SOUTHEAST MICHIGAN HOUSING FUTURES, BRIEF 2

Building and Protecting Affordable and Adequate Rental Housing

Mark Treskon and Carl Hedman

July 2018

Renter households, especially those with lower incomes, in Southeast Michigan are being squeezed on all sides. Demand for rentals has spiked in the aftermath in the Great Recession because of a combination of necessity (the foreclosure crisis pushing previous owners into the rental market) and choice (a growing preference from many for rental housing). However, Detroit and its surrounding areas are losing affordable and adequate housing stock, whether through dilapidation and demolition of housing or through rising rents that make what once were affordable properties unaffordable to lower-income families. housing. In other words, the region's lower-income renter households are competing against increasingly higher-income households for fewer units.

This brief discusses the status of Southeast Michigan's affordable rental housing market. We provide an overview of the constraints that lower-income renter households in the region face in finding affordable and adequate housing and discuss policy initiatives under way that attempt to address these issues and build a healthier rental housing market. We analyze the state of unsubsidized and subsidized rental housing and stress the importance of both new construction and the preservation of existing affordable housing. Since, in general, it costs more to build and maintain affordable housing than what lower-income renters can afford to pay, new affordable developments need a way to close the gap between costs and revenue.[1] In terms of preservation, since rents in weaker submarkets may not be high enough to cover operating costs, housing can slowly degrade and be lost over time; in stronger submarkets, there is pressure to raise rents in unsubsidized units (often referred to as NOAH, or Naturally Occurring Affordable Housing) and owners of subsidized properties are more likely to opt out of contracts and take developments market rate. We hope this discussion of how area stakeholders are responding to these challenges to create and maintain affordable rental housing will help to develop innovative ideas and best practices increase, understanding of this issue, and build momentum for collaborative interventions across Southeast Michigan.

BOX 1

The Urban Institute's Collaboration with JPMorgan Chase

The Urban Institute is collaborating with JPMorgan Chase over five years to inform and assess JPMorgan Chase's philanthropic investments in key initiatives. One of these is a $150 million commitment to support and accelerate Detroit's economic recovery. The goals of the collaboration include using data and evidence to inform JPMorgan Chase's philanthropic investments, assessing whether its programs are achieving desired outcomes, and informing the larger fields of policy, philanthropy, and practice. Building on a body of work in Detroit and Southeast Michigan, the goal of this project is to examine the common challenges of an aging population, declining African American homeownership, and increasing renter housing demand from a regional perspective, all to further the dialogue and inform future collaboration among stakeholders throughout Southeast Michigan.

This brief, along with companion ones on aging and homeownership, is part of a broader project examining the housing challenges facing Southeast Michigan. These topics come from analyses Treskon and colleagues (2017) present in *Southeast Michigan Housing Futures*. That report analyzes regional population and household projections to identify developing patterns of household formation and tenure, which, in turn, indicated the three shared challenges for the region these briefs address. Building on this work, Urban conducted workshops and interviews with stakeholders in the region to discuss the topic areas, efforts already under way to respond to these issues and roadblocks to success. In this series of briefs, we generally define this region as the seven counties of Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne. However, the American Housing Survey, which we reference below, uses the Detroit-Warren-Dearborn Metropolitan Statistical Area (which we will refer to as the Detroit MSA) definition, which excludes Monroe and Washtenaw and includes Lapeer.

We first analyze the status of rental housing in the region, with a focus on housing affordable to lower-income households. We then examine three main policy areas:

- **Protecting renters in unsubsidized housing:** A review of market rate housing affordable to lower-income renters (NOAH) with a discussion of preserving affordable supply and an examination of eviction patterns and trends and a look at what some communities are doing to lessen their impact.
- **Building and protecting subsidized affordable housing:** An overview of how subsidized rental housing is provided in Michigan, with a focus on the low-income housing tax credit (LIHTC).

- **Building local support for local policies:** Stakeholders from developers to planners to politicians often face community opposition to building new affordable housing. We note local tools and discuss how some local stakeholders are working to reframe how people think of affordable housing so that the benefits of inclusion are more apparent.

Building off the discussion in these topical areas, our main recommendations are as follows:

- Understand and manage the needs of communities transitioning from owner-occupied to rental housing and tailor policy responses to account for the region's high share of single-family housing stock.
- Track eviction trends and identify and implement promising policy solutions that can help mitigate the instability that evictions can cause residents and communities.
- Identify the ramifications of changing federal policy priorities on state-level support for affordable housing construction and preservation.
- Recognize the need for developing regional and local capacities for tracking, analyzing, and sharing housing and community development data and knowledge across SE Michigan .

Renter Households in Southeast Michigan

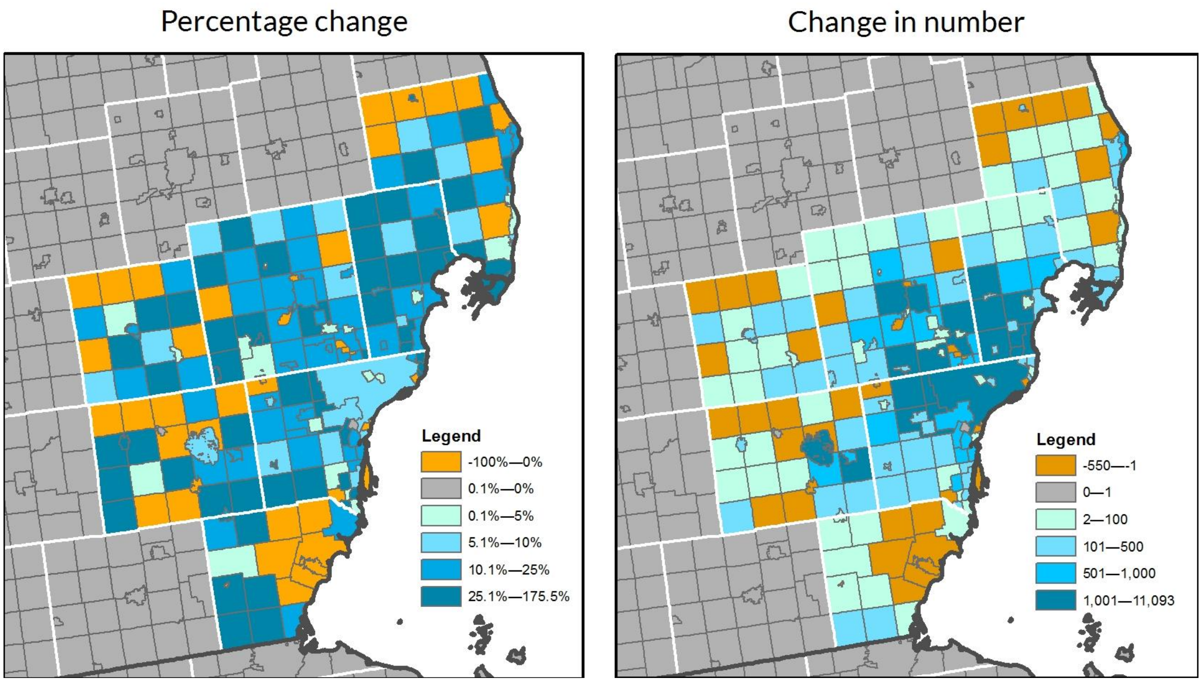
Of the 1.84 million households in Southeast Michigan in 2010, approximately 550,000, or 30 percent, rented. By 2040, *Southeast Michigan Housing Futures* projects this to grow to just under 700,000 renter households out of a region of 2.2 million households (Treskon et al. 2017).

