

UNITED STATES DISTRICT COURT
IN THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

LAURENCE WOLF, d/b/a
LAURENCE WOLF PROPERTIES, individually,
and on behalf of a class of similarly situated
persons and entities,

Plaintiff,

v.

CITY OF DETROIT,
a municipal corporation,

Defendant.

Case No. 2:23-cv-11645
Hon. Brandy R. McMillion
Magistrate Kimberly G. Altman

PLAINTIFF'S SUPPLEMENTAL BRIEF
ON THE ISSUE OF ARTICLE III STANDING

STATEMENT OF ISSUES PRESENTED

1. Does Plaintiff have standing to pursue his claims on behalf of himself and the Class?

Plaintiff states: Yes.
Defendant will state: No.
The Court should state: Yes.

2. Have Plaintiff and the Class suffered an injury-in-fact that is fairly traceable to Defendant's actions for which a judgment in favor of Plaintiff and the Class will likely redress the harm?

Plaintiff states: Yes.
Defendant will state: No.
The Court should state: Yes.

3. Is there a causal connection between Plaintiff's injury and Defendant's conduct?

Plaintiff states: Yes.
Defendant will state: No.
The Court should state: Yes.

4. Did Defendant require and direct the housing assessment resource agencies ("HARAs") to adhere to its "80/20" Policy in order for the HARAs to operate their emergency rental assistance programs ("CERA" programs) in the City of Detroit and provide emergency rental assistance to Detroit's landlords?

Plaintiff states: Yes.
Defendant will state: No.
The Court should state: Yes.

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STATEMENT OF MOST CONTROLLING AUTHORITY

Plaintiff relies upon *Turaani v. Wray*, 988 F.3d 313, 316 (6th Cir. 2021) and the other authority cited below.

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Yearsley v. W.A. Ross Constr. Co., 309 U.S. 18, 21-22; 60 S. Ct. 413 (1940)..... 10

Turaani v. Wray, 988 F.3d 313, 316 (6th Cir. 2021).....*passim*

I. INTRODUCTION

This is a class action brought by and on behalf of residential landlords in the City of Detroit (the “City”) challenging the City’s unconstitutional directive that required two Housing Assessment and Resource Agencies—Wayne Metropolitan Community Action Agency (“Wayne Metro”) and United Community Housing Coalition (“UCHC” collectively with Wayne Metro, the “HARAs”) to withhold in escrow 20% of awarded Covid emergency rental assistance funds (the “CERA Funds”) authorized by federally-funded rental assistance programs set forth in the Consolidated Appropriations Act (“CARES” Act) and the American Rescue Plan Act (“ARPA,” collectively with CARES, the “Relief Acts”). This requirement, commonly referred to as the City’s “80/20” Policy, was imposed by the City upon all CERA Programs operating in the City (regardless of whether the Grantee was the State of Michigan (“MSHDA”) or the City and regardless of whether the program was funded under CARES or ARPA).

On June 5, 2025, upon review of the City’s response to Plaintiff’s Motion for Partial Summary Judgment, the Court *sua sponte* raised the issue of Plaintiff’s standing to pursue his claims against the City. The Court stated its “concern arises with traceability, which ‘looks to whether the defendant’s actions have a ‘causal connection’ to the plaintiff’s injury.’” *Turaani v. Wray*, 988 F.3d 313, 316 (6th Cir. 2021). [ECF No. 60 PageID.2679.]

For the reasons discussed below, Plaintiff has standing to pursue his claims regardless of which CERA program was the source of his funding. Initially, the City’s

“80/20” Policy is the direct cause of Plaintiff’s harm regardless of the Grantee or funding source—because absent the City’s “80/20” directive, Plaintiff and the putative Class would have received full payment of awarded CERA Funds—as did thousands of landlords operating outside of the City’s limits.¹ Moreover, implementation of the “80/20” Policy by the HARAs was not “voluntary” based upon a mere “request” as suggested by City representative Chelsea Neblett in her declaration.²

The evidence gleaned thus far shows conclusively (or at a minimum presents an issue of fact) that the City directed the HARAs to implement the “80/20” Policy for all CERA Programs. The evidence shows that the HARAs’ actions were not

¹ See *e.g.* Piszker Tx. at p. 74 [ECF No. 64-6, PageID.2983] where Louis Piszker, the CEO of Wayne Metro, describes Wayne Metro’s separate Wayne County CERA Program that operated outside of the City’s limits, where the City’s “80/20” Policy did not apply: “...because that wasn’t the program. Q. Right. Because [the “80/20” Policy] was dictated by Detroit and Detroit wasn’t part of that program? A. Correct.”

² In her declaration Chelsea Neblett stated what has proved to be her opinions—not supportable, objective facts—on multiple key issues in this case. These opinions loyally serve the City’s interests but ultimately are undermined by the plethora of documentary and testimonial evidence developed in this case—only some of which is presented in support of this brief.

