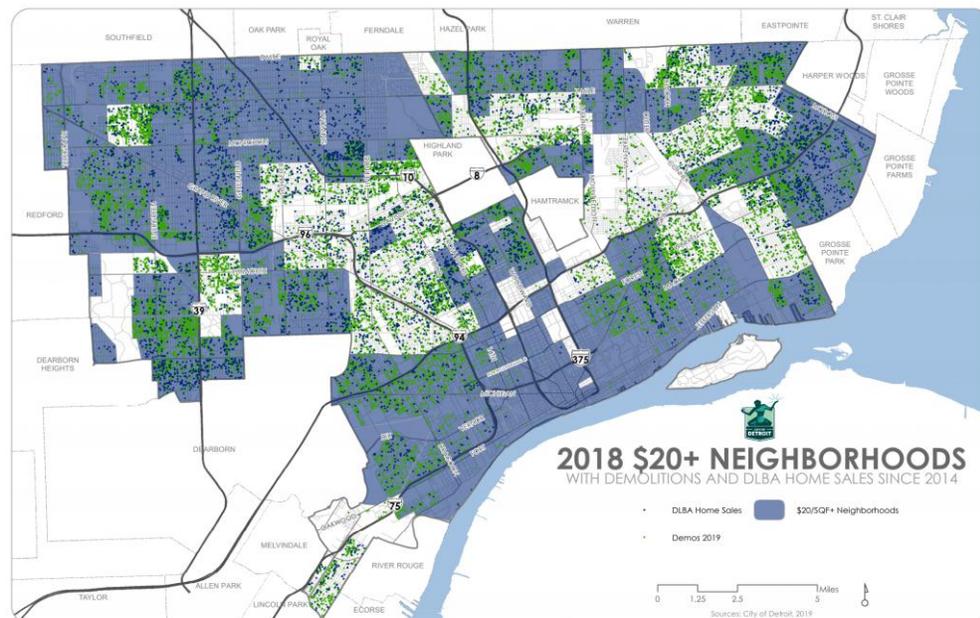
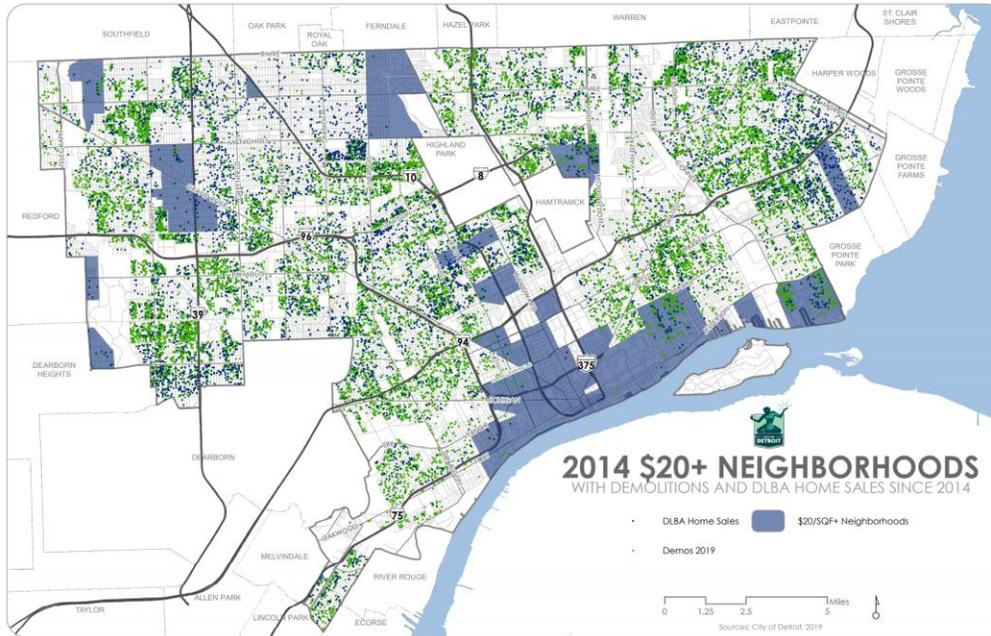




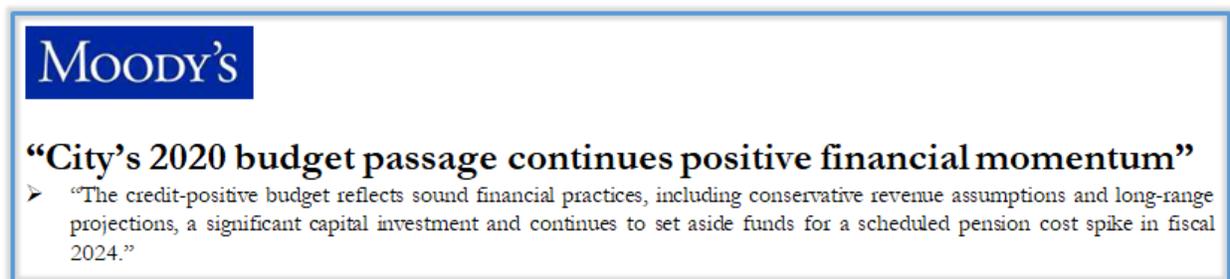
encouraged private investment in neighborhoods at levels not seen in decades. As property values in neighborhoods increase beyond \$20 per square foot, it becomes more economically viable to renovate houses in the private market. As shown in the maps below, the areas of the city that now have an MLS average over \$20 s/f has increased significantly since 2014.



