
LEGAL AID JUSTICE CENTER

PRESS RELEASE

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PUBLIC HOUSING TENANTS AND CHARLOTTESVILLE HOUSING AUTHORITY REACH SETTLEMENT AGREEMENT

Charlottesville, Va., October 1. Public housing tenants and the Charlottesville Redevelopment and Housing Authority (CRHA) reached an historic settlement in the federal class action suit filed last year to challenge the failure of the CRHA to provide adequate electric utility allowances to residents. CRHA's failure resulted in tens of thousands of dollars of overcharges to low-income Charlottesville residents. The Legal Aid Justice Center (LAJC) is representing tenants, former tenants and the Charlottesville Public Housing Association of Residents (PHAR) in the class action filed in federal court in Charlottesville.

The proposed settlement was filed late yesterday afternoon, and must be approved by Federal District Court Judge Glen E. Conrad before it is final. Judge Conrad will determine whether to approve or disapprove the agreed settlement at a hearing on November 4, 2013, at 9:30 a.m. in the Charlottesville Federal Courthouse. If the settlement is approved, the court will likely schedule a Fairness Hearing at which affected tenants and former tenants may object to the settlement.

Under the terms of the tentative agreement, \$95,400 will be distributed among tenants who paid utilities from June 7, 2007 through May 31, 2013. An additional \$6,600 will be distributed to tenants whose utility charges were below their annual utility allowance. Current public housing tenants will also receive a credit on their account of \$15 per month for 36 months and then \$5 per month for an additional 24 months. After the lawsuit was filed, CRHA conducted a new utility allowance study. Since June 1, the new study has been used to calculate tenant utility surcharges, which now include higher utility

allowances. CRHA has also adopted a policy allowing elderly and disabled tenants to seek relief from utility surcharges for special needs. Between the cash back to tenants, future credits, and new higher allowances, Legal Aid estimates the proposed settlement could be worth as much as \$500,000 in relief and cash to tenants.

Federal law requires that public housing tenants not be charged more than 30% of their income for rent and utilities. Under the law, CRHA must set an adequate allowance to cover reasonable use of utilities when setting the rent. The lawsuit asserted that CRHA had not updated the utility allowance since 2003, and that the allowance was set so low that the majority of public housing residents had to pay extra utility surcharges, forcing residents to pay more than 30% of their income in rent and to forgo basic necessities like food and medicine.

Janyce Lewis, a named plaintiff who was overcharged \$500 in excess utility fees, said of the proposed settlement: “I’ve been working to fix this problem since 2010 when I circulated a petition against excess utility charges. I had to take out a high-interest payday loan to avoid eviction, and then I got stuck in a debt trap. I’m glad that if the court approves this agreement, tenants and former tenants like me will get some of that money back. Hopefully this proposed settlement will prevent current and future tenants from being unfairly overcharged.”

Brenda Castañeda, one of the lawyers for the tenants, stated: “We are pleased to have reached a negotiated resolution with CRHA that benefits both past and current tenants. If the court approves the settlement, the new allowances will ensure that current tenants are not overcharged for utilities, and the money that will be returned to tenants who were overcharged in the past will go a long way toward compensating those tenants for unjust electric bills.”

Brandon Collins, PHAR organizer, stated: “I am very encouraged to hear of this progress. It's been an honor to work with the other plaintiffs and the Legal Aid Justice Center to make sure justice

prevails. We will look forward residents receiving refunds and rent credits paying them back for the hundreds of thousands of dollars they couldn't afford and shouldn't have had to pay.”

About the Legal Aid Justice Center

The Legal Aid Justice Center provides legal representation for low-income individuals in Virginia who have the least access to legal resources. The LAJC staff of 40 work from offices in Charlottesville, Falls Church, Petersburg, and Richmond. See www.justice4all.org for more information.

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