



On July 13, 2016, the NAACP Legal Defense and Educational Fund, Inc. (LDF), the ACLU of Michigan, and Covington & Burling LLP filed a class action lawsuit challenging the rash of racially discriminatory and illegal tax foreclosures that have plagued African-American communities in Detroit and throughout Wayne County, Michigan.

Unfortunately, this is not the first time people of color have faced discriminatory housing policies in Detroit. Indeed, there has been a shameful pattern of housing discrimination in this City for nearly 100 years.

## HISTORY OF HOUSING DISCRIMINATION AGAINST AFRICAN AMERICANS IN DETROIT

1930s

The United States government, through the Federal Housing Administration and the Home-Owners Loan Corporation, discriminated against African Americans by granting low-interest loans and mortgages to white homeowners only.

The federal government encouraged the use of racially restrictive covenants and, in one case, refused to make loans to a developer for a housing development project unless he built a six-foot high wall to separate his property from property owned by African Americans.

1940s

80% of Detroit property outside the inner city was subject to racial covenants, which white residents established neighborhood associations to enforce. In 1945, after a middle-class African-American couple, Orsel and Minnie McGhee, purchased a home in an all-white Detroit neighborhood, white neighbors sued to enforce the racial covenant. The Wayne County Circuit Court ruled that covenant forbade the McGhees from owning property in that neighborhood; however, in a case litigated by LDF, the United States Supreme Court held in 1947 that racially restrictive covenants violated the Equal Protection Clause.

1950s

Many landlords openly refused to rent to African Americans, and those who would rent to people of color often charged 20-40% more in rent to people of color than they did to whites.

The government in Detroit enforced racially segregated public housing and the mayor used his veto power to stunt integration and public housing sites in white areas of the city.

White homeowners frequently greeted African Americans who attempted to move into white neighborhoods with violence, forcing them to leave.

In this time period, there were over 200 recorded acts of white neighbors harassing or committing violence against African-American “pioneers” attempting to integrate white neighborhoods, including: mass protests, throwing bricks through windows and paint on the house, burning effigies and crosses, breaking windows and physically attacking homeowners.



## HISTORY OF HOUSING DISCRIMINATION AGAINST AFRICAN AMERICANS IN DETROIT

1960s

In 1967, African Americans rebelled or rioted in the streets of Detroit in response to systemic police abuse and other forms of bias, including housing and job discrimination. Following this civil disturbance, there was a large exodus of white Detroit residents to the suburbs, commonly called “white flight.”

Even after white flight, African-American residents of Detroit had tremendous difficulty obtaining mortgages due to “redlining,” the practice of denying services based on the racial makeup of the neighborhood. Additionally, real estate agents continued to steer prospective African-American home buyers away from predominantly white neighborhoods into lower-priced, predominantly black areas of the city.

1990s

1990s and early 2000s: Banks and mortgage companies that had previously engaged in redlining in Detroit, started a practice called “reverse redlining.”

Early 2000s

When the bubble in the real estate market burst in 2008, tens of thousands of Detroit homeowners were forced into mortgage foreclosure. Reverse redlining had a disparate impact on African Americans and devastated countless previously stable neighborhoods in Detroit.

Present

The much-beleaguered African-American residents of Wayne County are now facing another crisis, this time from tax foreclosures. Homeowners in Wayne County, like all Michigan property owners, must pay property taxes in an amount based on municipal assessments of property values. If a homeowner does not pay those property taxes, the home is subject to foreclosure and sale at auction by Defendant Wayne County Treasurer three years after the tax was initially due.

Property values in Wayne County have dropped precipitously since the 2008 financial crisis.