

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

**EQUAL RIGHTS CENTER**

820 First St. NE, Suite LL160  
Washington, D.C. 20002

**MS. DEBRA CAMPBELL**

4601 Connecticut Ave NW  
Washington, D.C. 20008

*Plaintiffs,*

v.

**CAPITAL PROPERTIES, LLC**

115 Broadway  
New York, NY 10006

**CAPITAL PROPERTIES  
SERVICES, LLC**

115 Broadway  
New York, NY 10006;  
80 State St.,  
Albany, NY 12207

**VAUGHAN MCLEAN, LLC**

115 Broadway, Suite 301  
New York, NY 10006;  
1090 Vermont Ave. NW  
Washington, D.C. 20005

*Defendants.*

**Case No. \_\_\_\_\_  
Jury Trial Demanded**

**COMPLAINT FOR DECLARATORY JUDGMENT, INJUNCTIVE RELIEF, AND  
MONETARY DAMAGES**

Housing Choice Vouchers (“Vouchers”) are critically important government subsidies that enable low-income renters to offset their rent with a subsidy. Vouchers often reduce racial segregation and enable renters to secure housing outside of areas of ethnically concentrated poverty and in areas that may offer greater access to jobs and better resourced schools. This is the case in the District of Columbia. In the midst of an ongoing affordable housing crisis in

D.C., Vouchers play an important role in expanding housing choice and ensuring low-income renters can afford safe and decent housing, so long as housing providers are willing to accept them.

The Equal Rights Center (“ERC”) and Ms. Debra Campbell (collectively, “Plaintiffs”) bring this action against Capital Properties, LLC; Capital Properties Services, LLC; and Vaughan McLean, LLC (collectively, “Defendants”) to challenge Defendants’ unlawful refusals to accept Vouchers at their D.C. property, Vaughan Place Apartments. Defendants’ conduct constitutes unlawful housing discrimination in violation of the federal Fair Housing Act (“FHA”), the D.C. Human Rights Act (“DCHRA”), and the D.C. Consumer Protection Procedures Act (“DCCPPA”).

### **NATURE OF THIS ACTION**

1. This is a civil rights action under the FHA, 42 U.S.C. §§ 3601, *et seq.* the DCHRA, D.C. Code §§ 2-1401.01, *et seq.*, as well as related claims under the DCCPPA, D.C. Code §§ 28-3901 *et seq.*, for declaratory, injunctive, and monetary relief.

2. Defendants, the owners and operators of Vaughan Place Apartments (“Vaughan Place”) in Northwest District of Columbia (“D.C.” or “the District”), have engaged in unlawful source of income discrimination in violation of the DCHRA, by refusing to lease available Vaughan Place rental units to Ms. Campbell and other prospective tenants who seek to use Vouchers as a source of payment for all or a portion of their monthly rent. Defendants’ conduct also constitutes unlawful race discrimination in violation of the FHA and DCHRA. By excluding Voucher holders from access to rental units, Defendants disproportionately adversely affect prospective Black renters because the vast majority of D.C. Voucher holders are Black. In addition, Black renters are six times more likely to qualify for Vouchers than white renters. By

violating the DCHRA in the context of a consumer transaction, Defendants further violated the DCCPPA. *District of Columbia v. Evolve, LLC*, 2020 D.C. Super. LEXIS 6, \*12 (D.C. Super. Ct. Feb. 25, 2020).

3. Defendants have implemented a policy and practice of refusing to rent units at Vaughan Place to Voucher holders, including Ms. Campbell and others.

4. On multiple occasions, Defendants' agents and/or employees told Ms. Campbell, the ERC's testers, ERC representatives, and others that Vouchers are not accepted at Vaughan Place. When pressed on its policy and practice, Defendants claimed that they were not approved to accept Vouchers in part because the building included condominiums. However, DCHA does not require landlords to be pre-approved to screen a Voucher holder according to their usual tenant intake procedures or agree on lease terms with a Voucher holder – the necessary first steps in renting to a Voucher holder. Moreover, in the District, it is illegal to refuse to rent to individuals using Vouchers as a source of income to cover a portion of or all of their rent. Defendants' pretextual excuses cannot justify their illegal discrimination based on source of income and race.

5. Vouchers are a protected source of income under the DCHRA. D.C. Code § 2-1401.02(29). It is unlawful to discriminate based on source of income, including when that source of income is a Voucher. D.C. Code § 2-1402.21(a). Defendants' policy and practice of refusing to accept Vouchers facially violates the DCHRA.

6. Defendants' policy and practice of refusing Vouchers also has an adverse and disparate impact based on race because, in the District, Black renters are significantly more likely to use a Voucher to pay all or a portion of the rent than white renters. Defendants' refusal to accept Vouchers erects arbitrary barriers to housing choice—the same “artificial, arbitrary, and unnecessary barriers” contemplated by the Supreme Court in *Texas Department of Housing and*

*Community Affairs v. Inclusive Communities Project, Inc.* 576 U.S. 519, 540 (2015) (affirming disparate impact as a cognizable legal theory).

7. Under the FHA and DCHRA, race is a protected class. Both laws prohibit outwardly neutral policies or practices that have an adverse and disparate impact based on race. By refusing to accept Vouchers, and through their statements in connection with such refusals, Defendants have engaged in illegal discrimination on the basis of race in violation of both the FHA and the DCHRA.

8. Furthermore, under the DCCPPA, it is a violation of law “for any person to engage in an unfair or deceptive trade practice, whether or not any consumer is in fact misled, deceived, or damaged . . . including to . . . (e) misrepresent as to a material fact which has a tendency to mislead; . . . (f) fail to state a material fact if such failure tends to mislead; [or] [u]se innuendo or ambiguity as to a material fact, which has a tendency to mislead; . . . (r) make or enforce unconscionable terms or provisions of sales or leases . . .” D.C. Code §§ 28-3904. Trade practices arising in the context of landlord-tenant relations are subject to the law and may be vindicated by both consumers, on behalf of themselves, or non-profit organizations, on behalf of the general public. D.C. Code §§ 28-3905(k)(1)(A) – (C).

9. Defendants engaged in a deceptive trade practice by misrepresenting or omitting material facts about the Housing Choice Voucher Program and their leases, and requiring unconscionable pre-conditions to their leases. In particular, Defendants, through their employees, agents and representatives, engaged in a novel deceptive trade practice by falsely stating to prospective tenants that Vaughan Place could not accept Vouchers because it is not approved to do so, implying that Vaughan Place had done everything it could and falsely blaming the D.C. government for not approving them. In addition, Defendants failed to disclose that landlords are

required by law to accept Vouchers. Furthermore, Defendants' policy and practice of refusing to accept Vouchers constitutes an unconscionable precondition, term, or provision of a lease that circumvents the DCHRA, as well as federal civil rights law.

