American Rescue Plan Act (ARPA) Community Presentation

May 25, 2021

Mayor Mike Duggan
City of Detroit
In February, Detroit had a national leadership role in passing the American Rescue Plan.
The result: Detroit is receiving the 5th largest amount of any city in America

Detroit Will Receive $826 Million

$413 Million received this May
$413 Million in May, 2022

Must be fully spent by 2024, or goes back to federal government

If City Council acts to accept and appropriate the funds by June 30, we can put it to work for Detroiters starting next fiscal year July 1st.
What can the funds be used for?

1) Offsetting budget shortfalls for the next three years – through 2024. We can use these funds to fix our budget problems for the next three years.

2) New Investments to Address Negative Impacts Caused by Covid: The Detroit Future Fund
Offsetting Potential Deficits through 2024: $400 Million

• The 2014 Bankruptcy 10 Year Plan of Adjustment spelled out the city’s service obligations through 2024.

• Last year, we made major Covid budget reductions that need to be restored:
  Most city offices closed or restricted
  1,000 city workers partially laid off
  $50 million of blight/clean-up funds were slashed

• Future Revenues are very much at risk, especially income tax.
  Income tax revenues projected thru 2024: $1.4 billion
  Potential 25% loss from office reductions: $350 million

• Need to reserve $400 Million from ARP funds to protect against layoffs or reductions for the next three years
That leaves $426 Million to be invested by 2024:
The Detroit Future Fund

**American Rescue Plan Fund Rules**

The funds must be put to work in new investment. **Cannot be used for:**

1) Pension Fund Payments
2) Paying off debt
3) Paying past legal obligations
Working to stop evictions in Detroit
Expect to bring $100 million in rental assistance funds

### Affordable housing/eviction prevention:
- Emergency Rental Assistance: $78 Million
- HUD HOME funds for homelessness: $26 Million
- Covid Emergency survival grants: $20 Million

### Health
- Covid vaccine funding: $63 Million
- Covid testing funding: $15 Million
- Health Department Covid outreach: $17 Million

### Transit/Transportation Funding
- $60-180 Million

### Water Affordability/Lead line replacement
- $100-200 Million

Four areas projected to be funded $300-600 Million outside of Detroit’s Direct ARP Allocation.
Detroit Also Can Potentially Partner With Other Governments Getting Their Own ARP Funds

<table>
<thead>
<tr>
<th>Government</th>
<th>Amount</th>
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<tbody>
<tr>
<td>State of Michigan</td>
<td>$5.7 Billion</td>
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<tr>
<td>Detroit Public Schools</td>
<td>$800 Million</td>
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<tr>
<td>Wayne County</td>
<td>$340 Million</td>
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Our Decision as a Community: How should Detroit spend $426 million from ARP?

Today is just the start of the conversation

The City will hold 25 community meetings in next 25 days to get your input.

City Council will also be holding its own community meetings.

Administration and Council are already collaborating in joint working groups.

Plan will be reviewed and amended each budget year – right now we need an initial plan to start the program this July.
What are the federal rules for spending the $426 Million?

The rules are still developing

U.S. Treasury has adopted an interim rule, but federally guidance will continue to be updated likely for months.

In general, the money can be used to:

“Address the negative economic impacts of Covid, including aid to households, small businesses, nonprofits, and industries.”

“Rebuild a stronger, more equitable economy as the country recovers”

“Address systematic economic challenges of low income communities and people of color”
One Proposal: How the Detroit Future Fund can help households, nonprofits, and small business

1) Fight Intergenerational Poverty $100 Million
2) Restore Neighborhoods $100 Million
3) Parks, Recreation & Cultural facilities $100 Million
4) Improve Public Safety $ 50 Million
5) Reduce Digital Divide $ 50 Million
6) Small Business Assistance $ 26 Million

Detroit Future Fund Total $426 Million
Expand Community Health Corps $30 Million
(Full wraparound services 1200-1800 in extreme poverty)
Reach out to homes of those in need of emergency help and provide full support

Door-to-door outreach and restorative case management intervention.
Apply for resources and track those applications.
Employment and economic mobility.
Quality and accessibility
Work as an agent of change.
How Might We Spend $100 Million in 3 Years To Fight Intergenerational Poverty?

