

IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division

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

Plaintiff,

v.

Case No. _____

VESTA CORPORATION
175 Powder Forest Drive
Weatogue, CT 06089

800 SOUTHERN AVENUE LLC
175 Powder Forest Drive
Weatogue, CT 07089

VESTA MAPLEWOOD, LLC
175 Powder Forest Drive
Weatogue, CT 07089

VESTA AVALON LLC
175 Powder Forest Drive
Weatogue, CT 07089

VESTA D.C. III, LLC
175 Powder Forest Drive
Weatogue, CT 07089

Defendants.

COMPLAINT FOR DECLARATORY JUDGMENT, INJUNCTIVE RELIEF,
AND MONETARY DAMAGES

Housing Choice Vouchers and Rapid Rehousing Subsidies (“Vouchers”) are critically important government benefits 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 racially and 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. In D.C., though it is illegal for landlords and brokers to reject rental applicants for using a Voucher, discrimination against Voucher holders is rampant.

In addition, the District of Columbia has enacted legislation protecting all rental housing applicants from overbroad tenant screening requirements based on prior evictions and criminal records, recognizing that these barriers to housing are a key driver of housing instability, homelessness, and poverty.

The Equal Rights Center (“ERC”) brings this action against Vesta Corporation (“Vesta”), 800 Southern Avenue LLC (“800 Southern”), Vesta Maplewood, LLC (“Maplewood”), Vesta Avalon LLC (“Avalon”) and Vesta D.C. III, LLC (“Vesta III”) (collectively, “Defendants”) to challenge Defendants’ use of discriminatory policies and practices that create unlawful barriers for applicants using Vouchers and applicants with histories of eviction and criminal records. These screening policies shut families out of housing opportunities without any legitimate basis in violation of D.C. law and constitute unlawful housing discrimination in violation of the D.C. Consumer Protection Procedures Act (“DCCPPA”).

NATURE OF THIS ACTION

1. This is a civil rights and consumer protection action under the DCCPPA, D.C. Code §§ 28-3901 *et seq.*, for declaratory, injunctive, and monetary relief.

2. Defendants, the managers and owners of multi-family apartment buildings in the District of Columbia (“D.C.” or “the District”), have engaged in unlawful discrimination in violation of the D.C. Human Rights Act (the “DCHRA”), the D.C. Rental Housing Act, and the

D.C. Fair Criminal Record Screening for Housing Act of 2016 (“DCFCRSHA”) by setting up unlawful barriers for prospective tenants on the basis of source of income, eviction history, and criminal records. By violating the DCHRA, D.C. Rental Housing Act, and DCFCRSHA in the context of a consumer transaction, Defendants have violated the DCCPPA. *District of Columbia v. Evolve, LLC*, 2020 D.C. Super. LEXIS 6, *12 (D.C. Super. Ct. Feb. 25, 2020).

3. Accordingly, the ERC brings this action on behalf of the interests of consumers, namely prospective renters at Defendants’ properties in D.C. seeking to rent with the assistance of a Voucher and/or who have prior evictions and/or criminal records.

PARTIES

4. **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, source of income, sealed eviction records, 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.

5. **Defendant Vesta Corporation** is a D.C. corporation with its principal place of business in Weatogue, Connecticut. During the time period relevant to this action, Vesta

managed and continues to manage **800 Southern Avenue Apartment Homes**, located at 800 Southern Avenue SE, Washington, D.C. 20032, **Maplewood Apartments**, located at 2306 Hartford Street SE, Washington, D.C. 20020, **The Village at Chesapeake**, located at 820 Southern Ave SE, Washington, D.C. 20032, and **Highland Terrace Apartments**, located at 852 Barnaby Street SE, Washington, D.C. 20032.

6. **Defendant 800 Southern Avenue LLC** is a D.C. corporation with its principal place of business in Weatogue, Connecticut. Upon information and belief, 800 Southern Avenue LLC owns **800 Southern Avenue Apartment Homes**, located at 800 Southern Avenue SE, Washington, D.C. 20032.

7. **Defendant Vesta Maplewood, LLC** is a D.C. corporation with its principal place of business in Weatogue, Connecticut. Upon information and belief, Vesta Maplewood, LLC owns **Maplewood Apartments**, located at 2306 Hartford Street SE, Washington, D.C. 20020.

8. **Defendant Vesta Avalon LLC** is a D.C. corporation with its principal place of business in Weatogue, Connecticut. Upon information and belief, Vesta Avalon LLC owns **The Village at Chesapeake**, located at 820 Southern Ave SE, Washington, D.C. 20032.

9. **Defendant Vesta D.C. III LLC** is a D.C. corporation with its principal place of business in Weatogue, Connecticut. Upon information and belief, Vesta D.C. III owns **Highland Terrace Apartment**, located at 852 Barnaby Street SE, Washington, D.C. 20032.

