

**SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

EQUAL RIGHTS CENTER

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

Plaintiff,

v.

Case No. 2025-CAB-002577

UDR, INC.

1745 Shea Center Drive
Suite 200
Highlands Ranch, CO 80129

Registered agent:
Corporation Service Company
1156 15th Street NW
Suite 605
Washington, DC 20005

UM 500 PENN STREET, NE, LLC

1221 Main Street
Suite 1000
Columbia, SC 29201

Registered agent:
CT Corporation System
1015 15th Street NW
Suite 1000
Washington, DC 20005

UDR 500 PENN LLC

1745 Shea Center Drive
Suite 200
Highlands Ranch, CO 80129

Registered agent:
Corporation Service Company
1156 15th Street NW
Suite 605
Washington, DC 20005

Defendants.

COMPLAINT

1. Plaintiff the Equal Rights Center (“ERC”) brings this action against UDR, Inc., (“UDR”), UM 500 Penn Street, NE, LLC, and UDR 500 Penn LLC (together, “Defendants”) to challenge Defendants’ implementation of rental application requirements at their Washington, D.C. residential apartment properties that unlawfully discriminate on the basis of applicants’ source of income and criminal legal history. These policies shut eligible tenants out of housing in violation of the D.C. Human Rights Act (“DCHRA”) and the D.C. Fair Criminal Record Screening for Housing Act of 2016 (“DCFCRSHA”). Because they violate these laws in the context of a consumer transaction, *i.e.*, rental housing, ERC challenges these policies pursuant to the D.C. Consumer Protection Procedures Act (“DCCPPA”).

INTRODUCTION

2. The District of Columbia is experiencing a dire housing crisis for low-income tenants. Market-rate housing is out of reach, and there are not enough affordable units to keep up with demand. Many native Washingtonians—who are predominantly Black—have been pushed into neighborhoods far from basic necessities like grocery stores, public transportation and well-resourced schools, or have been pushed out of D.C. altogether.

3. Unlawful discrimination on the basis of source of income (*i.e.*, using government-backed vouchers to pay for housing) and old criminal records exacerbates these problems for many low-income tenants.

4. Housing vouchers are a critical tool for alleviating homelessness and increasing housing choice for low-income tenants.

5. Recognizing their importance, the District of Columbia has enacted provisions of the DCHRA that protect housing voucher holders against discrimination on the basis of their

source of income, including provisions prohibiting housing providers from implementing unnecessary screening requirements that exclude these applicants.

6. Similarly, stable housing is a necessity for the long-term success of individuals with criminal records, including those returning home from prison or jail. Without housing, individuals with criminal records may be caught in a cycle of homelessness, poverty, and re-incarceration.

7. In recognition of these realities, the D.C. Council passed the DCFCRSA to allow people with criminal records an opportunity to access adequate housing without fear of discrimination long after any offense or on the basis of a conviction unrelated to their ability to be a successful tenant.

8. The DCFCRSA significantly limits when a housing provider may inquire about or consider a housing applicant's pending criminal accusation or criminal conviction. In particular, the DCFCRSA prohibits a housing provider from inquiring about or considering a pending criminal accusation or criminal conviction that is more than seven years old or that is not included on a limited and specifically enumerated list of offenses. D.C. Code § 42-3541.02(d).

9. Being able to apply for and receive housing without the threat of discrimination is a necessity for all people, and D.C. laws recognize and protect this essential right for the city's residents.

10. In open defiance of D.C. fair housing and consumer protection laws, Defendants UDR, UM 500 Penn Street, NE, LLC, and UDR 500 Penn LLC have implemented discriminatory policies that illegally exclude rental housing applicants using housing vouchers and applicants with criminal records. They have used these discriminatory policies at The MO apartment complex and at other apartment buildings they own and manages throughout the District of Columbia. These screening policies shut families out of housing opportunities without any legitimate basis and in

violation of D.C. law and, because they violate the DCHRA and DCFCRSHA, constitute unlawful discrimination in violation of the DCCPPA.

11. Accordingly, the ERC brings this action on behalf of the interests of a class of consumers, namely prospective renters in D.C. seeking to rent with the assistance of a voucher and/or who have prior criminal records.

