IN THE SUPERIOR COURT OF THE STATE OF DELAWARE

CHRISTIAN GRACE LLC d/b/a Christian Grace Recovery Housing, Plaintiff, v. KATHY JENNINGS, in her official capacity as Attorney General of the State of Delaware, and Col. WILLIAM D. CROTTY, in his official capacity as Superintendent of the Delaware State Police, Defendants.	)	C.A. No.: S26C-06-015 RHR

Submitted: August 24, 2026
Decided: November 23, 2026

MEMORANDUM OPINION

Upon Consideration of Defendants Kathy Jennings and Col. William D. Crotty's Motion to Dismiss,
GRANTED,

Paul G. Enterline, Esq., Georgetown, Delaware, *Attorney for Plaintiff Christian Grace LLC d/b/a Christian Grace Recovery Housing*.

Jennifer Kate Aaronson, Esq. and Joseph C. Handlon, Esq., Deputy Attorneys General, Department of Justice, Wilmington, Delaware, *Attorneys for Defendants Kathy Jennings in her official capacity as Attorney General of the State of Delaware, and Col. Williams D. Crotty in his official capacity as Superintendent of the Delaware State Police.*

Robinson, J.

Plaintiff Christian Grace, LLC d/b/a Christian Grace Recovery Housing ("CGRH") operates nine peer-recovery homes in Sussex County. CGRH's complaint seeks a declaratory judgment, along with costs and fees of litigation, "to confirm the inapplicability" of the Residential Landlord-Tenant Code ("Landlord-Tenant Code") to CGRH's uncertified peer-recovery homes.[1] CGRH brings this action against Defendants, Kathy Jennings, in her official capacity as Attorney General of the State of Delaware ("Jennings"), and Col. William D. Crotty, in his official capacity as Superintendent of the Delaware State Police ("Crotty", collectively "Defendants"). Before the court is Defendants' motion to dismiss under Rule 12(b)(6) for failure to state a claim upon which relief can be granted.[2] Because CGRH lacks standing, the court grants the motion to dismiss.

FACTUAL AND PROCEDURAL BACKGROUND

In 2023 the General Assembly passed HB 114 to regulate Delaware recovery homes.[3] The effects of HB 114 and its amendments to the Landlord-Tenant Code are central to the issues before the court. Pursuant to HB 114's direction to institute a voluntary certification process for Delaware recovery homes, the Delaware Division

[1] D.I. 1, Compl. ¶ 1. Defendants claim the Residential Landlord-Tenant Code ("Landlord-Tenant Code") supports Delaware State Police ("DSP") discretion to decline arrest of purported trespassers from CGRH uncertified peer-recovery homes. Conversely, CGRH claims that 25 *Del. C.* § 5102(1) explicitly precludes the protections from 25 *Del. C.* § 51, 53-57 of the Landlord-Tenant Code from applying to residents of CGRH's uncertified peer-recovery homes.
[2] D.I. 10, Defs.' Mot. Dismiss.
[3] H.B. 114, 152nd Gen. Assem. (Del. 2023) (amending Titles 16 and 25 of the Delaware Code).

of Substance Abuse and Mental Health contracted with the National Alliance of Recovery Residences and established the First State Alliance of Recovery Residences to provide certification for those recovery homes that voluntarily meet certain standards and procedures.[4] HB 114 amended 25 *Del. C* § 5102 ("Section 5102"), which lists certain types of rental relationships that are excluded from the Landlord-Tenant Code.[5] Section 5102 explicitly provides that the Landlord-Tenant Code does not apply to the admission agreements of recovery homes that elect certification.[6] Notably, Section 5102 also provides that the Landlord-Tenant Code does not apply to similar arrangements at institutions where "residence is merely incidental to detention or the provision of medical, geriatric, educational, counseling, religious or similar services . . . ."[7]

