USING MARKET DATA TO ADDRESS VACANCY & BLIGHT IN DETROIT
1. BACKGROUND
DETROIT POPULATION 1930-2014
“The fundamental problem with population loss is that people often forget to take their homes with them” – Dan Kildee
MOTOR CITY MAPPING / TASK FORCE

- Partnership launched in fall of 2013
- Blexting
- Ongoing updates
- Open dataset
- Baseline
2. VISION
THE 10 POINT PLAN TO REBUILD OUR NEIGHBORHOODS:

1. Establish a single Department of Neighborhoods (DON)

2. Base the DON in 7 Neighborhood District Offices to create true partnerships with Neighborhood Groups/Block Clubs

3. Seize Abandoned Houses/Drug Houses through nuisance abatement program Mike Duggan started as Prosecutor

4. Create positive incentives to move families from sparsely populated areas into stronger neighborhoods

5. Rebuild neighboring business districts, beginning by seizing abandoned storefronts and moving in entrepreneurs

6. Streamline demolition process and strategically target neighborhoods

7. Crack down on illegal scrappers and their scrap yards

8. Create much tougher code enforcement

9. Require banks to participate in neighborhood redevelopment

10. Reform Detroit Land Bank so we can re-use vacant land
LAND BANK PROGRAMS

- Disposition
- Nuisance Abatement
- Demolition
- Acquisition & Inventory
CURRENT & PROJECTED INVENTORY

Yearly Inventory Growth:
- December, 2013: 766
- January, 2014: 1,469
- March, 2014: 7,766
- June, 2014: 11,044
- September, 2014: 23,292
- December, 2014: 35,440
- January, 2015: 48,540
- April, 2015: 81,664
- December, 2015: 78,508
- January, 2016: 97,144

Inventories have been increasing steadily.
3. DEVELOPING A PLAN
PUBLIC LAW 110-343

- Emergency Economic Stabilization Act (ESSA) of 2008
- Created $700 billion Troubled Asset Relief Program (TARP)
- Foreclosure prevention program “Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets.”
- In June 2013, the Treasury Department approved a new category of HHF assistance, the Blight Elimination Program.
HHF BLIGHT ELIMINATION STATES

[Map showing states with HHF blight elimination and HHF states]
5 POINT VACANCY COMPOSITE

- Utility accounts
- Water service
- Postal Delivery
- Motor City Mapping
- Valassis
DEMOlITION PROBABILITY

- 49 datasets
- Built on MCM

\[ \text{LOGIT} \left( p ( \text{ greg overrr = 1} ) \right) = \beta_{\text{const}} + \beta_{\text{mcm fire}} + \beta_{\text{mcm condition}} + \beta_{\text{mcm needboard}} + \beta_{\text{units}} + \beta_{\text{vacancy count}} + \beta_{\text{year foreclosed}} + \beta_{\text{pp down}} + \beta_{\text{blight hff}} + \beta_{\text{blight left}} + \beta_{\text{blight bse mc}} + \beta_{\text{drps dangerous build}} \]
(SOME) OTHER DATA

• U.S. Census Bureau – Demographics

• City of Detroit – Dangerous Buildings, Blight Violations, Tax Payment, Voter Migration, Crime, Fire, Water Usage, Off-Market Sales, Building Permits, Block Clubs, Unit Counts, Economic Development Target Areas

• Wayne County – Mortgage Foreclosures, Tax Foreclosures, Tax Payment Plans

• Other Sources – School Attendance & Migration, Church Attendance, Business Activity, Mortgage Applications, Urban Gardens, LIHTC Projects, Rental Market Data
4. EXECUTING
5. RESULTS & LESSONS
2016 Targeted Multifamily Housing Areas

DECEMBER 11, 2015

Sources: Detroit Planning & Development Dept., 2015; Detroit Housing & Revitalization Dept., 2015
CITY OF DETROIT QUARTERLY MORTGAGE ORIGINATIONS

NEW PURCHASE MORTGAGE ORIGINATIONS BY QUARTER, 2013-2015
Thanks!

Any questions?

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