Detroit needs help, and this is the start

By STEPHEN HENDERSON | Detroit Free Press

"The city needs help."

On the drive to work Tuesday, listening to reports of U.S. Bankruptcy Judge Steven Rhodes' Detroit bankruptcy ruling, I got rerouted by the massive police raid on the Martin Luther King housing project, part of a citywide crackdown on hot spots for Detroit's imposing crime.

Rhodes' ruling will shape the city's trajectory - and my work - for months to come.

The housing project is where I grew up.

I live in the city where I was born, so I'm used to jarring reminders of how my own history converges or deviates from the path Detroit has taken over the past four decades.

The city's triumphs, lost opportunities and even horrible misfortunes all have personal touchstones for me, all over town.

But Tuesday's reminder was particularly troublesome. I watched city cops, state police and other authorities drag 40 people into custody from my childhood home.
home, while a federal judge was laying out the stark and inarguable terms of Detroit's fiscal failure in his courtroom.

"The city needs help." Rhodes said that as he explained how broke Detroit is, how war-torn it looks and feels, and how little of the money collected in taxes actually goes to services for the people who live here.

He could just as easily have been describing what was going on at the housing project.

I've got a lot of faith in the promise the bankruptcy process offers Detroit, principally because I believe deeply in the strength of the rule of law.

Chapter 9, which provides protection for government entities like cities, is structured to prevent the fleecing of assets for financial reorganization and to preserve the chance that a city can get back on its feet, rebuild and revitalize.

The law gives tremendous precedence to the plan emergency manager Kevyn Orr will unveil to restructure the city's $18.5 billion in debt and liabilities. It limits creditors' objections to specific legal grounds and prevents them from submitting their own plans. They can't propose asset sales that Orr hasn't included. They can't demand draconian cuts to the city's emaciated complement of services.

I fear what bankruptcy will mean for the city's retirees and their pensions; Orr made clear he sees no way to balance the books without asking for some sacrifice from them. But I also believe that whatever happens in federal bankruptcy court has nothing to do, ultimately, with the state's obligation, imbued in our constitution, to keep the pensioners whole.

Orr said he doesn't think it's his job to ask Gov. Rick Snyder or the Legislature to honor that, but Attorney General Bill Schuette has made clear that he believes that obligation is real, and local officials, including Mayor-elect Mike Duggan, ought to add their voices.

If bankruptcy works the way the law is structured, Detroit could emerge with a balanced ledger and a much more manageable debt burden, which will give us more money for police and fire and all the other services that matter.

That's an opportunity, not a curse. The low point of insolvency could lead to the most stable financial footing the city has seen in four decades.
I'm more concerned, though, about what I saw at the housing project Tuesday, what it says about our deepest problems and how much work there is to do.

We weren't the typical family in the King Homes, as we called the project when I was a kid. My mother's meager income qualified us for subsidized housing, but she also made enough to send my sister and me to private schools; she knew education was the way forward for us, so she scrimped on housing.

It was no garden spot back in the 1970s and early '80s, when Detroit was often the world's murder capital and always in the national news for its crime rate. But we lived there without ever being crime victims. And when we moved out after my mom got a higher-paying job, my sister and I missed the place. Our family found opportunity, and a path forward, from there.

Now, it is a place so ravaged by crime that a multi-agency task force is sweeping it for offenders. For months, reports have talked about the prevalence of drug dealing and violence, and of how scared residents are there.

That's not progress, nor is it any way to live. This city won't bounce back until places like the King Homes are safe for less fortunate families, and given the frequency of these raids around town, it's clear we have a long way to go before that's true.

The bankruptcy can't fix that, only free up resources that could help.

The work that needs to be done - not just cracking down on crime, but spreading more opportunity - is daunting and systemic.

The city needs help. Rhodes' bankruptcy declaration hints at the deep core of the city's problems, but can only begin to make the changes Detroit needs.