

## **I. THE PARTIES AND SUBJECT PROPERTY**

1. The State of Maryland is represented by the Attorney General of Maryland. The Civil Rights Division of the Office of the Attorney General (Civil Rights Division) is tasked with investigating, litigating, and resolving civil rights violations by seeking injunctive relief, restitution, civil penalties, attorney fees, and costs of the investigation.
2. The Maryland Commission on Civil Rights (MCCR) is an independent state agency charged with enforcing anti-discrimination laws in employment, housing, public accommodations, and state contracts. MCCR is authorized to investigate individual and systemic allegations of discriminatory conduct and seek appropriate remedies through conciliation and litigation.
3. Habitat America, LLC (Habitat America) is a limited liability real estate company that provides services throughout the State of Maryland and surrounding states and territories.
4. The Commons of Avalon TH, LLLP (the Commons) is a limited liability limited partnership that owns the Subject Property. The Commons has owned the Subject Property since 2015.
5. The Subject Property is the Overlook at Avalon Apartments, located at 1369 Hampshire Dr., Frederick, MD 21702.

## **II. BACKGROUND**

6. In March 2024, MCCR received ten complaints from residents at Overlook at Avalon Apartments in Frederick, MD. MCCR subsequently partnered with the Civil Rights Division. MCCR and the Civil Rights Division launched a joint investigation into the allegations that tenants using housing choice vouchers experienced higher rent increases than non-voucher tenants.
7. Maryland fair housing law makes it unlawful to “discriminate against any person in the terms, conditions, or privileges of the sale or rental of a dwelling, or in the provision of services or facilities in connection with the sale or rental of a dwelling, because of race, color, religion, sex, disability, marital status, familial status, sexual orientation, gender identity, national origin, source of income, or military status.” Md. Code, State Gov't § 20-705.
8. Source of Income is defined as “any lawful source of money paid directly or indirectly to or on behalf of a renter or buyer of housing.” Md. Code, State Gov't § 20-701(j)(1). The definition specifically includes any government assistance

“including low-income housing assistance certificates and vouchers issued under the United States Housing Act of 1937.” Md. Code, State Gov't § 20-701(j)(2)(ii).

9. Habitat America and the Commons, after receiving correspondence from the Housing Authority of the City of Frederick in July and November 2023, conducted their own review of the allegations of source of income discrimination. Following this review, Habitat America and the Commons promptly reimbursed some individual tenants, the Housing Authority of the City of Frederick, and a local emergency rent service program.
10. Affected tenants who receive their voucher assistance through the Frederick County Division of Housing program have been identified through the joint efforts of the Parties but have not yet received reimbursements. The Affected Tenants will be reimbursed in accordance with this agreement.
11. Habitat America and the Commons deny that any action it has taken is a violation of Maryland law and denies any wrongdoing. Habitat America and the Commons agree to resolve the investigations of the Civil Rights Division and MCCR and to ensure that the common goal of providing housing services to Maryland residents is consistent with civil rights laws by implementing the terms of this settlement.

### **III. DEFINITIONS**

12. “Affected Household” means any household that uses a voucher to pay some or all of its rent and experienced an increase in their total rental amount (also known as “contract rent”) in excess of the amount charged to nonvoucher tenants, between November 1, 2022, and December 31, 2023. This applies even if the tenant rental portion was \$0 during all or part of the relevant time period.
  - a. Parties have identified all affected households, as defined above, in Attachment 1. Parties certify that Attachment 1 is a complete and accurate list of affected households. If further information becomes available that indicates that this list is not complete or accurate, parties will amend Attachment 1 to be complete and accurate. If information becomes available showing that Respondents knowingly failed to provide a complete and accurate list of affected households, as defined, enforcement will be in accordance with Paragraph 35 of this agreement.
13. “Relevant time period” is November 1, 2022, through December 31, 2023.
14. “City Tenant” refers to a tenant that receives their housing voucher through the Housing Authority of the City of Frederick.
15. “County Tenant” refers to a tenant that receives their housing voucher through the Division of Housing for Frederick County.

