

Detroit Home Repair Landscape: A Review and Considerations for Community-

Based Collaboration

by

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*“This call is simply to tell you, thank you. [...] I'm not a bad person, but just— **my people, we can be homeowners, and we care about our neighborhoods, and we care [about] our homes, and we just want homes for our kids. And I just want to say, everybody, thank you.**”*

– Ms. W (emphasis added)

This essay reports on learning about housing justice, inclusive and responsive design, and campus-civic collaborative relations over the course of a year working with the United Community Housing Coalition (UCHC), the housing nonprofit organization of Detroit, Michigan. It will begin with a presentation of home ownership and inequity in Detroit, followed by consideration of the deliverables we adapted and redesigned and responses to them. The voice above is Ms. W, a single Black mother of three children, after we (UCHC) helped fund and install a new central air unit in her home. UCHC’s repair program’s phone number isn’t shared publicly due to the limited eligibility requirements and fear of creating false hope in ineligible clients. I’m not sure how she got the number because she wasn’t eligible to receive repairs: she wasn’t a previous client of our agency and she had back taxes owing on her property. But such voices and experiences are at the very core of the efforts summarized in this work, telling us when it is successful and reminding us of its limitations. Before considering in more detail the dialogue with people seeking assistance from and providing input to housing justice organizations, let me set the stage so that the structural injustices they confront can be clear to the reader, and the organizational landscape can be surveyed.

## The Homeowner Landscape in Detroit

One of the plagues upon Detroit is tax foreclosure.<sup>1</sup> Thanks to years of illegally inflated property assessments, homeowners in Detroit have had to pay increased property taxes or face foreclosure. In fact, in Wayne County, 50,000+ homes enter the foreclosure process each year, and the vast majority are Detroit homes. The assessed value of a home is the value that the property tax amount is derived from, and Michigan state law says that a home cannot be assessed for more than half its property value. During the recession, Detroit home values fell, but property assessments stayed where they were, violating the state of Michigan's constitution.<sup>2</sup> As a result, many low-income households received exorbitant property tax bills that they just could not afford to pay off. After one year, those property taxes become delinquent, and after three years, the home is subject to foreclosure. So, thousands of homeowners either paid way too much in property taxes or lost their homes to foreclosure. Meanwhile, the City of Detroit, who charges the property taxes, received the property tax payments, and Wayne County, who forecloses the homes, collected interest on delinquent property taxes and profited off of their famous foreclosure auctions. At the same time as these inflated property assessments and property taxes in Detroit, the State of Michigan, as many states in the US, offer homeowners a property tax exemption based on different eligibility requirements, but these exemptions vary by county and city, and not many homeowners in Detroit knew about the specific exemption, known at the time as the Property Tax Exemption (PTE)<sup>3</sup> application.

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<sup>1</sup> Nancy Kaffer, "Demolishing homes won't cure Detroit's blight problem. Here's what we're doing wrong," *Detroit Free Press*, June 6, 2019, <https://www.freep.com/story/opinion/columnists/nancy-kaffer/2019/06/06/detroit-demolitions-blight-poverty/1297977001/>.

<sup>2</sup> Nancy Kaffer, "How Detroit's mistakes cost this woman her home," *Detroit Free Press*, June 21, 2019, <https://www.freep.com/story/opinion/columnists/nancy-kaffer/2019/06/21/detroit-tax-foreclosure-abuse/1511525001/>.

<sup>3</sup> For assistance with acronyms, see the Acronym Guide (page 13).

These are the structural factors that contribute to the stereotypical image of Detroit as a blighted landscape. For years, community members and organizations have fought back against these high foreclosure rates. In 2016, the American Civil Liberties Union (ACLU) sued the Wayne County Circuit Court for not making the PTE accessible to homeowners, a majority of whom would have qualified yet lost their homes to foreclosure.<sup>4</sup> The settlement resulted in a more accessible property tax exemption called the Homeowners Property Tax Assistance Program (HPTAP), and many homeowners who were foreclosed upon were able to repurchase their homes for \$1,000 through UCHC, a housing nonprofit organization in Detroit. In addition to the ACLU settlement in the fight against the foreclosure crisis, the Right of Refusal (ROR) program was born. This program, now renamed the Make it Home (MIH) program, allows the former resident of a foreclosed home to have the first chance to repurchase their home before it goes on the foreclosure auction. Currently, only UCHC works with the City to offer this program to residents, but this program has been continuously expanding, even allowing renters of foreclosed homes to have the first option to purchase the home for themselves.