JURISDICTION AND VENUE

10. This Court has jurisdiction over this action pursuant to D.C. Code § 11-921.

11. This Court has jurisdiction over Defendant pursuant to D.C. Code § 13-423 because Defendant transacts business and manages real property in the District of Columbia. The discriminatory conduct at issue in this litigation arises out of these business activities.

FACTUAL BACKGROUND

A. Overview of Voucher Programs in Washington, D.C.

12. The Housing Choice Voucher Program (the “Housing Choice Voucher Program”), a successor to the Section 8 Rental Voucher or Rental Certificate Program, is a federally funded housing subsidy program designed to allow low-income families to obtain safe, decent, and affordable housing. Currently assisting more than two-million American families, including over 10,000 households in the District, the Housing Choice Voucher Program is the largest rental-assistance program administered by the U.S. Department of Housing and Urban Development (“HUD”).

13. Housing Choice Vouchers are tenant-based subsidies that are not linked to any particular housing complex, building, or unit, but rather enable families to rent housing in the private market, at market rates, provided the rent does not exceed the Program’s payment standards (i.e., limits on the monthly rent that are set by the District of Columbia Housing Authority) and a percentage of the head of household’s income. The Housing Choice Voucher Program thus removes some of the barriers that would otherwise restrict low-income families from the opportunity to obtain rental housing outside of areas of concentrated poverty, allowing families to move to neighborhoods with rich access to public transportation, grocery stores, green spaces, well-performing schools, and cultural enrichment. Obtaining a Housing Choice Voucher can provide a homeless or low-income resident of D.C. with a direct path to housing and enable integration in mixed-income neighborhoods. The success of the Housing Choice

Voucher program depends in large part on the ability of renters to obtain housing in integrated neighborhoods, as well as participation of landlords on the private housing market.

14. Housing Choice Vouchers are important in high-cost jurisdictions like D.C. where rent burdens on low-income families are particularly severe. Vouchers afford a meaningful chance for low-income residents to live in neighborhoods that provide access to better resourced schools, additional employment opportunities, and increased safety—all of which can impact a resident’s economic and educational outcomes in the long-term.

15. The window for finding housing with Housing Choice Vouchers is also time-limited, as the housing authority only gives voucher holders a short period to secure housing after they are issued. Applicants for Housing Choice Vouchers are placed on years-long waiting lists but only have a few months to find an apartment once they finally receive a Housing Choice Voucher unless they can obtain an extension on their Housing Choice Voucher expiration date.

16. Housing Choice Vouchers are included in the definition of “source of income” in the DCHRA.

17. The D.C. government also administers various locally funded voucher programs, including the Rapid Rehousing Subsidy, a temporary housing subsidy administered by the District of Columbia Department of Human Services (DHS) designed to assist individuals and families find permanent housing. DHS administers Rapid Rehousing Subsidies to families experiencing homelessness in Washington, DC, often for a time period of 12 or more months.

18. Rapid Rehousing Subsidies are also included in the definition of “source of income” in the DCHRA.

19. As a result of widespread Voucher discrimination, Voucher holders must frequently accept subpar housing in segregated neighborhoods, or risk losing their Voucher altogether.

B. Overview of the DCHRA’s Source of Income Protections, and Recent Amendments to the DCHRA.

20. 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), 2-1401.02(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).

21. Housing providers often use various forms of subterfuge to deny housing to Voucher holders without explicitly adopting a “no voucher” policy. Such policies include policies that a voucher must cover the entire rent plus utilities and the security deposit, minimum income policies, minimum credit scores, and credit history requirements that disproportionately and unfairly impact Voucher holders.

22. The DCHRA was recently amended to prohibit consideration of prior rental history involving nonpayment or late payment of rent for Voucher holders if the nonpayment or late payment occurred prior to the Voucher holder having a Voucher. It also prohibits consideration of income level, credit score, or any credit issues that arose before the Voucher holder had a Voucher. D.C. Code § 2-1402.21(g)(1)(A)-(C).

C. Overview of Eviction Records Sealing and the ERSAFRAA Protections

23. In order to counteract the harmful effects of landlords using eviction records to screen rental housing applicants, the District recently enacted protections explicitly making this type of discrimination illegal through the Eviction Record Sealing Authority Amendment Act of 2021 (now the Eviction Record Sealing Authority and Fairness in Renting Amendment Act of 2022, or “ERSAFRAA”), which amended, in part, the DCHRA and the D.C. Rental Housing Act.

24. The DCHRA now prohibits housing providers from denying housing or otherwise limiting the availability of housing to any applicant based on the applicant’s sealed eviction records or the belief that someone has a sealed eviction record. D.C. Code §§ 2-1402.21(a)(1), (h)(1). The DCHRA also prohibits housing providers from making statements or representations that such a denial or limitation is being made. *Id.* at § 1402.21(a)(5).

25. The D.C. Rental Housing Act, as amended by the ERSAFRAA, requires that eviction records be sealed three years after an eviction or thirty days after resolution of the eviction proceeding if the proceeding did not result in an eviction. D.C. Code § 42-3505.09(a)(1).

