

# Landlord Pushes Tenants Out Despite Getting State Money

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There's not an important receipt that Nina Collier didn't keep - especially when it came to her rent. The 50-year-old proudly maintained a system she called foolproof: She kept every invoice and record of payment tucked in a Bible at her apartment in Englewood, she said. If there was ever a question about whether she'd paid on time, Collier says she was ready to prove she did.

"That's something I don't play about: My rent and my car note," she told the Illinois Answers Project in an interview. "I was never behind."

Not even through the COVID-19 pandemic when Collier lost her full-time job and worked sparingly as a maid. She was approved for government rental assistance that covered more than two years worth of her \$900 monthly rent, records show. And she said she maintained the same system - keeping every email, every invoice and every receipt.

So she was stunned when she faced eviction for allegedly being thousands of

dollars behind. She found herself tearfully begging her landlord for relief in a court hearing over Zoom — hoping she'd be given a few extra days before getting kicked out. She was not.

"It turned my whole life upside down," said Collier, who wound up living on the street.

Starting in the summer of 2022, about eight months after the state's moratorium on evictions ended, Collier and six other tenants at 1150-1158 W 64th St. were all served eviction notices by Legacy Red, the company acting as manager of the building. Four were eventually evicted.

In interviews with Illinois Answers at the 10-unit apartment building in Englewood, the neighbors all said they were surprised that they were dragged into court over allegations of unpaid rent because they'd collectively been approved for their rent payments, totalling tens of thousands of dollars, in assistance from the state, paid directly to their landlord. Under the program's rules, tenants receiving those grants weren't supposed to face eviction. What's more, tenants complained they were subject to harassment or intimidation to get them to leave.

Advocates for renters warn that what happened to these tenants has been part of a disturbing pattern of how, they say, many tenants were treated during the pandemic: Even after going through the complicated process of applying for rental assistance — at times having to do interviews and take classes to qualify — tenants were left without a home, often at the whim of landlords, who put them out on the street.

While federal and state programs received praise from some advocates for quickly delivering rental assistance, that speed came at the cost of little oversight and enforcement, critics say.

Nicole Capretta, an attorney with Legal Aid Chicago, said she's had several clients — two in the last month — facing issues similar to Collier and the tenants on 64th Street. According to Capretta, in these cases landlords often credit administrative error or mix-ups with housing subsidies to explain away disparities between rental assistance received and what's claimed in eviction court.

"That was really hot last summer," Capretta said. "If I could wave my magic wand

and propose a solution that would make things better all around, it would be that plaintiffs in a non-payment case should be required to file a rent ledger showing how and why money is owed.”

Bob Graves, executive director of the Chicago Bar Foundation, which handles Cook County’s Early Resolution Program that mediates eviction disputes between landlords and tenants, told Illinois Answers that “the rules of these programs make it clear that the money is to be used solely to cover the rent of tenants in need. But with thousands of tenants in need, agencies like [the Illinois Housing Development Authority] and the [city’s] housing department don’t have the capacity to follow up on whether landlords are playing fair.”

Conditions at the Englewood building have only gotten worse, according to city attorneys at court hearings, with the building going through the winter with little to no heat for tenants, and the city citing it so often that it has raised the threat of putting it into receivership.

The landlord, Hosanna Mahaley, took over the building in the summer of 2020, signing a deal in the middle of a global pandemic to assume ownership of the property, according to a lawsuit she filed against the previous owner.

The deed transfer could not be legally recorded because of a lien against the property for an unpaid water bill, according to court records. Who owns the building is still being litigated in court.

Since assuming control of the property, Mahaley has represented herself as the owner of the building and received over \$50,000 in grants from the state to cover rent at the apartment building from January 2021 to March 2022, records show. Even after those grants were received, Mahaley contended in court at times that she hadn’t been paid, records show.

Illinois Answers spoke with Mahaley’s current and previous tenants who say she encouraged them to apply for multiple sources of rental assistance as soon as a month after she said she took ownership of the building. Residents received multiple grants of up to \$10,000 from IHDA during the time period Mahaley claimed they didn’t pay rent.

In interviews, Collier and her former neighbors said they wonder what their rental assistance was used for, saying such problems as rodent infestation,

shoddy plumbing, leaky roofs and broken windows and doors were never fixed.

In a statement, Andrew Field, a spokesperson for IHDA, acknowledged that while the rules prohibit landlords from evicting tenants after receiving rental assistance, the state “does not track” whether that actually happens.