Pertinent to this brief is Neblett’s mischaracterization of the “80/20” requirement as a “request” or otherwise “voluntarily” engaged in by the HARAs, MSHDA, and HAND. ECF No. 55-2, PageID.2153-PageID.2154. In contrast to Neblett’s declaration, literally hundreds of internal City emails demonstrate that far from just “mentioning the “80-20” requirement, the City (and Ms. Neblett personally) worked tirelessly to ensure that the City’s “80/20” requirement was implemented and followed by the HARAs and approved by MSHDA—even before the City implemented its own ERAP program. Thus, the “80/20” Policy was not merely a “request,” but a **requirement** performed at the City’s direction. See *e.g.* Piszker Tx. [ECF No. 64-6, PageID.2983] pp. 73-74 (cited below) and pp. 83-85 [ECF No. 64-6, PageID.2984].

“voluntarily” engaged in pursuant to a mere “request” by the City. To the contrary, the City mandated that the HARAs follow the “80/20” Policy in order for them to operate CERA Programs in the City. As attested to by Wayne Metro’s CEO—the “80/20” Policy was dictated by the City and Wayne Metro was obligated to follow that dictate when dispersing funds to Detroit residents. *See* Piszker Tx. [ECF No. 64-6, PageID.2983] at pp. 73-74.

Indeed, the evidence proves that, contrary to Ms. Neblett’s declaration, the City had control and influence over the MSHDA CERA Programs operating in the City—to the extent that under the City’s “80/20” Policy, the City’s ERAP and MSHDA’s CERA programs operated in tandem within the City, commingled resources—using the same HARAs—and sometimes even exchanged federally granted funds. *See e.g.* Exhibit 1, email correspondence “UCHC ERAP to CERA funding swap” through which the City effected a funding “swap” between the City’s ERAP funds with MSHDA so that their HARA, UCHC, could “maximize assistance.” The City even acknowledged its significant role in MSHDA’s CERA programs in a public press release—stating the City **spearheaded** MSHDA’s CERA Programs operating in the City, **partnering** with local nonprofits such as HAND, Wayne Metro and UCHC. *See* Exhibit 2, June 16, 2022 City Press Release. Finally, from the HARAs’ perspective, the City’s ERAP and MSHDA’s CERA programs were virtually interchangeable—as stated by Wayne Metro’s CFO, there was no distinguishing operational characteristics between MSHDA’s CERA Programs and the City’s ERAP Program. *See* April 25, 2024

Deposition Tx. Thomas Sperti [ECF No. 64-7, PageID.2988] (pp. 19-20).

II. PLAINTIFF’S HARM IS FAIRLY AND DIRECTLY TRACEABLE TO THE CITY’S “80/20” DICTATE TO THE HARAS.

A. A SHORT “STANDARD RECITATION”

Plaintiff has alleged an injury that is fairly traceable to the City’s unlawful conduct—here the City’s “80/20” Policy—which is not the consequence of the independent actions of a third party that is not before the court (*i.e.* the HARAs). *Lujan v Defenders of Wildlife*, 504 US 555, 560; 112 S Ct 2130; 119 L Ed 2d 351 (1992). An injury is not “fairly traceable” when it is the result of an independent action of a third party—however, “that does not exclude injury produced by a determinative or coercive effect upon the action of someone else.” *Bennett v. Spear*, 520 U.S. 154, 169, 117 S. Ct. 1154, 137 L. Ed. 2d 281 (1997)(emphasis added). Moreover, “standing is not defeated merely because the alleged injury can be fairly traced to the actions of both parties and non-parties.” *Maron v Chief Fin Officer of Fla*, 136 F.4th 1322, 1331 (11th Cir. 2025)(discussing Article III standing in the context of a 5th Amendment Takings claim).

Finally, “[i]n the nebulous land of ‘fairly traceable,’ where causation means more than speculative but less than but-for, the allegation that a defendant’s conduct was a motivating factor in the third party’s injurious actions satisfies the requisite standard.” *Parsons v. United States DOJ*, 801 F.3d 701, 714 (6th Cir. 2015). Thus, at a minimum, even if the City did not strictly direct or control the HARAs actions, at the very least the City’s dictates were a “motivating factor” in the HARAs “injurious actions” and

Plaintiff has met Article III standing’s “traceability” requirement. However, as discussed below, the evidence amply shows that the City in fact directed and controlled the HARAs’ actions.

B. THE DOCUMENTARY AND TESTIMONIAL EVIDENCE UNDERMINES NEBLETT’S DECLARATION AND ESTABLISHES STANDING.

The City’s recent and self-serving assertions that it had no control over the emergency funds distributed under the MSHDA programs in the City (*see e.g.* ECF No. 55-2, PageID.2152) are simply untrue. Regardless of whether the City or MSHDA was the Grantee under the Relief Acts, the evidence shows that the City directed the HARAs to withhold and escrow 20% of awarded CERA Funds in order to force landlords, like Plaintiff, to comport with local rental ordinances.

Here, in addition to the evidence described in the introduction, the City admits that the HARAs implemented and executed the “80/20” Policy for all CERA programs operating within the City—regardless of whether the Grantee was MSHDA or the City. *See e.g.* Neblett Tx. 1 [ECF No. 64-4, PageID.2962] (pp. 9-11) (acknowledging uniform application of the City’s “80/20” Policy and noting “it was important that the policies of the CERA program followed the policies of [the City’s] code requirements.”) *See also Id.*, Neblett Tx. 1 [ECF No. 64-4, PageID.2964] (pp. 26-27):

Q. Okay. ...the city expected Wayne Metro to, with respect to any monies that were escrowed pursuant to the 80/20 policy that Wayne Metro or UCHC would comply with the requirements about the dispersal of the 20 percent?

