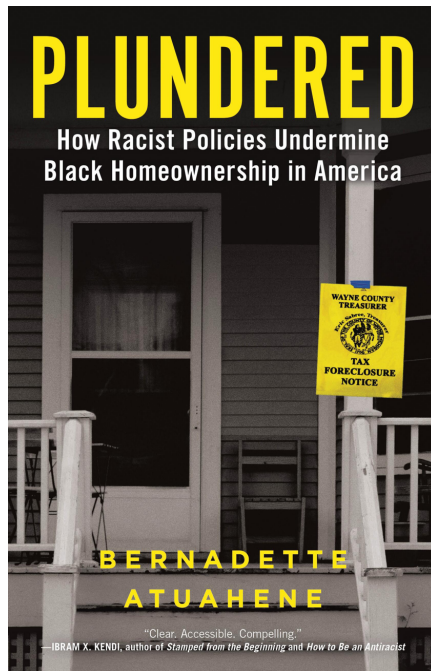


Plundered Book Club Discussion Guide



Part I: The Origin of Racist Policies: A Tale of Two Grandfathers

Key Concepts

- Racist policies are any written and unwritten laws and processes that produce or sustain racial inequity.
- Comparing the Browns and the Buccis shows how racist policies compound to impact the intergenerational wealth of two families—one Black, one white—that came to Detroit during the same period.
- Policymakers often deploy narratives of personal irresponsibility to explain poverty. Another paradigm seeks to blame evil, corrupt individuals or groups. Both of these discussions draw attention away from the true culprit—racist policies.
- In middle- and lower-income families, housing is the primary source of intergenerational wealth transfer.
- The racial wealth gap is not just the result of historic practices, but also contemporary racist policies that continue to strip intergenerational wealth from Black communities.

Key Quotes

- “Once racial covenants corralled Blacks into a few neighborhoods, the federal Fair Housing Administration (FHA) drew a red line around these communities, declaring them a hazardous credit risk and excluding them from its government-insured mortgages created by the New Deal

to spark the economy and exit the Great Depression. . . . Redlining marked Black people as deviants, transforming them into a plague, their mere presence becoming enough to weaken home values and initiate neighborhood decline.” p. 32.

- “The federal government has never taken responsibility for the fact that, by cutting off investment in Black neighborhoods through redlining, it manufactured the blight that its urban renewal programs sought to erase.” p. 48.
- “Along with blockbusting, redlining, and urban renewal, the city, county, and state property tax policies, while racially neutral on their face, disproportionately impact African Americans, and hence are a quintessential example of racist policies, which operate silently in the background. Victims are left foregrounded and thus drawing all the blame.” p. 85.

Questions for Reflection

- Has anyone in your family inherited a home? Whether the answer is yes or no, how has this impacted your family’s ability to accumulate wealth?
- Homeownership can be a source of identity, legacy, and community. What did homeownership mean to the Browns and the Buccis? What does homeownership mean to you?

Questions for Deeper Discussion

- Atuahene discusses three codified racist policies: redlining, racial covenants, and land contracts. She explains that racist policies can also be unwritten laws and processes, like the mob violence faced by Dr. Ossian Sweet after he moved to a white suburb, discussed in Chapter 2. What other unwritten racist policies stood out to you?
- In Chapter 3, we learn that in 1948, the Supreme Court’s decision in *Shelley v. Kraemer* outlawed racially restrictive covenants, which are private agreements in deeds to specifically prohibit certain racial groups from occupying and owning homes. Then, in 1968, the Fair Housing Act outlawed housing discrimination. In light of these legal developments, why have African Americans not moved into suburban communities in significant numbers?
- In what ways were the federal government’s urban renewal programs racist policies?

Part II: The Consequences of Racist Policies: The Granddaughter’s Pain

Key Concepts

- Individual efforts are no match for broken systems.
- People living below the federal poverty line qualify for a property tax exemption. Many people didn’t receive this entitlement due to a lack of information and overly complicated application process.

- Since 2009, one in three Detroit homes completed the property tax foreclosure process.
- Energy insecurity refers to individuals and families who occupy older homes with extensive structural damage, energy inefficiencies, unhealthy home temperatures, dangerous coping strategies, and high utility bills.

Key Quotes

- “[A] study shows that between 2009 and 2015, Detroit’s Office of the Assessor overvalued between 53 and 84 percent of Detroit homes in violation of the Michigan Constitution. Since Detroit’s entire system for valuing homes was in error, the appeals process could not possibly fix this type of systemic malfunction.”
- “By law, the treasurer is required to physically attach notice of a home’s impending property tax foreclosure on the property, providing public notice that the government is on the verge of confiscating a citizen’s home, an act of legal violence with intergenerational resonance.”
- “Despite pervasive systemic inequalities—such as the City of Detroit illegally inflating property tax assessments and curbing access to the poverty tax exemption, banks’ limited lending in the city, poor health care access, employment discrimination, and lack of investment in the social safety net, which leaves many women with unduly onerous care obligations—Myrisha’s personal narrative nevertheless focused on her failings as an individual. Unjust, invisible, formless systems had no shoulders on which to carry blame. Only Myrisha did.”

