

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

**HOUSING OPPORTUNITIES MADE
EQUAL OF VIRGINIA, INC.,**

Plaintiff,

v.

TERESA LOUISE VETTER,

Serve:

[REDACTED]

Defendant.

Civil Action No. 3:20-cv-347

COMPLAINT

Introduction

1. Federal and Virginia fair housing laws seek to eradicate discrimination in housing on the basis of race and familial status. Teresa Louise Vetter ("Vetter" or "Defendant") owned residential rental property at [REDACTED] through February 2019, and currently owns [REDACTED] in Richmond, Virginia (collectively, the "Rental Properties"). Vetter, through discriminatory statements, engaged in the practice of excluding persons based on handicap/disability¹ and familial status from renting her available Rental Properties. Plaintiff Housing Opportunities Made Equal of Virginia, Inc., ("HOME") brings this suit against Defendant under the Fair Housing Act of 1968, as amended, 42 U.S.C. §§ 3601 *et seq.*; and the Virginia Fair Housing Law, Va. Code §§ 36-96 *et seq.*, to (1) prevent Defendant from continuing her discriminatory and unlawful

¹ Virginia Code § 36-96.1:1 provides "the terms 'handicap' and 'disability' shall be interchangeable."

conduct at the affected Rental Properties and ensure that applicants injured by the policy—who are disproportionately disabled or in the custody of minor children—will have a meaningful opportunity to secure sorely needed rental housing; and (2) redress the harm HOME has suffered as a direct result of Defendant's conduct.

2. Defendant's disproportionate, adverse treatment of disabled persons and families with minor children violates the federal Fair Housing Act and the Virginia Fair Housing Law.

3. Defendant willfully engaged in discriminatory conduct and made discriminatory statements that were motivated by her stated intent to block disabled persons or people who have minor children from obtaining housing.

4. In fact, Defendant's intention to ignore laws that fail to benefit her private interests is clear. For example, she has stated, "I don't rent to people who are on welfare . . . Back in the 80s they added familial status, which means you can't discriminate against people with children. They wanna add to that list, source of income. . . . **I mean being a private landlord as opposed to an apartment complex, there are things that—there are—I can subtly just disregard certain laws like that.**"

5. Defendant's discriminatory practices, including discriminatory statements, prevent individuals from securing safe and stable housing without legitimate grounds for such denial and frustrate HOME's mission.

NATURE OF THE ACTION

6. Plaintiff HOME seeks injunctive, monetary, and declaratory relief against Defendants for engaging in a practice of illegal discrimination on the basis of disability and familial status at the Rental Properties that Defendant owns and operates.

7. Since at least December 2018, Defendant has engaged in discriminatory conduct and discriminatory statements, evincing her preference for renters who are either not disabled or who do not have minor children, which Plaintiff HOME confirmed through testing. Defendant prevented or discouraged from applying or quoted a higher rental rate, applicants who have minor children.

8. Defendant made discriminatory statements regarding prospective tenants with depression, a condition which qualifies as a disability under federal and Virginia fair housing laws.

9. As a direct result, applicants who are disabled or have minor children are subjected to discriminatory statements about them and are deterred from applying to Vetter after she learns of their protected status.

10. HOME brings this action to address Defendants' discriminatory and unlawful conduct regarding the Rental Properties and to redress the harm it has suffered and will continue to suffer as a direct result of that conduct, absent relief.

PARTIES

11. Plaintiff HOME is a fair housing advocacy organization and non-profit corporation formed in Virginia and headquartered in Richmond, Virginia. HOME offers a variety of programs and services designed to advance fair housing in Virginia. To advance its mission of ensuring equal access to housing for all, HOME engages in education and outreach; provides counseling to individuals facing discrimination; works with local and federal officials to enhance fair housing laws and their enforcement; undertakes investigations to uncover unlawful discrimination; and, when necessary, initiates enforcement actions.