A. That is correct, yes.

While the City now seeks to distance itself from the very real fact that it directed and required the HARAs to comply with its “80/20” Policy—regardless of the Grantee—multiple City documents belie the City’s current position. *See e.g.* ECF No. 64-5, PageID.2972, a working City memo dated on or around May 12, 2021 (yellow highlighting in original; green highlighting added) that addresses MSHDA’s CERA programs by: (a) stressing the importance of MSHDA support for the “80/20” Policy; (b) stating a “No Back Door” provision **to ensure that the “same 80/20 rules for expenditure of CERA funds in Detroit...”**; and (c) noting that “Coordination is Key”—*i.e.* **“the program will be coordinated among the organizations implementing CERA in Detroit...”**

Moreover, the HARAs did not implement—and would not have implemented—the “80/20” Policy absent the City’s requirement to do so. *See e.g.* Piszker Tx. [ECF No. 64-6, PageID.2983] pp. 73-74:

Q. All right. When you started administering the program, were you told that you were going to have to adhere the 80-20 policy? And let’s agree what we’re talking about. **The 80-20 policy, first of all, was dictated by the City of Detroit, correct?**

A. **Yes.**

Q. All right. **And you were required to apply that policy in administering all three programs, correct?**

A. **The programs that related to city – in the City of Detroit tenants, yes.**

Q. **So you were required to do it for MSHDA, CERA 1, MSHDA CERA 2 and the City of Detroit ERAP program?**³

³ When another City representative, Michele Oberholtzer Zimmerman, who worked for the Mayor and was involved in establishing the City’s “80/20” Policy was asked about Mr. Piszker’s testimony, she expressly stated: “I do not recall **any**

A. Correct.

Q. And that was by the City of Detroit; you didn't come up with it yourself?

A. No. That's above our pay grade.

Q. But it was a dictate by the City?

A. Yes.

Q. And you adhered to the dictate?

A. We adhere[d] to it, yes.

See also, Piszker Tx. [ECF No. 64-6, PageID.2984] pp. 83-85:

Q. Why did you then feel compelled to follow their 80-20 policy under the MSHDA programs through HAND?

A. ...I was told or what I believe to be the case, that the City of Detroit went to MSHDA, MSHDA approved the 80-20 split; therefore, the 80-20 split would be administered consistently to all programs operated in the City of Detroit and that was my understanding. [Emphasis added].

Wayne Metro's current CFO, Thomas Sperti also identified the City's "80/20" Policy as a required directive: "...So if there's no certificate of compliance included in that packet, or if it's not valid...then automatically the amount would be at 80 percent, based on the directive from the City." [ECF No. 64-7, PageID.2988] (pp. 17-18).

III. BECAUSE THE HARAS WERE REQUIRED TO ADHERE TO THE "80/20" POLICY, THE SIXTH CIRCUIT'S DECISION IN *TURAANI* MAKES CLEAR THAT PLAINTIFF HAS STANDING TO SUE THE CITY.

The issue of standing in this case turns on whether or not the HARAs in fact could have independently chosen to "opt out" of the City's "80/20" Policy. If, as the City would have this Court believe, the "80/20" Policy was "a request" or "optional"

distinction between those programs as it related to Wayne Metro. So no, I don't have any basis to disagree" [with his testimony]. *See* Exhibit 3, June 18, 2025 Deposition Tx. Michele Oberholtzer Zimmerman at p. 40 (emphasis added).

then the voluntary actions of the HARAs may not be ascribed to the City. *See e.g., Turaani v Wray*, 988 F3d 313, 315 (6th Cir. 2021)(gun dealer’s decision not to sell plaintiff a firearm was independent of FBI intervention, harm flowed from the actions of the dealer). The evidence described above does not support the City’s position.

Initially, Plaintiff notes the facts of *Turaani v Wray* are readily distinguishable from the case at bar—demonstrating by comparison that the City is directly responsible for Plaintiff’s (and the putative Class’s harm). In *Turaani*, the plaintiff’s attempt to purchase a gun from a dealer at a gun show went south when his application was flagged and a hold placed upon it. The FBI visited the gun dealer the next day to inquire after plaintiff’s application. *Turaani*, 988 F3d at 315. Plaintiff followed up with the gun dealer a few days later to complete the purchase. However, the “dealer explained that he had received a visit from the FBI” and “while he ‘technically could sell the gun’...the dealer told [plaintiff] that he was ‘no longer comfortable doing so.’” *Id.* Under these facts, the Sixth Circuit held that plaintiff lacked standing because there was “no traceable harm” to the government noting that the FBI left discretion to complete the sale with the gun dealer and that “[a]n indirect theory of traceability requires that the government cajole, coerce, command.” *Id.* p. 316 (*citing Crawford v. U.S. Dep’t of Treasury*, 868 F.3d 438, 457 (6th Cir. 2017)).

