



# **Downsizing Detroit**

**DTE Regional Managers  
May 17, 2012**

**Eric Lupher  
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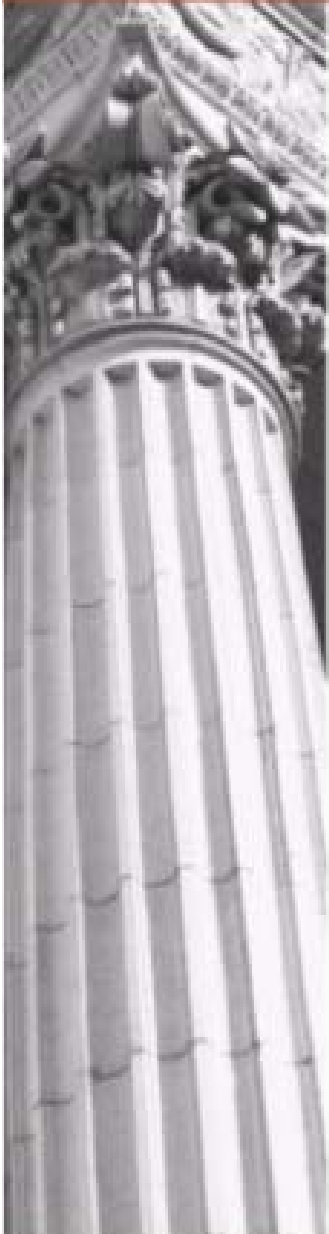


## **Citizens Research Council of Michigan**

- Founded in 1916
- Statewide
- Nonpartisan
- Private not-for-profit
- Promotes sound policy for state and local governments through factual research
- Relies on charitable contributions from Michigan foundations, businesses, organizations, and individuals



# CITIZENS RESEARCH COUNCIL OF MICHIGAN



2004 Ray A. Akey



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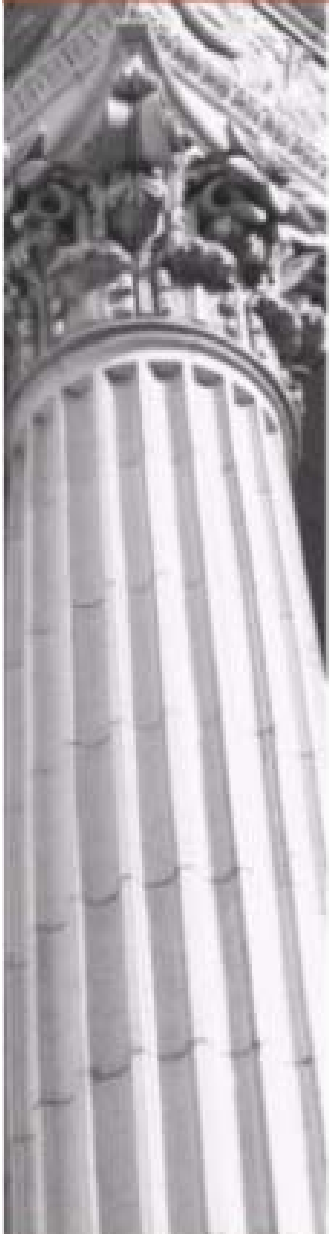
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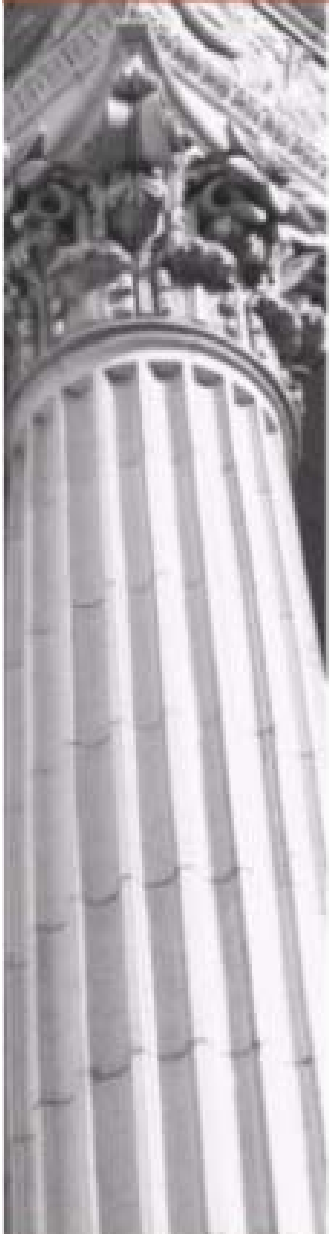


Courtesy of Detroit Free Press





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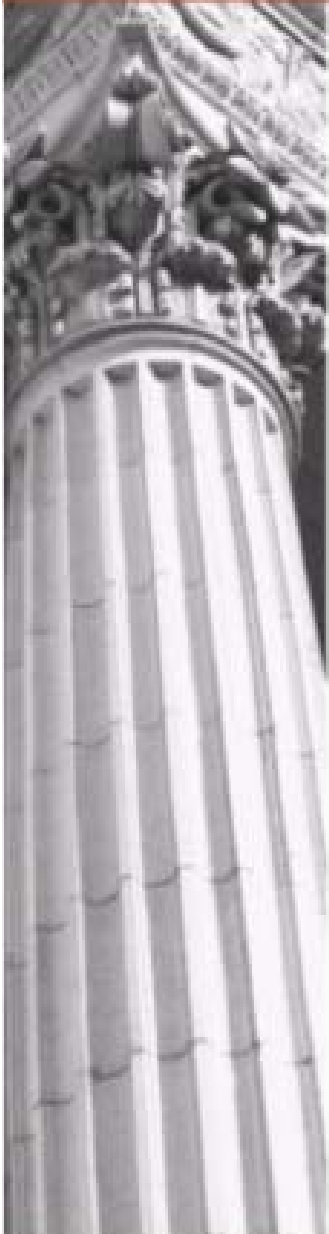
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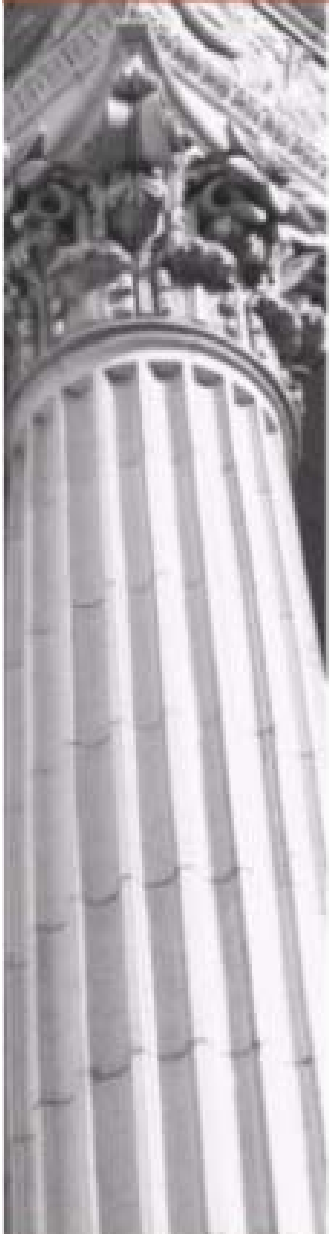


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**1 EAST OF THE RENAISSANCE CENTER:** Several blocks east of Detroit's Renaissance Center have been cleared over the years to make way for new developments that so far haven't happened. Much of this land, but not all, is owned by the city.

Courtesy of Detroit Free Press





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**2 BRIGHTMOOR NEIGHBORHOOD:** Once filled with modest cottages for workers at Ford's nearby Rouge plant, Brightmoor is now one of the city's districts most devastated by blight. However, there is also a strong community-gardening movement there.

Courtesy of Detroit Free Press



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**3 ELGIN & GILBO AND VICINITY NEAR CITY AIRPORT:** The blocks west of the Coleman A. Young International Airport (City Airport) are among the most vacant in the city. Entire blocks that once formed a residential neighborhood are now mostly rural-like.

Courtesy of Detroit Free Press





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**4 I-94 INDUSTRIAL PARK:** The city cleared away hundreds of houses in this district in hopes of sparking an industrial turnaround, but so far the vast majority of the nearly 200-acre site remains empty.

Courtesy of Detroit Free Press



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**5 EAST JEFFERSON NEAR THE CHRYSLER JEFFERSON PLANT:** This site, consisting of several acres across the street from Chrysler's Jefferson North Assembly Plant, has been vacant for about 20 years and is controlled by the city.



Courtesy of Detroit Free Press

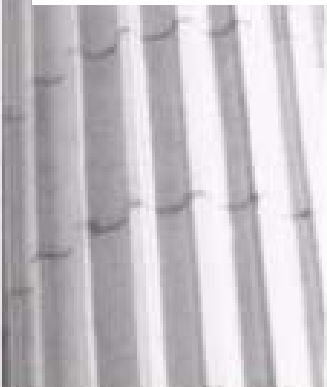




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**6 CLARK STREET TECHNOLOGY PARK:** Like the I-94 Industrial Park, this is another of the city's potential sites for new industry that remains largely vacant due to a lack of demand. The site measures 40 acres in total, and the zoning is heavy industrial.



Courtesy of Detroit Free Press



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**7 REVERE COPPER:** Located on the city's west riverfront near Historic Fort Wayne, this former industrial site has been empty for years and is now mostly overgrown.

