEM) helps homebuyers or homeowners save money on utility bills by enabling them to finance the cost of adding energy efficiency features to new or existing housing as part of their home purchase or refinancing mortgage. Communities are encouraged to actively educate and work with residents to access this incentive. All buyers who qualify for a home loan qualify for the EEM, which can be used on most homes. Availability is not limited by location, home price, or utility. An EEM can be applied to:

- Older homes qualifying for upgrades;

- New or old homes not requiring upgrades; or
- New construction.

Residents are encouraged to contact and work with their lender to assist in choosing the right EEM for their needs and resources. A few specific EEM products are:

- FHA Energy Efficiency Mortgage (EEM) – may be used along with FHA's Section 203(k) rehabilitation program and generally follows that programs financing guidelines.
- VA Energy Efficient Mortgage.

Residents looking to either improve their existing home or purchase a new home should be encouraged to access the home's energy efficiency. Two resources for energy efficiency assessments are Energy Star's Home Energy Yardstick and the Home Energy Rating System Index (HERS).

**Sample practices and resources:**

- WARM Training Center
- What Every Homeowner Should Know About Green Building – Guidebook
- Energy Star Home Improvement
- Sonoma County Energy Independence Program – Provides multiple resources for local governments to assist with the development, implementation, and ongoing maintenance and sustainability of PACE programs.

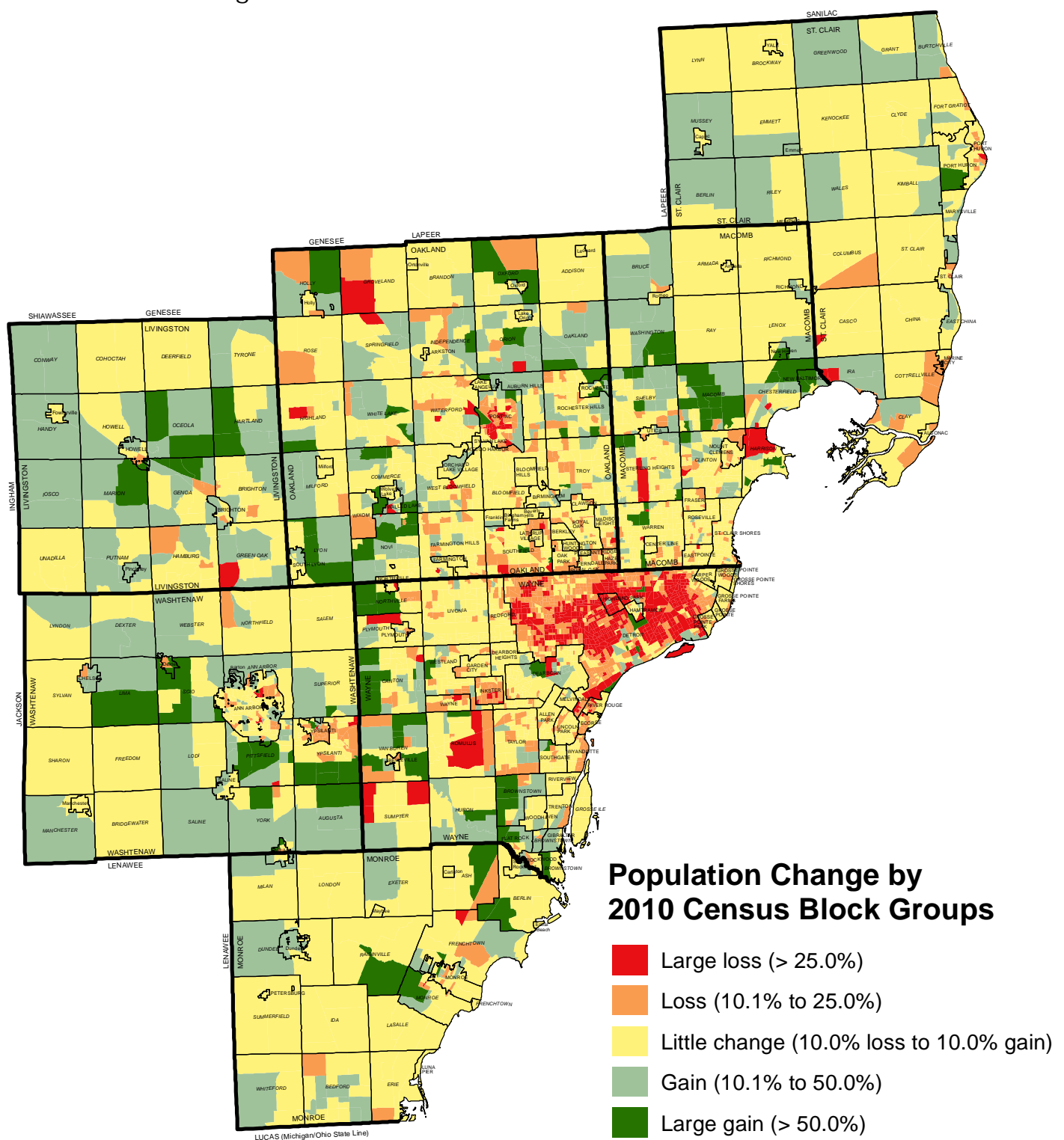# Appendix A: Matrix of Recommendations and Regional Housing Findings

# Matrix of Recommendations and Regional Housing Findings

| Recommendations | Regional Housing Findings | | | | |
|---|---|---|---|---|---|
| | Systemic Regional Issues* | Neighborhoods | Housing Stock | Fair Housing | Affordability & Accessibility |
| **State and Federal Policy** | | | | | |
| 1. Support continued federal initiatives for foreclosure prevention | | ● | | | |
| 2. Encourage support and funding for housing counseling | ● | ● | | | ● |
| 3. Promote dependable and consistent federal support that addresses the core housing challenges of the region – demolition, deconstruction, and removal of substandard housing | ● | ● | ● | | |
| 4. Develop programs and increase funding for housing rehabilitation, energy efficiency, and weatherization | ● | ● | ● | | |
| 5. Promote policy changes to improve appraisal process and oversight | | ● | | | |
| 6. Support federal fair housing policy that encourages equal access to housing opportunities for all persons | | | | ● | |
| 7. Financially incentivize housing development in mature areas – especially infill development near or along transit corridors and locations near employment centers and services | ● | | | | ● |
| 8. Improve public transit throughout Southeast Michigan to link housing to jobs and services | ● | | | | ● |
| 9. Support essential programs that address the region's senior housing needs, specifically the Section 202 Supportive Housing for the Elderly program | ● | | | | |
| 10. Support programs that combat and prevent homelessness in the region | ● | ● | ● | | ● |
| 11. Expand financing tools and market incentives in neighborhoods destabilized by high numbers of foreclosures, vacancies, and diminished private market investment | | | ● | | |
| 12. Provide adequate funding and promote policies that enable Public Housing Authorities (including subsidized and low-income rental housing) to appropriately invest in the upkeep and maintenance of their properties | | | ● | | |
| 13. Continued funding and increase flexibility of the of the Low Income Housing Tax Credit (LIHTC) program | | | ● | | |
| 14. Provide adequate support for administrative cost of the Section 8 Housing Choice Voucher Program and renew all authorized vouchers | ● | | ● | | |
| **Local and Regional Actions** | | | | | |
| 15. Strategic and targeted demolition, deconstruction, and green reuse strategies to stabilize neighborhoods | ● | ● | ● | | |
| 16. Strategic construction, residential rehabilitation, and infill development in market-demand and infrastructure supported areas | ● | ● | ● | | |
| 17. Proactive promotion of foreclosure information and housing counseling opportunities to homeowners and renters | | ● | | | |
| 18. Encourage communities for a lifetime through regional and local policies which provide housing choices that enable people to remain in the community as they age | ● | ● | | | |
| 19. Enable strategic construction and adaptive reuse of housing to meet the needs of elderly households | ● | ● | | | |
| 20. Utilize, where applicable, land banking tools and strategies that enable communities to gain control, clear title, hold, manage, and convey vacant, abandoned and foreclosed properties to productive reuse | | ● | | | |
| 21. Implement property maintenance and improvement initiatives | | ● | ● | | |
| 22. Utilize targeted code enforcement and property maintenance policies | | ● | | | |
| 23. Implement a Vacant Property Registration Ordinance that allows communities to inspect, monitor and require owners to register vacant properties as soon as they become vacant | | ● | ● | ● | |
| 24. Implement a Rental Housing Policy (includes Rental Registration, Inspection, and Certification ordinance/regulation) to ensure a minimum standard of housing quality | | ● | | ● | |
| 25. Develop a comprehensive Housing Asset Management Strategy | | ● | | ● | |
| 26. Build partnerships with residents, business owners, elected officials, and other stakeholders to preserve clean, safe, and healthy neighborhoods | | ● | | ● | |
| 27. Implement proactive actions in obtaining accurate and credible appraisals | | ● | | | |
| 28. Expand and enhance landlord education programs and outreach | | ● | ● | | |
| 29. Encourage needed housing types through local land use, building, and zoning regulations | ● | | ● | ● | |
| 30. Encourage public/private partnerships in redevelopment of local housing markets | | | ● | ● | |
| 31. Provide citizens, homeowners, landlords, and others with information on housing choices, housing values, housing costs – including housing, transportation, and energy costs | | | | ● | ● |
| 32. Improve and make more uniform fair housing information on community Web sites | | | | ● | |
| 33. Educate and inform local officials, general public, and landlords of fair housing laws and best practices | | | | ● | |
| 34. Increase local and regional education campaigns on the community benefits of providing affordable and inclusive housing options | | | | ● | ● |
| 35. Establish, where applicable, a Human Relations Commission whose focus is on fostering mutual self-respect and understanding and promoting amicable relations among all racial, religious, and ethnic groups | | | | ● | |
| 36. Encourage higher density, Transit Oriented Development (TOD) and LEED-ND Smart Location and Linkage rating system to increase housing development in areas that already have existing infrastructure | ● | | | | ● |
| 37. Prioritize incentives for rental preservation and affordable housing in areas that are transit accessible, and near employment opportunities and services | ● | | | | ● |
| 38. Expand and enhance residential energy efficiency education and access to incentives | | | | | ● |

* Demographic, economic, and housing challenges that must be addressed at the regional level.

# Appendix B: Regional Reference Maps

Figure 6
Population Change, 2000-2010
Southeast Michigan



**Population Change by
2010 Census Block Groups**

- Large loss (> 25.0%)
- Loss (10.1% to 25.0%)
- Little change (10.0% loss to 10.0% gain)
- Gain (10.1% to 50.0%)
- Large gain (> 50.0%)

Source: Census 2000, 2010

Figure 7
Household Change, 2000-2010
Southeast Michigan



**Percent Household Change by 2010 Census Block Groups**

- Large loss (> 25.0%)
- Loss (10.1% to 25.0%)
- Little change (10.0% loss to 10.0% gain)
- Gain (10.1% to 50.0%)
- Large gain (> 50.0%)
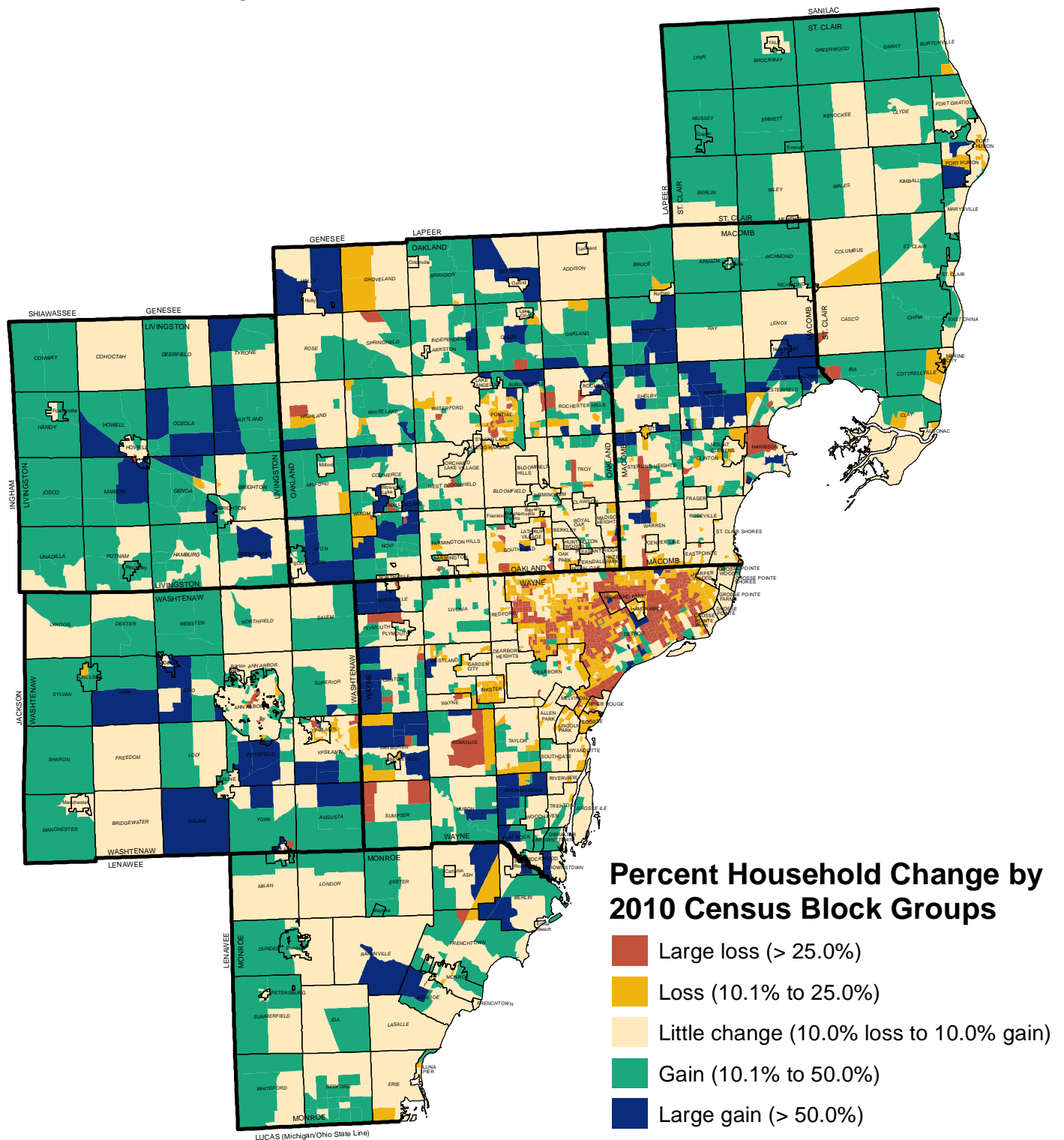
Source: Census 2000, 2010

Figure 8
Residential Vacancy Rate, 2000
Southeast Michigan



**2000 Housing Vacancy Rate by Census Block Group**

- 0 to 5.0%
- 5.1% to 10.0%
- 10.1% to 20.0%
- 20.1% to 30.0%
- Greater than 30.0%
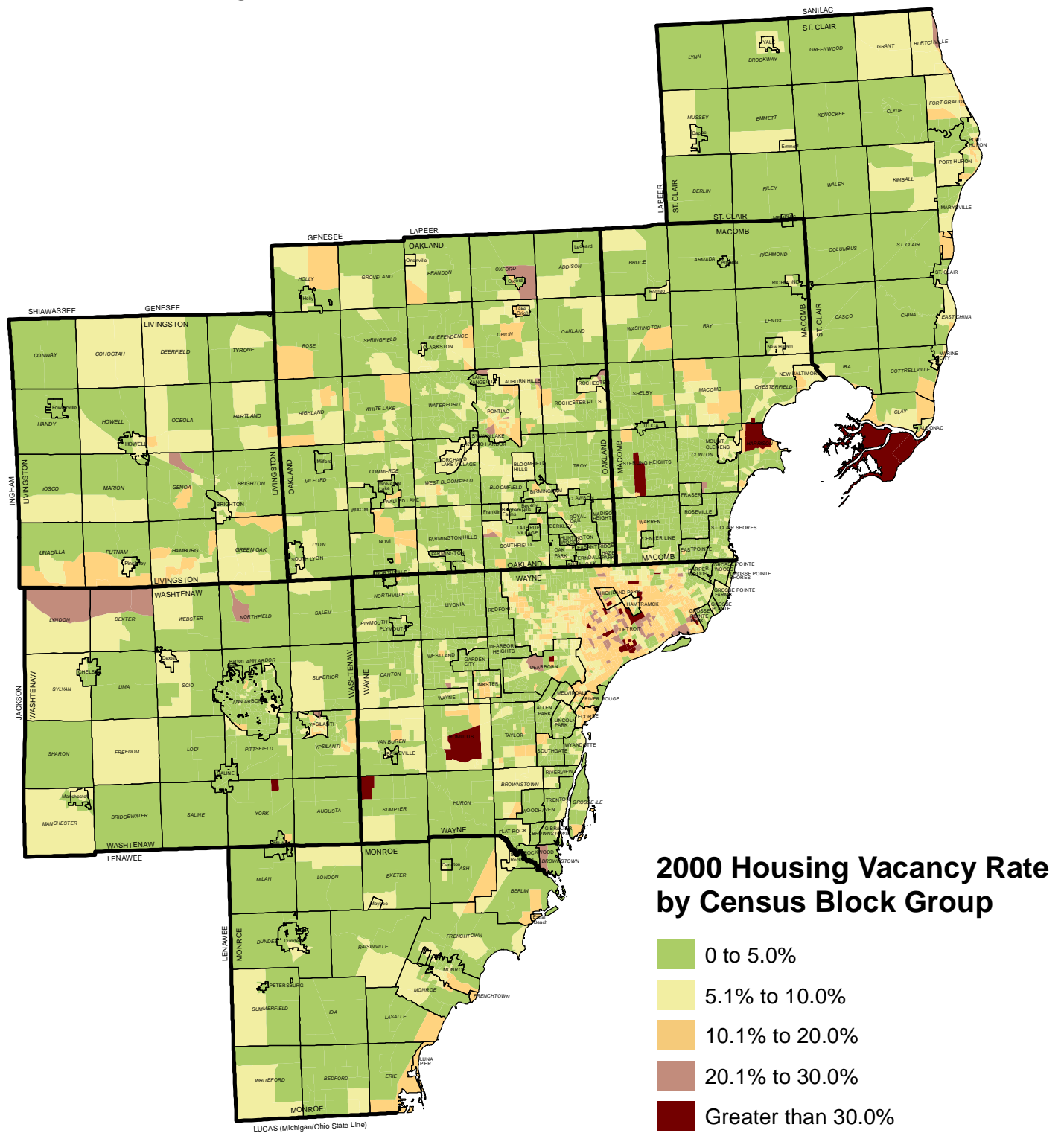
Source: Census 2000

Figure 9
Residential Vacancy Rate, 2010
Southeast Michigan



**2010 Housing Vacancy Rate by Census Block Group**

- 0 to 5.0%
- 5.1% to 10.0%
- 10.1% to 20.0%
- 20.1% to 30.0%
- Greater than 30.0%
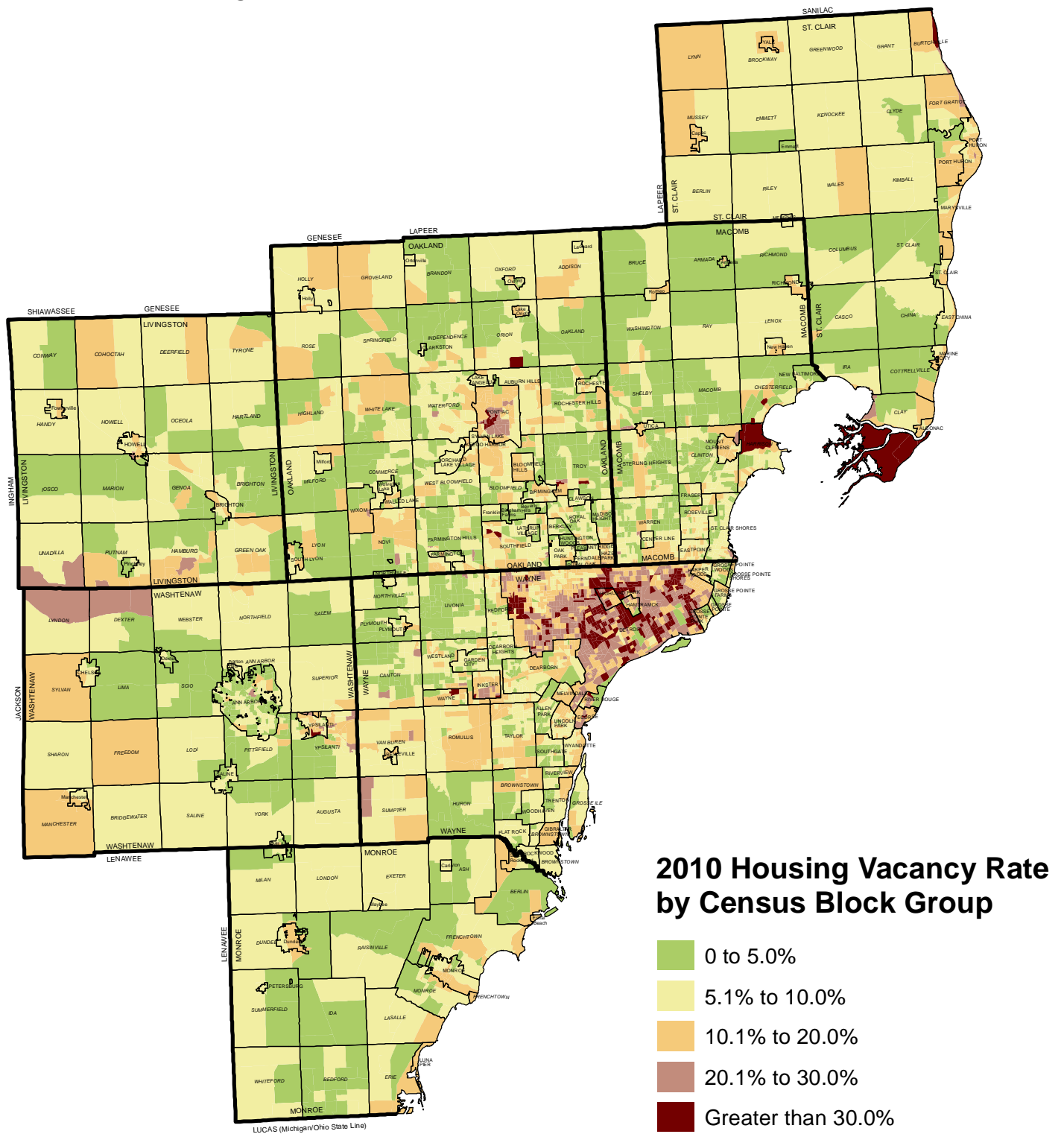
Source: Census 2010

Figure 10
Forecasted Population Change, 2010-2040
Southeast Michigan



Large gain (more than 15%)

Gain (3.1% to 15%)

Little change (3% gain to 3% loss)

Loss (3.1% to 10%)

Large loss (more than 10%)
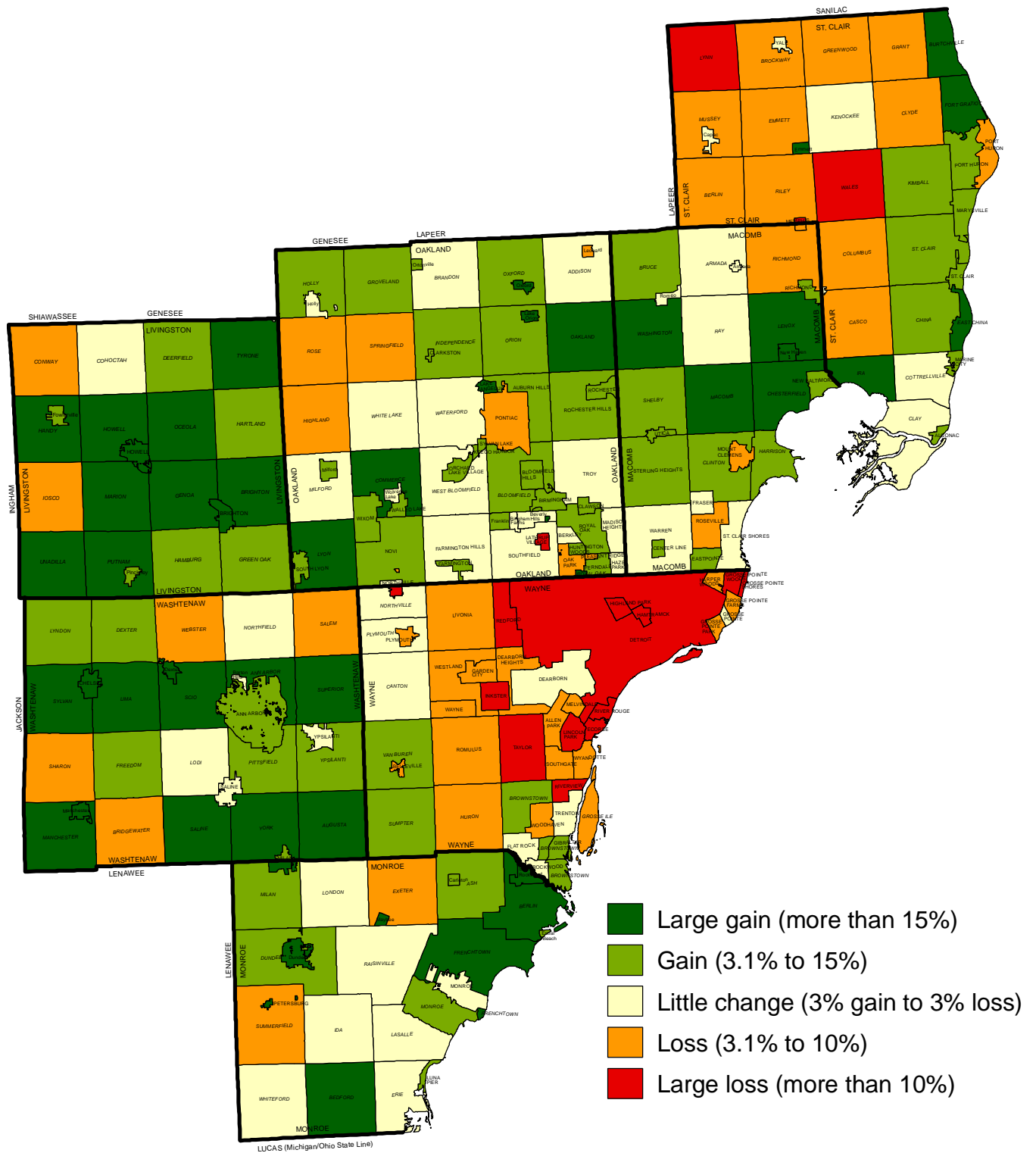
Source: SEMCOG, Census 2010