10. Defendants' discrimination has harmed, and continues to harm, Ms. Campbell. Ms. Campbell sought to live at Vaughan Place, specifically due to its location, services, and other amenities. As a direct result of Defendants' actions and statements, Ms. Campbell had to remain in alternative housing that did not offer the same benefits as Vaughan Place.

11. Accordingly, Ms. Campbell brings this action to vindicate her civil rights under the FHA and the DCHRA, to vindicate consumer protection rights under the DCCPPA, and to obtain an injunction and damages—including treble damages under the DCCPPA—to remedy the resulting injuries.

12. Defendants' discrimination has harmed, and continues to harm, the ERC because it frustrated the ERC's mission to end discrimination in the District and led the ERC to redirect significant resources away from its day to day activities to address this novel form of discrimination. The ERC has committed, is committing, and will continue to commit, scarce resources to counteract the effects of Defendants' discrimination against Ms. Campbell and other prospective tenants, and to prevent the recurrence of discrimination against Voucher holders in the future. These resources, by necessity, are diverted away from the ERC's regular activities, further injuring the ERC.

13. Accordingly, the ERC brings this action to vindicate its civil rights, and the civil rights of those it represents, under the FHA and the DCHRA, to vindicate consumer protection rights under the DCCPPA, and to obtain an injunction and damages—including treble damages under the DCCPPA—to remedy those injuries.

**PARTIES**

14. **Plaintiff Equal Rights Center** is a national non-profit civil rights membership corporation organized under the laws of D.C. Its principal place of business is 820 First Street NE, Suite LL160, Washington, D.C. 20002. The ERC's mission is to eliminate discrimination in housing, employment, and public accommodations based on race and other protected classes covered by federal, state, and local anti-discrimination laws, including the FHA and DCHRA. The ERC is the only private fair housing organization dedicated to serving the entire greater Washington, D.C. region. It is committed to assisting individuals in the area who believe they have experienced housing discrimination or who need assistance with preparing and/or submitting requests for reasonable accommodations and modifications. The ERC's various programs and activities provide guidance and information on civil rights to the community, as well as assistance to members of classes protected under federal, state, and local laws who face discrimination.

15. **Plaintiff Ms. Debra Campbell** is a resident of the District, who received a Voucher from the D.C. Housing Authority ("DCHA") in 2019. She currently resides at 4601 Connecticut Ave NW, Washington, D.C. 20008. In February 2020, Defendants unlawfully refused to accept Ms. Campbell's Voucher, even though the Voucher fully covered the monthly rent charged by Defendants at Vaughan Place. Ms. Campbell attended a DCHA briefing on Vouchers, at which she received an ERC flyer informing Voucher holders of their rights. As a result, Ms. Campbell contacted the ERC for assistance with the discrimination she faced.

16. **Defendant Vaughan McLean, LLC** is a privately-held Delaware limited liability company, with its principal place of business at 115 Broadway, Suite 301, New York, New York 10006. Vaughan McLean, LLC is registered in Washington, D.C. as a corporation service company at 1090 Vermont Avenue NW, Washington, D.C. 20005. Vaughan McLean owns

Vaughan Place, a residential apartment building located at 3401 38th Street NW, Washington, D.C. 20016.

17. **Defendant Capital Properties, LLC** is a privately-held Delaware limited liability company, with its principal place of business at 115 Broadway, New York, New York 10006. Capital Properties, LLC engages in the investment, development, and management of real estate properties in the Washington, D.C. area, among other areas. Capital Properties advertises its diverse portfolio of luxury residential and commercial properties, including Vaughan Place, which is featured prominently on its website as one of the 18 properties within its portfolio. On information and belief, Capital Properties is the majority owner of Vaughan McLean, LLC, and Capital Properties Services, LLC.

18. **Defendant Capital Properties Services, LLC** is a New York limited liability company, with its principal place of business at 115 Broadway, New York, New York 10006. Capital Properties Services, LLC provides real estate services. The copyright of Capital Properties Services appears on the Vaughan Place website, its terms and conditions, and its privacy policy. On information and belief, Capital Properties Services is the property management company of Vaughan Place.

### **JURISDICTION AND VENUE**

19. This Court has original jurisdiction over this matter under 42 U.S.C. § 3613(a), 28 U.S.C. § 1343, and 28 U.S.C. §§ 2201-2202. This Court has supplemental jurisdiction over the D.C. law claims because they are related to Plaintiffs' federal claims and share a common nucleus of related facts and "form part of the same case or controversy." 28 U.S.C. § 1367.

20. Venue is proper pursuant to 28 U.S.C. § 1391(b) because the ERC is headquartered and operates in D.C., and Ms. Campbell is a D.C. resident. Vaughan Place, which Defendants

own and operate, is located in the District. As a result, Defendants conduct business in the District. In addition, the events giving rise to the claims alleged herein occurred and, upon information and belief, continue to occur within the District.

### **FACTUAL BACKGROUND**

#### **A. Overview of the Housing Choice Voucher Program in Washington, D.C.**

21. The District's affordable housing crisis has hit low-income renters harder than other residents. The shortage of affordable rental homes, coupled with the low incomes earned by this subset of D.C. renters, means that many low-income renters are more likely than other renters to put their money toward rent rather than healthcare, food, or other basic necessities, in order to avoid eviction. In essence, these renters are more likely to be "cost burdened" or "severely cost burdened."<sup>1</sup> For many of these households, Vouchers serve as a critical lifeline by covering some or all of the rent, thus ensuring these families spend less of their household income on rent.

22. Source of income discrimination by housing providers who refuse to accept Vouchers exacerbates the affordable rental housing shortage by narrowing the available housing options and significantly reducing the likelihood that a Voucher holder will secure an eligible rental unit within the period required by the Housing Choice Voucher Program ("Voucher Program" or the "Program").

23. Under the FHA, the Department of Housing and Urban Development ("HUD") "must take action to fulfill, as much as possible, the goal of open, integrated residential housing patterns and to prevent the increase of segregation, in ghettos, or racial groups whose lack of opportunities the [Fair Housing] Act was designed to combat." *Nat'l Fair Hous. All. v. Carson*,

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<sup>1</sup> *Housing Needs by State, District of Columbia*, National Low Income Housing Coalition, available at: <https://nlihc.org/housing-needs-by-state/district-columbia>.



330 F. Supp. 3d 14, 25 (D.D.C. 2018) (citing *Otero v. N.Y. City Hous. Auth.*, 484 F.2d 1122, 1134 (2d Cir. 1973) (internal quotation marks omitted)). One way to combat segregation is through expanded housing choice that permits individuals and families to move to neighborhoods outside of racially- and ethnically-concentrated areas. One of the most effective tools HUD has to further housing choice is its Voucher Program.

