State of New Jersey
Department of Law & Public Safety
Division on Civil Rights

Report on 2006 Housing Discrimination Enforcement and Initiatives of the New Jersey Division on Civil Rights
Housing and Multiple Dwelling Reporting Rule Investigations Unit (HIU)

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NEW JERSEY DIVISION ON CIVIL RIGHTS
Report on Housing Discrimination
Initiatives for Calendar Year 2006

The New Jersey Division on Civil Rights (Division) is responsible for enforcing the New Jersey Law Against Discrimination (LAD) and the New Jersey Family Leave Act (FLA). Among other things, the LAD seeks to prevent and remedy unlawful discrimination in housing. By investigating and resolving allegations of unlawful discrimination and violations of the LAD, the Division serves as a fair and impartial forum for addressing claims that New Jersey law has been violated.

In a broader sense, the Division’s key legislative mandate is to foster sensitivity, acceptance and respect among all people across the State. Central to the mission of the Division is the Legislature’s declaration that if unlawful discrimination affects any one individual in New Jersey, it affects every individual in New Jersey. For this reason, the Division not only is engaged in aggressive enforcement of the LAD, but it sponsors a variety of education and community outreach activities.

In 2006, the Division re-established its longstanding relationship with the United States Department of Housing and Urban Development, which enforces the federal Fair Housing Act. The Fair Housing Act celebrated its 38th year of providing a federal response to the need for equal housing opportunity. However, in New Jersey, state law has provided for equal housing opportunity for several decades prior to the enactment of the Fair Housing Act.

LEGISLATIVE HISTORY

In 1945, the New Jersey Legislature enacted the LAD, which did not prohibit housing discrimination. However, in 1950 New Jersey enacted its first state law that provided for various protections from unlawful housing discrimination. That state law prohibited discrimination based on race, creed, color, national origin or ancestry in housing built with public funds or public assistance. This same law was amended in 1957 to prohibit discrimination in publically assisted housing accommodations. In 1955, the State Savings and Loan Act was amended to prohibit discrimination on the basis of race, creed, color, national origin or ancestry in granting mortgage loans.

In 1961 many of these earlier housing provisions were incorporated into the LAD, and in that same year the LAD was amended to prohibit discrimination in real property based on race, creed, color, national origin or ancestry. In 1968, the federal government enacted the Fair Housing Act, which, at that time, only prohibited housing discrimination based on race, color, religion and national origin.

Prohibitions against discrimination on the basis of sex and marital status were added to the New Jersey Law Against Discrimination in 1970. In 1972, the LAD was amended to also prohibit discrimination based on disability, or because of the disability of a person residing or intending to

This report was prepared by Director Frank Vespa-Papaleo, Deputy Director Gary LoCassio, Chief Stuart Sherman, and HIU Manager Elizabeth Russian. Special thanks to DAG Estelle Bronstein and MIS Manager Ralph Menendez, for their assistance.
reside in a dwelling, or the disability of a person associated with the buyer or renter. The federal Fair Housing Act was amended in 1974 to include the prohibition of discrimination based on sex.

In 1977 New Jersey law was further amended to specify that people with disabilities must be permitted to maintain guide or service dogs in housing accommodations, and could not be required to pay extra compensation to do so. At the federal level, protections for persons with disabilities were enacted in 1973 with passage of Section 504 of the Rehabilitation Act of 1973, prohibiting such discrimination in HUD-funded housing. However, the Fair Housing Act did not provide for equal housing opportunity for persons with disabilities until it was amended in 1988, twelve years after New Jersey law had already provided such protections to persons with disabilities.

In 1991 the LAD was further amended to prohibit discrimination, including in housing, based on sexual orientation. A year later the LAD was amended to prohibit housing discrimination based on familial status, and was further amended to cover failure to construct multi-family dwellings (four or more units) in accordance with barrier-free standards. The LAD was also amended at that time to prohibit municipalities, counties or other political subdivisions from discriminating in regulating land use or housing, but vesting jurisdiction only in Superior Court.

In 2001 the New Jersey Legislature increased the statutory penalties for violating the LAD, so that a first violation could result in a penalty of up to $10,000, $25,000 for a second violation, and up to $50,000 for a third violation. A year later the LAD was amended to prohibit housing discrimination based on source of lawful income used for rent or mortgage, and against families with minor children. Additionally, for the first time, attorney fees were now made available to the State for services of attorneys who successfully prosecuted cases on behalf of the Division.

The following year, the LAD was amended yet again to make the Division’s procedures for filing, investigating and litigating housing discrimination cases substantially equivalent to federal HUD procedures for housing discrimination cases, including the right of either party to request transfer to Superior Court if the Director issues a Finding of Probable Cause. Additionally, the housing section of LAD was amended to specifically prohibit discrimination based on nationality.