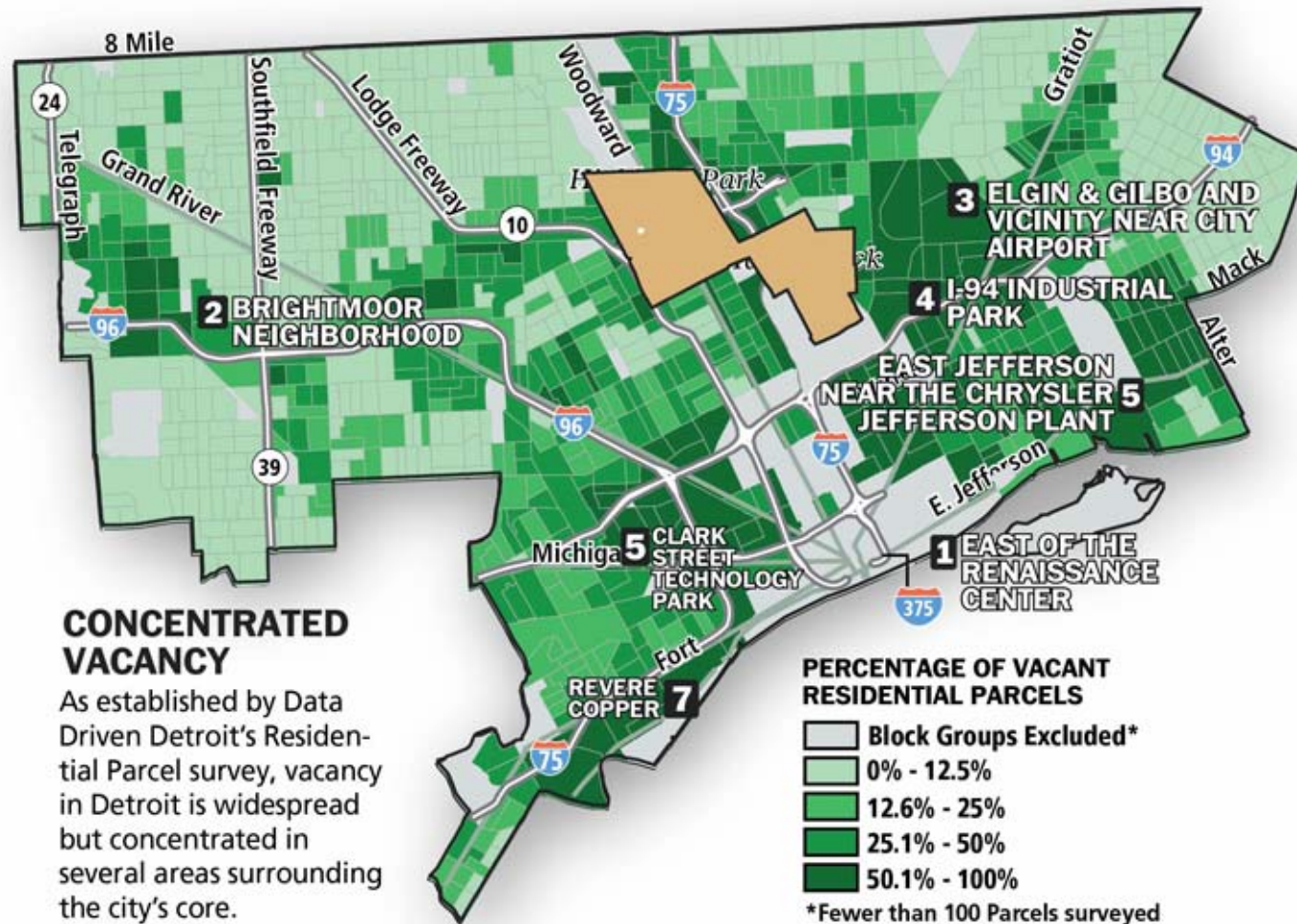


Courtesy of Detroit Free Press





## Concentration of Vacancy in Detroit



Courtesy of Detroit Free Press





## Rise of Detroit – 1701 - WWII

- Straights of Detroit
  - Lakes Michigan, Superior, Huron feed into Lakes Erie and Ontario
  - Pelts, lumber, iron ore
- Underground Railroad
- Manufacturing – Automobiles
- “Arsenal of Democracy”





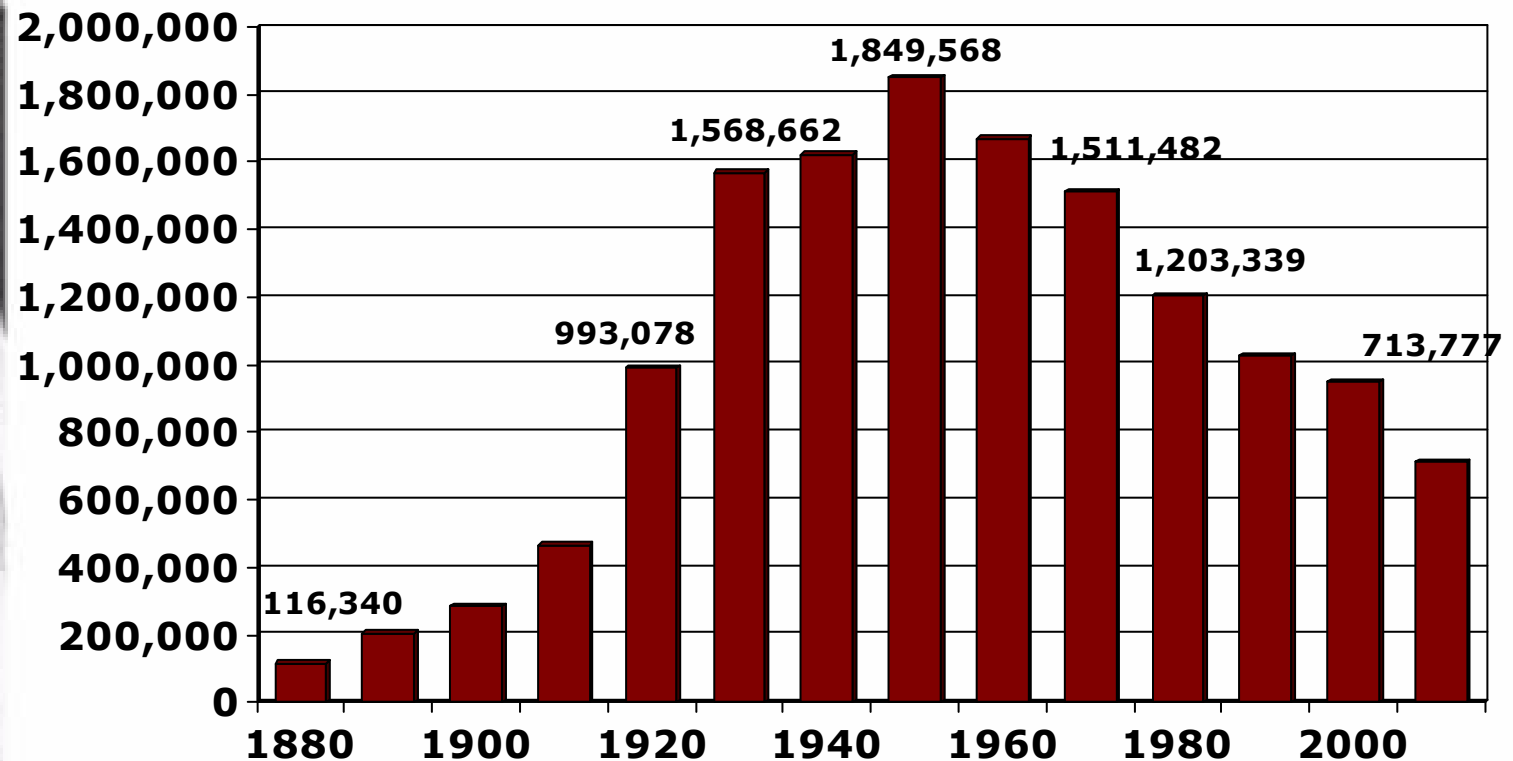
## **1952 - Present – Detroit's 60-Year Hurricane**

- 1952 - 2.1 million people  
Federal interstate system
- Baby Boom – Autos –  
Middle Class
- Shopping Malls
- Race Riots
- Robotics in assembly line
- Crime, corruption, poor  
schools, illiteracy
- Subprime lending/  
Housing bubble burst





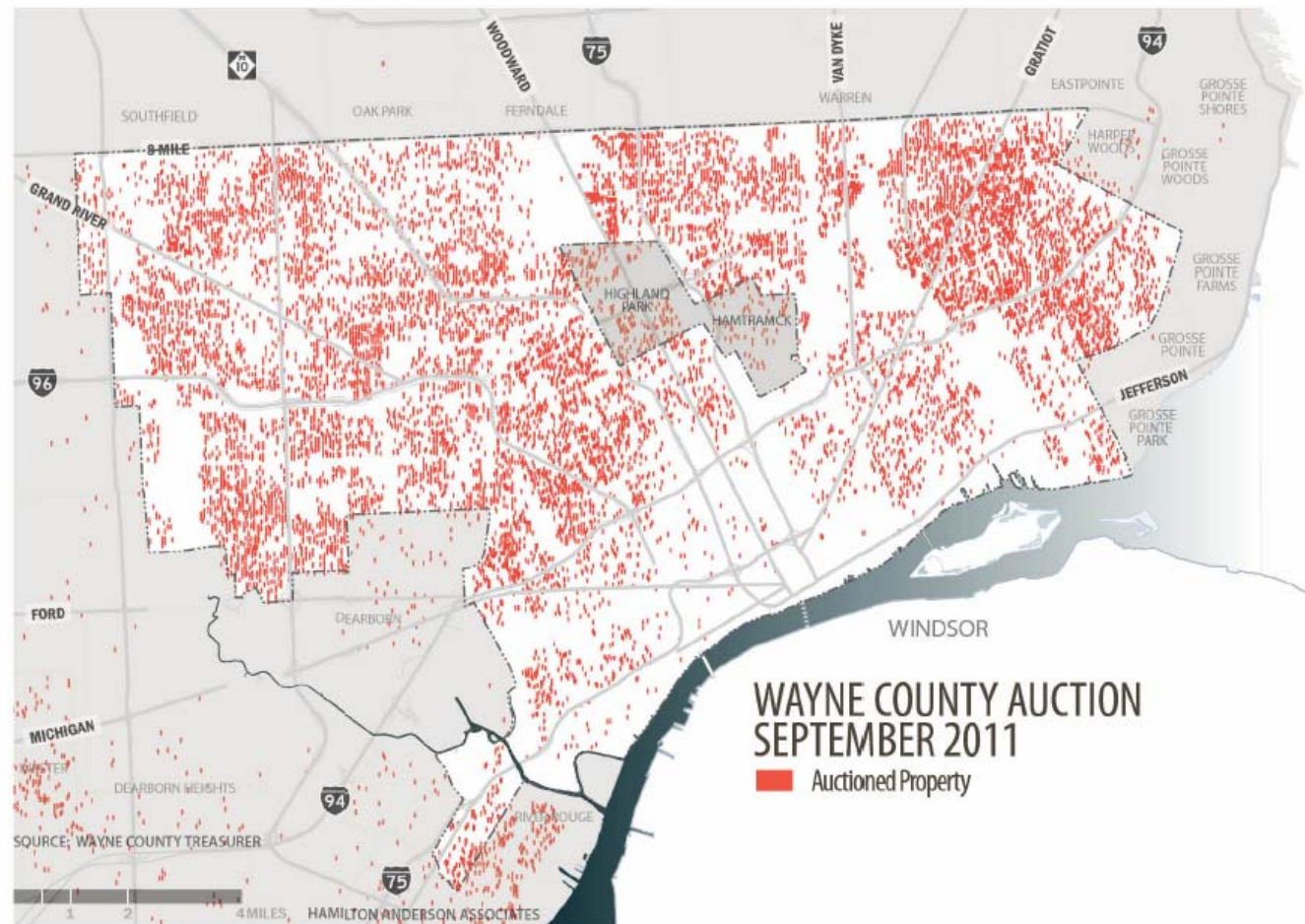
## Detroit's Population History





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# Properties in Tax Foreclosure, 2011 (not bank foreclosure)







## Understanding Detroit

- 2010 population 1/3 of 1952 population
- $\frac{3}{4}$  of mfg. establishments from 1972 are gone
- $\frac{1}{2}$  of top 20 employers are non-profits
- Minority-Majority City – 83% African American, 11% of residents White, 7% Hispanic or Latino
- 1/3 of residents living below poverty level
- 31% of households headed by single females
- 58% of residents have high school education or less
- Unemployment rate generally double state average