24. Through the Voucher Program, HUD provides federal subsidies to local public housing authorities (“PHAs”), which administer the Voucher Program in their communities by issuing Vouchers to low-income renters. The DCHA is the local PHA that administers the Program for D.C. residents.

25. Vouchers operate by allowing low-income individuals and families to offset all or a portion of their rent with a federal subsidy paid directly to the landlord.

26. Notably, the Voucher Program is designed to allow low-income households access to safe, decent, and affordable housing outside of racially- and ethnically-concentrated areas of poverty where they may be otherwise unable to afford to rent. In the District, the Voucher Program provides Voucher holders access to housing in more diverse and economically thriving parts of the city that offer greater access to jobs and other opportunities, better services, and better resourced schools.

27. Vouchers are especially important in Northwest D.C., where Vaughan Place is located, because they afford a meaningful chance for low-income residents of color to live in neighborhoods that are more diverse, provide access to better resourced schools, additional employment opportunities, and increased safety (“high opportunity” neighborhoods)—all of which can impact a resident’s economic and educational outcomes in the long-term.

28. Despite the stated goals of the Program, Voucher holders in the District are mainly clustered in various racially- and ethnically-concentrated neighborhoods that tend to be high poverty areas, with the majority (58%) located east of the Anacostia River.<sup>2</sup> As DCHA has stated, the largest concentration of Voucher holders in the District is found in Wards 8 (32%) and 7 (26%)—both east of the Anacostia River. Although a primary goal of the Program is to expand housing choice to low-income families by enabling Voucher holders to obtain rental housing throughout the District and outside of racially- and ethnically-concentrated areas of poverty, the significantly small ratio of Voucher holders who reside in Northwest Wards 1 (6%), 2 (2%), and 3 (3%)—Wards that tend to be majority white or have low numbers of Black residents—indicate that the Program is being thwarted by improper landlord actions.

29. Vaughan Place is located in the Cathedral Heights neighborhood in the Northwest Ward 3 of D.C., where white residents constitute the majority of residents. Indeed, white residents represent 65.5% of the population, whereas Black residents represent only 5.9% of the population in the neighborhood. By contrast, Black residents represent approximately 48.3% of the District's overall population.

30. The Program is designed to promote integration and to act as a pathway to high-opportunity neighborhoods. Recognizing the critical role that Vouchers play in lifting families of color out of poverty in the District and in light of historic and ongoing systemic discrimination in D.C. housing, the District has outlawed source of income discrimination in housing through the DCHRA.

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<sup>2</sup> District of Columbia Housing Authority 2019 Oversight and Performance Hearing, District of Columbia Council. Committee On Housing And Neighborhood Revitalization, Responses To Pre-Hearing Questions, 33, (Mar. 2019), <https://dccouncil.us/wp-content/uploads/2020/03/dcha.pdf>.

31. In the District, Vouchers are a protected source of income under the DCHRA. D.C. Code § 2-1401.02(29).

32. To obtain a Voucher, an applicant must request to be added to a waiting list, which typically is decades long. Many more residents are eligible for a Voucher than will receive one. In fact, the D.C. waiting list is currently closed to new applicants. If selected from the waitlist, the Voucher holder must use their Voucher to rent an available unit at a private property in the local rental market within 180 days, or they risk losing their Voucher. D.C. Mun. Regs. Tit. 14. § 5208.3. This creates a perilous situation for tenants relying on Vouchers to secure housing, as the current housing shortage in the District makes it exceptionally difficult to find available housing units, a situation that is only exacerbated by source of income discrimination.

33. Once a Voucher holder finds an available rental unit that falls within the Voucher payment standards, i.e., within existing maximum rental prices per neighborhood set by DCHA, housing providers may screen the Voucher holder according to their standard nondiscriminatory process, as it would any prospective tenant, but without regard to the Voucher holder's use of a Voucher to pay all or a portion of the rent. *After* the parties agree on lease terms, the property manager must submit a "Request for Tenancy Approval Packet" ("RFTA", also known as a "lease-up packet") on behalf of the prospective tenant via an online portal administered by DCHA. Instructions on how to log onto the portal, a timeline for processing the lease-up packet, and the RFTA form are available online. The form states that, "the public reporting burden for this information collection is estimated to be 30 minutes, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and

reviewing the collection of information.”<sup>3</sup> A summary of the timeline and process as described in the instructions is presented below.

34. Upon receiving the lease-up packet, DCHA verifies proof of ownership, management authorization, and the reasonableness of the rent according to market rates. The DCHA’s instructions for the lease-up packet state that this process usually takes five business days from the time of submission of the lease-up packet.

35. The DCHA then contacts the property owner or manager to conduct a thorough inspection of the unit to ensure the reasonableness of the rent and that the unit is ready for habitation from a health and safety perspective. DCHA’s instructions estimate that scheduling and conducting the inspection usually takes 12 business days from submission of the lease-up packet. Once the inspection is complete, landlords must submit an executed lease agreement for DCHA to process and prepare a Housing Assistance Payment Contract. DCHA indicates in its lease-up packet instructions that completing the entire process usually takes 25 business days.

36. Landlords receive the full-market value of the rent when renting to Voucher holders. Typically, Voucher holders pay 30% of their income directly to the landlord (including \$0 if they have no income), and DCHA pays the difference directly to the landlord through a subsidy—here, a Voucher. Housing providers thus receive the same amount of rent for a given unit, regardless of whether they rent to a Voucher holder or a non-Voucher holder.

37. The DCHRA requires that rental properties be made available to prospective tenants, irrespective of their source of income, and expressly provides that Vouchers, by statutory definition, are a protected source of income. D.C. Code § 2-1402.21(a)(1) and D.C. Code § 2-

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<sup>3</sup> D.C. Housing Authority, Request for Tenancy Approval Packet (July 2019), [https://webserver1.dchousing.org/wp-content/uploads/2020/09/Blank\\_Lease-up\\_Package.pdf](https://webserver1.dchousing.org/wp-content/uploads/2020/09/Blank_Lease-up_Package.pdf).

1401.02(29). The DCHRA also prohibits statements with respect to actual or proposed transactions in real property that indicate a preference, limitation, or discrimination based on source of income. *See id.* at § 2-1402.21(a)(5).

38. In addition, federal and District laws require that rental properties be made available to prospective tenants without regard to race, and prohibit policies and practices that have a disproportionate adverse impact on the basis of race. *Id.* at § 2-1402.68; 42 U.S.C. § 3604(a).

### **B. Defendants' Rental Operations**

39. Defendants own, operate, control, supervise, and/or manage, either directly or indirectly through parent-subsiary or other business affiliations, Vaughan Place, which consists of residential apartments located at 3401 38th Street NW, Washington, D.C. 20016 in the Cathedral Heights neighborhood, near the border of the Cleveland Park neighborhood. On its website, Vaughan Place describes itself as “steps from Georgetown and Friendship Heights,” two high opportunity neighborhoods in the District.

