

**UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF ADMINISTRATIVE LAW JUDGES**

The Secretary, United States Department)	HUD OALJ No.:
of Housing and Urban Development, on behalf of)	
John Agria, Mary Agria, Majorie Bayes,)	FHEO No.: 05-17-8636-8;
Donald Duquette, Wesley Hager, Lois Hager,)	05-17-8637-8; 05-17-8638-8;
Robert Holmes, Sara Holmes, Gerald Rees,)	05-17-8639-8; 05-17-8640-8;
Hannah Rees, Lawry Reid, Linda Ferrier-Reid,)	05-17-8641-8; 05-17-8674-8;
Albert Reynolds, Helen Reynolds, Joseph Rupert,)	05-17-8675-8; 05-17-8676-8;
Jennifer Rupert, and Charles Weaver,)	05-17-8677-8
)	
Charging Party,)	
)	
v.)	
)	
The Bay View Association of the United Methodist)	
Church,)	
Respondent.)	
)	

CHARGE OF DISCRIMINATION

I. JURISDICTION

On July 11, 2017, Complainants John Agria, Mary Agria, Donald Duquette, Joseph Rupert and Jennifer Rupert timely filed a verified complaint with the United States Department of Housing and Urban Development (“Department” or “HUD”), alleging that The Bay View Association of the United Methodist Church (“Respondent” or “Association”) violated the Fair Housing Act, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. § 3601, *et seq.* (the “Act”) by prohibiting non-practicing Christians, and members of other non-Christian faiths or beliefs, from becoming members of the Association and from owning dwellings in the Bay View community. Timely complaints were filed by Wesley Hager, Lois Hager, Robert Holmes, Sara Holmes, Albert Reynolds and Helen Reynolds on July 12, 2017; and filed by Majorie Bayes, Gerald Rees, Hannah Rees, Lawry Reid, Linda Ferrier-Reid, and Charles Weaver on July 17, 2017.

The Act authorizes the Secretary of HUD to issue a Charge of Discrimination on behalf of aggrieved persons following an investigation and a determination that reasonable cause exists to believe that a discriminatory housing practice has occurred. 42 U.S.C. § 3610(g)(1) and (2). The Secretary has delegated to the General Counsel, who has retained and re-delegated to the Regional Counsel, the authority to issue such a Charge following a determination of reasonable cause by the Assistant Secretary for Fair Housing and Equal Opportunity or his or her designee. 24 C.F.R. §§ 103.400 and 103.405; 76 Fed. Reg. 42462, 42463, 42465 (July 18, 2011).

By a Determination of Reasonable Cause issued contemporaneously with this Charge of Discrimination, the Regional Director of the Office of Fair Housing and Equal Opportunity for Region V, on behalf of the Assistant Secretary for Fair Housing and Equal Opportunity, has determined that reasonable cause exists to believe that a discriminatory housing practice has occurred and has authorized and directed the Regional Counsel for Region V to issue this Charge. 42 U.S.C. § 3610(g)(2).

II. SUMMARY OF ALLEGATIONS IN SUPPORT OF THIS CHARGE

Based upon HUD's investigation of the allegations contained in the complaints and the Determination of Reasonable Cause, Respondent is charged with violating the Act as follows:

A. LEGAL AUTHORITY

1. It is unlawful to refuse to sell or rent after the making of a *bona fide* offer, or to refuse to negotiate for the sale or rental of, or to otherwise make unavailable or deny, a dwelling to any person because of religion. 42 U.S.C. § 3604(a).
2. It is unlawful to discriminate against any person in the terms, conditions, or privileges of the sale or rental of a dwelling because of religion. 42 U.S.C. § 3604(b).
3. It is unlawful to make, print, or publish, or cause to be made, printed or published any notice, statement, or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on religion, or that indicates an intention to make such preference, limitation, or discrimination. 42 U.S.C. § 3604(c).
4. It is unlawful to coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of her having exercised or enjoyed, or on account of her having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by section 803, 804, 805, or 806 of the Act. 42 U.S.C. § 3617.

