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# 5 ways Washtenaw County could prevent segregation via housing voucher

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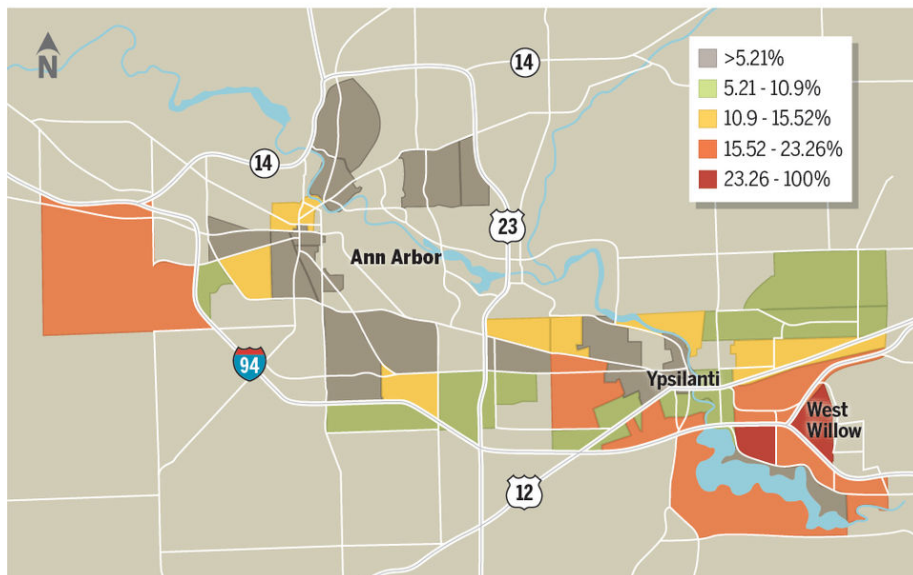
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## Housing vouchers in Washtenaw County

The map shows the areas of Washtenaw County with the highest concentration of housing voucher recipients as a percentage of renters in each census tract, according to HUD's Affirmatively Furthering Fair Housing 2016 data.

The data includes housing vouchers from all sources, including Ann Arbor Housing Commission and Michigan State Housing Development Authority, which took over Ypsilanti Housing Commission's voucher program in 2012.



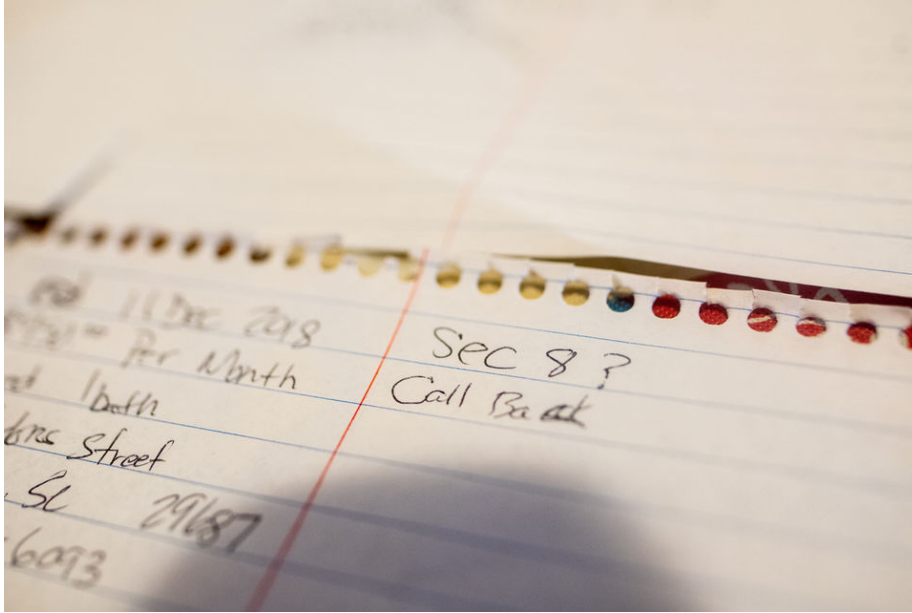
(Kate Howland | MLive)

ANN ARBOR, MI - The Ann Arbor metro area is the eighth-most segregated in the country, and housing vouchers help to maintain that segregation by keeping poor people out of rich neighborhoods.

The ranking comes from a **2015 study by the Martin Prosperity Institute** that examined seven measures of income, educational and occupational segregation.

Here are five ways Washtenaw County could prevent housing vouchers from contributing to further economic segregation, with a look at the progress made so far on each strategy.

Related: [Modern-day segregation: How vouchers keep the poor out of rich neighborhoods](#)



Courtney Vesey made a list of 275 rental properties she and her boyfriend contacted in search of a place that could accommodate her family and accepted Section 8 vouchers. (Ben Allan Smith | MLive)

### 1. Prevent discrimination against voucher recipients

*Challenges:* By law, landlords are not required to accept Section 8 vouchers.

*Solutions:* "Source of income" ordinances prohibit landlords from discriminating based on a person's source of income. Housing vouchers count as tenants' income, so tenants who meet a landlord's income requirement cannot be turned away solely for using a voucher.

The cities of Ann Arbor and Ypsilanti include source of income in their non-discrimination ordinances, however other municipalities in Washtenaw County do not offer the same protections.

Even if landlords do not deny tenants solely for their use of vouchers, other requirements like having a certain credit score, application fees and high security deposits (which are not covered by Section 8) still put certain apartment complexes out of reach of low-income residents.

