

IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA,
a municipal corporation,
441 Fourth Street, N.W.
Washington, D.C. 20001,

Plaintiff,

v.

4316 14TH STREET, N.W., LLC,
4316 Fourteenth Street, N.W.
Washington, D.C. 20011,

Case No.:

Serve on:

Yauvz Bolukbols
Registered Agent
5101 13th Street, N.W.
Washington, D.C. 20011

Jury Demand Requested

AYSEGUL YUKSEK,
4410 Penwood Drive
Alexandria, Virginia 22310,

Defendants.

COMPLAINT

Plaintiff the District of Columbia (the District) brings this action against defendants 4316 14th Street, N.W., LLC., (4316 LLC) and its property manager Aysegul Yuksek for discriminatory practices that limit affordable housing and violate the District of Columbia Human Rights Act (DCHRA), D.C. Code §§ 2-1401.01, *et seq.* In support of its claims, the District states as follows.

INTRODUCTION

1. The District of Columbia faces a housing crisis. Affordable housing stock has trended downward while rents have trended upward, squeezing out low-income tenants. The COVID-19 pandemic has exacerbated the pre-existing housing crisis in the District, because it has created an economic recession that makes access to fair housing even more important. Housing-assistance programs that subsidize rent are a core pillar of the District's response to these pressures. By subsidizing rent, housing assistance programs help the District's lowest-income populations avoid homelessness and maintain a foothold in private housing. This assistance is critical in the District, where many tenants spend more than half of their monthly income on rent.

2. The District brings this action against the owner of the property and its property manager who posted an advertisement stating that housing assistance would not be accepted as rental payment for a property in the District.

3. Although housing discrimination is problematic in any form, it is even more concerning when perpetuated by the real estate profession. Real estate professionals—including brokers, salespersons and property managers—play an integral role in connecting customers to housing, including low-income tenants seeking an affordable place to live. They may dispense advice to property owners on how to market properties, and they act as gatekeepers for renters and buyers. When a real estate salesperson discriminates against potential tenants who use housing assistance programs, she not only violates her professional licensing standards but

lends dangerous credibility to discriminatory practices. When that broker is operating without a license, the broker exacerbates the danger to District residents, because she is fraudulently operating under the guise of an authority that he does not in fact have.

4. Defendants' discriminatory online advertisement for rental housing lend professional credence to the idea that turning away tenants based on their source of income is not only acceptable but lawful. In the District, it is neither. Instead, it is a DCHRA violation that is prohibited not only as source-of-income discrimination but, because of the large number of African Americans enrolled in housing assistance programs, as racial discrimination as well.

5. Consequently, the District seeks declaratory and injunctive relief, civil penalties, costs and attorney's fees to prevent and deter defendants from engaging in discriminatory practices that mislead vulnerable District residents and limit access to affordable housing.

JURISDICTION

6. The Attorney General for the District of Columbia brings this action on behalf of the District of Columbia to uphold the public interest and enforce District law, here, the DCHRA. *See District of Columbia v. ExxonMobil Oil Corp.*, 172 A.3d 412 (D.C. 2017); D.C. Code § 1-301.81(a)(1) ("The Attorney General for the District of Columbia ... shall be responsible for upholding the public interest.").

7. This Court has subject matter jurisdiction over the claims and allegations in the Complaint. *See* D.C. Code § 11-921(a).

8. This Court has personal jurisdiction over defendant 4316 LLC and defendant Yuksek, a property manager, because defendants are owners within the meaning of the DCHRA, conducted transactions in real property in the District and had the actual or perceived right to rent or lease 4316 Fourteenth Street, N.W. (the Property) *See* D.C. Code § 2-1402.23; see § 2-1401.02(20) (identifying “owners” to include managing agents or other persons having the right of ownership or possession of, or the right to sell, rent or lease any real property); *see also* § 2-1401.02(30) (defining a “transaction in real property” as the “advertising … [of] any interest in real property”). This Court also has personal jurisdiction over the defendants because the defendants have caused tortious injury in the District and transact business in the District of Columbia. § 13-423.

PARTIES

9. Plaintiff District of Columbia, a municipal corporation, is the local government for the territory constituting the permanent seat of the government of the United States. The District is represented by and through its chief legal officer, the Attorney General for the District of Columbia. The Attorney General conducts the District’s legal business and is responsible for upholding the public interest. D.C. Code § 1-301.81(a)(1); *District of Columbia v. ExxonMobil Oil Corp.*, 172 A.3d 412 (D.C. 2017).

10. Defendant 4316 LLC is a limited liability company that owns the Property which was the subject of the discriminatory advertisement. Its principal place of business is 4316 Fourteenth Street, N.W., Washington, D.C. 20011.

11. Defendant Aysegul Yuksek is a property manager who manages the Property and was responsible for posting the discriminatory advertisement on behalf of the Property owner.