At the municipal level, we can look at the change in rentals in two ways: percentage change and raw numbers (figure 1). In terms of percentage change, the fastest growth in the region has been in some of the suburban municipalities, with growth areas spread around the region. In terms of the numerical increase, the growth remains in the region's core, with Detroit, parts of Washtenaw County, and the inner ring suburbs of Macomb, Oakland, and Wayne Counties seeing the largest increase in rental housing. In Detroit, most of this growth is taking place because formerly owner-occupied housing is being converted into rentals, as the overall number of housing units there has continued to decline.[2]

The region's most populous communities all showed increases in the number of rental units between the 2007–11 and 2012–16 periods. (Table 1 shows the 5 most populous, and this trend holds true for the 10 most populous.) Sterling Heights and Warren in Macomb led the increases, but there is also notable estimated growth in Detroit itself.

FIGURE 1

Change in Rentals, 2011–16



Source: American Community Survey five-year estimates, 2007–11 to 2012–16.

Note: Figure shows the top five communities in the region with 10,000 or more rental units as of 2007–11.

TABLE 1

Change in Rentals, Five Most-Populous Municipalities, 2011–16

Municipality	County	2011 rentals	2016 rentals	Change	Percentage change
Sterling Heights	Macomb	11,696	14,774	3,078	26.3%
Warren	Macomb	14,168	17,495	3,326	23.5%
Farmington Hills	Oakland	12,307	14,266	1,959	15.9%
Clinton charter	Macomb	14,369	16,618	2,249	15.7%
Detroit	Wayne	167,863	189,599	21,736	12.9%

Source: American Community Survey five-year estimates, 2007–11 and 2012–16.

Pressures on Affordable Rental Housing

There are several reasons we expect affordability pressures to increase in the years ahead. First, the region's rental market is currently robust. Vacancy rates are low and rents are rising overall (HUD 2016), and though new rental housing is being built, it is not expected to meet demand, and the gap is predicted to continue throughout the region. Second, existing housing stock is under stress. In healthy housing markets, vacancy is a temporary occurrence, but in Detroit, many vacant units may never be reoccupied—they will disappear. Further, many housing units that are affordable to lower-income households are only affordable because of subsidies. But these subsidies are also under stress. Public housing has limited funds for operations and capital, and other subsidy sources, such as LIHTC and state sources, can expire (Khadduri et al. 2012; Lens and Reina 2016; Ray et al. 2015).

The stresses on Detroit's housing stock are well known. With low renter household incomes,[3] population loss, and a sometimes-absent lending environment, owners in many parts of the city cannot charge rents high enough to cover costs or finance home repair and maintenance. Over time, this has led to significant abandonment and inadequate housing across much of the city and relatively lower levels of affordable and decent housing stock (Poethig et al. 2017).

One way of looking at this is to measure the gap between affordable and available housing and the number of households in a given income category. Nationally, according to the National Low-Income Housing Coalition's 2017 report for every 100 extremely low–income (ELI) renter households (those with incomes of 30 percent or below an area's median income) there are only 35 housing units affordable and available to ELI households (the rest are occupied by higher-income households). This is roughly in line with availability in Michigan overall, which has 36 units available for every 100 ELI renter households; but the gap in the Detroit-Warren-Dearborn metropolitan area is even greater, with only 31 such units for every 100 ELI households.[4]

This issue extends across Southeast Michigan. In Wayne County, home to many of the region's renters (45 percent in 2010), there are about 46 housing units affordable for every 100 ELI renter households and 30 of these units are also available (table 2). Macomb, Oakland, and Washtenaw all have larger gaps than Wayne. Washtenaw's numbers may be because of the University of Michigan's effect on the rental market. Macomb and Oakland each have only 24 units affordable and available to every 100 ELI renter households and have fewer than 50 units affordable and available to very low–income (VLI) renter households (with incomes of up to 50 percent of the area's median).

These gaps have all come to their current state in different ways. According to the Urban Institute's Housing Affordability Gap analysis, which breaks out subsidized from unsubsidized units, all seven counties in the region saw their affordable housing gap increase between 2000 and 2010–14 (Getsinger et al 2017). The growing affordability gap in Wayne County since 2000 was largely caused by a decrease in unassisted affordable, or NOAH, housing. Though the number of extremely low–income (ELI) households there grew 14 percent between 2000 and 2010–14, the number of affordable units dropped 24 percent during the same period; this drop was led by loss of unsubsidized units, which dropped 47 percent during the period (from 38,000 in 2000 to 20,000 in 2010–14).[5]

The loss in unassisted affordable housing in Wayne County has not been made up elsewhere (figure 2). There was a net increase of only 802 unassisted units affordable to ELI households between 2000 and 2010–14 in the other six counties, even as the number of ELI households in those counties went up by 27,000 (Wayne saw an increase of 12,000 ELI households during the period).

TABLE 2

There Is a Shortage of Affordable Units for Lower-Income Households

Affordable units per 100 renter households

	Affordable		Affordable and Available	
	ELI	**VLI**	**ELI**	**VLI**
Livingston	58.91	137.79	22.11	68.92
Macomb	47.01	78.07	24.01	44.76
Monroe	64.70	102.77	35.37	60.10
Oakland	44.76	75.71	24.03	44.16
St. Clair	58.27	117.70	29.93	68.96
Washtenaw	38.06	89.62	21.66	51.94
Wayne	46.32	92.49	30.45	64.26
SE Michigan	46.23	88.77	27.68	56.72

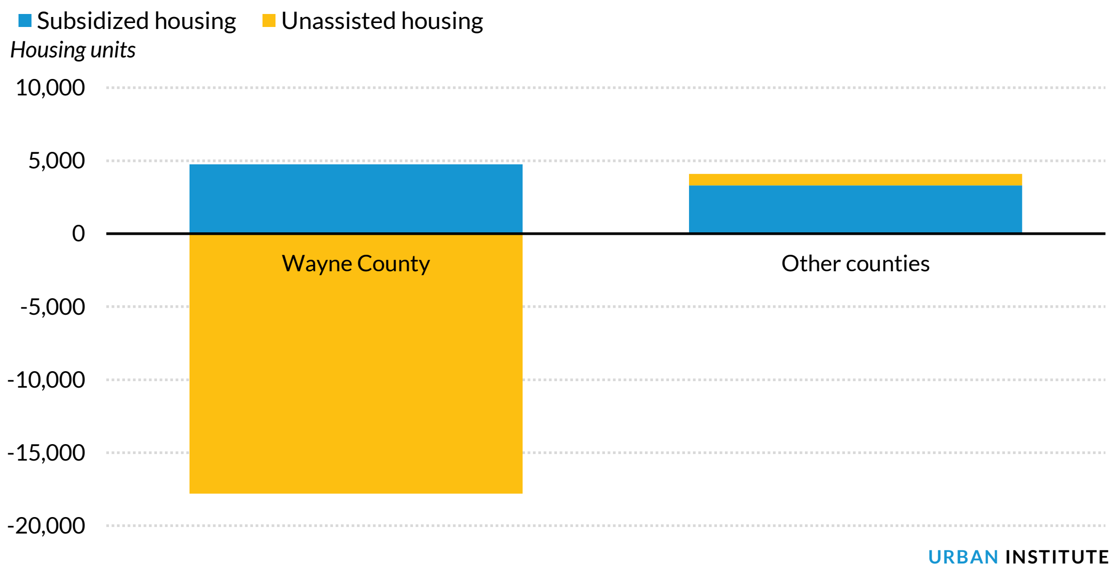
Source: US Department of Housing and Urban Development Comprehensive Housing Affordability Survey (CHAS) data, 2010–14.

Notes: ELI = extremely low–income, or those with incomes of 30 percent or below an area's median income; VLI = very low–income, or those with incomes of up to 50 percent of the area's median. "Available" refers to units unoccupied by higher-income households.

FIGURE 2

Wayne County Has Led the Loss of Affordable Housing in the Region

Change in housing affordable to ELI households, 2000 to 2010–14



Source: Erika Poethig, Liza Getsinger, Josh Leopold, Graham MacDonald, Lily Posey, Pamela Blumenthal, Reed Jordan, and Katya Abazajian, "Mapping America's Rental Housing Crisis," Urban Institute, last modified April 27, 2017, http://apps.urban.org/features/rental-housing-crisis-map/.

