



A Decent Home: The Status of Home Repair in Detroit

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INTRODUCTION

“Home repairs not only help that family; it helps the whole block. If people see work happening, it may encourage additional investment into your property. It’s an easy way to stabilize the community.”

- Construction manager, community-based organization

In 1945, President Truman told Congress, “A decent standard of housing for all is one of the irreducible obligations of modern civilization.”¹ Seventy years later, this ideal of a decent home for every American has still not been achieved, with nearly 6 million homes in the U.S. deemed inadequate.² Though Truman’s words were lofty, federal policies at the time only sought to extend this “irreducible obligation” to white Americans, and racial disparities in housing quality today are large and persistent.³

Home repair programs can serve as a critical tool to support housing stability and promote racial equity, particularly in Rust Belt cities with an aging housing stock and large populations of Black residents who have consistently faced structural racism in the U.S. housing system.⁴ In Detroit, a mostly Black city, old housing stock coupled with high poverty rates and an aging population intensifies demand for home repair and home accessibility modifications. As we explore in this report, however, current home repair efforts cannot meet this demand. Fixing this gap has taken on new urgency as the COVID-19 pandemic has underscored the importance of housing stability and the connection between housing and health outcomes.

This report examines the current state of the home repair ecosystem in Detroit, identifies potential gaps in the system, and provides a scan of promising practices in cities across the Midwest. A central finding of our analysis, however, is that reforms to existing programs will not be enough to meet the needs of Detroit residents. To truly meet the needs of a city faced with old homes and low incomes, more resources are needed.

METHODS

In summer 2019, Poverty Solutions at the University of Michigan interviewed 22 individuals from community-based organizations who administer or interact with the home repair programs in Detroit to better understand the city's home repair ecosystem. Sixteen of these organizations also responded to a survey assessing satisfaction with existing home repair programs.

Seven of the organizations interviewed help administer the largest loan-based home repair program in Detroit, the City of Detroit's 0% Interest Home Repair Loan Program, an effort by the city and local banks to extend credit to low-income Detroit households. Organizations that administer the 0% Interest Home Repair Loan Program are known as "Intake Centers" throughout the city and include:

- U-SNAP-BAC
- Bridging Communities
- SER Metro Detroit
- Jefferson East Inc.
- Central Detroit Christian
- Wayne Metro Community Action
- Cody Rogue Community Action Alliance

Poverty Solutions also used information from online searches, word of mouth, and snowball sampling methods — where research participants recruit other participants — to identify additional organizations involved in the home repair ecosystem. These organizations — in addition to the seven intake centers listed above — include Detroit Future City, Detroit Action Commonwealth, CLEARCorps, LISC, United Community Housing Coalition, Grandmont Rosedale Development Corporation, Brick + Beam, Rippling Hope, Rebuilding Together Southeast Michigan, Ehm Senior Solutions, Detroit Disability Power, Detroit Block Works, Habitat for Humanity, the Detroit Land Bank Authority, and Metro In-Home Solutions. As a result of this data gathering effort, Poverty Solutions developed a home repair ecosystem map, including the total funds expended and households reached in 2018. Additional organizations identified, but not interviewed, are included in the ecosystem map (Appendix 2).

In addition to the interviews, Poverty Solutions conducted two supplemental forms of analysis. First, we analyzed data on housing quality in the Detroit metropolitan statistical area from the American Housing Survey (AHS), which is sponsored by the Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau in select metropolitan areas every two years. The survey is the most comprehensive national housing survey in the United States and offers estimates of housing conditions throughout the country.

Finally, we conducted a scan of home repair programs in peer cities in the Midwest to gain a better understanding of the types of innovative programs and financial products that are extending capital to low-income households and to see what lessons can be learned from these programs.

FINDINGS

Housing quality and economic mobility

The cost of inaction on housing quality

Healthy and safe homes promote healthy and safe families and communities. As such, the work of home repair and remediation ensures families can thrive. Removing lead paint allows children to live in a healthy environment. Accessibility modifications can help seniors age in place with dignity and autonomy. The inverse is also true. Numerous studies have found that poor dwelling spaces can severely impact health in ways that diminish quality of life, increase the risk of diseases, and promote distress.⁵ For example, research has shown:

- **Housing and physical health are strongly correlated.** The cumulative health effects of substandard housing quality can lead to lifelong declines in health. Studies find dwelling spaces that are damp, cold, and toxic (i.e. lead and mold exposure) increase the risk of tuberculosis, recurrent headaches, sore throat, cardiovascular and respiratory disease, and lung cancer.⁶
- **Housing conditions also affect mental health.** Poor housing quality such as leaky roofs, broken windows, and pest infestation is a stronger predictor of emotional and behavioral problems in low-income children than residential instability (defined as moving often), high housing costs, home ownership, and receipt of a housing subsidy.⁷ For adults, poor housing conditions may be associated with anxiety, depression, and social isolation.⁸
- **Inadequate housing exacerbates chronic disease, particularly among children.** Home environmental factors such as water leaks, poor ventilation, and pest infestation are also associated with poor health outcomes including asthma, the most common chronic disease among children. Children with asthma are more likely to miss school than their peers, missing 2.48 more school days each year.⁹
- **Seniors living in houses with inadequate heat are vulnerable.** Seniors living in cold environments face increased respiratory problems, which have been associated with increased mortality.¹⁰

Taken together, there is strong evidence that substandard housing leads to adverse effects on multiple dimensions of physical and mental health and well-being. In the United States, 1.2 million children have lead poisoning, asthma is linked to 10% of all emergency room visits, and 3,645 people died in house fires in 2017.¹¹ These effects also spill over in ways that produce tremendous costs on society.

In turn, the public expense of dealing with inadequate housing is substantial. Faced with blighted and inadequate housing, governments:

- must enforce penalties against homeowners who maintain inadequate dwelling conditions;
- use tax dollars to tear down dilapidated homes;
- provide public benefits to address the negative health outcomes that result from housing insecurity;
- lose tax revenue due to declining property values;
- lose future earnings from individuals injured or sick due to home condition;
- and pay long-term medical costs associated with disease.¹²

The significant public cost of inadequate housing underscores the idea that home repair is not solely an issue for homeowners, but an issue that commands public action.

Housing quality and racial disparities in the United States

While progress has been made to secure safe and healthy homes in the U.S., significant challenges remain. As shown in Figure 1, the share of renter units facing moderate or severe physical issues declined from 9.9% to 7.5% from 2011 to 2017.¹³ Meanwhile, the share of owner-occupied units facing physical issues has remained flat at roughly 3.5% over that time period. Despite these improvements, as of 2017, nearly 6 million homes in the U.S. were deemed inadequate by the AHS, meaning the home faced physical problems related to maintenance, electrical wiring, heating, or plumbing.

Although not captured by the AHS, according to a report by the Center for American Progress, 24 million housing units in the U.S. face lead-based paint hazards, 17 million homes face heightened exposure to indoor allergens, and 6.8 million homes have elevated levels of radon, a radioactive gas that is the second leading cause of lung cancer in the U.S.¹⁴ Low-income renters, and particularly low-income renters living in central cities, are far more likely than others to live in poor dwelling conditions.¹⁵

The rate at which Americans occupy inadequate households also varies by race. In 2017, Black households occupied inadequate housing units at a rate of 7%, compared to a rate of 4% for white households. In Metro Detroit, 11% of Black households live in inadequate housing, compared to just 3% of white households.¹⁶

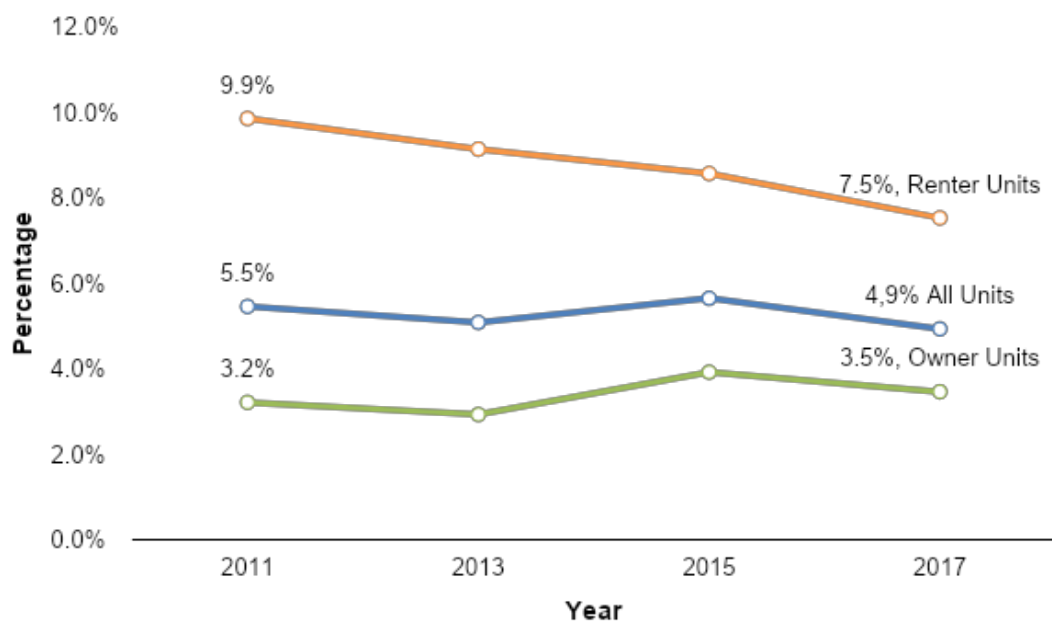
Racial disparities in housing have persisted for decades, the result of government policies, programs, and inaction that have prevented many Black Americans from securing safe, stable, and affordable housing, and building wealth.¹⁷ In *The Color of Law*, Richard Rothstein outlines the chain of events that has led to the racial disparities in housing we see today.¹⁸ From the 1930s through the 1960s, the Federal Housing Administration (FHA) sparked a homeownership boom in the United States by insuring and issuing mortgages at favorable terms to white working-class families, enabling them to purchase a home for the first time.¹⁹ Through means both implicit and explicit, the FHA denied Black Americans this same treatment. Of the \$120 billion in new housing construction loans underwritten by the FHA between 1934 and 1962, only 2% went to non-white families.²⁰ Lacking access to these low-risk mortgages, Black families were left to purchase homes using predatory land contracts, which carried with them high interest rates, a high risk of eviction, and no legal protections, often resulting in a loss of household wealth.²¹ Through the mid-20th century, discrimination in labor markets and unions reduced earnings for Black Americans.²² At the same time, home values rose substantially, making homeownership – particularly in the suburbs – unattainable for many working class Black families by the time the Fair Housing Act passed in the late 1960s.²³

From the passage of the Fair Housing Act through 2000, we see some signs of improved housing stability for Black households, such as a six percentage point increase in rates of Black homeownership.²⁴ However, these gains were soon lost, due to the disproportionate harm Black homeowners suffered from the subprime mortgage crisis in the late 2000s, which erased those gains in homeownership, and decimated the wealth of Black households.²⁵ Detroit's property tax foreclosure crisis in the years immediately following the mortgage foreclosure crisis magnified those losses.²⁶

In sum, Black Americans have not had the same opportunities to secure housing, have had to pay more for housing, have had fewer choices for housing, and – due to discrimination in both housing and employment – have had less income with which to procure housing and make repairs. We pay particularly close attention to gaps in housing adequacy by race in this report because the initial and substantial support government offered to white Americans in their pursuit of safe and stable housing, but denied Black Americans, has never been redressed. And though home repair programs are an inadequate tool to rectify the harms done, it is one area in which we can act quickly to support homeownership and housing stability for low- and moderate-income Black households.

Figure 1 - National Housing Quality, 2011-2017

The fraction of homes deemed moderate and severely inadequate



(Source: American Housing Survey)

Defining inadequate housing

The American Housing Survey (AHS) is sponsored by the Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau in select metropolitan areas every two years.

HUD developed the AHS in 1973 to assess the quality of housing stock and its characteristics in response to Title V of the 1970 Housing Act.²⁷ In addition to providing detailed information about the quality of housing units in select metropolitan areas, the AHS also categorizes housing units as severely inadequate, moderately inadequate or adequate. Though the AHS provides one measure of housing inadequacy, it fails to capture many housing issues that are important for policymakers to consider, such as home accessibility.

