

Beyond Development: Exposing Land Grabs & The Blight Removal Task Force Report

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Detroitiers Speak, February 20, 2018

News from an Alternative Universe

- * Poverty Elimination Task Force
 - * Federally “convened” task force of federal, state, city, public and private actors
 - * Co-Chaired by 1) billionaire businessman, 2) former University President and 3) non-profit leader
 - * Tasked with designing a plan to eliminate poverty in Detroit in as rapid and complete a manner as possible
- * Long awaited Report released TODAY!

News from an Alternative Universe

- * **“Poverty** is a cancer. **Poverty** sucks the soul out of anyone who gets near it, let alone those who are unfortunate enough to live with it all around them. **Poverty** is radioactive. It is contagious.”
- * **“Poverty** is also a symbol. It is a symbol of all that is wrong and all that has gone wrong for too many decades in the once thriving world-class city of Detroit.
- * Poverty Elimination Task Force Report:
 - * Aggressive plan to eliminate all poverty within a 5 year period!
 - * Commitment of \$2 billion to the effort!
 - * “all hands on deck” strategy!

Real News from Detroit

- * “**Blight** is a cancer. **Blight** sucks the soul out of anyone who gets near it, let alone those who are unfortunate enough to live with it all around them. **Blight** is radioactive. It is contagious.”
- * “**Blight** is also a symbol. It is a symbol of all that is wrong and all that has gone wrong for too many decades in the once thriving world-class city of Detroit.
- * Blight Removal Task Force Report (BRTFR):
 - * Aggressive plan to eliminate all blight within a 5 year period!
 - * Commitment of 2 billion dollars to the effort!
 - * “all hands on deck” strategy!

