

UNITED STATES OF AMERICA  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
OFFICE OF ADMINISTRATIVE LAW JUDGES

The Secretary, United States	)	
Department of Housing and Urban	)	
Development, on behalf of	)	
Roziel Reyes,	)	
	)	
Charging Party,	)	HUD ALJ No.
	)	FHEO No. 05-04-1459-8
v.	)	
	)	
Michael Bassali,	)	
	)	
Respondents.	)	

**CHARGE OF DISCRIMINATION**

I. **JURISDICTION**

On or about September 30, 2004, the complainant, Roziel Reyes (“Complainant Reyes”) filed a verified complaint with the United States Department of Housing and Urban Development (“HUD ”), alleging that Respondent Michael Bassali violated the Fair Housing Act as amended in 1988, 42 U.S.C. Section 3601 *et seq.* (the “Act”), by discriminating on the basis of familial status, in violation of 42 U.S.C. §3604(a).

The Act authorizes the issuance of a charge of discrimination on behalf of an aggrieved person following an investigation and a determination that reasonable cause exists to believe that a discriminatory housing practice has occurred. 42 U.S.C. §3610(g)(1) and (2). The Secretary has delegated to the General Counsel (54 Fed.Reg.13121), who has redelegated to the Regional Counsel (67 Fed.Reg. 44234), the authority to issue such a charge, following a determination of reasonable cause by the Assistant Secretary for Fair Housing and Equal Opportunity or her designee.

The Office of Fair Housing and Equal Opportunity Region V Director, on behalf of the Assistant Secretary for Fair Housing and Equal Opportunity, has determined that reasonable cause exists to believe that a discriminatory housing practice has occurred in this case based on familial status, and has authorized and directed the issuance of this Charge of Discrimination.

II. **SUMMARY OF ALLEGATIONS IN SUPPORT OF THIS CHARGE**

Based on HUD’s investigation of the allegations contained in the aforementioned Complaint and Determination of Reasonable Cause, Respondent Michael Bassali is

charged with discriminating against Complainant Roziel Reyes, an aggrieved person as defined by 42 U.S.C. §3602(i), on the basis of familial status, in violation of 42 U.S.C. §3604(a) and (c) as follows:

1. It is unlawful to refuse to sell or rent after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, sex, religion, familial status, disability, or national origin. 42 U.S.C. §3604(a); see also 24 C.F.R. §100.60(a); 24 C.F.R. §§100.60(b)(3), (b)(5).
2. It is unlawful to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, disability, familial status, or national origin, or an intention to make any such preference, limitation or discrimination. 42 U.S.C. §3604(c); see also 24 C.F.R. §100.75(b); 24 C.F.R. §§100.75(c)(1) and (2).
3. At all times relevant to this Charge, Respondent Michael Bassali was the owner of the property located at 1112 Garnett Place, Evanston, Illinois 60201 (“subject property”). The subject property contains three units and is not occupied by Respondent. The subject unit is a three and a half-bedroom apartment with one bathroom and occupies three floors. The subject property has a yard, and a long driveway for parking.
4. Complainant’s partner, Aquiles Catalan (“Catalan”), and their three children are aggrieved persons as defined by 42 U.S.C. §3602(i) of the Act.
5. In or around August 2004, Complainant was advised that due to plans to remodel her apartment, she, Catalan and their children would need to find another place to live as soon as possible. Complainant and her family had been renting an apartment from family and, as such, had been paying rent slightly below market rate. Therefore, finding a reasonably priced apartment was a concern for them.
6. On or about September 15, 2004, Complainant saw a rental ad posted on the internet website “craigslist.” The advertisement read, “\$950/3br- Evanston, Northwestern U. and the lake only two blocks away.” The body of the advertisement stated that several units were available, and provided the e-mail address of [garnettplace@chek.com](mailto:garnettplace@chek.com) as a reply address.
7. On or about September 18, 2004, Complainant Reyes responded to the ad she saw on craigslist. The person that she communicated with identified himself as Michael Bassali. They scheduled an appointment for Complainant to view the unit.
8. Later, on or about September 18, 2004, Complainant viewed the subject unit accompanied by Catalan, and a friend, Enma Vasquez (“Vasquez”). They were

shown the property by Respondent Bassali. Complainant stated that she initially expressed interest in the property located at 1012 Garnett, but Respondent explained that it had already been rented and proceeded to show her the subject property which was a few houses down the street.

