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**SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: ESSEX COUNTY**

HOUSING RIGHTS INITIATIVE,

Plaintiff,

v.

KELLER WILLIAMS REALTY, LUCCI-SANTE CORPORATION, 151 SIP AVENUE, LLC, 234-236 SIXTH STREET CONDOMINIUM ASSOCIATION, GARFIELD REALTY, LLC, WEICHERT REALTORS, REGGIE MITCHELL, EXP REALTY, LLC, 50 MLK BLVD, LLC, CENTURY 21 REAL ESTATE, LLC, 70 LAKE STREET, LLC, TK REAL ESTATE GROUP, INC., 115 FAIRVIEW AVENUE, LLC, LIBERTY REALTY, MAGI-COURT CONDOMINIUM ASSOCIATION, BYTE REALTY, LLC, COLDWELL BANKER REALTY, BAY GROVE TERR. INC., LLC, RE/MAX, 1002-1008 REALTY URBAN RENEWAL, LLC, ROVAZO

DOCKET NO.

CIVIL ACTION

COMPLAINT, DEMAND FOR JURY TRIAL AND DEMAND FOR DISCOVERY

**REALTY GROUP, LLC, 687 SUMMER
BH LLC, REGREB REALTY 36 LLC,
GREEN HOMES NY REALTY, LLC, 233
LITTLETON HOLDINGS, LLC, ABC
CORPORATIONS 1-10, AND UNKNOWN
ENTITIES,**

Defendants.

COMPLAINT

In order to address chronic housing insecurity among its residents, New Jersey offers government-subsidized housing vouchers that allow low-income families to secure housing in the private rental market. In the midst of an ongoing affordable housing crisis in the greater New York City metropolitan area, including Jersey City and Newark, housing vouchers play an important role in expanding housing choice and ensuring low-income renters can afford safe and decent housing, so long as housing providers are willing to accept them. While it is illegal in New Jersey for landlords and brokers to reject rental applicants for using such a housing voucher, discrimination against these voucher-holders is rampant. As a result, thousands of New Jersey residents with vouchers are unable to leave overcrowded homeless shelters, substandard housing, and high-poverty neighborhoods, even though their housing vouchers provide them the financial means, and the legal right, to do so.

Defendants in this action are landlords and brokers who refused to rent apartments to New Jersey residents with vouchers, barring households with a voucher from securing housing in Defendants' properties. They did so in violation of state law, even as Jersey City and Newark face a housing crisis and the continued ravages of the global pandemic.

Defendants' refusal to rent to New Jersey residents with vouchers constitutes unlawful source of income discrimination under the New Jersey Law Against Discrimination ("LAD").

Defendants' unlawful policies and practices against renting to New Jersey residents with housing vouchers prevent poor New Jersey residents from using their housing vouchers, worsening housing segregation and exacerbating burdens on low-income and disabled New Jerseyans.

The resulting impact of Defendants' refusal to accept Housing Choice Vouchers and Defendants' statements in connection with such refusals, is a staggering reduction in the available inventory of safe and affordable housing available to some of the most vulnerable residents of Jersey City and Newark.

JURISDICTION AND VENUE

1. This Court has jurisdiction over this action pursuant to Rule 4:3-1(a)(5) because Defendants are domiciled and regularly transact business in the State of New Jersey, and because the wrongful conduct alleged in the Complaint took place in the State of New Jersey.

2. Venue is proper pursuant to Rule 4:3-2 because one or more of the Defendants reside in Essex County.

PARTIES

3. Housing Rights Initiative. HRI is a national nonprofit housing group headquartered in New York, NY with a registered office located at 201 Montgomery Street, Suite 263, Jersey City, NJ 07302. HRI is dedicated to promoting fair and lawful housing practices. Since its founding, a core part of HRI's mission has been preserving affordable housing in the greater New York City metropolitan area, which includes Jersey City and Newark, and assisting tenants in securing and maintaining access to affordably priced housing. It has historically done this by counseling and organizing tenants in the greater New York City metropolitan area about their rights to affordable housing and transparency by landlords, such as rights guaranteed by rent-stabilization laws, tax reporting requirements and other laws. HRI further assists these tenants by

referring them to legal counsel who advise and assist tenants in bringing legal actions against landlords who seek to evade these affordable housing laws and reporting requirements. Through HRI's counseling, organizing and referral efforts, it has successfully and substantially increased the inventory of affordably priced housing in the greater New York City metropolitan area. However, in 2017, HRI began hearing from community partners that source of income discrimination was impacting voucher holders' ability to obtain access to many affordable units that HRI had been working to preserve, which led them to investigate such discrimination throughout the greater New York City metropolitan area. HRI discovered that its gains had been jeopardized and offset by the epidemic of source of income discrimination, which has effectively placed thousands of affordable units effectively off limits to voucher-holding tenants. HRI expended staff time and other resources to investigate and respond to Defendants' discriminatory rental practices. Defendants' discriminatory rental practices have led to an increased demand and need for HRI's organizing, counseling, and referral services, while simultaneously diverting resources away from these activities in order to address the rampant source of income discrimination that is pervasive throughout the greater New York City metropolitan area, including Jersey City and Newark. Additionally, Defendants' discriminatory rental practices frustrated HRI's mission to preserve and maintain affordable housing in the greater New York City metropolitan area by making apartments unavailable to renters using Housing Choice Vouchers.