Figure 11
Population Density, 2010
Southeast Michigan



**Persons per Acre**

- 0.0 - 2.0
- 2.1 - 5.0
- 5.1 - 10.0
- 10.1 - 15.0
- 15.1 - 70.99
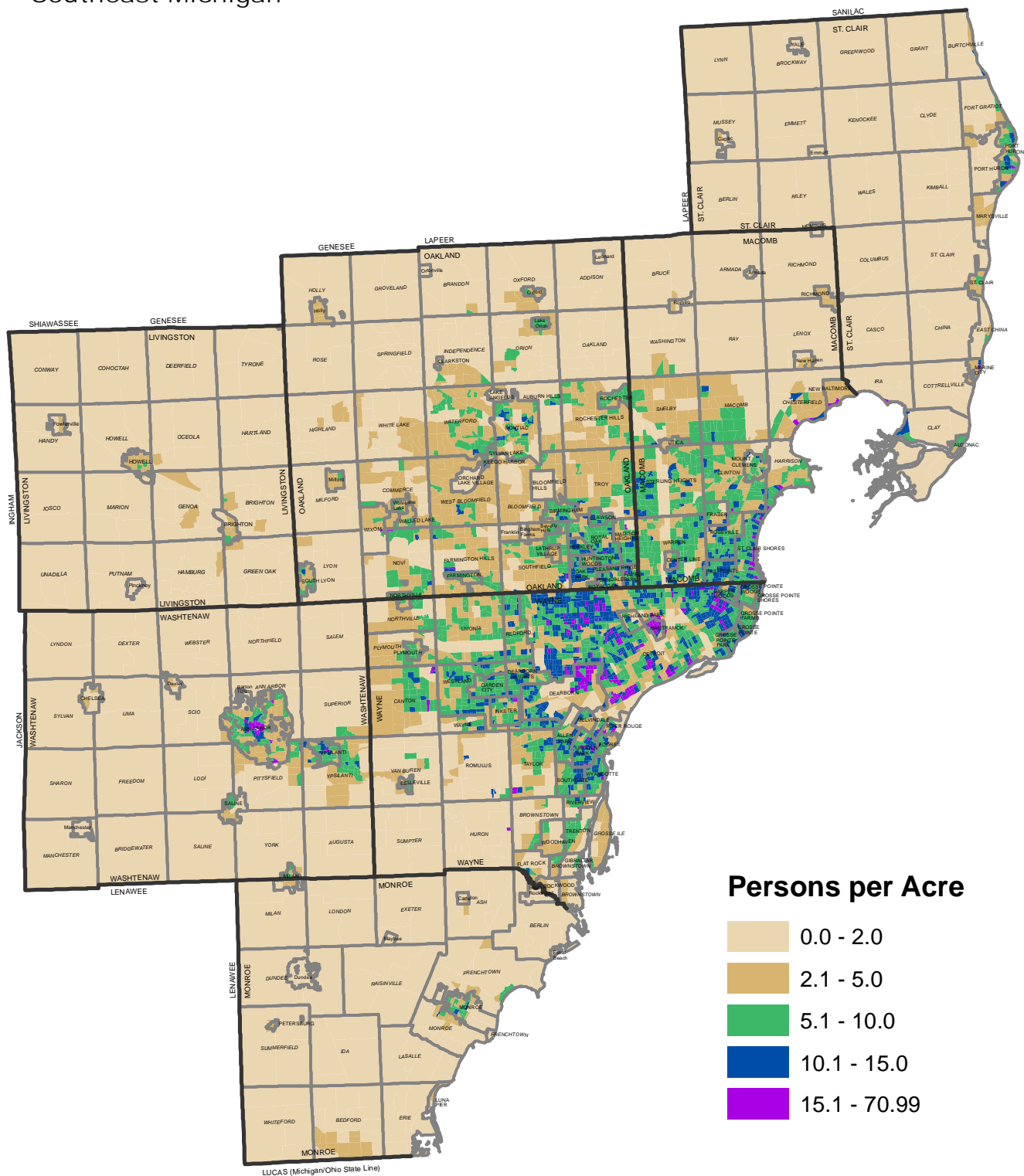
Source: SEMCOG, Census 2010

Figure 12
Population Density Change, 2000-2010
Southeast Michigan



**Change in persons per acre by Census Block**

■ Large Decrease (more than 5.0 loss)

■ Decraese (-1.1 to -5.0)

□ Little Change (-1.0 to 1.0)

■ Slight increase (1.1 to 2.0)

■ Increase (more than 2.0 gain)
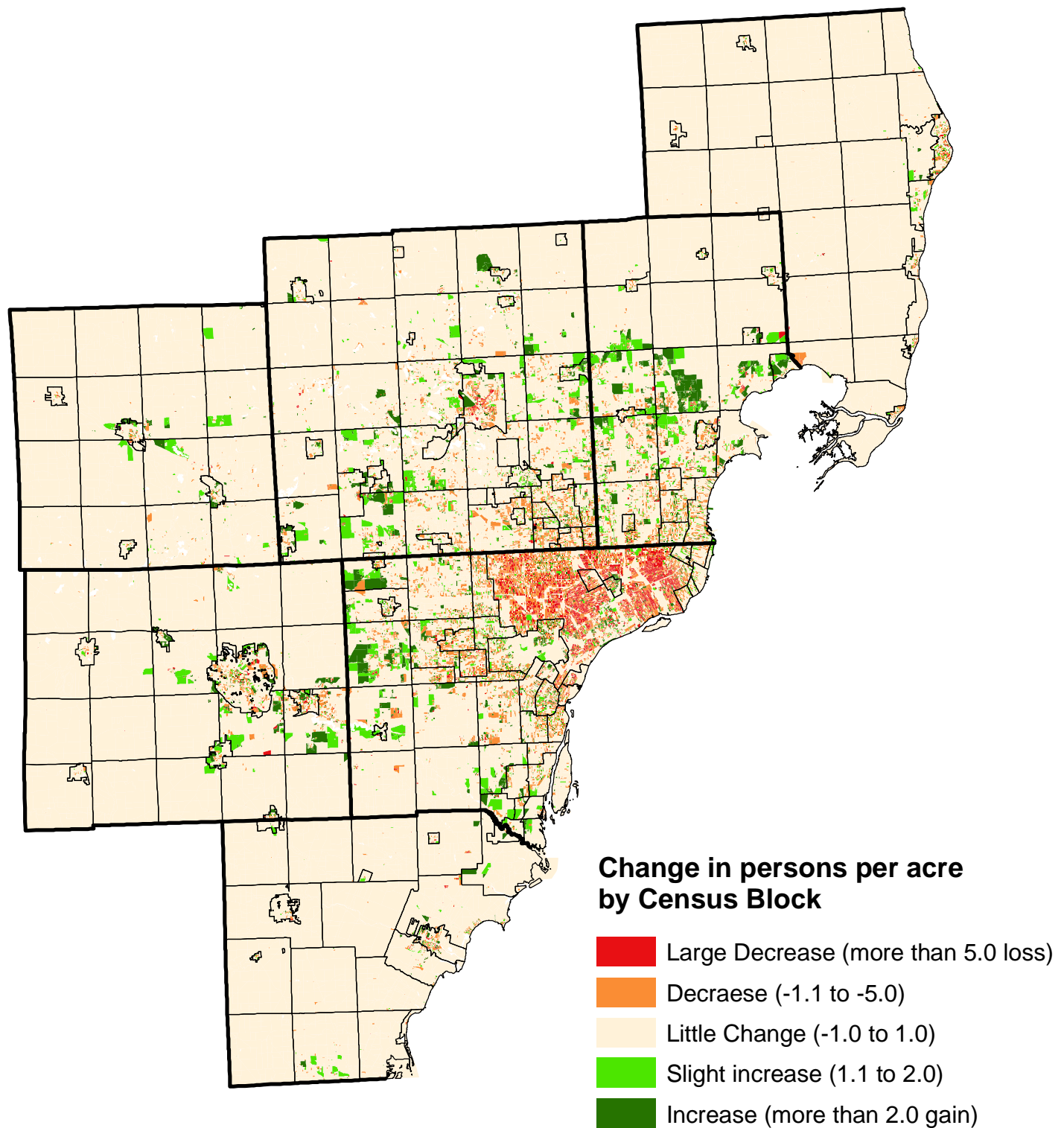
Source: SEMCOG, Census 2000 and 2010

Figure 13
Housing Unit Density, 2010
Southeast Michigan



**Housing Units per Acre
by Census Block**

Less than 1

1 to 2.9

3 to 5.9

6 to 10

More than 10
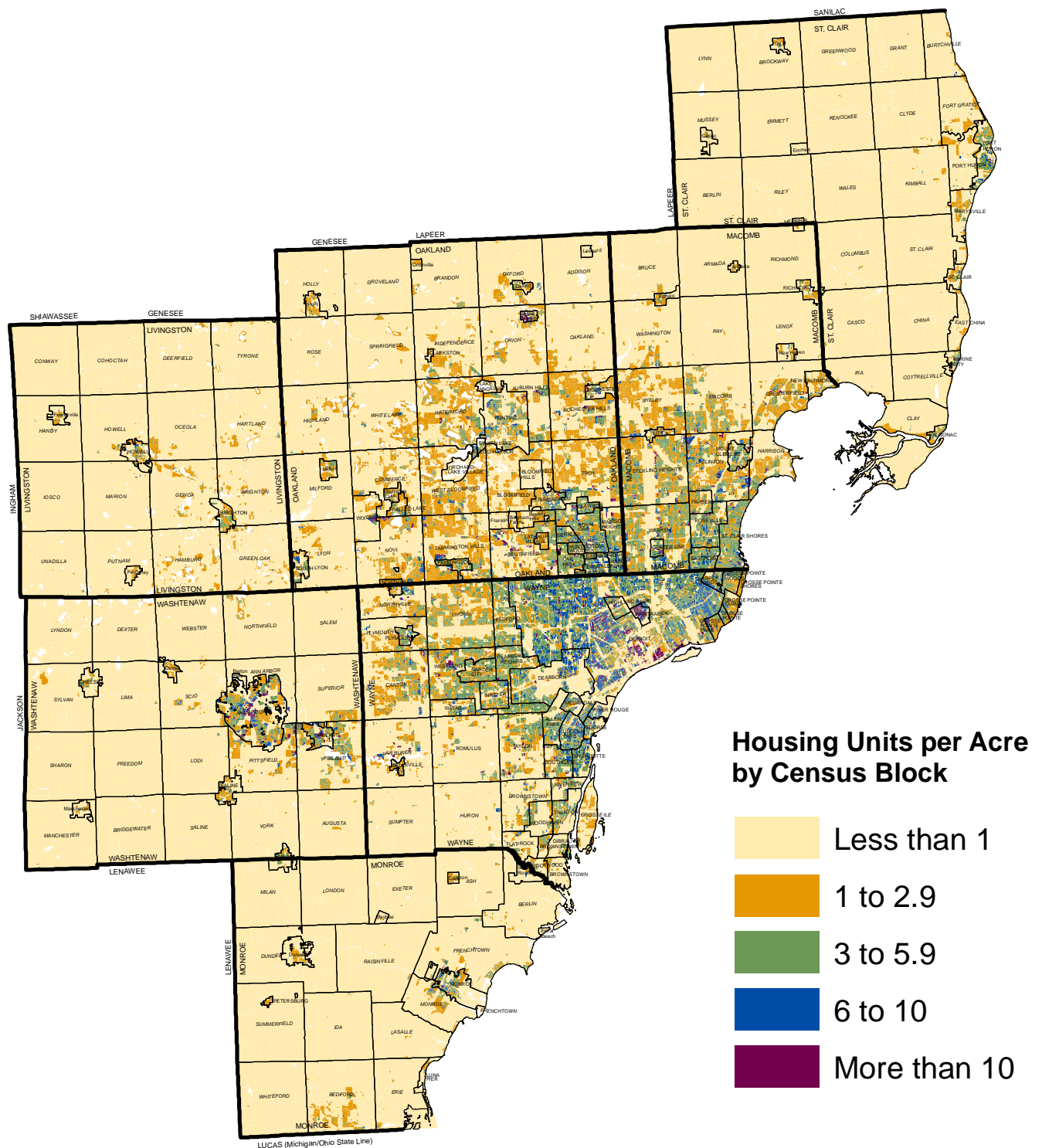
Source: SEMCOG, Census 2010

Figure 14
Percent Senior Population, 2010
Southeast Michigan

0 to 10%
10.1% to 15%
15.1% to 20%
20.1% to 25%
More than 25%

Regional Average: 13%
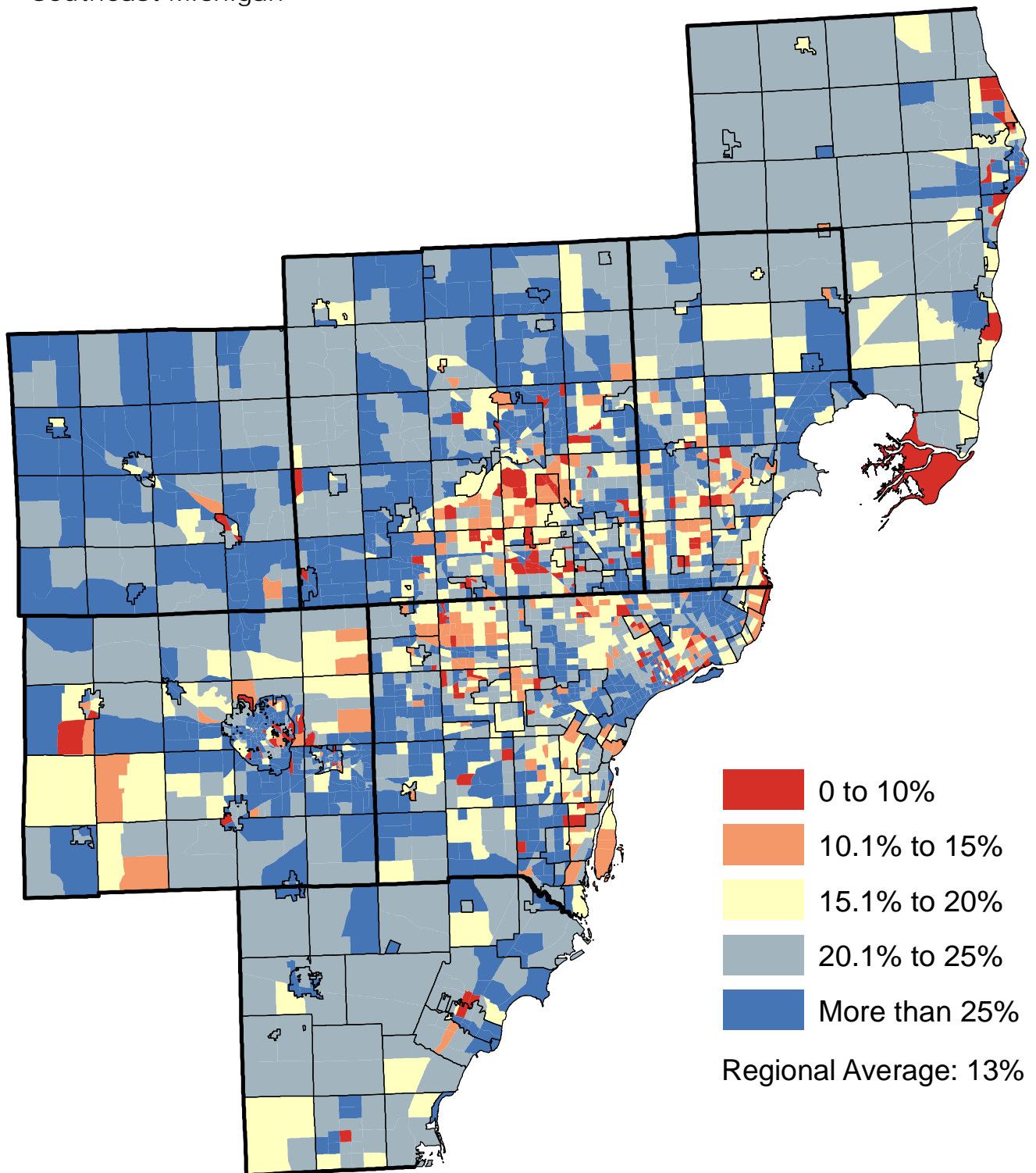
Source: SEMCOG, U.S. Census Bureau

Figure 15
Senior Population Change, 2000-2010
Southeast Michigan



**Percent change in population aged 65+**

Regional Average: 7.7% gain

- Loss in senior population
- 1% to 10% gain
- 10.1% to 20% gain
- 20.1% to 50% gain
- More than 50% gain
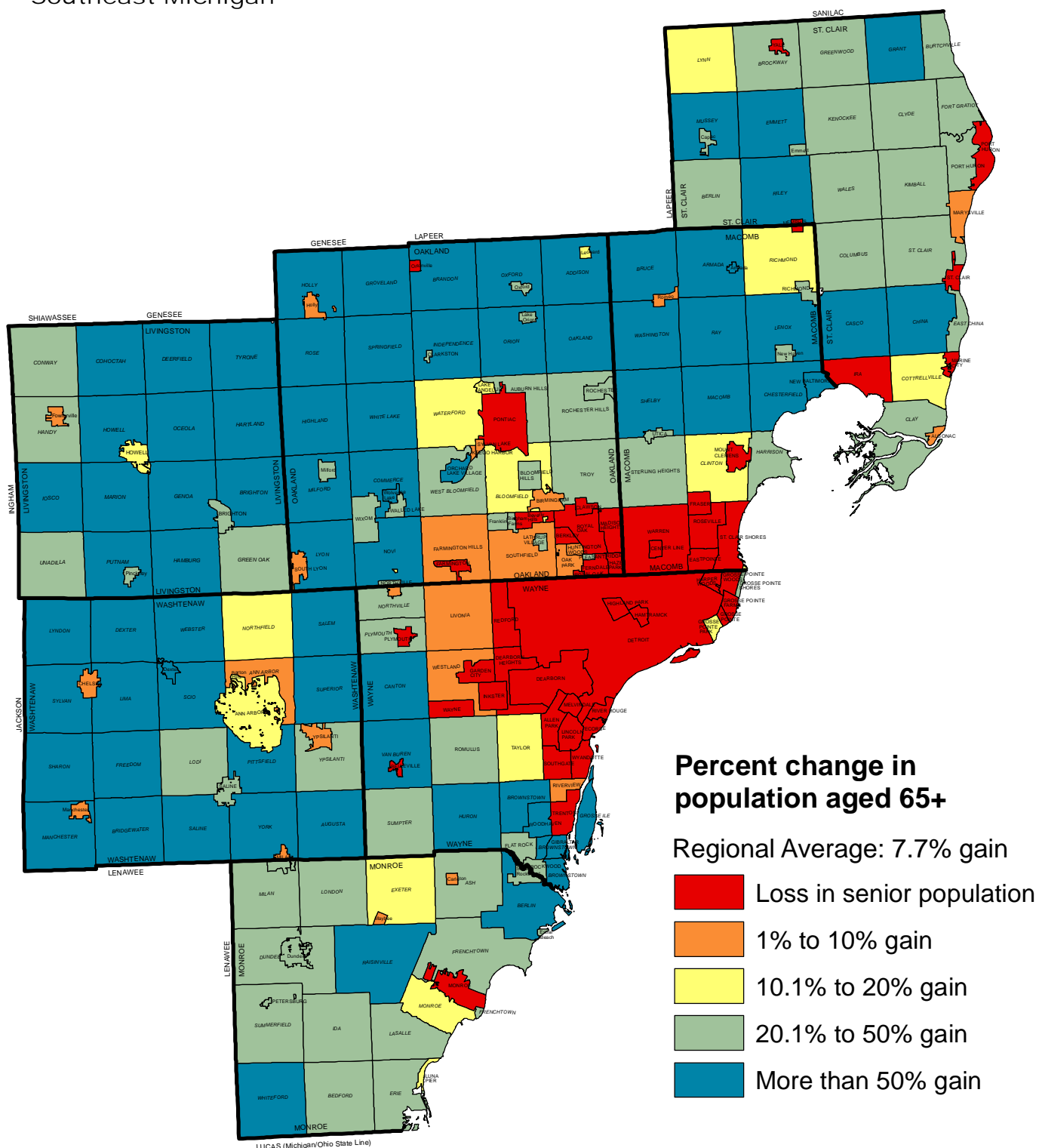
Source: SEMCOG, Census 2010

Figure 16

Forecasted Senior Population Change, 2010-2040
Southeast Michigan



**Legend:**
- Loss in senior population
- 1% to 25% gain
- 25.1% to 50% gain
- 50.1% to 100% gain
- More than 100% gain

Regional Average: 85% gain
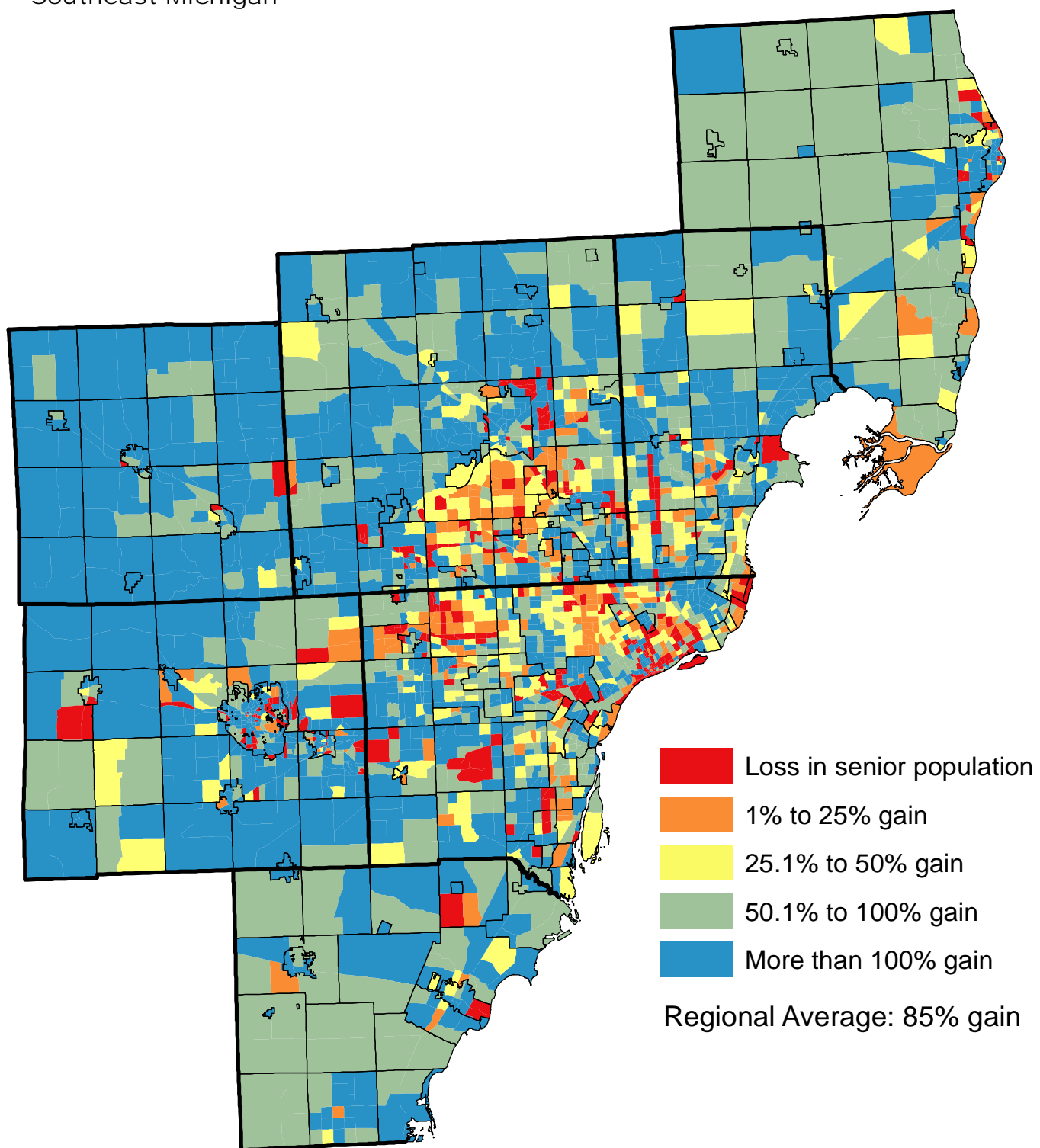
Source: SEMCOG, U.S. Census Bureau

Figure 17
# Foreclosure Density **Per Half-Mile**, **May** 2011
Southeast Michigan



**Foreclosures per half mile**

| | |
|---|---|
| ☐ | 5 or fewer |
| ■ | 5.1 to 25 |
| ■ | 25.1 to 50 |
| ■ | 50.1 to 75 |
| ■ | 75.1 to 100 |
| ■ | 100.1 to 150 |
| ■ | 150.1 to 200 |
| ■ | More than 200 |
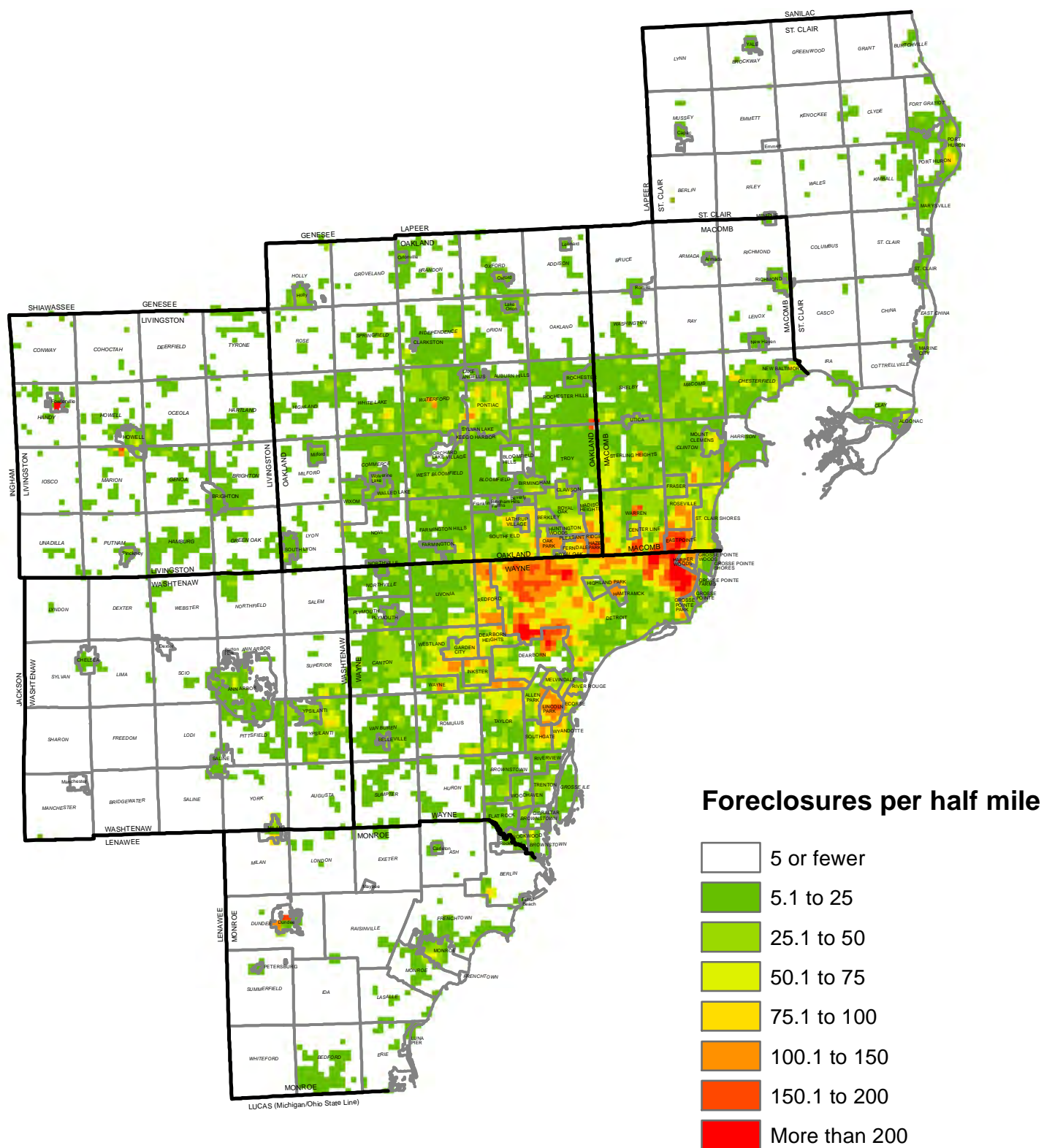
Source: SEMCOG