Notes: "Other counties" refers to Livingston, Macomb, Monroe, Oakland, St. Clair, and Washtenaw. ELI = extremely low–income.

Protecting Renters in Unsubsidized Affordable Housing

A big challenge for understanding market rate rental dynamics in Southeast Michigan is the nature of the built environment. In the Detroit region, half of all occupied rental housing consists of one unit detached or semi-detached housing, versus 39.8 percent for the US as a whole (in other places, such as Chicago, where the figure is 26.2 percent).[6] This makes it more difficult to track rental housing than in a region where large property management firms operate larger shares of the area's housing stock (Detroit Future City 2017). It also means that the status of existing rental housing may be more unstable, all things being equal. Further, institutional investors bought up large numbers of owner-occupied housing during the Great Recession and turned them into rental housing. Today, in a stronger market, many are now converting these back into units for purchase.[7]

Any effort to sustain an environment conducive to affordable rental housing needs to first address the needs of renters already living in affordable units. For many municipalities, this means a balancing act between maintaining affordability and ensuring standards of quality.

Maintaining Naturally Occurring Affordable Housing

The options for responding to the loss of housing that is affordable and available to ELI households vary by submarket. Preserving affordable housing in distressed or transitional neighborhoods involves focusing on the *adequacy*, or the continued livability of housing so it is not lost to disinvestment and demolition. In stronger submarkets, preservation means both keeping housing *affordable* and *available* to the people who need it.

In recent years, three sets of financing approaches in the US have emerged to help preservation efforts: below-market debt funds, private equity vehicles, and real estate investment trusts, or REITs. Debt funds provide developers below-market rate loans, equity vehicles use private capital to acquire and rehabilitate existing affordable housing, and REITs allow small-scale investors to invest in shares of companies focused on operating real estate. Though REITs can be formed for any sort of real estate investment, mission-driven REITs have been formed to focus on affordable programs (Hoffman 2017; Williams 2015). One newly created initiative is Minnesota's NOAH Impact Fund, which targets units at risk of converting to higher rents. The $25 million equity fund is a partnership of local and state agencies, foundations, and financial institutions, and in late 2017 the fund made its first investment, contributing $8 million to support the nonprofit developer Aeon's $77 million transaction to acquire of 768 units across 10 properties.[8]

In Detroit, there are multiple efforts currently under way to preserve affordable rental housing, mostly focused on subsidized multifamily units. The City's new Preservation Action Plan has a three-pronged strategy: preventing regulated affordable units from converting to market rate ones, preventing the loss of federally funded public investments, and improving conditions in and retaining affordability of the city's distressed housing stock. This has resulted in the creation of the Preservation Partnership, which has near-term strategic goals of developing and maintaining an affordable housing inventory (both subsidized and unsubsidized), developing a preservation prioritization framework to guide investments, training local developers on strategies to preserve their properties (focusing on LIHTC properties, discussed in more detail below), and better coordinating preservation funding requests. As a part of this effort, and with the support of financial institutions, CDFIs, and philanthropies, Detroit is establishing a $250 million Affordable Housing Leverage Fund. The fund is designed to provide low-cost financing and gap funding to preserve 10,000 existing and build 2,000 new rental units affordable to low-income households (City of Detroit 2018).[9]

These efforts coincide with the Strategic Neighborhood Fund, an effort the City of Detroit is leading with philanthropic support to target individual neighborhoods for investment and economic development. The initial efforts raised $42 million to invest in three neighborhood areas, and the project has expanded to include an additional seven neighborhoods and $130 million of new funds. With the $172 million from the Strategic Neighborhood Fund and $250 million from the Affordable Housing Leveraging Fund, the City of Detroit estimates that this investment will leverage an additional $600 million in private investments.[10]

Preserving affordable single-family housing presents a special set of challenges for owners and developers as public financial support options, such as HUD's 223(f) multifamily loans, low-interest Community Reinvestment Act loans from banks, and LIHTC funds, are designed for multifamily properties. For instance, the 223(f) program is available for multisite properties, but only if they are made up of five contiguous properties. This means scattered-site single-family rentals are excluded (Brennan et al. 2017; Magdar and Goodman 2015). Detroit's existing single-family–focused programs, such as Rehabbed and Ready,[11] the 0% Interest Home Repair Loan program, and the Detroit Home Mortgage program,[12] are designed for homeowners. As such, making more of these sorts of funds available to owners and developers for single-family housing could be an invaluable source for retaining affordability.

To ensure an adequate housing stock, municipalities need to be able to identify at-risk properties. One method is a rental inspection and licensing program, where landlords register properties, pay fees, and submit to regular inspections (ChangeLab Solutions 2014). Although Detroit, Pontiac, Rochester, Warren, and several other municipalities in Southeast Michigan have rental inspection and licensing programs,[13] administration and enforcement can vary and, in some cases, be limited. Detroit recently revised and expanded its rental inspection ordinance and program to address the lack of compliance. For example, in a city with approximately 140,000 rental units, only 4,174 were registered and inspected in 2016.[14] As the city ramps up its new program and builds additional enforcement and inspections capacity, some landlords have threatened to leave, arguing that these requirements are occurring within a context where they already often lack resources for adequate upkeep or repairs.[15] Linking these requirements to rehabilitation funding could be one way to encourage registration. For example, the Community Investment Corporation in Chicago operates a Troubled Buildings Initiative that offers resources for eligible owners to make repairs identified by code officers in deteriorating rental properties; initially focused on buildings with five or more units, it has expanded to include properties with one to four units and condominiums (HUD 2018). Since the program's launch in 2004, the program has preserved more than 16,000 rental and for-sale units across Chicago.[16]

Though Detroit has had recent success in putting these partnerships together, the city still faces significant challenges. These preservation efforts involve a range of funders and partners, including financial institutions, local and state governments, and foundations, and are limited in scale and geographic scope. Distressed suburban communities in the region have received less attention from philanthropic or financial institutions and have less municipal infrastructure to help finance concerted efforts. As such, building more regional awareness and a comprehensive set of tools could ensure that resources are addressing other areas of need.

