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NEWS [/NEWS]

NYC Is Requiring Landlords Set Aside Apartments For Voucher Tenants Under New Approach To Enforcing Human Rights Law

BY SYDNEY PEREIRA [/STAFF/SYDNEY-PEREIRA]
SEPT. 11, 2020 12:41 P.M. • 71 COMMENTS











SHUTTERSTOCK

For months, Elizabeth Elohim was living in a shelter with her daughter as she struggled to secure a permanent apartment with a Section 8 housing voucher. Getting the federally funded voucher alone took long enough, in part because she only became eligible once she lived in a shelter. She "hit the ground running" to

find an apartment—but quickly realized it was nearly impossible to get a landlord or realtor to accept the voucher, a guaranteed source of payment for rent each month to help low-income families foot the bill.

"As soon as I mentioned that I had a Section 8 voucher, it would become an issue," Elohim, a mother of a teenager in upper Manhattan who works as an aide to people with developmental disabilities. "I mean, it would be literally so rude to the point where as soon as I mentioned the Section 8 [voucher], sometimes I wouldn't even get an answer. They would just hang up the phone on me."

"It was such an emotional attack," said Elohim, who was told at one point her income would have to be 40 times the rent, not including the voucher money. "At this point, you have something that is supposed to help you with finding housing, which is a necessity. It's not a luxury. It's something that is essential for you to be able to live a productive life."

After repeated rejections, it "became extremely stressful, extremely exhausting."

Landlords and brokers keeping low-income renters with vouchers

(https://gothamist.com/news/banned-decade-ago-housing-discrimination-against-those-section-8-still-persists) out of housing

(https://gothamist.com/news/five-landlords-a-broker-accused-of-discriminating-against-would-be-renters-with-housing-vouchers) is nothing new.

(https://gothamist.com/news/landlords-are-keeping-homeless-people-homeless-by-rejecting-their-rent-vouchers)

The city's Commission on Human Rights has been investigating bad actors since 2008, when what's known as "source of income discrimination" was added to the city's human rights law. At the time, then-Councilmember Bill de Blasio spearheaded the legislation

(https://www.nytimes.com/2007/10/30/nyregion/30section.html), which was blocked by then-Mayor Michael Bloomberg

(https://www.nytimes.com/2008/03/01/nyregion/01housing.html) until the City Council overrode a mayoral veto

(https://council.nyc.gov/press/2008/03/26/1320/).

Discriminating against tenants who seek to pay rent with a voucher is seen as a loophole for discrimination against protected classes like race or disability.

But in the years since the law changed, such investigations have evolved to include more than fining property management companies for damages for a single complainant. Through settlements, the commission is mandating companies accused of discrimination to set aside apartments in their buildings for people paying rent with vouchers.

The measure effectively creates new low-income housing—an approach the commission began this spring.

The settlements include a woman who alleged source of income discrimination in 2017 against Pinnacle Group, led by Joel Wiener—whose wealth <u>surged to \$1 billion in 2017 (https://www.bloomberg.com/news/articles/2017-11-20/billionaire-landlord-finds-fortune-in-nyc-s-gentrification-boom?sref=s8o0lkxD) and also faced a legal battle with tenants in the 2000s that <u>resulted in a \$2.5 million settlement (https://www.nytimes.com/2011/09/08/nyregion/pinnacle-group-settles-ny-tenants-harassment-suit.html)</u> for tenants' damages. A settlement finalized in May will now require the company to set aside four one- to two-bedrooms for housing unstable families, the commission says.</u>

In an April settlement, a Bay Ridge building at 220 72nd Street is required to rent at least one-bedroom apartment to voucher-holding renters, and there is a prohibition on deposits from renters to "hold" an apartment. M&N Management Corporation must place four renters with income assistance in the next year in its buildings, as well as remove discriminatory language from rental applications and undergo human rights law training following an income discrimination allegation settlement in July.

Pinnacle and the Bay Ridge landlord are required to revise policies to comply with human rights laws and bar credit checks as a way to discriminate—like only requiring them if the tenants pay more than \$50 in rent and taking into account reference letters, payment history, and the tenant's portion of rent.

So far, the commission has settled in three cases, setting aside nine apartments. But the commission says there's more to come under the <u>restorative justice</u> model (https://www1.nyc.gov/site/cchr/about/restorative-justice.page).