Figure 18
Median Housing Value, 2000
Southeast Michigan



## 2000 Median Housing Value by Census Block Group

- Less than $50,000
- $50,001 - $120,000
- $120,001 - $180,000
- $180,001 - $250,000
- $250,001 - $500,000
- More than $500,000

**Regional Median: $174,166**
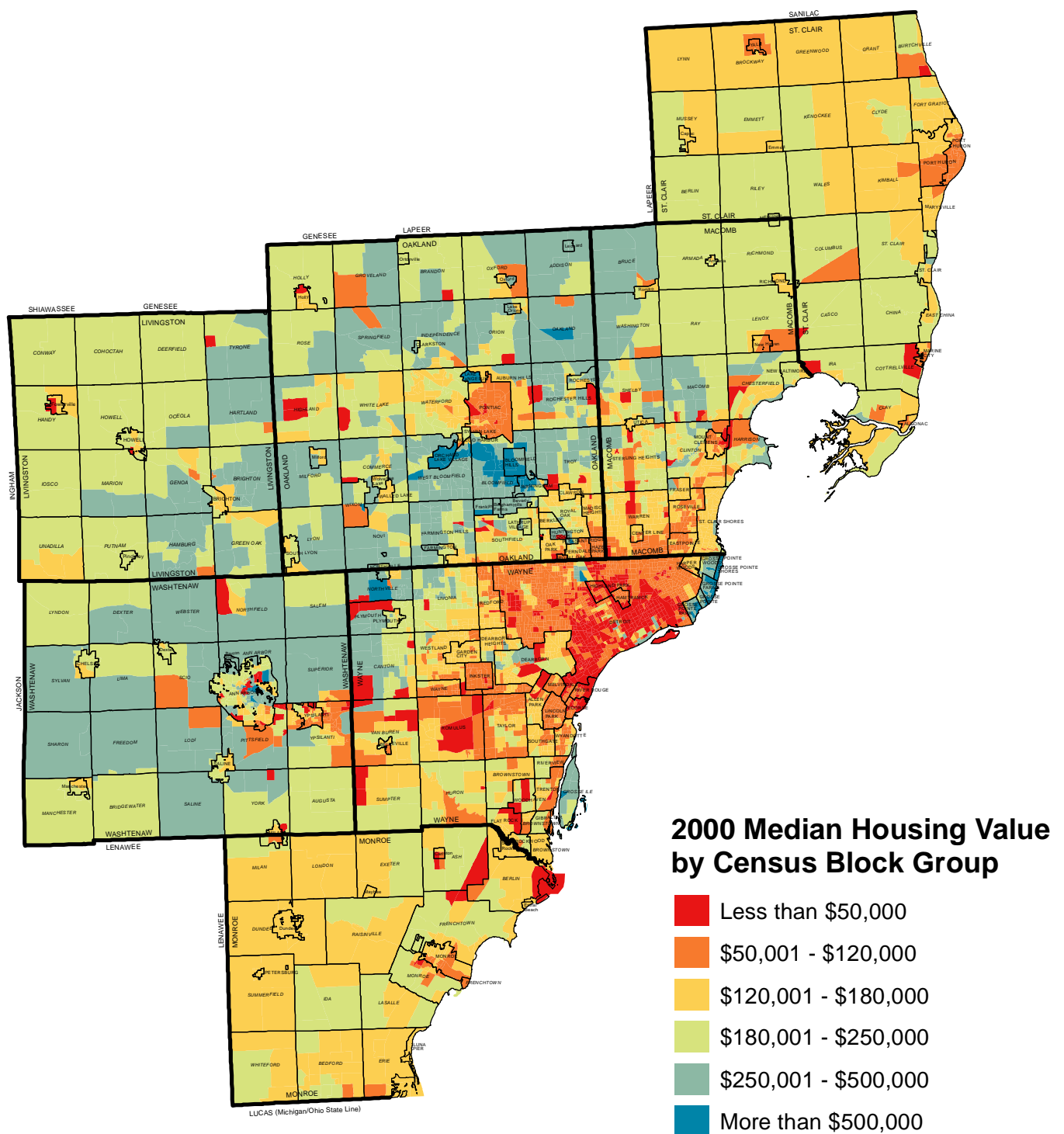
Source: Census 2000

Figure 19

Median Housing Value, 2010

Southeast Michigan



**Median Housing Value by Census Block Group**

- Less than $50,000
- $50,001 - $120,000
- $120,001 - $180,000
- $180,001 - $250,000
- $250,001 - $500,000
- More than $500,000

**Regional Median: $160,544**
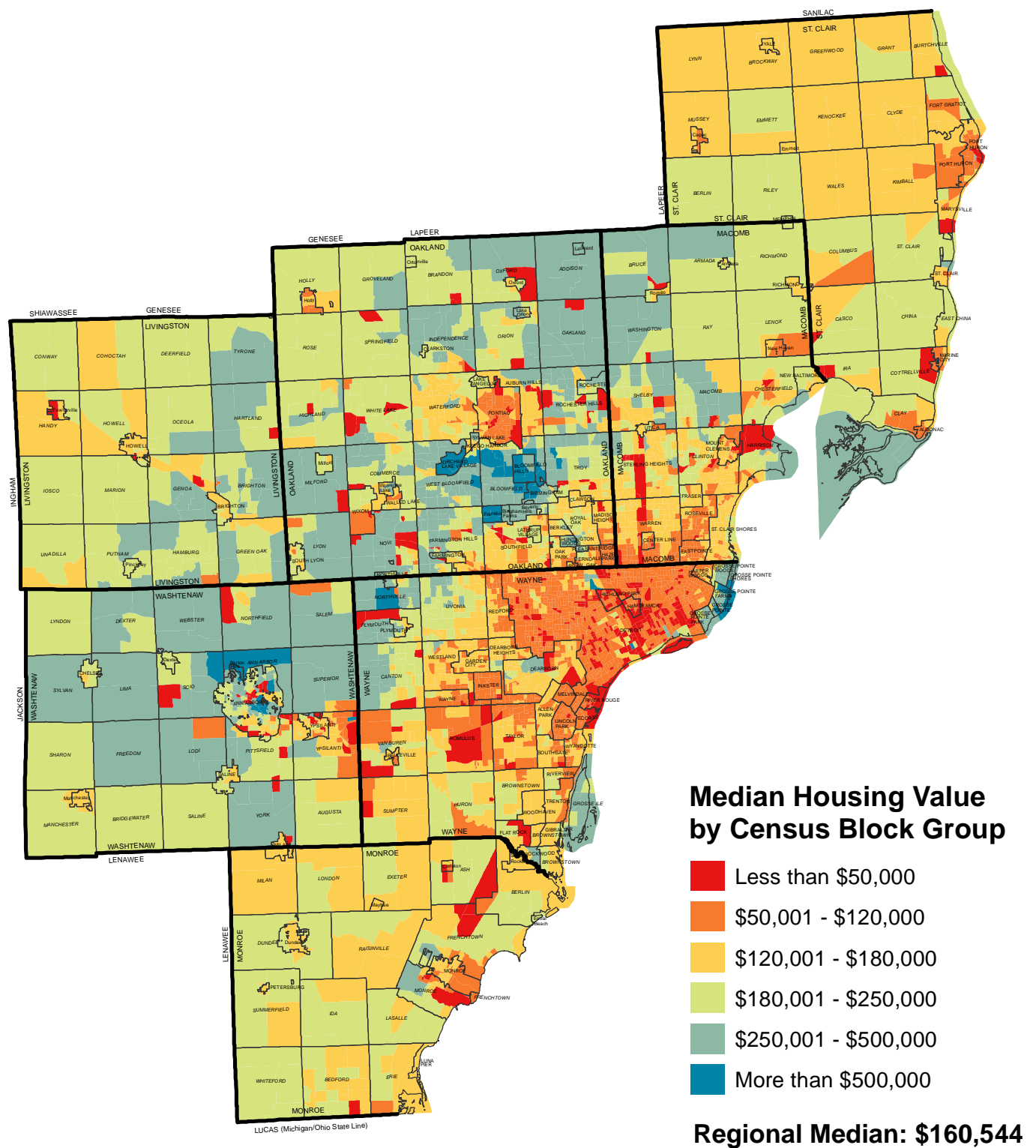
Source: Census 2010

Figure 20
Housing Value Change, 2000-2010
Southeast Michigan



**Change in median housing value**

2000 value inflation adjusted to 2010$

- Loss greater than 20%
- Loss 10% to 20%
- 0 to 9.9% loss
- Gain 0.1% to 10%
- Gain greater than 10%

Regional change: 7.8% loss
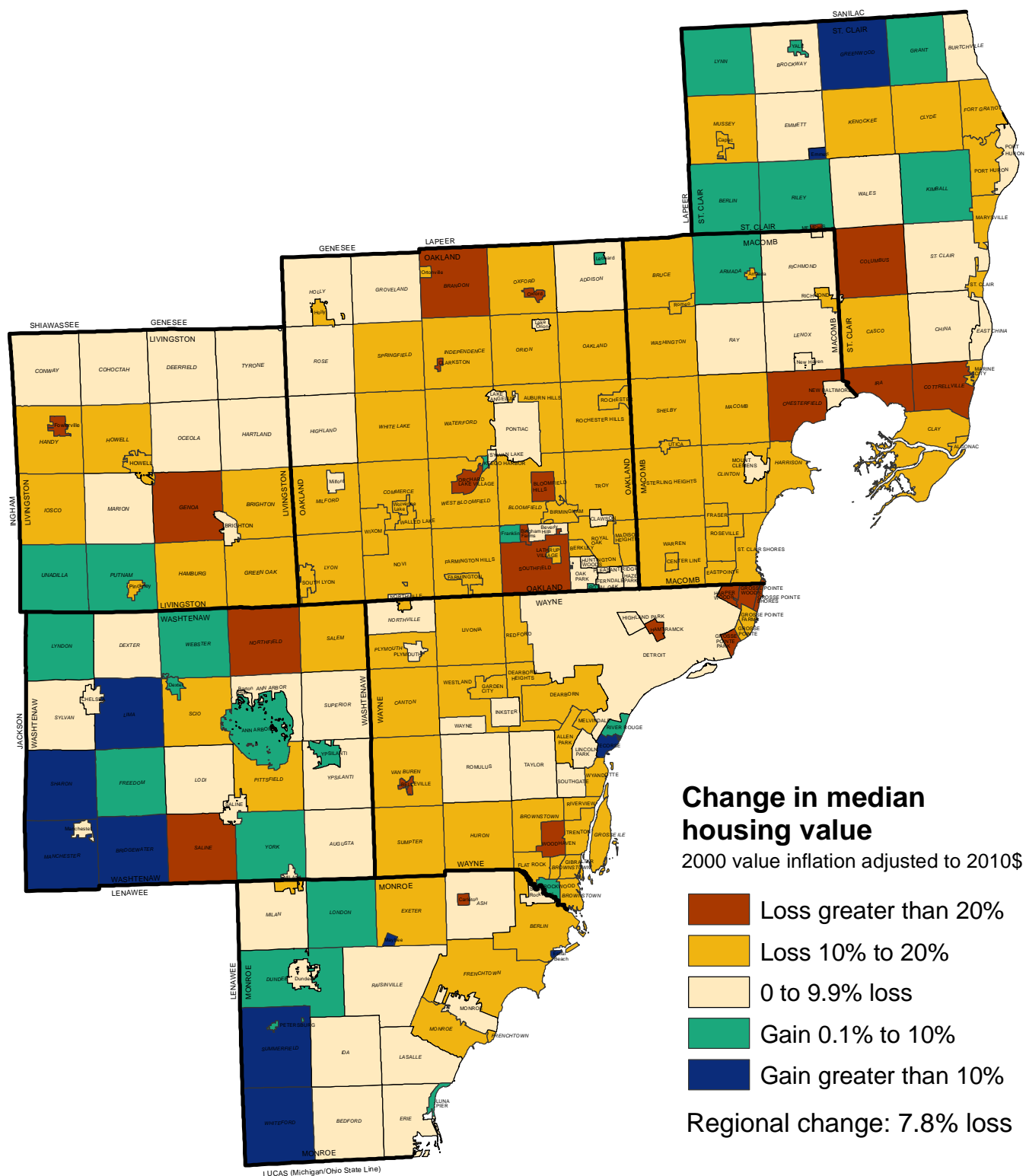
Source: SEMCOG, Census 2000, ACS 2006-2010

Figure 21
Change in Vacant Units, 2000-2010
Southeast Michigan



**Percent point change
in vacancy rate
by Census Tract Equivalents**

**Regional Average: 5.0% increase**

- Drop in vacancy rate
- 0.1% to 2.0% increase
- 2.1% to 5.0% increase
- 5.1% to 10.0% increase
- More than 10.0% increase
- No housing units
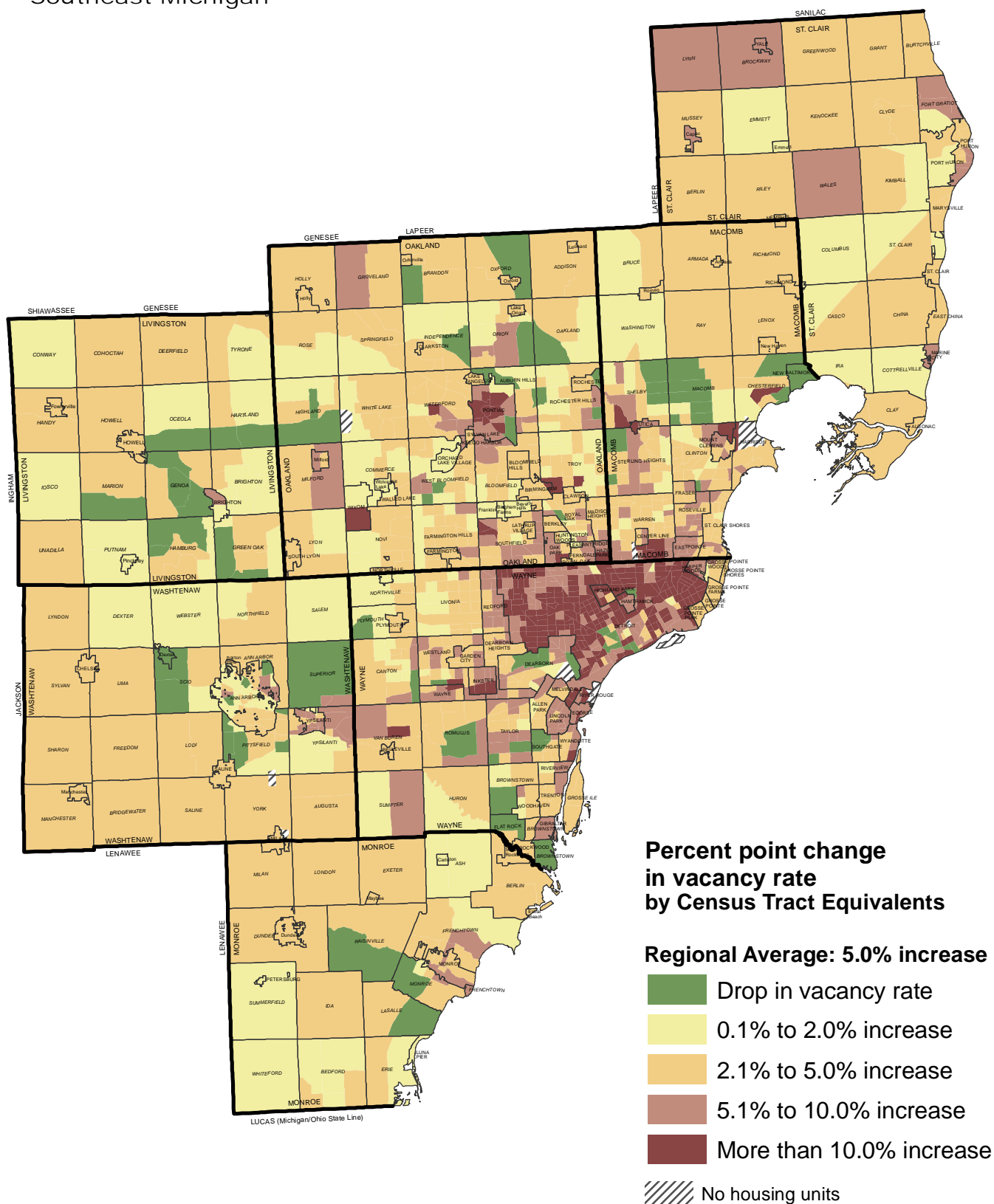
Source: SEMCOG, Census 2010

Figure 22
Rental Unit Density Per Half-Mile, 2010
Southeast Michigan

**Rental Units per half mile**

- 150 or fewer
- 150.1 to 500
- 500.1 to 1,000
- 1,000.1 to 2,000
- 2,000.1 to 3,500
- More than 3,500
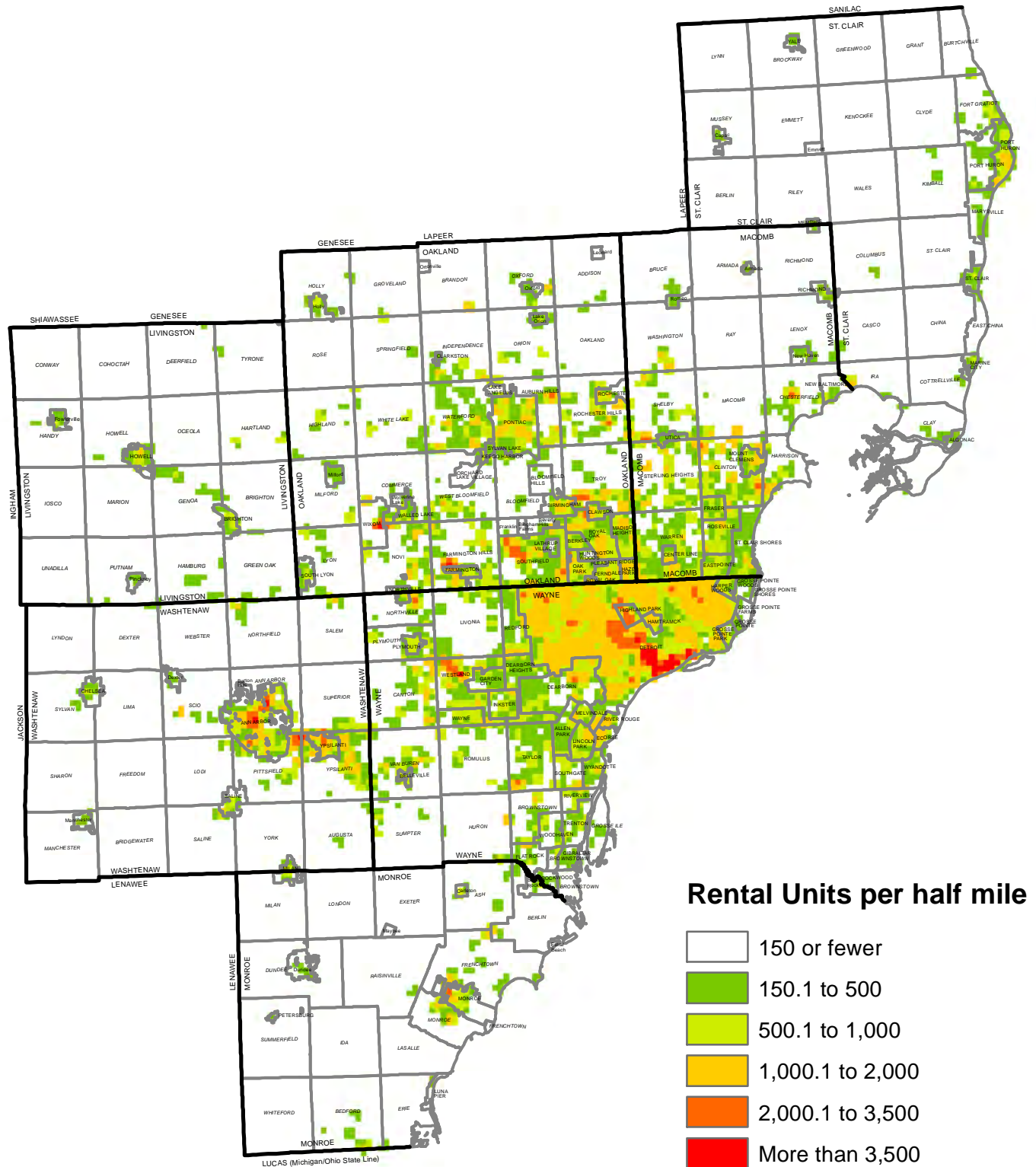
Source: SEMCOG

Figure 23
# Housing Costs as a Percent of Income, 2010
## Southeast Michigan
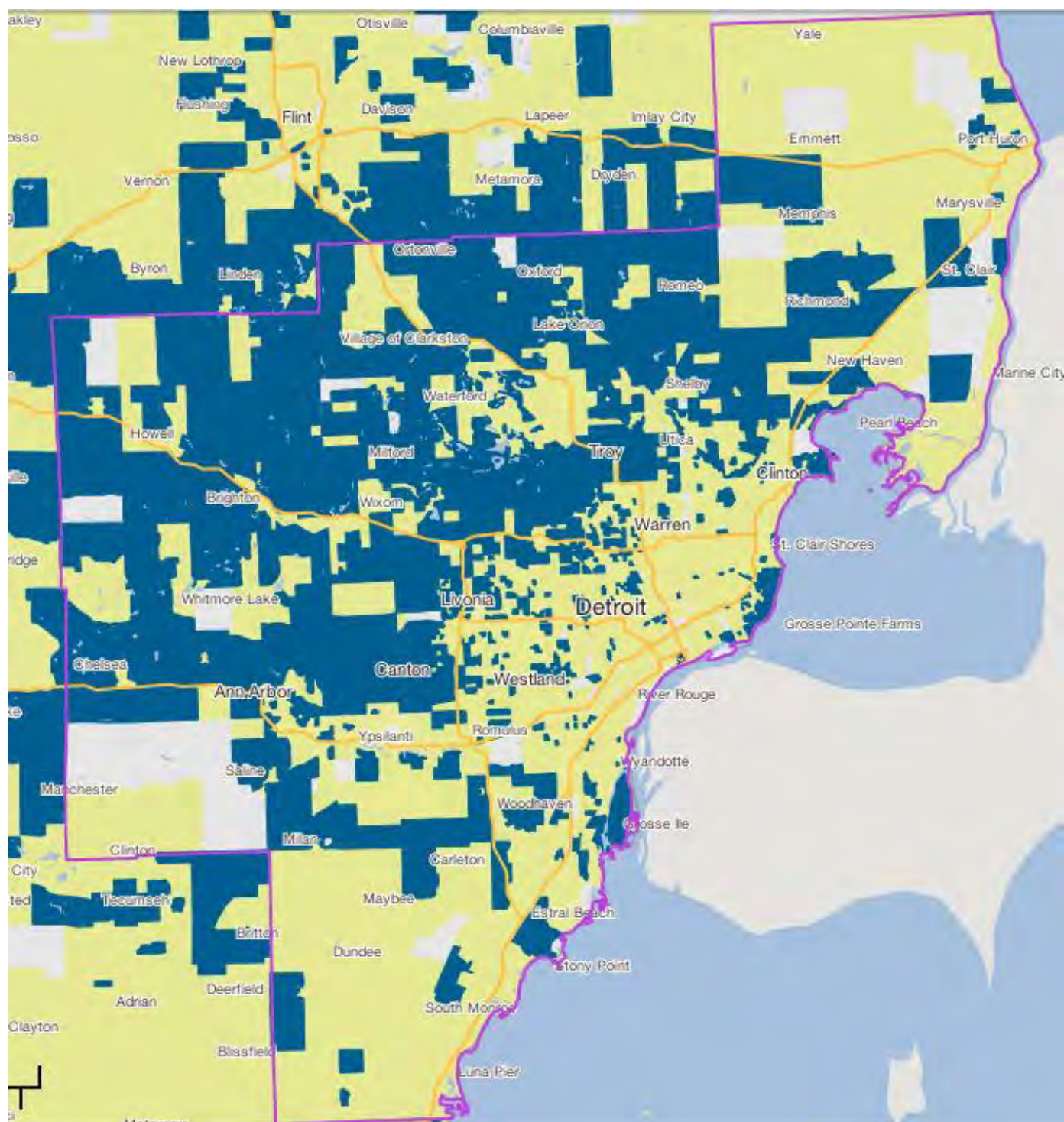


Source: H + T Affordability Index - www.htaindex.cnt.org/map

| | |
|---|---|
| 🟨 | < 30% |
| 🟦 | 30+% |
| ⬜ | Insufficient Data |

Figure 24
## Housing plus Transportation Costs as a Percent of Income, 2010
### Southeast Michigan