In 2004 the Legislature amended the LAD to prohibit discrimination on the basis of domestic partnership status and then, in 2006, on the basis of civil union status and gender identity or expression, making the LAD one of the few statewide civil rights statutes to protect sexual minorities from discrimination in housing.

**OVERVIEW**

The Division is responsible for combating housing discrimination in New Jersey. During the calendar year 2006, the Division continued to engage in aggressive and proactive enforcement of the housing anti-discrimination law. Housing discrimination investigations are conducted by a separate and distinct unit of the Division’s Bureau of Enforcement called the Housing and Multiple Dwelling Reporting Rule Investigations Unit (HIU).

In 2006, the Division increased the investigative staff of the HIU to include a Spanish-speaking bi-lingual housing investigator, and continued to enhance its education, undercover testing and outreach initiatives in the area of housing.
During 2006, the Division enjoyed a work sharing agreement with the United States Department of Housing and Urban Development (HUD). Due to recent statutory amendments made to the LAD, the Division was able to take the steps necessary to re-establish a work-sharing agreement with the HUD which makes federal funds available to New Jersey for the reimbursement of housing investigations the Division is already required to perform. Additionally, the agreement provides cases deferred to the Division from HUD for investigation.

The Division had not maintained a work-sharing agreement with HUD in over 15 years and that had resulted in a steady decline in the number of housing cases on the Division’s docket. With a work-sharing agreement now in place, the Division is better able to enforce fair housing laws and foster greater relationships with the fair housing organizations and advocacy groups throughout the state. In addition, due to the diligence of the Division’s HIU, in 2006 HUD’s work-sharing agreement provided the Division with resources of $120,000 in federal assistance for conducting its investigation of cases that were dual-filed with HUD and the Division.

In July 2006, the Division Director and Enforcement Management participated in a meeting with HUD Assistant Secretary Kim Kendrick at HUD’s New York City Regional Office. Assistant Secretary Kendrick is charged with administering federal fair housing laws and establishing national policies that mandate all Americans have equal access to the housing of their choice. At this meeting the Director shared information regarding the Division’s internet housing complaints, outreach initiatives and recommended joint investigative efforts with HUD on systemic class action charges. Additionally, the Division stressed the urgency and importance of approving our agency as a fully-“certified” state FHAP (Fair Housing Assistance Program) agency, as that would generate a substantial increase in federal funding under the work-sharing agreement.

Additionally, in September 2006, a number of HIU staff participated in training and exchanged valuable investigative techniques through training provided by the International Association of Official Human Rights Agencies (IAOHRA), which, in conjunction with the Division, the New Jersey Commission on Civil Rights, and the New Jersey Human Relations Council, hosted the 58th Annual IAOHRA Conference in Atlantic City.

The following will provide a detailed report of the cases which were opened and closed by the HIU in 2006 and other initiatives and significant cases.

THE STATE OF FAIR HOUSING ENFORCEMENT IN NEW JERSEY

Case Inventory

In 2006, the Division’s HIU broke some of the agency’s longest-standing records in terms of intake and completion of housing discrimination matters, demonstrating the enormous need for continued vigilance on housing discrimination enforcement.

In 2006, the Division’s HIU received 171 new housing discrimination cases from throughout the State. This was the highest number of new housing discrimination filings with the Division in a single year since 1973, breaking an intake record of nearly 33 years. Additionally, nearly 15% of all new case investigations initiated by the Division in 2006 were in the area of housing, as opposed to 5% of new cases just 5 years prior.
In addition, the HIU concluded investigations in 183 housing cases, 172 of which were dual-filed and accepted by HUD for contract credit in accordance with the work-sharing agreement. The 183 case closings in 2006 represented the largest number of housing discrimination cases completed in a single year since 1991, breaking a housing discrimination closure record of nearly 15 years. Additionally, more than 14% of case investigations closed by the Division in 2006 were in the area of housing, as opposed to less than 2% of cases closed just 5 years prior.

Of the cases closed, 59% were determined to lack sufficient evidence of discrimination as a result of the investigation, and, therefore, were issued determinations of No Probable Cause. Cases resulting in decisions favorable to complainant (Settlements and Director’s Orders) accounted for 24.3% of the closed cases. These cases resulted in monetary awards to the Complainant totaling $53,977.00, and in some instances the securing of housing for complainants. In addition to housing and monetary awards, several cases resulted in structural modifications, such as the installation of wheelchair ramps and shower grabs for persons with mobility disabilities and visible fire alarms for persons with hearing loss. Administrative closure accounted for the remaining 16.7% of the cases resolved.