There are two methods for defining a unit as severely inadequate or moderately inadequate.

Severely Inadequate Method 1: The unit meets one of the following four conditions: (1) no electricity used, (2) exposed wiring without working electrical plugs in every room and the fuses were blown more than twice in the last three months, (3) unit was cold for 24 hours or more and the heating equipment broke down more than twice, lasting longer than six hours, or (4) unit has one of the following bathroom problems: no hot and cold running water, no full bathroom, shared plumbing facilities with occupants of another housing unit.

Severely Inadequate Method 2: The unit meets five of the following six conditions: (1) outside water leaks in the last 12 months, (2) inside water leaks in the last 12 months, (3) holes in the floor, (4) open cracks wider than a dime, (5) area of peeling paint larger than 8x11, or (6) rats seen in the unit in the last 12 months.

Moderately Inadequate Method 1: The unit has three or four of the conditions listed in “Severely Inadequate Method 2” but has not been designated as Severely Inadequate using Method 1.

Moderately Inadequate Method 2: The unit meets one of the following three conditions: (1) more than two toilet breakdowns in the last three months lasting longer than six hours; (2) the main heating equipment is unvented room heaters burning kerosene, gas, or oil; or (3) unit meets one of the four kitchen conditions: no kitchen sink, no working refrigerator, no working cooking equipment, or unit does not have exclusive use of kitchen.

For the purposes of this report, a unit is referred to as inadequate if it is categorized as severely inadequate or moderately inadequate.²⁸

Measuring Inadequate Housing in Detroit MSA

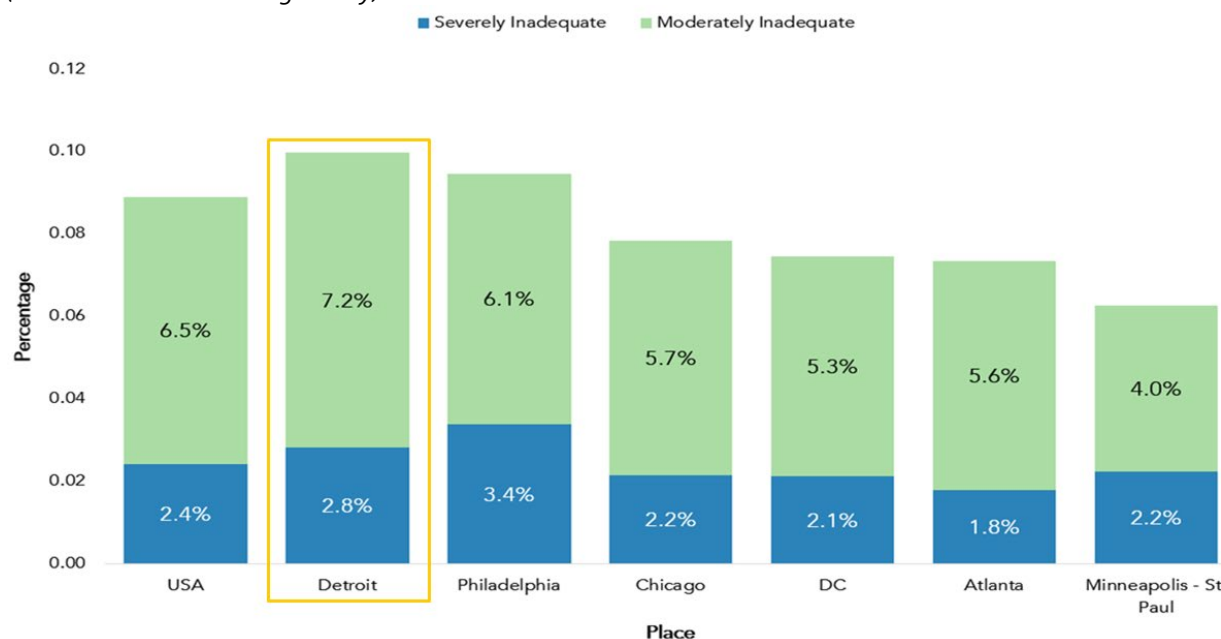
Although the focus of this report is the city of Detroit, the AHS only provides data at the metro-level for select cities. The trends in housing quality in Detroit’s six-county Metropolitan Statistical Area (MSA) mirror what is occurring nationally: marked improvements alongside persistent disparities. From 2015 to 2017, the share of severely and moderately inadequate homes in the Detroit MSA fell from 101,200 units to 84,600 units. In total, around 5% of occupied housing units in the Detroit metro area are considered inadequate, which mirrors the national rate.

However, housing inadequacy is more widespread among very low-income metro Detroit residents (annual household income less than \$20,000) than in peer cities, with 10% of very low-income households – roughly 32,000 households – living in inadequate housing (Figure 2).

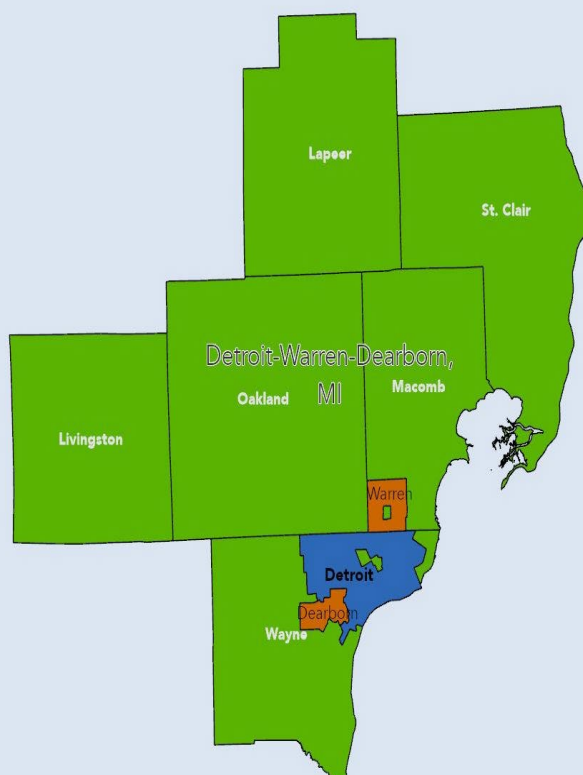
When compared to other metro areas surveyed in the AHS, Detroit stands out for facing higher rates of moderate and severely inadequate housing for very low-income households. In Washington, D.C., Atlanta, Minneapolis-St. Paul, and Chicago, inadequate housing affects fewer than 8% of low-income households. The highest rates of inadequate housing are in Philadelphia (9.5%) and Detroit (10%).

Figure 2 – Inadequate Housing for Very Low-Income Households Varies by Metro, 2017

The fraction of homes deemed moderate and severely inadequate by metro area for households with less than \$20,000 annual household income
(Source: American Housing Survey)



What is the Detroit Metropolitan Statistical (Detroit MSA) area?



The Detroit-Warren-Dearborn Metropolitan Statistical Area

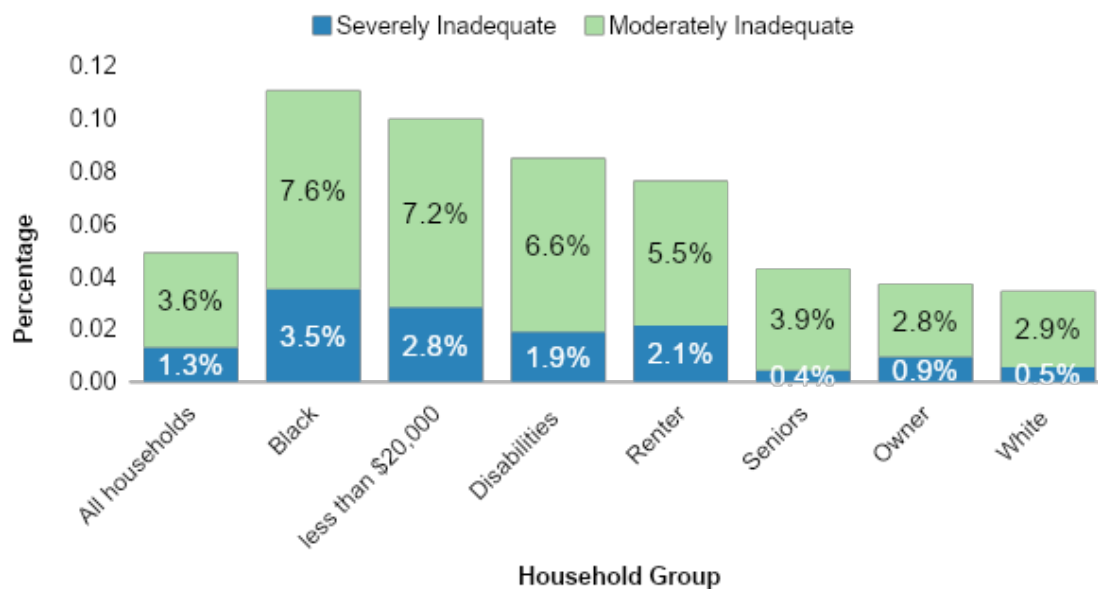
A Metropolitan Statistical Area (MSA) is a geographic boundary delineated by the federal government for the purposes of publishing statistical data. MSAs represent a “core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration within that core.”²⁹ The data presented in this report from the American Housing Survey represents the Detroit-Dearborn-Warren MSA. Estimates for the Detroit MSA likely differ from housing conditions in Detroit. For example, Detroit has a lower median income, a higher percentage of households living in poverty, and an older housing stock than the wider Detroit MSA (Appendix Table 1). Despite these differences, understanding inadequate housing at the MSA level provides useful information on the scale of housing inadequacy in the region, quantifies the most common types of housing issues, and provides insight into housing quality disparities by race and income.

Racial disparities in housing quality persist in Metro Detroit

Among all households in the Detroit metro area, Black households face the highest rates of inadequate housing. In Metro Detroit, 10.9% of Black households live in inadequate housing compared to less than 2.8% of white households (Figure 3). If we look only at very low-income households (defined as households earning less than \$30,000 annually), the share of Black households living in inadequate housing increases to 14.8%, while the share of white households increases to 5.4%, still roughly half the rate for all Black households regardless of income. Again, this is a reflection of the extent to which Black households have, for decades, experienced racial discrimination in housing and employment markets that have pushed them into older housing stock, hampered wealth creation, and reduced incomes.³⁰

In addition, renters are approximately twice as likely to live in inadequate housing as owners, regardless of race. This is important for Detroit, as the city has shifted from a majority-owner city to a majority-renter city over the past 15 years, owing in large part to the city’s twin foreclosure crises.³¹

Figure 3 – Detroit Metro Housing Quality, Select Population Groups, 2017
The fraction of homes deemed moderate and severely inadequate for occupied units
 (Source: American Housing Survey)



The most common housing quality issues facing Metro Detroit residents include inadequate heating, exterior water leaks, signs of mice or rats, and weak foundations (Table 1).

- **Heating issues:** Nearly 15% of all occupied units, or 253,400 units, reported being uncomfortably cold for 24 hours or more. Some of the reasons why occupied units reported cold temperatures included utility interruptions, equipment breakdowns, and inadequate insulation.
- **Water leakage issues:** Twelve percent of all occupied units or 206,600 units reported a water leakage from the outside, with slightly more basement leaks than roof leaks.

Table 1 – Selected Types of Housing Quality Issues in the Detroit Metro, 2017

Estimates are in thousands of housing units (*Source: American Housing Survey*)

Characteristics	N	%
Total Occupied Housing Units	1,723	100%
Severely Inadequate	22.4	1.3%
Moderately Inadequate	62.2	3.6%
Severely and Moderately Inadequate	84.6	4.9%
Selected Deficiencies		
Uncomfortably cold for 24 hours or more	253.4	14.7%
Water leakage from outside structure	206.6	12.0%
Water leakage from inside structure	154.5	9.0%
Electrical fuses or circuit breakers blown in last 3 months	154.3	9.0%
Signs of mice or rats inside the home in the last 12 months	153.8	8.9%
Foundation crumbling	105	6.1%
Open cracks or holes (interior)	96.1	5.6%
Missing roofing material	74.4	4.3%
Broken windows	67	3.9%
Missing bricks, siding, or other outside wall material	55.9	3.2%
Broken plaster or peeling paint (interior)	52.5	3.0%
Sewage disposal breakdown(s) in last 3 months	42.2	3.0%
Water stoppage in last 3 months	42.3	2.5%
Exposed wiring	34.4	2.0%
Signs of cockroaches in last 12 months	30.4	1.8%
No toilet working sometime in the last 3 months	25.6	1.5%
Rooms without electric outlets	19.6	1.1%

Estimating Housing Inadequacy and Repair Needs in Detroit

Understanding the magnitude and distribution of home repair needs in Detroit is important to developing appropriate policy solutions. Yet, the primary source of information on housing adequacy in the U.S., the American Housing Survey, only provides statistics at the national level and for select metropolitan areas. This means statistics on housing quality for cities, like Detroit, need to be collected locally or otherwise estimated.

