

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CONCILIATION AGREEMENT

Under

THE FAIR HOUSING ACT

Between

**Ernesto Zuniga and Corina Zuniga
("Complainant Zunigas")**

And

**Housing Equality Center
("Complainant HEC")
(collectively, "Complainants")**

And

**CM Bucks Landing 120, LLC
("Respondent Bucks Landing")**

And

**Residential Management (NY), Inc.
("Respondent Residential Management")
(collectively, "Respondents")**

And

**Approved by the FHEO Regional Director on behalf of the United States
Department of Housing and Urban Development**

FHEO CASE NUMBERS: 03-20-6098-8; 03-20-6099-8

A. PARTIES AND SUBJECT PROPERTY

Complainants:

Ernesto Zuniga and Corina Zuniga
501 South York Road
Hatboro, PA 19040

Housing Equality Center
P.O. Box 558
Ft. Washington, PA 19034

Complainants' Representative

Sara Pratt, Esq.
Relman Colfax, PLLC
1225 19th Street, NW, # 600
Washington, DC 20036

Respondents:

CM Bucks Landing 120, LLC
1211 Chestnut Street, # 903
Philadelphia, PA 19107

Residential Management (NY), Inc.
1651 Coney Island Avenue, 4th Floor
Brooklyn, NY 11230

Respondents' Representative:

Gwendolyn Roy-Harrison, Esq.
Offit Kurman
300 E. Lombard Street, Suite 2010
Baltimore, MD 21202

Subject Properties:

Aspen Grove Apartment Homes
120 E. Street Road
Warminster, PA 18974

Raritan Crossing Apartment Homes
18 Regency Manor Dr.
New Brunswick, NJ 08901

B. STATEMENT OF FACTS

1. Two complaints were filed with the United States Department of Housing and Urban Development (“Department”) on July 15, 2020, alleging Respondents violated Sections 804(a), 804(b), and 804(c), of Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Act of 1988 (“Act”) by refusing to rent to Complainant Zuniga on the basis of national origin, and according to Complainant HEC, by adopting and applying policies that discriminated against potential applicants based on national origin, race, and familial status.
2. Respondent Bucks Landing owns Aspen Grove Apartment Homes. Respondent Residential Management manages the subject properties. Residential Management owns and operates apartment complexes in several states.
3. Respondents deny they engaged in any discriminatory housing practices but agree to settle the disputed claims in the underlying action by entering into this Conciliation Agreement. It is understood by all parties that this Agreement does not constitute an admission by Respondents of any violation of the Act, and that the Department has made no findings on the merits of the complaint.

C. TERM OF AGREEMENT

This Conciliation Agreement (hereinafter “Agreement”) shall govern the conduct of the parties to it for a period of two (2) years from the Effective Date of this Agreement.

D. EFFECTIVE DATE

1. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act, unless and until such time as it is approved by the Department, through the Fair Housing and Equal Opportunity (“FHEO”) Regional Director or his or her designee.
2. This Agreement shall become effective on the date on which it is approved by the FHEO Regional Director or his or her designee.

E. GENERAL PROVISIONS

1. The parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaint. The parties affirm that they have read and fully understand the terms set forth herein. No party has been coerced, intimidated, threatened or in any way forced to become a party to this Agreement.
2. The Respondents acknowledge that they have an affirmative duty not to discriminate under the Act, and that it is unlawful to retaliate against any person because that person has made a complaint, testified, assisted or participated in any manner in a proceeding under the Act. Respondents further acknowledge that any subsequent retaliation or

discrimination constitutes both a material breach of this Agreement, and a statutory violation of the Act.

