



Fair Housing Advocates of Northern California

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FOR IMMEDIATE RELEASE

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Fair Housing Agency and Client Settle Discrimination Lawsuit Against Landlord

San Rafael, CA – Over 300,000 families in California receive Housing Choice Vouchers (also known as “Section 8”) to ensure that lower-income renters can afford to live in a variety of neighborhoods, with the goal of limiting segregation and homelessness. However, to date, the voucher program has been unable to accomplish its goals in many jurisdictions due in large part to private landlords’ refusal to consider renting to people with housing vouchers.

In January 2020, the California Fair Employment and Housing Act was amended to make it illegal to discriminate against or exclude tenants and applicants because they have a Section 8 voucher. Additionally, for more than 20 years, it has been illegal for most California landlords to require applicants with vouchers to meet minimum thresholds based on the entire rent rather than the portion of the rent to be paid by the tenant.

Despite these laws, some landlords continue to exclude Section 8 voucher holders, either by rejecting them for tenancy altogether, or using a minimum income requirement that is impossible for a voucher holder to meet. Both of these policies and practices violate California’s Fair Employment and Housing Act.

Late last month, the owners of two large apartment complexes and a management company agreed to pay \$100,000 to settle a case in which the plaintiffs, a fair housing agency and a prospective renter, alleged that the defendants refused to rent to Section 8 voucher holders unless they earn at least 2.5 times the entire monthly rent, even when the majority of rent is paid by the local Public Housing Authority. The payment covers damages and attorneys’ fees.

Other terms of the settlement included the following:

- The owners/management company will ensure that their policies concerning rental inquiries by voucher holders comply with all applicable laws, including the appropriate application of minimum income requirements to voucher holders, and that their policy indicates that all voucher holders are welcome to rent at any properties they own or manage in California;

A local non-profit helping communities eliminate housing discrimination



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- The owners/management company will ensure that their written policy concerning the application of minimum income requirements to all applicants and residents who use a government subsidy to pay their rent will be distributed to the relevant employees and agents;
- The management company will post English and Spanish copies of the DFEH pamphlet entitled “Fair Housing: You Are Protected Under California Law,” in their rental offices and in a common area such as a mail area or laundry room at each of the rental properties they own or operate in California;
- The management company will use the Fair Housing logo for all vacancies that are advertised online or in print, and post some of the listings on the gosection8 website for a minimum of four years;
- All employees and agents of the management company and who have contact with residents or prospective residents at any property in Sonoma County will attend fair housing training for 4 consecutive years;
- The management company will maintain copies of all documents related to the rental of dwellings for at least five years, including all advertising, rental applications, supporting documents such as credit checks and proof of income, rental agreements, and moveout documents.

In early 2021, the plaintiffs filed a lawsuit in Sonoma County Superior Court alleging that the owners and the management company had refused to rent to voucher holders by using an illegal minimum income standard in at least two of their Sonoma County properties. This minimum income requirement has the effect of excluding tenants who have vouchers.

The plaintiffs filed against two companies that hold title to apartment complexes located in Santa Rosa and Rohnert Park and a California corporation that manages both properties as well as rental properties in 18 states, including hundreds of rental properties in California.

The individual plaintiff is a recipient of a Section 8 voucher through the Sonoma County Housing Authority. In June of 2020, she found a listing for an apartment complex in Rohnert Park on the website Zillow.com and thought that it might be a good fit for her needs. She drove by the apartments, liked what she saw, and called to inquire about a unit. When she spoke with the agent, she asked if they accepted housing choice vouchers. The agent told her that they accepted vouchers, but that she would need to have an income of at least \$5,000 per month, or 2.5 times the rent. She explained to the agent that if she had income in that amount, then she would not have qualified for a Housing Choice Voucher in the first place. The employee responded that the \$5,000 minimum income requirement was the apartment complex’s policy. The client lodged a complaint with a local fair housing agency.

In April 2020, before the individual plaintiff ever inquired about renting at this complex, the fair housing agency sent informational brochures explaining the new changes to the law to 50 housing providers and property managers in the region, including the management company named in the complaint. The informational brochure explained that rejecting rental applicants because they have a rental subsidy constitutes unlawful discrimination based on source of income. The brochure also reiterated that existing law, which has been in effect since 2000, provides that a landlord who uses a minimum income threshold for a voucher holder must calculate that threshold based on the amount of rent that will be paid by the tenant, rather than the entire rent amount.

After receiving the complaint from the voucher recipient, the fair housing agency conducted an investigation in September 2020, replicating the experience of their client. An employee of the fair housing agency contacted the apartment complex posing as a prospective renter. When the employee inquired about the Section 8 policy, an agent for the building told him that they accept Section 8, but only if the applicant has an income of at least 2.5 times the rent even if the applicant has a voucher.

In December 2020, an employee of the Sonoma County Housing Authority contacted the fair housing agency and reported that multiple voucher holders were rejected for tenancy by the same management company at a

different apartment complex because they did not meet the building's minimum monthly income requirement of 2.5 times the monthly rent, regardless of the amount of rent the tenant would be responsible for paying using their voucher. Based on this allegation, in January 2021, another employee of the fair housing agency called the apartment complex and the agent confirmed that the management company accepts vouchers but still requires that all applicants make a minimum of 2.5 times the full monthly rent to qualify.

The fair housing agency was represented by Julia Howard-Gibbon of Fair Housing Advocates of Northern California and the individual plaintiff was represented by Liza Cristol-Deman of Brancart & Brancart.

“A landlord cannot reject an applicant using a minimum income requirement that is based on the entire monthly rent when the Public Housing Authority is picking up most of the tab,” said Ms. Cristol-Deman. “That has been the law in California for more than 20 years. A professional management company should know better. And California's most vulnerable residents deserve better.”

“The defendants should have been well aware of their obligation not to discriminate against voucher holders, especially given that the fair housing agency had previously sent them information about the law and how to comply with it, yet the management company still had discriminatory policies in place,” said Ms. Howard-Gibbon. “Despite the fact that in 2020, California put in place a law making it illegal to discriminate against people with housing subsidies, the agency has conducted systemic investigations that pointed to the prevalence of discriminatory policies still in place, making it clear that we must all make more effort to educate the community that discrimination against housing choice vouchers is illegal.”

Fair Housing Advocates of Northern California is a non-profit organization serving several Bay Area counties that provides free counseling, enforcement, mediation, and legal or administrative referrals to persons experiencing housing discrimination. Fair Housing Advocates of Northern California also offers foreclosure prevention counseling, pre-purchase education, seminars to help housing providers fully understand fair housing law, and education programs for tenants and the community at large. Fair Housing Advocates of Northern California is a HUD-Certified Housing Counseling Agency. Please call Fair Housing Advocates of Northern California at (415) 457-5025 or TDD: (800) 735-2922 for more information.