**UNITED STATES DISTRICT COURT**
**EASTERN DISTRICT OF MICHIGAN**
**SOUTHERN DIVISION**

LAURENCE WOLF, doing business as
LAURENCE WOLF PROPERTIES,

Plaintiff,

v.

CITY OF DETROIT,

Defendant.
___________________________________/

Case No. 2:23-cv-11645
Hon. Brandy R. McMillion
United States District Judge

**ORDER FOR SUPPLEMENTAL BRIEFING ON THE ISSUE OF STANDING AND SUBJECT-MATTER JURISDICTION**

Pending before the Court is Plaintiff Laurence Wolf's ("Wolf") Motion for Partial Summary Judgment on the Issue of Obstacle Preemption (ECF No. 50). While reviewing the briefing for that Motion, the Court came to question Wolf's standing to sue Defendant City of Detroit (the "City") and, thus, the Court's subject-matter jurisdiction over this case. For that reason, and those that briefly follow, the Court cancelled the status conference scheduled for June 5, 2025; and now **ORDERS** limited supplemental briefing on the standing issue to be filed within 14 days of entry of this order. Further, the Parties are hereby **ORDERED** to appear before the Court on July 14, 2025, at 1:30 p.m. in Courtroom 251, to further address this issue and that of the pending motion for partial summary judgment, if necessary.

Under the U.S. Constitution, the "Judicial Power" is limited to resolving "Cases" and "Controversies." U.S. Const. art. III, § 2; *Turaani v. Wray*, 988 F.3d 313, 316 (6th Cir. 2021). This requirement, otherwise known as Article III standing, obligates a party filing suit in federal court to "show that he has 'suffered an injury in fact,' the injury is 'traceable' to the defendant's action, and a favorable decision will likely redress the harm." *Turaani*, 988 F.3d at 316 (citation omitted). "Each element is an 'irreducible constitutional minimum.'" *Id.* (citation omitted). Article III courts have an independent obligation to ensure they have subject-matter jurisdiction over a case, and "standing is perhaps the most important of the jurisdictional doctrines." *Burt v. Playtika, Ltd.*, 132 F.4th 398, 406 (6th Cir. 2025) (quotation marks, citations, and brackets omitted). Courts are also obligated to consider subject-matter jurisdiction issues, like standing, *sua sponte*. *See Gonzalez v. Thaler*, 565 U.S. 134, 141 (2012).

The Court's concern arises with traceability, which "looks to whether the defendant's actions have a 'causal connection' to the plaintiff's injury." *Turaani*, 988 F.3d at 316. As the *Turaani* court explained, an independent action by a third party not before the court is usually insufficient to satisfy this element:

> Indirect harms typically fail to meet this element because harms "result[ing] from the independent action of some third party not before the court" are generally not traceable to the defendant. That means that, unless the defendant's actions had a "determinative or coercive effect" upon the third party, the claimant's quarrel is with the third party, not the defendant."

*Id.* (citations omitted; alteration in original). More to the point here, "'an injury that results from [a] third party's voluntary and independent actions' does not establish traceability;" which means the City must have "do[ne] more," – *e.g.*, issuing "a 'command' of the third party's actions." *Id.* at 317 (quoting *Crawford v. United States Dep't of Treasury*, 868 F.3d 438, 457 (6th Cir. 2017)).

In its Response to Wolf's Motion for Partial Summary Judgment, the City says that it did not receive emergency rental assistance funds from the U.S. Department of the Treasury ("Treasury") during the "first tranche" of funds authorized under the Consolidated Appropriations Act of 2021 ("CAA"). ECF No. 55, PageID.2118. It further states that, instead, Detroit residents and landlords received their funds as follows: Treasury forwarded the funds to the State of Michigan, which sent them, through the Michigan State Housing Development Authority ("MSHDA") to the Homeless Action Network of Detroit ("HAND"), which, in turn, sent the funds to Housing Assessment and Resource Agencies ("HARAs") to disburse assistance to Detroit households. ECF No. 55-2, PageID.2152; ECF No. 55-3, PageID.2215-2216; ECF No. 55-4, PageID.2273-2274.