26. The D.C. Rental Housing Act also now prohibits housing providers from making inquiries about, requiring the prospective tenant to disclose or reveal, or denying housing to any applicant based on an eviction that was filed three or more years ago, or that did not result in a judgment for possession in favor of the housing provider. D.C. Code §§ 42-3505.10(d)(1), (j)(1)(A).

27. Despite the recent codification of protections for individuals with sealed eviction records and/or evictions filed three or more years ago, these individuals still face significant obstacles in obtaining safe and affordable housing in the District due to discrimination.

D. Overview of Criminal Records Screening and the DCFCRSHA Protections

28. In 2016, the Department of Housing and Urban Development (“HUD”) issued guidance stating that overly broad criminal background screening policies, such as those that institute blanket bans on individuals with criminal histories disproportionately impact people of color. “Because of widespread racial and ethnic disparities in the U.S. criminal justice system,” the guidance states, “criminal history-based restrictions on access to housing are likely disproportionately to burden African Americans and Hispanics.”¹

29. The DCFCRSHA requires that housing providers only consider pending criminal accusations or criminal convictions that have occurred within the past seven years. D.C. Code § 42-3541.02(d). And even then, the housing provider may only consider a pending criminal accusation or criminal conviction that falls within a list of enumerated offenses, including burglary, aggravated assault, arson, first degree murder, fraud, and various other offenses. *Id.* at § 42-3541.02(d)(1)-(48).

30. Despite these protections, individuals with criminal histories continue to face widespread discrimination throughout the District, impeding their ability to secure safe and affordable housing.

¹ Office of General Counsel Guidance on Application of Fair Hous. Act Standards to the Use of Criminal Recs. by Providers of Hous. and Real Estate-Related Transactions, U.S. Dep’t of Hous. and Urb. Dev. (Apr. 4, 2016), available at: https://www.hud.gov/sites/documents/HUD_OGCGUIDAPPFHASTANDCR.PDF (last visited April 21, 2024).

E. Defendant's Policy and Practice of Discrimination

31. Defendants Vesta and 800 Southern manage and own, respectively, 800 Southern Avenue Apartment Homes ("800 Southern Apartments"), a residential apartment building located in Washington, D.C.

32. Defendants Vesta and Maplewood manage and own, respectively, Maplewood Apartments, a residential apartment building located in Washington, D.C.

33. Defendants Vesta and Avalon manage and own, respectively, The Village at Chesapeake, a residential apartment building located in Washington, D.C.

34. Defendants Vesta and Vesta III manage and own, respectively, Highland Terrace Apartments, a residential apartment building located in Washington, D.C.

35. As managers and owners of residential real estate, Defendants are required to comply with anti-discrimination laws, including the DCCPPA.

36. Defendants have policies or practices of knowingly discriminating against Voucher holders in violation of the DCHRA and DCCPPA at the Properties, including but not limited to:

- a. Imposing a requirement that a Voucher cover the entirety of the monthly rent for a unit within the Voucher allowance;
- b. Imposing a requirement that a household's Voucher not expire during the lease term; and/or
- c. Considering the credit and rental histories of a Voucher holder that occurred prior to their receipt of a Voucher.

37. Defendants have policies or practices of knowingly discriminating against potential applicants with histories of eviction records in violation of the DCHRA, D.C. Rental

Housing Act and DCCPPA at the Properties, including but not limited to considering sealed eviction records and eviction records over three years old.

38. Defendants have a policies or practices of knowingly discriminating against potential applicants with criminal histories in violation of the DCFCRSHA and DCCPPA at the Properties, including but not limited to:

- a. Considering criminal histories that are over seven years old;
- b. Considering offenses that are not enumerated within the DCFCRSHA;
and/or
- c. Imposing unallowable requirements on individuals with criminal records, such as setting a minimum timeframe for being off parole.

F. The ERC's Mission, Discovery of Defendant's Discriminatory Policies, and Testing

39. The ERC's mission includes identifying and eliminating discrimination in the Washington, D.C. metro area.

40. The ERC has a 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. The ERC also frequently conducts education and outreach at DCHA briefings for Voucher holders.

41. Through its Fair Housing Program, the ERC also conducts intakes with individuals and community partners in the Greater Washington, DC region who allege housing discrimination. When an individual or community partner contacts the ERC alleging housing discrimination in the ERC's service area, the ERC offers counseling about fair housing rights and offers assistance to try to address the allegations. This assistance can include investigation,

such as through civil rights testing. As a result of its counseling and investigation work over the last year, ERC has become familiar with Defendants' discriminatory policies.

42. On or about June 15, 2023, the ERC received a call from a housing case worker regarding concerns about tenant screening policies at 800 Southern Apartments, an apartment building managed by Vesta and owned by 800 Southern.