Source: H + T Affordability Index – www.htindex.cnt.org/map

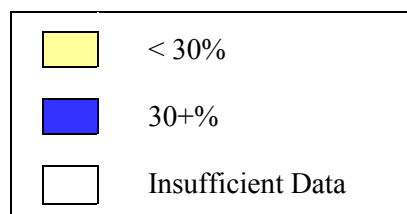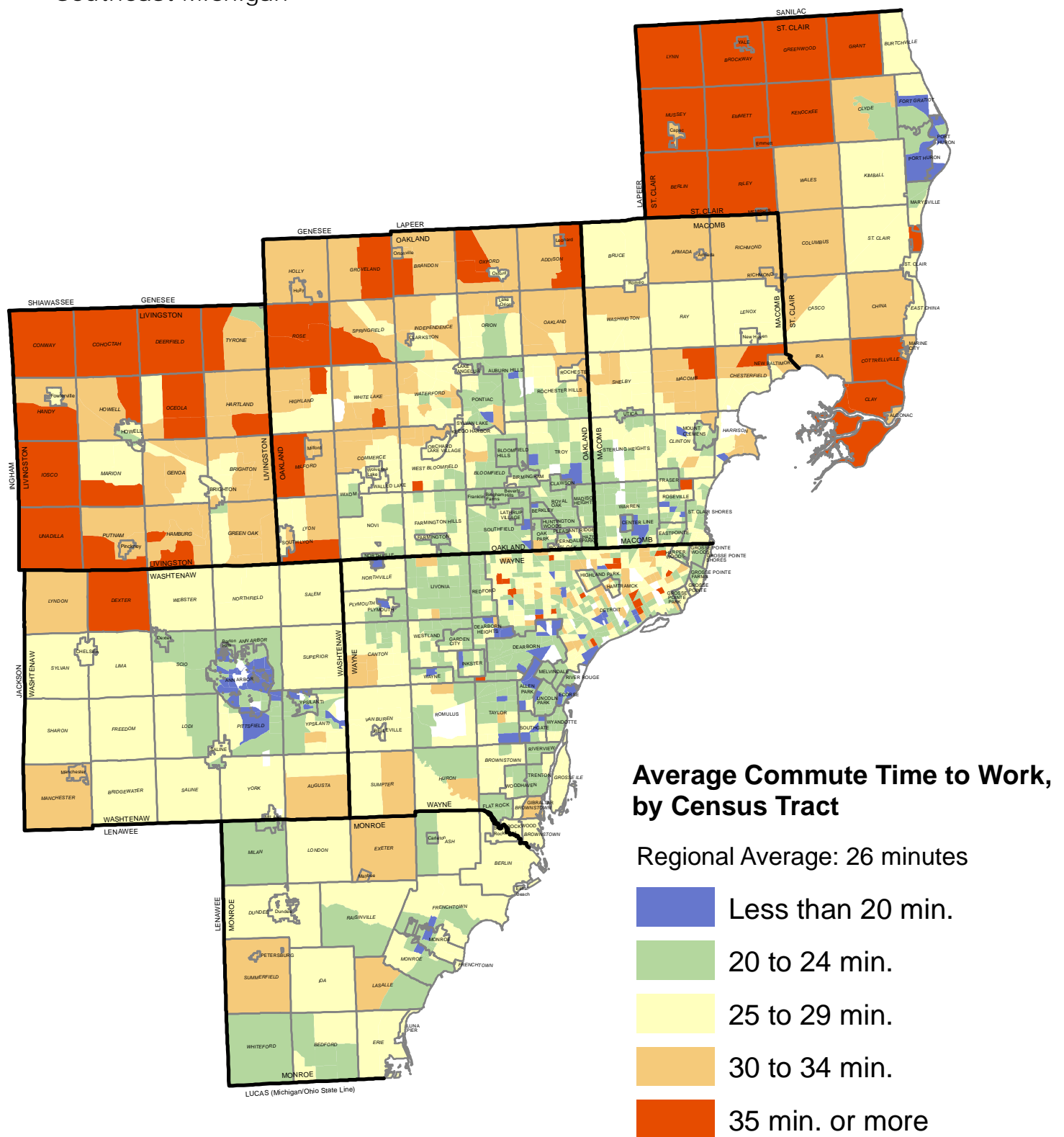| | |
|---|---|
| ▢ (yellow) | < 40% |
| ▢ (light green) | 40 to 45% |
| ▢ (green) | 45 to 50% |
| ▢ (light blue) | 50 to 60% |
| ▢ (blue) | 60+% |
| ▢ (white) | Insufficient Data |

Figure 25
Commute Time to Work, 2010
Southeast Michigan



**Average Commute Time to Work, by Census Tract**

Regional Average: 26 minutes

- Less than 20 min.
- 20 to 24 min.
- 25 to 29 min.
- 30 to 34 min.
- 35 min. or more

Source: SEMCOG, ACS 2006-2010

Figure 26
Median Household Income, 2000
Southeast Michigan



2000 Median Household Income by Census Block Group

| | |
|---|---|
| ■ (red) | Less than $25,000 |
| ■ (orange) | $25,001 - $40,000 |
| ■ (yellow) | $40,001 - $80,000 |
| ■ (gray) | $80,001 - $100,000 |
| ■ (blue) | More than $100,000 |

Regional Median: $65,415
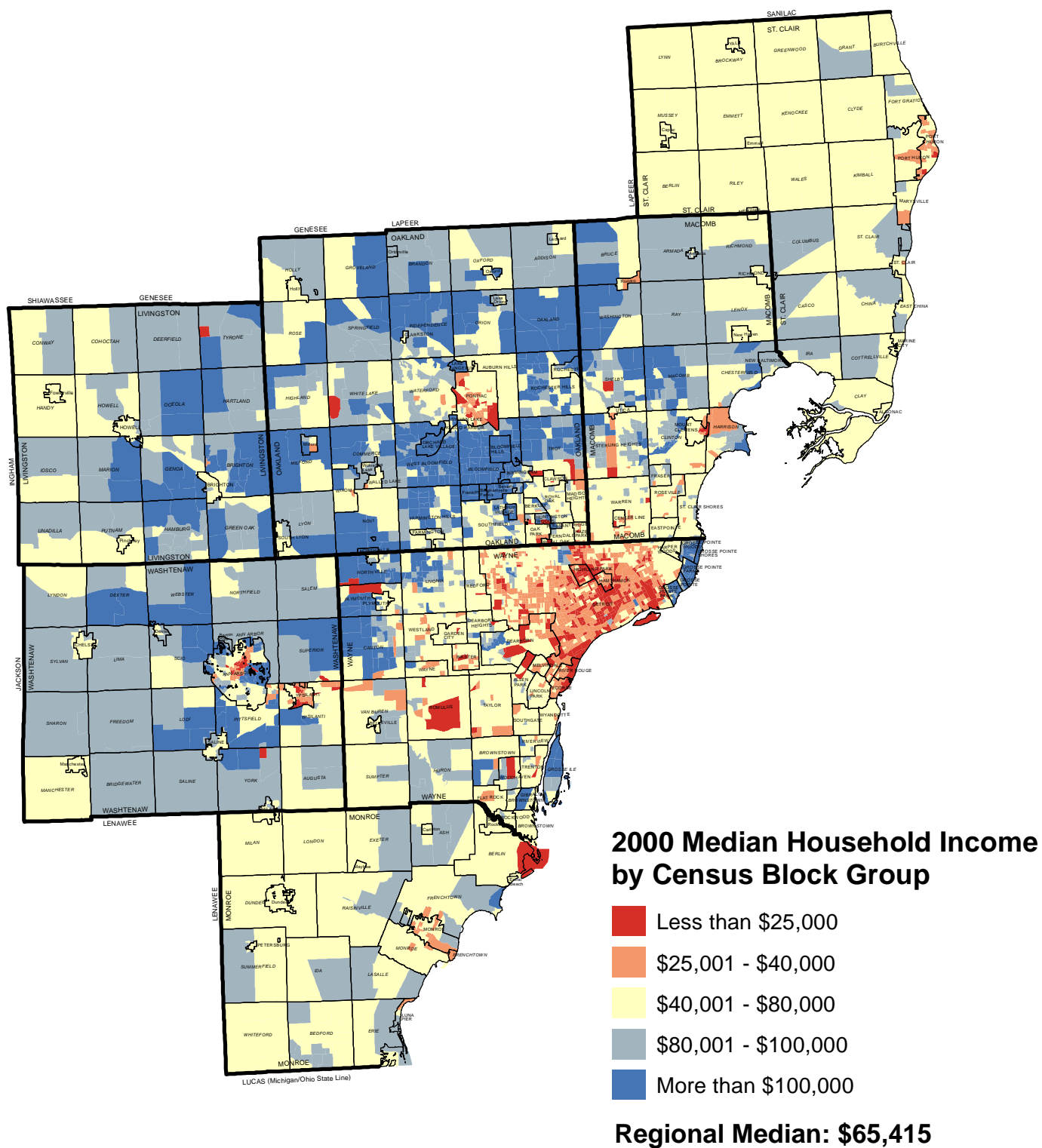
Source: Census 2000

Figure 27

Median Household Income, 2010

Southeast Michigan



**Median Household Income
by Census Block Group**

- Less than $25,000
- $25,001 to $40,000
- $40,001 - $65,000
- $65,001 - $100,000
- More than $100,000

**Regional Median: $53,242**
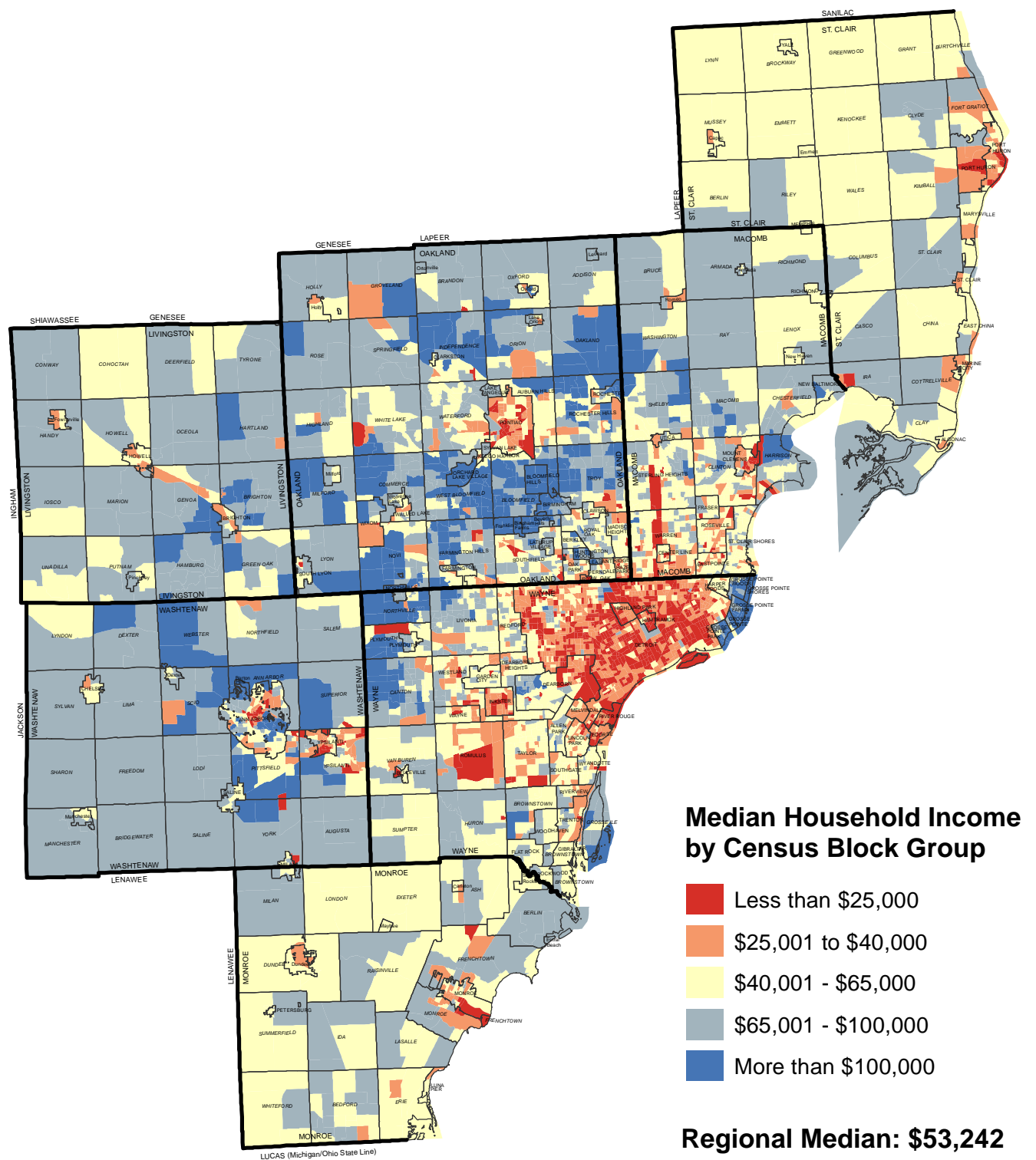
Source: Census 2010

Figure 28
Persons in Poverty, 2010
Southeast Michigan



**Poverty Rate by Census Tract, 2010**

- Less than 4.0%
- 4.1% to 7.9%
- 8.0% to 14.9%
- 15.0% to 24.9%
- 25.0% to 39.9%
- 40.0% or more

Regional Average: 14.3%
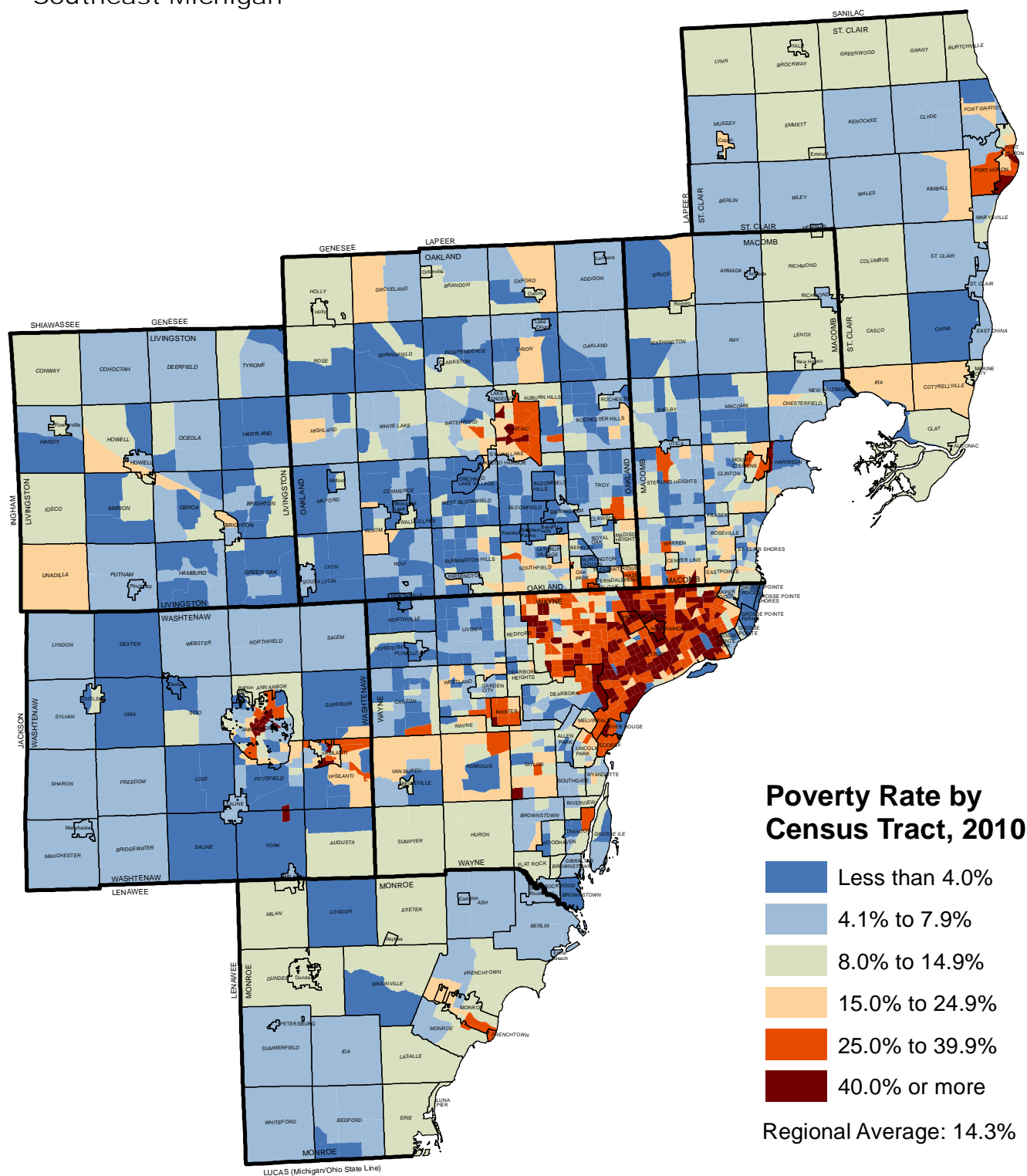
Source: SEMCOG, ACS 2006-2010

# Appendix C: Fair Housing and Equity Assessment (FHEA) for Southeast Michigan

# Rationale and Scope

Developing a Fair Housing and Equity Assessment (FHEA) for the region is a requirement under HUD's Sustainable Communities Regional Planning Grant initiative. The rationale behind this requirement comes from HUD Secretary Shaun Donovan, who on February 23, 2010 stated:

*Sustainability also means creating "geographies of opportunity," places that effectively connect people to jobs, quality public schools, and other amenities. Today, too many HUD-assisted families are stuck in neighborhoods of concentrated poverty and segregation, where one's zip code predicts poor education, employment, and even health outcomes. These neighborhoods are not sustainable in their present state.*

The goal of the FHEA is to undertake a regional scale analysis across five components, to gain a full picture of regional equity and access to opportunity. These five components are identification and assessment of:

1. Segregated Areas and Areas of Increasing Diversity and/or Racial/Ethnic Integration;
2. Racially Concentrated Areas of Poverty;
3. Access to Existing Areas of High Opportunities;
4. Major Public Investment; and
5. Fair Housing Issues, Services, and Activities.

The end result of this regional scale analysis is to understand the historical, current, and future context for equity and opportunity in the region and the data and evidence that demonstrates those dynamics, and to integrate knowledge developed through the regional FHEA exercise into the strategy development process.

There are three key deliverables in completing the FHEA requirement. These are:
1. *Product* – All grantees must submit a standalone or integrated product that reveals the data that were analyzed, data findings, and conclusions or recommendations from findings.

2. *Engagement* – All grantees must certify that the consortium and/or regional stakeholders considered the FHEA findings.

3. *Integration* – All grantees must determine how those findings will inform decision-making, prioritization, and investment.

Each of these deliverables has been or will be completed prior to submission to HUD. This document – Fair Housing and Equity Assessment (FHEA) for Southeast Michigan – is the region's *Product*. *Engagement* of regional stakeholders in developing; approving this FHEA will be met through the Regional Housing Strategy Task Force; Southeast Michigan's Sustainable Communities Consortium; SEMCOG's Executive Committee; a 30-day public comment period; and SEMCOG's General Assembly. The findings and recommendations of this FHEA are *integrated* into the *Regional Housing Needs and Neighborhood Resiliency Strategy* (and vice versa). These findings and recommendations will be integrated into other regional planning efforts.

# Background

## Part I: High level demographic snapshot

Metropolitan Detroit flourished for 60 years as the automotive capital of the world, establishing the middle class and creating a blue-collar culture emphasizing loyalty and job security over higher education and entrepreneurialism. Metro Detroiters worked hard, and they were rewarded with good housing, quality health care, access to better education for their children, and ultimately, a secure retirement.

However, starting in the 1960s, Detroit began a long period of decline. This decline escalated significantly in the last 10 years as the American automobile industry underwent an enormous and permanent downsizing. The Southeast Michigan region has lost over 128,000 people and roughly 500,000 jobs since 2000. We now have a regional unemployment rate (June 2012) of 9.8 percent (18.3 percent in the City of Detroit), a $12,173 drop in median household income since 2000, and a region-wide vacancy rate that has nearly doubled since 2000 (with one out of every nine homes in the region and one out of every four in Detroit sitting empty).

The hardships befalling Detroit have been experienced to varying degrees by a host of other "Rust Belt" cities, such as Pittsburgh and Cleveland. The decline of Detroit, however, captures the nation's attention precisely because of the great heights from which the city has fallen. For example, the demise of Pittsburgh's steel industry resulted in a 12 percent loss of jobs. In contrast, the permanent downsizing of the auto industry in Metropolitan Detroit has resulted in a job loss of over 22 percent. At its peak in 1950, Detroit was home to 1.85 million people. Now, a little over 700,000 live within the city limits. The suburbs, which had continued to experience growth while Detroit declined, now face severe shortfalls as their tax bases are being erased by one of the highest foreclosure rates in the nation.

These changes are not temporary. Our latest forecast shows that by 2040 the region will still have 91,000 fewer people and 49,000 fewer jobs than we had in 2000; and new jobs in the region will be in lower-paying, non-manufacturing sectors such as healthcare. This shift is already being seen. Data for new hires show their average monthly income is $1,999, well below the average earnings in the region of $3,835.

Southeast Michigan is in a period of unprecedented economic transition. While much of the country grapples with sustainability as it relates to growth, the challenge in our region is managing a significant decline in jobs, population, and income in a way that strengthens our economy and improves overall quality of life. The challenges are great. Staggering job losses, declining personal income, home foreclosures, an eroding tax base, and reductions in government services are just some of the problems we must address.

As shown in Table 1, between 1990 and 2010 the region has become more diverse, with the White majority population decreasing from 75 percent to 69 percent. The region's Black population remained stable, increasing their share of the region from 21 percent to 22 percent, while the region's Asian and Hispanic / Latino populations both experienced increases of two percent. The region is also experiencing a significant demographic shift in the age of the population. Over the last 10 years, the region has lost households with children and gained households with persons age 65 and over.

Table 1
**Population Demographics for SEMCOG Region (1990-2010)**

| | 1990 | 2000 | 2010 |
|---|---|---|---|
| Total Population | 4,590,468 | 4,833,493 | 4,704,743 |
| White | 75% | 71% | 69% |
| Black | 21% | 22% | 22% |
| Asian | 2% | 3% | 4% |
| Hispanic / Latino | 2% | 3% | 4% |
| Persons with disabilities | | 19% | 13% |
| Households with children under 18 | | 36% | 32% |
| Households with persons 65 & over | | 22% | 25% |

Source: SEMCOG

The City of Detroit, with 713,777 residents in 2010, has lost over half of its peak population of 1.85 million residents from 1950. Although much of this decline occurred in the last half of the 20th Century, economic and housing challenges in recent years have renewed the flight of residents from the city. Between 2000 and 2010 the city lost more than 230,000 residents. Table 2 provides a demographic breakdown for the city.

Table 2
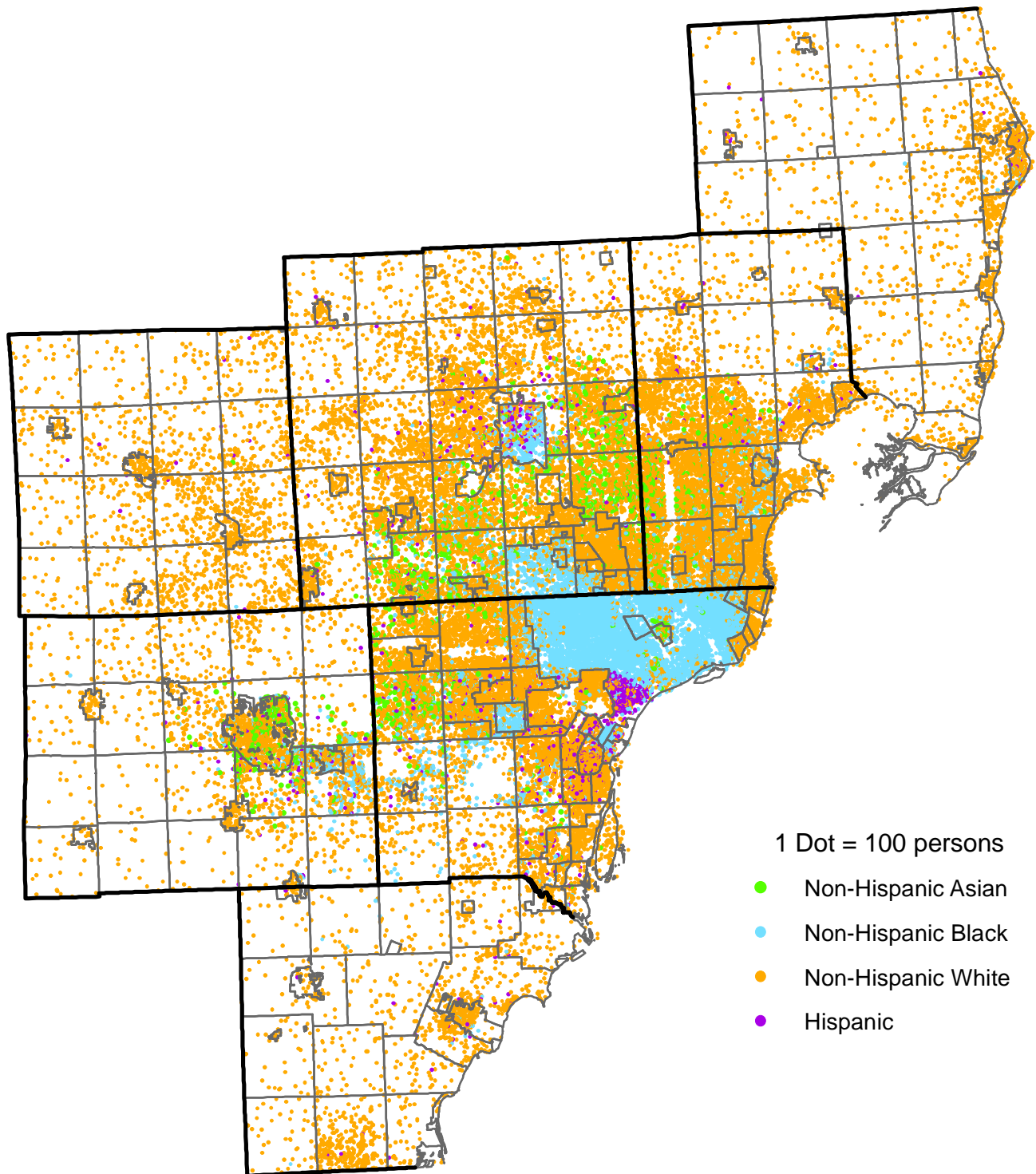**Population Demographics, City of Detroit, 1990-2010**

| | 1990 | 2000 | 2010 |
|---|---|---|---|
| Total Population | 1,027,974 | 951,270 | 713,777 |
| White | 21% | 11% | 8% |
| Black | 75% | 81% | 82% |
| Asian | 1% | 1% | 1% |
| Hispanic / Latino | 3% | 5% | 7% |
| Persons with disabilities | | 28% | 20% |
| Households with children under 18 | | 42% | 34% |
| Households with persons 65 & over | | 23% | 25% |

Source: SEMCOG

Figure 1 provides a geographic snapshot of the region's population based on race and ethnicity. This map shows that there are racial and ethnic concentrations of the region's population. Specifically, it shows that the region's Black population is largely concentrated in the City of Detroit and surrounding inner-ring communities. The region's Asian and Hispanic populations are less concentrated geographically. However, Southwest Detroit and central Oakland County (within and surrounding the City of Pontiac) do have pockets of Hispanic concentrations.
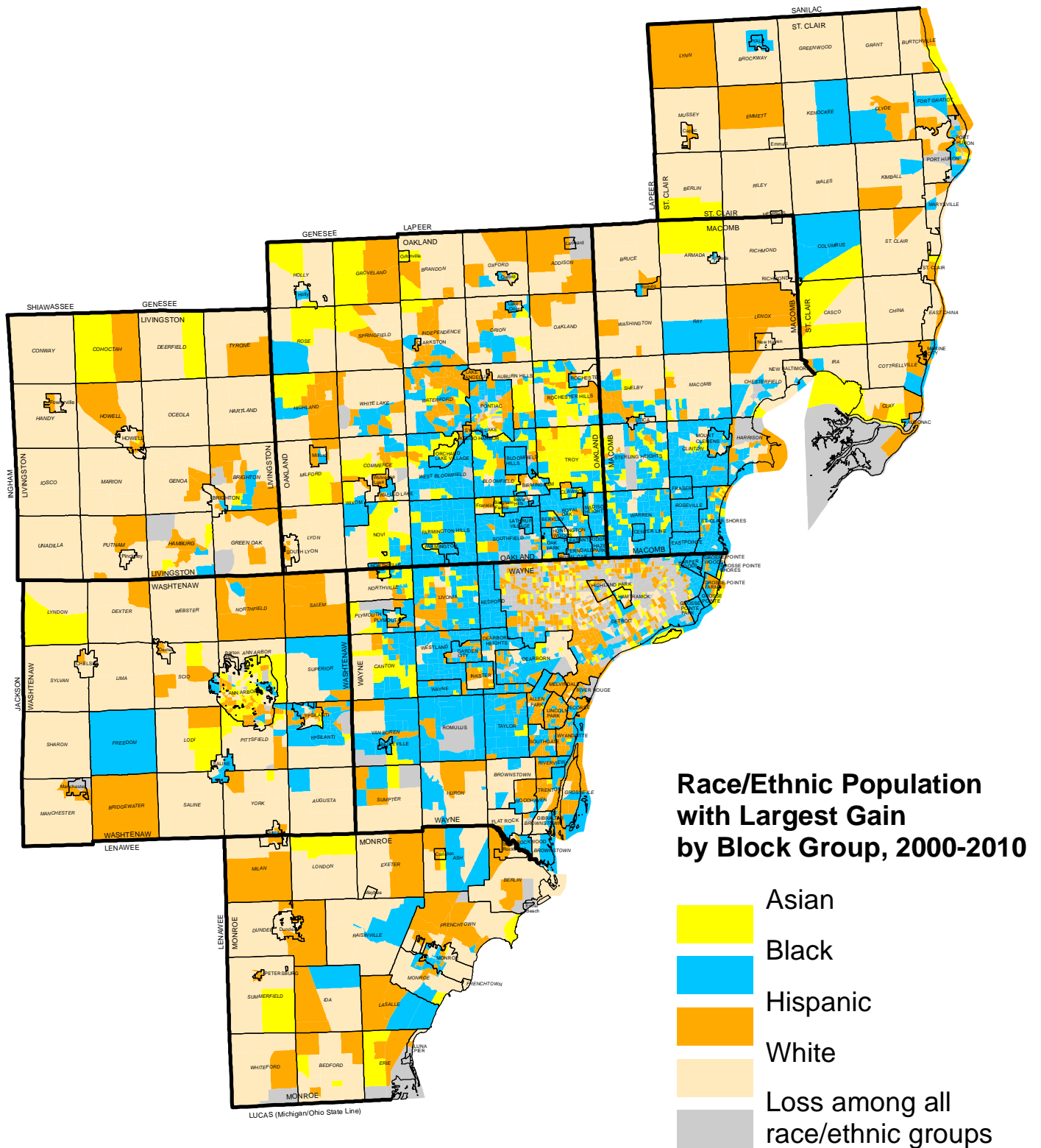
Despite these concentrations, our region is more diverse today than it has been in previous decades with minority populations making up the greatest population increases in many of our communities – especially in the inner-ring suburbs (Figure 2).

