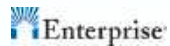




DETROIT
FUTURE
CITY



REBUILDING **HOME.**

COMMUNITY-DRIVEN SINGLE-FAMILY REHABILITATION MODELS FOR LONG-TERM STABILITY



Photo by Bre'Ann White



THE REPORT

Snapshot of what the report's two primary sections will include - three five-page case studies and six one-page insights



WHY

ARE WE HERE?

Photo by Bre'Ann White

Catalogue the work of **mission-driven organizations** engaged in the reactivation of Detroit's vacant housing stock.

Demonstrate the **widespread variation** in how community-based actors approach home renovation depending on the **availability of financing and neighborhood-specific goals and circumstances.**

Inform the development of a single-family strategy that includes a central place for community-based actors in advancing single-family rehab and resale.

Contribute to the Detroit Neighborhood Housing Compact's goal of **advancing predictable systems for financing + partnerships to support single family rehab.**

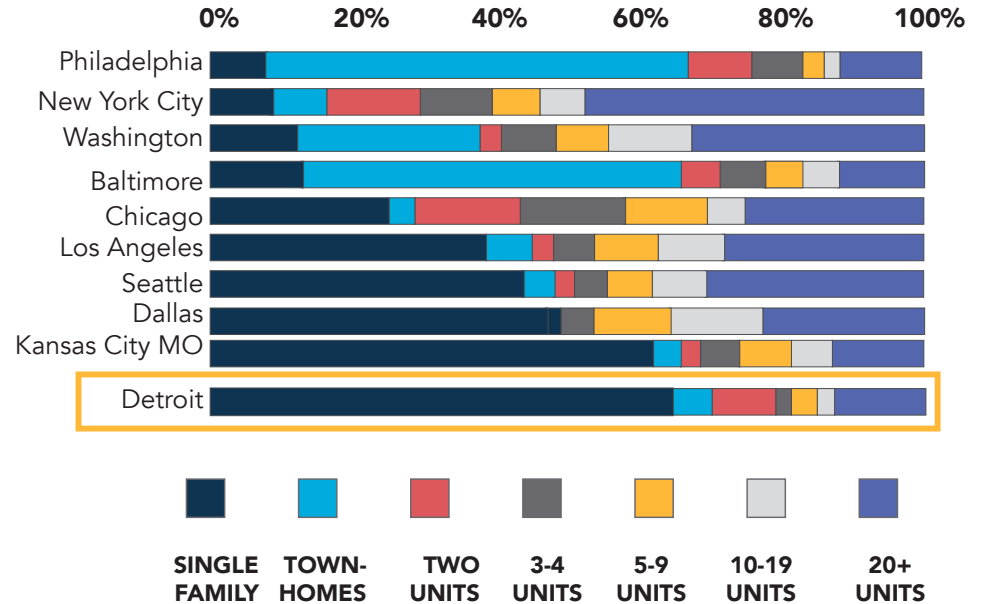


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OCCUPIED HOUSING UNITS BY HOUSING TYPE



