



**CONCILIATION/VOLUNTARY COMPLIANCE AGREEMENT**

between

**UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

and

**REDACTED**  
**REDACTED**  
**(Complainants)**

and

City of Beaverton  
Lisa Lesko  
Community Partners for Affordable Housing  
Colleen Hayes, Property Manager, Income Property Management  
Income Property Management  
Cascade Management, **Inc.**  
**(Respondents/Recipients)**

under

Title VIII of the Civil Rights Act of 1968, as amended (Fair Housing Act)  
Section 109 of the Housing and Community Development Act of 1974

**FHEO CASE NUMBERS: 10-17-6568-8 (Title VIII)**  
**10-17-6568-9 (Section 109)**

**FHEO CASE NAME: REDACTED v. City of Beaverton, et al.**

**HUD DATE FILED: September 21, 2017**  
**First Amended Complaint Filed December 17, 2017**

**Effective Date of Agreement: 6/12/2018**

**Expiration Date of Agreement: 6/12/2019**

**A. PARTIES AND SUBJECT PROPERTY**

**Complainants**

**REDACTED**  
**REDACTED**

Beaverton, OR 97005

**REDACTED**  
**REDACTED**

Beaverton, OR 97005

**Respondents/Recipients**

City of Beaverton  
P.O. Box 4755  
Beaverton, OR 97076

Lisa Lesko (Former Resident Services Manager)

Community Partners for Affordable Housing  
6380 SW Capitol Hwy., #151  
Portland, OR 97239

Colleen Hayes (Property Manager)  
Income Property Management  
1800 SW 1st Avenue, Suite 220  
Portland, OR 97201

Income Property Management  
1800 SW 1st Avenue, Suite 220  
Portland, OR 97201

Cascade Management, Inc.  
13221 SW 68<sup>th</sup> Parkway, Suite 310  
Portland, OR 97223

**Subject Property**

**REDACTED**

Beaverton, OR 97005

## **B. STATEMENT OF FACTS**

A complaint was filed on September 21, 2017, with the United States Department of Housing and Urban Development ("the Department") alleging that Complainants **REDACTED** (jointly, "Complainants") were injured by discriminatory acts of the Respondents/Recipients City of Beaverton, Lisa Lesko, Community Partners for Affordable Housing, and Colleen Hayes. On December 17, 2017 the complaint was amended to add Income Property Management and Cascade Management, Inc., as Respondents/Recipients. (The Respondents/Recipients named in the original complaint and those named in the amended complaint are referred to herein collectively as "Respondents"). Complainants alleged that Respondents discriminated against them based on disability, race and national origin. Complainants alleged that Respondents violated subsections 804(0)(2) and 804(f)(3)(A) of Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Act of 1988, 42 U.S.C. § 3601 *et seq.* ("the Act"), when they denied Complainant **REDACTED** request for padded carpeting to be installed throughout the subject unit as a reasonable modification based on Complainant **REDACTED** disability. Complainants also alleged that Respondents violated subsection 804(b) of the Act based on national origin and race by, among other things, issuing Complainants a notice for engaging in violent and criminal activity and threatening other tenants.

The amended complaint also alleged non-compliance with Section 109 of Title I of the Housing and Community Development Act of 1974 ("Section 109").

It is understood that Respondent Cascade Management, Inc. and Lisa Lesko no longer have any presence at, employees located, or any other kind of active involvement with the Subject Property.

Respondents deny the allegations in the amended complaint and deny having discriminated against Complainants but agree to settle the claims in the underlying action by entering into this Conciliation/Voluntary Compliance Agreement.

## **C. TERM OF AGREEMENT**

1. This is a Conciliation Agreement between the Complainants, named above, and the Respondents, named above, and a Voluntary Compliance Agreement between the Department and the Respondents named above. As specifically stated herein, this Conciliation/Voluntary Compliance Agreement ("Agreement") shall govern the conduct of the parties to it for a period of one (1) year from the effective date of the Agreement.