B. PARTIES AND THE SUBJECT PROPERTY

5. The subject property ("Bay View community") is a summer resort community located on the Little Traverse Bay in the State of Michigan, Emmet County. The Bay View community neighbors the town of Petoskey. It is comprised of 444 seasonal Victorian cottages, 30 public buildings, a post office, a sail house, a beach and swim area. Prior to August of 2018, it was a Christian Chautauqua community. Under the Michigan law, the Bay View community is afforded state powers to operate as an independent self-governing community with taxation and police powers.
6. Respondent, the Bay View Association of the United Methodist Church is a Domestic Nonprofit Corporation in the State of Michigan. Respondent owns the land on which the Bay View community sits. Respondent leases lots in the Bay View community to members of the Association who own the dwellings that have been built on those lots, including to those Complainants to this Charge that own dwellings.

7. Complainants Donald Duquette, Wesley Hager, Lois Hager, Sara Holmes, Majorie Bayes, Gerald Rees, Hannah Rees, Lawry Reid, and Charles Weaver are leaseholding members of the Association, who own dwellings in the Bay View community, and who were prohibited by the Association's by-laws from freely transferring property to family members or *bona fide* purchasers on the basis of religious beliefs or practices; as such they are "aggrieved persons" as defined by the Act. 42 U.S.C. § 3602(i).
8. Complainants Robert Holmes and Linda Ferrier-Reid are the spouses of leaseholding members of the Association who own dwellings in the Bay View community. Both Robert Holmes and Linda Ferrier-Reid were denied an opportunity for membership in the Association and denied the right to own dwellings in the Bay View community, to own dwellings jointly with their spouses in the Bay View community, or to inherit dwellings from their spouses who owned dwellings in the Bay View community on the basis of their religious beliefs or practices. Robert Holmes and Linda-Ferrier-Reid are "aggrieved persons" as defined by the Act. 42 U.S.C. § 3602(i).
9. Complainants Dr. John Agria, Mary Agria, Albert Reynolds, and Helen Reynolds were owners of dwellings in the Bay View community at the time that their complaints were filed with the Department. The Association's membership by-laws limited the ability of the Agrias and Reynolds to transfer an interest in their dwellings to persons of their choosing because of the religious beliefs or practices of those persons to whom they wished to transfer an interest. Dr. John Agria, Mary Agria, Albert Reynolds, and Helen Reynolds are aggrieved persons as defined by the Act. 42 U.S.C. § 3602(i).
10. Complainants Dr. Joseph Rupert and Jennifer Rupert are a married couple and are Christians. The Ruperts signed a contract to purchase a dwelling in the Bay View community, but Dr. Joseph Rupert's membership application to join the Association was not accepted on the basis of his religious practices concerning church attendance. Dr. Joseph Rupert and Jennifer Rupert are "aggrieved persons" as defined by the Act. 42 U.S.C. § 3602(i).

C. FACTUAL ALLEGATIONS

The Association's Structure, Membership Requirements and Cottage Ownership

11. Respondent was reincorporated in 1890 under the State of Michigan's Summer Resort and Assembly Association Act, Act 39 of 1889, MCLS §. 455.51, *et seq.*
12. Respondent has certain governmental authority and duties under the State of Michigan's Summer Resort and Assembly Association Act.
13. From June of 2016 until August 4, 2018 (hereinafter "the relevant period"), Respondent required prospective leaseholding members of the Association to be of good moral character, be of Christian persuasion, and to provide reference letters from the pastor or designated leader of the church of which s/he is a member or which s/he attends. The qualifications for membership in the Association are codified in the Association's By-laws in Section 1-d.

14. On August 6, 2016, the Association voted on an amendment to the membership by-law (Section 1-d) that would have removed the Christian-persuasion requirement to own a summer cottage in the Bay View community. This amendment to change the membership bylaw did not receive the two-thirds (2/3) vote that was necessary for the passage of the amendment. By way of the vote, the Association affirmed that by-law Section 1-d would continue to require any prospective member prove they are of the Christian persuasion by furnishing a letter of reference from a pastor or designated leader of the church of which he is a member or which he attends.
15. On August 4, 2018, the membership by-law was amended to remove the requirement that a leasehold member be “of Christian persuasion” and the by-law was amended to remove the requirement to provide a letter from “the pastor or designated leader of the church of which the applicant is a member or attends.”
16. Respondent’s By-law Section 1-d now requires that a prospective leaseholding member: “Agrees to respect the principles of the United Methodist Church and preserve the history and values of the Chautauqua movement. Applicants support the Bay View Association Mission:

To be an institution in which Christian values and traditions are central; To enrich the human experience for individuals and families within Bay View and the surrounding community through a seasonal program of religious, educational, cultural and recreational opportunities; to provide a Christian perspective in a changing world”
17. Membership in the Association is required to own property in the Bay View community.
18. Prospective members are required to apply for membership in the Association. The membership committee, or its designee, interviews the candidate for membership and advises whether or not the applicant is qualified. The Board of Trustees, however, is the decisionmaker on membership and either approves or denies an application for a leaseholding membership.
19. Prospective members are required to prove that they qualify by satisfying the requirements in Respondent’s By-law Section 1-d. Once an applicant is approved by the Board of Trustees to become a leaseholding member, that leaseholding member can then acquire an ownership interest in a dwelling (hereinafter “summer cottage”) in the Bay View community.

Christian-Persuasion Requirement

20. In 2016 until August 4, 2018, the relevant period, the qualifications for membership, as set forth in Respondent’s By-law Section 1-d (hereinafter “Christian-persuasion requirement”), stated that an individual may be acceptable for a leaseholding membership if the individual complied, in relevant part, “with the following membership qualifications and requirements:

...

 4. Is of good moral character and will support the Association’s purpose and objectives.

5. Is of Christian persuasion.
6. Provides reference letters attesting to the applicant's fulfillment of the above membership requirements from:
 - i. the pastor or designated leader of the church of which the applicant is a member or attends.
 - ...
 7. Completes a satisfactory interview with the Membership Committee or its designee and receives a favorable vote of the Committee affirming that the applicant is qualified and supports the Association's purpose and objectives."
21. During the relevant period, Respondent's by-laws did not prevent non-practicing Christians and non-Christians from renting in the Bay View community.
22. During the relevant period, Respondent did not prevent non-practicing Christians from visiting or living in summer cottages in the Bay View community. Nor did Respondent prevent non-Christians from visiting or living in summer cottages in the Bay View community. Non-Christians and Non-practicing Christians could not, however, own the summer cottages.
23. During the relevant period, Respondent did not require leaseholding members, including the leaseholding member Complainants, to attest to or prove that they remained of the Christian persuasion, or that they were members of or attended Church, after membership was given to them. Leaseholding membership in the Association is not, and was not, subsequently reviewed by the Association for continued Christian persuasion or Church attendance.
24. Respondent is not controlled, supervised, or operated in conjunction with the United Methodist Church or the United Methodist Church's leadership.
25. Respondent's decisions on membership in the Association are not directed or controlled by the United Methodist Church or the United Methodist Church's leadership.
26. The United Methodist Church did not order the inclusion of the Christian-persuasion requirement in the Respondent's by-laws.
27. The Respondent is not a religious organization under the Act.
28. During the relevant period, applicants for membership that did not satisfy the Christian-persuasion requirement in Respondent's By-law Section 1-d were not eligible for, and were denied, membership in the Association.
29. During the relevant period, applicants for membership that did satisfy the Christian-persuasion requirement were eligible and were offered membership in the Association.
30. Membership in the Association was, and is, required to enter into a land lease with Respondent.

31. To own a summer cottage in the Bay View community a person must be a leaseholding member of the Association and must sign a lease with the Association.
32. Historically, the summer cottages in the Bay View community have all been owned by leaseholding members, with the exception of those few summer cottages that the Association owns on an interim basis.
33. Complainants that are cottage owners in the Bay View community have a lease with the Respondent for the lots on which their summer cottages are situated. The lease term is fifteen years for each of the leases the Complainants have with the Respondent.
34. During the relevant period, Respondent's membership policy, as codified in by-law Section 1-d, limited membership in the Association to those that are of Christian persuasion and who can demonstrate that they regularly attend a Christian church.
35. During the relevant period, Respondent's membership policy, codified in by-law Section 1-d, was enforced by the Board of Trustees and denied membership in the Association to non-Christians.
36. During the relevant period, prospective members that were Christian but that did not attend, or belong to, a church were also denied membership in the Association.
37. During the relevant period, Respondent would not sign a lease with a prospective buyer without that prospective buyer having membership in the Association. During the relevant period, non-Christians and non-practicing Christians were not offered leases to lease Association land because these individuals were not members of the Association.