12. Defendant Teresa Louise Vetter is an individual and resident of [REDACTED]

13. Upon information and belief, for the time period pertinent to this Complaint, in addition to her primary residence, she owned in her individual capacity rental properties composed of multiple units each located at [REDACTED]

JURISDICTION AND VENUE

14. This Court has jurisdiction over this matter under 42 U.S.C. § 3613, 28 U.S.C. § 1331, and 28 U.S.C. § 1343. This Court has supplemental jurisdiction over Plaintiff's state law claims under 28 U.S.C. § 1367.

15. This Court has authority to grant declaratory and injunctive relief under 28 U.S.C. §§ 2201 and 2202 and Rule 57 of the Federal Rules of Civil Procedure.

16. Venue is proper in this district under 28 U.S.C. § 1391(b) because Defendant is a resident of the district, Defendants' rental units are located in the district, and a substantial part of the events and omissions giving rise to the claims occurred in the district.

FACTUAL BACKGROUND

A. The Rental Properties.

17. Vetter has owned and currently owns and has offered and currently offers property for rent to the general public in Richmond, Virginia, including (1) [REDACTED]

18. Units Vetter offered for rent at [REDACTED] until her sale of that property in February 2019, included two apartments, one with two bedrooms and one bath, and the other with four bedrooms and 1.5 baths. One unit is directly above the other unit.

19. Vetter also offered two apartments for rent at [REDACTED] and two apartments for rent at [REDACTED]

20. The units Vetter rents are in houses that are duplexes and rented by separate, unrelated sets of individuals.

B. Defendant's Practices Prevent Any Applicant Who Has Minor Children from Being Considered as a Tenant.

21. In December 2018, Plaintiff received a complaint from a prospective tenant, who had contacted Defendant in the spring of 2018 regarding one of her Rental Properties.

22. When the prospective tenant told Defendant that she had five children, Defendant refused to rent her upstairs unit because the noise of her children would disturb her downstairs tenants, and she refused to keep the appointment they previously arranged for the prospective tenant to view the apartment.

23. The prospective tenant also reported that six months later, in December 2018, she contacted Defendant again under a different name, and Defendant again refused to rent her apartment because the prospective tenant had children.

24. Soon after, an advocate for the prospective tenant, contacted Defendant. During that phone call, Defendant criticized the prospective tenant for having "too many children" and not being "able to afford them." Defendant also stated that a prospective tenant should not be looking for a house to live in as nice as Defendant's, but rather the prospective tenant should be looking for a place "with floors like a barn" and that "wasn't up to code."

25. In response, and as part of its mission to identify and eliminate unlawful and unfair discrimination in housing and to increase access to fair and affordable housing, HOME conducted a series of tests to assess the types and severity of the barriers individuals who have minor children face when seeking to rent from Defendant.

26. As part of this effort, from December 2018 to May 2019, HOME investigated the discriminatory practices of Vetter, which included testing.

27. HOME conducted a series of tests whereby HOME workers posed as potential tenants with various protective traits applying for housing owned by Vetter. In each instance, Vetter made statements and engaged in other conduct, such as failing to follow-up with prospective tenants with children and refusing to adjust income requirements that discouraged or disparaged HOME testers who identified as having minor children from applying to upstairs units. In other instances, Vetter consented to adjust income requirements for testers who did not present with social security disability income or without minor children.

28. In its first test in December 2018, a HOME tester called to inquire about Defendant's property at [REDACTED]. The tester, who was a White woman, told Defendant that she had three children, ages 2, 3, and 5 years old ("Tester 1A").

29. During the phone call, the Defendant told Tester 1A that she had a policy of not renting her second floor apartments to people with small children and stated that she did not want to drive out her first floor tenants because "having little feet running overhead, back and forth, back and forth, bouncing the ball, rolling the truck, that would drive anyone nuts."

30. Defendant steered Tester 1A towards considering a first-floor unit at [REDACTED] [REDACTED] instead of the second-floor unit the tester had originally inquired about.

31. Defendant did not ask Tester 1A for any contact information and, accordingly, made no follow-up contact regarding the tester's inquiry.

