



Housing Opportunities Made Equal of Virginia, Inc.

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A Statement about Tim Kaine and His Work with HOME and Fair Housing

RICHMOND, VA – Senator Tim Kaine began working with HOME in 1984. His very first case as a lawyer was referred to him by HOME and involved a young woman who was turned away from an apartment because of her race. Regarding this case, Kaine said, “When someone is turned away in that aspect of their life, trying to find a place to live, what a powerful difference it makes, and it made a huge impression on me in that first case that I had.” Watch Kaine tell the whole story here: <https://www.youtube.com/watch?v=sLtYwlnhJhc>.

From there, HOME, HOME’s clients, and fair housing were the center pieces of Kaine’s professional life. For 18 years before becoming Lt. Governor, one-half to two-thirds of his practice was dedicated to fair housing. In the keynote address at HOME’s 35th Anniversary, Kaine stated, “HOME has a lot to do with who I am as a lawyer, a leader, and as a man.”

Kaine was a HOME board member from 1986-1994 and again from 2011-2013. He also served much of that time on HOME’s legal advisory committee. He helped write several fair housing manuals including the one for the commonwealth of Virginia.

Senator Kaine often reflects on the importance of fair housing and its relevance in the modern era, noting, “The mission of housing advocacy and fighting for fair housing and fighting against discrimination is as important today as it was when HOME was founded ... There is still discrimination that occurs in ways, some obvious and plain and some very subtle and difficult to prove. An organization like HOME is so needed to be able to fight discrimination and that mission is key... But, there are two other missions that HOME has that are absolutely critical. One is educating people and giving them the resources and skills, technical expertise they need to be good renters, to be good homeowners, to have good credit, so they can afford to buy what they want to, that education mission is critical. And also there is an advocacy mission that is absolutely critical and HOME is tackling that mission as well as it always has. Advocacy for wise public policy in local governments, advocacy for wise public policy at the state level, advocacy for better budgetary support for affordable housing initiatives.”

Senator Kaine has taken dozens of cases regarding allegations of housing discrimination, many of which set important precedent and worked to expand housing access both in the commonwealth and nationally. Below are some examples.

- **Landmark case on homeowners insurance redlining**

In 1996, HOME investigated Nationwide Mutual Insurance Company for a year and a half and found stunning evidence of discrimination. HOME asked Kaine to take the case and filed suit in Richmond Circuit Court. Attorneys of record included Tim Kaine, Tom Wolf, and Rhonda Harmon of Mezullo & McCandlish of Richmond and Steve Dane in Toledo. The comparative size of the legal firms representing HOME and Nationwide was decidedly unequal. This was the first trial of the insurance industry in the U.S. focusing on discrimination in homeowners insurance. Kaine reflected on this case, stating it was the largest and single most difficult case he’d ever had in terms of being outmatched with resources. Nationwide had four large law firms working with them, two in Richmond, one in Chicago, and one in Toledo. Discovery brought documents from the Columbus, Ohio office of Nationwide that offered strong evidence of

discriminatory practices. The Dallas Morning News, in an article by Jon Senderling, outlined the evidence. Among other things, the evidence showed that the company had:

- Used racial profiling to identify “target markets.”
- Labeled as undesirable every ZIP code with substantial minority population.
- Pulled all of its agents from neighborhoods with substantial minority populations.
- Actively discouraged agents from selling in black neighborhoods.
- Limited hiring efforts to draw from only overwhelmingly white areas, virtually ensuring that no blacks would be hired to sell their products.
- Denied insurance to owners of “insurable” homes in black neighborhoods.
- Used actuarially unsound underwriting criteria that had the effect of excluding older homes (most of the homes in urban, black neighborhoods)

Kaine, Harmon, and Wolf put forth a brilliant trial strategy. The trial took two weeks in October 1998. In 1998 Circuit Court, a Richmond jury ordered Nationwide to pay HOME \$500,000 in compensatory damages and \$100 million in punitive damages. This was the largest civil rights verdict in the history of the United States. At the time, HUD Secretary Andrew M. Cuomo said, “[This] record award makes clear that discrimination is not just morally intolerable but a bad business practice. This historic verdict sends a clear message that discrimination does not pay.” Later on appeal, the Virginia Supreme Court heard the case and threw out the verdict on grounds that HOME lacked standing to sue. But then high court agreed to reconsider its decision. In 2000, a settlement of \$17.5 million was reached one day before the Virginia Supreme Court was scheduled to rehear the case.

