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3 Housing 2501
4 Housing 2525
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6 IN THE SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

7 OXFORD RESIDENTS COUNCIL,)
8 VERN ZUEHLSORFF, VIRGINIA)
9 PULLIN, CITY OF SEATTLE,)
10 a municipal corporation,)
11)
12 Plaintiffs,)

13 v.)

14 DEEPWATER INVESTMENTS, LLC.,)
15 a Washington limited liability company,)
16 JOHN E. CONNER, WILLIAM M.)
17 CONNER, general partners of Oxford)
18 Associates, OXFORD ASSOCIATES,)
19 a Washington limited partnership,)
20)
21 Defendants.)

NO. 98-2-28244-4 SEA

COMPLAINT FOR
DECLARATORY JUDGMENT
INJUNCTION, AND
DAMAGES

22 The plaintiffs allege as follows:

23 **1. Parties.**

24 1.1 Plaintiff Oxford Residents Council is an unincorporated association of low-
income, disabled, elderly, and minority tenants who reside in the Oxford Apartments located at 1920
First Avenue, Seattle, King County, Washington 98101.

1.2 Plaintiff Vern Zuehlsdorff is a 61 year old, disabled tenant residing in the Oxford
Apartments. He has resided in the Oxford Apartments since 1995.

1 1.3 Plaintiff Virginia Pullen is a 73 year old tenant residing in the Oxford apartments. She
2 has resided in the Oxford Apartments since 1991.

3 1.4 Plaintiff City of Seattle is a municipal corporation chartered under the laws of the state of
4 Washington.

5 1.5 Defendant Deepwater Investments, LLC. is a Washington limited liability company with
6 its principal place of business and registered office located in Seattle, King County, Washington. It is
7 the owner of the Oxford Apartments.

8 1.6 Defendant John E. Conner is a general partner in Oxford Associates, a Washington
9 limited partnership.

10 1.7 Defendant William M. Conner is a general partner in Oxford Associates, a Washington
11 limited partnership.

12 1.8 Defendant Oxford Associates is a Washington limited partnership. It was the owner of
13 the Oxford Apartments immediately prior to April, 1998. Its registered agent and registered office are
14 located in Seattle, King County, Washington.

15 **2. Factual Allegations.**

16 2.1 The Oxford Apartments is a 50 unit multifamily apartment complex located in Seattle,
17 King County, Washington.

18 2.2 Prior to April, 1998, the Oxford Apartments was insured by the United States Department
19 of Housing and Urban Development (HUD) under Section 221(d)(3) of the National Housing Act, 12
20 U.S.C. Sec. 17151(d)(3) and was covered by a regulatory agreement that limited occupancy to low-
21 income tenants and restricted rents that the owner may charge.

1 2.3 The Oxford Apartments receives rental assistance for 43 units through a Housing
2 Assistance Payments Contract with HUD (housing assistance contract) under Section 8 of the United
3 States Housing Act of 1937, 42 U.S.C. Sec. 1437f.

4 2.4 The Oxford Apartments is and was at all times relevant to this action “federally assisted
5 housing” within the meaning of RCW 59.28.

6 2.5 The Oxford Apartments is occupied by low-income tenants who are almost exclusively
7 disabled or elderly and who are disproportionately racial minorities. Because of the admission and
8 occupancy rules and regulations that apply to federally assisted housing, individuals who are eligible to
9 live in the Oxford Apartments are primarily disabled, elderly, or racial minorities.

10 2.6 In or around April, 1998, defendant Oxford Associates sold the Oxford Apartments to
11 defendant Deepwater Investments, LLC.

12 2.7 In or around April, 1998, defendant Deepwater Investments, LLC. prepaid its HUD-
13 insured Section 221(d)(3) loan and terminated its regulatory agreement with HUD.

14 2.8 Defendant Deepwater Investments, LLC. has declared its intention not to renew its
15 Section 8 housing assistance contract that is scheduled to expire on November 30, 1998.

16 2.9 RCW 59.28.040 requires that all owners of federally assisted housing shall, at least
17 twelve months before the prepayment of a mortgage or loan or expiration of a housing assistance
18 contract, serve a written notice of the anticipated prepayment or expiration date on each tenant
19 household residing in the housing, on the Clerk of the City in which the property is located, and on the
20 State Department of Community Trade and Economic Development, by regular and certified mail.

21 2.10 The defendants have not served a written notice of the anticipated prepayment or
22 expiration date for the Oxford Apartments containing the information required by RCW 59.28.040 and
23 RCW 59.28.060 on the tenants residing in the Oxford Apartments, the members of the plaintiff Oxford

1 Residents Council, plaintiffs, Vern Zuehlsdorff or Virginia Pullin, plaintiff City of Seattle, or the State
2 of Washington Department of Community Trade and Economic Development.