In 2006 the Division issued ten Findings of Probable Cause in housing cases and developed eight Director’s Complaints involving illegal internet advertising through the use of undercover testing. Director Complaints are those in which the Director initiates a complaint in the public interest or to ensure systemic changes to policies or practices of a respondent party. Director Complaints often involve the use of undercover “testers” to explore possible unlawful conduct, and to determine if there is a “pattern and practice” of discriminatory activity occurring.

Case Trends

Since late 2002, the Division has seen considerable growth in the number of housing cases under investigation, as demonstrated in the table below. This increase is attributable to two primary factors—the amendment of the LAD in 2002 to include lawful source of income as a basis of unlawful discrimination, and re-establishment of the work-sharing agreement with HUD, resulted in an increase in the number of dual-filed housing cases and significant number of cases deferred by HUD to the Division for investigation.

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Average Age</th>
<th>Category</th>
<th>Number</th>
<th>Average Age</th>
<th>Category</th>
<th>Number</th>
<th>Average Age</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of Aug 2002</td>
<td></td>
<td></td>
<td>As of Dec 2006</td>
<td></td>
<td></td>
<td>Difference</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Cases</td>
<td>50</td>
<td>621</td>
<td>All Cases</td>
<td>74</td>
<td>310</td>
<td>All Cases</td>
<td>24</td>
<td>(311)</td>
<td></td>
</tr>
<tr>
<td>Cases Under Investigation</td>
<td>45</td>
<td>463</td>
<td>Cases Under Investigation</td>
<td>52</td>
<td>241</td>
<td>Cases Under Investigation</td>
<td>7</td>
<td>(222)</td>
<td></td>
</tr>
<tr>
<td>Post-Investigation/Litigation</td>
<td>5</td>
<td>1915</td>
<td>Post-Investigation/Litigation</td>
<td>22</td>
<td>707</td>
<td>Post-Investigation/Litigation</td>
<td>17</td>
<td>(1208)</td>
<td></td>
</tr>
</tbody>
</table>

There also has been a change in the basis of the complaints received by the Division alleging housing discrimination. While historically the predominant alleged bases of housing complaints had been race and national origin, the past several years have seen an increase in the number of complaints alleging discrimination based on disability.

Additionally, since the expansion of the LAD to include discrimination on the basis of Source of Lawful Income the number of cases alleging that basis has increased dramatically. This
has occurred despite the basis not constituting unlawful discrimination under the provisions of the Fair Housing Act, which in part, governs the HUD work-sharing agreement. The increase in cases alleging discrimination on the basis of familial status, however, can be attributed to cases deferred to the Division by HUD for investigation.

As can be seen from the accompanying tables and chart, the Division has seen a significant increase in number of cases in its housing caseload since 2002, as well as the types of cases it has received. Notably, the number of disability related cases rose from seven to 84 in just three years and now disability claims involve 44% of the Division housing cases. Lawful source of income cases, which were not covered prior to 2002, now account for approximately 24% of the housing cases under investigation.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Disability</th>
<th>Disability %</th>
<th>Source of Income</th>
<th>Source of Income %</th>
<th>Race</th>
<th>Race %</th>
<th>Familial Status</th>
<th>Familial Status %</th>
<th>Nat Origin</th>
<th>Nat Origin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>23</td>
<td>7</td>
<td>30.4%</td>
<td>1</td>
<td>4.3%</td>
<td>8</td>
<td>34.8%</td>
<td>2</td>
<td>8.7%</td>
<td>3</td>
<td>13.0%</td>
</tr>
<tr>
<td>2003</td>
<td>54</td>
<td>9</td>
<td>16.7%</td>
<td>32</td>
<td>59.3%</td>
<td>15</td>
<td>27.8%</td>
<td>5</td>
<td>9.3%</td>
<td>4</td>
<td>7.4%</td>
</tr>
<tr>
<td>2004</td>
<td>73</td>
<td>13</td>
<td>17.8%</td>
<td>29</td>
<td>39.7%</td>
<td>19</td>
<td>26.0%</td>
<td>7</td>
<td>9.6%</td>
<td>6</td>
<td>8.2%</td>
</tr>
<tr>
<td>2005</td>
<td>193</td>
<td>84</td>
<td>43.5%</td>
<td>48</td>
<td>23.8%</td>
<td>49</td>
<td>25.4%</td>
<td>30</td>
<td>15.5%</td>
<td>26</td>
<td>13.5%</td>
</tr>
<tr>
<td>2006</td>
<td>178</td>
<td>74</td>
<td>41.6%</td>
<td>31</td>
<td>17.4%</td>
<td>57</td>
<td>32.0%</td>
<td>27</td>
<td>15.2%</td>
<td>33</td>
<td>18.5%</td>
</tr>
<tr>
<td>Total:</td>
<td>521</td>
<td>187</td>
<td>35.9%</td>
<td>139</td>
<td>26.7%</td>
<td>148</td>
<td>26.4%</td>
<td>71</td>
<td>13.6%</td>
<td>72</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