3. This Agreement, after it has been approved by the FHEO Regional Director, or his or her designee, is binding upon Respondents, their employees, heirs, successors, and assigns and all others in active concert with him in the ownership or operation of the subject property.
4. It is understood that, pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Regional Director or his or her designee, it is a public document.
5. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving Respondents made pursuant to the Act, or any other complaint within the Department's jurisdiction.
6. No amendment to, modification of, or waiver of any provisions of this Agreement will be effective unless: (a) all signatories or their successors to the Agreement agree in writing to the amendment, modification or waiver; (b) the amendment, modification or waiver is in writing; and (c) the amendment, modification or waiver is approved and signed by the FHEO Regional Director or his or designee.
7. The parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement, and that the original executed signature pages attached to the body of the Agreement constitute one document.
8. Complainant hereby forever waives, releases, and covenants not to sue the Department or Respondents, their heirs, executors, assigns, agents, employees and attorneys with regard to any and all claims, damages and injuries of whatever nature, whether presently known or unknown, arising out of the subject matter of HUD Case Numbers 03-20-6098-8; 03-20-6099-9, or which could have been filed in any action or suit arising from said subject matter.
9. Respondents hereby forever waive, release, and covenant not to sue the Department or Complainant, and its successors, assigns, agents, officers, board members, employees and attorneys with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Numbers 03-20-6098-8; 03-20-6099, or which could have been filed in any action or suit arising from said subject matter.

F. RELIEF FOR COMPLAINANT

1. Within ten (10) days of the Effective Date of this Agreement, Respondents agree to pay Complainants the total sum of Four Hundred Fifty Thousand Dollars (\$450,000.00) for their alleged damages, costs, and fees, payable by wire transfer or check, made payable to Relman Colfax PLLC, attention Sara Pratt, as follows:

Relman Colfax PLLC, attention Sara Pratt
1225 19th St NW, Suite 600
Washington DC 20036

G. RELIEF IN THE PUBLIC INTEREST

1. Within thirty (30) days of the Effective Date of this Agreement, Respondents shall include the fair housing logo and the words “Equal Housing Opportunity Provider” on all advertisements for properties owned and/or managed by Respondent Residential Management.
2. Within thirty (30) days of the Effective Date of this Agreement, Respondents shall prominently display a fair housing poster in the leasing office, the lobby bulletin board, or in the laundry room of all properties owned and/or managed by Respondent Residential Management. The form and substance of the poster shall conform to the regulation of the Secretary of HUD, as amended (see 24 CFR part 110).
3. Within ninety (90) days of the Effective Date of this Agreement, all property management staff at properties owned and/or managed by Respondent Residential Management who are directly involved in the leasing and/or management of rental units shall attend at least 2 hours of training on the Federal Fair Housing Act and the policies adopted as part of this Agreement. At least fourteen (14) days prior to the training, Respondents shall submit to the Department for approval the name of the trainer, qualifications of the trainer, and a general description of the training and materials (presentation agenda or PowerPoint slides) that will be used to fulfill the training requirement. Respondents shall provide the Department with copies of the certificates of attendance.
4. For all properties owned and/or managed by Respondent Residential Management, Respondents shall apply the occupancy policy attached here that conforms with the HUD guidance on occupancy (Attachment A). Respondents shall distribute the policy to all properties owned or managed by Respondent Residential Management, including managers and staff that handle tenant applications.
5. For all properties owned and/or managed by Respondent Residential Management, Respondents shall adopt and apply a policy that is consistent with the Department’s Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions, April 4, 2016, attached as (Attachment B).
6. For all properties owned and/or managed by Respondent Residential Management, Respondent shall adopt and apply a policy that permits applicants without a social security number to apply for housing and removes any mandatory requirement that an applicant provide a social security number or ITIN. Respondent’s revised policies and procedures are attached as (Attachment C).

H. MONITORING

The Department shall determine compliance with the terms of this Agreement. During the Term of the Agreement, HUD may review compliance with this Agreement. As part of such review, HUD may inspect Respondents' properties identified in Section A of this Agreement, examine witnesses and copy pertinent records of Respondents. Respondents agree to provide their full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

I. REPORTING AND RECORDKEEPING

1. Evidence of completion of the terms outlined in (F) and (G) shall be sent to the Department according to the timeframes outlined in those provisions. For clarity, those timeframes are outlined below:

Within 10 days of Effective Date: F.1

Within 30 days of Effective Date: G.1, G.2

Within 90 days of Effective Date: G.3

2. All required documentation of compliance shall be submitted to:

Rachel Leith
Enforcement Branch Chief, Region III
U.S. Department of Housing and Urban Development
Enforcement03@hud.gov

J. CONSEQUENCES OF BREACH

Whenever the Department has reasonable cause to believe that the Respondents have breached this Agreement, the matter may be referred to the Attorney General of the United States, to commence a civil action in the appropriate U.S. District Court, pursuant to Sections 810(c) and 814(b)(2) of the Act.

