



CITY OF CHICAGO • OFFICE OF THE MAYOR



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CONSTRUCTION REHABBERS DOING UNPERMITTED WORK AGREE TO PAY \$2.2 MILLION IN SETTLEMENT REACHED WITH THE CITY OF CHICAGO

Impacted property owners will be eligible for a free private inspection and up to \$10,000 in restitution to remedy construction defects observed during the inspection.

CHICAGO – Mayor Brandon Johnson was joined by Corporation Counsel Mary B. Richardson-Lowry to announce that the City of Chicago reached a \$2.2 million settlement agreement with residential construction general contractor ResiPro, LLC and its parent company, ResiCap LP, to resolve claims that ResiPro failed to obtain the proper permits for renovation work and made false statements to the City on permit applications.

Pursuant to the settlement, the defendants agreed to monetary and injunctive remedies that include establishing a restitution fund to offer free private inspections to owners of the properties where the contractors did work, as well as paying up to \$10,000 in restitution to fix substantial defects found during inspections. Any eligible homeowner who makes a claim and schedules an inspection will receive a minimum payment of \$1,000 in restitution. The City will mail notices to affected homeowners to inform them of the opportunity to request an inspection and potential restitution.

In addition, ResiPro agreed to refrain from engaging in residential construction work in Chicago within five years of the Settlement Agreement. ResiPro can do work in Chicago within that timeframe only if it notifies the City and discloses the location of any proposed work.

“Circumventing the permit process is a dangerous gamble that poses enormous risk to the public and the structural integrity of the City’s infrastructure,” said **Mayor Johnson**.

“Building permits serve a very important purpose. They ensure that construction work being performed in the City of Chicago meets building code standards that keep us safe.

The public's safety will always be our highest priority, and anyone caught sidestepping this process will face severe consequences."

For years, the defendants performed construction projects at residential properties, largely in historically underserved communities on Chicago's South and West sides. By adopting a business model centered on rehabbing and quickly flipping properties to maximize profits, the City alleged that the defendants falsified construction applications, used unlicensed sub-contractors at construction sites, and ignored stop-work orders issued by City Building Inspectors.

An investigation conducted by the City's Law and Building Departments concluded that the defendants knowingly failed to obtain the required permits for work at more than 175 ResiPro-rehabbed properties.

"The unlawful and reckless misconduct of the defendants, who intentionally skirted the building permit process to turn a quick buck, is especially troubling considering the life safety and financial implications these risky business decisions may have," said **Corporation Counsel Mary B. Richardson-Lowry**.

The City was represented in this lawsuit by Deputy Corporation Counsel Stephen Kane, Assistant Corporation Counsel Peter Cavanaugh, and Assistant Corporation Counsel Chelsey Metcalf, as well as former Assistant Corporation Counsels Rachel Granetz and Elie Zenner, from the Affirmative Litigation Division in its Department of Law.

The settlement agreement and other documents related to this suit are available at www.Chicago.gov/ResiproSettlement. If any Chicago resident wishes to inform the City about deceptive or unfair business practices, they can do so by emailing consumerprotection@cityofchicago.org.

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