

Gentrification of downtown Detroit producing huge profits for the rich

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“I would bet you that of the 100 people who moved out of here, 95 of them are happier today. You can’t even wrap your imagination around what this place once looked like—it was beyond a dump.” So wagered Todd Sachse, referring in a recent *Detroit Free Press* interview to the working class senior citizens he evicted en masse from the Griswold Building in downtown Detroit in March 2014 to make way for “The Albert” luxury apartments.

These comments reveal the callous indifference not only of Sachse but an entire layer of wealthy developers and investors who are kicking out low-income and poor residents and buying properties for next to nothing. The wave of gentrification sweeping the downtown Detroit area is part of the bankruptcy restructuring of the former Motor City. For workers, the process has meant savage pension and health care cuts, evictions, foreclosures and skyrocketing rents. For the rich, tax credits, land giveaways and huge profits have been the order of the day.

The Griswold Building, erected in 1929, was designed by Albert Kahn, the famed “Architect of Detroit.” For the past several decades, it was home to retired and disabled workers on fixed incomes whose rent was subsidized by the government under Section 8 of the Housing Act of 1937.

Sachse’s remarks suggest that the tenants were chiefly responsible for the miserable conditions that existed in the building. In reality, in the years leading up to the evictions, the previous owners did little or nothing to maintain the building, allowing it to deteriorate while increasing their own personal fortunes at taxpayer expense.

Whatever minor improvements took place, including addressing horrific problems like a major bed bug infestation, were only the product of the persistence of

the tenants who demanded action from the landlords. Far from being crushed and demoralized, the tenants, many of whom included former auto workers and other industrial workers involved in Detroit’s past social struggles, fought to maintain a dignified place to live and had to fight tooth and nail against the indifference of landowners and federal and local housing agencies. Facing eviction, the tenants organized and issued an appeal to the working class of Detroit to defend their right to decent, low-cost housing (see: “Griswold tenants speak out on threatened eviction”).

Damage to several floors from a fire in 2012 had still not been repaired by the time of the eviction more than a year later. Rather than holding those responsible to account, the Detroit City Council awarded Sachse a Commercial Rehabilitation Exemption Certificate upon his purchase of the dilapidated building, allowing the wealthy real estate developer to avoid paying taxes on the property for up to 10 years.

As for the suggestion that the evictees are happier today, in fact at least three of them have since died, including Vanessa Hicks (February 1953–November 2014). Vanessa was one of the most outspoken opponents of the mass eviction. In July 2013, in its third-floor community room whose spacious balcony overlooks Capitol Park, the tenants held a meeting to oppose the eviction. At the time, Vanessa told the *World Socialist Web Site*, “In this building we’re like a family. If you break up Griswold it’s like breaking up ‘The Griswolds.’” She voted to draft an “open letter to Detroit area citizens,” which asserted that “high-quality housing is a social right that must be guaranteed to all.” (See: “Detroit seniors appeal for support to fight evictions”)

“I believe Vanessa would be alive today if we were still living there,” said Debra Miller, who was also

evicted. “She only knew a few people where she moved to, and they weren’t aware of her diabetes condition and certainly didn’t help her in taking care of things. Some of the oldest tenants had been in Griswold for over 20 years. Our building was an entire neighborhood and each floor was like its own block. We looked out for each other.

“They did us wrong, like they are doing all working people wrong. Dan Gilbert, Todd Sachse and all the politicians are working together against the ordinary people. What really infuriates me is that no one is made accountable for what is happening. The rich are getting much richer and we are losing everything,” Debra said.

Karen, a former teacher, who was also forced out of the building, said she is now paying \$550 of her \$850 monthly income on rent, and looking for something better. Other evicted tenants moved to other Section 8 housing in the city only to find their new apartments infested with bed bugs, after having just struggled to get them removed from Griswold.

Debra, a member of the Detroit Workers Action Committee initiated by the Socialist Equality Party last year, spoke on what is in store for other workers living in Section 8 buildings in the downtown area. “When you look at what is now happening downtown with the increase in rents and all the money pouring in, what was done to us will happen to others living in Section 8 buildings as well.

“We were fighters at Griswold. We voiced our opinions and fought to get improvements. They decided to get rid of that opposition by cutting off the head and making us move.”

Most Section 8 apartments rent for about \$1.25 per square foot, and with the US Department of Housing and Urban Development (HUD) subsidizing the tenants, many paid as low as \$150 per month for an 800-square-foot apartment. Three months after the evictions, the Griswold building reopened as The Albert and became the first building in the city to boast \$2-per-square-foot rents. Four other Section 8 high-rise buildings are within a few blocks.

Today, after \$8 million in renovations at the building, rents at The Albert—with its 24-hour concierge service, fitness center, and pet grooming room—have been eclipsed by the newly renovated David Whitney Building on Grand Circus Park, whose 108 units rent for slightly more than \$2 per square foot (\$2,500 for a

two-bedroom) and are fully booked.

Tenants at 1217 Griswold, an artist loft apartment building near the Griswold/Albert, were evicted in a similar fashion around the same time. Their building was purchased by Bedrock, the firm belonging to real estate and mortgage tycoon Dan Gilbert (net worth \$4.1 billion) who owns 60 buildings in “greater downtown.” If rents at that building likewise reach \$2 per square foot, it will represent a nearly tenfold increase in the value of the property.

For years, thousands of employees at Gilbert’s Quicken Loans and other major companies located downtown were given cash incentives to move downtown, a policy that also contributed the area-wide rent hikes. Now, many of these employees are unable to afford the new rates.

The WSWs asked Debra what lessons she learned from this experience. She replied, “Working people need to come together and take control. We need to run things. The rich are trying to destroy our spirit and our souls and the only way we can prevent this from happening is to become educated and learn to think for ourselves. The issue is not protesting to the existing system but of changing it as a whole.”



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