Here, we briefly review what we know about housing quality in Detroit and then use estimates on the incidence of housing inadequacy in the Detroit metropolitan area to derive an estimate of inadequate units in Detroit under two scenarios. First, we assume Detroit faces the same housing inadequacy rate as the Detroit metro area to produce a conservative lower-bound for the number of inadequate homes. Then, because we see such stark disparities in housing inadequacy by race, and acknowledging our country's long history of racial discrimination in housing, we apply the inadequacy rates at the metro level by race to Detroit's racial composition to generate an alternative estimate.

Over the past decade, several ambitious efforts to collect local data have shed light on property conditions in the city. For example, in 2009 the Detroit Data Collaborative, a joint effort of the Detroit Office of Foreclosure Prevention and Response (FPR), Community Legal Resources (CLR) (now Michigan Community Resources), and Data Driven Detroit (D3), surveyed the exterior of every residential property in Detroit. The collaborative found 92% of Detroit's occupied housing structures were in good condition, meaning the building needed no more than two minor repairs.³² Another 7% were in fair condition meaning the buildings were structurally sound, but with some damage that could be rehabilitated. Only 1% were in poor condition, defined as not structurally sound with major repairs needed. According to the collaborative, these results pointed to the strength of many Detroit neighborhoods, despite accelerating vacancy and widespread housing distress. However, this effort only surveyed structures' exterior conditions, and therefore would not reveal repair needs inside the home, which make up the bulk of housing quality issues.

In 2013, another parcel survey effort called Motor City Mapping collected data on property conditions that informed the blight removal policy recommendations of the Detroit Blight Removal Task Force.³³ Results from Motor City Mapping found that 30% of all residential structures in the city demonstrated some form of blight, but the effort told us very little about repair needs in occupied structures.³⁴

While other efforts to understand the status of Detroit's homes have occurred since Motor City Mapping, in our search of data sources, we did not find estimates of housing adequacy for every occupied residential property in the city. In addition, while previous efforts assessed the conditions of Detroit housing structures based on exterior appearance, many of the major home repairs residents face (e.g. furnace problems, leaking roofs, poor insulation, interior lead paint, plumbing disrepair, electrical needs), cannot be assessed through a "windshield survey," but would require either a home assessment or resident interviews.

Lacking those sources, we apply inadequacy estimates for metro Detroit to the city of Detroit in two ways in order to generate city-level estimates. As shown in Table 2, there are 264,360 occupied housing units in Detroit.³⁵ A majority, or 140,264, of those units are renter-occupied units and the remainder are owner-occupied units.

To generate our first estimate of inadequate units, we apply the rate of inadequate housing for Detroit metro to the city of Detroit. This estimate can be thought of as a conservative lower-bound of how many Detroit homes might be inadequate, as the socioeconomic characteristics and housing stock of Detroit differ greatly from that of the metro region. Under this conservative method, we estimate there are 15,252 occupied housing units that are moderately or severely inadequate in Detroit, with rental units making up 10,660 of the total.

As noted, however, the city of Detroit is dissimilar from the Metropolitan Statistical Area (MSA) on important dimensions. Detroit's housing stock is older and median household incomes are lower, suggesting that Detroit homes might need more and costlier repairs and residents have lower incomes to address them (Appendix Table 1). In addition, data from the American Housing Survey make clear that Black households (both homeowner and renter) are far more likely than white households to live in inadequate housing, likely a result of decades of discrimination in housing and employment markets that have pushed Black households into substandard housing and left Black households with fewer resources.³⁶ As the share of Black households in Detroit is far greater than the share of Black households throughout the MSA (Detroit is 79% Black while the MSA is 22% Black), we would expect this to be reflected in the share of inadequate homes in Detroit.

Therefore, in Table 3, we attempt to account for differences between Detroit and the Detroit metro area by looking at inadequacy by race.³⁷ We find that once accounting for race, the estimated number of inadequate and severely inadequate homes jumps up to 24,119 with a majority of those homes being renter occupied (15,682). Taking into account the margin of error on the estimate, the total number of severe and moderately inadequate units ranges from 14,825 to 33,413.^a

There is reason to believe that this may also be an underestimate of the overall home repair need in Detroit. From 2005 to 2015, Detroit experienced twin foreclosure crises, during which 120,000 properties in the city went through either mortgage or tax foreclosure.³⁸ These foreclosed homes were largely purchased by investors, many of whom failed to invest in their properties while charging high rents, seeking to "milk" the property for profit, quickly evicting tenants for nonpayment, and often letting the property fall back into tax foreclosure.³⁹ This mass transfer of properties to speculative ownership has likely contributed to further disrepair in the city's housing stock. Indeed, investigative reports have identified a pattern of eviction and disrepair in Detroit's rental housing stock, prompting the City of Detroit to broaden its enforcement of the city's rental ordinance.⁴⁰ In other words, while we would expect the city's housing repair needs to be far greater than the metro area overall due to the age of the housing stock and low average incomes, the fallout from the city's twin foreclosure crises likely exacerbated these needs to a great degree.

Table 2 –Estimating home adequacy and repair needs in Detroit, 2017

	Total	Owner	Renter
Housing Stock			
Number of occupied housing units in Detroit *	264,360	124,096	140,264
Housing Inadequacy			
Share of occupied housing units that are severely & moderately inadequate in the Detroit Metro**	4.90%	3.70%	7.60%

^a Confidence level of 95%

Percent severely inadequate occupied housing units alone	1.30%	0.90%	2.10%
Percent moderately inadequate occupied housing units alone	3.60%	2.80%	5.50%
Number of severely and moderately inadequate housing units in Detroit assuming Detroit Metro rate	15,252	4,592	10,660
Number of severely inadequate occupied housing units in Detroit assuming Detroit Metro rate	4,062	1,117	2,946
Number of moderately inadequate occupied housing units in Detroit assuming Detroit Metro rate	11,189	3,475	7,715

Table 3: Estimating home adequacy and repair needs in Detroit by Race, 2017

	Owner	Renter	Total Occupied Units
Housing Stock			
Black occupied	95,976	114,599	210,575
White occupied	21,764	18,470	40,234
Other race occupied	6,356	7,195	13,551
Total Occupied Units in Detroit city	124,096	140,264	264,360
Housing Inadequacy Rates			
Black occupied Adequate	91.84%	86.28%	
<i>Range based on margin of error</i>	<i>(88.01%-95.66%)</i>	<i>(82.46%-91.19%)</i>	
Black occupied Inadequate	8.16%	13.18%	
<i>Range based on margin of error</i>	<i>(4.34%-11.99%)</i>	<i>(8.81%-17.54%)</i>	
White occupied Adequate	97.24%	96.85%	
<i>Range based on margin of error</i>	<i>(96.19%-98.28%)</i>	<i>(94.71%-99.00%)</i>	
White occupied Inadequate	2.76%	3.15%	
<i>Range based on margin of error</i>	<i>(1.72%-3.81%)</i>	<i>(1.00%-5.29%)</i>	
Number of adequate and inadequate (severely & moderately inadequate) housing units			
Black occupied Inadequate	7,836	15,101	22,997
<i>Range based on margin of error</i>	<i>(4,168-11,504)</i>	<i>(10,099-20,103)</i>	<i>(14,267-31,607)</i>
White occupied Inadequate	601	581	1,182
<i>Range based on margin of error</i>	<i>(374-829)</i>	<i>(185-977)</i>	<i>(559-1,806)</i>
Estimated Total Black & White Occupied Inadequate Households	8,437	15,682	24,119
<i>Range based on margin of error</i>	<i>(4,542-12,333)</i>	<i>(10,284-21,080)</i>	<i>(14,825-33,413)</i>

(Source:*=American Community Survey, **=American Housing Survey, Note: Margins of errors in parenthesis).

The State of Detroit's Home Repair Market

Homeownership has the potential to be a viable pathway to stable, affordable housing for low-income households, particularly in a city like Detroit with plentiful inexpensive housing stock. However, many low-income families struggle with the cost of owning and maintaining a home. One study found 1 in 4 low-income homeowners were at risk of losing their home due to being late on debt repayment after just two years.⁴¹ The study also found the cost of home repair was the greatest challenge faced by low-income families after purchasing the home, with nearly 1 in 6 confronting a repair they could not afford.⁴² These challenges are more pronounced for Black and Hispanic homebuyers, who are more likely to buy homes considered moderately or severely inadequate by the AHS.⁴³

Although national homeownership rates for Black and Hispanic Americans have increased over the past several decades, they still lag behind homeownership rates of white Americans. In 1940, the homeownership rate of Black Americans was approximately 23%, compared to 46% for white households.⁴⁴ Nearly 80 years later, in 2017, Black Americans owned their homes at a rate of 46%, the same homeownership rate as white households in 1940, while the white homeownership rate had risen to 72%.⁴⁵ Studies show that even after controlling for demographic characteristics such as education, income, and marital status, white Americans continue to have higher homeownership rates than Black Americans⁴⁶

If we hope to realize the potential benefits of homeownership for low-income households, and low-income Black households in particular, access to home repair resources is a critical part of the equation.

To place home repair in a local context and to understand the resources available to low-income families, we first established a list of home repair programs available to Detroit residents and then conducted extensive research on these programs and how they function. This included web searches, interviews with home repair administrators, and conversations with government officials, nonprofits, and Detroit residents. We contacted over 60 organizations to determine if they administered a home repair program, and published information found from 25 home repair programs in our [2019 Detroit Home Repair Resource Guide](#). To calculate the total home repair funding issued to Detroit residents and the number of households reached in 2018, we requested data from all identified organizations offering home repair programs including city, state, and federal agencies. We also included weatherization and energy program funding, which can improve household heating conditions and reduce utility costs. Please see our Home Repair Ecosystem Map (Appendix 2), which provides funding streams and breakdowns of estimated households reached and dollars spent by each program in 2018.

What home repair programs are available to Detroit residents?

We find Detroit city residents received an estimated **\$15,842,205** in funding in 2018 for residential home repair, reaching an estimated **2,943** housing units.⁴⁷ All estimates listed in this section are for the city of Detroit, unless otherwise noted, and all programs except one are available exclusively to owners who occupy their residence, leaving renters with few to no options for accessing funds for home repairs.^a

^a To our knowledge, the only home repair program available to renters is the City of Detroit's Lead Abatement program.

We separated the funding into four categories:⁴⁸ (1) loans, (2) grants (3) weatherization/energy, and (4) volunteer community-based organizations.

The totals shown in Table 3 represent our best estimate of the home repair funding issued to Detroit residents and households reached in 2018.

- **Loans:** Three programs provided an estimated \$2,760,770 in the form of home repair loans, reaching 175 households.^a
- **Grants:** Nine programs provided an estimated \$6,649,221 in grant funding, reaching 771 households.
- **Weatherization & Energy:** Four programs provided an additional \$6,432,214 specifically for weatherization and energy projects that mainly included furnace replacement or repair, reaching an estimated 1,623 households.⁴⁹
 - Three of the four weatherization and energy programs are provided as grants to households, and one provides inspections and equipment. These programs are restricted to weatherization and energy improvements and do not fund other critical repairs such as roof repair.
- **Volunteer community-based organizations:** A confirmed 10 community-based organizations utilized volunteers and donations to reach approximately 374 households, mostly focusing on minor home repairs such as painting, yard work, and beautification. The estimated donations received for these programs was not reported.

