

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

CARMELIA VELEZ, et. al.	:	CIVIL ACTION
	:	
v.	:	
	:	
JULIÁN CASTRO, in his official capacity as	:	
Secretary of Housing and Urban Development, et. al.	:	NO. 90-6449

ORDER

AND NOW, this 31st day of December, 2014, it appearing that:

- a. This action, filed October 5, 1990, resulted, on motion of federal defendants, in an Order entered June 29, 1994, placing the Housing Authority of Chester, Pennsylvania in Receivership (the “Receivership”).
- b. On June 29, 1994, the court granted federal defendants’ Motion for Appointment of a Receiver Pursuant to 42 U.S.C. §1437d(j)(3)(A)(ii) & (c).
- c. On August 31, 1994, it was further ordered, according to the provisions of 42 U.S.C. §1437d(j)(3), that Robert C. Rosenberg, Esq., act for the court as acting Receiver of the Chester Housing Authority (“CHA”). In the order appointing Robert C. Rosenberg, Esq., as acting Receiver, the court contemplated the eventual return of CHA governance to a duly constituted Board of Commissioners.
- d. On June 8, 1995, the court issued an Order appointing a Master under Fed. R. Civ. P. 53 to arbitrate CHA lease disputes, according to Dwelling Lease Section 25(E)(1).
- e. The court’s Order of March 31, 2005, continued the CHA Receivership but changed the status of Robert C. Rosenberg, Esq., to Judicial Administrator for Development (“JAD”); in that capacity, Robert C. Rosenberg, Esq., was responsible for, among other things, completing the Chester Towers Hope VI Revitalization Plan, completing the remainder of the Wellington Ridge Hope VI Revitalization Plan, consisting of a retail component and an off site home ownership component (Wellington Heights), completing all required close outs, and providing all required

development reports to HUD.

- f. The court also appointed an Advisory Board of Commissioners and a CHA Executive Director, subject to court approval of decisions and contracts for amounts in excess of \$100,000, and court review of all CHA resolutions. The court appointed Steven A. Fischer as CHA Executive Director on April 1, 2005.
- g. The court, by Orders dated: September 29, 2008; October 2, 2008; September 23, 2009; April 20, 2010; November 17, 2010; December 22, 2011; March 29, 2012; December 26, 2012; March 21, 2013; June 30, 2013; and September 30, 2013, amended the responsibilities of Robert C. Rosenberg, Esq., and extended his term to December 31, 2013.
- h. On September 26, 2013, the court scheduled an annual hearing for October 24, 2013, and required the Executive Director and JAD to file an annual report and final report, respectively.
- i. On October 24, 2013, the court held an annual hearing to assess the status of CHA. As a result, the court decided to bring the Receivership to a conclusion in an orderly manner.
- j. On October 28, 2013, the annual report of the Executive Director and final report of the JAD were filed.
- k. On September 25, 2014, a supplemental final report provided by the JAD was filed.
- l. On June 4, 2014 (paper no. 1047), the court ordered that upon termination of the Receivership, an amendatory agreement would be substituted in the Dwelling Lease. On August 11, 2014 (paper no. 1048), the court provided for continued arbitration of claims relating to the interpretation, validity, or performance of the Dwelling Lease. These orders will remain in effect.
- m. On August 31, 1994, the court had suspended the civil service status of CHA staff and employment positions. On August 12, 2014, CHA entered into an agreement with the Pennsylvania State Civil Service Commission to return CHA staff and

employment positions to civil service status.

- n. The recent round of HUD inspections of CHA properties (nine total inspections) resulted in very high ratings (averaging 95%).
- o. The CHA Section 8 program has been rated a high performer by HUD for seven years; this year's rating was 93%.
- p. The CHA Police Department has performed in an excellent manner and, together with the Chester Police Department, has significantly improved the safety and security of CHA tenants and properties.
- q. The CHA has been recognized by its insurance company for a low loss ratio because its properties have been kept in safe condition with few accident claims.
- r. The CHA Executive Director and General Counsel both serve on national industry boards. Mr. Fischer has chaired the Public Housing Authorities Legislative Committee the past three years and Ms. Zissimos sits on the Housing Authority Insurance Finance Committee.
- s. The CHA Board of Commissioners received intensive training this year to add to their credentials and qualifications to oversee a Housing Authority.
- t. The court finds that terminating the Receivership is fair, adequate, and reasonable: (i) the JAD has performed in an excellent manner and satisfactorily concluded his duties, responsibilities, and requirements under all orders of the court; (ii) the Executive Director has also performed in an excellent manner and satisfactorily fulfilled his duties, responsibilities, and requirements under all orders of the court; and (iii) significant progress has been made to transform CHA into a functioning housing authority providing decent, safe, and sanitary dwellings to families of low income, in substantial compliance with all applicable laws and regulations.
- u. The court finds that the Receivership should terminate, and the governance of CHA returned to a duly constituted Board of

Commissioners according to law.

It is therefore **ORDERED** that:

1. The Order of June 29, 1994, providing for a Receiver is terminated on December 31, 2014, for the reasons stated in the filed Annual Report and Final Report (paper no. 1036) and for the reasons stated above. The underlying action, *Velez, et. al. v. Donovan, et. al.*, Civil Action No. 90-6449, will close on that date.

2. The following residents of the city of Chester, one of whom is a CHA tenant, are appointed Commissioners with staggered terms as stated:

Catherine Feminella –	5 years
Sheila Church –	4 years
Tanya Warren –	3 years
Sheridan Jones –	2 years
Roderick Powell –	1 year

3. Steven A. Fischer shall continue his services as Executive Director subject to the terms, conditions, and duties stated in his employment contract that took effect on April 1, 2013.

4. Maria Zissimos, Esq., shall continue her services as Deputy Executive Director and General Counsel subject to the terms, conditions, and duties stated in her employment contract that took effect on April 1, 2013.

5. Seymour Kurland, Esq., Susan Henderson-Utis, Esq., and the Honorable Phyllis W. Beck shall continue their appointments pursuant to the court's order of August 11, 2014 (paper no. 1048).

6. The court will retain jurisdiction over this action to enforce its terms and conditions.

/s/ Norma L. Shapiro

Norma L. Shapiro, J.