PARTIES

12. **Plaintiff ERC** 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. The ERC is the only private fair housing organization dedicated to serving the entire greater Washington, D.C. region. 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.

13. **Defendant UDR** is a corporation headquartered in Highlands Ranch, Colorado, organized and existing under the laws of Maryland, and doing business in Washington, D.C. UDR is a large national real estate investment trust that manages, buys, sells, and develops multi-family real estate communities all over the United States, including 25 apartment communities it owns and/or manages in the D.C. metropolitan area alone. UDR operates and/or manages The MO, located at 440 Penn St., NE in Washington, D.C.

14. **UM 500 Penn Street, NE, LLC** a limited liability company headquartered and organized under the laws of South Carolina and doing business in Washington, D.C. It is an entity

of Edens GP, LLC and, upon information and belief, is one of the owners of The MO. Upon information and belief, it is engaged in the business of rental housing and retains certain responsibilities related to the operation and/or management of The MO.

15. **Defendant UDR 500 Penn LLC** is a limited liability company organized under the laws of Delaware. It was once a subsidiary of UDR and, upon information and belief, is currently one of the owners of The MO. Upon information and belief, it is engaged in the business of rental housing and retains certain responsibilities related to the operation and/or management of The MO.

JURISDICTION AND VENUE

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

17. This Court has jurisdiction over Defendants pursuant to D.C. Code § 13-423(a)(1) because Defendants transact business and manage real property in the District of Columbia. The discriminatory conduct at issue in this litigation arises out of these business activities.

FACTUAL BACKGROUND

A. Voucher Programs in the District

18. The Housing Choice Voucher Program (“Voucher Program”), also known as Section 8, is a federally-funded housing subsidy program designed to allow low-income families to obtain safe, decent, and affordable housing in the neighborhoods of their choice. Currently assisting more than two million American families, including roughly 11,500 households in the District, the Voucher Program is the largest rental-assistance program administered by the U.S. Department of Housing and Urban Development (“HUD”). In D.C., the designated program administering the Voucher Program is the District of Columbia Housing Authority (“DCHA”).

19. Vouchers are tenant-based subsidies that are not linked to any particular housing complex, building, or unit, but rather enable each family with a voucher 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 DCHA) and a percentage of the voucher holder's income. When DCHA issues a housing voucher, it also notifies the voucher holder of their potential monthly rent. If the total rent plus utilities for a unit is below the applicable payment standard, then the voucher holder's monthly rent will generally be 30% of the household's monthly income.

20. The 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 access to public transportation, grocery stores, green spaces, well-performing schools, and cultural enrichment. Obtaining a voucher can provide an unhoused or low-income resident of D.C. with a direct path to housing and enable integration in mixed-income neighborhoods. The success of the Voucher Program depends in large part on the ability of renters to obtain housing in mixed income neighborhoods, as well as the participation of landlords on the private housing market.

21. 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 of color 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. Vouchers are especially important in rapidly gentrifying areas like the Union Market neighborhood, where The MO is located.

22. In the District, Black households comprise a disproportionate number of voucher holders. Specifically, nearly all voucher recipients are Black (95%), even though Black residents comprise less than half of the total population of the District (only 44%). In contrast, almost 40%

of the District population is white and non-Hispanic, but virtually no voucher holders are white and non-Hispanic (approximately 2%).

23. Vouchers are also time-limited and can generally only be used for a short period after they are issued. Applicants for vouchers are placed on years-long waiting lists but only have 120 days to find an apartment once they finally receive a voucher, unless they can obtain an extension on their voucher expiration date.

24. Discrimination against voucher holders is thus particularly harmful because discriminating housing providers not only illegally deny voucher holders housing, but applications to these providers eat up valuable time that a voucher holder can ill afford to lose.

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

B. DCHRA's Source of Income Protections

26. The DCHRA prohibits housing providers from denying housing or otherwise limiting the availability of housing to an applicant because of the applicant's "source of income," D.C. Code § 2-1402.21(a)(1), including the fact that the applicant is a voucher holder, *see id.* § 2-1401.02(29) ("'Source of income'... includ[es]... money... from federal or District payments...."). The DCHRA likewise prohibits housing providers from making statements or representations that such a denial or limitation is being made. *Id.* § 2-1402.21(a)(5).