43. Upon learning of the case worker's concerns, the ERC began to research the tenant screening policies at 800 Southern Apartments and discovered that its website stated that its tenant eligibility criteria includes, "No previous evictions for lease violations."² The ERC also discovered that the rental application for 800 Southern Apartments stated that the tenant screening criteria included "no previous evictions for lease violations."

44. These statements violate the DCHRA and D.C. Rental Housing Act as they made reference to consideration of all eviction records without consideration of whether that eviction record is sealed or is over three years old.

45. The ERC also discovered that the rental application for 800 Southern stated that the tenant screening criteria included "No criminal record."³

46. This statement violates the DCFCRSHA as it made no reference to the legal limitations on how far back Defendants can look when conducting criminal background screenings for 800 Southern. The statement also made no reference to the legal limitations on

² 800 Southern Avenue Apartments, Rental Criteria <https://www.800southernavenue.com/random> (last accessed April 21, 2024).

³ 800 Southern Avenue Apartments, Rental Application <https://www.vestacorp.com/wp-content/uploads/2021/10/800-Southern-Avenue-Vesta-Application-with-Cover-Letter.pdf> (last accessed April 21, 2024).

which criminal convictions Defendants can consider when conducting timely criminal background screenings.

47. Based upon the review of the materials on 800 Southern’s website, the ERC was concerned that Defendants Vesta and 800 Southern’s tenant screening policies constituted illegal discrimination based upon source of income in violation of the DCHRA, based upon eviction history in violation of the DCHRA and D.C. Rental Housing Act, and based upon criminal record in violation of the DCFCRSHA.

48. The ERC proceeded to conduct an investigation in which it used fair housing testers to ascertain whether Defendants were complying with District anti-discrimination laws governing housing providers.

a. Test 1: 800 Southern Avenue Apartment Homes

49. On September 17, 2023, an ERC fair housing tester contacted a representative of 800 Southern Apartments inquiring about the availability of housing.

50. The representative who answered the fair housing tester’s phone call was named Nicole. Nicole responded to the tester and presented herself as acting on behalf of 800 Southern Apartments and its owners and/or managers.

51. The tester asked Nicole about her familiarity with the reference to “no criminal history” in the tenant screening criteria on the rental application posted on 800 Southern’s website. In response, Nicole offered to email the tester a copy of the resident selection plan and noted that tenant screening is conducted by an outside company.

52. On the same date, 800 Southern Apartment’s Leasing Consultant Andrew Upshur emailed the fair housing tester a document entitled “Resident Selection Criteria.”

53. The Resident Selection Criteria document states: “Any applicant with a record of late rent may be rejected.”

54. This statement violates the DCHRA and D.C. Rental Housing Act because, to the extent late rent was the basis for eviction, the statement applied to all eviction records without consideration of whether those records are sealed and/or over three years old.

55. The section of the Resident Selection Criteria entitled “Credit and Criminal Background Screening” states the following:

Convictions for any first- or second-degree offenses within the last fifteen (15) years will be grounds for rejection.

Convictions for any third- or fourth-degree offenses within the last five (5) years will be grounds for rejection.

Previous convicts must have two years free of incarceration, must be free of any probationary, parole, or supervisory violations, and must have established a rental history.

Disorderly persons with arrests relating to controlled dangerous substances, possession of drug paraphernalia, or harassing or assaulting behavior will be grounds for rejection. Other disorderly persons with arrests will be assessed by their nature and by the likelihood that a pattern of behavior exists that would disrupt the quiet enjoyment of the property by other residents. If in the sole discretion of management such a pattern of behavior exists, the application will be rejected. . . .

An application with any household member who is subject to a state sex offender lifetime registration requirement will be rejected.

Any unresolved arrests will cause an application to be set aside until the adjudication of the arrest. If charges are dismissed or the person is found not guilty, then processing of the application will be recommenced, with no change in the applicant’s place on the waiting list, if applicable.

56. These statements violate the DCFCRSHA as they set forth a look back period of more than seven years, do not only screen for the convictions allowed to be considered under

the DCFCRSHA, and have additional unallowable requirements, such as setting a minimum timeframe for being off parole.

57. After receiving the Resident Selection Criteria, the fair housing tester responded to Mr. Upshur and asked if the fifteen-year lookback applied to both felonies and misdemeanors. The tester did not receive a response.

b. Test 2: The Village at Chesapeake

58. On October 30, 2023, an ERC fair housing tester contacted a representative of The Village at Chesapeake (“Village at Chesapeake”), an apartment building managed by Vesta and owned by Avalon, inquiring about the availability of housing.

59. The representative who answered the fair housing tester’s phone call was named Justin and stated that he worked in leasing. Justin responded to the tester and presented himself as acting on behalf of Village at Chesapeake and its owners and/or managers.

60. The tester asked Justin if Village at Chesapeake accepts Vouchers. Justin responded that Village Chesapeake does accept Vouchers, but the Voucher must cover the entirety of the rent and cannot expire during the year lease term.