Table 4 – Home repair funding by category for 2018

Funding Type	Dollars Spent	% of Total Dollars	Units Reached	% of Total Units
Loan	\$2,760,770	17%	175	6%
Grant	\$6,649,221	42%	771	26%
Weatherization	\$6,432,214	41%	1,623	55%
Community-based organizations	Not reported	-	374	13%
2018 Totals	\$15,842,205	100%	2,943	100%

Note: The MI Saves Home Energy Loan Program is included in the “Loan” funding type, even though the funding is primarily for energy related improvements, because it is administered as a loan.

Understanding loan programs

Poverty Solutions confirmed a total of three loan programs provided 175 home repair loans to Detroit residents in 2018, totaling \$2,760,771.⁵⁰

- Michigan State Housing Development Authority’s (MSHDA) Property Improvement Program (PIP) issued two loans totaling \$18,329.

^a Note that this analysis is only taking into account home repair loans designed to serve low- and middle-income homeowners who may struggle to access other forms of capital due to high debt-to-income ratios or sub-prime credit scores. It therefore does not include traditional home repair loans or home equity lines of credit offered by commercial banks.

- Michigan Saves' Home Energy Loan Program issued 78 loans totaling \$679,531.
- The City of Detroit's 0% Interest Home Repair Loan Program issued 95 loans totaling \$2,062,911. More information regarding the distribution of loans by household income is provided in a subsequent section.

Credit scores and loan programs

Loan programs offered by MSHDA, Michigan Saves, and Liberty Bank — which advertises a home repair loan on its website but would not confirm lending data in 2018 — all require credit scores in the 600s, with interest rates starting at 4%, which are potentially limiting factors for low-income families. In addition, these programs are restricted to certain geographies and eligible repairs, and, in the case of MSHDA's PIP program, extremely limited in scope. The PIP program, which issues home repair loans of up to \$25,000 with interest rates of 4%-8% depending on income, issued only two loans in Detroit in 2018, totaling \$18,329. Better utilization of this program, which has a loan repayment period of 20 years and is available to households with annual incomes up to \$105,700, could provide needed home repair funds to higher-income households in Detroit who may lack access to other home repair capital.

The City of Detroit's 0% Interest Home Repair Loan program seeks to correct for the deficiencies of these other programs. The program is available to those with a credit score above 560, more than 120 points below "prime" — a critical factor in a city where the median credit score is 552⁵¹ — and can be used on a range of potential repairs.

However, while the program aims to target a credit-constrained population, the average credit score of approved applicants is 727, suggesting that other program requirements are preventing those with lower credit scores from accessing the program.⁵² Still, the 0% Interest Home Repair Loan approved \$2,062,911 in loans in 2018, representing an estimated 75% of the total home repair loans in Detroit analyzed in this paper.

Understanding grant programs

A confirmed total of nine grant programs provided an estimated \$6,649,221 in funding to 771 homes for home repair and accessibility projects in Detroit in 2018. A description of the largest home repair grant programs available to Detroit residents who meet eligibility requirements is below.

- The City of Detroit's Lead Hazard Control Program is by far the largest home repair grant program in Detroit, expending \$3,327,691 in funds in 2018 and accounting for half of all home repair grant dollars that year. The program reached 76 homes, for an average expenditure of \$43,785 per home.
 - The program is only available to income-eligible households with children under 6 and pregnant women.
 - Two of the 76 homes receiving services were through ChildHelp, which assists rental units with lead abatement repairs.
 - Although the program's focus is on lead abatement, the program provided additional health and safety repairs including roof repairs, window replacement, and porch repair.
 - The majority of the Lead Hazard Control Program funding (74%) comes from Community Development Block Grant Dollars (CDBG) from the U.S. Department of Housing and Urban Development (HUD), and the remainder comes from the state of Michigan.

- The Federal Home Loan Bank of Indianapolis's (FHLBI) Neighborhood Improvement Program (NIP) provided a total of \$530,560 in grants to 76 homes in 2018 for home repairs up to \$7,500 related to repair or replacement of windows, siding, roof, exterior doors, and water heaters.
- MSHDA's State Emergency Relief (SER) program provided \$70,307 in non-energy grants for hot water heater replacement, and roof, door, and window repairs to 67 homes throughout Wayne County in 2018. This program has a lifetime maximum grant amount of \$1,500 per household. This program was unable to provide Detroit city estimates.

Grants for improving home accessibility

In addition to the programs above, four grant programs focused specifically on home accessibility. These programs expended \$2,654,919 in 2018, representing approximately 40% of all grant dollars, although a portion of the Accessibility Modification Program from the Federal Home Loan Bank of Indianapolis (FHLBI) and the City of Detroit's Senior Emergency Program can also be used for approved non-accessibility repairs, including roof repair.

- Detroit Area on Aging's MI Choice Waiver program, a Medicaid program for MI Choice Waiver enrollees in Detroit, Highland Park, Hamtramck, Harper Woods, and the five Grosse Pointes, reached an estimated 468 households expending \$1,492,608, the most funding one program spent on home accessibility modifications.
- The city's Senior Emergency Program provided \$545,182 in repairs to 22 homes and is available for seniors and people living with a disability over age 55.
- FHLBI's Accessibility Modification Program (AMP) funded \$447,129 in repairs to 31 homes.
- The Veteran Affairs Specially Adapted Housing Grant funded two homes with \$170,000.

Understanding weatherization and energy programs

A confirmed total of four weatherization and energy programs provided an estimated total of \$6,432,213 in grant funding for energy or weatherization repairs or equipment to an estimated total of 1,623 homes in 2018.

The largest weatherization and energy programs available to Detroit residents are listed below:

- DTE Energy provided \$4,184,715 in grants and equipment, representing 61% of all private funding in the home repair ecosystem;
- Wayne Metro Community Action's Weatherization Assistance Program (WAP), provided \$1,487,392 from the Department of Energy and Low Income Home Energy Assistance Program (LIHEAP) funds to 168 homes for weatherization repairs such as wall installation and furnace replacement.
- MSHDA's State Emergency Relief (SER) program provided \$460,107 in energy grants reaching 155 households in Wayne County.

Understanding volunteer programs

A confirmed total of 10 nonprofit organizations performed minor home repair work on an estimated 374 homes in 2018 through the use of volunteers and donations. Most of these organizations cannot perform more technical repairs like roof repairs or major accessibility modifications due to a lack of program funds or lack of technically skilled volunteers. Funding for these programs varies year to year, is not guaranteed, and almost every program only operates in specific geographic areas in the city.

- Life Remodeled was the only confirmed community-based organization with a volunteer home repair program performing roof repairs in 2018, through the use of licensed contractors who donate time and materials.
- Brick+Beam does not provide home repair funds to residents, but they do provide workshops for building rehabbers and offer resources online aimed at teaching homeowners skills to repair their homes themselves. We did not include the number of households they reached with workshops in our estimates.

How are home repair programs being used?

To understand how existing home repair programs' resources are being used, we further defined and categorized programs by the type of repairs funded by each program in 2018. Table 5 denotes how funding was utilized by four program types: critical home repairs, energy and weatherization, accessibility, and volunteer programs. Some programs allow funds to be used for more than one type of repair (e.g., accessibility and critical home repair), but categorization was conducted based on the main type of repair funded by the program.

Critical home repairs are defined as home repairs that improve the condition of a property such as roof repairs, lead abatement, electrical work, etc. Although Life Remodeled is a volunteer-based program, we included it in this category because the program repairs roofs, which are critical repairs. In 2018, 38% of home repair resources went to critical home repairs, yet these types of repairs represent only 13% of total participants served (Table 5).

Energy and weatherization programs typically provide low-income households with funds to perform home modifications to reduce energy costs and protect against the elements. Funds typically cannot be used for critical home repairs and are primarily used for furnace replacement. MI Saves Home Energy Loan is the only exception, allowing households to use the funds for non-energy related improvements if the improvement is necessary to complete an energy project. In 2018, 45% of home repair resources went to energy/weatherization projects reaching 1,701 units — the largest share of total households reached (Table 5).

Accessibility programs provide home modifications that improve the ability of individuals living with disabilities and seniors to live in their homes. Although Ehm Senior Solutions and Bridging Communities have volunteer-based home repair programs, we included them in this category because their programs are targeted to seniors. In 2018, 17% of home repair resources went to accessibility programs reaching 556 units (Table 5).

Volunteer home repairs are defined as repairs performed by volunteer-based programs that typically provide minor improvements to homes, such as gutter cleaning, fence repair, or painting. Donations collected were not reported by volunteer programs. In 2018, nearly 300 homes received volunteer home repair assistance.

Table 5 – Home repair spending by type for 2018

Program Type	Dollars Spent	% of Total	Units Reached	% of Total
Critical Home Repairs	\$6,075,541	38%	387	13%
Energy/Weatherization	\$7,111,745	45%	1,701	58%
Accessibility	\$2,654,919	17%	556	19%
Volunteer Home Repairs	Not reported	-	299	10%
2018 Totals	\$15,842,205	100%	2,943	100%

Note: Critical Home Repair Programs include MSHDA's Property Improvement Program, City of Detroit's 0% Interest Home Repair Program, MSHDA's State Emergency Relief Non-Energy Program, City of Detroit's Lead Hazard Control Program, FHLBI's Neighborhood Improvement Program, MSHDA's Neighborhood Enhancement Program, UCHC's Make It Home Program, Cody Rouge's Porch Repair Program and Life Remodeled's Home Repair Program.

Energy/Weatherization Programs include Michigan Saves Loan Program, Wayne Metro's Weatherization Assistance Program, Wayne Metros' Water Residential Assistance Program, DTE's Energy Efficiency Assistance Program and MSHDA's State Emergency Relief Energy Program.

Accessibility Programs include FHLBI's Accessibility Modification Program, MI Choice Waiver program, the VA's Specially Adapted Housing Grant, the City of Detroit's Senior Emergency Program, Bridging Communities and Ehm Senior Solutions.

Volunteer Home Repair Programs include the following organizations: Rebuilding Together Southeast Michigan, Rippling Hope, and Central Detroit Christian. Units reached were not confirmed for Joy Southfield Development Corporation and Hope Community Church. Units reached by Brick + Beam were not included because they do not provide funding or equipment to households.

How do other cities prioritize home repair?

To better inform the Detroit home repair ecosystem, we conducted a scan of city-administered home repair programs in peer cities to evaluate program requirements and design compared to the city of Detroit (Table 6). We focused on peer cities in the industrial Midwest and also examined cities with numerous home repair programs, such as Minneapolis. While this list is not exhaustive, it provides insight into existing efforts to address home repair needs.

In total, all of the cities offered some form of home repair program, with Minneapolis and Cleveland providing the greatest number of home repair program offerings. Collectively, these cities offer a number of promising practices from which Detroit may be able to learn.

Table 6 – Home Repair Programs in Select Peer Cities, 2019

City	Number of programs	Deferred loan for health/safety repairs	Interest rate varies by income	Loan Term	Program available to all low-income residents without credit score	Lead grant included in loan program	Renter/landlord program
Cleveland, OH	5	Yes	Yes	Up to 30 years	Yes	No	Lead only
Madison, WI	3	Yes	Yes	Up to 20 years	Yes	No	Code violations
Milwaukee, WI	4	Yes	Yes	15 years	Yes	No	Code violations
Pittsburgh, PA	3	No	No	20 years	No	Yes	Accessibility
Minneapolis, MN	5	Yes	Yes	30 years	Yes	Yes	None
Louisville, KY	4	Yes	No	5-year forgivable	Yes	Yes	Code violations
Detroit, MI	3	No	No	10 years	No	No	Lead only

Deferred loans: Nearly all cities assessed provide deferred loans available to residents for code violations or health and safety home repairs with different income thresholds, ranging from 30%-80% of a city's area median income (AMI).⁵³ Deferred loan programs often will delay repayment on a loan until the eventual sale of a home (and even then may only require a partial payment) or forgive the loan if the home's value declines.⁵⁴ Thus, deferred loans add no immediate financial burden to households. No credit score requirement exists in any of the deferred loan programs we reviewed. Because of the high risk of loss on the part of the lender, deferred loan programs are often run by government entities or mission-driven organizations. No deferred loan program currently exists in Detroit.