FACTS

Housing Assistance and the Rental Housing Market in the District

12. The ability to access affordable housing free from discrimination is District residents' top civil rights concern. Office of the Attorney General for the District of Columbia, *Community Voices: Perspectives on Civil Rights in the District of Columbia* 4 (2019) <https://oag.dc.gov/sites/default/files/2019-11/Civil-Rights-Report.pdf>. In 2018, more than 23% of the District's tenant households spent more than half of their monthly income on rent. Tom Acitelli, *Nearly half of D.C.-area renter households ‘cost-burdened,’ report says*, Curbed (Oct. 15, 2019), <https://dc.curbed.com/2019/10/15/20915332/dc-renter-households-burdened>. In recent years, the District's rental housing market has become more expensive while the availability of affordable rental housing has plunged. WES RIVERS, DC FISCAL POLICY INSTITUTE, GOING, GOING, GONE: DC'S VANISHING AFFORDABLE HOUSING (2015), <https://www.dcfpi.org/wp-content/uploads/2015/03/Going-Going-Gone-Rent-Burden-Final-3-6-15format-v2-3-10-15.pdf>. Housing-assistance programs are a core pillar of the District's response to the growing affordable-housing crisis.

13. Housing assistance programs, including subsidized rent programs, are particularly crucial in the District, where high rents consume a disproportionate share of household expenditures. D.C. Housing Authority, *Housing Choice Voucher*

Program,

<https://www.dchousing.org/topic.aspx?topicid=2&AspxAutoDetectCookieSupport=1>

(last visited June 18, 2020). These programs are therefore increasingly important to low-income District tenants seeking to obtain affordable housing and navigate the city's high cost of living.

14. This case involves one of those housing-assistance programs: Housing Choice Vouchers. The United States Department of Housing and Urban Development administers the federally funded Housing Choice Voucher Program (HCVP). The HCVP is a successor to the Section 8 Rental Voucher Program.¹

15. In the District, Section 8 vouchers are locally administered by the District of Columbia Housing Authority (DCHA). Section 8 vouchers are tenant-based subsidies that enable participants to rent housing on the private market at market rates. Section 8 voucher participants pay a portion of the rent based on a percentage of their household income, and DCHA pays the remainder of the rent directly to the landlord.

16. In the District, over 90 percent of housing voucher holders are African American, although they only account for 48 percent of the total population. *See* Aastha Upadhyay and Kate Scott, "In the District, Source of Income Discrimination is Race Discrimination Too," *Equal Rights Center* (Oct. 12, 2018)

¹ Housing Choice Vouchers are still commonly referred to as Section 8 vouchers, terminology this Complaint adopts for ease of reference.

<https://equalrightscenter.org/source-of-income-and-race-discrimination-dc/> (last visited June 2, 2020). Given the disproportionate number of African Americans using Section 8 vouchers in the District, any discrimination based on source of income is 71 times more likely to discriminate against an African American renter rather than a white renter in the District. *Id.*

**Real Estate Professionals Face Myriad
Licensing Requirements to Protect Consumers from Discrimination**

17. Tenants use many sources to identify affordable housing in the District, including real estate agents and online housing resources. A real estate broker is a firm or person who offers properties for sale, lease or rent. Brokers have responsibility for the actions of any real estate salespersons hired to undertake these activities. *See* D.C. Code § 47-2853.161.

18. A property manager is also a licensed professional and is typically responsible for the day-to-day operations on site at a rental property. See D.C. Code § 47-2853.141.

19. Recognizing the critical role that real estate professionals play in the housing market, including the market for affordable housing, the District of Columbia Regulatory Affairs' Real Estate Commission requires these professionals to adhere to standards that mandate equitable treatment of housing consumers. *See, e.g.*, D.C. Code § 47-2853.02(d)(1) (requiring a license to "protect the public"); 17 DCMR 2609.1 ("A licensee shall not discriminate or assist any party in discriminating in the sale, rental, leasing, exchange, or transfer of property.")

20. Real estate professionals are reminded of the District's non-discrimination laws and their obligations during the fair housing training they must take every two years to maintain their licenses. *See* D.C. Code § 47-2853.13.

21. Under their licensing standards, a real estate broker, real estate salesperson or property manager who violates the DCHRA may have her real estate license revoked and face civil—or even criminal—penalties. *See* D.C. Code §§ 47-2843.01, *et seq.*

Online Discriminatory Advertising

22. Many tenants in the District—including those who receive housing assistance—rely on online housing advertisements to locate rental housing. An apartment-industry survey showed that at least 83 percent of apartment hunters used an online resource to search for housing. J Turner Research, The Internet Adventure: The Influence of Online Ratings on a Prospect’s Decision Making 3 (2016), https://www.jturnerresearch.com/hubfs/Docs/J_Turner_Research-The_Internet_Adventure_Nov2016.pdf. Among the most popular online resources is Craigslist.org, a website where housing providers can list available units. Approximately 17 percent of all tenants rely on Craigslist.org to find an apartment. J Turner Research, Marketing to Different Generations: Emerging Online, Language, and Lifestyle Trends 12 (2015), <https://www.jturnerresearch.com/courting-the-baby-boomers>. Online internet platforms, such as Craigslist.org, act as a third-party website where housing providers can post listings at no or low cost.

