

# Housing Crisis, Bankruptcies, Schools, Water: Michigan Struggles Expose Failure of Ruling Class Policies

By [Abayomi Azikiwe](#)

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*From massive tax foreclosures, water shut-offs and failed school governance plans to the poisoning of residents in Flint, the political bankruptcy of bank-led policies are laid bare.*

*Members of the Moratorium NOW! Coalition and other community-based organizations held a demonstration outside the Wayne County Treasurer's Office on March 23 demanding a moratorium on the scheduled 30,000 tax foreclosures set for March 31.*

During 2015, a similar campaign was waged that won a halt to tax foreclosures for approximately 70 days allowing residents of Wayne County to make arrangements to pay their obligations. This postponement of the foreclosures last year by the Treasurer's Office only provides a temporary measure to ease the flow of the inevitable dislocation of tens of thousands more people around and outside the city.

Just one week prior to the protest, a delegation of activists from Moratorium NOW! Coalition, Detroit Eviction Defense, Russell Woods Neighborhood Association, Charlevoix Village Association, residents of Rosedale Park, Woodbridge and others, met with acting Treasurer Eric Sabree to call for a halt to the massive foreclosures which will drive more African American, Latino and working class people out of the city and county of Wayne.



Abayomi Azikiwe on right at Wayne County Treasurer March 23, 2016

Sabree and his staff said they could not declare a moratorium since it was against state laws and that they had no alternative except to foreclose on occupied homes. He pointed to the numerous programs available to assist homeowners short of a total halt to the seizures.

Pat Driscoll of Detroit Eviction Defense pointed out that during the previous decade there were instances of former Treasurer Raymond Wojtowicz removing thousands of homes from the foreclosures roles. Erroll Jennings of Russell Woods on the city's west side, brought deed abstracts from his family home documenting property tax moratoriums imposed in the mid-1930s.

At the March 23 demonstration outside the Treasurer's Office, several of the participants were themselves victims of the housing crisis. Jennette Shannon of Detroit Eviction Defense has faced down over twenty eviction attempts by the courts where she has fought to keep her own fraudulent land contract purchased home on the northwest side.



Abayomi Azikiwe Photos at Anti-Evictions Demonstrations

With the large scale foreclosures of homes, small businesses, churches and lots in the city, so-called "investors and developers" are given priority for purchasing over those seeking to redeem their homes. These real estate scavengers have bought thousands of structures and vacant land in the city resulting in many cases of them reselling these homes without paying back property taxes and other liens.

Consequently, when working class people buy these houses through land contracts they are often swindled out of their homes and hard earned money. Within months they are often sent eviction notices for non-payment of taxes including water bills that are placed on the

delinquent notices.

Shannon said outside the Treasurer's Office that "I received 400 delinquent water bills for commercial accounts. My backyard was mortgaged for \$300,000 after the home was divided into two separate parcels without my knowledge."

One major reason why people are buying homes on land contracts is because the banks are not writing mortgages in the city. In 2015, there were less than 400 mortgages issued for the entire city of nearly 700,000 people.

Nonetheless, after the homes are seized by the County, thousands wind up being taken over by the Detroit Land Bank Authority (DLBA) which is the largest property owners in the city. A Detroit Blight Removal Task Force is chaired by Dan Gilbert, the owner of Quicken Loans, one of the major players in the current crisis of forced removals and privatization.

After occupied foreclosed as well as abandoned homes and businesses are identified for seizure by the Blight Task Force, they are taken over by the DLBA. Every month hundreds of homes are taken over through the Wayne County Circuit Court which is overseen by Judge Robert E. Colombo, Jr.

#### Financial Interests to Blame for Housing Problems

Moreover, what cannot be overlooked is the underlying causes of the housing crisis in Detroit and Wayne county, and that is the central role of the banks through the initiation of predatory loans schemes during the 1990s and early 2000s, which resulted in tens of thousands of evictions and the further deterioration of the neighborhoods across the city and its suburbs.

Political officials, either not understanding the magnitude of the crisis or unwilling to confront the perpetrators repeatedly refused to impose a moratorium on the actions of the banks through the declaration of a state of emergency based on the concrete conditions facing the municipalities.





Abayomi Azikiwe Photos at Anti-Evictions Demonstrations

The failure of local governmental entities to stand up to the banks, and the successive Democratic and Republican governors and legislatures in Lansing, has worsened the continuing crises of community desolation and disinvestment. Michigan was the only state to lose population in the last census period of 2000-2010, further weakening municipalities and school systems.

#### Schools and Municipal Services Collapsing in Michigan Crisis

These same bank-led policies constitute the basis of the Detroit Public Schools debacle, where new legislation is in the works to further disenfranchise local people. The corporate media never mentions that effective control of the DPS has been the official policy of the state since 1999 under the-then Governor John Engler.

After over five years of direct state administration, a board was elected in 2005 which was still heavily corporate dominated. By 2009, yet another emergency manager was appointed who was only accountable to the governor, then Democrat Jennifer Granholm.

When Engler took over the DPS in 1999 the system had a \$93 million surplus along with a voter approved \$1.5 billion in bond funding designated for school improvement. Under emergency management the system is on the verge of bankruptcy with a reported \$3.5 billion debt.

Conditions are so deplorable that teachers have engaged in wildcat strikes demanding better working conditions. Buildings have been neglected under this form of administration where mold, water leaks, lack of heating and other problems are not addressed.

Part of the new state legislative plan places significant control of the DPS under Mike Duggan, the first white corporate-installed mayor in four decades. Many Detroit educators believe this is just another scheme to siphon public money allocated for schools into the coffers of private interests.



Abayomi Azikiwe Photos at Anti-Evictions Demonstrations

Richard Clay, a former Detroit Public Schools teacher said during the March 23 demonstration at the Treasurer's Office, that "the present plan is designed to finish off the system for good."

Also the water crises in both Flint and Detroit stem from a privatized governance model that endangers hundreds of thousands through massive shut-offs and the poisoning of residents.

Emergency management functionaries in Detroit during the bankruptcy proceeding acknowledged that the massive water shut-offs were part of the restructuring of the city.

Although a two month moratorium was declared on water shut-offs after pressure was exerted through mass and legal actions led by the Moratorium NOW! Coalition during July 2014, a task force established by the Duggan administration and the City Council has rejected any form of an "affordability plan" for recipients of both the Detroit Water and Sewerage Department and the Great Lakes Regional Water Authority.

These developments in Michigan illustrate clearly the disastrous consequences of corporate rule over municipalities and state structures. Other states around the U.S. are suffering similar problems that are manifested through school closings, teacher lay-offs, privatization of public services, the evictions of working class and poor residents, escalating police and

judicial repression, environmental degradation, burgeoning poverty, etc.

Only the redistribution of wealth stolen from city residents can begin to ameliorate the problems of declining schools, neighborhoods and municipal services. A mass movement led by workers, residents, students and youth is the only alternative to worsening austerity under corporate control.

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