Of approximately 180 complaints the Fair Housing Center for Southeast and Mid-Michigan receives each year, only a handful are related to alleged discrimination against voucher recipients, said Pam Kisch, the fair housing center's executive director.

"I don't think people know to call us if they're denied based on having a housing voucher," she said.



Ann Arbor Housing Commission's administrative office (Ben Allan Smith | MLive)

## **2. Give landlords in affluent areas more financial incentive to accept housing vouchers**

*Challenges:* Voucher payments are limited by fair market rent standards set each year by the U.S. Department of Housing and Urban Development, based on a county-wide formula. Housing commissions set their own voucher payment standards, which must be between 90 percent and 110 percent of HUD's fair market rent standards. Voucher recipients spend 30 percent of their own income on rent, and the voucher covers the balance.

*Solutions:* A **2015 study of housing affordability in Washtenaw County** recommended a tiered voucher payment system that would offer higher payments for rentals in more expensive parts of the county and lower payments for rentals in cheaper parts of the county.

Ann Arbor Housing Commission used to spend more on vouchers used in Ann Arbor and less on vouchers used anywhere else in Washtenaw County. However, this year the commission switched to a flat rate for voucher payments regardless of location.

The change was prompted by affordable housing complexes outside the city of Ann Arbor transitioning to market rate after reaching the end of their Low-Income Housing Tax Credit rent-control periods, said Jennifer Hall, Ann Arbor Housing Commission executive director.

### **701 affordable Washtenaw County apartments changing to market-rate rentals**

As those properties begin raising their rents, the housing commission wanted to increase its voucher payments so more low-income residents could afford to continue living there.

AAHC now pays 110 percent of fair market rent for all of its vouchers - the maximum allowed.

Michigan State Housing Development Authority, which **took over Ypsilanti Housing Commission's voucher program in 2012**, also pays 110 percent of fair market rent for vouchers for Washtenaw County residents.



East Huron Street in Ann Arbor (Jacob Hamilton | MLive)

### 3. Recruit more Ann Arbor landlords to accept housing vouchers

*Challenges:* Landlords say they would need tax incentives and mitigation of risks associated with renting to low-income tenants, according to Ann Arbor Housing Commission. Additional paperwork and rental unit inspections required to participate in Section 8 programs also is a deterrent for some landlords, according to Washtenaw Housing Alliance.

*Solutions:* Religious Action for Affordable Housing based in Ann Arbor recently gave \$5,000 to WHA to start a landlord risk mitigation fund. The money is available to cover excessive damages to a rental unit, unpaid rent or legal fees for landlords who rent to tenants with limited income, a poor rental history or a criminal history.

Washtenaw Housing Alliance also is hiring a part-time community housing locator, a new position that will recruit landlords to increase housing options for people who are homeless. WHA's board of directors has committed to raising about \$35,000 each year for three years to fund that position.

Courtney Vesey, a voucher recipient from Ypsilanti, suggested more frequent rental inspections to give landlords peace of mind that tenants using vouchers are not damaging the residence and also to improve living conditions for tenants.

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Scenes from Ypsilanti Township's West Willow neighborhood, Monday, Feb. 18, 2019. (Ben Allan Smith | MLive.com)

#### **4. Limit additional subsidized housing in Ypsilanti Township**

*Challenges:* Individual landlords and property managers decide if they want to accept housing vouchers. In some areas of Ypsilanti Township, landlords can charge more for rent by accepting housing vouchers than what the market would typically support.

*Solutions:* In September 2015, Ypsilanti Township approved a development agreement for a subdivision called Mystic Lakes that prohibited the 392 homes planned at the time from ever accepting Section 8 vouchers.

The move was controversial and prompted investigations by the U.S. Justice Department and HUD to determine if the Section 8 ban constituted housing discrimination.

The Justice Department has dropped its investigation, said Ypsilanti Township Clerk Karen Lovejoy Roe. HUD is still looking into the matter, said Kisch, of the Fair Housing Center, which filed a complaint about the Mystic Lakes agreement.

#### **Justice Department investigating Ypsilanti Township over alleged Section 8 housing discrimination**



Volunteers with Habitat for Humanity rake leaves from the houses of elderly residents in the West Willow neighborhood, Thursday, Nov. 29, 2018, in Ypsilanti Township. (Ben Allan Smith | MLive)

## 5. Increase homeownership in low-income neighborhoods

*Challenges:* The high number of foreclosures that ushered renters into low-income areas in Ypsilanti Township also dropped property values and cut the township's tax revenue and ability to provide services.

Increasing homeownership would stabilize low-income neighborhoods and raise property values while helping individuals improve their financial security.

*Solutions:* HUD offers a homeownership voucher program that allows eligible voucher recipients to use their monthly voucher toward a mortgage payment. Teresa Gillotti, Washtenaw County Office for Community and Economic Development director, would like to see the homeownership voucher program expanded locally.

Since 2013, Habitat for Humanity has helped seven people become homeowners in West Willow, assisted with more than 300 home improvement projects in the neighborhood and facilitated various community-building programs, with the support of \$210,000 in grants from Lowe's in 2014-16.

Alex Thomas, a longtime West Willow resident and community activist, would like to see the American Center for Mobility, **which opened in 2017 at the former Willow Run Bomber Plant site**, make a more direct investment in West Willow.

"I see the business and government entities putting some type of long-term commitment to improving the opportunities for the youth there, especially with education," he said. "And to do it with the belief that something can change and improve."

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