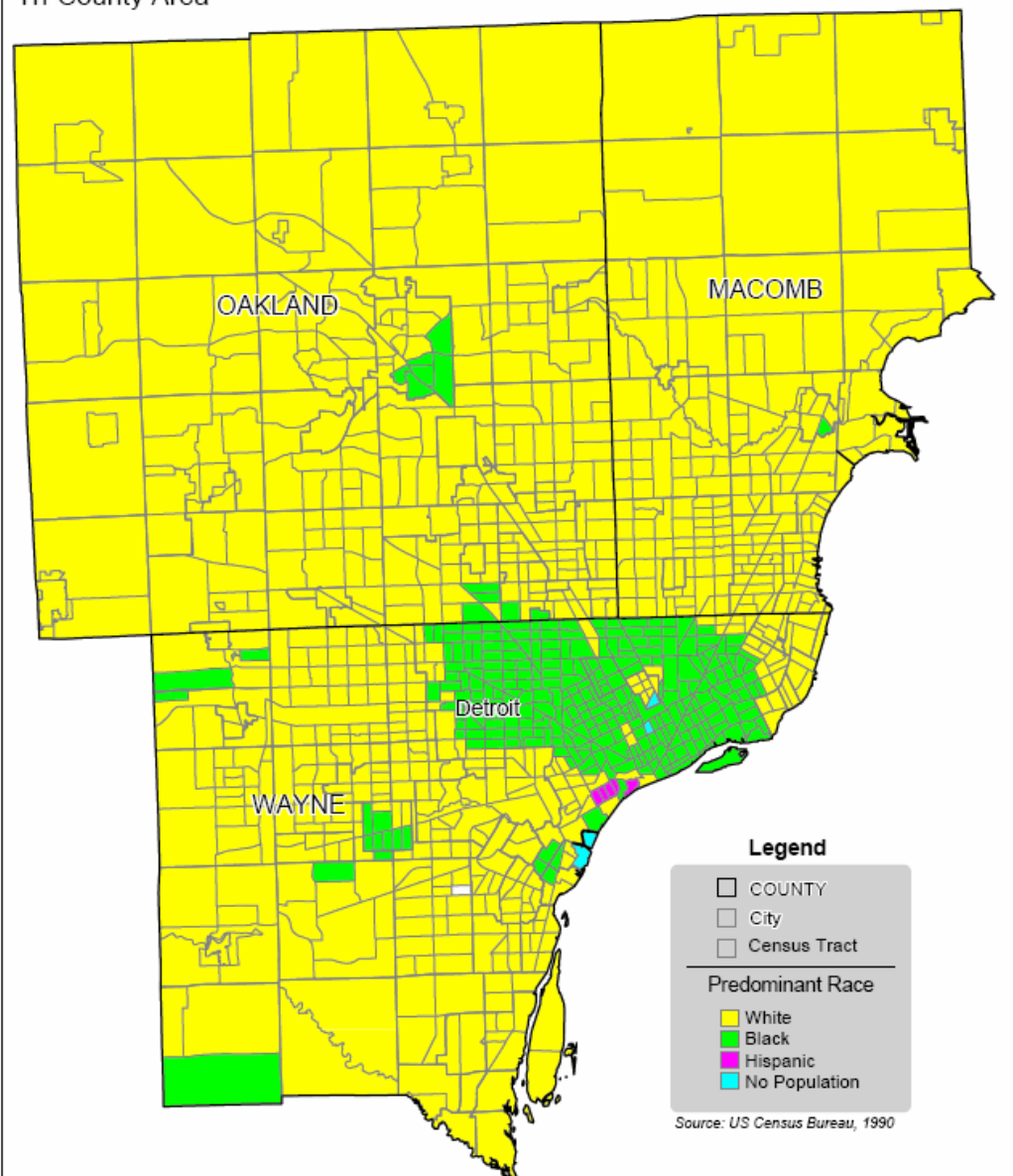






## Predominant Race, 1990

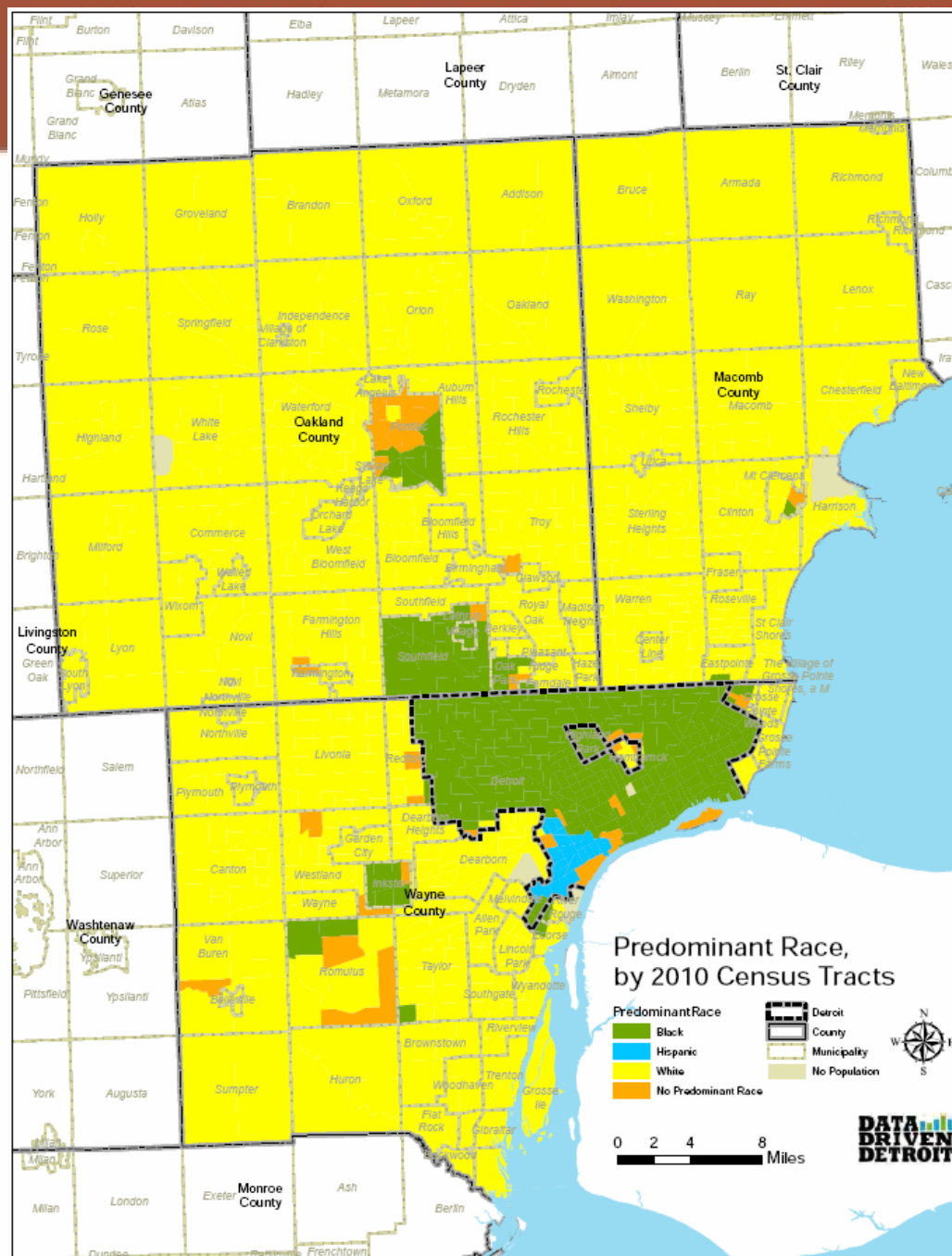
Tri-County Area



December 2008/jcb

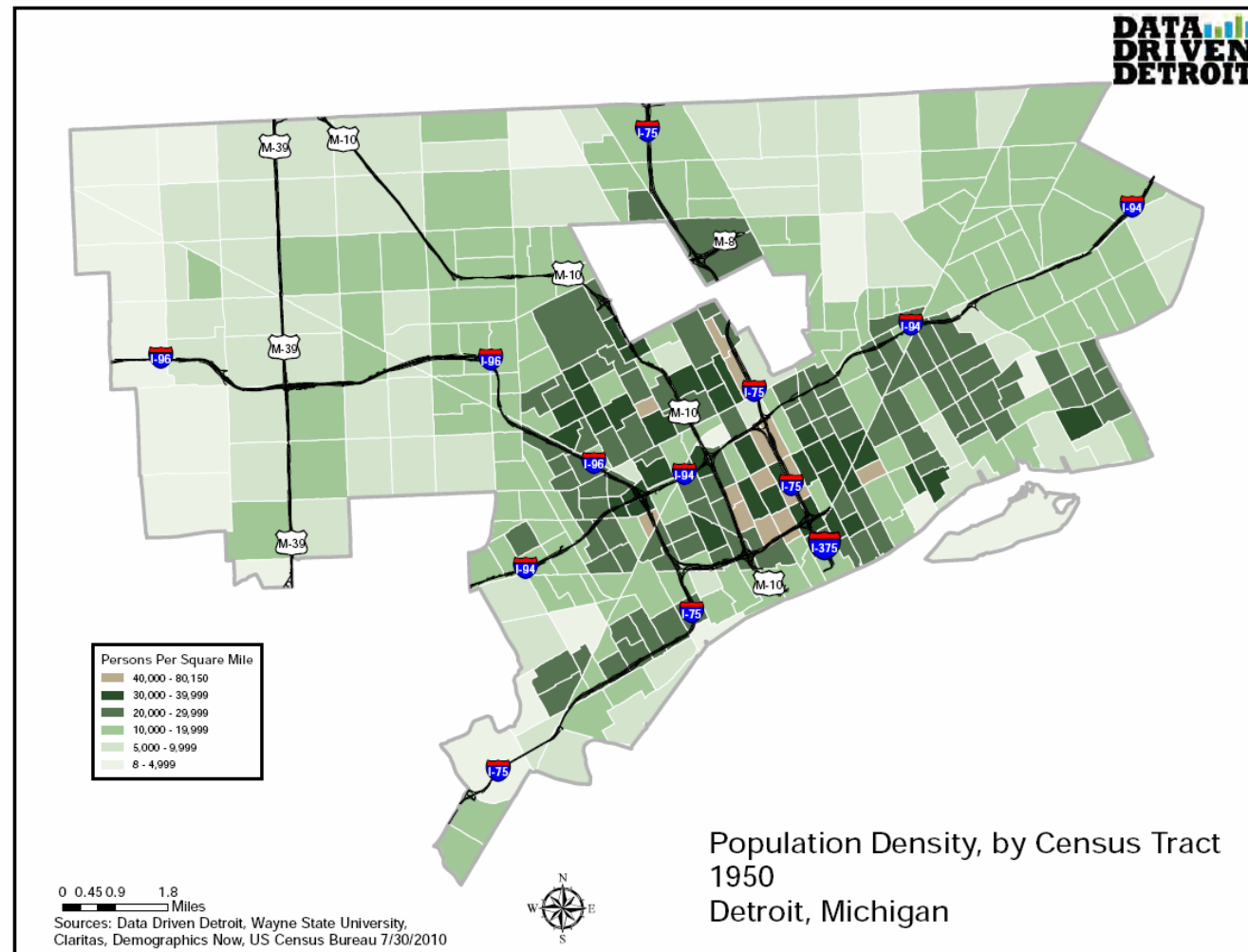


CHIGAN





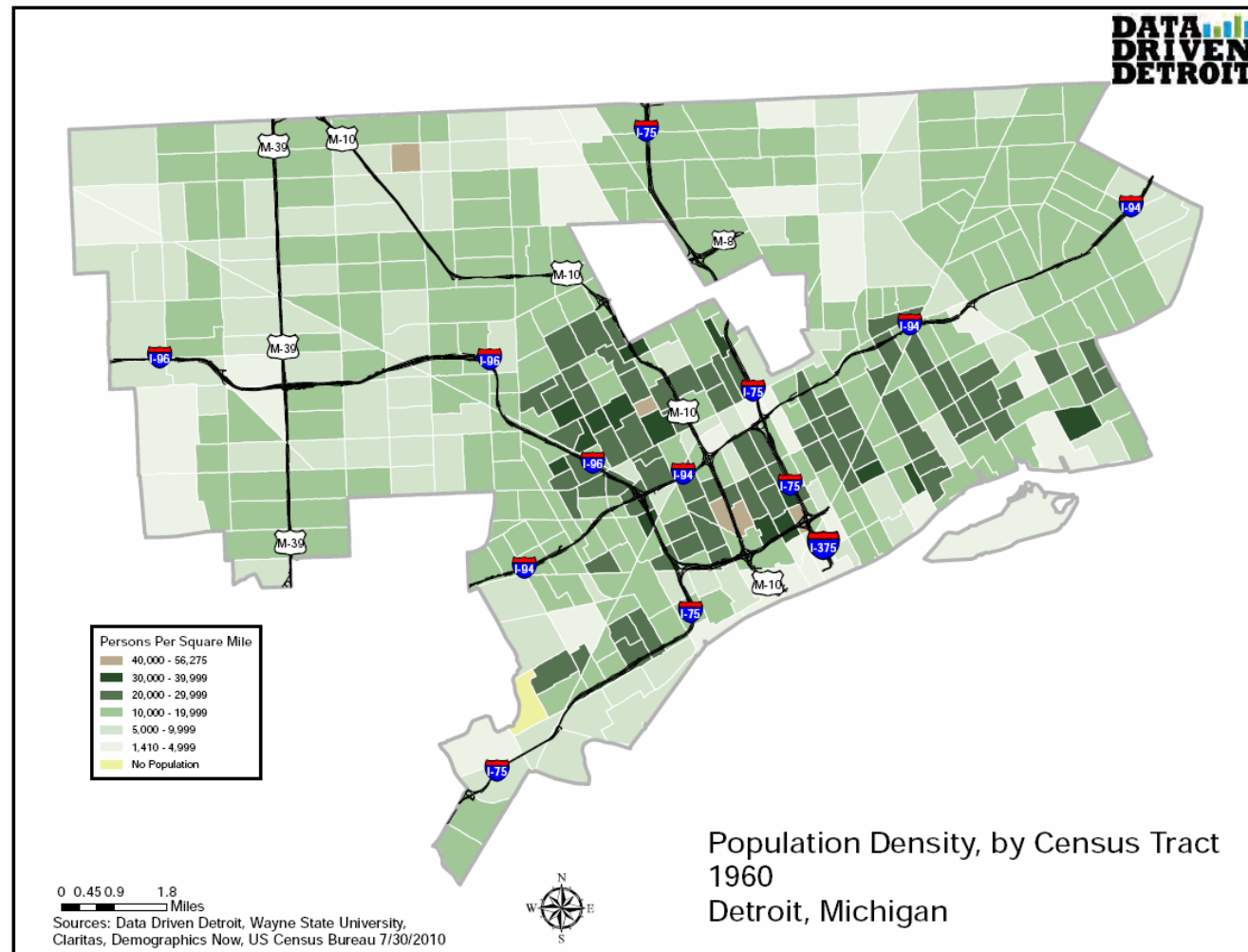
## Population Density in Detroit, 1950





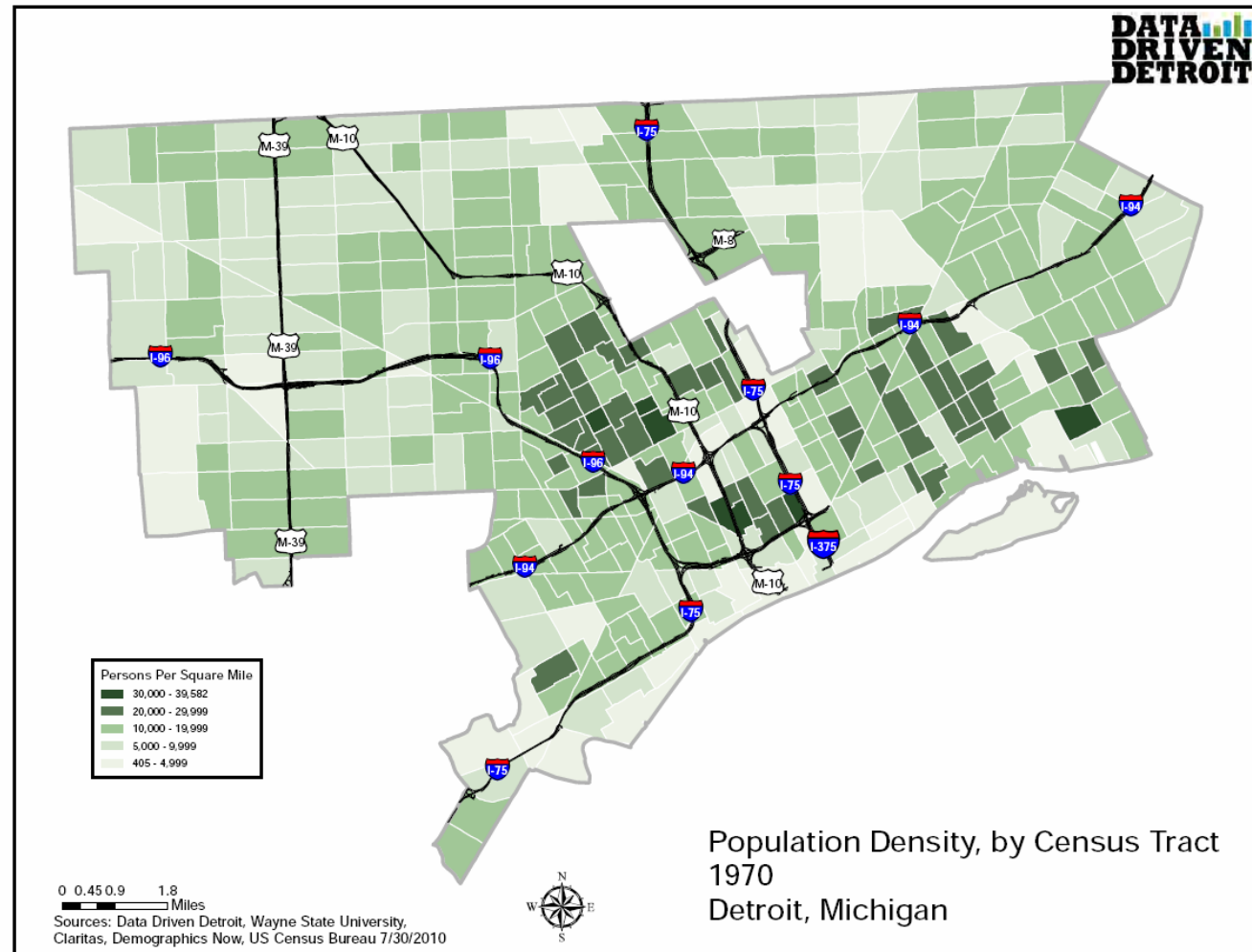


## Population Density in Detroit, 1960



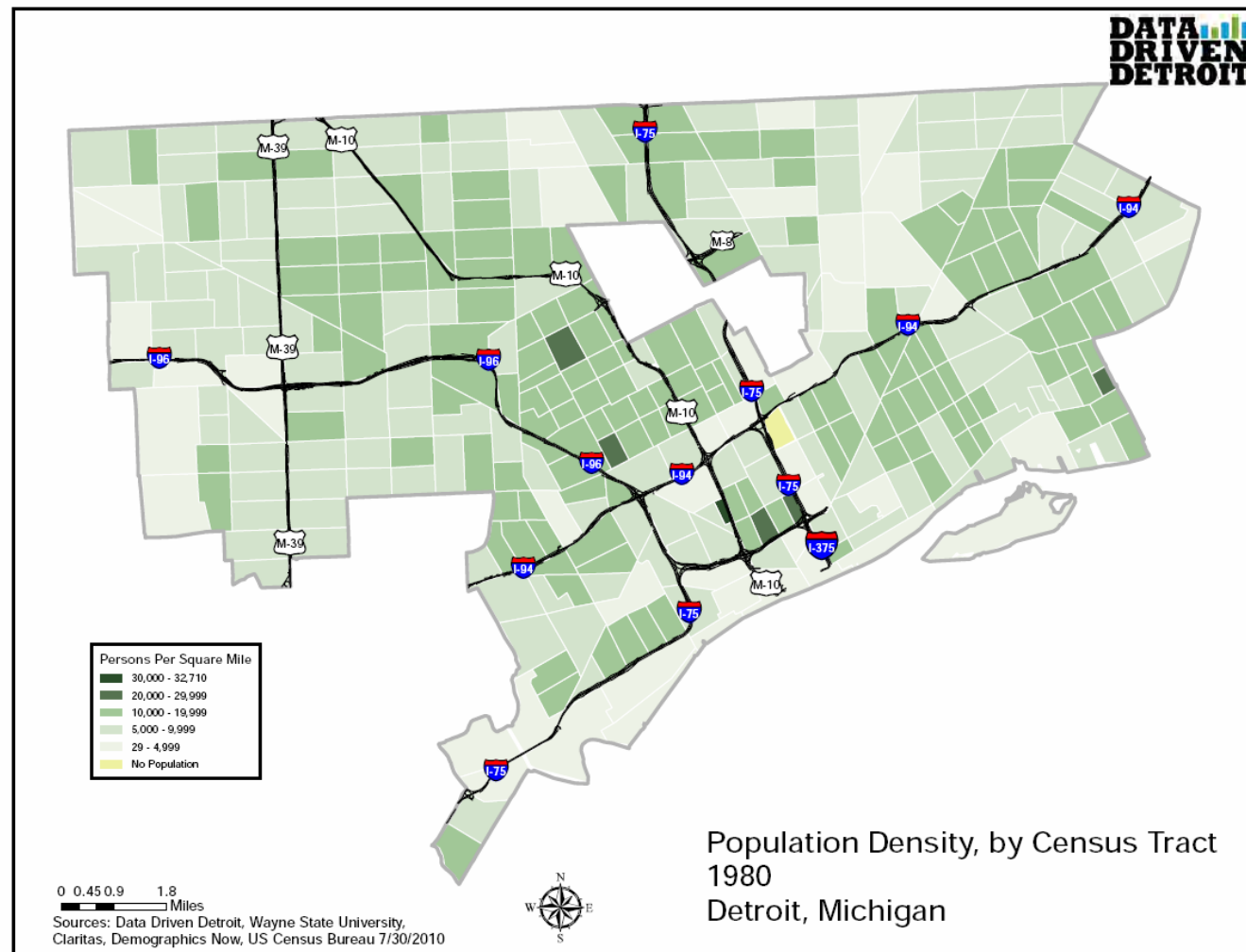


