Landlords who denied ex-convicts settle landmark housing case

The former owners of a rental housing complex in New York City's Queens borough have agreed to pay $1.19 million in a record discrimination case.

The settlement, which Sandcastle Towers Housing Development Fund Corp., Weissman Realty Group and Sarasota Gold reached with social services provider Fortune Society on Tuesday, accused the housing corporation of denying apartments in its 917-unit complex at 7-11 Seagirt Avenue to applicants who had a history of incarceration.

Sand Castle apartment complex | Google Maps

According to a lawsuit filed in 2014 in the U.S. District Court for the Eastern District in Brooklyn, Sand Castle representatives told the agency's staff that tenants with a criminal history could "scare" employees and should be considered a "red flag" to management.

Passed in 1968, the Fair Housing Act makes it illegal to deny people housing based on factors such as race, religion, familial status, sex and disability. While incarceration history is not a protected category, amendments to the law in 2016 made it illegal for landlords to categorically refuse housing based on past incarceration alone.

While the 2014 defendants did not admit liability and no longer control the building, the settlement is one of the largest in history, Fortune Society claims.

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“This settlement fires a warning shot across the bow of any landlord in America who blanketly refuses to rent apartments to people with criminal justice involvement,” JoAnne Page, CEO of the Fortune Society, said in a prepared statement.

Sandcastle Towers did not immediately return Inman’s request for comment.

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