27. In 2022, the D.C. Council passed the Eviction Record Sealing Authority and Fairness in Renting Amendment Act ("ERSAFRAA"), which, among other things, strengthens protections for renters with housing vouchers. In particular, the ERSAFRAA amended the DCHRA to prohibit housing providers from denying housing to voucher holders based on the voucher holder's income level, credit score, and credit issues or prior rental history involving

nonpayment or late payment of rent that occurred when the applicant did not have a voucher. *Id.* § 2-1402.21(g)(1)(A)-(C). The DCHRA likewise prohibits providers from making statements or representations that such a denial or limitation is being made. *Id.* §§ 2-1402.21(a)(5), (g)(1)(A)-(C).

28. The Act's Racial Equity Impact Assessment expressly recognized this provision's benefits to racial equity in D.C.: "Since 98% of District renters with a housing voucher (or income-based housing subsidy) are people of color, this provision **has the potential to improve housing outcomes** for Black residents, Indigenous residents, and other residents of color."

C. Overview of Criminal Records Screening and the DCFCRSA Protections

29. The U.S. criminal legal system is an omnipresent force that impacts many lives across the country, including individuals attempting to obtain rental housing in the District.

30. A criminal record poses an additional barrier to accessing affordable housing for those involved in the criminal legal system, placing them at risk of housing instability, homelessness, and, ultimately, recidivism.

31. Yet many housing providers implement overly broad criminal background check policies, including policies that exclude individuals with stale records or convictions entirely unrelated to their potential for successful tenancy. These policies and practices create barriers for people with criminal records, many of whom may be already disadvantaged in the housing market.

32. The criminal legal system disproportionately affects communities of color, and Black people in particular, through more stops by police, arrests, and convictions, as well as longer sentences.

33. Recognizing this racial disparity, HUD issued guidance in 2016 stating that overly broad criminal record 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.”

34. Washington, D.C. is no exception. 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.”

35. Racial disparities in criminal conviction rates in D.C. are just as stark. In 2019, Black individuals comprised 89% of the total incarcerated population of the District, but only 44% of the general District population. In contrast, white individuals comprised 37% of the general District population, but only 5% of the total incarcerated population of the District. These disparities have been persistent and enduring over time such that they are reflected in the proportions of District residents with criminal records.

36. As a result of discrimination based on criminal records, individuals with such records face a significant obstacle in obtaining safe and affordable housing in the District.

37. The DCFCRSA provides that housing providers may only inquire about or consider pending criminal accusations or criminal convictions that have occurred within the past seven years. D.C. Code § 42-3541.02(d). They can also only make this inquiry into someone’s criminal history after making a conditional offer of housing. *Id.* §§ 42-3541.02(b), (d). Even then, the housing provider may consider only a pending criminal accusation or criminal conviction that falls within a list of enumerated offenses, including aggravated assault, arson, murder, robbery, fraud, and various other offenses. *Id.* §§ 42-3541.02(d)(1)-(48). Finally, a housing provider may

only deny a rental application based on the above record if the provider determines, after an individualized assessment on balance of certain enumerated factors, that the denial “achieves a substantial, legitimate, nondiscriminatory interest.” *Id.* § 42-3541.02(e).

D. Defendants’ Operations in the District of Columbia

38. During the time period relevant to this action, Defendants operated, controlled, supervised, and/or managed, either directly or indirectly, The MO, which consists of residential apartments located at 440 Penn St., NE, Washington, D.C. 20002, located near Union Market.

39. Defendants in the ordinary course of business lease housing to tenants and/or otherwise operate rental housing.

40. As the owners, operators, or managers of residential real estate, Defendants and their agents are required to comply with anti-discrimination laws, including the DCHRA and the DCFCRSHA, and consumer protection laws, including the DCCPPA.

E. ERC’s Mission and Activities

41. The ERC’s mission is to identify and eliminate discrimination in the Washington, D.C. metro area, including the District. Specifically, it is dedicated to promoting equal opportunity in the provision of housing and public accommodations.

