DETROIT FUTURE CITY

BUYING IN: OPPORTUNITIES FOR INCREASING HOMEOWNERSHIP IN DETROIT THROUGH MORTGAGE LENDING

MARCH 2022

BUYING IN: OPPORTUNITIES FOR INCREASING HOMEOWNERSHIP IN DETROIT THROUGH MORTGAGE LENDING

A publication of Detroit Future City's Center for Equity, Engagement, and Research

AUTHORS
John Gallagher
Edward Lynch, AICP

Released: March 2022

ACKNOWLEDGEMENTS

PROJECT TEAM
Ashley Williams Clark
Kimberly Faison
John Gallagher
Anika Goss
Edward Lynch, AICP
Kendall Nash

FUNDED BY
Hudson Webber Foundation
The Kresge Foundation
Ralph C. Wilson Jr. Foundation
W.K. Kellogg Foundation

PHOTOGRAPHY
Tafari Stevenson-Howard
Marvin Shaouni

GRAPHIC DESIGN
Susana Castro-Pollard

A mortgage loan is more than just a pathway to homeownership, it is a building block of economic equity, neighborhood stability, and wealth-building, especially for African Americans.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

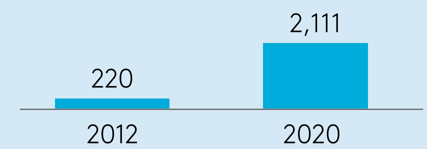
Addressing homeownership rates will be a crucial step in Detroit's ongoing work toward achieving economic equity. To do this, there must be better access to one of the primary pathways to homeownership, the home mortgage. A mortgage loan is more than just a pathway to homeownership, it is a building block of economic equity, neighborhood stability, and wealth-building, especially for African Americans.

This report examines the trends, challenges, and solutions for increasing homeownership through home purchase lending in Detroit.

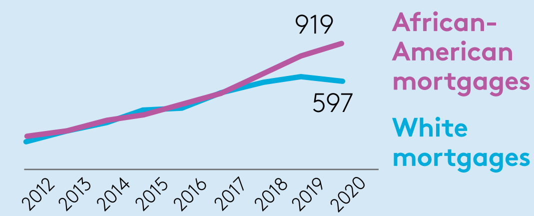
DETROIT TRENDS

See pg. 13 for more details

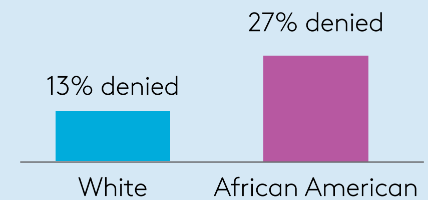
Home purchase lending has improved since 2012 but remains low relative to other cities.



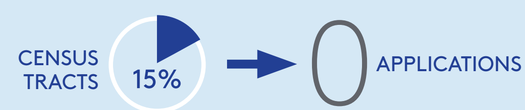
Loans to African Americans in Detroit have gradually increased, but plateaued for white applicants in 2017.



In 2020, African-American applicants were denied home purchase loans at twice the rate as white applicants.



15% of census tracts had **0** applications.



Leading causes of denial

1. Collateral

2. Credit history

3. Debt-to-income ratio

Source: DFC analysis of LendingPatterns.com Home Mortgage Disclosure Act (2012-2020) data.

CHALLENGES & SOLUTIONS

See pg. 33 for more details

Lending process

Homebuyer pipeline

Neighborhoods/ housing quality

CHALLENGE
Credit score requirements limit borrowers

SOLUTION
- Develop alternative measures of creditworthiness.
- Increase support for nonprofit alternatives to the conventional mortgage market.
- Support for borrowers throughout the mortgage lending process.
- Increase income for Detroit residents.

CHALLENGE
Collateral and appraisal issues

SOLUTION
- Appraisal reform.
- Build the value of Detroit's housing stock.
- Expand purchase/ rehab loan options for buyers.
- Provide more move-in ready housing through rehab and resale programs to create demand and comps.

CHALLENGE
Housing that requires extensive repairs

SOLUTION
- Provide more move-in ready housing through rehab and resale programs to create demand and comps.
- Expand purchase/ rehab loan options for borrowers.

CHALLENGE
Incomes limit purchasing power

SOLUTION
- Increase incomes of Detroit residents.
- Support for borrowers throughout the mortgage lending process.

CHALLENGE
Limited demand for mortgages

SOLUTION
- Market the city to African-American homebuyers.
- Strengthen markets where purchase demand exists.
- Build the value of Detroit's housing stock.

All solutions must center racial equity to reduce differences in lending by race

INTRODUCTION

Homeownership is widely viewed as a building block of neighborhood stability and household wealth accumulation. However, the *State of Economic Equity in Detroit* reported that between 2010 and 2019, Detroit continued to see a decline in homeownership and went from a city of majority homeowners to a city where the majority of households are renters.

As Detroit considers how to achieve economic equity, addressing homeownership rates will be a critical component. To do this we must provide better access to one of the primary pathways to homeownership, the home purchase mortgage. A mortgage loan is more than just a pathway to homeownership; it is also a building block of economic equity, neighborhood stability, and wealth-building for African Americans.

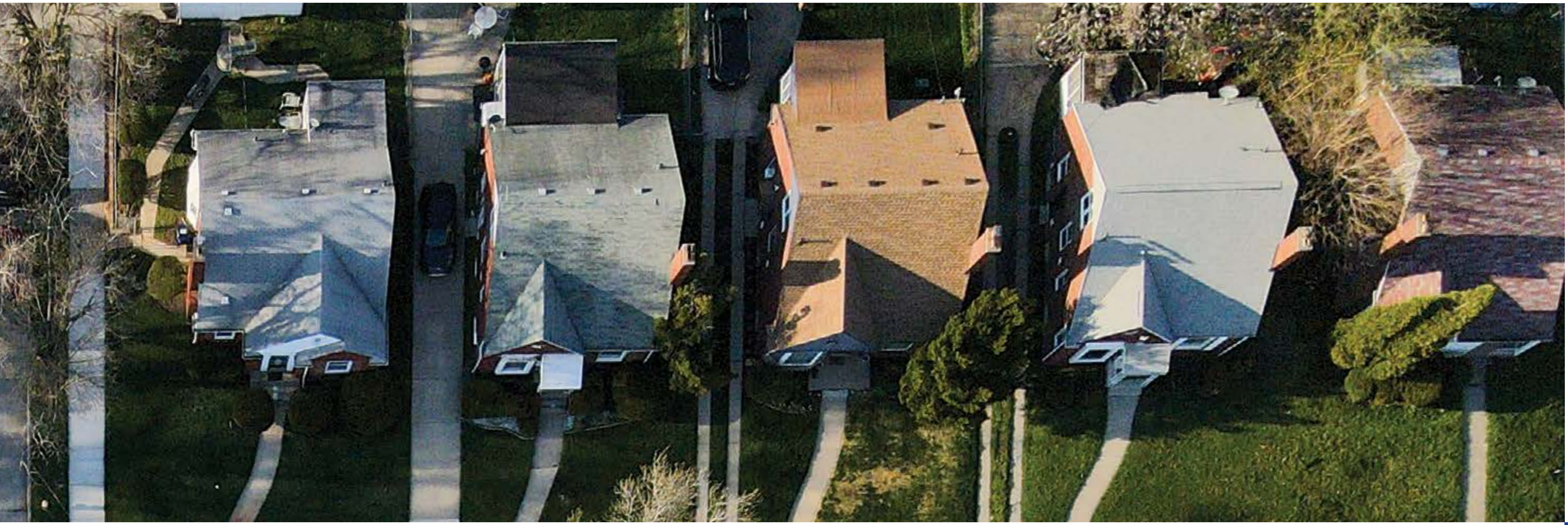
However, in the city of Detroit, many neighborhoods see few, if any, mortgage loans each year. This lack of mortgage lending limits the wealth-building opportunities for African-American Detroiters, who

make up nearly 80% of the city's population, and which, unlike the white and Hispanic populations, have seen a decline in homeownership over the past decade. The lack of lending also limits the potential for economic progress in a city that is still among the nation's most poor.

This report combines data on mortgage lending with interviews from lenders, nonprofits, and others to examine the mortgage market in Detroit. We look at recent trends in home purchase lending, reasons why the mortgage market in the city is so anemic, the factors that contribute to a lack of demand for mortgages, and what might be done to improve access to mortgage lending in Detroit.

This deep dive into mortgage lending in Detroit is made possible by access to data collected under the Home Mortgage Disclosure Act (HMDA), which requires certain lenders to report on their mortgage activity by location, loan value, race of applicants, denial and approval rates, and more.[1]

[1] Detroit Future City accessed the Home Mortgage Disclosures Act using the data-mining service LendingPatterns.com, a product of Compliance Tech.



THE MORTGAGE PROCESS IN BRIEF

Making loans

For most potential homebuyers, the cost of a house will exceed their ability to save enough to buy a house outright, even over many years. To access homeownership, most homebuyers will purchase a home using a mortgage loan. These loans are provided by banks and mortgage companies that make loans with the expectation that they will be repaid monthly over a long period, typically 15 or 30 years, on time and with interest.

To determine whether a prospective homebuyer is a good risk, the lender uses a mortgage underwriting process that looks at a number of factors, including the borrower's income, employment history, credit score[2], and the appraised value of the house in question. Lenders typically run these numbers through their own evaluation formula to determine, first, whether a loan will be made, and second, which interest rate should be charged.

Secondary mortgage market

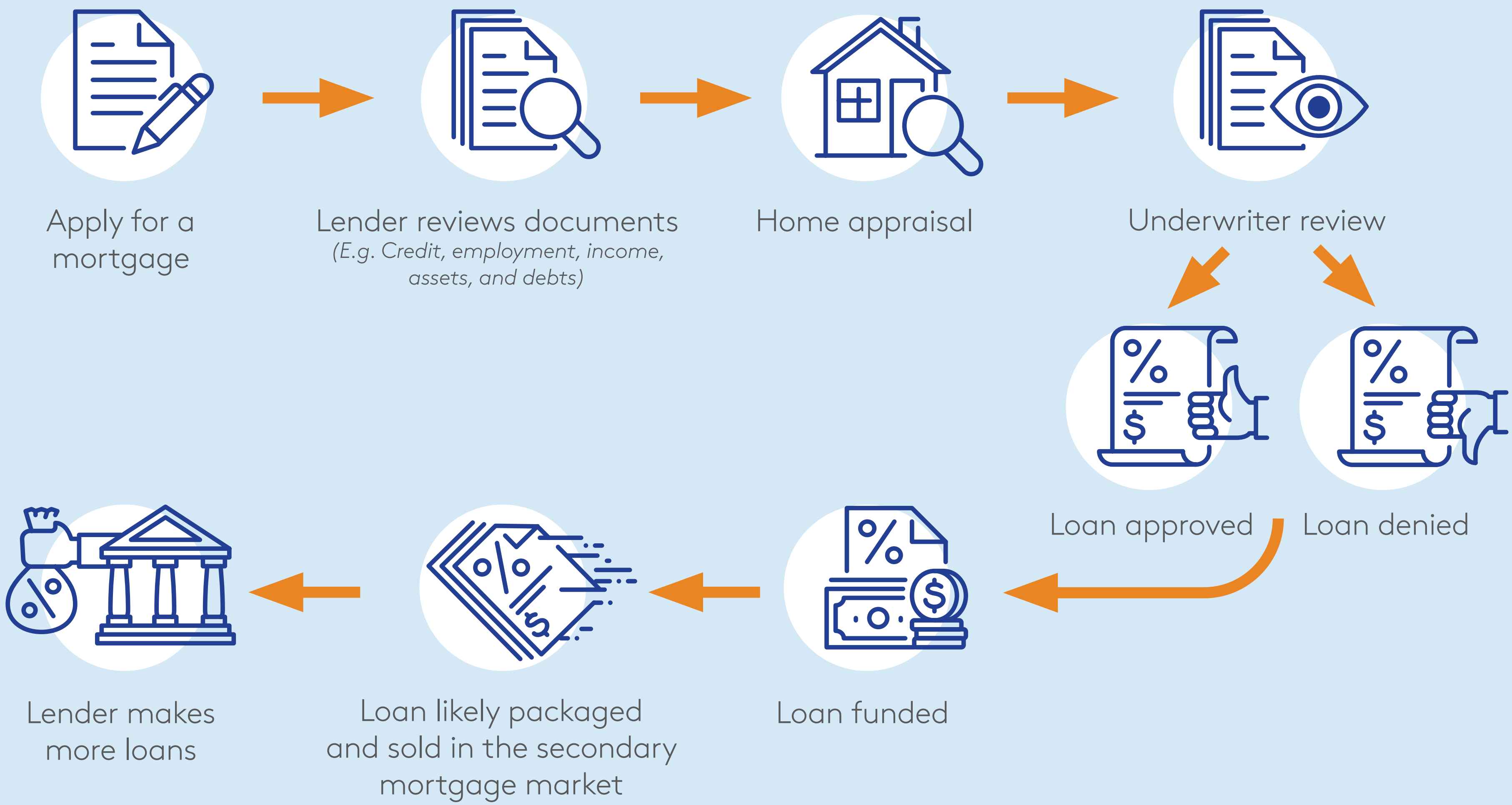
To support the continued issuing of loans, there is a large secondary mortgage market, in which financial institutions and investors purchase and sell mortgages originated by lenders. The most prominent actors in the secondary mortgage market are the government-sponsored enterprises (GSE) Fannie Mae and Freddie Mac. These GSEs and others buy mortgages from lenders and pool them together into packages known as mortgage-backed securities.

These mortgage-backed securities are in turn sold to investors, such as investment banks and pension funds. This selling of mortgages creates a steady flow of money available for mortgage lending at the local level and spreads the risk of lending among a wide pool of investors.

The secondary mortgage market can have a dramatic effect on the lending practices of local entities. The packagers of loans on the secondary market set standards for the loans that they will buy, which, in turn, sets lenders' standards for many of the loans that are made at the local level.

[2] A complex calculation that takes into account a homebuyer's income, past use of credit as a share of their income, and repayment record.

Home purchase loan process overview



RECENT TRENDS IN DETROIT'S HOME PURCHASE LENDING

Since 2012, the mortgage market in Detroit has improved, but the number of mortgages made each year remains low, and disparities in lending persist.

RECENT TRENDS IN DETROIT'S HOME PURCHASE LENDING

An examination of data from the Home Mortgage Disclosure Act (HMDA) provides insights into how people are able to access homeownership through mortgage lending in Detroit. As the market continues to rebound from the Great Recession, there has been a steady improvement in the number of home purchase mortgage loans each year. As the number of loans has increased, so, too, has the number of neighborhoods in which home purchase loans are being made. This expansion has led to an increasing share of loans being made to African Americans since 2017.

