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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: May 2, 2025

RE: **RESOLUTION URGING THE DETROIT DELEGATION OF THE MICHIGAN
LEGISLATURE TO APPROPRIATE \$6 MILLION FOR THE DOWN PAYMENT
ASSISTANCE PROGRAM**

City Council President Mary Sheffield has requested the Legislative Policy Division (LPD) to produce a resolution urging the Detroit Delegation of the Michigan Legislature to appropriate \$6 million for Detroit's Down Payment Assistance program.

Please contact our office should you have any questions or require any additional information.

BY CITY COUNCIL PRESIDENT MARY SHEFFIELD

RESOLUTION URGING THE DETROIT DELEGATION OF THE MICHIGAN LEGISLATURE TO APPROPRIATE \$6 MILLION FOR THE DOWN PAYMENT ASSISTANCE PROGRAM

- WHEREAS** The State of Michigan, through the Michigan State Housing Development Authority (MSHDA), recognized homeownership as “an important pathway to economic vitality and mobility for our state and its residents”; and further acknowledged the substantial number of prospective homebuyers who continue to face prohibitive financial barriers, impeding their ability to achieve homeownership;¹
- WHEREAS** The State of Michigan also addresses housing challenges through innovative and sustainable solutions that promote inclusive, resilient communities; by providing financing, shaping policy, and supporting strategic partnerships, the state expands access to affordable housing and empowers families to thrive in neighborhoods of their choosing;²
- WHEREAS** In 2022, as part of a comprehensive housing stability initiative, the City of Detroit committed \$13 million of its American Rescue Plan Act (ARPA) funds to the Down Payment Assistance Program, with the goal of supporting 600 Detroiters—one-third of whom was to receive assistance to purchase the homes they were renting—demonstrating both the program’s strategic initiative as well as the urgent need for continued investment to meet community demand;³
- WHEREAS** City of Detroit officials reported the first phase of the Down Payment Assistance Program enabled renters to become homeowners with average grants of \$24,582, home prices of \$112,000, and monthly mortgage payments of \$926; with 94% of recipients being African American, the program advanced racial equity in homeownership and was praised by Gene Sperling, Senior Advisor to President Biden and American Rescue Plan Coordinator, as a potential national model for expanding housing affordability;⁴
- WHEREAS** The current eligibility for the DPA Program includes:
- Residency in the City of Detroit for the past 12 months or documented loss of a home due to property tax foreclosure in Detroit between 2010 and 2016;
 - No ownership interest in a property within the last three years;
 - Household income not exceeding 300% of the federal poverty level, adjusted for household size;
 - Completion of a HUD-approved homebuyer education course;
 - Pre-approval by a mortgage lender and possession of a signed purchase agreement for a home located within Detroit;⁵
- WHEREAS** The Detroit Down Payment Assistance Program has successfully fulfilled its initial funding allocation of \$12 million, demonstrating its effectiveness in addressing local housing needs; and in response to high demand among eligible residents, the City has paused acceptance of new applications to manage the final phase of the program responsibly underscoring the urgent need for additional state funding to sustain and expand this vital initiative;⁶
- WHEREAS** The continued expansion of the Down Payment Assistance (DPA) Program is essential, not only to support more Detroit residents in attaining the long-term financial and social benefits of

¹ Manistee News Advocate, *\$25K available for first-generation home buyers in Michigan*, *Manistee News* (Mar. 12, 2024), <https://www.manisteenews.com/news/article/25k-available-first-generation-home-buyers-20178009.php>.

² Michigan State Housing Development Authority, *Home*, <https://www.michigan.gov/mshda> (last visited May 2, 2025).

³ Nushrat Rahman, *\$203M housing plan seeks to ramp up housing options for Detroiters*, *Detroit Free Press* (July 21, 2022), <https://www.freep.com/story/news/local/michigan/detroit/2022/07/21/203-m-housing-plan-seeks-ramp-up-housing-options-detroiters/1011177002/>.

⁴ Malachi Barrett, *Detroit’s down payment program serves as national model*, *Kamala Harris says*, *BridgeDetroit* (Sept. 7, 2023), <https://www.bridgedetroit.com/detroit-down-payment-program-serves-national-model-kamala-harris/>.

⁵ City of Detroit, *Down Payment Assistance Program Eligibility Check*, <https://detroitmi.gov/webapp/dpa-eligibility-check-survey> (last visited May 2, 2025).

⁶ City of Detroit Housing & Revitalization Dep’t, *Detroit Down Payment Assistance Program*, <https://detroitmi.gov/departments/housing-and-revitalization-department/homebuyers/detroit-down-payment-assistance-program> (last visited May 2, 2025).

homeownership, but also to the advancement of economic equity and community stability; by expanding access to homeownership through targeted investment, the City addresses decades of disinvestment, enables wealth generation for historically marginalized communities, and fosters neighborhood revitalization—critical to ensuring Detroit’s sustained recovery and inclusive growth; **NOW, THEREFORE, BE IT**

RESOLVED That the Detroit City Council strongly urges the Detroit Delegation of the Michigan Legislature to appropriate \$6 million to sustain and expand the Detroit Down Payment Assistance Program, a proven vehicle for advancing equitable homeownership, stabilizing neighborhoods, and closing the racial wealth gap; **NOW BE IT FINALLY**

RESOLVED That the Detroit City Clerk will transmit copies of this resolution to the members of the Detroit Delegation of the Michigan Legislature, the Governor of Michigan, and the relevant state housing and budget officials to affirm the City’s commitment to securing long-term, transformative housing opportunities for Detroit residents.