4. Defendant Keller Williams Realty is a corporation registered to do business in New Jersey. At all relevant times, Defendant Keller Williams Realty was in the real estate business, and among other things, brokering the rental of apartments in New Jersey.

5. Defendant Lucci-Sante Corp. is a corporation registered to do business in New Jersey. Upon information and belief, Defendant Lucci-Sante Corp. was the owner of the unit at 9

Sanford Place #1R, Jersey City, New Jersey 07307 and utilized the real estate brokering services of Defendant Keller Williams Realty at all relevant times.

6. Defendant 151 Sip Avenue, LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant 151 Sip Avenue, LLC was the owner of the units at 151 Sip Avenue #10 and #17, Jersey City, New Jersey 07306 and utilized the real estate brokering services of Defendant Keller Williams Realty at all relevant times.

7. Defendant 234-236 Sixth Street Condominium Association is a corporation registered to do business in New Jersey. Upon information and belief, Defendant 234-236 Sixth Street Condominium Association was the owner of the unit at 234 6th Street #12A, Jersey City, New Jersey 07302 and utilized the real estate brokering services of Defendant Keller Williams Realty at all relevant times.

8. Defendant Garfield Realty, LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant Garfield Realty, LLC was the owner of the unit at 350 7th Street #1, Jersey City, New Jersey 07302 and utilized the real estate brokering services of Defendant Keller Williams Realty at all relevant times.

9. Defendant Weichert Realtors is a corporation registered to do business in New Jersey. At all relevant times, Defendant Weichert Realtors was in the real estate business, and among other things, brokering the rental of apartments in New Jersey.

10. Defendant Reggie Mitchell is a real estate broker in New Jersey. At all relevant times, Defendant Reggie Mitchell was in the real estate business under the employ of Defendant Weichert Realtors, and among other things, was brokering the rental of apartments in Jersey City. Upon information and belief, Defendant Reggie Mitchell was the owner of the unit at 45 Neptune Avenue, Floor 1, Jersey City, New Jersey 07305.

11. Defendant EXP Realty, LLC is a corporation registered to do business in New Jersey. At all relevant times, Defendant EXP Realty, LLC was in the real estate business, and among other things, brokering the rental of apartments in New Jersey.

12. Defendant 50 MLK Blvd, LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant 50 MLK Blvd, LLC was the owner of the unit at 50 Martin Luther King Blvd., Newark, New Jersey 07104 and utilized the real estate brokering services of Defendant EXP Realty, LLC at all relevant times.

13. Defendant Century 21 Real Estate, LLC is a corporation registered to do business in New Jersey. At all relevant times, Defendant Century 21 Real Estate, LLC was in the real estate business, and among other things, brokering the rental of apartments in New Jersey.

14. Defendant 70 Lake Street, LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant 70 Lake Street, LLC was the owner of the unit at 70 Lake Street, Jersey City, New Jersey 07306 and utilized the real estate brokering services of Defendant Century 21 Real Estate, LLC at all relevant times.

15. Defendant TK Real Estate Group, Inc. is a corporation registered to do business in New Jersey. At all relevant times, Defendant TK Real Estate Group, Inc. was in the real estate business, and among other things, was brokering the rental of apartments in New Jersey.

16. Defendant 115 Fairview Avenue, LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant 115 Fairview Avenue, LLC was the owner of the unit at 115 Fairview Avenue #29, Jersey City, New Jersey and utilized the real estate brokering services of Defendant TK Real Estate Group, Inc. at all relevant times.

17. Defendant Liberty Realty is a corporation registered to do business in New Jersey. At all relevant times, Defendant Liberty Realty was in the real estate business, and among other things, brokering the rental of apartments in New Jersey.

18. Defendant Magi-Court Condominium Association is a corporation registered to do business in New Jersey. Upon information and belief, Defendant Magi-Court Condominium Association was the owner of the unit at 275 Webster Avenue #8, Jersey City, New Jersey 07307 and utilized the real estate brokering services of Defendant Liberty Realty at all relevant times.

19. Defendant 151 Sip Avenue, LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant 151 Sip Avenue, LLC was the owner of the unit at 151 Sip Avenue #10, Jersey City, New Jersey 07306 and utilized the real estate brokering services of Defendant Liberty Realty at all relevant times.

20. Defendant Byte Realty, LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant Byte Realty, LLC was the owner of the unit at 946 Broad Street, Newark, New Jersey 07102 and utilized the real estate brokering services of Defendant Liberty Realty at all relevant times.

21. Defendant Coldwell Banker Realty is a corporation registered to do business in New Jersey. At all relevant times, Defendant Coldwell Banker Realty was in the real estate business, and among other things, brokering the rental of apartments in New Jersey.

22. Defendant Bay Grove Terr. Inc. is a corporation registered to do business in New Jersey. Upon information and belief, Defendant Bay Grove Terr. Inc. was the owner of the unit at 358 Grove Street #4C, Jersey City, New Jersey 07302 and utilized the real estate brokering services of Defendant Coldwell Banker Realty at all relevant times.

23. Defendant RE/MAX is a corporation registered to do business in New Jersey. At all relevant times, Defendant RE/MAX was in the real estate business, and among other things, brokering the rental of apartments in New Jersey.

