



For Immediate Release

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Investigation by Housing Rights Initiative leads to landmark lawsuit against 28 real estate brokers and landlords

First major source of income discrimination complaint into widespread minimum income requirements

New York — An investigation by **Housing Rights Initiative** (HRI) has led to a lawsuit filed by **The Legal Aid Society** and **Handley Farah & Anderson PLLC** against 28 landlords and brokers for using minimum income requirements to exclude low-income tenants with Housing Choice Vouchers. It is to the best of our organization's knowledge that this is the first lawsuit of its kind that targets the widespread misuse of minimum income requirements by members of the real estate industry across New York City.

The lawsuit was filed on behalf of HRI in the New York County Supreme Court.

Landlords often set minimum annual income requirements (typically 40 times the monthly rent) that prospective tenants must meet in order to be eligible to rent an apartment. If the rent was \$1,500 per month, the annual income requirement a tenant must meet would be \$60,000 if eligibility required prospective tenants to make at least 40 times the monthly rent. Even though this monthly rent is well within the payment standard a Housing Choice Voucher would cover, this income requirement would bar virtually every single Housing Choice Voucher holder in New

York City from qualifying for this apartment, defeating the entire purpose of source of income discrimination laws and the Section 8 voucher program.

The average Housing Choice Voucher holder in New York City makes around \$19,000 a year. This means that if an average Housing Choice Voucher holder needed to qualify for an apartment based on their income being 40 times the monthly rent, they would have to find an apartment for less than \$480 a month. Most applicants who receive Section 8 could never meet the minimum income requirements landlords ask for, making the purpose of their vouchers pointless from the outset, and barring many prospective section 8 tenants from finding housing.

This landmark complaint, is the first of its kind regarding income requirements on such a massive scale, and hopefully will pave the way for future protections for voucher holders facing arbitrary barriers that bar them from using their vouchers.

The watchdog employed undercover investigators who presented themselves as prospective Section 8 tenants to determine if brokers and landlords were in compliance with New York State and New York City Human Rights Laws.

Below is an example of the discrimination HRI exposed during the course of its investigation:

- In this recording, the broker tells HRI's tester that she would have to make \$90,000 a year to qualify for the apartment - thereby excluding 100% of voucher holders.
 - [Click here to listen to the recording.](#)

Previous investigations into housing voucher discrimination by Housing Rights Initiative led to a federal lawsuit against [88 real estate companies in New York City](#), a lawsuit [against 36 real estate companies in Westchester](#), and [a lawsuit filed by former Virginia Attorney General Mark Herring against 29 landlords](#), six of which have [recently settled](#).

This lawsuit seeks to ensure that members of the New York City real estate industry comply with state and local laws that prohibit discrimination on the basis of source of income. Specifically, it seeks the state and federal courts to find that Defendants violated these laws, and orders that Defendants are prohibited from discriminating against prospective tenants on the basis of their use of Housing Choice Vouchers or other forms of publicly-funded rental assistance as a source of income to pay for some or all of the monthly rent. This would include a prohibition against income requirements for Housing Choice Voucher Holders or other recipients of forms of publicly-funded rental assistance other than those set by the housing voucher programs.

Aaron Carr, Founder and Executive Director of Housing Rights Initiative said: “Fair housing enforcement is a game of Whac-a-Mole. You hit one type of discrimination and another

type of discrimination emerges. Until our enforcement system deals with both overt and covert forms of housing discrimination, this rampant problem will continue unabated.”

Robert Desir, Staff Attorney in the Civil Law Reform Unit at The Legal Aid Society, said:

“The findings of this investigation and our subsequent lawsuit underscore how the real estate industry often uses arbitrary and illegal stipulations—in this case, minimum income requirements—to circumvent existing source-of-income discrimination laws and exclude low-income tenants. Our clients and all low-income New Yorkers deserve access to quality housing opportunities and we look forward to fighting in court on their behalf.”

HRI’s counsel Matthew Handley of Handley Farah & Anderson provided: “Source of income discrimination in New York City is a pernicious and persistent problem, further aggravating the affordable housing crisis that has plagued the city for years. Such discrimination comes in many forms, such as the setting of arbitrary and unnecessary minimum income requirements that effectively box out all voucher holders from renting otherwise available apartment units. This lawsuit is designed to stop this practice.”

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***About Housing Rights Initiative** - Housing Rights Initiative takes a proactive and systematic approach to targeting, investigating, and fighting fraudulent real estate practices, promoting fair housing, and connecting tenants to legal support. HRI’s data-driven model identifies properties where there is a high probability of systematic fraud and discrimination. We educate and counsel tenants about their rights to fair and affordable housing and launch investigations against predatory real estate companies. Through a legal mobilization effort, HRI lays the foundation for tenants who have been defrauded or discriminated against by the real estate industry, to seek redress and secure their rights under the law. HRI’s successful investigations into and the resulting class action lawsuits against Kushner Companies were recently featured in the Netflix documentary Dirty Money. www.housingrightsUS.org*

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***About the Legal Aid Society** - The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For 145 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities. www.legalaidnyc.org*

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About Handley Farah & Anderson - Handley Farah & Anderson are lawyers who seek to improve the world. They fight for: workers deprived of wages, consumers deceived about products, tenants denied access to housing, farmers mistreated by processors, parents deprived of adequate parental leave, investors who were defrauded, small businesses harmed by antitrust violations, persons with disabilities denied access, whistleblowers who uncover fraud, and women and communities of color subject to discrimination. www.hfajustice.com