

Housing Discrimination Complaint

U.S. Department of Housing
and Urban Development
Office of Fair Housing
and Equal Opportunity

OMB Approval No. 2529-0011

Please type or print this form

Public Reporting Burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Read this entire form and all the instructions carefully before completing. All questions should be answered. However, if you do not know the answer or if a question is not applicable, leave the question unanswered and fill out as much of the form as you can. Your complaint should be signed and dated. Where more than one individual or organization is filing the same complaint, and all information is the same, each additional individual or organization should complete boxes 1 and 7 of a separate complaint form and attach it to the original form. Complaints may be presented in person or mailed to the HUD State Office covering the State where the complaint arose (see list on back of form), or any local HUD Office, or to the Office of Fair Housing and Equal Opportunity, U.S. Department of HUD, Washington, D.C. 20410.

This section is for HUD use only.

Number	(Check the applicable box) <input type="checkbox"/> Referral & Agency (specify) <input type="checkbox"/> Systemic <input type="checkbox"/> Military Referral	Jurisdiction <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Additional Info	Signature of HUD personnel who established Jurisdiction
Filing Date			

1. Name of Aggrieved Person or Organization (last name, first name, middle initial) (Mr.,Mrs.,Miss,Ms.)

Fair Housing Center of Southeast & Mid MI; Fair Housing Center of Central Indiana

Home Phone

N/A

Business Phone

Attachment A

Street Address (city, county, State & zip code)

Attachment A

2. Against Whom is this complaint being filed? (last name, first name, middle initial)

Management Resources Development, Inc.

Phone Number

517-351-1544

Street Address (city, county, State & zip code)

321 Woodland Pass, Suite 100, East Lansing, MI 48823

Check the applicable box or boxes which describe(s) the party named above:

☐ Builder ☒ Owner ☐ Broker ☐ Salesperson ☒ Supt. or Manager ☐ Bank or Other Lender ☐ Other

If you named an individual above who appeared to be acting for a company in this case, check this box ☐ and write the name and address of the company in this space:

Name:

Address

Name and identify others (if any) you believe violated the law in this case:

3. What did the person you are complaining against do? Check all that apply and give the most recent date these act(s) occurred in block No. 6a below.

- ☒ Refuse to rent, sell, or deal with you ☐ Falsely deny housing was available ☐ Engage in blockbusting ☐ Discriminate in broker's services
☒ Discriminate in the conditions or terms of sale, rental occupancy, or in services or facilities ☐ Advertise in a discriminatory way ☐ Discriminate in financing ☐ Intimidated, interfered, or coerced you to keep you from the full benefit of the Federal Fair Housing Law
☐ Other (explain)

4. Do you believe that you were discriminated against because of your race, color, religion, sex, handicap, the presence of children under 18, or a pregnant female in the family or your national origin? Check all that apply.

- | | | | | | |
|--|---|--|---|--|---|
| <input type="checkbox"/> Race or Color
<input type="checkbox"/> Black
<input type="checkbox"/> White
<input type="checkbox"/> Other | <input type="checkbox"/> Religion (specify) | <input type="checkbox"/> Sex
<input type="checkbox"/> Male
<input type="checkbox"/> Female | <input type="checkbox"/> Handicap
<input type="checkbox"/> Physical
<input type="checkbox"/> Mental | <input checked="" type="checkbox"/> Familial Status
<input checked="" type="checkbox"/> Presence of children under 18 in the family
<input type="checkbox"/> Pregnant female | <input type="checkbox"/> National Origin
<input type="checkbox"/> Hispanic
<input type="checkbox"/> Asian or Pacific Islander
<input type="checkbox"/> American Indian or Alaskan Native
<input type="checkbox"/> Other (specify) |
|--|---|--|---|--|---|

5. What kind of house or property was involved? Did the owner live there? Is the house or property What is the address of the house or property?

- | | | | |
|---|--|---|---|
| <input type="checkbox"/> Single-family house
<input type="checkbox"/> A house or building for 2, 3, or 4 families
<input checked="" type="checkbox"/> A building for 5 families or more
<input type="checkbox"/> Other, including vacant land held for residential use (explain) | <input type="checkbox"/> Yes
<input checked="" type="checkbox"/> No
<input type="checkbox"/> Unknown | <input type="checkbox"/> Being sold?
<input checked="" type="checkbox"/> Being rented? | (street, city, county, State & zip code)
Attachment B |
|---|--|---|---|

6. Summarize in your own words what happened. Use this space for a brief and concise statement of the facts. Additional details may be submitted on an attachment.

Note: HUD will furnish a copy of the complaint to the person or organization against whom the complaint is made.

Attachment C (Signature Pages attached to this form)

6a. When did the act(s) checked in Item 3 occur? (Include the most recent date if several dates are involved)

December 1, 2017 (most recent date); policy at issue believed to remain in effect

7. I declare under penalty of perjury that I have read this complaint (including any attachments) and that it is true and correct.

Signature & Date

02/28/2018

What Does the Fair Housing Amendments Act of 1988 Provide?

The Fair Housing Act declares that it is national policy to provide fair housing throughout the United States and prohibits eight specific kinds of discriminatory acts regarding housing if the discrimination is based on race, color, religion, sex, handicap, familial status or national origin.

1. Refusal to sell or rent or otherwise deal with a person.
2. Discriminating in the conditions or terms of sale, rental, or occupancy.
3. Falsely denying housing is available.
4. "Blockbusting"—causing person(s) to sell or rent by telling them that members of a minority group are moving into the area.
6. Discrimination in financing housing by a bank, savings and loan association, or other business.
7. Denial of membership or participation in brokerage, multiple listing, or other real estate services.
8. Interference, coercion, threats or intimidation to keep a person from obtaining the full benefits of the Federal Fair Housing Law and/or filing a complaint.

What Does the Law Exempt?

The first three acts listed above do not apply (1) to any single family house where the owner in certain circumstances does not seek to rent or sell it through the use of a broker or through discriminatory advertising, nor (2) to units in houses for two-to-four families if the owner lives in one of the units.

