



**FAIR HOUSING COUNCIL  
OF ORANGE COUNTY**

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**NEWS RELEASE**

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**FOR IMMEDIATE RELEASE**

***FAIR HOUSING COUNCIL SETTLES ONE OF ORANGE COUNTY'S LARGEST HOUSING DISCRIMINATION CASES AGAINST FAMILIES WITH CHILDREN FOR \$618,000***  
*Families With Children Were Charged Fees and Threatened with Eviction When Their Children Played Outside, Took the Trash Out, or Stepped on the Grass*

**SANTA ANA, CALIF., August 15, 2008...**The Fair Housing Council of Orange County announced today that the non-profit agency has reached a \$618,000 settlement in a class action housing discrimination case against Plaza Patria Court, LTD as owner of the Plaza Court Apartments, a 104-unit tax credit property in Stanton, California, JDC Management Company who managed the complex and the onsite manager Catherine Gomez. The settlement is one of the largest in Orange County's history for a housing discrimination case against families with children and the largest settlement for a familial status case involving the Department of Fair Employment and Housing.

After a 2 year investigation, a total of 9 families came forward and joined the class action lawsuit which alleges that Plaza Court Apartments, JDC Management and Catherine Gomez, the property on-site manager, discriminated against families with children by imposing unreasonable fines to families with children when their children were outside unsupervised, played on the grass or took the trash out. In addition, if the fines were not paid, the tenants were given late notices and charged an extra \$50 fee and threatened with eviction. In August 2001, the resident manager circulated a memorandum to all residents that stated, "Children are not allowed to be outside alone, ever. If I find out or I see them outside you will receive 1 warning, then you will be asked to leave."

"This settlement is the largest in the history of DFEH and one of the largest familial status cases in California said Denise Y. Cato, COO of the Fair Housing Council of Orange County. "We hope this settlement sends a clear message that all housing discrimination and especially discrimination targeted to families with children is a serious violation of fair housing laws and comes with very serious consequences."

Although 14 families with children originally came forward and filed complaints and many more that lived there over the years have been affected by the property rules which discriminate against

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families with children, only 9 families decided to join the class action lawsuit. These families decided to pursue their complaints because they were tired of the continual harassment, threats and issuing of \$50-\$100 fines from the management when their children were outside the apartment unsupervised, played outside, stepped on the grass, or went outside to throw the trash out. The families also allege that the manager enforced rules which prevented the children from swimming in the pool after 6pm, or playing with toys, skates or balls and they were continually issued fines for these actions. If the fines were not paid, they were fined an additional \$50 late fee.

All families also allege that they paid hundreds of dollars in fines to Plaza Court Apartments even though these fines were not authorized under their lease agreements or under the regulations governing low income tax credit properties. One family, Orly Orozco, stated in her complaint that she received a balance due notice in April 2004 stating that \$400 was due within 24 hours of the notice and that failure to pay would result in a \$50 late fee. The fine arose out a warning notice given by the onsite manager because Orozco's son had taken out the trash. Orozco paid the fine under duress because she feared the fines would continue to accumulate, she would not be able to pay them and she'd be evicted if she didn't pay the fine. In addition, the complaintants allege that Plaza Court Apartments unlawfully charged rents in excess of those allowed under the federal low-income housing tax credit program and illegally offered different terms to families with children by charging them more for the additional occupants. One family stated in their complaint that the on-site manager requested an additional fee of \$300 to reduce their rent to the tax credit limit. The manager would also threaten and/or issue termination of tenancies without good cause if the families complained or did not pay the fees. Termination of tenancies that are given in tax credit properties require the landlord to give good cause for evicting tenants.

"In many cases, the manager had knowledge of and was harboring additional occupants not indicated on the leases," said Angelica Coronel, assistant director of the fair housing enforcement program at the Fair Housing Council. "After numerous tenants complained to the Fair Housing Council about the managers' actions, they were issued Termination of Tenancy notices based on overcrowding," she said. "Many of the tenants had no way of knowing about the discrepancies in the leases because they spoke only Spanish and the leases were all written in English."

The Fair Housing Council began investigating Plaza Court Apartments in 2002 after being contacted by several residents of the Plaza Court Apartments regarding unreasonable fines and eviction notices when their children played outside. The complainants felt that they were not being treated fairly and these illegal practices were based on their familial status (presence of children under age 18 in the family). Initial testing of the property uncovered possible discriminatory practices. The Fair Housing Council continued to investigate resulting in additional complaints from other tenants who received questionable notices and fees. The Fair Housing Council found there was sufficient evidence of

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housing discrimination to file complaints with the Department of Fair Employment and Housing (DFEH) as well as the Department of Housing and Urban Development. DFEH then conducted its own investigation and filed suit against Plaza court Apartments on behalf of Fair Housing Council and nine families with children who had lived in fear o being evicted for violating the complex's alleged discriminatory rules.

"California remains the nation's leader in the fight to end housing discrimination," DFEH Director Phyllis Cheng said. "This case is yet another example of the vital role the Fair Employment & Housing Act plays in educating owners and managers about housing discrimination and safeguarding fundamental rights."

While making no admission of liability or wrongdoing, Plaza Court Apartments, JDC Management, agreed to pay a total of \$618,000 in damages, abide by all fair housing laws and to make changes to the rules and policies if necessary to comply with the law. In addition, Plaza Court Apartments has set up a \$216,000 trust account so that other families with children who previously lived at the complex between April 2002 and February 2008 and feel that they experienced discrimination because of their family status could apply for compensation under the terms of the class action agreement. Claims had to be filed no later than June 2, 2008 with the claims administrator, Epiq Class Action & Claims Solutions, Inc. JDC also agreed to attend Fair Housing training, conducted by the Fair Housing Council for the next five years. In addition, JDC also agreed to provide fair housing pamphlets to current and prospective residents and post fair housing signs in the rental office.

The federal Fair Housing Act, became law in 1968 and initially outlawed housing discrimination based on race, color, religion, or national origin. The Act's protections have been expanded twice. In 1974, discrimination based on sex was outlawed. In 1988, with the support of President Reagan, Congress widened the protections and made it illegal to discriminate against families with children or on the basis of handicap or disability.

The Fair Housing Council of Orange County is a private, nonprofit organization formed in 1965 in the wake of the civil rights movement that resulted in the Civil Rights Act of 1964. The agency incorporated in 1968, the same year that Congress extended civil rights protections to cover housing with the adoption of the Fair Housing Act. Under the direction of a 9 member volunteer board of directors and with a paid staff of 16, the agency works to fulfill a mission of fostering diversity and eliminating housing discrimination in Orange County. Contracting with local governments to provide fair housing services to all Orange County residents, the agency provides comprehensive community and industry education, individual counseling, mediation, low-cost advocacy and handles more than 250 issues concerning housing discrimination each year. The Fair Housing Council also recently expanded it programs to include comprehensive education programs for housing providers, property managers, lenders and real estate professionals. For more information, call 800/698-FAIR or 714/569-0823 or visit [www.fairhousingoc.org](http://www.fairhousingoc.org). ###