

The Detroit Revival

In March 2013, Detroit, Michigan had a debt of 19 billion dollars. The once booming city of two million people had been reduced to a struggling 700 thousand. The effects of the recession were staggering. Public employees were at risk of having their pensions and retirement benefits cut. The city was defaulting on its municipal bonds at an alarming rate. Detroit had one of the highest violent crime rates in the nation, and the average police response time was an hour. 80 thousand buildings were abandoned or severely blighted, and 40 percent of streetlights did not work. Unemployment was more than double the national average at 18 percent. The Recession and the subsequent declining auto industry led to decreasing tax revenue and state aid, leaving Detroit in a financial crisis. The city was unable to fund vital services, and leaders began to think about the idea of bankruptcy. Kevyn Orr was named emergency manager of Detroit and was faced with handling the many creditors the city had taken on.

Grand Bargain

In 2013, Detroit filed the largest municipal bankruptcy in history. While the city's finances were in crisis, a coalition of philanthropists and government leaders were able to make the best out of the situation, allowing bankruptcy negotiations to finish swiftly, and pension payments to be made. Previously, negotiations had proposed the idea of selling the Detroit Institute of Arts collection to pay off the city's debt. City leaders and citizens alike were dismayed by this disappointing, but seemingly necessary option. In attempt to avoid selling the art collection, a dozen philanthropic organizations banded together to help out. The Ford Foundation Pledged 125 million alone, and 366 million dollars were pledged across the board over the next 20 years of help with pension payments. These donations were made under the condition that their contributions would leverage donations from corporations, Michigan's government, and public employee unions. Michigan's state legislature approved 195 million for the fund. Additionally, coalition made the Detroit Institute of Arts an independent nonprofit, keeping it away from creditors and avoiding its sale.

Studies show that such a bargain could be replicated in other cities to solve a financial crisis. Cities with similar pension liabilities, like Buffalo, Chicago, Cleveland, and St. Louis, all who have strong philanthropic communities, high poverty, and low property tax revenue could potentially pursue a similar deal to the grand bargain should they find themselves in a situation like Detroit's crisis in the future. While the Grand Bargain was not able to solve Detroit's financial woes overnight, it demonstrates the significance of a public-private partnership, rather than relying solely on local and state governments to solve a city's problems. Had it not been for initiative of the philanthropic community in Detroit, who knows what state the city would be in today? The growing commitment among many corporations and organizations to use their profit for social good is an important factor in revitalizing projects happening around the country, many of them increasing the quality of the life for Americans.

Quicken Loans

One private sector actor was a huge player in the revitalization of Detroit. Quicken Loans made smart, focused investments that targeted the areas of Detroit that needed the most help getting back on their feet. The corporation made the most of their "For-More-Than-Profit" model to seamlessly join their business endeavors with their non-profit endeavors. First, Quicken Loans prioritized housing, using strategic investments to help improve the housing market by investing in tax foreclosure prevention. They also made a commitment to physically restoring housing. Quicken Loans also supports entrepreneurship efforts in Detroit in effort to prop up job creation and innovation. They created the Detroit Demo Day, a summer entrepreneurship competition

that puts one million dollars into local businesses. Quicken Loans is also using its financial expertise to create a Detroit-based procurement strategy to ensure that more dollars are being spent within the Detroit city limits to keep the economy stimulated. Education and employment are also of vital importance, being given funding to support technical education programs. Lastly, Quicken Loans understands the importance of safe and clean public places, investing in park revitalization and neighborhood development.

Mike Duggan

Mike Duggan became the 75th Mayor of Detroit in 2013, making him the first white mayor of the city since the 1970's. Mayor Duggan has never been one to back down when the going gets tough; when he failed to secure the Democratic primary in 2013, he created a write-in campaign and went on to secure 52 percent of the popular vote in the general election. "Every Neighborhood Has a Future," a slogan that promised positive change right around the corner, won the confidence of voters, along with a platform that prioritized financial turnaround, crime reduction, and economic development. Mayor Duggan stressed the importance of collaboration to ensure that the city's goals were accomplished, "When you get people working together you can turn things around." In 2017, he was elected, a testament to the change he created and the faith he restored in the community.