There also has been a significant increase in the number of complaints received alleging familial status or national origin discrimination. These are issues which affect families with children and the State’s growing immigrant populations. As the work-sharing agreement with HUD matures, the Division expects that its housing caseload will increase as HUD redirects a greater number of its New Jersey-filed cases to the Division for investigation.
Multiple Dwelling Reports (MDRR)

The Multiple Dwelling Reporting Rule (MDRR) was adopted in 1970 to enable the Division on Civil Rights to study patterns of housing occupancy, investigate practices of discrimination and affirmatively administer the LAD. Under the MDRR, N.J.A.C. 13:10-1.1, et. seq., the owner or owners of every multiple apartment development which has 25 units or more are required to file an annual report with the Division which reports the racial and ethnic composition of the multiple dwelling, whether its buildings or developments are barrier-free, and factors affecting tenant composition.

Since 2004, the Division has enhanced efforts to ensure timely compliance with the MDRR. This included improvements of its online filing system (WebMDRR) and diligent collection of specified late fees. Online filing has reduced the amount of paperwork and data entry for both complex owners and the Division, and provided the Division with enhanced data analysis.

Additionally, establishing a schedule for late fees is working to encourage timely compliance. The MDRR data base contains 3,064 complexes representing more than 340,000 rental units in New Jersey. In 2006, 492 reports were filed late. The Division collected $39,835 in late fees which was deposited in the state treasury. In August 2006, the Division issued Orders To Show Cause to 137 complexes who failed to comply timely. Sixty seven Orders Assessing Penalty for failure to file the MDRR form for calendar year 2005 have been issued.

Housing Internet Discrimination Cases

With the proliferation of the internet there has been an increase in the use of websites to advertise apartment rentals in New Jersey. Consequently, in 2006 the Division embarked on its most ambitious undercover investigation to identify and prosecute illegal housing discrimination advertising on the internet. Utilizing the resources of the HIU, legal staff, and executive management, the Division conducted undercover tests of numerous internet sites where individuals and companies could “post” advertising for apartment rentals throughout New Jersey.

As a result, Director-initiated complaints were filed against six landlords and two real estate agencies who posted apartment rental ads on a Web site specifying their intent to discriminate – in three cases by refusing would-be tenants with children, in the five others by rejecting applicants paying with federal rental aid, or Section 8. The Division’s HIU discovered seven of these discriminatory ads on the popular Internet Web site www.Craigslist.org and one was published at http://apt.8list.com. In seven of these complaints the landlords and real estate agencies not only placed discriminatory ads on Internet bulletin boards, but are accused of engaging in discriminatory conduct once contacted by Division undercover testers who responded to those ads.

In one case, Century 21 On the River Realty, of Edgewater, along with two agents employed by the firm, were accused of discrimination for acting on behalf of landlord Badawy M. Badawy, of Jersey City, who is also charged in a separate case with discrimination. An Internet ad for an apartment that Badawy was renting out in Jersey City stated “NO CHILDREN,” and the contact number listed in the ad was for On the River Realty. Two state-assigned undercover testers responded to the ad by calling the agency, and were advised that Badawy’s apartment would not be available to renters with children.
In another case, landlords Gerald and Nancy Rubin were charged with discrimination for allegedly telling two different state testers – each posing as potential tenants with children – that they would not be considered for a North Plainfield apartment rental the Rubins had advertised because they had children. The matter settled at mediation where the Rubins admitted to the act of unlawful discrimination; agreed to comply within 90 days to make it suitable for the habitation of children in accordance with New Jersey Department of Community Affairs regulations; and agreed to comply with the provisions of the LAD.

In a third case, Garfield landlords Francesca and Rosa Grasso were charged with discrimination for allegedly turning away two different state testers – each posing as apartment seekers who planned to pay using federal Section 8 rental assistance – because they did not want tenants using Section 8 aid. In November 2006 the Director issued a Finding of Probable Cause in this matter and it is currently in the Conciliation phase of settlement.

Most recently charged with violating the LAD after separate investigations prompted by allegedly discriminatory Internet rental advertising are property owners Mark Cornacchia of Hackensack, Stephen F. Mandato of Malvern, Pa., landlord Robert Pratola of West Orange, and the Metropolitan Gallery of Homes in Jersey City. In three of the cases, the state’s complaint charged that they placed on-line ads for rental property saying “no Section 8” – a reference to federal Section 8 housing assistance. In the matter of Metropolitan Gallery of Homes, a Jersey City real estate agency, was accused of placing an on-line advertisement for a rental property on Undercliff Avenue in Edgewater, Bergen County, that said “no children” in violation of state law that prohibits housing discrimination on the basis of “familial status.”