## **D. EFFECTIVE DATE**

2. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act or a Voluntary Compliance Agreement pursuant to Section 109, unless and until such time as it is approved by the Department, through the Office of Fair Housing and Equal Opportunity ("FHEO") Regional Director, or her designee.

3. This Agreement shall become effective on the date on which it is approved by the FHEO Regional Director, or her designee.

#### **E. GENERAL PROVISIONS**

4. The parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaint with respect to all named Complainants and Respondents. The parties affirm that they have read and fully understand the terms set forth herein. No party has been coerced, intimidated, threatened, or in any way forced to become a party to this Agreement.
5. It is understood that the Respondents deny any violation of law and this Agreement does not constitute an admission by the Respondents or evidence of a determination by the Department of any violation of the Act, Section 109, or any other law.
6. The Department reserves the right to conduct a review of the Respondents' compliance with their obligations under Section 109.
7. Respondents acknowledge that they have an affirmative duty not to discriminate under the Act and other authorities, and that it is unlawful to retaliate against any person because that person has made a complaint, testified, assisted, or participated in any manner in a proceeding under the Act. The Respondents further acknowledge that any subsequent retaliation or discrimination by any individual Respondent constitutes both a material breach of this Agreement by that Respondent, and a statutory violation of the Act by that Respondent, as well as a violation of HUD's implementing regulations at 24 C.F.R. part 100 *et seq.* This Agreement shall not be construed to create joint or several liability on the part of any Respondent that does not participate in subsequent retaliation or discrimination, if any.
8. This Agreement, after the FHEO Regional Director, or her designee, has approved it, is binding upon the Respondents, their employees, heirs, successors and assigns and all others in active concert with Respondents in the ownership and/or operation of the Subject Property, to the extent that Respondents have any ownership and/or operation of the Subject Property.
9. It is understood that, pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Regional Director, or her designee, it is a public document.
10. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving Respondents made pursuant to the Act, Section 109, or any other complaint within the Department's jurisdiction.
11. No amendment to, modification of, or waiver of any provisions of this Agreement shall be effective unless: (a) all signatories or their successors to the Agreement agree in writing to the amendment, modification or waiver; (b) the amendment,

modification or waiver is in writing; and (c) the amendment, modification, or waiver is approved and signed by the FHEO Regional Director or her designee.

12. The parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement, the original executed signature pages to be attached to the body of the Agreement to constitute one document.
13. The Respondents hereby forever waive, release, and covenant not to sue the Department or the Complainants and their successors, heirs, executors, assignees, agents, officers, board members, employees and attorneys with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of or related to the subject matter of the Department's case numbers 10-17-6568-8 and 10-17-6568-9 or which could have been filed in any action or suit arising from or related to said subject matter.
14. The Complainants hereby forever waive, release, and covenant not to sue the Respondents or the Department, including their affiliates, predecessors, successors, officers, directors, heirs, executors, assignees, agents, employees, insurers, or attorneys with regard to any and all claims, attorney's fees, damages and injuries of whatever nature whether presently known or unknown, arising out of or related to the subject matter of the Department's case numbers, 10-17-6568-8 and 10-17-6568-9 or which could have been filed in any action or suit arising from or related to said subject matter.
15. It is understood that the signature of Income Property Management Controller Jill Webberley is made with the authority and on behalf of Respondents Colleen Hayes and Income Property Management.
16. It is understood that the signature of Cascade Management, Inc. CEO Dave Bachman is made with the authority and on behalf of Respondent Cascade Management, Inc.
17. It is understood that the signature of Community Partners for Affordable Housing Executive Director Rachel Duke has the authority to sign on behalf of Respondent Community Partners for Affordable Housing.
18. It is understood that this Agreement fully and finally resolves the instant complaint against Respondent City of Beaverton, although City of Beaverton is not a signatory to the Agreement.