24. Defendant 1002-1008 Realty Urban Renewal, LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant 1002-1008 Realty Urban Renewal, LLC was the owner of the unit at 1004 Broad Street, Newark, New Jersey 07102 and utilized the real estate brokering services of Defendant RE/MAX at all relevant times.

25. Defendant Rovazo Realty Group, LLC is a corporation registered to do business in New Jersey. At all relevant times, Defendant Rovazo Realty Group, LLC was in the real estate business, and among other things, brokering the rental of apartments in New Jersey.

26. Defendant 687 Summer BH LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant 687 Summer BH LLC was the owner of the unit at 687 Summer Avenue #3B, Newark, New Jersey 07104 and utilized the real estate brokering services of Defendant Rovazo Realty Group, LLC at all relevant times. 9/2/21.

27. Defendant Regreb Realty 36, LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant Regreb Realty 36, LLC was the owner of the unit at 228 Old Bergen Road, Jersey City, New Jersey 07305 and utilized the real estate brokering services of Defendant Rovazo Realty Group, LLC at all relevant times.

28. Defendant Green Homes NY Realty, LLC is a corporation registered to do business in New Jersey. At all relevant times, Defendant Green Homes NY Realty, LLC was in the real estate business, and among other things, brokering the rental of apartments in New Jersey.

29. Defendant 233 Littleton Holdings, LLC is a corporation registered to do business in New Jersey. Upon information and belief, Defendant 233 Littleton Holdings, LLC was the

owner of the unit at 233 Littleton Avenue, Newark, New Jersey 07103 and utilized the real estate brokering services of Defendant Green Homes NY Realty, LLC at all relevant times.

BACKGROUND

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

31. Housing Choice Vouchers are tenant-based subsidies that are not linked to any particular housing complex, building, or unit, but rather enable families with a Housing Choice 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 the agencies that administer the voucher program).

32. 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 rich access to public transportation, grocery stores, green spaces, well-performing schools, and cultural enrichment. Obtaining a voucher can provide a homeless or low-income New Jersey resident 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 integrated neighborhoods, as well as the participation of landlords on the private housing market.

33. Housing Choice Vouchers are designed, among other things, to allow very low-income families to rent safe, decent, and affordable privately-owned housing. Vouchers are especially important in high-cost jurisdictions like Jersey City and Newark, where rent burdens on low-income families are particularly severe.

34. The voucher issued to each family subsidizes rent in a privately owned rental housing unit of the voucher holder's choice, subject to minimum standards of health and safety.

35. Households with vouchers are permitted to rent apartments at a monthly rent at or below their voucher's payment standard, which varies depending on the size of the household, the number of bedrooms, and the agency administering the program, and is based on a formula that considers the fair market rent in the metropolitan area.

36. Voucher programs limit the household contribution to monthly rent to an affordable amount by supplementing the monthly rent with public funding. The amount that the household pays is determined by the household's income and is designed to ensure that the household's rent is affordable based on their income.

37. Households participating in voucher programs generally pay the highest of the following amount in rent: 30% of the household's monthly adjusted income; 10% of the household's monthly income; or \$50 (the "minimum rent").¹ Thus, households with no employment income are still required to pay some portion of their rent.

38. Although households in a voucher program generally contribute 30% of their income to the rent, under certain circumstances voucher households are permitted by their program to contribute up to 40% of their adjusted monthly income to the rent.

¹ "Monthly income" refers to the voucher household's total monthly income including wages, salary, Social Security payments, worker's compensation and other forms of income; "monthly adjusted income" is the voucher holders' income minus eligible deductions, including allowances for dependents or disabled family members, childcare expenses. Voucher households typically pay 30% of their monthly adjusted income in rent.

39. For example, a household earning \$42,000 per year, or \$3,500 per month, would generally contribute 30% of its monthly income, or about \$1,050 per month for an apartment leasing for \$2,000 per month. The voucher from the administering housing agency would cover the remaining \$950 per month of rent.

40. However, if the household's income were \$24,000 per year, or \$2,000 per month, the household would pay around \$600 per month of the \$2,000 rent, and the voucher from the housing agency would cover the remaining \$1,400.

41. By adjusting the household's contribution to the rent based on the household income, voucher programs are specifically designed to ensure that no matter the household income and the rent for any individual housing unit, the tenant household will be able to pay the rent.

42. HUD defines rent-burdened families as those that pay more than 30% of their income for housing.

43. In order to ensure voucher holders are able to use their vouchers as intended, New Jersey has enacted laws that prohibit discrimination based on source of income.

44. The New Jersey Law Against Discrimination ("LAD"), N.J.S.A. 10:5-12 *et. Seq.*, provides that it shall be an unlawful discrimination for "[f]or any person, including but not limited to, any real estate broker, real estate salesperson, or employee or agent thereof . . . [t]o refuse to sell, rent, lease, assign, or sublease or otherwise to deny to or withhold from any person or group of persons any real property or part or portion thereof because of the source of any lawful income received by the person or the source of any lawful rent payment to be paid for the real property." N.J.S.A. 10:5-12(g)-(h).

45. Nonetheless, brokers and landlords frequently violate the LAD by refusing to rent to tenants using vouchers.

46. Vouchers are time-limited and can generally only be used for a short period after they are issued. Applicants for Section 8 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 of their voucher expiration date.