What Can You Do About Violations of the Law?

Remember, the Fair Housing Act applies to discrimination based on race, color, religion, sex, handicap, familial status, or national origin. If you believe you have been or are about to be, discriminated against or otherwise harmed by the kinds of discriminatory acts which are prohibited by law, you have a right, within 1 year after the discrimination occurred to:

1. **Complain to the Secretary of HUD** by filing this form by mail or in person. HUD will investigate. If it finds the complaint is covered by the law and is justified, it will try to end the discrimination by conciliation. If conciliation fails, other steps will be taken to enforce the law. In cases where State or local laws give the same rights as the Federal Fair Housing Law, HUD must first ask the State or local agency to try to resolve the problem.
2. **Go directly to Court** even if you have not filed a complaint with the Secretary. The Court may sometimes be able to give quicker, more effective, relief than conciliation can provide and may also, in certain cases, appoint an attorney for you (without cost).

You Should Also Report All Information about violations of the Fair Housing Act to HUD even though you don't intend to complain or go to court yourself.

Additional Details. If you wish to explain in detail in an attachment what happened, you should consider the following:

1. If you feel that others were treated differently from you, please explain the facts and circumstances.
2. If there were witnesses or others who know what happened, give their names, addresses, and telephone numbers.
3. If you have made this complaint to other government agencies or to the courts, state when and where and explain what happened.

Racial/Ethnic Categories

1. **White (Non Hispanic)**—A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.
2. **Black (Non Hispanic)**—A person having origins in any of the black racial groups of Africa.
3. **Hispanic**—A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race.
4. **American Indian or Alaskan Native**—A person having origins in any of the original peoples of North America, and who maintains, cultural identification through tribal affiliation or community recognition.
5. **Asian or Pacific Islander**—A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Philippine Islands, and Samoa.

You can obtain assistance (a) in learning about the Fair Housing Act, or (b) in filing a complaint at the HUD Regional Offices listed below:

For Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont:

NEW ENGLAND OFFICE (Marcella_Brown@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street, Room 321
Boston, MA 02222-1092
Telephone (617) 994-8300 or 1-800-827-5005
Fax (617) 565-7313 • TTY (617) 565-5453

For New Jersey and New York

New York/New Jersey Office (Stanley_Seidenfeld@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
26 Federal Plaza, Room 3532
New York, NY 10278-0068
Telephone (212) 264-1290 or 1-800-496-4294
Fax (212) 264-9829 • TTY (212) 264-0927

For Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia

MID-ATLANTIC OFFICE (Wanda_Nieves@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107-9344
Telephone (215) 656-0662 or 1-888-799-2085
Fax (215) 656-3419 • TTY (215) 656-3450

For Alabama, the Caribbean, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee:

SOUTHEAST/CARIBBEAN OFFICE
(Gregory_L._King@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Five Points Plaza
40 Marietta Street, 16th Floor
Atlanta, GA 30303-2806
Telephone (404) 331-5140 or 1-800-440-8091
Fax (404) 331-1021 • TTY (404) 730-2654

For Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin:

MIDWEST OFFICE (Barbara_Knox@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Ralph H. Metcalfe Federal Building
77 West Jackson Boulevard, Room 2101
Chicago, IL 60604-3507
Telephone (312) 353-7776 or 1-800-765-9372
Fax (312) 886-2837 • TTY (312) 353-7143

For Arkansas, Louisiana, New Mexico, Oklahoma, and Texas:

SOUTHWEST OFFICE (Thurman G. Miles@hud.gov or Garry_L._Sweeney@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
801 North Cherry, 27th Floor
Fort Worth, TX 76102
Telephone (817) 978-5900 or 1-888-560-8913
Fax (817) 978-5876 or 5851 • TTY (817) 978-5595

For Iowa, Kansas, Missouri and Nebraska:

GREAT PLAINS OFFICE (Robbie_Herndon@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Gateway Tower II
400 State Avenue, Room 200, 4th Floor
Kansas City, KS 66101-2406
Telephone (913) 551-6958 or 1-800-743-5323
Fax (913) 551-6856 • TTY (913) 551-6972

For Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming:

ROCKY MOUNTAINS OFFICE (Sharon_L._Santoya@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
633 17th Street
Denver, CO 80202-3690
Telephone (303) 672-5437 or 1-800-877-7353
Fax (303) 672-5026 • TTY (303) 672-5248

For Arizona, California, Hawaii, and Nevada:

PACIFIC/HAWAII OFFICE (Charles_Hauptman@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Phillip Burton Federal Building and U.S. Courthouse
450 Golden Gate Avenue
San Francisco, CA 94102-3448
Telephone (415) 436-8400 or 1-800-347-3739
Fax (415) 436-8537 • TTY (415) 436-6594

For Alaska, Idaho, Oregon, and Washington:

NORTHWEST/ALASKA OFFICE (Judith_Keeler@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Seattle Federal Office Building
909 First Avenue, Room 205
Seattle, WA 98104-1000
Telephone (206) 220-5170 or 1-800-877-0246
Fax (206) 220-5447 • TTY (206) 220-5185

If after contacting the local office nearest you, you still have questions – you may contact HUD further at:

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
451 7th Street, S.W., Room 5204
Washington, DC 20410-2000
Telephone (202) 708-0836 or 1-800-669-9777
Fax (202) 708-1425 • TTY 1-800-927-9275

Privacy Act of 1974 (P.L. 93-579)

Authority: Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, (P.L. 100-430).


Purpose: The information requested on this form is to be used to investigate and to process housing discrimination complaints.

Use: The information may be disclosed to the United States Department of Justice for its use in the filing of pattern or practice suits of housing discrimination or the prosecution of the person who committed the discrimination where violence is involved; and to state or local fair housing agencies which administer substantially equivalent fair housing laws for complaint processing.

Penalty: Failure to provide some or all of the requested information will result in delay or denial of HUD assistance.

Disclosure of this information is voluntary.

For further information call the Toll-free Fair Housing Complaint Hotline 1-800-669-9777.
Hearing Impaired persons may call (TDD) 1-800-927-9275.