Questions for Reflection

- Myrisha emanated resilience in the face of challenge after challenge. In addition to experiencing a property tax foreclosure, an eviction, and the legal and bureaucratic processes leading up to those events, Myrisha also navigated job losses, supported her extended family financially, was constantly disappointed by her children’s father while trying to keep her family intact, and grieved for deaths in her community. Did a particular obstacle in Myrisha’s story resonate with you?
- Why didn’t Myrisha just leave the Baylis home behind? Did you ever have a strong emotional tie to a home that you occupied?

Questions for Deeper Discussion

- In Chapter 6, Atuahene connects Myrisha’s caretaking responsibilities to an eroded social safety net. How could a robust social safety net have changed Myrisha’s experience?
- Why were many homeowners in danger of losing their homes through property tax foreclosure crippled by shame, and how did the presence of yellow bags on almost every door on the block begin to lift that shame?

- What were some of the hurdles that Myrisha and other poor homeowners faced when trying to secure help from the government?
- How would you summarize the Great Recession's role in plummeting real estate values in majority-Black cities?

Part III: Businesses that Profit from Racist Policies: Buying Stolen Homes

Key Concepts

- Outsourcing demolitions to land speculators saved the city costs, but imposed additional costs when the city sought to buy back that land for development projects.
- Dwayne's real estate business opened many doors for Dwayne, and provided habitable housing for his tenants. The crack in his rags-to-riches story is that he has bought homes from the property tax foreclosure auction, and some of those homes would not have gone into foreclosure but for the overassessed property taxes.
- To challenge slumlords and noncompliant investors, Detroit issued blight tickets for violations of the Detroit Property Maintenance Code. Detroit also brought lawsuits against properties designated a "nuisance," and sued owners of multiple properties for unpaid property taxes.
- Some of the homes the O'Gradys acquired were occupied. Other homes, although unoccupied, still housed family histories and hopes of reclaiming neighborhoods.

Key Quotes

- "[O]ne study shows that between 2011 and 2015, 10 percent of all Detroit homes — and 25 percent of the lowest-valued ones — would not have gone into tax foreclosure if not for the illegally inflated property tax assessments."
- "Each year, the couple used Wayne County's long list of tax foreclosure properties to construct a short list of target properties. Then they drove by each one, evaluating the neighborhood and glancing over the home's facade to assess its condition. The couple was looking for several features, including blocks where the majority of homes were occupied and neighbors routinely mowed their grass in the summer and shoveled their snow in the winter."
- "A review of Dwayne's real estate portfolio reveals that he is not only a predator but also prey. Like most owners of lower-valued homes, the City of Detroit is currently inflating the estimated market value of his investment properties in violation of the Michigan Constitution, which in turn inflating his property tax bills. The only thing he can do to stop this is to file a property tax appeal. When asked whether he has ever filed an appeal, Dwayne responded, "No, I did not know about that." p. 206.

- “[O]ccupied homes gave auction buyers several options: they could either obtain an immediate income stream by renting the home to its existing occupants; evict the existing occupants and find new tenants; sell the home to another investor with the paying tenant increasing the transaction’s appeal; sell the home to its occupants on a land contract; or evict the tenant to renovate and resell the home.” P. 230.

Questions for Reflection

- Atuahene tells the stories of Dwayne Davis and Ms. Hazel Thompson, describing them as both predator and prey. Do you agree with this metaphor?
- In Chapter 11, Dwayne had a hard time acknowledging the connection between his real estate empire and the city’s illegally inflated property taxes, which led to an unprecedented number of property tax foreclosures. How do you feel about the acquisitions he made from the Land Bank and auction?
- Do you feel differently towards John Hantz, Michael Kelly, the O’Gradys, Beatriz, Dwayne, and Ms. Thompson, although each of them profited from delinquency and tax foreclosure in Detroit?

Questions for Deeper Discussion

- What is a modern form of redlining that we find in Detroit and other majority Black spaces?
- Atuahene tells heartbreaking stories, including that of Mr. Karl and Jack, who lost their homes over taxes they should have been exempted from paying. Thirty percent of Detroit’s population qualified for this tax exemption. Why were so few people able to access it?
- In Chapter 8, we meet Jerry who was a typically high-capital investor; also in Chapter 8, we meet Beatriz who was a typical low-capital investor. As experienced by the occupants of their properties, what were the differences between the two?
- How do land contract sales beget tax foreclosures and evictions?