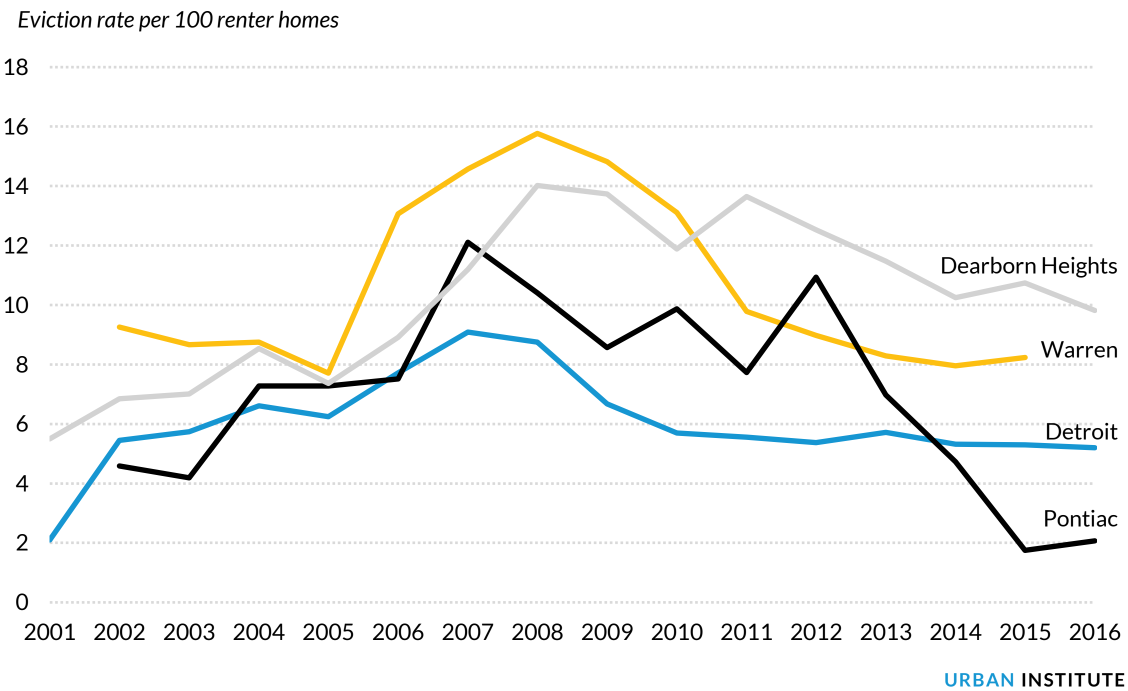
Evictions and Affording Rental Housing

Though stakeholders in the region need to account for the availability of adequate affordable housing, they also need to pay attention to the needs of renters. Matthew Desmond's recent research on evictions (Desmond 2016) has highlighted this as a profound issue facing lower-income communities. One estimate is that 20 percent of families who rent in Detroit face eviction in a given year.[17] The issue of evictions is as much about broader issues of poverty and lack of resources as it is about affordable housing. However, there are policy actions local municipalities can take to help reduce the number of families evicted from their homes.

Recently available data from Desmond's Eviction Lab show that communities across Southeast Michigan have notable numbers of evictions. Across the region, 19 municipalities with populations of 10,000 or greater have eviction rates of 2.0 percent (table 3) or greater (with a population cut-off of 5,000, 26 municipalities have rates of between 2.0 and 9.9 percent),[18] with the eviction rate referring to the number of eviction judgements per 100 renter homes in a given area. Figure 3 shows how these trends have played out in the largest municipalities in the region. Though most rates peaked during the 2007–08 financial crisis and recession, the subsequent trends have diverged. Pontiac has seen the greatest eviction-rate drop, but current rates for the other three cities are comparatively closer to their Recession-era peaks and have remained relatively steady over the past several years. Pontiac and Warren both have eviction diversion programs, discussed in more detail below, which started in 2015 and 2014, respectively.

FIGURE 3

Eviction Rates, 2001–16



Source: Eviction Lab, https://evictionlab.org/.

TABLE 3

Eviction and Eviction Filing Rates, Selected Southeast Michigan Municipalities

Municipality	County	Eviction filing rate	Eviction rate
Harper Woods	Wayne	42.02	9.91
Dearborn Heights	Wayne	12.48	9.82
Ypsilanti	Washtenaw	21.31	9.02
Inkster	Wayne	36.95	8.18
Warren	Macomb	29.83	8.08
Lincoln Park	Wayne	21.03	6.46
Monroe	Monroe	13.76	5.93
Riverview	Wayne	15.16	5.29
Detroit	Wayne	22.48	5.20
Mount Clemens	Macomb	18.44	4.91
Wyandotte	Wayne	9.70	4.79
Woodhaven	Wayne	26.63	4.23
Oak Park	Oakland	24.43	3.98
Garden City	Wayne	14.90	3.74
Melvindale	Wayne	16.42	3.67
Beverly Hills	Oakland	21.48	3.27
Allen Park	Wayne	10.12	2.76
Wayne	Wayne	17.06	2.15
Pontiac	Oakland	29.13	2.07

Source: Eviction Lab, https://evictionlab.org/.

Note: All rates are from 2016 except for Ypsilanti, which is from 2014.

EVICTION DIVERSION PROGRAMS

For tenants facing eviction, emergency cash assistance can be an effective tool to keep residents in their homes. There are several nonprofit organizations in Southeast Michigan that offer limited financial assistance for payment of rent or other housing costs, with assistance generally restricted to residents experiencing an unexpected financial emergency (e.g., job loss, health emergency, robbery) and who have limited financial resources to cover rental payments.[19] For instance, Neighborhood Legal Services Michigan runs a program in Wayne County that offers short- and medium-term cash rental assistance to residents. At the state level, the Michigan Department of Health and Human Services and the Michigan State Housing Development Authority operate a program that provides up to six months of cash assistance to pay toward rent and utility expenses for low-income families with minor children and pregnant women. Enrollees in the program must demonstrate that they are actively searching and applying for employment.[20] Other cash assistance programs are tailored to support those currently homeless or in substandard housing move into decent rental housing with money for security deposits and/or first month's rent.[21]

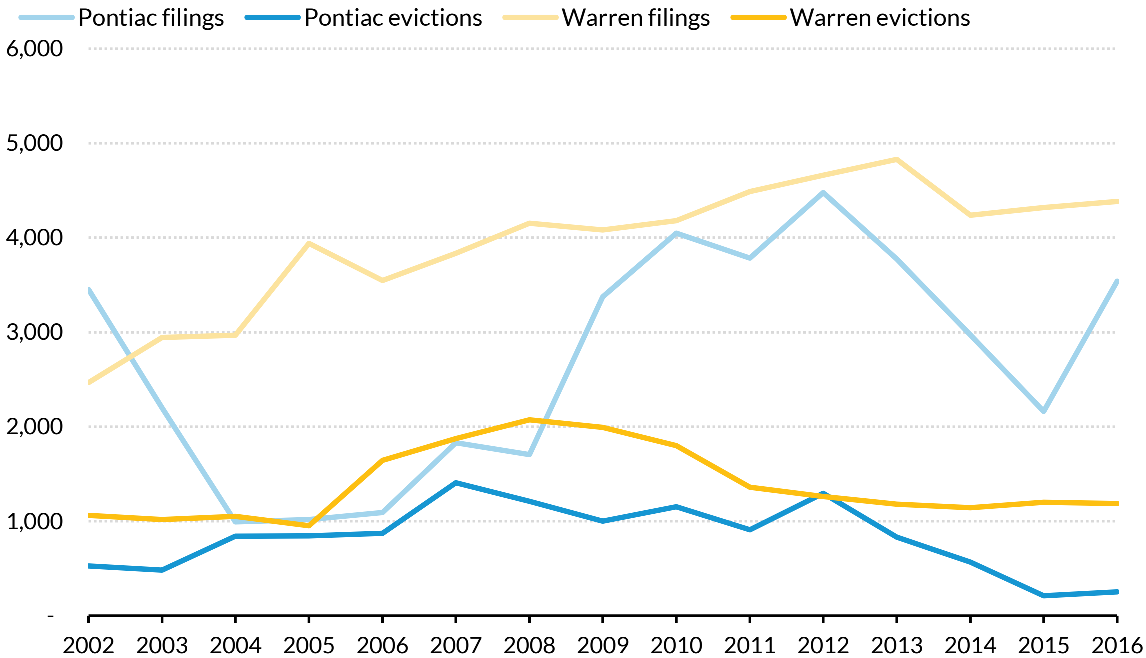
In Michigan, Kalamazoo's program provided the initial model for an eviction diversion program.[22] Pontiac's (in Oakland County) Eviction Diversion Program began in May 2015 (after an earlier pilot), and Warren's (in Macomb County) started in February 2014. These are voluntary programs designed to resolve back-rent situations while avoiding credit-damaging court judgements. Landlords initiate the program. When filing a nonpayment action with the court to start the legal eviction process, the landlord receives a flyer[23] discussing program eligibility and terms; if they are interested in retaining the tenant, the landlord fills out the flyer and includes it in the summons paperwork. The flyer is then served on the tenant, who then contacts the Community Housing Network to set up a meeting with community partners to provide rental assistance for up to three months (six months if a veteran). During the meeting, a letter of commitment stating payment terms is drafted. After that, the case is heard and a conditional dismissal is offered to the tenant and an accelerated offer of payment is offered to the landlord.

Evictions in Pontiac have dropped more notably in recent years than they have in Warren, but in both cities the actual number of eviction *filings* have remained relatively steady (figure 4). Looked at in another way, a smaller proportion of eviction filings in these cities are carrying through to final evictions. This is especially notable in Pontiac, where the share of filings that became final evictions in 2016 was 7 percent (it was 28 percent in 2015 in Warren).