Amy Nelson
Fair Housing Center of Central Indiana

Executed on: 2/20/2018

Pamela A. Kisch

Pamela A. Kisch

Fair Housing Center of Southeast & Mid Michigan

ATTACHMENT A

1. Fair Housing Center of Southeast & Mid Michigan
P.O. Box 7825
Ann Arbor, MI 48107
1-877-979-3247

2. Fair Housing Center of Central Indiana
445 N Pennsylvania Street #811
Indianapolis, IN 46204
317-644-0673

ATTACHMENT B

1. Prentis Estates Apartments
1103 Latson Rd.
Howell, MI 48843
Livingston County
517-546-8200
2. Yorkshire Place Apartments
1504 Yorkshire Dr.
Howell, MI 48843
Livingston County
517-546-5900
3. Conklin Estates Apartments
1082 E Chicago Blvd.
Tecumseh, MI 49286
Lenawee County
517-423-3099
4. Culver Estates Apartments
140 Lauff Dr.
Milan, MI 48160
Monroe County
734-439-0600
5. Woodbury Estates Apartments
3100 S Winter St.
Adrian, MI 49221
Lenawee County
517-263-4687
6. Griswold Estates Apartments
900 Griswold Ct.
Auburn, IN 46706
DeKalb County
260-927-0197
7. Martin Estates Apartments
2301 Raleigh Blvd.
Shelbyville, IN
Shelby County
317-421-0693
8. Crosswait Estates Apartments
2208 N Wayne St.
Angola, IN 46703

Steuben County
260-668-4415

9. Grissom Estates Apartments
89 W Brinton St.
Cicero, IN 46034
Hamilton County
317-984-3391
10. Hornbrook Estates Apartments
5001 E. Riverside Dr.
Evansville, IN 47715
Vanderburgh County
812-475-2878

ATTACHMENT C—STATEMENT IN SUPPORT OF HUD COMPLAINT

INTRODUCTION

The Fair Housing Center of Southeast & Mid Michigan (“FHCSEM”) and the Fair Housing Center of Central Indiana (“FHCCI”) (collectively, “Complainants”) bring this joint, multi-jurisdictional complaint against Management Resources Development, Inc. (“MRD” or “Respondent”), a residential property management company that owns and/or manages multi-family apartment complexes in a number of states, including Michigan and Indiana, for its systemic and ongoing practice of familial status discrimination, in violation of the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*¹

After conducting an extensive investigation that concluded in December 2017, Complainants confirmed that Respondent enforces a strict, two-person per bedroom maximum occupancy policy at a number of its properties in Michigan and Indiana. Respondent enforces its policy regardless of the size or configuration of the apartment unit, the size of the unit’s bedrooms or other living areas, the age of the children, or any other factor. Respondent’s maximum occupancy policy is more restrictive than occupancy limitations imposed by applicable local law, which would allow more than two persons per bedroom to live in a number of its apartments.

Pursuant to Respondent’s occupancy policy, Respondent’s agents told each of Complainants’ testers—individuals who posed as prospective tenants seeking a two-bedroom apartment for their families of five occupants—that a couple with three children could not rent a two-bedroom unit, even though such units were available for rent. As the tested properties did not have three bedroom floorplans, the practical effect of Respondent’s occupancy policy was that these families were unable to rent from Respondent at all. Complainants’ investigation thus revealed that Respondent’s unreasonable policy operated both to exclude and limit the number of families with children who can live at Respondent’s properties and thus discriminates against and has a discriminatory adverse impact on families with children. Respondent’s discriminatory policy remains in effect.

LEGAL FRAMEWORK

In 1998, HUD issued guidance to housing providers concerning occupancy standards through a Notice of Statement of Policy. *See* Occupancy Standards Notice of Statement of Policy, 63 Fed. Reg. No. 245 (Dec. 22, 1998). Although HUD had previously advised that a “two-person per bedroom” occupancy policy was reasonable in some circumstances, HUD issued its Statement of Policy to make clear that it would not determine compliance with the FHA “based solely on the number of people permitted in each bedroom.” *Id.* at 70984. Rather, HUD’s guidance provides that in evaluating complaints of discrimination involving occupancy standards, it will “carefully examine any such nongovernmental restriction to determine whether

¹ Complainants have elected to file a joint complaint, as their respective investigations involve the same policy, maintained by the same Respondent, within the same HUD region (Region 5). In addition, Complainants’ allegations involve a systemic pattern and practice of housing discrimination. In similar circumstances, HUD has allowed complainants to file multi-jurisdictional complaints at the regional office for both the sake of efficiency and to investigate a systemic practice.

it operates unreasonably to limit or exclude families with children.” *Id.* at 70984-85. In conducting its “careful[] examination” HUD considers “the size and number of the bedrooms and other special circumstances,” including the age of the children, configuration of the unit, and whether or not the occupancy policy at issue reflects any requirements imposed by local law. *Id.* at 70985-86. In further elaborating on how it applies these factors in any given case, HUD specifically identifies a two-person per bedroom occupancy policy that, like Respondent’s policy, would prevent “a family of five who applied to rent an apartment with two large bedrooms and spacious living areas” as an example of a policy for which a charge of discrimination would be warranted. *Id.*

Complainants’ investigation reveals that Respondent MRD ignores the HUD guidance described above and instead enforces a rigid two-person per bedroom occupancy restriction that applies across-the-board and without exception. Specifically, Respondent enforces a two-person per bedroom policy (1) despite the fact that it offers large and spacious floor plans that could accommodate more than four occupants in a two-bedroom unit, (2) regardless of the age of the children, and (3) even though applicable building codes and property maintenance standards would permit families of at least five to live at the various complexes Complainants tested. The facts summarizing Complainants’ investigation and establishing Respondent’s discrimination are described in greater detail below.

PARTIES

Complainant Fair Housing Center of Southeast & Mid Michigan (“FHCSEM”) is a private, non-profit fair housing organization serving mid and southeastern Michigan whose mission is to end discrimination in housing and public accommodations and to promote accessible, integrated communities. FHCSEM undertakes various activities to further its mission, including assisting in the investigation of unlawful housing discrimination, educating the public and housing advocates about fair housing rights and requirements, and providing education and outreach for housing consumers and housing advocates.

