



City of Detroit
Detroit City Council
Council Member Angela Whitfield Calloway
District 2

MEMORANDUM

TO: David Whitaker, Director LPD

THROUGH: Mary Sheffield, Council President

FROM: Angela Whitfield Calloway, Council Member *AWC*

DATE: October 11, 2024

RE: Request for a report concerning a proposed vacant house tax (VHT)

Please prepare a report concerning a proposed vacant house tax (VHT) based on the current VHT implemented by the City of Windsor, Ontario, Canada. The proposed VHT will apply to a residential property that is determined to be unoccupied for a period of more than 183 days in any taxation year. Vacant residential lots will not be subject to the VHT. A tax of 3% of the assessment value of the property will be billed and payable in the taxation year. The program will run annually. There will be several exemptions allowed. There will be an appeal and dispute resolution process. There will be a compliance and reporting process. Please see the City of Windsor web site at <https://www.citywindsor.ca> for more details.

VHT and any decreases in the vacancy rates because of the VHT. The LPD report should also include any revenue generated by the VHT. The LPD report should apply the Canadian results to the Detroit rental market and determine the estimated decrease in vacancies, the estimated revenue generated and the estimated impact on the Detroit affordable housing crisis.

TEAM CALLOWAY estimates that a proposed Detroit VHT could reduce Detroit vacancies by 33%, thus increasing the number of units on the Detroit market by 14,000 units. Furthermore, a proposed Detroit VHT could generate \$37 Million per year that can be directed toward city-wide affordable housing projects. The LPD report should examine these estimates and give a more detailed projection.

The LPD report should outline the needed Michigan enabling legislation that would allow any Michigan municipality the option to adopt a VHT. The LPD report should also detail the actions needed by the City of Detroit including the possible need for a vote of the people. LPD may need to consult with the Detroit Assessors Office and the Board of Review staff concerning issues surrounding implementation.



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Thank you for your cooperation.

CC: Malik Washington, Liaison
Graham Anderson, Law Department

Please contact our office if you have any questions or concerns – Peter Rhoades at peter.rhoades@detroitmi.gov