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Private Initiative in a Detroit Neighborhood

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In an era where government has embraced the idea of marrying taxpayer money with voluntary, non-profit organizations, the spirit of people coming together for common purposes, without the aid of government grants, continues in the city of Detroit.

You can find this spirit in the Boston-Edison neighborhood, four miles north of downtown Detroit. Once a wealthy suburb, it was home to Henry Ford and Sebastian Kresge (of Kmart fame). The 900-home, 36-block area was also the home of Motown Records founder Berry Gordy Jr. and boxer Joe Louis, among other notables.

In 2002, the Metro Times called it "one of the most appealing neighborhoods in Detroit," and "a sort of residential oasis in a city that is far too often concrete and gray."

If the neighborhood is an oasis, it's in large measure because residents have worked to make it that way. In 1990, they created Boston-Edison Development Inc. (BEDI). "Betty," as residents call it, is a 501(c)(3) organization dedicated to neighborhood improvement, buying and fixing up houses. It tries to sell the houses to families seeking to buy a home rather than investors wanting to flip or rent out the property.

Over the years the group has purchased, rehabbed and sold seven houses, most through the tax-foreclosure process. (An eighth, at 1403 Longfellow, is on the market.) The financing and fix-up costs on each house are significant, which sometimes requires a complete gutting and costs more than \$100,000 per residence. The group also has to pay delinquent taxes on the houses.

Where does BEDI get the money for its work? It would be understandable if you said "government grants," but you'd be wrong. In a telephone interview, BEDI President Marilyn Mitchell said the group receives no taxpayer funding. Sometimes it has been able to turn a profit on its projects, but those have been meager.

The endeavor was seeded with loans, in \$500 increments, from residents and friends. Though the two-year notes earn interest at a rate of 3.5 percent per year, most people roll their investments over when the notes are due. According to the most recently available IRS filing (2006), the organization's loan pool was \$146,347.

(By contrast, Southwest Housing Solutions Inc. received \$883,931, or one-quarter of its income, from government grants during 2005. The Church of the Messiah Housing Corp., meanwhile, received over \$360,000 — more than half its total support — from government grants in 2007. Both groups also operate in Detroit.)

In addition to the loans given by friends and residents, BEDI has relied on the community development corporations of banks, sometimes taking out loans and sometimes going into equity partnerships with the banks.

In addition to rehabbing houses, residents promote the neighborhood through a Web site (www.historicbostonedison.org) that features other homes for sale. At the time of this writing, list prices range from \$5,000 to \$675,000, though some homes in the neighborhood have been listed for \$900,000 in recent years. The site provides a photograph for each home, as well as a link to the Multiple Listing Service and, when applicable, information about former owners of historic significance.

BEDI grew out of the Boston-Edison Neighborhood Association, which was started in 1921. Today members pay \$40 a year to support the association, which holds a number of events throughout the year, including picnics and a holiday home tour of selected residences.

In October 2008, the neighborhood drew the attention of the Wall Street Journal. Staff writer James R. Hagerty noted the challenges now facing the association. As far back as 2005, he wrote, residents started to note a rising number of vacancies. Today, one in five houses is vacant.

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and disorder can lead to more serious trouble. Residents have acted on that premise, taking steps to make sure that empty houses don't look neglected. Among other things, they park cars in neighboring driveways and install motion detectors in vacant homes.

Desiree Cooper, a reporter from the Detroit Free Press, called Ava Tinsley "a dose of hope." Tinsley organized a neighborhood cleanup that benefited from the help of non-violent drug offenders who needed a project for their community-service requirements. The convicts helped clean up trash, an exercise that might also yield fruit elsewhere. One convict who participated in the cleanup told Cooper that it helped change his attitude: "It made me realize that I can't just go around throwing my garbage out of the window - somebody has to clean it up."

The association also provides residents a way to enrich their lives. For example, it encourages residents to sign up with a private security firm that fills in the gaps left by the city's police force. Residents who subscribe (\$30 a month) can call on the service to escort them home during late hours. They can also receive electronic monitoring of their home and know that the firm will also patrol nearby. One resident even provides home-cooked meals to neighbors who move in and start renovating.

The neighborhood association, for all the good it does, faces obstacles, many of which are created or aggravated by poor public policy. These include the meltdown of the financial industry, the collapse of the housing market, high property taxes and the abysmal quality of Detroit's government and public school system.

Politicians of all stripes like to think that they can revitalize communities through creating new bureaucracies (VISTA, Americorps) or doling out taxpayer money. But ordinary people, such as those of Boston-Edison, are perfectly capable of promoting the common good. Even when government can't act.

LaPlante, a Michigan native and graduate of Kalamazoo College, is a policy consultant and freelance writer who blogs for The Detroit News. He has written for Michigan Privatization Report about employee leasing and government-owned ski resorts.

Publication: [Michigan Privatization Report](#)

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