CGRH has not pursued certification for its peer-recovery homes.[8] CGRH admits residents to its peer-recovery homes via voluntary application or court order.[9] Every CGRH resident enters into a residency agreement with CGRH.[10] The

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[4] HB 114 (Del. 2023) (amending 16 *Del. C.* § 2202A).
[5] *Id.* (amending 25 *Del. C.* § 5102 by adding a sixth category to the Landlord-Tenant Codes' exclusions list); *see also* 16 *Del. C.* § 2201A ("'[c]ertified recovery house' means a recovery home certified by the certifying organization.")
[6] 25 *Del. C.* § 5102.
[7] *Id.*
[8] D.I. 1, Compl. ¶ 2.
[9] *Id.* ¶ 7.
[10] D.I. 3, Am. Ex. A, Rules & Terms of Residency 2026; *see* D.I. 1, Ex. A. (CGRH originally filed the 2026 residency agreement with a clause stating "[c]ertified recovery house admission agreements are expressly excluded from the Residential Landlord-Tenant Code. . . ." CGRH filed an amended 2026 residency agreement that omitted this clause).

residency agreement states that residency "does not create landlord-tenant rights. . . ."[11] The residency agreement also states, "[p]olice will not enforce this as a lease or contract," instead "[e]nforcement is limited to criminal trespass if a dismissed resident refuses to vacate after notice."[12]

CGRH brings this action after a recent incident where it tried to evict a resident from one of its houses through the Justice of the Peace Court using the Landlord-Tenant Code. The Justice of the Peace Court dismissed CGRH's action because the case was "not a landlord-tenant action" and advised CGRH to "report [the] matter to the police."[13] The court noted that the action appeared to be for criminal trespass.[14] But, CGRH claims that certain police jurisdictions—including in some towns and Delaware State Police ("DSP") troops, but not other towns and DSP troops—refuse to use their arrest powers because they believe the evictions are controlled by the Landlord-Tenant Code, leaving CGRH with no legal recourse to remove a resident who violates its rules.[15]

CGRH's complaint seeks the following declaratory judgments: (1) 25 *Del. C.* § 51, 53-57 of Landlord-Tenant Code does not apply to uncertified Level 1 peer-run

[11] D.I. 3, Am. Ex. A at 1.
[12] *Id.* at 1.
[13] D.I. 11, Ex. E (dismissing CGRH's action in the Justice of the Peace Court, which was filed after CGRH initiated the present case, to evict residents who had violated their residency agreements, in part, by physically fighting); D.I. 11, Ex. D.
[14] D.I. 11, Ex. E
[15] D.I. 11, Pl.'s Reply Br. Opp'n Mot. Dismiss at 2.

recovery homes under 25 *Del. C.* § 5102(1); (2) Defendants' interpretation and application of the 2023 amendment, including as related to 25 *Del. C.* § 5102, unlawfully imposes landlord-tenant protections on uncertified Level 1 homes and impermissibly restricts police trespass enforcement; (3) Defendants' interpretation and application violate the Fair Housing Act, 42 U.S.C. § 3604(f); (4) Defendants' interpretation and application of the Landlord-Tenant Code violates First Amendment Rights of CGRH residents not to associate with others who violate house rules of sobriety or violate other rule necessary for the health and safety of the residents; (5) Defendants are equitably estopped from treating residents of CGRH homes in Troop 7's area, or elsewhere, as having landlord-tenant status.[16]

Before the court is Defendants' motion to dismiss the complaint under Rule 12(b)(6) for failure to state a claim upon which relief can be granted (the "motion").[17]

THE PARTIES' CONTENTIONS

A. Defendants' Claims.

Defendants present a threshold argument that because CGRH fails to present an actual controversy, the action must be dismissed for lack of standing.[18] Defendants assert that CGRH fails to meet its burden to show standing because CGRH failed to demonstrate a concrete and actual injury and a causal link to

[16] D.I. 1, Pl.'s Compl. ¶ 32, E., 1-5.
[17] D.I. 10, Defs.' Mot. to Dismiss.
[18] *Id.* at 14.