Complainant's Individual Allegations

38. Complainants Dr. Joseph Rupert and Jennifer Rupert ("the Ruperts"), who are Christians, attempted to buy a summer cottage in the Bay View community. The Ruperts submitted an offer to purchase a summer cottage located at 1885 Maple. The Rupert's offer was accepted. In October of 2015, Dr. Rupert submitted his application for a leaseholding membership in the Association. Complainant Dr. Joseph Rupert's membership application was voted on by the Respondent's Board of Trustees.
39. On June 20, 2016, Respondent sent Dr. Joseph Rupert a letter informing Dr. Rupert that his membership application would not be approved because he did not satisfy the Christian-persuasion requirement. Respondent stated in its letter that his application had not been approved because Dr. Rupert was not a member of, or active in, a church. Respondent told Dr. Rupert that it would keep his application open until April of 2017 so that he could become active in a church.
40. In June of 2016, the Respondent denied Dr. Joseph Rupert the opportunity to become a member of the Association. And the Respondent's decision on Dr. Joseph Rupert's application meant he and his wife were unable to finalize the purchase of the summer cottage at 1885 Maple in

the Bay View community until such time as he became a member, or became active in, a church. The Ruperts did not buy the summer cottage at 1885 Maple.

41. During the relevant period, and before August 6, 2016, membership applicants that were Jewish were denied membership in the Association.
42. During the relevant period, Complainants Gerald Rees and Hannah Rees (“The Reeses”) were owners of a summer cottage and wished to bequeath an interest in their summer cottage to their eldest daughter. Complainants could not transfer an ownership interest in their cottage to their daughter because their daughter is Jewish, and she had been denied membership in the Association for being Jewish (and not satisfying the Association’s by-law Section 1-d). The Reeses understood that any effort to transfer an interest in their summer cottage to their daughter would be futile because the Association’s membership by-law, section 1-d, was in effect and being enforced.
43. Complainants Marjorie Bayes, Donald Duquette, Wesley Hager, Lois Hager, Sara Holmes, Gerald and Hannah Rees, Lawry Reid, and Charles Weaver own summer cottages in the Bay View community. John Agria and Mary Agria owned a summer cottage in the Bay View community.
44. Respondent does not have an ownership interest in the Complainants’ summer cottages.
45. During the relevant period, Complainants John Agria and Mary Agria (“the Agrias”) wanted the ability to transfer or bequeath ownership of their summer cottage in the Bay View community to their daughters. The Association’s Christian-persuasion requirement prevented the Agrias from making that transfer or bequest because the Agrias’ daughters would not satisfy the requirements of the Association’s membership by-law.
46. The Agrias sold their summer cottage in September of 2016. The Agrias suffered injuries related to the sale of their summer cottage. The purchaser of the Agrias’ cottage could not, and did not, obtain mortgage financing from a bank for the purchase because of the Christian-persuasion requirement.
47. Complainants Albert Reynolds and Helen Reynolds (“the Reynolds”) wanted to retain their ownership of their summer cottage in the Bay View community. The Christian-persuasion requirement forced the Reynolds to sell their summer cottage because the by-law provision was inconsistent with their personal Christian faith.
48. Complainants Reynolds were forced to adhere to the Christian-persuasion requirement in the sale. During the relevant period, the purchaser of the Reynolds’ summer cottage did not, and could not, obtain mortgage financing from a bank for the purchase because of the Christian-persuasion requirement. The limited pool of eligible purchasers resulted in a lower sale price for the Reynolds’ summer cottage and injured the Reynolds.
49. During the relevant period, Complainant Marjorie Bayes wished to bequeath her summer cottage in the Bay View community to her sister or to her younger son, grandchildren, or her

daughter-in-law. She was unable to do so because of the requirement that her heirs be practicing Christians.