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

48. Because of discrimination against voucher holders, renters in Jersey City and Newark frequently spend months or years living in homeless shelters or on the street as they search for a landlord who will accept their voucher, even though they have the ability to cover the cost of an apartment. Many New Jerseyans are living in shelters despite having housing vouchers because they are unable to secure an apartment. Even more are relegated to high-poverty and segregated neighborhoods.

FACTUAL ALLEGATIONS

A. Defendants' Rental Operations

49. Defendants are residential real estate brokers and/or own, operate, control, supervise and/or manage, either directly or indirectly through their parent-subsidary or other business affiliations, the Subject Properties, all of which are located in Jersey City or Newark.

50. The Subject Properties are residential real estate properties that are offered for rent in Jersey City or Newark.

51. As real estate brokers and/or owners or operators of residential real estate, Defendants are required to comply with anti-discrimination laws under the LAD.

52. Defendants, their employees and/or their agents stated to HRI's civil rights testers that Defendants had policies regarding voucher holders that blocked voucher holders from using

their voucher as a source of payment for rent at the Subject Properties. Defendants' acts, policies, and practices constitute impermissible discrimination based on source of income.

B. Defendants' Discriminatory Policies and Practices

53. In 2017, HRI began hearing from community partners and attorneys at legal services organizations about the struggles that many individuals and families face in being unable to locate rental properties that would accept their vouchers, and that this problem had become an insurmountable barrier to safe and affordable housing for many residents of the greater New York City metropolitan area. As a result of this information, HRI began an investigation of the greater New York City metropolitan area rental housing to determine the scope of discrimination against Housing Choice Voucher holders in Jersey City and Newark.

54. HRI investigated housing discrimination through a variety of means, including civil rights testing. Civil rights testers are persons who query housing providers to test the housing providers' compliance with applicable fair housing laws.

55. During these investigations, HRI conducted tests to inquire about the practices and policies of brokers and landlords throughout the greater New York City metropolitan area. Through these tests, HRI discovered rampant source of income discrimination by brokers and landlords in Jersey City and Newark. Indeed, in many instances, their investigation revealed a policy or practice of effectively refusing to accept vouchers, which prompted HRI to take steps to address such violations of the law.

56. An HRI civil rights tester, calling as a prospective renter, called each of the Defendants regarding the available apartments listed above. Each Defendant, or representatives thereof, confirmed that the subject apartment was available. When the tester inquired about using a voucher, the Defendant and/or its representative stated that it did not accept vouchers.

57. On August 16, 2021, an HRI tester, calling as a prospective tenant, called Keller Williams City Views, at (201)689-5474 regarding an available apartment at 9 Sanford Place #1R, in Jersey City. At all times relevant to this suit, 9 Sanford Place, #1R, Jersey City, New Jersey was owned by Lucci-Sante Corp. The listing advertised a two (2) bedroom one (1) bathroom apartment with for \$1,795.00 per month. Pharoah Lozano, the Broker for Lucci-Sante Corp., advised that Section 8 is not accepted for this apartment and that he does not know why the owner does not accept Section 8 Vouchers. Upon information and belief, Keller Williams, performed the complained-of actions on behalf of Lucci-Sante Corp. and was acting as an agent of 9 Sanford Place at the time of the tester's inquiry.

58. On August 16, 2021, an HRI tester, calling as a prospective tenant, called Keller Williams Realty at (551)465-7598 regarding an available apartment at 151 Sip Ave., #17 in Jersey City. At all times relevant to this suit, 151 Sip Ave., #17, Jersey City, New Jersey was owned by 151 Sip Avenue, LLC. The listing advertised a one (1) bedroom one (1) bath apartment for \$1,650.00 per month. Tom Misuraca, the Broker for 151 Sip Ave, LLC, requested that the tester text him. When the tester inquired about Section 8 Vouchers, she was told to text "Pritty." On August 16, 2021, the tester texted Pritty to ask about Section 8 Vouchers. Tom eventually responded and said that Section 8 Vouchers will not be accepted, and Pritty stopped responding to communications. Upon information and belief, Keller Williams performed the complained-of actions on behalf of 151 Sip Ave., LLC and was acting as an agent of 151 Sip Ave., at the time of the tester's inquiry.

59. On July 9, 2021, an HRI tester, calling as a prospective tenant called Keller Williams City Life Realty at (551)465-7774 regarding an available apartment at 234 6th Street in Jersey City. At all times relevant to this suit, 234 6th Street #12A was owned by 234-236 Sixth

Street Condominium AS. The listing advertised a one (1) bedroom one (1) bathroom apartment for \$1,600.00 per month. James Conticello, the Broker for 234-236 Sixth Street Condominium told the tester that he did not believe the building accepted Section 8 Vouchers. Upon information and belief, Keller Williams City Life Realty performed the complained-of actions on behalf of 234-236 Sixth Street and was acting as an agent of 234-236 Sixth Street at the time of the tester's inquiry.

60. On July 8, 2021, an HRI tester, calling as a prospective tenant called Keller Williams City Life Realty at (201)977-6022 regarding an available apartment at 350 7th Street in Jersey City. At all times relevant to this suit, 350 7th Street #1 was owned by 234-236 Garfield Realty, LLC. The listing advertised an apartment available for \$1,750.00 per month. The Broker told the tester that the owner is not accepting Section 8 Vouchers. Upon information and belief, Keller Williams City Life Realty performed the complained-of actions on behalf of Garfield Realty, LLC and was acting as an agent of Garfield Realty, LLC at the time of the tester's inquiry.

