



**FAIR HOUSING COUNCIL
OF ORANGE COUNTY**

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

***FAIR HOUSING COUNCIL SETTLES HOUSING DISCRIMINATION CASE AGAINST
GARDEN GROVE MANAGEMENT COMPANY FOR \$125,000
Families With Children Were Charged Fees for Receiving Notices and Threatened
with Eviction When Their Children Played Outside***

SANTA ANA, CALIF., October 26, 2006...The Fair Housing Council of Orange County announced today that the non-profit agency has reached a \$125,000 settlement in a housing discrimination case against Bertram Management LLC, the company who manages the Stuart Drive/Rose Garden Apartments, a tax credit property in Garden Grove, California. A total of 8 complaints were filed over the past 4 years, all alleging that Bertram and the property on-site managers discriminated against families with children by imposing unreasonable fees for serving notices to families with children when their children played outside.

Only two of eight complainants decided to pursue their complaints, Marisol Damian and Carmen Bailon, because they were continually harassed, threatened and issued \$25 notice fees when their children would play outside their apartments. They also allege that the lease agreement required them to pay the fees in full before they could pay their rent. The fees would be deducted from the rent resulting in a late fee because the rent was not paid in full which caused additional hardships for the families. They also claimed that the manager would refuse to make requested necessary repairs to their units and would threaten and/or issue termination of tenancies without good cause if they complained or did not pay the fees. Termination of tenancies that are given in tax credit properties require the landlord to give good cause for evicting tenants.

Following an extensive four year investigation, the Fair Housing Council found there was sufficient evidence of housing discrimination to file complaints with the Department of Fair Employment and Housing (DFEH) as well as the Department of Housing and Urban

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Fair Housing Settles Case

Page 2-2-2

Development. DFEH and the Damians, and Bailons and the Fair Housing Council filed a lawsuit against the owner of the property, Bertram and Bertram's onsite manager. Because owners are responsible for the actions of their employees under fair housing laws, the charges name Kenneth Black, the owner of the complex, as well as Bertram and its on-site managers Elena and Sorin Ghimbasanu.

"The goal in settling this complaint was to insure that families with children are treated fairly," said Elizabeth Pierson, president and CEO of the Fair Housing Council of Orange County. "None of the respondents in this case made any admissions of liability or violations of the law but we successfully negotiated changes in the contracts and policies that provide us with the assurances we need to resolve the complaint."

"In my job, I receive many complaints regarding families with children because owners are not aware of fair housing laws and believe that their rules and regulations specifically regarding children are in the best interest of the families to keep them safe, when in reality they may be a violation of fair housing laws," said Angelica Coronel, senior investigator at the Fair Housing Council who investigated the complaints. "We recommend all managers attend fair housing seminars to learn about the law so they avoid most discrimination complaints."

While making no admission of liability or wrongdoing, Bertram Property Management and its owner, agreed to pay a total of \$125,000 in damages, abide by all fair housing laws and to make changes to the rules and policies if necessary to comply with the law. Bertram also agreed to attend Fair Housing training, conducted by the Fair Housing Council for the next five years. In addition, Bertram also agreed to provide fair housing pamphlets to current and prospective residents.

The Fair Housing Council began investigating Bertram in 2002 after being contacted by several residents of the Rose Garden Apartments, regarding unreasonable fines and eviction notices when their children played outside. The complainants felt that they were not being treated fairly and these illegal practices were based on their familial status (presence of children under age 18 in the family). Initial testing uncovered possible discriminatory practices. The Fair Housing Council continued to investigate resulting in additional complaints from other tenants who received questionable notices and fees.

The federal Fair Housing Act, became law in 1968 and initially outlawed housing discrimination based on race, color, religion, or national origin. The Act's protections have been

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Fair Housing Settles Case

Page 3-3-3

expanded twice. In 1974, discrimination based on sex was outlawed. In 1988, with the support of President Reagan, Congress widened the protections and made it illegal to discriminate against families with children or on the basis of handicap or disability.

The Fair Housing Council of Orange County is a private, nonprofit organization formed in 1965 in the wake of the civil rights movement that resulted in the Civil Rights Act of 1964. The agency incorporated in 1968, the same year that Congress extended civil rights protections to cover housing with the adoption of the Fair Housing Act. Under the direction of a 16 member volunteer board of directors and with a paid staff of 16, the agency works to fulfill a mission of fostering diversity and eliminating housing discrimination in Orange County. Contracting with local governments to provide fair housing services to all Orange County residents, the agency provides comprehensive community and industry education, individual counseling, mediation, low-cost advocacy and handles more than 550 issues concerning housing discrimination each year. The Fair Housing Council also recently expanded its programs to include comprehensive education programs for housing providers, property managers, lenders and real estate professionals. For more information, call 800/698-FAIR or 714/569-0823 or visit www.fairhousingoc.org.

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