

Briefing Materials

Meeting: May 20, 2021, 10:00 - 11:30 am

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Committee Bios

Beverly Baucom

Beverly began her career in property management in 2003, as a leasing consultant. In her current role with S L Nusbaum Realty Company, she is a Regional Property Manager. She has 18 years of experience including, affordable housing, market rate, and new lease up. Her management experience has allowed her to oversee the management, lease-up, financial budgets, as well as employee growth and development. She has also been pivotal in collaborating onsite construction, associated with new construction projects, to help ensure properties were ready for new residential occupancy.

In her current role as regional property manager, her management portfolio consists of 8 properties, 745 units with a staff total of 21 people.

Professional Affiliations & Accreditations: HCCP- Housing Credit Certified Professional; PHM- Public Housing Manager; CAM- Certified Apartment Manager; Member of the Greater Charlotte Apartment Association

Education: Livingstone College - BA in Business Administration and Criminal Justice

Mark Ethridge (Co-Chair)

Mark Ethridge is a Partner at Ascent Real Estate Capital and leads the company's affordable housing platform, Ascent Housing. Ascent Housing is a leader in naturally-occurring affordable housing (NOAH) preservation and has created 583 affordable housing units since 2019. Most recently, Ascent Housing helped launch the Housing Impact Fund, a \$58mm social impact fund raised to acquire and preserve 1,500 NOAH units in Charlotte by the end of 2022.

Prior to joining Ascent, Mark was a Vice President at Bellwether Enterprise Real Estate Capital where he arranged debt and equity financing through the GSE's, life insurance companies, securitized loan platforms, commercial banks and private equity funds. Between 2014 and 2017, Mark originated or co-originated 38 transactions totaling over \$375 million. Mark was a financial analyst at Bellwether Enterprise (formerly Capital Advisors) before being promoted to his role as a loan producer and started his career as a commercial real estate broker at Argos Real Estate Advisors.

Mark currently serves on the boards of Roof Above, Renaissance West Community Initiative, and Housing Impact Fund. He was a member of Center City Partners' affordable housing task force and has been active in several leadership roles with the Urban Land Institute.

Mark is a Charlotte native and graduated from Princeton University in 2010.

Kim Graham (Co-Chair)

Kim Graham is Executive Director of the Greater Charlotte Apartment Association (GCAA), the leading voice and premier resource for the rental housing industry in the Charlotte region. Graham leads the largest local apartment association affiliate in North Carolina boasting a membership of more than 800 apartment communities with more than 165,000 rental homes across an 11-county footprint that includes parts of South Carolina. The GCAA spearheads advocacy and public policy efforts, building



strategic partnerships and overseeing the development of innovative programs to address the everchanging needs of the local apartment industry.

Under Graham's leadership, the GCAA launched the A.C.C.E.S.S. (Apartment Career Credentials that Empower Students to Succeed) Program a collaborative workforce development initiative for graduating seniors with Charlotte-Mecklenburg Schools. Additionally, the GCAA opened an apartment careers exploration center for high school students in partnership with national nonprofit, Junior Achievement, located in its sprawling Camp North End Finance Park facility.

Prior to her time with the GCAA, Graham served as Senior Vice President of Outreach and Fund Development for The Housing Partnership, Inc. (now Dream Key Partners). In this role, she directed the organization's philanthropic efforts, corporate communications and broad-based community initiatives including faith-based and arts collaboratives, resident leadership development and neighborhood branding activities. Graham has served as project lead for more than \$1.8 million in community stabilization grants to benefit neighborhoods in the Statesville Avenue Corridor. She also coordinated critical partnerships with national and local organizations including NeighborWorks America® and the McColl Center for Art + Innovation. These partnerships have resulted in the first environmental art installations within the 98-acre BrightWalk campus, public art being slated for the Northwest Corridor and renovations to Anita Stroud and Druid Hills parks.

Additional professional experience includes stints with the North Carolina Parent and Teachers Association serving as the Regional Program Manager for the Parent Involvement Initiative and serving as Public Policy Manager for United Way of Central Carolinas. Earlier Graham worked as a Project Manager for Greer & Walker and the former Arthur Andersen. She also went on to establish her own training firm, as well as a tax solutions firm prior to joining Greer & Walker.

Graham has made numerous civic contributions to the Charlotte region including serving on nonprofit boards including SocialServe, the City of Charlotte's Neighborhood Matching Grants Program, NC Business and Education Technology Alliance, Johnson C. Smith University Board of Trustees, Right Moves for Youth and the Arts & Science Council Basic Operating Grants Panel.

A graduate of Johnson C. Smith University, Graham holds a bachelor of arts in English and also studied public policy abroad as both a Woodrow Wilson and Carnegie Mellon Fellow. She holds a master of public administration from the University of North Carolina at Charlotte with a concentration in urban management and policy. Graham is a member of the International City/County Managers Association and the National Forum for Black Public Administrators.

Clay Grubb

Founded in 1963, Grubb Properties is a private equity real estate fund manager with a fully integrated subsidiary specializing in multi-family residential housing and commercial office properties. Clay started working at the company at age 12, specializing in residential mortgage collection, and has seen the impacts of the past seven recessions and how important long-term perspective is to successful investment strategies.

Since 2002, when Clay became the CEO of Grubb Properties, the company has grown significantly and been a top quartile producer of returns for its real estate investment funds. The company has



received numerous sustainability designations and recognitions. It maintains corporate offices in Atlanta, Charlotte, Cary, and Winston-Salem.

Clay Grubb leads the long-term, strategic vision for Grubb Properties and plans an active role in all investment decisions. Under his leadership, Grubb Properties successfully transformed from a family-owned business to an employee- and board-owned company. The company has been profiled in numerous publications, including *The Wall Street Journal*'s Deal of the Week and the cover of *Business North Carolina*.

Clay received his Juris Doctorate in law from The University of North Carolina School of Law and his Bachelor of Science in Management from the A. B. Freeman School of Business at Tulane University, with a concentration in finance and a second major in economics.

Professional and Civic Organizations: Chair of the Grubb Real Estate Preservation Foundation; Board of Directors for Aymira; Advisory Board Member of Charlotte's Knight Foundation; Board of Advisors for the Division of Academic and Student Affairs at North Carolina State University; Past Chair of the University of North Carolina at Charlotte's Childress Klein Center for Real Estate; Past Member of Board of Trustees for the Children's Defense Fund, where he served as Chair of the National Freedom School Advisory Committee; Past Chair of Freedom School Partners; Past President of the Greater Charlotte Apartment Association; Past Chair of the Board for the Mint Museum of Craft + Design; Past Member of the Mint Museum Board of Trustees; Past Member of the Kenan-Flagler School of Business' Real Estate Advisory Board; Past Member of North Carolina's Environmental Defense Fund Board; Past Member of Queens University's Presidential Advisory Board; Past Member of the Board of Trustees for the Charlotte Ballet; Founding Vice Chair of the Young Presidents Organization's People Action Network and Past Vice Chair of its Helping Disadvantaged Kids Network; Past N.C. Forum Chair for Young Presidents Organization

Rev. Dr. Stephanie Moore Hand

Doctor (Dr.) Stephanie Moore Hand is truly a woman of business fortitude. Her career is indicative of passion, dedication and discipline. She aspires to assist organizations forge toward innovation, sustainability cultural competency, equitable and diversity organizations. Through her work, she strives to transform lives and assist organizations and communities to thrive.

Dr. Hand was an executive for a Fortune 500 company. She's held positions as the Executive Airport Operations Manager, for the Charlotte Douglas International Airport, the General Manager for the Clinton National Airport, Regional Project Manager for New Jersey Travel Plaza, Baltimore/Washington, Reagan International, Fort Lauderdale, and Miami International Airports and Marriott Corporation entertainment and hospitality division. During her time as a corporate executive, Dr. Hand was one of the youngest African American women executives running airports in America.

In the spirit of staying current and relevant in her work, she has attained the highest levels of her education. Her doctoral work focused on transformative leadership, Adaptive Challenge and Organizational Change Management. Dr. Hand's accolades include:



- A Vitality Strategist for the Western North Carolina Conference of the United Methodist Church-Metro 126 churches over 236 clergy and 70,000 members
- Executive leader in the airport industry with over 100 direct reports, 500 employees, 25 joint venture partners, and a budget over 78 million dollars.
- Keynote speaker in Brazil, South Africa, Israel, Bahamas, South Korea, Greater New Jersey,
 New England and South Georgia Conferences

As an influential community advocate, Dr. Hand has worked with Charlotte Family Housing assisting person who are homeless find permanent housing. Facilitated leadership empowerment conferences in the faith and business sectors. In addition, to all of her work in the community, business and faith communities. She is an active member of Omega Iota Omega chapter of Alpha Kappa Alpha Sorority, Inc.

