



Coleman A. Young Municipal Center
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September 2, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

RE: Neighborhood Improvement Program (NIP) - Closing Resolution

Honorable City Council:

The Administration is pleased to present the Neighborhood Improvement Program (NIP) resolution for the Council's consideration. The resolution outlines a series of governance, procurement and community development policy objectives the administration is committed to implement in the expenditure of the bond funds.

If the ballot item is approved by the electorate, the resolution will become a guide for the use of the funds.

If you have any questions about this proposal, please reach out to me at ajemison@detroitmi.gov or Stephanie Washington at washingtons@detroitmi.gov. Thank you for your time and consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Arthur Jemison'. The signature is stylized with a large initial 'A' and a long horizontal stroke.

Arthur Jemison
Group Executive - Planning, Housing & Development
Mayor's Office

cc: A. Peeples, Mayor's Office



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Resolution Supporting the Administration's Commitment to the goals of the Neighborhood Improvement Plan, to be Supported in Part by Proposal N, the Neighborhood Improvement Bonds

COUNCIL MEMBER _____

WHEREAS, the Mayor has requested the City Council to approve a ballot initiative by which the City shall borrow an amount not to exceed \$250,000,000 and issue Unlimited Tax General Obligation Bonds of the City for the purpose of Neighborhood Improvement through the preservation and rehabilitation of as many vacant houses as possible, the demolition of abandoned houses that cannot be saved, and improvement from related blight remediation activities (the "Neighborhood Improvement Plan"); and

WHEREAS, the City of Detroit is experiencing historically high unemployment rates and economic hardship on Detroit businesses; and

WHEREAS, the \$250 million Neighborhood Improvement Bonds provide a much needed opportunity for stimulus for Detroit businesses and employment opportunity for Detroit residents under the commitments specified in this resolution; and

WHEREAS, in consideration of the City Council's approval of the proposed Neighborhood Improvement Bond Resolution the Administration agrees to undertake the items within the resolve of this resolution and City Council agrees that its ongoing oversight of the implementation of the Neighborhood Improvement Plan will assure that its implementation will follow the seven goals specified herein; **BE IT THEREFORE**

1. RESOLVED, the City of Detroit will implement the Neighborhood Improvement Plan operated to accomplish eight primary goals as proposed by the Mayor and agreed to by City Council:

1. Save every house possible from demolition by prioritizing the rehab of vacant homes.
2. Give preference to Detroit companies in all rehabilitation and demolition related contracts with a goal of 50%+ work performed by Detroit contractors.
3. Give preference to companies who commit to train and employ Detroiters with a goal of getting these companies to employ at least 51% Detroit residents.
4. Partner with Detroit Community Development Organizations (CDO's) and other qualified groups to rehab homes and redevelop property in the neighborhoods.
5. Give preference to Detroit residents to acquire and reuse the properties in their neighborhoods.



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6. Combine the Neighborhood Improvement Bonds with other funding sources for broader neighborhood redevelopment.
7. Bring Accountability for the Demolition back under the oversight of City Government.
8. Keep the property tax rate at current levels while supporting a \$250 million reinvestment in the neighborhoods; and

2. RESOLVED, Subject to state law and City ordinance, the administration will operate the securing of vacant houses for rehabilitation and for demolition of abandoned houses through a Detroit Vacant House Management Department. The changes will be proposed in an Executive Organization Plan amendment submitted to City Council before the end of the Council Session in November 2020 and will modify the existing Detroit Demolition Department to become the Detroit Vacant House Management Department. The Detroit Vacant House Management Department will be responsible for securing or demolishing vacant houses, but will not be engaged in the sale or ultimate redevelopment of those houses; and

3. RESOLVED, the City will create a Neighborhood Improvement Plan Advisory Board made up of three members appointed by the Mayor, three members appointed by City Council, and one jointly appointed member from a selection of candidates submitted by City of Detroit residents. The Board will review and monitor the goals of the final resolution, review the Quarterly Reports from the Vacant House Management Department and provide recommendations to the Administration and City Council; and

4. RESOLVED, by the end of Council Session in November, 2020, the Vacant House Management Department and DLBA will submit a plan to City Council to provide for the following:

1. A process of identifying all public owned vacant properties that have potential to be rehabbed and occupied if they are promptly secured.
2. A plan for securing all publicly owned salvageable vacant houses from further deterioration, including a plan to clean out debris, to install exterior security materials sufficient to strongly deter entrance from trespassers or vandals, and to protect the interiors from ongoing water damage from leaking roofs or other sources; and