The Washington Post

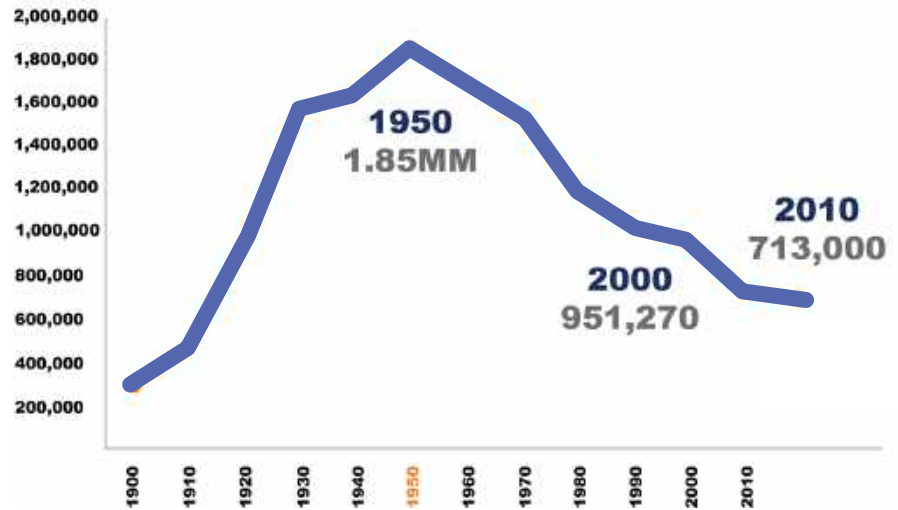


WHY

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Photo by Bre'Ann White

Detroit lost more than half its peak population between 1950 and 2010, which means that, over time, **half of the city's housing stock lost a caretaker.**



In their report "Eviction Machine," Akers and Seymour cite that **60%** of properties purchased by the top 20 tax auction buyers experience two or more subsequent evictions, and **estimate that the City of Detroit has spent an estimated \$34 million demolishing homes purchased by speculators in tax foreclosure.**

Community-based actors who have positioned themselves to align single family rehabilitation with broader goals for more vibrant, opportunity-rich neighborhoods **lack consistent systems of support** to scale their single family rehabilitation work.

A man and a woman are standing on a balcony, both wearing bright green polo shirts. The man is on the left, and the woman is on the right. They are both smiling and looking towards the camera. The background shows a building with a window and a door. A blue horizontal bar is positioned below the text.

"REBUILDING HOME" speaks to the physical rebuilding of Detroit's housing stock, but also to the philosophical reconstruction of everything that home should be – **safe, healthy, stable, affordable, and connected to opportunity.**



IT'S NOT THE MARKET, IT'S THE MISSION

Photo by Bre'Ann White



VERONICA JOHNSON

PROPERTY REHABILITATION MANAGER, DLBA

“What keeps me up at night is the number of vacant homes we have compared to the number of people facing housing instability in our city.

We need more resources for average people to enter this space - there are so many families that just need a roof over their head. **Having CDOs in this space is awesome not just because of what they stand for, but also because of the services they provide!”**

PHYLLIS EDWARDS

EXECUTIVE DIRECTOR, BRIDGING COMMUNITIES

“This is not just something I talk about, it’s something that I’ve experienced, something that I’ve lived. I

bought my home on a land contract for \$30,000 in 2015, and I am almost done paying it off. I now have more opportunities and flexibility with the house, since I was able to own it in such a short period of time.”





IT'S NOT THE MARKET, IT'S THE MISSION

Photo Courtesy of Mona Lisa Development

QUINCY JONES
EXECUTIVE DIRECTOR



We had a hypothesis, and we proved it. Not all renovations need to be luxury, and we were able to produce a high-quality gut-rehab with modest finishes that was **affordable to the buyer, a former renter in the Osborn neighborhood.** I am passionate about the **role of nonprofits in moving individuals and families up the mobility ladder, and using housing as a stepping stone for doing that.**



MONIQUE BECKER
CO-FOUNDER, MONA LISA DEVELOPMENT

Do you stay within the status quo and the parameters that have been set, or do you try to do something innovative that works for this community and advances quality of life? *We are committed to advancing this model that works for us, and pushing stakeholders to recognize this as a viable alternative model for true equitable development.*