Blight Removal Task Force Report



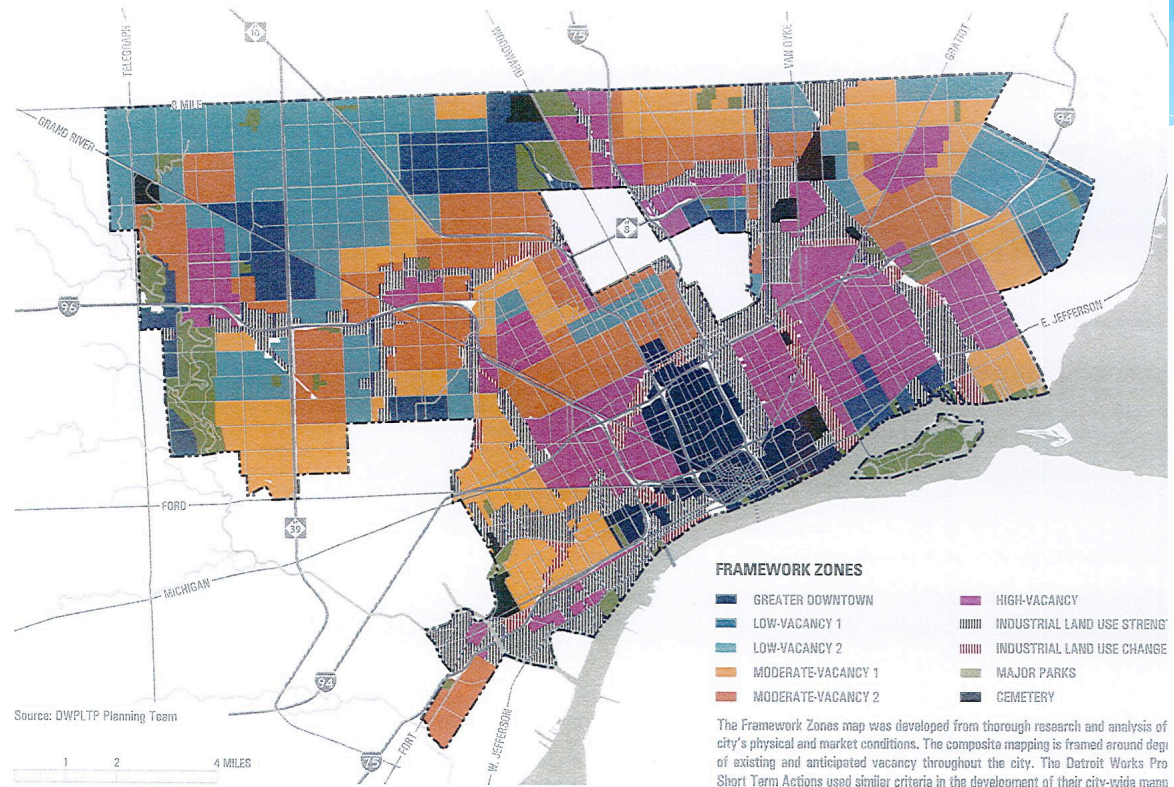
**Every Neighborhood
Has A Future...**

**And It Doesn't
Include Blight**

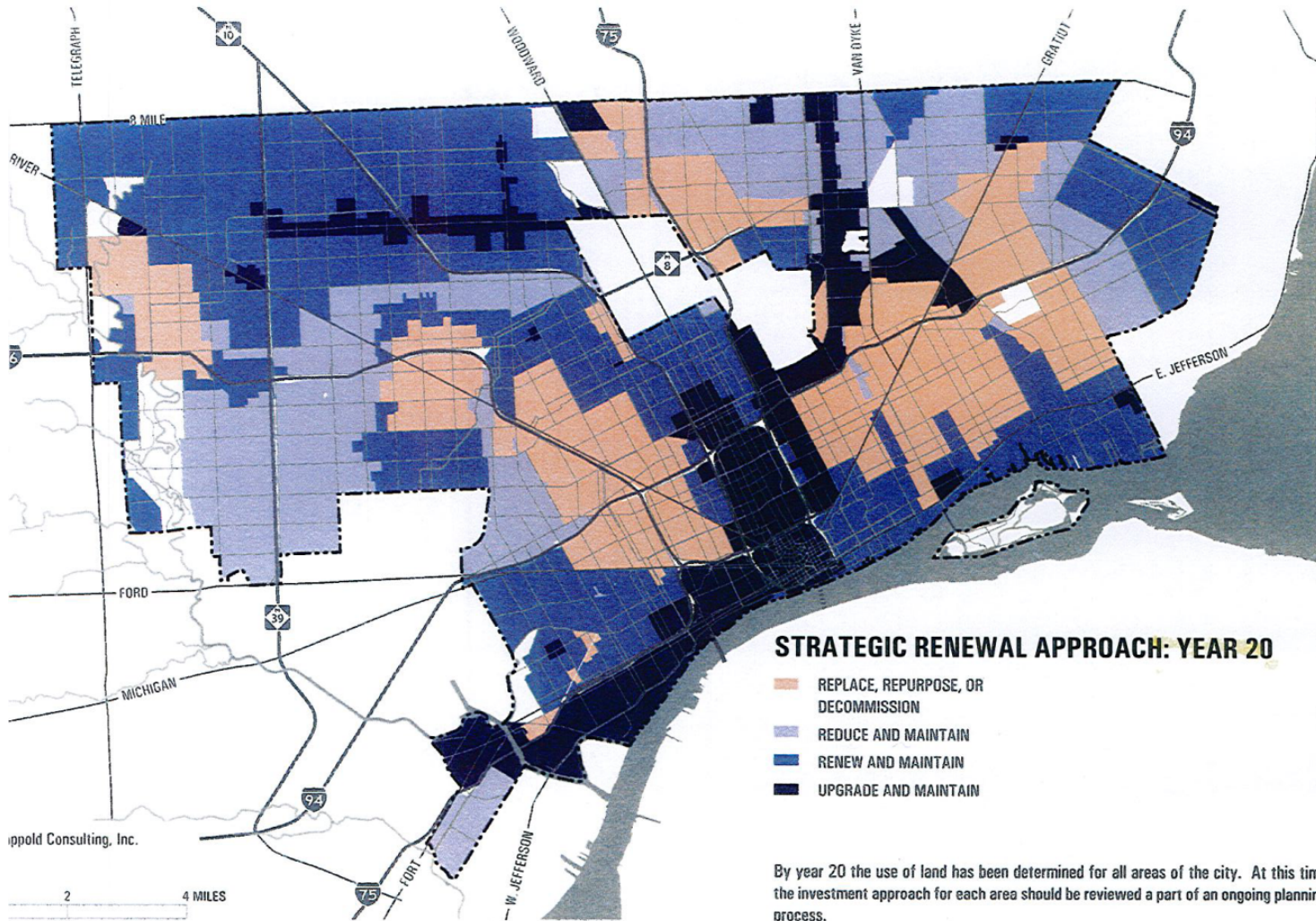
Major Themes of Presentation

- * Blight Report values “property” and not “people”
- * Blight Report is a tool for implementation of Detroit Future City Plan
- * Blight Report lacks political and analytic legitimacy
 - * No root cause analysis of the problem
 - * No credible economic case for the proposal
- * Need alternative approaches to “blight,” land and development in the City

Recall: Detroit Future City



ANALYSES THAT INFLUENCED THE FRAMEWORK FOR DECISION-MAKING			
	RESIDENTIAL PHYSICAL CONDITION ANALYSIS	MARKET VALUE ANALYSIS	DWP SHORT TERM ACTIONS INTEGRATED ANALYSIS
DESCRIPTION	Evaluation of prevailing physical conditions and household occupancy trends in residential areas across the city, identifying areas sharing common characteristics to inform decision making and	Evaluation of market factors and trends across the city, identifying areas sharing common market value characteristics to inform decision making and strategy	Designation of general market types by the City of Detroit based on physical conditions and market value characteristics, articulating specific short-term governmental roles for intervention



ppold Consulting, Inc.

