UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CONCILIATION AGREEMENT

Under

THE FAIR HOUSING ACT

And

SECTION 504 OF THE REHABILITATION ACT OF 1973

And

TITLE II OF THE AMERICANS WITH DISABILITIES ACT OF 1990

Between

Oxford House, Inc. ("Complainant")

And

Chris and Rob Properties, LLC ("Complainant")

And

City of Scranton, Pennsylvania ("Respondent")

Approved by the FHEO Regional Director on behalf of the United States Department of Housing and Urban Development

FHEO CASE NUMBERS 03-15-0035-8, 03-15-0035-4, 03-15-0035-D

A. PARTIES AND SUBJECT PROPERTY

1. The parties to this conciliation agreement are as follows:

   a. Complainants

      Oxford House, Inc.
      1010 Wayne Avenue
      Suite 300
      Silver Spring, MD 20910

      Chris and Rob Properties, LLC
      541 Stout Street
      Stroudsburg, PA 18360

   b. Respondent

      City of Scranton, Pennsylvania
      340 North Washington Avenue
      Scranton, PA 18503

2. Complainant Oxford House, Inc. is a non-profit organization whose purpose is to provide an effective and low cost method of preventing relapse for people recovering from drug and alcohol addiction, in this capacity it facilities a housing option for disabled persons. Complainant Chris and Rob Properties, LLC is a limited liability company that owns and leased the subject property with the specific intent and purpose to operate it as an "Oxford House" location. Rob Sowden, an owner of Chris and Rob Properties, LLC, is affiliated with the Oxford House organization.

3. The Respondent is a municipality that receives federal funds in the form of Community Development Block Grant, Home Investment Partnership, and Emergency Solution Grants.

4. The subject property is located at 1701 Linden Street, Scranton, PA 18503.

B. STATEMENT OF FACTS

1. Complainants filed a complaint on October 21, 2014 the United States Department of Housing and Urban Development ("Department" or "HUD") alleging that they were injured by Respondent's discriminatory acts. Complainants allege that Respondent's

enforcement of Section 373-6(a)(4) of its municipal code, which allows for the immediate condemnation of any rental unit, and therefore displacement of all tenants, upon a finding of any drug activity on the premises, served to constructively evict six disabled residents of their rental unit. Additionally, Complainants allege that they made a request to Respondent to restore the property to operation as an accommodation to the disabled residents of the unit, which Respondent failed to respond to in any manner.

2. Respondent denies having discriminated against Complainants, and admits no liability or wrongdoing of any nature. Respondent admits that activity that it acted to condemn the subject property pursuant to Section 373-6(a)(4) of its municipal code, but asserts that it was not aware of the disability status of the impacted residents, and that had Complainants informed it of the situation, it would have acted to correct it. Additionally, Respondent asserts that it did not perceive Complainants' request to restore the subject property to operation as a reasonable accommodation request and therefore did not fail to respond to such a request. Respondent nevertheless agrees to settle the claims in the underlying action by entering into this Conciliation Agreement.

C. TERM OF AGREEMENT

This Conciliation Agreement (hereinafter "Agreement") shall govern the conduct of the parties to it for a period of three (3) years from the effective date of the Agreement.

D. EFFECTIVE DATE

1. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act, Section 504, and the ADA, unless and until such time as it is approved by the Department, through the Fair Housing and Equal Opportunity ("FHEO") Regional Director or his or her designee.

2. This Agreement shall become effective on the date on which it is approved by the Department's FHEO Regional Director.

E. GENERAL PROVISIONS

1. The parties acknowledge that this Agreement is a voluntary and constitutes a full settlement of the disputed complaint against City of Scranton, Pennsylvania. The parties affirm that they have read and fully understand the terms set forth herein. The

parties agree that they have not been coerced, intimidated, threatened, or in any way forced to become a party to this Agreement.

2. Respondent acknowledges that it has an affirmative duty not to discriminate under the Act and that it is unlawful to retaliate against any person because that person has made a complaint, testified, assisted, or participated in any manner in a proceeding under the Act. Respondent further acknowledges that any subsequent retaliation or discrimination after the effective date of this Agreement constitutes both a material breach of this Agreement and a statutory violation of the Act.

3. This Agreement, after it has been approved by the FHEO Regional Director, is binding upon the Respondent, its employees, heirs, successors and assigns and all parties to this Agreement.

4. Pursuant to Section 810(b)(4) of the Act, this Agreement shall become a public document upon approval of the FHEO Regional Director.

5. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving the Respondent made pursuant to the Act, Section 504, the ADA, or any other complaint within the Department's jurisdiction.

6. No amendment to, modification of, waiver of any provisions of this Agreement shall be effective unless: (a) all signatories or their successors to the Agreement agree in writing to the amendment, modification or waiver; (b) the amendment, modification or waiver is in writing; and (c) the amendment, modification or waiver is approved and signed by the FHEO Regional Director.

7. The parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement, and that the original executed signature pages attached to the body of the Agreement constitute one document.

