

CITY OF PHILADELPHIA  
COMMISSION ON HUMAN RELATIONS

HOUSING EQUALITY CENTER OF  
PENNSYLVANIA,

Complainant,

v.

PRO-MANAGED LLC, REVO CAPITAL  
PARTNERS LLC, REVO CAPITAL  
PARTNERS II LLC, REVO CAPITAL  
PARTNERS III LLC, REVO CAPITAL  
PARTNERS IV LLC, REVO CAPITAL  
PARTNERS V LLC, Gary Rilling and  
William Smith,

Respondents

PCHR CHARGE NO.

**COMPLAINT**

Housing Equality Center of Pennsylvania brings this complaint against Respondents for refusing to accept Housing Choice Vouchers at many of their rental properties in violation of the Philadelphia Fair Practices Ordinance, which prohibits housing discrimination based on source of income. Phila. Code § 9-1100, et. seq.

**PARTIES**

1. Complainant Housing Equality Center of Pennsylvania (“HEC”) is the nation’s oldest fair housing council. HEC is a nonprofit organization incorporated in Pennsylvania, with its principal place of business located at P.O. Box 558, Fort Washington, Pennsylvania 19034. HEC serves Philadelphia and the surrounding counties of Bucks, Chester, Delaware, Lehigh, Montgomery and Northampton. Its mission is to ensure individuals’ equal access to housing and

to provide programs in furtherance of this cause, including but not limited through training and testing investigations, education, consulting and counseling.

2. Respondent Pro-Managed LLC is a Pennsylvania limited liability company with a registered address at 1248 William Penn Drive, Bensalem, PA 19020. Upon information and belief, Pro-Managed owns and operates over 77 properties in Philadelphia, with multiple rental units in most or some of these properties.

3. Respondent Revo Capital Partners LLC is a Pennsylvania limited liable company with a registered address at 1248 William Penn Drive, Bensalem, PA 19020. Respondent Revo Capital Partners LLC is the deed-holder of some of the properties within Pro-Managed's portfolio. Upon information and belief, Revo Capital Partners LLC is a wholly owned subsidiary of Respondent Pro-Managed, LLC or otherwise co-owned by the same owner as Pro-Managed LLC (Respondent William Smith).

4. Respondent Revo Capital Partners II LLC is a Pennsylvania limited liable company with a registered address at 1248 William Penn Drive, Bensalem, PA 19020. Respondent Revo Capital Partners II LLC is the deed-holder of some of the properties within Pro-Managed's portfolio. Upon information and belief, Revo Capital Partners II LLC is a wholly owned subsidiary of Respondent Pro-Managed LLC or otherwise co-owned by the same owner as Pro-Managed LLC (Respondent William Smith).

5. Respondent Revo Capital Partners III LLC is a Pennsylvania limited liable company with a registered address at 1248 William Penn Drive, Bensalem, PA 19020. Respondent Revo Capital Partners III LLC is the deed-holder of some of the properties within Pro-Managed's portfolio. Upon information and belief, Revo Capital Partners III LLC is a

wholly owned subsidiary of Respondent Pro-Managed LLC or otherwise co-owned by the same owner as Pro-Managed LLC (Respondent William Smith).

6. Respondent Revo Capital Partners IV LLC is a Pennsylvania limited liability company with a registered address at 1248 William Penn Drive, Bensalem, PA 19020.

Respondent Revo Capital Partners IV LLC is the deed-holder of some of the properties within Pro-Managed's portfolio. Upon information and belief, Revo Capital Partners IV LLC is a wholly owned subsidiary of Respondent Pro-Managed LLC or otherwise co-owned by the same owner as Pro-Managed LLC (Respondent William Smith).

7. Respondent Revo Capital Partners V LLC is a Pennsylvania limited liability company with a registered address at 1248 William Penn Drive, Bensalem, PA 19020.

Respondent Revo Capital Partners V LLC is the deed-holder of some of the properties within Pro-Managed's portfolio. Upon information and belief, Revo Capital Partners V LLC is a wholly owned subsidiary of Respondent Pro-Managed LLC or otherwise co-owned by the same owner as Pro-Managed LLC (Respondent William Smith).

