

HOUSE RESOLUTION NO. 32

Reps. Garrett, Gay-Dagnogo, Cynthia Johnson and Neeley offered the following resolution:

1 A resolution to urge the chairs of the House Oversight
2 Committee and the House Government Operations Committee to hold
3 hearings on the improper use of federal Hardest Hit Funds by the
4 Detroit Land Bank Authority and the Detroit Building Authority.

5 Whereas, The Hardest Hit Funds are provided by the U.S.
6 Department of the Treasury through the Emergency Economic
7 Stabilization Act of 2008 (EESA) or Troubled Asset Relief Program
8 (TARP) to states that have been particularly hard hit by the
9 economic and housing market downturn that began in 2007. The
10 Hardest Hit Fund loan program was created in 2010 to assist states
11 with their foreclosure prevention and neighborhood stabilization
12 efforts; and

1 Whereas, Michigan has received over \$761 million to operate
2 its Hardest Hit Fund programs. The Michigan Homeowner Assistance
3 Nonprofit Housing Corporation (MHA) was created by the Michigan
4 State Housing Development Authority (MSHDA) to design and oversee
5 the distribution of the Hardest Hit Funds in Michigan; and

6 Whereas, The Hardest Hit Fund Blight Elimination Program was
7 established to assist Michigan communities experiencing high
8 vacancy rates, like Detroit, with identification and demolition of
9 blighted residential properties. Demolishing blighted properties
10 can help stabilize property values by establishing green space and
11 making way for future development; and

12 Whereas, The Detroit Blight Elimination program has been mired
13 in controversy since its inception. It was reported that demolition
14 prices in Detroit had risen as much as 60 percent from 2014 to
15 2015. An MHA audit found millions in improper billings from the
16 Detroit Land Bank Authority seeking federal funds for demolition.
17 In 2016, the U.S. Department of Treasury suspended the city's
18 demolition program for three months due to suspicion of "bid-
19 rigging." The investigation remains ongoing. Now, reports from
20 early 2019 have shown major violations from contractors hired by
21 the Detroit Land Bank Authority including filling holes with
22 contaminated dirt and failure to properly dispose of materials
23 after demolition; and

24 Whereas, The state of Michigan has a responsibility to its
25 citizens to ensure funds are spent appropriately and public health
26 and welfare are protected. Not only does the improper management of
27 funds impact those the program is trying to help, but the Detroit
28 Land Bank Authority receives demolition funds through the MHA and
29 MSHDA, making this a state issue; now, therefore, be it

1 Resolved by the House of Representatives, That we urge the
2 chairs of the House Oversight Committee and the House Government
3 Operations Committee to hold hearings on the improper use of
4 federal Hardest Hit Funds by the Detroit Land Bank Authority and
5 the Detroit Building Authority; and be it further

6 Resolved, That copies of this resolution be transmitted to the
7 chairs of the House Oversight Committee and the House Government
8 Operations Committee.