61. This statement violates the DCHRA’s prohibition on source of income discrimination as it excludes Voucher holders with Vouchers that do not cover the entirety of the rent or are for a period of time less than a full year.

62. The tester asked Justin about Village at Chesapeake’s policy regarding eviction records that were four or five years old, occurring prior to a voucher holder’s receipt of a voucher. Justin responded that a prior eviction may hinder the application.

63. This statement violates DCHRA's prohibition on source of income discrimination as it states that credit issues arising before a Voucher holder's receipt of their Voucher may be considered.

64. This statement also violates the DCHRA and D.C. Rental Housing Act because it did not consider whether eviction records are sealed or over three years old.

65. The tester asked Justin about Village at Chesapeake's criminal background policy and in particular how Village at Chesapeake would view a nine-year-old non-violent felony DUI. Justin explained that Village at Chesapeake uses a third-party screening company to review applications and that his experience is that "a felony will always be on her record." The tester asked if there was a specific lookback period for background checks, and Justin responded that unless a judge has expunged her record, there is no applicable rule regarding lookback periods. The tester informed him that the record has not been expunged. Justin explained that the background check does not look back "a specific number of like years. It really flags every single thing."

66. These statements violate the DCFCRSHA as they set forth a look back period of more than seven years and do not only screen for the convictions allowed to be considered under the DCFCRSHA.

c. Test 3: Highland Terrace Apartments

67. On October 30, 2023, an ERC fair housing tester contacted a representative of Highland Terrace Apartments (“Highland Terrace”), an apartment building managed by Vesta and owned by Vesta III, inquiring about the availability of housing.

68. The representative who answered the fair housing tester’s phone call was named Sheila. Sheila responded to the tester and presented herself as acting on behalf of Highland Terrace and its owners and/or managers.

69. The tester asked Sheila if Highland Terrace accepts Vouchers. Sheila responded that Highland Terrace does accept Vouchers, but the Voucher holder must show additional income beyond the Voucher in order to cover utilities.

70. This statement violates the DCHRA’s prohibition on source of income discrimination as it considers the income level of a Voucher holder.

71. The tester asked Sheila about Highland Terrace’s policy regarding a Voucher-holding applicant’s poor credit from an eviction that occurred prior to the applicant’s receipt of the Voucher. Sheila responded that a prior eviction would likely hinder her application if she still owed money to the previous landlord. She explained that there would be an issue if the applicant still owed money to any of her prior landlords.

72. Sheila explained that Highland Terrace would consider credit history from before she had a Voucher when making a decision.

73. These statements violate the DCHRA’s prohibition on source of income discrimination as they consider negative credit history and non-payment of rent of Voucher holders that occurred prior to the Voucher holder’s receipt of a Voucher.

74. These statements also violate DCHRA’s prohibition of discrimination on the basis of sealed eviction history and the D.C. Rental Housing Act as they make reference to consideration of all eviction records without consideration of whether that eviction record is sealed or is over three years old.

d. Written Rental Criteria and Rental Applications at Defendants’ D.C. Properties

75. In addition to the statements above, as of April 21, 2024, the websites for Maplewood Apartments, an apartment building managed by Vesta and owned by Maplewood, 800 Southern Apartments, and Highland Terrace included on their website that their rental criteria includes “no previous evictions for lease violations.”⁴ The rental applications for these properties and the application for Village at Chesapeake state “no previous evictions for lease violations.”⁵

76. These statements violate the DCHRA and D.C. Rental Housing Act as they make reference to consideration of all eviction records without consideration of whether that eviction record is sealed or is over three years old.

⁴ See Maplewood Apartments Rental Criteria, available at <https://www.maplewoodaptsdc.com/rentalcriteria> (last accessed April 21, 2024); 800 Southern Apartments Rental Criteria, available at <https://www.800southernavenue.com/random> (last accessed April 21, 2024); Highland Terrace Rental Criteria, available at <https://www.highlandterracedc.com/rentalcriteria> (last accessed April 21, 2024).

⁵ See Maplewood Apartments Rental Application, available at <https://www.vestacorp.com/wp-content/uploads/2021/10/Maplewood-Vesta-Application.pdf> (last accessed April 21, 2024); Village at Chesapeake Rental Application, available at <https://www.vestacorp.com/wp-content/uploads/2021/10/The-Village-at-Chesapeake-Vesta-Application.pdf> (last accessed April 21, 2024); 800 Southern Apartments Rental Application, available at <https://www.vestacorp.com/wp-content/uploads/2021/10/800-Southern-Avenue-Vesta-Application-with-Cover-Letter.pdf> (last accessed April 21, 2024); Highland Terrace Rental Application, available at <https://www.vestacorp.com/wp-content/uploads/2021/10/Highland-Terrace-Vesta-Application.pdf> (last accessed April 21, 2024)/

77. These statements also violate the DCHRA as they made no reference to the fact that a housing provider cannot deny a Voucher holder's application based on prior rental history involving lease violations if those lease violations occurred during a period in which the Voucher holder did not have a Voucher.