Madison's deferred loan program requires a one-time income review at five years and if the borrower's income exceeds program limits, the loan is converted into a low-interest, fixed-rate installment loan.⁵⁵ Pittsburgh does not have a deferred loan option, but their 0% interest home repair loan term is 20 years, resulting in lower monthly payments, and is integrated with other grant programs.⁵⁶

Varying interest rates and income eligibility caps on city-run low-interest loan programs: Most cities we studied also have low-interest home repair loan programs, which have an income cap and varying interest rates by income. Varying interest rates (i.e., charging those with higher incomes a slightly higher interest rate) is a notable feature of low-interest loan programs, as higher rates for those

who can afford it could help build a healthier, more sustainable revolving loan fund. In addition, imposing an income cap can ensure higher-income households, who would more likely qualify for financing on the private market, are not crowding out low- and middle-income households from limited low-interest loan funding. Four cities we studied offer varying interest rates (ranging from 0-6.75%) depending on household income, and all cities have income limits on their programs, though in some cities, like Milwaukee, Minneapolis, and Madison, these limits are quite high. Conversely, Detroit's 0% Interest Home Loan Program charges a 0% interest rate at all income levels, and in certain neighborhoods, there is no income eligibility cap.

Fusing grant programs with loan programs: In our interviews, we found a primary barrier to accessing Detroit's 0% Interest Home Loan Program was that households were required to remediate lead in their home in order to qualify for loans of over \$10,000. Other cities have faced this issue as well, and, to remedy the problem, have combined a lead remediation grant program with their home loan program. Pittsburgh and Minneapolis have both implemented this model.

Offering landlords a flexible lending program: Several of the cities we studied have loan programs that enable landlords to address a host of code violations, tied to affordable rent provisions. Detroit also has a loan program targeted to landlords, but funds from the program can only be used for lead remediation. While lead remediation is a major concern in rental properties, landlords often need to address a range of repairs to bring their properties up to code.⁵⁷

Practitioner perspectives: Home Repair in Detroit

"The whole system is one big gap."

- Executive director, community-based organization

Most organizations interviewed for this project completed a short questionnaire to capture practitioner perspectives on the state of the home repair market in Detroit. Table 7 summarizes their responses to the survey questions. Overwhelmingly, interviewees commented that the existing home repair programs, funding, and resources offered throughout Detroit by government, private funders, and volunteers are not coming close to meeting the needs of residents. Demand far exceeds supply at the price lower income residents can pay.

Table 7– Satisfaction with home repair resources

n=16¹ unless otherwise noted

<i>The existing home repair programs in Detroit meet the home repair needs of Detroiters</i>	75% Disagree or Strongly Disagree
<i>Detroiters would benefit from additional home repair programs being offered</i>	94% Agree or Strongly Agree
<i>Detroiters who have home repair needs face challenges in meeting eligibility requirements for loan-based home repair programs</i>	88% Agree or Strongly Agree

<i>The existing home repair programs in Detroit meet the home accessibility needs of Detroiters</i>	88% Disagree or Strongly Disagree
<i>Detroiters would benefit from more home repair programs focusing on home accessibility being offered</i>	88% Agree or Strongly Agree
<i>There is sufficient affordable accessible (ramp, railings, grab bars) housing in Detroit</i>	81% Disagree or Strongly Disagree
<i>I am confident I can refer those in need to home repair services that can meet their needs</i>	81% Disagree or Strongly Disagree
<i>There is coordination between the available homeownership resources/programs in the city</i>	83% Disagree or Strongly Disagree (n=12)

'Survey Responses: Detroit Future City, Detroit Action Commonwealth, ClearCorps, Wayne Metropolitan, UCHC, Grandmont Rosedale, Brick+Beam, Rippling Hope, U-SNAP-BAC, Bridging Communities, SER Metro Detroit, Jefferson East Inc., Central Detroit Christian, Cody Rouge Community Alliance, Rebuilding Together Southeast Michigan, EHM Senior Solutions.

A large majority of organizations commented that there's not enough funding or programs to meet the current need in Detroit (75%), that they don't know where to refer people to for services (81%), and waitlists are long. Moreover, many organizations discussed their hesitation to advertise programs because the available funding can help only a limited number of people. Although the City of Detroit contributed more than one-third of all funding in the 2018 home repair ecosystem, city government faces similar constraints as other organizations, with limited funding, resources, and capacity.

Gaps in the Home Repair Ecosystem

Poverty Solutions also conducted open-ended interviews with providers to understand how home repair programs operate in Detroit and to identify gaps in existing programming. The following list represents the main gaps identified during the interviews:

- Low-income Detroiters struggle to access loan programs
- There are not enough grant dollars to address immediate health and safety repair needs
- Seniors and persons living with disabilities struggle to access resources
- There is a lack of coordination between programs
- Low-income homeowners need help navigating applications, bids, and inspections
- Nearly all home repair loans and grants require ownership and occupancy
- There is a shortage of licensed general contractors, and the cost of repairs is high

Low-income Detroiters struggle to access loan programs

The most common remark we heard from community-based organizations is that low-income residents struggle to access loan programs. The 0% Interest Home Repair Loan is the largest home repair program available to low-income residents for health and safety repairs in Detroit.

What is the 0% Interest Home Repair Loan Program?

The loan provides 10-year no-interest loans up to \$25,000 for qualified homeowners, with funding from private banks and the U.S. Department of Housing and Urban Development (HUD). Qualified homeowners across the city cannot make more than 80% Area Median Income (\$42,750 for a 1-person household in 2019), but there is no income limit inside targeted areas. The minimum credit score is 560 and the debt-to-income ratio cannot exceed 45%, among other requirements such as homeowner's insurance and being current on property taxes (including payment plans).

With no interest and a subprime credit threshold, the 0% Interest Home Repair Loan Program is clearly designed to offer loans to low-income and credit-constrained households. However, due to exceptionally low credit scores amongst Detroit residents and other requirements around debt-to-income ratio, homeowner's insurance, and property tax delinquency, families with very low incomes struggle to access the program. Several community-based organizations remarked that the program was largely inaccessible to the residents they serve.

Barriers to accessing the 0% Interest Home Loan Program for low-income households

Unaffordability: In a city where half of all households have incomes less than \$31,283, adding an additional monthly bill of \$150-\$200 for 10 years, even without interest, is unaffordable.⁵⁸ In addition, a loan of any kind is often a challenge for seniors on fixed-income. For low-income populations, expanding grant programs or deferring loan payments until the point of sale — with loans potentially forgiven if the sale price does not cover loan payments — may be the only solutions to ensure access to home repair resources.

“Most of these folks are already living on the edge, so the thought of taking on another expense in their life is not something they’re overjoyed about.”

- Executive director, community-based organization

High Debt-to-Income Ratios and Low Credit Scores: To meet the program's required debt-to-income threshold of 45%, a homeowner making \$24,050 a year would have to owe less than \$900/month in debt payments, which includes property taxes (including payment plans), mortgage payments, homeowner's insurance, past-due debt, credit card payments, plus the additional cost of the 0% interest loan. This presents a challenge in a city like Detroit, where 66% of residents have debt in collections, credit card usage ratios are high compared with the rest of the country, and roughly 60,000 households in 2018 were delinquent on their property taxes.⁵⁹ Other cities have instituted deferred loan programs for low-income residents, which do not increase debt or financial burden.

In addition, while the credit score threshold for the 0% Interest Home Repair Loan program is far below traditional underwriting requirements, it still falls above the median credit score in Detroit of 552,⁶⁰ making it inaccessible to many Detroit residents.^a As we referenced above, several cities have dropped credit score requirements from certain loan programs to better ensure broad access to capital.

^a The median credit score figure comes from a 2016 study from the Urban Institute and includes both owners and renters. To the extent that homeowners have better credit than renters, the median credit score for the population that might be applying for the 0% Interest Home Repair Loan program may be higher than the median credit score for all Detroit residents.

“I think the 0% loan program is fantastic, but the issue is that it skips over or avoids the target clients, those most in need of services.”

- Program manager, community-based organization

Homeowner’s Insurance and Property Tax Payment Plans: Unaffordable or inaccessible homeowner’s insurance can also serve as a barrier to applicants. The program permits applicants whose insurance was canceled due to a needed repair, but it does not specifically address applicants who cannot get approval for homeowner’s insurance due to low property values. More research is needed on the obstacles Detroit households face in obtaining homeowner’s insurance.

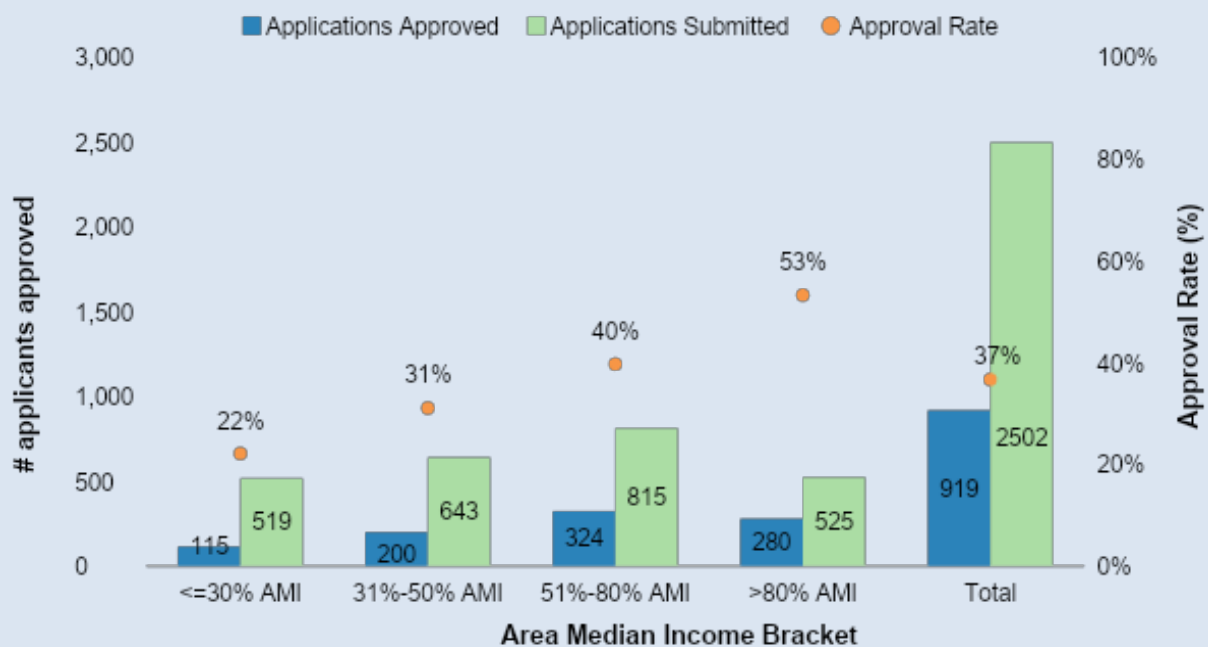
In addition, as noted above, tens of thousands of Detroit homeowners are not current on their property taxes, due to a combination of low incomes, artificially high property assessments, and historically low participation in the City’s property tax exemption program for low-income homeowners.⁶¹ Efforts to keep households current on property taxes can also help reduce barriers to accessing home repair funds, and the City of Detroit and Wayne County have made significant progress in helping tax delinquent households avoid foreclosure and manage property tax debt.⁶²

Reviewing 0% Interest Home Repair Loan Approval Data

As of June 2019, a total of 919 applicants had been approved for the 0% Interest Home Repair Loan Program over its four year history, with an approval rate of 37% (Figure 4). As one might expect, as household income increases, the approval rate also increases. Just 22% of extremely low-income borrowers, below 30% AMI, have been approved for the program, compared to 53% of borrowers above 80% AMI.

While approval rates are skewed toward households with incomes above 80% AMI, the program is serving a need for this population, as little to no mortgage market exists in roughly half the city.⁶³ In these parts of the city, even well-qualified borrowers are likely unable to secure a loan for home repairs, and the 0% Interest Home Repair Loan program fills this gap. However, it is vital that policymakers consider who is unable to access this program and how home repair needs of low-income Detroiters can be better met.

Figure 4 – 0% Interest Home Repair Loan Approval Rates by Area Median Income of Household



(Note: Approval data from program start date in 2015 - June 2019 provided by LISC)

Among all approved borrowers:

- 35% have extremely or very low incomes, below 50% AMI,
- 35% have low-to-moderate incomes, between 51% and 80% AMI, and
- 30% have incomes above 80% AMI.