**Municipal Ordinances**

In 2006, the Division began to receive reports of local governing bodies considering the passage of municipal ordinances to address their growing concerns about undocumented immigrants residing and working in their municipalities. While the immigration laws are enforced by federal agencies, the Division is very concerned about the growing attempts to aim the use governmental ordinances and practices at people of particular races and nationalities, and the HIU is focusing on the issues surrounding unlawful conduct that could violate the LAD. Particular attention is being paid to disparate treatment of persons of different races with regard to the enforcement of anti-immigrant ordinances that might specifically “target” people of one race or national origin, or who are perceived to be of one race or national origin.

Consequently, the HIU monitors local ordinances aimed at immigrant residents to determine if there is any such enforcement practice that violates the LAD. It is expected that this particular initiative will continue to grow and develop in the coming years.

**Significant Housing Findings**

In 2006, investigations by the HIU resulted in a number of significant housing discrimination Findings of Probable Cause. They are as follows:

**Brown & Director v. Windsor Terrace Condominium Association**
In February 2006, the Director issued a Finding of Probable Cause charging Respondent, a
condominium association in North Plainfield, with discrimination for denying Complainant reasonable accommodation for his disability. Complainant suffered from heart disease and had limitations coping with anxiety and stress related to his condition. Complainant had presented several medical certifications to Respondent advising that he was disabled and having a service dog as a companion was a prescribed treatment for his condition. Respondent denied his repeated requests to be allowed to have a service or therapy dog in his condominium because of its “no dog” policy. The Director found that Respondent had not demonstrated that making an exception to its policy, by permitting Complainant to have a service dog, would be an undue hardship on the condominium association. Additionally, none of Complainant’s medical certifications were refuted by medical professionals, and instead, Respondent failed to engage in the interactive process to determine whether waiving the “no dog” policy was reasonable in order to permit Complainant to use a service or therapy dog.

Result: A settlement was reached between the parties during conciliation in the amount of $1,700.00 and Respondent agreed to allow Complainant to obtain a service or therapy dog consistent with his medical requirement.

Caraballo & Director v. Euramer Associates, LLC
In March 2006, the Director issued a Finding of Probable Cause against the owner of a Union County apartment house for denying Complainant the opportunity to rent a three-bedroom apartment because of her familial status (four children ages 9, 10, 15 and 16), and source of lawful income or rent subsidy. Complainant was a recipient of the Federal Section 8 Rental Assistance Program which provided a portion of her rental payment directly to the landlord. Under the LAD it is unlawful to discriminate against a prospective tenant that uses a lawful source of money towards rental payments, in the Complainant’s case, a federal Section 8 voucher. The LAD also prohibits discrimination against families with children under 18 years of age. Complainant was shown the available apartment by Respondent’s representative and met the qualifications to rent the apartment. Notwithstanding, respondent expressed his negative concerns about renting the apartment to Complainant with children and stated that he does not accept Section 8.

Result: As of March 2007, the case was in Conciliation.

Small & Director v. Kaywest Realty, et al.
In March 2006, the Director issued a Finding of Probable Cause against a family realty partnership in Bergen County charging that Complainant was denied the opportunity to rent an apartment in Westwood, New Jersey because of her race (Black) and familial status (two children ages 10 and 15). In this case Complainant qualified for the apartment and Respondent accepted Complainant’s deposit of $2,500 which included the first month’s rent. Complainant was provided with the keys to the apartment with an effective move in date of September 4, 2005. Subsequently, for no justified reason Complainant was advised that she could not rent the apartment. During the investigation a key witness came forward who testified that Respondent’s superintendent had communicated his perception of Complainant’s background which contained remarks of racial overtones and negative implications about children living on the premises. This was the reason found for denying Complainant the apartment.

Result: A settlement was reached between the parties at Conciliation, in the
amount of $9,000.00 awarded to Complainant for humiliation, mental pain and suffering, and $2,000.00 for Division’s administrative costs.

Gibson & Director v. Aron Realty, Rayfiad & Samuel Miller Partnership
In this matter the Director issued a Finding of Probable Cause in April 2006 charging a realty and its managing agent with discrimination for denying Complainant the opportunity to rent an apartment in Passaic because of race. The evidence disclosed that Complainant successfully fulfilled Respondents’ qualifications to rent the apartment. Complainant and her husband had a satisfactory credit report and more than sufficient income to rent an apartment for $875 per month. Additionally, Complainant offered to provide Respondent with a notarized statement from their current landlord, to attest to their favorable rental history and quiet nature as tenants. However, the investigation found that during the processing of the application, Respondents’ observed Complainant’s husband who had a very dark complexion and wore his hair in dread locks. A witness stated that Respondents’ expressed the assumption that they would be playing loud Jamaican music, disturbing the elderly tenants and wanted certain kinds of people living in the building. It was based upon these racial innuendos and appearance of Complainant’s husband that Respondents denied them the opportunity to rent.