When a homeowner or prospective homeowner who was part of the ACLU settlement or is in the Make it Home program purchases or repurchases their home, they buy the home as is. For most purchasers, this means the home often has major repair needs, given that many homes in Detroit are over a century old. Much of the structural damage is usually accumulated over time and not addressed due to prioritization of immediate household needs, or in the case of new homeowners/former renters, the previous landlord may have neglected to complete repairs to save on costs. All these repair needs come with the home, and they lead to extra costs, whether

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<sup>4</sup> Christine MacDonald and Nicquel Terry, "Foreclosures to be sold back to owners in ACLU, city settlement," *Detroit Free Press*, July 2, 2018, <https://www.detroitnews.com/story/news/local/detroit-city/2018/07/02/foreclosures-sold-back-owners-aclu-lawsuit-settlement/742974002/>.

it's immediate to address the repairs or held off until the damage is too great. Some nonprofit organizations try to address the home repair crisis in Detroit by offering grants and loans to homeowners to improve the health and habitability of the home, including UCHC. In fact, UCHC's repair program was created specifically in response to the MIH clientele after realizing many MIH clients had to leave their newly purchased homes and move somewhere else due to the repair needs on the house.

### **HOPE in action**

Back to Ms. W, whose voice appears at the start of this document. I referred her to our tax foreclosure prevention team to figure out how to handle those back taxes, but I didn't have the heart to tell her she might not be eligible for our repair program. She completed a PTE, also called (at the time) the HPTAP application, and now known as the Homeowners Property Exemption, or HOPE application. The State of Michigan requires that every city offer a property tax exemption for low-income homeowners. In the City of Detroit, homeowners have the opportunity to reduce their tax obligation significantly through this application. So why did residents not use this application to prevent foreclosure? This is the question at the center of the ACLU lawsuit, and a question that reflects the problem of institutions failing to understand and empathize with lived experience. It was practically impossible to get ahold of this application, and once you got ahold of it, it was practically impossible to fill out. There is a popular story among activists in Detroit, that before the lawsuit, a resident would have to make their way to the City County building with no public transportation system in place in the City of Detroit, then ask the City to mail an application to their home, then return home to find that the application would never come in the mail. In late 2021, the City of Detroit renamed the property tax

exemption the HOPE application, or the Homeowners Property Exemption, reduced the pages to just around 10, translated the application into the common Detroit languages of Spanish, Arabic, and Bengali, and made it available as a digital application to improve accessibility. The HOPE is an application that, if you are approved, can wipe out some or all of your property taxes for the current year. It is aimed to help low to moderate income households and/or households who have faced extreme hardship in the past year. This exemption was previously not made readily available to homeowners in Detroit until the ACLU sued the City of Detroit while simultaneously highlighting the illegally overassessed property taxes on Detroit homes.

Ms. W completed a HOPE application, but that exemption would only cover her current year's property taxes. She still had delinquent back taxes that had the potential to put her home into foreclosure after a couple of years. So, if she received her HOPE exemption, she could be eligible to enroll into the Pay As You Stay (PAYS) program, a payment plan that greatly reduces the back taxes owed and allows the homeowner to pay the delinquent taxes in monthly installments. Once enrolled in PAYS, she could then be eligible for our repair program. However, Ms. W called in the summer of 2021, and she wouldn't receive news of her HOPE application status until after December 2021, meaning she would not be able to enroll in PAYS, meaning she would not be eligible for our repair program. (As of January 26, 2022, the Wayne County Treasurer's Office announced that anyone who qualified for the HOPE exemption would be automatically enrolled in PAYS, greatly reducing the knowledge barrier homeowners encountered in the steps to save their home from foreclosure.<sup>5</sup>)

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<sup>5</sup> Annalise Frank, "Wayne County acts to simplify property tax assistance for Detroit homeowners," *Crain's Detroit*, January 26, 2022, <https://www.craigslist.com/real-estate/wayne-county-acts-simplify-property-tax-assistance-detroit-homeowners>.

