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TO: Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division



DATE: July 14, 2025

SUBJECT: Resolution calling for the creation of the Retiree Fast Track Program

Pursuant to the request of Council President Sheffield, the Legislative Policy Division has attached a resolution calling for the creation of the Retiree Fast Track Program for your approval.

Please contact our office should you have any questions or concerns.

RESOLUTION CALLING FOR THE CREATION OF THE RETIREE FAST TRACK PROGRAM

BY COUNCIL PRESIDENT MARY SHEFFIELD _____:

WHEREAS, on July 18, 2013, the City of Detroit, Michigan, filed for bankruptcy in the Eastern District of Michigan under Chapter 9 of the United States Bankruptcy Code; and ¹

WHEREAS, Detroit had approximately 21,000 retired workers entitled to benefits in 2013, and the city's bankruptcy, which resulted in pension reductions as well as the elimination of cost-of-living adjustments (COLAs), imposed significant financial hardships on these retirees; and ⁴

WHEREAS, in addition to pension reductions, the bankruptcy proceedings drastically cut retiree health insurance obligations from \$4.3 billion to \$450 million, forcing many retirees to seek alternative healthcare options, often at a significantly higher personal expense; and ²

WHEREAS, retirees without substantial retirement savings, or the ability to re-enter the workforce, are at high risk of financial distress or poverty, as they likely did not accumulate significant savings, having reasonably expected to receive their pension benefits under the terms promised before the implementation of the 2014 Plan of Adjustment (POA); and ²

WHEREAS, the pension and benefit reductions imposed by the Plan of Adjustment (POA) has left many retirees in a financially unstable position, depriving them of the standard of living they rightfully earned after years of service to the City of Detroit.³ Instead of enjoying their retirement and spending time with their families, many retirees are now struggling to meet their basic needs; and ³

WHEREAS, the Detroit City Council recognizes that City of Detroit retirees have devoted years of dedicated service to the city and its residents, and despite having contributed substantially to the strength and resilience of our great municipality, many suffer significant financial hardship, rendering them vulnerable to rising living expenses and out-of-pocket medical costs; and

WHEREAS, the City of Detroit's implementation of strategic interventions can ensure that retirees enjoy expedited access to new and existing city programs, in effort to mitigate the adverse effects of their pension reductions by offsetting rising costs and alleviating financial burdens; and

WHEREAS, pursuant to an agreement between the Duggan Administration and the Detroit City Council, the Administration has committed to establishing a streamlined process through which Detroit retirees may receive preferential, exclusive, or expedited access to proposed and existing

1. Note: Municipal Bankruptcy and Public Pensions

Jackson T. Garvey, *Municipal Bankruptcy and Public Pensions: Detroit's Eligibility for Chapter 9 Relief and Legal Restraints on the City's Actions as a Debtor*, 89 Notre Dame L. Rev. 2299 (2014).

2. Legislative Policy Division, *Report Analyzing the Impact of Pension Cuts on Affected Retirees and Exploring Potential Remedial Strategies*, Detroit City Council (July 11, 2023).

3. AP News, *Detroit Bankruptcy Leaves Pensioners With Deep Cuts*, Associated Press (Dec. 10, 2019), <https://apnews.com/article/detroit-bankruptcy-debt-pensions-12786f6e3d0eb6c9910b430b08f08f30>.

City programs, including through expanded outreach efforts and improved pathways to eligibility; and

WHEREAS, this Resolution specifically calls for modifications to existing program criteria to facilitate the qualification of Detroit retirees, as well as the development of new programs and related awareness campaigns; and for the purposes of this Resolution, “Affected Retirees” refers to individuals identified in the Component II Plan—specifically, those enrolled in Detroit’s legacy pension plans under the two retirement systems that were frozen pursuant to the City’s Plan of Adjustment (POA); and ^{3 4}

WHEREAS, this Resolution also calls for modifications to the following program criteria for the purpose of qualifying Affected Retirees to receive preferential, exclusive, or accelerated access to the following:

1. Detroit Land Bank Authority (DLBA) 50% Off Program;
2. Grow Detroit’s Young Talent (for the benefit of the children and grandchildren of Affected Retirees);
3. The Small Business Launcher Program (previously operated as the Motor City Match Program);
4. The Detroit Department of Transportation Reduced Fare Program; and

WHEREAS, this Resolution further calls for the creation of programs, services and awareness campaigns for Affected Retirees, to be carried out by the Administration, which—once implemented—will inform Affected Retirees of their potential eligibility. The campaigns and programs to be carried out are as follows:

