

As developers gentrify Detroit, evictions increase

Zac Corrigan
20 June 2013

Billionaire home loan tycoon and real estate investor Dan Gilbert is anticipating a windfall from the potential bankruptcy of Detroit and is rapidly increasing his holdings in downtown Detroit. According to the *Detroit News*, Rock Ventures and entities affiliated with Gilbert, founder of Quicken Loans Inc., own or control 30 downtown buildings, which total 7.6 million square feet, for a total investment of \$1.2 billion.

In comments to the *News*, Gilbert said, bankruptcy “is a tsunami we all think is going to come. But I think it will be over relatively quickly. The faster we get there, the better. This is good news.”

For workers in Detroit and throughout the country, however, the largest municipal bankruptcy in US history would have devastating consequences. The city’s emergency manager, Kevyn Orr, has used the threat of bankruptcy to ignore state and city laws protecting pensions and demand that the city’s 20,000 retired municipal workers and their families accept as little as 10 cents for every dollar owed to them in retirement benefits.

As the *News* said, “Should Orr prevail in his attempt to reject pension obligations as unsecured claims, distressed municipalities across the country could follow Detroit’s path and imperil the financial futures of public-sector pensioners, provided those cities are able to meet the criteria for bankruptcy.”

But Gilbert—as well as other billionaires, including Little Caesar’s Pizza and sports franchise owner Mike Ilitch—is salivating over the planned “restructuring” of Detroit. Part of the plan, endorsed by Orr, is to cut off services to whole residential areas deemed too poor or underpopulated, while the “bankrupt” city subsidized business development and the expansion of upscale housing and shopping districts from the downtown to midtown areas.

The goal is to raise the land value—from \$1.25 per square foot on average—to around \$2, and so jack up rents. Hundreds of office workers—including those who work for Quicken Loans—will pay enormously inflated rents to live in the same buildings.

Meanwhile, hundreds of low-income and elderly residents who have lived in the area for decades have been given eviction notices. This includes residents of the Henry Street apartments in the Cass Corridor area, who have been ordered to leave by the end of the month. Senior citizens at the Griswold Apartments have been told to move by next year, and other area residents fear the same fate.

Reporters from the *World Socialist Web Site* spoke with residents at the Griswold Apartments. Lorna, a retired electrician at General Motors, said that after living there for five-and-a-half years, she and other residents were being given until March to clear out. “People are getting scared and leaving the apartments,” she said. “The people here do not know where to get resources, and there’s all this pressure so they get scared and leave. We have people living here for 20 years.” She told us most tenants have little information and don’t know where they will go. The owners are neglecting to keep the place up now that the residents will all be leaving.

Another tenant told WSWs reporters “I’m not going to move anywhere in Detroit; it’s not safe. Gilbert is buying up downtown, its prime real estate. No one will be able to afford the new prices,” he continued, adding that rent is now \$800 a month, and he expects it to go up to \$2000.

Linda, a resident of the neighboring Industrial Stevens building, who met WSWs reporters outside Griswold, said she hadn’t known that the residents were being evicted. After finding out, she invited

reporters to her building's community meeting that afternoon.

During the meeting, a WSWWS reporter explained that the eviction of the Griswold residents was a part of a plan by the wealthy elite to gentrify areas of Detroit and force poor residents out. Nearby Pontiac, Michigan was a model for Kevyn Orr, having been picked to the bone under an emergency manager since 2009. "There, the city workforce has been reduced from 600 employees down to 50. The city no longer issues building permits, provides water and sewage services, EMS service, trash pickup, cemetery maintenance or animal control. The police and fire departments were also disbanded, and residents now have to rely on the county, and neighboring cities' police and fire service. This gives a taste of what Orr has in store for Detroit," he said.

He placed the attack on Detroit in the context of the global crisis of capitalism, explaining that Detroit was being used as a "test case." What the elite is able to get away with in Detroit, he said, "it will attempt to impose elsewhere across the country." He drew comparisons to the situation in Greece, where elected officials have also been replaced by bankers' representatives, and the working class is under severe attack.

The reporter explained the campaign of Socialist Equality Party candidate D'Artagnan Collier, who is running for mayor of Detroit. "The attacks on the working class," he said, "could only be stopped, and reversed, by a politically independent working class party, which seeks to transform society to serve human need, not private profit."

These remarks were met with great interest by residents who asked for more information about the SEP and how they could unite with the Griswold and Henry Street residents to oppose evictions and the broader attack on the working class being carried out by Orr and the banks he represents.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact