# FAIR HOUSING

Train your staff to avoid costly discrimination complaints

**JANUARY 2025** 

LESSON AT A GLANCE	
2024 FAIR HOUSING LITIGATION SCORECARD	
	•
THE SCOPE OF THE FHA CASE SCORECARD	2
HOW THE CASES GET DECIDED	2
Top 10 Reported DOJ	
FHA Settlements of 20243	3
THE SCORECARD CASES4	L
FHA Cases Scorecard	
Totals, 2022 to 20244	ļ
THE 6 KEY LESSONS FROM 2024 FAIR	
HOUSING CASES4	
■ Lesson #1: Single Incident Must	
Be Egregious to Constitute Hostile	
Environment Harassment4	ı
■ Lesson #2: Courts Are Reluctant	
to Hold Landlords Liable for	
Tenant-on-Tenant Harassment 5	,
Lesson #3: Two-Person-Per-	
Bedroom Occupancy Standard	
Isn't Automatically Reasonable 6	ò
Lesson #4: Automatically Excluding	
Applicants with an Eviction	
History May Discriminate	7
Lesson #5: Verifying Citizenship	
or Immigration Status Has FHA	
Implications 8  Lesson #6: Landlord Must	5
<ul> <li>Lesson #6: Landlord Must</li> <li>Accommodate 63-Pound</li> </ul>	
Accommodate 63-Pound	

Emotional Support Animal ...... 9

# **2024 Fair Housing Litigation Scorecard**

We review the year's key cases and their practical impact on you.

hy do landlords need a briefing on fair housing cases? The answer to that question is based on four facts:

Fact 1: The federal Fair Housing Act (FHA) bans landlords and their agents from discriminating against rental applicants and tenants based on race, color, religion, sex, national origin, family status, or disability.

**Fact 2**: The FHA and its regulations also spell out things landlords must do to ensure fair and equal housing, such as make reasonable accommodations for persons with disabilities and refrain from discriminatory advertising.

Fact 3: Like most landlords in America, you already know of all of this, and you train your leasing agents and staff to know it, too.

Fact 4: Despite all of this, individuals, organizations, and government agencies file thousands of fair housing lawsuits against landlords every year.

That housing discrimination remains a problem in America is a fact that few would deny. But the other disturbing takeaway from these facts is that even landlords who embrace and try diligently to comply with the principles of fair housing law end up as targets for litigation. Of course, many of these discrimination claims are simply unfounded. But there's more to it than that.

The problem is that well-meaning landlords may commit discrimination without intending to. Inadvertent discrimination is typically the product of ambiguity and uncertainty in the law. Thus, for example, the FHA requires "reasonable accommodations" for persons with disabilities but doesn't specifically define what constitutes "reasonable." While guidelines from the Department of Housing and Urban Of the 85 FHA cases reported in 2024, the landlord prevailed in 49.

Development (HUD) help fill in the details, every situation is different. That leaves it for courts and tribunals to decide the issue case-by-case. Result: The only way to know for sure whether a particular requested accommodation is reasonable is to go to court and let the judge or jury decide the issue.

Obviously, that's not a very practical strategy. The idea of compliance and managing liability risk is to take proactive action to *prevent* fair housing claims in the first place. But case law can play a vital role in helping you achieve this objective. That's because the cases illustrate how the general principles of fair housing law play out in actual, real-life situations. So, reviewing court cases involving *other landlords* can bolster your own compliance efforts.

The problem is getting your hands on this crucial information. And even if you do track down fair housing court cases, they are dense legal documents written by judges for the consumption of attorneys and other judges, not landlords. Unless you happen to be a lawyer, you need somebody with legal training to digest and analyze the case rulings. Regrettably, lawyers aren't cheap.

That's where being a *Coach* user comes in handy. Every January, the *Coach* offers a Scorecard briefing that breaks down the year's key FHA cases and their impact on you. The Scorecard enables you to stay on top of major rulings and litigation trends without having to shell out \$650 per hour. Here's what you need to know about what happened in the courts during 2024.

# THE SCOPE OF THE FHA CASE SCORECARD

First, we need to explain that the Scorecard counts only reported federal court cases in which a landlord was sued for allegedly violating the FHA. There were 85 such cases in 2024, in line with previous years' totals.