61. On April 12, 2023, an HRI tester, calling as a prospective tenant, called Weichert Realty at (551)239-9054 regarding an available apartment at 45 Neptune Avenue, Floor 1, Jersey City, New Jersey 07305. At all times relevant to this suit, 45 Neptune Avenue, Floor 1, Jersey City, New Jersey 07305 was owned by Defendant Reggie Mitchell, a broker for Defendant Weichert Realty. The listing advertised a two (2) story townhome available for rent. When the tester inquired about using a Section 8 Voucher at the property, Defendant Reggie Mitchell stated that they are not accepting Section 8 vouchers at this time.

62. On March 30, 2023, an HRI tester, calling as a prospective tenant, called EXP Realty, LLC at (973)490-4303 regarding an available apartment at 50 Martin Luther King Blvd., Apt. 2, in Newark. At all times relevant to this suit, 50 Martin Luther King Blvd., Apt. 2, Newark,

New Jersey was owned by 50 MLK Blvd, LLC. The listing advertised three (3) units available in the building for rent. Carlie Carreira, the Broker for EXP Realty, LLC verified information about the unit, and informed the HRI tester that the owner is not accepting Section 8 vouchers. Upon information and belief, EXP Realty, LLC, performed the complained-of actions on behalf of 50 MLK Blvd, LLC and was acting as an agent of 50 MLK Blvd, LLC at the time of the tester's inquiry.

63. On April 14, 2023, an HRI tester, calling as a prospective tenant, called Century 21 Real Estate, LLC at (917)809-7532 regarding an available apartment at 70 Lake Street, in Jersey City. At all times relevant to this suit, 70 Lake Street, Jersey City, New Jersey was owned by 70 Lake Street, LLC. The listing advertised a single family home available for rent. During the call, the Broker for Century 21 Real Estate, LLC verified information about the unit, and informed the HRI tester that the owner is not accepting Section 8 vouchers. Upon information and belief, Century 21 Real Estate, LLC, performed the complained-of actions on behalf of 70 Lake Street, LLC and was acting as an agent of 70 Lake Street, LLC at the time of the tester's inquiry.

64. On February 8, 2023, an HRI tester, calling as a prospective tenant, called TKRE Group, Inc., ("TKRE") at (201)733-4252 regarding an available apartment at 115 Fairview Ave, in Jersey City. At all times relevant to this suit, 115 Fairview Ave., Apt. 29, Jersey City, New Jersey was owned by 115 Fairview Avenue, LLC. The listing advertised a two (2) bedroom one (1) bathroom apartment \$2,095.00 per month. Rosetta Armstead, the Broker for TKRE Group confirmed the apartment was available but indicated that it would go fast and that they were not doing an open house, but they could find a time to show the listing. When the tester inquired about using a Section 8 Voucher at the property, the Broker said that the landlord for this unit did not accept Section 8 vouchers because they had already "met the cap for vouchers" in the building.

When the tester asked if she could see the listing if she did not use the voucher, the Broker said yes. Upon information and belief, TKRE Group, Inc., performed the complained-of actions on behalf of 115 Fairview Ave., LLC and was acting as an agent of 115 Fairview Ave., LLC at the time of the tester's inquiry.

65. On September 2, 2021, an HRI tester, calling as a prospective tenant, called Liberty Realty at (201-690-1208) regarding an available apartment located at 275 Webster Avenue, 38 in Jersey City. The listing advertised a two (2) bedroom one (1) for \$1,850.00 per month. Maigie Niemann, the Broker for Magi-Court Condominium Association advised that the owner does not take Section 8 because it is a lot of paperwork. Upon information and belief, Liberty Realty performed the complained-of actions on behalf of Magi-Court Condominium Association and was acting as an agent of Magi-Court Condominium Association at the time of the tester's inquiries.

66. On August 16, 2021, an HRI tester, calling as a prospective tenant, called Keller Williams Realty at (862)244-1032 regarding an available apartment located at 151 Sip Avenue #17 in Jersey City. The listing advertised a one (1) bedroom one (1) bathroom for \$1,650.00 per month. Tom Misuraca, the Broker for 151 Sip Avenue, LLC advised that a Section 8 Voucher will not be accepted for this unit. Upon information and belief, Keller Williams Realty performed the complained-of actions on behalf of 151 Sip Avenue, LLC and was acting as an agent of 151 Sip Avenue, LLC at the time of the tester's inquiries.

67. On June 2, 2021, an HRI tester, calling as a prospective tenant called Liberty Realty at (973)517-1244 regarding an available apartment located at 946 Broad Street in Newark. Corrado Giancaspro, the Broker for Byte Realty, LLC advised that the owner was looking for a traditional renter and would not accept a Section 8 Voucher at this time. Upon information and

belief, Liberty Realty performed the complained-of actions on behalf of Byte Realty, LLC and was acting as an agent of Byte Realty, LLC at the time of the tester's inquiries.