K. SIGNATURES

By signing below, the signatories agree that they intend to be legally bound and represent that they have the authority to execute this Agreement on behalf of the party they are signing for.

Ernesto Zuniga

8/30/2022

Ernesto Zuniga
Complainant

Date

Corina Zuniga

8/30/2022

Corina Zuniga
Complainant

Date

K. SIGNATURES

By signing below, the signatories agree that they intend to be legally bound and represent that they have the authority to execute this Agreement on behalf of the party they are signing for.

Rachel Wentworth
Housing Equality Center
Complainant

8/29/22
Date

RACHEL WENTWORTH
Print Name

EXECUTIVE DIRECTOR
Print Title

K. SIGNATURES

By signing below, the signatories agree that they intend to be legally bound and represent that they have the authority to execute this Agreement on behalf of the party they are signing for.



CM Bucks Landing 120, LLC
Respondent

8/30/2022

Date

Motti Shapira


Print Name

VP

Print Title

K. SIGNATURES

By signing below, the signatories agree that they intend to be legally bound and represent that they have the authority to execute this Agreement on behalf of the party they are signing for.



Residential Management (NY), Inc.
Respondent

8/30/2022

Date

Motti Shapira


Print Name

VP

Print Title

L. APPROVAL

CAROLYN
PUNTER

 Digitally signed by: CAROLYN PUNTER
DN: CN = CAROLYN PUNTER C = US O =
U.S. Government OU = Department of
Housing and Urban Development, Office of
Fair Housing and Equal Opportunity
Date: 2022.09.12 14:23:07 -04'00'

Carolyn K. Punter
Acting Director, Region III
Office of Fair Housing and Equal Opportunity

09/12/2022

Date

ATTACHMENT A

(Occupancy Policy)

OCCUPANCY POLICY

RESIDENTIAL MANAGEMENT (NY) INC.

All rental properties operated by Residential Management (NY) Inc. will comply with local code(s) regulating occupancy standards. In absence of specific local code requirements, Residential Management (NY) may use the following standards for occupancy:

All rooms used for sleeping purposes must contain a minimum of 70 square feet for the first occupant and an additional 50 square feet for each additional occupant.

Bedrooms with at least 120 square feet but less than 170 square feet may be limited to two occupants.

Bedrooms with at least 170 square feet but less than 220 square feet may be limited to three occupants.

Bedrooms with at least 220 square feet but less than 270 square feet may be limited to four occupants.

If local codes permit or restrict occupancies based on habitable living space for any property or any other condition, occupancy may be adjusted accordingly.

ATTACHMENT B

(Criminal History Policy)

CRIMINAL HISTORY POLICY

RESIDENTIAL MANAGEMENT (NY) INC.

This property is committed to upholding fair housing principles and ensuring equal access to its property regardless of applicants' criminal backgrounds. The property will treat all applicants similarly and will not apply a blanket policy of excluding or denying potential applicants because of a criminal record. In determining whether to approve an applicant to live in the community, the property will conduct a criminal screening process, as described below.

Criminal Background Screening

The property may conduct a criminal background screening for all individuals ages 18 and older who will reside in the apartment. In conducting the criminal background screening, the property will only consider felony criminal convictions that fit within the following categories of offenses:

- 1) property offenses,¹
- 2) major drug offenses,²
- 3) fraud offenses,³
- 4) major violent offenses against persons,⁴ and
- 5) sex offenses.⁵

The property may consider felony convictions for violent crimes against persons, sex offenses, and major drug offenses that occurred within ten years from the date of application, and felony convictions for property and fraud offenses that occurred within seven years from the date of application.