## Population Density in Detroit, 1970





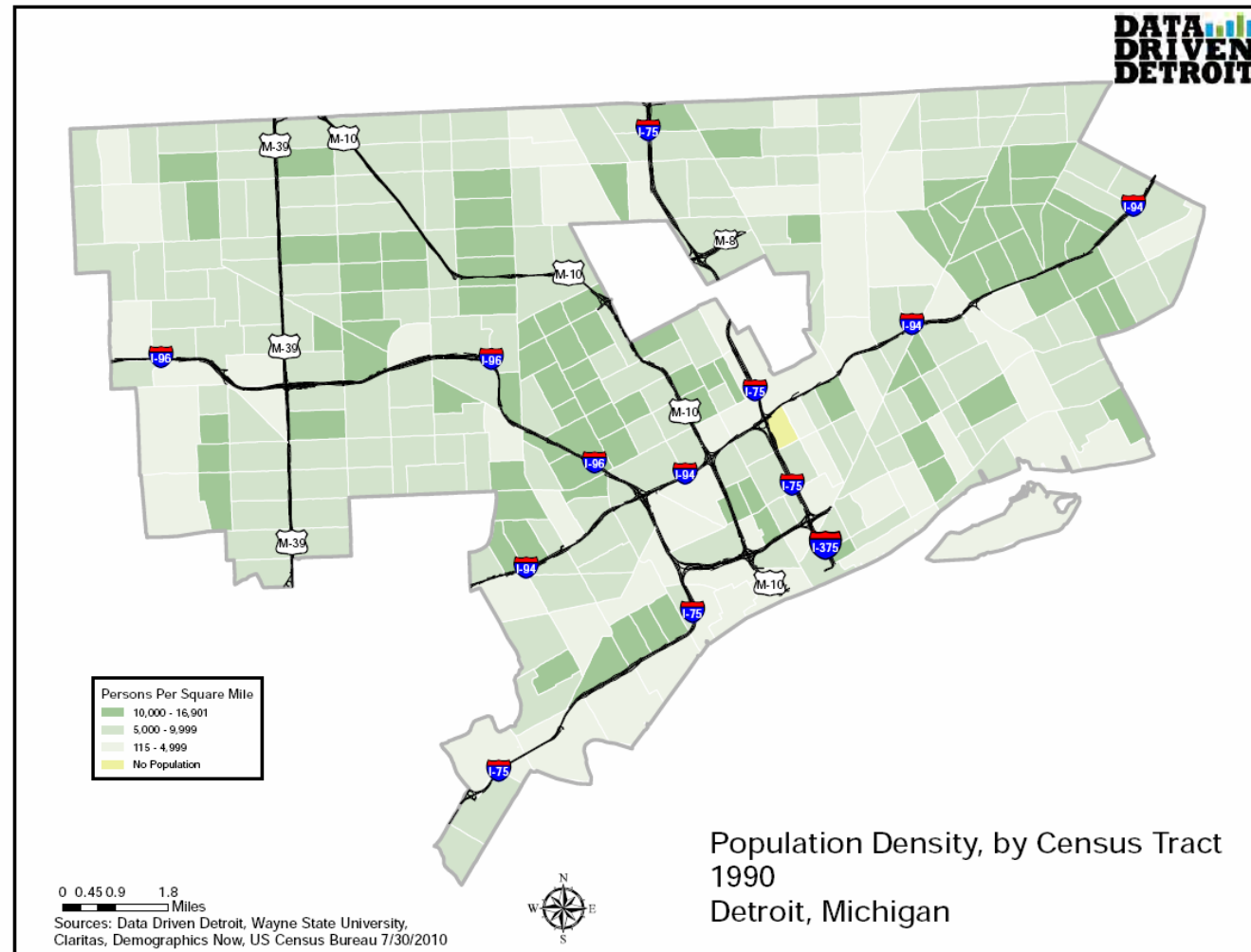
## Population Density in Detroit, 1980





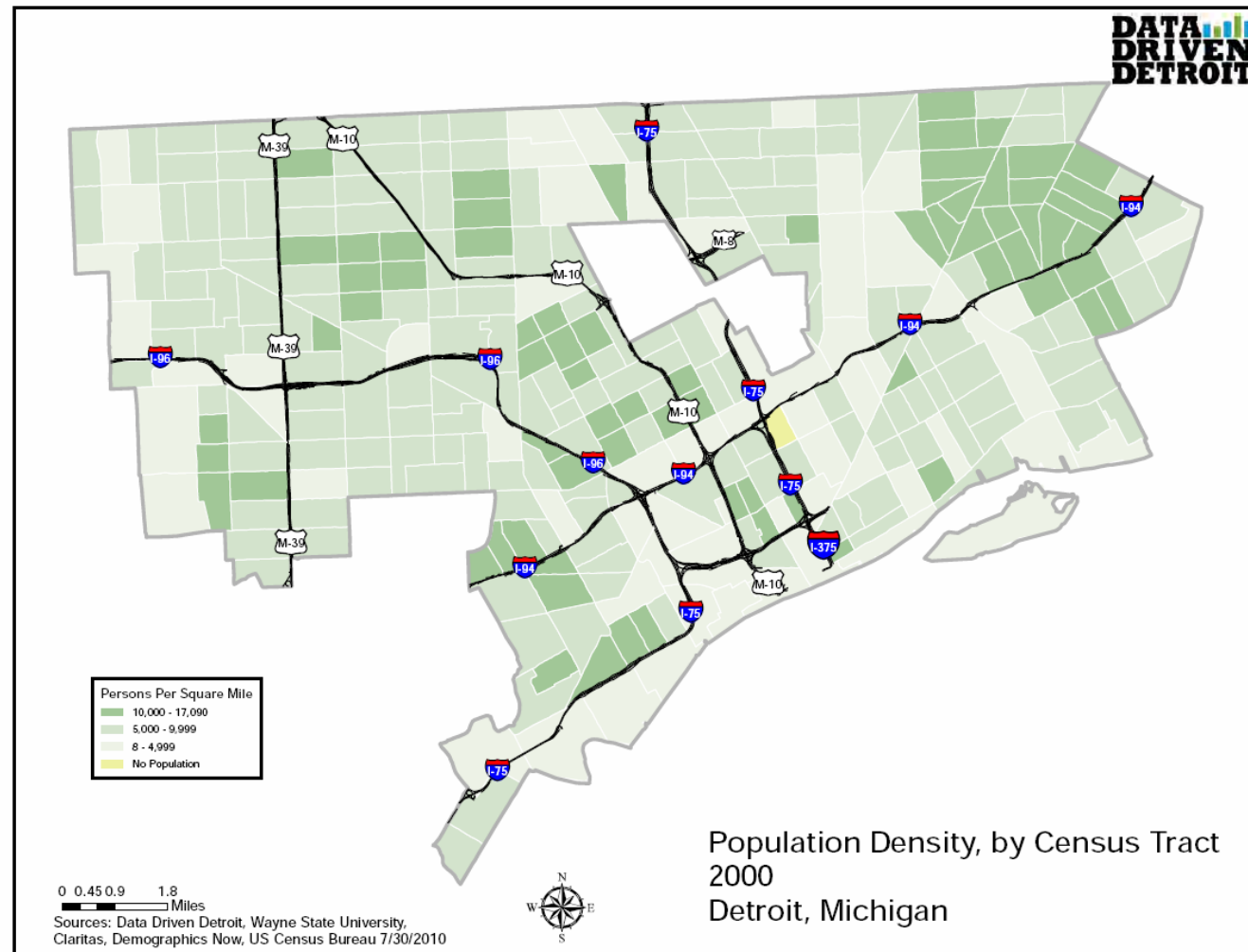


## Population Density in Detroit, 1990



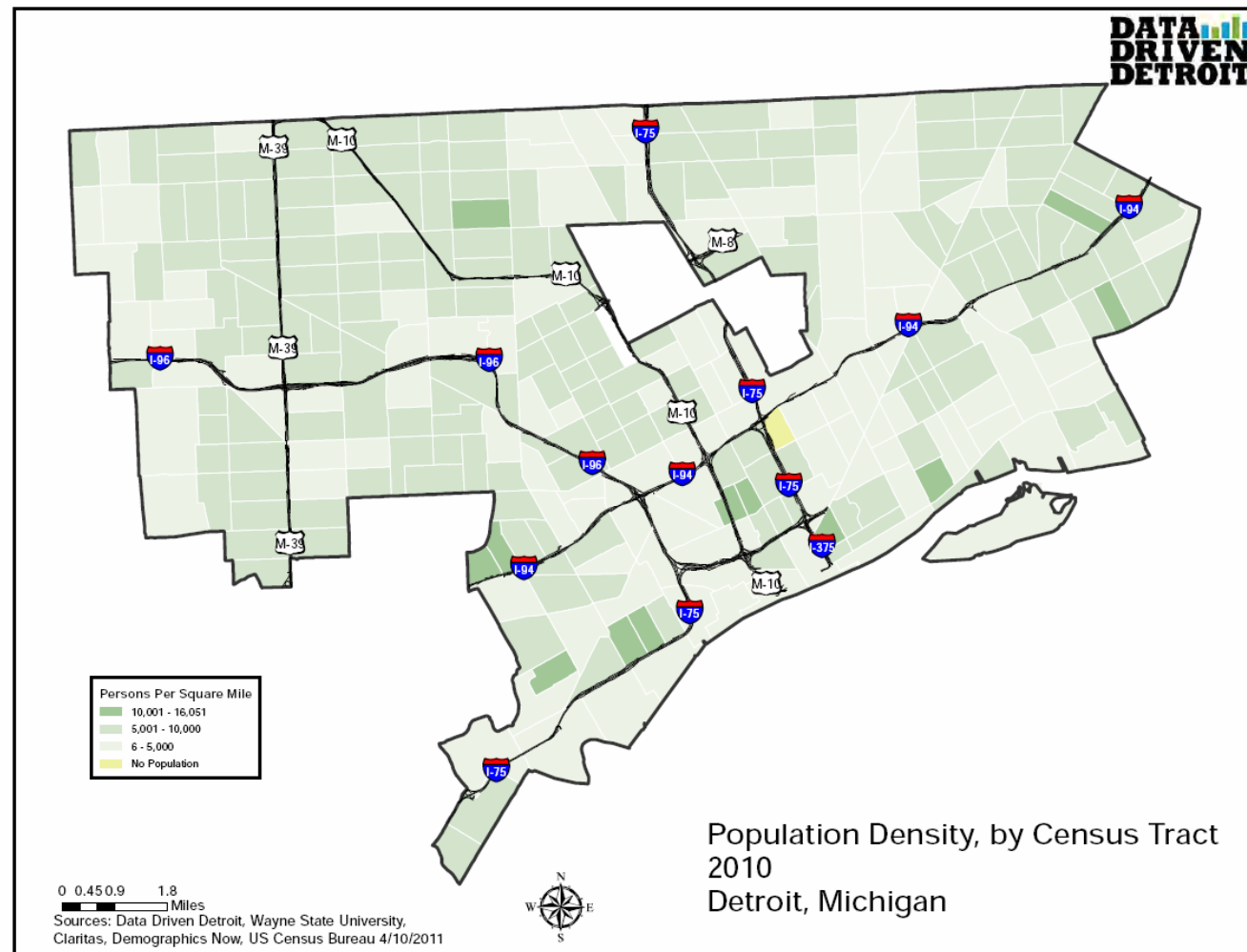


## Population Density in Detroit, 2000





## Population Density in Detroit, 2010



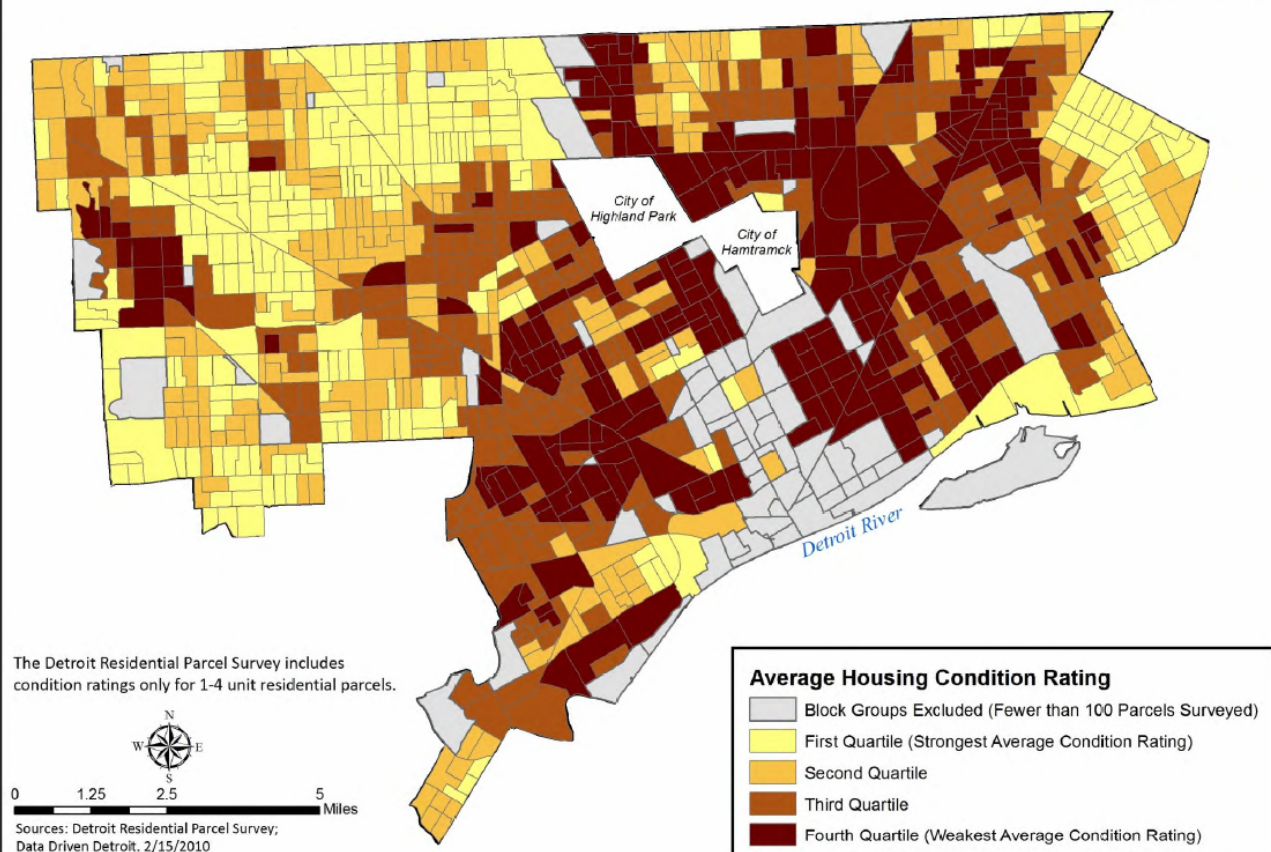