Communities potentially benefiting from this sort of diversion program could have relatively high share of filings that result in final evictions. For example, of the larger communities in the region, Dearborn Heights has consistently had a rate of 70 percent or greater—over two-thirds of eviction filings have resulted in evictions. Other municipalities may simply be facing stubbornly high rates. Inkster (80 percent), Wyandotte (91 percent), Ypsilanti (87 percent in 2014), Monroe (80 percent in 2015), and Riverview (96 percent) all have recent eviction levels at 80 percent or more of their 15-year peak.

FIGURE 4

Eviction Trends in Pontiac and Warren, 2002–16



URBAN INSTITUTE

Source: Eviction Lab, https://evictionlab.org/.

Building and Protecting Subsidized Units

One option for meeting the growing demand for rental housing in the region is, of course, to build more of it. Though new rental housing is being built throughout the region, it is not meeting demand (HUD 2016). Figuring out how to develop more safe and decent housing, then, should be a goal of communities throughout the region. Part of the challenge, especially for affordable housing, is costs. Market rate developments tend to be unaffordable to lower-income renters, but subsidies, often coming from federal sources (box 2), for assisted units tend to be limited.

BOX 2

Federal Supports

There are a variety of federal programs that support affordable housing options for renters, most of which are overseen by the Department of Housing and Urban Development (HUD). The method for meeting this goal varies by program type. Some federal programs support renters through rental assistance (e.g., Section 8 Project-Based Rental Assistance, Housing Choice Vouchers, public housing).[a] Other federal programs subsidize the development or preservation of affordable housing through tax credits, loans, and grants (e.g., FHA 223(A)(7) Refinance,[b] Section 236 Preservation program, the HOME Investment Partnerships Program).[c]

The low-income housing tax credit (LIHTC) is perhaps the most broadly based rental housing subsidy in the United States. Operated by the US Treasury, the LIHTC provides an up-front subsidy to rental housing developers who set rents at below–market rates.[d] Since the passage of the 2017 omnibus appropriations bill, the standard has been that households with up to 80 percent of the area median income (AMI) are eligible to live in LIHTC-subsidized units, although the average AMI of all households in these units must be 60 percent or below. Although produces below-market rental units, the LIHTC is often combined with other subsidies to create units affordable to households with lower incomes. LIHTC funding decisions are made by state housing finance agencies (in Michigan this is the Michigan State Housing Development Authority, or MSHDA).

Private developments financed using LIHTC are required to maintain affordability for a set number of years (generally 30 years). After that window has elapsed, the private owner could sell the property or transition the units to market rate housing. Knowing what housing developments are at risk of "opting" out of affordable contracts remains a significant hurdle.

The Section 8 Project-Based Rental Assistance (PBRA) program is a rental assistance program administered by HUD that ties rental assistance to specific units in a property. Similar to the LIHTC, buildings with units assisted through PBRA are often owned and operated by private owners. When a property owner receives funding through PBRA, the owner enters into a Housing Assistance Payment Contract, which set the affordability requirement for the property. The initial affordability period on the property is 20 years, but the contract must be renewed after that initial period, further preserving long-term affordability.[e] LIHTC, PBRA, and other federal sources can be layered to meet financing gaps for a project, and in 2008 Congress passed legislation to streamline the subsidy review process across programs.[f] Additionally, as national public housing stock is increasingly shifting from the public housing program to PBRA through the Rental Assistance Demonstration program, LIHTC is being used to leverage private investment to recapitalize, renovate housing stock, and build new units.[g]

[a] "Policy Basics: Federal Rental Assistance," Center on Budget Priorities, updated November 15, 2017, https://www.cbpp.org/research/housing/policy-basics-federal-rental-assistance.

[b] "HUD 223(a)(7): The Fast, Affordable and Easy FHA Multifamily Loan," Multifamily Loans, accessed May 29, 2018, https://www.hud.loans/fha-223a7/.

[c] "HOME Investment Partnerships Program," HUD, accessed May 29, 2018, https://www.hud.gov/program_offices/comm_planning/affordablehousing/programs/home.

[d] Thomas G. Kingsley, *Trends in Housing Problems and Federal Housing Assistance* (Washington, DC: Urban Institute. 2017).

[e] Housing and Urban Development Department, "Administrative Guidelines; Subsidy Layering Reviews for Section 8 Project-Based Voucher Housing Assistance Payments Contracts and Mixed-Finance Development," *Federal Register*, September 24, 2018.

[f] Housing and Urban Development Department, "Administrative Guidelines; Subsidy Layering Reviews for Section 8 Project-Based Voucher Housing Assistance Payments Contracts and Mixed-Finance Development," *Federal Register*, September 24, 2018.

[g] Corianne Scally, Samantha Batko, Susan Popkin, and Nicole DuBois, The Case for More, Not Less: Shortfalls in Federal Housing Assistance and Gaps in Evidence for Proposed Policy Changes (Washington, DC: Urban Institute, 2018).

State Priorities

Though funding outlays for federal programs are set at the federal level, the Michigan State Housing Development Authority (MSHDA) plays a central role in determining where exactly those funds go. MSDHA operates a range of programs supporting affordable housing development, including administration of the state's LIHTC and HOME funds, Opportunity Zone designations, pass-through short-term bonds, and multifamily direct lending programs (e.g., Housing Trust Fund, Gap Financing Programs, Neighborhood Stabilization Program, and Equity bridge loans).[24] MSHDA also operates or administers approximately 30,000 HUD-funded housing choice voucher and project-based voucher units across the state.[25] MSHDA uses a scoring system that involves multiple elements:

- *Set-asides* of 10 percent to nonprofits, 10 percent for elderly developments, 10 percent for rural projects, and 30 percent for projects in eligible distressed areas;
- *Funding priorities* of 25 percent for preservation, 25 percent for permanent supportive housing, 25 percent for other projects ("open"), 10 percent for strategic investments, and 15 percent for "undesignated" projects; and
- *Additional scoring criteria* that include "opportunity criteria" (e.g., proximity to transportation, amenities, employment), development characteristics (e.g., historic rehabilitation, low-income targeting), development team characteristics, financing structure, permanent supportive housing characteristics, and cost/credit efficiency.[26]

As of May 2018, MSHDA has released its proposed 2019–20 Qualified Allocation Plan, which sets guidelines for the next round of funding. Comments on these proposals[27] show the trade-offs inherent in these processes. For example, several comment letters have argued that some opportunity criteria (those focused on locational amenities) have placed too much emphasis on walkable, mixed-use communities, and has thus excluded developments in much of the state (including suburban Southeast Michigan) from receiving those points. Some have argued that earlier proposals have focused funding on neighborhoods that, by already having more walkable, resource-rich environments, tend to have higher land and development costs.[28] The current proposed Action Plan has re-targeted walkability criteria to account for locational context (with suburban and rural development proposals requiring lower walk scores to receive points).

Protecting Existing Units

Besides providing new affordable housing, the issue of protecting existing subsidized affordable housing is also increasingly an issue in the region. Two of the main funding subsidies for affordable rental units are LIHTC and project-based rental assistance (PBRA) contracts (see box 2). In Michigan, MSHDA decides how federally allocated tax credits for housing are allocated and sets aside a share of these funds for preservation. The PBRA program, administered by HUD, provides funding to multifamily housing owners to bridge the difference between the project's rent and what low-income families can afford to pay. Together, these funding sources can be linked to provide deeper affordability to lower-income households than would otherwise be possible. However, affordability requirements and contracts for both can expire. This is a growing concern in stronger submarkets, particularly if property owners decide they can obtain higher market rate rents (Khadduri et al. 2012). Though this has not historically been an issue in Southeast Michigan's relatively weaker market, in the past few years, some properties in stronger submarkets in the region (such as Downtown Detroit or parts of Washtenaw County) are increasingly at risk of leaving the program.