It is clear from the foregoing that plaintiff’s direct and indirect injuries in the *Turaani* case flowed from the gun dealer’s independent and voluntary decision not to sell him a gun—that any “injury stems from the actions of the gun dealer,” not the

government. *Id.* p. 316. Simply, the gun dealer could have completed the transaction— but chose not to. Moreover, the gun dealer was not acting at the direction of the FBI— who the Sixth Circuit expressly noted had left discretion to complete the sale.

In this case, unlike *Turaani*, the City in fact directed the HARAs to implement the “80/20” Policy and the HARAs acted pursuant to the direction and authorization of the City when they escrowed CERA Funds under the City’s Policy. Put another way, the HARAs actions in implementing the “80/20” Policy are not independent of the City’s—**and only occurred because of the City’s directive.**

Thus, unlike in *Turaani*, here there is a causal connection between the injury (*i.e.*, not receiving full payment of CERA Funds), and the conduct complained of (here, the City’s “80/20” Policy—which directed the HARAs to escrow 20% of CERA Funds). In this case, the injury is not just fairly traceable, but clearly traceable to the challenged action of the defendant (the City’s “80/20” Policy), and not the result of the independent action of some third party (here, the HARAs would not have escrowed any CERA Funds absent the City’s “80/20” Policy). *Piszker Tx., supra.*

In sum, Article III’s standing requirements have been met: (a) Plaintiff has suffered an injury in fact – the loss of payment of CERA Funding; (b) this injury in this case is directly traceable to the City’s “80/20” Policy that required the HARAs to escrow 20% of awarded CERA Funds (regardless of funding source or Grantee); and (c) a judgment in favor of Plaintiff and the Class would redress the harm. *Spokeo, Inc.*

v. Robins, 136 S. Ct. 1540, 1547, 194 L. Ed. 2d 635 (2016).⁴

CONCLUSION

For the reasons discussed above, Plaintiff has established that he has standing to pursue claims against the City.

KICKHAM HANLEY PLLC.

By: /s/ Jamie Warrow

Gregory D. Hanley (P51204)

Jamie Warrow (P61521)

Attorneys for Plaintiff

(248) 544-1500

jwarrow@kickhamhanley.com

Dated: June 26, 2025

⁴ It bears noting that the standing inquiry is separate from the merits question of whether the actions of the HARAs subject the City to liability under the Takings Clause or for an illegal exaction. For example, proximate causation is not required to establish Article III standing even if proximate cause is an element of the cause of action. *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 134 n.6, 134 S. Ct. 1377, 188 L. Ed. 2d 392 (2014). Notably, the standing inquiry “is *not*. . . an assessment of the merits of a plaintiff’s claim.” *Red River Freethinkers v. City of Fargo*, 679 F.3d 1015, 1023 (8th Cir. 2012). The acts of the HARAs can be attributed to the City if either (1) they were acting as agents of the City or (2) they acted pursuant to the direction and authorization of the City. See, e.g., *Lion Raisins, Inc v United States*, 416 F3d 1356, 1362-63 (Fed. Cir. 2005); *Yearsley v. W.A. Ross Constr. Co.*, 309 U.S. 18, 21-22; 60 S. Ct. 413 (1940); *CLogic LLC v United States*, 170 Fed Cl 450, 457 (2024)(government direction to third party not to return property to plaintiff was not merely “friendly persuasion” and could create Fifth Amendment takings liability for the government).

CERTIFICATE OF SERVICE

I hereby certify that on June 26, 2025 I filed the foregoing document with the ECF filing system which provides service to all counsel of record.

/s/ Jamie Warrow _____
Jamie Warrow

4902-9679-0353, v. 1

UNITED STATES DISTRICT COURT
IN THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

LAURENCE WOLF, d/b/a
LAURENCE WOLF PROPERTIES, individually,
and on behalf of a class of similarly situated
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Plaintiff,

v.

CITY OF DETROIT,
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Defendant.

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Magistrate Kimberly G. Altman

INDEX OF EXHIBITS

PLAINTIFF'S SUPPLEMENTAL BRIEF
ON THE ISSUE OF ARTICLE III STANDING

- Exhibit 1. Email correspondence dated October 31, 2022 "UCHC ERAP to CERA funding swap"
- Exhibit 2. June 16, 2022 City Press Release
- Exhibit 3. June 18, 2025 Deposition Tx. Michele Oberholtzer Zimmerman

EXHIBIT – 1

RE: Urgent/Time Sensitive-UCHC ERAP to CERA funding swap

From: Chelsea Neblett <Exchange X.500 address>

Mon, Oct 31, 2022 at 9:24 PM EDT (GMT-04:00)

To: Regina Greear <greearr@detroitmi.gov>; Valerie McIntosh <Valerie.McIntosh@detroitmi.gov>; Terri Daniels <danielste@detroitmi.gov>; David Bowser <bowserd@detroitmi.gov>; Julie Schneider <schneiderju@detroitmi.gov>
Cc: Donald Rencher <rencherd@detroitmi.gov>

Hi all –

We (@Julie, Valerie, and I with HAND) met with MSHDA today and Kelly Rose approved the ERAP2 to CERA1 conversion. My understanding is there is already a mechanism for amending Treasury reports (which we have done), so approval is not needed there. (@Terri Daniels or @Valerie McIntosh, please correct me if I am wrong). MSHDA has an FSR due next week, so UCHC has to adjust the payments in the CERA portal (from ERAP2 to CERA1) and complete their FSR by this Wednesday EOD. Need approval tomorrow morning that we can proceed.