#### **F. RELIEF FOR COMPLAINANTS**

19. Respondent Cascade Management, Inc. shall pay to Complainants the sum total of two-thousand six-hundred dollars (\$2,600) within fourteen (14) days of the effective date of this Agreement. Respondent Community Partners for Affordable Housing shall pay the sum total of two-thousand five-hundred dollars (\$2,500) within thirty (30) days of the effective date of this Agreement. Each said payment shall be in the form of a cashier's check payable to **REDACTED** The said

checks shall be sent to: **REDACTED** Beaverton, OR 97005 via U.S. certified mail or other delivery service with tracking capability.

- a. Complainants acknowledge that their unit has been accommodated with rugs and padding, which resolves all of their existing requests for reasonable accommodations.

To show compliance with paragraph F19, Respondents Cascade Management, Inc. and Community Partners for Affordable Housing shall provide to the Department a copy of the check that each Respondent sent and the associated tracking information within five (5) days after each check has been issued. The materials shall be sent to the Department at the address set forth in paragraph 134 below.

20. Each Respondent agrees and affirms that it has no rental termination action pending against Complainants.
21. Complainants acknowledge that they have no other pending or known claims against Respondents.
22. Respondents and Complainants acknowledge that they are obligated to comply with the terms of all rental agreements to which they are a party. Respondents and Complainants acknowledge that this obligation pertains to Complainants' current lease agreement, including paragraph 21, which provides that "Residents shall not verbally or physically abuse management or persons representing management."
23. Respondents Income Property Management and Community Partners for Affordable Housing agree to redact portions of the Notice of For Cause Termination ("Notice") dated April 11, 2017 issued to Complainants, to remove all references to criminal activity and so as to conform with the redacted copy previously provided to the Department. Respondents Income Property Management and Community Partners for Affordable Housing further agree that within fourteen (14) days of the effective date of this Agreement they will: provide a copy of the properly redacted Notice to Complainants; place a copy of the redacted Notice in Complainants' tenant file; and remove the originally issued unredacted Notice from Complainants' file and records.

To show compliance with paragraph F23, within thirty (30) days of the effective date of this Agreement Respondents Income Property Management and Community Partners for Affordable Housing will provide to the Department a copy of the redacted Notice and proof of delivery to the Complainants, along with a letter signed under penalty of perjury stating that the properly redacted Notice has been placed in Complainants' file and the unredacted Notice has been removed from Complainants' file and records. The materials shall be sent to the Department at the address set forth in paragraph 134 below.

24. Respondents Income Property Management and Community Partners for Affordable Housing agree that if asked to provide a housing reference for

Complainants, they will provide only the dates of occupancy and nothing more, consistent with their internal policies.

## **G. RELIEF IN THE PUBLIC INTEREST**

25. Respondent Community Partners for Affordable Housing agrees that its current manager for the Subject Property complex will attend a fair housing training class lasting at least three (3) hours within ninety (90) days of the effective date of this Agreement. Respondent Cascade Management, Inc. agrees that a property manager who oversees low-income property, or in the event that such a person is not available, another property manager from Cascade Management, Inc., will attend a fair housing training class lasting at least three (3) hours within ninety (90) days of the effective date of this Agreement. Respondents will each pay the cost of this training for their own property manager's training, if any. Each of the aforementioned fair housing training classes shall be provided in person by a qualified fair housing agency, a qualified fair housing attorney, or other qualified training entity subject to prior approval by the Department. It is understood that Respondents may contact Kristina Miller at the FHEO Region X office, at 202-2205328 or via email to [kristina.miller@hud.gov](mailto:kristina.miller@hud.gov), to arrange to attend a fair housing training class provided by the Department, and that participation in such training will fulfill the requirements of this paragraph. It is understood that Respondent Colleen Hayes has provided documentary evidence showing that she completed a fair housing training course on May 3, 2018. Respondent Income Property Management agrees that it will continue to require all its employees to take a fair housing course on an annual basis.