Improving police and fire services is a critical component to the City's Plan of Adjustment. According to a Wayne State Study, "Violent crime and property crime drop in areas where blighted homes are razed in Detroit — and the more vacant, dilapidated houses that come down

in an area, the greater the crime reduction.”<sup>6</sup> Similarly, the reduction in fires has been remarkable. The Detroit Fire Commissioner credited the reduction to, “an aggressive blight elimination program, bolstered investigations, inspections as well as community education efforts and city block clubs.”<sup>7</sup>

Detroit has the capacity to make this critical investment in blight reduction due to collaboration with City Council to improve the City’s finances. After successfully exiting active state financial oversight in 2018, Detroit has continued fiscally responsible practices in enacting its Fiscal Year 2020 budget.<sup>8</sup>



In addition to a balanced budget, the City has a multi-year capital plan to support its investments in infrastructure. Funding for the City’s overall capital plan is sourced from a combination of bond proceeds, street funds, federal funds, Water and Sewerage revenue, pay-as-you-go funds, philanthropy and other sources. The City has the capacity to make a \$200+ million investment in blight reduction and continue critical investments in infrastructure without increasing taxes above the Fiscal Year 2020 debt millage.

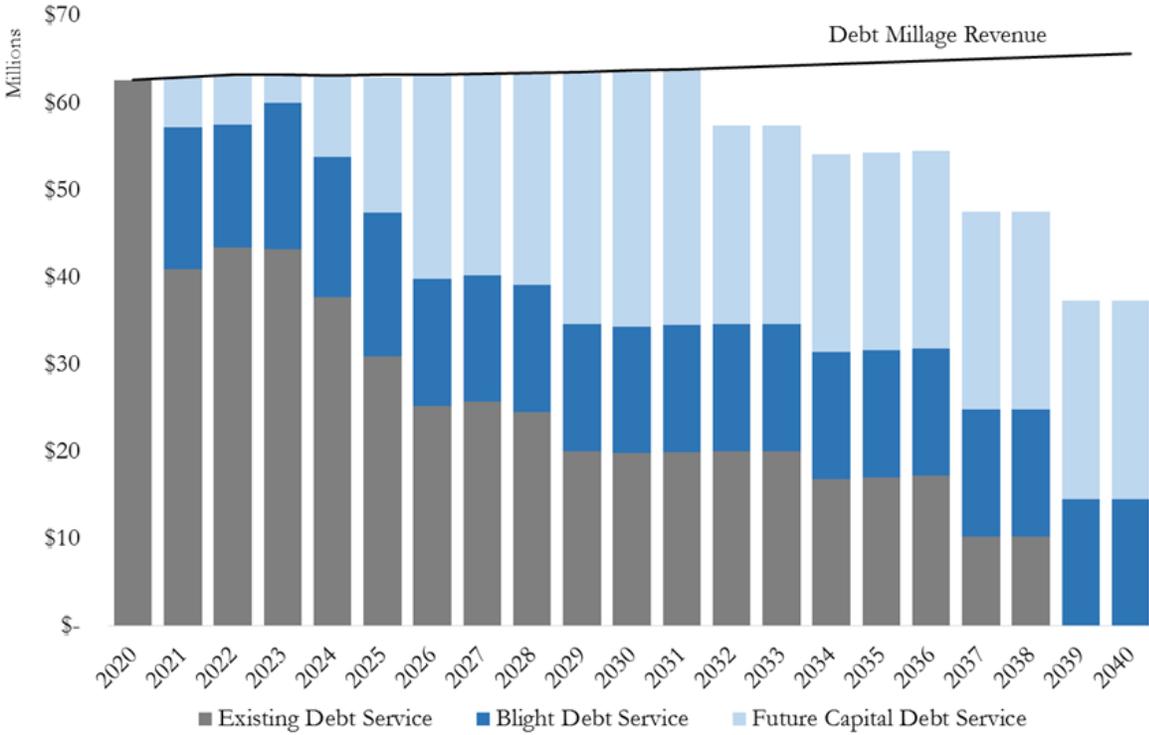
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<sup>6</sup> "Wayne State study: Blight demolitions reduce Detroit crime." Detroit Free Press. 5 Mar. 2019, <https://www.freep.com/story/news/local/michigan/detroit/2019/03/05/detroit-blight-demolitions-crime/3058171002/>. Accessed 29 May. 2019.

<sup>7</sup> "Detroit blazes see huge decline, fire officials say" Detroit News. 6 Feb. 2019, <https://www.detroitnews.com/story/news/local/detroit-city/2019/02/07/detroit-fires-decline-arson-investigations/794267002/>. Accessed 29 May. 2019.

<sup>8</sup> "City's 2020 budget passage continues positive financial momentum." Moody's Investor Service. 10 Apr. 2019. Issuer Comment.

# Projected Debt Service without raising taxes



\*Graph excludes debt service paid from trustee account.

As the City makes sound investment decisions, it strives to improve the City’s infrastructure, expand economic growth and continue to revitalize our neighborhoods. Detroit found immense financial and quality of life value in the blight reduction program. Detroit has the capacity to complete this investment due to its strong financial practices. With the voters’ approval of the proposed bond issue, as the Mayor said on Mackinac, “a blight free Detroit should not be a goal, it should be a given.”