Complainant Fair Housing Center of Central Indiana (“FHCCI”) is a private, non-profit fair housing organization whose mission is to ensure equal housing opportunities and eliminate housing discrimination through advocacy, enforcement, education, and outreach. To achieve its goals, FHCCI provides education programs, conducts trainings, and engages in other activities to increase fair housing knowledge among the public. FHCCI also conducts fair housing investigations and assists individuals and communities who have been impacted by unlawful housing discrimination.

Management Resources Development, Inc. (“MRD” or “Respondent”) is a property management and construction company with its headquarters in East Lansing, Michigan. MRD owns and/or manages over 9,000 properties, including apartment homes, in ten states. Based on Complainants’ investigation, MRD is responsible for the adoption and enforcement of the two-person per bedroom maximum occupancy policy at its properties.

In addition to MRD, this Complaint is intended to be filed against any other subsidiary or division of MRD that owns and/or manages any of the properties named or referred to in this Complaint or that is otherwise responsible for implementing, maintaining, and/or enforcing the challenged occupancy policy at these properties.

FACTUAL BACKGROUND

Summary of Complainants' Testing of Respondent

Between August 2016 and December 2017, Complainants conducted an investigation of Respondent that included testing at multiple properties Respondent owns and/or manages in Michigan and Indiana. "Testers" are individuals who pose as renters or homebuyers for the purpose of obtaining information about the conduct of landlords, property management companies, and other housing providers to determine whether illegal housing discrimination is taking place. Testing occurs under controlled conditions to target and isolate potentially unlawful conduct.

Complainants developed test profiles in which testers were instructed to contact Respondent posing as women seeking to rent two-bedroom apartments for their families of five, which included a spouse and three children.

Collectively, Complainants conducted testing at the following ten properties owned and/or managed by Respondent²:

- Prentis Estates Apartments (in Howell, Michigan)
- Yorkshire Place Apartments (in Howell, Michigan)
- Conklin Estates Apartments (in Tecumseh, Michigan)
- Culver Estates Apartments (in Milan, Michigan)
- Woodbury Estates Apartments (in Adrian, Michigan)
- Griswold Estates Apartments (in Auburn, Indiana)
- Martin Estates Apartments (in Shelbyville, Indiana)
- Crosswait Estates Apartments (in Angola, Indiana)
- Grissom Estates Apartments (in Cicero, Indiana)
- Hornbrook Estates Apartments (in Evansville, Indiana)

As instructed, Complainants' testers contacted the above-referenced properties and each spoke to an agent of Respondent. Each tester told Respondent's agent that she was interested in renting a two-bedroom apartment. At every property tested, Respondent's agent confirmed that a two-bedroom apartment was available or would become available in time for the tester's move.

After confirming that Respondent had a two-bedroom apartment available, the testers told Respondent's agent that there would be five people in the household (including themselves, a spouse, and three children). Each agent of Respondent at the above-referenced properties informed the testers that no more than four people could live in a two-bedroom apartment. At some properties, the agent characterized Respondent's policy as a "two heartbeats per bedroom" policy and at some others the agent simply stated that the property enforced a four person maximum for two-bedroom apartments. Regardless of how each individual agent articulated Respondent's policy, every agent at the tested properties informed Complainants' testers that their families of five could not rent any available two-bedroom units pursuant to their person-

² FHCSEM tested Respondent's properties in Michigan and FHCCI tested Respondent's properties in Indiana. FHCSEM conducted testing of Respondent in July, August, and September of 2016 and in December 2017; FHCCI conducted testing of Respondent in April and May of 2017.

per-bedroom occupancy rule. Instead, the agents informed each tester that she would need a three-bedroom apartment, but Respondent had no such apartments available for them. At some of the properties tested—including Yorkshire Place Apartments and Conklin Estates Apartments—the agent expressly stated that Respondent’s occupancy policy applied regardless of the age of the children.

While most of the agents that Complainants’ testers contacted did not provide any justification for this occupancy rule, at some of the properties tested—including Prentis Estates Apartments, Culver Estates Apartments, and Martin Estates Apartments—agents erroneously informed Complainants’ testers that their policy was somehow mandated by law. Respondent’s agent at Conklin Estates Apartments remarked that the tester would encounter similar policies at other apartment complexes.

After confirming that Respondent enforced a strict occupancy policy prohibiting families of five from renting two-bedroom apartment units, Complainants conducted additional investigation to ascertain whether such policies were unreasonable in light of HUD’s guidance. FHCSEM, for example, conducted additional testing in which it instructed testers (posing as married individuals without children) to visit Respondent’s Michigan properties in-person to obtain measurements to ascertain the size of the bedrooms. FHCCI conducted additional investigation and research to compile information concerning the floorplans and measurements for the properties in Indiana. Complainants’ additional investigation confirmed that Respondent’s policy is unreasonable and operates to limit and exclude families with children from renting at its properties, as described in more detail below.

Respondent’s Policy Is Unreasonable Under HUD’s Guidance

HUD’s Statement of Policy on Occupancy Standards provides a range of factors that HUD considers in determining whether nongovernmental restrictions on occupancy, like the policy at issue in this Complaint, operate unreasonably to limit or exclude families with children. Such factors include the size of the bedrooms and unit, the age of the children in the household, and whether the policy at issue reflects any requirements imposed by State or local law. *Id.* at 70985-86. Analysis of these factors in the instant case demonstrate that Respondent’s strict occupancy policy is unreasonable.

Size of the Unit and Bedrooms

Respondent offers large, two-bedroom floorplans at each of the tested properties. Respondent’s own websites for the properties at issue describe its two-bedroom apartment floorplans as “open” and “spacious.” *See* Exhibit 1. In a brochure it provides to prospective tenants, for example, Prentis Estates Apartments even describes its apartment homes as “oversized” and offers a “deluxe” two-bedroom model. *See* Exhibit 2. At each of the properties tested, Respondent’s, two-bedroom floor plans were between 960 and 1000 square feet overall. *See* Exhibit 3.