After completing her HOPE application, she called the repair hotline again, and, since I was new to the job and didn't understand the complex housing landscape, I got her started on repairs despite her ineligibility. I completed an intensive intake process with Ms. W, sent one of our home inspectors out to gauge the condition of her house, got her grant-approved to receive a new central air unit, and sent a contractor out to complete the repair. Compared to other clients, she didn't need much assistance; a new central air unit was a measly \$3,500 value compared to most other clients who needed complete roof replacements, a repair cost ranging between \$9,000 to \$20,000. While we don't have the funds to provide repairs for all of our eligible clients, much less the ineligible home owning population of Detroit, this small misunderstanding on my part meant a significantly more comfortable, healthier home for Ms. W and her children.

### **Repair Loans and Grants**

So, how do homeowners get repairs done, and what do other repair programs in Detroit look like? Many homeowners take the DIY (do it yourself) route, but some repairs are outside the DIY scope, such as a complete roof replacement. There are few home repair loans available for Detroit homeowners who can afford a loan, but there are even fewer grants for those who can't qualify for a loan or afford to pay off a loan. Other community organizations have repair programs, which take the form of a loan or a grant, that can tackle general or specific repairs. To offer some assistance to the majority low-income homeowner landscape in Detroit, many loans are 0% interest for a certain amount of time, usually 12 or 15 months, to allow the homeowner some time to pay off the loan. However, there are multiple limitations that affect who, how many people, and what repairs can be addressed. One of the more well-known home repair loans is offered by the City of Detroit itself, but, like most repair grants and loans in Detroit, the

eligibility requirements are numerous and strict, often very difficult to achieve. For example, the City of Detroit's home repair loan program<sup>6</sup> and Habitat for Humanity's repair program<sup>7</sup> require that the homeowner not owe any back taxes, or not be at risk of foreclosure; however, the property tax system in Detroit, as discussed above, has been consistently manipulated against Black residents, and this requirement would not necessarily consider a homeowner who is on a payment plan, as they still have back taxes noted on their property. In addition, the City's home loan program requires homeowners' insurance in order to qualify, but many homeowners cannot even receive homeowners insurance due to the extreme damage and repair needs on the house.

Another major limitation on the repair assistance available to homeowners includes the amount of funding available, which then impacts how many participants can receive aid, what kind of repairs can be done, and what extent of repairs can be done per household. Oftentimes, within programs, there is only enough funding to address a certain cost of repairs, which limits the repairs available to one household, and homeowners often have to decide to choose one type of repair for their home. This is not a sustainable process. Let's say a homeowner needs at least two major repairs for their home: a roof replacement and a complete HVAC system replacement. If an organization is able to provide the HVAC replacement but unable to afford an entire roof replacement, the next major storm will leak water into the home, potentially damaging the newly installed appliances.

Even if a household receives assistance for repairs, there is a contractor shortage in Detroit, and it may be difficult to get on a contractor's schedule within a reasonable amount of time. Many of the same contractors are used by multiple different repair programs, and as a

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<sup>6</sup> "Detroit 0% Interest Home Repair Loan," City of Detroit, accessed April 14, 2022, <https://www.detroitshomeloans.org/>.

<sup>7</sup> "Critical Home Repair," Habitat for Humanity Detroit, accessed April 14, 2022, <https://habitatdetroit.org/hfh-programs/critical-home-repair/>.



result, many contractor groups are overwhelmed by the amount of work needed. With the release of American Rescue Plan, or ARPA, funding, the City of Detroit created a new program in late 2021 called Renew Detroit to offer a maximum of 1,000 new roofs to homeowners in Detroit.<sup>8</sup> The program received over 5,000 applications. The limit of 1,000 roofs is partially due to the city's allocation of the ARPA funds, but it is also partially due to the contractor shortage and how many roofs could realistically be completed. In recent years, contractors have also struggled with collecting the necessary resources for repairs. For example, lumber costs have increased dramatically over the past couple of years, increasing average roof replacement costs from around \$6,000-\$9,000 to \$10,000-\$20,000.