78. Further, the rental applications for Maplewood Apartments, Village and Chesapeake, 800 Southern Apartments, and Highland Terrace also state that the screening criteria for each property includes "No criminal record."

79. These statements also violate the DCFCSHA as they made no reference to the legal limitations on how far back Defendants can look when conducting criminal background screenings. The statements also made no reference to the legal limitations on which criminal convictions Defendants can consider when conducting timely criminal background screenings.

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

81. By their acts, policies, and practices, Defendants refused to rent to people who are individuals who intend to use Vouchers at the Properties and individuals with histories of evictions and criminal records. In so doing, Defendants unlawfully discriminated against renters in the District based source of income, eviction history, and criminal record. Defendants also committed violations of consumer protection law.

82. Defendants acted intentionally and willfully, and with callous and reckless disregard for the statutorily-protected rights of renters to be free from discrimination.

G. The Impact of Defendants’ Discriminatory Conduct on the General Public, Voucher Holders, and People with Eviction Histories and Criminal Records

83. Housing discrimination and segregation continues to shape where people live, who their neighbors are, and access to collective resources in the District of Columbia. Dramatic housing cost increases and an upsurge of displacements experienced by many District residents have led to both housing instability and the reconstitution of segregation and poverty.

84. Where a person lives has wide-reaching implications. It determines one’s access to resources and life outcomes like educational achievement and life expectancy. In D.C., those who live East of the Anacostia River have less access to public transit, have more difficulty accessing healthy food, are more likely to develop asthma, and are more likely to be exposed to violent crime.

85. The D.C. region is experiencing a dire affordable housing crisis that is steeped in systemic inequity. An entrenched dual housing market based on race exists throughout the region and has resulted in racially and ethnically segregated enclaves.⁶ Rising housing costs and gentrification has led to displacement of low-income residents who are disproportionately Black.

⁷ This lack of affordable housing has led the DC Fiscal Policy Institute to conclude that “subsidized housing,” such as that provided by the Housing Choice Voucher Program, “is now virtually the only source of inexpensive apartments.”⁸ The Housing Choice Voucher Program

⁶ Metropolitan Washington Council of Governments, *Metropolitan Washington Regional Fair Housing Plan: District of Columbia*, 2023, available at [https://www.mwcog.org/assets/1/6/01_Executive_Summary_Fair_Hsg_English_with_cover31_\(2\).pdf](https://www.mwcog.org/assets/1/6/01_Executive_Summary_Fair_Hsg_English_with_cover31_(2).pdf) (last accessed April 21, 2024).

⁷ Eliana Golding, DC Fiscal Policy Institute, *A Holistic and Reparative Agenda for Ending Displacement in DC* (November 15, 2023), available at <https://www.dcfpi.org/all/agenda-for-ending-displacement/> (last accessed April 21, 2024).

⁸ Wes Rivers, *Going, Going, Gone: DC’s Vanishing Affordable Housing*, D.C. Fiscal Policy Institute, March 12, 2015 at 1, available at <https://www.dcfpi.org/wp->

allows program participants to rent units that they would otherwise not be able to afford by subsidizing all or part of their rent costs.

86. Low-income Black D.C. residents are facing the worst consequences of this housing crisis. The median white family has a staggering 81 times as much wealth as the median Black family in the city.⁹ As the cost of housing has skyrocketed, it has become much more difficult for many low-income Black families to afford living in the District.

87. There are currently over 10,000 Housing Choice Vouchers in use in D.C., over 90 percent of which are used by Black families. By virtue of assisting D.C.'s lowest-income residents, many of whom are Black, the Housing Choice Voucher Program has the potential to reverse patterns of segregation and disadvantage by facilitating mobility to economically stable and wealthier neighborhoods with greater access to opportunity.

88. Black residents of D.C. are also significantly more likely to have criminal records. A 2019 report from the D.C. American Civil Liberties Union states that “[f]rom 2013 to 2017, Black individuals composed 47% of D.C.’s population but 86% of its arrestees. During this time, Black people were arrested at 10 times the rate of white people.”¹⁰ The incarcerated

[content/uploads/2015/03/Going-Going-Gone-Rent-Burden-Final-3-6-15format-v2-3-10-15.pdf](https://www.mitre.org/content/uploads/2015/03/Going-Going-Gone-Rent-Burden-Final-3-6-15format-v2-3-10-15.pdf) (last accessed April 21, 2024).

⁹ MITRE, *The Racial Wealth Gap in Washington, D.C.*, 2021 at 1 available at [sjp.mitre.org/resources/MITRE-DC-Racial-Wealth-Gap-Study.pdf](https://www.mitre.org/resources/MITRE-DC-Racial-Wealth-Gap-Study.pdf) (last accessed April 21, 2024).