68. On August 10, 2021, an HRI tester, calling as a prospective tenant called Coldwell Banker Residential Brokerage at (201)701-8046 regarding an available apartment located at 358 Grove Street, Unit #4C in Jersey City. The listing advertised a one (1) bedroom one (1) bathroom apartment for \$1,600.00 per month. Medhat "Zak" Dewaik, the Broker for Bay Grove Terr., Inc. advised that the owner does not accept Section 8. Upon information and belief, Coldwell Banker Residential Brokerage performed the complained-of actions on behalf of Bay Grove Terr., Inc. and was acting as an agent of Bay Grove Terr. Inc at the time of the tester's inquiries.

69. On June 14, 2021, an HRI tester, calling as a prospective tenant called ReMax at (201) 315-0884 regarding an available apartment located at 1004 Broad Street in Newark. The listing advertised a one (1) bedroom one (1) bathroom apartment for \$1,566.00 per month. ReMax, the Broker for 1002-1008 Realty Urban Renewal, LLC, advised that the owner does not accept Section 8 vouchers. Upon information and belief, ReMax performed the complained-of actions on behalf of 1002-1008 Realty Urban Renewal, LLC and was acting as an agent for 1002-1008 Realty Urban Renewal, LLC at the time of the tester's inquiries.

70. On June 28, 2021, an HRI tester, calling as a prospective tenant called Rovazo Realty Group at (551)210-2320 regarding an available apartment located at 228 Old Bergen Road in Jersey City. The listing advertised a one (1) bedroom one (1) bathroom for \$1,295.00 per month. The Broker for Regreb Realty 36, LLC advised that Section 8 was not accepted here. Upon information and belief, Rovazo Realty Group performed the complained-of actions on behalf of Regreb Realty 36, LLC and was acting as an agent for Regreb Realty 36, LLC.

71. On September 2, 2021, an HRI tester, calling as a prospective tenant called Rovazo Realty Group at (201)338-7924 regarding an available apartment located at 687 Summer Ave #3B in Newark. The listing advertised a two (2) bedroom one (1) bathroom for \$1,650.00 per month. Rovazo Realty Group, the Broker for 687 Summer BH, LLC advised that Section 8 would not be accepted for this unit. Upon information and belief, Rovazo Realty Group performed the complained-of actions on behalf of 687 Summer BH, LLC and was acting as an agent for 687 Summer BH, LLC.

72. On August 16, 2021, an HRI tester, calling as a prospective tenant called Green Homes NYC at (914)353-2866 regarding an available apartment located at 233 Littleton Ave in Newark. The listing advertised a one (1) bedroom one (1) bathroom for \$1,250.00 per month. Sam Ganash, the Broker for 233 Littleton Holdings, LLC advised that Section 8 is not accepted for this apartment. Upon information and belief, Green Homes NYC performed the complained-of actions on behalf of 233 Littleton Holdings, LLC and was acting as an agent for 233 Littleton Holdings, LLC.

73. Upon information and belief, based on the statements Defendants and their representatives made to HRI civil rights testers during the calls, Defendants have policies or practices of refusing to accept Housing Choice Vouchers at the Subject Properties, which Defendants are the brokers for, own, or manage.

74. By their acts, policies, and practices, Defendants refuse to rent to individuals who intend to use Housing Choice Vouchers at their rental properties. In doing so, Defendants unlawfully discriminate against renters in New Jersey based on their source of income.

75. Upon information and belief, Defendants and/or their owners, subsidiaries, and affiliates designed, participated in, supervised, controlled, and/or approved the discriminatory

policy or practice the representative or representatives expressed on the phone calls and/or in the text messages described above. As a result, each Defendant is liable for the unlawful conduct described herein.

76. Defendants' unlawful acts as described above were, and are, intentional and willful, and have been, and are, implemented with callous and reckless disregard for the statutorily protected rights of renters who intend to use Housing Choice Vouchers as a source of income to help pay the rent.

C. Effect of Defendants' Discriminatory Policies

77. Because of policies that ban vouchers, like those enforced by Defendants, it is extremely difficult for families with Housing Choice Vouchers to obtain housing. As New Jerseyans with vouchers are well aware, according to HUD, "[i]t takes a lot of work to find housing with a voucher. The search requires sifting through numerous advertisements, making numerous calls, and facing frequent rejection."² Low-income New Jersey residents with vouchers are frequently forced to stay in homeless shelters for years, despite possessing the means to pay for integrated housing on the open market.

78. Defendants' discriminatory policies contribute to socioeconomic segregation in New Jersey.

79. Defendants' discriminatory policies result in a substantial decrease in the inventory of safe and affordable housing available to low-income tenants.

80. Voucher holders who are unable to obtain housing in Defendants' neighborhoods because of Defendants' discriminatory policies instead obtain housing in poorer, disproportionately minority neighborhoods, if they are able to find housing at all. The effect of

² U.S. Department of Housing and Urban Development, Office of Policy Development and Research, *A Pilot Study of Landlord Acceptance of Housing Choice Vouchers* (2018).

Defendants' policies is to worsen racial and socioeconomic segregation by imposing disproportionate burdens on non-white, low-income New Jerseyans seeking to move to integrated neighborhoods and cut off opportunities for needy families by relegating families to segregated areas of Jersey City and Newark.

81. Defendants' policies harm the individuals in the communities that HRI serves.

82. Defendants' policies violate statutorily protected rights of renters who intend to use Housing Choice Vouchers as a source of income to help pay for the rent.