8. Respondent William "Bill" Smith is the Founder and Chief Operating Officer of Pro-Managed who conducts business in Philadelphia. William Smith also is the individual deed-holder on some of the properties within Pro-Managed's portfolio.

9. Respondent Gary Rilling, together with Respondent William Smith or on his own, conducts business in Philadelphia and is the individual deed-holder on some of the properties within Pro-Managed's portfolio.

10. Upon information and belief, Respondents Revo Capital Partners LLC, Revo Capital Partners II LLC, Revo Capital Partners III LLC, Revo Capital Partners IV LLC, and Revo Capital Partners V LLC all conduct business related to the ownership and management of

Pro-Managed and its property portfolio, as well as its founder and Chief Operating Officer Respondent William Smith, and Respondent Gary Rilling. Notably, all Respondent corporate entities share the business address 1248 William Penn Drive, Bensalem, Pennsylvania 19020.

11. All Respondents are jointly and severally liable for the unlawful acts alleged herein.

### **JURISDICTION**

12. The conduct alleged herein took place within Philadelphia.

13. Respondents are “owners” as defined by the Philadelphia Fair Practices Ordinance, Phila. Code § 9-1102.

14. Respondents’ unlawful practice occurred within 300 days of the filing of this Complaint.

15. HEC has not filed a complaint alleging violations of the Fair Practices Ordinance based on the actions described herein with the Pennsylvania Human Relations Commission.

### **FACTS**

#### **Overview of Affordable Housing and the Housing Choice Voucher Program in Philadelphia**

16. The City of Philadelphia (“Philadelphia”) has an affordable housing crisis. 54% of Philadelphia’s renters are cost-burdened meaning they pay at least 30% of their income on housing costs.<sup>1</sup> The problem is most acute for low-income renters who earn below \$30,000 per year. 88% of them are cost-burdened, with 68% severely cost-burdened, meaning they spend at least 50% of their income on housing.<sup>2</sup>

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<sup>1</sup> <https://www.pewtrusts.org/en/research-and-analysis/articles/2020/10/26/how-philadelphia-can-address-its-affordable-housing-shortage>

<sup>2</sup> *Id.*

17. The Housing Choice Voucher Program (“Housing Choice Voucher” or the “Voucher Program”), often referred to as “Section 8,” is the federal government’s major program for providing financial assistance to low-income families to enable them to afford decent, safe and sanitary housing in the private rental market. In Philadelphia, the program serves approximately 20,000 families.

18. To qualify for the Voucher Program, participants must earn under 50% of the area median income, but the vast majority of Housing Choice Voucher holders earn far less; in Philadelphia, about 70% of Housing Choice Voucher-holders earn under \$20,000 per year.<sup>3</sup>

19. The Voucher Program works by subsidizing a portion of these households’ rent so that they can afford safe, decent housing in a neighborhood of their choice. The typical Philadelphia Housing Choice Voucher holder pays about 30% of their monthly income towards rent. The Philadelphia Housing Authority pays the remainder directly to the landlord. As long as the housing meets the program requirements, participants are free to choose any available rental unit on the market. Because of the price of housing in Philadelphia, in practical terms, the typical Philadelphia Housing Choice Voucher holder who earns under \$20,000 per year is foreclosed from renting in almost all neighborhoods and faces a substantial risk of homelessness without the assistance of the Voucher Program or another housing subsidy.

20. Respondents and their agents refuse to rent to Housing Choice Voucher holders at many of their properties. Their refusal to accept Housing Choice Vouchers exacerbates the affordable housing shortage by reducing available housing otherwise eligible under the Voucher Program.

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<sup>3</sup> See HUD OFFICE OF POLICY DEVELOPMENT AND RESEARCH DATABASE, DATASET: PICTURE OF SUBSIDIZED HOUSING, <https://www.huduser.gov/portal/datasets/assthsg.html> (last accessed Aug. 23, 2022).