## Average Housing Condition in Detroit

Average Housing Condition, by Census Block Group  
Detroit, Michigan

**DATA  
DRIVEN  
DETROIT**

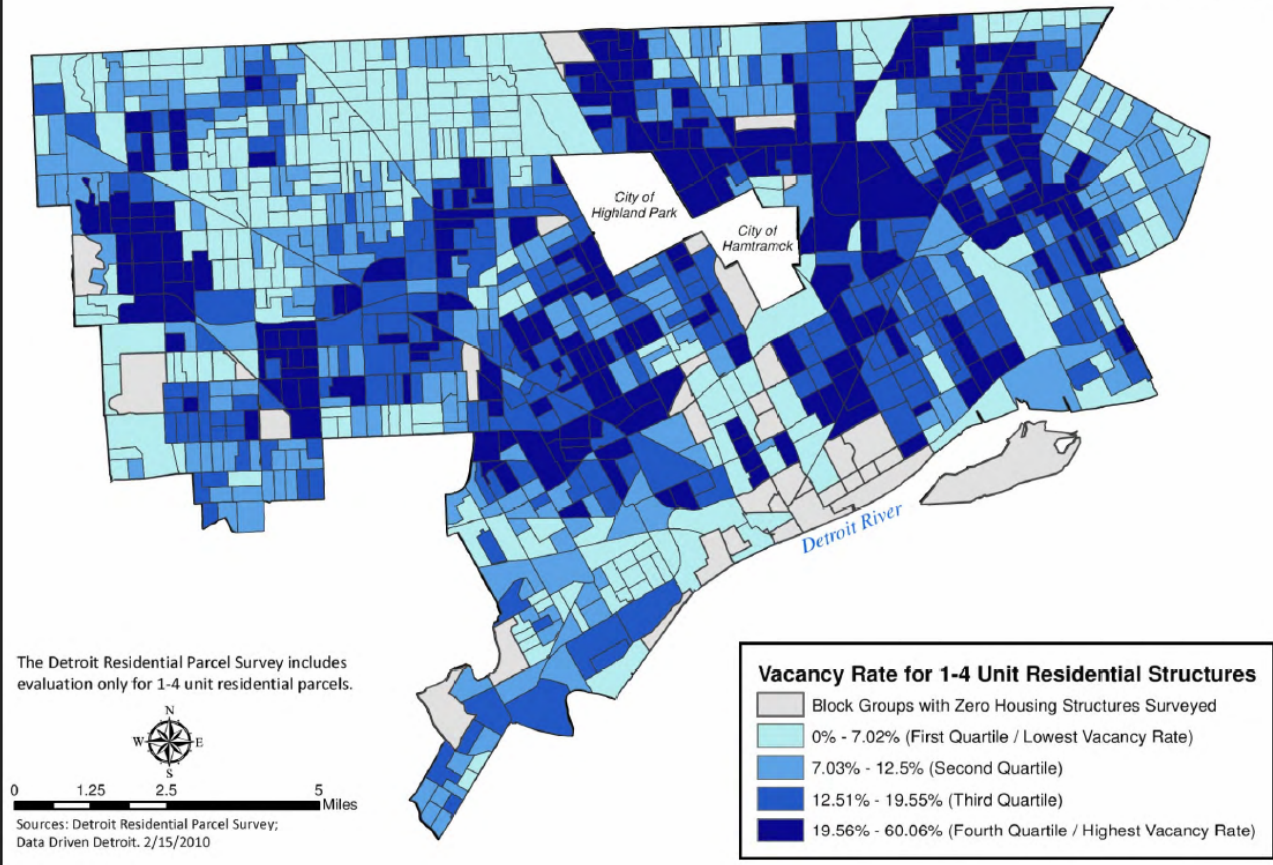




# Housing Vacancy in Detroit

Housing Vacancy Rate, by Census Block Group  
Detroit, Michigan

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DETROIT**

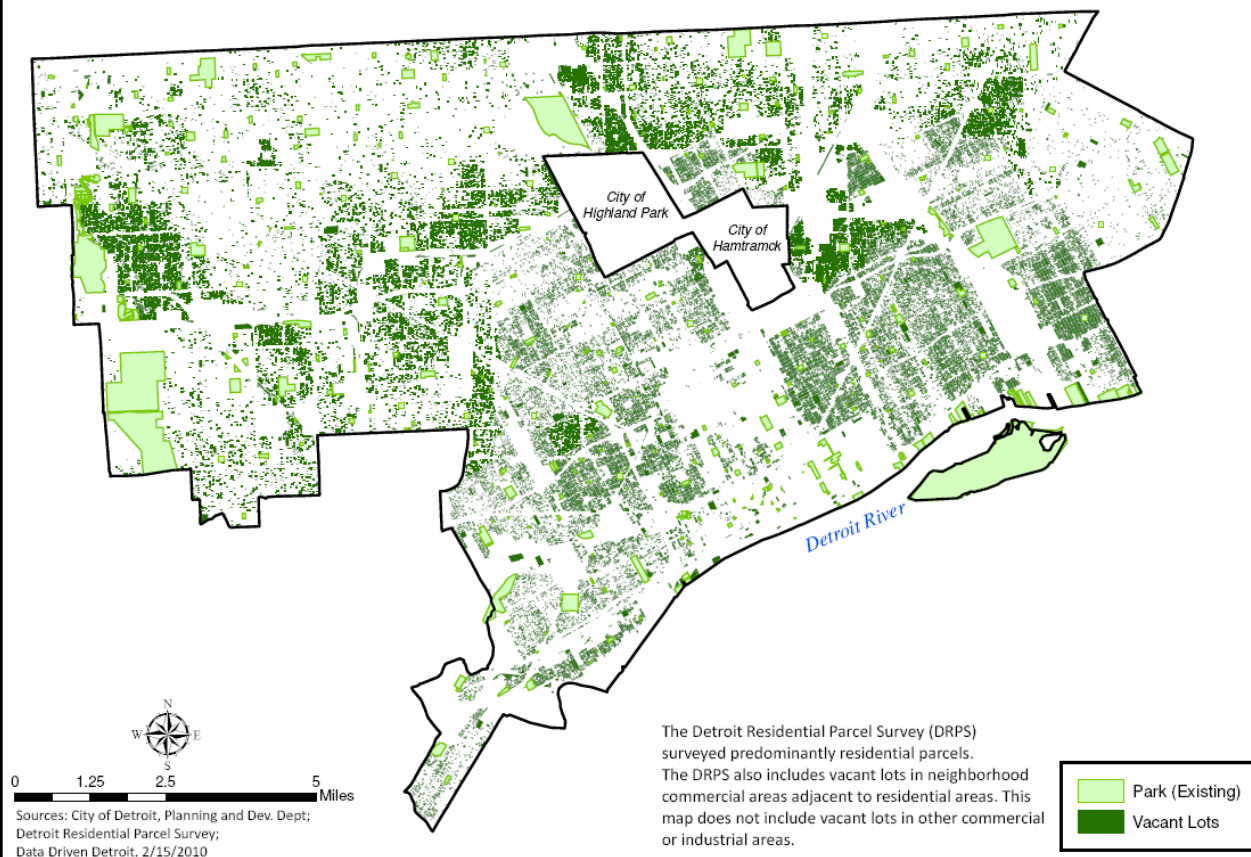




## Vacant Lots in Detroit

Vacant Lots with Overlay of City of Detroit Parks  
Detroit, Michigan

**DATA  
DRIVEN  
DETROIT**







## Hollowing out of Neighborhoods

Direct Impacts of Population Change

1950



### Historic Density

185 Homes  
540 People  
23 Persons per acre

**\$151,673** tax revenue

2010



### Current Density

40 Homes  
116 People  
5 Persons per acre

**\$32,794** tax revenue



WHY CHANGE?

