



UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TITLE VIII

CONCILIATION AGREEMENT

Between

Fair Housing Council of Riverside County (FHCRC)
(Complainant)

and

Grand Oaks Apartments LLC
Sierra Vista Apartments LLC
Macbeth Apartment Systems, Inc.
Nelly De Leon
Genesis Strickler
(Respondents)

Approved by the FHEO Regional Director on behalf of the United States Department of Housing
and Urban Development

HUD CASE NAMES: *FHCRC v. Sierra Vista Apartments LLC*
FHCRC v. Grand Oaks Apartments LLC

HUD CASE NUMBERS: 09-17-9880-8, 09-17-9881-8

HUD Dates Filed:
9/19/2017

Effective Date of Agreement: _____

Expiration Date of Agreement: _____

A. PARTIES AND SUBJECT PROPERTY

Complainants

Fair Housing Council of Riverside County (“FHCRC”)
c/o Rose Mayes
3933 Mission Inn Avenue
Riverside, CA 92501

Respondents

Grand Oaks Apartments LLC
c/o Raj Pal
1679 E Orangethorpe Ave #1001
Atwood, CA 92811

Sierra Vista Apartments LLC
c/o Raj Pal
1679 E Orangethorpe Ave #1001

MacBeth Apartment Systems, Inc.
c/o Dirk Needham, Suite A
2225 Faraday Ave
Carlsbad, CA 92008

Genesis Strickler
15177 Lincoln Street
Lake Elsinore, CA 92530

Nelly De Leon
15200 Grand Avenue, #6
Lake Elsinore, CA 92530

Subject Properties

Grand Oaks Apartments
15190 Grand Avenue
Lake Elsinore, CA 92530

Sierra Vista Apartments
15177 Lincoln Street
Lake Elsinore, CA 92530

B. STATEMENT OF FACTS

On September 19, 2017, Complainant Fair Housing Council of Riverside County¹ (“Complainant”) filed two complaints with the United States Department of Housing and Urban Development (“HUD” or “the Department”). The first complaint alleged that Respondent Grand Oaks Apartments LLC (Owner), MacBeth Apartment Systems, Inc. (Management Company) and Nelly De Leon (Property Manager) violated Subsections 804(a), 804(b) and 804(d) of Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Act of 1988 (“the Act”), by refusing to rent to different individuals based on race and national origin, citing different terms and conditions to individuals based on race and national origin, misrepresenting the availability of units to individuals based on race and national origin and employing a policy of refusing to rent to individuals with a prior criminal history. The second complainant alleged that Respondent Sierra Vista Apartments LLC (Owner), MacBeth Apartment Systems, Inc. (Management Company) and Genesis Strickler (Property Manager) violated Subsections 804(a), 804(b) and 804(d) of Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Act of 1988 (“the Act”), by refusing to rent to different individuals based on national origin, citing different terms and conditions to individuals based on national origin, misrepresenting the availability of units to individuals based on national origin and employing a policy of refusing to rent to individuals with a prior criminal history. Respondents and Complainants are collectively referred to as the “Parties.”

Respondents deny any and all claims asserted in HUD Case Numbers 09-17-9880-8 and 09-17-9881-8 and specifically deny having discriminated against Complainant. The Parties agree to settle the claims in HUD Case Numbers 09-17-9880-8 and 09-17-9881-8 by entering into this Conciliation Agreement.

C. TERM OF AGREEMENT

1. This Conciliation Agreement (“Agreement”) shall govern the conduct of the parties to it for a period of two (2) years 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, 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, San Francisco Region, or her designee.

¹ Complainant Fair Housing Council of Riverside County (FHCRC) was named in the complaint as Fair Housing Council of Riverside Council. It is understood that the correct Complainant is Fair Housing Council of Riverside County, and FHCRC is referred to throughout this Conciliation Agreement by its correct name, Fair Housing Council of Riverside County.

E. GENERAL PROVISIONS

4. The parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaints. 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 Respondents deny any violations of law and this Agreement does not constitute an admission by Respondents or evidence of a determination by the Department of any violations of the Act or any other law.
6. Respondents acknowledge that they have an affirmative duty not to discriminate under the Act, 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. Respondents further acknowledge that any subsequent retaliation or discrimination constitutes both a material breach of this Agreement and a statutory violation of the Act.
7. This Agreement, subsequent to the approval by the FHEO Regional Director, or her designee, is binding upon Respondents, their employees, heirs, successors, executors, assignees, predecessors, representatives, agents, principals, directors, officers, affiliates and all others in active concert with them in the ownership or operation of the subject properties.
8. It is understood that, pursuant to subsection 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Regional Director, or her designee, it is a public document.
9. 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, or any other complaint within the Department's jurisdiction.
10. 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.
11. The parties agree that the execution of this Agreement may be accomplished by separate executions of consent to this Agreement, the original executed signature pages to be attached to the body of the Agreement to constitute one document.
12. Respondents agree that Raj Pal is duly authorized to act and will sign this Agreement on behalf of Respondent Grand Oaks Apartments LLC and Respondent Sierra Vista Apartments LLC. Respondents agree that Dirk Needham is duly authorized to act and will sign this Agreement on behalf of the following Respondents: Macbeth Apartment Systems,

Inc., Genesis Strickler, and Nelly De Leon.

13. Complainant hereby forever waives, releases, and covenants not to sue the Department or Respondents, their heirs, executors, successors, assigns, agents, officers, board members, employees, or attorneys with regard to any and all claims, damages, or injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Numbers 09-17-9880-8 and 09-17-9881-8, or which could have been filed in any action or suit arising from said subject matter.
14. Respondents hereby forever waive, release, and covenant not to sue the Department or Complainant, their heirs, executors, successors, assigns, agents, officers, board members, employees, or attorneys with regard to any and all claims, damages, or injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Numbers 09-17-9880-8 and 09-17-9881-8, or which could have been filed in any action or suit arising from said subject matter.