83. Defendants' policies are clear and direct discrimination against voucher holders and constitute a refusal to rent because of lawful source of income.

84. Moreover, Defendants' policies have a disparate impact on voucher holders by preventing voucher holders from obtaining housing.

85. Defendants knew, or should have known, that their policies would result in the exclusion of voucher holders from their properties, and that these policies violate the LAD because such requirements discriminate against individuals on the basis of lawful source of income.

HARM TO HRI AND THE COMMUNITIES IT SERVES

86. Defendants' unlawful conduct has harmed and continues to harm HRI and the communities that it serves, including Jersey City and Newark.

87. Since its founding, a core part of HRI's mission has been preserving affordable housing in the greater New York City metropolitan area and assisting tenants in securing and maintaining access to affordably priced housing. It has historically done this by counseling and organizing tenants in the greater New York City metropolitan area about their rights to affordable housing and transparency by landlords, such as rights guaranteed by rent-stabilization laws, tax reporting requirements and other laws. HRI further assists tenants by referring them to legal

counsel who advise them of their legal options and by bringing legal actions against landlords who seek to evade these affordable housing laws and reporting requirements.

88. Through HRI's counseling, organizing and referral efforts, it has successfully and substantially increased the inventory of affordably-priced housing in the greater New York City metropolitan area, when the tenants who it counsels and organizes are able to secure agreements with landlords, ensuring that units will be affordably priced.

89. These gains, however, have been jeopardized and offset by an epidemic of source of income discrimination in the greater New York City metropolitan area, including the discriminatory policies of the Defendants alleged herein. In the last several years, HRI began hearing from its community partners that widespread source of income discrimination in the greater New York City metropolitan area, including Jersey City and Newark, threatened to worsen the affordable housing crisis by placing thousands of otherwise affordable housing off limits to low-income tenants with vouchers.

90. As a result, HRI was compelled to divert hundreds of hours of time and scarce financial resources to fully investigate and identify the extent of housing providers' unlawful source of income discrimination practices through its civil rights testing program and to determine how to counteract these practices. HRI employed a testing program to monitor compliance with federal, state, and local civil rights laws that prohibit discrimination against members of legally protected classes—including race, disability, and source of income, among others. When HRI found Defendants were engaged in source of income discrimination, it was required to divert scarce resources to address the problem through education and outreach, advocacy, training, collaboration and, if necessary, enforcement. This diversion and expenditure of resources has come in several forms, as described below.

91. Because it is not only important to remedy past discrimination, but to take steps to prevent similar future discrimination from occurring, the activities used in this effort have also included outreach and education directed at affected or potentially affected populations, the public at large, enforcement agencies and the owners and employee of the entities engaged in the discriminatory activity.

92. In response to HRI's investigation, HRI was compelled to divert hundreds of hours of resources to an extensive education and outreach campaign to the affected communities in an effort to combat Defendants' discrimination. This included:

- creating and providing know-your-rights material to hundreds of schools, churches, senior centers and other local partners informing them of the rights of prospective tenants and the responsibilities of landlords and brokers concerning source of income discrimination;
- creating and publishing content for HRI's website about source of income discrimination;
- communicating with state law enforcement agencies, including the New Jersey State Division on Human Rights to discuss HRI's findings and how the State could combat these violations;
- reaching out to the offices of local elected officials and discussing HRI's findings; and
- conducting outreach directly to the Defendants to educate them about their responsibilities as landlords and brokers.

Not including the time spent investigating using testers, HRI's staff expended more than 200 hours on education and outreach.

93. Defendants' discriminatory policies and practices have diverted HRI's resources away from its organizing, counseling and referral services in order to address the rampant source of income discrimination that is pervasive in the greater New York City metropolitan area.

94. Prior to and at the time of filing this action, Defendants' wrongdoing has injured, and—if left unaddressed—will continue to injure HRI by frustrating its mission to promote fair housing opportunities and preserve and maintain affordable housing in the greater New York City metropolitan area, and will require HRI to continue to divert its efforts and programming to combat practices that deny housing opportunities to voucher holders, preventing HRI from continuing its other counseling, organizing and referral efforts on behalf of tenants.

95. Defendants' discriminatory policies and practices have had the effect of reducing the available inventory of safe and affordable housing in New Jersey, leading to an increased demand and need for HRI's organizing, counseling and referral services.

FIRST CLAIM FOR RELIEF
NEW JERSEY LAW AGAINST DISCRIMINATION

96. Plaintiff restates and incorporates by reference the preceding paragraphs as if fully set forth herein.

97. Defendants are brokers and/or landlords of housing accommodations and/or have the right to approve the rental accommodations located in New Jersey.

98. The LAD provides that it is unlawful “[f]or any person, including but not limited to, any owner, lessee, sublessee, assignee or managing agent of, or other person having the right of ownership or possession of or the right to sell, rent, lease, assign, or sublease any real property or part or portion thereof, or any agent or employee of any of these: [t]o refuse to sell, rent, lease, assign, or sublease or otherwise to deny to or withhold from any person or group of persons any real property or part or portion thereof because of . . . source of lawful income used for rental or mortgage payments.” N.J.S.A. 10:5-12(g)(1); N.J.S.A. 10:5-12(h)(1).