Figure 1
# Racial and Ethnic Concentrations, 2010
## Southeast Michigan



1 Dot = 100 persons

● Non-Hispanic Asian

● Non-Hispanic Black

● Non-Hispanic White

● Hispanic

Source: Census 2010

Figure 2
Racial Diversity, 2000-2010
Southeast Michigan



**Race/Ethnic Population
with Largest Gain
by Block Group, 2000-2010**

Asian

Black

Hispanic

White

Loss among all
race/ethnic groups

Source: SEMCOG, Census 2000 and 2010

# Part II: Anticipated Major Changes

### New Transit/Transportation Opportunities

There are several proposed transit and infrastructure projects expected in the region. These projects include:

- Commuter rail service from Ann Arbor to Detroit. This 30.53-mile commuter rail line travels through two counties and 12 communities.

- M1 (Woodward Avenue) Streetcar Project. This 3.3-mile streetcar line along Woodward Avenue between Downtown and the New Center area is in the City of Detroit. The project will serve 11 curbside stations for nearly the entire length of the route, transitioning to center-running at the north and south ends of the system. The project would support possible future extensions north of the project terminus, including future regional rapid transit.

- New International Trade Crossing between Detroit and Canada.

- Detroit Intermodal Freight Terminal improvements.

- I-94 reconstruction. This project will widen the freeway from three to four lanes, replace bridges, construct continuous service drives, and reconstruct the interchanges at I-75 and I-94, and M-10 and I-94. This project will run from I-96 to Conner Avenue in the City of Detroit.

- I-75 reconstruction. This project will widen the freeway from three to four lanes, reconstruct bridges, and construct new braided ramps from M-102 to M-59.

Each of these projects is expected to expand housing opportunities and connect workers with jobs without increasing commute time.

### New Workforce and Job Opportunities

Major infrastructure programs being planned for Southeast Michigan include rail service between Detroit and Ann Arbor, the M1 rail/bus rapid transit/streetcar, the New International Trade Crossing with Canada, and the planned freight terminal. These public and private investments impact the regional economy as well as communities in and around the investment sites. There are many jobs created from project development and construction as well as spin-off businesses resulting from the investment.

# Part III: Successes in Affirmatively Furthering Fair Housing

The Fair Housing Center of Metropolitan Detroit has worked cooperatively with local, state, and federal units of governments since it was organized in 1977.Over this time it has:

- Investigated over 6,000 complaints of unlawful housing discrimination.

- Conducted over 35 major housing testing surveys.

- Developed and conducted fair housing training and information programs reaching over 10,000 participants in over 150 units of governments, financial institutions, apartment rental, and real estate sales firms in the region.

In addition to the Fair Housing Center of Metropolitan Detroit, the Michigan Roundtable for Diversity and Inclusion has been actively working to address inequity throughout the region through a process of recognition, reconciliation/reorientation, and renewal. Since 1941, the Michigan Roundtable has been bringing together community leaders from government, law enforcement, education, faith, grass roots

organizations, and business to understand different points of view and then take action to overcome structural impediments to inclusion and equity.

In July 2008, the Kirwan Institute for the Study of Race and Ethnicity published the report, *Opportunity for All: Inequity, Linked Fate, and Social Justice in Detroit and Michigan.* This analysis and strategies included in this report were utilized in the drafting of this FHEA.

In 2011, SEMCOG wrote the region's first joint *Analysis of Impediments to Fair Housing Choice*, for the Cities of Westland and Livonia and the Charter Township of Redford.

# Segregation and Integration

In order to identify and assess racial/ethnic segregation and integration in Southeast Michigan, it is helpful to review and understand the region's *evenness* of the spatial distributions of different groups in a metropolitan region. Segregation is smallest when majority and minority populations are evenly distributed. The most widely used measure of evenness in determining a region's segregation or integration is the **dissimilarity index**.

Conceptually, a dissimilarity index measures the percentage of a group's population that would have to change residence for each neighborhood to have the same percentage of that group as the metropolitan area overall. The index ranges from 0.0 (complete integration) to 1.0 (complete segregation). A high value thus indicates that the two compared groups tend to live in different census tracts, or neighborhoods. For instance, a value of 0.60 or above is generally considered high segregation. In other words, if a region's White-Black dissimilarity index were 0.60, that would mean that 60 percent of White people would need to move to another neighborhood to make Whites and Blacks evenly distributed (integrated) across all neighborhoods.

Table 3 displays the SEMCOG seven-county region's dissimilarity index in 2010. White-Black dissimilarity in the region is 0.78, meaning that 78 percent of the White or Black population would have to relocate to integrate the region's neighborhoods. The region's dissimilarity index shows that the greatest segregation is between the White and Black population, while White and Hispanic segregation is the mildest at 0.51.

Table 3
**Dissimilarity Index for SEMCOG Region**

|  | Score |
|---|---|
| White-Non-White | 0.63 |
| White-Black | 0.78 |
| White-Hispanic | 0.51 |
| White-Asian | 0.56 |
| White-Native American | 0.66 |

Source: HUD, derived from ACS 2005-2009

Although the dissimilarity index values are high and certainly confirm that segregation exists in the region, when placed within a historical context it may be presumed that segregation is actually on the decline. Figure 3 displays the dissimilarity index for the Detroit-Warren-Livonia MSA (1980-2010). It should be noted that the Detroit-Warren-Livonia MSA consists of the six counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne, while the SEMCOG region consists of the seven counties of Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne. This graph shows that the White-Black dissimilarity index has significantly decreased over the last 30 years within the MSA. In 1980, the Black-White dissimilarity index was 0.87; in 2010, it was 0.74.

Figure 3
**Dissimilarity Index for Detroit-Warren-Livonia MSA (1980-2010)**
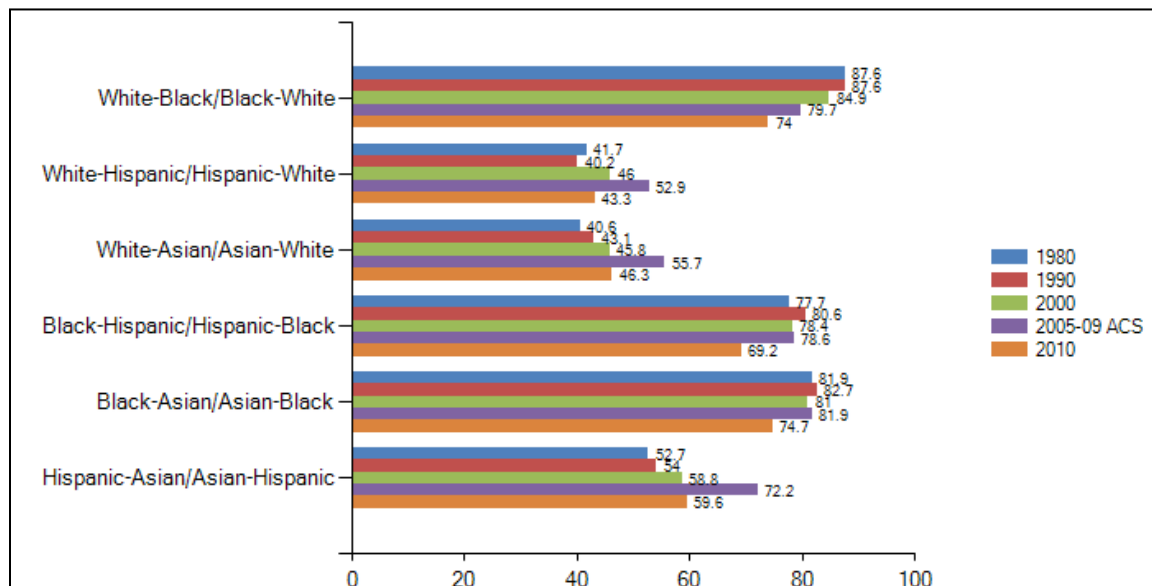


Source: Spatial Structures in the Social Sciences, U.S. Census Bureau

Of the nation's 100 largest metropolitan regions, the Detroit-Warren-Livonia MSA dissimilarity index value of 0.74 for White-Black persons in 2010 was the fourth highest. The three metropolitan regions with a higher White-Black dissimilarity index value were 1) Milwaukee-Waukesha-West Allis; 2) New York-Newark-Edison; and 3) Chicago-Naperville-Joliet. The Detroit-Warren-Livonia MSA's 43.3 White-Hispanic dissimilarity index value was 48th compared against the nation's 100 largest metropolitan regions.

Another method of analyzing segregation or integration is through the Predicted Racial/Ethnic Composition Ratio, which is the ratio between the predicted or expected racial composition of a community and the actual composition. The Predicted Racial/Ethnic Composition Ratio is intended to answer the following question – *Given the current household income for the jurisdiction, what would we expect the racial/ethnic composition to look like?* Scores closest to 1 (or 100%) indicate that the jurisdiction is close to its predicted level of minority composition or that the jurisdiction is close to representing a racial/ethnically integrated or diverse area. Scores far above 1 (or 100%) show that the composition is far greater than one would expect and thus segregation may exist, while scores far below 1 (or close to 0) show that the composition is far less than one would expect and thus segregation may exist.

Figure 4 provides the predicted racial/ethnic composition (comparing the actual percent non-white population with the predicted percent non-white population) for the region. This map shows that the vast majority of the region's suburban communities have an actual percent non-white population that is well below the predicted percent non-white population. This may suggest that racial segregation exists in these communities. Conversely, the City of Detroit and several neighboring communities have an actual percent non-white population that is well above the predicted percent.

Figure 4
**Predicted Racial Composition for Southeast Michigan**
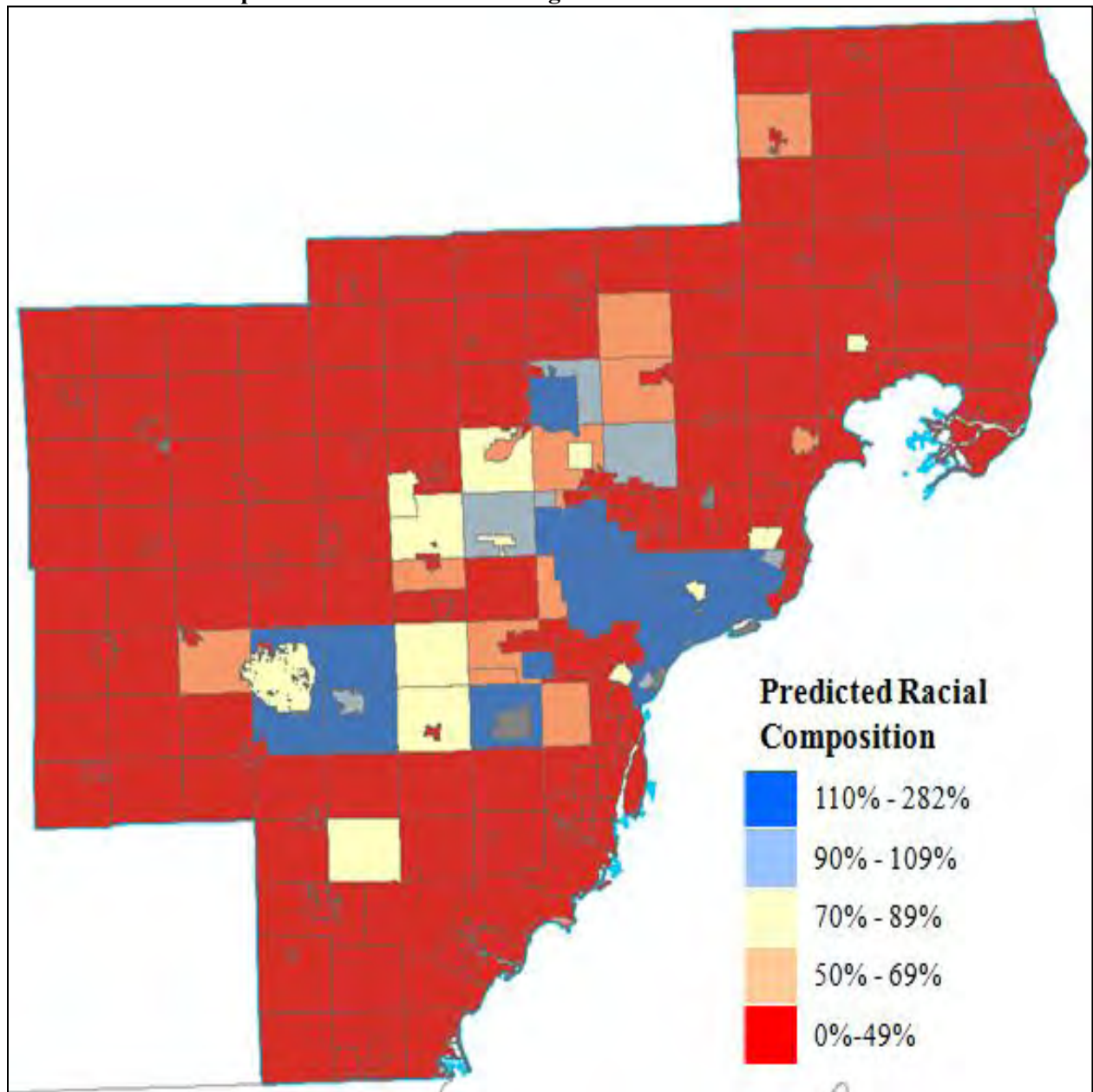


Source: HUD, ACS 2005-2009

Table 4 provides the predicted racial/ethnic composition for the City of Detroit and three other "sample" cities within the region. These four cities were chosen because they provide a good overview of how the predicted racial composition ratio is determined.

Table 4

**Predicted Racial Composition Index for Four Sample Communities in Southeast Michigan**

| City | | Actual Percentage | Predicted | Ratio Actual / Predicted |
|---|---|---|---|---|
| **Detroit** | | | | |
| *Non-White* | | **84.97%** | **33.36%** | **255%** |
| Black | | 76.97% | 26.41% | 291% |
| Hispanic / Latino | | 5.55% | 3.10% | 179% |
| Asian | | 1.17% | 2.46% | 48% |
| **Farmington Hills** | | | | |
| *Non-White* | | **24.09%** | **24.20%** | **100%** |
| Black | | 13.31% | 17.16% | 78% |
| Hispanic / Latino | | 1.18% | 2.51% | 47% |
| Asian | | 8.82% | 3.41% | 259% |
| **Ann Arbor** | | | | |
| *Non-White* | | **24.53%** | **28.25%** | **87%** |
| Black | | 6.81% | 21.18% | 32% |
| Hispanic / Latino | | 2.37% | 2.73% | 87% |
| Asian | | 13.15% | 3.11% | 423% |
| **Westland** | | | | |
| *Non-White* | | **15.25%** | **27.83%** | **55%** |
| Black | | 8.88% | 21.06% | 42% |
| Hispanic / Latino | | 2.22% | 2.85% | 78% |
| Asian | | 2.65% | 2.68% | 99% |

Source: SEMCOG, HUD

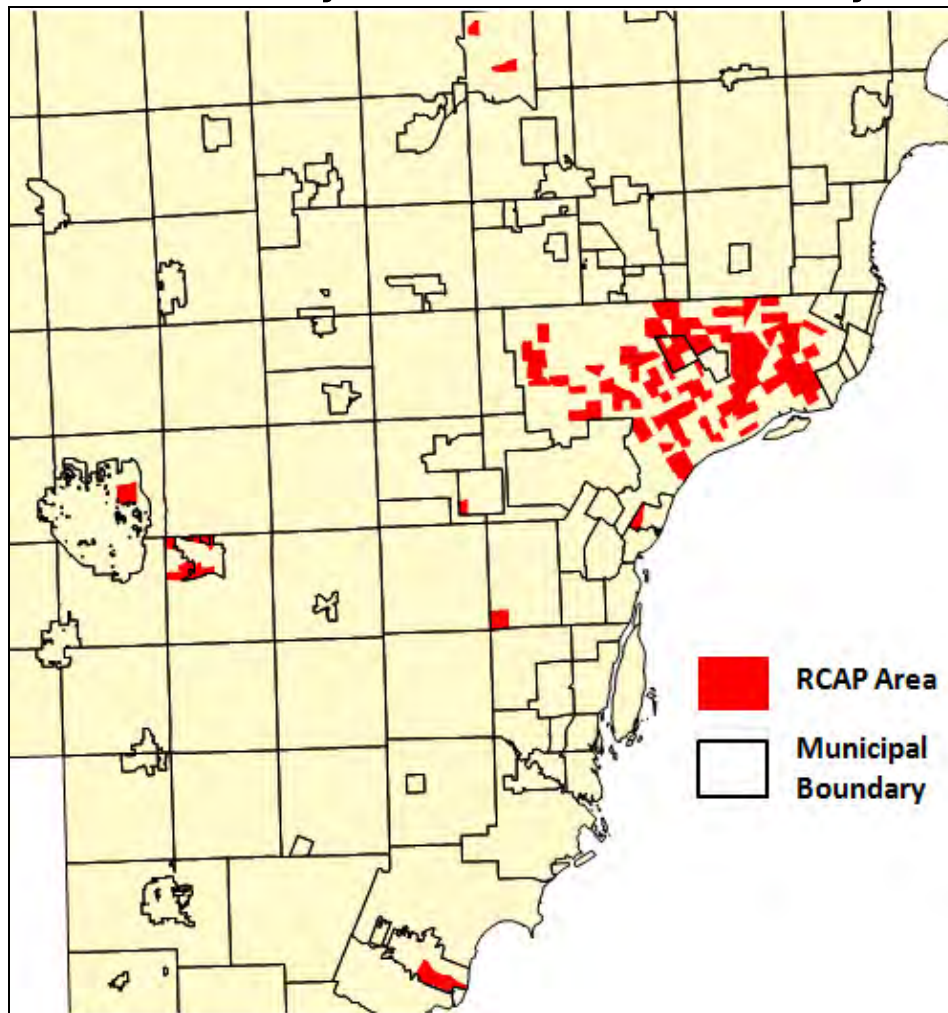# Racially Concentrated Areas of Poverty (RCAP)

Racially Concentrated Areas of Poverty (RCAP) are defined as census tracts that contain:

1. A family poverty rate greater or equal to 40 percent, or a family poverty rate greater or equal to 300 percent of the metro region's tract average (whichever is lower); and

2. A majority (greater than 50 percent) non-white population.

Since racial and ethnic segregation in effect also concentrates poverty because of income gaps, it is important for the region to both identify and understand its RCAP. Figure 5 displays the geographic location of RCAPs within Southeast Michigan. In total, there are 121 RCAPs within the region, with the cities of Detroit and Highland Park most concentrated. Combined, these two cities account for 91 percent of all RCAPs in the region.

Figure 5
**Location of Racially Concentrated Areas of Poverty in Southeast Michigan**



Source: HUD

Table 5 shows that 5.98 percent of the region's population lives in a racially concentrated area of poverty, and that Black and Hispanic persons are more acutely concentrated within these areas than other minorities. Twenty-two percent of all Black residents within the region live in a RCAP, while 11.5 percent of all Hispanic residents live in a RCAP.

Table 5
## Racially Concentrated Areas of Poverty for Southeast Michigan

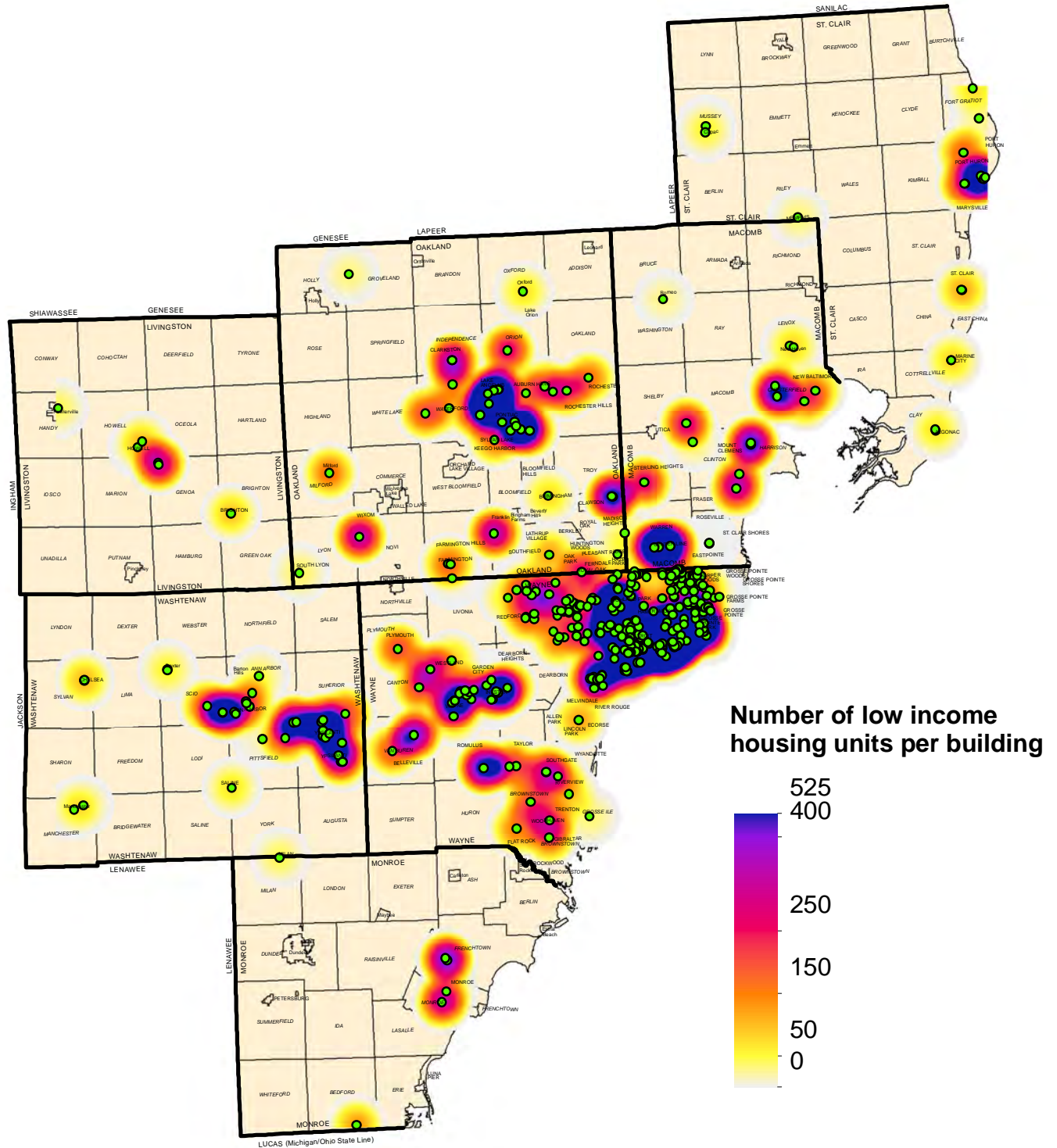| SEMCOG Region | | | |
|---|---|---|---|
| | | Count | Percent |
| Total Census Tracts | | 1,711 | 100% |
| RCAP Tracts | | 121 | 7% |
| Non-RCAP Tracts | | 1,590 | 93% |
| | | | |
| **Population in RCAP Tracts** | | | |
| | | Count | Percent |
| Total Population | | 290,727 | 5.98% |
| Black | | 226,109 | 22.61% |
| Hispanic | | 20,103 | 11.52% |
| Asian | | 7,303 | 4.29% |
| Native American | | 639 | 5.40% |

Source: HUD

While Figure 5 shows that there are roughly four general areas within the region that contain RCAPs, it does not show how these areas align with racial concentrations, location of public housing, or location of Low Income Housing Tax Credit (LIHTC) housing. Additionally, while Table 5 provides the total regional numbers of population by race located in RCAPs, it does not distinguish where geographically these areas are located.