Result: As of April 2007, the case was in Conciliation.

Milner & Director v. Longview at Montville & Taylor Management
In May 2006, the Director issued a Finding of Probable Cause against a condominium association and its managing agent located in Montville, Morris County. Complainants, a husband and wife, claimed they had been subjected to differential treatment and denied reasonable accommodations for their physical disabilities, heart disorder and Multiple Sclerosis. Complainants respective disabilities precluded them from walking their companion or therapy dogs which had been prescribed by their physicians, so they installed an invisible underground electric fence around their lawn. Respondents ordered them to remove the electric fence or be subjected to a $100 per day penalty because it was located on a “common element.” In this case, the evidence established that Complainants were persons with disabilities covered under the LAD and Respondents denied Complainants request for a reasonable accommodation. Respondents had not demonstrated that making an exception to its policy, by permitting Complainants the continued use of an existing invisible underground electric fence for their therapy or companion dogs, would be an undue hardship on the Condominium Association. Complainants have maintained this invisible fence for more than five years and the dogs have not caused a health hazard or safety problem, have not threatened or unduly inconvenienced neighbors. Finally, Complainants had presented several medical certifications to Respondents advising that they were disabled and having a companion or therapy dog was a prescribed treatment for their condition. None of these medical certifications were refuted by medical professionals, and instead, Respondent failed to engage in sufficient interactive process to determine whether waiving its policy was reasonable in order to accommodate the Complainants. This matter failed Conciliation and on August 3, 2006, moved to New Jersey Superior Court to be litigated. It’s significant to note that this was the first case where a party initiated a suit in Superior Court under a new amendment to the LAD, N.J.S.A. 10:5-16, “...When the director has issued a finding of probable cause in a housing complaint only, any party to that complaint may elect, in lieu of the administrative proceeding set forth in this section, to have the claim asserted in the Finding of Probable Cause adjudicated in a civil
action in Superior Court pursuant to section 12 of P.L. 1945, c.169(C.10:5-13)."

Result: As of April 2007, the case was in Mediation as ordered by the Superior Court of New Jersey.

Director v. 108 Pine Street, LLC., et als.
The Director issued a Finding of Probable Cause in August 2006 charging that Respondents, personally or through their agents, engaged in a pattern and practice of housing discrimination on the basis of race and color, at their rental properties located in Montclair and Verona, New Jersey. Director charged that Respondents steered Black applicants to their apartment complex located in Montclair, by falsely telling Black applicants that apartments were not available to be rented at their apartment complex located in Verona. However, when Caucasian inquired about the apartment complex in Verona they were told that apartments were available for rent. Director further charged that Respondents steered Caucasian applicants to the apartment complex located in Verona, by telling Caucasian applicants that the Montclair apartment complex is “all Black,” that they would not be happy there, and that the amenities provided at the Verona apartment complex are superior. The Division utilized several undercover testers from its HIU to investigate Respondent’s practices with regards to the alleged conduct. Testers are persons who, without the intent to rent an apartment, seek information about the availability of dwellings to determine whether discriminatory housing practices are occurring. These tests supported evidence that Respondent was purposely steering applicants to particular apartment complexes based on racial factors.

Result: As of April 2007, the case was in Conciliation.

Banks & Director v. Maria Sidlov
In September 2006, the Director issued a Finding of Probable Cause against an owner of a rooming house located in Paterson. In this case, the investigation established sufficient evidence to support a reasonable suspicion that Respondent denied Complainant the opportunity to rent a room because of his disability and source of lawful income. Under the LAD it is unlawful to discriminate against a prospective tenant because of disability or lawful source of income that could be used toward rental payments. In the Complainant’s case, Supplemental Security Income (SSI) designed to help disabled people to meet the basic needs of life, including shelter. The Respondent in this matter violated the law when it communicated to Complainant that it would not rent to a person who is unable to work and only has SSI income.

Result: The case failed Conciliation and as of April 2007, was before the Office of Administrative Law.

Carroll & Director v. Mark Ott
In September 2006, the Director issued a Finding of Probable Cause against the owner of apartments located in Collingswood, Camden County, charging that Respondent unlawfully discriminated against Complainant when she was denied the opportunity to rent an apartment because of her source of lawful income or rent subsidy (Section 8). To support her claim, Complainant alleged that after viewing the apartment, Respondent asked her where she worked, and Complainant responded that she was in the process of applying for disability and would pay her rent with Section 8 housing assistance. Complainant further alleged that Respondent
advised, “I don’t accept Section 8” and refused to take her application. During the investigation, the Division on Civil Rights utilized an undercover tester in an effort to investigate Respondent’s practices with regards to the alleged conduct. The tester who identified himself to Respondent as a Section 8 recipient was also denied the opportunity to rent based on his source of lawful income. Under the LAD it is unlawful to discriminate against a prospective tenant that uses a lawful source of money towards rental payments, in the Complainant’s case, a Federal Section 8 voucher.

