

# Notice of Proposed Hopewell Redevelopment and Housing Authority Class Action Settlement

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UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF VIRGINIA

*Flowers et al. v. Hopewell Redevelopment and Housing Auth.*, Case No. 3:19-cv-00241

**Did you live in a HRHA unit and receive a bill for utility surcharges any time between July 1, 2014, and September 30, 2018? The settlement of this class action lawsuit will affect your rights. You may be able to get money in a class action settlement.**

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A FEDERAL COURT ORDERED THIS NOTICE. IT IS NOT A SOLICITATION FROM A LAWYER.

## **1. Why did I get this Notice?**

Hopewell Redevelopment & Housing Authority's (HRHA's) records show you are a Class Member in this case. Class members are people who lived in HRHA units who were billed for utility surcharges (excess utility fees) during the time period above. You received this Notice of Proposed Class Action Settlement (Notice) because settlement of this case will affect you, possibly paying you money.

## **2. What is this Notice about?**

This Notice describes a proposed legal settlement in this class action lawsuit. This Notice gives you information so you can decide whether to accept the Settlement, object to the Settlement, or opt out of the lawsuit. This Notice explains the lawsuit, your legal rights, and the benefits that may be available to you. The Settlement is not final until approved by the Court.

## **3. What is a class action lawsuit?**

In a class action, one or more persons, called "Class Representatives," sue on behalf of a group who have similar claims. This group is called the "Class." Each person in the group who does not opt out of the lawsuit is called a "Class Member." The proposed Class Representatives in this case are: Dorothy Flowers, Natalie Brown, Natasha Brown, Curley Dickens, and Velda Crockett.

## **4. What is the lawsuit about?**

Five tenants filed this lawsuit claiming HRHA violated federal and state law. The lawsuit claims HRHA failed to properly set and apply its electric and gas allowances and surcharges. The lawsuit also claims HRHA overcharged tenants and billed tenants for improper late fees.

## **5. How do I know if I am part of the settlement?**

You must be a Class Member. Class Members include persons who:

- a. are a current or former tenant of HRHA;

- b. rented from HRHA between July 1, 2014, and September 30, 2018; and
- c. were subject to HRHA's utility allowance and surcharge procedures.

If all three of these apply to you, you may be able to get money from this lawsuit.

## 6. What does the settlement provide?

If the Court approves the settlement, HRHA must provide Class Members total relief of \$220,000:

- \$130,000 will be split among current and former tenants overcharged for utility usage between July 1, 2014, and September 30, 2018.
- \$85,000 will be split among current tenants overcharged for utility usage between July 1, 2014, and September 30, 2018.
- \$5,000 will be split among the five Class Representatives.
- \$73,000 will go toward attorneys' fees and costs.

Because of this lawsuit, HRHA will also have to make changes now and in the future. HRHA has started using new, higher allowances. HRHA will make the changes discussed in Section 8 below.

## 7. How much money may I get in this settlement?

If the Court approves the settlement, HRHA will give refunds as follows:

- Each Class Member household will receive three dollars (\$3.00) for every full month the household rented from HRHA between July 1, 2014, to September 30, 2018.
- Each Class Member household will receive an additional amount based on a percentage of the total surcharges billed to the tenant.
- Each Class Member household who currently rents from HRHA will receive an additional amount based on a percentage of the total surcharges billed to the tenant.

Each class member household will receive a refund check, unless money is owed to HRHA. If the household owes a debt to HRHA or has an outstanding balance, the money will be credited to their account.

## 8. How much will this settlement give me?

**Attachment A** lists the specific amounts due to you. If you think this amount is wrong, please bring any information you have about what you were charged to the Legal Aid Justice Center. You don't need to do anything if you think this amount seems right; you will get a credit or a check from HRHA.