Defendants' complained-of conduct. Although standing must be supported by well-pled facts, not mere legal conclusions, Defendants argue CGRH employs a "'shotgun approach' to pleading—firing a rapid succession of sweeping policy grievances . . . while failing to allege a single, distinct harm to its own entity or economic interests."[19] Defendants assert CGRH conflates the doctrines of organizational standing—where an entity is injured directly—with third-party standing—where an entity is injured vicariously via injury to a member. Defendants assert CGRH fails to prove the elements of either individual or third-party standing. Defendants claim the complaint is "devoid of any facts demonstrating that [CGRH] itself suffered distinct harm, economic or otherwise, stemming from law enforcement's refusal to arrest purported trespassers."[20] Defendants argue CGRH is a commercial landlord that surrendered any privacy interest or right to exclude others when it leased the premises to residents. Thus, CGRH lacks a concrete and actual injury for individual standing to challenge government interference with activities that occur on its premises. Moreover, a commercial landlord cannot vicariously assert the rights of its residents.[21] Defendants assert CGRH lacks third-party standing because CGRH "fails to establish that its residents qualify as 'members' under any recognized Delaware associational framework [and] fails to identify any specific

[19] *Id.* at 14.
[20] D.I. 12, Defs.' Reply Br. Supp. Mot. Dismiss at 17.
[21] D.I. 10, Defs.' Opening Br. Supp. Mot. Dismiss at 14.

resident who possesses independent standing."[22] Defendants argue the very inaction by the DSP that CGRH complains of demonstrates that DSP did not interfere with tenant's right to possession. Although organizations can, under certain circumstances, bring claims on behalf of their members, this framework does not permit a commercial party to vicariously assert the personal rights of its tenants. Defendants assert the complaint "ignores this boundary entirely, treating the individual rights of its residents as company assets."[23] Defendants assert this bar also applies to CGRH's constitutional and statutory claims which also require proof of a particularized injury. "Any rare instance where a landlord might establish standing under the First Amendment, the [Fair Housing Act ("FHA")], or the [Americans with Disabilities Act ("ADA")] must be anchored to the landlord's own distinct injury—such as a discriminatory municipal ordinance that directly reduces property values or devalue rental income."[24] Instead CGRH tries to establish standing by proxy. Defendants also argue that CGRH fails to demonstrate a concrete and actual injury, fails to establish a causal relationship between its grievances and Defendants' statutory interpretation, relies on conclusory allegations, and fails to identify a distinct, nonspeculative injury to CGRH. Because CGRH's grievances are

[22] D.I. 12, Defs.' Reply Br. Supp. Mot. Dismiss at 7.
[23] D.I. 10, Defs.' Opening Br. Supp. Mot. Dismiss at 16.
[24] *Id.* at 17.

generalized and speculative, Defendants argue that all claims should be dismissed due to lack of standing.[25]

Second, Defendants assert that CGRH fails to state a claim upon which relief can be granted under Rule 12(b)(6) because, contrary to CGRH's primary premise, the Landlord-Tenant Code is applicable to uncertified peer-recovery homes. Thus, Defendants offer, the court need not reach CGRH's subsequent claims.[26]

Third, Defendants urge the court to deny declaratory relief at this stage because CGRH cannot establish that Defendants owe CGRH a duty to make arrests.[27] Such declarations would violate the separation of powers and the public duty doctrine.