MSHDA collects and provides data on subsidized properties, which are publicly available through its Affordable Rental Housing Directory website (formerly through the Michigan Preservation Information Exchange). Though the directory contains useful information, it does not contain any related analysis, documentation, or overview, and several stakeholders interviewed as a part of this project were not aware that it exists.

Our analysis of MSDHA data show that out of 280 LIHTC developments with 24,664 affordable units in the region, 12 developments with 1,272 units have affordability windows expiring by 2023 and 42 subsidies in developments with 3,703 units are slated to expire by 2028 (table 4).

According to HUD data, there are more than 8,000 PBRA units in 223 developments technically at risk of opting out of subsidies within the next five years (table 5); though most will renew and remain affordable to lower-income households, future research should determine what developments are particularly at-risk of dropping affordability requirements.

TABLE 4

LIHTC-Subsidized Developments and Units in Southeast Michigan

By affordability window end date

	Total LIHTC developments	Total LIHTC units	Developments expiring by 2023	Units expiring by 2023	Developments expiring by 2028	Units expiring by 2028
Livingston	4	322	na	na	na	na
Macomb	16	2,056	2	256	3	456
Monroe	4	459	na	na	na	na
Oakland	31	3,716	3	99	8	765
St. Clair	14	960	na	na	*1*	48
Washtenaw	23	1,954	1	81	3	126
Wayne	188	15,197	6	836	27	2,308
Total	280	24,664	12	1,272	42	3,703

Source: Urban Institute analysis of MSHDA data.

Note: na = not applicable.

TABLE 5

Expiration Years for Multifamily Assistance and Section 8 Developments and Units in Southeast Michigan

	2018–22		2023–27		2028–32		2033–38	
	Dvpts	**Units**	**Dvpts**	**Units**	**Dvpts**	**Units**	**Dvpts**	**Units**
Livingston	8	28	2	na	7	na	16	58
Macomb	3	688	na	471	na	1,127	2	2,240
Monroe	29	262	3	Na	4	na	29	265
Oakland	7	2,005	na	289	2	493	2	4,190
Saint Clair	5	85	2	na	3	361	9	131
Washtenaw	59	393	9	207	23	496	52	1,358
Wayne	112	4,882	16	1,289	39	2,865	111	7,342
Totals	223	8,343	32	2,256	78	5,342	221	15,584

Source: Urban Institute Analysis of Multifamily Assistance and Section 8 Database.
Note: Dvpts = develoments; na = not applicable.

Linking Subsidies

Building new affordable housing requires developers to marshal a range of resources, navigating federal-, state-, and local-level resources, financial institutions, and other sources. To take one example, a development in Pontiac's Unity Park neighborhood is linking federal and state funds to rebuild a neighborhood using rental properties with the option to convert to ownership for their residents (box 3). However, managing these efforts requires organizational capacity, which is a challenge for smaller developers in this space. Building supports for smaller developers working to build affordable housing could be a way to overcome some of these barriers.

BOX 3

Pontiac's Unity Park: A Hybrid Model to Stabilize a Neighborhood

Efforts to stabilize existing communities have often targeted homeowners. For instance, the Step Forward Michigan Program[a] is a federally funded loan program that helps homeowners having problems paying their mortgage, condo association fees, or property taxes to maintain primary ownership of their home. Though useful to homeowners, the program is not open to owners of rental properties, who may be foreclosed upon, with renters subsequently evicted.

However, a hybrid approach in Pontiac's Unity Park neighborhood shows promise as a way to link rentals and owner housing into a unified stabilization approach. There, the Community Housing Network, along with partners Home Renewal and Venture Housing, is developing a neighborhood by building new housing with a lease-to-purchase option—new renters can convert to ownership in year 15 (or they can remain renters if they choose). Unity Park was hit particularly hard by the foreclosure crisis; with home values plummeting, the neighborhood's lending market dried up, making it even more difficult to sell, buy, or improve homes in the area. Developers had four goals with their investment: stabilize the neighborhood, rebuild local homeownership, increase Pontiac's tax base, and develop synergies between the neighborhood and downtown. With funds from MSHDA's Neighborhood Stabilization Program, LIHTC credits, and other sources, 52 blighted structures were torn down and multiple single-family homes were developed in their place.

Developers had a few advantages in this case. Although at the time few investors were interested in Michigan, given the state's economic situation, Pontiac's location in Oakland County made it a more desirable investment opportunity. As such, developers were able to get better Community Reinvestment Act credits and had less tax credit competition because of low pricing. Stakeholders believe that Unity Park's scattered-site tax credit model could be used in similar communities elsewhere as a way to draw in private investment. The issue going forward will be to understand how recent tax reform has affected the tax-credit system. Already the most recent rounds of development have included one less house than previous rounds, because the credits are not as valuable as they used to be.

[a] "Frequently Asked Questions," Step Forward Michigan, accessed May 31, 2018, https://www.stepforwardmichigan.org/en/faq/.

Building Local Support for Local Policies

Given the decreasing federal and state resources for building affordable rental properties, local governments are exploring and experimenting with a wide range of strategies and policies to meet the affordable rental challenge. Local governments are often undertaking a range of activities to preserve and create affordable housing (Allbee, Johnson, and Lubell 2015). Some tools, such as mandatory inclusionary zoning (requiring that all developments include affordable housing), rent control, or impact fees, are not available to municipalities in Michigan. Others, such as tax increment financing, which captures increases in property tax revenues stemming from local improvements to fund improvement costs, are already being used (SEMCOG, n.d.).

One of the key tools communities have at their disposal is zoning. Although inclusionary zoning in its strict sense is not permitted, communities can implement inclusive zoning or incentivizes, such as density bonuses for developments that include affordable housing components. More broadly, zoning for a range of housing types—not just single-family homes—can create more opportunities for a broader range of residents. Some cities in Michigan, such as Ann Arbor, have approved accessory dwelling unit ordinances, which allow for secondary units to be built within a primary house or separate structure.[29]

Building local receptiveness to affordable housing development is a challenge across the region. Sometimes referred to as NIMBYism, ("not in my back yard–ism"), local opposition has often caused projects to be scaled back or abandoned. Although often used pejoratively, NIMBYism is also rooted in common concerns about how development will affect the local community. For housing, common concerns involve property values, density and congestion, stress on services, and crime. Parking is a particularly salient political issue as a recent project in Ferndale demonstrated. This project was downsized from 92 to 67 units, at higher per-unit costs, because of parking-based opposition to the original proposal.

For some communities in the region, this has led to efforts that stress the positive effects of new policies and developments. A primary goal of this work is to clarify what affordable housing is and whom it affects. A 2017 presentation by Washtenaw County planners before Ferndale's City Council (in Oakland County) did this in several ways. First it noted the harm a lack or loss of affordable housing can cause, as residents and employees are pushed out, and stressed how a diverse housing stock at a diverse set of price points can promote housing choice, Second, it linked affordable housing to salaries of common jobs, illustrating that affordable housing means housing affordable to firefighters, administrative assistants, or child care workers. Third it illustrated tools that can help localities meet their goals, such as affordable housing funding sources or zoning changes to encourage additional production.

Part of justifying the efforts to promote affordable housing, then, is highlighting the ramifications of a certain policy stance. In Ferndale, for example, it means clearly communicating the costs of, say, a minimum parking requirement. One stakeholder explained how she might frame such costs, "I support people over parking spots. Putting in another parking spot costs $24,000 for this unit, which makes the price of the unit go up—making it harder for Grandma, your son [or] daughter, or single dad with kids to afford live here."[30]

Finally, municipal efforts to promote affordable housing policies are limited. In Michigan, though incentive zoning (allowing developers to build more units if some are affordable) is allowed, inclusionary zoning, which mandates that a share of units need to be affordable, is not. Other unavailable tools include impact fees accounting for the effects of developments on housing and the workforce and hotel/bed taxes that set aside housing for the tourist-industry workforce. Making such limitations clear, and potentially working at the state level to give municipalities more authority to enact some of these policies, may be a goal for stakeholders in the years ahead.