5. RESOLVED, the Office of Contracting and Procurement agrees to submit non-emergency residential demolition contracts in packages not to exceed 2,000 properties not more than quarterly; and

6. RESOLVED, Through the use of the equalization ordinances and aggressive work by Civil Rights, Inclusion & Opportunity Department, The City will qualify contractors for the exterior security of houses and for demolition, with the goal of over 50% of the contracts with one of the



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following certifications: Detroit Based Businesses, Detroit Headquartered Businesses, Detroit Small Businesses, Detroit Resident Businesses, Detroit Based Micro Businesses, Minority Owned Business Enterprises, Women- Owned Business Enterprises, Mentor Ventures, and Joint Ventures. Special packages may be brought to City Council outside of the biannual process to address emergency, public safety or economic development needs. For bond offerings from this authorization, the City will endeavor to contract with minority owned and operated professional services providers, including but not limited to legal services, bond underwriting and financial advisory services. The Office of Procurement and the Civil Rights, Inclusion & Opportunity Department will implement target business outreach to attract and certify additional demolition and rehabilitation businesses in the future. The Administration will also target outreach to unemployed Detroit residents; and

7. RESOLVED, within each procurement for house security services or demolitions, the Office of Contracting and Procurement will set aside contracts for certified Detroit Small Businesses and Detroit Based Micro Businesses. The Office of Procurement intends to set aside 30% of the contracts for certified Detroit Small Businesses and Detroit Based Micro Businesses in the procurement to be awarded in January 2021 and will report to the Administration and City Council following the completion of the procurement. If there is insufficient capacity to meet the 30% set aside in the January 2021 procurement, the Office of Contracting and Procurement and the Civil Rights, Inclusion & Opportunity Department will report to City Council on actions they will take to attract and certify additional Detroit Small Businesses and Detroit Based Micro Businesses in house security or demolition in the future; and

8. RESOLVED, Prior to the submission of a house security or demolition bid package, the Office of Contracting and Procurement agrees to submit at the time of each major procurement for demolition report for all house security or demolition contractors that are not certified as a Detroit Resident Business including the number of employees and the number of Detroit-resident employees at the time of bidding; and

9. RESOLVED, by December 31, representatives from the OCFO and CRIO will work with the Budget, Finance and Audit Standing Committee to review the existing ordinance, develop outcome metrics and recommend changes to the ordinance to better meet the objectives of the Administration and City Council; and

10. RESOLVED, the Neighborhood Improvement Plan will provide employment opportunities for Detroiters, including the following:

1. For employees hired directly by the Vacant House Management Department, every effort will be made to hire Detroiters with the expectation of a success rate comparable



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- to the General Service Department's performance in hiring Detroiters in the recent citywide board-up effort.
2. For all bids awarded under the Neighborhood Improvement Plan, the administration has agreed to extend the application of Executive Order 2016-1, regardless of the size of the rehabilitation or demolition contract.
 3. Detroit Employment Solutions Corporation agrees to schedule a meeting with house securing and demolition contractors that have been pre-qualified to determine the hiring and training needs of each contractor to inform a gap analysis for implementation of the Blight Elimination Strategy within one (1) month of the approval of this agreement; and

11. RESOLVED, within one (1) month of approval of this agreement, the Detroit Employment Solutions Corporation agrees to implement a Neighborhood Improvement Employment Outreach marketing plan that may include, but not limited to the following: outdoor signage; digital and social media outreach across Detroit at Work and all city channels; outreach to our community partners including City Council, Faith-based, community partners, Detroit Public Community School District, Department of Neighborhoods; Detroit at Work website banners and landing page highlighting details and how to sign up and find our more information (detroitatwork.com averages 50,000 visits a month); Detroit at Work newsletter with over 120,000 Detroiters subscribing; press conference to announce efforts and garner media partners stories, including ethnic media; and translation of marketing materials; and

12. RESOLVED, the Office of Contracting and Procurement, Detroit Employment Solutions Corporation, the Vacant House Management Department, and the Civil Rights, Inclusion & Opportunity Department agree to host employment fairs for contractors that do not qualify for the Detroit Resident Business certification. The Office of Contracting and Procurement will encourage those house security and demolition businesses that do not qualify for this certification to attend; and

13. RESOLVED, in consultation with the City Council, City and Detroit Land Bank Authority (DLBA) will work together to accomplish the following:

1. Evaluate and recommend new discount programs for Detroit residents.
2. Evaluate and recommend methods to make it easier for Detroiters to acquire vacant land and housing (such as the Building Blocks Program).
3. Make recommendations on the future of all vacant lots currently in the DLBA's inventory as well as future vacant lots resulting from the Neighborhood Improvement Plan.
4. Continue to implement the Building Blocks program across the City as structures and land are made available for sale.
5. Implement the Vacant Land Policies Approved by the DLBA Board in March of 2020.