8. Complainants hereby forever waive, release, and covenant not to sue the Respondent and its heirs, executors, assigns, officers, commissioners, agents, employees and attorneys with regard to any and all claims, damages, and injuries of whatever nature, whether presently known or unknown, arising out of or in any way related to the subject matter of HUD Case Numbers 03-15-0035-8, 03-15-0035-4, and 03-15-0035-D, and the civil action filed in the Middle District of Pennsylvania to Case No. 3:14-cv-1515, or which could have been filed in any action or suit arising from said subject matter.

9. Respondent hereby forever waives, releases, and covenants not to sue the Department or Complainants, their heirs, executors, assigns, successors, agents, officers, employees, and attorneys with regard to any and all claims, damages, and injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Numbers 03-15-0035-8, 03-15-0035-4, and 03-150035-D, or which could have been filed in any action or suit arising from said subject matter.

F. RELIEF FOR COMPLAINANTS

Respondent agrees to take the following actions and, as set forth in this Agreement, will provide the Department with written, signed certification that these requirements have been met:

1. Within ninety (90) days of the effective date of this Agreement, Respondent shall pay the following parties, by certified or cashier's checks in the amount of $30,000, $42,500, and $27,5000, totaling One Hundred Thousand Dollars ($100,000), distributed as follows:

    a. Chris and Rob Properties LLC: $30,000

    b. Oxford House Inc.: $42,500

        i. Of the $42,500 allotted to Oxford House Inc., Fifteen Thousand Dollars ($15,000) of that payment will be kept in a separate escrow account to compensate any of the six (6) impacted residents of the subject property that are identified within the effective timeframe of this agreement. The designated monetary amount per person will not exceed Two Thousand and Five Hundred Dollars ($2,500) the monetary amount will be used exclusively for monthly rent at an Oxford House, Inc. location or other rental property. At the end of the agreement term, any remaining money in the escrow account will be released to Complainant Oxford House, Inc.

        Within forty-five (45) days of issuance of any monetary payments to the aforementioned residents of the subject property, Oxford House Inc. will provide the Department with verification of payment to the individual.

    c. Attorney's Fees: $27,500

G. RELIEF IN THE PUBLIC INTEREST

1. Within thirty (30) days of the effective date of this Agreement, Respondent shall host a meeting with all employees of the Licensing, Inspections & Permits (LIPS) Department, the LIPS Director, the City Solicitor, and the Chief of Police to discuss this Agreement and allow an opportunity for such city officials to have any questions concerning the agreement answered. Respondent will retain a copy in its Municipal Building for the public to view upon request.

2. Within forty-five (45) days of the effective date of this Agreement, Respondent shall submit to the Department for review and approval the name and credentials of the source that Respondent plans to contract to provide training as outlined in Provision G.3 below.

3. Within sixty (60) days of the effective date of this Agreement, Respondent shall submit to the Department for review and approval the training curriculum that the Department's approved instructor will provide. This training must pertain to obligations of city officials under the Fair Housing Act, Affirmatively Furthering Fair Housing (AFFH), Section 504, and the ADA and will be provided to: LIPS Director and LIPS Department Code Enforcement Officers, the City Solicitor, and the Chief of Police. The training shall:

    i. Be at least three (3) hours in length; and
    ii. Have an emphasis on disability discrimination and reasonable accommodations and cultural sensitivity relating to substance abuse/recovery as a disability.

4. Within ninety (90) days of the effective date of this Agreement, Respondent shall have LIPS Director and LIPS Department Code Enforcement Officers, the City Solicitor, and the Chief of Police attend and complete the Department's approved aforementioned training.

5. Within ninety (90) days of hiring/electing/appointing a new LIPS Director, LIPS Department Code Enforcement Officers, City Solicitor, or the Chief of Police, the newly hired/elected/appointed person(s) shall attend and complete the Department's approved aforementioned training.

6. Within ninety (90) days of the effective date of this Agreement, Respondent will submit proposed legislation to Respondent's City Council to amend Section 373-

6(a)(4) of the Scranton Municipal Code in a manner, and with language and formatting mutually agreed upon by the Department and Respondent, that includes a mechanism for identifying and accommodating disabled residents prior to their displacement from any property cited for a violation of the subject ordinance.

7. Within sixty (60) days of the effective date of this Agreement, Respondent shall develop a Reasonable Accommodation policy for identifying and processing all future accommodation requests made to any of its employees or departments. This policy must be consistent with the DOJ/HUD Joint Statement on Reasonable Accommodations and submitted to the Department for review prior to implementation. As part of this policy, Respondent will, in language and formatting mutually agreed upon by the Department and Respondent, provide a mechanism for identifying and accommodating disabled residents prior to their displacement from any property cited for a violation of Section 373-6(a)(4), until it is amended in accordance with Provision G.6 of this agreement. Respondent must also identify a point of contact for monitoring, updating, and facilitating this policy.