In 2018, Detroit is well on the way to recovery, thanks in large part to Mayor Duggan's vigilance and willingness to step up to the plate when the city was in crisis. The Detroit Promise guarantees college tuition for many of Detroit's students, making Detroit the first major city in the United States to have a college guarantee. As of this year, the Detroit Promise has put 459 students in four-year universities and 723 in community colleges. Vocational programs are also flourishing in Detroit, where private donations are funding career and technical education programs. Additionally, electrical, plumbing, and carpentry programs are underway. Regarding education, Mayor Duggan believes in school choice, and understands that there needs to be both quality public and charter schools. He believes Detroit Public Schools and Charter schools need to work together to create the best possible school options within the city limits to reduce the number of students that are attending schools in the suburbs. Mayor Duggan has also held true on his promise to reduce crime in Detroit. Under his administration, homicides have decreased. Community policing is a strong option to ameliorate the public's relationship with the police force, and effectively reduce violence and crime. The Ceasefire Project represents Detroit's commitment to policing reforms, giving gang members and police officers the opportunity to meet, share a meal, and discuss community issues. Additionally, Mayor Duggan has ensured that any housing development projects have truly benefited communities, rather than simply making them appear better. He worked to keep many residents in their homes as the pace of development projects has increased. New housing development projects must ensure that at least 20 percent of the new living spaces are affordable housing, to help many Detroiters stay in their respective neighborhoods as projects continue. Detroit also faced a crisis due to the large number of homes in Detroit that were abandoned. Mayor Duggan understands that blighted and abandoned neighborhoods are dangerous and bad for economy recovery. To encourage safe development, nine thousand Detroiters were able to buy housing lots for 100 dollars each, and three thousand abandoned homes were sold. Additionally, the Detroit Treasurer's Office will work with Detroiters to find a mortgage payment plan that works with their budget, to reduce chances of foreclosure.

Race

It is no secret that Detroit has struggled with racial unrest in the past century. In the summer of 1967, the city was rocked by the most violent urban riots of the 20th century, in response to

police brutality, segregated housing and schools, and unemployment. On July 23, the Detroit Police raided The Bling Pig, an unlicensed bar in a poor, majority black neighborhood. When the raid happened, attendees were celebrating the return of two black servicemen from Vietnam. The police arrested all 82 attendees. The arrests set off a wave of violence, ultimately resulting in the National Guard being called. In the end, 33 blacks and 10 whites were killed, and over seven thousand people were arrested.

Segregation played a large role in creating the perfect conditions for such a violent riot to occur. In 1934, the Federal Housing Administration created policies that pushed federally backed mortgages away from neighborhoods with minorities. The FHA manual detailed: "incompatible racial groups should not be permitted to live in the same communities." Additionally, if your home was next to a minority neighborhood, your house was appraised lower, causing whites and middle-class blacks to flee for the suburbs, and the FHA subsidized the construction of new homes outside of the city.

In the 1950's, Detroit mayor Albert Cobo approved the demolition of "backwards sections" of Paradise Valley and Black Bottom in Detroit, effectively clearing out hundreds of black-owned businesses and seven thousand black residents to make way for the construction of Lafayette Park and I-375.

Mayor Duggan is conscious of these former policies that targeted the black community and understands that the history of race in Detroit must be acknowledged in future investments. Investment must be inclusive, and not replace native Detroiters with revitalization efforts. Mayor Duggan is committed to responsible revitalization, "The African American community voted for me, and I can't tell you what an enormous responsibility that feels like." Mayor Duggan even shocked a crowd of mostly white businessmen at the 2017 Mackinac Policy Conference, using his speech to detail the history of discriminatory policies in Detroit, saying, "If we fail again, I don't know if the city can come back." Creating a shock factor in front of a large audience was an effective tactic to draw attention to the dark side of Detroit's past, and garner support to ensure that the city will not make the same mistakes.