Fourth, Defendants assert that CGRH cannot meet the exacting standard for equitable estoppel against government entities. Courts rarely invoke equitable estoppel against government entities except in "extraordinary circumstances" when necessary to prevent manifest injustice and not unduly disruptive of public interest.[28]

Finally, Defendants assert that CGRH's request for attorney's fees and court costs is groundless because, under the American Rule adopted by Delaware, there is

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[25] D.I. 12, Defs.' Reply Br. Supp. Mot. Dismiss at 10 (citing D.I. 1, Pl.'s Compl. at 17, 19, 22, 28).
[26] D.I. 10, Defs.' Opening Br. Supp. Mot. Dismiss at 19 ("the [c]ourt need not reach [CGRH's] spent buckshot of federal claims it advances on behalf of its residents").
[27] *Id.* at 22.
[28] D.I. 10, Defs.' Opening Br. Supp. Mot. Dismiss at 25 (citing *Hyetts Corner, LLC v. New Castle Cty.*, 2021 WL 4166703, at *10 (Del. Ch. Sept. 14, 2021) and *Salem Church (Del.) Assocs. v. New Castle Cty.*, 2006 WL 2873745, at *12 (Del. Ch. Oct. 6, 2006)).

no statutory or contractual basis. Furthermore, sovereign immunity bars such claims.[29]

B. CGRH's Response.

CGRH claims both individual and third-party standing to "protect its rights and the rights of its residents."[30] CGRH ties its standing argument to its "duty to provide a safe and peaceful recovery environment" for its residents.[31] Because many residents of CGRH are disabled, impoverished or in-recovery, they have little means of protecting themselves. CGRH asserts it must ensure residents abide by the rules because a resident who breaks the rules "may force other residents to leave involuntarily and become homeless."[32] CGRH seems to claim that Defendants' interpretation of Section 5102, which supports Defendants' discretion not to arrest and prosecute trespassers, impairs CGRH's duty to maintain a safe recovery environment and thereby causes CGRH an individual injury.

CGRH also claims standing under several federal causes of action, both statutory and constitutional. CGRH cites the FHA for its argument that a plaintiff may establish standing for any person who: (1) claims to have been injured by a discriminatory housing practice; or (2) believes that such person will be injured by

[29] D.I. 10, Defs.' Opening Br. Supp. Mot. Dismiss at 28.
[30] D.I. 11, Pl.'s Reply Br. Opp'n Mot. Dismiss at 5.
[31] *Id.* at 4.
[32] *Id.* at 5.

a discriminatory housing practice that is about to occur, an 'aggrieved person.'[33] CGRH also invokes the ADA which prevents public entities from excluding or discriminating against "qualified individuals with a disability" by reason of such disability.[34] CGRH claims the Defendants' interpretation of Section 5102 discriminates against CGRH because it effectively imposes a certification requirement on group recovery homes that it does not impose on other group homes. Defendants' interpretation equates to a statewide zoning restriction. CGRH asserts the ADA and FHA apply because they were designed to prevent discrimination against populations in circumstances similar to CGRH's residents.[35] CGRH also argues the First Amendment applies because Defendants' interpretation and application of Section 5102 violates residents' First Amendment right "to not associate with others who violate house rules of sobriety or violate other rules necessary for the health and safety of the residents."[36] For those reasons, CGRH asserts it demonstrates an actual controversy such that CGRH has standing to bring suit on behalf of CGRH and its residents.

Second, CGRH asserts its claims merit declaratory relief. CGRH claims that the following jurisdictional perquisites for an actual controversy sufficient for

[33] *Id.* at 4 (citing 42 U.S.C.A. § 3601-3619, 3631); *see Hum. Res. Rsch. & Mgmt. Grp., Inc. v. Cnty. of Suffolk*, 687 F. Supp. 2d 237, 249 (E.D.N.Y. 2010).
[34] D.I. 11, Pl.'s Reply Br. Opp'n Mot. Dismiss at 4 (citing 42 U.S.C. § 12132).
[35] D.I. 11, Pl.'s Reply Br. Opp'n Mot. Dismiss at 5-6.
[36] D.I. 1, Compl. ¶ 32, E., 4.