8. Within thirty (30) days of the passage of the proposed ordinance amendment as discussed in Provision G.6, and the development of a Reasonable Accommodation Policy pursuant to Provision G.7, respectively, Respondent shall publicize notices of both the ordinance amendment and policy in (1) a local newspaper and (2) its website. Respondent shall provide a copy to the Department of these notices within fifteen (15) days after publication

9. Respondent agrees that the usage of 1701 Linden Street as an Oxford House and all present and future households organized tor recovering substance abusers chartered by Oxford House, Inc. that are located within the City of Scranton, and the residents of these facilities, are entitled to the protections of the Fair Housing Act and amendments thereto. Therefore, Respondent agrees that it will not discriminate against these residents and their facilities because of race, color, religion, sex, familial status handicap or national origin when applying its zoning code, building code, life safety code, BOCA one and two family code, housing code, and other applicable codes and ordinances.

10. Within one (1) year of the effective date of this Agreement and during the term of this Agreement annually, Respondent shall submit to the Department an annual report on reasonable accommodation requests associated with substance abuse received from city residents. The report should include the name of the requester, date of request, nature of request, disposition of request, and date of disposition.

H. MONITORING

1. The Department shall determine compliance with the terms of this Agreement. During the term of the Agreement, the Department may review compliance with this Agreement. As a part of any such review, the Department may examine witnesses and copy pertinent records of Respondent. Respondent agrees to provide its full cooperation in any monitoring review undertaken by the Department to ensure compliance with this Agreement.

2. In the event that Respondent fails to comply in a timely fashion with any of this Agreement without obtaining advance written agreement from the Department, the Department may enforce the terms of this Agreement by any contractual, statutory, or regulatory remedy available.

I. REPORTING AND RECORD KEEPING

1. Within ninety (90) days of the effective date of this Agreement, Respondent shall provide the FHEO Philadelphia office with a photocopy of the check in accordance with Provision F.1 of this Agreement.

2. Within sixty (60) days of the effective date of this Agreement, Respondent shall certify that it has provided a copy of the Agreement to the LIPS Director, LIPS Department employees, City Solicitor, and the Chief of Police, provided an opportunity to answer questions, and retained a copy of the Agreement in its Municipal Building as required by Provision G.1.

3. Within one hundred and twenty (120) days of the effective date of this Agreement, Respondent shall submit certifications of training completion for all participants of the mandatory training outlined in Provisions G.3 and G.4.

4. Within one hundred and twenty (120) days of any new hire who will be required to take the training outlined in Provision G.5., Respondent shall submit certifications of training completed.

5. Within one hundred twenty (120) days of the effective date of amended ordinance pursuant to the requirements of Provision G.6, Respondent shall provide a copy of the amended ordinance, minutes from the city council hearing during which the proposed amendment is discussed, and a written certification to the FHEO Regional Director that it has complied with the requirements of Provision G.6.

6. Within ninety (90) days of the effective date of this Agreement, Respondent shall forward to the Department a copy of its reasonable accommodation policy, including the name of the contact person responsible for monitoring, updating, and facilitating the policy as outlined in Provision G.7.

7. Within fifteen (15) days of the publication of notices, Respondent shall comply with the reporting requirements required by Provision G.8.

8. Within one (1) year of the effective date of this Agreement, and during the term of this Agreement annually, Respondent shall forward to the FHEO Philadelphia office the annual reports specified in Provision G.10.

9. Within one (1) year of the effective date of this Agreement, and during the term of this Agreement annually, Respondent shall report to the FHEO Philadelphia office all complaints of housing discrimination received by Respondent, including the name of the complainant, a summary of the allegations, what steps Respondent took to investigate the claim, and the outcome of the investigation.

10. Respondent shall provide all required documentation of compliance with the provisions of this Agreement to:

    Barbara Delaney
    Philadelphia Center Director
    Office of Fair Housing and Equal Opportunity
    The Wanamaker Building
    100 Penn Square East
    Philadelphia, PA 19107

J. CONSEQUENCES OF BREACH

Whenever the Department has reasonable cause to believe that Respondent has breached this Agreement, the matter may be referred to the Attorney General of the United States, to commence a civil action in the appropriate U.S. District Court, pursuant to §§ 810(c) and 814 (b)(2) of the Act.

K. SIGNATURES

By signing below, the signatories agree that they intend to be legally bound, and represent that they have the authority to execute this Agreement on behalf of the party they are signing for.

J. Paul Mallory
CEO for Oxford House, Inc.

4/15/15
Date

Robert E. Sowden
Rob Sowden for Chris and Rob Properties, LLC

4/15/15
Date

L. SIGNATURES

By signing below, the signatories agree that they intend to be legally bound, and represent that they have the authority to execute this Agreement on behalf of the party they are signing for.

Approved as to Form:

Jason A. Shrive, Esq.
City Solicitor, for City of Scranton, PA

4/22/15
Date

William L. Courtright, Mayor
City of Scranton

4-22-15
Date

Attest:

Lori Reed, City Clerk

04.22.2015
Date

M. APPROVAL

Melody Taylor-Blancher, Director
Philadelphia Regional Office of FHEO
U.S. Department of Housing and Urban Development

April 22, 2015
Date