• **Landmark case on discriminatory advertising**

In 1987, Saunders v General Services Corporation (GSC) became a precedent setting case brought under the Fair Housing Act of 1968. It was the first case in the nation based on discriminatory advertising. GSC had produced color brochures, highlighting their apartment complexes. The brochures featured photos of over 300 people. Only six of these were minorities, and four of those were sitting on a school bus not directly related to the apartment complexes. Once the case was filed, HOME gained access to GSC’s records during discovery. HOME found “smoking guns” galore. Photos of a swimming pool with black swimmers in it were marked with notes that indicated there should be no blacks in the pool. The intention of discrimination was clear. U. S. District Court Judge Robert R. Merhige, Jr. ruled against GSC. Kaine, then of Little, Parsley & Cluverius of Richmond, was local counsel for HOME. This case was covered in the national media and was followed by major litigation alleging discriminatory advertising against newspapers such as the Washington Post and the New York Times. Within a year there was a national trend to represent minorities in realty advertising.

• **Case on race**

Okainer Dark was an antitrust law professor at the T. C. Williams School of Law, University of Richmond. She experienced housing discrimination while trying to rent an apartment in Richmond’s Fan District. She was told that it had just been rented, but as it turned out, one of Dark’s university students had also applied for the same apartment just minutes after Dark had been there. The landlord had asked the student what color Professor Dark was, and then said to the student, “I can’t rent to those people.” The student then called Professor Dark and told her about it. It was devastating for the professor to be denied access in the first place, but the fact that it was a student of hers that brought the bad news made her embarrassment even more painful. She contacted HOME, who counseled her and referred her to Kaine. The case settled in 1987. Before it was over, the judge expressed his outrage at the facts.

• **Case on steering and limiting black applicants**

In 1993, King Properties was a large landlord of rental properties. Kaine filed suit for HOME against King Properties with allegations of limiting black applicants or steering them to other complexes that were mostly black. The allegations indicated that King Properties used the race of an applicant as a deciding factor whether they would accept the rental

application for certain properties. Two former employees of King Properties also were plaintiffs that alleged they were fired for protesting the discriminatory policies. A confidential settlement was later reached after the plaintiffs sought \$2.25 million in compensatory damages and \$6 million in punitive damages.

Helpful Links

- Kaine talks at HOME's 35th anniversary of HOME: <https://www.youtube.com/watch?v=RP1cH7bTgg>
- This history document of HOME discusses Kaine's involvement with HOME and especially the Nationwide trial: <http://homeofva.org/portals/0/images/pdf/history.pdf>
- A recent news story about Tim Kaine. Quotes include those of attorney Tom Wolf. <http://www.motherjones.com/politics/2016/07/tim-kaine-vice-president-hillary-clinton-virginia-senate>
- Kaine defends Affirmatively Furthering Fair Housing (AFFH) and fair housing on the Senate floor: <https://www.youtube.com/watch?v=sLtYwlnhJhc>
- Advocate to uphold disparate impact during a U.S. Supreme Court case: <http://www.kaine.senate.gov/press-releases/kaine-statement-as-supreme-court-hears-arguments-in-housing-discrimination-case>

As a 501(c)(3) non-profit, HOME cannot and does not endorse candidates for political office. This is a summary to provide historical information about Tim Kaine's work with HOME and in the fair housing field.

Housing Opportunities Made Equal of Virginia, Inc. (HOME), founded in 1971, is a statewide fair housing and HUD-approved housing counseling 501(c)(3) non-profit. HOME's mission is to ensure equal access to housing for all people. HOME's mission is to ensure equal access to housing for all people. HOME fulfills its mission to ensure equal access to housing for all people by addressing the still glaring individual instances of housing discrimination. Additionally, HOME works to tackle systemically divisive housing practices on a larger scale through fair housing enforcement and research, advocacy, and statewide policy work. HOME also takes direct action to aid first-time homebuyers and families with homes under the threat of foreclosure. At a time when unequal access to housing and credit contributes most to the United States' growing wealth gap, HOME's multi-faceted approach is a powerful catalyst toward furthering fair housing. You can learn more about HOME and all of its services at www.HOMEofVA.org.