21. Respondents' conduct is also a direct violation of the Fair Practices Ordinance, which prohibits discrimination on the basis of "source of income," defined as "any lawful source of income, and shall include, but not be limited to...**all forms of public assistance, including Temporary Assistance for Needy Families; and housing assistance programs**" such as Housing Choice Vouchers. *Id.* at § 9-1102(cc) (emphasis added).<sup>4</sup>

### **Respondents' Policy and Practice of Refusing to Rent to Housing Choice Voucher Program Participants**

22. Upon information and belief, based upon advertisements for available and "coming soon" properties listed on Pro-Managed's website, as well as publicly available data on City websites, Respondents own and operate at least 77 properties throughout Philadelphia.<sup>5</sup>

23. Respondents' properties are largely concentrated in Northeast Philadelphia (the "Northeast Properties").

24. Respondents also have a smaller portfolio of properties that they own and operate in the residential neighborhood of Southwest Philadelphia (the "Southwest Properties").

25. The Pro-Managed website contains a page of available properties where prospective tenants can search for active and "coming soon" listings.<sup>6</sup> Each listing contains information such as the exact address of the unit, the monthly rental price, a brief description of

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<sup>4</sup> The section regarding discrimination in the residential housing market is entitled "Unlawful Housing and Real Property Practices" and states in relevant part that:

It shall be an unlawful housing and real property practice to deny or interfere with the housing accommodation...of an individual or otherwise discriminate based on his or her race, ethnicity, color, sex, sexual orientation, gender identity, religion, national origin, ancestry, disability, marital status, age, **source of income**, familial status, or domestic or sexual violence victim status, including, but not limited to...For the owner or any other person having the **right to sell, rent, lease, or approve the sale, rental or lease of any housing accommodation, commercial property or other real property to refuse to sell, rent, or lease or otherwise discriminate in the terms**, conditions, or privileges of the sale, rental, or lease of any housing accommodation, commercial property or other real property or in the furnishing of facilities or services in connection therewith. *Id.* at § 9-1108(a)(1) (emphasis added).

<sup>5</sup> Upon information and belief, Respondents also own and operate rental properties in the Philadelphia surrounding counties.

<sup>6</sup> PROMANAGED.US, *Available Properties*, <http://tour.promanaged.us/schedule/> (last visited Aug. 26, 2022).

the layout of the property, amenities and contact information for how to schedule a tour of the property and amenities.

26. Since at least July 2020, for some properties, the listings unequivocally and unlawfully advertise “no Section 8.” Northeast Properties contain the vast majority of the “no Section 8” listings.

27. HEC testing confirmed Respondents’ refusal to accept Housing Choice Vouchers in its Northeast Properties. In 2021, HEC commenced an investigation to see whether Respondents’ refused to rent to Housing Choice Voucher holders as advertised.

28. Between May 2021 and December 2021, HEC conducted tests of Pro-Managed listings in Philadelphia that stated “no Section 8” in their advertisements. Testers inquired about the availability of housing and whether Housing Choice Vouchers would be accepted. HEC coordinated the tests and provided a common set of instructions to the testers.

29. HEC employed and trained each of the experienced testers involved in this investigation. In each test, the tester posed as a prospective renter of an available unit advertised on Pro-Managed’s website. HEC provided testers with a profile that included their employment, income and whether they planned to use a Housing Choice Voucher as a source of rental payment. The testing revealed a discriminatory pattern and practice by Respondents of not accepting Housing Choice Vouchers; in each case where the renter planned to use a Housing Choice Voucher, they were told that the landlord would not accept the voucher. All of the advertised rents for the units were below the payment standard for the tester’s Housing Choice Voucher so that the prospective tenant would be able to afford the advertised rent.

30. From May to June of 2021, two testers contacted Pro-Managed seeking information about a Northeast rental opportunity located at 7218 Marsden Street, Philadelphia,

PA 19135. The first tester, who did not maintain a Housing Choice Voucher, left a voicemail seeking information about the unit. This tester then exchanged a number of text messages with Pro-Managed and received information about the apartment and how to apply. The second tester, who maintained a Housing Choice Voucher, left a voicemail seeking information about the property and received a text message back that the property was available. This tester responded on May 27, 2021, “Ok thank you. [*sic*] I receive rental assistance through a section 8 voucher monthly. [*sic*] Do you accept that?” Pro-Managed or their authorized agent responded on the same day, “Hey. Unfortunately we do not accept section 8 for this property. I do wish you the best of luck [*sic*] with your search.” The second tester responded right away, “Thank you. Are there any other properties available that would accept a section 8 Housing Choice Voucher?” to which Pro-Managed replied, “At this time, we do not have any properties that do accept section 8 unfortunately.”