**IV. THE PARTIES' AGREEMENT**

16. This agreement is a full and final compromise settlement and release of all civil claims under Maryland law that the Civil Rights Division and MCCR could have brought in this case based on the alleged discrimination against voucher holders at the Overlook at Avalon Apartments by charging them rent in excess of what was charged to non-voucher holders during the relevant time period.

**V. APPLICATION**

17. The provisions of this Agreement shall apply to Respondents Habitat America, LLC and the Commons of Avalon TH, LLLP and both entities' principals, officers, directors, and employees operating in the normal course of their employment with Respondents. The provisions of this Agreement shall also apply to agents who provide real estate brokerage services on behalf of Habitat America and the Commons in Maryland. The provisions of this Agreement shall apply to Habitat America and the Commons and each entities' parent or controlling entities, wholly owned subsidiaries, and any merged or acquired entities.
18. The provisions of this Agreement, including all changes to policies and practices set forth herein, shall apply to Habitat America and the Commons for so long as Habitat America and the Commons offer services in Maryland.

**VI. CHANGES TO POLICY, PRACTICES, TRAINING**

19. Habitat America and the Commons affirm that it will not engage in unlawful discriminatory practices with respect to the real estate services it provides and will comply with all federal, state, and local fair housing laws.
20. Within 60 days of this settlement, Habitat America and the Commons will adjust and lower all County voucher tenants' rental amounts to reflect the correct increases. All affected households whose rent amounts must be adjusted are included in the confidential attachment as Attachment 1.
21. On or before December 31 annually, beginning in 2025 through 2029, Habitat America and the Commons will provide a joint report that includes the following information and documentation to MCCR and the Civil Rights Division at the contact information specified in Paragraph 46 of this agreement.
  - a. A list of all rental units in the Overlook at Avalon Apartments, including the amount of rent charged for each unit, any rent increase imposed during the preceding 12 months, vacancies during that preceding 12 months, and identify the units occupied by a voucher holder.

- b. A copy of each owner's certification submitted within the prior 12 months to any housing authority requesting a rental amount increase for a voucher tenant at the Overlook at Avalon.
  - c. The dates, times, and topics of any training session conducted pursuant to paragraph 24 of this agreement. The report shall contain the name, address and contact information of the training vendor as well as the curricula and attendees, including the attendees' name, the company they work for, their work address and position. The reports shall be submitted to MCCR and the Civil Rights Division.
  - d. All policies that reflect Maryland laws regarding discrimination based on source of income and other protected categories and any changes to the policies required by paragraph 22 of this agreement.
  - e. A list of all written complaints made, and documentation of any verbal complaints made, alleging a violation of fair housing laws in the prior 12 months at Outlook at Avalon Apartments, including the identity of the person who made the complaint, the identity of the person receiving the complaint, the nature of the complaint, how the complaint was resolved, and any documents that refer or reflect the complaint, its investigation, or resolution.
    - i. Habitat America and the Commons shall include in their policies a protocol for documenting any fair housing complaints made verbally to any representative of either Habitat America or the Commons, whether the complaint is made in person, over the telephone, or through any electronic communications. Documentation of these complaints will be included in the requirements of Paragraph 21(e).
22. Habitat America and the Commons shall maintain written policies that reflect Maryland laws regarding discrimination based on source of income and other protected categories under Md. Code, State Gov't § 20-701 *et seq.*
- Within 60 days of this settlement, Habitat America and the Commons will submit these policies to MCCR and the Civil Rights Division for review and approval.
23. Habitat America and the Commons shall provide the policies required under paragraph 22 to all current employees, independent contractors, management, and corporate officers. Habitat America and the Commons shall provide the policies as required under this paragraph to all new employees or independent contractors providing property management services hired or engaged after the date of this Agreement within the first 14 days of an individual's employment or services on behalf of Habitat America.
24. Within 60 days of this Agreement, and on at least an annual basis beginning on or before December 31, 2025 through December 31, 2029, Habitat America and the Commons shall provide training to all employees, management, and independent

contractors providing services on behalf of Habitat America and the Commons on Md., Code, State Gov't § 20-701 *et seq.* regarding Maryland's fair housing laws including discrimination based on source of income and other protected categories. All training sessions will be conducted by an external, qualified trainer. A list of approved trainers will be provided to Respondents.