42. In particular, one of its primary purposes is to protect consumers seeking housing in the District of Columbia from discrimination based on protected characteristics, including source of income and criminal record history.

43. The ERC’s activities include assisting individuals in the area who have experienced housing discrimination, including helping them file fair housing complaints and independently investigating allegations of housing discrimination.

44. In connection with its multi-disciplinary Fair Housing Program dedicated to advancing equal housing opportunities in the District, the ERC also 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.

45. In addition, the ERC has grants from HUD to conduct fair housing education and outreach. The ERC often conducts these education and outreach trainings at DCHA briefings for voucher holders.

F. ERC's Investigation of Discrimination at The MO

46. Civil rights testing is an investigative tool used to gather evidence, usually to compare the conduct of the target of the testing to the applicable antidiscrimination laws. Fair housing testing involves one or more testers' engaging in a transaction or interaction with a housing provider in order to observe and document the housing provider's behavior and policies.

47. The ERC conducted an investigation in which it used fair housing testers to ascertain whether Defendants were engaging in unlawful discrimination against individuals attempting to rent units at The MO.

Test A

48. Test A was conducted by email.

49. On March 19, 2024, an ERC tester reached out to The MO via its website and also separately by email. In her email to The MO, the tester stated she was looking for a one-bedroom apartment for her brother, who had a non-violent 13-year-old misdemeanor conviction categorized as a sexual offense.

50. The Resident Services Manager at The MO responded that the tester's brother should apply and that, if he were denied, the tester could provide The MO with additional information to support his application for tenancy.

51. On March 25, 2024, the ERC tester contacted the corporate UDR email to confirm the information she received from The MO Resident Services Manager.

52. On April 8, 2024, a UDR employee with the title "Jr. Team Lead – Centralized Sales" responded that the tester's brother's application would not be accepted at the property: "Unfortunately, crimes of a sexual nature are an automatic denial within our screening, regardless of their date of origin. We would not be able to proceed with this on his background check."

53. On April 8, 2024, the ERC tester responded, asking whether this policy applied to just The MO or all UDR properties in D.C.

54. Also on April 8, 2024, the Jr. Team Lead – Centralized Sales employee confirmed that this policy applies to all UDR properties.

Test B

55. Test B was also conducted via email.

56. On May 28, 2024, an ERC tester reached out to UDR through its website. In her message, the tester stated that she was looking for housing for two potential renters in her community and wanted to know if the two potential renters would be denied based on their criminal records.

57. The tester identified the first potential renter as a woman with a single eight-year-old felony conviction for destruction of property (vehicular). After describing the circumstances of her conviction, the tester asked UDR if its criminal record screening process looks back eight years for a crime that involves property damage.

58. The tester identified another potential renter as a woman with a two-year-old misdemeanor conviction for criminal harassment related to the onset of a mental illness.

59. Misdemeanor criminal harassment is not on the list of enumerated offenses a housing provider may permissibly consider. D.C. Code §§ 42-3541.02(d)(1)-(48).

60. On June 3, 2024, the ERC tester contacted the UDR corporate email and re-sent the request for information sought in the May 28, 2024 message.

61. On June 3, 2024, the same UDR employee with the title “Jr Team Lead – Centralized Sales” who responded in Test A responded that neither person the tester was assisting would pass UDR’s criminal records screening.

62. The employee confirmed that he was following UDR’s official policy, stating UDR “cannot vary [its] criminal screening decisions based on the personal details” and referring the tester to the “Frequently Asked Questions” page for The MO to read more about UDR’s required qualifications for rental.

63. When the tester followed up with a question about whether this policy applied to all UDR properties, the employee responded, “I do apologize that there is not flexibility. We would have the same screening requirements for all of our UDR communities[,] unfortunately.”

Test C

64. Test C was performed in August 2024 via email.

65. On August 6, 2024, the ERC tester emailed the same UDR employee from Tests A and B to inquire about a potential housing applicant who just received a voucher but who had poor credit due to a previous sealed eviction related to non-payment of rent. The tester asked if The MO would deny the application due to the individual’s low credit score and previous eviction. The

ERC tester also asked whether voucher holders must make three times the monthly rent to live at The MO.