40. As owners and operators of residential real estate, Defendants are required to comply with anti-discrimination laws, including the DCHRA and the FHA, as well as the DCCPPA.

41. Vaughan Place offers studio, one, and two-bedroom apartments for rent in the District, along with condominiums for individual ownership. Vaughan Place advertises as a Fair Housing and Equal Housing Opportunity building.

42. Vaughan Place provides tenants with a private shuttle to the Tenleytown Metro station. During the mornings, the shuttle departs Vaughan Place every 20 minutes, from 6:00 AM to 8:40 AM. During the evenings, the shuttle departs the Tenleytown Metro station every 20 minutes, from 4:40 PM to 7:40 PM.

43. Vaughan Place has elevators, laundry facilities in each unit, and on-site services such as storage, parking, management, maintenance, and recycling services. Vaughan Place is located within one-tenth of a mile of a grocery store and a bank, and is nearby other necessities, such as a pharmacy.

**C. Ms. Campbell's Attempts to Rent at Vaughan Place Apartments**

44. Ms. Campbell is a resident of Washington, D.C. She identifies as a person of color. Ms. Campbell forms a single-person household.

45. From 2000 to 2007, Ms. Campbell worked at a local private school for children with disabilities, while pursuing her degree in special education at the University of the District of Columbia. After experiencing severe ongoing back pain, she received spinal fusion surgery to address her pain and restore her range of motion. The expected recovery time was one year, but Ms. Campbell never fully recovered from the surgery. She still experiences severe pain and has a limited range of motion. Ms. Campbell was unable to return to her job because she is unable to run, walk quickly, or bend over—all necessary motions for working with children. Out of work, Ms. Campbell applied for a Voucher.

46. In 2019, Ms. Campbell finally received a one-bedroom Voucher from DCHA. At that time, she attended a DCHA briefing on how the Voucher works and received an ERC flyer describing her rights as a Voucher holder. The ERC regularly speaks at DCHA briefings to educate Voucher holders about their fair housing rights and provides literature to attendees to keep for reference.

47. On or about February 2020, Ms. Campbell searched online for available rental properties in or near the Cleveland Park neighborhood. She was looking to move to an area with

more opportunity, more amenities, and greater convenience that suited her unique needs, given her ongoing health issues.

48. In her search for housing, Ms. Campbell found Vaughan Place, which is owned and operated by Defendants.

49. Ms. Campbell believed Vaughan Place would be most suitable for her, particularly because of its shuttle service and proximity to essential services. After her spinal fusion surgery, she frequently is unable to walk long distances. Even when walking short distances, Ms. Campbell experiences pain. Vaughan Place offers a private shuttle with convenient access to the Tenleytown Metro Station, which would have shortened the distance Ms. Campbell needed to walk to the Metro. It also is located in close proximity to a grocery store (one-tenth of a mile walk) and to banking services (one-tenth of a mile walk). In addition, Ms. Campbell preferred the size, layout, and amenities of Vaughan Place to her residence at the time.

50. As a result, in February 2020, Ms. Campbell called Vaughan Place at 202-806-8880, the phone number listed on Vaughan Place's website: <https://www.vaughanplace.com/contactus.aspx>. Ms. Campbell spoke with a male representative. Ms. Campbell inquired whether Vaughan Place accepted Vouchers. The representative informed her that Vouchers are not accepted as a source of payment for the rent.

51. On or about the middle of February 2020, Ms. Campbell again called Vaughan Place and spoke with a female representative. Ms. Campbell again inquired about Vouchers. When the representative informed her that Vouchers were not accepted, Ms. Campbell asked why. The Defendants' agent told Ms. Campbell that Vaughan Place was not set up to take Vouchers and had been waiting for a portal to be set up for approximately a year and a half.

52. On or about February 19, 2020, Ms. Campbell contacted the ERC regarding Vaughan Place's refusal to accept Vouchers, using the phone number listed on the flyer distributed by DCHA at her Voucher briefing.

53. In late February 2020, Ms. Campbell again called Vaughan Place and set up an appointment to tour Vaughan Place.

54. In March 2020, Ms. Campbell visited Vaughan Place for a tour of several apartment units. Ms. Campbell was provided with informative materials identifying Vaughan Place and "Capital Properties."

55. Following her tour, on or about early March 2020, Ms. Campbell called Vaughan Place again to inquire if Vaughan Place accepted Vouchers. The representative informed Ms. Campbell that Vaughan Place did not accept Vouchers, as the building was private property, and that corporate decides whether to accept Vouchers.

56. Unable to secure an apartment at Vaughan Place due to Defendants' refusal to accept Vouchers, Ms. Campbell was forced to pursue other housing options.

57. Upon information and belief, the individuals Ms. Campbell spoke with at Vaughan Place are and/or were employees, representatives, and/or agents acting on behalf of Defendants.

58. Ms. Campbell was otherwise qualified to rent a one-bedroom apartment in Vaughan Place.

59. Ms. Campbell was able to rent her one-bedroom unit at The Saratoga Apartments ("Saratoga") using her Voucher. Saratoga is located at 4601 Connecticut Avenue Northwest in Washington, D.C., near the neighborhood of Van Ness. The building is approximately half a mile from the nearest Metro station—Van Ness—and does not offer a shuttle to its residents. In addition, when compared to Vaughan Place, Saratoga is located approximately five times as far



from the nearest full-service grocery store, and four times as far from Ms. Campbell's bank. Ms. Campbell's apartment is also smaller than the one-bedroom units offered at Vaughan Place as of February 25, 2020, and Saratoga's amenities are less desirable.

60. Moreover, Defendants' refusal to accept Ms. Campbell's Voucher caused Ms. Campbell humiliation, as well as emotional and mental distress.

**D. ERC Mission, Discovery of Defendants' Discriminatory Policies, and Testing**

61. The ERC's mission is to identify and eliminate discrimination in the Washington, D.C. metro area, including the District. Specifically, it is dedicated to promoting equal opportunity in the provision of housing, employment, and public accommodations. In connection with its multi-disciplinary Fair Housing Program dedicated to advancing equal housing opportunities in the District, the ERC conducts and participates in programs to educate both consumers and the real estate industry about their rights and obligations under federal, state, and local fair housing laws. In addition, the ERC has a grant from the U.S. Department of Housing and Urban Development ("HUD") to conduct fair housing related education and outreach. The ERC often conducts these education and outreach trainings at DCHA briefings for voucher holders.