Even with the rebound in mortgage lending over the past decade, substantial challenges remain, and obtaining a mortgage remains a challenge for many. In 2020, just over half of home purchase loan applications made it through the lending process and resulted in a loan approval. Regardless of income, African Americans were denied at a higher rate than white applicants. In Detroit, the leading reason for loans to be denied were issues with the potential borrower's credit history, the debt-to-income ratio, and the appraisal of the home's value. Beyond loans being denied, there are also areas in the city with limited demand that see few home purchase mortgage applications and fewer approved loans.

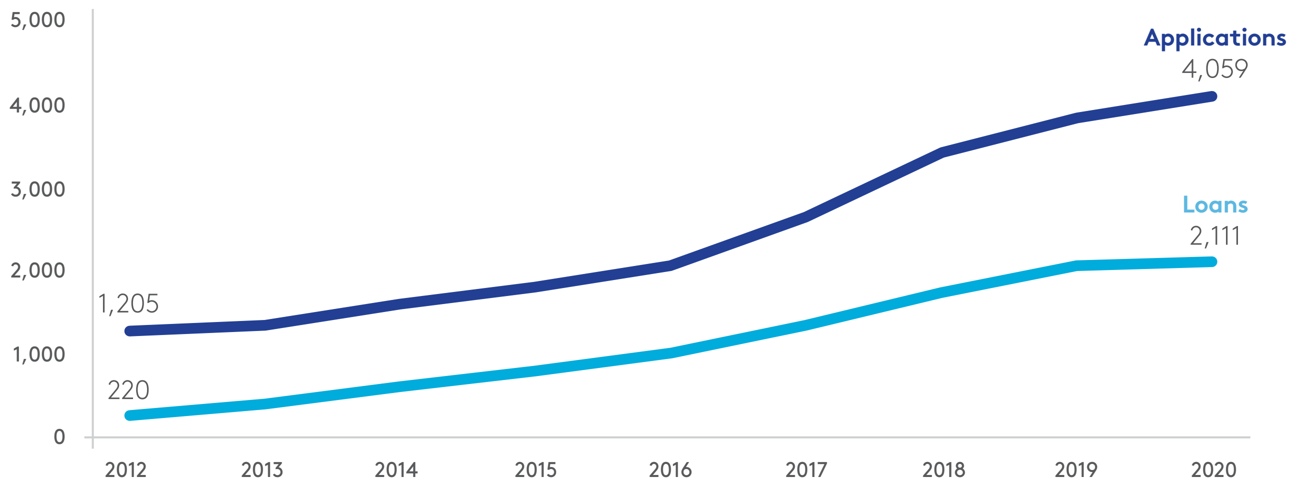
The data show a complicated picture of how lending requirements, neighborhood conditions, and housing conditions all interact to result in a city showing improvements in lending, but also a city facing persistent challenges in increasing the demand for loans. Underlying these trends is the stark reality that disparities in lending by race persist, and until the lower incomes of Detroiters are addressed, homeownership demand and opportunities will be limited.

This section takes a deeper look at the data and the recent trends in the mortgage market.

How the market is recovering

The availability of mortgage credit in Detroit dried up in the wake of the Great Recession (2007 to 2009) and the collapse of the housing market in Detroit and across the country. The Detroit housing market didn't begin to recover until after it hit a low of 220 loans in 2012. Though the number of mortgages written in Detroit remains low, there continues to be steady improvement since hitting bottom in 2012. By 2020, there were 2,111 home purchase mortgages in Detroit. Despite this positive growth, lending in Detroit is still low, even when compared to peer cities such as Cleveland, where there were more than 600 more loans in a city with two-thirds the number of occupied housing units.

Home purchase mortgages increase since 2012
Home purchase mortgages in Detroit, 2012 to 2020



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

Who is getting loans

Racial equity

As the mortgage market in the city rebounded after 2012, there were nearly as many home purchase mortgages made to white[3] buyers as there were to African-American buyers. This remained the case from 2012 to 2017. However, over the last three years, the number of loans to white homebuyers plateaued while there has been continued growth in loans to African-American homebuyers. This is due in part to increased lending across a larger area of the city to African-American homebuyers and improvements in the housing market, which have supported lending increases overall.

African-American borrowers in Detroit are also much more likely to have Federal Housing Administration[4] (FHA) insured loans than white borrowers. In 2020, nearly half (47%) of home purchase loans to African Americans were FHA-insured. For white borrowers, it was only 7%. Even across income brackets, African-American borrowers received a higher share of FHA loans. Twenty-four percent of loans to high-income African Americans were FHA loans, compared to only 3% for high-income white borrowers.[5]

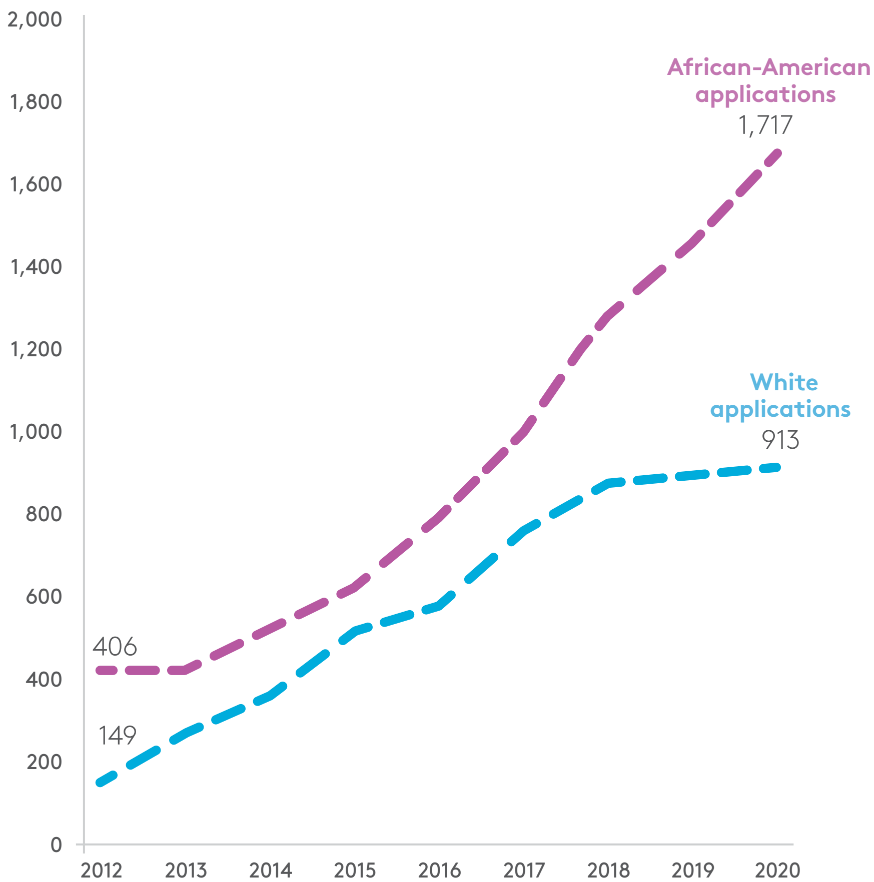
---

[3] This refers to people who identify as non-Hispanic white.

[4] Federal Housing Administration loans, commonly referred to as FHA loans, are a home mortgage loan product that is insured by the federal government and typically requires lower credit scores and down payments. Borrowers, in turn, have to pay mortgage insurance premiums, and there is a cap on the size of the loan. FHA loans were designed to assist low- and moderate- income homeowners purchase homes.

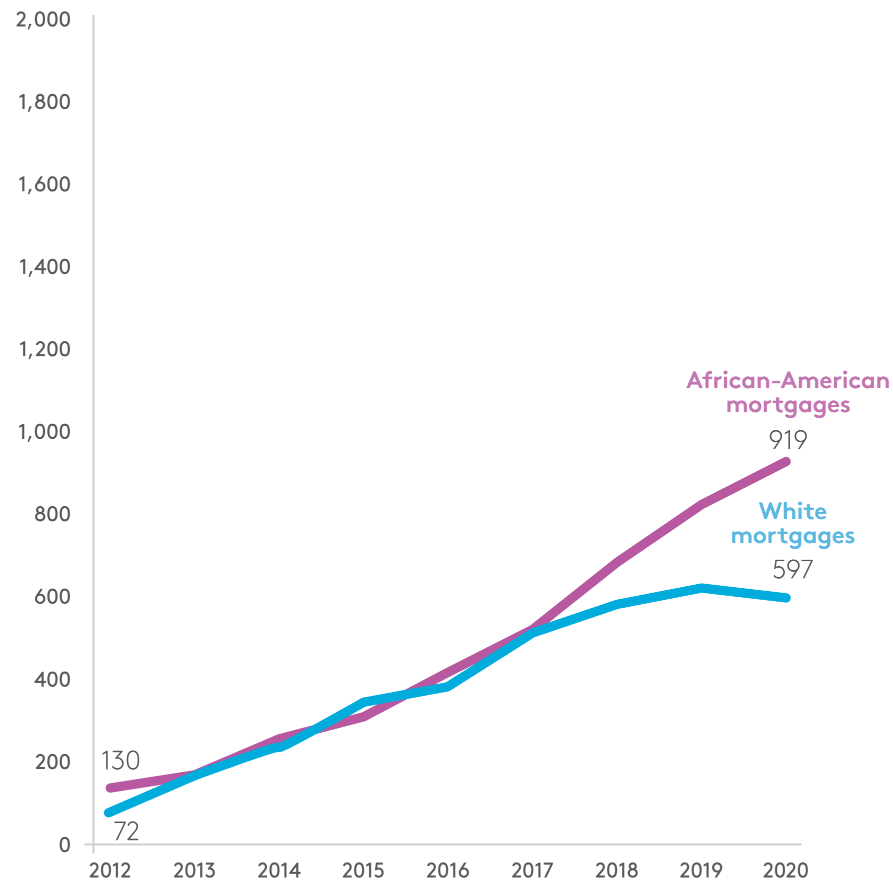
[5] The income bins are calculated relative to the Median Family Income (MFI) for the Metropolitan Division. For 2020 that was $60,800 in the Detroit-Dearborn-Livonia Metropolitan Division. Low income is defined as less than 50% of MFI, moderate income between 50% and 80% of MFI, middle income between 80% and 120% of MFI, and upper Income is greater than 120% of MFI.

Home purchase mortgage applications by race
Detroit, 2012 to 2020



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

Home purchase mortgages by race
Detroit, 2012 to 2020



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

Income and race

African-American buyers

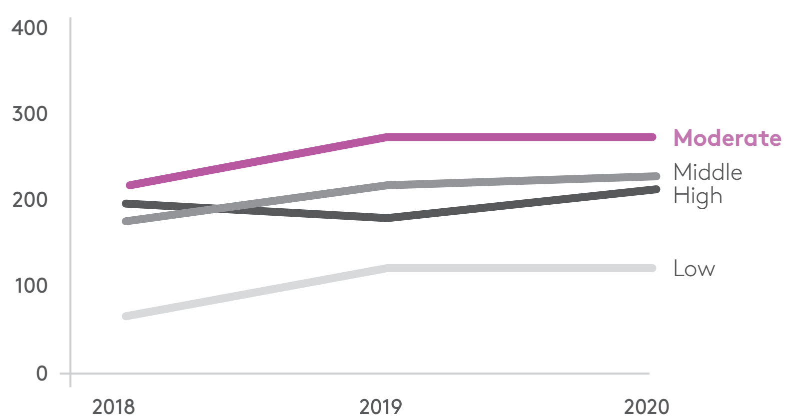
There is a noticeable distinction when comparing the incomes of white and African-American homebuyers who received a home mortgage in the city. Detroit attracts African-American homebuyers from across the income spectrum, while attracting mostly higher-income white borrowers.

Moderate-income African Americans represented about one-third of all loans to African Americans in Detroit between 2018 and 2020, followed by middle-income African-American borrowers with 27%.

This is similar to the income profile of African-American homebuyers across the region. Detroit represents 17% of the total mortgages made by African Americans across the region. When comparing the location preferences of African-American buyers, there is no notable distinction between the preference to live in the city or the region based on the income of the buyer.

Moderate-income African-Americans represent about one-third of all loans in Detroit between 2018 and 2020

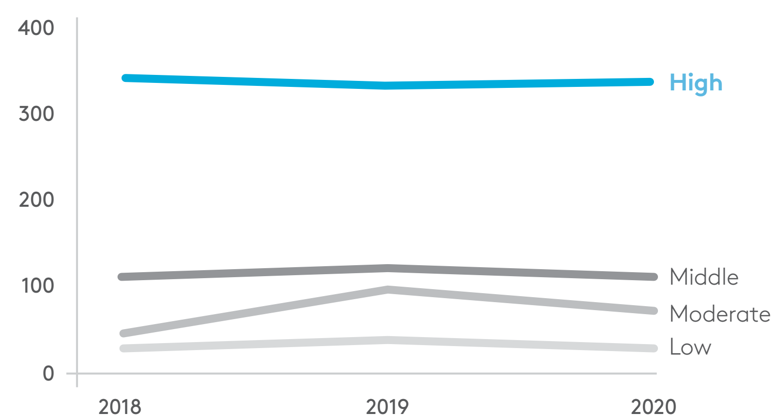
Loans to African-American homebuyers by income in Detroit, 2018 to 2020



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

High-income white borrowers represent about 60% of all loans in Detroit between 2018 and 2020

Loans to white homebuyers by income in Detroit, 2018 to 2020



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

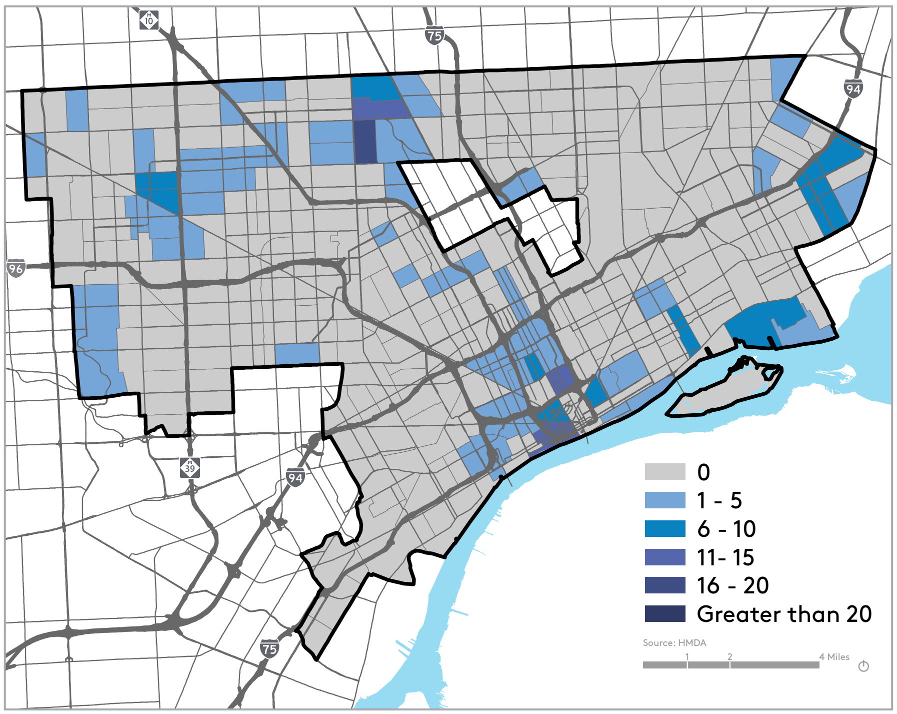
White borrowers

This is not the case for white homebuyers within Detroit, where the vast majority of home purchase mortgages to white homebuyers went to those with a high income. This is representative of the higher-cost neighborhoods where white homebuyers most often buy and the limited appeal of Detroit to low- and moderate-income white homebuyers. Unlike for African-American borrowers, Detroit accounts for only about 1% of the home purchase loans to white buyers across the Detroit region.