Dr. Hand imparts relevant business processes in a practical manner to promote welcoming and hospitality, business and individual growth, net profitability and sustainability. She is passionate about the development of culturally diverse organizations, excellent cultural Intelligence in order to focus and understand customer needs, sustainability and profitability. Dr. Hand is a visionary leader, strategist, consultant, community advocate and a results oriented collaborator.

Education: Bachelor's, UNC-Charlotte; Master, Pfeiffer University; Hood Theological Seminary; Doctorate, Wesley University.

Professional Affiliations: Board of Trustees for Lake Junaluska; Conference and Retreat Center; Path 1 Executive Board of Directors; Fusion Board of Directors; Alpha Kappa Alpha Sorority, Inc.

Professional Attributes and Organizational Development: Fortune 500 Executive; Executive Lead Facilitator; International Speaker; ICF Consultant (certification pending); CQ Cultural Intelligence Certified Trainer; Unconscious Bias Certified Trainer; Organizational Change; Innovative Business Processes; Executive Leader Development; Community Advocacy; Coaching and Consulting; Diversity Training; Strategic Planning; Affinity Learning Communities.

Philip Tegeler

Philip Tegeler is the Executive Director of the Poverty & Race Research Action Council, a civil rights policy organization based in Washington, DC. PRRAC's mission is to promote research-based advocacy on structural inequality issues, with a specific focus on the causes and consequences of housing and school segregation. Mr. Tegeler has written extensively on the application of civil rights law to federal housing and education policy, including most recently, "Coordinated Action on School and Housing Integration: The Role of State Government," *University of Richmond Law Review* (2019) (co-author), and "Disrupting the reciprocal relationship between housing and school segregation," in *A Shared Future: Fostering Communities of Inclusion in an Era of Inequality* (Harvard Joint Center for Housing Studies, 2018) (co-author).

PRRAC's housing policy work focuses on the implementation of civil rights mandates in the major



federal housing programs, including the Housing Choice Voucher program, Public Housing, the Low Income Housing Tax Credit, and Project Based Rental Assistance. As part of its work on Housing Choice Voucher reform, PRRAC maintains a directory of source-of-income discrimination laws around the U.S. and provides assistance to local advocates and governments working to pass effective SOI laws. PRRAC also supports "Mobility Works," a technical assistance collaborative that works with public housing authorities to develop programs to help low income families with housing vouchers access healthier neighborhoods.

Before coming to PRRAC, Mr. Tegeler worked as a staff attorney and legal director with the Connecticut ACLU, where he participated in impact litigation involving public housing agency policy, school desegregation, exclusionary zoning, voting rights, and criminal justice reform. Phil also served for three years on the clinical faculty at the University Of Connecticut School Of Law. He is a graduate of Columbia Law School.

Frederick (Fred) Warren

Frederick (Fred) L. Warren is a Real Estate Broker and Owner of Fred Warren Realty since February,1990. Prior to his current career choice, he was privileged to be associated with the Detroit Public School System, Charlotte-Mecklenburg Schools, Metropolitan Life Insurance, NationsBank and the City of Charlotte. Preparation and study for his professional transformation occurred at Winston-Salem State University.

Being reared in Kernersville, NC availed Mr. Warren to individuals who possessed good work ethics and commitment to community. He was taught to help others whenever possible and hurt no one. Thus, his career choices followed that model.



MAYOR'S OFFICE MEMORANDUM

April 14, 2021

Vi Lyles

TO: City Council Members

FROM: Mayor Vi Lyles

SUBJECT: Source of Income Ad Hoc Advisory Committee

I am pleased to announce the Source of Income Ad Hoc Advisory Committee. This committee has been appointed and is comprised of the following seven individuals appointed based on their skills and ability to help implement the Committee charge as explained below:

- Beverly Baucom, S.L. Nusbaum
- Mark Ethridge, Ascent Real Estate Capital (Co-Chair)
- Kim Graham, Greater Charlotte Apartment Association (Co-Chair)
- Clay Grubb, Grubb Properties
- Rev. Dr. Stephanie Moore Hand, United Methodist Church
- Philip Tegeler, Poverty and Race Research Action Council, and
- Fred Warren, Fred Warren Realty

The Source of Income Ad Hoc Advisory Committee is charged with developing recommendations, program enhancements and process improvements that will increase the acceptance of all forms of rental subsidies including the Housing Choice Voucher (HCV) program, the largest source of rental subsidies in our community.

The goal of this work is to increase safe and affordable housing opportunities for low-to-moderate income households, leading to increased opportunities for upward mobility. Successful outcomes of this work will include the participation of community experts and collaboration with and from INLIVIAN , other rental subsidy providers, and small, large and medium sized property owners and management companies.

The Ad Hoc Committee will be supported by City staff from Housing & Neighborhood Services, Community Relations and the City Attorney's Offices and INLIVIAN.

I anticipate that the first meeting of the Ad Hoc Committee will be in May. It is anticipated that the Committee will meet monthly to administer their charge and report back to Council no later than December 2021 at which time an evaluation will be made to determine next steps. As previously agreed upon, City Council will also receive periodic updates on this work.

I am excited about this important work and look forward to it getting underway.



Source of Income Discrimination

GREAT NEIGHBORHOODS COMMITTEE

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Briefing Objectives

- Charlotte Fair Housing Ordinance Background
- ⊲Research
 - National
 - · North Carolina
 - Incentives
 - Legal Challenges
- SWOT Analysis
- Alternatives and Recommendations
- ⊲Next Steps

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Committee Charge

- Draft proposed local SOID ordinance, and complete a SWOT(a) analysis
- 2. Provide list of cities that prohibit discrimination based on SOID
- 3. Engage INVLIVIAN to see what type of mitigation factors they can help with, and
- 4. Provide alternatives and recommendations on incentives and educational opportunities to help mitigate landlord concerns

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Charlotte Fair Housing Ordinance Background

- ¬The City's current Fair Housing ordinance secures protections for all persons within the city from discrimination based on race, religion, color, sex, national origin, familial status and disability, in all housing related transactions.
- 30 to 40 complaints are investigated annually with race, disability, and familial status being the most frequent.
- ¬In the last five years, three inquiries have been received for potential source of income discrimination.

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Charlotte Fair Housing Ordinance Background

Chapter 12 - HUMAN RELATIONS ARTICLE V. - FAIR HOUSING

Sec. 12-106. - Title.

This article shall be known and may be cited as the "Fair Housing Ordinance" of the city.

Sec. 12-107. - Purpose.

The general purposes of this article are to:

- Provide for execution within the city of the policies embodied in title VIII of the Federal Civil Rights Act of 1968, as amended.
- 2. Secure for all persons within the city freedom from discrimination because of **race**, **color**, **religion**, **national origin**, **sex**, **handicap or familial status** in real estate transactions.

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- Provide for execution within the city of the policies embodied in title VIII of the Federal Civil Rights Act of 1968, as amended.
- 2. Secure for all persons within the city freedom from discrimination because of **race**, **color**, **religion**, **national origin**, **sex**, **handicap**, **source of income or familial status** in real estate transactions.

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Charlotte Fair Housing Ordinance Background

⊲If source of income is added as a protected class, the current Fair
Housing ordinance will be amended to add "source of income" to
the list of protected classes in each applicable section of the
ordinance.

¬This includes sections:

- 12-107 Purpose
- 12-108 Effect of article on other ordinances
- 12-109 Definitions
- 12-111 Discrimination in real estate transactions
- 12-114 Discrimination in residential real-estate-related transactions
- 12-115 Discrimination in provision of brokerage services
- 12-116 Other unlawful practices

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Charlotte Fair Housing Ordinance Background

Section 12-109 - Definitions (proposed)

Source of income-any lawful, verifiable source of income, or its equivalent, from which an individual can pay rental, mortgage or other payments associated with the provision of housing. The term shall specifically include Section 8 vouchers or certificates issued by the United States Department of Housing and Urban Development or other similar contractual commitments whereby a third party commits to making all or a portion of rental, mortgage or other housing-related payments.

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Research

Research – National (States)

- ¬The majority of states (34) do not have Source of Income laws
- 16 states have Source of Income laws. Of these, four specifically exclude Section 8 vouchers*.