62. In early 2020, the ERC received phone calls from Ms. Campbell and another similarly situated Voucher holder that Vaughan Place had refused to accept their Vouchers. The ERC proceeded to conduct an investigation in which it used testers to ascertain whether Defendants were engaging in unlawful discrimination against Voucher holders attempting to rent units at Vaughan Place. Through its investigation, the ERC found that Defendants have a policy or practice of refusing to rent to Voucher holders. This policy or practice discriminates against Voucher holders based on their source of income and violates the DCHRA, D.C. Code § 2-1402.21(a)(1).

63. During the ERC's tests, Defendants expressed their policy or practice by making statements to ERC testers evidencing Defendants' intent to exclude and discriminate against Voucher holders based on their source of income, in violation of the DCHRA, D.C. Code § 2-1402.21(a)(5).

64. Defendants' policy or practice of refusing to rent to Voucher holders also has a disproportionately adverse effect on prospective tenants based on race, in violation of the FHA, 42 U.S.C. § 3604(a) & (c) and the DCHRA, D.C. Code § 2-1402.68, because Black renters constitute the majority of renters who qualify for Vouchers or use Vouchers to pay all or a portion of their rent.

65. The ERC conducted four tests from January 2020 to March 2020 consisting of individual testers of different racial backgrounds who contacted or visited Vaughan Place and inquired about the availability of housing and acceptance of vouchers. The testing uncovered a discriminatory pattern and practice by Defendants of refusing to accept Vouchers. In particular, Vaughan Place claimed falsely that it did not qualify for, or was not set up for, vouchers because DCHA had not yet approved Vaughan Place to accept vouchers.

66. The leasing agents and other representatives acting on Defendants' behalf responded to the testers and presented themselves as acting on behalf of Vaughan Place and its owners. In response to inquiries about the availability of apartments and acceptance of Vouchers, Defendants' representatives stated that Vaughan Place was not "set up" to take Vouchers; "at the moment [Vaughan Place is] not set up and not approved by [DCHA];" and, "our company has not been approved to accept Vouchers yet." When asked when they would be set up to accept Vouchers, Defendants' leasing agent stated that "we have no idea, we have done everything we are supposed to do, and we have not heard back from D.C."

67. When they inquired about apartments, the ERC's testers were provided various marketing materials referencing "Capital Properties," which included the "Equal Housing Opportunity" logo. In addition, a Fair Housing poster was posted in the leasing office.

68. On behalf of itself and Ms. Campbell, the ERC also reached out to Vaughan Place to resolve the issue and seek an end to its discriminatory conduct. Defendants rejected the ERC's efforts, claiming that it was not pre-approved because of its condominium units.

69. The excuse that Vaughan Place was not approved to accept Vouchers is a novel and highly deceptive practice for refusing vouchers, including the excuse that Vaughan Place is a mixed-use building with condominium units.

70. Defendants have a policy or practice of refusing to accept Vouchers at Vaughan Place.

71. Upon information and belief, Defendants designed, participated in, supervised, controlled, approved and/or ratified the discriminatory policy or practice described above. As a result, each of the Defendants is liable for the unlawful conduct described herein.

72. By their acts, policies, and practices, Defendants refused to rent to individuals who intend to use Vouchers at Vaughan Place. In so doing, Defendants unlawfully discriminated against renters in the District based on their source of income and their race. Defendants also committed violations of consumer protection law.

73. Defendants acted intentionally and willfully, and with callous and reckless disregard for the statutorily-protected rights of renters who intend to use Vouchers as a source of income to help pay rent.

**E. Voucher Holders Are Overwhelmingly Non-White District Residents**

74. According to DCHA, in 2020, 25,878 residents in 16,163 households have participated in the Voucher Program.<sup>4</sup>

75. Voucher recipients are disproportionately non-white (93% Black, 1% white, 4% Hispanic or Latino, 1% Asian, and 1% other non-white), as compared to the District's general renter population, which is comprised of a plurality of races and ethnicities.

76. Though Black individuals represent about 46% of the District's overall population,<sup>5</sup> approximately 93% of Voucher recipients in the District identify as Black.

77. There are approximately 15,030 Black participants in the Program in the District, as compared to only approximately 160 white participants. This represents a 93 to 1 disparity in the number of Voucher holders who are Black, as compared to those who are white.

78. Voucher holders are almost exclusively non-white.

79. The racial disparities persist when considering those D.C. renters who are eligible for Vouchers. Of the 170,375 rental households in the District, 40% are income-eligible for Vouchers, in relation to their household size. Out of all Black renters in D.C., 65%, or 51,551 out of 79,092, are eligible for Vouchers, whereas only 13%, or 7,973 out of 62,625, of white renters are eligible for Vouchers. Most renters eligible for Vouchers are not able to secure the limited number of vouchers due to the extensive waiting list. Defendants' policy or practice of refusing to rent to Voucher holders at Vaughan Place is six times more likely to exclude and adversely impact Black renters than white renters and accordingly has a racially disparate impact.

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<sup>4</sup> U.S. Department of Housing and Urban Development, Assisted Housing: National and Local, Picture of Subsidized Households, <https://www.huduser.gov/portal/datasets/assths.html>.

<sup>5</sup> United States Census Bureau, District of Columbia QuickFacts (July 1, 2019), <https://www.census.gov/quickfacts/DC>.

**HARM TO MS. CAMPBELL**

80. Vaughan Place's discriminatory and unlawful practices have harmed Ms. Campbell.

81. Due to Defendants' refusal to accept Vouchers, Ms. Campbell was unable to rent the apartment of her choice, a one-bedroom apartment at Vaughan Place that she was otherwise qualified to rent.

82. After her spinal fusion surgery in 2007, Ms. Campbell has been unable to walk long distances, and frequently experiences pain when walking even short distances. Thus, Ms. Campbell preferred an apartment that would provide a shuttle to public transportation and was located close to places she would need to frequent. Vaughan Place met her preferences—it offered a shuttle to the Tenleytown Metro station, and was only one-tenth of a mile from the nearest grocery store and bank.

83. In addition, Vaughan Place also offered spacious apartments and floorplans, which Ms. Campbell preferred, and other amenities.

84. As a result, Ms. Campbell approached Vaughan Place and sought to rent an apartment there.

85. However, Ms. Campbell was denied an apartment at Vaughan Place and was unlawfully excluded by Defendants' discriminatory policies and practices. Ms. Campbell was forced to remain in a less desirable one-bedroom unit at the Saratoga, which is smaller, has fewer amenities, and is located over four times as far from essential services as Vaughan Place.

86. Vaughan Place's multiple refusals to accept Vouchers inflicted emotional and mental distress and humiliation on Ms. Campbell.