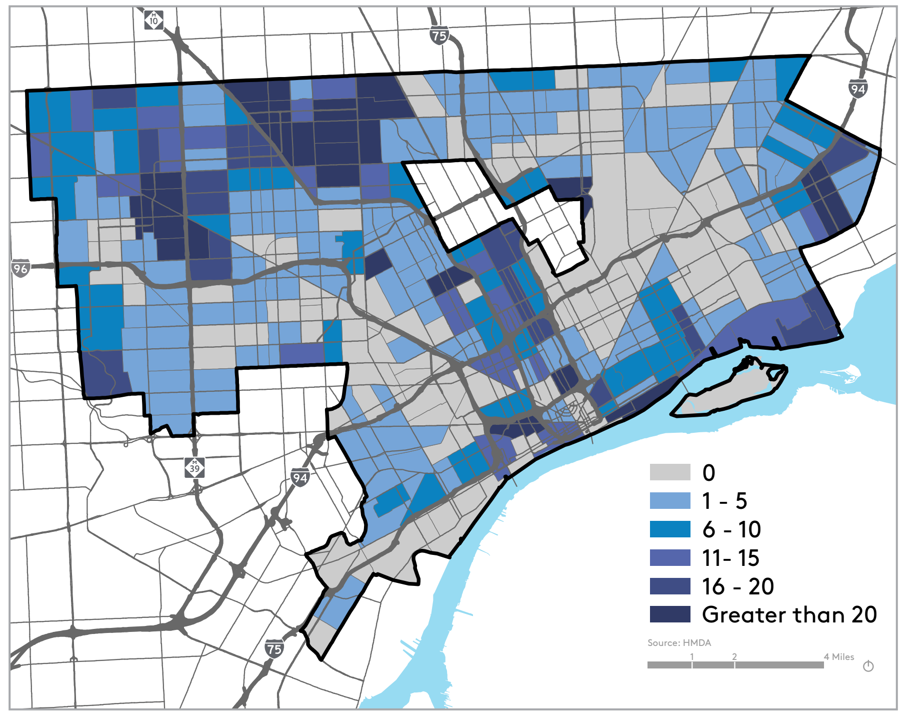
Where people are buying homes with mortgages

At the bottom of lending in the city in 2012, home purchase mortgages were limited to just a handful of neighborhoods across the city. As the housing market rebounded, the areas where home purchase mortgages were written broadened to include more parts of the city.

Home purchase loans - 2012



Home purchase loans - 2020

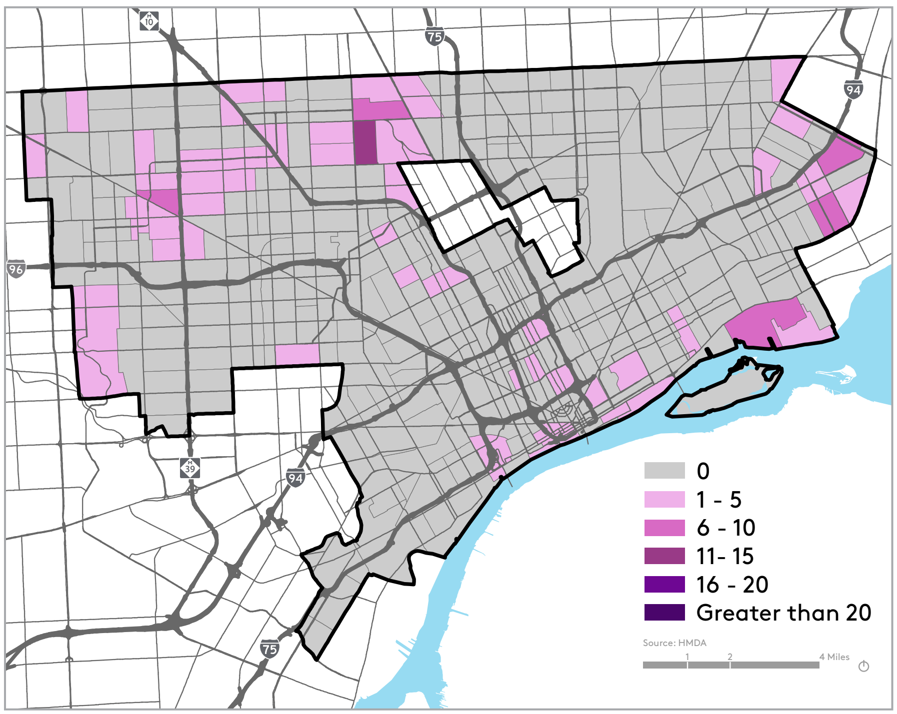


Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

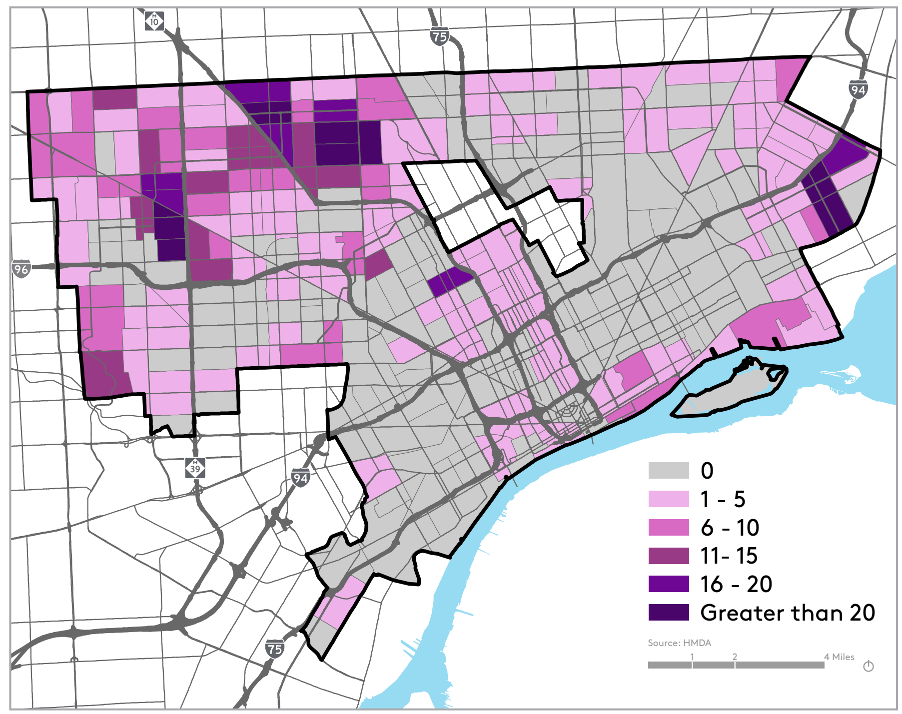
African-American buyers

The expansion in the geography of mortgage loans over the past three years is predominantly driven by African-American homebuyers. African-American borrowers are purchasing homes in a larger area of Detroit, mostly on the city's northwest side. This expansion in where African-American borrowers are able to purchase a home with a mortgage has led to an overall increase in the share of African Americans in the city receiving home purchase mortgages.

Home purchase loans to African-American buyers - 2012



Home purchase loans to African-American buyers - 2020

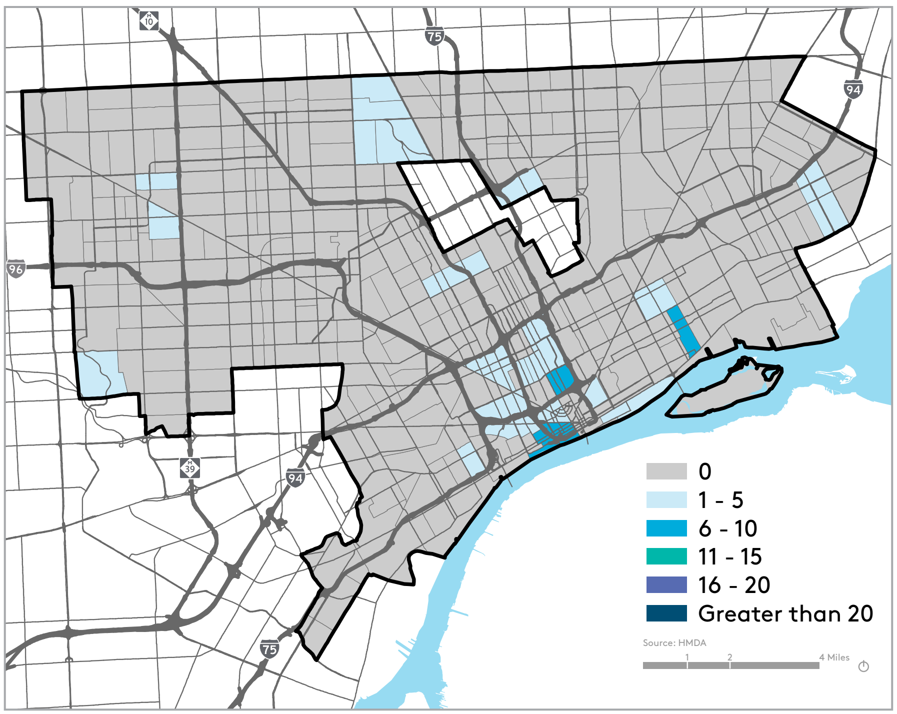


Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

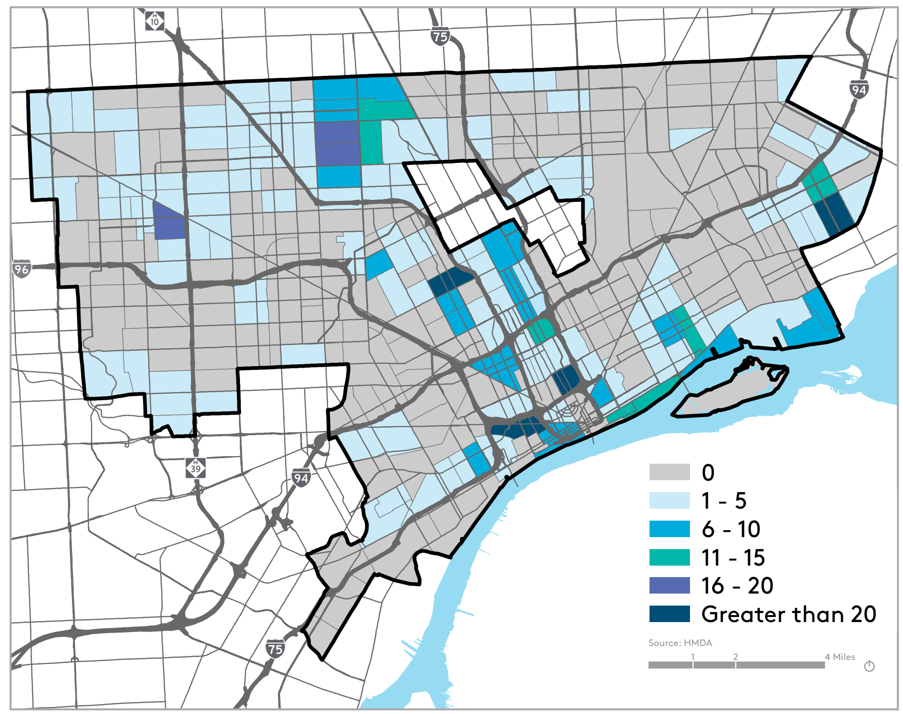
White buyers

White homebuyers have tended to limit their home purchases to the greater downtown area, the riverfront and a few neighborhoods, such as the University District and the Villages.

Home purchase loans to white buyers - 2012



Home purchase loans to white buyers - 2020

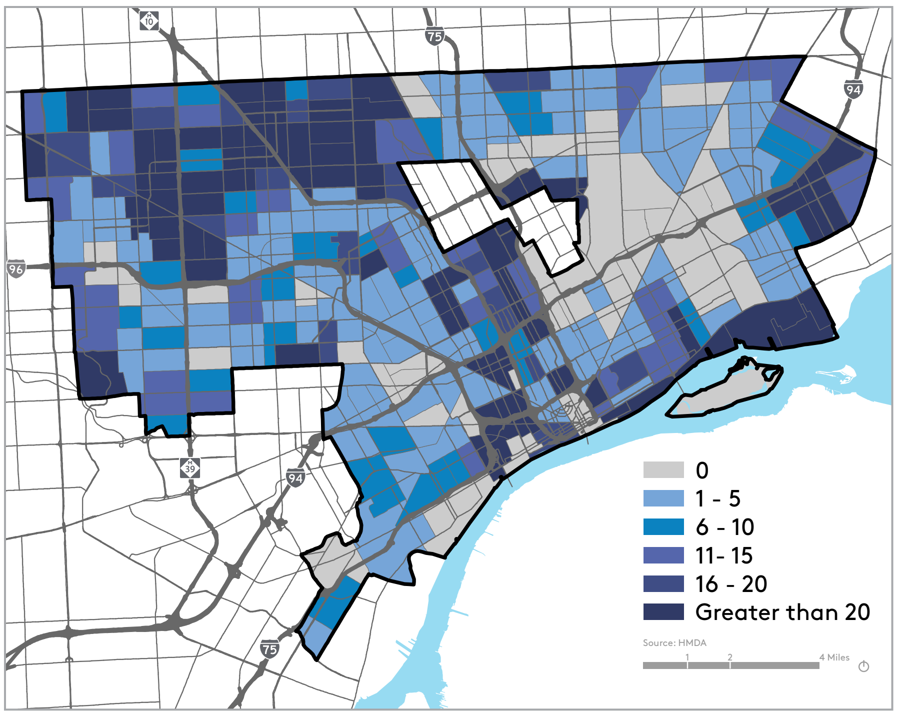


Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

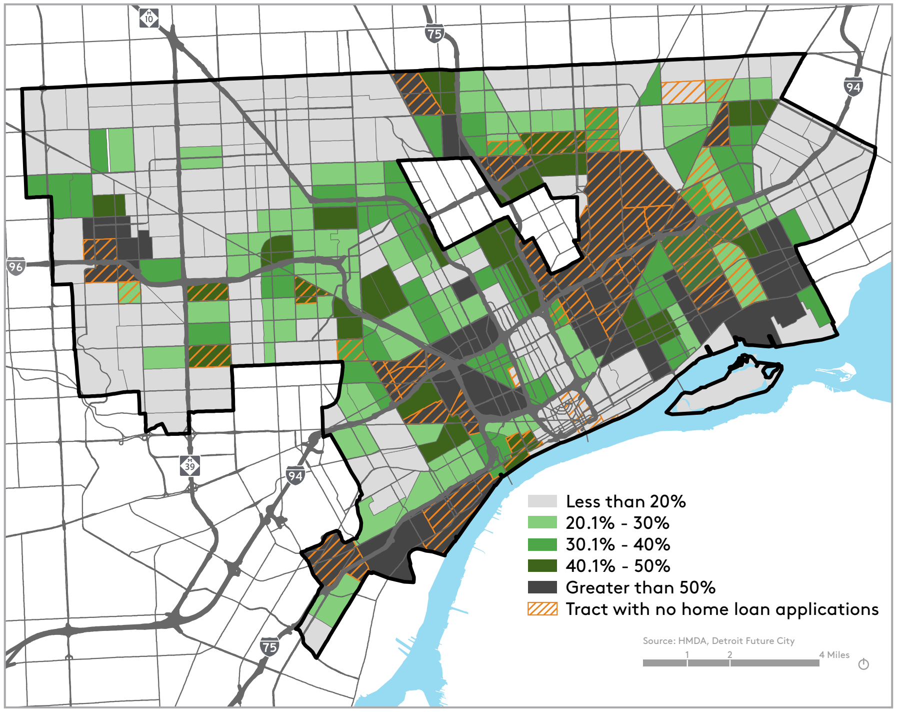
Areas with limited lending

Though there has been growth in the areas of the city where home purchase mortgages are being made, there are still many areas where there are few, if any, loans being written or applied for. In 2020, there were no home purchase mortgage applications in 46 of the 297 (15%) census tracts in the city. In the areas where there were no home purchase mortgage applications, there may be limited demand from new homeowners, fewer homes listed for sale and/or a higher share of cash purchases.