Finally, many homeowners in Detroit are simply not aware of the repair programs that are available. Funding for programs is always in flux, making it difficult for homeowners to know what's available, keep track of what's available, know what *was* available but no longer, what doesn't exist anymore, and other information that may not be accurate or kept up to date. In an effort to provide this information to homeowners, University of Michigan Poverty Solutions created a guide in 2019 that was called the Detroit Home Repair Resource Guide so that homeowners could leverage the resources available to make the necessary repairs on their homes.<sup>9</sup> UM Poverty Solutions, created in 2016 as a university-wide, action-based research initiative, states their mission as “[partnering] with communities and policymakers to find new ways to prevent and alleviate poverty.”<sup>10</sup> Much of their work focuses on Detroit, bringing about

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<sup>8</sup> “Renew Detroit,” City of Detroit, accessed April 14, 2022, <https://detroitmi.gov/government/mayors-office/renew-detroit>.

<sup>9</sup> Lauren Slagter, “Detroit Home Repair Resource Guide connects homeowners with home repair assistance,” *UM Poverty Solutions News*, October 31, 2019, <https://poverty.umich.edu/2019/10/31/detroit-home-repair-resource-guide-connects-homeowners-with-home-repair-assistance/>.

<sup>10</sup> “Affecting Change to Prevent & Alleviate Poverty,” UM Poverty Solutions, accessed April 17, 2022, <https://poverty.umich.edu/>.

conversation on the difficulties and ethics of integrating highly academic, “action-based research” into Detroit communities.

### **Detroit Home Repair Resource Guide**

The guide ([2019 version](#)) lists repair programs in sections: loan programs, grant programs, weatherization and energy efficiency programs, and community-based programs. Each program has a description of the program, who the administering agency is, eligibility requirements, types of repairs offered, how to apply, and contact information.

In 2021, as a Home Repair Coordinator for UCHC, I counseled clients on our repair program and checked to see if they would be eligible to receive repair assistance through our organization. The difficulty came when clients were not eligible, and the question became, “Where can I refer ineligible clients to so that they can receive repairs?” I came across the 2019 Detroit Home Repair Resource Guide feeling as though I had hit a secret jackpot of the perfect resource to help other clients. I quickly learned that, while the resource was useful in theory, it was so outdated, hardly any information was accurate. Many programs didn’t offer the same repair assistance, or their eligibility requirements changed, or they stopped accepting applications, or the program didn’t exist anymore, so I stopped sharing the guide with clients. The only program I referred clients to was the City of Detroit’s 0% interest home repair loan program because it was the only consistent program that had a URL that was easy to read aloud over the phone ([detroitloans.org](http://detroitloans.org)). Whether every client I referred to the loan program were eligible, applied, and were accepted to the program is a different question.

In late 2021, I reached out to the UM Poverty Solutions team through my association with UCHC and as a result, UCHC’s relationships with UM Poverty Solutions, as well as my

own status as a graduate student at the University of Michigan. I requested permission to update the guide, citing my experiences with it and the need for updated information, especially with the many changes to programs and client needs that have been exacerbated by the COVID-19 pandemic. UM Poverty Solutions acknowledged the need for an update, saying that it was something they wanted to do, but they just haven't had the time or urgency to make the guide relevant again. An employee from the City of Detroit's Housing and Revitalization Department had also reached out to UM Poverty Solutions around the same time requesting permission to update the guide, so also having a current student who worked with one of the organizations on the guide come to UM Poverty Solutions with a need and a plan to update and improve the guide was just too convenient. I was hired on as a research assistant with almost full independence, flexibility, and discretion for what an update would look like, and how we can make the guide more sustainable in the future. I worked with Rim Mikho, a Contractors' Coordinator for the City, to contact all the organizations on the guide to ask for updates. After republishing the guide at the beginning of 2022 with the newly updated information ([link](#)), I set up a process to make future updates more sustainable than before, setting up email groups, forms, and links to documents so that partner organizations could receive reminders and provide updates, something that UM Poverty Solutions aims to do quarterly. To improve accessibility, the guide is republished under the same link as a PDF.

