

# Tens of Thousands Threatened with Property Tax Foreclosures in Detroit

Wayne County Treasurer is being pressured to extend moratorium on owner-occupied homes and tenants

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*March 31 has been designated as the deadline for Wayne County residents to pay back property taxes from 2019 and before despite the failure of the relevant authorities to provide adequate assistance to working and impoverished households.*

For the last two years, Wayne County Treasurer Eric Sabree has not foreclosed on properties due to the COVID-19 pandemic which has had a disproportionate impact on area residents, particularly African Americans who make up approximately 80 percent of the Detroit population.

This issue is not a new one in Detroit and Wayne County. Since 2005, there have been tens of thousands of homes and small businesses seized due in part to over assessments which grew out of the mortgage crisis during the first decade of the century. Values of homes were artificially inflated by financial institutions in order to sell more first-time and refinancing loans which proved beneficial only to the banks and insurance companies.

Detroit and the state of Michigan were at the epicenter of the economic crisis leading up to and during the so-called “Great Recession” from 2007 to 2010. The impact of the mortgage home foreclosures was to create even more neighborhood abandonment and blight. Successive state and local officials refused to take effective measures through the implementation of long-term moratoriums along with legal actions against the banks which created the housing crisis.

Moreover, the working and poor people of the United States were saddled with bailing out the banks and insurance firms that engineered the economic downturn. Legislation passed by Congress during the final quarter of 2008 placed the burden of the recession on taxpayers within the proletariat. This bailing out of the banks coincided with similar efforts

related to the automotive industry where both General Motors and Chrysler were subsidized by public funding in order save them from consolidation or liquidation.

These factors are largely responsible for the housing situation in Detroit and Wayne County where more than a quarter of the population (240,000) were driven out of the region between 2000-2010. In Detroit, the population, according to the latest Census figures, has declined an additional 80,000 since 2010. At present, population estimates indicate that the state's largest municipality has a population of 635,000.



Detroit demonstration outside Wayne County Treasurer's Office downtown (Source: Abayomi Azikiwe)

Detroit's population reached its maximum in 1950 with approximately 1.8 million. Therefore, over the last 72 years, 1.2 million people have been relocated from the city. This massive displacement was both voluntary and forced when government entities such as the Federal Housing Administration (FHA) and the National Interstate and Defense Highway Act facilitated the destruction of majority African American communities and the suburbanization of whites outside the city limits.

The deliberate downsizing and disinvestment in heavy and light industrial production from inside the city center to suburban, out-of-state and offshore locations fueled the migration from the municipality by workers seeking viable employment. The current property tax foreclosure crisis will only further depopulate and impoverish the city.

#### Corporate Restructuring and the Legacy of Residential Depopulation

Since the contrived and illegal bankruptcy which was imposed on Detroit during 2013-2014, the city has fallen into deeper poverty and community underdevelopment. The appropriation of city assets such as Belle Isle, public works, lighting, the Detroit Institute of Arts, and other institutions, has not reversed the economic trajectory of the municipality.

Tax incremental funding, popularly referred to as "tax captures", are touted for their utility in fostering "development" largely centered in key areas of the city such as downtown, Midtown, New Center and industrial sites including the new Flex-N-Gate, Stellantis, and the

now under construction Amazon facilities located on the eastside of Detroit. Yet these plants and the opening of three casino hotels since 1999, has not fostered sustainable development and a rise in household incomes.

These prestige projects where the owners are largely absolved from paying corporate and other taxes are profiting at the expense of the majority Black population. At present some plants have been forced to lay-off workers as a result of supply chain problems stemming from the continuing impact of the pandemic since 2020. Noise and other forms of environmental pollution caused by these plants are also forcing people from neighborhoods.

### Moratorium NOW! Coalition Calls for Mobilization Against Tax Foreclosures

On March 30, the Moratorium NOW! Coalition and other housing activists are holding a press conference and rally outside the Wayne County Treasurer's Office located at 400 Monroe in Greektown section of downtown. Sabree says he is being pressured to not extend the moratorium on home seizures despite the ongoing crisis related to the pandemic and the overall economic situation.

In a statement issued by Moratorium NOW! Coalition on March 23, [it says that](#):

"There is no reasonable cause for the home seizures to resume when many households have not recovered from the economic and social impact of a public health crisis not witnessed in more than a century. We are calling on the Wayne County Treasurer to stop the foreclosures; protect renters from evictions where taxes are delinquent; and to work towards a long-term plan to put an end to the housing property tax disaster which has been in existence for more than a decade-and-a-half. A list of over 17,000 homes is being threatened with seizure. The problem is so severe that the Treasurer's Office is not answering calls from the public seeking assistance. This is totally unacceptable. The only solution is to halt the foreclosures and work towards a sustainable solution."

The ultimate solution to the housing crisis in Detroit lies within the necessity to change the rubric which guides property rights. Housing should be considered a human right and not a profit-making mechanism controlled by real estate firms and financial institutions. The existing model has only forced more people into homeless and poverty.

### Housing Remains a National Crisis

Property tax foreclosures, rising rents, the current inflationary spiral plaguing the U.S. and the subsequent social instability, are all manifestations of the failure of the current administration of President Joe Biden and the Congress to pass legislation that would assist millions of households. None of the social spending initiatives proposed by progressive elements within the House of Representatives and the Senate have passed into law.

Therefore, the striking down of a public health moratorium enacted through the Centers for Disease Control & Prevention (CDC) by the Supreme Court has never been reversed through legislative measures. This holds true as well for the programs to provide permanent child tax credits to working families along with investments in childcare and the lifting of the minimum wage to at least \$15 per hour.

The Supreme Court since 2013 has eviscerated the enforcement provisions of 1965 Voting Rights Act while Congress even with a democratic majority in both the House and Senate have failed to take action to guarantee universal suffrage. A series of Civil Rights bills

passed by Congress between 1957 and 1968 are effectively null and void. Due to the passage by states of restrictive voting laws, millions of African Americans and other people of color communities will be subjected to massive disenfranchisement across the U.S. in 2022 and 2024.

Yet these issues have been taken off the agenda by the Biden administration and the corporate media which are exclusively promoting sanctions and war against the Russian Federation. Biden travelled to the Western European North Atlantic Treaty Organization (NATO) countries during late March to drum up support for further hostilities against Russia and the People's Republic of China. Meanwhile, workers are paying more than \$6 per gallon for gasoline in California along with astronomical inflationary increases for the prices for automobiles, auto services, food and housing expenses throughout the length and breath of the U.S.

Consequently, the struggle to win housing rights is an important aspect of the overall movement against austerity and imperialist war. Working people and the nationally oppressed must organize independently of the Democratic and Republican parties in order to wage the necessary campaigns aimed at improving living conditions and social stability.

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