Home purchase loan applications - 2020



Share of parcels that are vacant - 2020



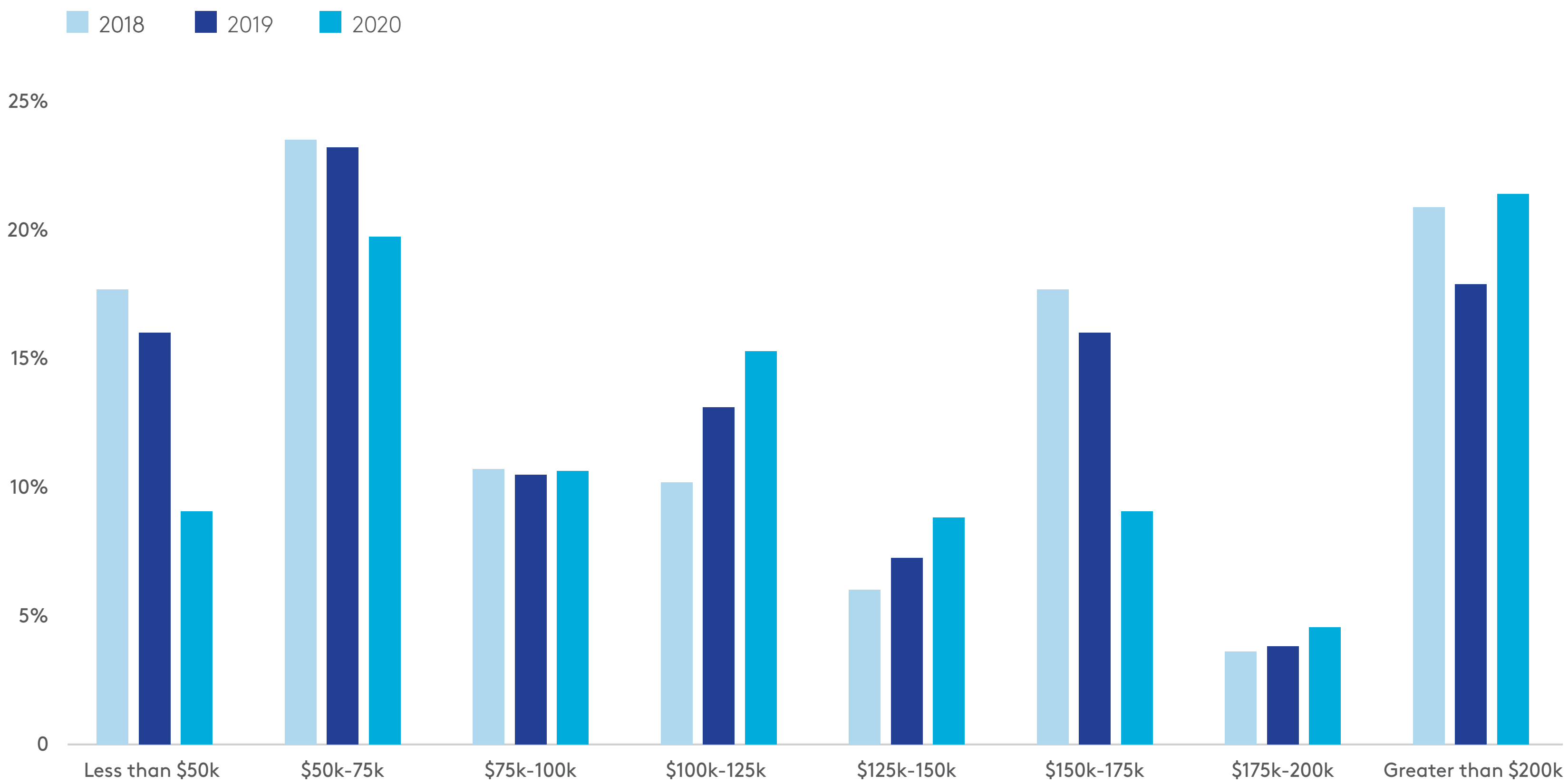
Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

Size of mortgage loans

The amount that homebuyers borrow to purchase their home varies broadly. Forty percent of home purchase mortgages written in Detroit in 2020 were for less than $100,000, down from 52% in 2018. Loans over $100,000 increased from 48% to 60% from 2018 to 2020. Over the last three years, the number of low value loans (less than $50,000) in the city has declined from 18% to 9% of home purchase mortgages made in the city.

Loan amounts vary broadly

Home purchase loan value by year in Detroit, 2018 to 2020



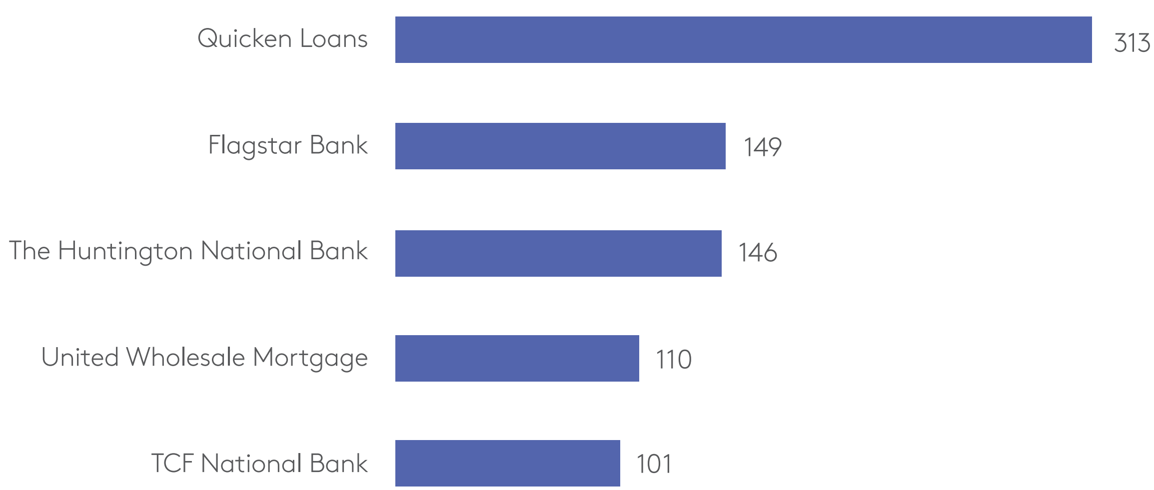
Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

Top lenders in Detroit

There are a number of lenders operating in Detroit, but lending is mostly concentrated amongst a handful of larger lenders. The top five lenders accounted for close to 40% of all home purchase mortgage loans in the city. Quicken Loans, Flagstar Bank and Huntington National Bank have been the leaders in home purchase lending in the city. In 2020, Quicken Loans made 313 home purchase mortgages, which represents about 15% of all loans in the city, and is more than double the next biggest lender, Flagstar Bank, which made 149 loans.

Lending in Detroit is concentrated amongst a few large lenders

Top five home purchase mortgage lenders in Detroit, 2020



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

Home purchase denials

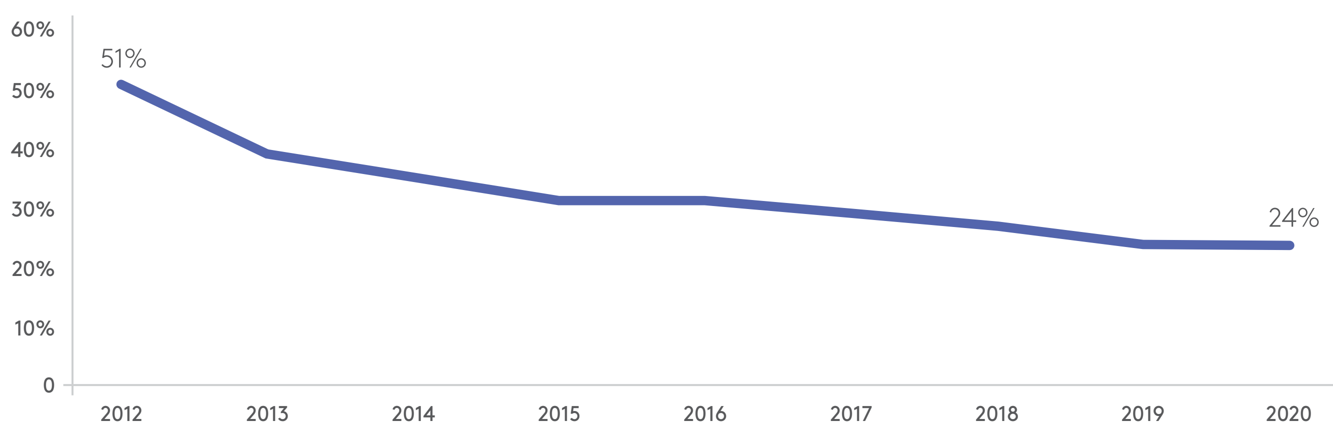
Lenders are required to report the reason for denying a mortgage loan application. The data on denials help to identify both the disparities that exist in lending, as well as some of the challenges in the city's mortgage market.

For the past five years, just over half, about 55%, of loan applications made it successfully through the loan process each year and resulted in a home purchase mortgage being written. The other 45% of loan applications were either incomplete, withdrawn, or denied.

As the economy has improved, the rate at which mortgage applications are denied has declined. In 2012, 51% of mortgage applications in the city were denied, by 2020, this had declined to 24%.

Mortgage denial rate has decreased since 2012

Loan application denial rate in Detroit, 2012 to 2020



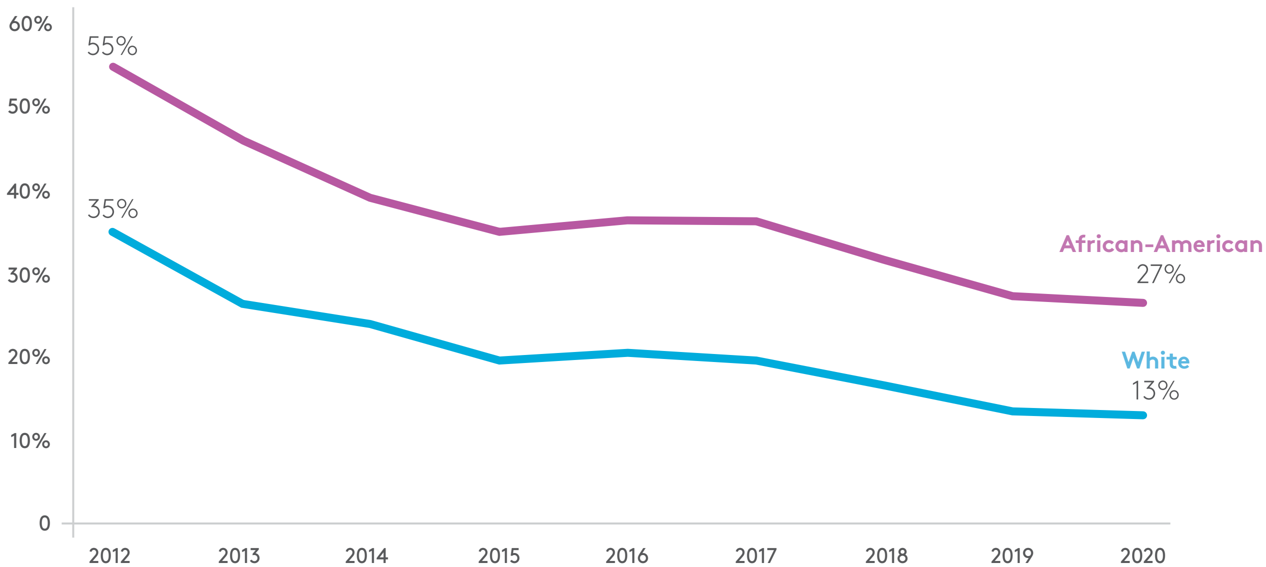
Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

Disparities in denials by race

Despite the overall decline in denials since 2012, there remains a significant and persistent racial disparity in the denial rate between African-American and white applicants. As the housing and mortgage markets across the city improved after 2012, the gap in the rate of denials between African-American and white applicants closed slightly from 2012 to 2014. However, the gap has not closed any further since 2014, and remains around 14 percentage points higher for African Americans compared to white applicants.