87. As a result of Vaughan Place's discriminatory and unlawful practices, Ms. Campbell was harmed.

**HARM TO THE ERC AND THE COMMUNITIES IT SERVES**

88. Defendants' unlawful discrimination has harmed the ERC and the communities that it serves by (i) frustrating the ERC's mission of eliminating discrimination against members of statutorily-protected classes, and (ii) causing it to divert and redirect scarce resources to counteract Defendants' unlawful discrimination. In particular, Defendants' policies and practices harmed Ms. Campbell, who is a direct beneficiary of the ERC's programs.

89. The ERC has made it part of its mission to eliminate source of income discrimination since at least 2003, when the ERC first began receiving complaints that Voucher holders were experiencing discriminatory barriers to their ability to secure rental housing with a Voucher.

90. Defendants' refusal to accept Voucher holders as renters, including Ms. Campbell, thwarted the ERC's mission to eliminate source of income discrimination.

91. The practice Defendants adopted and applied to exclude Voucher holders from renting at Vaughan Place is novel in that a housing provider is citing a non-existent, Voucher-specific pre-approval process as the basis for denying apartments to Voucher holders and using its particular ownership structure as an excuse for not accepting vouchers. Vaughan Place, in addition to its regular apartment rental units, has condominiums for rent. Some of those condominium units are individually-owned and some are owned by Vaughan Place, which Vaughan Place has used as a pretext to exclude Voucher holders from renting its apartments. To counter Defendants' unlawful discrimination, the ERC was forced to divert and redirect resources from its typical day to day activities to address this form of discrimination and deceptive trade practice.

92. To counteract Defendants' conduct, the ERC drafted a specific blog post flagging the problematic conduct for its members and the general public. The ERC drafted and posted a blog post that specifically focused on Vaughan Place's discrimination, explicitly identifying Vaughan Place and its practice of informing Voucher holders that it cannot accept Vouchers due to an alleged pre-approval process.

93. In addition, the ERC had to spend resources educating the public beyond those it normally expends to address this novel discriminatory practice implemented by Defendants. The ERC often conducts education and outreach training at DCHA briefings pursuant to its grant from HUD. When the ERC was confronted with Defendants' actions, however, Defendants' novel discrimination necessitated the formation of new materials the ERC does not typically use to educate those attending its trainings. For example, the ERC staff created a video identifying a housing provider's refusal to accept Vouchers because DCHA had not pre-approved the property, and modeled it after Vaughan Place's own refusal. Within this video, the ERC identified this practice as an example of source of income and race discrimination. The ERC shared this video with other housing providers during trainings and tailored their briefings to address the specific discrimination instituted by Defendants, recognizing its novelty and the scarce knowledge Voucher holders had of this particular type of discrimination.

94. Defendants' actions also required the ERC to amend existing outreach materials addressing source of income discrimination to incorporate Defendants' discriminatory conduct, materials which then were passed on to a targeted list of DC nonprofits and agencies that often assist Voucher holders with their housing searches and support individuals who allege housing discrimination.

95. On September 2, 2020, the ERC sent an education and outreach letter to Defendants that directly addressed Defendants' novel discriminatory practice and dispelled the pre-approval process as a legitimate basis for refusing to rent to Voucher holders. The letter notified Defendants of their non-compliance with the FHA and DCHRA, and offered Defendants a resolution that would address the ERC's and Ms. Campbell's concerns and further Defendants' business interests. Defendants responded by stating that Vaughan Place had not received approval from DCHA because of its ownership structure and in particular, its condominium units.

96. As a result, the ERC was forced to seek clarification from DCHA as to the status of the Voucher program with condominium units and whether a new pre-approval process for such units had been instituted. On November 20, 2020, Susan McClannahan, the ERC's Fair Housing Rights Program Manager, e-mailed Deborah Jackson, DCHA's Mobility Supervisor, regarding whether Voucher holders could lease up at condominiums, noting that a rental property had represented it could not do so. Ms. McClannahan questioned whether this conduct was permitted. On November 30, 2020, Ms. Jackson confirmed that Vouchers may be used to rent condominiums. On November 23, 2020, Kate Scott, the ERC's Executive Director, followed up with Carolyn Punter, DCHA's Senior Vice President of the Voucher and Eligibility and Continued Occupancy Program, disclosing the language used by Defendants in which they contended that DCHA had not approved Vaughan Place for the Program, apparently due to its mix of condominium and rental units. On December 7, 2020, Aisha Thompson, Senior Program Manager at DCHA, confirmed that the agency did not restrict Voucher holders from renting condominium units and that there was nothing in the Program to preclude a Voucher holder from using a Voucher to rent a condominium unit, nor was there any pre-approval process for condominium units.



97. These actions taken in response to Defendants' novel discriminatory practices were not considered part of the ERC's deliverables under its grant requirements. Thus, their preparation and execution were unfunded expenditures and actually resulted in a documented delay in completing the ERC's other grant deliverables.

98. If Defendants' discriminatory conduct had not required the ERC to divert its scarce resources to investigating and counteracting the specific discriminatory practice adopted by Defendants, the ERC would have been able to use its limited resources toward other activities, including: (1) drafting and publishing blog posts within the scope of its grant requirements; (2) consulting with and advising staff regarding intakes, assistance to complainants, and advocacy issues; (3) identifying and contacting prospective funding sources for ERC activities, including individual donors, foundations, and grant opportunities; (4) preparing and presenting fundraising proposals to various donors; and (5) participating in collaboration building with a variety of advocacy groups.

99. As a result, the ERC was directly harmed and injured by Defendants' unlawful and discriminatory policies and practices.

## **COUNT I**

### **Source of Income Discrimination in Violation of the D.C. Human Rights Act**

100. Plaintiffs re-allege and incorporate herein by reference all of the allegations set forth in paragraphs 1 through 99.

101. Defendants' policy or practice of refusing Vouchers violates the DCHRA because it subjects Voucher holders to discrimination on the basis of their source of income, namely their government-subsidized Vouchers.

102. Under the DCHRA, it is an “unlawful discriminatory practice” to “refuse or fail to initiate or conduct any transaction in real property” if such a practice is “wholly or partially . . . based on the actual or perceived . . . source of income . . . of any individual.” D.C. Code § 2-1402.21(a)(1).

103. It is also unlawful to make any “statement . . . with respect to a transaction, or proposed transaction, in real property, or financing related thereto” that indicates “any preference, limitation, or discrimination based on” the “source of income . . . of any individual.” D.C. Code § 2-1402.21(a)(5).

104. By definition, source of income includes federal payments for housing assistance, such as Vouchers. D.C. Code § 2-1401.02(29) (defining “source of income” to include “federal payments”); *see also* D.C. Code § 2-1402.21(e) (“The monetary assistance provided to an owner of a housing accommodation under section 8 of the United States Housing Act of 1937 . . . shall be considered a source of income under this section.”).

