

THE U.S. v. PLAZA CASE - A Synopsis

A broker accompanied a family to see Plaza Mobile Estates, where a home in which they were interested was being offered for sale. The park was an “all-age” park, formerly an “adult only” park. The park changed to “all age” after 1988 when the FHAA was passed. The park did not have facilities or services for children.

The manager explained this when he saw that the buyers had children. The buyers decided to buy elsewhere. The broker, infuriated, filed a HUD complaint, claiming the buyers were subjected to discriminatory treatment because they had children (on the basis of “familial status).” The statements of the manager, they claimed, made them feel unwelcome.

HUD investigated the complaint and eventually proposed settlement for about \$35,000.00. The park owner refused. HUD issued a finding of good cause to prosecute and sent the file to the Department of Justice. In the meantime, the complainants hired attorneys to represent them. DOJ and the attorneys learned the owner held interests in about a dozen other parks. DOJ and the complainants filed their own lawsuit claiming a “pattern and practice” of discrimination in all parks. They sought class action treatment, seeking relief for every family who sought and declined to buy, lived in the park now or in the past. The proposed class amounted to thousands and thousands of class members.

The owners sought insurance coverage for the complaint. The insurers, believing that by simple multiplication, a class judgment would run into tens of millions of dollars, settled the case very early, against the parks who had insurance: for two million dollars.

Still other parks either did not have coverage or were solely owned by one owner who did not believe the claims of the complainants were valid. After millions of dollars spent on pretrial skirmishing--depositions in California, Washington, D.C., and elsewhere, discovery, motions and settlement conferences over the course of about 5 years, the case finally settled. The major breakthrough enabling the case to be settled was the success of the park owner in quashing the class action procedure as to damages. However, the class action was approved for purposes of the rulings on rules and regulations. The court ruled that many of all the rules and regulations used in the parks violated the “familial status” rights of the complainants and all families.

Recently, plaintiffs’ attorneys were awarded their fees and costs in the amount of \$2,000,000.00. The court said the award was justified because the case changed the landscape of fair housing throughout the country.

This case stands as the best example of the reasons why it is important to treat all applicants with respect and dignity, carefully evaluate the rules and regulations, and enforce the rules and regulations in a fair and consistent manner every day.