That may seem like a drop in the bucket given that HUD receives approximately 30,000 fair housing complaints each year. But there's a big difference between a complaint and a reported court case. Most

#### **BOARD OF ADVISORS**

#### F. Willis Caruso, Esq.

Clinical Professor Emeritus John Marshall Law School Fair Housing Legal Support Center and Clinic Chicago, IL

# Douglas D. Chasick, CPM®, CAPS,

Blue Door Apartments LLC Merritt Island, FL

#### Avery Friedman, Esq.

Chief Counsel, Fair Housing Council of Northeast Ohio Cleveland, OH

#### Laurence C. Harmon

Attorney at Law/Certified Property Manager Minnetonka, MN

# Robin Hein, Esq.

Fowler, Hein, Cheatwood & Williams, PA Atlanta, GA

#### Theresa L. Kitay, Esq.

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC Atlanta. GA

#### Eric D. Luskin, CPM EMERITUS

Independent Consultant Chicago, IL

#### David T. Quezada, J.D., USC

FHEO Center Director U.S. Dept. of HUD FHCOC Exec. Dir., 1984–99 Los Angeles, CA

#### Shirley Robertson, CPM®

Workshops by Shirley Laurel, MD

#### Jonathan Saar

NAAEI Faculty Member IREM Industry Partner Market Me Social Atlanta, GA

#### Anne Sadovsky, CERTIFIED SPEAKING

PROFESSIONAL, CAPS, CAM

Anne Sadovsky Dallas TX

#### Leslie Tucker, Esq.

Partner, Williams Edelstein Tucker, P.C. Peachtree Corners, GA

Editor: Glenn S. Demby, Esq. Executive Editor: Heather L. Stone Creative Director: Pablo Turcios

the **HABITAT** group

FAIR HOUSING COACH [ISSN 1520-3093 (PRINT), 1938-3142 (ONLINE)] is published by The Habitat Group, 245 Eighth Avenue, #109, New York, NY 10011.

### Volume 27, Issue 7

SUBSCRIPTIONS/CUSTOMER SERVICE: To subscribe or for assistance with your subscription, call 800-519-3692 or go to our website, www.FairHousingCoach.com. Subscription rate: \$420 for 12 issues. TO CONTACT THE EDITOR: Email: hstone@TheHabitatGroup.com. Call: Heather Stone at 212-812-8436. Fax: 212-228-1308. TO PLACE AN ADVERTISEMENT: Please contact Bill Fink at bfink@habitatmag.com or call 212-505-2030, ext. 3003.

**DISCLAIMER:** This publication provides general coverage of its subject area. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional advice or services. If legal advice or other expert assistance is required, the services of a competent professional should be sought. The publisher shall not be responsible for any damages resulting from any error, inaccuracy, or omission contained in this publication.

© 2025 BY THE CAROL GROUP LTD. All rights reserved. No part of Fair Housing Coach may be reproduced, distributed, transmitted, displayed, published, or broadcast in any form or in any media without prior written permission of the publisher. To request permission to reuse this content in any form, including distribution in educational, professional, or promotional contexts, or to reproduce material in new works, or for custom reprints, e-prints, or logo licensing, please contact Heather Stone at 212-812-8436 or hstone@TheHabitatGroup.com.

of the former get dropped, resolved, or dismissed out of hand. Only a few actually make it to court and get reported. These cases are where the rubber meets the road and, therefore, the focus of our Scorecard.

To further distill the analysis, the Scorecard omits cases of limited relevance to most landlords, including:

FHA cases against state and local gov-

- ernments, e.g., for discriminatory zoning;
- FHA cases against banks, mortgage lenders, and other financial institutions;
- State fair housing cases; and
- Settlements of FHA claims.

#### HOW THE CASES GET DECIDED

Going to court isn't necessarily the same thing as going to trial. In the FHA

## TOP 10 REPORTED DOJ FHA SETTLEMENTS OF 2024

Although they don't count in our Scorecard, it's worth noting that the U.S. Department of Justice (DOJ) reported a number of significant FHA settlements in 2024.

