

Detroit Demolition Bond Proposal Defeated Amid Mass Discontent

City Council in 6-3 vote rejects latest corporate scheme to defraud the people

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On November 19, the Detroit City Council voted down a bond proposal advanced by corporate-imposed Mayor Mike Duggan ostensibly designed to eliminate blighted residential properties in this overwhelmingly impoverished African American municipality.

The latest bond initiative came to the city's legislative body in the aftermath of the release of scathing reports by several municipal entities related to the inefficient and corrupt conduct of the administration.

Most significantly, the Auditor General published a report on the city's demolition program which was filled with rules violations, fiscal waste and environmentally compromised practices. This audit had been commissioned by Council President Brenda Jones some four years ago.

Testimony before the City Council in a public session on November 12 revealed that the Duggan administration had refused to provide documents related to the demolition program. In response to the Auditor General's findings, the Chief Financial Officer (CFO) on behalf of the Mayor, sought to discredit the conclusions.

Nonetheless, the data utilized in the AG report came from several city departments managing the projects which have been mired by cost overruns, a blatant disregard for the health and safety of the communities impacted as well as a general level of impunity in dealing with the City Council, the corporate press and residents of the city. Numerous community organizations appeared before the City Council for two straight weeks speaking out against the bond initiative. On the eve of the final vote, over 500 people jammed the Erma Henderson Auditorium at the Coleman A. Young Municipal Center (CAYMC) during a public hearing to condemn the Duggan policy demanding that City Council reject the scheme.

In a November 8 lead article in the [Detroit Free Press](#) it noted that:

"The sweeping audit revealed the Detroit Building Authority— along with one or more city departments in some instances: failed to properly provide oversight and administer contracts; did not fully comply with some local and state laws; didn't monitor to ensure that demolition contractors met requirements. Auditor General Mark Lockridge also blasted the city for having 'inconsistent and unreliable' demolition data, as well as poor record keeping that made it difficult to perform the audit. 'A perception that public officials are using the procurement system to reward themselves, their friends, or

supporters, poisons the public's confidence in government and shakes its faith in the bureaucratic process,' he wrote."

Federal Hardest Hit Funds Redirected and Expropriated

The AG's findings mainly related to the city's own demolition program. Far worse, the reported \$250 million in Federal Hardest Hit Funds (FHHF) which were granted to the city initially to address the horrendous problems of mortgage and later property tax foreclosures, have instead become a source of widespread mismanagement as well and therefore subject to scrutiny by United States law-enforcement officials and 14th District Congresswoman Brenda Lawrence.

Figures provided by the Duggan administration claims that over 19,000 vacant homes have been demolished since 2014. Of that number the majority, some 14,000, utilized FHHF allocations to tear down the structures. Private contractors hired by the Duggan administration demolished homes allowing asbestos, lead and other harmful materials to remain in the soil. Bricks and other housing debris were often left on the land where the structures were removed.

Congresswoman Lawrence was quoted in the November 14 issue of the [Free Press](#) saying:

"I want those sites tested and documented. And if they are contaminated, lets remediate it. ... We cannot have contaminated soil that we use federal dollars for in a community. I was very involved in the details of Flint and one of the things we discovered is that there were cries or complaints or concerns about an issue happening in the community and for months there was no response from government, I am not going to have my record reflect that I did not respond. ... We must act."

After the failure of the state to enforce the utilization of the FHHF monies in a proper fashion under both Democratic and Republican administrations between 2010-2014, the contrived declaration of a financial emergency, the illegal placing of an Emergency Manager (EM) over the city in early 2013 along with the filing of bankruptcy by the state-appointed EM during that summer, set the stage for the injection of the federal funds into the Detroit Land Bank Authority (DLBA). Attempts by the Moratorium NOW! Coalition and other community organizations to have the FHHF resources put to practical and much needed use in stabilizing communities was rejected by the administration while the City Council, the Michigan State Housing Development Authority (MSHDA) and the federal government accepted the false notions that massive demolition would somehow foster development. In fact a recent study indicated that blight has worsened since the advent of the corporate-imposed Duggan regime. (See [this](#))

Since 2014, the DLBA has been given unwarranted authority to survey, target, confiscate, resale and demolish homes throughout the city. The DLBA has been cited for several violations of basic best practices. The offices of the "quasi-governmental agency" established by the Michigan State Legislature has wasted hundreds of millions in federal funds which could have provided much needed relief for Detroit residents suffering from over-assessed property taxes, predatory mortgages, utility and water shutoffs.