We are looking at \$900,000 to be adjusted – will go back to Q4 of 2021 on the City's side. Will give UCHC a two timeline for adjusted reports to CoD.

Please let me know if there are any questions. Thank you!

Chelsea Neblett

313.518.3826

neblettc@detroitmi.gov

Pronouns: she, her, hers

Program Director, Housing Services

City of Detroit, Housing and Revitalization Department

Michael E. Duggan, Mayor

From: Chelsea Neblett

Sent: Monday, October 31, 2022 9:15 AM

To: Regina Greear <greearr@detroitmi.gov>; Valerie McIntosh <Valerie.McIntosh@detroitmi.gov>; Terri Daniels <danielste@detroitmi.gov>; David Bowser <bowserd@detroitmi.gov>

Cc: Donald Rencher <rencherd@detroitmi.gov>; Julie Schneider <schneiderju@detroitmi.gov>

Subject: RE: Urgent/Time Sensitive-UCHC ERAP to CERA funding swap

Hi Regina – we are meeting with the State today. Thank you!

From: Regina Greear <greearr@detroitmi.gov>

Sent: Monday, October 31, 2022 9:11 AM

To: Valerie McIntosh <Valerie.McIntosh@detroitmi.gov>; Chelsea Neblett <neblettc@detroitmi.gov>; Terri Daniels <danielste@detroitmi.gov>; David Bowser <bowserd@detroitmi.gov>

Subject: Re: Urgent/Time Sensitive-UCHC ERAP to CERA funding swap

Good morning Valerie,

Jay reached out to Donald for additional information. He wants to make sure the State and Treasury are aware of the request if this should be approved.

We'll follow-up if we receive additional updates.

Thanks

Regina Greear
Deputy CFO | Office of Department Financial Services
Office of the Chief Financial Officer
Coleman A. Young Municipal Center
Cell: 313-316-1951
greearr@detroitmi.gov

Michael E. Duggan, Mayor

From: Valerie McIntosh <Valerie.McIntosh@detroitmi.gov>

Sent: Friday, October 28, 2022 9:49 AM

To: Regina Greear <greearr@detroitmi.gov>; Chelsea Neblett <neblettc@detroitmi.gov>; Terri Daniels <danielste@detroitmi.gov>; David Bowser <bowserd@detroitmi.gov>

Subject: Re: Urgent/Time Sensitive-UHC ERAP to CERA funding swap

Hi Regina

Thank you for your attention to this. After meeting with Plante, will you be able to confirm with Jay today? Please let me know if you need anything else from us.

Thanks

Valerie

Valerie McIntosh, ERAP2 Manager

City of Detroit

Housing and Revitalization Department

2 Woodward Ave. Suite 908

Detroit, MI 48226

(p) 313.498.6514

valerie.mcintosh@detroitmi.gov



For More Information & To Apply Online: detroitevictionhelp.com

Eviction Prevention Hotline: 866.313.2520

From: Regina Greear <greearr@detroitmi.gov>

Sent: Friday, October 28, 2022 5:50 AM

To: Chelsea Neblett <neblettc@detroitmi.gov>; Valerie McIntosh <Valerie.McIntosh@detroitmi.gov>; Terri Daniels <danielste@detroitmi.gov>; David Bowser <bowserd@detroitmi.gov>

Subject: Re: Urgent/Time Sensitive-UCHC ERAP to CERA funding swap

Good morning all,

We discussed the request with Jay and Tanya yesterday. We've requested a meeting with Plante today to review all the steps that would be required and will have a "final" meeting with Jay to confirm if this will be approved.

Regina Greear

Deputy CFO | Office of Department Financial Services

Office of the Chief Financial Officer

Coleman A. Young Municipal Center

Cell: 313-316-1951

greearr@detroitmi.gov

Michael E. Duggan, Mayor

From: Regina Greear <greearr@detroitmi.gov>

Sent: Thursday, October 27, 2022 12:21 PM

To: Chelsea Neblett <neblettc@detroitmi.gov>; Valerie McIntosh <Valerie.McIntosh@detroitmi.gov>; Terri Daniels <danielste@detroitmi.gov>; David Bowser <bowserd@detroitmi.gov>

Subject: Re: Urgent/Time Sensitive-UCHC ERAP to CERA funding swap

Thanks for the additional info. Our meeting is at 3:30 and we'll get right back to you.