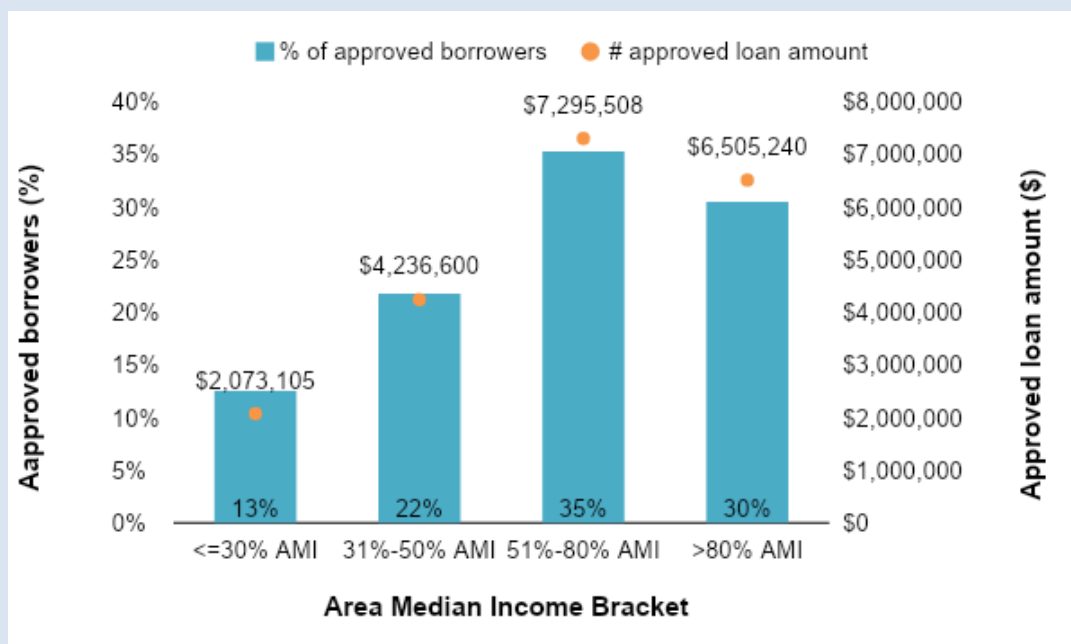
Table 8 - 2017 Adjusted Household Income Limits for Households Living in the Detroit Metro Area

AMI Limit	1 person	2 person	3 person	4 person
Extremely Low-Income 30% AMI	\$14,450	\$16,500	\$18,550	\$20,600
Very Low-Income 50% AMI	\$24,050	\$27,450	\$30,900	\$34,300
Low-Income 60% AMI	\$28,860	\$32,940	\$37,080	\$41,160
Moderate-Income 80% AMI	\$38,450	\$43,950	\$49,450	\$54,900

**Note: Household size determines AMI. Average household size of a borrower in 0% Interest Home Repair Loan program is two.*

Perhaps reflecting approval rates, 31% of the total approved loan funding was allocated to low-income households below 50% AMI and 69% was allocated to households above 50% AMI, representing an estimated \$6,309,705 and \$13,800,748, respectively (Figure 5).⁶⁴

Figure 5 – 0% Home loan Approved Borrowers and Loan Amounts by AMI



Barriers to accessing grant programs for low-income households

Although there are a few grant programs available to residents for home repairs, they are too limited in scope and scale to meet the varied and substantial needs of low-income Detroit homeowners.

Limited funds for emergency repairs: The only grant program that provides immediate, emergency assistance for health and safety home repairs is MSHDA’s State Emergency Relief (SER) program, which provided a total of just \$70,307 for non-energy related home repairs in 67 Wayne County homes in 2018. Several organizations interviewed commented that they regularly get calls for emergency home repair needs such as hazardous roof leaks or broken exterior steps, but they have nowhere to send residents. Volunteer-based home repair programs offered by community organizations are typically small in scale and do not focus on large-ticket items such as roof repair. The city of Detroit does not have a grant program focused on home health and safety repairs other than lead remediation, unless the resident is a senior or is over 55 with a disability.

“I had someone come in and her credit was bad and she’s on disability with 3-4 kids and her basement is flooded, has mold, and the roof is leaking. She can’t get approved for the [0% Interest Home Repair Loan] program - I have no idea where to send her.”

Executive director, community-based organization

The SER program is capped at a one-time grant of \$1,500.^a However, this grant amount is likely too small to address most home repair needs. Estimates indicate the average repair cost for an occupied unit in the Detroit MSA is \$3,228, and national estimates for the average repair cost for moderately and severely inadequate units are \$4,361 and \$6,487, respectively, both eclipsing the maximum grant from the SER program.⁶⁵ It is also worth noting that the cost of repairs in the city of Detroit are likely higher than national or metro-level estimates due to the age of the housing stock and deferred maintenance due to low incomes, low property values, and constrained credit.

Funds are expended quickly: The only other grant option in Detroit for general home repairs is the Federal Home Loan Bank of Indianapolis' (FHLBI) Neighborhood Impact Program (NIP), which provides grants of up to \$7,500 for qualifying home repairs in households below 80% AMI. Emerging evidence suggests a \$7,500 grant, while perhaps not addressing all home repair needs in severely inadequate homes, is enough to address emergency repairs and improves a homeowner's perception of housing stability.⁶⁶ However, the NIP program is dramatically oversubscribed and available funds are expended quickly. Applications for the NIP program are typically released in April, with funds allocated by September, and applicants who do not submit a completed application correctly within a few weeks are unlikely to receive funds. U-SNAP-BAC, who helps administer NIP on behalf of local banks, commented that people were lined up at 1 a.m. the night before applications were released. Over 300 people applied at U-SNAP-BAC, but only 76 applicants in Detroit received funds in 2018.

City of Detroit's non-senior grants focus on lead remediation: The city's largest grant program is the City of Detroit's Lead Hazard Control Program, a necessary program in a city in which, in 2016, nearly 9% of children under 6 screened for lead poisoning exhibited elevated blood lead levels.⁶⁷ Because of the focus on lead remediation, however, these grant funds are not available for general repairs and are not available to all low-income Detroit residents. The program is only available for pregnant mothers and households with children under the age of 6.

Seniors and people living with disabilities struggle to access resources

Nearly every organization interviewed expressed concern over the lack of streamlined resources available to assist the immediate repair needs of seniors, who may be aging in place in old housing stock, struggle to maintain their homes, and need accessibility modifications.

"Detroit has a rapidly aging population and you have people who have maintained their homes for a long time, they don't want to go anywhere else. Their decline in health is also a decline in maintenance. People don't know where to go and don't know what to do."

- Construction manager of senior repair services

Seniors who do not qualify for or who cannot afford a 0% Interest Home Repair Loan cannot immediately access grant funds for deferred maintenance items or accessibility needs. Three grant programs are available to seniors or people living with a disability, but they have waitlists or funds are expended quickly: the City of Detroit's Senior Emergency Program, the Detroit Area on Aging's MI Choice Waiver Program, and FHLBI's Accessibility Modification Program (AMP). Disabled Veterans

^a The program also offers one-time energy repairs up to \$4,000 that can only be used for furnace repair or replacement.

have access to grants from the U.S. Department of Veterans Affairs for accessibility modifications, but the VA disbursed only two grants in Detroit last year. While nonprofits are trying to fill in this gap with donations and volunteers, most are unable to address critical, technical repairs, such as roof replacement or ramp installation.

Long waitlists: Most organizations interviewed did not identify the City of Detroit's Senior Emergency Program — which served 22 households in 2018 and currently has a waitlist — as a viable option. The MI Choice Waiver Program, which currently has a waitlist, can provide accessibility repairs to Medicaid-eligible adults who have been denied other funding sources.

Funds are expended quickly: The only other grant program available to seniors or people living with a disability is FHLBI's Accessibility Modifications Program. However, similar to NIP, the program is oversubscribed and spots fill quickly.

There is a lack of coordination between programs

While some organizations partner to leverage funds and expertise, most of the funding in the home repair space is uncoordinated and restricted. In contrast, flexible and coordinated funding from multiple public and private partners can allow dollars to be combined to meet the most urgent needs and remove barriers to accessing certain programs. Several organizations noted that one potential area for reform may be removing requirements around lead remediation when there are no children in the home, which can limit access to and funding for other repairs. Rather, programs for seniors could first ensure that the home is secure (e.g., steps, porch, roof) and that seniors can get in and out of the home before addressing lead. Moreover, most seniors in Detroit do not have children living in the home, with 53.1% of Detroiters ages 65 and older living alone.⁶⁸

“The health hazards come out of your money. We had an older client who needed a furnace, she was approved for the full amount, but they found lead and it would cost \$30,000 to remove the lead. Where’s the consideration if there’s no children in the home?”

- Housing counselor, community-based organization

Another area for coordination could be in the administration of DTE's Energy Efficiency Program, which provides furnace repairs and replacement to qualified homes. The program requires homes have major repairs (e.g., structural damage to porches and roofs) completed before they can receive a new furnace. By partnering with existing or new home repair programs, DTE could better ensure Detroit households don't lose access to their critical services.

Homeowners need help navigating applications, bids, and inspections

Low-income residents require assistance not just in applying for home repair programs, but throughout the process of completing home repairs. More technical assistance is needed to help residents fill out applications correctly, gather necessary documents and construction bids, and find licensed contractors. For example, FHLBI's two grant programs — NIP and AMP — require residents to obtain two bids from certified general contractors. And while organizations like U-SNAP-BAC do their best to help residents complete applications, they do not have the capacity to help residents get two comparable, itemized estimates from certified contractors. Other programs like the city's 0% Interest Home Repair Loan Program and the Senior Emergency Repair Program provide their own contractors,

but program guidelines dictate that homeowners are required to inspect and approve the work themselves. Although the city does have its own inspectors to assist homeowners throughout this process, it is unclear how it is implemented.

Nearly all home repair loans and grants require ownership and occupancy

Programs ranging from the 0% Interest Home Repair Loan to FHLBI's NIP and AMP programs all require residents to own and occupy their home for a minimum of six months before they can apply for home repair funds. This means owners of uninhabitable homes cannot receive funding unless they currently occupy the home, which particularly impacts Detroiters who hope to become homeowners by buying property from the land bank with plans to rehab the home.

The only option for renters, who live in inadequate housing at higher rates than homeowners, is to apply to the city's Lead Hazard Control Program. However, as the name suggests, the focus of the program is on lead abatement, not deferred maintenance or major home repairs, and the program is unavailable to renters without children. Renters who have other housing problems such as a leaky roof or pest infestation, are unable to access funds, and are instead wholly dependent on their landlords to make the repairs, which they often fail to do.⁶⁹ The best solution for renters is to ensure adequate enforcement of the city's rental ordinance, which is designed to compel landlords to make needed health and safety repairs.⁷⁰

Shortage of licensed general contractors and high cost of repairs

According to interviewees, licensed contractors willing to provide bids or perform residential home repair work are hard to find. This is a huge challenge in accessing programs like FHLBI's NIP and AMP grant programs, which require residents to obtain bids from two licensed contractors.

Organizations also cited high construction costs (including licenses, insurance fees, and supply costs) for driving up the price of the work and for deterring unlicensed contractors from obtaining a license. Small business contractors and skilled tradesmen also require start-up working capital to participate in grant programs because payment comes after the work is completed. Challenges in accessing capital, especially for small, minority-owned businesses, can make it difficult to conduct home repairs on a large scale where licenses, fees, and materials are required upfront.

Recent reports in Detroit have noted the shortage of licensed skilled trades workers in the area.⁷¹ Organizations interviewed for this report echoed this sentiment and continually noted that efforts were needed to address liquidity constraints facing homeowners, while also bolstering the supply of licensed contractors to conduct home repair work.

Moving Forward: Policy Options

The following recommendations are informed by community organizations, discussions with subject matter experts in healthy housing and accessibility, and reviewing leading practices in other cities. These are meant as options for what stakeholders could do to address existing needs, not necessarily recommendations for what should occur.

