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## City of Detroit CITY COUNCIL

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TO: COUNCIL MEMBERS

FROM: David Whitaker, Director

Legislative Policy Division Staff

DATE: March 15, 2022

RE: RESOLUTION DEMANDING THAT THE WAYNE COUNTY

TREASURER OFFICE EXTEND THE 2021 MORATORIUM ON

PROPERTY TAX FORECLOSURES OF OWNER-OCCUPIED HOMES

**INTO 2022** 

Council President Mary Sheffield requested that the Legislative Policy Division (LPD) draft a RESOLUTION DEMANDING THAT THE WAYNE COUNTY TREASURER'S OFFICE EXTEND THE 2021 MORATORIUM ON PROPERTY TAX FORECLOSURES OF OWNER-OCCUPIED HOMES INTO 2022.

Attached, please find our draft of the aforementioned resolution.

Attachment

## BY PRESIDENT MARY SHEFFIELD

## RESOLUTION DEMANDING THAT THE WAYNE COUNTY TREASURER'S OFFICE EXTEND THE 2021 MORATORIUM ON PROPERTY TAX FORECLOSURES OF OWNER-OCCUPIED HOMES INTO 2022

- WHEREAS, International, national, state and local health and governmental authorities continue to respond to an outbreak of respiratory disease caused by a novel coronavirus known as COVID-19; and
- WHEREAS, As of March 10, 2022, the Michigan Department of Health and Human Services ("MDHHS") has updated its <u>COVID-19 Isolation & Quarantine guidance</u><sup>1</sup> for Michigan residents, thereby relaxing some of its established protocols to control the epidemic. However, Michiganders are still impacted from its lingering effects; and
- WHEREAS, On March 16, 2020, Wayne County Treasurer Eric Sabree announced that Wayne County would not foreclose on any homes in 2020 in light of the pandemic, enabling around 13,800 Wayne County residents to remain in their homes, by extending the redemption period on foreclosures to March 31, 2022. According to the Detroit News, this is a rare reprieve for a county that foreclosed on 145,458 parcels between 2005 and 2017, an analysis by Detroit data firm Regrid found, about a third of all property in the city; and
- WHEREAS, Without another extension, Wayne County would continue to foreclose on homes in 2022 despite the ongoing global pandemic. Recognizing the ongoing impact of COVID-19 and an overwhelming demand for payment plans and appointments, the Wayne County Treasurer extended the deadline for payment plan enrollment as well as foreclosure redemption until March 30, 2022. Based on news accounts, this will likely result in 1,200 to 1,500 occupied homes being foreclosed by Wayne County; and
- **WHEREAS,** Since 2009, Wayne County has foreclosed on 1 in 3 Detroit homes for non-payment of property taxes.
- **WHEREAS,** Resuming tax foreclosures auction sales on owner occupied homes in the midst of a global pandemic will displace many vulnerable families.
- WHEREAS, While some low-income property owners can pursue a Poverty Tax Exemption (PTE) to extinguish their tax burden through the Pay As You Stay (PAYS) program, many over assessed owners of low valued homes do not qualify for this exemption and will be subject to foreclosure this year. NOW THEREFORE BE IT
- **RESOLVED,** While the pandemic continues, the Detroit City Council demands that the Wayne County Treasurer Office to extend the moratorium on property tax foreclosures of owner-occupied homes in the City of Detroit in 2022; **BE IT FINALLY**

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<sup>&</sup>lt;sup>1</sup> Hyperlinks are included for accessibility and verification purposes

**RESOLVED,** That a copy of this resolution be forwarded to the Wayne County Treasurer's Office, Wayne County Assessment and Equalization Division, Wayne County Commission, Detroit Delegation in the Michigan Legislature, the Michigan State House Committee on Tax Policy, the Michigan State Senate Committee on Finance, the Mayor's Office and the Assessor's Office.