31. In August 2021 two testers contacted Pro-Managed seeking information in a test of a Northeast rental opportunity located at 7019 Charles Street, Unit 2, Philadelphia, PA 19135. The first tester, who maintained a Housing Choice Voucher, had a telephone conversation with “Bill” from Pro-Managed.<sup>7</sup> After receiving monthly income requirement information from Bill, the tester revealed that he had a Housing Choice Voucher and asked whether Pro-Managed would accept this form of income. Bill responded that this property does not accept Section 8 at this time and the call ended. The second tester, who also maintained a Housing Choice Voucher, left four voicemails for Pro-Managed over the course of seven days, none of which were returned with a call or text message. The last two calls included that the tester maintained a Housing Choice Voucher.

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<sup>7</sup> Upon information and belief, “Bill” is Respondent William Smith.



32. In December 2021 two testers contacted Pro-Managed seeking information about a Northeast rental opportunity located at 4801-5 Longshore Avenue, Unit C, Philadelphia, PA 19135. The first tester, who maintained a Housing Choice Voucher, called Pro-Managed on December 3, 2021, and spoke with “Bill.” After receiving information about the unit and how to apply, the tester asked whether a Section 8 voucher would be accepted. Bill responded no, that the only property that accepts Section 8 is in Ridley Park, Pennsylvania. The second tester, who also maintained a Housing Choice Voucher, called Pro-Managed two times and left voicemail messages stating that the tester wanted to speak with an agent about the apartment. Pro-Managed did not call the tester back.

**HEC Experienced Harm because Complainant Diverted Resources and Respondents Frustrated Its Mission**

33. Pursuant to the Fair Practices Ordinance “[a]ny person claiming to be aggrieved by an unlawful ...housing and real property practice may make, sign and file with the Commission a verified complaint.” Phila. Code § 9-1112 (1). And the Ordinance defines “person” as “an individual, partnership, corporation, or association.” Phila. Code § 9-1102(1)(u)

34. In addition, the Supreme Court has held that fair housing organizations such as Complainant HEC have standing to bring housing discrimination claims when they can show a “concrete and demonstrable injury to the organization’s activities – with the consequent drain on the organization’s resources – constitut[ing] far more than simply a setback to the organization’s abstract social interests.” *Havens Realty Corp. v. Coleman*, 455 U.S. 363, 379 (1982).

35. Respondents’ discriminatory and unlawful practices have frustrated and continue to frustrate HEC’s mission to advance fair and equal access to housing opportunities for all Pennsylvanians. In connection with its mission, HEC conducts education and provides consulting services so that both consumers and housing providers understand their rights and

obligations under local, state and federal fair housing laws. HEC also has a grant from HUD to conduct fair housing education, outreach and testing.

36. Respondents' policy and practice of not accepting Housing Choice Vouchers raises issues central to HEC's goals of furthering fair housing and racially integrated communities and ensuring compliance with housing laws. Phila. Code § 9-1100 *et seq.*

37. Prior to filing this complaint, for over the last year, HEC has diverted precious resources to this investigation and counteracting Respondents' refusal to accept Housing Choice Vouchers. HEC's mission is frustrated by Respondents' policies and practices as alleged herein because they violate fair housing laws and because landlords who refuse to accept housing subsidies reduce opportunities for safe and affordable housing for low-income individuals and deny them access to fair and equal housing.

38. HEC has devoted and continues to devote staffing, time and other resources to investigate Respondents' discriminatory conduct.