23. More prospective tenants turning to online advertising has led to new opportunities for discriminatory advertising. In 2017 alone, more than 120 advertisements contained language suggesting that the housing provider discriminated based on source of income in the District. Equal Rights Center, *The Equal Rights Center Annual Report 2018* 6 (2018), <https://equalrightscenter.org/wp-content/uploads/6.20.19-annual-report-2018-final.pdf>.

24. Discriminatory postings and advertisements create permanent barriers in the rental market each day the advertisements are visible. Unlike temporary restrictions such as “no one-bedroom units available,” warnings like “no vouchers accepted” send a lasting message to voucher holders and are likely to permanently discourage them from pursuing that housing opportunity. Cf. John M. Yinger et al., *The Status of Research into Racial Discrimination and Segregation in American Housing Markets*, 6 OCCASIONAL PAPERS IN HOUSING AND COMMUNITY AFF. 60 (1979), <https://tinyurl.com/housingresearchagenda> (describing discrimination that discourages housing seekers from considering certain areas).

Defendants’ Discriminatory Conduct

25. On April 18, 2020, property manager defendant Yuksek, acting under the authority of the property owner, 4316 LLC, posted a discriminatory advertisement on Craigslist.org for the Property. The advertisement stated that the Property was a 2-bedroom, 2-bath townhouse available to rent in the District for \$2,200.00. The advertisement stated that the Property was “Not available for housing

vouchers.” The discriminatory advertisement remained on Craigslist.org for at least two days.

26. Defendant 4316 LLC, through its agent defendant Yuksek, acted as the point of contact and property manager for this discriminatory advertisement on Craigslist.org.

27. A screenshot of the Craigslist.org advertisement is included here:

The screenshot shows a Craigslist listing for a 2-bedroom, 2-bathroom apartment in Washington DC. The listing includes a main image of a bathroom with marble walls and a large soaking tub, followed by a grid of 21 smaller thumbnail images. To the right is a map showing the location in the Rock Creek Park area of Northwest DC. The listing details include: \$2200 / 2br - 700ft² - 4316 14th St NW 2 beds 2 bath (Washington DC). It also specifies 2BR / 2Ba, 700ft², and includes application fee details: 50 per person, cats are OK - purr, apartment, w/d in unit, and off-street parking. The listing notes that water, gas, and electric are included, and that off-street parking is preferred at an additional cost of \$100 per month. It also states that the property is not available for housing vouchers. Viewings are by appointment only, with instructions to email for more information.

28. The Craigslist.org advertisement was visible from April 18, 2020 to April 20, 2020.

29. Defendants violated the DCHRA when they posted a discriminatory advertisement. Defendants’ discriminatory advertisement discouraged potential tenants of the Property based on their source of income.

COUNT I
DISCRIMINATORY ADVERTISEMENT IN VIOLATION OF THE DCHRA
(All Defendants)

30. Paragraphs 1-29 are incorporated here.

31. Under the DCHRA it is an “unlawful discriminatory practice” to make “any ... statement, or advertisement, with respect to a transaction, or proposed transaction, in real property ... [that] unlawfully indicates or attempts unlawfully to indicate any preference, limitation, or discrimination based on ... source of income ... of any individual.” D.C. Code § 2-1402.21(a)(5).

32. Rental payment from a Section 8 voucher is a source of income under the DCHRA. *See* OHR Guidance No. 16-01 (stating that source of income includes “short- and long-term rental subsidies” such as “Housing Choice Vouchers”). *see also* D.C. Code § 2-1402.21(e) (the DCHRA expressly defines “source of income” broadly to encompass income from all legal sources, including funding from “section 8 of the United States Housing Act of 1937[.]”, D.C. Code § 2-1402.21(29) (expressly defining “source of income” to include “federal payments”).

33. Defendants’ statements in the Property’s Craigslist.org posting that the Property is “not available for housing vouchers” is a discriminatory advertisement based on the source of income of individuals in violation of D.C. Code § 2-1402.21(a)(5). The posting was viewable from at least April 18, 2020 through April 20, 2020.

34. Defendants 4316 LLC. and Yuksek violated the DCHRA when they posted a discriminatory advertisement. Defendants' discriminatory advertisement discouraged potential tenants of the Property based on their source of income.