In essence, the policies enacted by the bank-led "development" strategy in Detroit have in

effect created more abandonment, dislocations and underdevelopment of communities. The city remains one of poorest major municipalities in the U.S. The nationality character of Detroit, being approximately 80% African American, provides a glaring example of the convergence between race and class oppression under capitalism.

The Need for a Broad-based Citywide Coalition to Reverse the Bank-led Strategy

Despite the determination of the Duggan administration to force the city residents into more indebtedness through the floating of General Obligation Bonds (GOBs) for demolitions, an alliance of community organizations were successful in defeating this plot which in all likelihood would provide more opportunities for patronage, profiteering, theft and environmental degradation. Such an alliance could be extended to meaningfully address the overall crises impacting the city now facing a renewed challenge as a direct result of the stalled prestige business complexes which have been showcased as examples of Detroit's resurgence.



Many of the announced "development projects" over the last five years have failed to materialize. The much-championed "District Detroit" which began with the publicly-funded to the tune of over \$300 million construction of Little Caesars Arena (LCA), had been deceptively sold to the City Council during the state-engineered bankruptcy as the first stage of the rebuilding of dozens of blocks of blighted and vacant areas formerly known as the Cass Corridor. Today, most of the land surrounding the LCA sports arena consists of parking lots and uninhabited buildings.

The "Hudson's site project" established by billionaire Dan Gilbert along Woodward Avenue downtown has yet to begin construction. The Republican-dominated Michigan state legislature granted huge tax abatements and the capture of personal income taxes designed to be recycled back into the Gilbert financial empire. Gilbert, who suffered a stroke over six months ago, remains out of the public view. Meanwhile, the impatience of the majority African American residents and other progressive forces is impacting the corporate media and the City Council.

A Detroit Inspector General's (IG) report recently condemned the Duggan administration for the deliberate destruction of e-mails (public documents) related to a non-profit corporation which is run by a physician which the Mayor has a personal relationship. Municipal employees and resources were mobilized to assist the "Make-Your-Date" non-profit ostensibly geared towards curbing the high infant mortality rate in the city.

Yet it is quite obvious that the program was far less than legitimate prompting the IG to call for disciplinary actions by the administration. The administration refused to implement any corrective measures. Several weeks ago the Michigan Attorney General Dana Nessel conducted a raid on the Information Technology (IT) division of the city in an ongoing investigation related to the ordering of e-mails deletions by high-ranking administration officials.

At a recent Moratorium NOW! Coalition meeting, members emphasized the need for the convening of a people's Town Hall gathering independent of the City Council. This teach-in or conference would analyze the current situation in Detroit in light of the economic stagnation and the continuing problems of poverty, racism, financial exploitation, corruption and administrative impunity.

There is a need to reevaluate the entire municipal bond issuance process in light of the experiences in the city over the last two decades. Detroit residents have approved numerous bond initiatives where the funds have been redirected towards debt service payments to financial institutions. This phenomenon created the conditions for the illegal appointment of EMs in both the public school district and municipal government as a whole.

Municipal bonds supposedly designed to construct and refurbish school buildings have resulted in the structures being closed and razed. Payments on these bonds are set to continue for another twenty years. The same scenario holds true for the prestige projects littering downtown and midtown. Tax captures from funds which should be utilized for education and municipal services are funneled to the Detroit Downtown Development Authority (DDA) and the Neighborhood Strategic Fund (NSF).

The banks which were instrumental in the destruction of the city through racist predatory lending have announced the allocation of millions to the NSF. However, these programs have not resulted in genuine development. Certain areas such as the Livernois business district on the northwest side have been plunged into an economic crisis due to a lack of adequate construction planning. The same problems exist as well along Woodward Avenue in the New Center area.

Community organizations equipped with an analysis of the contemporary crises of capitalism will come to the realization that only socialist-oriented planning and development strategies provide any hope for a sustainable future. A nationwide effort is required for such an approach to municipal governance to be successful.

The problems of urban restructuring and displacement are part and parcel of the global character of capitalism and imperialism. Consequently, local organizing must take into consideration the necessity for revolutionary transformation of the conditions under which the working class and oppressed live and work.

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