F. RELIEF FOR COMPLAINANT

15. Respondents agree to pay Complainant Eight Thousand Dollars (\$8,000.00) (“payment”) within fourteen (14) days of the effective date of this Agreement. Payment will be in the form of one certified or business check made payable to “Fair Housing Council of Riverside County, Inc.,” and mailed to Complainant at 3933 Mission Inn Avenue, Riverside, CA 92501, c/o Rose Mayes via U.S. certified mail or other delivery service with tracking capability. Respondents will, within twenty-one days (21) of the effective date of this Agreement, send the Department a copy of the check and delivery tracking report or certified mail receipt as evidence of delivery.

G. RELIEF IN THE PUBLIC INTEREST

16. Respondents acknowledge that the Act makes it unlawful to discriminate on the basis of race, color, national origin, religion, sex, familial status, and disability, and further makes it unlawful to refuse to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford a person with a disability equal opportunity to use and enjoy a dwelling.
17. Respondents agree that within ninety (90) days of the effective date of this Agreement, all staff who interact with tenants at the Subject Properties shall attend a live training session (“training requirement”) on fair housing and reasonable accommodations (minimum of three (3) hours) provided by a fair housing agency or other qualified trainer, subject to prior approval by the Department. Staff members that have attended a live fair housing training within the past six (6) months shall be exempted from the training requirement. Respondents will, within one-hundred (100) days of the effective date of this Agreement, submit to the Department a list of the attendees and certifications of completion for all attendees who participated in the training requirement or past fair housing training within the past six (6) months.

18. Respondents agree to amend their “Qualifying Criteria” by deleting the requirement stating, “No Criminal or Police Record of Any Kind.” Respondents will, within thirty (30) days of the effective date of the Agreement, provide the Department a copy of their revised “Qualifying Criteria.”
19. Respondent MacBeth Apartment Systems, Inc. agrees to complete the following actions within ninety (90) days of the effective date of this Agreement:
 - a. Develop a Criminal Records/History policy that complies with the Fair Housing Act to be used when evaluating potential applicants at all properties managed by Respondent.
 - b. Implement the new Criminal Records/History policy at all properties owned and/or managed by MacBeth Apartment Systems, Inc.
 - c. Distribute the new Criminal Records/History policy along with a copy of the Department’s Criminal Records Guidance to all company executives and all staff responsible for screening applicants or interfacing with applicants and/or tenants. (The Department’s Criminal Records Guidance can be found at https://www.hud.gov/sites/documents/HUD_OGCGUIDAPPFHASTANDCR.PDF)

Within ninety (100) days of the effective date of this Agreement, Respondent MacBeth Apartment Systems, Inc. will provide the Department with a copy of the new Criminal Records/History policy and evidence that the Criminal Records/History policy and HUD Criminal Records Guidance was sent to all company executives and all staff responsible for screening applicants or interfacing with applicants and/or tenants. The evidence may be submitted in the form of a copy of a distribution list showing who received the new guidance by name and position.

H. MONITORING

20. 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 Respondents’ properties, examine witnesses, and copy pertinent records of Respondents. 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

21. All required certifications and documentation of compliance must be submitted to:
U.S. Department of Housing and Urban Development
Fair Housing Enforcement Center
ATTENTION: COMPLIANCE OFFICER

Conciliation Agreement

FHCRC v. Sierra Vista Apartments LLC (09-17-9880-8)

FHCRC v. Grand Oaks Apartments LLC (09-17-9881-8)

One Sansome Street, Suite 1200
San Francisco, CA 94104

Or by email to: sf_complianceunit@hud.gov

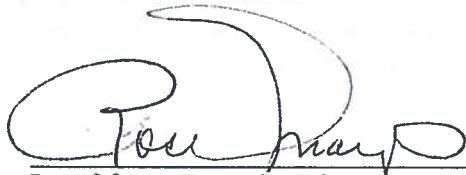
J. CONSEQUENCES OF BREACH

22. Whenever the Department has reasonable cause to believe that Respondents have breached this Agreement, the matter shall be referred to the Attorney General of the United States, to commence a civil action in the appropriate U.S. District Court, pursuant to subsections 810(c) and 814(b)(2) of the Act.

Conciliation Agreement
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COMPLAINANT'S SIGNATURE

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



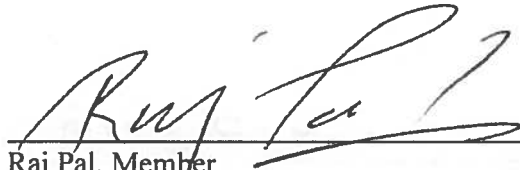
Rose Mayes, Executive Director
Fair Housing Council of Riverside County, Inc.

3/27/2018
Date

Conciliation Agreement
FHCRC v. Sierra Vista Apartments LLC (09-17-9880-8)
FHCRC v. Grand Oaks Apartments LLC (09-17-9881-8)

RESPONDENTS' SIGNATURE

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



Raj Pal, Member

On Behalf of Respondents:

Grand Oaks Apartments LLC

Sierra Vista Apartments LLC

3/26/18
Date

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FHCRC v. Grand Oaks Apartments LLC (09-17-9881-8)

RESPONDENTS' SIGNATURE

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



3-23-18

Dirk Needham

Date

Chief Operating Officer

On Behalf of Respondents:

Genesis Strickler

Nelly De Leon

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FHCRC v. Grand Oaks Apartments LLC (09-17-9881-8)

APPROVAL

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



4/3/18

for Anne Quesada
Regional Director
Office of Fair Housing and Equal Opportunity (FHEO)

Date