¹⁰ Racial Disparities in D.C. Policing: Descriptive Evidence From 2013-2017, ACLU District of Columbia (May 13, 2019), available at: <https://www.acludc.org/en/publications/racial-disparities-dc-policing-descriptive-evidence-2013-2017#:~:text=Clear%20Disparities%20%2D%2D%20No%20Matter,the%20rate%20of%20white%20people> (last accessed April 21, 2024).

population in D.C. follows a similar trend. In 2019, the incarcerated population was comprised of 89% Black individuals, while the general population of the District was only 44% Black.¹¹

89. Additionally, eviction records are a major obstacle to renters when facing housing, even if those records are multiple years old or did not result in an actual eviction. In D.C., a large percentage of renters face eviction filings, yet only a small number of those filings result in evictions as many cases are dismissed because the tenant pays rent or are dropped by the landlord after filing. In 2018, 11% of D.C. renters received an eviction filing, but only 5.5% of those filings resulted in an eviction.¹² The majority of eviction filings and evictions occur in majority Black neighborhoods in the District. Regardless of the low number of formal evictions, an eviction filing creates a record of eviction for a prospective renter which can pose substantial difficulty in future efforts to secure housing.¹³

90. Socioeconomic integration in neighborhoods that are diverse in race, ethnicity and income benefits the general public. Achieving greater integration along both racial/ethnic and income dimensions is important to achieving more widespread prosperity and combatting poverty. Sociological and economic research has demonstrated the high costs associated with racial and income segregation, including lower cognitive development and weaker academic performance in children, greater likelihood of teen pregnancy, reduced physical and mental health, lower incomes and lower probability of employment, and greater likelihood of being

¹¹ District of Columbia Profile, Prison Policy Initiative, available at: <https://www.prisonpolicy.org/profiles/DC.html> (last accessed April 21, 2024).

¹² Brian J. McCabe and Eva Rosen, *Eviction in Washington, D.C.: Racial and Geographic Disparities in Housing Instability*, Fall 2020, at 12-13, available at <https://georgetown.app.box.com/s/8cq4p8ap4nq5xm75b5mct0nz5002z3ap> (last accessed April 11, 2024)

¹³ *Id.*

affected by or engaged in crime.¹⁴ In contrast, “areas with less concentrated poverty, less income inequality, better schools, a larger share of two-parent families, and lower crime rates tend to produce better outcomes for children in poor families.”¹⁵ In short, racial/ethnic and economic segregation have great consequences for individuals, neighborhoods and the general public.

91. As such, policies and practices of landlords and leasing agents that erect barriers to the use of housing vouchers or prevent people with eviction histories or criminal records from accessing housing (such as the policies and practices of the Defendants alleged herein), perpetuate less integrated communities and the societal ills that flow from such segregation, causing harm to D.C.’s many residents with housing vouchers and the general public.

COUNT I:

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

92. Plaintiff re-alleges and incorporates by reference the allegations set forth above.

93. 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).

94. Under the DCCPPA, it is a violation of law “for any person to engage in an unfair or deceptive trade practice[.]” D.C. Code § 28-3904.

95. “Trade practices that violate other laws . . . fall within the purview of the [DCCPPA].” *Dist. Cablevision Ltd. P’shp v. Bassin*, 828 A.2d 714, 723 (D.C. 2003). Violations

¹⁴ See Galster, G., & Sharkey, P. (2017). *Spatial Foundations of Inequality: A Conceptual Model and Empirical Overview*. *RSF*, 3(2) available at <https://doi.org/10.7758/RSF.2017.3.2.01> (last accessed April 21, 2024)

¹⁵ See Chetty, R., & Hendren, N. (2016). *The impacts of neighborhoods on intergenerational mobility ii: County-level estimates*, National Bureau of Economic Research, available at https://www.nber.org/system/files/working_papers/w23002/w23002.pdf (last accessed April 21, 2024).

of D.C. law 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).

96. 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).

97. Trade practices arising in the context of landlord-tenant relations are subject to the law. D.C. Code § 28-3905(k)(6).

98. Under the DCCPPA, an action may be brought by a public interest organization on behalf of the interests of a consumer or a class of consumers, seeking relief from the use by any person of a trade practice in violation of a law of the District. D.C. Code § 28-3905(k)(1)(D).

99. Plaintiff brings this claim on behalf of the interests of a consumer or a class of consumers, namely voucher holders in the District, renters with criminal records, and renters with histories of eviction seeking relief from the use by Defendants of trade practices in violation of a law of the District.

100. 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).

101. Defendants meets the definition of “merchants” under the DCCPPA as “a person . . . 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).

102. Defendants’ discriminatory rental criteria constitute unfair trade practices in the context of a real estate transaction in violation of the DCCPPA.

103. By violating the DCHRA in the context of a consumer transaction, Defendants violated the DCCPPA. Specifically, Defendants’ policies or practices of setting up barriers to the use of Vouchers violates the DCHRA because it subjects Voucher holders to discrimination on the basis of their source of income, namely their government-subsidized Voucher.

104. 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), (b), (g)(1).