Conclusion and Recommendations

Building and protecting an adequate and affordable rental housing stock requires a multifaceted approach. Part of the solution needs to be about ensuring housing meets demand and, in many cases (especially in the city of Detroit), managing the transition from owner to rental housing. This means making it easier build new developments where appropriate and renovate existing housing stock.

Preservation efforts also need to account for single-family rentals since existing affordability programs are usually geared toward multifamily rental developments or single-family homeownership. Expanding existing programs and funding streams to help preserve and renovate scattered-site rentals could protect thousands of units across the region. However, many existing government programs, whether incentives, resources, or regulatory, will need to be revised and tailored to address the nuances and complexities of the expanding single-family rental market and industry.

Promoting affordability also means protecting existing renters. With the issue of eviction quickly growing in prominence, communities can identify causes and cases and potentially enact programs, like the eviction diversion programs in Pontiac and Warren, that can limit evictions and the ramifications for households. Other programs, like licensing laws, should balance landlord burden against the ability to identify rental housing trends, especially with respect to the single-family housing stock. Linking registration and inspections to funds for rehabilitation and improvement could be one way of adding a "carrot" to these requirements.

For subsidized housing, there are also the dual issues of new construction and preservation. Some issues, like overall LIHTC or PBRA funding and federal tax reform are out of the hands of local stakeholders, but identifying how federal-level changes affect local funding streams should be a priority going forward. Since many federal housing funds (whether LIHTC, PBRA, or other sources) are distributed through MSHDA, there is already a state-level mechanism in place for responding to local needs. MSDHA already has a robust and transparent planning process for housing funding. In terms of identifying future needs, providing a user-friendly information clearinghouse for things like expiring subsidies would be valuable to local stakeholders.

This also indicates a point of entry for philanthropy to build a deeper understanding of needs of households in the region. Many smaller municipalities in the region lack the capacity to actively track emergent housing market trends, so philanthropic leadership, working with local and state governments, could help institute a data hub and information sharing forum to identify and track indicators, such as eviction rates, across the region. As a broader point, this is a potential entryway for philanthropies interested in extending their reach beyond urban centers to suburban areas grappling with needs associated with growing poverty (Kneebone and Berube 2014; Reckhow and Weir 2011).

Finally, it is important to recognize that these are regional challenges. Choosing to build affordable housing or not has ripple effects across the region. Building and preserving affordable housing promotes more livable and inclusive communities. Stakeholders need to think regionally and be aware that some suburban communities may lack the resources to take advantage of new options available elsewhere. Building mechanisms to identify and address the needs in these communities should be a priority of local and state policymakers.

Notes

[1] Pamela Blumenthal, Reed Jordan, Amy Clark, Ethan Handelman, and Rebekah King, "The cost of affordable housing: Does it pencil out?" Urban Institute, July 2016, http://apps.urban.org/features/cost-of-affordable-housing/.

[2] This compares five-year estimates that have a margin of error that is often larger for smaller communities.

[3] Rob Pitingolo, "Rent Burden High in Low- and High-Cost Metros Alike," Urban Institute, July 2015, http://apps.urban.org/features/ncdb/rent-burden-high-in-us-cities/.

[4] This definition for the Detroit-Warren-Dearborn metropolitan area does not exactly match the definition we use for Southeast Michigan—it includes Lapeer County but excludes Washtenaw and Monroe Counties.

[5] Erika Poethig, Liza Getsinger, Josh Leopold, Graham MacDonald, Lily Posey, Pamela Blumenthal, Reed Jordan, and Katya Abazajian, "Mapping America's Rental Housing Crisis," Urban Institute, last modified April 27, 2017, http://apps.urban.org/features/rental-housing-crisis-map/.

[6] American Housing Survey 2015 estimates.

[7] Hyojung Lee, "Who Owns Rental Properties, and Is It Changing?" *Housing Perspectives* (blog). Harvard Joint Center for Housing Studies, August 18, 2017, http://housingperspectives.blogspot.com/2017/08/who-owns-rental-properties-and-is-it_18.html.

[8] "More Than 750 Apartment Homes in Twin Cities to Remain Affordable Thanks to Broad Partnership," NOAH Impact Fund, news release, October 31, 2017, https://noahimpactfund.com/2017/10/31/more-than-750-apartment-homes-in-twin-cities-to-remain-affordable-thanks-to-broad-partnership/; "768 Homes Remain Affordable in the Twin Cities," *Affordable Housing Finance*, November 3, 2017, http://www.housingfinance.com/news/768-homes-to-remain-affordable-in-the-twin-cities_o.

[9] Dana Afana, "Amid Rising Rental Rates, Detroit Looks to Preserve Affordable Housing with $250M Fund," *MLive*, March 12, 2018, http://www.mlive.com/news/detroit/index.ssf/2018/03/detroit_to_create_250m_fund_fo.html.

[10] "City to Expand Strategic Neighborhood Fund, Raise $130 Million for Seven Additional Neighborhoods," *City of Detroit*, May 7, 2018, http://www.detroitmi.gov/News/ArticleID/2227/City-to-Expand-Strategic-Neighborhood-Fund-Raise-130-Million-for-Seven-Additional-Neighborhoods.

[11] See the Rehabbed and Ready website, https://buildingdetroit.org/rehabbed-ready/.

[12] See the Detroit Home Mortgage website, http://www.detroithomemortgage.org/.

[13] Norb Franz, "Warrant Inspectors Can't Be Landlords," *Macomb Daily*, October 31, 2013, http://www.macombdaily.com/article/MD/20131031/NEWS/131039898; "Rental Property Registration," Rochester City Hall, accessed May 29, 2018, http://www.ci.rochester.mi.us/309/Register-Rental-Property; "Rental Registration Application," City of Pontiac, accessed May 29, 2018, http://www.pontiac.mi.us/departments/community_development/docs/b_s_rentalappsingle2015.pdf.

[14] Christine MacDonald, "Detroit Council Toughens Rules for Landlords," *Detroit News*, October 31, 2017, http://www.detroitnews.com/story/news/local/detroit-city/2017/10/31/detroit-council-tightens-landlord-rental-inspection-regulations/107196580/.

[15] Christine MacDonald, "Detroit Evictions: Crackdown Could Worsen Issues," *Detroit News.* October 6, 2017, https://www.detroitnews.com/story/news/special-reports/2017/10/05/detroit-evictions-landlords/106351462/.

[16] "Troubled Building Initiative" *City of Chicago Department of Planning and Development*, https://www.cityofchicago.org/city/en/depts/dcd/supp_info/troubled_buildinginnitiativetbi.html.

[17] Christine MacDonald, "Persistent Evictions Threaten Detroit Neighborhoods," *Detroit News*, October 16, 2017, http://www.detroitnews.com/story/news/special-reports/2017/10/05/detroit-evictions-threaten-neighborhoods-rentals/106315064/.

[18] These data are from 2016 for Macomb, Monroe, Oakland, and Wayne. The most recent year available for Washtenaw is 2014, which we include here. Livingston has no communities of 10,000 or more, and the most recent data available for St. Clair are from 2006. The Eviction Lab has also flagged these cities as having undercounted eviction rates, and provides only a partial match with official court reports. Despite these limitations, it is a useful source for understanding local patterns.

[19] "Housing," Neighborhood Legal Services Michigan, accessed May 29, 2018, https://nlsmichigan.org/programs/housing/; "Oakland County," Oakland Livingston Human Services Agency, accessed May 29, 2018, http://www.olhsa.org/oakland-county; "Livingston County," Oakland Livingston Human Services Agency, accessed May 29, 2018, http://www.olhsa.org/livingston-county.