### **Future Considerations**

Through this intersection of working at UCHC and being present within the Detroit housing justice activist community while also being tied to UM, I've discovered that, while the resource guide is a great start in improving the accessibility and transparency of the available

programs in Detroit, there are many ways in which this system can be improved to increase its accessibility, sustainability, and usability. I've found that many of our clients feel distrustful of UM for reasons they have not explicitly stated but I can assume include the institution's status as a PWI (predominantly white institution) and its patronizing, overbearing research presence in Detroit that has yet to produce solid, changemaking research or systems change to the structural challenges in Detroit. We see examples of this in plans to build new university buildings in downtown Detroit, one of which is the \$300 million Detroit Center for Innovation that was announced in late 2019 involving billionaires Stephen Ross, Dan Gilbert, and the infamous Illitches. These plans, which originally included "mid-rise residential buildings for UM graduate students, incubator space for new tech businesses and a boutique hotel and conference center," and its architecturally sleek design contrasts starkly with Detroit neighborhoods outside of the downtown area<sup>11</sup>.

Ideally, a home repair resource guide for Detroiters would not be tied to such an institution and instead, be community-driven and allow the space for program participants to provide updates, testimonials, or feedback on the program and/or agency they have worked with. With a more open guide, community members can give insight on the program to anyone who is reading through the guide. Since the guide is tied to UM, there is only so much transparency that can be offered in program descriptions: the guide is currently very neutral. It needs personal stories (that are not curated to only display positive comments) offered by community members themselves to inform others on what the program can actually offer or what the client can expect.

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<sup>11</sup> Martin Slagter, "Ross abandons plans to build University of Michigan's Detroit Innovation Center at former jail site," *MLive*, July 14, 2021, <https://www.mlive.com/news/ann-arbor/2021/07/ross-abandons-plans-to-build-university-of-michigans-detroit-innovation-center-at-former-jail-site.html>; David Jesse, "Denise Ilitch recuses herself from U-M innovation center talks, says she didn't know plans," *Detroit Free Press*, July 16, 2021, <https://www.freep.com/story/news/education/2021/07/16/denise-ilitch-michigan-center-innovation-stephen-ross/7995352002/>.

With this kind of system, comments and testimonials from clients might encourage organizations to improve upon their specific repair program because currently, there is no check, nor a way to receive honest feedback that holds the organization accountable. For example, the City of Detroit's 0% interest home repair loan program receives thousands of applicants, but very few people are approved. Partner organizations are not always at liberty to divulge this kind of information to clients, but it's important for homeowners to know what they should expect. Previous program or applicant testimonials can also offer information that isn't always listed or explained, such as the fact that the City's loan has a written requirement of a credit score of at least 560, but in reality, applicants who are approved often have a credit score of at least 650.

This guide can also be expanded to include tenants who are facing repair problems that go unaddressed by their landlords. All the repair programs that are noted in the current guide are only for homeowners, and there are no resources available to renters. Whether this is a missing addition to the guide or an indication of the lack of resources for renters, this gap should be acknowledged and addressed with an expansion of the guide or implementation of new repair programs aimed at tenants.

## Acronym Guide<sup>12</sup>

ACLU	American Civil Liberties Union
ARPA	American Rescue Plan
HOPE	Homeowners Property Exemption (same as HPTAP, PTE)
HPTAP	Homeowners Property Tax Assistance Program (old name for HOPE; same as HOPE, PTE)
MIH	Make It Home
PAYS	Pay As You Stay
PTE	Property Tax Exemption, also known as the Poverty Tax Exemption (old name for HPTAP; same as HPTAP, HOPE)
ROR	Right of Refusal (old name for MIH)
UCHC	United Community Housing Coalition
UM	University of Michigan (specifically in reference to the Ann Arbor campus)

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<sup>12</sup> I try not to use so many acronyms since they can become a blur of capital letters on the page, and there are many name changes for the same processes, which can be confusing

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