3 2.11 RCW 59.28.080 prohibits an owner of federally assisted housing from increasing the rent
4 of a federally assisted housing unit above the amount authorized by the federal assistance program
5 applicable to the project until at least twelve months have elapsed from the date of service of the notice
6 required by RCW 59.28.040.

7 2.12 RCW 59.28.090 prohibits an owner of federally assisted housing from changing the terms
8 of the rental agreement, except as permitted under the existing rental agreement, until at least twelve
9 months have elapsed from the date of service of the notice required by RCW 59.28.040.

10 **3. First Cause of Action - Failure to Comply with RCW 59.28**

11 3.1 The defendants have intentionally or negligently failed to comply with the notice
12 requirements set forth in RCW 59.28.

13 3.2 As a result of the violations of RCW 59.28, any rent increases that defendant Deepwater
14 Investments, LLC. has implemented or intends to implement since April, 1998 violate RCW 59.28.080
15 and are unlawful.

16 3.3 As a result of the violations of RCW 59.28, any changes in the terms and conditions of
17 the rental agreements of the Oxford Apartments tenants since April, 1998, including any increases in
18 tenant obligations and/or any reductions or changes in tenant services, violate RCW 59.28.090 and are
19 unlawful.

20 3.4 As a result of the defendant's prepayment of its HUD-insured loan and failure or refusal
21 to renew its Section 8 housing assistance contract without serving the notices required by RCW 59.28,
22 the plaintiffs and those persons that RCW 59.28 was intended to protect have suffered damages in an
23 amount to be proved at trial.

1 **4. Second Cause of Action - Housing Discrimination**

2 4.1 Plaintiffs Oxford Residents Council, Vern Zuehlsdorff, and Virginia Pullin, reallege
3 paragraphs 1.1 through 2.12.

4 4.2 Defendant Deepwater Investments, LLC.'s prepayment of its HUD-insured loan, its
5 failure or refusal to renew its Section 8 housing assistance contract, and the defendants' failure or refusal
6 to serve the notices required by RCW 59.28 constitute discrimination based on race, handicap, and
7 disability in violation of the Federal Fair Housing Act, 42 U.S.C. Sec. 3601, *et seq.*, Sec. 3604, the
8 Washington State Law Against Discrimination, RCW 49.60.222, and the City of Seattle's Open Housing
9 and Public Accommodations Ordinance, SMC 14.08.010, *et seq.*

10 4.3 The defendants' actions constitute discrimination based on age in violation of the City of
11 Seattle's Open Housing and Public Accommodations Ordinance, SMC 14.08.010, *et seq.*

12 4.4 As a proximate result of the defendants' actions, plaintiffs Oxford Residents Council, its
13 members, Vern Zuehlsdorff, and Virginia Pullin have suffered damages, including damages for
14 humiliation, mental suffering, loss of association, loss of community, and intentional or negligent
15 infliction of emotional distress, in an amount to be proved at trial.

16 **5. Request for Relief.**

17 The plaintiffs Oxford Residents Council, Vern Zuehlsdorff, Virginia Pullin, and the City of
18 Seattle ask the court to grant the following relief:

19 5.1 Declare that the defendants have failed to comply with RCW 59.28;

20 5.2 Enter a permanent injunction requiring that rents at the Oxford Apartments be restored to
21 their previous level as of the date of prepayment in or around April, 1998 and that rents not be increased
22 until at least twelve months after defendant Deepwater Investments, LLC. complies with RCW 59.28;

1 5.3 Enter a permanent injunction requiring that the terms of the rental agreement at the
2 Oxford Apartments, including any tenant services or amenities provided prior to the date of prepayment
3 in or around April, 1998, be restored.

4 5.4 Award any temporary restraining order, temporary injunction, preliminary injunction,
5 order for affirmative action, or other order that may be appropriate;

6 5.5 Award damages and refunds for any violations of RCW 59.28, including any damages for
7 rent overpayments, rental agreement term changes, reductions in services, or lost housing opportunities
8 for applicants in an amount to be proved at trial.

9 5.6 Enter an order requiring renewal or reinstatement of the Section 8 housing assistance
10 contract, rescission of any mortgage or loan prepayment, or other legal or equitable remedies allowed by
11 law.

12 5.7 Award the plaintiffs their costs and reasonable attorney's fees.

13 The plaintiffs Oxford Residents Council, Vern Zuehlsdorff, and Virginia Pullin ask the court to
14 grant the following relief in addition to the relief requested above:

15 5.8 Declare that the defendants' actions violate 42 U.S.C. Sec. 3601, *et seq.*, Sec. 3604, RCW
16 49.60.222, and SMC 14.08;

17 5.9 Award the plaintiffs, their members, and applicants or prospective tenants damages,
18 including damages for humiliation and mental suffering in an amount to be proved at trial;

19 5.10 Award punitive damages pursuant to SMC 14.08.095 and 42 U.S.C. Sec. 3613(c).