50. During the relevant period, Complainants Donald Duquette, Wesley Hager, and Lois Hager wanted to bequeath their summer cottage to their children or grandchildren through estate planning. Respondent's Christian-persuasion requirement for membership prevented them from doing so. Complainants Duquette and Hagers could not execute estate planning documents of their choosing because their heirs did not qualify for membership in the Association because their heirs are not members of any church.
51. During the relevant period, Complainant Lawry Reid wished to transfer an ownership interest in his summer cottage to his wife, Linda Ferrier-Reid, but could not do so as his wife would not have met the Respondent's religious membership requirements.
52. During the relevant period, Complainant Lawry Reid's wife, Linda Ferrier-Reid, who is Christian, did not meet the criteria set forth in by-law Section 1-d because she neither regularly attends, nor is a member of, a church. As a non-practicing Christian, Linda Ferrier-Reid's application for a leasehold membership in the Association would not have been accepted in August of 2016.
53. Complainant Sara Holmes is a leaseholding member of the Association and an owner of a summer cottage. Sara Holmes's husband, Robert Holmes, is not a member of the Association.
54. During the relevant period, Complainant Sara Holmes was unable to transfer an ownership interest in the summer cottage to her husband, Robert Holmes. She would also like to bequeath an interest in the summer cottage to her children, but during the relevant period and beyond she was unable to do so because of the Christian-persuasion requirement.
55. Complainant Charles Weaver is a leaseholding member of the Association and an owner of a summer cottage. During the relevant period, Complainant Weaver wanted to bequeath an interest in his summer cottage to each of his two sons but was unable to do so because neither son regularly attends a Christian church.

Membership Responsibility By-law Proposal

56. In years 2017 and 2018, Respondent's Board of Trustees voted on and endorsed a membership responsibility by-law proposal.
57. The membership responsibility by-law was on the Association's ballot in 2017 and 2018. While the membership responsibility by-law received over 50% of the membership's vote, the measure did not pass because it did not receive two-thirds (2/3) of the membership's vote.
58. The proposed membership responsibility by-law, in both the 2017 and 2018 version, made members that filed lawsuits against the Association liable for the costs of defending said litigation if the Association was successful in defending itself in the litigation. The Complainants' allegations of a Fair Housing Act religious violation were known to Respondents at the time this proposed by-law was introduced.

59. In both 2017 and 2018, the proposed membership responsibility by-law was published, and members of the Association advocated for the passage of the by-law with references to the Complainants' efforts to pursue violations of the Fair Housing Act.
60. As a result of Respondents' discriminatory conduct, Complainants suffered actual damages, including, but not limited to, lost housing opportunities, emotional distress, and out-of-pocket expenses.

IV. LEGAL ALLEGATIONS

61. The Association's denial of membership to non-Christians and non-practicing Christians during the relevant period resulted in the denial of a right of homeownership for non-Christians and non-practicing Christians in the Bay View community. During the relevant period, ownership opportunities in the Bay View community were not open to non-Christians or non-practicing Christians because of the Association's Christian-persuasion requirement, in violation of 42 U.S.C. § 3604(a); 24 C.F.R. § 100.70(b).
62. In June of 2016, Respondent denied the Ruperts the opportunity to buy an available dwelling, a summer cottage, in the Bay View community on the basis of religion, in violation of 42 U.S.C. § 3604(a); 24 C.F.R. § 100.50(b)(1); 24 C.F.R. § 100.60(a).
63. During the relevant period, owners of summer cottages in the Bay View community that had spouses and heirs who satisfied the Christian-persuasion requirement in Section 1-d of the Association's by-laws had different and more favorable leaseholding and ownership privileges than Complainant leaseholding homeowners in the Bay View community that did not have spouses and heirs who satisfied the Christian-persuasion requirement because Respondent's bylaws prevented the latter from sharing or transferring an ownership interest in their summer cottages to those spouses, heirs or family members who did not meet the Christian-persuasion requirement, and that difference in treatment on the basis of religious practice and association violates 42 U.S.C. § 3604(b); 24 C.F.R. § 100.50(b)(2).
64. During the relevant period, applicants for membership in the Association that were of the Christian persuasion and could demonstrate active participation at a Church were eligible for leaseholding membership while applicants, including Complainants Rupert, that were Christian but could not demonstrate active participation in a Church were not eligible for a leaseholding membership, and this difference in treatment on the basis of religion violates 42 U.S.C. § 3604(b); 24 C.F.R. § 100.50(b)(2).
65. The Association's denial of membership to non-Christians and non-practicing Christians during the relevant period provided less favorable terms and conditions of housing on the basis of religion where members could own, rent, or reside in the Bay View community, but non-members could rent or reside, but not own dwellings, in the Bay View community, in violation of 42 U.S.C. § 3604(b); 24 C.F.R. § 100.50(b)(2); 24 C.F.R. § 100.65.