Top 10 FHA Consent Order Settlements Reported by DOJ in 2024

	Settlement Amount	Case	Alleged FHA Violations				
1	\$623,000	United States v. Donahue (W.D. Wis.)	Landlord sexually harassed female tenants by offering to reduce rent in exchange for sex, making unwelcome sexual comments and advances, and evicting or threatening to evict tenants who refused his sexual advances				
2	\$600,000	United States v. Shambayati, et al. (S.D. Ga.)	Landlord sexually harassed female tenants and prospects by making unwelcome sexual comments and advances, inappropriately touching their bodies, entering their homes without permission, requesting sex in exchange for rent or other benefits, and retaliating against tenants who rejected his advances or complained about harassment				
3	\$460,000	United States v. Chicopee Housing Authority and Monica Blazic (D. Mass.)	Landlord made discriminatory statements to and about Black and Hispanic tenants, demanded that Spanish-speaking tenants speak English, and dragged its feet on reasonable accommodations, such as transfers to first-floor or elevator-accessible units				
4	\$300,000	United States v. Butters (D. Colo.)	Property manager sexually harassed a husband and wife and their two minor children				
5	\$250,000	United States v. Ruther- ford Tenants Corp., et al. (S.D.N.Y.).	Co-op apartment building and president of its board of directors denied a disabled tenant's request for a reasonable accommodation for an assistance animal and retaliated against her for exercising her FHA rights				
6	\$190,000	United States v. Hussein (E.D. Mich.)	Landlord sexually harassed actual and prospective female tenants				
7	\$170,000	United States v. Martin (S.D. Ohio)	Landlord sexually harassed actual and prospective female tenants				
8	\$137,500	United States et al. v. Ter- uel et al. (N.D. Cal.)	Landlord pressured a couple, who had two babies during their tenancy, to move out of their one-bedroom apartment				
9	\$112,500	United States v. Kailua Village Condominium Association, et al. (D. Haw.)	Homeowners' association, board members, property managers, sellers, and selling agents refused to sell a condo unit to a man with paraplegia, subjected him to discriminatory terms and conditions, made discriminatory statements, refused to make reasonable accommodations, refused to permit reasonable modifications, and harassed him				
10	\$100,000	United States v. Joel Nolen et al. (E.D. Cal.)	Landlord sexually harassed multiple female tenants dating back to at least 2011				
Sou	Source: Fair Housing Coach						

Regulation
of immigrant
status in
housing isn't
nearly as
strict as it is in
employment.

context, the vast majority of cases pose the threshold question of whether a discrimination complaint should even go to trial. More precisely, most Scorecard cases aren't the results of a trial but a ruling on a landlord's motion for summary judgment—basically a ruling in favor of the landlord on the law on the basis of the pleadings (or complaint), without a trial. The landlord's argument: There's no point in holding a trial because even if everything the complaint alleges is true, we still wouldn't be guilty of an FHA violation.

**Example:** A rental applicant claims she was rejected because she voted for or against Donald Trump. A court would likely grant the landlord summary judgment because political belief isn't a protected class under the FHA.

In the real world, the summary judgment ruling, even though it's only a threshold determination of whether a trial should be held, is the moment of truth in most FHA cases. Although plaintiffs can appeal, winning on summary judgment typically enables the landlord to put the case behind it. But if the complaint survives summary judgment and gets the greenlight to go to trial, the plaintiff assumes the upper hand and forces the landlord to make a tough decision: Risk a trial or pay out money to settle the case.

#### **THE SCORECARD CASES**

We found 85 reported 2024 cases accusing a landlord of violating the FHA. Of these, the landlord prevailed in 49 and lost in 27; 9 of the cases were split decisions. The roughly 2:1 ratio of landlord victory is in line with 2023 findings.

The takeaway from this is that nearly half of all the FHA claims filed against landlords in the past two years have been found as lacking in legal validity. Caveat: Among the nearly 50 cases where a court dismissed an FHA claim against the landlord for lacking legal validity, the court gave the plaintiff the chance to fix the problem and refile the claim. Result: The landlord's summary judgment victory didn't definitively end the case.

# THE 6 KEY LESSONS FROM 2024 FAIR HOUSING CASES

# Lesson #1: Single Incident Must Be Egregious to Constitute Hostile Environment Harassment

In recent years, failure to make reasonable accommodations and family status discrimination have been the most commonly asserted FHA claims against landlords. This year, though, the most common allegation was landlord harassment and retaliation, figuring in over 10 percent of the Scorecard cases. In addition, six of the DOJ's 10 biggest reported FHA settlements of 2024 involved allegations of harassment (see the table on p. 3).