"It's a long battle, but I think we're finally starting to make some headway there, especially since we're getting more and more settlements with set-asides included," said Katherine Carroll, the assistant commissioner of public-initiated housing and public accommodations cases at the NYC Commission on Human Rights. "It's becoming more of a routine thing."

Since 2018, 400 source of income discrimination allegations have resulted in tenants placed in permanent housing once the commission intervenes through its Source of Income Unit, which focuses on rapid intervention to secure someone an apartment before they lose the opportunity. Another 660 formal cases that have been filed since 2008 have been resolved, amounting in \$1.3 million in civil penalties and damages to renters.

Renee Jackson, 66, is just one tenant who benefited from the commission's restorative justice model.

Like Elohim, she faced repeated issues getting an apartment using a housing voucher administered through the NYC Human Resources Administration during her four-month search.

In one instance, she was looking at an apartment, but a realtor asked to take a photo of her. Half an hour later, he returned to say they only had one-bedrooms, no studios, and all were just out of her price range.

"I was being judged," she said, telling Gothamist that, as a Black woman, she felt realtors were also discriminating against her for the color of her skin. "It's a hurtful feeling. It's very hurtful."

Eventually, she was connected to Pinnacle through her case manager, landing an apartment in Inwood on March 1st.

"It was such a blessing from God, I really believe," Jackson said. "It's like a load off your back."

Ken Fisher, a lawyer for Pinnacle, said he wasn't aware of set-aside apartments prior to this settlement, but the agreement "aligned [with] our interests because it meant that vacant apartments were going to be rented with the government providing some or all of the rent, and therefore, there was no reason not to do it."

The upper Manhattan mother, Elohim, ultimately filed a complaint in 2016 against Besen & Associates' Steven Fuchs, the leasing administrator, alleging "unlawful discriminatory practices" violating the city's human rights law.

The company denied the allegations, and settled under an agreement that requires Besen to implement policies against discrimination that could result in termination for brokers and agents who fail to comply. Minimum income requirements would no longer apply to tenants with government-funded subsidies—something Elohim says she faced that kept her from qualifying for housing—and tighter rules on credit checks for voucher-holders would be instituted under the agreement.

Fuchs did not respond to an emailed request for comment about the settlement.

But in the years since the frantic search for an apartment while living in a shelter, she's lost the voucher, which expires if a renter doesn't find housing (https://www.propublica.org/article/what-you-need-to-know-about-how-section-8-really-works) within 60

(https://hcr.ny.gov/system/files/documents/2020/05/admin-plan-version-2020.1.pdf) to 120

(https://www1.nyc.gov/assets/hpd/downloads/pdfs/services/administrative-plan.pdf) days (https://www1.nyc.gov/assets/nycha/downloads/pdf/Leased-Housing-NYCHA-Briefing-Deck-Jan-2019.pdf), with the option for an extension.

Now, she's raising her teenage daughter in an upper Manhattan public housing apartment. She lives in a two-bedroom—a huge plus while raising a teen—but reminisces about a time when she envisioned purchasing a home through Section-8 (https://hcr.ny.gov/section-8-home-ownership-program-0) homeownership programs

(https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/homeownership).

Landlords are still finding "savvy" ways to flout the law, Carroll says.

They'll issue credit checks or require a minimum income—measures that seem typical, but box out low-income tenants with the ability to pay rent, just with a nontypical source of income through public funds.

Among those loopholes was keeping renters from paying security deposits with subsidies, like with an HRA security voucher—recently made illegal under a state appeals court decision. In 2017, one woman alleged her application was pulled for a Sheepshead Bay apartment because security vouchers weren't an accepted type of payment at the company, the LeFrak Organization, which owns thousands of apartments in NYC.

Three years later, after a legal battle spurred by the initial commission complaint, a panel of judges in New York State appeals court ruled vouchers are indeed a "lawful source of income" to use on security deposits.

"People who don't have money to pay rent aren't going to have a month-and-a-half, two months rent, laying around in their bank account to be able to get into housing in the first place," Carroll said. "If you don't include those things in 'source of income,' and people are allowed to discriminate on the basis of that, then, it really takes the teeth out of the source of income provision all together."

A lawyer for LeFrak (under Estates NY Real Estate Services LLC) in the appeals case did not respond to an emailed request for comment.

A lawyer for M&N, Jared Newman of Herrick, Feinstein LLP, said the company denies "any discrimination or wrongdoing but decided to work with [the commission] to reach a resolution."