32. In contrast, when a different HOME tester, a White woman with three (3) adult roommates ("Tester 1B"), called to inquire about the Defendant's property at [REDACTED] [REDACTED] the Defendant expressed no such concerns regarding the number of people looking to rent the unit.

33. Defendant also told Tester 1B that she does not count child support payments as part of an individual's income.

34. Defendant took the name and number of Tester 1B for follow up purposes.

35. In its second test in January and February 2019, HOME sent two male testers in person to visit [REDACTED] on separate, unrelated occasions ("Testers 2A and 2B"). Each tester presented themselves as living only with their girlfriend, as well as having income of \$2,300 per month, which was slightly less than the minimum income that Defendant required, which was \$2,400 per month.

36. Nonetheless, Defendant indicated her willingness to accommodate the lower income of renters without children. For example, after Tester 2A told Defendant that his income was lower than her minimum requirement, she then confirmed that Tester 2A had no children and said it would be "no problem" to accept him as a renter

37. Defendant left both Testers 2A and 2B at least eight (8) voicemails each to follow up on their inquiry.

38. In its third test in February and March 2019, HOME sent one Black tester with three children, ages 11, 14, and 16 ("Tester 3A"), to inquire about renting [REDACTED] from Defendant.

39. In the course of their discussion, Defendant told Tester 3A that if he signed a lease agreement, that he would have to "come to my residence without your kids."

40. As part of this third test, HOME also sent one White tester, with three children, ages 8, 13, and 15 ("Tester 3B") to inquire about renting [REDACTED] from Defendant. In the course of their discussion, Defendant made the following statements to Tester 3B:

- a. "I do make a concerted effort to not rent second floor apartments to people with more than one child under the age of seven."
- b. "Small children, you know, little feet running back and forth, you know bouncy ball, whatever, nobody wants to be underneath that, right? So I make a very strong effort not to rent to people with, you know, a bunch of toddlers."
- c. "I've had 3 year olds for tenants. Ringing bells, the knobs are missing off of everything, and the caulk is pulled off the bathtub. Like, what, you didn't have a rubber duckie?"
- d. "Ideally, if I can just pick my, like, perfect apartment it would be like . . . studios . . . no children, no, I mean, I mean—your—your— kids' your age are fine, but 3 year olds are the worst tenants ever."

41. Defendant also told Tester 4B, who is White, that "yes, I try very hard to make sure I rent to good people. And I don't rent to people who are on welfare . . . Back in the 80s they added familial status, which means you can't discriminate against people with children. They wanna add to that list, source of income. . . . I mean being a private landlord as opposed to an apartment complex, there are things that—there are—I can subtly just disregard certain laws like that."

42. Defendant left only two (2) follow up voicemails to Testers 3A and 3B regarding their inquiries.

43. In its fourth test in April 2019, HOME sent another set of male testers with girlfriends ("Testers 4A and 4B") to inquire about [REDACTED] on separate and unrelated occasions.

44. Defendant told Tester 4A, who is Black, that he was the best potential tenant that had looked at [REDACTED] in a while because he had no children. Specifically, she told Tester 4A that "there's a lot of ways, things that make a tenant good or bad that have nothing to do with whether the person is good or bad. For instance, you have no children. Children make terrible tenants. The law doesn't allow me to discriminate against people on account of children, but I can tell you I would rather have a Great Dane for a tenant than a three year old."

45. Defendant asked Tester 4B to confirm that they did not have children. She also told Tester 4B that she would consider renting to him despite his lower income because he did not have "small mouths to feed."

C. Defendant's Policy Prevents People Who Have Minor Children from Obtaining Safe and Stable Housing.

46. The harm inflicted by discriminatory practices like Defendant's is significant, not only in terms of the number of people affected, but also in terms of the consequences for the wellbeing of our communities.

47. Securing safe and affordable housing is a particularly crucial need for individuals, particularly those who have minor children.

D. Defendant Engages in Discriminatory Practices, Including Discriminatory Statements, to Intentionally Discriminate Against Individuals with Minor Children by Reducing the Number of Individuals with Minor Children Living at Vetter's Rental Properties.