The bedrooms at the properties tested are large. Indeed, Woodbury Estates Apartments advertises that its master bedroom has “plenty of space” and that its two-bedroom apartment also

has a “large second bedroom.” *See* Exhibit 4. According to the information that FHCSEM and FHCCI gathered during the course of their respective investigations, the square footage of bedrooms at Respondent’s properties is as follows:

Table 1³

Property Tested	Total sq. ft. (advertised)	Bedroom 1 sq. ft.	Bedroom 2 sq. ft.
Prentis Estates	960	250	144
Yorkshire Place	960-1000	172	128
Conklin Estates	960	164	114
Culver Estates	960	155	119
Woodbury Estates	960	169	118
Griswold Estates	960	187	130
Martin Estates	960	164	130
Crosswait Estates	960	164	130

Notably, according to measurements that FHCSEM obtained during its investigation, Prentis Estates Apartments has a bedroom that is 250 square feet, yet Respondent enforces the same occupancy policy at that property as it does elsewhere, confirming that Respondent does not at all consider the size of the unit’s bedrooms in setting its occupancy standards.

As confirmed by the floorplans and measurements Complainants obtained, Respondent offers spacious floorplans with large bedrooms. Accordingly, this is the precise scenario described in HUD’s guidance as a circumstance under which unlawful discrimination may be at play—an instance in which “a family of five...applied to rent an apartment with two large bedrooms and spacious living areas” and was denied housing pursuant to a two-person per bedroom occupancy policy. Nonetheless, Complainants’ evidence establishes that Respondent continues to enforce its restrictive occupancy policy, despite HUD’s guidance.

Age of the Children

Respondent’s agents at Yorkshire Place Apartments and Conklin Estates Apartments specifically told Complainants’ testers that Respondent’s policy applies regardless of the age of the children. HUD’s guidance identifies a scenario in which a housing provider would not allow a couple to share a room with their infant child as a circumstance in which a charge of discrimination may be warranted. *See* Occupancy Standards Notice of Statement of Policy, 63 Fed. Reg. No. 245 at 70985.

It is important to clarify that Complainants’ position in the instant matter is that Respondent can accommodate at least five persons in its two-bedroom apartments, regardless of the age of the children in the household, based on the specific size and layout of the apartments

³ Specific dimensions for bedrooms at Grissom Estates and Hornbrook Estates were not available at the time of filing. However, both of these apartment complexes offer 960 square foot apartments with similar layouts to Respondent’s other properties in Indiana, *See* Exhibit 3, and thus Complainants believe that the bedrooms at these complexes are similar in size to Respondent’s other properties identified in Table 1.

at the tested properties. However, the fact that Respondent's restrictive policy applies regardless of the age of the children in the household illustrates its unreasonableness. Indeed, in Complainants' experience, many housing providers do not even count infants or very young children as "occupants" in setting occupancy policies, recognizing that these children often share a room with their parents. Respondent does not make any such exception.

State and Local Law

In determining whether an occupancy policy discriminates against families with children, HUD also considers the operation of State and local law. Where a housing provider's occupancy policies merely reflect the occupancy requirements imposed by State or local law, HUD would consider that law as a "special circumstance" tending to indicate that the housing provider's policies are reasonable. *See* Occupancy Standards Notice of Statement of Policy, 63 Fed. Reg. No. 245 at 70986. On the flip side, HUD has issued charges of discrimination against housing providers for rigidly enforcing a two-person per bedroom occupancy policy where the occupancy policy at issue was more restrictive than the applicable local occupancy code. *See, e.g., Sec'y v. Draper and Kramer, Inc.*, 2006 WL 2848628 (HUDALJ Sept. 21, 2006) (HUD charge of discrimination alleging that respondents' no more than two-person per bedroom policy was unreasonable, which resulted in a consent order); *Sec'y v. Insignia Fin. Grp., Inc.*, 1997 WL 768229 (HUDALJ Dec. 12, 1997) (HUD charge of discrimination alleging that respondents' refusal to rent a two-bedroom unit to a couple with three minor children constituted unlawful discrimination under the FHA, which resulted in a consent order); *Sec'y v. Peppertree Apartments*, 1994 WL 681054 (HUDALJ Nov. 10, 1994) (consent order defining an "unreasonable" occupancy policy as a policy that is more restrictive than local occupancy code and enjoining respondents from adopting such a policy).

Here, Complainants' investigation revealed that Respondent's occupancy policy is more restrictive than applicable local occupancy codes, which would permit at least five people to occupy a two-bedroom unit at Respondent's properties.

To provide a few example of the manner in which Respondent's policy is more restrictive than applicable local codes, Tecumseh, Michigan (where Respondent's Conklin Estates Apartments is located) has a Code of Ordinances that provides occupancy limitations for the City. Specifically, the City of Tecumseh has adopted the requirements of the BOCA National Property Maintenance Code of 1993 ("BOCA 1993"). *See* § 14-181 Tecumseh, Michigan Code of Ordinances. With respect to occupancy limitations for bedrooms, BOCA 1993 provides that "every room for sleeping purposes by more than one person shall contain at least 50 square feet...of floor area for each occupant thereof." § 405.3.⁴ As Table 1 illustrates, Bedroom 1 at Conklin Estates is 164 square feet and Bedroom 2 is 114 square feet. Because all that is required under the applicable local code is 50 square feet of space per occupant in a bedroom, under BOCA 1993, three individuals can occupy Bedroom 1 and two can occupy Bedroom 2—for a total of five occupants. Yet Respondent would not permit a couple with three children to live at Conklin Estates Apartments.

⁴ The space requirements for living rooms, dining rooms, and kitchens, under BOCA 1993 are the same for four occupants as they are for five occupants and thus do not provide any justification for Respondent's policies.