# FHA CASES SCORECARD TOTALS, 2022 TO 2024

Year	Total Cases	Landlord Wins	Landlord Loses	Split Decision
2022	70	35	31	4
2023	84	51	26	4
2024	85	49	27	9

Source: Fair Housing Coach

Reasonable
accommodations
featured
prominently in
2024 FHA cases.

Most of the harassment cases accused the landlord of creating a hostile environment on the basis of a tenant's race, disability, or other protected characteristic. To prove this allegation, a tenant must show that a landlord's conduct was "severe or pervasive enough to unreasonably interfere" with the tenancy, such as by forcing the tenant to move out. Although possible, this is tough to prove when the alleged harassment involved a single incident. Thus, in 2024, two different landlords successfully defended against hostile environment harassment charges by demonstrating that the complained of conduct was just an isolated incident that wasn't severe enough to meet the harassment threshold.

Landlord Wins: A fair housing organization accused an Oklahoma landlord of harassing a disabled tenant, citing a single incident in which the landlord took photographs of the tenant's apartment while he was moving out. "While tense conversations and being photographed in public areas might not be preferable, they do not rise to the level of unlawful harassment," the federal court reasoned. Besides, the incident took place after the tenant had already decided to move out and thus didn't factor into that decision [Metropolitan Fair Hous. Council of Okla., Inc. v. Feiock, 2024 U.S. Dist. LEXIS 140180, 2024 WL 3696458].

Landlord Wins: A 74-year-old Black tenant sued her landlord for racial harassment discrimination after a building security guard falsely accused her of stealing a neighbor's jewelry and called the police. While acknowledging that this was "a distressing event," the New York court ruled that the incident wasn't, by itself, "extraordinarily severe" enough to constitute an "intolerable alteration of the conditions of [the tenant's] housing environment" [Dickerson v. BPP PCV Owners LLC, 2024 U.S. Dist. LEXIS 59765, 2024 WL 1348497].

Compliance Takeaway: In most cases, hostile environment harassment involves a course or pattern of conduct that occurs over time. A single incident of harassment may be enough to create a hostile environment. But it must be extremely egregious to cross the line.

## Lesson #2: Courts Are Reluctant to Hold Landlords Liable for Tenant-on-Tenant Harassment

One of the hottest issues in recent fair housing litigation is whether landlords are liable for discriminatory harassment committed not just by their own staff members and agents but also other tenants in the building. The controversy stems from a 2018 Seventh Circuit case called Wetzel v. Glen St. Andrew Living Community, LLC [901 F.3d 856 (7th Cir. 2018)], holding an Illinois retirement community liable for failing to take measures to stop a tenant from harassing and abusing a neighbor over a 15-month period because she was a lesbian.

So far at least, other federal courts have been reluctant to follow *Wetzel*. As the Eleventh Circuit explained, courts don't want to convert the FHA ban on harassment in housing "into a neighborhood civility code." The point of the law is "to ensure fairness and equality in housing, not to become some all-purpose civility code regulating conduct between neighbors."

In 2024, there were four different cases in which tenants sued a landlord for harassment committed by a neighbor in 2024 under the *Wetzel* theory. All four cases were dismissed on summary judgment.

Landlord Wins: A lesbian, Jewish tenant complained to the property manager that a neighbor left a wire shaped like a noose on her property line and painted a swastika on her mailbox. But the manager didn't confront the neighbor about the incident. So, the tenant sued the manager for hostile environment harassment. The Rhode Island court dismissed the claim,

finding that the incident had occurred not in the common area of a single building but on private property lines in a community made up of independent land tenants and home tenants. And the landlord had far less control over these tenants than the landlord had over the harassing neighbor in *Wetzel* [Larocque v. Spring Green Corp., 2024 U.S. Dist. LEXIS 166172, 2024 WL 4198607].

Landlord Wins: An Hispanic tenant sued her co-op board made up of predominately Swedish members for harassment after a neighbor submitted an offensively racist and homophobic motion during a board meeting. The Florida federal court held that the tenant didn't have a valid claim for harassment because the board expressly rejected the motion without supporting it in any way [Truesdale v. Venice Arms, Inc., 713 F. Supp. 3d 1350, 2024 U.S. Dist. LEXIS 14680, 2024 WL 307586].