declaratory relief are met.[37] CGRH asserts the controversy must: (1) involve the rights or other legal relations of the party seeking declaratory relief; (2) be one in which the claim of right or other legal interest is asserted against one who has an interest in contesting the claim; (3) be between parties whose legal interests are real and adverse; and (4) must involve an issue ripe for judicial determination. CGRH claims the right at issue for CGRH is "whether its residency agreements and recovery home fall within the exception" of Section 5102.[38] CGRH has an interest in asserting that claim. CGRH claims the parties' interests are real, adverse and not hypothetical because Defendants have acted by interfering with CGRH's ability to enforce residency agreements. The issue is ripe because Defendants' directive produced "operational consequences" for CGRH.[39]

Third, CGRH claims it does not implicate the separation of powers doctrine because the requested relief does not require the police to arrest anyone.

Fourth, Defendants are estopped from following an inconsistent and conflicting policy. CGRH claims that various police departments have routinely removed residents for trespassing in CGRH homes in the past. CGRH has detrimentally relied on that past practice of excluding CGRH peer-recovery homes

[37] D.I. 11, Pl.'s Reply Br. Opp'n Mot. Dismiss at 9; *see In re COVID-Related Restrictions on Religious Servs.*, 326 A.3d 626, 642 (2024).
[38] D.I. 11, Pl.'s Reply Br. Opp'n Mot. Dismiss at 8.
[39] *Id.* at 9.

from the Landlord-Tenant Code. For that reason Defendants are equitably estopped from treating residents of CGRH "as having landlord tenant status."[40]

Finally, CGRH claims it is entitled to seek costs and fees under the "common fund" exception to the general rule wherein litigants are responsible to pay the cost of their own representation in litigation. The common fund doctrine enables a litigant who succeeds in conferring a monetary benefit upon an ascertainable class of individuals to recover costs from the fund he created.[41] CGRH claims it is entitled to costs and fees under the common fund doctrine because (1) the claim was meritorious when filed; (2) the action benefited an identifiable group; and (3) the benefit was causally related to the lawsuit.[42]

STANDARD OF REVIEW

Superior Court Civil Rule 12(b)(6) allows parties to file a motion to dismiss a complaint for failure to state a claim upon which relief can be granted.[43] When considering a Rule 12(b)(6) motion this court must (1) accept all well-pleaded factual allegations as true, (2) accept even vague allegations as 'well-pleaded' if they give the opposing party notice of the claim, (3) draw all reasonable inferences in favor of the non-moving party, and (4) refrain from dismissing a claim unless the

[40] *Id.* at 12.
[41] *Dover Hist. Soc'y v. City of Dover Planning Com'n*, 902 A.2d 1084, 1090 (Del. 2006).
[42] D.I. 11 Pl.'s Reply Br. Opp'n Mot. Dismiss at 13.
[43] Del. Super. Ct. Civ. R. 12(b)(6).

plaintiff would not be entitled to recover under any reasonably conceivable set of circumstances.[44] Delaware's pleading standard for Rule 12(b)(6) motions is "minimal."[45] Dismissal is warranted only where a plaintiff fails to plead facts supporting an element of the claim, or where "under no reasonable interpretation of the facts alleged could the complaint state a claim for which relief might be granted."[46] The court will not "credit conclusory allegations that are not supported by specific facts, or draw unreasonable inferences in the plaintiff's favor."[47]

DISCUSSION

The plaintiff carries the burden of proof for individual standing and associational standing. The court finds CGRH lacks individual standing because CGRH fails to carry its burden to establish that CGRH sustained a direct injury and that declaratory relief would redress CGRH's grievances. The court also finds CGRH lacks associational standing because CGRH is not a genuine membership organization and CGRH fails to carry its burden to prove that a member sustained a concrete and actual injury, and that declaratory relief would redress CGRH's grievances.