Culver Estates Apartments is in Monroe County, Michigan. Occupancy standards for Monroe County are set by the 2012 International Property Maintenance Code (“IPMC 2012”), a universal, model code that imposes occupancy limitations by room. Like BOCA 1993, per IPMC 2012, every bedroom occupied by more than one person must contain a minimum of 50 square feet per occupant. § 404.4.1.⁵ As provided in Table 1, Culver Estates Apartments has a two-bedroom apartment that can accommodate three persons in one bedroom (155 square feet) and two persons in the other (119 square feet). Accordingly, per local code, Respondent could lawfully house five persons in its two-bedroom apartment at Culver Estates Apartments, yet Respondent told the tester who contacted it seeking housing for her family of five that she could not rent a unit there because of its occupancy policy.

Similarly, the local code in Auburn, Indiana, where Respondent’s Griswold Estates Apartments is located, would allow more than four persons to occupy Respondent’s two-bedroom apartments at that complex. The City of Auburn, Indiana has a housing code that provides occupancy standards similar to those provided for by BOCA 1993 and IPMC 2012 outlined above. That is, in the City of Auburn, every room occupied for sleeping purposes by more than one person must also contain at least 50 square feet of floor space for each occupant. City of Auburn Housing Code § 158.07(B). Additionally, each unit is required to contain at least 150 square feet of floor space for the first occupant, and at least 100 square feet of additional floor space for each additional occupant. *Id.* at § 158.07(C). The two-bedroom floorplans at Griswold Estates Apartments can accommodate five occupants under those requirements. *See* Table 1.

As a final example of the manner in which Respondent’s policies are more restrictive than requirements imposed by local codes, consider the local occupancy code for Shelbyville, Indiana where Respondent’s Martin Estates Apartments is located. The City of Shelbyville has a Code of Ordinances, which provides that “every room occupied for sleeping purposes by more than one occupant shall contain at least 35 square feet of floor space for each occupant.” §153.10(CC). Under this standard, four people can lawfully occupy Bedroom 1 (which is 164 square feet) and three people can occupy Bedroom 2 (which is 130 square feet), for a total of seven occupants. *See* Table 1. Yet Respondent would not allow even a family of five to rent a two-bedroom apartment at Martin Estates Apartments.

These examples illustrate that far from reflecting requirements imposed by local law, Respondent enforces an occupancy policy that is more restrictive than applicable local codes and is thus unnecessarily and unduly restrictive.

* * *

As described in greater detail above, Complainants’ respective investigations confirmed that Respondent enforces a strict and unreasonable maximum occupancy policy at the tested properties in Michigan and Indiana. Respondent enforces this policy without regard to any of the factors that HUD has instructed housing providers to consider—such as the size of the unit or any limitations imposed by the local occupancy code. Respondent’s policy has a predictable and

⁵ Again, the minimum area requirements for living rooms and dining rooms under the IPMC are the same for units occupied by 4 people as they are for units occupied by 5 and, accordingly, do not justify MRD’s two-person per bedroom occupancy restriction.

disparate impact on families with children, as families with children are significantly more likely to be affected by policies that limit the number of people who can live in an apartment unit.

There is no legitimate business necessity for Respondent's policy. While preventing overcrowding is a legitimate concern for housing providers, local occupancy codes are similarly enacted to prevent overcrowding and protect the health and safety of occupants of a dwelling. As detailed above, Respondent's policy operates to be more restrictive than local occupancy codes. Certainly, conforming their policy to the limitations imposed by the local occupancy code for families with children would be a less discriminatory alternative to the current, across-the-board two-person per bedroom policy, as it would increase the number of families with children eligible to rent units in its communities. Absent any legitimate business necessity for its practices, Respondent's rigid occupancy policy violates the FHA.

INJURY CAUSED BY RESPONDENT

Respondent's occupancy policy operates to both exclude and limit the number of families with children who are eligible to live in its apartment complexes. As a result of Respondent's discriminatory conduct, prospective tenants in the communities that Complainants serve have been, and continue to be, significantly injured.

Complainants have also been directly harmed by Respondent's discrimination. Complainants had to devote significant resources to investigate and counteract Respondent's discriminatory occupancy policy. In order to investigate Respondent's conduct at ten different properties, Complainants had to invest substantial time to coordinate testing, analyze the tests conducted, and research and analyze local occupancy codes. In order to complete these tasks, Complainants had to divert their scarce resources from other activities, such as education and outreach, client counseling, and community development. Further, Respondent's discriminatory practices have frustrated Complainants' missions of ensuring that all people within their respective jurisdictions have equal access to housing opportunities regardless of familial status. As Respondent's practices are ongoing, Complainants' injuries continue to accrue.

Dated: February 28, 2018

EXHIBIT

1

Yorkshire Place Apartments

Howell, MI

2 Bedroom Floorplan

TWO BEDROOM FLOOR PLAN

Here is a spacious apartment offering you plenty of space, whether you need the extra bedroom for your family or just need the home office this is a great option



✕ CLOSE

WELCOME TO CROSSWAIT ESTATES APARTMENTS



TAKE A QUICK TOUR ([HTTPS://YOUTU.BE/7YXPHUDFFX8](https://youtu.be/7YXPHUDFFX8))

CROSSWAIT ESTATES APARTMENTS

NESTLED IN THE HEART OF ANGOLA, INDIANA. OFFERING SPACIOUS ONE AND TWO-BEDROOM APARTMENTS PROVIDING ALL OF THE COMFORTS YOU COULD DESIRE. FULLY EQUIPPED KITCHENS, WASHER/DRYER HOOKUPS, PRIVATE LAUNDRY ROOMS, LARGE WALK-IN CLOSETS AND CUSTOM MINI-BLINDS ON ALL WINDOWS. ANGOLA OFFERS THE ADVANTAGES OF LIVING IN A QUAIN T COMMUNITY WHILE STILL HAVING ALL THE AMENITIES OF A METROPOLITAN AREA. CHOOSE CROSSWAIT ESTATES, THE BEST CHOICE FOR LIVING IN THE COMFORT YOU DESERVE. OUR PROFESSIONAL MANAGEMENT TEAM IS HERE FOR YOU. CROSSWAIT ESTATES APARTMENTS WILL OFFER THE CARE-FREE LIFESTYLE YOU DESERVE.