48. Intentional discrimination may be inferred from a number of factors, including whether the challenged action weighs more heavily on one group than another, whether there have been changes in normal procedures, and whether there have been substantive departures from usual practices.

49. Defendant deliberately and knowingly made discriminatory statements intending to exclude prospective tenants with minor children from renting her Rental Properties.

E. Defendant's Practices Constitute Discriminatory Statements Towards Potential Renters with a Disability.

50. As part of its investigation into Vetter's discrimination against prospective tenants with children, Vetter made discriminatory statements against persons with disabilities, a protected class under 42 U.S.C. §3604(c).

51. Vetter made discriminatory statements towards persons in a wheelchair, persons with depression, and those who receive social security disability income.

52. When discussing how she does not count government funds towards a prospective tenant's income, Defendant made discriminatory statements against persons with depression. Vetter stated: "I get calls all the time from people who get a disability check. Not a darn thing wrong with them. Not nothing. Nothing's wrong with them, like, you know, I'll ask 'Are you in a wheelchair? Can you do stairs?' 'Oh, it's not that kind of disability.' 'What is it?' 'I'm depressed.' 'Really, well so am I, now that I know what my tax dollars are paying for . . .'"

53. Vetter also made discriminatory statements regarding : "I have learned the hard way not to rent people who withdraw a welfare check. Like somebody is truly disabled? Whatever. **I'm not gonna rent a second-floor apartment to someone in a wheelchair.** Although, I've had [people] in a wheelchair who want to rent a second-floor apartment. I'm like no, no I don't want you ripping up my stairs." (emphasis added).

54. Finally, when a tester requested Vetter to make an exception for the tester's mother—who received social security disability income of \$2,200—Vetter stated that she would not rent to a person who received social security disability income. This is despite being willing to accept a different, non-disabled tester's income of the same amount.

55. These statements are discriminatory to the ordinary listener and create social mores that normalize discriminatory behavior. Thus, even while not made directly to a person with a disability, they are prohibited by the federal and state law because of their insidious nature.

INJURY TO PLAINTIFF

56. As a result of Defendant's actions described above, HOME has been directly and substantially injured. Plaintiff has been frustrated in its mission to eradicate discrimination in housing and in carrying out the programs and services it provides, including encouraging integrated living patterns, eliminating unlawful barriers in housing, educating the public about fair housing rights and requirements, educating and working with industry groups on fair housing compliance, and providing assistance to individuals and families looking for housing or affected by discriminatory housing practices.

57. Because Defendant's discriminatory conduct has had and continues to have the effect of banning people with minor children from living at her Rental Properties, Defendant's conduct frustrates Plaintiff's mission of ensuring equal housing opportunity for all individuals, free of arbitrary barriers.

58. Plaintiff has been damaged by having to divert scarce resources that could have been used to provide the aforementioned services, to instead identify, investigate, and counteract Defendants' discriminatory conduct.

59. Specifically, Plaintiff's staff has expended at least 200 hours, a significant number, investigating Defendants' unlawful policy and practices. The investigation has included conducting testing at [REDACTED] through phone calls and on-site visits. This has caused Plaintiff at least \$18,186.74 in direct damages.

60. In addition, Plaintiff has diverted time and money to education and outreach efforts directly and specifically aimed at countering Defendants' discrimination. After encountering Defendants' blatantly discriminatory practices as early as December 2018, Plaintiff developed community education programs to counteract them. For example, Plaintiff:

- a. Provided fair housing presentations to service providers and civic and neighborhood associations—such as Mothers of Preschoolers (MOPS), Southside Area Mothers of Multiples, Mocha Moms, the Boys & Girls Club, and Head Start—in the proximate area of the Rental Properties in the City of Richmond to help educate the nearby community about discriminatory housing practices;
- b. Designed a social media effort, including advertisements on Nextdoor and Facebook, about discriminatory housing practices; and
- c. Designed and circulated flyers about discriminatory housing practices in the surrounding neighborhoods of the Rental Properties.