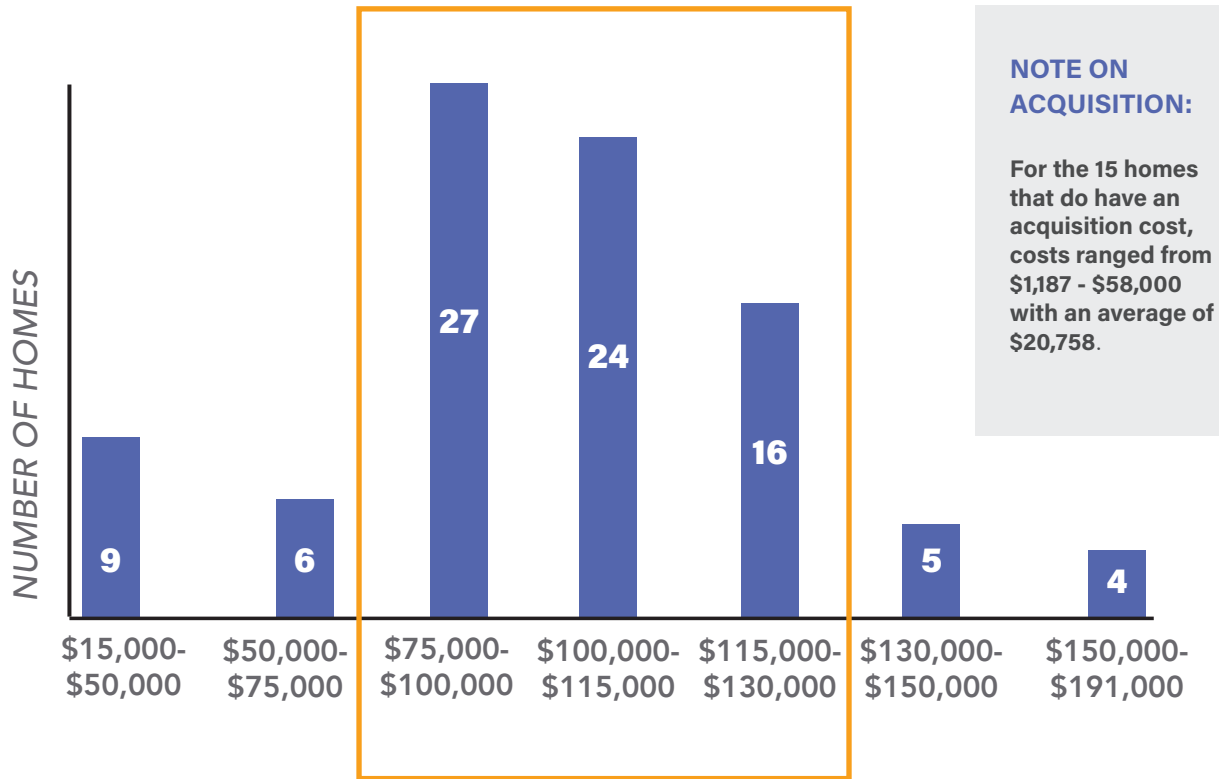


**THIS WORK
IS NOT FOR
THE FAINT
OF HEART**

Photo courtesy of Woodbridge Neighborhood Development

SUMMARY OF PROJECT COSTS

While itemized cost data was not provided in every case, the following summarizes cost data from **91 home rehabilitations completed by three participating stakeholders (DLBA, Develop Detroit, Southwest Solutions) over the past five years.**



CASE STUDIES

Outlining rehab models taken to scale over decades by three large community development organizations in Detroit.

GRANDMONT ROSEDALE DEVELOPMENT CORPORATION



SHERITA SMITH, EXECUTIVE DIRECTOR

Keeping strong neighborhoods afloat through single family stabilization paired with engagement, placemaking, and commercial development.

GRANDMONT ROSEDALE

CENTRAL DETROIT CHRISTIAN DEVELOPMENT CORPORATION



LISA JOHANON, EXECUTIVE DIRECTOR

Building a framework for community control, choice, and long-term affordability through youth & family education, small business development, & diverse housing options.

CENTRAL DETROIT

BRIDGING COMMUNITIES, INC



PHYLLIS EDWARDS, EXECUTIVE DIRECTOR

Providing high-impact homebuyer education & pairing modest rehab with equitable land contract sales to reactivate land bank inventory and support affordable homeownership.

SOUTHWEST DETROIT, CITYWIDE

CASE STUDIES

Outlining rehab models taken to scale over decades by three large community development organizations in Detroit.