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- 2. Connecticut
- 3. Delaware
- 4. Hawaii
- 5. Maine

6. Massachusetts

7. Minnesota*

8. New Jersey

9. New York

10.North Dakota

11.0klahoma*

12.Oregon

13.Utah

14.Vermont

15.Washington

16.Wisconsin*

¬Texas and Indiana passed laws preempting any local SOID protections

Source: 2019 National Multifamily Housing Council

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Research – National (Cities)

City	SOID	Dillon/Home	Current Status	Incentives
Atlanta, GA	Yes*	Home	Not enforced locally	None
Austin, TX	Yes*	Home	Enacted 2014. Superseded by the state in 2018. Currently in litigation	None
Dallas, TX	Yes*	Home	Enacted 2014. Superseded by the state in 2018. Currently in litigation	None
Denver, CO	Yes	Home	Active since 2018	None
Memphis, TN	Yes*	Varies by city	Enacted 2002. Superseded by the state in 2011. Not enforceable	None
Miami Dade, FL	Yes	Home	Active since 2009	None
Portland, OR	Yes	Home	Active, last updated 2019	Statewide Landlord Guarantee Program – fund to cover damages for landlords who accept HCV
San Diego, CA	Yes	Varies by city	Active since 2019	None
Seattle, WA	Yes	Home	Active since 1989	Landlord Mitigation Program – fund to cover losses for landlords who accept HCV

^{*}Not currently enforced / state preemption

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Research - National (Cities-continued)

City	SOID	Dillon/Home	Current Status	Incentives
Arlington, TX*	No	Home	No current action	None
Columbus, OH	No	Home	Council is considering SOID protections	None
Indianapolis, IN*	No	Home	2017 State illegalized SOID protections and rent controls.	None
Nashville, TN	No	Varies	No current action	None
Omaha, NE	No	Dillion	No current action	None

*State preemption

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Research - North Carolina

City/Avg. Rent	SOID	Incentives	Other
Durham (\$1,223)	No	\$500 to landlords who rent to formerly homeless households \$250 to renew leases for 2 nd year	
Raleigh (\$1,223)	No	None Expressed belief that due to strong rental market, it would be very difficult to create meaningful incentives	Expressed concern about legislative response Incorporating clause in City loan documents requiring property owners to accept vouchers Monitoring activity around SOID protections for possible future action
Asheville (\$1,192)	No	• None	Monitoring activity around SOID protections for possible future action Encourage landlords to accept vouchers
Winston Salem (\$937)	No	• None	
Greensboro (\$937)	No	• None	

Average rent in Charlotte: \$1,229 (2BR)

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Research – (National) Landlord Incentives

Across the country, various incentives have been created to increase landlord acceptance of housing vouchers. Examples include:

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Location	Incentive
Virginia	Income tax credits to landlords in high opportunity areas that accept Housing Choice Vouchers (e.g. Richmond, Virginia Beach, Newport)
Marin County, CA	Reduced or waived building permit fees for repairs or improvements Interest-free loans up to \$25K for rehab, and \$35K for new ADUs \$3K forgivable loan [for critical repairs] Up to \$3,500 for tenant damages One month's rent [to allow for repairs] while repairing excessive damage to unit, when landlord commits to rent to another voucher holder Hotline to assist landlords in resolving disputes
Santa Barbara, CA	 \$500 signing bonus for new landlords; \$100 referral bonus Up to \$2K reimbursed for unit damage, unpaid rent and related court costs Vacancy loss payment due to tenant damages
Oregon	Statewide Landlord Guarantee Program – fund to cover damages for landlords who accept HCV
Washington	Landlord Mitigation Program – fund to cover losses for landlords who accept HCV

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^{*}Cities have no existing protections, nor are any currently pursuing protections

Research – (Local) Landlord Incentives

HousingCLT

- Connects tenants and landords, helping each be successful in the relationship (landlord consortium)
- Staffing: Four people, includes three housing navigators
- ¬Services provided
 - Signing bonuses, between \$100-\$1,000. This is sometimes used to incent the landlord to lower the per month rent under fair market rent (FMR).
 - Provide a risk mitigation fund to cover excessive damages/ eviction costs
 - Pay existing rent / eviction/ utility arrears to help tenant become 'rent ready'
 - · Pay a holding fee to incent landlord to hold the unit so an inspection can be conducted
 - Hire private inspectors to conduct quicker inspections (INLIVIAN requires use of their own inspectors)
 - Pay for repairs to meet HUD's Housing Quality Standards (HQS) the program has bought appliances for units that do not come with them to meet HQS

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Research – (Local) Landlord Incentives

INLIVIAN - Conducted a landlord survey, and made program enhancements in 2019, to address landlord concerns

Barrier	Enhancement
Financial Risk	 Increased program rents in high opportunity areas (subsidy up to 150% of FMR) Established risk/damage fund post move-out, up to \$1,000 Provide funding between lease-ups to offset time unit may be vacant Annual rent increase of 2% minimum each year upon request
Inspections	 Every two years instead of annually Decreased average number of days for lease-up inspection from 12 days to one week Landlords can self-certify non-health and safety issues instead of scheduling re-inspection
Process	 Created Housing Provider Outreach position and 1st time housing provider Concierge service Annual Housing Provider symposium and quarterly briefings to go over process and new policies Established Housing Provider Advisory group Established \$250 signing bonus Initiated Media Campaign #HousingForEveryone

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Research – SOID Legal Challenges

¬Minneapolis (~2 years)

- · March 2017 City ordinance adopted; June 2017 Landlord filed challenge
- 2019 Appeals Court ruling vacated the lower court's issuance of a summary judgment order but did not uphold the underlying SOID ordinance.
- Note: While MN has state SOID protections, in 2010 a court case ruled that Section 8 is excluded from state source of income protections.

¬ Pittsburgh (3+ years)

- December 2015 City ordinance adopted; January 2016 Apartment Association filed challenge
- Pennsylvania court of appeals invalidated city's ordinance despite Pittsburgh having home rule status. The court determined that the SOID ordinance violated even Pennsylvania's home rule statute.

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Research – SOID Legal Challenges

⊲Austin (5+ years)

- April 2014 City ordinance adopted; Austin Apartment Association immediately filed challenge. Federal court ruled in favor of city.
- 2015: State adopts law that preempts rights of municipalities to provide source of income protection
- 2017: Austin filed suit against state
- December 2019: Federal appeals court tossed out city's case.

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Landlord Survey



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Local Landlord Survey - Questions

- 1. What is the size of your rental real estate portfolio?
- 2. Does your portfolio primarily consist of single-family or multi-family developments?
- 3. Do any of your properties within the city of Charlotte accept any type of rental subsidies and/or participate in the Section 8 (Housing Choice Voucher) program? If so, what rental subsidies do you accept?
- 4. If you do NOT accept rental subsidies, what is the reason(s)?
- 5. Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now?
- 6. Please share from your perspective what you believe the pros and cons are of adding 'Source of Income' protection to the city's Fair Housing ordinance.

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Who we surveyed

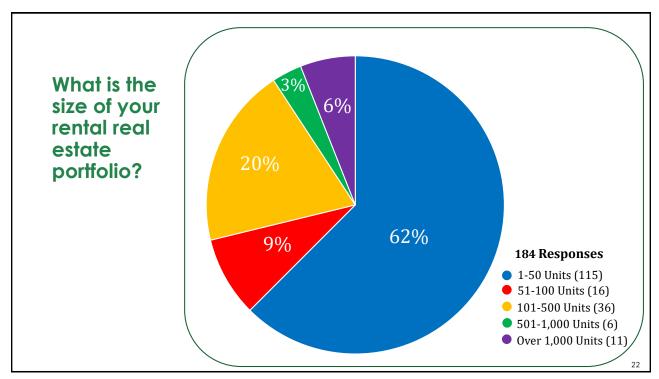
Source	Number	Notes
Emergency Rental Assistance Program (ERAP)	343	Landlords that have received City funds for ERAP on behalf of their tenants, AND that provided email addresses
Socialserve	4,467	Mecklenburg County users of Socialserve.com.
Greater Charlotte Apartment Association	220	GCAA Owner management company members, including small and large companies
Affordable Housing Developers	20	Housing developers that have received City financial assistance
TOTAL	5,050*	

^{*}In addition, six local subsidy providers were also contacted

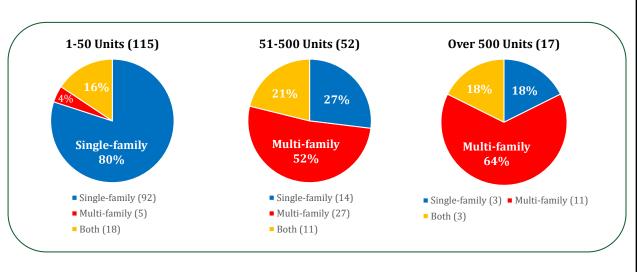
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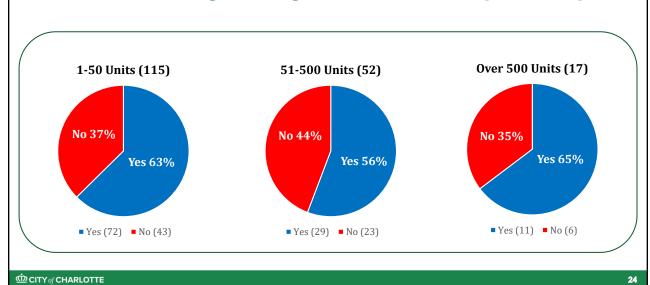
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Do any of your properties within the city of Charlotte accept subsidies, including Housing Choice Vouchers (Section 8)?