Mortgage denial rate has decreased since 2012

Loan application denial rate by race in Detroit, 2012 to 2020



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

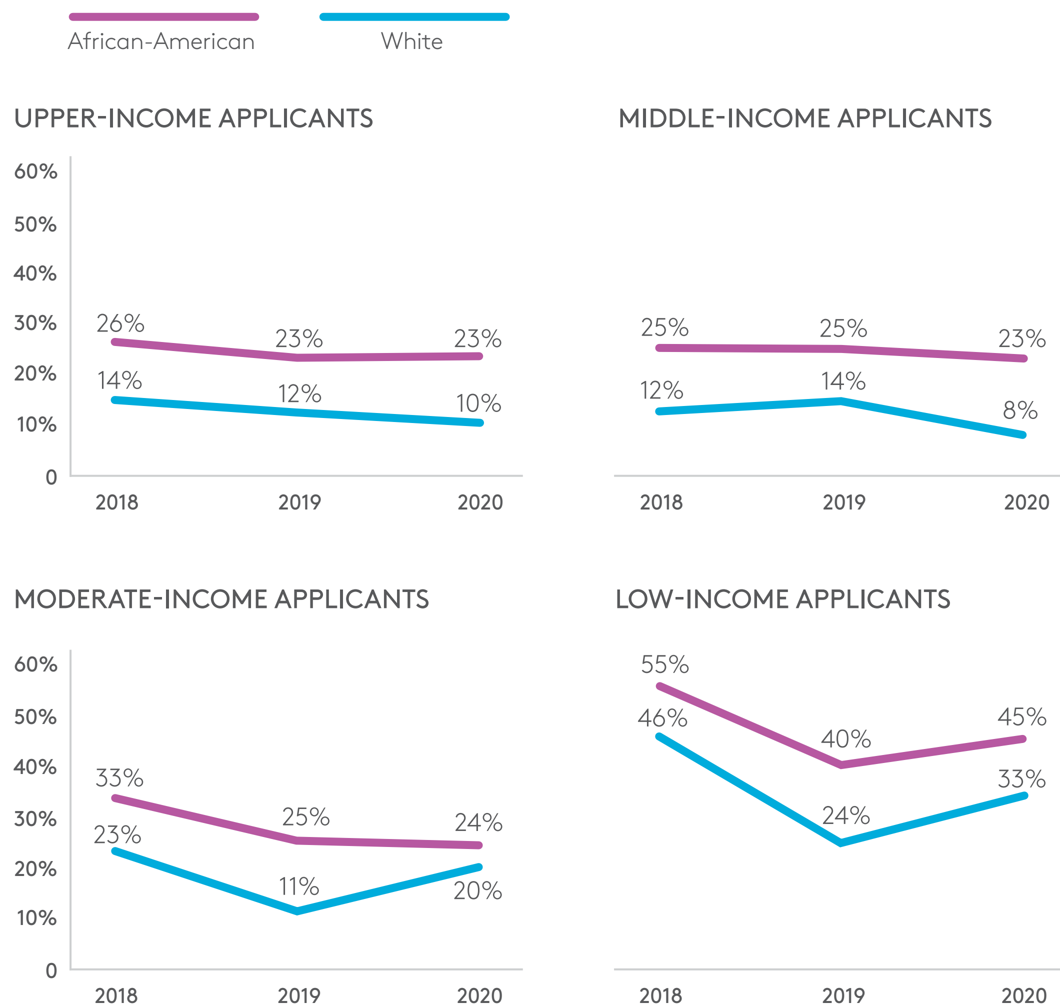
Denials by income and race

As borrower income increases, the rate of denial for home purchase mortgages decreases overall. However, the disparities in denial rates by race remain, with African-American applicants experiencing a higher denial rate than white applicants across all income groups. In fact, upper-income African-American applicants were denied more often than moderate-income white applicants in 2020 (a 23% denial rate for upper-income African-American applicants compared to a 20% denial rate for moderate-income white applicants.)

Though the Home Mortgage Disclosure Act data do not include applicant credit scores, several studies have found that gaps in mortgages by race exist even when controlling for other applicant characteristics, such as credit score and income.[i]

African-American applicants more likely to be denied than white applicants across all incomes

Denial rate by income in Detroit, 2018 to 2020[6]



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

[6] The income bins are calculated relative to the Median Family Income (MFI) for the Metropolitan Division. For 2020, the MFI was $60,800 in the Detroit-Dearborn-Livonia Metropolitan Division. Low income is defined as less than 50% of MFI (less than $30,400), moderate income between 50% and 80% of MFI ($30,400 to $48,640), middle income between 80% and 120% of MFI ($48,640 to $72,960), and upper Income is greater than 120% of MFI (more than $72,960).

Reasons for denial

Between 2018 and 2020, the main reasons for denial in Detroit were:

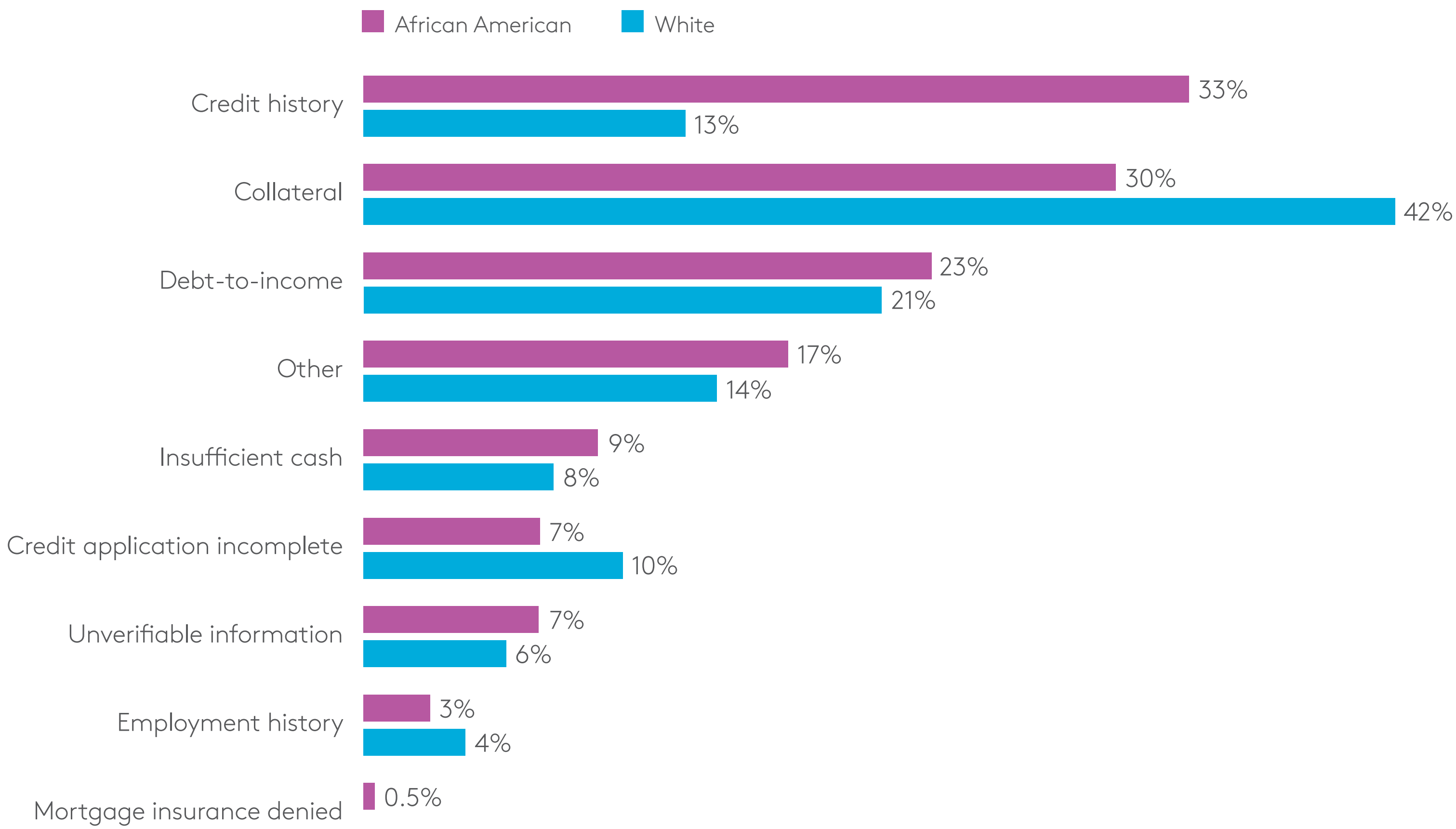
1. Collateral (the appraisal of the house, which takes into account the housing condition and nearby comparable sales)
2. Credit history
3. Debt-to-income ratio for the potential borrower

Reasons for denial by race

For African Americans, the most frequent reasons for denial were credit history (33%), collateral (30%), and debt-to-income ratio (23%). For white borrowers, credit history is much less of an issue. Instead, collateral (42%) and debt-to-income (21%) are the leading issues leading to a denial for white borrowers.[7]

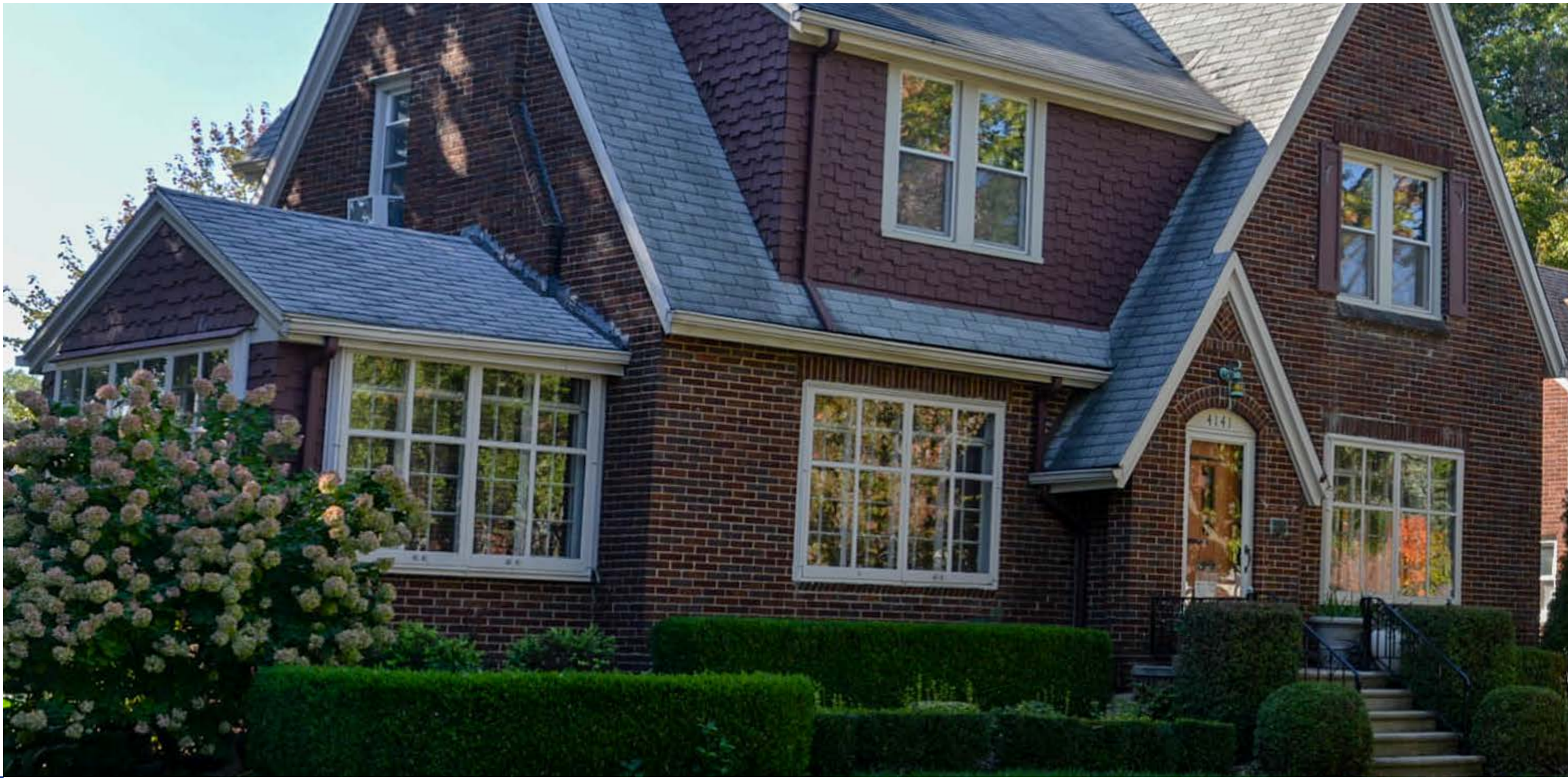
Credit history, collateral, and debt-to-income top reasons for denial

Denial reason by race in Detroit, 2018 to 2020



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retreived from LendingPatterns.com

[7] More than one denial reason may be cited for each denial.



CHALLENGES FACING DETROIT'S MORTGAGE MARKET

The limited number of home purchase mortgage loans is reflective of interconnected challenges facing the city's housing market, including the lending process, homebuyer pipeline, and neighborhood/housing quality.

CHALLENGES FACING DETROIT'S MORTGAGE MARKET

The limited number of home purchase mortgage loans written each year in Detroit is reflective of several challenges facing the city's housing market when it comes to lender requirements, neighborhood condition, and demand.

This section lays out the challenges that are facing the mortgage market in Detroit. These include those revealed by Home Mortgage Disclosure Act data, such as:

- Credit score requirements that limit borrowers
- Collateral and appraisal issues
- Housing that requires expensive repairs
- Limited incomes that restrict the purchasing power of Detroiters
- Limited demand for housing in the city

Credit score requirements limit borrowers

Low credit scores are a critical barrier for many of Detroit's residents who are interested in buying a home. It is the second leading cause of denial overall and the leading cause of denial for African-American applicants. Credit scores can both reflect and reinforce racial disparities, and the Home Mortgage Disclosure Act data on denial of applications reflect this. Between 2018 and 2020, one-third of applications by African Americans that were denied were because of their credit history; this compares to only 13% for potential white borrowers.

Mortgage lenders typically ask for borrowers to have a credit score of no lower than 620, according to Quicken Loans[ii] and other lenders, although lower credit scores may be acceptable for Federal Housing Administration- or Veterans Administration-insured mortgages. Credit requirements present a substantial challenge for Detroiters. In 2021, the Urban Institute reported that 52% of Detroit residents had subprime credit scores (under 600)[iii], meaning that roughly half of city residents could be denied a mortgage based on their credit scores alone, even if they have sufficient income.

The 52% of Detroiters who have subprime credit scores are often playing with a hand that has been unfairly dealt.[iv] In Detroit, economic factors such as the foreclosure crisis, predatory lending, tax overassessment, decline of the automotive industry, Great Recession, redlining, racial covenants, and the racial wealth gap have further negatively and disproportionately impacted households of color and damaged key factors that go into mainstream credit scoring.

Roughly half of city residents could be denied a mortgage based on their credit scores alone, even if they have sufficient income.

Another driver of a low credit score can also be a lack of access to credit, which in turn limits the ability to build a credit history. Access to credit within the financial mainstream has been systematically denied to African-American and Brown communities nationally. One example of this is the smaller presence of banks in communities of color,[v] which results in a lack of access to financial services.