61. Plaintiff engaged in each of the aforementioned activities in specific response to Defendant's practices because they were significantly more egregious and exclusionary than the practices of other housing providers. These activities have caused Plaintiff's staff to expend a significant amount of time and money.

62. But for the need to address Defendants' practices, Plaintiff would have directed these resources to other efforts to further its mission. Specifically, the time and resources would have been allocated toward its investigation into an insurance company regarding redlining and its investigation of another referral from the City of Richmond regarding alleged discrimination in an assisted living facility; and its programs aimed at encouraging integrated living patterns, eliminating unlawful barriers in housing, educating the public and industry groups about fair housing rights and requirements and providing assistance to individuals and families looking for housing or affected by other discriminatory housing practices. Plaintiff's ability to direct resources to these efforts has been and continues to be reduced because of the need to divert resources to addressing and counteracting Defendant's discriminatory conduct.

63. Until redressed and permanently ceased, Defendants' unlawful, discriminatory actions will continue to injure Plaintiff, for example by:

- a. interfering with efforts and programs intended to bring about equality of opportunity in housing;
- b. requiring the commitment of scarce resources, including substantial staff time and funding, to investigate and counteract Defendants' discriminatory conduct, thus diverting those resources from Plaintiff's other activities and services, such as education, outreach, and counseling; and
- c. frustrating Plaintiff's mission and purpose of promoting the equal availability of housing to all persons without regard to their membership in any protected category, including disability or familial status.

64. Defendants' discriminatory conduct, if continued, will also deprive individuals to whom Plaintiff provides services and others living in and near Chamberlayne Avenue of the benefit of living in a diverse community.

65. Defendants' unlawful actions described herein were, and are, intentional, willful, and malicious, and/or have been, and are, implemented with callous and reckless disregard for rights protected under federal and state law.

CAUSES OF ACTION

Count I: Intentional Discrimination on the Basis of Familial Status in Violation of the Fair Housing Act, 42 U.S.C. § 3604

66. Plaintiff repeats and incorporates by reference all allegations set forth in Paragraphs 1 through 65 above.

67. Defendant's statements, acts, policies, and practices have been discriminatory or have been carried out with the intention of discriminating on the basis of familial status.

68. On information and belief, Defendant is aware of her disparate treatment on individuals with minor children, as well as the unlawfulness of discrimination based on familial status.

69. However, despite this knowledge and awareness, Defendant engaged in discriminatory conduct, including discriminatory statements against individuals based on their familial status with the intent and expectation that her conduct would disproportionately prevent individuals with minor children from obtaining housing at her Rental Properties.

70. Defendant's statements, acts, policies, and practices constitute intentional discrimination and violate the Fair Housing Act, as amended, 42 U.S.C. § 3604, and its implementing regulations, in that:

- a. Defendant's acts, policies, and practices constitute a refusal to rent housing or negotiate for the rental of housing because of familial status, and have made housing unavailable because of familial status, in violation of 42 U.S.C. § 3604(a)
- b. Defendant's acts, policies, and practices provide different terms, conditions, and privileges of rental housing, as well as different services and facilities in connection therewith, on the basis of familial status in violation of 42 U.S.C. § 3604(b); and
- c. Defendants' statements indicate a preference, limitation, and discrimination based on familial status and her intention to make such a preference, limitation, and discrimination in violation of 42 U.S.C. § 3604(c).

Count II: Intentional Discrimination on the Basis of Familial Status in Violation of the Virginia Fair Housing Law, Code of Virginia § 36-96.3

71. Plaintiff repeats and incorporates by reference all allegations set forth in Paragraphs 1 through 70 above.

72. Defendants' acts, policies, and practices are carried out with the intention of discriminating on the basis of familial status.

73. On information and belief, Defendant is aware of her disparate treatment on individuals with minor children, as well as the unlawfulness of discrimination based on familial status.

74. However, despite this knowledge and awareness, Defendant deliberately chose and continues to engage in discriminatory conduct, including discriminatory statements against individuals based on their familial status with the intent and expectation that her conduct would

disproportionately prevent individuals with minor children from obtaining housing at her Rental Properties.