**DATA  
DRIVEN  
DETROIT**



## Unconventional Measures

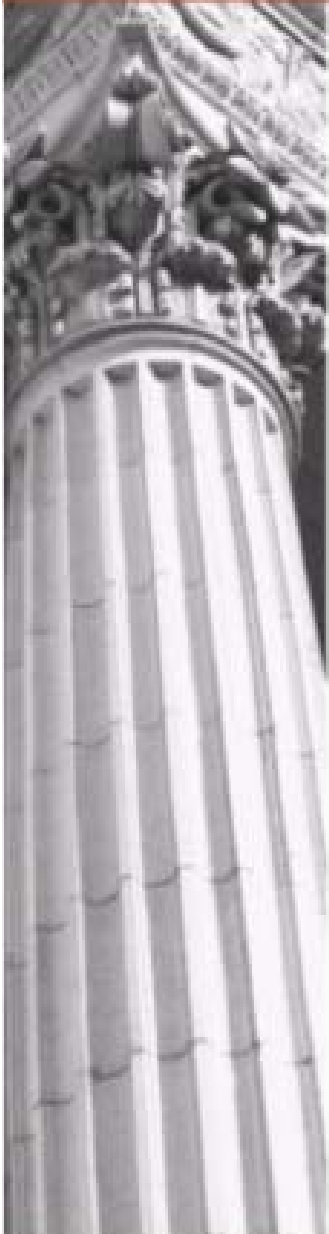
- **Properties demolished**  
→ goal of 10,000 from 2010 to 2013
- **Number of Stray Dogs**  
**>50,000**
- **Land reverted to Farm Land**
  - 113 community gardens
  - 18 school gardens
  - 220 family gardens



Mitt Romney's boyhood home prior to demolition



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## **Detroit Works Project v1.0**

- **Launched in 2010 as citywide effort**
  - **Mayor Bing takes office to replace disgraced Mayor Kilpatrick**
- **Concept was driven by City Finances**
- **While the City has lost 2/3 of population since 1950, footprint of the City is unchanged**
- **Develop a long-term vision for the redevelopment of the City**
  - **City that makes sense economically and socially**

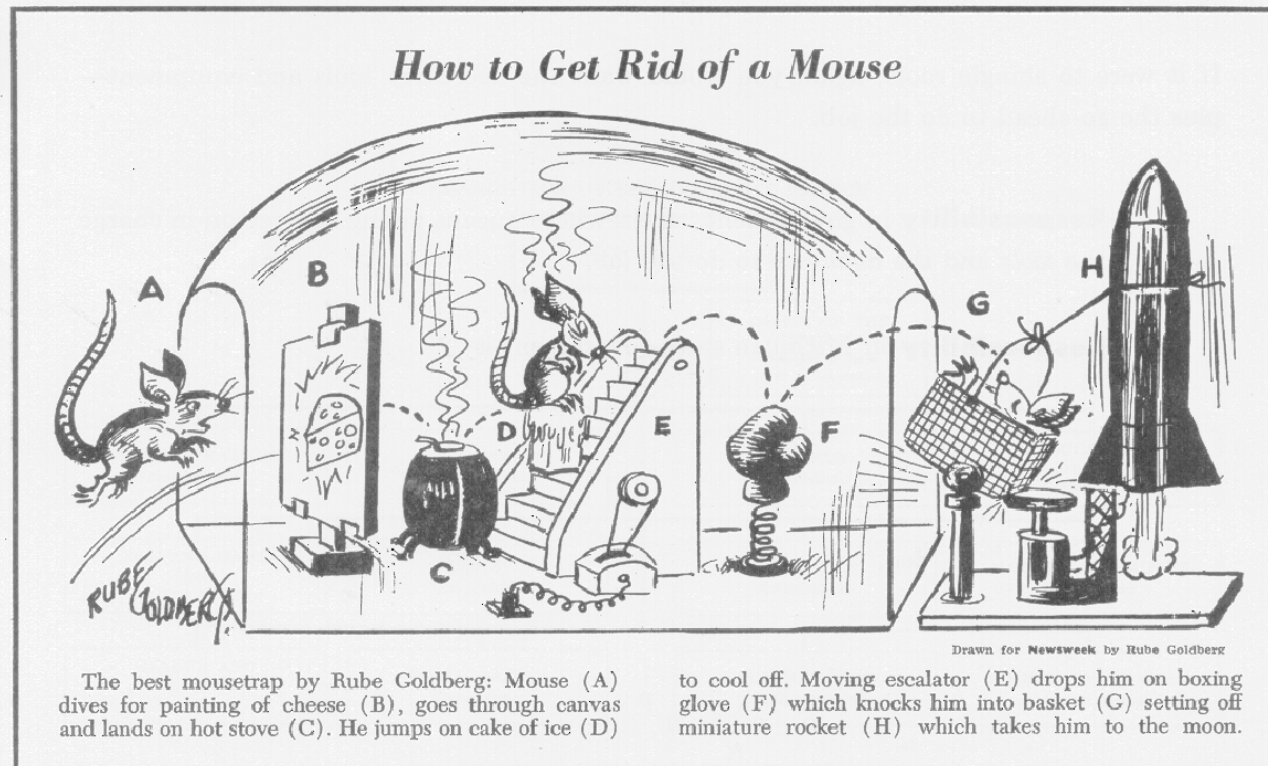


## **Detroit Works Project (cont.)**

- **Neighborhood Triage**
  - **Stable ( $\leq 20\%$  vacancy)**
  - **Transitional**
  - **Distressed**
- **Move people out of distressed and into stable neighborhoods**
- **Tailor city services according to strength of neighborhood**



## The Hoped for Solution





## Reality for those trying to save Detroit

- "My sense is while there might be plans on the ground, the situation is so fluid that everybody is winging it." Dr. Frank Popper
- "They haven't really thought this through. You don't have any real direction given by anybody." Kurt Metzger







## **Is downsizing a city realistic?**

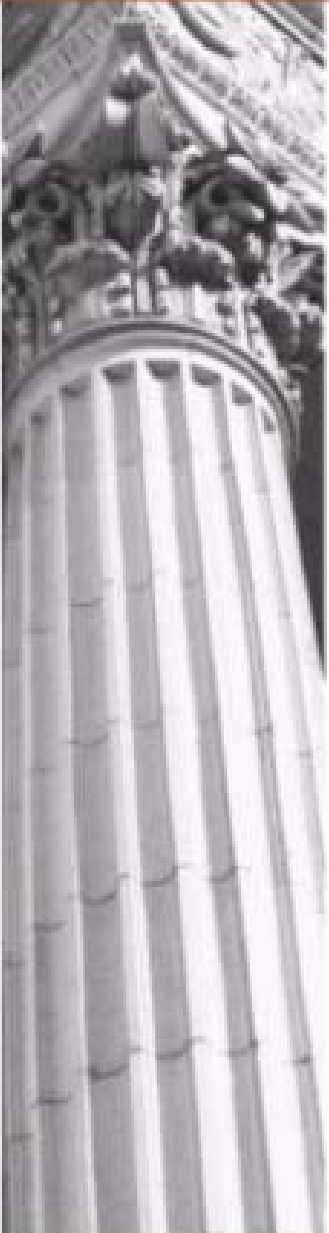
- **GM Bankruptcy**
  - **Shed product lines (Saturn, Pontiac)**
  - **Closed dealerships**
  - **Laid off workers**
- **City Services**
  - **Among highest crime rates in nation**
  - **Can the city afford to announce that parts of city will receive less street lights, fire protection, police patrols, etc.?**





## Why DWP v1.0 Struggled

- **Political Resistance**
  - **Emotional response based on history**
    - Black Bottom
    - Paradise Valley
    - Poletown
- **Economic/Racial Paranoia**
  - **This is an effort by corporations ("The Man") to subjugate the poor of the city**
  - **It is the job of those remaining to protect the "Jewels of the City"**





## Why DWP v1.0 Struggled (cont.)

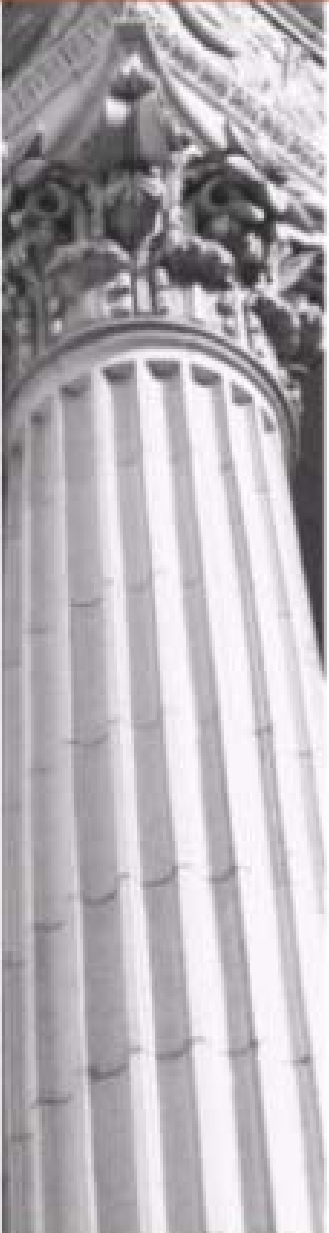
- **Leadership Void**

- **Lack of charismatic leadership in Mayor's office or with this effort**
- **Wasn't clear whether effort was to be top-down or bottom-up**

Efforts to gather public opinion looked like window dressing

- **Administrative Weakness**

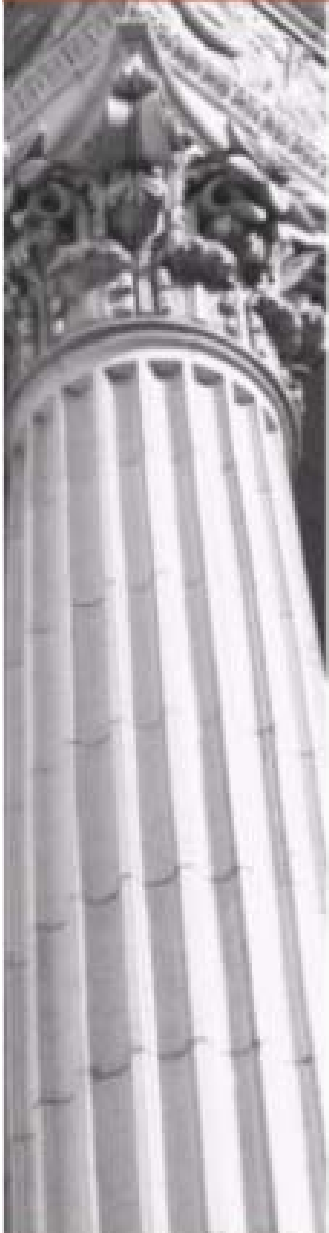
- **Constant turnover in Mayor's office**
- **Depleted workforce**
- **Talent Drain**





## Why DWP v1.0 Struggled (cont.)

- **Legal Hurdles/Challenges**
  - **2006 Constitutional Amendment on Eminent Domain (post Kelo)**
  - **Eradication of Blight**
    - "Clear and convincing evidence" that the taking is for "public use"
    - Is more efficient use of public resources/ stronger neighborhoods a "public use"?
  - **Compensation = 125% of property value + relocation benefits**







## Why DWP v1.0 Struggled (cont.)

- Detroit is **BROKE**
  - Operating under MI's PA 4 to deal with financially distressed governments
  - Talk of bankruptcy
- Center of all attention
- DWP effort requires:
  - Inventing the wheel
  - Administrative costs
  - Relocation expenses





## **Exodus by everyone with means occurring faster than anyone can deal with**

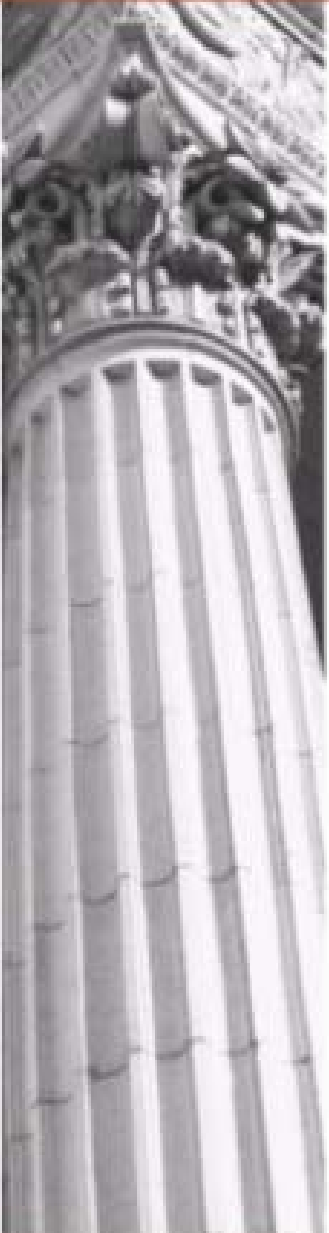
- **Water is coming in faster than they can put out by bailing**
- **Lack of public services make it hard for many to want to stay**