Though credit scores are a tool used by lenders to assess the risk of lending to a borrower, the way credit scores are calculated may disproportionately impact low-income borrowers. For example, the Urban Institute reported in late 2021 that only 2% to 5% of consumers have their utility, telecommunications, and rent payments reflected in their credit scores, limiting their ability to get a home purchase mortgage.[vi]

Collateral and appraisal issues

Before a lender approves a mortgage, it considers not only the creditworthiness of the applicant, but also the value and condition of the house being purchased. The appraisal is important to a lender because it helps them determine whether they could sell the property and cover the loan amount if the borrower defaults on the loan.

One of the most common reasons for mortgages being denied in Detroit is "collateral," meaning that a home is not thought to be worth the amount the buyer is willing to pay. To arrive at an estimate of a home's value, lenders turn to appraisers, professionals who are charged with estimating the value of the house. To do this, the appraisers typically visit the property to assess its condition and review recent comparable sales nearby ("comps") to arrive at an estimate of a home's value. These comparable sales should match the subject property in condition, approximate size, location and be recent enough to capture the current state of the market. Only if the appraiser's estimate is in line with the amount requested for a mortgage will a loan be approved.

A wide variation in appraised values is possible because appraisers have great leeway in selecting comparable sales to make their estimates. Typically, they look for recent sales of similar properties nearby, but if those aren't available, appraisers can go farther to search for comps. As one appraiser active in Detroit said in an interview for this report, *"Every appraiser is different. And every appraiser is going to find different comps."*

This is of importance in Detroit, where neighborhood conditions can vary dramatically over a short distance, and in the space of just a few blocks, you can travel from a highly desirable neighborhood to one where the majority of parcels are vacant and there are few occupied houses. The dramatic shift in neighborhoods can lead to a wide variation in comparable properties, especially if the appraiser is not deeply familiar with Detroit.

Reports of racial disparities in appraisals are nationwide. In September 2021, Freddie Mac released a report finding that there were "substantial appraisal valuation gaps for minority versus white tracts."[vii] This follows multiple academic studies with similar findings. One study found that "variation in appraisal methods coupled with appraisers' racialized perceptions of neighborhoods perpetuates neighborhood racial disparities in home value."[viii]

Housing that requires expensive repairs

In Detroit, the condition of its housing stock works against mortgage lending. Much of the city's housing stock is older, having been built largely in the early to mid-20th century. Much of this housing is in need of upgrades and often costly repairs. As an executive for one mortgage lender said in an interview for this report, "We have very few turnkey-ready properties. It's challenging to make loans at scale work unless you can address some of those quality issues." The lack of fully renovated units also has the effect of providing a limited set of comparable sales, and can cause issues with appraisals for those units that have been renovated.

The condition of housing in the city also suppresses the demand for housing, as not every potential homebuyer is willing, or is able, to take on an extensive repair or renovation. Funding for the renovation of housing can also be hard to obtain. Though the number of home purchase loans in the city is relatively low, there are fewer home improvement loans, and they are denied at a far higher rate than those for the purchase of a property.[ix]

Beyond needed upgrades to occupied housing, the condition of vacant housing is a factor pulling down neighborhoods, and with 55,638 vacant housing units in the city[x], this is one of the largest issues facing the city's housing market. Phyllis Edwards, executive director of the nonprofit Bridging Communities in Southwest Detroit, estimates that each unoccupied house in her district needs an average of $80,000 to $120,000 in repairs to make them move-in ready, when the house itself may be offered at no more than $20,000 to $60,000. That expense, added to the purchase price of a house, makes a mortgage loan prohibitively out of reach for lenders and borrowers.

Incomes limit the purchasing power of Detroiters

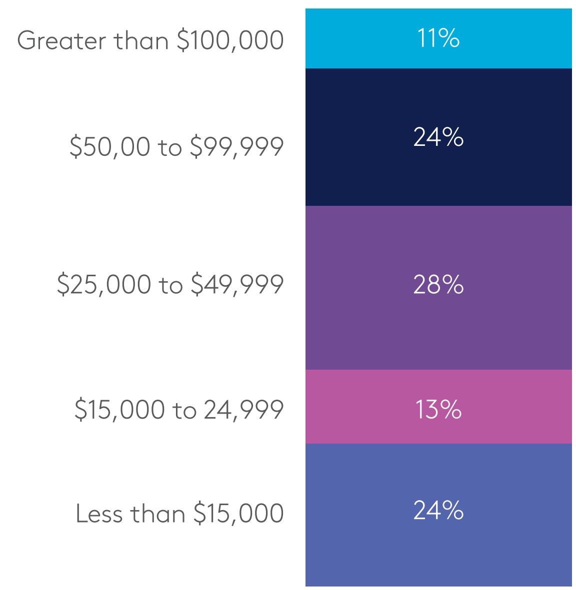
The third leading cause for the denial of a mortgage is debt-to-income. The debt-to-income ratio is used to determine whether a borrower has enough income to repay a loan. The concern is that if there is a higher debt-to-income ratio, a borrower would have a harder time making their monthly payments. In terms of mortgage lending, lenders typically look for borrowers to have total debts[8] of no more than 43% of their income (preferably 36% or less) and for their mortgage to be no more than 28% of their income.[xi]

For a city like Detroit, this can pose a substantial challenge. Detroit is one of the poorest major cities in the country, with a median income of $34,000, and 46% of renters (potential new homebuyers) in the city had a household income of less than $25,000 in 2019.[xii]

So, even with the affordable nature of much of the housing in the city, the low income of residents limits their buying power and the type of housing they can afford, and results in budgets that are stretched beyond what would be required to be approved for a mortgage and/or repairs.

Low incomes limit purchasing power

Household income in Detroit, 2019



Source: U.S. Census Bureau (2019) American Community Survey, retrieved from https://data.census.gov

[8] Total debt may include things like mortgage, student loans, car payment, credit cards, medical expenses, etc.

Limited demand for mortgages

The lack of mortgage activity in many Detroit neighborhoods cannot be attributed to only higher rates of mortgage application denials. In fact, many areas of the city attract few, if any, mortgage applications, indicating low homebuyer demand. Though there may be other transaction types occurring, such as cash sales, the lack of lending activity can suppress housing values and result in housing stock deterioration and continued high rates of vacancy.

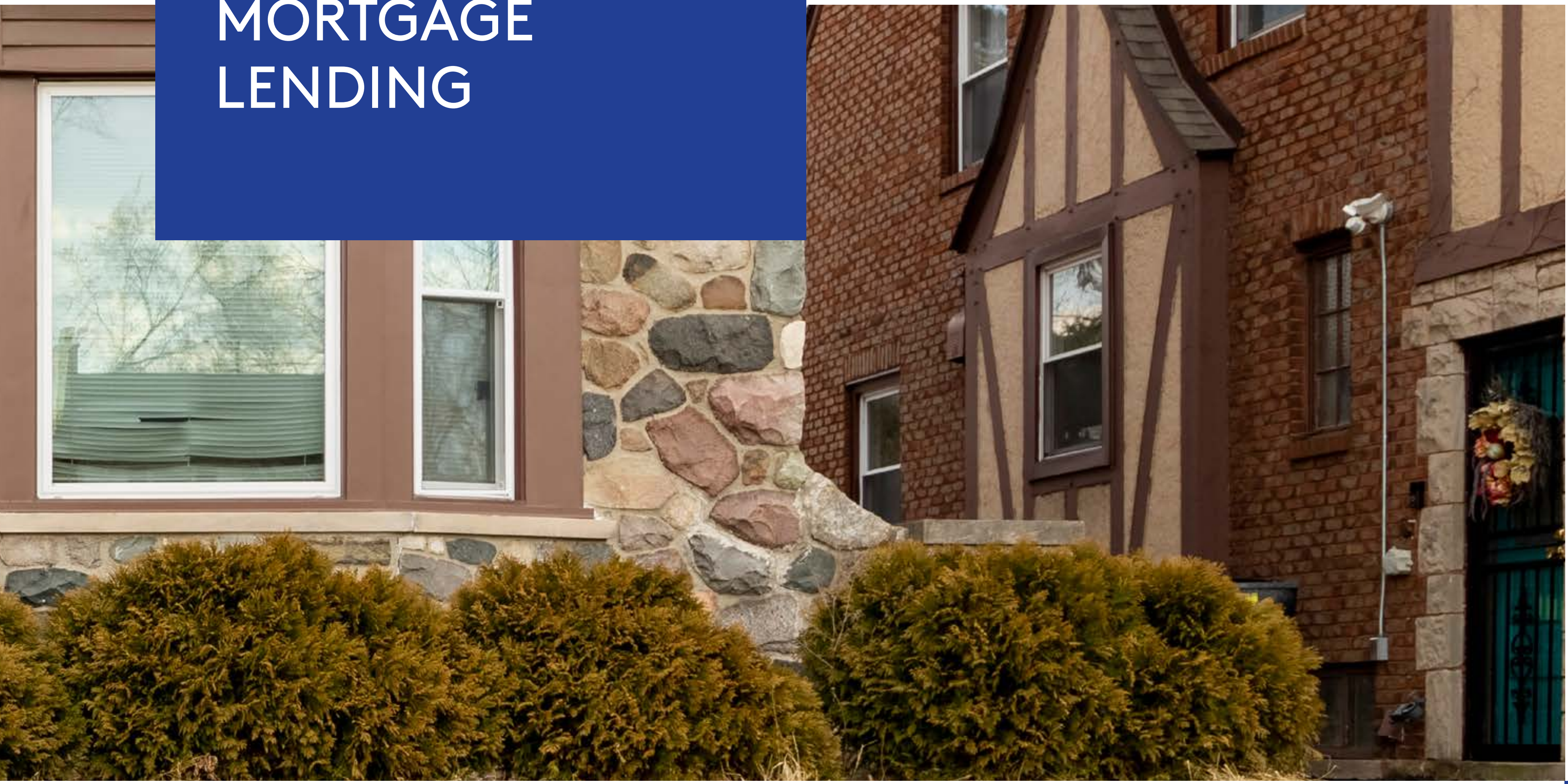
Over the past two decades, Detroit's African-American middle class has increasingly been leaving, as mortgage-eligible households moved to what they perceived to be more stable and attractive suburban communities, and many neighborhoods have continued to decline and lose population.

Alan Mallach, a nationally known planning expert and author of the book "The Divided City," estimates that perhaps three-fourths of Detroit neighborhoods sees little demand from buyers because the housing stock is too weak and dilapidated to attract buyers. Creating more homeownership in these areas of the city will require more than pushing lenders to make more loans. "The issue is either building demand or building a supply of houses that people want to buy," Mallach said in an interview for this report.

However, this has not been the case for all neighborhoods in the city. Since the mortgage market bottomed out in 2012, some neighborhoods across the city have rebounded. One example is the Bagley neighborhood, west of Livernois between McNichols and 7 Mile, where mortgage lending has increased dramatically thanks to rising home prices and rising demand, especially among African-American homebuyers. Chris Johnson, president of the Bagley Community Council, cites a high level of investment by city programs and a strong community spirit. "The city has put a lot of money into this area," he said. "And then in the community as a whole, you will rarely, if ever, see a house boarded up. We try to uphold community standards." Such attention to detail and rising demand has contributed to a sharp rise in mortgage lending in Bagley, from seven home purchase loans in 2012 to 180 in 2020.

SOLUTIONS FOR IMPROVING HOMEOWNERSHIP THROUGH MORTGAGE LENDING

As Detroit works toward advancing economic equity, it will be imperative to increase both access to, and demand for, mortgage loans to increase homeownership in Detroit.



SOLUTIONS FOR IMPROVING HOMEOWNERSHIP THROUGH MORTGAGE LENDING

As people have moved from the city into the metro region, the homeownership rate in Detroit has gradually declined. As Detroit works toward advancing economic equity, it will be imperative to build a strong and sustainable city for an equitable future. To do this, there must be an increase in both access to, and demand for, mortgage loans to increase homeownership in Detroit.

The following solutions should be explored so that the future of Detroit is more economically equitable and includes a strong middle class and strong middle-class neighborhoods. The challenges Detroit faces are many and will require multiple actors across different sectors and systemic changes.

The chart below summarizes the challenges facing home purchase lending in Detroit and solutions that could be used to address these challenges.

CHALLENGE
Credit score requirements limit borrowers

SOLUTION
- Develop alternative measures of creditworthiness.
- Increase support for nonprofit alternatives to the conventional mortgage market.
- Support for borrowers throughout the mortgage lending process.
- Increase income for Detroit residents.

CHALLENGE
Collateral and appraisal issues

SOLUTION
- Appraisal reform.
- Build the value of Detroit's housing stock.
- Expand purchase/rehab loan options for buyers.
- Provide more move-in ready housing through rehab and resale programs to create demand and comps.

CHALLENGE
Housing that requires extensive repairs

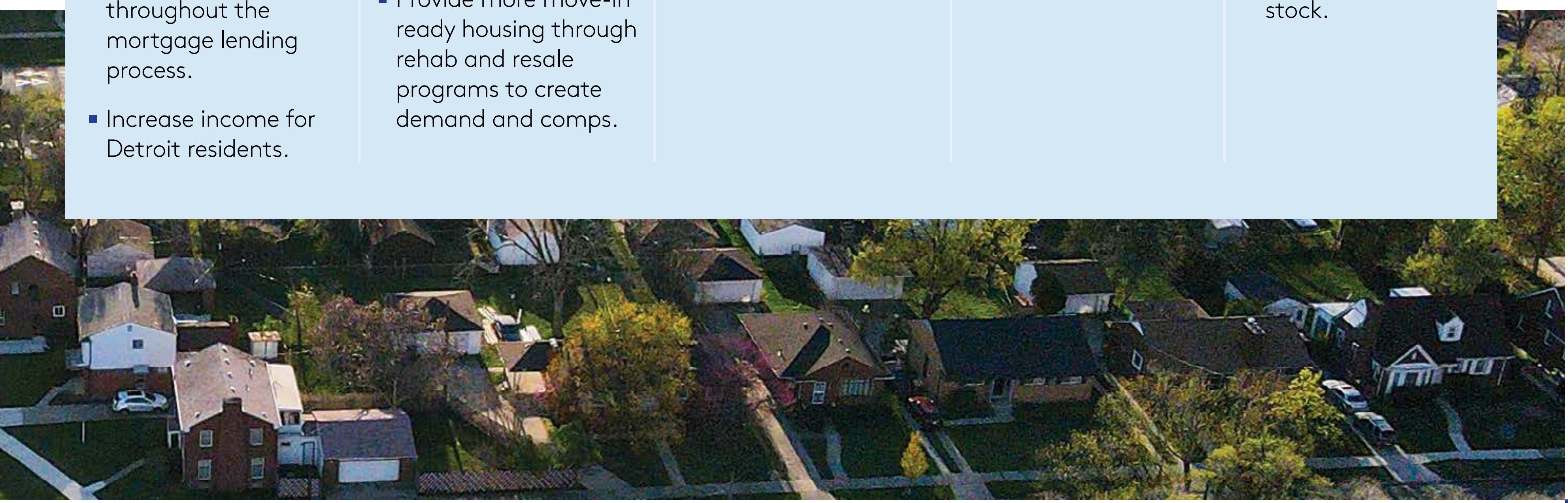
SOLUTION
- Provide more move-in ready housing through rehab and resale programs to create demand and comps.
- Expand purchase/rehab loan options for borrowers.