66. Respondent's current membership by-law, located at Section 1-d, requires any prospective leaseholding member to agree to respect the principals of the United Methodist Church and support Christian values to obtain a leaseholding membership in the Association and this requirement for membership provides for less favorable terms and conditions of housing on the basis of religion in violation of 42 U.S.C. § 3604(b) and discourages non-Christians from membership, making housing otherwise unavailable, in violation of 42 U.S.C. § 3604(a).
67. Respondent's making, printing, and publishing the membership by-law Section 1-d indicated a preference, limitation and discrimination based on religion in violation of 42 U.S.C. § 3604(c); 24 C.F.R. § 100.50(b)(4); 24 C.F.R. § 100.75.
68. Respondent's making, printing and publishing Section 1-d of the Association's by-laws which indicated a preference for Christians, as the term is defined by Respondents, violated of 42 U.S.C. § 3604(c); 24 C.F.R. § 100.50(b)(4); 24 C.F.R. § 100.75.
69. In 2017 and 2018, Respondent's Board of Trustee's endorsement of the membership responsibility by-law operated to coerce, intimidate, threaten or interfere with the Complainants' exercise of their Fair Housing Act rights in violation of 42 U.S.C. § 3617; 24 C.F.R. § 100.400(b), (c)(2), (c)(5).
70. In 2017 and 2018, Respondent's advocacy for the membership responsibility by-law operated to coerce, intimidate, threaten or interfere with the Complainants' exercise of their Fair Housing Act rights in violation of 42 U.S.C. § 3617; 24 C.F.R. § 100.400(b).

V. CONCLUSION

WHEREFORE, the Secretary of the United States Department of Housing and Urban Development, through the Office of the Regional Counsel, Region V, and pursuant to 42 U.S.C. § 3610(g)(2)(A), hereby charges Respondent with engaging in discriminatory housing practices in violation of 42 U.S.C. § 3604(a), (b) and (c) and 42 U.S.C. § 3617 of the Act, and prays that an order be issued that:

71. Declares that the discriminatory housing practices of Respondent, as set forth above, violate the Act, 42 U.S.C. § 3601, *et seq.*, and its implementing regulations;
72. Enjoins Respondent, its agents, employees, and successors, and all other persons in active concert or participation with Respondent, from discriminating against any person in any aspect of the sale or rental of a dwelling in violation of the Act, specifically on the basis of religion, pursuant to 42 U.S.C. § 3612(g)(3);
73. Requires Respondent and its agents and employees to attend, at Respondent's expense, training that addresses the Fair Housing Act's prohibitions against religious discrimination;
74. Awards such damages pursuant to 42 U.S.C. § 3612(g)(3) as will fully compensate all Complainants for damages caused by Respondent's discriminatory conduct;

75. Award a civil penalty against Respondent for each violation of the Act, pursuant to 42 U.S.C. § 3612(g)(3) and 24 C.F.R. § 180.671; and

76. Award such additional relief as may be appropriate under 42 U.S.C. § 3612(g)(3).

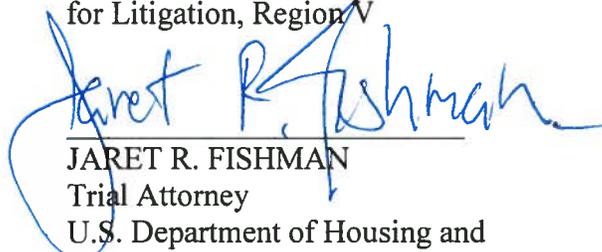
Respectfully submitted on this 21st day of February 2019



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