66. After her email bounced back, the ERC tester forwarded her question to the corporate UDR email.

67. The Community Director at The MO responded and indicated that someone with a rental collection on their credit history would be denied housing unless The MO received proof directly from the prior housing provider or collection agency that the debt had been paid. She continued that The MO “usually” charged a higher deposit to an applicant with a rental collection in their credit screening even if the applicant proved that they had paid the housing provider or collections agency.

68. She also confirmed that a voucher holder would need an income of 2.6 times the monthly rent, although the voucher would be included in that calculation.

69. Finally, the Community Director stated that this policy applies to all six of UDR’s properties in D.C.

G. UDR’s Stated Policies

70. As of the date of this Complaint, UDR’s website includes “Frequently Asked Questions” for each property it operates in the District of Columbia, including The MO.

71. This is the same webpage to which the UDR employee with the title “Jr Team Lead – Centralized Sales” referred the second tester as reflecting UDR’s policies about its required qualifications for renters.

72. UDR’s Frequently Asked Question webpage for each property it runs in D.C., including The MO, in turn links to a webpage titled “Qualification Requirements,” which includes the following statement of UDR’s policy regarding criminal background screenings:

All applicants and prospective occupants 18 years of age and older must submit an application for a criminal background check to verify criminal history. The application or initial occupancy of any person may be denied at any time based on a history of particular criminal convictions or deferred adjudication as established by the particular community's policy. It is UDR's policy to consider felony convictions or deferred adjudication within the seven years preceding application, and certain misdemeanor convictions or deferred adjudication for offenses involving actual or potential physical harm to person(s) or property; sex or morals related offenses; offenses involving manufacture, sale or delivery of any controlled substance, drug paraphernalia, or weapons; or fraud or financial offenses, within the three years preceding application. Convictions for sex-related offenses may be subject to consideration beyond these time limits.

73. This statement suggests that UDR may deny an applicant for crimes not on the list of enumerated offenses a housing provider may permissibly consider. *See* D.C. Code §§ 42-3541.02(d)(1)-(48).

74. This statement also suggests that UDR may deny an applicant for crimes that occurred more than seven years ago, which is outside of the timeframe a housing provider may permissibly consider. *Id.* § 42-3541.02(d).

75. In addition, this statement suggests that UDR may deny an applicant at any time based on their criminal record, including before making a conditional offer, in violation of D.C. Code § 42-3541.02(b).

76. The same page includes the following statement of UDR's policy regarding income: "**Applicants must have a total household gross monthly income that is equal to or greater than 2.6x the monthly rent.** Should applicants fail to meet the minimum income requirements, a guarantor may be used to qualify. See Income Requirements – Guarantor below." (emphasis added). The website does not indicate that minimum income requirements do not apply to voucher holders.

77. The Frequently Asked Questions webpage also links to another webpage titled "Lease Information." This webpage includes a "Fair Housing Statement" that states, in part:

We are committed to compliance with fair housing laws and do not engage in unlawful discrimination on the basis of race, color, religion, sex, national origin, familial status, disability or any other characteristic protected by law. We do reserve the right to have differences in policies at our different properties, and to treat some people differently than others, based on lawful criteria. Lawful reasons we may treat people differently include, but are not limited to: rental history, credit record, criminal history, income, illegal drug use, etc.

78. Defendants’ assertion that they “do not engage in unlawful discrimination” misrepresents that the tenant screening policies they have implemented at all of their D.C. properties, including The MO, are legal, when in fact the policies discriminate on the basis of source of income and criminal records in violation of the DCHRA and DCFCRSA.

79. Indeed, although the “Fair Housing Statement” asserts that Defendants do not discriminate on the basis of enumerated characteristics, this list excludes numerous characteristics protected by D.C. law, including source of income.¹

80. Similarly, Defendants’ statement that “[l]awful reasons we may treat people differently include... criminal history” falsely indicates that their criminal records screening policy is legal, when in fact it violates the DCFCRSA.

81. In addition, Defendants’ statement that “[l]awful reasons we may treat people differently include... rental history, credit record... [and] income” falsely indicates that their screening policy as applied to voucher holders is legal, when in fact it violates the DCHRA.