Figure 6 provides the location and concentration of LIHTC units in the region, with each green dot representing the geographic location of an LIHTC building and heat density (light yellow to dark blue) displaying the total number of LIHTC units within each building. Comparing Figure 5 and Figure 6, it is clear that there is a correlation between the location of RCAPs and the location and concentration of LIHTC housing.
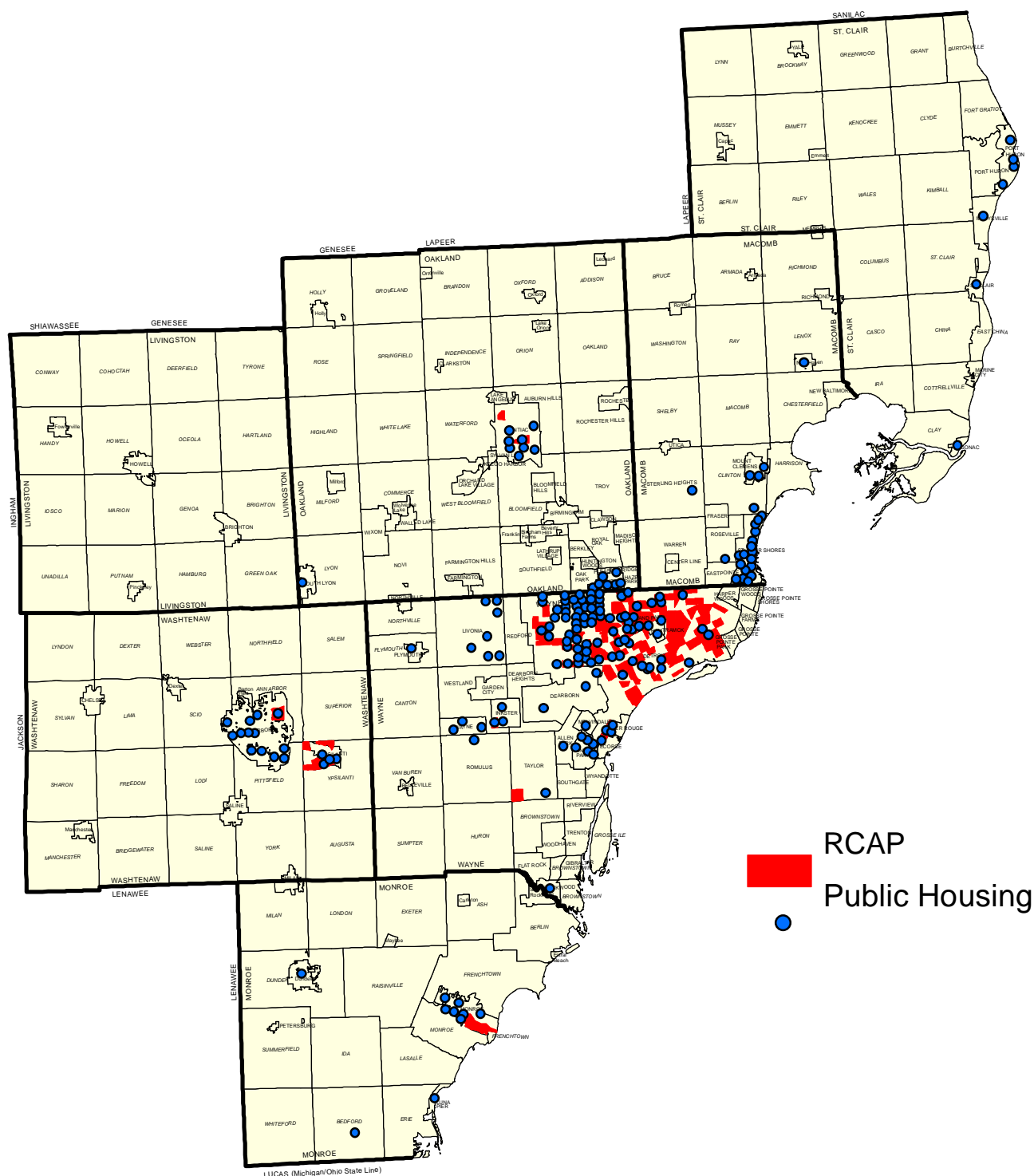
Figure 7 displays the location of RCAPs, overlaid with the location of public housing in the region. As with the location of LIHTC housing, there appears to be a correlation between the location of public housing and RCAPs. While each identified RCAP in the region contains or borders a public housing building or unit, there is an anomaly that needs to be addressed. The HUD-provided public housing location data includes both multi-unit apartments/complexes and scattered site housing. The dot-locations in Figure 7 do not distinguish between a 200+ unit public housing apartment and a single-unit scattered site home. Because of this uneven weighing of "dots," some communities appear to have a high concentration and number of public housing while, in actuality, they may have comparatively few total units, but since they are individual addresses "scattered" throughout the community, concentration appears to be high.

Figure 6
Location of Low Income Housing Tax Creidt (LIHTC) Units
Southeast Michigan



**Number of low income housing units per building**

525
400

250

150

50

0

Source: SEMCOG, HUD

14 - Fair Housing and Equity Assessment (FHEA) for Southeast Michigan

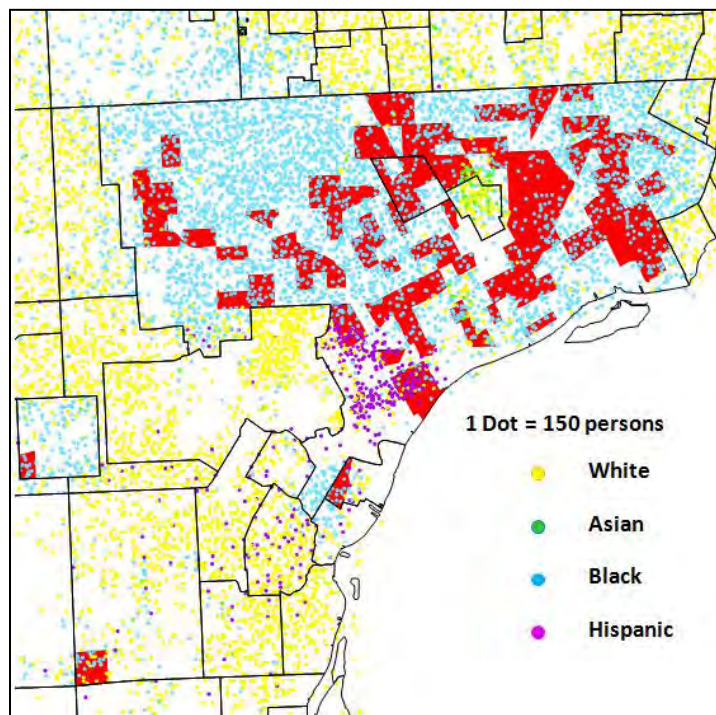Figure 7
RCAPS and Public Housing Locations
Southeast Michigan



RCAP

Public Housing

Source: SEMCOG, HUD

To get a better idea of how the region's RCAPs align with racial concentrations, location of public housing, or location of Low Income Housing Tax Credit (LIHTC) housing, it is helpful to divide the region into four general subareas in which RCAPs are located – Detroit, Ann Arbor/Ypsilanti, Pontiac, and Monroe.

Figure 8 displays the location of race/ethnicity and the identified RCAPs in the Detroit subarea. Within the City of Detroit, there does not appear to be a direct correlation between race and RCAPs. The RCAPs within the city do, however, appear to be areas that are less populated on average than areas without RCAPs. Southwest Detroit contains a high concentration of Hispanic persons, but there doesn't appear to be any higher concentration within the RCAPs. The cities of River Rouge, Inkster, and Taylor each contain one RCAP. In each city, there appears to be a correlation between the location of the RCAP and the concentration of Black persons.

Figure 8
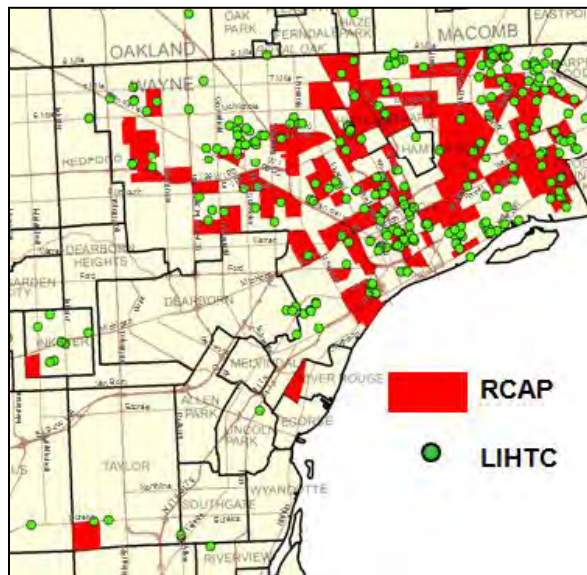**Detroit Subarea: Location of RCAPs and Race/Ethnicity**



Source: SEMCOG, HUD

Figure 9 displays the location of Low Income Housing Tax Credit (LIHTC) units relative to the RCAPs within the Detroit subarea. Within the City of Detroit there does not appear to be a concentration of LIHTC units within the RCAPs. It should be noted that regionally there is a concentration of LIHTC units within the City of Detroit. However these units are not specifically concentrated within City's RCAPs. There is no LIHTC housing within the City of River Rouge. Both the City of Taylor and City of Inkster have LIHTC units adjacently located to RCAPs. However, these LIHTC units do not appear to be specifically aligned with either city's RCAPs.

Figure 9
## Detroit Subarea: Location of RCAPs and Low Income Housing (LIHTC)
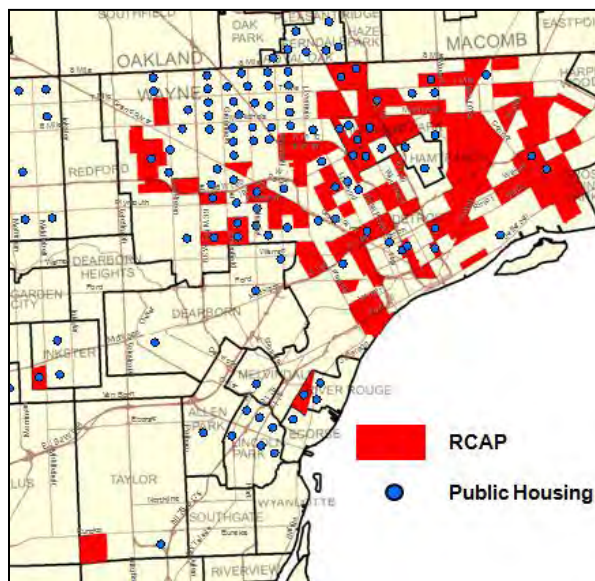


Source: SEMCOG, HUD


Figure 10 displays the location of public housing units relative to the RCAPs within the Detroit subarea. Like the location of LIHTC units, public housing is concentrated within the City of Detroit. However, this concentration does not align with the location of RCAPs within the city. Both the cities of River Rouge and Inkster have public housing within their RCAPs, but there does not appear to be a concentration. There are no public housing units within the City of Taylor's RCAP.

Figure 10
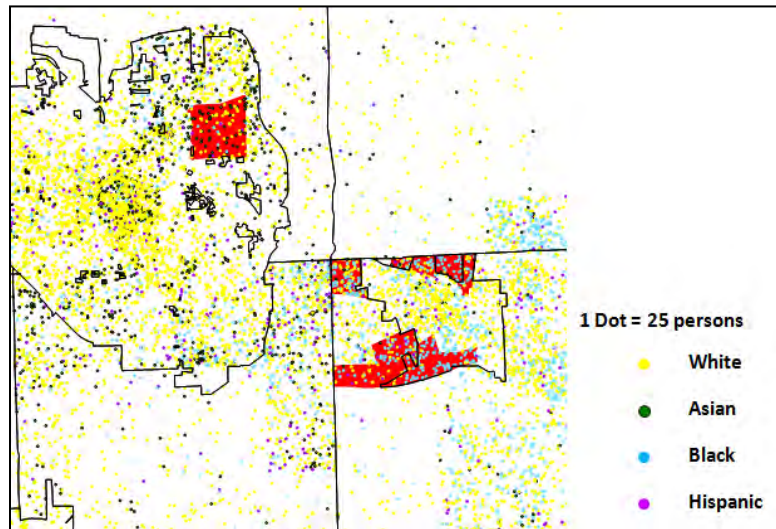## Detroit Subarea: Location of RCAPs and Public Housing



Source: SEMCOG, HUD

Figure 11 displays the location of race/ethnicity and the identified RCAPs in the Ann Arbor/Ypsilanti subarea. RCAPs within this subarea are contained within three communities – the cities of Ann Arbor and Ypsilanti, and Ypsilanti Township. The racial and ethnic make-up of the RCAP within the City of Ann Arbor appears to be diverse and comparative to other census tracts within the city. The RCAPs within the City of Ypsilanti and Ypsilanti Township appear to have concentrations of Black persons.

Figure 11
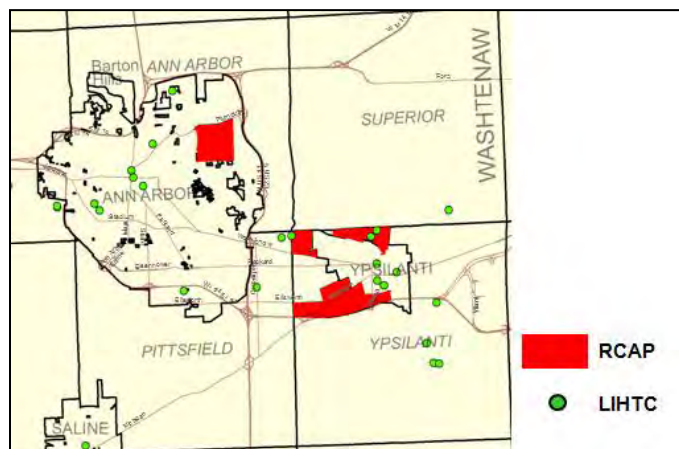**Ann Arbor/Ypsilanti Subarea: Location of RCAPs and Race/Ethnicity**



Source: SEMCOG, HUD

Figure 12 displays the location of RCAPs and LIHTC units in the Ann Arbor/Ypsilanti subarea. All three identified communities with existing RCAPs have LIHTC units, but the location of these units does not necessarily align with the location of the RCAPs.

Figure 12
**Ann Arbor/Ypsilanti Subarea: Location of RCAPs and Low Income Housing (LIHTC)**
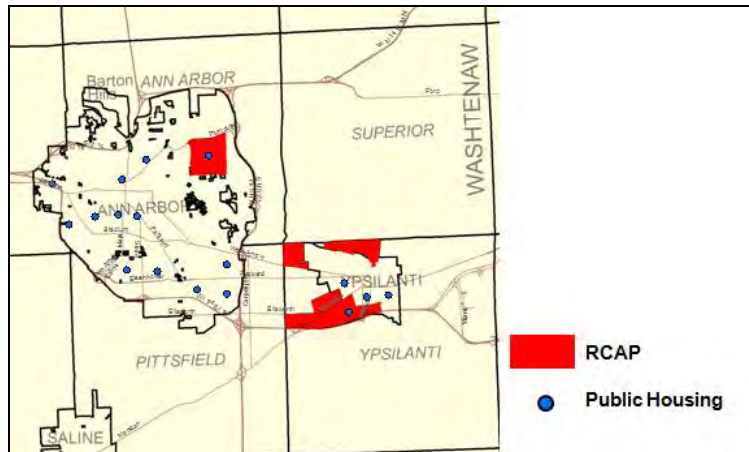


Source: SEMCOG, HUD

Figure 13 provides the geographic location of public housing within the subarea. Public housing locations within the cities of Ann Arbor and Ypsilanti are both within and beyond the RCAPs. Ypsilanti Township does not have low-income public housing.

Figure 13
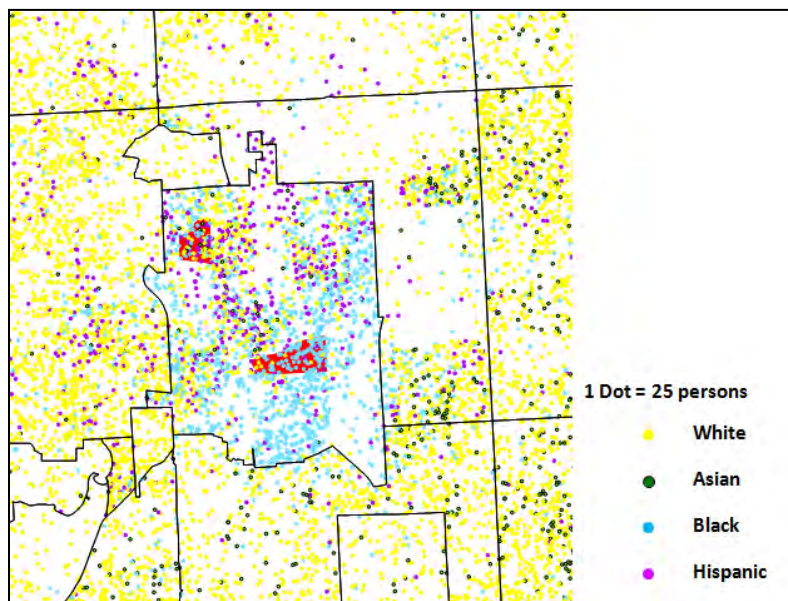**Ann Arbor/Ypsilanti Subarea: Location of RCAPs and Public Housing**



Source: SEMCOG, HUD

Figure 14 displays the location of race/ethnicity and the identified RCAPs in the Pontiac Subarea. The two identified RCAPs within the Pontiac subarea are located in the City of Pontiac.

Figure 14
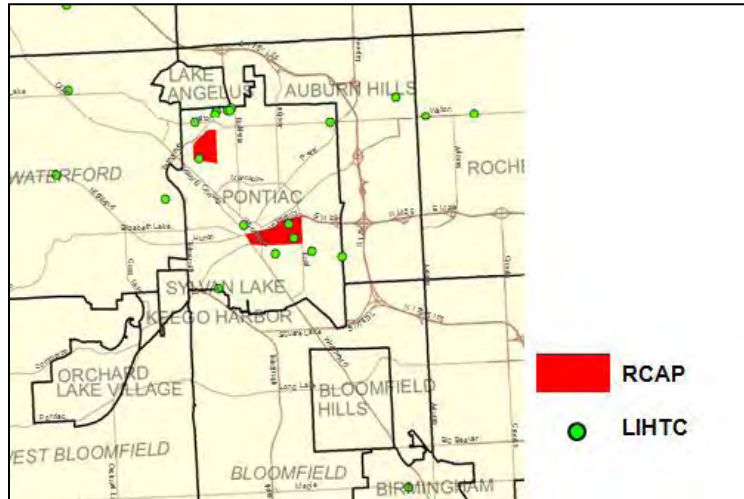**Pontiac Sub-area: Location of RCAPs and Race/Ethnicity**



Source: SEMCOG, HUD

Figure 15 displays the location of LIHTC units within the subarea's RCAPs. Both of the RCAPs within the Pontiac subarea contain LIHTC units.

Figure 15
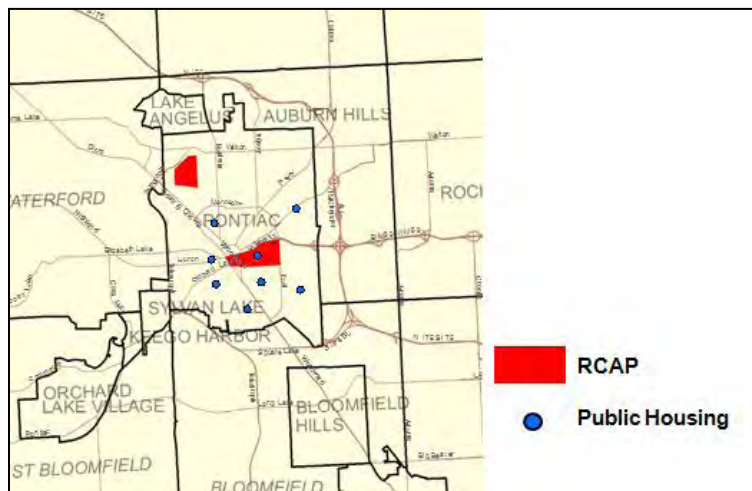**Pontiac Subarea: Location of RCAPs and Low Income Housing (LIHTC)**



Source: SEMCOG, HUD

Figure 16 provides the geographic location of public housing within the subarea. Public housing locations are within and adjacent to the central RCAP within the City of Pontiac, while the northwest RCAP does not contain any public housing locations.

Figure 16
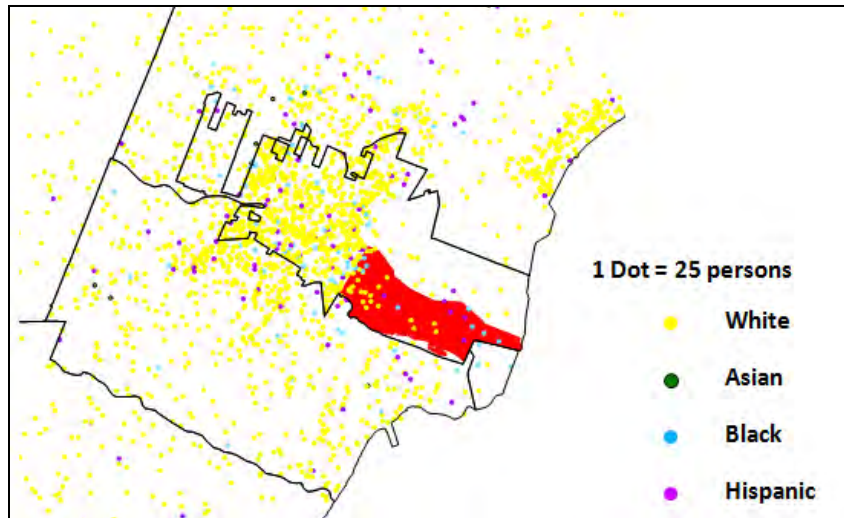**Pontiac Subarea: Location of RCAPs and Public Housing**



Source: SEMCOG, HUD

Figure 17 displays the location of race/ethnicity and the identified RCAPs in the Monroe subarea. Within the Monroe subarea there is one RCAP located in the southwest corner of the City of Monroe. Race and ethnicity within the RCAP is primarily Black and Hispanic, especially on its eastside.

Figure 17
**Monroe Subarea: Location of RCAPs and Race/Ethnicity**
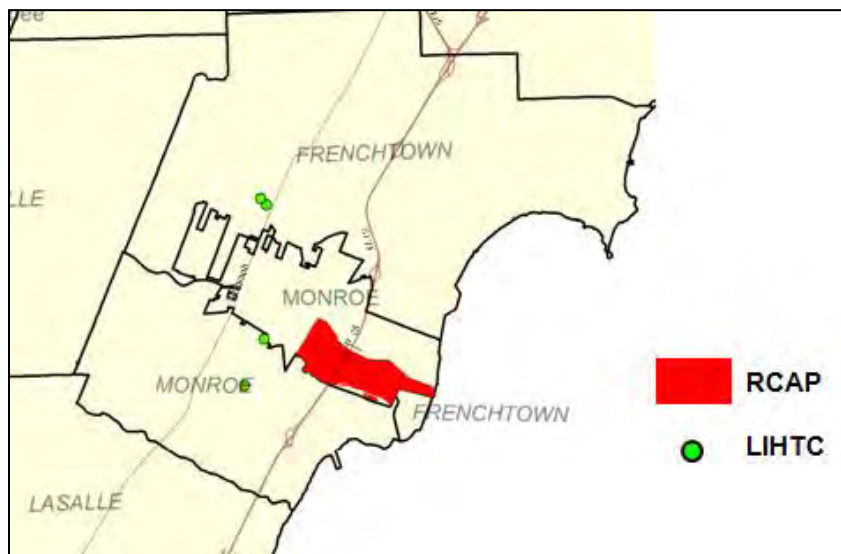


Source: SEMCOG, HUD


Figure 18 shows that there are no LIHTC units within the subarea's RCAP.

Figure 18
**Monroe Subarea: Location of RCAPs and Low Income Housing (LIHTC)**
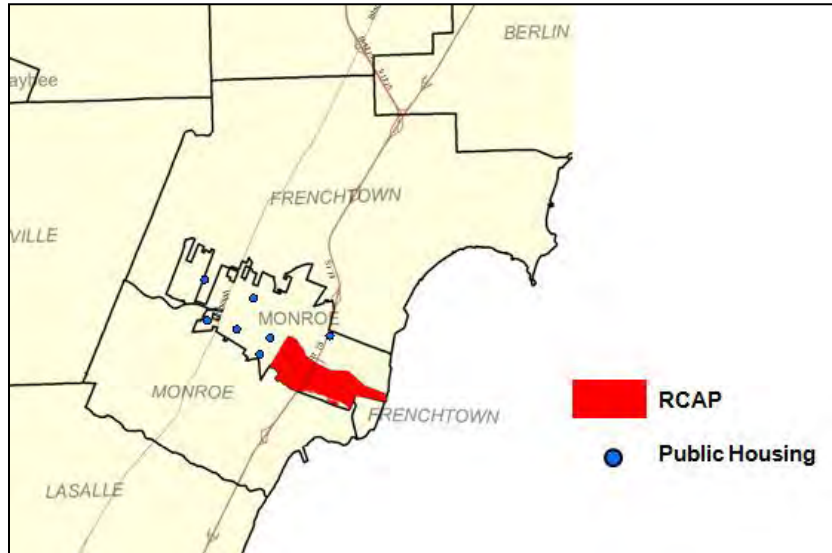


Source: SEMCOG, HUD

Figure 19 shows that while the City of Monroe provides public housing, none are located within the RCAP.

Figure 19
**Monroe Subarea: Location of RCAPs and Public Housing**



Source: SEMCOG, HUD

# Disparities in Access to Opportunity

Housing provides more than just shelter. Housing is a primary conduit to accessing opportunity and building wealth and economic stability. Housing location is critical in determining access to education, employment, childcare, health care, or in determining the likelihood of developing assets/wealth through home equity. Housing can be either an impediment or a conduit to opportunity depending on its location. In other words, neighborhoods powerfully shape residents' access to social, political, and economic opportunities and resources.

HUD has developed a two-stage process for analyzing opportunity. The first stage involves quantifying the degree to which a neighborhood offers opportunity, with metrics developed that rank each neighborhood relative to others in the region. In the second stage, HUD combines these neighborhood rankings with data on where people in particular subgroups live to develop a summary measure of that group's general access to opportunity. This summary measure can then be compared across subgroups to establish disparities in access to opportunity.

Recognizing that "opportunity" is a multi-dimensional notion, HUD has developed methods to quantify a selected number of important stressors and assets that influence the ability of a person or family to access and capitalize on opportunity. HUD has selected five specific dimensions upon which opportunity can be measured:

- School proficiency,
- Poverty,
- Labor market engagement,
- Housing / neighborhood stability, and
- Job access.

Table 6 provides the variables and sources that were used to determine each "opportunity dimension."