Expand Community Health Corps  
(Full wraparound services 1200-1800 in extreme poverty)  
$30 Million

Skills for Life Employment – Education/Work  
(Pay 3 days a week to work/2 days for school/training)  
$40 Million
Three Days a Week Working to Improve the City – Starting at $12/hour for those without HS Degree
Working to stop evictions in Detroit

Expect to bring $100 million in rental assistance funds

2 days a week getting HS Degree or Job Training – Paying Minimum $15/Hour for this with HS Degree
How Might We Spend $100 Million in 3 Years To Fight Intergenerational Poverty?

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We can provide employment and wrap around support for young people involved in criminal activity.
Expand Community Health Corps $30 Million
(Full wraparound services 1200-1800 in extreme poverty)
Skills for Life Employment – Education/Work $40 Million
(Pay 3 days a week to work/2 days for school/training)
Targeted Employment/wraparound services $15 Million
(16-24 year olds with criminal justice contact)
Employ Seniors as mentors to help families $5 Million
Hiring our experienced talent to help guide the next generation
### How Might We Spend $100 Million in 3 Years To Fight Intergenerational Poverty?

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For the first time, you will readily find vacancies in apartments with affordable units
How Might We Spend $100 Million in 3 Years To Fight Intergenerational Poverty?

Expand Community Health Corps $30 Million
(Full wraparound services 1200-1800 in extreme poverty)
Skills for Life Employment – Education/Work $40 Million
(Pay 3 days a week to work/2 days for school/training)
Targeted Employment/wraparound services $15 Million
(16-24 year olds with criminal justice contact)
Employ Seniors as mentors to help families $ 5 Million
Create City Locator to find affordable housing $ 7 Million
Property Foreclosure Prevention Door-to-door Outreach $ 3 Million
Total $100 Million

Go door to door outreach to make sure every Detroiter knows the City can help you avoid foreclosure
## Restoring Our Neighborhoods

1. **Fight Intergenerational Poverty**  
   - $100 Million

2. **Restore Neighborhoods**  
   - $100 Million

3. **Parks, Recreation & Cultural facilities**  
   - $100 Million

4. **Improve Public Safety**  
   - $50 Million

5. **Reduce Digital Divide**  
   - $50 Million

6. **Small Business Assistance**  
   - $26 Million

**Detroit Future Fund Total**  
- $426 Million
What are some ways we could spend $100 million in 3 years to rebuild our neighborhoods?

Grants to Block Clubs/Neighborhood Associations
to improve vacant land from Land Bank (parklets, gardens) $10 Million
Neighbors/block clubs can get Land Bank property and get city grants to create neighborhood parks.
Working to stop evictions in Detroit

...or create community gardens
What are some ways we could spend $100 million in 3 years to rebuild our neighborhoods?

Grants to Block Clubs/Neighborhood Associations to improve vacant land from Land Bank (parklets, gardens) $10 Million
Home Repairs to Seniors/other low income families $20 Million
Helping long-time Detroiters fix up and stay in their homes
What are some ways we could spend $100 million in 3 years to rebuild our neighborhoods?

Grants to Block Clubs/Neighborhood Associations to improve vacant land from Land Bank (parklets, gardens) $10 Million

Home Repairs to Seniors/others low income $20 Million

Vacant property cleanouts (80,000 properties – remove dead trees, garbage, collapsed garages, rotting fences) $30 Million
Clearing out properties near occupied homes
Working to stop evictions in Detroit

Expect to bring $100 million in rental assistance funds

And cleaning up 80,000 vacant lots across our city
What are some ways we could spend $100 million in 3 years to rebuild our neighborhoods?