Enhancing Existing Programs

Provide a toolkit of home repair services to organizations and residents

Many organizations interviewed remarked they did not know of any home repair programs other than the 0% Interest Home Repair Loan program offered by the City of Detroit. For community-based organizations that interface with residents on a regular basis, it is essential that they have easy access to resources available to assist residents with home repair needs. Creating a continually updated home repair resource guide online to better inform organizations of the resources available, including funds, trainings, and services, can help connect residents to the assistance they need. The city of Milwaukee has a housing resource guide for both homeowners and homebuyers.⁷² A new Detroit Home Repair Resource Guide published by Poverty Solutions aims to address this need by providing information on existing programs serving Detroit residents.⁷³ And the City of Detroit is working to create housing resource centers, located in neighborhoods throughout the city, which can serve as a one-stop shop for home repair resources.

Offer multiple funding options for different income groups

Providing different funding options such as grants, 0% interest deferred loans, and low-interest installment loans to homeowners of various income levels could stretch dollars and offer low-income Detroiters greater opportunity to access home repair funds. The 0% Interest Home Repair Loan Program could be restructured to provide various funding options and interest rates including 0% interest deferred loans to low-income households and various low-interest installment loans to middle-income households. The city of Milwaukee uses city funds for its citywide Compliance Loan Program specifically to address health and safety code violations.⁷⁴ The program is available only to households with incomes less than 60% AMI, does not have debt-to-income or credit score requirements, and is a 0% deferred loan, resulting in no monthly payments to the borrower. While this program targets low-income residents with health and safety home hazards, the city also has three other programs: STRONG Homes has a 0-3% interest rate for households with up to 120% AMI; Home Rehab has a partial, forgivable, no-interest deferred loan for low-income seniors or people with a disability; and the Rental Rehab Program is for renters.

Integrate lead abatement grants into health and safety repairs

Half of the grant funding spent in 2018 in Detroit came from the City of Detroit's Lead Hazard Control Program, which is specifically for households with children under 6 years old and pregnant women. A more integrated program that advertises home health and safety repairs including roof and window repair, is available to low-income residents, and allows homeowners to tap into grant funding for lead abatement could help households address lead in the home as well as other needed health and safety repairs. Pittsburgh's Home Rehabilitation Program (PHRP) provides up to \$10,000 in lead hazard reduction work for 0% interest loan participants.⁷⁵ The city of Minneapolis also incorporates lead hazard grants into their Home Improvement Program (HIP).⁷⁶

Universal healthy home assessments for all programs and shared database

Every home repair project should start with a complete home health assessment to better prioritize health and safety issues, regardless of the focus of the home repair program. Organizations such as

Rebuilding Together Southeast Michigan and Wayne Metro Community Action discussed the importance of implementing a healthy home assessment to determine the home repair needs and prioritize health and safety issues. The Green and Healthy Homes Initiative, a leader in promoting healthy homes, utilizes its own comprehensive assessment process to review home health and energy use.⁷⁷ Instituting a universal healthy home assessment that is implemented by the city and partner organizations, as well as creating a shared database including properties that have received a healthy home assessment, can promote efficiency and coordination of services.

Address home health & accessibility goals to assist aging-in-place residents

For seniors and people living with disabilities who may have both home accessibility and home health and safety needs, it is important to assess the home and consider the goals of the individual. Housing Upgrades to Benefit Seniors (HUBS) in Baltimore provides individual and holistic home assessments for both home safety and security concerns, such as roof leaks and accessibility modifications, all through a single intake system that starts with an online pre-application. Home inspectors working with seniors could partner with occupational therapists or receive training to become Certified Aging-in-Place Specialists (CAPS) to better address both accessibility needs and health and safety needs of seniors' homes.

Provide technical assistance for home repair projects

Low-income homeowners, especially seniors, require technical assistance to complete applications, conduct home inspections, and obtain bids. Organizations are too understaffed and under-resourced to assist homeowners throughout every phase of the home repair process. Investing in human capital to provide technical assistance could ensure homeowners enter fair contracts, obtain accurate and competitive bids, and receive requested repairs.

Funding for small landlords to improve rental housing conditions

Programs could also be expanded to provide funding to small, undercapitalized landlords to make needed health and safety repairs. Many cities, including Madison, Milwaukee, Louisville, and Greensboro, offer home repair funds for landlords. The city of Madison offers low-interest loans for non-owner-occupied units, with a requirement stipulating that rents after the first year of rehabilitation remain below a certain threshold.⁷⁸ By including an affordable rent provision in the contract, small landlords can access low-interest loans to correct code violations and make accessibility repairs, while maintaining affordable rental housing.

Learning from Peer Practices

Align resources and promote cross-sector collaboration

The home repair problem in Detroit cannot be solved by the city government alone or by organizations working in silos. While additional home repair funds are needed, organizations should leverage resources and existing expertise. More strategic collaboration is needed among community-based organizations, hospitals, the City of Detroit, and private organizations including banks and real estate firms to tackle inadequate housing. Using funds in flexible, innovative ways could reach more residents and expand the capacity of partnerships with community organizations already doing home repair

work in Detroit neighborhoods. For example, the Green and Healthy Homes Initiative, a national nonprofit, successfully brought together community stakeholders to assess how dollars could better align for maximum impact and how healthcare savings could be realized through home repair.

Use real estate transfer taxes to fund state housing trust fund

Most states, including Michigan, have established housing trust funds to support affordable housing initiatives, including the provision of funds for home repair. In 2008, the state of Michigan established the Housing and Community Development Fund administered by MSHDA, but funding has not been allocated to the fund since 2013.⁷⁹ States — including Washington, D.C., Illinois, Iowa, Maine, Nevada, New Jersey, Pennsylvania, South Carolina, Vermont and West Virginia — commonly use the real estate transfer tax as revenue for their housing trust funds.⁸⁰ Michigan could consider joining these states in using the real estate transfer tax to support its housing trust fund and use more of those resources for home repair initiatives.

Establish a housing resource center to leverage city funds

After years of providing Community Development Block Grants (CDBG) for home repairs, the city of Syracuse, New York, established a nonprofit, Home Headquarters, Inc., described as a one-stop-shop for all homeownership needs. The organization provides affordable home services including home repair funds, education, and counseling to promote affordable homeownership. Home Headquarters has won multiple awards and attracted additional funding, leveraging over \$83 million in home repair financing through several low-interest loan programs.⁸¹ A home repair program that was once entirely city-funded has attracted \$4 for every \$1 invested, according to city estimates.

We must acknowledge, however, there is an opportunity cost to using CDGB or housing trust fund dollars to fund home repair programs, as these dollars would otherwise go to other important priorities.

Prioritize low-income, longtime Detroiters in the redevelopment of homes

Louisville, Kentucky, identified the potential displacement of longtime residents as a concern in areas where the city is investing funds, such as the city's Russell neighborhood, home to the Beecher Terrace public housing development. In 2016, the local housing authority received a \$29.5 million implementation grant through HUD's Choice Neighborhoods Initiative to rebuild Beecher Terrace and the surrounding neighborhood.⁸² The city focused on preventing the displacement of longtime residents in the neighborhood by investing in targeted home repair programs through five-year forgivable, deferred loans and rebuilding affordable low-income housing units. The two-year planning process for the grant application included a committee of Russell residents, city officials, and local leaders. A similar initiative in Detroit prioritizing residents who have lived in the city for at least 15 years, for example, could reduce unintended displacement associated with neighborhood investments.

Linking healthy housing initiatives and workforce development

The large need for home repair offers a workforce development opportunity in the skilled trades and healthy home assessments. The newly developed Healthy Home Evaluator (HHE) certification offers an opportunity for unemployed workers to receive training and payment to expedite healthy home assessments in Detroit.⁸³ The National Center for Healthy Housing provided mini-grants in 2018 for its Healthy Homes Workforce Development competition, funding organizations like Green | Space in

Tennessee that will use funds to provide healthy homes workforce training.⁸⁴ Medicaid reimbursement funds can also be leveraged to fund Community Health Workers to provide healthy home assessments.⁸⁵

Investing in opportunities for youth to be successful in the construction field and capitalizing on the existing contracting talent of unlicensed builders in Detroit can increase competition and lower construction costs. Philadelphia recently launched a pilot program to connect recent trade school graduates with local contractors to increase employment opportunities for young people.⁸⁶ Small-scale contractors without access to capital often cannot afford the added cost of insurance, licensing, and other expenses. Providing funds to Detroit-based, minority contractors to offset the expense of becoming a certified contractor, as well as providing project and business management support, could help build the pipeline of qualified contractors while reducing racial employment disparities in the metro Detroit region.

Many organizations in Detroit have been working for years to increase the number of licensed contractors and skilled tradespeople in the city. The Southwest Detroit Business Association and Michigan Hispanic Contractors Association are working to increase the number of Hispanic businesses in the construction industry; the Detroit Training Centers offers a range of potential licenses and certifications; and the City of Detroit, area community colleges, and Detroit Public Schools Community District fund and operate a number of programs designed to boost the number of Detroiters trained in construction and skilled trades. These are just a few of the many examples of organizations working to meet a critical gap in the home repair ecosystem, while also seeking to provide Detroiters with good jobs.

Encourage savings and financial literacy to improve credit scores

Linking savings programs directly to home repair needs can encourage homeowners to save for critical home repairs. Financial literacy programs focused on tools and techniques to improve credit scores can help homeowners access loans for home repair and other capital needs. Working in Neighborhoods Cincinnati, a Cincinnati-based nonprofit, integrates financial literacy training into its community-centered approach to revitalizing neighborhoods.⁸⁷ The organization focuses on establishing savings goals with homeowners to save for home repairs, using a 2:1 matching savings incentive approach. Here in Detroit, the city recently launched the Financial Empowerment Center (FEC), which offers a range of financial counseling services around budgeting, debt reduction, and credit improvement, and integrates those services with other social services, such as foreclosure prevention.⁸⁸

As far as we know, all of the promising practices listed above have not been evaluated, so we don't know for sure the extent to which these programs improve the condition of low-income housing in the cities in which they are based. Rather, these programs are offered solely as alternative approaches that respond to certain gaps identified within Detroit's home repair ecosystem. More evaluation is needed of existing and new home repair programs.

CONCLUSION

Addressing the home repair needs of both homeowners and renters in Detroit requires a coordinated, cross-sector, collaborative effort that maximizes the impact of current programs. But it also requires

resources. Aging housing stock and low incomes are two risk factors that increase the likelihood and severity of repair needs.⁸⁹ In Detroit, nearly 80% of the occupied residential structures were built prior to 1960, and roughly one-third of residents live under the poverty line.⁹⁰ Families living in inadequate housing who are unable to afford repairs may eventually have no choice but to abandon their homes to escape housing problems such as leaky roofs, rodent infestation, inadequate heating, or mold. High rates of inadequacy in rental housing magnifies the need to invest in home repair for low-income homeowners as a way to maintain adequate, affordable housing units and build wealth.

The repair needs in Detroit are significant, and our analysis of data from the American Housing Survey and Detroit's home repair ecosystem suggests current resources devoted to home repair don't come close to meeting the need. The City of Detroit and a network of community partners can surely make necessary reforms to help stretch the impact of available dollars and provide a more seamless experience for those with home repair needs. But in order to make a real and lasting impact on the quality of Detroit homes, more philanthropic and federal resources are required.

Indeed, a compelling case can be made for federal action. In the 1940s, '50s, and '60s, the federal government subsidized the development of suburban homes across the country, solely for white people.⁹¹ At the same time, Black Americans had to fend for themselves in cities like Detroit, often purchasing homes through predatory land contracts which robbed them of the wealth-building possibilities of homeownership.⁹² Robust federal support for home repair in aging industrial cities like Detroit could give thousands of Black households the opportunity to secure safe and affordable housing, and perhaps even set the stage for the wealth creation. Such a measure would be far from sufficient to rectify the damage done by our history of racially discriminatory housing policies, but it would be a step in the right direction.

A decent home for all was our obligation in 1945, and it remains our obligation today. With innovative new programs, cross-sector collaboration, and an influx of resources dedicated to home repair, we can make great progress towards fulfilling this obligation.

LIMITATIONS

While we made great efforts to be as comprehensive as possible in this report, the study is subject to certain limitations. First, although we attempted to interview all 11 0% Interest Home Repair Loan intake centers, some centers did not respond to requests for interviews. We also made an effort to engage in discussions with all organizations active in the home repair ecosystem, but we were unable to conduct interviews with every organization affiliated with home repair in Detroit.