What rental subsidies/vouchers do you accept?

- Housing Choice Vouchers (Section 8) is the most common subsidy accepted
- Additional subsidies accepted

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If you do not accept rental subsidies, what is the reason?

Common Themes for not accepting Housing Choice Vouchers (HCVs)

- Prior bad experiences with process and tenants
- Bureaucracy; too much paperwork; takes too long to get approval
- Rent increases
 - o Process is burdensome
 - o Limits on the amount rent can be increased
 - o Often does not keep pace with other program limits (LIHTC, HOME)
- Inspections are too rigid and take too long
- Lack of accountability of the tenant and the subsidy/voucher program itself

Italics: 2019 INLIVIAN enhancements attempt to address landlord concern

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If you do not accept rental subsidies, what is the reason?

Common Themes for not accepting HCVs (continued)

- Not economically feasible
 - o Rent payment less than market rates
 - o Repair costs due to tenant damage
 - o Time unit must be off-market due to HCV processes (while waiting for inspection, etc.)
- Can readily find tenants without the hassle of the voucher process
- Housing voucher recipients often have a total household income level that is so low that, even with the voucher, they cannot afford the basics needed to create a stable tenancy

Italics: 2019 INLIVIAN enhancements attempt to address landlord concern

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From your perspective, what do you believe are the pros and cons of adding 'Source of Income' protection to the city's Fair Housing ordinance?

Pros

- More housing opportunities for low-income families
- Economic opportunity for voucher households by creating opportunities to live in higher-end properties in more stable neighborhoods; will be a good step in breaking the circle of poverty and crime that too many vouchers holders must deal with daily

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From your perspective, what do you believe are the pros and cons of adding 'Source of Income' protection to the city's Fair Housing ordinance?

Cons

- ¬ The period of time waiting for an inspection is dead time when the property is not rented and therefore not generating rental income. However, those homes continue to generate expenses for the owner: property taxes, assessments, mortgage and financing costs.
- Increased landlord expense for tenant damages (often substantial) that are not reimbursed by tenant or INLIVIAN.
- Section 8 does not pay market rent.
- The net result is going to be landlords raising rent across the board to try to recoup the lost revenue that working with Section 8 causes.
- Risk that owners will decide to sell their homes, particularly those unable to manage the administrative tasks and income implications.
- Will put further constraints on the availability of quality, affordable housing.
- Removes landlord decision of who they rent to within the federal fair housing laws.

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Italics: 2019 INLIVIAN enhancements attempt to address landlord concern

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From your perspective, what do you believe are the pros and cons of adding 'Source of Income' protection to the city's Fair Housing ordinance?

Cons

- Landlords would be exposed to unnecessary liability, increased costs (i.e. compliance monitoring, legal fees) and potential loss of income.
- It would only cause higher eviction rates.
- It won't be enforceable and won't result in increased housing. With so many people looking for rental homes (both with / without vouchers), an owner normally has several options/applicants for who to rent to...thus, they can always select a non-voucher applicant and support their decision without showing bias.
- Other rental assistance groups are fantastic to work with, but Section 8 specifically is known to be onerous and therefore avoided.
- □ It is going to give the Section 8 program no incentive to improve itself.
- Will have difficulty attracting good landlords.
- It is going to result in lawsuits against the city.

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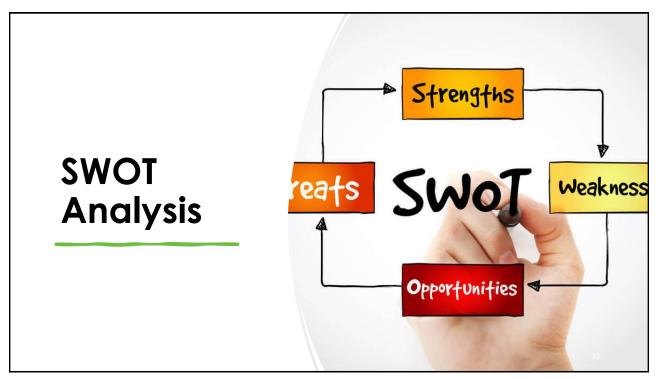
Rental Organizations

- □ Greater Charlotte Apartment Association
- ¬Apartment Association of North Carolina
- ¬National Apartment Association
- National Multifamily Housing Council
- □ National Rental Home Council
 - Support subsidy programs, but oppose efforts at the state and local level to mandate Housing Choice Voucher (HCV) participation
 - Issue is not SOID or tenants, but is the various aspects of the HCV program
 - GCAA is aware of recent enhancements made by INLIVIAN, and is willing to participate in City-facilitated discussions with INLIVIAN to identify additional improvements to the HCV program

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Strengths

- Charlotte's Fair Housing ordinance has been in place for more than forty years.
- Certified as substantially equivalent to the Federal Fair Housing Act.
- ◄ HUD's position that any local ordinance that is certified, is considered to be stronger if it has protections beyond the seven protections in the federal law.
- Experienced staff and infrastructure already in place to enforce the ordinance.
- Familial status and disability added in 1988 with enabling legislation from the NC General Assembly, creates precedent for adding additional protected classes.
- Adding Source of Income as a protected class could allow more people to obtain stable housing and economic mobility.
- Community support from non-profit and other organizations.

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Weaknesses

- Lack of data (Fair Housing and INLIVIAN) to definitively demonstrate a business case for adding source of income protection.
- If done without enabling legislation, this portion of the ordinance will not be enforceable, and as a result residents seeking redress through the ordinance will be left with none.
- HUD has not defined "source of income" nor has it provided guidance regarding source of income enforcement.
- ¬ Since HUD does not recognize source of income as a protected class, there will likely be no reimbursement for SOID fair housing investigations.
- ¬ There is no precedent in other North Carolina communities.
- Process for implementing required voucher acceptance, and enforcement of requirement, is unclear.
- Landlord feedback indicates mixed support.
- Opposition from local rental/housing providers, and organizations representing the rental housing industry.

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Opportunities

- Opportunity to strengthen our current ordinance by expanding civil rights protections in our community, including creating precedent for possible future amendments (e.g. sexual orientation, marital status, etc.).
- Opportunity to help address homelessness and affordable housing concerns.
- Opportunity to provide additional fair housing education and outreach to vulnerable parts of our population as well as landlords, property managers, etc.
- New administration and HUD Secretary Appointee could result in new HUD guidance.
- If HUD issues federal guidance on receiving and investigating cases where SOID is the protected class, any increase in cases received/investigated by CRC could equate to more HUD funding to address housing discrimination in our community.
- Opportunity to explore alternatives, such as expanding the work of Housing CLT.

