

# Philadelphia Housing Authority, Others Settle Mold-Related Claims For \$11.78 Million

PHILADELPHIA — (Mealey's) The Philadelphia Housing Authority (PHA) and others on May 3 agreed to settle for more than \$11 million claims alleged by a tenant that unsafe conditions, including mold contamination, in a home rented through a federally subsidized housing program caused her and her children to suffer injuries, sources told Mealey Publications (*Angelique McKinney, et al. v. Philadelphia Housing Authority, et al.*, No. 07-4432, E.D. Pa.).

Angelique McKinney and her children Ebony Gage and Ronald Lewis Gage Jr. were participants in the Housing Choice Voucher Program (HCVP), a federal subsidized housing program that allows individuals to receive vouchers that can be used to rent private housing. As part of the HCVP, the PHA acted as the administrator and provided McKinney with a voucher she could use for renting a property owned by Robert Stahl Jr. and Kathleen Stahl.

McKinney and her children alleged that they suffered unsafe conditions in the HCVP-approved home, including damp conditions and mold contamination. McKinney claimed that the conditions in the house exacerbated their asthma and resulted in Ebony Gage suffering a respiratory incident that left her hospitalized and permanently brain damaged.

McKinney, individually and on behalf of her children, sued the PHA and some of PHA's employees in the Philadelphia County Common Pleas Court, alleging that the PHA violated their civil rights and affirmatively exercised its authority in a way that left McKinney and her children more vulnerable to danger. McKinney also sued the Stahls and the manager of the property, Artur Property Management, under theories of negligence and negligence *per se*. The case was removed to the U.S. District Court for the Eastern District of Pennsylvania.

On April 20, Judge Berle M. Schiller granted summary judgment for the Stahls on the issue of negligence *per se* but denied summary judgment on all other issues. Judge Schiller also granted summary judgment for the PHA defendants on McKinney's Housing Act claims. However, Judge Schiller denied summary judgment on the issue of the State-Created Danger Doctrine. Judge Schiller found that the individual PHA defendants were entitled to qualified immunity.

Sources said the case was settled just before opening statements of the trial on Monday. As part of the settlement, the PHA agreed to pay \$9,688,000 to settle McKinney's claims, but it did not admit any liability, sources said. In addition, sources said the District Court agreed to vacate its April 20 summary judgment ruling.

As part of the settlement, Artur will pay McKinney \$2 million and Robert Stahl will pay \$100,000, sources said.

[Editor's Note: Full coverage will be in the June issue of Mealey's Litigation Report: Mold. For all of your legal news needs, please visit [www.lexisnexis.com/mealeys](http://www.lexisnexis.com/mealeys).]

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