9. During the September 18, 2004 viewing of the subject property, Complainant informed Respondent that she had three children-- at that time ages 8, 10, and 14-- that would also be living in the subject unit. Respondent Bassali commented that the unit was usually rented to college students at Northwestern, but that "they" did not mind renting to families.
10. On or about September 20 2004, Complainant again viewed the subject property, signed a lease and paid a \$950 security deposit to Respondent Bassali. The lease was to begin on October 1, 2004. Complainant, Catalan and Vasquez planned to each pay one third of the rent and utilities.
11. However, a few days later, on September 23, 2004, Respondent Bassali contacted Complainant and left her a voice mail message stating that the "owner" no longer wished to rent the unit to her. Complainant returned Respondent's call that same day. On the telephone, Respondent told Complainant that he was concerned for the safety of her children if they were to occupy the unit. Complainant asked to meet Respondent in person to discuss his concerns. Later in the day on September 23, 2004, Complainant and Vasquez returned to the subject property to meet with Respondent. At that time, Respondent explained that he was concerned that there could be lead-based paint or mold present in the unit, the stairs were unsafe, and there may be plumbing problems because there was only one sewer line and he feared her children would clog the pipes.
12. Respondent then returned Complainant's \$950 security deposit in the form of a personal check with the name Michael Bassali at the top and the address 1012 Garnett Place, Evanston, Illinois 60201. The check is dated September 23, 2004, is made out to Roziel Reyes and the memo line reads, "security deposit return."
13. As a result of the termination of the lease, Complainant was forced to find another apartment for her family to rent.
14. On or about March 5, 2005, Respondent Bassali was served with a subpoena to produce documents and provide testimony in furtherance of the HUD investigation. On or about March 14, 2005, Respondent sent HUD a letter, in part requesting an extension of time until July 5, 2005 to respond to the subpoena and in part, responding to the allegations contained within the complaint. HUD granted Respondent Bassali's request for an extension to respond to the subpoena, but he never did respond.
15. In Respondent's March 14, 2005 letter to HUD, Respondent Bassali admits that Complainant Reyes had a lease with him for the subject property, Apartment #2 at

1112 Garnett, Evanston, Illinois. Additionally, he acknowledges that he contacted Complainant Reyes two days after she signed the lease in order to “meet and discuss some issues with her.” The letter explains that the two issues were (1) the possibility of lead-based paint in the unit and its effects on her children, and (2) that Evanston law prohibits six people who are not related living together in a single unit.

16. In this letter, Respondent details how he read a news report that older houses, like the subject property, may have lead-based paint in them, and that exposure to lead-based paint could be harmful to children. He acknowledged that the subject unit had not been tested for lead-based paint.
17. With respect to Respondent’s second contention, that Evanston law prohibits six unrelated persons from living together, Respondent Bassali stated his belief that Complainant’s friend, (on information and belief Vasquez)<sup>1</sup>, planned to live in the subject unit and that her presence would violate Evanston law. Finally, Respondent Bassali contends that he did not cancel the lease but that they “mutually agreed” that “it was better for her to find a more suitable place.”
18. On information and belief, at no time did Respondent ever contact the City of Evanston for guidance regarding the number of unrelated persons that are legally permitted to reside together in one apartment under the Evanston ordinance.
19. Further, the Evanston, Illinois City Code provides at 6-4-1-14, Occupancy of Dwelling Units, that “no dwelling shall be occupied by more than one type (A), type (B) or type (C) family as defined in Chapter 18, “Definitions”, of this Ordinance” unless one of two exceptions is met. At Section 6-18-3 the three types of families are defined. Type (C), the only relevant definition in this case, is defined as “a group of not more than three (3) unrelated persons living together as a single housekeeping unit in a dwelling unit.”
20. In the course of the investigation, Jeff Murphy, City of Evanston Property Standards Supervising Inspector, gave HUD a statement that occupying a property with three related and three unrelated persons does not violate the Evanston City Ordinance regarding the relatedness of occupants, assuming the property was large enough to accommodate six persons. A violation exists when more than three unrelated persons reside in one unit, which was not Complainant’s household composition.
21. With respect to Respondent’s allegation that Complainant’s children could be harmed by the presence of mold or lead-based paint, HUD has issued guidance specific to lead-based paint and presumably instructive regarding mold. The HUD guidance entitled, *Requirements Concerning Lead-Based Paint and the Fair*

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<sup>1</sup> Although Vasquez is not listed on the lease, Complainant’s children are not on the lease, either. Complainant alleges that she told Respondent that Vasquez would occupy the subject unit and Vasquez was present at three separate meetings with Respondent.

*Housing Act*, concludes that, “if a unit which has not undergone lead hazard control treatments is available and the family chooses to live in the unit, the housing provider must advise the family of the conditions of the unit, but may not decline to allow the family to occupy the unit because the family has children.” Moreover, it would violate the Act for a landlord to terminate the lease of a family residing in a unit where lead-based paint hazards have not been controlled against the family’s wishes because of the presence of minor children.