105. Defendants’ refusal to accept Vouchers for rental units at Vaughan Place is unlawful discrimination based on the actual or perceived source of income of individuals, in violation of D.C. Code § 2-1402.21(a)(1).

106. Defendants’ statements that Vouchers are not accepted towards payment of rent at Vaughan Place in an obvious attempt to deter Voucher holders additionally constitutes unlawful discrimination. Defendants’ statements express an unlawful preference, limitation, and/or discrimination based on the actual or perceived source of income of individuals, in violation of D.C. Code § 2-1402.21(a)(5).

107. Defendants’ novel discriminatory conduct has frustrated the ERC’s mission by subjecting Voucher holders to unlawful discrimination—the very conduct the ERC actively seeks

to eradicate. Additionally, Defendants' actions have caused the ERC to divert substantial time and resources from its planned activities. Accordingly, the ERC has been injured by Defendants' discriminatory conduct and has suffered damages as a result.

108. Defendants' discriminatory conduct has forced Ms. Campbell to rent a much less-desirable apartment that is further away from the locations she frequents and has fewer amenities. It also has inflicted mental and emotional harm on her. Accordingly, Ms. Campbell has been injured by Defendants' discriminatory conduct and suffered damages as a result.

109. As a direct and proximate result of Defendants' conduct, Plaintiffs have suffered injuries and monetary damages in an amount to be determined at trial.

110. Defendants' conduct was intentional, willful, and made in reckless disregard of the known rights of others.

## **COUNT II**

### **Race Discrimination in Violation of the Fair Housing Act and the D.C. Human Rights Act**

111. Plaintiffs re-allege and incorporate herein by reference all of the allegations set forth in paragraphs 1 through 110.

112. Disparate impact claims are cognizable under the FHA, particularly in recognition of "unconscious prejudices and disguised animus that escape easy classification as disparate treatment. In this way disparate-impact liability may prevent segregated housing patterns that might otherwise result from covert and illicit stereotyping." *Tex. Dep't of Hous. & Cmty. Affairs*, 576 U.S. at 540.

113. Under the FHA, it is unlawful to "refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race . . . ." 42 U.S.C. § 3604(a).

114. The testing carried out by the ERC and its subsequent outreach to Defendants demonstrate the existence of a policy or practice by Defendants of refusing to accept Vouchers as a source of income to cover the rent. This policy or practice is subject to challenge under the disparate impact theory.

115. Defendants' discriminatory actions were carried out by their employees, representatives, or agents who were acting within the scope of their authority, and, on information and belief, were ratified and/or approved by Defendants.

116. Defendants' property, Vaughan Place, is a "dwelling" within the meaning of the FHA because it is a building "occupied as, or designed or intended for occupancy as, a residence by one or more families." 42 U.S.C § 3602(b).

117. Under the DCHRA, it is "an unlawful discriminatory practice" to "refuse or fail to initiate or conduct any transaction in real property" if such a practice is "wholly or partially . . . based on the actual or perceived: race . . . of any individual." D.C. Code § 2-1402.21(a)(1).

118. Under the "Effects Clause" of the DCHRA, D.C. Code § 2-1402.68, "despite the absence of any intention to discriminate, practices are unlawful if they bear disproportionately on a protected class and are not independently justified for some nondiscriminatory reason." *Gay Rights Coal. of Georgetown Univ. Law Ctr. v. Georgetown Univ.*, 536 A.2d 1, 29 (D.C. 1987) (en banc). Thus, discriminatory intent is not required to establish liability under the DCHRA.

119. In the District, Black households comprise a disproportionate number of Voucher holders. Specifically, Black households comprise less than half of the total renter households in the District (only 46%), even though nearly all Voucher recipients are Black residents (93%). In contrast, a little over one third of renter households in the District are white (36%), but virtually no Voucher holders are white (approximately 1%). Thus, Defendants' policy or practice of

refusing to rent to Voucher holders has disproportionately excluded and impacted Black renter households, and is highly likely to continue to disproportionately exclude and impact Black renter households.

120. With respect to those who are eligible to obtain Vouchers, of the 170,375 rental households in the District, 40% are eligible for Vouchers due to their income in relation to their household size. A comparison of renters eligible for Vouchers by race demonstrates the disparate impact of Defendants' policy or practice on Black renters. Out of all Black renters in D.C., 65% (51,551 out of 79,092) are eligible for Vouchers, whereas only 13% (7,973 out of 62,625) of white renters are eligible for Vouchers. In other words, Defendants' policy or practice of refusing to accept Vouchers is more than six times as likely to adversely impact Black renters compared to white renters. As a result, Defendants' discriminatory policy or practice of refusing to accept Vouchers adversely impacts and excludes Voucher households based on their race, the vast majority of whom are Black Voucher households.

121. Defendants' policy or practice of refusing to accept Vouchers at Vaughan Place has a discriminatory impact and effect on those who identify as Black because it actually or predictably has a disparate impact on Black renters. 42 U.S.C. § 3604(a).

122. Defendants' statements that Vouchers would not be accepted at Vaughan Place because they were "not set up" to accept them has a discriminatory effect on individuals who identify as Black because such statements actually or predictably result in a disparate impact on Black renters. 42 U.S.C. § 3604(a).

123. Defendants have refused to provide a valid reason for their policy and practice of excluding Voucher holders. In particular, Defendants have not asserted, and their practice or policy is not supported by a substantial, legitimate, nondiscriminatory interest. Even if their

practice or policy were to have some legitimate business purpose, less discriminatory alternatives are available to Defendants to achieve the same objectives, such as screening a Voucher holder as they would any prospective tenant and submitting a lease-up packet to DCHA—which takes about thirty minutes to complete. Instead, Defendants hide behind pretextual excuses and improperly shift blame to DCHA for their refusal to accept Vouchers.

124. Defendants’ wrongful conduct injured and harmed Ms. Campbell and the ERC. Plaintiffs therefore are “aggrieved person[s],” as defined by the FHA, 42 U.S.C. § 3602(i)(1).

125. Defendants’ discriminatory behavior has harmed Ms. Campbell in several direct ways. Despite being able to pay market rent at Vaughan Place with her Voucher, she was forced to accept much less desirable housing, with fewer amenities. Defendants’ conduct also inflicted mental and emotional distress on her. Accordingly, Ms. Campbell has been injured by Defendants’ discriminatory conduct and has suffered damages.

126. Defendants’ novel discriminatory behavior has frustrated the ERC’s mission by perpetuating racial discrimination in housing—the very practice the ERC seeks to eliminate. Defendants’ actions caused the ERC to divert substantial time and resources from its planned activities in order to investigate and counteract Defendants’ unlawful conduct, including through education and outreach, trainings, and more. Accordingly, the ERC has been injured by Defendants’ discriminatory conduct and has suffered damages.

