

NEW YORK, August 2, 2021 -- Today, Legal Services NYC (LSNYC) and Jenner & Block LLP announce a new settlement agreement with the New York City Housing Authority (NYCHA) requiring the public housing agency to reform its rent adjustment system to prevent wrongful evictions and ensure that thousands of NYCHA tenants have their rents reduced when their incomes drop, a process required by federal law which has become more urgent during the Covid-19 pandemic. The settlement comes after a group of twelve families, who have lived in public housing anywhere between 5 and 50 years, sued NYCHA in federal court alleging illegal rent overcharges above 30% of income and eviction proceedings for unlawful amounts of rent. NYCHA also agreed to pay tenants close to \$190,000 in damages, attorneys' fees, and rent overcharge claims. NYCHA has six months to implement changes to its system-wide operations concerning rent readjustments and eviction cases, and is subject to monitoring by the federal court for three years.

Read the filed Settlement and Order [here](#).

Read a 2-page Settlement explainer, [here](#).

Read the 2020 amended complaint [here](#).

The plaintiffs' 2019 lawsuit charged NYCHA with a pattern and practice of violating federal housing law by failing to adjust tenants' monthly rents after a reduction in their household income, despite multiple requests. On top of that, NYCHA put families at risk of homelessness by initiating eviction lawsuits based at least in part on illegal rent charges. The plaintiffs further claimed that NYCHA set rents based on income that no longer existed, set wrong effective dates for adjusted rents, and failed to give them notice of rent determinations. Federal housing law, which caps rents in public housing at 30% of households' income, requires NYCHA to reexamine tenants' rents annually and on an interim basis following a request by tenants who have experienced income drops or changes in their household composition. These changes could include employment layoffs, cutback in hours, family members moving out, increase in childcare costs, increase in unreimbursed medical costs, or other circumstances that decrease household income. Federal law requires public housing agencies to resolve interim rent reduction requests within a reasonable time, which NYCHA has systematically failed to do. NYCHA's own policies add that tenants' reduced rent should take effect the first of the month following the date the income change occurred.

The changes set forth in the settlement, which will benefit more than 400,000 NYCHA residents, include:

- A 60-day deadline for NYCHA to review and finalize tenants' interim rent reduction requests.
- New rules governing the process for requesting an interim rent reduction, including requirements that NYCHA provide written confirmations, receipts, and a written decision resolving the request and advising the tenant about how to challenge an adverse decision.
- A prohibition against suing tenants for nonpayment in housing court or initiating agency-level termination proceedings if the tenant has a pending interim recertification request or a rent grievance, including a requirement that NYCHA personnel confirm in writing that no such requests are pending prior to initiating the lawsuit or termination proceeding.
- A requirement that NYCHA distribute educational information in various forms to the entire public housing population about the major changes subject of the settlement.
- A 3-year probationary period where NYCHA must conduct staff training on the new rules, implement quality assurance systems to monitor the implementation of the settlement, and report to the Plaintiffs' attorneys every 6 months on the agency's progress.

"Our clients made their stories public to push NYCHA to fix a long-broken rent reduction system, which will benefit more than 400,000 public housing residents," said **Luis A. Henriquez Carrero, Director of Litigation at Manhattan Legal Services**.

"Our organization is honored to represent them in this case."

"We are pleased with the agreement, which puts measures in place to address the needs of New Yorkers across the boroughs," said **co-counsel from Jenner & Block LLP**. "It was a privilege to represent the plaintiffs and to assist LSNYC."

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About the Plaintiffs

"Today, NYCHA is finally being held accountable for their actions," said **Rose Middleton, a resident of Astoria Houses in Queens for 20 years**. "For too long, NYCHA has improperly miscalculated my household income. I hope fewer tenants will have to succumb to the pain and suffering of being at risk of eviction for thousands of dollars due to rent overcharges. NYCHA has ignored my many pleas for them to correct their error. This agreement will provide justice for many NYC residents."

Thania Acosta, a resident of Jacob Riis Houses in Manhattan for more than 10 years, submitted documentation through NYCHA's online portal revealing that she lost her job in October 2018, only for the documentation to be ignored by NYCHA for over to two years to the point that agency representatives admitted in housing court that Ms. Acosta's rent reduction request "fell through the cracks." On top of that, when she missed a court date in January 2020 due to a medical emergency,

NYCHA evicted her and her two children (one of whom is autistic) without fixing their overcharge mistake. As part of the settlement, NYCHA will credit Ms. Acosta over \$5,000 in rent overcharges.

"When I lost my job, I informed NYCHA and asked that my rent be reduced. Not only did that not happen, but NYCHA evicted me with my two children even though they admitted to the housing court that my request fell through the cracks," said **Ms. Acosta**. "I am very excited to have been a plaintiff on this case. After years of anguish from being repeatedly ignored by my management office, I finally feel heard. I am most excited about the new rules brought about by this settlement to improve NYCHA's rent reductions systems, which will benefit everyone. It tells me that I was not alone in going through what I went through. I hope that the new rules will lead to much needed change and that more people are kept in their homes, rather than being thrown out."

In June 2018, **Lakysha Allen, a resident of West Brighton in Staten Island for over 20 years**, submitted documentation to NYCHA showing a reduction in her work hours at a temp agency. Despite having this documentation, for the next year-and-a-half NYCHA continued to calculate her rent as if she was working full time at the agency. When NYCHA sued Ms. Allen for unlawful amounts of rent, Ms. Allen saw no choice but to withdraw \$4,000 from her retirement account in order to avoid an eviction.

Lookman Sulaimon, a former self-employed graphic artist and resident of Pink Houses in Brooklyn for over 20 years, experienced a precipitous decline in his health in April 2018 and was forced to retire. After informing NYCHA of the fact that he was no longer able to work, NYCHA failed to readjust his rent for over two years, resulting in the crediting to Mr. Sulaimon as part of the settlement of over \$15,000 in rent overcharges.

Patricia Johnson, a resident of Drew Hamilton Houses in Manhattan for 30 years, saw her rent overestimated on account of NYCHA incorrectly imputing unemployment insurance income that did not exist. Upon immediately informing NYCHA of the mistake, Ms. Johnson was told to continue to pay the previous rent, only to find out months later that, contrary to its own instructions, NYCHA kept charging her the higher rent based on the non-existent UI income. On top of that, NYCHA sued Ms. Johnson for unlawful amounts of rent. As part of the settlement, NYCHA will credit Ms. Johnson over \$8,000 in rent overcharges.

David Bell, a 64-year old resident of Castle Hill Houses in the Bronx for 7 years, submitted a rent grievance in 2017 to contest an increase in his rent based on NYCHA incorrectly projecting his income for the year. He never received a response to his grievance. In addition, in September 2019, Mr. Bell lost his job, requested a rent reduction, and NYCHA delayed on resolving the request for months. As part of the settlement, NYCHA will credit Mr. Bell over \$6,000 in rent overcharges.

"I would hope that after this case, there will be a change in the way NYCHA handles rent disputes," said **Mr. Bell**. "When I told my management office that I lost my job in September 2019, they didn't change my rent and didn't even give me a fair hearing. No one should have to wait weeks or months for their rent to be adjusted when they lose their income."