To show compliance with paragraph G25, Respondents Community Partners for Affordable Housing and Cascade Management, Inc. will each submit to the Department a Certificate of Completion for that Respondent's required attendee, as set forth above, showing the date of completion of the training, the agency or firm that provided the training, and the name and title of the trainer. The Certificates of Completion shall be sent to the Department at the address specified in paragraph 134 below.

26. Respondent Income Property Management agrees that starting within thirty (30) days of the effective date of this Agreement, it will track all requests for reasonable accommodation and/or reasonable modification regarding the Subject Property in an Excel spreadsheet or other comparable format ("reasonable accommodations tracking sheet"), which will state the requestor's name, date of the request, unit number if applicable, what the request is, whether verification of disability and/or need was requested, whether such verification was provided, whether the request was approved or denied, and the approval or denial date. If a request was denied, the tracking sheet shall state the reason for the denial. If an alternative accommodation was suggested, the tracking sheet will state what was suggested and whether the tenant accepted or denied the alternative accommodation.

To show compliance with paragraph G26, Respondent Income Property Management will send a copy of the reasonable accommodations tracking sheet to the Department at six-month intervals; the first submission will be due one hundred-eighty (180) days from the effective date of this Agreement and the second and final submission shall be due three hundred sixty-four (364) days from the effective date of this Agreement. The reasonable accommodations tracking sheet shall be sent to the Department at the address specified in paragraph 134 below.

27. Respondent Income Property Management agrees that it will provide copies of Notices for Cause Termination due to behavior to HUD upon HUD's written request for the period of time from January 1, 2018 to December 31, 2018. Respondent Income Property Management agrees to submit these documents as a means of cooperating with HUD and not because it agrees that at any time it discriminated or retaliated against Complainants.
28. Respondents agree to abide by all applicable state and federal laws prohibiting discrimination on the basis of a membership in a protected class.
29. Respondent Community Partners for Affordable Housing acknowledges that it receives federal financial assistance and is obligated to comply with the provisions of Section 109.
30. Section 109 of title I of the Housing and Community Development Act of 1974 provides that no person in the United States shall, on the basis of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.
31. Respondents acknowledge that the Act makes it unlawful to discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, familial status, national origin, or disability.
32. Respondents acknowledge that the Act requires them to provide reasonable accommodations in their rules, policies, practices and procedures to accommodate the needs of persons with disabilities, and further prohibits a refusal to permit, at the expense of the person with a disability', reasonable modifications of existing premises occupied or to be occupied by such person if such modifications may be necessary to afford such person full enjoyment of the premises, except that, in the case of a rental, the landlord may where it is reasonable to do so condition permission for a modification on the renter agreeing to restore the interior of the

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<sup>1</sup> It is understood that housing providers that receive federal financial assistance are also subject to the requirements of Section 504 of the Rehabilitation Act of 1973. 29 U.S.C. § 794 ("Section 504"). Section 504, and its implementing regulations at 24 C.F.R. Part 8, prohibit discrimination based on disability, and obligate housing providers to make and pay for structural changes to facilities, if needed as a reasonable accommodation for applicants and tenants with disabilities, unless doing so poses an undue financial and administrative burden.



premises to the condition that existed before the modification, reasonable wear and tear excepted.

## **H. MONITORING**

33. The Department shall determine compliance with the terms of this Agreement. During the term of this Agreement, the Department may review compliance with this Agreement. As part of such review, the Department may inspect the Subject Property identified in Section A of this Agreement, examine witnesses including but not limited to Respondents' employees, and copy pertinent records of the Respondents. The Respondents agree to provide their full cooperation in any monitoring review undertaken by the Department to ensure compliance with this Agreement.