CHALLENGE
Incomes limit purchasing power

SOLUTION
- Increase incomes of Detroit residents.
- Support for borrowers throughout the mortgage lending process.

CHALLENGE
Limited demand for mortgages

SOLUTION
- Market the city to African-American homebuyers.
- Strengthen markets where purchase demand exists.
- Build the value of Detroit's housing stock.



Alternative measures of creditworthiness

A new approach to deciding creditworthiness is needed both in Detroit and nationally. One solution to explore is to allow for the voluntary inclusion of alternative data sources that can be used to create a credit score.[xiii] Examples of alternative data include rental- and housing-related payments, such as utilities. Including these additional measures in credit-scoring models could help build credit scores and create new avenues to access traditional credit markets that have so often been denied to African-American and low-income Detroiters. However, any efforts to do so must ensure that any new algorithms do not reproduce or perpetuate disparities.

Policymakers and advocates in Detroit and nationally must continue to push for changes to the credit-scoring system to reduce disparities for African Americans. Outside of influencing credit-scoring policy, banks and community development financial institutions (CDFIs) can do more to create opportunities for communities with low credit scores right now.

SPECIAL PURPOSE CREDIT PROGRAMS

Though there are many creative solutions gaining momentum across the country, special purpose credit programs (SPCPs) are one example of an equitable tool that lenders can consider to course-correct after decades of unfair and exclusive lending policies. SPCPs were authorized by the Equal Opportunity Lending Act of 1974, and have recently seen increased interest by lenders. SPCPs are a tool for lenders to meet "social needs," benefit economically disadvantaged borrowers, and serve communities that share common characteristics (e.g. race, national origin, or gender) that would not ordinarily meet that lender's standard credit requirements, while still maintaining responsible lending practices.[xiv]

The use of SPCPs is gathering momentum, with large banks like JPMorgan Chase launching programs in 2021.[xv] In Detroit, where so many borrowers are denied loans based on having no or subprime credit, an SPCP could be created to open access to a mortgage product for more borrowers. For African-American borrowers, a well-designed SCPC may provide an avenue toward homeownership that is often denied.

Increased support for nonprofit alternatives to the conventional mortgage market

Among those working on housing challenges are several nonprofit lenders, including credit unions, that have stepped up in recent years to make mortgage loans to Detroiters that might not qualify for a standard mortgage from a for-profit lender.

Some nonprofits have explored other measures of borrower risk in lieu of using credit scores, and Fannie Mae, the government-sponsored enterprise that buys mortgages from local lenders, has been urging such a move. "There is absolutely no reason timely payment of monthly housing expenses shouldn't be included in underwriting calculations," Sandra L. Thompson, the acting director of Fannie's regulator, the Federal Housing Finance Agency, said in a statement to The New York Times.[xvi]

Some of the nonprofit lenders doing this in Detroit include the Opportunity Resource Fund and CHN Housing Partners. These nonprofit mortgage programs typically focus less on a borrower's credit score and more on other evidence of "ability to pay," such as a steady stream of rent payments. These programs have enabled hundreds of Detroiters who might not otherwise qualify for a mortgage to become homeowners, and suggest alternative methods for larger banks to consider as they assess buyers.

OPPORTUNITY RESOURCE FUND

The nonprofit Opportunity Resource Fund once financed low- and moderate-income housing projects, but transitioned several years ago to making mortgage loans instead. Christine Coady Narayanan, president and CEO of the organization, said the program makes "character" loans to people with a demonstrated record of ability to pay, even if their credit history is weak. The agency's Fresh Opportunity Mortgage has been a success. Through May 2021, the program has made 99 mortgages averaging $65,400 for an aggregate portfolio of nearly $6.5 million, with a default rate of less than 1%.

CHN HOUSING PARTNERS

CHN Housing Partners, based in Cleveland, has been working in Detroit since 2018 with low-income tax-credit properties that are coming to the end of their subsidized period and helping transition their occupants to homeowners. Kevin Nowak, the executive director, said the program looks at "proven ability to pay" a mortgage in making loans, including an applicant's rental payments in the calculation. "If someone paid their rent on time, we were comfortable they could pay a mortgage," Nowak said in an interview for this report.

Nonprofit organizations are uniquely positioned to build on programs such as these to expand homeownership opportunities. With these loans, the lender (in this case the nonprofit) takes on a larger role. These loans take longer to process, and potential homebuyers must undergo a homebuyer education program, and the agency works closely with borrowers to keep them on track. But these programs demonstrate that mortgage lending can be done successfully in Detroit beyond what for-profit lenders are doing.


2305
Chicago Blvd

Support for borrowers throughout the home mortgage lending process

Pre- and post-purchase counseling

The challenges to homeownership and receiving a mortgage are many, and one potential part of the solution is through building a pipeline of households that would meet the requirement for a loan approval, also referred to as being mortgage-ready. Nonprofits play an important role in building this pipeline through programs like pre-purchase homeownership counseling. These programs should not only focus on the process and what to expect when buying a home, but should also focus on building all the necessary steps, such as understanding resources available throughout the lending process and building and repairing credit scores, to make sure that residents are able to be approved for a mortgage.

SOUTHWEST HOUSING SOLUTIONS

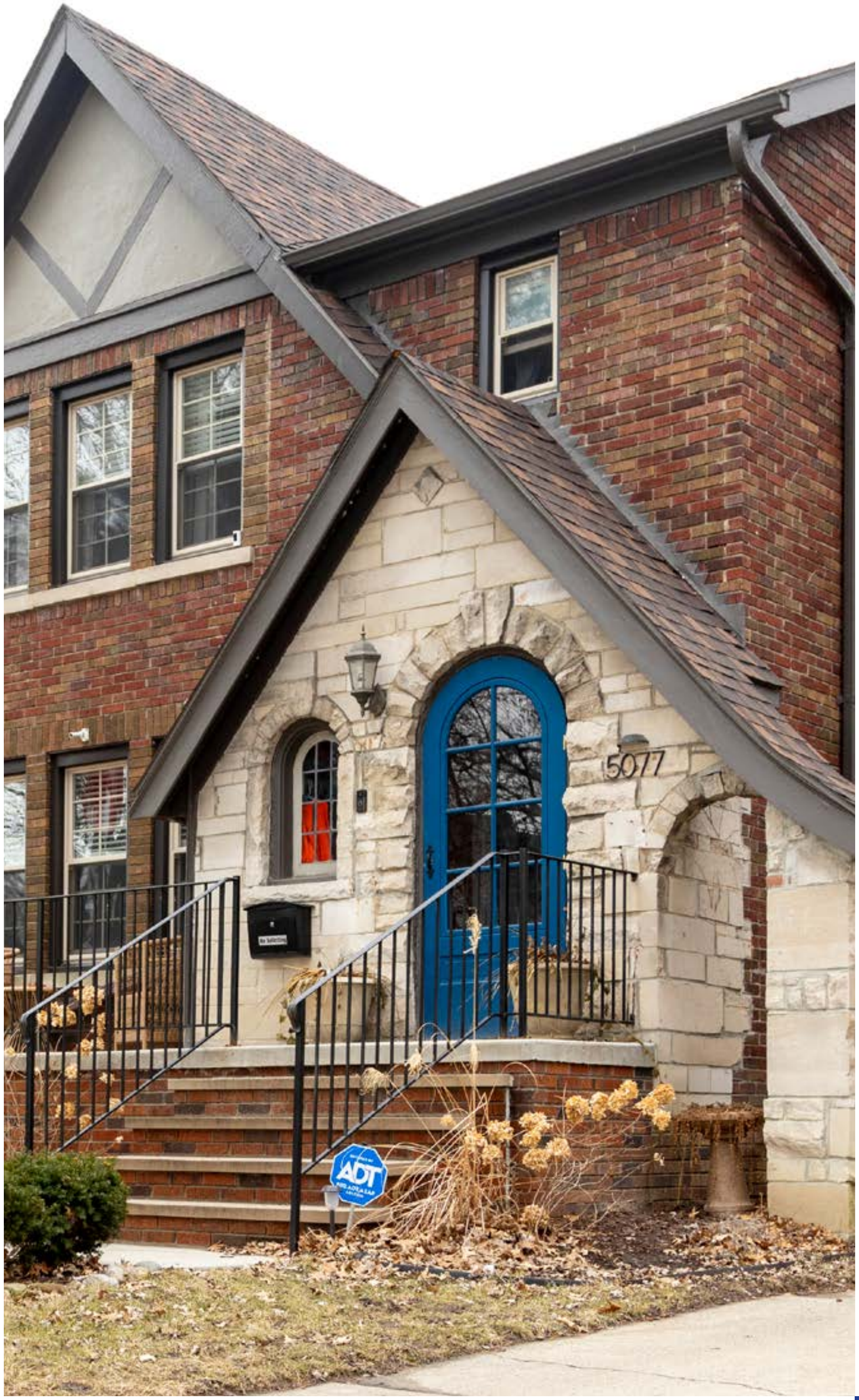
Between 2015 and 2019, the nonprofit Southwest Housing Solutions in Detroit has instructed some 5,000 potential homebuyers, but the agency said that only about 525 have gone on to purchase a house due to credit history, down-payment issues, or other reasons. Focusing on using home-buyer education as an opportunity to build mortgage-ready homebuyers can be a path to increase positive outcomes for potential homebuyers, but only if done in combination with other solutions that support buyers in being able to purchase a home.

Support for borrowers does not have to be limited to pre-purchase counseling. Post-purchase counseling is also an important support that can support borrowers and ensure they remain homeowners and successfully repay their loans.

Increased lender transparency

In support of creating more mortgage-ready borrowers, it is important that borrowers have a clear sense of what the expectations of lenders are. The algorithms used to determine whether to approve someone for a loan often result in disparate outcomes and also make it unclear to a borrower as to why they were not approved for a loan.

To that end, major banks and mortgage companies should be more transparent about the underwriting criteria they use to make decisions on whether to approve a borrower for a home purchase loan. Increased transparency would allow for greater analysis of systemic bias embedded in mortgage underwriting algorithms, and it would also help borrowers to more clearly understand the process and requirements for qualifying for mortgage approval.[xvii] By better understanding the requirements, housing counseling agencies and borrowers could better prepare to be mortgage-ready.



Build the value of Detroit's housing stock

Providing more move-in ready housing through rehab and resale programs to create demand and comps

A substantial challenge in Detroit's housing market is a lack of move-in ready housing. Increasing the quality of the city's housing stock will provide homebuyers with a wider range of options as they consider the city's neighborhoods. This will have the effect of creating a product that is appealing to a broad range of buyers, including those unwilling to take on a substantial rehabilitation or renovation.

It is not any one group or sector that can undertake this alone. There are many organizations across that city that are currently engaged in the acquisition and rehabilitation of homes, including nonprofits and government agencies, such as the Detroit Land Bank Authority.

This has the additional benefit of providing comparable sales that can be used during the appraisal process. The Great Recession reduced home sales and values in Detroit, making it more difficult for appraisers to identify homes with comparable sales prices and, in turn, issue loans. The inability to obtain loans due to a lack of comparable sales meant that cash and distressed sales made up the majority of the market in many places. The lack of sales then led to a vicious cycle of declining property values and housing conditions.

To break this cycle, programs that renovate homes to both improve the quality of housing in the city's neighborhoods and provide comparable sales to build the mortgage market need to be supported and developed.

REHABBED AND READY

Among the many nonprofit programs working on this problem is Rehabbed & Ready, developed by the Rocket Community Fund and Detroit Land Bank Authority to address the challenge of insufficient comparable sales in a neighborhood to support traditional mortgage lending. This program uses philanthropic funding from the Rocket Community Fund and others to renovate houses owned by the Land Bank in advance of offering them to buyers. The work is concentrated in specific neighborhoods, thus helping to bridge the gap between home value and repair expenses. For example, Rehabbed & Ready renovated and sold several houses in the Bagley neighborhood, a reason why mortgage lending in that area has increased recently.

Expand purchase/rehab loan options for buyers

In many parts of the city, the condition of the housing stock and the low value of those homes make the purchase and rehabilitation of properties prohibitable. Increasing opportunities for the purchase and rehabilitation of housing in the city will have the potential to improve neighborhoods and build wealth for homeowners.

Rehab resale programs are one option for this, but they should not be the only option. There are homebuyers who are willing to take on buying a home in need of renovation, which can sometimes be quite extensive. This provides homebuyers with control over how the home is renovated and can provide those willing to take on such a project with a final product that is most suited to their needs.

It is often difficult to finance these projects, and financing products that fill this need can be one of many tools to facilitate the revitalization of Detroit's housing stock.

DETROIT HOME MORTGAGE PROGRAM

The Detroit Home Mortgage program, which ran from 2016 to 2021, was a partnership between the City of Detroit, foundations, and financial institutions. The program addressed appraisal gaps and allowed homebuyers to finance the renovation of a home that they would occupy. This was accomplished by providing borrowers with two loans, one for the purchase of the home based on its appraised value and the second for up to $75,000, which could be used to cover the gap between the appraised price and sales price or to pay for renovations. By supporting the cost of home renovations, the Detroit Home Mortgage program allowed homebuyers to expand their options for purchasing homes in the city, upgraded the city's housing stock in the process, and created comparable sales for future homebuyers.

Appraisal reform

One of the leading causes of mortgage denial in the city is that the property is appraised at a value lower than what the buyer is willing to pay for it. This is a substantial issue facing African-American homebuyers nationwide. In order to improve outcomes for these homebuyers, there should be reforms in the appraisal process to ensure that homes in African American neighborhoods are being assessed fairly.

One way to achieve this in Detroit is to ensure there is a diverse pool of appraisers. Nationally, only 1.2% of property assessors are African American.[9] Building a more diverse population of property appraisers can help eliminate bias that homebuyers in African-American neighborhoods can face.

Beyond just their race, there should be an effort to ensure that appraisers are familiar with the nuances of the Detroit housing market, and how the desirability of housing can change dramatically over the span of a few blocks. This will help ensure that appropriate comps are being selected and that appraisals reflect the current state of the market.

Finally, as recommended by the Fair Housing Alliance, there should be a clear process for potential buyers to appeal their appraisal when faced with an appraisal that is below the agreed-upon selling price of the home. Clear steps toward a reconsideration of the value of the property could also work well when combined with other programs, such as rehab and resale, to build wealth in the community.

