David Whitaker, Esq. Director Irvin Corley, Jr. Executive Policy Manager Marcell R. Todd, Jr. Director, City Planning Commission Janese Chapman

Director, Historic Designation Advisory Board

John Alexander **Ronald Amarteifio** Megha Bamola LaKisha Barclift, Esq. Paige Blessman M. Rory Bolger, Ph.D., FAICP Eric Fazzini, AICP **Christopher Gulock, AICP** Derrick Headd

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

Marcel Hurt, Esq. Kimani Jeffrey **Edward King** Kelsey Maas Jamie Murphy Kim Newby Analine Powers, Ph.D. Laurie Anne Sabatini Rebecca Savage Ryan Schumaker Sabrina Shockley Renee Short **Floyd Stanley** Thomas Stephens, Esq. **Timarie Szwed Dr. Sheryl Theriot Theresa Thomas** Ashley A. Wilson

The Honorable Detroit City Council TO:

David Whitaker, Director / FROM:

Legislative Policy Division Staff

DATE: January 12, 2023

RESOLUTION URGING THE ADOPTION OF LOCAL RENT CONTROL RE:

Council President Mary Sheffield requested that the Legislative Policy Division (LPD) draft a RESOLUTION URGING THE ADOPTION OF LOCAL RENT CONTROL.

Please contact us if we can be of any further assistance.

BY COUNCIL PRESIDENT MARY SHEFFIELD

RESOLUTION URGING THE ADOPTION OF LOCAL RENT CONTROL

- **WHEREAS**, The mission of the Detroit City Council is to promote the economic, cultural and physical welfare of Detroit's citizens and residents through Charter-mandated legislative functions; and
- WHEREAS, More than half of the households in Detroit (52%) are renter-occupied; and
- WHEREAS, The Michigan State Housing and Development Authority (MSHDA) found that, as of November 2019, 50% of Michigan rental households are cost-overburdened, meaning renters were paying more than 30% of their income on housing; and
- WHEREAS, The average cost of rent for a one-bedroom apartment in Detroit is \$1,322 as of January 2023, which is an 11% increase from 2022, according to current renter market trends from Rent.com. The United States Census Bureau found that the median income in Detroit in 2020 was \$20,961 for individuals and \$32,498 for households. This means that an individual making the median income in Detroit would need to spend roughly 75% of their income to rent the average one-bedroom apartment. MSHDA classifies any household spending more than 50% of their income on housing as severely cost-overburdened; and
- WHEREAS, Affordable housing for an individual making the minimum wage of \$10.10 per hour and working full-time should cost no more than \$484.80 per month based on 30% of their income, which is roughly half of the average rent for a studio apartment in Detroit, according to current renter market trends from Rent.com. The renter market trends also show that properties with rent under \$700 per month only make up about 4% of the rental properties in Detroit. This illustrates a severe lack of affordable housing for individuals making minimum wage; and
- WHEREAS, The lack of affordable housing causes financial stress and exacerbates poverty by preventing individuals from saving money for emergencies or for necessary purchases. The financial strain also causes physical stress to Detroit residents that can result in chronic health problems; and
- WHEREAS, MCL 123.411 prohibits local governments from enacting any resolution or ordinance "that would have the effect of controlling the amount of rent charged for leasing private residential property." As a result, Detroit is currently unable to use rent control as a tool to ensure that there is adequate affordable housing for its citizens; and
- WHEREAS, The lack of rent control in Detroit also contributes to the astounding number of evictions that Detroit residents experience every year. Prior to the COVID 19 pandemic, eviction cases averaged over 30,000 per year. Detroit has experienced more eviction cases than New York City, Philadelphia, Chicago and even the entire state of New Jersey; and
- WHEREAS, Evictions increase poverty, disrupt education, causes mental health issues, and accelerates the cycle of homelessness in Detroit. These evictions harm individuals and families

especially seniors, people with disabilities and households headed by Black women with young children; and

- WHEREAS, According to a recent study by the University of Michigan, "At the current filing rate, 21% of Detroit renters...61,000 tenants... will face the threat of eviction this year." This data is absolutely shocking and illustrates the enormity of the problem that a significant segment of our residents are facing. The eviction problem in Detroit has reached epidemic proportions, and it requires immediate and effective action from all levels of government; and
- WHEREAS, Detroiters' human rights depend on adequate, affordable housing for all, but our current systems and laws governing housing have long failed to ameliorate the crisis. It is time for more effective policies; NOW THEREFORE BE IT
- **RESOLVED,** The Detroit City Council strongly urges the Detroit Delegation to the Michigan State Senate and House of Representatives to introduce and enact legislation rescinding the ban on rent control laws; **THEREFORE, BE IT FINALLY**
- **RESOLVED,** That the Detroit City Clerk is directed to send this resolution to the Detroit delegations of both the Michigan State House and Senate, in addition to Governor Gretchen Whitmer.

¹ » Detroit eviction filings on track to return to pre-pandemic level as COVID-19 protections expire (umich.edu)