Any other category of offense will not be considered. These categories were identified because they involve conduct by a person whose tenancy may present a current, direct threat of harm to others, or the risk of substantial damage to the property of others.

The property's criminal background screening will not consider arrests, charges, expunged convictions, convictions reversed on appeal, vacated convictions, offenses where adjudication

¹ Property offenses include vandalism, arson, and other criminal damage to property.

² Major drug offenses include drug trafficking and the sale, smuggling, mass distribution, or manufacture of any controlled substance. Major drug offenses do not include possessory offenses—either of controlled substances or drug paraphernalia—including simple possession with intent to distribute. Major drug offenses also do not include any past conduct that has since been decriminalized.

³ Fraud offenses include identify theft, use of stolen checks, writing bad checks, counterfeiting, and forgery.

⁴ Major violent offenses include homicide and assault and battery convictions that involve serious or great bodily harm, including crimes of violence against minors.

⁵ Sex offenses include rape, sex trafficking, and aggravated sexual assault and sexual battery; not included are victimless crimes such as prostitution or solicitation.

was withheld or deferred, pardoned convictions, and sealed juvenile records. It will not treat people differently based on whether the applicant is on probation or parole.

Assessment

If an applicant is identified as having a felony criminal conviction in one of the specified categories of offenses, the property will consider the following factors in determining whether to approve or reject the application:

- the facts or circumstances surrounding the criminal conduct;
- the extent to which the criminal conduct occurred in or was tied to the residence of the applicant;
- the age of the applicant at the time of the occurrence of the criminal offense;
- evidence of a good or bad tenant history before or after the conviction or conduct;
- evidence of rehabilitation efforts related to the criminal conduct;
- the time that has elapsed since the occurrence of the conduct;
- any information about the applicant that indicates good or bad conduct since the offense occurred;
- whether the conduct/conviction arose from the applicant's status as a survivor of domestic violence, sexual assault, stalking, or dating violence;
- whether the conduct/conviction arose from an applicant's disability, including mental illness; and
- any other information related to whether the applicant's specific criminal history creates the potential that the property's current residents, employees, agents, or property will be exposed to a heightened risk of crime.

The property will assess the applicant based upon available information obtained during the application process, including the information received from the property's credit and criminal background screening provider and any supplemental information provided by the applicant for the property's consideration. The purpose of the assessment is to determine whether the applicant is able to fulfill the obligations of tenancy at the property and will not create a heightened threat to the health and safety of the community where the property is located.

If the property decides to reject an applicant, then on the day of such determination, the property will notify the applicant in writing of the decision and the reason for the decision. The notice will inform the applicant that criminal conduct was identified in the criminal background screening and will provide the applicant an opportunity to dispute the findings or provide additional information for the property to consider as part of an individualized assessment to determine whether mitigating circumstances should result in acceptance of the applicant. Such information could include, for example, letters from parole officers, case workers, counselors, family members, or community organizations commenting on the applicant's responsible conduct and rehabilitation efforts. The property will consider all applicants equally and render decisions in a fair and consistent manner.

Disclosure

The property will disclose its criminal screening policy to all applicants in the application or materials attached thereto.

ATTACHMENT C

(Social Security Number Policy)

**POLICY ON REQUIREMENT OF A SOCIAL SECURITY NUMBER OR ITIN
RESIDENTIAL MANAGEMENT (NY) INC.**

Residential Management (NY) Inc. will not require applicants or tenants to provide a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN) as a condition of acceptance of an application or as a requirement for tenancy.

For identification purposes, Residential Management (NY) Inc. may accept any of the following forms of identification for adult applicants:

- Citizenship Card/Consulate Cards
- INS Form I-864 Sponsorship Verification
- Certificate of Naturalization INS I-550
- US Passport
- ITIN document
- Unexpired foreign passport
- Alien Registration Receipt Card with Photograph
- Unexpired temporary resident card (I-688)
- Unexpired employment authorization card (I-688A or I 688B)
- Unexpired Reentry permit
- Unexpired refugee travel document
- Government issued Driver's License or ID card
- INS Form I-864 Sponsorship Declaration
- Federally recognized, tribal-issued photo ID