Result: The case failed Conciliation and as of April 2007, was before the Office of Administrative Law.

**Director v. Francesco & Rosa Grasso**
In November 2006 the Director issued a Finding of Probable Cause charging Respondents who own apartments in Garfield, New Jersey with violating the LAD. Respondents’ personally or through their agents, printed, published, circulated, issued, displayed, posted or mailed, or caused to be printed, published, circulated, issued and mailed a statement, advertisement or publication which expressed, directly or indirectly, a limitation, specification or discrimination as to the source of lawful income or rental subsidy used for rental payments. Specifically, Respondents’ violated the LAD when they placed an advertisement on the Website “Craigslist.org” for the rental of an apartment that indicated a discriminatory preference and limitation for prospective applicants that receive financial housing assistance under the federal Housing and Urban Development Section 8 Program. Respondent’s advertisement stated, “Please no Section 8.” During the investigation, Respondent reinforced their discriminatory internet advertisement preference to Division’s undercover testers by articulating that they would not accept Section 8 as a lawful source of rental payments.

Result: A settlement was reached at Conciliation, which including a payment of a penalty to the State of New Jersey and a consent order prohibiting discriminatory advertising.

**Director v. Joseph Fabics, Jr.**
In November 2006, the Director issued a Finding of Probable Cause against the owner of a rooming house in New Brunswick. In this novel case, the investigation found that Respondent required his tenants to sign a lease that contained discriminatory religious clauses that placed a limitation or preference on prospective applicant’s ability to rent based upon creed. The clauses stated, “This is a Christian household. If you hate God do not move in.” Moreover, the evidence disclosed that Respondent violated the LAD, personally or through his agents, when he placed discriminatory rental advertisements on internet websites. These advertisements cited a “Christian Household” which emphasized an explicit discriminatory preference or limitation for potential tenants based on creed. In December 2006 the case moved to Conciliation. Since then the Respondent has filed motions for reconsideration before the Division.

**FAIR HOUSING EDUCATION AND OUTREACH IN 2006**

One of the Division’s most effective strategies for combating housing discrimination in New Jersey is to focus aggressively on education and outreach. This also assists in the Division’s effort to constantly provide quality training for HIU, legal, and management staff.
Although budgetary restrictions in 2006 substantially reduced the Division’s outreach and education efforts, there was substantial success in this area utilizing limited internal resources and collaborations with third parties and organizations. Below are some of the highlights of the Division’s education and outreach conducted by the Division.

**Transition Housing Policy Group**

The Division Director and representatives from HIU and legal staff were invited to testify before the Special Needs Subcommittee of Governor Jon S. Corzine’s Transition Housing Policy Group on December 22, 2005. The Housing Policy Group was charged with developing recommendations for increasing access to home ownership for low and middle income families, expanding rental assistance and constructing more affordable housing, as well as preventing homelessness for families at risk and providing expanded housing opportunities for special needs populations. Among its “Steps for Achievement” the Policy Group recommended the consideration of a legislative proposal to institute a system of fees such as a filing fee for landlords for filing Multiple Dwelling Reports and the development of a housing discrimination “testing” program which would include a full-time testing coordinator, an expanded pool of testers and enhanced outreach efforts. The Housing Policy Group issued a report of its findings and recommendations which is available at: www.nj.gov/governor/home/pdf/housing.pdf.

**Annual Real Estate Memorandum**

In 2006, the Director, in conjunction with the State Attorney General, issued a memorandum to New Jersey real estate agents, landlords and property owners adviser them of their obligations under the LAD’s fair housing provisions. This is required under state law. For the first time, the Division collaborated with the New Jersey Real Estate Commission to mail copies of this memorandum, in both English and Spanish, to all 103,000 real estate licensees. Additionally, the Division arranged to have the memoranda available on its website and on those of a number of advocacy organizations. The memorandum is available for free downloading online at: www.NJCivilRights.org in both English and Spanish.

**New Housing Discrimination Posters**

For the first time in the Division’s history, the agency’s “Discrimination in Housing” poster was made available on its website so that landlords, real estate agents, and others could obtain copies for free at any time. This also allowed the Division to reduce expenditures on printing the posters. The new housing posters are now available at www.NJCivilRights.org in both English and Spanish versions, in a PDF format.

**New Jersey Association of County Disability Services, Inc. (NJACDS)**

On March 15 and 29, 2006 HIU staff attended the NJACDS housing symposium which included representatives of HUD, the New Jersey Department of Community Affairs, the New Jersey Housing and Mortgage Finance Agency, the New Jersey Housing Resource Center, the Community Health Law Project and several non-profit organizations.