105. By violating the DCHRA and D.C. Rental Housing Act in the context of a consumer transaction, Defendants violated the DCCPPA. Specifically, Defendants’ policy or practice of considering eviction history that was sealed and/or over three years old violates the DCHRA and D.C. Rental Housing Act and subjects those with histories of evictions to discrimination.

106. 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 . . . sealed eviction record . . . of any individual[.]” D.C. Code § 2-1402.21(a)(1), (b), (h).

107. Under the D.C. Rental Housing Act, “a housing provider shall not make an inquiry about, require the prospective tenant to disclose or reveal, or base an adverse action on . . . [w]hether a previous action to recover possession from the prospective tenant occurred if the action . . . [d]id not result in a judgment for possession in favor of the housing provider; or [w]as filed 3 or more years ago.” D.C. Code § 42-3505.10(d)(1). A housing provider also may not inquire into or consider “[a]ny allegation of a breach of lease by the prospective tenant if the alleged breach . . . [t]ook place 3 or more years ago.” *Id.* § 42-3505.10(d)(2).

108. By violating the DCFCRSHA in the context of a consumer transaction, Defendants violated the DCCPPA. Specifically, Defendants’ policy or practice of considering criminal background that was over seven years old and considering offenses not enumerated within the DCFCRSHA violates the DCFCRSHA as it subjects individuals with criminal backgrounds to discrimination.

109. Under the DCFCRSHA, “a housing provider may only consider a pending criminal accusation or criminal conviction that has occurred within the past 7 years when the pending criminal accusation or criminal conviction is for one or more of the following crimes” D.C. Code § 42-3541.02(d). The enumerated list of crimes does not include non-violent felonies. *See id.*

110. Under the DCHRA, it is an “unlawful discriminatory practice” to “make . . . any . . . statement . . . with respect to a transaction, or proposed transaction, in real property, . . . which . . . indicates or attempts unlawfully to indicate any preference, limitation, or discrimination based on . . . source of income [or] sealed eviction record.” D.C. Code § 2-1402.21(a)(5).

111. Defendants' statements about the reluctance to accept Voucher holders or individuals with sealed eviction records at their Properties are unlawful statements in violation of D.C. Code § 2-1402.21(a)(5).

112. By violating the DCHRA, D.C. Rental Housing Act and DCFCRSHA in the context of a consumer transaction, Defendants violated the DCCPPA.

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

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter a judgment in its favor and grant relief against Defendants as follows:

- a) Enter judgment declaring that Defendants' acts, policies, practices of willfully refusing to rent apartment units to Voucher holders is a violation of the DCCPPA § 28-3904;
- b) Enter judgment for appropriate permanent injunctive relief, including an order that:
 - i. Defendants abandon their policies or practices of imposing illegal barriers to Voucher holders seeking to rent at their Properties and take appropriate, nondiscriminatory measures to accept Voucher holders as renters;
 - i. Defendants abandon their policies or practices of denying Voucher applicants' housing based on source of income determinations;
 - ii. Defendants take affirmative steps to educate themselves as to their legal obligations under the DCCPPA and engage with DCHA or

seek expert advice to understand the administrative process for accepting Vouchers in D.C.;

- ii. Defendants abandon their policies or practices of refusing to rent to individuals with sealed evictions and histories of evictions more than three years old, and take appropriate, nondiscriminatory measures to accept such individuals as renters;
 - iii. Defendants abandon their policies or practices of refusing to rent to individuals with criminal backgrounds more than seven years old, or with criminal records of convictions allowed to be considered under the DCFCRSHA and take appropriate, nondiscriminatory measures to accept such individuals as renters;
 - iv. Defendants provide training to its employees and agents, including third parties conducting its tenant background checks, and adequately supervise them to prevent future illegal housing discrimination;
 - v. Defendants participate in outreach and education efforts to promote the use and acceptance of Vouchers, and the acceptance of renters with criminal records and histories of eviction, including but not limited to, compliance testing;
 - vi. Defendants take affirmative steps to educate themselves as to their legal obligations under the DCCPPA;
- c) Award monetary damages in an amount to be determined at trial;
 - d) Award the ERC reasonable attorneys' fees and costs;
 - e) Award statutory and treble damages pursuant to DCCPPA § 28-3905(k)(2);

- f) Award punitive damages in an amount to be determined at trial; and
- g) Grant such further relief as the Court deems just and proper.

Dated: April 25, 2024

Respectfully submitted,

/s/ Matthew K. Handley
Matthew K. Handley (D.C. Bar No. 489946)
Handley Farah & Anderson PLLC
1201 Connecticut Avenue, NW
Suite 200K
Washington, DC 20036
Telephone: 202-559-2411
Email: mhandley@hfajustice.com

Martha E. Guarnieri (D.C. Bar No. 90021896)
Handley Farah & Anderson PLLC
127 Snyder Avenue
Philadelphia, 215-422-3478
Email: mguarnieri@hfajustice.com

Attorneys for Plaintiff