An email sent to an address listed for an owner in buildings department records at the Bay Ridge building was not returned.

Enforcement beyond the commission is limited in the city and state; the latter made source of income discrimination illegal in <u>April 2019</u> (https://www.governor.ny.gov/news/governor-cuomo-and-legislative-leaders-announce-fy-2020-enacted-budget-includes-measure).

New York's Attorney General Letitia James <u>launched a complaint portal</u> (https://ag.ny.gov/press-release/2020/ag-james-launches-statewide-initiative-prevent-source-income-discrimination) to report allegations earlier this year, but her office says it has received just 52 complaints since then.

The state's Division of Human Rights has gotten 120 complaints of source of income discrimination since the law changed—about one-fifth of all housing complaints at the division. About half are still under investigation or in the public hearing process, though the other half were dismissed. The division has started three investigations for alleged source of income discrimination as a part of efforts to "proactively seek out systemic patterns of discrimination."

The city's Human Resources Administration has a <u>source of income unit</u>

(https://www1.nyc.gov/site/hra/help/report-income-discrimination.page) to
investigate complaints, and the agency filed <u>two lawsuits on behalf of renters</u>
(https://www1.nyc.gov/assets/hra/downloads/pdf/news/press_releases/2018/Income%20Discrimination%20Lawback in 2018 for telling potential tenants vouchers weren't accepted at properties
in Staten Island and the Bronx. The agency wasn't able to provide information
about other enforcement actions the unit has taken since then for this article.

The commission now hopes to close legal loopholes surrounding credit checks and minimum income requirements, rather than operating on a case-by-case basis under agreements after someone has already been discriminated against.

"That is the next frontier of cases that we're taking on," Carroll said.

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#VOUCHERS [/TAGS/VOUCHERS] #SECTION 8 [/TAGS/SECTION-8]

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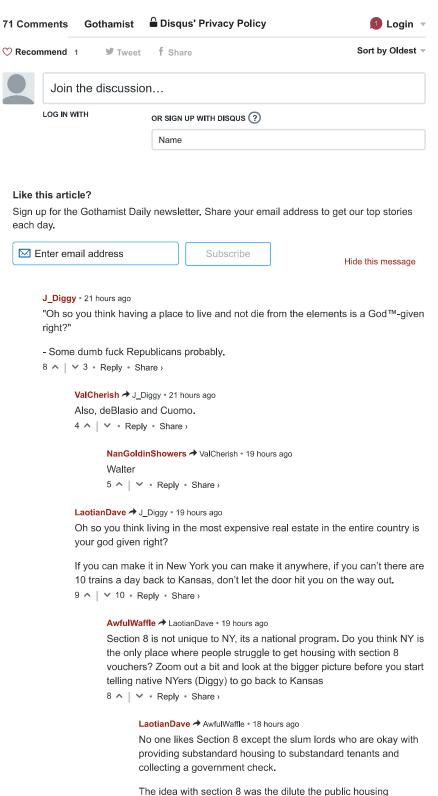
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problem, but all it doesn't is bring public housing problems to everyone's building.

Also if Diggy can't make it work in the city he needs to hit the bricks, it doesn't matter where he's born. That's how the cookie crumbles kiddo.

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5 ^ | V 7 • Reply • Share >
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AwfulWaffle → LaotianDave • 17 hours ago

lol @ "kiddo". ok boomer

I never said section 8 was great, but perhaps you should examine the reasons why it exists in the first place.

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3 ^ | V 1 • Reply • Share >
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Joe → AwfulWaffle • 16 hours ago

What do you think are the reasons

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^ | V • Reply • Share >
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AwfulWaffle → Joe • 7 hours ago

I *could* take that time to explain it to you, but something tells me that the time you take to comment on gothamist could be better used to educate yourself

I don't fucking know you and care to educate you

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1 ^ | V • Reply • Share
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Barbara razza → LaotianDave • 19 hours ago

Exactly.

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1 ^ | V 4 • Reply • Share >
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J_Diggy → LaotianDave • 18 hours ago

Nice strawman fucko, I never said any of that. Try not to drop dead over the weekend.

LaotianDave → J_Diggy • 17 hours ago

Why do you think it's appropriate to subsidize someone living in the city when there are cheaper options for those who can't afford it somewhere else?

Anyone can have a roof over their head in Ohio. Rent there is a half a can of Pringle's.