This symposium was held to discuss the status of housing for persons with disabilities.
and to explore ideas for increasing housing options and availability. Other important issues discussed were housing accessibility under the Americans with Disabilities Act, housing financial and legal assistance, and available assisted personal services for the disabled.

**New Jersey Human Relations Council Hearings on Housing Discrimination**

In conjunction with the New Jersey Human Relations Council, the Division participated in a series of community hearings and roundtables on housing discrimination. The hearings were collectively attended by several hundred community members. They were held on March 1 in Hackensack (Bergen County), on March 26 in Whitesboro (Cape May County), and on April 2 in Manalapan (Monmouth County).

**National Fair Housing Policy Conference**

In June 2006 the Director, DCR HUD’s Contract Administrator and a Deputy Attorney General attended the HUD biennial national training conference entitled “2006 National Fair Housing Policy Conference and Fair Housing/Fair Lending Litigation Seminar.”

This national conference brought together the executive staff from HUD’s national headquarters and regional offices, with the heads of all Fair Housing Assistance Program (FHAP) agencies, as well as enforcement and legal staff responsible for complying with the provisions of their respective contracts. The Division is one of the FHAP agencies with whom HUD contracts annually to investigate housing discrimination complaints.

This conference provided attendees with some of the most cutting-edge training on legal issues, investigative techniques, contract administration, technology, and outreach programs critical to the Division’s functions in combating unlawful housing discrimination.

**National Fair Housing Training Academy**

During 2006 five Division investigators of who are part of the HIU attended required training at the National Fair Housing Training Academy (NFHTA) held at Howard University in Washington D.C. The NFHTA is sponsored by the HUD’s Office of Fair Housing and Equal Opportunity. This Academy is the only governmental institution in the U.S. that trains advocates, lawyers, investigators and other invested parties in the prevention and elimination of housing discrimination. It is required training for all FHAP agency staff that handle housing discrimination matters. HUD provides the funding for staff training at the NFHTA, so there was no negative impact on the Division’s budget.

Investigators who complete the five-week core curriculum are awarded federal certification as an enforcement practitioner in the civil rights fair housing field. The curriculum provides professional training for conducting impartial, fair and ethical investigations; developing knowledge of the Fair Housing Act and equivalent fair housing laws; education concerning reasonable accommodation and housing modifications for the disabled; discovery techniques; negotiating skills; developing a case for litigation; conducting testing and undercover investigations. Our Investigators are scheduled to continue taking courses at NFHTA to achieve certification which will enhance the skills of the Division’s HIU.
Abilities Expo

DCR Housing Enforcement staff attended the National Abilities Expo held at the convention center in Edison. This three day event is sponsored for thousands of disabled citizens in New Jersey and advocacy and enforcement organizations, like DCR. The event is dedicated to educating and improving the lives of people with disabilities, senior citizens, their families and caregivers, as well as healthcare and education professionals. It provided DCR a great opportunity to distribute materials concerning the rights of the disabled under the New Jersey Law Against Discrimination for housing, public accommodations and employment issues.

ON THE FAIR HOUSING HORIZON

In 2006, the Division’s staff had a banner year, focusing much attention on training, investigations and prosecutions. Another principal accomplishment—particularly in light of budget reductions—was the education and outreach the Division. While for many years housing discrimination matters was not made a priority of the Division’s enforcement and outreach efforts, it is critical that everyone recognize that we must protect equal housing opportunity for more and more residents in New Jersey. We expect that the expansion of the Division’s housing discrimination docket will continue for years to come, and especially in the areas of discrimination on the basis of disability, race, familial status, nationality and lawful source of income.

Going forward, the Division intends to kick-off a special initiative in 2007 entitled “Fair Housing: It’s Not Just an Option, It’s the Law.” This will serve to more effectively link the Division with HUD in enforcement and prosecution in the area of fair housing. This enhanced partnership will include a new annual Fair Housing Conference to be hosted by the Division and HUD, and other collaborators. It will also include joint training and outreach, and further sharing important investigative and prosecutorial tools where appropriate.

The Division will also further enhance staff training by experts from within the State, as well as experts beyond our borders, with the ultimate goal of reducing discrimination in New Jersey. Great attention will be paid to discrimination based on lawful source of income, lending discrimination, and internet advertising.

In 2007 the Division is committed to enhancing outreach where possible, including in areas that target traditionally under-represented groups, including racial and ethnic minorities, parents with children, sexual minorities, and persons with disabilities.

While discrimination is unfair, expensive, and unproductive, ultimately it is also illegal. To that end, we will focus substantial resources—fiscal and human—to ensure that everyone in New Jersey knows loud and clear that “Fair Housing: It’s Not Just an Option, It’s the Law.”

Report Issued: April 27, 2007