Table 6
## Opportunity Dimensions: Variables and Sources

| Opportunity Dimension | Variables | Source |
|---|---|---|
| **School Proficiency** | - School Math Proficiency / State Math Proficiency<br>- School Reading Proficiency / State Reading Proficiency | - Dept. of Education<br><br>- Dept. of Education |
| **Poverty** | - Family Poverty Rate<br>- Percent Households Receiving Public Assistance | - ACS 2005-2009<br>- ACS 2005-2009 |
| **Labor Market Engagement** | - Unemployment Rate<br>- Labor Force Participation Rate<br>- Percent of population with a bachelor degree or higher | - ACS 2005-2009<br>- ACS 2005-2009<br>- ACS 2005-2009 |
| **Housing/N'hood Stability** | - Homeownership Rate<br>- Percent Loans Low-Cost (Re-Fi)<br>- Percent Loans Low-Cost (New Purchases)<br>- Percent Vacant<br>- Percent Crowded | - ACS 2005-2009<br>- HMDA, 2009<br>- HMDA, 2009<br><br>- ACS 2005-2009<br>- ACS 2005-2009 |
| **Job Access** | - Tract Level Job Counts<br>- Tract-level Job Worker Counts<br>- Origin-Destination Flows<br>- Aggregate Commute Time<br>- Average Commute Time by Mode | - LEHD, 2009<br>- LEHD, 2009<br>- LEHD, 2009<br>- ACS 2005-2009<br>- CTPP 2000 |

Source: HUD

Table 7 provides an overview of all five dimensions selected by HUD as well as a cumulative "Access to Opportunity" dimension that combines all five dimensions into one composite. These six total dimensions are then aligned with eight demographic groups:

- All persons,
- Poor families,
- Persons in voucher households,
- Persons in public housing (PH),
- White persons,
- Black persons,
- Hispanic persons, and
- Asian persons.

The provided values for each dimension, by demographic group, are calculated on a scale of 1 to 10, with 10 representing the "most opportunity rich." Displayed in the "All persons" column, the region's access hovers between 5 and 6, which can be used as benchmarks for each dimension. Table 7 shows the average

neighborhood value for each of the eight demographic subgroups. The way these indices are constructed, the average value should be around 5. The values can be loosely interpreted as percentile values.

For example, according to the "School proficiency index" dimension, the region scores 5.92. However, this value will either increase or decrease depending upon the selected demographic subgroup. Poor families, voucher households, persons in public housing, Black persons, and Hispanic persons score below the regional "average" or "benchmark," while White and Asian persons score above. Another way of looking at this data is in percentile values. For example, the average Black person in the region lives in a neighborhood with a school in the 25th percentile in terms of test scores, while the average White person is likely to live in a neighborhood with a neighborhood school in the 70th percentile.

The logical next question that needs to be asked is – why are certain demographic groups (i.e., racial, ethnic, income level) less likely to meet the regional "benchmark," while other groups are more likely to exceed the "benchmark." As mentioned, in Table 7 each of the five dimensions are combined together to display one composite "Access to opportunity" dimension, displayed in the highlighted area in the table.

Table 7
## Disparities in Access to Opportunity in Southeast Michigan

| Dimension | All Persons | Poor Families | Persons in Voucher households | Persons in PH | White Persons | Black Persons | Hispanic Persons | Asian Persons | Disparities Black-White Disparity | Hispanic-White Disparity | Asian-White Disparity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| School Proficiency Index | 5.92 | 3.75 | 3.32 | 3.49 | 7.00 | 2.52 | 4.34 | 7.25 | 4.48 | 2.66 | -0.25 |
| Poverty Index | 5.48 | 3.22 | 3.39 | 2.49 | 6.28 | 3.04 | 4.20 | 6.21 | 3.24 | 2.08 | 0.07 |
| Labor Market Engagement Index | 5.73 | 3.75 | 3.85 | 2.88 | 6.49 | 3.28 | 4.47 | 7.20 | 3.21 | 2.02 | -0.71 |
| Housing / N'hood Stability Index | 5.63 | 3.63 | 3.53 | 2.93 | 6.55 | 2.83 | 4.17 | 6.41 | 3.72 | 2.38 | 0.14 |
| Job Accessibility Index | 5.39 | 5.20 | 5.58 | 5.93 | 5.49 | 4.84 | 5.90 | 6.25 | 0.65 | -0.41 | -0.76 |
| Access to Opportunity | 5.51 | 3.37 | 3.28 | 2.97 | 6.40 | 2.67 | 4.15 | 6.89 | 3.73 | 2.25 | -0.49 |
| Demographic Shares of Total Population | | | | | 69.5% | 20.6% | 3.6% | 3.5% | | | |

Source: HUD

The "Disparities" section in Table 7 specifically analyzes the racial disparities in access, comparing the access to opportunity for White persons against Black persons, Hispanic persons, and Asian persons. As displayed, the disparity in Access to Opportunity between Black persons and White persons is 3.73; between Hispanic persons and White persons, it is 2.25; and between Asian persons and White persons, it is -0.49. This shows that the region's Black population is the least likely to live in a neighborhood where they can easily access opportunity, followed by Hispanic persons; Asian persons have equal or greater access to opportunity as White persons.

Table 8
**Disparities in Access to Opportunity for the Poor in Southeast Michigan**

| Dimension | Poor Families | Poor White | Poor Black | Poor Hispanic | Poor Asian | Disparities | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | | | | | Black-White Disparity | Hispanic-White Disparity | Asian-White Disparity |
| School Proficiency Index | 3.75 | 5.76 | 2.03 | 3.25 | 5.62 | 3.73 | 2.51 | 0.14 |
| Poverty Index | 3.22 | 4.66 | 2.16 | 3.06 | 3.83 | 2.50 | 1.60 | 0.83 |
| Labor Market Engagement Index | 3.75 | 5.15 | 2.43 | 3.57 | 5.24 | 2.73 | 1.59 | -0.09 |
| Housing / N'hood Stability Index | 3.63 | 5.14 | 2.31 | 3.14 | 4.58 | 2.83 | 1.99 | 0.56 |
| Job Accessibility Index | 5.20 | 6.02 | 4.50 | 5.94 | 6.39 | 1.51 | 0.08 | -0.37 |
| Access to Opportunity | 3.37 | 5.03 | 2.00 | 3.10 | 4.94 | 3.03 | 1.93 | 0.09 |

Source: HUD


The analysis in Table 7 does not account for economics as a possible explanation for racial or ethnic disparities. To account for this, Table 8 focuses just on persons in poverty, to assess whether the disparities are persistent across groups even when considering socio-economic status.

The values are overall lower in Table 8 than they are in Table 7, indicating that persons in poverty are generally living in less opportunity-rich neighborhoods. It should be noted that the major disparities between White and Black persons and between White and Hispanic persons are persistent even after controlling for economics. For example, poor Black persons are in neighborhoods in the 20th percentile in terms of school proficiency, compared to poor White persons who are in the 57th percentile in terms of neighborhood school proficiency.

While slightly declined, the disparities between race and ethnicity in Table 8 carry through from Table 7. In both tables, disparities in school proficiency were the greatest regardless of race, ethnicity, or economics, while the disparities in job accessibility were the lowest.

The following five figures geographically display the areas within the region that are "High Opportunity areas" and those that are "Low Opportunity areas" for each identified dimension. Figure 25 provides the composite of Figures 20-24 in determining the geographic location of areas of high and low opportunity.

Figure 20
# Access to Opportunity, School Proficiency
Southeast Michigan



Very Low
Low
Moderate
High
Very High
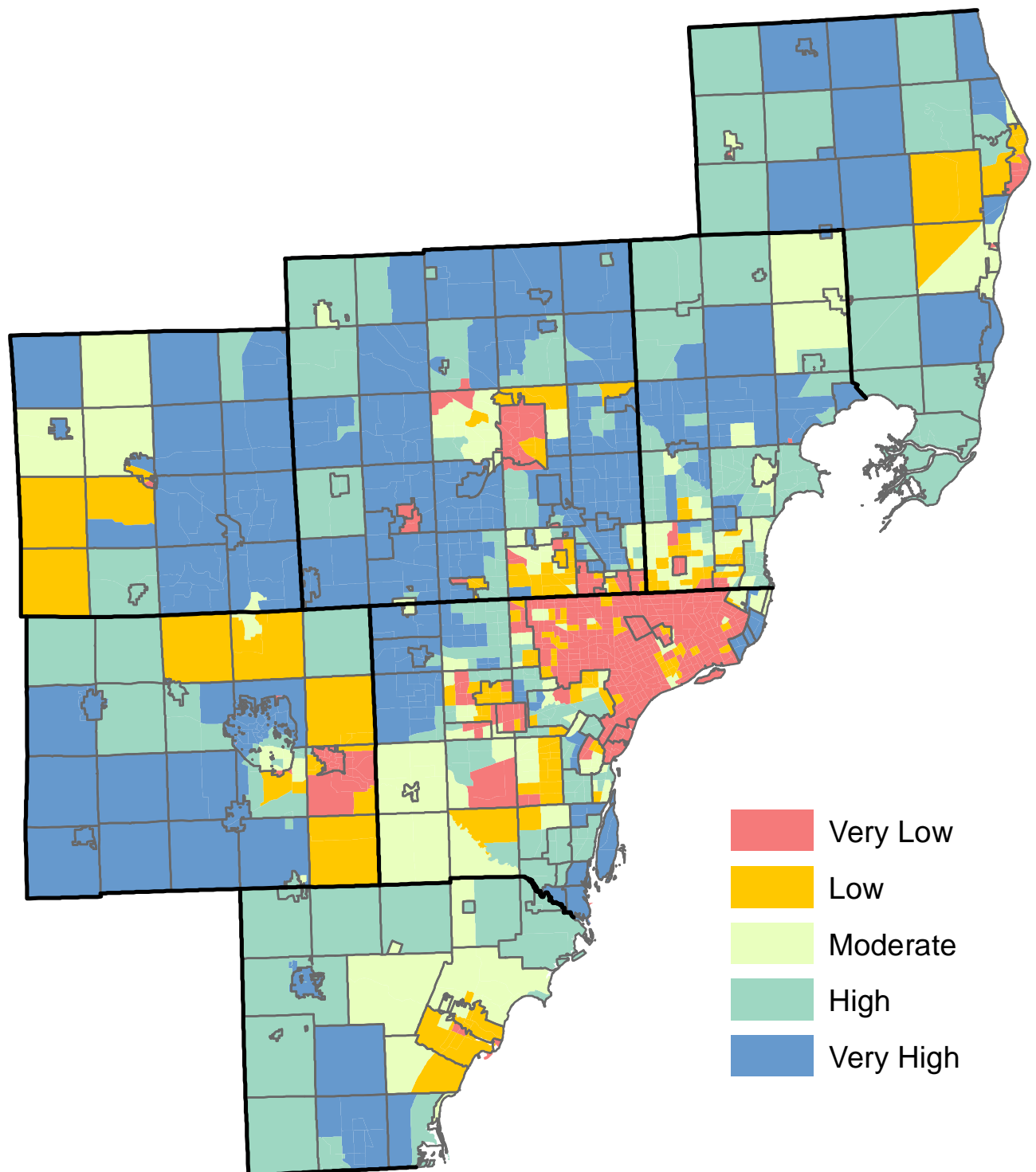
Source: HUD, USDOE 2009

Figure 21
## Access to Opportunity, Poverty Index
Southeast Michigan

Very High

High

Moderate

Low

Very Low
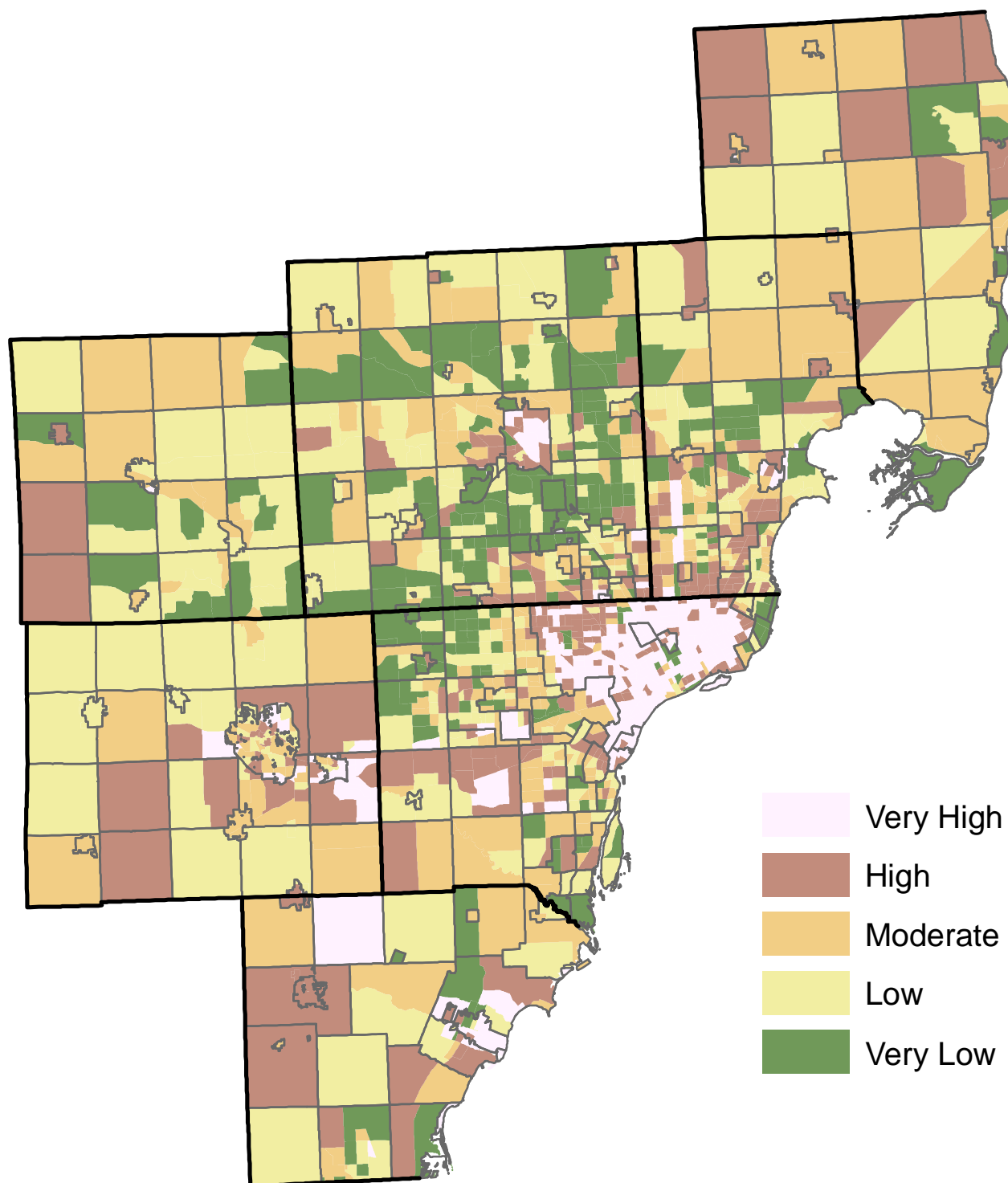
Source: HUD, ACS 2005-2009

Figure 22
# Access to Opportunity, Labor Engagement
## Southeast Michigan



**Very Low**

**Low**

**Moderate**

**High**

**Very High**
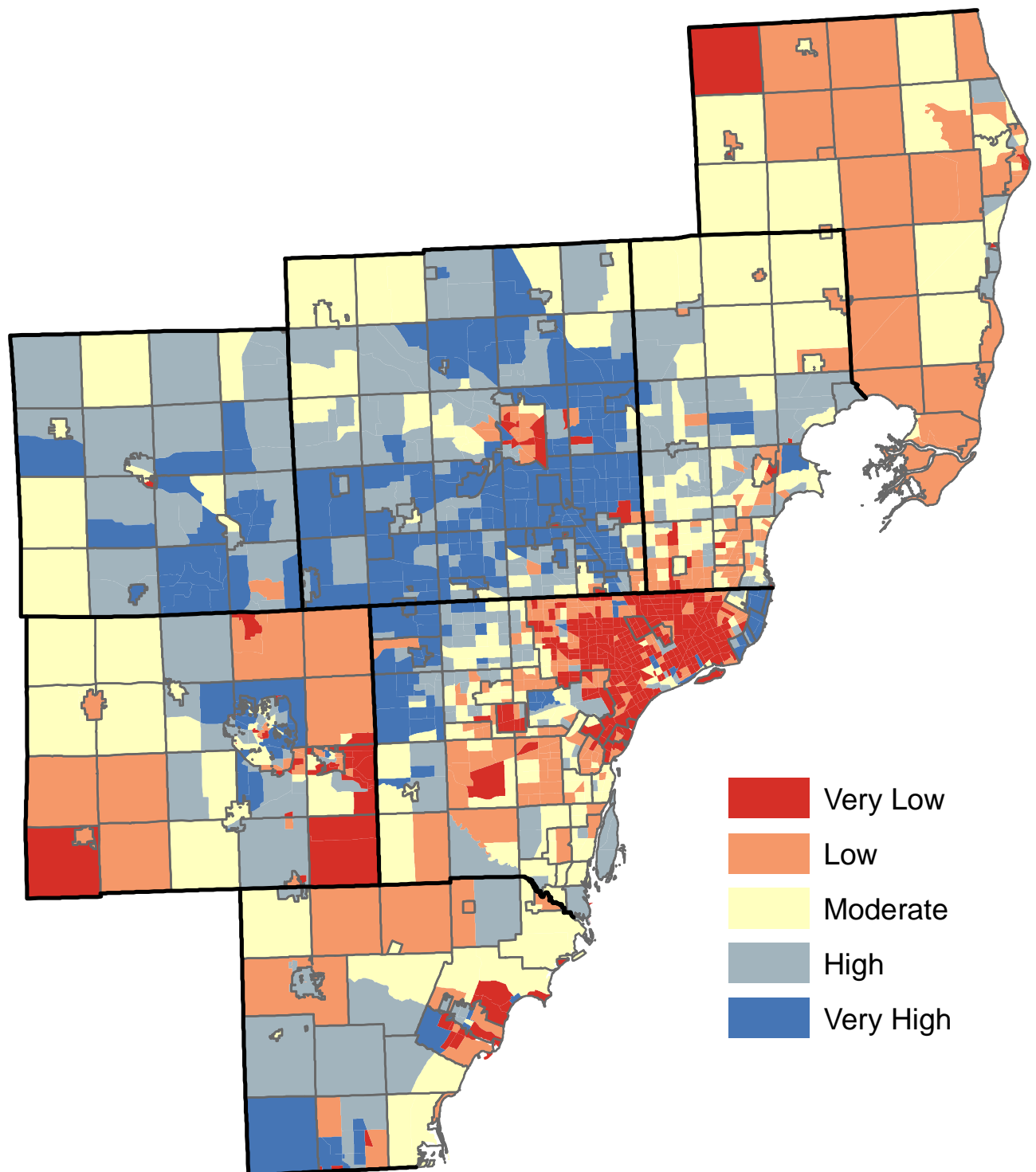
Source: HUD, ACS 2005-2009

Figure 23
# Access to Opportunity, Neighborhood Stability
## Southeast Michigan



**Legend:**
- Very Low
- Low
- Moderate
- High
- Very High
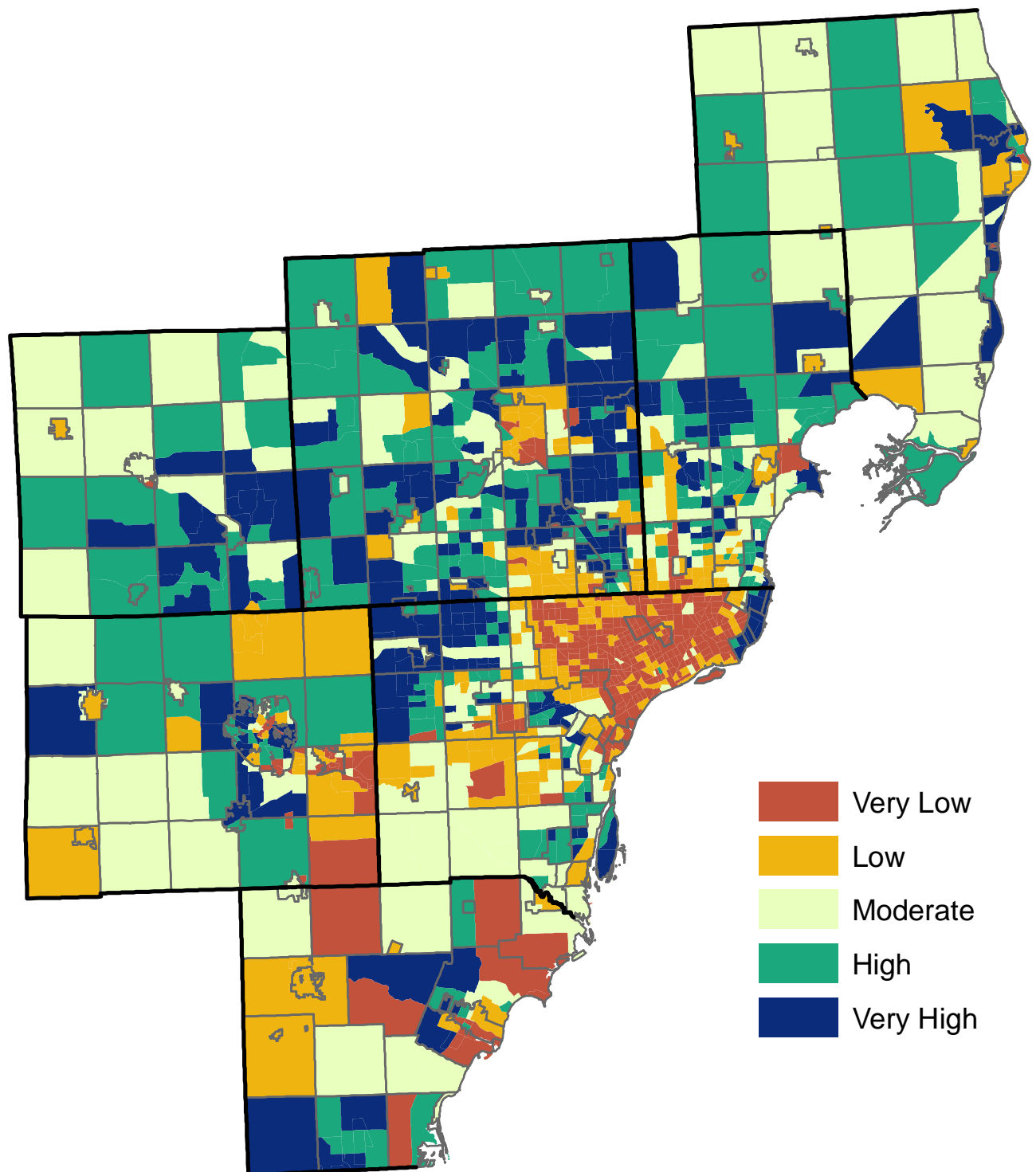
Source: HUD, ACS 2005-2009, HMDA 2007-2009

Figure 24
# Access to Opportunity, Accessibility to Jobs
## Southeast Michigan



Very Low
Low
Moderate
High
Very High
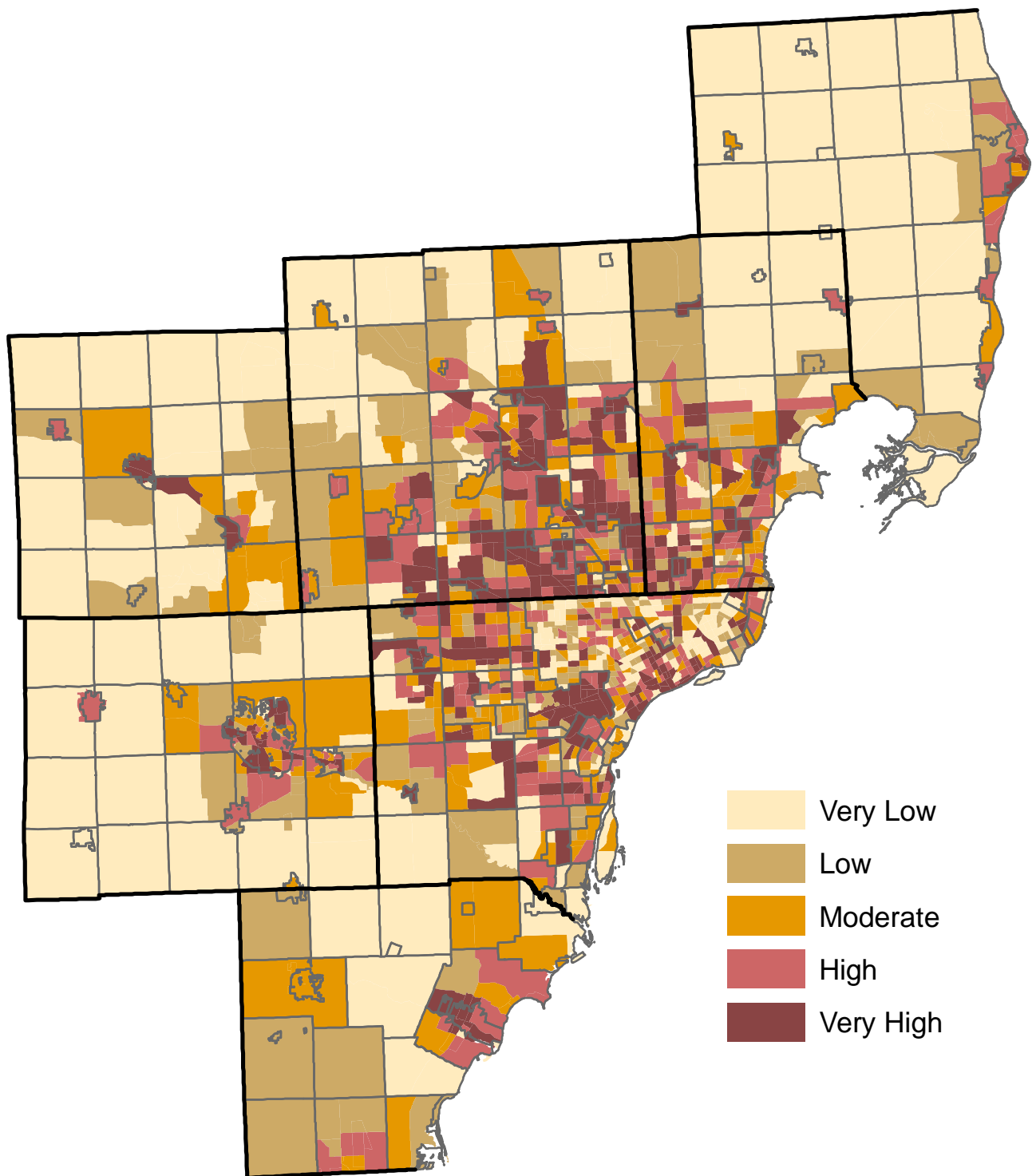
Source: HUD, CTPP 2000, LED 2009