## **I. REPORTING AND RECORDKEEPING**

34. All required certifications and documentation of compliance must be submitted to:

U.S. Department of Housing and Urban Development  
Office of Fair Housing and Equal Opportunity  
Attention: Conciliation Monitoring Unit  
One Sansome Street, Suite 1200  
San Francisco, CA 94104-4430

Or by email to: sf [complianceunit@hud.gov](mailto:complianceunit@hud.gov)

## **J. CONSEQUENCES OF BREACH**

35. Whenever the Department has reasonable cause to believe that any Respondent has breached this Agreement, the matter shall be referred to the Attorney General of the United States, to commence a civil action against the breaching Respondent(s) in the appropriate U. S. District Court, pursuant to §§ 810(c) and 814(b)(2) of the Act.
36. The parties understand further that failure to carry out the terms of this Agreement may result in suspension or termination of, or refusal to grant or to continue federal financial assistance, or other actions authorized by law pursuant to the Act or any other authority within the Department's jurisdiction.

FHEO CASE NUMBERS: 10-17-6568-8 (Title VIII) and 10-17-6568-9 (Section 109)  
FHEO CASE NAME: REDACTED v. City of Beaverton, et al.

**K. SIGNATURE**

**COMPLAINANTS' SIGNATURE PAGE**

**This signature attests to the approval and acceptance of this Agreement.**

REDACTED

Complainant

May 31, 2018

\_\_\_\_\_  
Date

REDACTED

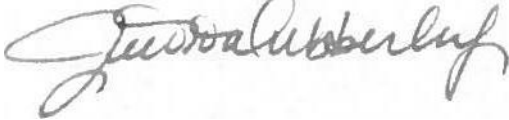
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Complainant

05-31-2018

FHEO CASE NUMBERS: 10-17-6568-8 (Title VIII) and 10-17-6568-9 (Section 109)  
FHEO CASE NAME: **REDACTED** v. City of Beaverton, et al.

**RESPONDENTS' SIGNATURE PAGE**

**This signature attests to the approval and acceptance of this Agreement.**



**5/30/2018**

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Jill Webberley, Controller, Income Property Management  
On behalf of Colleen Hayes and Income Property Management  
(Respondents)

Date

FFIEO CASE NUMBERS: 10-17-6568-8 (Title VIII) and 10-17-6568-9 (Section 109)  
FHEO CASE NAME: **REDACTED** v. City of Beaverton, et al.

**RESPONDENTS' SIGNATURE PAGE**

**This signature attests to the approval and acceptance of this Agreement.**

 6/8/2018

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Dave Bachman, CEO, Cascade Management, Inc.  
On behalf of Cascade Management, Inc.  
(Respondent)

Date

**RESPONDENTS SIGNATURE PAGE**

**This signature attests to the approval and acceptance of this Agreement.**



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Responde

6-8-18  
Date

\_\_\_\_\_

FHEO CASE NUMBERS: 10-17-6568-8 (Title VIII) and 10-17-6568-9 (Section 109) FHEO CASE NAME: **REDACTED** v. City of Beaverton, et al.

**RESPONDENTS' SIGNATURE PAGE**

**This signature attests to the approval and acceptance of this Agreement.**

A handwritten signature in cursive script, reading "Rachel Duke", is written over a solid horizontal line. The signature is written in black ink on a white background.

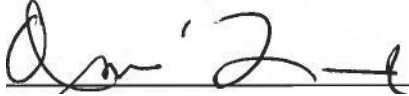
6/8/18

Rachel Duke, Community Partners for Affordable Housing Executive Director Dale  
On behalf of Community Partners for Affordable Housing,  
(Respondent)

**FHEO SIGNATURE PAGE**

**This signature attests to the approval and acceptance of this Agreement.**

**For the Department:**

  
\_\_\_\_\_  
Annts Quesada  
Regional Director  
Office of Fair Housing and Equal

6/12/2018  
\_\_\_\_\_  
**Date**