- Grants to Block Clubs/Neighborhood Associations to improve vacant land from Land Bank (parklets, gardens) $10 Million
- Home Repairs to Seniors/others low income $20 Million
- Vacant property cleanouts (80,000 properties – remove dead trees, garbage, collapsed garages, rotting fences) $30 Million
- Downpayment Assistance for Home Ownership $15 Million
Turning renters into homeowners with downpayment help
What are some ways we could spend $100 million in 3 years to rebuild our neighborhoods?

Grants to Block Clubs/Neighborhood Associations to improve vacant land from Land Bank (parklets, gardens) $10 Million
Home Repairs to Seniors/others low income $20 Million
Vacant property cleanouts (80,000 properties – remove dead trees, garbage, collapsed garages, rotting fences) $30 Million
Downpayment Assistance for Home Ownership $15 Million
Streetscapes for Neighborhood Commercial Districts $20 Million
To make more commercial corridors go from looking like this...
To looking like this.
Or looking like this....
Working to stop evictions in Detroit

Expect to bring $100 million in rental assistance funds

...to looking like this.
What are some ways we could spend $100 million in 3 years to rebuild our neighborhoods?

| Grants to Block Clubs/Neighborhood Associations to improve vacant land from Land Bank (parklets, gardens) | $10 Million |
| Home Repairs to Seniors/others low income | $20 Million |
| Vacant property cleanouts (80,000 properties – remove dead trees, garbage, collapsed garages, rotting fences) | $30 Million |
| Downpayment Assistance for Home Ownership | $15 Million |
| Streetscapes for Neighborhood Commercial Districts | $20 Million |
| Alley Activation | $3 Million |
We can help block clubs we’ve partnered with to clean up their alleys...
To reactivate them and give them new community uses with a $3 million investment
Alley Activation
What are some ways we could spend $100 million in 3 years to rebuild our neighborhoods?

| Grants to Block Clubs/Neighborhood Associations to improve vacant land from Land Bank (parklets, gardens) | $10 Million |
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| Vacant property cleanouts (80,000 properties – remove dead trees, garbage, collapsed garages, rotting fences) | $30 Million |
| Downpayment Assistance for Home Ownership | $15 Million |
| Streetscapes for Neighborhood Commercial Districts | $20 Million |
| Alley Activation | $ 3 Million |
| Neighborhood Signs | $ 2 Million |
| Total | $100 Million |
Every neighborhood could have identifying welcome signage for a $2 Million investment.
Biden’s Neighborhood Revitalization Plan Looks to Detroit for Inspiration

The administration aims to renovate 900,000 single-family homes in low-income neighborhoods; the plan’s fate is tied to Biden’s infrastructure proposal.

By Andrew Ackerman | Photographs by Sylvia Jarross for The Wall Street Journal
May 25, 2021 5:30 am ET
### Parks, Recreation, and Cultural Facilities

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**Detroit Future Fund Total**: $426 Million
How could we spend $100 million in 3 years to rebuild parks, recreation centers and cultural facilities?

Parks, Walking Paths, Joe Louis Greenway  
$50 Million
Building Neighborhood Parks We Can Proud Of

Doan Park Before

Doan Park Today
Lasalle Park
A $50M investment in parks and walking paths like the Joe Louis Greenway can transform blighted areas of our city.
Oakman to Fullerton Abandoned Stretch before Greenway
Oakman to Fullerton After Greenway
Linwood Abandoned Stretch before Greenway
Linwood Area After Greenway
How could we spend $100 million in 3 years to rebuild parks, recreation centers and cultural facilities?

Parks, Walking Paths, Joe Louis Greenway
$ 50 Million

New or expanded Recreation Centers
$ 30 Million
We can make a $30 million commitment to building new recreation centers or expanding existing ones.
We can make a $30 million commitment to building new recreation centers or expanding existing ones.
How could we spend $100 million in 3 years to rebuild parks, recreation centers and cultural facilities?