According to the declaration of Chelsea Neblett, an employee of the City's Housing and Revitalization Department who "overs[aw] the Covid Emergency Rental Assistance ["CERA"] programs," the City didn't receive CERA funds "under the CAA or through MSHDA," so it "had no control over these funds or over

MSHDA's CERA program." ECF No. 55-2, PageID.2152. Neblett also explained that although the City was unable to control how HARAs processed CAA-authorized funds, the City informed MSHDA, HAND, and the HARAs that it was "developing its own CERA programs" for funds it "expected to receive through [the American Rescue Plan Act of 2021] ARPA." *Id.* at PageID.2153. This included mentioning the 80-20 requirement at issue in Wolf's partial summary judgment motion. *Id.* Having informed those entities of its pending CERA program, the City asked MSHDA, HAND, and the HARAs to follow "the same process" for applications involving Detroit tenants under the CAA." *Id.* at PageID.2153-2154. "MSHDA, HAND[,] and the HARAs did so." *Id.* at PageID.2154-2155.

It wasn't until the enactment of the American Rescue Plan Act of 2021 ("ARPA") that the City received funds directly from Treasury. *See* ECF No. 55-2, PageID.2153; ECF No. 55-3, PageID.2216; ECF No. 55-4, PageID.2274. The City then distributed these funds based on its CERA program, sending them to the HARAs for distribution under the City's approved terms and conditions. *See* ECF No. 55-2, PageID.2152-2153.

According to the City, each of Wolf's applications for CERA funds—whether made by one of his tenants, or by him on their behalf—was "made under the MSHDA/HAND program funded by [the] CAA, rather than under the City's program." ECF No. 55, PageID.2128 (citing ECF Nos. 55-2, PageID.2164; 55-3,

PageID.2226; 55-4, PageID.2279-2280). Yet MSHDA, HAND, and the HARAs all "voluntarily agreed to apply" the 80-20 requirement to all Detroit-based applications. *Id.* (citing ECF Nos. 55-2, PageID.2154, 2156-2158; 55-3, PageID.2218, 2220-2221; 55-4, PageID.2276).

These facts concern the Court because if the funds at issue never went through the City, there may be a "traceability" issue for standing purposes. MSHDA, HAND, and the HARAs may have all agreed to apply the City's 80-20 requirement to applications for CAA-based funds from Detroit residents and landlords, but, according to the City's evidence, they did so voluntarily. And under Sixth Circuit case law, voluntary actions of third parties not before the court are insufficient to satisfy the standing inquiry's "traceability" requirement. *See Turaani*, 988 F.3d at 316-17. All this gives the Court pause on whether it has subject-matter jurisdiction over this case.

Accordingly, **IT IS HEREBY ORDERED** that, consistent with the case law and facts outlined above, the parties must submit supplemental briefing on the issue of Wolf's standing to sue the City. The parties' briefs are limited to, and shall not exceed, 10 pages in length (14-point font, double-spaced). No requests for excess pages will be granted. The parties are also advised that the Court is well aware of the requirements of standing and, therefore, lengthy recitations of general standing

law are not necessary.[1] The parties shall submit their respective supplemental briefs within 14 days of entry of this Order.

**IT IS FURTHER ORDERED** that the parties shall attend an in-person hearing on July 14, 2025, at 1:30 p.m. The parties should be prepared to argue both the standing issue and the pending Motion for Partial Summary Judgment on the Issue of Obstacle Preemption.

**IT IS SO ORDERED.**

Dated: June 5, 2025
Detroit, Michigan

s/Brandy R. McMillion
BRANDY R. MCMILLION
United States District Judge

[1] In no way should this language be interpreted to preclude the parties from providing case law relevant to the specific issues here. But excessive rule statements are discouraged.