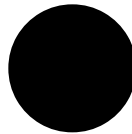
WE LOOK FORWARD TO WELCOMING YOU HOME.

APPLY
ONLINE
NOW

ENJOY THIS WINTER WITH OUR COMPLEMENTARY UTILITIES

FREE HEAT, WATER AND SEWER

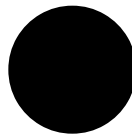
AMENITIES



Floor Plans

One Bedroom, One Bathroom

Two Bedrooms, One Bathroom



Community Amenities

Professional On Site Management

Professional On Site Maintenance

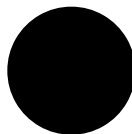
Convenient On Site Laundry Machines

Children Playground

Paved Parking

Landscaped Outdoor Spaces

Free Trash Removal



Apartment Amenities

Open Floor Plans

Fully Equipped Kitchens

Breakfast Bar

Air Conditioning

Free Heat, Water, Sewer

Large Walk-in Closets

Online Payments

Pet Friendly Atmosphere*

*Some restrictions may apply

[REQUEST MORE INFORMATION](#)

FLOOR PLANS

We offer two floor plan options to choose from

Rates and Availability

*actual availability subject to change without notice

Unit Type	Available	Min	-	Max
1st Floor One Bedroom One Bath	0	\$760.00	-	\$760.00
1st Floor Two Bedroom One Bath	0	\$835.00	-	\$865.00
2nd Floor Two Bedroom One Bath	0	\$780.00	-	\$795.00
3rd Floor Two Bedroom One Bath	1	\$780.00	-	\$795.00



ONE BEDROOM AND ONE BATHROOM

Offering 700sq feet of living space for you to call home

EXHIBIT

2

PrentisEstates

Apartment

Welcome to your new home at Prentis Estates... Our community is everything you could ask for and more. Our apartment homes are oversized with open floor plans. Plus, spacious closets and washer & dryer connections make life simple. Our convenient location offers direct access to I-96, the east/west connection and US-23, the north/south connection. Prentis Estates is only minutes away from major employment, shopping and entertainment centers, while you can still enjoy real country surroundings at home.

Our professional management team and 24 hour maintenance will maintain a carefree life-style for you, while providing all the comforts of home.

Experience "home" at Prentis Estates.

EXHIBIT

3

PrentisEstates

Apartments

Welcome to your new home at Prentis Estates... Our community is everything you could ask for and more. Our apartment homes are oversized with open floor plans. Plus, spacious closets and washer & dryer connections make life simple. Our convenient location offers direct access to I-96, the east/west connection and US-23, the north/south connection. Prentis Estates is only minutes away from major employment, shopping and entertainment centers, while you can still enjoy real country surroundings at home.

Our professional management team and 24 hour maintenance will maintain a carefree life-style for you, while providing all the comforts of home.

Experience "home" at Prentis Estates.

FloorPlan

TWO BEDROOM*
APPROXIMATELY 960 SQ. FT.



Floor Plan Renderings May Vary

YorkshirePlace

Apartments

Welcome to Yorkshire Place Apartments, nestled in the heart of Howell.

Yorkshire Place Apartments offers spacious one and two bedroom apartments. Our apartment homes provide all of the comforts you could desire; fully equipped kitchens, washer/dryer hook-ups, large walk-in closets and balconies on patios. Select apartments have beautiful upgrades like custom cabinets and granite counter tops.

Our convenient location offers easy access to both I-96, which travels East to Detroit and West to Lansing, and US 23, which travels North to Flint and South to Ann Arbor.

Our professional management team is here for you. Yorkshire Place Apartments offers the care-free lifestyle you deserve.

FloorPlan

ONE BEDROOM*
APPROXIMATELY 850 SQ. FT.



FloorPlan

TWO BEDROOM*
APPROXIMATELY 1000 SQ. FT.



Floor Plan Renderings May Vary

ConklinEstates

Apartments

Conklin Estates offers spacious one and two bedroom apartment homes featuring a full bath, a comfortable living area, dining room, kitchen, washer/dry hookups, and large walk-in closets. All this so you do not have to compromise space for the convenience of leasing.

Conklin Estates is named for Tecumseh's highest ranking civil war hero, Captain James M. Conklin. Our professional management staff will captivate you by maintaining a carefree life-style for you. All your apartment maintenance needs will be provided.

Nestled in a quiet country setting yet convenient to all area shopping, schools and public services, Conklin Estates has location, location, location. Founded in 1824 by a band of Pioneers from New York, the city of Tecumseh has grown and expanded into many industries over the years. This quaint little town is located 30 minutes from both Ann Arbor and Toledo. Tecumseh is quickly being noticed by residents in these areas as a great place to live, offering historical architecture and a small town atmosphere. In addition, Tecumseh's school district is considered one of the top districts in the state.

In the open countryside there is much to see, the scenic Irish Hills, lakes and creeks for swimming and fishing, fertile fields of large and small farms, recreational facilities, such as golf, tennis, skiing and snowmobiling. Experience modern living in a small town atmosphere at Conklin Estates in Tecumseh.

FloorPlan

TWO BEDROOM*

APPROXIMATELY 960 SQ. FT.



Floor Plan Renderings May Vary

CulverEstates

Apartments

Welcome to Culver Estates Apartments, named after the Civil War veteran George H. Culver. He served with General Custer in the 7th Michigan Calvary unit.

We offer spacious 1 & 2 bedroom floor plans that provide all of the comforts you could desire. Modern G.E. Appliances, including a dishwasher and garbage disposal, as well as the huge walk-in closets are just a few things that set us above the rest.

Milan is known as a community of "History" and "Technology." Located only minutes from two major state colleges, Eastern Michigan University in Ypsilanti and the University of Michigan in Ann Arbor. In Milan, education is the number one priority. We are proud of our schools and the community support they receive.

Weekend fun may include the excitement of Milan Dragway, one of the premier racetracks in the Midwest, or a quiet stroll through the more than 200 acres of parks. You will find fields of strawberries and tomatoes, farm markets and bountiful orchards. Freshly pressed cider and warm donuts signal autumn's arrival. A trip to Jorgenson's pumpkin patch is an October must!