Regina Greear

Deputy CFO | Office of Department Financial Services

Office of the Chief Financial Officer

Coleman A. Young Municipal Center

Cell: 313-316-1951

greearr@detroitmi.gov

Michael E. Duggan, Mayor

From: Chelsea Neblett <neblettc@detroitmi.gov>

Sent: Thursday, October 27, 2022 11:51 AM

To: Regina Greear <greearr@detroitmi.gov>; Valerie McIntosh <Valerie.McIntosh@detroitmi.gov>; Terri Daniels <danielste@detroitmi.gov>; David Bowser <bowserd@detroitmi.gov>

Subject: RE: Urgent/Time Sensitive-UCHC ERAP to CERA funding swap

Hello Regina –

Please see attached from HAND/ MSHDA. Please note that we are going to set up a meeting with MSHDA to advocate for allowability for converting funds prior to July 1 to maximize assistance – otherwise we will not be able to maximize the available CERA1 funds from HAND/ MSHDA.

As a high-level overview – the State’s CERA funds have more restrictions than the City’s ERAP funds as the legislature added additional requirements beyond Treasury including arrears dates and allowability (such as hotel support for residents experiencing homelessness). There are additional CERA1 funds that the agencies can access after HAND reconciled, and UCHC would like to convert ERAP approved applications to CERA funds.

Please let us know if you have any questions!

Chelsea Neblett
313.518.3826
neblettc@detroitmi.gov
Pronouns: she, her, hers

Program Director, Housing Services
City of Detroit, Housing and Revitalization Department

Michael E. Duggan, Mayor

From: Regina Greear <greearr@detroitmi.gov>
Sent: Thursday, October 27, 2022 9:32 AM
To: Valerie McIntosh <Valerie.McIntosh@detroitmi.gov>; Terri Daniels <danielste@detroitmi.gov>; David Bowser <bowserd@detroitmi.gov>; Chelsea Neblett <neblettc@detroitmi.gov>
Subject: Re: Urgent/Time Sensitive-UCHC ERAP to CERA funding swap

Good morning Valerie,
Per our discussion yesterday, Terri and I will be meeting with Jay this afternoon to discuss the options.

Do you have anything in writing from the State or UCHC that we can share to add additional context to this. I believe you noted yesterday, this request came to you from UCHC?

Thanks

Regina Greear
Deputy CFO | Office of Department Financial Services
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Michael E. Duggan, Mayor

From: Valerie McIntosh <Valerie.McIntosh@detroitmi.gov>
Sent: Wednesday, October 26, 2022 2:49 PM
To: Regina Greear <greearr@detroitmi.gov>; Terri Daniels <danielste@detroitmi.gov>; David Bowser <bowserd@detroitmi.gov>; Chelsea Neblett <neblettc@detroitmi.gov>
Subject: Urgent/Time Sensitive-UCHC ERAP to CERA funding swap

Hello Team

Want to see After meeting with HAND and UCHC I wanted to see if we can have a quick discussion via this thread on the UCHC ERAP to CERA funding swap. @Regina Greear and @Terri Daniels, based off our emails, the initial suggestion was not move forward with moving funds because it could create an issue with our audit. If there is any flexibility with the amount of funds (up to \$3.4 million could be shifted) or with the necessary documentation to satisfy the auditors, if so I would like to figure out a way to proceed with making the request to MSHDA on behalf of our partners to utilize swapping sources. This not only allows UCHC to meet the demand for additional funds to support residents, but it would exceed the deficit that has been created with the high cost of hoteling for ERAP residents. In short, can the decision not to move forward with swapping funds be reconsidered with a strong plan for documentation and spending? This is an extremely time sensitive matter, as we may need to discuss in more detail with MSHDA and to give UCHC time to submit required information to them as well.

Thanks
Valerie

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For More Information & To Apply Online: detroitevictionhelp.com

Eviction Prevention Hotline: 866.313.2520

EXHIBIT – 2



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As COVID lockdown rental assistance ends, City announces 3-part Immediate Intervention Plan for those facing eviction

JUN 16 2022 **MAYOR'S OFFICE**

As COVID lockdown rental assistance ends, City announces 3-part Immediate Intervention Plan for those facing eviction

- **Detroit renters facing eviction who need a lawyer can get one provided by City.**
- **City's rapid job placement service is available to those who need a job or more income.**
- **City partners helping to place residents in emergency shelters and connect to housing services.**
- **State will stop accepting new applications for CERA rent and utility assistance on June 30, however, aid will continue to go out to those approved until Sept. 30 or funding runs out.**

DETROIT – With news that the State is winding down the federal COVID lockdown rental assistance program, Mayor Mike Duggan today laid out a three-part Immediate Intervention Plan to help those who may still face eviction.

The Michigan State Housing Development Authority's COVID-19 Emergency Rental Assistance (CERA) program was a short-term plan to get through the COVID lockdown. With most Michiganders having gone back to work, the federal funds are ending and the State will stop accepting new applications for COVID rental aid on June 30.

"The CERA program was a great success," Mayor Duggan said. "More than 19,000 Detroiters were helped with back rent since March 2021, and \$159 million in assistance was approved for Detroit renters to keep them in their homes."

"That rental assistance funding will soon be over, but the City of Detroit is here to help those whose lives are not yet back to normal," said Donald Rencher, the City's group executive for Housing, Planning and Development. "If you're facing eviction, we'll get you a lawyer. If you are behind in your rent and need to earn more income, we'll help get you a job quickly. And for those who lose their homes, we will connect you with resources to get you into shelter until our partners can help you find a more permanent place to call home."