H. Harm to Consumers

82. Through its investigation, the ERC found that Defendants and their agents have a policy or practice of making statements and/or imposing conditions which aim to exclude voucher

¹ Other characteristics protected by the DCHRA but excluded from Defendants’ list are age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, political affiliation, sealed eviction record, status as a victim of an intrafamily offense, place of residence or business, or homeless status.

holders based on rental history, minimum income, and credit issues, as well as renters with criminal histories, from access to rental units at The MO.

83. If not for The MO's discriminatory policies, the MO would be accessible to voucher holders because, as of the date of this Complaint, one-bedroom units at the MO are available starting at \$2,219. For Fiscal Year 2025, the payment standard for housing choice vouchers in D.C.—*i.e.*, the maximum rent that DCHA will approve—is up to \$3,845 for one-bedroom units, subject to rent reasonableness standards in regard to comparable unsubsidized market rate rental units.

84. If not for The MO's discriminatory policies, the MO would be accessible to individuals with criminal records because, upon information and belief, there are individuals with criminal records who would otherwise meet The MO's applicant requirements.

85. By its acts, policies, and/or practices, Defendants and their agents refuse to rent to: (1) individuals with criminal records more than seven years old; (2) individuals with convictions not on the list of enumerated offenses under D.C. Code § 42-3541.02(d); (3) voucher holders unable to meet a minimum income requirement at The MO; and (4) voucher holders with a history of non-payment of rent prior to obtaining a voucher. Defendants and their agents also do not perform individualized assessments for applicants with a criminal history. D.C. Code § 42-3541.02(e). Defendants and their agents therefore have unlawfully discriminated against renters in the District based on their source of income and their criminal records.

86. Defendants and their agents acted intentionally and willfully and with callous and reckless disregard for the statutorily protected rights of renters who intend to use vouchers as a source of income to help pay rent and certain renters with conviction histories. Defendants and their agents expressed their illegal policies or practices by publishing statements on their website

and making statements to ERC fair housing testers evidencing Defendants' and their agents' intent to exclude and discriminate against individuals based on their source of income and certain criminal history.

87. Defendants' policies or practices constitute source of income discrimination in violation of the DCHRA, D.C. Code §§ 2.1401.01, *et seq.*

88. Defendants' policies or practices constitute unlawful discrimination on the basis of criminal history in violation of the DCFCRSA, D.C. Code §§ 42-3541.01, *et seq.*

89. By violating these laws in the context of consumer transactions, Defendants and their agents also committed violations of consumer protection law under the DCCPPA, D.C. Code §§ 28-3901, *et seq.*

90. Upon information and belief, Defendants and their agents designed, participated in, supervised, controlled, approved, and/or ratified the discriminatory policies or practices described above. As a result, Defendants and their agents are liable for the unlawful conduct described herein.

91. Defendants' and their agents' unlawful discrimination has harmed a class of consumers—specifically, prospective renters in D.C. with criminal records or housing vouchers.

92. The ERC has a sufficient nexus to the interests of this class of consumers to adequately represent those interests because the ERC's mission to identify and eliminate discrimination in the Washington, D.C. metro area is in alignment with the interests of prospective renters in D.C. with criminal records or housing vouchers.

COUNT 1, Part A:

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

93. Plaintiff re-alleges and incorporates by reference the allegations set forth in the paragraphs above.

94. 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).

95. Under the DCCPPA, it is a violation of law “for any person to engage in an unfair or deceptive trade practice[.]” *Id.* § 28-3904. This includes, but is not limited to, making misrepresentations as to material facts which have a tendency to mislead and failing to state material facts if such failure tends to mislead. *See id.* §§ 28-3904(e), (f).

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.” *Id.* § 28-3901(a)(6). Trade practices arising in the context of landlord-tenant relations are subject to the DCCPPA. *Id.* § 28-3905(k)(6).

97. 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.” *Id.* § 28-3901(a)(7).

98. Defendants and their agents meet the definition of “merchant” under the DCCPPA as “a person, whether organized or operating for profit . . . who in the ordinary course of business does or would . . . lease (to) . . . either directly or indirectly, consumer goods or services, or a person who in the ordinary course of business does or would supply the goods or services which are or would be the subject matter of a trade practice.” *Id.* § 28-3901(a)(3).