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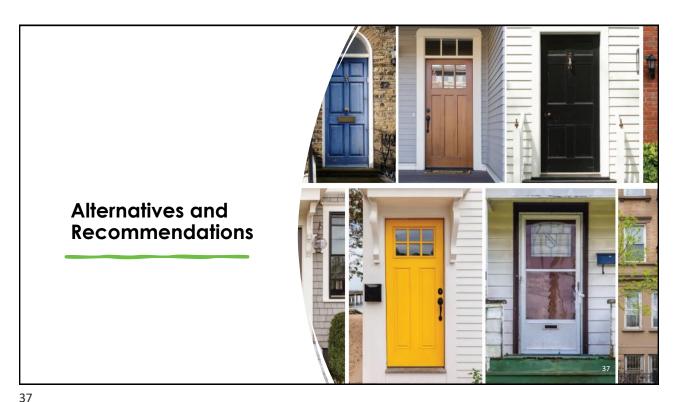
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Threats

- General Assembly is unlikely to provide enabling legislation.
- Without enabling legislation, a legal challenge to this portion of the ordinance is very likely to be successful.
- HUD has not provided guidance on SOID (no clear federal definition of source of income).
- ¬ HUD will not support City investigations and costs associated therewith.
- Unintended consequences
 - <u>Increased Rents</u>: Landlords may respond by raising rents across city to just above FMR, resulting in increased housing costs for low-income residents.
 - <u>Decreased Housing</u>: Landlords may respond by selling their affordable units, or removing their units from rent rolls, resulting in decreased housing availability for low-income residents.
 - Decreased Investments: May negatively impact investment in the city.
 - <u>Increased Tenant Expense</u>: May result in additional out-of-pocket application fee expenses for low-income households.
 - Reduced Housing Search Options: Landlords may choose to not list their properties.

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Landlord Recommendations (HCVs)

INSPECTIONS

- Reduce time of inspections
- Create allowances for inspections instead of pass/fail
- Allow small repairs that can be made onsite easily, instead of requiring a reinspection that could take a week or more to schedule
- Simplify inspections
- Be realistic in unit criteria

ACCOUNTABILITY

- Reimburse owner for damages or otherwise help with repairs, instead of requiring owner to pay for repairs caused by tenant
- Subsidy provider must hold tenants responsible for damages
- Make it easier to remove tenant if they are damaging unit
- If tenant does not pay for damages, they should lose eligibility

Italics: 2019 INLIVIAN enhancements attempt to address landlord concern

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Landlord Recommendations (HCVs)

TENANT SELF-SUFFICIENCY

- · Implement a more rigorous tenant screening process
- Provide path to self-sufficiency and renter success by requiring tenants to participate in training programs, including how to clean and care for housing / property, and financial issues associated with renting
- Guarantee case management for voucher-holders (e.g. a financial coach, etc.)
- For first year voucher holders, home visits quarterly that ensure the children are in school and doing
 well, and no other occupants reside in the home

FINANCIAL (RENT INCREASES)

- · Increase the maximum rent increase allowed
- Simplify process for rent increase
- Eliminate increase-cap each year, but rather re-evaluate based on current comps nearby and raise rent to be comparable to non-Section 8 rentals
- Make rent increase automatic (annually or at time of recertification), instead of requiring landlord to request increase

Italics: 2019 INLIVIAN enhancements attempt to address landlord concern

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Landlord Recommendations (HCVs)

FINANCIAL (OTHER)

- · Increase subsidy amount so that rents are comparable to market-rate in area
- · Remit initial payments to landlords faster
- Increased reimbursement rates for 1 and 2-bedroom units
- · Lock in voucher amount for entire lease term no matter how the voucher holder's situation changes
- Provide larger deposits
- Added financial protections (e.g. if tenant pays their portion of rent late, subsidy holder will pay the late fees)
- · Cover all eviction costs

PROGRAM PROCESS AND ADMINISTRATION

- Improve quality of the service (program administration, including inspections)
- More transparent processes, the use of more automation (online forms with digital signature) and expedited tenant placement (10-days or less)
- Finite timelines from lease application to inspection, and inspection to move-in, that are transparent and can compete with market-based timelines for non-subsidized tenants
- Provide a certified list of available maintenance handymen to assist in housing acceptance and expedite approval
- · INLIVIAN should pay 100% of rent to landlord, then collect tenant's portion from the voucher-holder
- · Allow SROs to participate

Italics: 2019 INLIVIAN enhancements attempt to address landlord concern

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Staff Alternatives / Recommendations

- 1. Adopt a policy requiring mandatory acceptance of HCVs and other forms of rental subsidy in all City supported housing.
- 2. Create a Council appointed ad hoc Advisory Group to develop program enhancements and process improvements to the HCV program, including representatives from:
 - INLIVIAN
 - · Private sector landlords
 - · Property management professionals
 - Greater Charlotte Apartment Association
 - Subsidy providers
 - · Other
- 3. Encourage and monitor changes to the HCV Program at the Federal level with the new administration.
- 4. Consider amending Fair Housing Ordinance if HCV program enhancements and process improvements are not successful.

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Next Steps

- ¬Update Council at an early 2021 meeting
- Advisory Group convenes and develops new Housing Choice Voucher program enhancements
- ¬Implement and monitor progress over the next 18 to 24 months, and report back to Council

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Source of Income Protections

Summary of Research and Landlord Survey





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Great Neighborhoods Committee

On October 21, 2020, the Great Neighborhoods Committee (Committee) charged staff to:

- Draft proposed local SOID ordinance, and complete a SWOT(a) analysis,
- Provide list of cities that prohibit discrimination based on SOID,
- Engage INVLIVIAN to see what type of mitigation factors they can help with, and
- Provide alternatives and recommendations on incentives and educational opportunities to help mitigate landlord concernsThe Great Neighborhoods Committee asked:

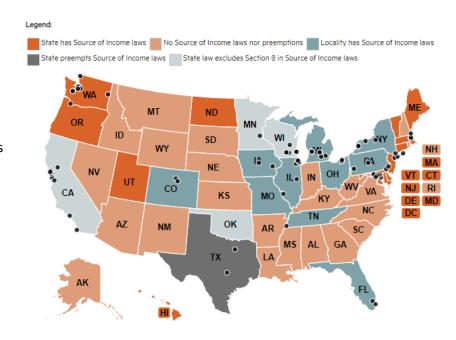
Staff from Housing & Neighborhoods Services, Community Relations, and the City Attorney's Office researched source of income protections around the country, landlord incentives to increase housing units available to Housing Choice Voucher households, legal case history related to source of income protections, and a survey of local landlords. This information was presented to the Great Neighborhoods Committee on December 16, 2020.

The following pages of this report summarizes this research.

Cities, Counties and States that provide Source of Income protections

The National Multifamily Housing Council (NMHC) provides a compilation of Source of Income laws across the country; states and localities with Source of Income laws, states that preempt these laws, and states with no laws or preemptions. Source of Income laws protect renters from discrimination based on their income, such as a Section 8 Housing Choice Voucher. The NMHC information is current as of Summer 2019.

A complete list of states and localities is in the Appendix.



*Not intended for use as legal advice. Information pulled from publicly available sources. Updated 6/13/2019

Landlord Survey

Local landlords and property managers were surveyed to learn how source of income protections are viewed. Landlords were asked the following questions, with 184 responses received. See Appendix for more details.

- 1. What is the size of your rental real estate portfolio?
- 2. Does your portfolio primarily consist of single-family or multi-family developments?
- 3. Do any of your properties within the city of Charlotte accept any type of rental subsidies and/or participate in the Section 8 (Housing Choice Voucher) program? If so, what rental subsidies do you accept?
- 4. If you do NOT accept rental subsidies, what is the reason(s)?
- 5. Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now?
- 6. Please share from your perspective what you believe the pros and cons are of adding 'Source of Income' protection to the city's Fair Housing ordinance.

Who was Surveyed?

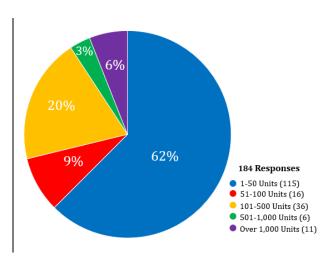
Approximately 5,050 landlords and property owner were surveyed, consisting of mix of property types and sizes. The following table represents the survey cohort.

Source	Number	Notes
Emergency Rental Assistance Program (ERAP)	343	Landlords that have received City funds for ERAP on behalf of their tenants, AND that provided email addresses
Socialserve	4,467	Mecklenburg County users of Socialserve.com.
Greater Charlotte Apartment Association	220	GCAA Owner management company members, including small and large companies
Affordable Housing Developers	20	Housing developers that have received City financial assistance
TOTAL	5,050*	

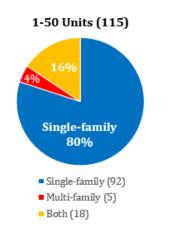
Survey Responses

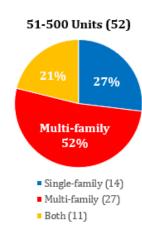
184 survey responses were received, as set forth below. See report Appendix for details.