35. Both defendant Yuksek, a property manager in the District and agent of 4316 LLC., and defendant 4316 LLC. are responsible for the discriminatory advertisement posted for the Property on Craigslist.org.

COUNT II
DISPARATE IMPACT BASED ON RACE IN VIOLATION OF THE DCHRA
(All Defendants)

36. Paragraphs 1-35 are incorporated here.

37. Defendants posted an advertisement on Craigslist.org that discriminates against Section 8 voucher holders.

38. Under the DCHRA, it is an "unlawful discriminatory practice" to "refuse or fail to initiate or conduct any transaction in real property" where such refusal or failure is "wholly or partially ... based on the actual or perceived ... race ... of any individual." D.C Code § 2-1402.21(a)(1).

39. Over 90 percent of voucher holders in the District are African American. Defendants' refusal to accept Section 8 voucher holders is also a discriminatory practice against African Americans.

40. Defendants' policy to discriminate against voucher holders disparately impacts African Americans in the District and is a violation of D.C. Code § 2-1402.21(a)-(a)(1).

41. Defendants violated the DCHRA each time they posted a discriminatory advertisement.

COUNT III
ACTS OF DISCRIMINATION BY A
PROPERTY MANAGER IN VIOLATION OF THE DCHRA
(Defendant Yuksek)

42. Paragraphs 1-41 are incorporated here.

43. Defendant Yuksek is a property manager in the District of Columbia who posted and acted as the point of contact for the discriminatory advertisement of the Property.

44. The discriminatory language was published in an advertisement on Craigslist.org.

45. It is an “unlawful discriminatory practice” to make “any … statement, or advertisement, with respect to a transaction, or proposed transaction, in real property … [that] unlawfully indicates or attempts unlawfully to indicate any preference, limitation, or discrimination based on … source of income … of any individual[]” and race. D.C. Code § 2-1402.21(a)(1)(5). See D.C. Code § 2-1402.23 (holding any real estate salesperson who violates the discrimination provisions of the DCHRA as a danger to the public interest).

46. Defendant Yuksek violated the DCHRA when she posted an advertisement with discriminatory language on Craigslist.org. The advertisements violated the DCHRA based on source of income and race.

47. Defendant Yuksek’s discriminatory acts are violations of the DCHRA as a property manager and therefore endanger the public interest.

48. Her violations of the DCHRA also violate D.C. Code § 2-1402.23.

COUNT IV
ACTS OF DISCRIMINATION BY AN OWNER OF
REAL ESTATE IN VIOLATION OF THE DCHRA
(4316 LLC)

49. Paragraphs 1-48 are incorporated here.

50. Defendant 4316 LLC is a property owner in the District of Columbia, and through its agent defendant Yuksek, published a discriminatory advertisement of the Property on Craigslist.org.

51. It is an “unlawful discriminatory practice” to make “any … statement, or advertisement, with respect to a transaction, or proposed transaction, in real property … [that] unlawfully indicates or attempts unlawfully to indicate any preference, limitation, or discrimination based on … source of income … of any individual[]”, and race. D.C. Code §§ 2-1402.21(a)(1)(5). *See* D.C. Code § 2-1402.23 (holding any real estate salesperson who violates the discrimination provisions of the DCHRA as a danger to the public interest).

52. Defendant 4316 LLC violated the DCHRA when its agent defendant Yuksek published an advertisement with discriminatory language on Craigslist.org. The advertisement violated the DCHRA based on both source of income and race.

53. Defendant 4316 LLC’s discriminatory acts are violations of the DCHRA as a property owner and therefore endanger the public interest.

54. Defendant 4316 LLC’s violations of the DCHRA also violate D.C. Code § 2-1402.23.

PRAYER FOR RELIEF

WHEREFORE, the District requests that this Court enter judgment in its favor and grant relief against defendants as follows:

- (a) Injunctive and declaratory relief;
- (b) Damages;
- (c) Civil penalties;
- (d) The District's reasonable attorney's fees and costs and
- (e) Such other and further relief as this Court deems appropriate based on

the facts and applicable law.

JURY DEMAND

The District of Columbia demands a jury trial by the maximum number of jurors permitted by law.

Dated: June 29, 2020.

Respectfully submitted,

KARL A. RACINE
Attorney General for the District of Columbia

TONI MICHELLE JACKSON
Deputy Attorney General
Public Interest Division

/s/ Michelle D. Thomas
MICHELLE D. THOMAS [993514]
Chief, Civil Rights Section
Public Interest Division

/s/ James A. Towns
JAMES A. TOWNS [433435]
Assistant Attorneys General
441 Fourth Street, N.W., Suite 630 South
Washington, D.C. 20001
Tel: (202) 724-6645
Fax: (202) 741-0584

Cell: (202) 285-0194
Email: tony.towns@dc.gov

Attorneys for the District of Columbia