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City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

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TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: June 7, 2022

RE: Tiny Homes Project

The Legislative Policy Division (LPD) received a request from Council President Mary Sheffield to provide a report regarding the history and other information relative to the Tiny Homes project in the city of Detroit. LPD has researched the issue and obtained much of the information from Cass Community Social Services (CCSS), the owner and developer of the Tiny Homes project.¹ The following report is provided as requested.

The Tiny Homes project was launched in 2016 by Reverend Faith Fowler. Reverend Fowler is the pastor of Cass Avenue Methodist Episcopal Church and the executive director of Cass Community Social Services (CCSS). She has held these positions since 1994.

The Cass Avenue Methodist Episcopal congregation was first organized May 1, 1881, the churches involvement with social services began with a soup kitchen during the great depression. Services targeted toward the city's homeless population began in 1988. Cass Community Social Services now provides food, housing, medical/mental health, and employment programs those living in poverty in the city of Detroit.

¹ email communication, information provided to the Legislative Policy Division by Cass Community Social Services (F. Fowler, personal communication, May 16, 2022)

Established as nonprofit, 501(c)(3) community-based organization in 2002, Cass Community Social Services (CCSS) was birthed from the service and legacy of the Cass Community United Methodist Church. CCSS operates shelters and permanent supportive housing programs which serve approximately 300 homeless men, women, and children in Detroit. The organization operates on an annual budget of \$6 million, employing approximately one hundred individuals, and utilizing roughly seven hundred volunteers. CCSS presently receives funds from the City of Detroit through NOF/CDBG and various grants.

The Tiny Homes Project

According to CCSS, the program was designed to help close the asset gap for people living in poverty. The Tiny Homes community was constructed to assist low-income persons making between \$7000 and \$15,000 annually, with safe and secure housing while providing a pathway to home ownership for those formerly incarcerated or homeless, seniors, and persons aged out of the foster care system.

Located on Elmhurst, Monterey, and Richton Street, between Woodrow Wilson and the Lodge freeway, the Tiny Homes project sits on twenty-five lots purchased by CCSS from the city of Detroit. The project generated a great deal of interest and did not utilize tax incentives. Once completed the project will consist of twenty-five different Tiny Homes approximately 250-400 square feet in size, all unique in design, constructed on lots roughly 30 X 100 feet in size.

Tiny Homes are owned by the Cass Community Social Services, built with the help of various volunteers, and financed through donations. Each home cost approximately \$50,000 to build. The cost of construction was raised by CCSS upfront from a wide array of donors, including General Motors, Ford, as well as private donors like rock superstar Jon Bon Jovi. Currently, there are nineteen homes built with six more under construction in the Tiny Homes community, amounting to a total of twenty-five homes upon completion. The population currently consist of twenty-one persons who occupy eighteen homes.

Given the location of the site, and historically where the social services agency operates, the participants in CCSS programs, most specifically Tiny Homes, are African American. The demographic of the Tiny Homes community is overwhelmingly African American, with 20 of the 21 residents being African American and 1 person being Caucasian.

Although the program has been described as a rent-to-own program, according to CCSS, it is better described as a rent-*then*-own program with a 7-year pathway to homeownership. According to representatives of the organization, the mechanism to allow for the clean transfer of the homes to individuals after the 7-year period is still being worked out.

There are no mortgages attached to these homes. Residents rent the homes for a year at a time for 7 years. During that time, CCSS uses their rent to pay for most of the expenses including property taxes, water bills, security alarms, DTE appliance protection. grass cutting, snow removal, etc.

The purpose of the rent is for the tenant to develop a payment history. Rent equates to approximately \$1 per square foot. Therefore, for a 350 square foot home, the rent would be \$350 per month. During this 7-year rental period residents are provided with homeownership preparation and financial basics and are expected to volunteer in the community each month.

Tiny Homes welcomed its first tenants in 2017, as of this upcoming fall, the program will only have been in place for 5 years. Therefore, none of the residents have made it to the 7-year mark.

According to CCSS, over the years, there have been various claims against Cass Community Social Services and the program regarding housing violations, fiscal irresponsibility, and unfair treatment of residents, but these allegations have not been substantiated. Further, the organization stated in part, “overall, there have been no outstanding concerns against Cass Community Social Services “we are very excited about the possibilities that this program offers to its participants we are working arduously for its continued success and to flow this into a larger community.”

Not unlike the community at large, the Tiny Homes community has not been immune to crime. Conversation with the 10th police precinct revealed that there has not been a notable number of police runs to the immediate area. However, in the summer of 2021, a gentleman was shot and killed in his tiny home. The Detroit Police Department is still investigating the incident. Additionally, many of the residents still have needs when it comes to food, furnishings, and transportation. While on the other hand, there are also a variety of educational opportunities such as computer classes and finance/legal assistance.

To this date, no one has ever been evicted from a Tiny Home. However, it was brought to our attention that there is one individual whose lease was not renewed in January 2021. According to CCSS, this individual still occupies a Tiny Home but has not been charged rent since last year, this matter is currently in litigation and could result in the first eviction, dependent upon the results of the litigation.

When addressing the program and agencies record, it was stated “Cass Community has always had a clean independent audit. Any deficiencies identified by inspections have been promptly and routinely addressed. The agency has had the highest rating of accreditation nine consecutive times. “Our aim is to help as many people as possible, who could not qualify for a mortgage, the opportunity to become homeowners. This will give them a decent place to live while they are renting AND an asset to use to acquire a loan, to sell, and/or leave to loved ones when they die. In the process, the homes are re-populating in a neighborhood that had been largely neglected.”

Meanwhile, the Tiny Homes project continues to move toward the goal of constructing twenty-five homes. Cass Community Social Services continues to provide critically needed services to the impoverished community in Detroit through various programs and outreach services.