If your argument is we need subsided housing to house the underclass who aren't paid well enough to live here, then maybe you should just hand the subsidy to the service industry so they can pay their workers more. Or better yet stop subsidizing people and let the market adjust wages upward and rent downward when people move out.

Joe → J_Diggy • 18 hours ago

I dont think it should be my personal responsibility to provide housing for everyone.

How many homeless are living in your house?

J_Diggy → Joe • 18 hours ago

Why would homeless people live in my house? I'm not a landlord.

Connie → J_Diggy • 14 hours ago

What the hell is wrong with ppl? If you earn you eat! If you don't make any money don't tell ppl they have to give you a god damn thing! Ever heard of EARN IT??? Get out of other peoples damn pockets and take care of yourself! I'm so sick of of assholes trying to take what I worked and suffered for. NOBODY gives me anything! All landlords just needs to shut em down, no landlords, no apartments! See how they survive with no pockets to pick. Lazy, self-serving ppl! And I don't care what any of you ppl say about what I have to say. TOO DAMN BAD!

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3 ^ | V 1 · Reply · Share >
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RX-178 → Connie • 2 hours ago

Ah, another person who thinks homelessness or being poor is a crime.

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now sau.

^ | ✓ • Reply • Share ›
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willygreenbeard • 21 hours ago

The real estate people are going to have to wake up to reality.

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2 ^ | V • Reply • Share
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Barbara razza → willygreenbeard • 19 hours ago

People I know that own only rent to people they know.

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1 ^ | V 3 · Reply · Share >
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D Dee → willygreenbeard • 18 hours ago

Dump NYC real estate. No tax write off. More restriction. More forced rentals to dirtbags.

NY is toast. Thanks to Commandant Cuomo and Socialist Di Blasio

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5 ^ | V 3 • Reply • Share
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Fool → D Dee • 3 hours ago

Still does not solve the housing shortage.

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1 ^ | V • Reply • Share >
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anon_coward • 21 hours ago

landlords wouldn't hate section 8 if the city didn't create mountains of paperwork to submit for payment or stop paying landlords with no explanation for months at a time

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3 ^ | V • Reply • Share >
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D Dee → anon_coward • 18 hours ago

Too much government. Too little money. Too much red tape. No write off for damages. Hah.

Get out Cuomo. Time for a Republican clean up!

Joe • 20 hours ago • edited

I ve been a landlord for 28 years, selling all of them by the end of this year. Started out using voucher tenants. After 5 years I made the decision that I either had to stop with the vouchers or stop being a landlord. I stopped having tenants with vouchers.

I had guns, knifes pulled on me. Had one attempt and one success to burndown the rental (was financial devastating), numerous damages,

Police constantly there. Electric meters stolen, Tons of drug issues. Had one rented out the basement- no bathroom but they didnt care. One ran an illegal gun, hundreds of guns business. Thought nothing of swearing at me, hitting me, denying access.

This was in 2 different nice areas, i always bought in areas i would live in. The neighbors were furious with me. I was constantly at either house at all hours of the day/night. I lost good tenants because of voucher tenants.

Maybe there s some good voucher tenants. In 5 years I never found one.

NY is making is difficult for a person to be a small landlord. Soon it will be the big corporations. There are better states to do business in.

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9 ^ | V 4 • Reply • Share >
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Ramble0n → Joe • 19 hours ago • edited

Section 8 is a national program - vouchers are allocated to every municipality. How are the problems you describe unique to New York?

Herein lies the issue: until housing is mostly extracted from wealth accumulation, we will continue to have half a million unhoused folks. I'm sorry you had these issues, they sound awful. But with the exception of live-in landlords, it's insane that people can buy multiple properties when shelters are bursting at the seams.

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8 ^ | V 7 • Reply • Share >
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Barbara razza → Ramble0n • 18 hours ago

What does that have to do with what people do with their money.

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5 ^ | ~ 4 • Reply • Share >
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Ramble0n → Barbara razza • 18 hours ago

People can do whatever they want with their money. My argument is that tying housing, which is a human right, to wealth accumulation is why there is such a high need for affordable

housing and a large number of homeless.

6 ^ | V 5 · Reply · Share >

Barbara razza → Ramble0n • 18 hours ago

Landlords should be able to pick their own tenants. They aren't responsible for the homeless.

7 ^ | ~ 4 • Reply • Share >

Joe → Ramble0n • 18 hours ago • edited

Affordable housing can be provided by the government. There should also be free enterprise. The government now wants to semi control free enterprise.