Figure 25

# Access to Opportunity, Opportunity Index
Southeast Michigan



Very Low
Low
Moderate
High
Very High

Source: HUD

Through the Access to Opportunity mapping analysis provided in Figures 20-25, an evaluation of the region's best and most challenged neighborhoods can be measured. In general, opportunity areas are likely to have:

- Access to better than average schools,

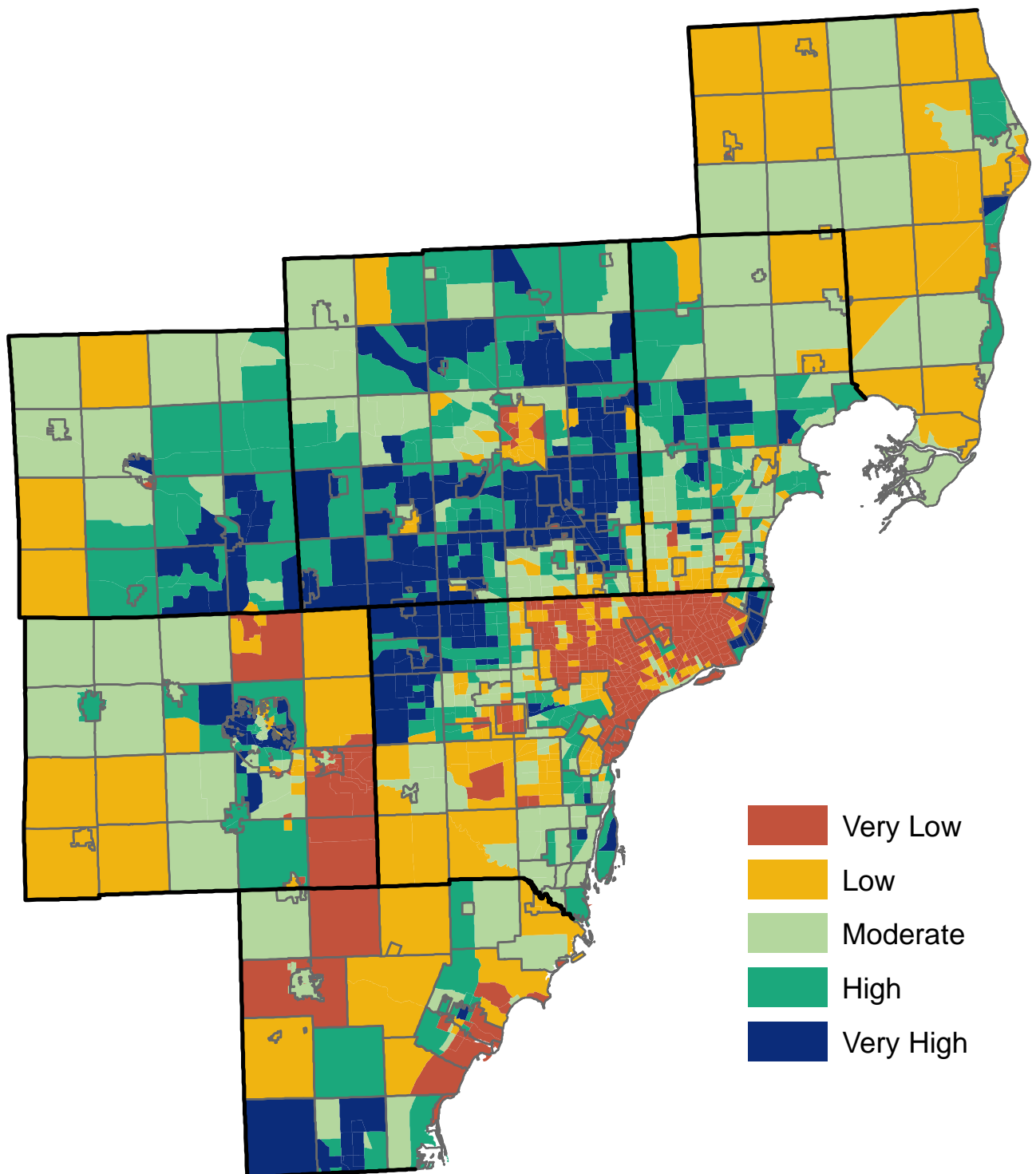- Access to jobs, especially entry level,

- Access to transportation options,

- Access to health care services, and

- Are not areas of concentrated poverty, and

- Are generally not areas that are highly integrated.

Since Figure 25 is a comprehensive analysis containing each of the five dimensions of opportunity it will be used. The lowest opportunity neighborhoods (identified in red in Figure 25) are primarily located within the City of Detroit, and, with the exception of the City of Ann Arbor, align with the identified RCAPs within the region. Additionally, racial and ethnic concentrations (as identified in Figure 1), particularly Non-Hispanic Black persons and Hispanic persons align with the lowest opportunity neighborhoods. The main exceptions are the identified low opportunity neighborhoods in Monroe and parts of Washtenaw counties. The highest opportunity neighborhoods align both with the location of Non-Hispanic White and Asian persons (Figure 1).

# Systemic Fair Housing Issues

According to the Detroit Office of Fair Housing and Equal Opportunity and the Fair Housing Center for Metropolitan Detroit, there are no known open findings of systemic discrimination by HUD, an equivalent agency, or a court. Additionally, the Department of Justice to our knowledge has not filed a lawsuit against a jurisdiction, a public housing authority, or HUD recipient (or subrecipient) of funding for systemic discrimination.

According to the Fair Housing Center of Metropolitan Detroit's Discrimination Complaint/Litigation Activity report, there were 106 fair housing discrimination complaints received between October 1, 2010 and September 30, 2011. Tables 9-11 provide an overview of the 106 discrimination complaints that occurred over this time.

Table 9
**Basis for Discrimination Complaints in Southeast Michigan**

| Basis for Complaint | Number | Percent |
|---|---|---|
| Race | 68 | 64.2% |
| Religion | 0 | 0% |
| National Origin | 3 | 2.8% |
| Color | 0 | 0% |
| Sex | 3 | 2.8% |
| Age | 1 | 0.9% |
| Marital Status | 1 | 0.9% |
| Disability Status | 26 | 24.6% |
| Familial Status | 4 | 3.8% |
| Other | 0 | 0% |

Source: Fair Housing Center of Metropolitan Detroit

Table 10
**Type of Property/Transaction for Complaints in Southeast Michigan**

| Type of Property/Transaction | Number | Percent |
|---|---|---|
| Rental | 80 | 75.5% |
| Sales | 14 | 13.2% |
| Housing Cooperative | 2 | 1.9% |
| Condominium | 4 | 3.8% |
| Mortgage Financing | 5 | 4.7% |

Source: Fair Housing Center of Metropolitan Detroit

Table 11
## Location of Property of Complaint in Southeast Michigan

| Location of Property | Number | Percent |
|---|---|---|
| Wayne County | 50 | 47.2% |
| Oakland County | 34 | 32.1% |
| Macomb County | 17 | 16% |
| Out-State Michigan | 5 | 4.7% |

Source: Fair Housing Center of Metropolitan Detroit

As of September 30, 2011, there are six open fair housing and discrimination lawsuits in Southeast Michigan. These six cases are: Lucy v. Musa (2008); Evans v. Disability Coop (2009); Crawford v. Flagstar Bank (2010); Lawrence v. Campus Village (2010); B. Austin v. CitiMortgage (2010); and Dazer v. Lakeridge Condominiums (2010). None of these lawsuits involve systemic discrimination against a jurisdiction or local government.

Between 1977 and 2011, the Fair Housing Center of Metropolitan Detroit (FHCMD) assisted in over 400 fair housing and discrimination related lawsuits, seven of which a unit of government was the defendant. None of these seven lawsuits is currently open or on appeal. Tables 12-14 provide the total litigation activity (lawsuits) in the region over this 34-year period.

Table 12
## Total Discriminatory Allegations in litigation by Type, 1977-2011

| Type of Discriminatory Allegation | Number | Percent |
|---|---|---|
| Race | 286 | 70.1% |
| Familial Status | 53 | 13% |
| Marital Status | 12 | 2.9% |
| Disability Status | 37 | 9.0% |
| Sex | 5 | 1.2% |
| Religion | 3 | 0.7% |
| National Origin | 7 | 1.7% |
| Age | 5 | 1.2% |
| Total | 408 | 100% |

Source: Fair Housing Center of Metropolitan Detroit

Table 13
**Distribution of Lawsuits by Type of Transaction, 1977-2011**

| Type of Property/Transaction | Number | Percent |
|---|---|---|
| Rental | 301 | 73.8% |
| Sales | 44 | 10.8% |
| Housing Cooperative | 18 | 4.4% |
| Condominium | 13 | 3.2% |
| Mortgage Financing | 23 | 5.6% |
| Appraisal | 1 | 0.25% |
| Insurance | 1 | 0.25% |
| Zoning, Land Use, Group Home | 4 | 0.98% |
| Mobil Home | 3 | 0.74% |
| Total | 408 | 100% |

Source: Fair Housing Center of Metropolitan Detroit

Table 14
**Distribution of Lawsuits by Location of Property, 1977-2011**

| Location of Property | Number | Percent |
|---|---|---|
| Wayne County | 226 | 55.39% |
| Oakland County | 106 | 25.98% |
| Macomb County | 51 | 13% |
| Out-State Michigan | 22 | 5.39% |
| Out-State, not Michigan | 3 | 0.01% |
| Total | 408 | 100% |

Source: Fair Housing Center of Metropolitan Detroit

# Physical Infrastructure/Non-Housing Investments

There are several ongoing and proposed major public investments slated for development and investment that will impact both the identified RCAP areas as well as encourage diversifying/integrating communities throughout the region. Perhaps the most encouraging investment is the Detroit Works Project, which was introduced in 2010 as a process to create a shared, achievable vision for Detroit's future to improve the quality of life and business in Detroit. The long-term planning process for the Detroit Works Project will accomplish this goal by creating the Strategic Framework Plan — a roadmap that can guide the actions of a wide variety of constituents. The Strategic Framework Plan, when completed, will be a comprehensive, action-oriented roadmap for decision-making. The framework will establish near-term and long-range strategies for:

- Economic growth and attracting new job opportunities for residents,
- Stabilization and growth of neighborhoods and employment centers,
- More efficient practices for improving city systems and infrastructure,
- Reforms to zoning that accommodate modern and innovative land uses, and
- Strategies that help put our public land assets into more coordinated, strategic, and productive use.

In addition to the Detroit Works Project, there are several proposed major infrastructure projects expected in the region. These projects include:

- Commuter rail service from Ann Arbor to Detroit. This 30.53-mile commuter rail line travels through two counties and 12 communities.
- M1 (Woodward Avenue) Streetcar Project. This 3.3-mile streetcar line along Woodward Avenue between Downtown and the New Center area is in the City of Detroit. The project will serve 11 curbside stations for nearly the entire length of the route, transitioning to center-running at the north and south ends of the system. The project would support possible future extensions north of the project terminus, including future regional rapid transit.
- New International Trade Crossing between Detroit and Canada.
- Detroit Intermodal Freight Terminal improvements.
- I-94 reconstruction. This project will widen the freeway from three to four lanes, replace bridges, construct continuous service drives, and reconstruct the interchanges at I-75 and I-94, and M-10 and I-94. This project will run from I-96 to Conner Avenue in the City of Detroit.
- I-75 reconstruction. This project will widen the freeway from three to four lanes, reconstruct bridges, and construct new braided ramps from M-102 to M-59.

These public and private investments impact the regional economy as well as communities in and around the investment sites. There are many jobs created from project development and construction to spin-off businesses resulting from the investment. The implementation of these projects is expected to expand housing opportunities and connect workers with jobs without increasing commute time. SEMCOG is currently developing an Asset Map of existing talent and resources for training future talent related to infrastructure jobs.

In 2010, the region adopted a Comprehensive Economic Development Strategy (CEDS), entitled *Increasing Jobs and Prosperity in Southeast Michigan*. This strategy focuses on the region's strengths and how to distinguish Southeast Michigan from the competition through a cohesive, action-oriented plan that leverages unique resources and assets, builds upon existing programs, brings stakeholders together, and explores new opportunities across three dimensions – People (Talent), Business Climate, and Community Assets. These three overarching themes lead to strategies and action steps that advance the region's overall goal of *Increasing Jobs and Prosperity in Southeast Michigan*. The Economic Development Strategies for Southeast Michigan graphic (Figure 26) symbolizes the interrelationship of these themes and the 11 strategies that follow, as well as the people and organizations that pursue them. These strategies include priority action steps that are expected to have direct impact on improving access to opportunity and improve quality of life in the region. Specifically, the regional CEDS includes action steps to:

- Link workforce development agencies and training providers (community colleges, public/private universities and colleges, labor organizations, technical schools, etc.) with businesses and emerging industries;

- Support efforts to develop and implement regional transit; and

- Aggressively pursue timely release of federal funds for jobs programs that quickly put people to work.

Figure 26
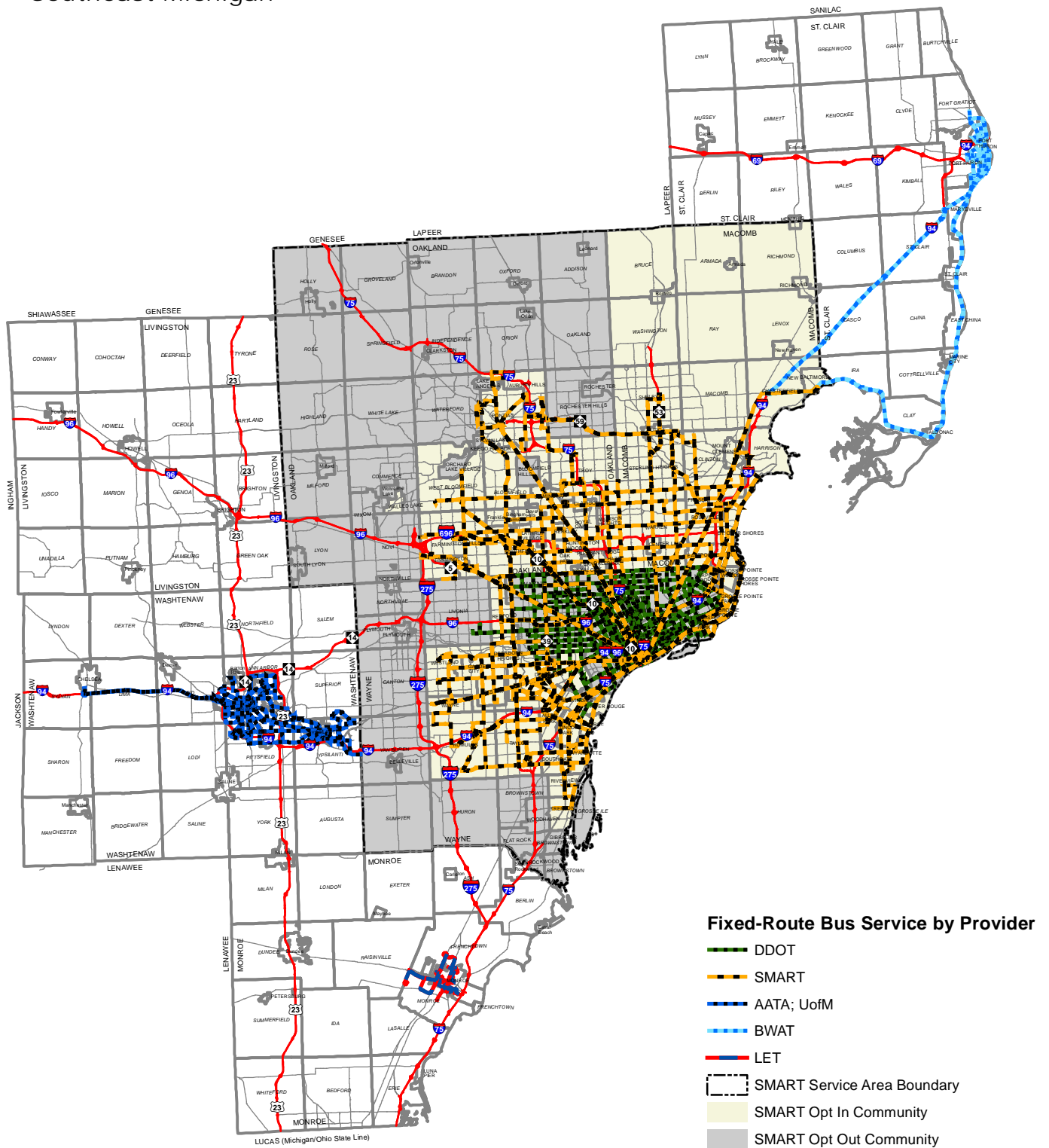Economic Development Strategies for Southeast Michigan

Southeast Michigan's 2040 Regional Transportation Plan will be completed in June 2013. The following set of principals will be used to guide development of the long-range transportation plan.

1.  Emphasize building on the region's numerous assets.
2.  Disclose and acknowledge actions necessary for positioning Southeast Michigan to compete in the 21st Century.
3.  Emphasize increasing the use of the existing transportation system and managing peak demand to reduce costs.
4.  Be developed with the understanding that transportation is a single component of a vital system of interrelated infrastructure that includes water, sewer, and other utility systems.
5.  Provide for strategic investment of the region's limited transportation dollars for both local and regional scale projects.
6.  Explore the cost and service delivery implications of alternative levels of service.
7.  Explore the impact of potential technological advances and their role in efficiently managing future transportation system supply and demand.
8.  Acknowledge the significant amount of excess roadway capacity that exists in certain locations and explore options for transportation infrastructure that is significantly underutilized.
9.  Increase emphasis on funding projects that are identified through asset management programs.
10. Focus on demand management strategies.
11. Transition to a process that prioritizes transportation projects based on their impact on Creating Success performance measures and outcomes as adopted in SEMCOG's Creating Success initiative (October 2011). Pilot this transition by setting aside funding in the 2040 Plan.
12. Recognize that, to compete for people and jobs and provide for quality transit services, the region's transit system must be vastly improved so that ridership levels are comparable to those experienced in thriving metropolitan areas across the country.
13. Promote a more sustainable transportation system through earlier integration of environmental protection measures with project design and selection.
14. Help the public understand the current transportation funding process, as well as the need for revenue sources beyond fuel taxes, to provide for a system that enables mobility, economic prosperity, and the long-term sustainability of the transportation system.
15. Seek to improve citizen satisfaction with transportation services.
16. Collaborate with the public, particularly populations traditionally underrepresented in the transportation decision-making process.
17. Make the case for greater investment and the wisest use of transportation dollars in the region.

Figure 27 provides the current location of the region's fixed-route bus service system. Each of the identified RCAPs are in locations accessible to fixed-route bus service.

Figure 27
Regional Fixed Route Bus Service
Southeast Michigan



**Fixed-Route Bus Service by Provider**

- ▬▬▬ DDOT
- ▬▬▬ SMART
- ▬▬▬ AATA; UofM
- ▬▬▬ BWAT
- ▬▬▬ LET
- ⌐⌐⌐ SMART Service Area Boundary
- SMART Opt In Community
- SMART Opt Out Community

Source: SEMCOG

# Recommendations and Next Steps

Through completion of the Fair Housing and Equity Assessment for Southeast Michigan, two findings in need of local and regional action have been identified. These are:

- Racial and ethnic minorities are geographically concentrated in the region – particularly in urban municipalities; and
- Minority populations bear the brunt of the negative impacts of neighborhood decline.

To address these two findings, seven recommendations are provided. These recommendations are to be advocated for through state and federal policy and through local and regional actions. Both the findings and recommendations are also included in the *Regional Housing Needs and Neighborhood Resiliency Strategy*.

## Recommendations

### 1. Support federal fair housing policy that encourages equal access to housing opportunities for all persons

The federal Fair Housing Act protects everyone's right to live free from housing discrimination. Under the Act, it is illegal to discriminate on the basis of race, color, religion, national origin, gender, disability, or familial status in rental housing, real estate sales, lending, insurance, and any financial or other services related to housing. Additionally, the federal government, and all of its programs and activities, must take proactive steps to advance fair housing, not just avoid discrimination. Support for federal fair housing policy that affirmatively furthers fair housing and encourages equal access to housing opportunities for all persons is vital for a sustainable and thriving region.

### 2. Encourage needed housing types through local land use, building, and zoning regulations.

Communities should encourage a variety of housing styles in urban neighborhoods, including apartments, townhomes, duplexes, small single-family homes and lots, and live-work units.

Flexible Zoning Regulations such as encouragement of Planned Unit Development (PUD), traditional neighborhood developments (TND), and density bonuses for affordable housing should be included in community zoning ordinances. Accessory dwellings should also be considered in both urban and suburban communities to help provide affordable housing in single-family residential districts.

Infill construction should be a priority, over new construction in greenfields. Infill construction can be more expensive than greenfield construction, so developer incentives are encouraged. Incentives may include offering density bonuses for projects with a mix of housing types and units, granting parking reductions for affordable multi-family projects, or accelerating the permit process.

Local land use controls and building regulations should not add unnecessarily to the costs of building or improving the region's housing stock.

Zoning codes should include updates that make it easier for developers to convert former office, industrial, and retail spaces for residential use and to develop more residences above ground floor

retail establishments. These updates may include greater use of overlay districts, including form-based codes, which can:

- Streamline the regulatory process for people wanting to invest in existing neighborhoods.

- Focus on "high-amenity" areas where a community likely needs private-sector investment the most because these are the areas where they have the greatest amount of public-sector obligation for maintaining infrastructures, such as water, sewer, and streets.

**Sample practices and resources:**

- City of Birmingham's Triangle Overlay District
- South Marquette Waterfront Form-Based Code (ordinance)
- Town Commons: A Traditional Neighborhood Development (Howell, MI)
- Smart Growth Tactics – Density based zoning and mixed land uses

## 3. Provide citizens, homeowners, landlords, and others with information on housing choices, housing values, housing costs – including housing, transportation, and energy costs.

Housing practitioners often define affordable housing as housing where the costs for rent or mortgage payments and utilities do not exceed 30 percent of the household's income. This measure of affordability ignores transportation costs which, depending on the specific place, may be 15-25 percent of a household's income.

Communities are encouraged to review and provide citizens, homeowners, landlords, and other stakeholders with access to the CNT's Housing + Transportation Index, which calculates transportation costs with a home's location, thereby providing a more accurate measure of a community's affordability.

The typical U.S. household spends about $2,300 in annual energy costs, more than the average cost of property taxes or homeowners insurance. Although households are beginning to implement both low and high cost energy efficiency retrofits and upgrades, many discover they do not recover the costs when the property is sold. Local governments need to work with realtors, appraisers, and residents in improving the exchange of energy information in residential property transactions. Energy information may include historic energy use, energy certifications, energy efficiency improvements (e.g. insulation, high efficiency heating and cooling), and/or appliance descriptions.

**Sample practices and resources:**

- The Housing + Transportation Affordability Index
- Encouraging the Value of Energy Efficiency in Residential Property Transactions: Strategies for Chatham County and other NC Local Governments – May 2011 report

## 4. Improve and make more uniform fair housing information on community Web sites.

Several communities in the region provide fair housing information on their Web sites. The vast majority of these communities are required to complete an *analysis of impediments to fair housing choice* ("analysis of impediments") report and to take actions to overcome the effects of any impediments identified through that analysis.

The majority of communities do not provide fair housing information on their Web site, and the amount and quality of information on the Web sites of those who do varies considerably. This variability creates an opportunity to improve the quality and consistency of fair housing information, not only for the communities who currently provide information, but also for those who currently do not.

Communities are encouraged to add the following information and/or link to the following resources on their community Web sites:

- General fair housing information that includes a section that answers the following question – "What should I do if I feel I have been discriminated against in finding housing?"

- Searches of "fair housing" and "housing discrimination" should direct a user to a general fair housing information Web site.

Since it is known that there is a lack of knowledge by housing consumers of Fair Housing Laws, discriminatory practices, and enforcement agencies and procedures, examples of each should also be included on the Web site for reference to those who may suspect discrimination. Addresses and phone numbers to call to file a complaint should be visible and easy to find. Examples of important resources and contacts include:

- Link to the Detroit Office of Fair Housing and Equal Opportunity

- Link to the Michigan Department of Civil Rights

- Contact information to either the Fair Housing Center of Metropolitan Detroit or the Fair Housing Center of Southeastern Michigan (dependent of location of community)

Communities should also consider featuring a translation tool to make the Web site more accessible to those that are linguistically isolated.

**Sample practices and resources:**

- Oakland County's Housing Solutions

- City of Dearborn Heights, MI

- City of East Lansing, MI

- City of Wichita, KS

- City of Independence, MS

## 5. Educate and inform local officials, general public, and landlords of fair housing laws and best practices.

Communities need to raise awareness of housing literacy, to both build better credit for minorities who are denied loans at a higher rate than whites and prevent residents from being taken advantage of by scams. This awareness of both housing literacy and fair housing laws and best practices can be conducted through fair housing workshops and other public and professional education activities. Local government staff, elected officials, as well as board and commission members who work with housing or housing related issues should be well versed in fair housing.

**Sample practices and resources:**

- Michigan Association of REALTORS: Fair Housing Training Kit Outline and Instructions

- Housing Advocates Training (HAT)

## 6. Increase local and regional education campaigns on the community benefits of providing affordable and inclusive housing options.

These campaigns should address "Not in My Backyard (NIMBY)" sentiments often connected to increases in affordable housing or inclusion of lower-income residents. Some communities and residents associate affordable housing with reduced property values, increased crime, and loss of community character.

Public education programs and advocacy groups can spread information about the positive effects of affordable and inclusive housing on local communities and help dispel myths. Encourage an open dialogue between neighborhood associations, fair housing advocates, and community staff.

**Resources:**

- Message Guide for Using the Results of *Valuing Housing: Public Perceptions of Affordable Housing in the Chicago Region*

## 7. Establish, where applicable, a Human Relations Commission whose focus is on fostering mutual self-respect and understanding, and promoting amicable relations among all racial, religious, and ethnic groups.

The establishment of a Human Relations Commission is to help communities resolve disputes and conflicts based on racial discrimination and denial of equal rights. Human Relations Commissions are likely to differ from community to community.

Some commissions will have paid staff – likely a single position that directs the day-to-day planning and operations of the commission, while others will solely be made up of volunteers from throughout the community.

The size of a commission is likely to differ. Generally a commission should be large enough to conduct work in committees and task forces, yet small enough where it can operate efficiently. Most commissions have between seven to fifteen members. The basic objectives of the Human Relations Commission may include:

- Promoting and assisting in developing an environment of fairness and respect among citizens by ensuring that responses to acts of exclusion, bias, and discrimination are meaningful and consistent.
- Developing ways to measure and monitor community relations, race relations, and civil rights issues, particularly those that are sources of intergroup conflict.
- Involving all segments of the community in understanding and appreciating the benefits of positive intergroup relations.
- Offering a range of programs and services that help communities prevent and resolve issues of human relations, race relations, and civil rights.
- Developing ways of anticipating, preparing for, and relieving community tensions arising from intergroup conflict.

**Sample practices and resources:**

- Department of Justice: Guidelines for Effective Human Relations Commissions
- City of Jackson Human Relations Commission
- City of Holland Human Relations Commission
- City of Livonia Human Relations Commission