99. District residents or other individuals who would rent Defendants’ rental housing properties are “consumers” under the DCCPPA because they are persons who “would [] lease [] consumer goods,” such as the rental housing properties offered by Defendants. *Id.* § 28-3901(a)(2).

100. Defendants have made misrepresentations as to the legality of their tenant screening policies and practices with respect to both source of income and criminal records. These misstatements have a tendency to mislead people as to the legality of Defendants’ tenant screening policies and practices and, in effect, discourage voucher holders and individuals with criminal records from applying to live at their properties. As a result, they constitute unfair trade practices in the context of real estate transactions in violation of the DCCPPA.

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

102. Under the DCCPPA, public interest organizations may bring suits “on behalf of the interests of a consumer or a class of consumers,” so long as they have a “sufficient nexus” to “adequately represent those interests.” *Id.* § 28-3905(k)(1)(D).

103. Plaintiff ERC, a public interest organization, brings this claim on behalf of the interests of a class of consumers, *i.e.*, prospective tenants in the District, specifically, prospective renters in D.C. with criminal records or housing vouchers.

COUNT 1, Part B:

Violation of the D.C. Consumer Protection Procedures Act, Based on Source of Income Discrimination in Violation of the D.C. Human Rights Act, D.C. Code §§ 2-1402.21(a)(1), (g)(1)(A)-(C)

104. Plaintiff re-alleges and incorporates by reference the allegations set forth in the paragraphs above.

105. 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). Source of income includes federal or District payments for housing assistance, such

as vouchers. *Id.* § 2-1401.02(29) (defining “source of income” to include “federal or District payments”); *see also id.* § 2-1402.21(e) (“The monetary assistance provided to an owner of a housing accommodation under section 8 of the United States Housing Act of 1937 . . . shall be considered a source of income under this section.”).

106. Under the DCHRA, it is “an unlawful discriminatory practice” for a landlord to refuse to rent to an applicant using a voucher based on the applicant’s “[i]ncome level[.]” *Id.* § 2-1402.21(g)(1)(B).

107. Defendants’ policy or practice of imposing a minimum income requirement on voucher holders seeking housing at The MO violates the DCHRA.

108. Under the DCHRA, it is “an unlawful discriminatory practice” for a landlord to refuse to rent to an applicant using a voucher based on the applicant’s “[p]rior rental history involving nonpayment or late payment of rent if the nonpayment or late payment of rent occurred during a period in which the prospective tenant did not have an income-based housing subsidy and if the housing provider could reasonably have known the date of receipt[.]” *Id.* § 2-1402.21(g)(1)(A).

109. Under the DCHRA, it is an “unlawful discriminatory practice” for a landlord to refuse to rent to an applicant using a voucher based on “[a]ny credit issues that arose during a period in which the prospective tenant did not have an income-based housing subsidy if the housing provider could reasonably have known the date of receipt.” *Id.* § 2-1402.21(g)(1)(C).

110. Defendants’ policy or practice of denying housing to voucher holders based on prior rental history involving nonpayment or late payment of rent which occurred before the prospective tenant received a voucher violates the DCHRA.

111. Trade practices that violate other laws fall within the purview of the DCCPPA. Specifically, a violation of the DCHRA in the context of a consumer transaction is a violation of the DCCPPA.

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

113. By violating the DCHRA in the context of a consumer transaction, Defendants violated the DCCPPA.

COUNT 1, Part C:

Violation of the D.C. Consumer Protection Procedures Act, Based on Discriminatory Statements in Violation of the D.C. Human Rights Act, D.C. Code §§ 2-1402.21(a)(5), (g)(A)-(C)

114. Plaintiff re-alleges and incorporates by reference the allegations set forth in the paragraphs above.

115. Under the DCHRA, it is an unlawful discriminatory practice for a housing provider to make a statement or representation that it is refusing to rent to an applicant using a voucher based on the applicant's income level, prior rental history involving nonpayment or late payment of rent if the nonpayment or late payment of rent occurred during a period in which the prospective tenant did not have an income-based housing subsidy, and/or any credit issues that arose during a period in which the prospective tenant did not have an income-based housing subsidy if the housing provider could reasonably have known the date of receipt. *Id.* §§ 2-1402.21 (a)(5), (g)(1).