## 9. What else does this settlement give me?

If you are now a tenant in public housing, HRHA has agreed to make the following changes:

- a. **New utility allowances.** Effective January 1, 2019, HRHA set new, higher allowances for gas and electricity based on the average utility usage for HRHA units.
- b. **Improved process to request relief from surcharges.** HRHA has created new policies and procedures to let tenants know about what to do if they think they are being charged too much for utilities, including who to contact on the HRHA staff and how to file a grievance. This must be included in the Admissions and Continued Occupancy

Policy (ACOP). HRHA must notify each tenant upon admission to public housing, and at each lease reading or renewal.

- c. **New billing statements.** HRHA must give tenants more information about their utility surcharges. HRHA must list the meter readings, the dates of the meter readings, the tenant’s allowance, usage, overage, and the surcharge.
- d. **Reduced time between usage and billing.** HRHA must work to shorten the time between receipt of the utility bill, calculation of tenant bills, and notice to tenants of a surcharge. Bills must be sent to tenants no later than fourteen (14) days before the payment due date.
- e. **Changes to the ACOP.** Effective July 10, 2018, HRHA amended its ACOP to comply with federal law regarding notices to tenants with disabilities or special needs.
- f. **Change to late fee collection.** HRHA must change its lease so late fees and other non-rent charges are not treated as rent. This is helpful to residents because it makes it harder for HRHA to evict people.
- g. **Training.** HRHA must make sure staff is trained on surcharge procedures, tenant requests for relief from surcharges, and the grievance procedure for tenants to contest charges. HRHA will make sure all staff involved in meter reading are properly trained to determine excess utility consumption and use quality control measures.
- h. **Audit Procedures.** Housing Managers must audit all meter readings and look for errors before any surcharge is billed. If an audit shows a meter reading is incorrect, Housing Managers must notify the tenant and determine if any refund or credit is needed.
- i. **Lease changes.** HRHA has changed its lease to state whether a tenant has submetered utilities. The lease must list each tenant’s specific utility allowance in the lease.

**10. What are my legal rights and options?**

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| You can:  |  |
| Do nothing . . .  | You will get a credit and/or a check as stated above. If your address changes, let HRHA know. The process will be complete when you receive your credit and/or check. <b>You do not have to be present at the hearing to get your portion of the settlement money.</b> |
| Exclude yourself, which means taking yourself out of the settlement class . . . | You will get no credit and/or check. This is the only option that allows you to file your own lawsuit against HRHA about the legal claims in this case. (Details below in #11.)  |
| Object . . .  | You can write to the Court saying you do not like the settlement. You must tell the court why you object. (Details below in #12.)  |
| Get a lawyer . . .  | You have the right to get your own lawyer to represent you if you want.  |

**11. How may I exclude myself from this settlement?**

You must “opt out” by **February 1, 2021**, to exclude yourself from the lawsuit. If you opt out, the Settlement will not affect you, and you will NOT get any settlement money. You will still have a legal right to bring a claim against HRHA regarding surcharges. You may have the right to bring your own lawsuit against HRHA within the time allowed by law for the claims in the lawsuit.

If you do not opt out by **February 1, 2021** you will be included in the Settlement and you cannot bring a separate lawsuit covering the same claims as this lawsuit.

To opt out from the class action, you must send a letter to the Court clearly stating you want to opt out of this case. Include in your letter the name of this lawsuit (*Flowers et al. v. HRHA*, Case No. 3:19-cv-00241) and send it to:

Clerk of the Court  
U.S. Courthouse  
701 East Broad Street  
Richmond, VA 23219

Before you choose to opt out of the class action, you should consult a lawyer about your rights. Please do not phone the Court about your decision.

**12. What if I think the settlement is unfair?**

If you want to disagree with the settlement, you must file an objection with the Clerk of the Court by **January 25, 2021**. As a Class Member, you may object to the settlement if you think any part is unfair, unreasonable, or inadequate. Federal Judge Lauck will hold an in-person hearing at **11:00 a.m.** on **March 17, 2021**, at the United States Courthouse, 701 East Broad Street, Richmond, VA 23219. She will decide if the settlement is fair, reasonable, and adequate.