6. Implement Rehab Academy; and

14. RESOLVED, in partnership with the DLBA, the City will pursue a goal of converting the secured houses into rehabilitation as quickly as possible, with a goal of increasing the number of rehabs to 2,500 per year. This will vary based on housing market conditions, but the City will use multiple strategies to achieve this goal including sales, affordable housing subsidies (with a 50% AMI target), encouraging bank lending for home repair, rehabilitation subsidies, coordinated demolition strategies, expanding programs such as Rehabbed and Ready, planning support, and other initiatives; and

15. RESOLVED, the City and DLBA agree to maximize the use of Community Development Organizations such as Detroit 21 and other non-profits, including churches, to develop community partnerships to speed up the renovation of the secured vacant houses. The City of Detroit and DLBA will implement an outreach plan to inform and prepare CDOs for training opportunities; and

16. RESOLVED, the City will have a rehab and marketing strategy that is aimed at assisting lower income residents (targeting households below 50% AMI) and seniors in purchasing rehabbed or partially rehabbed houses; and

17. RESOLVED, the City will use sustainable renovation standards to provide future property owners with low utility costs, to include but not limited to, high efficiency systems (such as furnace, water heater) and updated windows; and

18. RESOLVED, the Vacant House Management Department will submit quarterly reports detailing the following: number of homes secured, number of houses demolished, proof of field liaisons' visits to each property, proof that all securing and demolition work was monitored - including the backfill activity, any ongoing investigations or litigation, and any violations issued; and

19. RESOLVED, the Vacant House Management Department will conduct a deconstruction pilot which preserves reusable materials that are then made available for purchase by residents engaged in rehabilitation or construction of their homes, to determine the feasibility of incorporating deconstruction into the demolition program on a larger scale; and

20. RESOLVED, Planning and Development Department will complete neighborhood plans driven by the community, through outreach and engagement, including those neighborhoods most impacted by abandoned structures and vacant land, and update the master plan for the City over the next five years with community input; and



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21. RESOLVED, in the areas most affected by demolition of vacant and abandoned structures, the City will be investigating four primary areas for neighborhood planning: the history of the neighborhood; tactical historic preservation opportunities; housing rehabilitation opportunities for vacant properties; interim and medium-term open space strategies. These pillars will help the city and neighbors plan for redevelopment while also creating amenities, prevent illegal dumping and making the neighborhood more attractive. The City will continue to use at least six large community meetings as part of its community engagement in the manner it has conducted its prior neighborhood plans; and

22. RESOLVED, through community meetings, the Planning and Development Department will develop side-lot, landscape and interim use strategies for areas that will remain vacant for the medium term. The City and DLBA will create land use policies that promote and protect public space and explore shared land ownership models such as land trusts; and

23. RESOLVED, the Neighborhood Improvement Plan will include efforts to address non-structural blight, including alley clean-ups, vacant lot cutting, and dead tree removal, and efforts to discourage illegal dumping; and

24. RESOLVED, the City will continue to partner with nonprofits and philanthropies to provide information about pathways out of foreclosure through Make it Home, Homeowner Property Tax Exemption Program, Pay as You Stay, and Right of First Refusal. These efforts will be extended in an unprecedented door-to-door community outreach campaign through a new established Detroit Community Health Corps; and

25. RESOLVED, the City's Mayor's office and applicable department and affiliates will conduct a Community Outreach Plan exceeding the requirements of the proposed Community Engagement Ordinance, the Plan will include but not be limited to:

- a. 7 Charter mandated meetings by the Mayor (Aug-Sep).
- b. 4 Virtual info sessions.
- c. 7 Council District meetings (Councilmember hosted).
- d. 1 Mayor Public Address via TV (pre-Election day); and

26. RESOLVED, the City OCP, in collaboration with the Vacant House Management Department, will consider a procurement for services that provide support such as certified soil, insurance, equipment leasing, etc. for certified Detroit-Based, Detroit headquartered and small businesses; and **BE IT FINALLY**

27. RESOLVED, HRD agrees to use future CARES Act CDBG, HOME, future non-CARES Act CDBG or other eligible funds to support the Detroit Housing Compact / Building the Engine



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Community Development home rehabilitation pilot program. HRD, the Detroit 21 and the Housing Compact members will work together through August 2020 to complete due diligence on the program to help redevelop vacant DLBA structures to be included in the City's HUD Annual Action Plan.