I. Standing.

[44] *Cent. Mortg. Co. v. Morgan Stanley Mortg. Cap. Hldgs. LLC*, 27 A.3d 531, 535 (Del. 2011).
[45] *Id*. at 536.
[46] *InVentiv Health Clinical, LLC v. Odonate Therapeutics, Inc.*, 2021 WL 252823, *4 (Del. Super. Ct. Jan. 26, 2021).
[47] *Norton v. K-Sea Transp. Partners L.P.*, 67 A.3d 354, 360 (Del. 2013).

As a threshold matter, the court must first determine whether there is a "case or controversy" before the court that is appropriate for standing.[48] Standing is the right of a party to invoke the jurisdiction of a court to enforce a claim or to redress a grievance.[49] To determine standing, the court is concerned with *who* is entitled to mount a legal challenge and not with the merits of the subject matter of the controversy.[50] Delaware courts generally adhere to federal standards for determining standing.[51] Where a party argues in a motion to dismiss "that the court cannot grant relief to these particular plaintiffs" due to a lack of standing, the court may decide the motion under Rule 12(b)(6) for failure "to plead a necessary element of a cognizable claim."[52]

To establish individual standing in Delaware, it is the plaintiff's burden to demonstrate that: (1) the plaintiff has suffered an 'injury-in-fact,' i.e., a concrete and actual invasion of a legally protected interest; (2) there is a causal connection between the injury and the conduct complained of; and (3) it is likely the injury will be redressed by a favorable court decision.[53] For constitutional and statutory claims, the general test is: (1) whether there is a sustained injury in fact; and (2) whether the

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[48] *Dover Hist. Soc'y v. City of Dover Planning Com'n*, 838 A.2d 1103, 1110 (Del. 2003).
[49] *Stuart Kingston, Inc. v. Robinson*, 596 A. 2d 1378, 1382 (Del. 1991).
[50] *Id.*
[51] *Albence v. Higgin*, 295 A.3d 1065 (Del. 2022).
[52] *Appriva S'holder Litig. Co. LLC v. EV3, Inc.*, 937 A.2d 1275, 1285 (Del. 2007).
[53] *Albence*, 295 A.3d. at 1086; *see In re Delaware Public Schools Litig.*, 239 A.3d 451, 512 (Del. Ch. 2020).

interest sought to be protected is arguably within the zone of interest to be protected or regulated by the statute or constitutional guarantee in question.[54]

Individual litigants generally do not have standing to assert claims belonging to third parties. Under the doctrine of associational standing, however, an organization may sue on behalf of its members if: (1) the interests to be protected by the suit are germane to the organization's purpose; (2) neither the claim asserted nor the relief requested requires the participation of individual members; and (3) the organization's members would otherwise have standing.[55] Associational standing "rests on the premise that in certain circumstances, particular relationships . . . are sufficient to rebut the background presumption . . . that litigants may not assert the rights of absent third parties."[56] In addition to the prerequisite test for associational standing, a plaintiff's relationship with those individuals whom plaintiff brings suit on behalf of must be that of a genuine membership organization.[57] The court evaluates the roles of each party to determine whether the organization "[i]n a very real sense" provides the means by which purported members express their collective

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[54] *Oceanport Indus., Inc. v. Wilmington Stevendores, Inc.* 636 A. 2d 892, 900 (Del. 1994); *see Walker v. City of Wilmington*, 2014 WL 4407977, *4 (Del. Ch. Sept. 5, 2014).
[55] *Oceanport,* 636 A. 2d at 902; *see* 59 Am. Jur. 2d *Parties* § 33 (explaining rights and interests of third parties as basis upon which to assert standing); *see also Delaware Public Schools*, 239 A.3d at 512.
[56] *United Food and Commercial Workers Union Local 751 v. Brown Group, Inc.*, 517 U.S. 544, 556 (1996).
[57] *Hunt v. Wash. State Apple Advert. Com'n*, 432 U.S. 333, 344 (1977); *see Students for Fair Admissions, Inc. v. President and Fellows of Harvard College*, 600 U.S. 181, 200 (2023).