3 ^ | V 3 · Reply · Share >

LaotianDave → Ramble0n • 18 hours ago

Why is housing in a specific place a human right?

Affordable means different things to different people.

Basically you are demanding someone subsidize someone getting to live in a place they can't afford so they don't have to move to a place they can afford.

7 ^ | ~ 4 • Reply • Share >

D Dee → Ramble0n • 17 hours ago

Housing is not a human right! You live and breath that is a human right. All the rest is made up by you and others to drag everyone else down to poverty.

3 ^ | ~ 3 · Reply · Share ›

Jarpo → Ramble0n • 17 hours ago

Housing is not a human right.

2 ^ | ~ 2 • Reply • Share >

Barbara razza → Ramble0n • 2 hours ago

Nope. It's not a private land Lord's job to take care of low income peoples rent. Just like it's not McDonald's job to support families. I'm not saying there does t need to be affordable apts in cities, but it's not private landlords job to supply that

1 ^ | V 1 • Reply • Share >

Joe → Ramble0n • 18 hours ago

Every state has different laws concerning housing and evictions and rent control. Some are more agreeable for landlords.

^ | ∨ 3 • Reply • Share >

D Dee → Ramble0n • 17 hours ago

The richest country in the world and so much free stuff millions refuse to work. Going along for a free ride on the backs of working class. Without Rich people taking care of parts of cities there would be so much more slums

Take a look at Cuba, Russia, Venezuela. See how socialism really is. Hah. So many more poor. But what the hell? People like you would prefer all are poor? And equal....misery loves company

3 ^ | V 3 • Reply • Share >

Paul52 → D Dee • 17 hours ago

We have the smallest set of social welfare programs in the first

Why would you think Americans would be more like Venezuela than Denmark, or Norway, or France, or the Netherlands, or....

4 ^ | V • Reply • Share >

Joe → Paul52 • 17 hours ago • edited

You mean we do so far have the least social programs.

↑ V 2 • Reply • Share

Joe → Ramble0n • 17 hours ago

Who do you think should buy the rental properties ? You statement makes no sense .

^ | ✓ 2 • Reply • Share >

Connie → Ramble0n • 14 hours ago

AwfulWaffle → Joe • 19 hours ago

"After 5 years I made the decision that I either had to stop with the vouchers or stop being a landlord"

damn, too bad you didn't choose the latter.

7 ^ | V 5 • Reply • Share >

GLS → AwfulWaffle • 18 hours ago

Read the First sentence in his post; he is, and I don't blame him.

4 ^ | V • Reply • Share >

AwfulWaffle → GLS • 18 hours ago

neither do I, and I was implying he should've done it sooner. I encourage ALL people to get a real job;)

3 ^ | V 7 • Reply • Share >

GLS → AwfulWaffle • 18 hours ago • edited

Sounds like he had multiple buildings. That is a real job, and then some. If you don't think so, you should give it a try.

4 ^ | V 1 • Reply • Share >

AwfulWaffle → GLS • 18 hours ago

Landlording is not employment income, its investment income.

Why would I "give it a try"? Sorry, I actually use my college education and make a decent living. I guess in my next life I'll try landlord school.... oh wait....

2 ^ | V 5 • Reply • Share >

GLS → AwfulWaffle • 18 hours ago

Oh, so no work involved in owning multiple rental buildings. Got it, You haven't a clue.

5 ^ | V • Reply • Share >

D Dee → GLS • 17 hours ago

Yeah the ones who are ignorant always condemn the working man. Rentals are like barkeeping. Everybody sees the money coming over the counter and never see the balance after all the bills are paid.

5 ^ | ~ 3 • Reply • Share >

Chas373 → D Dee • 13 hours ago

A great analogy

^ | ∨ 2 • Reply • Share >

AwfulWaffle → D Dee • 7 hours ago

Imaoooooooooooooo @ "the working man"

1 ^ | ~ • Reply • Share >

Joe → AwfulWaffle • 18 hours ago

Guess your college education didnt include business. Mine did.

2 ^ | ~ 1 • Reply • Share >

AwfulWaffle → Joe • 17 hours ago

good for you? is that a requirement to become a Lord of the Land?!?

2 ^ | ~ 1 • Reply • Share >

JUE CF AWIUIVVallie - 17 Hours ago Lol, please ^ | ✓ 2 • Reply • Share >

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