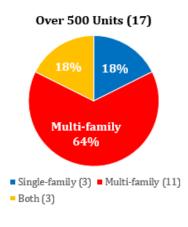
1. What is the size of your rental real estate portfolio?



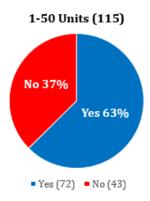
2. Does your portfolio primarily consist of single-family or multi-family developments?

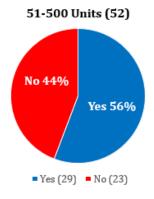


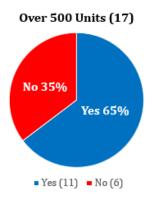




3. Do any of your properties within the city of Charlotte Housing Choice Voucher (Section 8) program?







4. What rental subsidies do you accept?

- Housing Choice Vouchers (Section 8) is the most common subsidy accepted
- Additional subsidies mentioned by survey respondents included:
 - HOME Tenant Based Rental Assistance
 - HUD-VASH Voucher
 - ESG Rapid Rehousing
 - A Way Home Endowment
 - Key Voucher
 - HOPWA Tenant Based Rental Assistance
- 5. **If you do not accept rental subsidies, what is the reason?** Several common themes for not accepting Housing Choice Vouchers (HCVs) arose from the responses to this survey question. See Appendix for details of responses to this question.

Below are the common themes. Text in italics represents issues that INLIVIAN has attempted to address in their 2019 program enhancements.

- Prior bad experiences with process and tenants
- Bureaucracy; too much paperwork; takes too long to get approval
- Lack of accountability of the tenant and the subsidy/voucher program itself
- Inspections are too rigid and take too long
- Rent increases
 - o Process is burdensome
 - o Limits on the amount rent can be increased
 - o Often does not keep pace with other program limits (LIHTC, HOME)
- Not economically feasible
 - o Rent payment less than market rates
 - o Repair costs due to tenant damage
 - o Time unit must be off-market due to HCV processes (while waiting for inspection, etc.)
- Can readily find tenants without the hassle of the voucher process
- Housing voucher recipients often have a total household income level that is so low that, even with the voucher, they cannot afford the basics needed to create a stable tenancy
- 6. From your perspective, what do you believe are the pros and cons of adding 'Source of Income' protection to the city's Fair Housing ordinance?

Below are highlights/common themes that arose from landlord responses. *Text in italics represents issues that INLIVIAN has attempted to address in their 2019 program enhancements.* See Appendix for details of responses to this question.

Pros

- More housing opportunities for low-income families
- Economic opportunity for voucher households by creating opportunities to live in higher-end properties in more stable neighborhoods; will be a good step in breaking the circle of poverty and crime that too many vouchers holders must deal with daily

Cons

- Removes landlord decision of who they rent to within the federal fair housing laws.
- Landlords would be exposed to unnecessary liability, increased costs (i.e. compliance monitoring, legal fees) and potential loss of income.
- The net result is going to be landlords raising rent across the board to try to recoup the lost revenue that working with Section 8 causes.
- The period of time waiting for an inspection is dead time when the property is not rented and therefore not generating rental income. However, those homes continue to generate expenses for the owner: property taxes, assessments, mortgage and financing costs.
- Increased landlord expense for tenant damages (often substantial) that are not reimbursed by tenant or INLIVIAN.
- Risk that owners will decide to sell their homes, particularly those unable to manage the administrative tasks and income implications.
- Will put further constraints on the availability of quality, affordable housing.
- Will have difficulty attracting good landlords.
- It would only cause higher eviction rates.
- Section 8 does not pay market rent.
- It won't be enforceable and won't result in increased housing. With so many people looking for rental homes (both with / without vouchers), an owner normally has several options/applicants for who to rent to...thus, they can always select a non-voucher applicant and support their decision without showing bias.
- Other rental assistance groups are fantastic to work with, but Section 8 specifically is known to be onerous and therefore avoided.
- It is going to give the Section 8 program no incentive to improve itself.
- It is going to result in lawsuits against the city.

Additional Research

Additional Research can be found in the Appendix of this report. This includes research conducted on source of income protections and landlord incentives provided by other cities, as well as research on source of income legal challenges/case histories.

RESEARCH APPENDIX

National Cities

Research – National (Cities)

City	SOID	Dillon/Home	Current Status	Incentives
Atlanta, GA	Yes*	Home	Not enforced locally	None
Austin, TX	Yes*	Home	Enacted 2014. Superseded by the state in 2018. Currently in litigation	None
Dallas, TX	Yes*	Home	Enacted 2014. Superseded by the state in 2018. Currently in litigation	None
Denver, CO	Yes	Home	Active since 2018	None
Memphis, TN	Yes*	Varies by city	Enacted 2002. Superseded by the state in 2011. Not enforceable	None
Miami Dade, FL	Yes	Home	Active since 2009	None
Portland, OR	Yes	Home	Active, last updated 2019	Statewide Landlord Guarantee Program – fund to cover damages for landlords who accept HCV
San Diego, CA	Yes	Varies by city	Active since 2019	None
Seattle, WA	Yes	Home	Active since 1989	Landlord Mitigation Program – fund to cover losses for landlords who accept HCV

^{*}Not currently enforced / state preemption

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Research - National (Cities-continued)

City	SOID	Dillon/Home	Current Status	Incentives
Arlington, TX*	No	Home	No current action	None
Columbus, OH	No	Home	Council is considering SOID protections	None
Indianapolis, IN*	No	Home	2017 State illegalized SOID protections and rent controls.	None
Nashville, TN	No	Varies	No current action	None
Omaha, NE	No	Dillion	No current action	None

*State preemption

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North Carolina Cities

Research - North Carolina

City/Avg. Rent	SOID	Incentives	Other
Durham (\$1,223)	No	\$500 to landlords who rent to formerly homeless households \$250 to renew leases for 2 nd year	
Raleigh (\$1,223)	No	None Expressed belief that due to strong rental market, it would be very difficult to create meaningful incentives	Expressed concern about legislative response Incorporating clause in City loan documents requiring property owners to accept vouchers Monitoring activity around SOID protections for possible future action
Asheville (\$1,192)	No	None	Monitoring activity around SOID protections for possible future action Encourage landlords to accept vouchers
Winston Salem (\$937)	No	• None	
Greensboro (\$937)	No	• None	

Average rent in Charlotte: \$1,229 (2BR)

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Incentives

Research – (National) Landlord Incentives

Across the country, various incentives have been created to increase landlord acceptance of housing vouchers. Examples include:

Location	Incentive
Virginia	Income tax credits to landlords in high opportunity areas that accept Housing Choice Vouchers (e.g. Richmond, Virginia Beach, Newport)
Marin County, CA	Reduced or waived building permit fees for repairs or improvements Interest-free loans up to \$25K for rehab, and \$35K for new ADUs \$3K forgivable loan [for critical repairs] Up to \$3,500 for tenant damages One month's rent [to allow for repairs] while repairing excessive damage to unit, when landlord commits to rent to another voucher holder Hotline to assist landlords in resolving disputes
Santa Barbara, CA	\$500 signing bonus for new landlords; \$100 referral bonus Up to \$2K reimbursed for unit damage, unpaid rent and related court costs Vacancy loss payment due to tenant damages
Oregon	Statewide Landlord Guarantee Program – fund to cover damages for landlords who accept HCV
Washington	Landlord Mitigation Program – fund to cover losses for landlords who accept HCV

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^{*}Cities have no existing protections, nor are any currently pursuing protections

Research – (Local) Landlord Incentives

HousingCLT

- Connects tenants and landords, helping each be successful in the relationship (landlord consortium)
- Staffing: Four people, includes three housing navigators
- Services provided
 - Signing bonuses, between \$100-\$1,000. This is sometimes used to incent the landlord to lower the per month rent under fair market rent (FMR).
 - · Provide a risk mitigation fund to cover excessive damages/ eviction costs
 - · Pay existing rent / eviction/ utility arrears to help tenant become 'rent ready'
 - · Pay a holding fee to incent landlord to hold the unit so an inspection can be conducted
 - Hire private inspectors to conduct quicker inspections (INLIVIAN requires use of their own inspectors)
 - Pay for repairs to meet HUD/s Housing Quality Standards (HQS) the program has bought appliances for units that do not come with them to meet HQS

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Research – (Local) Landlord Incentives

INLIVIAN - Conducted a landlord survey, and made program enhancements in 2019, to address landlord concerns

Barrier	Enhancement
Financial Risk	 Increased program rents in high opportunity areas (subsidy up to 150% of FMR) Established risk/damage fund post move-out, up to \$1,000 Provide funding between lease-ups to offset time unit may be vacant Annual rent increase of 2% minimum each year upon request
Inspections	 Every two years instead of annually Decreased average number of days for lease-up inspection from 12 days to one week Landlords can self-certify non-health and safety issues instead of scheduling re-inspection
Process	 Created Housing Provider Outreach position and 1st time housing provider Concierge service Annual Housing Provider symposium and quarterly briefings to go over process and new policies Established Housing Provider Advisory group Established \$250 signing bonus Initiated Media Campaign #HousingForEveryone

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Legal Case History

Research – SOID Legal Challenges

Minneapolis (~2 years)

- · March 2017 City ordinance adopted ; June 2017 Landlord filed challenge
- 2019 Appeals Court ruling vacated the lower court's issuance of a summary judgment order but did not uphold the underlying SOID ordinance.
- Note: While MN has state SOID protections, in 2010 a court case ruled that Section 8 is excluded from state source of income protections.