75. Defendant's acts, policies, and practices constitute intentional discrimination and violate the Virginia Fair Housing Law, Va. Code § 36-96.3(A), and its implementing regulations, in that:

- a. Defendants' acts, policies, and practices constitute a refusal to rent housing or negotiate for the rental of housing because of familial status, and have made housing unavailable because of familial status, in violation of Va. Code § 36-96.3(A)(1);
- b. Defendants' acts, policies, and practices provide different terms, conditions, and privileges of rental housing, as well as different services and facilities in connection therewith, on the basis of familial status in violation of Va. Code. § 36-96.3(A)(2); and
- c. Defendants' statements indicate a preference, limitation, and discrimination based on familial status and her intention to make such a preference, limitation, and discrimination in violation of Va. Code § 36-96.3(A)(3).

Count III: Intentional Discrimination on the Basis of Handicap in Violation of the Fair Housing Act, 42 U.S.C. § 3604

76. Plaintiff repeats and incorporates by reference all allegations set forth in Paragraphs 1 through 75 above.

77. Defendant has made discriminatory statements directed towards persons with a handicap, including by indicating that she would not rent to a person with a handicap.

78. Defendant has contributed to normalizing prejudicial attitudes towards prospective tenants with a handicap.

79. The statements referenced in this Complaint indicate a preference, limitation, or discrimination based on a prospective tenant's handicap in violation of 42 U.S.C. § 3604(c).

Count IV: Intentional Discrimination on the Basis of Handicap in Violation of the Virginia Fair Housing Law, Code of Virginia § 36-96.3

80. Plaintiff repeats and incorporates by reference all allegations set forth in Paragraphs 1 through 79 above.

81. Defendant has made discriminatory statements directed towards persons with a handicap.

82. The statements referenced in this Complaint indicate a preference, limitation, or discrimination based on a prospective tenant's handicap in violation of Virginia Code § 36-96.3(c).

DEMAND FOR JURY TRIAL

83. Under Fed. R. Civ. P. 38(b), Plaintiff demands a trial by jury on all issues triable as of right.

RELIEF REQUESTED

84. Plaintiff respectfully asks that the Court grant it the following relief:

- a. Enter a declaratory judgment finding that the foregoing actions of Defendants violate 42 U.S.C. § 3604 and Va. Code § 36-96.3(A);
- b. Enter a permanent injunction:
 - (1) Enjoining Defendant from engaging in the illegal, discriminatory conduct described herein; and
 - (2) Directing Defendant to take all affirmative steps necessary to remedy the effects of the illegal, discriminatory conduct described herein and to

prevent additional instances of such conduct or similar conduct from occurring in the future;

- c. Award compensatory damages to Plaintiff in an amount no less than \$18,186.74 to compensate Plaintiff for injuries caused by the conduct of Defendant alleged herein;
- d. Award punitive damages to Plaintiff in an amount to be determined by the jury that would punish Defendant for the willful, malicious, and reckless conduct alleged herein and that would effectively deter similar conduct in the future;
- e. Award Plaintiff its reasonable attorneys' fees and costs under 42 U.S.C. § 3613(c)(2) and Va. Code § 36-96.18(C);
- f. Award prejudgment interest to Plaintiff; and
- g. Order such other relief as this Court deems just and equitable.

Date: May 15, 2020

Respectfully submitted,

**HOUSING OPPORTUNITIES MADE EQUAL
OF VIRGINIA, INC.**

By Counsel

Cullen D. Seltzer, Esq. (VSB No. 35923)
Faith A. Alejandro, Esq. (VSB No. 80076)
Sean M. Hutson, Esq. (VSB No. 93578)
Counsel of Record for Plaintiff
SANDS ANDERSON PC
1111 East Main Street
Post Office Box 1998
Richmond, Virginia 23218-1998 (24th Floor, 23219)
Office: (804) 648-1636
Fax: (804) 783-7291
Email: cseltzer@sandsanderson.com
faledjandro@sandsanderson.com
shutson@sandsanderson.com