views and protect their collective interests.[58] The court considers the organization's function and evaluates whether members "possess all the indicia of membership" in an association. For members, this means, "[t]hey alone elect the members of the [association]; they alone may serve on the [association's leadership]; they alone finance its activities. . . ."[59]

II. CGRH Fails to Carry Burden to Demonstrate Individual Standing.

CGRH's claims of standing are generally attributed to "its own rights as a property owner/manager" and its "duty to protect the rights of its residents."[60] The court distinguishes between claims for injuries to CGRH itself as an individual entity and claims for injuries to residents of CGRH, which CGRH must separately prove qualify for third-party associational standing. CGRH asserts that it has standing "on its own behalf" because CGRH has a duty to "provide a safe and peaceful recovery environment. . . ."[61] CGRH's claims of a direct and actual injury are not concrete. CGRH conflates what it may claim as a direct injury to itself with that of its residents. CGRH claims as its own injury the risk that a rule-breaking resident will force a rule-abiding resident to "leave involuntarily and become homeless."[62] This claim does not allege a direct injury to CGRH, and it is speculative and hypothetical. An

[58] *Hunt*, 432 U.S. at 344.
[59] *Id.* at 345.
[60] D.I. 11, Pl.'s Reply Br. Opp'n Mot. Dismiss at 4.
[61] *Id.* at 4.
[62] D.I. 11, Pl.'s Reply Br. Opp'n Mot. Dismiss at 5.

organization that claims injury to the rights of its members must prove the organization qualifies for associational standing. Furthermore, injury claims must be concrete and actual under both individual and associational standing theories. CGRH alleges that the current statutory interpretation threatens peer-run recovery housing statewide and undermines the goals of a sober-living environment.[63] This injury claim is also speculative and hypothetical, not actual and concrete. Additionally, CGRH claims it sustained a direct injury via discrimination and therefore the FHA and ADA confer standing. CGRH argues that Defendants' interpretation and application of Section 5102 discriminates because it effectively imposes a certification requirement on recovery group homes that it does not impose on other types of group homes. CGRH fails to demonstrate a particularized example when CGRH sustained a concrete and actual injury resulting from the alleged discrimination. In *Walker v. City of Wilmington*, the Court of Chancery reviewed a plaintiff's standing to bring a statutory discrimination claim and distinguished between direct injury claims and vicarious injury claims.[64] The Court in *Walker* held that the plaintiff, the operator of a condemned group home, lacked standing "to bring claims in his own name for injuries actually suffered by disabled residents," but had

[63] D.I. 1, Pl.'s Compl. ¶ 22.
[64] *Walker*, 2014 WL 4407977 (ruling on the DFHA, the Delaware counterpart to the FHA, but finding "caselaw interpreting the identical provision. . . instructive. . . .") at *6.

standing to pursue claims for injuries plaintiff suffered directly.[65] Notably, the court found that plaintiff, who was also the mortgagee on the property, satisfied the injury element for individual standing because plaintiff showed he sustained a concrete economic injury.[66] The plaintiff in *Walker* sustained a direct injury because when the city condemned the group home, the residents stopped paying the rent and the mortgagor defaulted on the mortgage. An allegation of statutory discrimination does not establish standing absent a concrete and actual injury. Here, CGRH similarly brings a statutory discrimination claim, but it fails to demonstrate a direct injury beyond generalized allegations of discrimination. Instead, CGRH describes hypothetical injuries to residents and essentially argues it is CGRH's duty to claim those injuries by proxy. CGRH fails to demonstrate its own economic loss or an invasion of its own legally protected interest. CGRH fails to carry its burden to demonstrate a concrete and actual injury that CGRH itself sustained. Furthermore, CGRH has failed to show how a declaratory judgment that the Landlord-Tenant Code excludes Level 1 recovery homes would redress CGRH's complaints when DSP nonetheless has discretion to decline to arrest purported trespassers. The court finds CGRH lacks individual standing.