1. A awareness campaign promoting the Property Tax Adjustment in Taxable Value Program (HOPE), specifically targeted toward Affected Retirees residing within the city of Detroit. This program aims to expand awareness of the existing HOPE program as participation is contingent upon eligibility;
2. An awareness campaign promoting the City of Detroit Home Repair Program to Affected Retirees residing within the city of Detroit. This program aims to expand awareness of the existing City of Detroit Home Repair program. Participation is contingent upon eligibility;
3. An awareness campaign promoting the City of Detroit Down Payment Assistance Program to Affected Retirees residing within the city of Detroit. This program aims to expand awareness of the existing City of Detroit Down Payment Assistance program. Participation is contingent upon eligibility;

⁴ The Pew Charitable Trusts, *The Challenge of Meeting Detroit’s Pension Promises: Analysis of Progress to Date, the Path Forward, and Lessons for Other Public Sector Retirement Plans* (Mar. 2018), https://www.pewtrusts.org/media/assets/2018/03/challenge_of_meeting_detroits_pension_promises_report_v6.pdf

4. Services offered through Detroit at Work and access to City of Detroit Temporary Administrative Special Services (TASS) employment positions for Affected Retirees who meet the job specifications;
5. Access to the City of Detroit Employee Discount Program (administered through PerksSpot), available to Affected Retirees, providing them with benefits alongside other City of Detroit employees, offering equitable access to city-sponsored discounts;
6. Programs administered by the Housing and Revitalization Department, ensuring that local Affected Retirees who meet eligibility have access to these services and are prioritized second to residents in need;
7. Affordable housing units located within developments that have received tax abatements or tax incentives, as spaces may become available, shall prioritize Affected Retirees secondary to residents in need;
8. Future services and programs, as may become offered by the departments, and for which the Administration designates Affected Retirees as an eligibility criterion, ensuring that priority is given to the most vulnerable residents and Affected Retirees as new opportunities arise, **NOW, THEREFORE, BE IT**

RESOLVED, that in an effort to offset financial burdens—and pursuant to an agreement between the Administration and the Detroit City Council—the Administration will qualify Affected Retirees as eligible for preferential, exclusive, or expedited access to the aforementioned city programs, collectively referred to as the “Retiree Fast Track Program,” and is further urged to implement these programs as follows:

1. *Detroit Land Bank Authority 50% Off Discount.* The City is directed to allocate funds, to the extent available and as authorized by law, to support and subsidize a program administered by the Detroit Land Bank Authority (“DLBA”), which may provide purchase price discounts or credits for Affected Retirees seeking to acquire property through DLBA auction;

Eligible properties must include residential structures that have undergone stabilization under the City’s Neighborhood Improvement Plan Program, where the City has invested an average of \$10,000 per property for cleanouts and window clear-view board-ups;

Side-lot Program. The City is directed to allocate funds to support and subsidize a DLBA-administered program that provides Affected Retirees with a discount or purchase price credit of up to fifty percent (50%) off the purchase price of any eligible lot available through the DLBA side-lot program. The subsidy may be applied to a side-lot adjacent to the Affected Retiree’s principal residence;
2. *Grow Detroit’s Young Talent.* During the annual enrollment for summer jobs offered through Grow Detroit’s Young Talent (GDYT), the City may expedite the applications of

the children and grandchildren of Affected Retirees, ages 14-24, for priority access and placement. The children and grandchildren of Affected Retirees who complete their application during the enrollment period are to be given preference to make sure they are placed in a job that summer;

3. *Small Business Launcher Program.* To the extent permitted by law, and subject to any restrictions on the use of funds allocated to the Retiree Fast Track Program, the City is directed to pursue an amendment to its subrecipient agreement with the Economic Development Corporation of the City of Detroit to authorize a 20% increase in the maximum financial or technical assistance award available to eligible Affected Retirees. This increase applies exclusively to Affected Retirees who are the sole owner of a business, or who hold a controlling interest in a business, receiving financial or technical assistance through the City-sponsored Small Business Launcher Program (formerly known as the Motor City Match program);
4. *Detroit Department of Transportation Reduced Fare Program.* The City is directed to qualify Affected Retirees for participation in the Detroit Department of Transportation Reduced Fare Program. Affected Retirees may be established as a category for eligibility;
BE IT FURTHER

RESOLVED, that an Affected Retiree is eligible (i) to qualify for and receive preferential, exclusive, or accelerated access to potential future programs recognized as part of the “Retiree Fast Track Program,” and (ii) to receive any recommended benefit under such Retiree Fast Track Programs for which the retiree qualifies, **BE IT FINALLY**

RESOLVED, that all Retiree Fast Track Programs provided in this resolution must comply with all applicable laws, and that all Affected Retiree applicants are subject to the eligibility requirements of all programs. No Retiree Fast Track Program may be implemented or administered in a manner that violates legal restrictions, eligibility requirements, or which results in the unauthorized use of funds.