[9] Identifying Bias and Barriers, Promoting Equity: An Analysis of the USPAP Standards and Appraiser Qualifications Criteria National Fair Housing Alliance (2021) https://nationalfairhousing.org/wp-content/uploads/2022/01/2022-01-18-NFHA-et-al_Analysis-of-Appraisal-Standards-and-Appraiser-Criteria_FINAL.pdf

Building demand

Strengthen markets where purchase demand exists

There has been substantial improvement in many of the city's neighborhoods as Detroit has recovered from the Great Recession over the past decade. Coordinated investment into areas of strength has made these neighborhoods more desirable and strengthened their housing markets. These areas have seen a growth in the number of households and a decrease in the number of vacant housing units.

Home Mortgage Disclosure Act data indicate that areas directly next to current clusters of strong mortgage lending in Detroit are becoming more desirable to homebuyers. Neighborhood investment in areas directly adjacent to stablilized neighborhoods will build on these trends and continue to reinforce the growth and stabilization of the city's neighborhoods.

Similar to many aspects of the housing market, this cannot be the task of just one actor. Because nonprofit community development organizations do so much housing-related work in neighborhoods – from counseling homebuyers to providing a range of human services – there must be increased support for these community development organizations (CDOs) from government, philanthropic, and corporate sources.

BAGLEY NEIGHBORHOOD

The Bagley neighborhood in northwest Detroit is one of the rare districts in the city that has seen a substantial increase in mortgage lending in recent years to both African-American and white borrowers. As Bagley Community Council President Chris Johnson points out, the district benefits from good housing stock, rising home prices, strong demand for homes, and Bagley's proximity to neighborhoods like the University District to the east that already have a strong mortgage market. There has also been strong public investment in its main commercial corridor on Livernois Avenue, such as Detroit's Motor City Match program for retailers that boosted the appeal of the area, and the Strategic Neighborhood Fund, which has made investments and infrastructure upgrades on Livernois.

Market the city to African-American homebuyers

Home Mortgage Disclosure Act and U.S. Census data and other sources reveal that African Americans continue to move out of the city and into the suburbs, and show that there is limited appeal for white homeowners in many places in Detroit, especially outside of a handful of neighborhoods.

These two facts, and the growing number of home purchase mortgages to African Americans point toward a homeownership rebound in the city that will be led by African Americans. To this end, there should be an effort to market the city's neighborhoods to mortgage-ready African Americans. This should build off efforts to strengthen and stabilize Detroit's neighborhoods and position the city as a premier destination for African-American families.

INCREASE INCOMES OF DETROIT RESIDENTS

This report lays out several steps that can be taken to improve Detroit's mortgage market. Though implementing these solutions will have a profound effect on the city and its housing market, these efforts must also be supported by increasing the incomes of Detroiters and rebuilding a strong middle class. This is necessary in order to expand the pool of potential future homeowners and increase the demand for purchasing homes in Detroit.

The lack of income for city residents contributes to all of the factors holding back Detroit from increasing homeownership through mortgage lending, and homeownership more broadly. Low incomes impact a borrower's purchasing power and make it more difficult for them to build credit, save for a down payment, qualify for a loan, and be able to afford home-repair costs. Low incomes also can create larger barriers, such as when even small debts can take up a substantial percentage of a household's income. Having a large share of debts is a limiting factor when applying for a home purchase loan. This is reflected in mortgage data, which show that debt-to-income ratio was one of the top reasons for mortgage application denials in 2020.

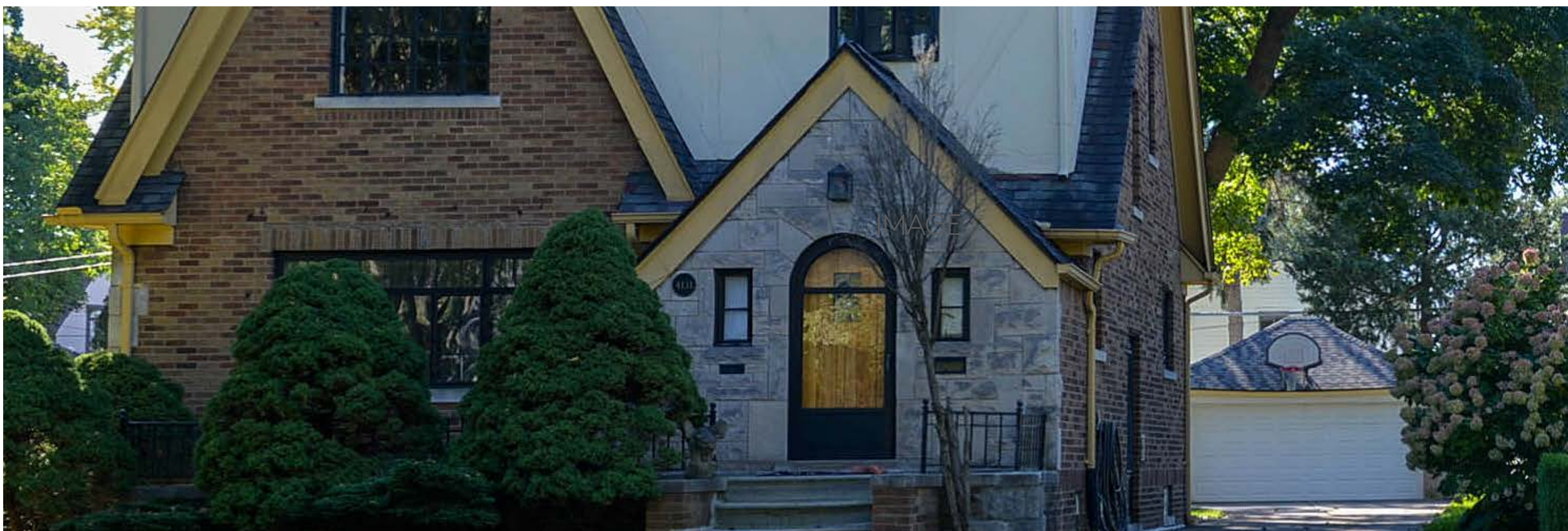
Improving incomes across the city is no small task. There should be a continued focus on attracting middle-wage jobs to the city, which would increase the number of accessible employment opportunities that pay a good wage. There should also be redoubled efforts to strengthen the educational outcomes for residents.

As the solutions presented in this report are considered, increasing the economic prosperity of Detroit residents must be part of the conversation. This will lead to substantive improvement in the quality of life for all residents, including greatly improved outcomes in the mortgage market and greater progress toward achieving economic equity.

CONCLUSION

There are many challenges facing the mortgage market in Detroit. Though there have been improvements since the market bottomed out in 2012, when only 220 mortgages were written, there is still substantial room for improvement. There is not one single action that will improve outcomes for Detroit's homebuyers, but a number of steps must be taken to reach the goal of improving homeownership opportunities for Detroit residents. These solutions must center on racial equity to reduce disparities in lending by race.

To build more opportunities for homeownership, there are challenges that must be addressed head on. These challenges include African-American borrowers being denied at a substantially higher rate than white borrowers, how the credit worthiness of buyers is measured, and the lack of transparency in the criteria for mortgage lending. There must also be reforms to the appraisal process to ensure that homes in the city are being appraised fairly, and there must be new mortgage products offered that cater to a broader range of homebuyers.



To continue to expand mortgage lending in the city, there must be policies that build a strong pipeline of buyers and create desirable places for them to buy homes and live. This includes expanding purchase and rehab options and continuing to invest in strengthening the city's neighborhoods to make them more desirable places for homebuyers, especially African Americans.

Homeownership is an important element in creating a more economically equitable city. Though there are many challenges, there is a path forward toward building a more equitable future. Addressing the issues holding back the mortgage market in the city is an important and necessary step toward that future.

REFERENCES

[i] Liu, F., Jo, Y., Skhirtladze, A., & Barriere, L. (2020, August). *An Updated Review of the New and Revised Data Points in HMDA*. Consumer Financial Protection Bureau. Retrieved from https://files.consumerfinance.gov/f/documents/cfpb_data-points_updated-review-hmda_report.pdf.

[ii] *Credit FAQ: What is a Credit Score*. Rocket Homes. Retrieved from https://www.rockethomes.com/credit-score.

[iii] Quakenbush, C., Brown, M., Martinchek, K., Braga, B., McKernan, S.-M., Cohen, O., Washington, S., & Carther, A. (2021). *Tracking the Credit Health of Detroit Residents*. Urban Institute. Retrieved from https://www.urban.org/research/publication/tracking-credit-health-detroit-residents.

[iv] Elliott, D., Ratcliffe, C., & Kalish, E. C. (2016, October 12). *The Financial Health of Detroit Residents*. Urban Institute. Retrieved from https://www.urban.org/research/publication/financial-health-detroit-residents.

[v] Chacón, F., & Young, C. (2020, July 22). *50 Years After the Fair Housing Act – Inequality Lingers*. Trulia Research. Retrieved from https://www.trulia.com/research/50-years-fair-housing/.

[vi] Thompson Cochran, K., Stegman, M., & Foos, C. (2021). *Utility, Telecommunications, and Rental Data in Underwriting Credit*. Urban Institute. Retrieved from https://www.urban.org/research/publication/utility-telecommunications-and-rental-data-underwriting-credit.

[vii] Narragon, M., Wiley, D., McManus, D., Li, V., Li, K., Wu, X., & Karamon, K. (2021, September 20). *Racial and Ethnic Valuation Gaps in Home Purchase Appraisals*. Freddie Mac. Retrieved from http://www.freddiemac.com/research/insight/20210920_home_appraisals.page.

[viii] Howell, J., & Korver-Glenn, E. (2018). *Neighborhoods, Race, and the Twenty-First-Century Housing Appraisal Industry*. Sociology of Race and Ethnicity, 4(4), 473–490. https://doi.org/10.1177/2332649218755178.

[ix] Federal Financial Institutions Examination Council (2012-2020). *Home Mortgage Disclosure Act Data: Detroit*. Lending Patterns. Retrieved from https://www.lendingpatterns.com/Version20/SignIn/index.html.

[x] US Census Bureau (2020). *Housing Occupancy, 2020 Decennial Census DEC Redistricting File*. Retrieved from https://data.census.gov/.

[xi] *What is a Debt-to-Income Ratio? Why is the 43% Debt-to-Income Ratio Important?* Consumer Financial Protection Bureau. (2019, November 15). Retrieved from https://www.consumerfinance.gov/ask-cfpb/what-is-a-debt-to-income-ratio-why-is-the-43-debt-to-income-ratio-important-en-1791.

[xii] US Census Bureau (2019) American Community Survey, Retrieved from https://data.census.gov/

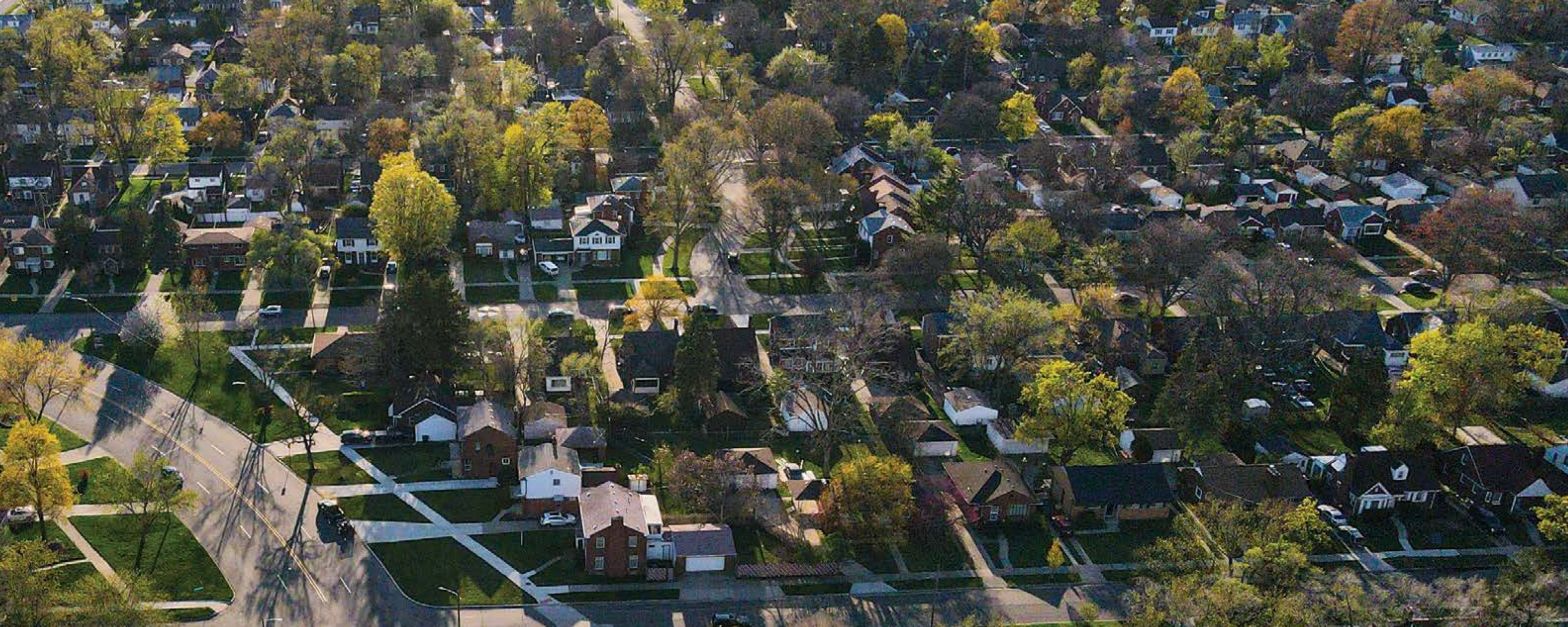
[xiii] *Issue brief: Credit Invisibility and Alternative Data*. National Consumer Law Center. (2019, July 24). Retrieved from https://www.nclc.org/issues/issue-brief-credit-invisibility-and-alternative-data.html.

[xiv] *Using Special Purpose Credit Programs to Expand Equality*. National Fair Housing Alliance. (2020, November 4). Retrieved from https://nationalfairhousing.org/resource/using-special-purpose-credit-programs-to-expand-equality/.

[xv] *Special Purpose Credit Programs Virtual Forum Overview.* National Fair Housing Alliance. (2021, October 15). Retrieved from https://nationalfairhousing.org/resource/special-purpose-credit-programs-virtual-forum-overview/.

[xvi] Lieber, R. (2021, September 11). *Always Pay the Rent? It May Help Your Mortgage Application*. The New York Times. Retrieved from https://www.nytimes.com/2021/09/11/your-money/paying-rent-mortgage.html.

[xvii] Kirchner, L., & Martinez, E. (2021, August 25). *The Secret Bias Hidden in Mortgage-Approval Algorithms*. The Markup. Retrieved from https://themarkup.org/denied/2021/08/25/the-secret-bias-hidden-in-mortgage-approval-algorithms.



DETROIT
FUTURE
CITY

2990 W. Grand Blvd. #2
Detroit, MI 48202
www.detroitfuturecity.com