99. Further, it is unlawful for landlords and/or brokers, or an employee or agent thereof “[t]o discriminate against any person or group of persons because of . . . source of lawful income

used for rental or mortgage payments in the terms, conditions or privileges of the sale, rental or lease of any real property or part or portion thereof or in the furnishing of facilities or services in connection therewith.” N.J.S.A. 10:5-12(g)(2); N.J.S.A. 10:5-12(h)(2).

100. Landlords and/or brokers or an employee or agent thereof shall not “print, publish, circulate, issue, display, post or mail, or cause to be printed, published, circulated, issued, displayed, posted or mailed any statement, advertisement, publication or sign, or to use any form of application for the purchase, rental, lease, assignment or sublease of any real property or part or portion thereof, or to make any record or inquiry in connection with the prospective purchase, rental, lease, assignment, or sublease of any real property, or part or portion thereof which expresses, directly or indirectly, any limitation, specification or discrimination as to . . . source of lawful income used for rental or mortgage payments, or any intent to make any such limitation, specification or discrimination, and the production of any such statement, advertisement, publicity, sign, form of application, record, or inquiry purporting to be made by any such person shall be presumptive evidence in any action that the same was authorized by such person . . .” N.J.S.A. 10:5-12(g)(3); N.J.S.A. 10:5-12(h)(3).

101. It is further unlawful for a landlord and/or broker or an employee or agent thereof “[t]o refuse to sell, rent, lease, assign, or sublease or otherwise to deny to or withhold from any person or group of persons any real property or part or portion thereof because of the source of any lawful income received by the person or the source of any lawful rent payment to be paid for the real property.” N.J.S.A. 10:5-12(g)(4); N.J.S.A. 10:5-12(h)(4).

102. Defendants violated the LAD by engaging in prohibited behaviors, including but not limited to making discriminatory statements and/or adopting policies and practices that deny

or withhold apartments for rent because of source of income, and/or by aiding or abetting such discriminatory statements and/or practices or policies.

103. Defendants' policies, as applied to voucher holders, are clear and direct discrimination against voucher holders and constitute a refusal to rent because of lawful source of income.

104. Moreover, Defendants' policies have a disparate impact on voucher holders by preventing voucher holders from obtaining housing.

105. Defendants' conduct was willful and intentional.

106. Plaintiff HRI is a "person" pursuant to N.J.S.A. 10:5-5 and has suffered damages as a direct and proximate result of Defendants' discriminatory conduct.

107. Accordingly, under the LAD, Plaintiff is entitled to actual damages, punitive damages, injunctive relief, and reasonable attorneys' fees and costs.

PRAYER FOR RELIEF

WHEREFORE Plaintiff HRI respectfully requests that the Court:

- (a) Enter judgment declaring that Defendants' acts, policies, practices, and statements of refusing to rent to voucher holders constitutes source of income discrimination in violation of the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1, *et. seq.*;
- (b) Enter judgment for appropriate permanent injunctive relief, including an order that Defendants abandon their policies or practices of refusing to rent to voucher holders and instead accept tenants without regard to sources of income, and such remedial actions as are necessary to ameliorate Defendants' past illegal discriminatory conduct;
- (c) Award HRI monetary damages in an amount to be determined at trial;
- (d) Award HRI reasonable attorneys' fees and costs;

- (e) Award HRI punitive damages in an amount to be determined at trial; and
- (f) Grant such other relief as the Court may deem just and proper.

Dated:

Respectfully submitted,

/s/ Brian R. Tipton

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Civil Case Information Statement

Case Details: ESSEX | Civil Part Docket# L-003463-23

Case Caption: HOUSING RIGHTS INITIATIVE VS
KELLER WILLIAMS RE

Case Initiation Date: 05/31/2023

Attorney Name: BRIAN RUSSELL TIPTON

Firm Name: FLORIO PERRUCCI STEINHARDT CAPPELLI
TIPTON & TAYLOR LLC

Address: 91 LARRY HOLMES DR STE 200
EASTON PA 18042

Phone: 6106917900

Name of Party: PLAINTIFF : Housing Rights Initiative

Name of Defendant's Primary Insurance Company
(if known): None

Case Type: LAW AGAINST DISCRIMINATION (LAD) CASES

Document Type: Complaint with Jury Demand

Jury Demand: YES - 12 JURORS

Is this a professional malpractice case? NO

Related cases pending: NO

If yes, list docket numbers:

Do you anticipate adding any parties (arising out of same transaction or occurrence)? NO

Does this case involve claims related to COVID-19? NO

Are sexual abuse claims alleged by: Housing Rights Initiative? NO

THE INFORMATION PROVIDED ON THIS FORM CANNOT BE INTRODUCED INTO EVIDENCE

CASE CHARACTERISTICS FOR PURPOSES OF DETERMINING IF CASE IS APPROPRIATE FOR MEDIATION

Do parties have a current, past, or recurrent relationship? NO

If yes, is that relationship:

Does the statute governing this case provide for payment of fees by the losing party? YES

Use this space to alert the court to any special case characteristics that may warrant individual management or accelerated disposition:

Do you or your client need any disability accommodations? NO

If yes, please identify the requested accommodation:

Will an interpreter be needed? NO

If yes, for what language:

Please check off each applicable category: Putative Class Action? NO **Title 59?** NO **Consumer Fraud?** NO

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with *Rule* 1:38-7(b)

05/31/2023
Dated

/s/ BRIAN RUSSELL TIPTON
Signed