## **VII. RESTITUTION AND CIVIL PENALTIES PROVISIONS**

25. Within 60 days of the date of this Agreement, Habitat America and the Commons shall reimburse all affected households for money paid by the household over what the proper rent amount should have been. All affected households are listed in a confidential attachment, Attachment 1. Attachment 1 lists the agreed upon reimbursement amount for each household.

Habitat/Commons will provide Attachment 2 to the affected households within 30 days of signing this agreement. Affected households will have at least 30 days to make an election on how they would like to receive their settlement payment amount.

Tenants may elect to receive their payment in installments over the course of multiple months. If this is the case, the 60-day deadline will be extended to accommodate the timeframe necessary to fulfill all payment installments. Within 60 days of signing this agreement, Habitat America and the Commons will identify any tenant that elects to receive their payment in this way and will outline the payment schedule, including the date each amount will be paid. Proof of each payment will be provided to MCCR and the Civil Rights Division within 15 days after the last installment payment has been paid.

Each payment, either in full or installments, will be made via check made out to the individual tenant, unless otherwise agreed upon by the tenant. Habitat America and the Commons will submit a list identifying each tenant that was reimbursed, the amount they were reimbursed, their address, and a copy of the payment to the Civil Rights Division and MCCR within 105 days of this agreement.

26. The Parties agree that Habitat America and the Commons have made partial restitution, including:
- a. Payments to the City Tenants in an amount totaling \$39,700.42 and to the Housing Authority of the City of Frederick in an amount totaling \$8,616.00. By signing this agreement, Habitat America and the Commons certify that it has made a thorough search of its records and that there were no other City Tenants affected and that their calculation and reimbursement amounts are correct.

- b. Payment to Beyond Shelter Frederick, previously known as the Religious Coalition, in the amount of \$4,892.00 for monetary assistance provided for the City Tenants that resulted in overpayment to Habitat America and the Commons. The parties agree that this amount does not include any overpayment made on behalf of the County Tenants. A reimbursement addressing any amount owed to Beyond Shelter Frederick for assistance for County Tenants is addressed in paragraph 29 of this agreement.
- 27. Within 90 days of the date of this Agreement, Habitat America and the Commons will pay economic damages to all affected households. Specifically, as part of this civil rights settlement, this restitution is to address erroneously charged late fees, court fees, writ fees, summons fees, moving costs, and other economic hardships caused by the rental increase, Habitat America and the Commons will provide each affected household whose tenant portion was directly affected by the rental increase with \$2,500 per household. For affected households whose tenant portion was not directly affected by the rent increase, Habitat America and the Commons will provide \$1,000 per household. Each affected household and the corresponding amount of economic damages is identified in the confidential attachment, Attachment 1.

This payment will be made via check directly to the household unless otherwise agreed upon by the tenant. For tenants that have since left the building, Habitat America and the Commons bear the responsibility to provide the payment to the affected household at their correct updated address. Within 120 days of settlement, Habitat America and the Commons will provide proof of payment to the Civil Rights Division and MCCR. If Habitat America and the Commons are unable to remit payment despite good faith efforts, they shall contact MCCR and the Civil Rights Division with a showing of these efforts.
- 28. Within 30 days of this agreement, Habitat America and the Commons will waive any outstanding County tenant rental balance for any affected household. Each affected household will have a zero (\$0) tenant rental balance for their tenant portion as of May 1, 2025. This provision does not limit Habitat America or the Commons from collecting rental arrearages from either the Division of Housing for Frederick County or the Housing Authority of the City of Frederick or other damage amounts attributed to the tenant. Habitat America and the Commons will use the confidential attachment, Attachment 1, to identify the affected households. Habitat America and the Commons will provide a spreadsheet within 90 days of settlement listing each affected household, the balance of just the tenant portion owed as of April 30, 2025, the total amount waived, and the starting balance of \$0 for the tenant rental portion as of May 1, 2025.
- 29. Within 90 days of this settlement, Habitat America and the Commons will reimburse Beyond Shelter Frederick and any other rental assistance program that made a payment to Habitat America or the Commons on behalf of the County Tenants during the relevant time period.