22. As a result of Respondents failure to respond to Requests for Admissions promulgated by HUD in furtherance of the investigation and pursuant to 24 C.F.R. §103.215 and 24 C.F.R. § 180.530 (2006), each matter for which an admission was requested was admitted. Therefore, Respondent has effectively admitted that (1) he had sole ownership of the subject property in September 2004; (2) he lives at the property located at 1516 Hinman Avenue, #809, Evanston, Illinois 60201-4667; (3) he told Complainant he was concerned that the subject property could have lead-based paint in it that may be harmful to young children; (4) he told Complainant he was concerned for the safety of her children due to mold or plumbing problems at the subject property; (5) he refused to rent the subject property to Complainant because she had children; (6) he did not call the City of Evanston to verify whether its city code allowed six persons, four of whom were related, and two of whom were unrelated to occupy the subject property prior to rescinding the lease; (7) he has rented to six unrelated persons in the past; (8) the subject property was large enough for six persons to legally reside in it; and (9) he has intentionally avoided service of a HUD subpoena.
23. By otherwise making unavailable or denying unit #2 at the subject property to Complainant on the basis of Complainant’s familial status, Respondent Michael Bassali discriminated against Complainant in violation of 42 U.S.C. §3604(a).
24. By making statements with respect to the sale or rental of a dwelling that indicated a preference, limitation, or discrimination based on Complainant’s familial status, Respondent Michael Bassali discriminated against Complainant in violation of 42 U.S.C. §3604(c).
25. As a result of Respondent Michael Bassali’s discriminatory conduct, Complainant, Catalan, and their three children suffered damages, including economic loss, emotional distress, inconvenience, and loss of a housing opportunity. Complainant and Catalan had to pay more in rent and utilities for the housing that they eventually rented than they would have paid, splitting rent and utilities in thirds with Vasquez, at the subject property. Therefore, Complainant and Catalan secured housing at a higher monthly rate than at the subject property, and paid higher utilities.
26. The location of the subject property was better for Complainant than the housing she ultimately rented. Complainant wanted to send her kids to Evanston schools, which she considered better than the school district in which they are currently

enrolled. The subject property also had a yard and private parking; her new housing does not. The subject property was much larger than her current housing and would have allowed Vazquez to reside with them. Complainant also felt that the neighborhood was quieter than where she ultimately moved and was in a nice suburb, as opposed to her subsequent housing.

27. The loss of the opportunity to rent the subject property was emotionally stressful for Complainant, Catalan and their three children. The discriminatory conduct angered and preoccupied Complainant and caused tension in her family. Complainant's relationship with her aunt and uncle, her former landlords, was severely damaged because her move was delayed. Complainant's aunt and uncle requested that Complainant and her family move as soon as possible, but when her lease at the subject property was terminated, Complainant's aunt and uncle blamed Complainant for not trying hard enough to find an apartment. Further, because Complainant was renting from her aunt and uncle at a rent lower than market rate, finding a subsequent rental was difficult and took more time. Her search was delayed by her reasonable belief that she was to take possession of the subject property, for which she had executed a lease. As a result, Complainant's aunt and uncle ultimately served Complainant and her family with a termination notice and filed an eviction action against them. This has caused Complainant and her aunt and uncle to cease speaking to each other and created a great deal of stress in Complainant's life.
28. Complainant's emotional distress manifested itself mentally in the form of increased stress and anxiety.

### III. CONCLUSION

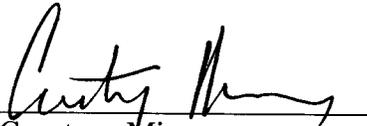
WHEREFORE, the Secretary of the U.S. Department of Housing and Urban Development, through the Office of the General Counsel, and pursuant to Section 42 U.S.C. §3610(g)(2)(A) of the Act, hereby charges Respondent Michael Bassali with engaging in discriminatory housing practices in violation of 42 U.S.C. §3604(a) and (c) of the Act, and prays that an order be issued that:

1. Declares that the discriminatory housing practices of Respondent, as set forth above, violate the Fair Housing Act, as amended, 42 U.S.C. §3601, *et seq.*;
2. Enjoins Respondent, his agents, employees, successors, and all other persons in active concert or participation with him from discriminating on the basis of familial status against any person in any aspect of the purchase or rental of a dwelling;
3. Awards such damages as will fully compensate Complainant Reyes, Catalan, and their children, aggrieved parties, for their actual damages caused by Respondent's discriminatory conduct pursuant to 42 U.S.C. §3604(a) and (c); and

4. Awards a civil penalty against Respondent for each violation of the Act committed pursuant to 42 U.S.C. §3612(g)(3).

The Secretary of HUD further prays for additional relief as may be appropriate under 42 U.S.C. §3612(g)(3).

Respectfully submitted,

  
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