Part IV: Government Entities that Profit from Racist Policies: The Grandson’s Plan

Key Concepts

- White flight and racialized disinvestment predisposes majority-Black cities to financial distress.
- Between 2015 and 2019, Wayne County relied on \$286 million from the revolving fund to pay its budget deficit. Involved parties agree that, although morally dubious, these transfers were Wayne County’s only option to avoid bankruptcy and emergency management.

- After a county sold a property at the tax foreclosure auction, a Michigan law allowed the county to retain surplus profit even after the outstanding tax bill was paid off. Both the Michigan and U.S. Supreme Courts have since declared this practice illegal.

Key Quotes

- “Although Wayne County suspended construction, they could not suspend the \$14.3 million in bond debt service due annually. The County had borrowed money to pay for the jail, and the creditors demanded their money; the construction crews needed their money; and the lawyers suing the project manager would not be denied their money. The County, however, was out of money.”
- “Because of the revolving fund surplus, in 2016, Wayne County concluded the consent decree and emerged from State oversight, convalescing financially but broken morally.
- “The Great Recession was a shipwreck, and Wayne County stayed afloat by desperately clinging to the debris left by property tax delinquencies and foreclosures, occurring primarily in Detroit to people like Myrisha. When, under Warren, the County began to use the revolving fund even after the storm was over, it converted this debris into a pirate’s ship. Most detrimentally, these morally questionable practices have contributed to the Detroit metro area’s long-standing racial divide.”

Questions for Reflection

- Have you ever lived in a city with economic challenges? What was that experience like?
- We end Chapter 16 with a complicated hero, who led a remarkable economic resurgence but also relied on questionable funding sources. Are there examples of other complicated heroes in your life or community?
- Initially, who did you think was making the most profits from property tax delinquency and foreclosure in Detroit? Were you surprised to discover that it was Wayne County?

Questions for Deeper Discussion

- In 1999, Michigan moved away from the property tax lien system. What were its drawbacks?
- Describe the 2014 Turnaround Plan penned by former county executive Robert Ficano and executed by current county executive Warren Evans.
- Why is the revolving fund characterized as “blood money”?

Additional Resources

- Coalition for Property Tax Justice (<https://www.illegalforeclosures.org/>) is a group of Detroit advocacy groups gathering research and legal resources to fight against over-taxation and for property tax justice.
- Christopher Berry, “Reassessing the Property Tax,” last modified March 24, 2021, https://law.yale.edu/sites/default/files/area/center/corporate/spring2022_paper_berrychristopher_2-24-22.pdf.
- Carlos Avenancio-León and Troup Howard, “The Assessment Gap: Racial Inequalities in Property Taxation,” *Washington Center for Equitable Growth*, (June 10, 2020). <https://equitablegrowth.org/working-papers/the-assessment-gap-racial-inequalities-in-property-taxation/>.
- Bernadette Atuahene, “Predatory Cities,” *California Law Review* 108, no. 1 (Feb. 2020). <https://www.californialawreview.org/print/predatory-cities/>.
- Bernadette Atuahene, “Congressional Testimony of Professor Bernadette Atuahene” to the Working Group on Compensation for Illegal Property Tax Assessments, (July 29, 2019). <https://docs.house.gov/meetings/BA/BA09/20190802/109878/HHRG-116-BA09-Wstate-AtuaheneB-20190802.pdf>.
- Alexa Eisenberg, Roshanak Mehdipanah, Ted Phillips and Michele Oberholtzer, “Preventing Owner-Occupied Property Tax Foreclosures in Detroit: Improving Access to the Poverty Tax Exemption,” *University of Michigan Poverty Solutions*, Dec. 2018, <https://poverty.umich.edu/files/2018/12/PovertySolutions-PovertyTaxExemption-PolicyBrief-r2.pdf>.
- Bernadette Atuahene and Christopher Berry, “Taxed Out: Illegal Property Tax Assessments and the Epidemic of Tax Foreclosures in Detroit.” *UC Irvine Law Review* 9, no. 4 (May 1, 2019): 866. <https://scholarship.law.uci.edu/ucilr/vol9/iss4/3>.
- Bernadette Atuahene, “‘Our Taxes are Too Damn High’: Institutional Racism, Property Tax Assessments, and the Fair Housing Act,” *Northwestern University Law Review* 112, no. 6 (June 2018) <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1348&context=nulr>.
- Bernadette Atuahene and Timothy R. Hodge, “Stategraft,” *Southern California Law Review* 91, no. 2 (2018) https://southern.californialawreview.com/wp-content/uploads/2018/01/91_263.pdf.