In addition, within 120 days of this agreement, Habitat America and the Commons will make a payment to Beyond Shelter Frederick to compensate the organization for the funds expended, administrative costs, staff time and other use of resources to provide assistance to affected households. This payment will total \$12,000 and will be made via check to the organization or other payment method as determined by Beyond Shelter Frederick. Proof of payment will be provided to the Civil Rights Division and MCCR for compliance monitoring withing 150 days of settlement.

30. Within 60 days of this Agreement, Habitat America and the Commons shall pay the State of Maryland a civil penalty, pursuant to Md. Code Ann., State Gov't § 20-1046, in the amount of \$105,000.00 (One Hundred and Five Thousand Dollars and Zero Cents). Payment under this paragraph shall be by wire transfer with specific account information provided by the State of Maryland at the time payment is due.
31. The Civil Rights Division and MCCR agree to waive any and all costs incurred, including costs of investigation and attorney fees in this matter.

#### **VIII. ADDITIONAL TERMS**

32. This Agreement represents the full and complete terms of the settlement entered by the Parties.
33. If Habitat America is removed or discontinues its role as the management company within 180 days of this settlement, the following applies:
  - a. Habitat America must alert MCCR and the Civil Rights Division to their removal or discontinuation of service as the management company of the Subject Property within 10 days of their being alerted to the change.
  - b. Paragraphs 20 and 25-30 (inclusive) remain in effect in their entirety and Habitat America is responsible for fulfilling these terms by the dates stated above. Removal or discontinuation of service as the property management company at the Subject Property will not be a defense for breach of this settlement agreement. Enforcement will be in accordance with Paragraph 35 below.
34. If the Commons sells the Subject Property or otherwise discontinues its role as owner of the building within 180 days of this settlement, the following applies:
  - a. The Commons must alert MCCR and the Civil Rights Division to the sale of ownership or other discontinuation of ownership of the Subject Property within 10 days of the change.
  - b. Paragraphs 20 and 25-30 (inclusive) remain in effect in their entirety and the Commons is responsible for fulfilling these terms by the dates stated above. Sale or discontinuation of ownership of the Subject Property will not be a

defense for breach of this settlement agreement. Enforcement will be in accordance with Paragraph 35 below.

35. If the Civil Rights Division and/or MCCR have reasonable cause to believe that Habitat America or the Commons has breached this Agreement, MCCR and/or the Civil Rights Division may file an action in the Circuit Court of Frederick County, Maryland to enforce this Agreement. If the Court determines that Habitat America or the Commons has breached this Agreement, Habitat America and the Commons shall be responsible for paying the Civil Rights Division and/or MCCR the cost of the determination and of enforcing this Agreement, including legal fees, expenses, and court costs.
36. Each representative executing this Agreement certifies that they are authorized to enter into and consent to the terms of this Agreement and to legally bind their party to it. This Agreement may be executed in counterparts.
37. Where this Agreement designates “Habitat America and the Commons,” the two parties may assign responsibility in fulfilling the specific requirement between themselves, as long as the requirements of the Agreement are fulfilled according to the described schedule. If the requirements are not met according to the schedule described, both parties are deemed responsible, and enforcement will be in accordance with Paragraph 35 of this agreement.
38. This Agreement is applicable to, and binding upon, the Parties, their principals, officers, agents, employees, administrators, representatives, assignees, successors, and all legal representatives thereof, with the exception of the reporting requirements in Paragraph 21, which the parties agree does not apply to Respondents’ successors or assignees.
39. The Parties may, upon mutual written agreement, amend this Agreement to address changed circumstances.
40. This Agreement resolves this Title 20 investigation and is limited to the facts and issues presented during this investigation.
41. The Civil Rights Division and/or MCCR may review for material compliance with this Agreement at any time during the term of the Agreement.
42. Failure by the Civil Rights Division and/or MCCR to enforce this entire Agreement, or any provision thereof with regard to any deadline or any other provision herein, will not be construed as a waiver of the Civil Rights Division’s or MCCR’s right to enforce provisions of this Agreement.
43. This Agreement is a public document that will be posted in a conspicuous location on the public website or the equivalent of the Civil Rights Division and MCCR. The Commons and Habitat America may choose whether to post this Agreement on their individual websites. However, a copy of this Agreement shall be provided to any