In a brief phone call with Illinois Answers, Mahaley said that she believed she had the right to evict her tenants even after receiving the assistance. “They don’t have the full story,” she said of her tenants. Mahaley said she needed to gather more records to answer questions from Illinois Answers but then never returned three phone messages. Neither Mahaley nor her attorney responded to a detailed list of questions from Illinois Answers. Mahaley has ties to Chicago, where she once worked as the chief of staff to Arne Duncan when he was the CEO of Chicago Public Schools.

### **‘Very aggressive’**

When Dominique Henderson, 32, moved into the building five years ago, to take care of his ailing father who lived there, his rent was less than \$1,000 a month. With his job at a nearby elementary school, Henderson said he could cover the rent and his father’s medical expenses.

But as work slowed during the pandemic, and Mahaley raised rents, those payments became more difficult. Henderson told Illinois Answers that it was Mahaley’s idea to apply for rental assistance.

IHDA records show that Henderson was approved for two rounds of assistance from the department, one in August 2021, the other in April 2022. In total, IHDA covered 10 months of rent totaling \$8,075 paid directly to Mahaley.



Dominique Henderson's family portrait in his apartment entryway. Henderson is second to the left in the back row. (Credit: Victor Hilitski/For Illinois Answers Project)

But in December of 2021, Legacy Red sent Henderson a five-day notice demanding full payment of back rent totaling more than \$4,000. If Henderson didn't pay the full amount at the end of the five days, his lease would be terminated, the letter threatened.

Henderson says what followed was weeks of strangers knocking on his door at all hours, demanding Henderson pay up or be kicked out.

"It was very aggressive," Henderson said.

The tactics described by Henderson — something several other Legacy Red tenants said they experienced — are symptoms of a wider phenomenon of illegal or improper eviction attempts throughout the city — which were particularly prominent through the pandemic when state and federal moratoriums paused legal evictions.

Emily Metz, program director at the University of Chicago's Inclusive Economy Lab, says despite these bans, residents like Henderson were still facing efforts to force a tenant out of a rental property through intimidation, harassment or other

methods, at “somewhat surprisingly high rates.”

The lab surveyed a quarter of nearly 75,000 Chicago residents who received rental assistance through the city housing department’s rental assistance program between 2020 and late 2021.

In all, 7.9% of interviewees reported a forced move, lockout or paid move between March 2020 and November 2021, which overlapped with eviction moratorium. And while between 60% and 70% of housing applicants reported paying full rent during the month most recent to their response, the majority of respondents said they were still worried about eviction.

While Metz said that programs like the \$185 million program run by the state were undoubtedly “helpful” throughout the pandemic, there’s more to be done. “It’s one-time cash assistance,” she said. “But it’s not solving chronic housing affordability issues.”

Another resident of the 64th Street apartments, Deesty Neal, 40, said initially that she wasn’t worried about being evicted. “I paid everything on time,” she told Illinois Answers.

But she said that, after receiving a number of texts and emails suggesting the application was mandatory, she “felt forced” by Mahaley to apply for rental assistance and falsely state that she was behind on rent.

IHDA records show that Mahaley and Neal were approved for two rounds of the department’s Emergency Rental Assistance program in 2020 and 2021. Department records do not specify the dollar amount, but, according to an IHDA spokesperson, the fund typically paid out a flat grant of \$5,000.

According to court records, when Mahaley filed for eviction on June 3, 2022, she claimed Neal had gone an entire year without paying her \$800 monthly rent. Neal told the judge that it was impossible for her to owe the \$12,000 Mahaley was seeking because of the rental assistance.

“I was scared, I can’t lie,” Neal said.

Like Henderson, the single mom recalled men showing up at her home, banging on the door, demanding rent. She said she received text messages that threatened to evict Neal and her children if she didn’t abide by what they’d asked.

Rules of the state's programs required landlords to return any money that exceeded the amount owed for rent back to the agency. Serving an eviction notice after receiving funds from the agency is considered a violation of the agreement made between landlords, tenants and the program.

But housing advocates say that the immediate need of tens of thousands of Illinois residents didn't allow programs to build the infrastructure for oversight.

## **'We're living on broken promises'**

Michelle Cooper moved into the building over a decade ago, and has had four landlords since. When she first signed her lease, her rent was \$650, and despite being promised a newly renovated unit, she moved in on the understanding that the landlord would continue to fix a number of problems. At the top of the list were a cardboard door in her bedroom, a closet door brought up from the basement to temporarily enclose the bathroom, and missing window screens.

Still, Cooper and her family were excited about the move-in. She and her husband had owned a home in Englewood but lost it during the 2008 housing crisis.

When Mahaley's company Legacy Red began managing the building, Cooper's rent was \$670, she said. She told Illinois Answers that Mahaley told her that her rent would increase to \$900. But Mahaley promised to fix the apartment, said Cooper, who was having nightmares about the continued worsening conditions her family was living in.