To object, you must send a letter stating you object to the settlement in the *Flowers* case. Be sure to include: (1) the name of this lawsuit (*Flowers et al. v. HRHA*, Case No. 3:19-cv-00241); (2) your full name, current address, and telephone number; (3) the reasons you object to the settlement; and (4) your signature. Mail or deliver the objection to the three addresses below. They must get it no later than **January 25, 2021**. You must also file a statement with the Court listing the date you mailed or delivered your objection to Class Counsel and Defense Counsel.

| <b>COURT</b>   | <b>CLASS COUNSEL</b>   | <b>DEFENSE COUNSEL</b>   |
|--|--|--|
| Clerk of the Court<br>United States District Court<br>701 East Broad St.<br>Richmond, VA 23219 | Legal Aid Justice Center<br>626 East Broad Street St.<br>Suite 200<br>Richmond, VA 23219 | James L. Chapman IV<br>Darius K. Davenport, Sr.<br>Crenshaw, Ware & Martin, P.L.C.<br>150 West Main St.<br>Suite 1500<br>Norfolk, VA 23510 |

### **13. How do I find out more?**

If you want more information, or don't understand this notice, you can go to the following website, [www.justice4all.org](http://www.justice4all.org), or **contact:**

**Sylvia Cosby Jones**  
**626 East Broad Street, Suite 200**  
**Richmond, VA 23219**  
**804-643-1086 Phone**

### **14. Who are the lawyers and how are they paid?**

The Court appointed these lawyers for the purpose of this Settlement:

Rachel McFarland, VSB #89391  
Sylvia Cosby Jones, VSB #35870  
Brenda Castañeda, VSB #72809  
Mary DeVries, VSB #88186  
Caroline Klosko, VSB #78699  
**LEGAL AID JUSTICE CENTER**  
626 East Broad Street, Suite 200  
Richmond, VA 23219  
804-643-1086 Phone  
804-643-2059 Fax

Larry Eisenstat, *pro hac vice*  
CROWELL & MORING LLP  
1001 Pennsylvania Avenue, N.W.  
Washington, DC 20004  
202-624-2600 Phone  
202- 628-5116 Fax

Class Counsel represent all Class Members. Class Counsel has worked on this case for several years, a total of over 1300 hours on this case. Class Counsel will spend more hours as part of the settlement process. The Settlement provides Class Counsel will receive \$73,000 in legal fees. These amounts cover only a portion of their fees. The law firms agreed to reduce their fees because of their goal to increase justice and provide legal services to people unable to afford them.

**Flowers et al., Class Action Notice  
Attachment A**

Current Tenant Name  
Street Address  
City, State, Zip Code

**The HRHA records in the lawsuit show you were charged \$\_\_\_\_\_ in surcharges for usage between July 1, 2014, and September 30, 2018. During this period, you were a tenant at an HRHA property for \_\_\_\_\_ full months. You will get a credit to your rental account totaling \$\_\_\_\_\_. You will get a refund check totaling \$\_\_\_\_\_.**

**This credit is made up of: \$\_\_\_\_\_ for each full month you were a tenant at an HRHA property, \$\_\_\_\_\_ based on a percentage of the surcharges you were billed for usage, and \$\_\_\_\_\_ as a credit toward future account charges.**

**You may still owe money to HRHA after your credit is applied. If you owe money to HRHA, you should contact HRHA to arrange a payment plan.**

Former Tenant Name  
Street Address  
City, State, Zip Code

**The HRHA records in the lawsuit show you were charged \$\_\_\_\_\_ in surcharges for usage between July 1, 2014, and September 30, 2018. During this period, you were a tenant at an HRHA property for \_\_\_\_\_ full months. You have an outstanding balance of \$\_\_\_\_\_. The total amount due to you is \$\_\_\_\_\_. You will receive \$\_\_\_\_\_ in a check.**

**This payment is made up of: \$\_\_\_\_\_ for each full month you were a tenant at an HRHA property, and \$\_\_\_\_\_ based on a percentage of the surcharges you were billed for usage.**

**You may still owe money to HRHA after your credit is applied. If you owe money to HRHA, you should contact HRHA to arrange a payment plan.**