116. By Defendants' statements and the statements of their agents that Defendants would require voucher holders to meet certain minimum income requirements and would not rent to a voucher holder with a pre-voucher rental collection, Defendants have made discriminatory statements in violation of the DCHRA.

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

118. By violating the DCHRA in the context of a consumer transaction, Defendants violated the DCCPPA.

COUNT 1, Part D:

Violation of the D.C. Consumer Protection Procedures Act, Based on Criminal Record Screening Practices in Violation of the D.C. Fair Criminal Record Screening for Housing Act, D.C. Code § 42-3541.02(b), (d) and (e)

119. Plaintiff re-alleges and incorporates by reference the allegations set forth in the paragraphs above.

120. The DCFCRSA requires that housing providers only consider pending criminal accusations or criminal convictions that have occurred within the past seven years. They can only make this inquiry into someone's criminal record after making a conditional offer of housing. D.C. Code §§ 42-3541.02(b), (d). And even then, the housing provider may only consider a pending criminal accusation or criminal conviction that falls within a list of specific enumerated offenses, including aggravated assault, arson, murder, robbery, fraud, and various other offenses. *Id.* §§ 42-3541.02(d)(1)-(48). Finally, a housing provider may only deny a rental application based on a criminal record if the provider determines, on balance of certain enumerated factors, that the denial "achieves a substantial, legitimate, nondiscriminatory interest." *Id.* § 42-3541.02(e).

121. Defendants' policy or practice of excluding prospective housing applicants with criminal convictions more than seven years old and criminal convictions that are not in the list of enumerated convictions at §§ 42-3541.02(d)(1)-(48) violates the DCFCRSA because it subjects such individuals to discrimination because of their old arrest and criminal conviction records. Defendants' policy or practice of denying these housing applicants without an individualized assessment also violates the DCFCRSA. D.C. Code § 42-3541.02(e).

122. By stating that UDR may deny an applicant at any time based on a criminal record, including before making a conditional offer, Defendants also violate the DCFCRSA. § 42-3541.02(b).

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

124. By violating the DCFCRSA in the context of a consumer transaction, Defendants violated the DCCPPA.

PRAYER FOR RELIEF

WHEREFORE Plaintiff respectfully requests that the Court:

- (a) Enter a judgment declaring that Defendants' acts, policies, and practices of willfully refusing to rent apartment units or creating barriers to rent apartment units to voucher holders and individuals with certain arrests and conviction records constitute discrimination in violation of the DCCPPA, D.C. Code §§ 28-3901, *et seq.*; DCHRA, *id.* § 2-1401, *et seq.*; and DCFCRSA, *id.* § 42-3541, *et seq.*;
- (b) Enter judgment for appropriate permanent injunctive relief, including an order that Defendants:
 - a. Abandon their policy and/or practice of unlawfully refusing to rent to voucher holders by requiring a minimum income for voucher holders and improperly reviewing a voucher holder's prior rental history, as well as unlawfully refusing to rent to individuals with criminal convictions more than seven years old as well as criminal convictions that are not in the list of enumerated convictions at §§ 42-3541.02(d)(1)-(48), and take appropriate, nondiscriminatory measures to accept all voucher holders and individuals with criminal convictions as renters as required

under the law, including by performing individualized assessments as required under § 42-3541.02(e);

- b. Take affirmative steps to educate themselves as to their legal obligations under the DCCPPA, DCHRA, and DCFCRSHA;
 - c. Provide training to their employees and agents, and adequately supervise them to prevent future illegal housing discrimination; and
 - d. Participate in outreach and education efforts to promote the use and acceptance of vouchers, including but not limited to, compliance testing;
- (c) Award the ERC reasonable attorneys' fees and costs;
- (d) Award punitive damages in an amount to be determined at trial; and
- (e) Grant such other relief as the Court may deem just and proper.

Dated: April 23, 2025

Respectfully submitted,

/s/ Mirela Missova

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