[20] "MDHHS and State Housing Authority Team Up to Provide Additional Rent or Mortgage Assistance," Michigan Department of Health and Human Services, news release, accessed May 29, 2018, https://www.michigan.gov/mdhhs/0,5885,7-339-73970_71692_7752-270481--,00.html.

[21] "Housing Placement," United Community Housing Coalition, accessed May 29, 2018, http://www.uchcdetroit.org/services/rental-assistance.

[22] "Kalamazoo, MI, HPRP-Funded Prevention Program," HUD, accessed May 29, 2018, https://www.huduser.gov/portal/sites/default/files/pdf/HPRP-Case-Study-Kalamazoo-MI.pdf.

[23] See a sample brochure, "Getting Help in Hard Times," accessed May 29, 2018, http://oaklandhomeless.org/wp-content/uploads/2014/05/Eviction-Diversion-Brochure.pdf; "Oakland County's First Eviction Diversion Program Is off to a Successful Start," Legal Aid and Defender Association Inc., accessed May 29, 2018, http://www.ladadetroit.org/press_oaklandevictiondiversion_06422015.php.

[24] "Developers and Contractors," MSHDA, accessed May 29, 2018, https://www.michigan.gov/mshda/0,4641,7-141-5587---,00.html.

[25] "HUD Picture of Subsidized Households," HUD, accessed May 29, 2018, https://www.huduser.gov/portal/datasets/assthsg.html.

[26] "2019–2020 LIHTC Scoring Criteria," MSHDA, February 2018, https://www.michigan.gov/documents/mshda/mshda_li_qap_2019draft03_scoring_summary_621540_7.pdf.

[27] "QAP Public Hearings May 2018," MSHDA, accessed May 29, 2018, https://www.michigan.gov/mshda/0,4641,7-141-5587_5601-466738--,00.html.

[28] See letter from Community Housing Network: Kristen Elliot, "Re: LIHTC 2019-2020 Qualified Allocation Plan," *Community Housing Network*, May 3, 2018, https://www.michigan.gov/documents/mshda/mshda_lihtc_qap_pc054_chn_elliott_622545_7.pdf .

[29] Ryan Stanton, "New Rules Allow Ann Arbor Homeowners to Build, Rent Out, Accessory Apartments," *MLive*,. August 5, 2016, http://www.mlive.com/news/ann-arbor/index.ssf/2016/08/new_rules_allow_ann_arbor_home.html.

[30] Stakeholder interview May 17, 2018.

References

Allbee, Allison, Rebecca Johnson, and Jeffrey Lubell. 2015. *Preserving, Protecting, and Expanding Affordable Housing: A Policy Toolkit for Public Health*. Oakland, California: ChangeLab Solutions.

Brennan, Maya, Pam Blumenthal, Laurie Goodman, Ellen Seidman, and Brady Meixell. 2017. *Housing as an Asset Class: Opportunities for Systems Change to Enhance Social Equity and Inclusion*. Washington, DC: Urban Institute.

ChangeLab Solutions. 2014. "Health Housing Through Proactive Rental Inspection." Oakland, California: ChangeLab Solutions.

City of Detroit 2018. *Multifamily Affordable Housing Strategy. Detroit, Michigan: City of Detroit*. City of Detroit.

Desmond, Matthew. 2016. *Evicted: Poverty and Profits in the American City*. New York: Broadway Books.

Detroit Future City. 2017. *DFC Special Report: Renting in Detroit: A Market that Demands Attention*. Detroit Future City.

Getsinger, Liza, Lily Posey, Graham MacDonald, Josh Leopold, and Katya Abazajian. 2017. *The Housing Affordability Gap for Extremely Low-Income Renters in 2014*. Washington, DC: Urban Institute.

Hoffman, Ellen Lurie. 2017. "Preserving America's Affordable Rental Housing: The Role of the Nation's Banks." In *Community Developments Investments*, 4–8, Washington, DC: Office of the Comptroller of the Currency.

HUD (US Department of Housing and Urban Development). 2016. "Detroit-Warren-Dearborn, Michigan: Comprehensive Housing Market Analysis." Washington, DC: HUD.

———. 2018. *Chicago, Illinois: The City's Troubled Building Initiative Renovates and Preserves Deteriorating Apartments*. Washington, DC: HUD.

Khadduri, Jill, Carissa Climaco, Kimberly Burnett, Laurie Gould, and Louise Elving. 2012. *What Happens to Low-Income Housing Tax Credit Properties at 15 Years and Beyond?* Washington, DC: HUD.

Kneebone, Elizabeth, and Alan Berube. 2014. *Confronting Suburban Poverty in America.* Washington, DC: Brookings Institution Press.

Lens, Michael C., and Vincent Reina. 2016. "Preserving Neighborhood Opportunity: Where Federal Housing Subsidies Expire." *Housing Policy Debate* 26 (4–5): 714–32.

Magdar, Dan, and Laurie Goodman. 2015. "Single Family Rentals: A New Approach to Affordable Housing." Washington, DC: Urban Institute.

National Low Income Housing Coalition. 2017. *The Gap: A Shortage of Affordable Homes*. Washington, DC: National Low Income Housing Coalition.

Poethig, Erika, Joseph Schilling, Laurie Goodman, Bing Bai, James Gastner, Rolf Pendall, Sameera Fazili. 2017. *The Detroit Housing Market: Challenges and Innovations for a Path Forward*. Washington, DC: Urban Institute.

Ray, Anne, Jeongseob Kim, Diep Nguyen, and Jongwon Choi. 2015. *Opting In, Opting Out a Decade Later.* Washington, DC: HUD.

Reckhow, Sarah, and Margaret Weir. 2011. *Building a Stronger Regional Safety Net: Philanthropy's Role*. Metropolitan Opportunity Series. Washington, DC: Brookings Institution.

SEMCOG (Southeast Michigan Council of Governments). n.d. "Creating Successful Corridors: Planning and Implementation Tools." Detroit: SEMCOG.

Treskon, Mark, Rolf Pendall, Carl Hedman, and James Gastner. 2017. *Southeast Michigan Housing Futures: A Converging Story for the Detroit Metropolitan Area*. Washington, DC: Urban Institute.

Williams, Stockton. 2015. *Preserving Multifamily Workforce and Affordable Housing: New Approaches for Investing in a Vital National Asset*. Washington, DC: Urban Land Institute.

About the Authors

Mark Treskon is a research associate in the Metropolitan Housing and Communities Policy Center at the Urban Institute. His current projects include an evaluation of financial coaching programs and a study measuring the effects of arts-related initiatives on community development. His research interests include housing and homeownership policy as well as neighborhood development and change. Treskon has published peer-reviewed articles and book chapters on community-based planning, home lending policy advocacy, and the arts economy. He has a broad background in quantitative and qualitative research and geographic information systems.

Carl Hedman is a research analyst in the Metropolitan Housing and Communities Policy Center at the Urban Institute. His work focuses on examining policy issues surrounding economic and racial residential segregation, neighborhood change, early childhood education, financial services, and housing affordability. He has worked on several projects, including the Neighborhood Change Database, Mapping America's Futures, and Down Payment Assistance: An Assessment of the LIFT Program.

Acknowledgments

This brief was funded by a grant from JPMorgan Chase. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at urban.org/fundingprinciples.

We also want to thank those who read versions of this brief and discussed the topics area as a part of this project.

2100 M Street NW
Washington, DC 20037

www.urban.org

ABOUT THE URBAN INSTITUTE

The nonprofit Urban Institute is a leading research organization dedicated to developing evidence-based insights that improve people's lives and strengthen communities. For 50 years, Urban has been the trusted source for rigorous analysis of complex social and economic issues; strategic advice to policymakers, philanthropists, and practitioners; and new, promising ideas that expand opportunities for all. Our work inspires effective decisions that advance fairness and enhance the well-being of people and places.

Copyright © July 2018. Urban Institute. Permission is granted for reproduction of this file, with attribution to the Urban Institute.