Compliance Takeaway: Regardless of what the courts say, ensuring a respectful housing environment in which no tenant has to endure harassment of any kind from a neighbor is a moral and business imperative. The starting point is to create and implement a written anti-harassment policy as part of your community rules that includes seven elements:

- A statement of policy that condemns harassment and expresses your company's commitment to provide a respectful housing environment enabling all tenants are to enjoy their tenancy;
- A clear and broad definition of harassment as including any "action, conduct, or comment that can reasonably be expected to cause offense, humiliation, or other physical or psychological injury or illness to a tenant or other person," accompanied by a list of examples;
- A process or mechanism that tenants can use to report the harassment they experience or witness;

- Assurances that tenants will suffer no retaliation of any kind for reporting harassment in good faith;
- Protocols and procedures for responding to, investigating, and resolving the harassment complaints that you receive:
- Language indicating that tenants will be held accountable for any harassment they're found to have committed; and
- Clarification that filing a harassment complaint with you doesn't take away a tenant's right to file a housing discrimination complaint (to the extent the harassment is based on race, sex, etc.) with HUD or state fair housing agencies.

## Lesson #3: Two-Person-Per-Bedroom Occupancy Standard Isn't Automatically Reasonable

Occupancy standards remain a popular subject for FHA litigation. While limiting the number of people who can live in a unit may be vital to prevent overcrowding, maintain proper sanitation, and avoid overtaxing of building infrastructure, it may also have the impact of excluding families with children. Rule: Occupancy standards are okay as long as they're "reasonable." While two-persons-per-bedroom is the unofficial default benchmark, reasonableness depends on the specific circumstances involved. A pair of 2024 cases illustrate the dynamics that factor into the evaluation.

Landlord Wins: A low-income housing community rejected a married couple with five children (seven occupants altogether) for a three-bedroom apartment on the basis of its two-person-per-bedroom rule. The family sued for discrimination, but the New York court dismissed the case. The occupancy rule was simply about numbers, not families, the court reasoned, citing the lack of evidence of a discriminatory intent, such as, indications that the community offered three-bedrooms to households of six or more that didn't have minor children [Katz v. N.Y.

City Hous. Pres., 2024 U.S. Dist. LEXIS 28676, 2024 WL 664711].

**Landlord Loses**: A fair housing organization sued a landlord for using its twoperson-per-bedroom occupancy standard to exclude families with three or more children to the extent that the community had nothing larger than two-bedroom units and the rule applied to all units regardless of floor plan. The Indiana court ruled that the organization had a valid case for family status discrimination warranting a trial based on statistics showing that the twoper-bedroom rule had a disproportionate impact on large families. Specifically, the rule excluded rental households of five or more people with minor children from renting a two-bedroom unit at a rate at least 59 times greater than similar households without minor children and excluding rental households of three or more people with minor children from renting a one-bedroom unit at a rate 8 to 16 times greater than similar households without minor children [Fair Hous. Ctr. of Cent. Ind., Inc. v. M&J Mgmt. Co., LLC, 2024 U.S. Dist. LEXIS 147399, 2024 WL 3859997].

**Compliance Takeaway**: Based on HUD guidelines and previous court cases, we know that two-per-bedroom is generally presumed to be reasonable but that standards in a particular case can also be more or less restrictive based on:

- The size of the bedrooms: Rejecting a family of five for a two-bedroom apartment might be unreasonable if at least one of the bedrooms is large enough to accommodate three persons;
- The apartment's size & configuration: Two-per-bedroom may be too restrictive for an apartment with a den that can be easily converted into a bedroom; and
- Physical limitations on the property or building systems: Standards more restrictive than two-per-bedroom may be reasonable when the capacity of water, sewer, sanitation, electrical,

HVAC, and other critical building systems is limited.

# Lesson #4: Automatically Excluding Applicants with an Eviction History May Discriminate

You have a legitimate interest in evaluating whether prospective renters are likely to be responsible tenants. One common way to make that determination is by looking at an applicant's rental history, including whether the applicant has ever been subject to an eviction proceeding. The fact that another landlord sought to evict the applicant raises a red flag that might make you reluctant to lease to that person. And, because the FHA doesn't expressly protect people with an eviction history, excluding applicants on that basis is perfectly legal.

Or is it? Even though eviction history isn't a protected class, statistics show that a disproportionate number of Black persons are threatened or sued for eviction, as compared to white persons. Accordingly, the argument could be made that a blanket exclusion based on eviction history, while neutral on its face, has a discriminatory impact based on race.