In three years, nothing improved, Cooper said.

In the winter, broken radiators required the family to wear sweatsuits and blankets at all times. And when it rains, a hole in the roof from a storm years prior continues to leak.

"We're living on broken promises," Cooper said.

Jacqueline Hodges, who's lived in the building since 2009, said that workers have come through the apartment building changing locks, shutting off the gas and leaving notices threatening eviction if she and her neighbors didn't pay Mahaley sums of money they say they do not owe.

Since November, residents have repeatedly called and filed reports with the



police and fire departments and the city's Buildings Department to report heat shut-offs. Even last month, as temperatures dipped as low as 12 degrees below zero, residents say they use space heaters or double up on blankets to stay warm.

Hodges said this winter has been the worst she's seen in her 22 years at the property. She uses pots of boiling water and a small space heater in her bedroom to keep the most important parts of her apartment warm. And sheets of plastic tarp cover windows and doorways to keep out cold air.

"It's been bad ever since they [Legacy Red] came on board," Hodges told Illinois Answers as she prepared for another cold night without heat at the building, with temperatures dropping as low as 8 degrees.

As recently as Jan. 9, city inspectors cited the building for not providing adequate heat for the fifth time since October. Despite the inspections, heat had not been restored to the building.



A city employee checks radiators during a heat inspection at the Englewood apartment building last month. (Credit: Victor Hilitski/For Illinois Answers Project)

Illinois Answers asked the Buildings Department why the city has not intervened to get heat returned to tenants' units. The department declined to comment,



citing the city's litigation involving building, as did the city's Law Department.

In a Jan. 23 court hearing, assistant corporation counsel Steven McKenzie chastised Mahaley and her attorney for the number of complaints the city received during January's freeze, describing it as a "hot-button issue."

The city agreed to give Mahaley a sixth opportunity to prove to city inspectors that the heating issues at the building are being repaired, but warned that receivership would be the next step if the problem isn't fixed.

Mahaley assured the courtroom that the problem would be resolved. "We welcome the inspection," she told McKenzie.

On the day of inspection, radiators were still cold in the units of tenants at home during the time city officials walked through the building.

Hodges says that she's trying to find alternative housing nearby. But until she finds a viable option or the heating issues are fixed, she says she'll keep bundling up near the space heater in her bedroom. "I'm just hanging in there. For now, that's all I can do."

## **Legal recourse for tenants**

Four of the tenants who were served eviction notices by Mahaley, ultimately left the property.

But in Neal's case, Cook County's Early Resolution Program allowed her to stay in her apartment while she struck a deal with the landlord.

The program, launched in 2020 with the help of federal COVID relief grant money, connected Neal to a legal aid attorney who then negotiated an agreement with Mahaley's attorney. Because Neal raised the question of her vanishing rental assistance, Mahaley agreed that if Neal paid a fraction of the \$12,000 she initially claimed she was entitled to, the eviction would not happen.

Glaves, of the Chicago Bar Foundation, said that a critical determinant in the future expansion of the program will be finding a new source of funding, as it was initially launched through a \$1 million allocation from federal CARES Act money that will run out "in a few years for sure."

“It’s a matter of investing in this as part of the homelessness prevention and as part of improving access to justice, generally. Things that are state, city, and county,” Graves told Illinois Answers.

In June, IHDA became the administrator of the city Housing Department’s court-based rental assistance program. Unlike the assistance that Mahaley’s tenants applied for through 2022, this program requires that an eviction actually be filed before a tenant can qualify for the assistance.

Michelle Gilbert, of the Law Center for Better Housing, one of the city’s partners in providing free counsel to tenants facing eviction, says that programs like the county’s Early Resolution Program and the Right to Counsel Pilot Program, recently renewed by Mayor Brandon Johnson, are so critical because IHDA does not have any formal way of making sure that evictions are thrown out once a landlord receives rental assistance.

Gilbert, who [represented a client](#) last spring in eviction court after their landlord did not honor their rental assistance agreement, said that there are no safeguards for tenants before they get to eviction court. “If there isn’t an attorney present to make sure that it happens, there isn’t another mechanism to make sure that the case gets dismissed,” she said.

Another onetime tenant, Collier, is now living in her car and scrambling to piece together the life she’d so proudly built and relied on. But she’s still maintaining her system — pulling together emails and text messages from her former landlord in hopes that she can rebuild her life.

For now, she’s in and out of city-funded shelters and working cleaning jobs to pay for food and gas.

“I have a friend that panhandles on 75th,” she told Illinois Answers. “I’m scared to do it because I’m terrified that someone will see me.”

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