Second, the universe of occupied housing units in the American Housing Survey Detroit MSA includes single-family homes, apartments, groups of rooms, and single occupied rooms, but it does not include institutional group quarters, nursing homes, or college dormitories. Although analyzing AHS data gives researchers an estimate of the level of home repair need in the Detroit area, it does not provide precise numbers.

Third, our staff contacted over 60 organizations to confirm they administered a home repair program, but given the number of community-based organizations in Detroit, it is possible that we missed a home repair program. Additionally, a few community-driven home repair programs did not want to be

included in our home repair resource guide and did not want to provide information about households reached. The funding spent on home repair in 2018 and households reached is intended to estimate the annual home repair funding. Funding is not constant year-to-year, but focusing on 2018 gives stakeholders an estimate for how much funding presently exists.

We did not include funding provided for training, even though training people how to maintain their home is important, because these programs do not directly provide funding or equipment to correct a repair problem. Likewise, the attached ecosystem map represents our best attempt to map out the funding streams within the 2018 ecosystem based on information received from program representatives and information online.

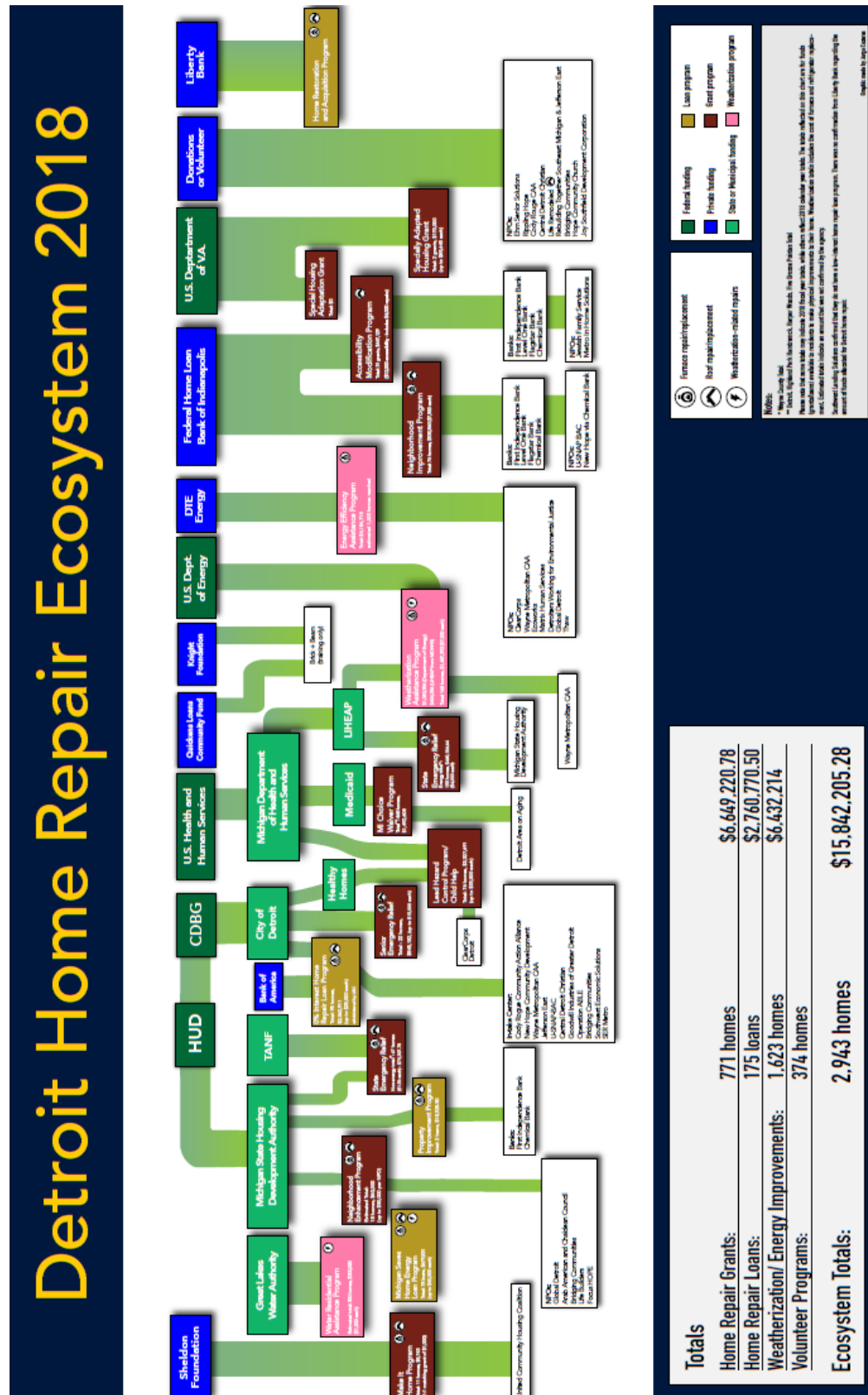
Finally, while this report offers a number of promising practices found in other cities, we do not have good evaluations of these programs. Therefore, we cannot say for certain whether the innovative programs we point to are truly effective in reducing the problem of inadequate housing in good repair.

Appendix Table 1: Population and Economic Characteristics of the Nation, Detroit, and the Detroit Metropolitan Statistical Area

Characteristic	USA	Detroit-Warren-Dearborn MSA	Detroit City
Median household income	\$60,336	\$58,411	\$30,344
Federal poverty rate	13.4%	14.6%	34.5%
Units built before 1950	17.6%	23.1%	57%
Median value of owner-occupied housing unit	\$217,600	\$171,600	\$50,200
Number of occupied housing units	120,062,818	1,723,000	264,360
Owner-occupied units	64%	69%	47%
Population by race			
<i>Black</i>	12.7%	22%	79%
<i>White</i>	72.3%	66%	14.5%
<i>Two or more</i>	3.3%	2%	1.7%
Bachelor's degree or higher	32%	31.1%	14.6%

(Source: American Community Survey, 1-year Estimates)

Appendix 2: Detroit Home Repair Ecosystem Map 2018



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⁴⁹Please refer to our home repair ecosystem graphic for more information.

⁵⁰Several attempts were made to contact Liberty Bank to confirm the number of loans provided for its Home Restoration and Acquisition Loan Program, but they did not respond as of the date of this report was published.

⁵¹Diana Elliott, Caroline Ratcliffe, and Emma Kalish, "The Financial Health of Detroit Residents," *The Urban Institute* (October 2016). Available from: https://www.urban.org/sites/default/files/publication/84361/2000940-the-financial-health-of-detroit-residents_2.pdf

⁵²Christine Ferretti, "Detroit home repair loan program tops expectations, but only a third of applicants accepted," *The Detroit News*, February 4, 2019. Available from: <https://www.detroitnews.com/story/news/local/detroit-city/2019/02/04/detroit-home-repair-loan-program-tops-expectations/2530602002/>

⁵³Area Median Income (AMI) is defined as the midpoint of a region's income distribution - half of households in a region earn more than the median and half earn less. AMI for each region is updated annually by HUD, and HUD programs often require that funding is allocated to households 80% AMI or less. However, it is important to note that many regions have higher median incomes than average incomes in the central city. Therefore, cities seeking to target lower-income households with certain policies may focus on households less than 60% or even 30% AMI. In the cities we studied, the income eligibility thresholds for deferred programs were:

- Cleveland up to 30% AMI,
- Milwaukee up to 60% AMI,
- Minneapolis up to 80% AMI,
- Louisville up to 80% AMI (in historically disadvantaged areas),
- And Madison up to 80% AMI.

⁵⁴For an example of a deferred loan program, see the Genesee County Community Development Program: https://www.gc4me.com/departments/planning_commission/community_development/home_improvement_program.php

⁵⁵"Home Rehabilitation Loans," City of Madison. Available from:

<https://www.cityofmadison.com/dpced/economicdevelopment/home-rehabilitation-loans/314/>

⁵⁶"Home Improvement Loans," The Urban Redevelopment Authority of Pittsburgh." Available from:

<https://www.ura.org/pages/home-improvement-loans>

⁵⁷Forthcoming Poverty Solutions analysis.

⁵⁸American Community Survey (ACS) 2018.

⁵⁹Elliott, "The Financial Health of Detroit Residents"; "The Quicken Loans Community Fund's 'Neighbor to Neighbor' Initiative Prevents Record 4,316 Detroit Families from Entering Property Tax Foreclosure in 2018," Quicken Loans, May 2, 2019. Available from: <https://www.quickenloans.com/press-room/2019/05/02/quicken-loans-community-fund-study-shows-2018-property-tax-foreclosures-in-detroit-hit-lowest-level-in-over-a-decade-company-commits-to-continuing-citywide-effort-to-help-homeowners/>

⁶⁰ Elliott, "The Financial Health of Detroit Residents"

⁶¹Bernadette Atuahene and Timothy R. Hodge, "Stategraft," *Southern California Law Review* 91, no. 2 (January 2018):263–302. Available from: <https://southerncalifornialawreview.com/2018/01/02/stategraft-article-by-bernadette-atuahene-timothy-r-hodge/>; Alexa Eisenberg, Roshanak Mehdipanah, Ted Phillips, and Michele Oberholtzer, "Preventing Owner-Occupied Property Tax Foreclosures in Detroit: Improving Access to the Poverty Tax Exemption." *Poverty Solutions at the University of Michigan* (December 2018). Available from: <https://poverty.umich.edu/files/2018/12/PovertySolutions-PovertyTaxExemption-PolicyBrief-r2.pdf>

⁶² Christine MacDonald, "Detroiters start to see tax bills slashed under new program," *Detroit News*, April 30, 2020. Available from: <https://www.detroitnews.com/story/news/local/detroit-city/2020/04/30/detroiters-start-see-tax-bills-slashed-under-new-program/3048888001/>

⁶³ John Gallagher, "Few black people get home mortgages in Detroit, data show," *Detroit Free Press*, March 22, 2019. Available from: <https://www.freep.com/story/money/business/john-gallagher/2019/03/21/black-mortgages-detroit-real-estate-michigan/3165381002/>

⁶⁴ Local Initiatives Support Corporation (LISC) data from program start date in 2015 – June 2019

⁶⁵ Eliza Wallace, Eileen Divringi, Keith Wardrip, and Elizabeth Nash, "Technical Appendix: A Repair Cost-Based Index of Housing Quality," *Federal Reserve Bank of Philadelphia*. Available from: <https://www.philadelphiafed.org/-/media/community-development/publications/special-reports/home-repair-costs-technical-appendix.pdf>

⁶⁶ Forthcoming Poverty Solutions report

⁶⁷ Joshua Akers, Alexa Eisenberg, and Eric Seymour, "Toxic structures: Speculation and lead exposure in Detroit's single-family rental market," *Poverty Solutions at the University of Michigan* (2020)

⁶⁸ American Community Survey (ACS), 2018

⁶⁹ Christine MacDonald, "Detroit push fails to boost rental inspections." *The Detroit News*, January 14, 2019. Available from: <https://www.detroitnews.com/story/news/local/detroit-city/2019/01/14/detroit-push-rental-inspections-fails-increase-compliance/2473755002/>

⁷⁰Ibid

⁷¹ JC Reindle, "High demand for new construction trades workers in Detroit," *Detroit Free Press*, November 13, 2018. Available from: <https://www.freep.com/story/money/2018/11/13/construction-trades-workers-detroit/1986685002/>

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⁷³ Ryan Ruggiero, "Detroit Home Repair Resource Guide," *Poverty Solutions* (September 2019). Available from: <https://poverty.umich.edu/files/2020/03/DETROIT-HOME-REPAIR-RESOURCE-GUIDE.pdf>

⁷⁴ "Rental Rehabilitation Loan Program," City of Milwaukee. Available from: <https://city.milwaukee.gov/DCD/NIDC/RentalRehabLoan#.XsWQNpNKjUo>

⁷⁵ "Home Improvement Loans," The Urban Redevelopment Authority of Pittsburgh. Available from: <https://www.ura.org/pages/home-improvement-loans>

⁷⁶ "Minneapolis Home Improvement Programs," City of Minneapolis. Available from: <http://www2.minneapolismn.gov/cped/housing/WCMSP-213535>

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⁸⁰ "State Housing Trust Fund Revenues 2019," Housing Trust Fund Project. Available from: <https://housingtrustfundproject.org/wp-content/uploads/2019/01/State-htfund-revenue-sources-2019.pdf>

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⁹² Ibid