



Commission on Human Rights

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NYC COMMISSION ON HUMAN RIGHTS SETTLES LANDMARK HOUSING DISCRIMINATION CASE WITH BRONX MANAGEMENT COMPANY CONTROLLING 100 BUILDINGS WITH 5,000 UNITS CITYWIDE ACCUSED OF DENYING HOUSING TO ANY APPLICANT WITH CRIMINAL RECORD

Commission required PRC Management, LLC, to pay \$80,000 in fines and damages, create and distribute new screening and application policies, train staff on new policies and law, and invite applicants previously denied housing because of their criminal history to reapply

Commission alleged company's policy of denying housing to applicants with criminal record without performing individualized analyses has disparate impact on Black and Hispanic New Yorkers who studies show are disproportionately impacted by arrest, conviction, and incarceration rates

NEW YORK –The NYC Commission on Human Rights announces today a settlement with PRC Management, LLC, a housing management company controlling 100 buildings with 5,000 units citywide, charged with discriminating against prospective tenants based on their race, color, and national origin for denying housing to applicants with criminal histories without performing individualized analysis of those records. The Commission is requiring PRC Management, LLC to pay \$55,000 in emotional distress damages to a victim impacted in this case, \$25,000 in civil penalties, change and distribute new screening and application policies, train staff on new policy and law, and invite applicants with criminal histories who were previously denied housing to reapply. PRC Management, LLC fully cooperated with the Commission's investigation. The charges in this case follow U.S. Department of Housing and Urban Development (HUD) [enforcement guidelines](#) issued in 2016 that address the discriminatory effects of criminal history checks on Black and Hispanic housing applicants.

This is the first time in recent history that the Commission has launched such an investigation, arguing that PRC Management, LLC's blanket policy of denying housing to any applicant with a criminal record has a disparate impact on Black and Hispanic New Yorkers who studies show are disproportionately impacted by arrest, conviction, and incarceration rates citywide.

“For every New Yorker, access to housing is an essential part of maintaining a safe and stable life for themselves and their families, which is why the Commission is conducting strategic and thorough investigations in this area to root out policies that wholesale discriminate against entire communities,” said **Assistant Commissioner of the Law Enforcement Bureau at the NYC Commission on Human Rights, Sapna V. Raj**, who oversaw the investigation. “Everyone in New York City deserves equal access to housing and we hope the Commission's strategy in this

case serves as a model for other cities in protecting vulnerable communities from discriminatory housing policies.”

“When trying to find a place, I went through many interviews and appointments and was self-disclosing my criminal history even before they performed a background check because I knew what was going to happen,” said **a victim of housing discrimination and a client of The Fortune Society**. “I was getting all sorts of excuses from landlords like, ‘We’ll process your docs and see what happens,’ but they would never get back to me. Sometimes my criminal record feels like a perpetual punishment. But I’m encouraged by the NYC Commission on Human Rights’ work holding landlords accountable and hope that they continue this fight so people with criminal records get access to housing.”

It is illegal in New York City under the NYC Human Rights Law to discriminate against individuals in housing based on race, color, and national origin, including implementing policies or practices that discriminate against individuals based on their protected class. The Commission initiated an investigation against PRC Management, LLC after a Hispanic tenant reported that she was denied housing because of a background report the company obtained that erroneously reported her criminal history. During its investigation, the Commission found that PRC Management, LLC had a blanket policy of denying housing to prospective tenants with criminal histories without considering the nature, severity, or date of their arrest or criminal conduct, and had denied housing to as many as 10 other applicants of color because of their criminal histories.

The U.S. Department of Housing and Urban Development (HUD) issued guidance in 2016 that states that a blanket policy of denying housing to individuals with criminal records likely violates the federal Fair Housing Act when that policy does not serve a legitimate business interest. Further, the guidance asserts that arrest records are often inaccurate and incomplete and that relying on them as a basis for denying or terminating someone from housing may result in unwarranted denials of admission or eviction. Although protecting residents’ safety and property may be considered a responsibility of a housing provider, the guidance states, housing providers must be able to prove that housing decisions based on criminal history actually assist in protecting residents and property. According to HUD’s guidance, “bald assertions based on generalizations or stereotypes that individuals with an arrest or conviction record pose a greater risk than any individual without such a record” do not satisfy that burden. Rather, HUD suggests that landlords should conduct individualized assessments of applicants’ criminal records including the nature, severity, and date of their arrest or criminal conduct, rather than categorical exclusions.