Landlord Loses: Black residents sued a landlord for its policy of excluding all applicants with "any eviction filings" on their record in the past five years, citing statistics showing that Blacks are evicted or threatened with eviction at disproportionately higher rates than whites. The Florida federal court ruled that the residents had stated a valid claim for disparate impact racial discrimination and denied the landlord's motion for summary judgment [Byrd v. JWB Prop. Mgmt., LLC, 2024 U.S. Dist. LEXIS 98155].

**Compliance Takeaway**: The *Byrd* case echoes the warnings about potentially discriminatory screening practices based on artificial intelligence that HUD expressed earlier in the year. According to the HUD Guidance, eviction disproportionately

affects tenants who belong to protected classes. For example, more than 50 percent of all eviction cases are filed against Black tenants even though fewer than one in five tenants are Black. Hispanic renters, women, families with children, and the disabled are also targeted for eviction at disproportionate rates. Rejecting applicants on the basis of eviction history is especially problematic to the extent that so many tenant screening companies have built private databases from court records of eviction cases.

The HUD Guidance also notes that court eviction records are highly unreliable, citing a large study in which 22 percent of the eviction records evaluated either contained ambiguous information on how the case was resolved or falsely represented a tenant's eviction history.

Compliance Takeaway: Be aware that the quality of eviction records in screening company databases varies and that overbroad screenings for eviction history may have an unjustified discriminatory effect. To counteract these risks, landlords shouldn't base denials on eviction records that are old, incomplete, irrelevant, or where a better measure of an applicant's behavior is available. Specific recommendations from HUD:

- Don't use an eviction record if information about the record was known before screening unless you give applicants the chance afterwards to have the record disregarded and corrected afterwards;
- Don't base a denial on eviction proceedings where the tenant prevailed, settlement was reached, or the matter was dropped;
- Disregard unjustified evictions, such as evictions against a tenant in retaliation for asserting their legal rights or because they were, through no fault of their own, the victim of domestic violence;
- Accord less weight to "no fault" evictions in jurisdictions where they're

- allowed: and
- Be prepared to make accommodations to the screening policy if the eviction was related to the applicant's disability—for example, an eviction for late payment of rent because of the timing of a Supplemental Security Income (SSI) payment.

# Lesson #5: Verifying Citizenship or Immigration Status Has FHA Implications

The U.S. Census Bureau estimates that there are 11.5 million undocumented aliens living in this country. Leasing to undocumented aliens can be highly profitable, especially in places like Florida, Texas, and California, where they make up a major part of the rental housing market. Deliberately excluding them may also violate the FHA ban on racial, religious, and especially national origin discrimination. On the flip side are laws that ban landlords from knowingly leasing to undocumented aliens. One of the year's most notable cases illustrates the interaction between the FHA and laws prohibiting leasing with undocumented aliens.

**Landlord Loses**: Upon discovering that noncitizen Latino families from El Salvador and Bolivia had moved in, a Virginia mobile home park began enforcing its policy of requiring all lease applicants and adults living in the park who wanted to renew their lease to provide proof of their legal status in the U.S. Families forced to leave the park as a result sued the landlord, claiming that the policy had a disparate discriminatory impact on Latinos. The landlord moved for summary judgment, but the federal court said no, paving the way for a trial. But the landlord made another attempt to get the case dismissed, arguing that the policy was necessary to avoid criminal liability under a federal law that makes it a crime to knowingly or recklessly conceal, harbor, or shield an illegal alien from detection.

The court agreed and granted the landlord summary judgment.

In January, the federal Court of Appeals for the Fourth Circuit reversed the ruling. Avoiding criminal liability is certainly a legitimate, nondiscriminatory basis for adopting a rental policy or making any other business decision, the Court acknowledged. However, the federal anti-harboring law "requires something more than merely entering a lease agreement with an undocumented immigrant." To violate the statute, the action must "involve an element of deceit that is not present in run-of-the mill leases made in the ordinary course of business." Result: Dismissal was unwarranted, and the landlord would have to stand trial for FHA discrimination [Reyes v. Waples Mobile Home Park Ltd. P'ship, 91 F.4th 270, 2024 U.S. App. LEXIS 1496, 2024 WL 236286].