## **Detroit Works Project v2.0**

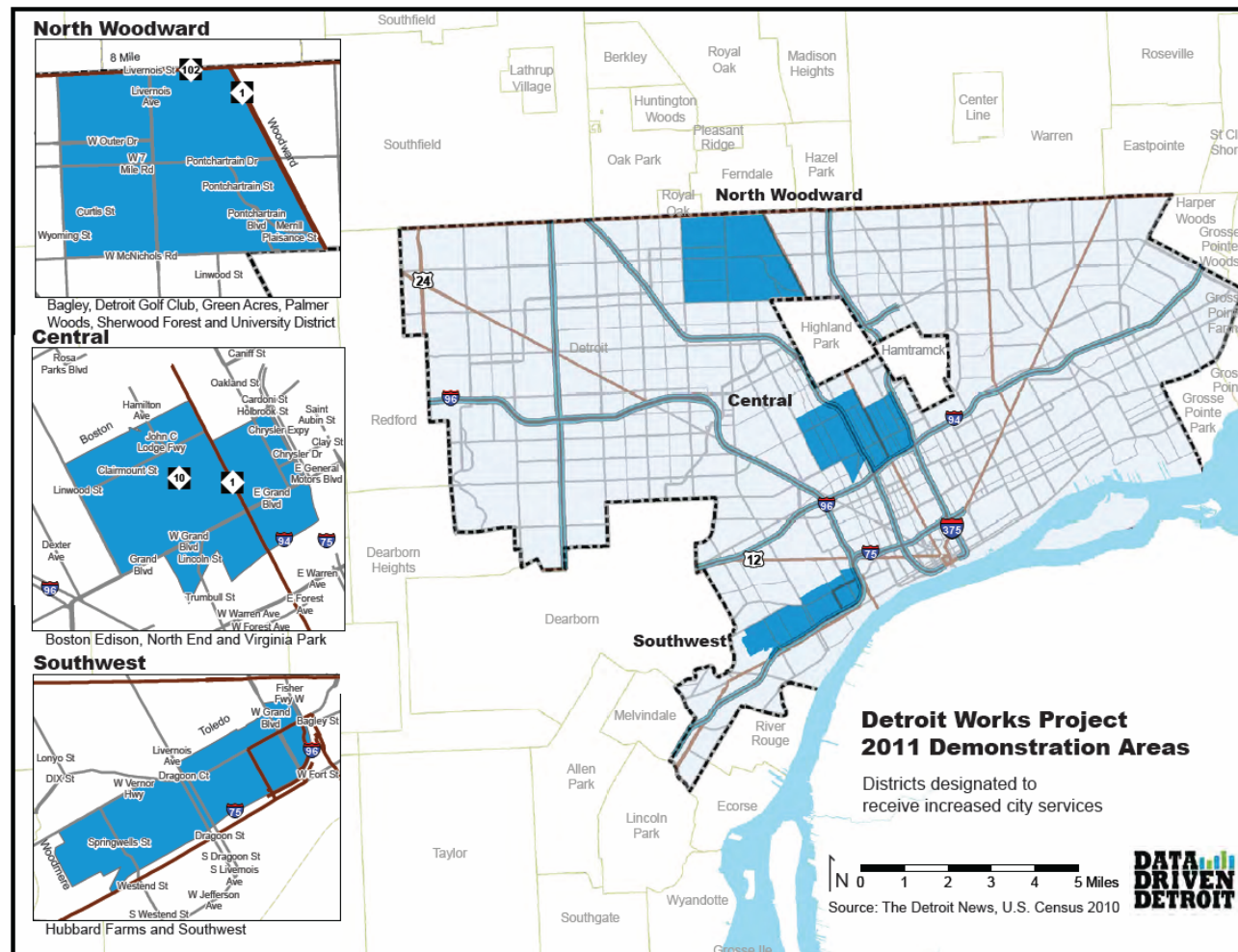
- **Same neighborhood triage**
  - **Stable / Transitional / Distressed**
  - **No longer citywide**
  - **Focus on target/pilot neighborhoods**
- **Short-term: Prioritize funds and resources**
  - **Stop scattershot use of resources**
  - **Direct grant money to where it will do the most to save neighborhoods**





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## DWP 2011 Demonstration Areas







## **Detroit Works Project v2.0 (cont.)**

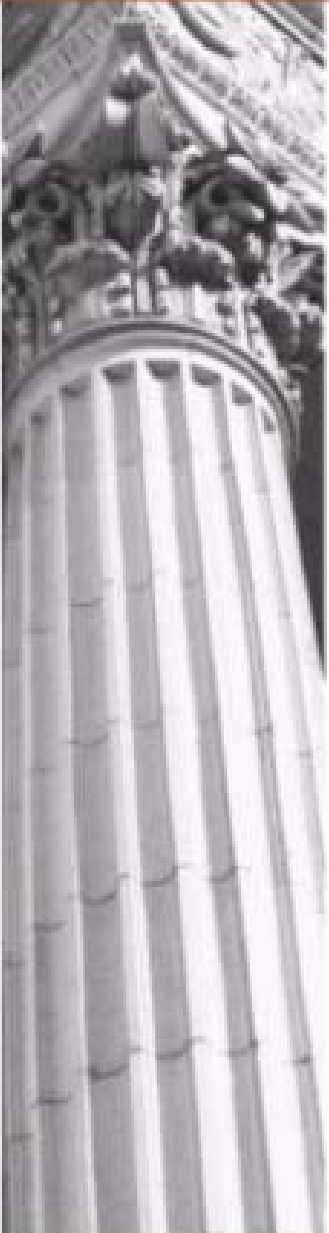
- **Long-term: plan for what Detroit should look like 10, 20, 50 years from now**
- **Greater emphasis on community and economic planning**
- **Greater emphasis on community engagement**
  - **Created office outside of city hall to share information**
  - **Focus groups**
  - **Neighborhood meetings**
  - **Social media**





## **Detroit Works Project v2.0 (cont.)**

- **Build on Strengths**
- **Anchors**
- **Successional Landscape**
  - **Let some areas go to seed**
  - **Reintroduce indigenous species**
  - **Carbon Corridors (along freeways)**
- **Urban Farming – produce and orchards**
- **Solar panel fields**





## **Detroit Urban Farming**







## **Futuristic Vision of Urban Farming**

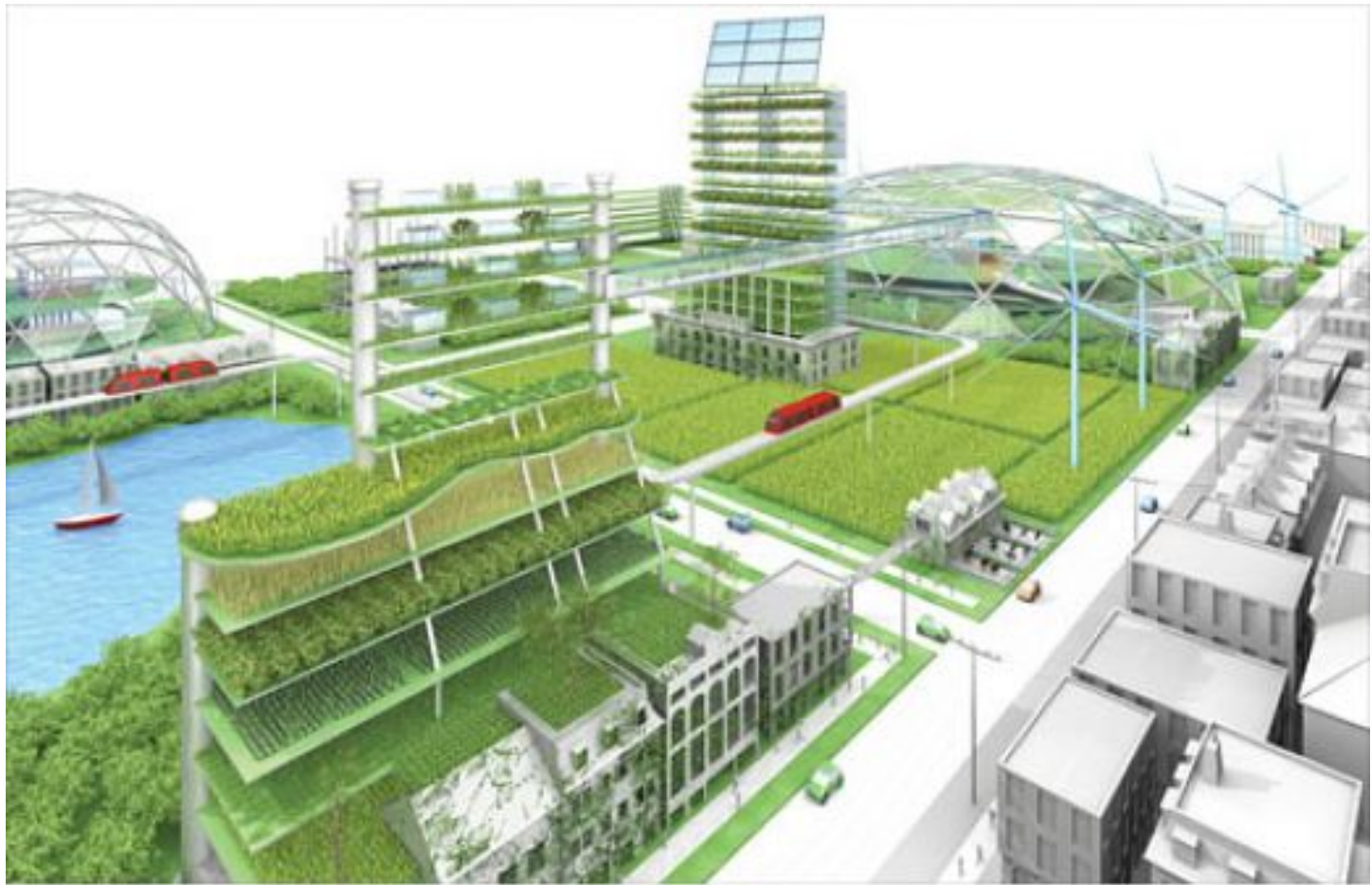


ILLUSTRATION: BRYAN CHRISTIE





## Efforts to Stop Blight Early

- New Orleans
  - Code Lien Foreclosure
  - foreclosure on a property that has excessive fines or delinquent payments on liens resulting from building code violations
- Detroit
  - Residents and business filing private nuisance lawsuits
  - Detroit blight court
  - Fix properties, face fines, ultimately risk losing them in court action





## **Lessons from Detroit (Comparisons with New Orleans)**

- **Robust public participation necessary**
- **60-year hurricane creates deep fissures**
  - **People disassociated themselves from the city**
  - **Structural dysfunction developed and became accepted**
  - **Residents developed apathy and disinterest**
- **Reform has to occur on many fronts**
  - **Blight removal**
  - **Urban planning**
  - **School reform**



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- Individual Citizens like you

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**Thank You for your attention**

**Questions?**

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**734.542.8001**