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<td>Arts and Cultural Investments (Charles Wright Museum, History Museum, Motown Museum, Ossian Sweet House)</td>
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<td><strong>Total</strong></td>
<td><strong>$100 Million</strong></td>
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Improving the cultural attractions that celebrate Detroiter’s rich heritage and contributions

- Motown Museum Expansion
- Ossian Sweet House Interpretive Center
- Charles Wright Museum of African American History
Improving Public Safety:
Stop the Speeding and Drifting and Cut Gun Violence

1) Fight Intergenerational Poverty  $100 Million
2) Restore Neighborhoods         $100 Million
3) Parks, Recreation & Cultural facilities $100 Million
4) Improve Public Safety         $  50 Million
5) Reduce Digital Divide          $  50 Million
6) Small Business Assistance      $  26 Million

Detroit Future Fund Total          $426 Million
How Could We Spend $50 Million in 3 Years To Improve Public Safety?

Stopping Speeding and Drifting $16 Million
(100 Traffic Enforcement Vehicles and Air Support)
Working to stop evictions in Detroit

Expect to bring $100 million in rental assistance funds

100 Patrol Cars and an Additional Helicopter to Reduce High Speed Chases and Still Seize Vehicles
How Could We Spend $50 Million in 3 Years To Improve Public Safety?

Stopping Speeding and Drifting
(100 Traffic Enforcement Vehicles and Air Support) $16 Million

Use Technology to Fight Gun Violence
(Shot Spotter and Traffic Cameras) $17 Million
Shot Spotter could expand to cover the 20 square miles of highest violence.

*2020 Nonfatal Shootings & Homicides

Legend

- Current Expansion
- Future Expansion
- Scout Car Area by Density of NFS & HOM*
  - Least Dense
  - Low-middle Dense
  - Middle Dense
  - High Dense
Expanding Traffic Cameras to 53 More Intersections Will Help Identify Drive-by Vehicles

No Facial Recognition Used With Traffic Cameras
How Could We Spend $50 Million in 3 Years To Improve Public Safety?

Stopping Speeding and Drifting
(100 Traffic Enforcement Vehicles and Air Support) $16 Million

Use Technology to Fight Gun Violence
(Shot Spotter and Traffic Cameras) $17 Million

Upgrade Officer Training With State of Art Facility $7 Million

Total $50 Million
Need Modern Training Facility to Meet Today’s Demands on Police Officers
## How Could We Spend $50 Million in 3 Years To Improve Public Safety?

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<tr>
<td>Adding EMS Bays to Firehouses for quicker response</td>
<td>$10 Million</td>
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We can build ambulance facilities to four firehouses for more rapid 911 responses.
Improving Public Safety:
Stop the Speeding and Drifting and Cut Gun Violence

1) Fight Intergenerational Poverty  $100 Million
2) Restore Neighborhoods  $100 Million
3) Parks, Recreation & Cultural facilities  $100 Million
4) Improve Public Safety  $  50 Million
5) Reduce Digital Divide  $  50 Million
6) Small Business Assistance  $  26 Million

Detroit Future Fund Total  $426 Million
$50 Million Could Build Real Equity in Digital Access for All Detroiters

A Real Digital Equity Plan Has Four Parts:

1) Devices (Laptops or Tablets)
2) Access to Internet
3) Access to Tech Support
4) Access to IT Jobs and Careers
40,000 students would receive devices to support distance learning and youth employment programs
950 laptops available to borrow from Detroit Public Libraries
10,000 low-income Detroit seniors will receive laptops
All 24,000 affordable housing residents get a computer free high-speed Wi-Fi for 3 YEARS.
Free Wi-Fi on all DDOT Buses
And free neighborhood Wi-Fi Access from an existing network of churches and non-profits
Tech help available for free to help Detroiters use their technology
1,000 corporate-sponsored on the job training/apprenticeship programs for Detroiters
Improving Public Safety:
Stop the Speeding and Drifting and Cut Gun Violence

1) Fight Intergenerational Poverty $100 Million
2) Restore Neighborhoods $100 Million
3) Parks, Recreation & Cultural facilities $100 Million
4) Improve Public Safety $ 50 Million
5) Reduce Digital Divide $ 50 Million
6) Small Business Assistance $ 26 Million

Detroit Future Fund Total $426 Million
How could we spend $26 million in 3 years to help small business start-ups and growth?