39. To address and counteract Respondents' discriminatory conduct, prior to filing this action HEC engaged in community education to teach about the issues revealed in the course of HEC's testing investigation, including but not limited to:

- a. HEC offers publications for consumers and landlords to raise awareness about their rights and obligations under the law. In October 2021, HEC incorporated source of income discrimination content in its landlord compliance manual, which will also be available on HEC's forthcoming landlord compliance website.
- b. In addition to housing discrimination information in the compliance manual, starting May 20, 2022 HEC invested money in Facebook advertisements to engage in a public education campaign about source of income discrimination. The

advertisement ran for two weeks during which time approximately 2300 unique viewers engaged with the anti-discrimination content.

- c. To prepare for the possibility that the Facebook advertisement would prompt new consumer complaints about the kinds of discriminatory behavior revealed by the testing investigation, HEC invested resources to prepare staff to handle these kinds of calls and other communications.
- d. In August 2022, HEC continued its efforts aimed at community education by drafting a new educational fact sheet about source of income discrimination in housing. This fact sheet has been posted on HEC's website, will be disseminated electronically via email, social media, and newsletter, and print copies have been ordered for distribution to social service agencies serving low and moderate income clients in Philadelphia. HEC has also offered this fact sheet to the Philadelphia Office of Community Empowerment & Opportunity.
- e. In September 2022, HEC's Outreach Coordinator attended a meeting with the West Philadelphia Promise Zone Housing Committee and discussed source of income discrimination in housing as a persistent barrier to renters in Philadelphia. HEC offered its educational resources to their partner organizations.

40. Each of these activities diverted scarce organizational resources in the form of time and financial expenditures, including: the time, cost and staff hours associated with drafting and distributing the landlord compliance manual; the time, cost and staff hours associated with drafting, disseminating, and preparing internal procedures to respond to public education campaign about housing discrimination; and the time, cost and staff hours associated with drafting, submitting and eventually disseminating the fact sheet.

## **SOURCE OF INCOME DISCRIMINATION**

41. The Philadelphia Fair Practices Ordinance prohibits housing discrimination—including refusals to rent, interference with housing opportunities, and discriminatory policies and statements—based on “source of income,” which “shall include any lawful source of income, and shall include, but not be limited to . . . housing assistance programs.” Phila. Code §§ 9-1102(cc) & 9-1108.

42. Respondents’ discrimination based on source of income is clearly demonstrated by the plain language of their rental advertisements rejecting House Choice Vouchers and the treatment, outlined above, of HEC testers posing as prospective renters. By categorically denying the opportunity to rent units to prospective renters with Housing Choice Vouchers, Respondents are discriminating on the basis of renters’ source of income, in spite of the Ordinance’s clear prohibition on source of income discrimination. Phila. Code § 9-1108(1). The result is that Respondents established, announced, and followed a discriminatory policy of denying or limiting the opportunities of Housing Choice Voucher holders to rent Respondents’ property. Phila. Code § 9-1108(1)(f).

43. Respondents made written statements directly expressing a limitation, specification or other discrimination or the intent to make such a limitation, specification or other discrimination against Housing Choice Voucher holders. Phila. Code § 9-1108(1)(c).

44. HEC authorizes the PCHR to investigate the discrimination described herein and requests compensatory damages, punitive damages, attorney's fees and costs, injunctive relief that requires Respondents to correct and prevent the unlawful conduct described herein, at all properties that they own and/or manage, and any other relief the Commission deems just and equitable.

Dated: September 27, 2022

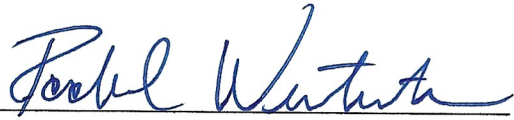
/s/ Mary M. McKenzie  
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## VERIFICATION

I, Rachel Wentworth, Executive Director of the Housing Equality Center of Pennsylvania, declare under penalty of perjury that all of the information that I have provided in this Complaint is true, correct, and complete to the best of my knowledge. I acknowledge that false statements on this form are punishable under state law, 18 Pa. C.S. § 4904 (unsworn falsification to authorities).

A handwritten signature in blue ink, reading "Rachel Wentworth", is written over a horizontal line.

RACHEL WENTWORTH  
Executive Director  
Housing Equality Center of Pennsylvania  
PO Box 558  
Fort Washington, PA 19034

Dated: September 26, 2022