Pittsburgh (3+ years)

- December 2015 City ordinance adopted; January 2016 Apartment Association filed challenge
- Pennsylvania court of appeals invalidated city's ordinance despite Pittsburgh having home rule status. The court determined that the SOID ordinance violated even Pennsylvania's home rule statute.

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Research - SOID Legal Challenges

Austin (5+ years)

- April 2014 City ordinance adopted; Austin Apartment Association immediately filed challenge. Federal court ruled in favor of city.
- 2015: State adopts law that preempts rights of municipalities to provide source of income protection
- · 2017: Austin filed suit against state
- December 2019: Federal appeals court tossed out city's case,

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Landlord Survey - Response Details

If you do NOT accept rental subsidies, what is the reason(s)?	Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now? If you answer yes, please also provide as much detail as possible about the modifications you would recommend.
I have tried many times to accept housing vouchers as a landlord. We have a monthly income requirement of 3x the rent, which could include vouchers, but we have found that housing voucher recipients cannot meet the 3x rent requirement even when the voucher is included in income - creating a catch-22. Housing voucher recipients seem to have a total household income level that is so low that even with the voucher they do not seem to be able to afford the basics that would create a stable tenancy. We no longer say that we accept vouchers because after several years we have been unable to get a single tenant qualified, and the catch-22 is frustrating for both sides.	Please see above. HUD says that individuals that pay more than ~30% of income toward rent are housing burdened and thus have economic difficulty maintaining a stable tenancy. We have no issues with prospective tenants or inspections, just a basic level of economic stability is needed in order for tenants to be successful for a 12 month or more period.
I accepted in the past but unfortunately I don't see enough protection for landlord.	Landlord advocacy and incentives
Section 8 seems to cater to the renters from my experience. No accountability regardless to what we're told among other things.	Increase vouchers and implement a you break it, you fix it criteria if expense is under \$200.
I can accept rental subsidies.	Easier re-inspection conditions.
na	your inspections are too rigid
See above.	None. The market is a renter's market. I do not have problems getting renters without the hassles of your program.
You guys really burned us in the past, it was really bad. You stopped paying owners, and that wasn't equitable. I'm sure the county saved a lot of money, but you broke a lot of relationships in the process.	N/A
We don't participate in Section 8 program. However, we accept vouchers from Crisis or any Institution who help to our residents like www.rampclt.com	N/A
Rent delta challenges, in-term contract changes, timely payments	NA
Ridiculous inspection requirements	Create allowances for inspections instead of pass/fail.
Too much paperwork and inspections are too hard.	We use housing partnership but no section 8

If you do NOT accept rental subsidies, what is the reason(s)?	Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now? If you answer yes, please also provide as much detail as possible about the modifications you would recommend.
Property damage, housing authority rules pertaining to rent amounts that I can charge and most importantly the changes to the tenant's situation during the lease term sometimes puts collection responsibility on me as the landlord where I would not rent to them due to qualifications but did so based on receiving the rent from the housing authority.	Yes. Put more stringent laws in place for voucher holders to take care of property (cost of new carpet is typically 3 times the amount of the average deposit). and help landlord bring the property back into rentable condition. Lock in voucher amount for entire lease term no matter how the voucher holder's situation changes
Neither the tenant nor the subsidy/voucher program takes responsibility for property damage.	A process is needed to resolve damages to the rental made by the tenant.
Too much drama, and ppl do not take care of the property. Too much damage, too much costs. Just not worth the headache.	I don't know.
Difficulty in working with Housing, inability to increase rents more than 3%, delays	Hold the tenants accountable, speed up process and accept market rents
When we accepted Section 8, we felt harassed by administrators	No
Housing authority did not take responsibility when sec8 tenants damaged property	Accept fair housing market rent
Our homeowners didn't like all of the responsibility being placed on them to make repairs for things that were damaged by tenants. With the rental market being so strong, their property will rent even if it were less than perfect.	Not put so much of a burden on the homeowner
The representatives are not accessible. I still have one Section 8 tenant, that I have had for more than 15 years, but stopped taking new subsidized applications. I had six section 8 residents at one time. The only way I could communicate reliably with the CHA representatives was to drive to their office and wait to talk with them in person. Also, the annual inspection process became too much.	People need to answer their phones
we accept Cardinal Innovations	n/a
I previously participated in the housing voucher program for 8 years. I no longer participate for the following reasons: do not pay close to market rent for property; unrealistic limitations and burden of proof for rent increase; property inspectors are unrealistically harsh with finding so called defects in property and continually failing inspections for trivial matters such as a bi-fold door being off track. My property failed inspection every year that I participated in the program for items that were not listed on the inspection criteria checklist.	Change the above-mentioned items - get closer to market rent payments, make the system landlord friendlier to navigate as well continue protecting the rights of tenants, be realistic in your inspection criteria
bureaucracy	Yes!

If you do NOT accept rental subsidies, what is the reason(s)?	Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now? If you answer yes, please also provide as much detail as possible about the modifications you would recommend.
too much hassle, takes too long to get approval, inspection etc., damages done by tenant	have inspection and rent amount approved prior to looking at any tenants
I accepted rental subsidies in the past but decided to abandon the program because of antiquated application process and slow startup (avg 30 days after acceptance), including inspection scheduling problems. Customer service was terrible. No one was ever available to speak initially upon me calling. Got passed around to different departments before someone was willing to discuss my case. Shall I go on? The program is not worth the stress.	Improve the quality of your service to the public.
The quality of tenants is poor, and the program does not hold them accountable for the damage caused to the property. The program requires extensive move in/repair criteria so when damages are caused by tenant, the landlord is often responsible for the repairs. This negates any profit earned in running our business. Therefore, I chose not to engage in accepting Section 8 tenants. The program is flawed because it encourages this delinquent behavior which is not beneficial to the clients you serve.	The tenant has to go thru a very detailed training program that teaches them how to clean and care for a property. Also, they will have to held responsible for the damage they caused and be required to pay the amount owed immediately. If not, they cannot move to another property and continue this behavior. This hurts the landlord which is why we don't like to rent to Section 8 tenants; especially when the rental market is strong.
Your Inspection person try to make thing hard then it is.	yes
I have been cheated several times by section 8	Stop the rudeness of your inspectors
I had many issues with tenants disrespecting property. I did not appreciate the application process.	I would advertise a property at a price and have a lot of interest by both voucher and private renters. If I agreed to voucher, I would have to take off market, wait for inspection, then inspector would negotiate agreed upon price. This made it easier and quicker to get a qualified non voucher tenant into their new housing unit.
Not under low income housing	We are currently accepting emergency rental assistance for our residents
Had bad experiences with Section 8 tenants	more support with screening applicants
Use to have all my properties with Section 8, due to dealing with the people in the office and inspectors it got to be a "joke" and wasting too much time with trying to get paperwork process.	Improve customer service for the landlord. Rent rates are lower than what I can get just marketing to the public.
The rent payment is less than the markets. Also, I had 2 tenants destroyed my apartments and Section 8 did make those tenants to be accountable. That is my reason for stop renting to Section 8 tenants.	Pls see my answer above
We have lost money in the past.	Tenants continuing to live in property while we wait on a re-inspection, sometimes problems being the Tenant's fault.
application process	no
No one has asked	Make it easier to remove tenant if they are damaging home.