Double Motor City Match Grants $ 8 Million
Nearly 120 Businesses Have Opened with MCM – 81% Owned by Entrepreneurs of Colors
Doubling the Quarterly Awards Will Increase Equity in New Business Start-ups in Detroit

Motor City Match connects new and expanding businesses with Detroit’s quality real estate opportunities, providing them with funding and tools to fuel the city’s entrepreneurial revolution.

$500,000 EACH QUARTER
IN GRANTS TO BUSINESS & BUILDING OWNERS

Dream It. Do It. Detroit
Building Owner applications open April 1 and close May 1.
Business Owner applications open June 1 and close July 1.
How could we spend $26 million in 3 years to help small business start-ups and growth?

Double Motor City Match Grants  $ 8 Million
Double Motor City Re-Store Facade Grants  $ 8 Million
How could we spend $26 million in 3 years to help small business start-ups and growth?

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<td>Build Off Street Parking Lots on Commercial Strips</td>
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We would purchase and build parking on vacant lots between shops on commercial corridors.
Relieving congestion and inconvenience for customer shopping
One More Decision We Need to Make as a Community on ARP Funds?

Should the City of Detroit give preference to Detroiters who owned home during the period of widespread overassessment?

ARP rules do not allow payments for past legal claims or for financial losses prior to Covid.

But nothing in the rules prevents us from giving preference to long-time Detroit homeowners in the new ARP programs.
The History of Detroit Assessments

Home Sale Prices in Detroit dropped 60% from 2009 to 2010

Zillow Home Value Index
2010 Assessor’s Values for Property Taxes Were Not Reduced Enough
2011: Assessor’s Values in Detroit Dropped, but Home Prices Fell Faster
In 2010-2011, tax appeals exploded across the state because communities didn’t reduce assessments fast enough.
In 2012, Detroit still didn’t drop fast enough. 5,000 Detroit homeowners had successfully appealed.

“We found that the Division’s assessing operations are inefficient, ineffective, and lacking...”

Detroit Auditor General Report
September 10, 2012
In 2013, the Problem Continued: Central Issue in the 2013 Mayoral Campaign

More than 6,000 Detroiters had successfully appealed their assessments.
Many of these assessments have not been fair. In the worst cases, they have forced people from their homes. This realignment of tax assessments is long overdue.

Mayor Mike Duggan
January 27, 2014
In 2014, City Assessor’s Average Dropped Below Home Prices
Where Did The Property Tax Payments Go?

- Public Schools: 43%
- City of Detroit: 37%
- Wayne County: 10%
- Others (WCCC): 10%
Detroit Home Sale Prices Have Climbed Above Assessor’s Value Since
Today Detroit home sales prices well above assessor's average – Homeowners should always compare their house to the average

$5,000 $10,000 $15,000 $20,000 $25,000 $30,000 $35,000 $40,000 $45,000 $50,000


Should Detroit give preference in ARP programs to affected Detroit Homeowners?

We Could Give Preference For 2009-2014 Homeowners
Today Detroit home sale prices well above assessor’s average – Homeowners should always compare their house to the average

We Could Give Preference For 2009-2016 Homeowners

Homebuyers in 2015, have since gained 113% in home value
So we are asking callers to make one of 3 choices

1) Give preference to Detroit homeowners from 2009-2014
2) Give preference to Detroit homeowners from 2009-2016
3) Give no preference to homeowners over anyone else
We are also asking for your opinion. What would you increase or decrease? What would you add?

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Find your most convenient meeting at DetroitMi.gov