"We are grateful to the Biden administration, MSHDA, and our community partners for helping to get almost \$160 million in aid into the hands of Detroiters facing the threat of eviction."

Here is a look at services and resources the City is providing residents after CERA applications close June 30.

The 3-point Immediate Intervention Plan

Legal assistance: Detroiters still facing eviction after CERA aid is no longer available will have paid attorneys at all district court eviction proceedings at no cost to the resident. The City of Detroit urges Detroiters to show up for all virtual court dates, regardless of whether they have applied for or received rental aid, in order to avoid a default judgment from being issued against them.

Attorneys and legal assistants are available to give legal advice or provide legal representation. Landlord-tenant dockets are staffed by four attorneys and two legal assistants. All residents can speak to an attorney and receive legal advice. Legal representation is provided based on household circumstances.

Immediate job placement: For Detroiters still struggling to pay rent after the CERA aid ends, the City of Detroit is ready to help them find immediate employment. There are currently more than 12,000 vacant jobs in the city. For Detroiters either currently unemployed or looking for better or additional income, the City's Rapid Jobs program connects residents to jobs that are immediately available. Detroiters can go to www.DetroitEvictionHelp.com or call 313-962-WORK (9675) to be matched with these job opportunities.



For those who need training, the Skills for Life program offers paid work training, allowing Detroiters to collect a paycheck while learning the tools they need for good-paying jobs. To sign up, residents should go to www.DetroitatWork.com or call 313-962-WORK (9675).

Emergency shelter assistance: The Coordinated Assistance Model (CAM Detroit) provides those experiencing homelessness with access to shelter and housing resources. Each household that is placed in a shelter will be connected with a specialist to assess their needs and help them get the support and housing they need. CAM prioritizes the most vulnerable households and allocates housing resources as they become available.

Anyone, whether an individual or an entire family, who needs a safe place to sleep should either visit CAM's offices in person, at 1600 Porter St. in Corktown, for fastest service, or leave a message at 313-305-0311.

More details on end of CERA rental aid program:

The CERA program was designed to keep residents in their homes by providing funding to get current on their payments, as well as legal assistance if they were facing eviction. Those who qualified were eligible for up to 18 months of rental assistance, as well as aid for back utility bills. Now that the country is in the post-crisis stage, Detroit residents who have not yet started the process have two weeks left to sign up.

New applications for CERA through MSHDA's online portal (<https://ceraapp.michigan.gov>) will no longer be accepted as of 9 p.m. Thursday, June 30. Detroit CERA partners will continue to process applications until all program funds are spent, but cannot be used for rents due after Sept. 30. A Detroit renter who has completed their application but not yet been approved should not apply again, as duplicate applications from the same household will slow down the approval process for everyone. Because of demand, Detroit is not at risk of returning unspent federal funds, but not everyone who applies is guaranteed to receive assistance.

Applicants who have not yet heard back should check to make sure they properly completed their application; incomplete applications not completed before the June 30 deadline will not be accepted. To check the status of your application, go to the MSHDA online portal. (Detailed instructions are at the end of this release.) Residents with an eviction case in court are being prioritized for assistance.

The Detroit Housing & Revitalization Department has spearheaded the CERA program on behalf of the City, partnering with local nonprofits for implementation: the Homeless Action Network of Detroit (HAND), United Community Housing Coalition, Wayne Metropolitan Community Action Agency (Wayne Metro), United Way for Southeastern Michigan, MI Legal Services, Lakeshore Legal Aid, and The Heat and Warmth Fund (THAW).

"The City of Detroit and our nonprofit partners have worked tirelessly to help Detroiters get through this crisis," said Julie Schneider, acting director of HRD. "We want to make Detroiters aware that the COVID rental assistance is ending. There may be more applications than funding available, so renters need to continue or resume paying rent if they can in order to avoid losing their home."

Either tenants or landlords owed rent can apply. However, there are restrictions on who is eligible:

- An applicant's household income must be below 80% area median income (AMI). For a single-person Detroit household, that is \$50,150 a year or less, and less than \$71,600 a year for a family of four.
- The applicant must have experienced at least one of these COVID hardships since March 13, 2020:
 - A member of the household qualified for unemployment.
 - A member of the household had a reduction in income of at least 10 percent.
 - A member of the household has incurred costs of more than \$500 during that time.
 - The household can demonstrate a risk of experiencing homelessness or housing instability evidenced by a past due utility or rent notice.

The CERA program is funded by the U.S. Department of the Treasury and administered by MSHDA and the City of Detroit. It came from the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021 (ARPA), which allocated \$1.1 billion to the state to be used directly on rental and utility assistance for individuals and families who were affected financially by the pandemic.

Step-by-step instructions on how to check whether your CERA application was properly submitted:

- Go to <https://ceraapp.michigan.gov> (no www)
- Once on the CERA application page, scroll down to "Check App Status" and click the link.
- You will need to enter your date of birth, last name, and CERA ID. If you're a landlord, you must enter your tenant's birthdate.
- Click "Submit."
- You will be given a status update. The status explanation can be found on the right-hand side of the webpage, or below if you are on your phone.
- Incomplete tenant applications will not show a status, even if you have a CERA ID #. If you have a CERA ID and no status shows up, you need to take further action to complete your application before the portal closes at 9PM on June 30.