III. CGRH Fails to Carry Burden to Demonstrate Associational Standing.

[65] *Id.* at *4.
[66] *Id.* at *7 ("There is no dispute that [plaintiff] sustained actual injury because the city condemned the home.").

CGRH claims it brings this action "in its own right" and "to protect the rights of its residents. . . ."[67] CGRH, however, fails to establish grounds for associational standing. CGRH did not demonstrate that it is a genuine membership organization. CGRH also fails to demonstrate that any of CGRH's residents sustained a concrete and actual injury from the complained-of conduct or that declaratory judgment would relieve CGRH's grievances. CGRH identifies its interest is providing a safe recovery environment for residents. Defendants do not dispute this interest. Instead, Defendants assert that CGRH's legal stake is that of a commercial landlord and not an association with members. The court looks to the relationship between CGRH and its residents to determine whether CGRH, in practice, represents the interests of its residents. In *Hunt v. Wash. State Apple Advert. Com'n*, the United States Supreme Court found the interests of the Washington State Apple Advertising Commission were congruent with that of Washington apple dealers because the Commission performed the function of a traditional trade association and the apple dealers possessed all the indicia of organization membership.[68] This court finds that residents of CGRH lack indicia of membership. Although CGRH's individual homes are peer-run, CGRH fails to demonstrate that residents of CGRH maintain any control over the entity itself. CGRH did not demonstrate the residents hold elections

[67] D.I. 11, Pl. Reply Br. Opp'n Mot. Dismiss at 4.
[68] *Hunt*, 432 U.S. at 334.

for or maintain positions of leadership in the CGRH entity. CGRH is not an organization that, in practice, functions as the representative of its residents. CGRH is a private entity that rents its property and has an ownership interest distinct from that of its residents. CGRH and its residents share benefits from certain overlapping interests—e.g., maintaining a safe recovery environment—but those interests are not congruent. CGRH does not function as the equivalent of a traditional association for its residents. CGRH's residents do not possess the indicia of membership regarding the CGRH entity. This court finds, therefore, that CGRH is not a genuine membership organization. Additionally, CGRH fails to demonstrate that any resident has sustained a concrete and actual injury traceable to Defendants' complained-of conduct. CGRH cites two cases for the proposition that an entity may have associational standing to sue for discrimination based on an injury that came from the entity's connection to disabled persons, but in both cases, the courts did not find associational standing.[69] Instead, the courts in *Walker* and *Hunt* found that the entities had individual standing because they suffered direct financial injuries.

[69] *Mx Group, Inc. v. City of Covington*, 293 F.3d 326, 335 (6th Cir. 2002) (holding that "[b]ecause [an organization] presented evidence that it was denied a zoning permit because it cares for and/or associates with individuals with disabilities, [the organization] has standing to bring this suit on its own behalf."). *Courage to Change Ranches Holding Company v. El Paso County, Colorado*, 73 F.4th 1175, 1187 (10th Cir. 2023) (addressing whether an organization had standing to challenge a code's provisions; the court held the organization lacked standing to challenge the code's standards where "it hasn't shown a concrete and particularized injury", but had individual standing to challenge the code's occupancy limits because the county enforced the occupancy limit and "caused [the organization] financial harm.").

Furthermore, CGRH has failed to show how a declaratory judgment that the Landlord-Tenant Code excludes CGRH and other Level 1 recovery homes would redress CGRH's complaints when DSP nonetheless has discretion to exercise authority. For the foregoing reasons, the court finds CGRH lacks associational standing to bring claims on behalf of its residents. Given that CGRH lacks standing, this action for declaratory judgment must be dismissed.

CONCLUSION

For the foregoing reasons, CGRH failed to carry its burden to state a claim upon which relief may be sought because CGRH did not establish standing, **THEREFORE** the motion to dismiss is **GRANTED.**

IT IS SO ORDERED.