127. Defendants’ conduct was intentional, willful, and made in reckless disregard of the known rights of others.

### **COUNT III**

#### **Trade Practices in Violation of the D.C. Consumer Protection Procedures Act**

128. Plaintiffs re-allege and incorporate herein by reference all of the allegations set forth in paragraphs 1 through 127.

129. The purpose of the DCCPPA is to “assure that a just mechanism exists to remedy all improper trade practices.” D.C. Code § 28-3901(b)(1).

130. Under the DCCPPA, it is a violation of law “for any person to engage in an unfair or deceptive trade practice, whether or not any consumer is in fact misled, deceived, or damaged . . . including to . . . (e) misrepresent as to a material fact which has a tendency to mislead; . . . (f) fail to state a material fact if such failure tends to mislead [or] [u]se innuendo or ambiguity as to a material fact, which has a tendency to mislead; . . . (r) make or enforce unconscionable terms or provisions of sales or leases . . . .” D.C. Code § 28-3904.

131. However, “this enumeration is not exclusive . . . . Trade practices that violate other laws . . . also fall within the purview of the [DCCPPA].” *Dist. Cablevision Ltd. P’shp v. Bassin*, 828 A.2d 714, 723 (D.C. 2003). Specifically, a violation of the DCHRA in the context of a consumer transaction is a violation of the DCCPPA. *Dist. of Columbia v. Evolve, LLC*, 2020 D.C. Super. LEXIS 6, \*12 (D.C. Super. Ct. Feb. 25, 2020) (granting summary judgment to the plaintiff on a DCCPPA claim upon finding that the defendant violated the provisions prohibiting source of income discrimination in the DCHRA).

132. Under the DCCPPA, a trade practice “means any act which does or would create, alter, repair, furnish, make available, provide information about, or, directly or indirectly, solicit or offer for, or effectuate, a sale, lease or transfer, of consumer goods or services.” D.C. Code § 28-3901(a)(6). Trade practices arising in the context of landlord-tenant relations are subject to the law, and rights may be vindicated by both consumers on behalf of themselves or non-profit organizations on behalf of the general public. D.C. Code §§ 28-3905(k)(1)(A) – (C).

133. Under the DCCPPA, goods and services “means any and all parts of the economic output of society, at any stage or related or necessary point in the economic process, and includes consumer credit, franchises, business opportunities, real estate transactions, and consumer services of all types.” D.C. Code § 28-3901(a)(7).

134. Collectively, Defendants meet the definition of “merchant” under the DCCPPA as “a person, whether organized or operating for profit . . . who in the ordinary course of business does or would . . . lease [to]. . . either directly or indirectly, consumer goods or services, or a person who in the ordinary course of business does or would supply the goods or services which are or would be the subject matter of a trade practice.” D.C. Code § 28-3901(a)(3).

135. Defendants’ refusal to accept Vouchers on the grounds that they are not set up or approved by DCHA to accept Vouchers constitutes a deceptive trade practice designed to mislead prospective tenants about Vouchers and their lease in the context of a real estate transaction. In the course of refusing to accept Vouchers in violation of the DCHRA, Defendants provided false and misleading information about the lease of goods or services. Specifically, Defendants provided false information or misleading information about leasing rental units at Vaughan Place in the context of a real estate transaction. Defendants also attached illegal and unconscionable terms to their leases which had the effect of precluding Voucher holders from renting Defendants’ apartments.

136. Defendants informed Voucher holders they are not set up or approved to accept Vouchers. There is no required DCHA pre-approval process to become a vendor or that would otherwise prevent Vaughan Place from accepting Vouchers. The submission of a lease-up packet is specific to individual prospective tenants and units, occurs after a lease is signed, and is a pretextual excuse for refusing to accept Vouchers.



137. Defendants' refusal to accept Vouchers is an improper trade practice in violation of the DCCPPA. Defendants' statements to Ms. Campbell, the ERC testers, and others about Vouchers were false and misleading.

138. As a direct result of Defendants' trade practices, Ms. Campbell was unable to lease a unit at Vaughan Place with her Voucher. Instead, she was forced into housing conditions that are less desirable. Defendants' trade practices also frustrated ERC's mission of eliminating housing discrimination, discriminated against ERC members by engaging in a novel deceptive practice of refusing Vouchers based on the misleading and wrongful excuse that mixed condominium apartments like Vaughan Place did not qualify for the Voucher Program, and forced the ERC to divert its scarce resources to address Defendants' discriminatory conduct.

**PRAYER FOR RELIEF**

WHEREFORE Plaintiffs respectfully request that the Court:

- (a) Enter judgment declaring that Defendants' acts, policies, practices, and statements of willfully refusing to rent apartment units to Voucher holders constitutes source of income discrimination in violation of the DCHRA, D.C. Code § 2-1402.21;
- (b) Enter judgment declaring that Defendants' acts, policies, practices and statements of willfully refusing to rent apartments to Voucher holders have an unlawful discriminatory impact based on race in violation of the DCHRA, D.C. Code § 2-1402.68;
- (c) Enter judgment declaring that Defendants' acts, policies, practices, and statements of willfully refusing to rent apartment units to Voucher holders

have an unlawful discriminatory impact based on race in violation of the FHA, 42 U.S.C. §§ 3604(a) and (c);

- (d) Enter judgment declaring that Defendants' acts, policies, practices, and misleading statements willfully refusing to rent apartment units to Voucher holders constitutes source of income in violation of the DCHRA, D.C. Code § 2-1402.21, and is a violation of the DCCPPA § 28-3904;
- (e) Enter judgment for appropriate permanent injunctive relief, including an order that:
  - i. Defendants abandon their policy or practice of refusing to rent to Voucher holders and take appropriate, nondiscriminatory measures to accept Voucher holders as renters;
  - ii. Defendants take affirmative steps to educate themselves as to their legal obligations under the DCHRA and FHA and engage with DCHA or seek expert advice to understand the administrative process for accepting Vouchers in D.C.;
  - iii. Defendants provide training to their employees and agents, and adequately supervise them to prevent future illegal housing discrimination;
  - iv. Defendants participate in outreach and education efforts to promote the use and acceptance of Vouchers, including but not limited to, compliance testing;
- (f) Award the ERC and Ms. Campbell monetary damages in an amount to be determined at trial;

- (g) Award the ERC reasonable attorneys' fees and costs;
- (h) Award Plaintiffs treble damages pursuant to DCCPPA § 28-3905;
- (i) Award the ERC and Ms. Campbell punitive damages in an amount to be determined at trial; and
- (j) Grant such other relief as the Court may deem just and proper.

**DEMAND FOR JURY TRIAL**

Plaintiffs request trial by jury as to all issues in this case.

Dated: June 17, 2021

Respectfully submitted,

*/s/ Michael Spafford*

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