2 4 MILES

STRATEGIC RENEWAL APPROACHES SUMMARY

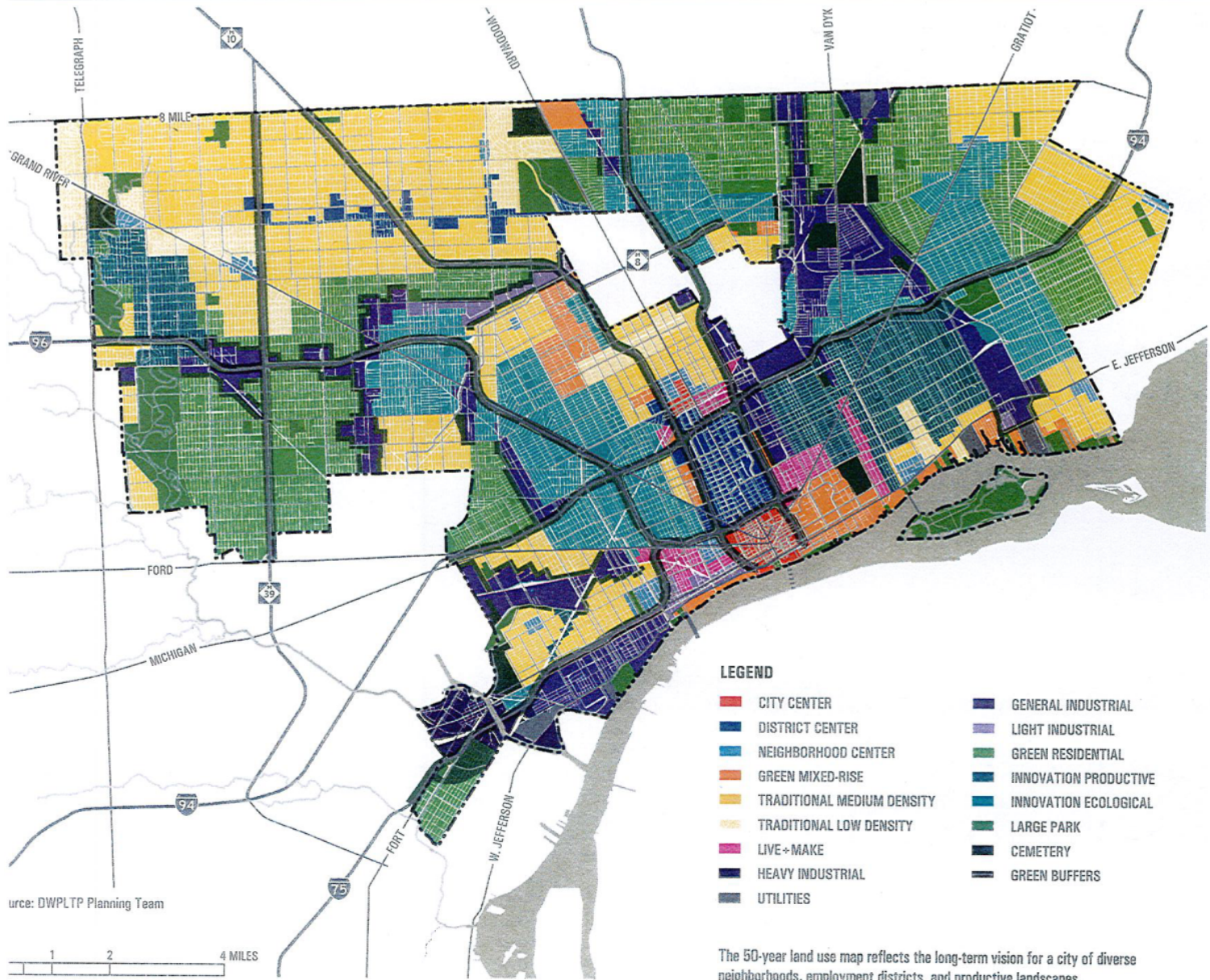
GRADE AND MAINTAIN

RENEW AND MAINTAIN

REDUCE AND MAINTAIN

MAINTAIN ONLY

REPLACE, REPURPOSE, OR DECOMMISSION



The 50-year land use map reflects the long-term vision for a city of diverse neighborhoods, employment districts, and productive landscapes.



Extreme fragmentation of land



DFC is a dead letter . . . unless

- * Given extreme fragmentation of property it is difficult to implement DCF's 50-year, color-coded vision
- * No DFC role for “eminent domain”
 - * Economic cost and legal constraints
 - * Clever manipulation of transaction costs of holding land
- * Question: How can dispersed land be
 - * 1) converted from “private” to “public”
 - * 2) be aggregated and reassembled, and
 - * 3) be redistributed?

Need a new wiz-bang machine



BRTFR as Land Reassembly

- * Multiple ways to forfeit land
 - * Criminal activity
 - * Nuisance abatement
 - * Tax foreclosure
 - * New State authorized “blight tickets”
 - * [Water shutoffs]
- * Increase speed and efficiency of forfeiture
 - * Automate and outsource hearing notice process
 - * “bundling” of land at auction
- * Land bank as machine for reassembly and redistribution

What is not in the Report? (Three Rs)

- * No mention of “race,” “racism,” “discrimination,” “segregation,” “black,” “white,” “white flight”
- * No mention of “redlining” or “reverse redlining”
- * No mention of “poverty” (ignored in tax foreclosure)
- * Mention of “predatory” concerning alleged abuses by purchasers in the tax foreclosure auction, but not predatory lending in private mortgage markets

Absence of root cause analysis

- * “Even the swiftest and most aggressive fight against today’s blight will accomplish very little if we don’t address the conditions that led to it. Detroit’s collapsing structures and vacant lots didn’t just ‘happen.’”
- * [But] these issues clearly fall outside the scope of our report.” (197) (see also 18)
- * Artificially contrived “mandate”

Economic Case for Blight Removal?

- * No economic analysis in the Report to justify action
- * Marti Kopacz: no way to assess economic rate of return on blight investment (feasibility assessment of BOA)
- * No effort to model or examine local property markets
- * “Magical thinking” based on a blind faith in power of markets

Where we are now

- * Blight Removal Task Force Report was a dead letter
 - * No funding in exit financing in bankruptcy Plan of Adjustment
 - * Federal investigations into city blight removal actions
- * The three reports (DFC, BRTFR and BOA) function as an MRI revealing the often hidden vision of the city and the values of developers
- * How does the city accomplish the same end?
 - * Ramp up tax foreclosures
 - * Ramp up water shutoffs
 - * Gilbert “brownfield” bill

Need alternative approaches

- * Focus on the needs of people not property
- * Blight is a symptom, not a cause – need community-led process to manage the problem of blight (demolishing properties when appropriate)
- * Need programs to keep people in their homes and to increase housing options for those in distress
- * Need programs that create opportunity and meaning for Detroit residents

Back to the future