Choose Culver Estates, the only choice for living in the luxury you deserve!

FloorPlan

TWO BEDROOM*

APPROXIMATELY 960 SQ. FT.



Floor Plan Renderings May Vary

Woodbury Estates

Apartments

Woodbury Estates Apartments offer you spacious one and two bedroom apartments featuring oversized living room and dining areas, European-styled kitchens, walk-in closets, washer/dryer hook-ups and a Master bath with a spacious linen closet.

At Woodbury Estates, you will enjoy gracious living within a relaxed atmosphere, yet within walking distance of many stores, restaurants and financial institutions.

Woodbury Estates offers you a home to enjoy after a hectic day... Woodbury is the perfect place to be... no lawn to mow... no snow to shovel. Our professional management staff will maintain a carefree environment for you.

In the open countryside surrounding Woodbury there is much to see and do. The scenic Irish Hills, lakes and creeks are yours to enjoy for fishing, swimming, and boating. You will be just minutes from a canoe livery, numerous golf courses, theaters, walking trails, tennis courts and fitness centers.

Woodbury Estates offers you the best of both worlds – small town atmosphere surrounded by resort class amenities.

FloorPlan

TWO BEDROOM*

APPROXIMATELY 960 SQ. FT.



Floor Plan Renderings May Vary

Griswold Estates

Apartments

Welcome to Auburn, "Home of the Classics." A great place to visit with historic homes, classic car museum, and a serenity accorded to a rural community.

Making Auburn your home may well be the nicest thing you will do for yourself. Excellent schools, thriving industry, modern medical facilities, and overall feeling of well being.

Auburn is the business center of DeKalb County. There are over 16 major industries, and over 200 small businesses with easy access to major highways. The area boasts of comfort pools, sports fields, the YMCA, an 18 hole golf course, and several colleges all within 25 miles.

Choose Griswold Estates Apartments, the best choice for living in the comfort you deserve.

FloorPlan

TWO BEDROOM*
APPROXIMATELY 960 SQ. FT.



Floor Plan Renderings May Vary

MartinEstates

Apartments

Welcome to Martin Estates Apartments, named after the ten Martin brothers, sons of Lewis and Nancy (Simpson) Martin, from Shelby County who served the Union Army in the Civil War.

Shelbyville, the county seat of Shelby County, offers the advantage of living in a hometown atmosphere, while only 15 miles from Indianapolis where big city life is accessible. Shelbyville is home to various major industries, a hospital, several excellent schools and just minutes from colleges and universities. There are 10 parks, 2 swimming pools, a community center and golf course.

Choose Martin Estates Apartments, The Best choice for living in the comfort you deserve.

FloorPlan

TWO BEDROOM*
APPROXIMATELY 960 SQ. FT.



Floor Plan Renderings May Vary

CrosswaitEstates

Apartments

Welcome to Crosswait Estates Apartments named after Angola Civil war hero Lieutenant Colonel Baldwin J. Crosswait.

Today, Angola is a boomtown. Angola offers the advantages of living in a quaint community while still having all the amenities of a metropolitan area. Angola is an attraction for industry, the lakes, and location near the intersection of Interstate I 69 and the Indiana Toll Road. The city is in the heart of the lakes region. Its central location in the county means people are no more than 15 minute drive from any of the county's 101 lakes.

Angola is also served by three shopping centers. There is also the famous "Prime Outlets" in Fremont which features over 50 stores and still expanding.

The Steuben county school system provides a quality education for the children and young of Angola. College education is also offered by Tri-State University which offers programs in engineering, arts and sciences. Choose Crosswait Estates Apartments, the best choice for living in the comfort you deserve.

FloorPlan

TWO BEDROOM*

APPROXIMATELY 960 SQ. FT.



Floor Plan Renderings May Vary

GrissomEstates

Apartments

Welcome to Grissom Estates Apartments, named after Cicero Civil War hero Captain Joseph C. Grissom.

Grissom was a Second Lieutenant commissioned August 15, 1864, in Company H of the 130th Regiment. He was first promoted to Chaplain and then to Captain on September 1, 1865. He Mustered In October 16, 1865, and Mustered Out with the Regiment December 2, 1865.

Conveniently located near Indianapolis, Cicero offers a hometown atmosphere with all the amenities you desire. Convenient schools, parks, churches, and shopping make Grissom Estates the place for you to enjoy the comforts that you deserve.

FloorPlan

TWO BEDROOM*
APPROXIMATELY 960 SQ. FT.



Floor Plan Renderings May Vary

HornbrookEstates

Apartments

Welcome to Hornbrook Estates Apartment Homes, named for Colonel Hornbrook, one of the many enlisted men from Vanderburgh County who rose to a rank of distinction in the Civil War.

Hornbrook Estates Apartment Homes offer exquisitely designed one and two bedrooms. Our apartment homes provide all the comforts and conveniences you deserve. Fully equipped kitchens, washer dryer connections, private laundry rooms, large walk-in closets and custom blinds on all windows are just a few of our fantastic features.

Our convenient location makes Hornbrook Estates Apartment Homes the perfect choice for you. Nestled in a superior location on the east side of Evansville, you will enjoy a fabulous country setting only seconds from 164, shopping centers, restaurants and numerous other conveniences. Our Professional 24 hour Management and Maintenance Team is here for you. Hornbrook Estates Apartment Homes will offer you the carefree lifestyle you have been searching for.

FloorPlan

TWO BEDROOM*
APPROXIMATELY 960 SQ. FT.



Floor Plan Renderings May Vary

EXHIBIT

4

REQUEST MORE INFO

GALLERY



Exterior

Attractive Building Design



Welcome

Your Home.



Picnic Area

Great Place to Hang Out



Playground

A Place to Play



Living Room

Open Living Space



Master Bedroom

Plenty of Space



Kitchen

Fully Equipped Kitchen



Bathroom

Large Full Bathroom



Second Bedroom

Large Second Bedroom

**APPLY
ONLINE
NOW**