GRANDMONT ROSEDALE DEVELOPMENT CORPORATION



- Over 120 homes since 1989
- Construction gap exists despite strong market
- Primarily for-sale, with a few land contracts
- First three homes entirely grant-funded; larger grants, loans, and public financing became available as org capacity grew

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CENTRAL DETROIT CHRISTIAN DEVELOPMENT CORPORATION



- Over 224 homes renovated (includes mix of duplexes & single-family; 9 new construction homes)
- 130-unit multifamily rental portfolio, 2-4 unit buildings
- Work was accelerated by early acquisitions & large property donations

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BRIDGING COMMUNITIES, INC



- Over 40 homes sold on land contract to low-moderate income buyers
- Amount invested in rehab depends on buyer's ability to invest \$ or sweat equity to complete renovation
- Avg term is 5 years w/ 3-5% interest rate, \$15,000 avg sale price

INSIGHTS

Highlighting lessons from rehab models completed within the past 5 years at various scales by both nonprofit and for-profit stakeholders.

ANGIE GAABO

EXECUTIVE DIRECTOR,
WOODBRIDGE
NEIGHBORHOOD
DEVELOPMENT



- Rehabilitated two homes in Woodbrige in 2018-19
- Renovation costs were \$130 psf and \$160 psf
- Used \$55k profit for low-income home repair



QUINCY JONES

EXECUTIVE DIRECTOR,
OSBORN
NEIGHBORHOOD
ALLIANCE



- Rehabilitated 1 home in Osborn to test the market in 2018
- Transitioned renter paying \$850 per month to homeowner paying \$580 per month
- Employed 8 neighborhood residents



INSIGHTS

Highlighting lessons from rehab models completed within the past 5 years at various scales by both nonprofit and for-profit stakeholders.

MARTINA ORANGE

SENIOR MANAGER,
HOMEBUILDING
DEVELOP DETROIT



- Rehabbed 7 homes in North End (\$83-124psf) & 2 homes in Grandmont Rosedale (\$83-121psf), part of larger mixed-income project
- Leveraged NMTC financing, neighborhood-based construction team



VERONICA JOHNSON

PROPERTY
REHABILITATION
MANAGER,
DETROIT LAND BANK
AUTHORITY



- Rehabilitated 74 homes through Rehabbed & Ready Program
- If demolition costs \$12k-\$20k, can lose same amount on home rehab; average loss is \$14,301 per home
- Funded through \$2MM revolving grant, has revolved 4 times



INSIGHTS

Highlighting lessons from rehab models completed within the past 5 years at various scales by both nonprofit and for-profit stakeholders.

MONIQUE BECKER & ELYSE WOLF

CO-FOUNDERS,
**MONA LISA
DEVELOPMENT**



- Completed two duplexes in Virginia Park with two in the pipeline; creative reimagining of large, historic homes through thoughtful renovation, communal rental arrangements, unique amenities, and Airbnb.
- Co-living model creates affordability at 30-40% AMI



DAVID ALADE & ANDREW COLOM

PARTNERS,
CENTURY PARTNERS



- Rehabbed over 100 units of housing across Boston-Edison, North End, East English Village, and Fitzgerald (13 homes) - offers homes for sale & for rent at various price points
- Employed 40 neighborhood residents & reduced barriers to homeownership in Fitz.





Early, targeted, & discounted access to property for mission-driven orgs is critical to controlling costs & preserving affordability.


Building partnerships to cultivate an informed buyer pipeline & support buyers with down payment assistance is an important demand-side intervention.

Multiple tenure strategies can help diversify income streams and provide flexibility for residents at all income levels.

There is no standard rehab. Acquisition cost, property size/condition, historic designation, rehabilitation standards, financing requirements, & market values all influence cost.

In most neighborhoods, construction costs exceed the market value of completed homes. Both grants and loans are needed for project financing.

LESSONS LEARNED



This report advocates for a holistic underwriting of the single-family rehabilitation process, one that uplifts community-based actors as entities who bring additional value by integrating home rehabs into larger plans for revitalization.