City statistics show that Blacks and Hispanics are incarcerated at rates disproportionate to their share of the population in New York City. According to the NYC Department of Corrections, Black New Yorkers were incarcerated at a rate of more than double their proportion of the City’s general population last year, comprising [53.6 percent](#) of the total inmate population in New York City in 2017 but representing only [24.4 percent](#) of the City’s general population. Similarly, Hispanic New Yorkers comprised [33.3 percent](#) of the total inmate population in New York City but only [29 percent](#) of the City’s general population. These statistics track national incarceration rates among Black and Hispanic Americans who are arrested and incarcerated at rates disproportionate to their share of the general population.

Under the leadership of Mayor de Blasio and Commissioner Carmelyn P. Malalis, the Commission significantly increased enforcement and public outreach efforts to address racial discrimination in housing. Over the last two years, the Commission nearly doubled the number of investigations into discrimination based on race, color, and national origin in housing, filing 205 new investigations in 2017/16 compared to 108 in 2015/14. Overall, the Commission has also nearly doubled the number of investigations into housing discrimination in New York City over the last two years, filing 928 new investigations in 2017/16 compared to 510 in 2015/14.

If you or someone you know believes they are the victim of housing discrimination, call 311 and ask for NYC Commission on Human Rights or call the Commission's Infoline at 718-722-3131.

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“New York City has no tolerance for discrimination of any kind,” said **Public Advocate Letitia James**. “Today's settlement is a testament to the strength of the City's anti-discrimination laws and shows that denying someone housing because of their criminal background is yet another way of discriminating against people of color. I commend the NYC Commission on Human Rights for their thorough investigation into this matter and for their continued efforts to expose and eliminate discrimination in our City.”

“In a society that has for centuries implemented systems to exclude communities of color from equal access to the resources necessary to meet their basic needs, it is imperative that we as a city do everything in our power to ensure all New Yorkers have equal access to things like housing,” said **Council Member and Chair of the Committee on Housing and Buildings, Robert E. Cornegy, Jr.** “Thanks to the commitment of Commissioner Malalis and her team at the Commission on Human Rights, we are able to ensure bad actors like PRC Management are held accountable for discriminating against housing applicants due to their criminal history.”

“The Fortune Society knows firsthand that fair housing policies foster diverse communities, prevent discrimination, build racial and economic equity and create great neighbors,” said **JoAnne Page, President and CEO of The Fortune Society**. “In West Harlem, where we own and operate a 114-unit apartment building, we are landlords to extraordinary tenants — more than half of whom are people with justice involvement who have earned the right to be evaluated on more than background checks alone. The Fortune Society is honored to be allies with the New York City Commission on Human Rights on this and so many other issues and is currently pursuing justice for victims of housing discrimination based on their criminal histories.”

“The Legal Action Center applauds the NYC Commission on Human Rights for their historic settlement with a Bronx housing management company,” said **Sebastian Solomon, Director of NYS Policy at the Legal Action Center**. “Housing is essential to successful reentry and community reintegration. This settlement puts landlords on notice that New York City will no longer tolerate such racially discriminatory actions and is an important step in creating new opportunities for thousands of New Yorkers with criminal records, a disproportionate number of whom are Black or Latinx, to find safe, stable, and affordable places to live.”

“Housing is a fundamental human need that lays the foundation for success in every aspect of our lives,” said **Alison Wilkey, Director of Public Policy at the Prisoner Reentry Institute at John Jay College**. “As people with past criminal justice system involvement look for a home, however, they too often find the doors to housing closed. This important settlement sends the message to housing providers that they cannot rely on stereotypes and misinformation, but must review each applicant as an individual.”