



# City of Detroit

## CITY COUNCIL

**JAMES E. TATE JR.**  
CITY COUNCIL PRESIDENT PRO-TEMPORE

DISTRICT 1

### MEMORANDUM

TO: Conrad L. Mallett Jr., Corporation Counsel, Law Department

THRU: Internal Operations Standing Committee

FROM: Council President Pro Tempore James E. Tate Jr.

DATE: Tuesday, May 14, 2024

RE: Commercial Demolitions Using American Rescue Plan Act (ARPA) Funds – Additional Questions

---

Thank you for your responses to the initial memo submitted on April 11, 2024. Please see the additional follow up questions below:

1. In the initial memo response, the Law Department stated *“If a private, commercial building is demolished using ARPA funds the Law Department will send the property owner a Payment Demand Letter to recoup the demolition costs. If the owner does not respond to the demand letter a Cost Recovery lawsuit will be filled. Depending on the results of the lawsuit the City will pursue opportunities to collect the outstanding debts including but not limited to; placing a lien on the property, asking the Judge to force a sale of the property and/or engaging a collections law firm.”* What is the duration for a cost recovery lawsuit? Why has the City of Detroit not initiated any cost recovery lawsuits? How many commercial properties have been tagged with a lien by the City of Detroit?
2. In the initial memo response, the Law Department stated *“the City has not recouped any funds from ARPA funded demolitions yet. The Blight Litigation team has not received any addresses that are ready for a Cost Recovery lawsuit.”* During the March 20, 2024 Fiscal Year (FY) 2024-25 Construction and Demolition Department budget hearing, Director

Counts stated *“we (the Department) actively go after every privately owned commercial demo. To date, we have received about \$900,000 back of about \$3,000,000 of commercial demolition that was performed.... We are planning to expand cost recovery to our residential demolitions as well and cost recovery efforts did not begin until July 1, 2023.”* Please confirm this information’s validity with the Construction and Demolition Department and the Office of Departmental Financial Services (ODFS).

Please contact my Policy Analyst, Jai Singletary, at [jai.singletary@detroitmi.gov](mailto:jai.singletary@detroitmi.gov) if there are any questions.

Thank you,

CC: Director LaJuan Counts, Construction and Demolition Department  
Mr. Malik Washington, Mayor’s Office  
Ms. Raquel Newell, Mayor’s Office