individual who requests a copy for the duration of the agreement. The attachments to this agreement, Attachment 1 and Attachment 2, are confidential and will not be posted alongside the Agreement in any location. This confidentiality is to maintain the privacy of affected households.

44. The Effective Date of this Agreement is the date of the last signature below.
45. The Agreement will terminate five years from the Effective Date provided that Habitat America and the Commons has demonstrated substantial compliance with the provisions of this Agreement.
46. Notices: For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and sent by first class mail and by email and sent as follows:


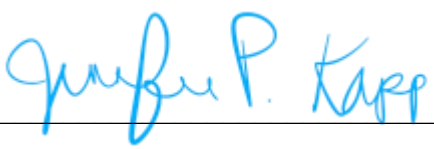
Maryland Commission on Civil Rights  
6 St. Paul Street, Suite 900  
Baltimore, MD 21202  
Attention: Cecelia M. Assam  
Email: mCCR@maryland.gov



Office of the Attorney General,  
Civil Rights Division  
200 St. Paul Place  
Baltimore, MD 21202  
Attention: Julianne Cozzetto  
Email: jcozzetto@oag.state.md.us

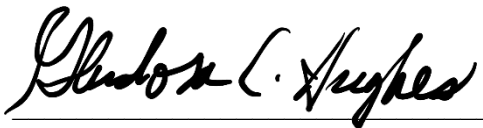
Final Settlement Agreement State of Maryland with Habitat America, LLC and the Commons of Avalon TH, LLLP

April 30, 2025

**AGREED AS TO FORM AND SUBSTANCE:**

	<u>4/30/2025</u>		<u>4/30/25</u>
Rashida Ogletree-George	Date	Jennifer Kapp	Date
Deputy Chief		Partner	
Civil Rights Division		Cruser, Mitchell, Novitz, Sanchez, Gaston	
Office of the Attorney General		& Zimet, LLP	
200 Saint Paul Place		1650 Market Street, Suite 3600	
Baltimore, MD 21202		Philadelphia, PA 19103	
rogletreegeorge@oag.state.md.us		jkapp@cmlawfirm.com	
410-576-7847		570-241-2898	
		Representative for Habitat America, LLC	

	<u>4/30/2025</u>		<u>4/30/25</u>
Julianne Cozzetto	Date	Michael De Troia	Date
Assistant Attorney General		Partner	
Civil Rights Division		McCarthy Wilson LLP	
Office of the Attorney General		2200 Research Blvd, Suite #500	
200 Saint Paul Place		Rockville, MD 20850	
Baltimore, MD 21202		Detroiam@McWilson.com	
jcozzetto@oag.state.md.us		240-238-0528	
410-576-7846		Representative for The Commons of Avalon	
		TH, LLLP	

	<u>4/30/2025</u>
Glendora C. Hughes	Date
General Counsel	
Maryland Commission on Civil Rights	
William Donald Schaefer Tower	
6 St. Paul St., Suite 900	
Baltimore, MD 21202	
glendora.hughes@maryland.gov	
(410) 767-8576	