Compliance Takeaway: As the *Reyes* Court noted, regulation of immigrant status in housing isn't nearly as strict as it is in employment, where there are strict verification requirements and elaborate penalties for violating them. None of this exists in the context of housing, the Fourth Circuit explained. "This makes good sense [to the extent that] a policy that discouraged or prohibited landlords from housing any undocumented individual would lead to homelessness on an even greater scale."

Still, there are rules. Technically, unless you live in a state or municipality that prohibits it, screening applicants' citizenship and/or immigration status isn't illegal and might even be required. Specifically, you must:

- Have a legitimate, nondiscriminatory, and documented business justification for making citizenship or immigration status a qualifying criterion, such as to avoid violating a law;
- Apply whatever screening approach you adopt consistently; and
- Implement specific verification procedures and protocols, with the proof

needed depending on what you're seeking to verify—that is, citizenship, legal immigrant status, or legal nonimmigrant status.

# Lesson #6: Landlord Must Accommodate 63-Pound Emotional Support Animal

As usual, the landlord's duty to make reasonable accommodations for persons with disabilities featured prominently in 2024 FHA litigation. Many of these cases turn on whether a particular accommodation is reasonable, especially where a tenant with a service or assistance animal seeks an exemption from the community's pet restrictions. A case from New Jersey is particularly helpful in illustrating the principles courts use to decide these cases.

**Landlord Loses**: It began when a tenant adopted a 63-pound dog called Luna to live with him and his wife in their condo. The landlord demanded that the tenant get rid of the dog, citing the condo community's policy limiting pets "to the small domestic variety weighing thirty (30) pounds or less at maturity." The tenant claimed that his wife relied on Luna as an emotional support animal for her anxiety disorder and sued the landlord for failure to accommodate under the FHA and New Jersey fair housing law. In reversing a lower court ruling dismissing the claim, the court applied the framework for deciding emotional support animal accommodations cases like these under 2020 HUD Guidance:

#### Tenants must show they have a disabili-

ty: The tenant in this case showed that his wife had been diagnosed with a "mental, psychological, or developmental disability" in accordance with "accepted clinical or laboratory diagnostic techniques."

Tenants must show animal is necessary to provide equal opportunity to use and enjoy the dwelling: The treating social worker testified that Luna helped the tenant with her mental state and enabled her to "cope with stressors."

Landlords must show accommodation is unreasonable: Once the tenant meets the first two prongs of the test, the burden shifts to the landlord to prove that the requested accommodation is unreasonable. The court found that the landlord didn't demonstrate that letting the tenant keep Luna would impose an undue financial or administrative burden or put anybody in danger. On the contrary, the evidence found "that Luna had not been at all disruptive," "doesn't bark," and "is not a nuisance." The court also noted there had been no complaints about the dog.

**End Result**: The tenants had a valid claim for discrimination and the case had to go back down for another trial [Players Place II Condo. Ass'n, Inc. v. K.P., 256 N.J. 472, 310 A.3d 665, 2024 N.J. LEXIS 173, 2024 WL 1080106].

Compliance Takeaway: First, keep in mind that there's a difference between "service animals" and "assistance animals." The former include dogs trained to do work or perform tasks for the benefit of an individual with a disability, such as guiding a person with a visual impairment or pulling a wheelchair. HUD says that you're allowed to request documentation of training when tenants request service animal accommodations. By contrast, assistance animals include any animals that serve a tenant's disability-related need, regardless of whether

they're trained to do so. That includes emotional support animals like Luna. Accordingly, it's not appropriate for landlords to demand proof of an assistance animal's training.

The other takeaway is that in all cases, you only have to make accommodations that are reasonable. We know from previous guidance that HUD considers an accommodation reasonable if it:

- Doesn't cause landlords to incur an undue financial and administrative burden;
- Doesn't cause a basic or fundamental change in the nature of the housing program available;
- Won't cause harm or damage to others; and
- Is technologically possible.
- The third prong is particularly important. Tenants are responsible for ensuring that their service or assistance animals obey community rules and don't create a nuisance interfering with other tenants' use and enjoyment rights. A big reason the tenant in the *Players Place* case won is that Luna was well behaved.

**Strategic Pointer**: Landlords shouldn't reject a requested accommodation without first actively engaging the tenant in a good-faith, interactive dialogue to exchange information, consider alternative options, and attempt to resolve or narrow any issues. The court noted that the landlord in the *Players Place* case took a firm position against Luna from the beginning without engaging in such a discussion.