EXHIBIT – 3

In The Matter Of:
Laurence Wolf Properties v.
City of Detroit

Michele Oberholtzer Zimmerman
June 18, 2025



Original File OBERHOLTZER ZIMMERMAN_250618.txt
Min-U-Script® with Word Index

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1 tenant had to be part of the application, but I think you
 2 said a few minutes ago that the majority of cases were
 3 paid directly to the landlord, correct?
 4 A. Yeah. Making a distinction between who was the -- who
 5 they were approved for and how were they disbursed. So
 6 they were approved for the tenant in each case. But, for
 7 example, if it was utility payment it would be paid
 8 directly to DTE, for example. Where with a rental award,
 9 in most cases what was approved for the tenant was paid to
 10 the current landlord.
 11 Q. Okay. And MSHDA was aware of the 80/20 for both programs,
 12 the MSHDA Program and for the Detroit Program?
 13 A. I believe so, yes.
 14 Q. And was there a time period where you were looking for,
 15 the city was looking for a clear statement from MSHDA that
 16 they approved the 80/20?
 17 A. I believe so.
 18 Q. But that never really came, correct?
 19 MR. GAABO: Objection, foundation.
 20 A. I don't -- I can't confirm that we never got that.
 21 BY MR. HANLEY:
 22 Q. But you can't confirm affirmatively that you did.
 23 A. Correct.
 24 Q. Okay. But do you remember there was a woman named Kelly
 25 Rose who worked for MSHDA?

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1 A. I do.
 2 Q. And she was somebody that interacted with the city about
 3 both CERA programs.
 4 A. Yes.
 5 Q. Okay. And do you recall at some point, well, at various
 6 points throughout the process Ms. Rose expressing the
 7 opinion that the applications were not being processed as
 8 quickly as she wanted them to be processed.
 9 A. I believe that's correct, yeah.
 10 Q. And from time to time she would set goals.
 11 A. Uh-hum.
 12 Q. Yes?
 13 A. Yes.
 14 Q. I want to have this many applications acted on every week,
 15 right?
 16 A. Yes.
 17 Q. And then when that didn't happen she would send another
 18 email saying you're not hitting these, now we got to do
 19 this, right?
 20 A. Right.
 21 Q. Okay. And once of the things that came up was whether the
 22 city would have to abandon the 80/20 Policy in order to
 23 increase the pace of the process. I'm not saying whether
 24 that's true or not, I'm saying she expressed that.
 25 A. Okay.

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1 Q. Is that true?
 2 A. I don't recall. I'll take your word for it.
 3 Q. Okay. No, I'm not going to --
 4 A. Oh, I thought you were stating it.
 5 Q. What I think doesn't matter. I'm trying to understand
 6 what you understood --
 7 A. I don't recall that -- I don't recall.
 8 Q. Okay. And we have some documents that might refresh your
 9 recollection. I realize this is three, you know,
 10 sometimes four years ago. Okay. Do you know a gentleman
 11 named Louis Piszker?
 12 A. I don't believe I do.
 13 Q. Okay. If I told you that he had the Ted Phillips job at
 14 Wayne Metro, would that help you out?
 15 A. That would help, yeah. It's not someone I -- I don't
 16 remember him, but it's a familiar name I suppose.
 17 Q. Okay, fair enough. Mr. Piszker was deposed in this case
 18 on May 13th, 2025 and I'm just going to show you --
 19 MR. HANLEY: This has not been previously marked.
 20 And Scott, for your purposes, anything above 51 has not
 21 been marked.
 22 COURT REPORTER: Okay.
 23 BY MR. HANLEY:
 24 Q. And again, I know you weren't there for his testimony, but
 25 I want to show you some of his testimony and then I have a

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1 couple questions for you. The Qs are me asking him a
 2 question and the A is him answering.
 3 A. Understood.
 4 Q. So we're starting on page 73. I say: All right. When you
 5 started administering the program, were you told that you
 6 were going to have to adhere to the 80/20 Policy? And
 7 let's agree what we're talking about. The 80/20 Policy,
 8 first of all, was dictated by the City of Detroit,
 9 correct? Answer: Yes. Question: All right. And you were
 10 required to apply that policy in administering all three
 11 programs, correct? Answer: The programs that related to
 12 city in the City of Detroit tenants, yes. Question: So
 13 you were required to do it for MSHDA CERA 1, MSHDA CERA 2
 14 and the City of Detroit ERAP Program? Answer: Correct.
 15 You see that?
 16 A. I do.
 17 Q. Do you have any basis to disagree with his sworn
 18 testimony?
 19 A. I do not recall any distinction between those programs as
 20 it related to Wayne Metro. So no, I don't have any basis
 21 to disagree.
 22 Q. Okay. And it says -- then I asked: And that was by the
 23 City of Detroit, you didn't come upon with it yourself?
 24 Answer: No, that's above our pay grade. Question: But it
 25 was a dictate by the city? Answer: Yes. And you adhered