If you do NOT accept rental subsidies, what is the reason(s)?	Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now? If you answer yes, please also provide as much detail as possible about the modifications you would recommend.
Generally seems to be a misuse of the program and if they disqualify then I'm stuck with them.	Not at this time.
Too many possible issues with tenants who will not take care of the property. Prefer tenants who will qualify for the rent without government subsidies. Prefer tenants with excellent rental references.	No.
I don't like being cheated out of my money	Have your inspectors be more human They are rude
corporate office decision	We don't accept them at this time. However, from my experience, the landlord has to meet several obligations before someone can move in. However, when the person moves out and has trashed the unit the housing authority does nothing about it or helps with the turn.
Section 8 tenant destroyed one of my rental properties. Next you aren't paying me the rent because repairs were needed. Repairs caused by the tenant, but she wouldn't allow us in the house to fix. You stood by this horrible tenant & I had to just take it. No thank unever, ever will I take another section 8 tenant.	No. In the face of all the evidence of the destruction of my house & a drug addicted renter who screamed & cussed me out you only assisted her.
Poor quality of renters with vouchers.	No
units already rented	subsidy/voucher programs tend to pay lower rents compared to market
Regulations and turn over	N/a
Providers such as Section 8 apply very strict housing quality standards (which are good) but they hold landlords responsible for tenant caused issues. Then they hold back on subsidy payments if the landlords do not remedy the issues at the property. The providers are difficult to talk to, have a take it or leave it philosophy as if they are the owners of the property. All of these issues stem from a continuation of the programs to put the tenants in a position to care for themselves. They seem to stop at paying rent and have no concern if the tenants work towards being self-sufficient or not. This has left a bad taste in the mouths of landlords and leaves us with the impression that we are better off NOT dealing with the housing authority.	If the subsidy programs were such that really work towards making the tenants self-sufficient and hold the tenants themselves accountable for the condition, they keep the property in, then I would consider using them again.
I do not want to deal with the subsidies.	More Frequency in inspections to ensure that the property is not damaged.
Have in the past. It always seems to be a hassle to deal with the agency.	Reduce the red tape involved. Better communication.
NA	Tenant needs to have some responsibility to keep to property well maintained.
l accept	Less stipulations on property

If you do NOT accept rental subsidies, what is the reason(s)?	Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now? If you answer yes, please also provide as much detail as possible about the modifications you would recommend.
NA	Subsidies are below market.
Bad experience with Sec 8 program where an "abatement" was made after the rent had already been paid out to the owner, and another time a rent was "abated" on a property for a month I had not received rent for. Sec 8 cannot "abate" when they previously did not pay that month's rent. I, as property manager had to pay the rent to the owner that month. I can't stay in business if I am paying other people's rent when my commission per month may be only \$65-\$120 per month. Doing business with Sec 8 is a good way to go out of business.	No, that time has long passed.
We do not accept Section 8, but we accept programs that help such as Cardinal Innovations	No
NA	The rental fees sometime have been underpaid with the inconsiderations from tenants for tearing properties upIf I had more favorable tenants, I would be keen to purchase more properties to assist with the housing crisis
n/a	Yes, the housing vouchers should match the market rent values in the area. Also, there should be an automatic annual or when re-certification due rent increase without the landlord having to request for an increase.
NA	Program has worked pretty well so far. Working with some employees is very frustrating as they do not return calls or emails timely. Some are great though with their response time. Some inspection items are just too restrictive or fixing adds no value to the tenant but costs too much to fix. This, I don't go with a program tenant. For example, screens in every window. Nobody cares about screens or allow the temp screens that can go in/out be acceptable.
na	yes 1. If charlotte housing authority would pay the whole amount to landlord and have tenant pay their portion directly to the housing authority (which can monitor and advise tenant on progress) 2. If Charlotte housing authority have a program for landlord participants to request housing inspection and preapproved rent rate prior to having a section 8 tenant apply for the specific property. 3. Provide an easier process for Landlord to participate such as sign up to participate in renting to the Charlotte housing authority program and place specific properties into the program that only available for section 8 tenants. Holding tenant more accountable for damages

If you do NOT accept rental subsidies, what is the reason(s)?	Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now? If you answer yes, please also provide as much detail as possible about the modifications you would recommend.
Inability of some subsidized tenants to adequately care for single family homes.	Certified training of subsidized tenants in single-family home care, including changing light bulbs, unclogging sink drains, cleaning showers, toilets, baseboards, gutters and wiping down windowsills, soffits & fascia, changing air filters (monthly!), vacuuming and proper storage of supplies under sinks.
N/A	allow single room occupancies for subsidies
n/a	for first year voucher holders, home visits quarterly that ensure the children are in school and doing well, and no other occupants reside in the home
We do	We need better tenant follow up when they don't pay their part. When we accept a partial subsidy and then we get messed up it cost more to help than to leave it alone. Then the amount of damages when they leave
NA	Faster processing, Extreme screening, Resident training on housekeeping and the financials associated with renting
NA	Yes - The process can many times be cumbersome and take too long to get the inspection and a reinspection. The process can take 30-45 days. This needs to be reduced to 14 days max, as owners lose income when it takes so long. Also, some of the items that cause an inspection to fail are very minor and many times can be easily resolved while onsite or within 24 hours, yet a re-inspection could take another week or so. Lastly, the customer service from helpfulness to timely responses needs to improve.
N/A	We are phasing out our Section 8 participation because of constant problems with the inspection department. We take great pride in our rental portfolio but are no longer willing to deal with an increasing ignorant, belligerent and hostile bureaucracy. Inspectors have demanded that we spend \$8,000 to repaint the interior of the house because the "tenant deserved it;" failed us for not having a carbon monoxide detector even though the house had no garage and no gas service; failed us for a blown light bulb in an oven even though we had paid an appliance repair service to inspect and they determined the bulb could not be replaced due to a manufacturing defect and the tenant did not care. We are offended by your chairman's public comments that failure to accept Section 8 rentals is racist.
N/A	Yes, screen applicants more to weed out the bad
NA	An easier answer as to what the participants voucher amount is
na	I would request to have a cost of living increase in the rental payments
NA	While it doesn't keep me from accepting subsidies, I would like to see the inspections be less strict. I understand wanting a safe house for the tenants, but I think some of the requirements that have nothing to do with safety are excessive.
NA	Overall, I have been pleased with the 2 programs that I mentioned above. My only "complaint" with Section 8 is that sometimes it takes a while to get answers and/or reach individuals on the phone- although, I

If you do NOT accept rental subsidies, what is the reason(s)?	Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now? If you answer yes, please also provide as much detail as possible about the modifications you would recommend.
	understand that they have heavy client load.
N/A	To create opportunities for easier access by the Veterans
NA	Faster move-in inspections.
No inspections, have to collect rent even with partial subsidy. I get to choose my tenant if I rent directly.	Have 100% of rent paid to me and tenant owes you the co pay. Having to collect makes it easier to rent to a tenant directly. Also, some of the inspection criteria make renting directly much easier than using a subsidy.
N/A	Inspection quicker.
na	yes- higher rents and fewer & less stringent inspections. Having fund to help repair the properties would also help. It's a tough sell to owners to collect less rent and have to pay for many unnecessary repairs when renting to the private sector. Less paperwork would also be appreciated.
The answer applies to this question	Reduce the required administrative work.
Na	The 2 percent allowance increase per a year is too low compared to 5 to 7 percent in long arm rentals. Also, inspection delays before moving in can be costly to landlords.
NA	It would benefit the clients to be skilled in contacting landlords and how they speak and email with us. It is a turn off often how we are approached and communicated with.
N/A	Faster initial inspection times and faster re-inspections once repairs are completed after the first one fails. There is too big of a difference in the speed at which you can rent to a non-subsidized tenant vs a subsidized tenant. Despite efforts to fix it, most properties even in good condition still fail the initial inspection. The total process can take 3 to 4 weeks. It's a strong dis-incentive to lose almost a month's rent compared to a non-subsidized tenant. A greater investment in the opportunity housing program within section 8 to increase subsidies for higher cost areas.
N/A	Yes, if provided coverage for damages and time to repair; If they paid their security deposit
does not apply	Timeline on processing
NA	The ability to not have a rental increase cap each year, but rather re- evaluate based on current comps nearby and raise rent to be comparable to non-Section 8 rentals.
The majority of our houses do not accept subsidies because of the turnaround time to place a tenant and second most common reason is that affordable rent amounts were too low to accept.	We want to accept low income tenants and provide subsidize housing and we know that Charlotte programs are well ran, but we would still like more transparent processes, the use of more automation (online forms with digital signature) and expedited tenant placement (10-days or less). We find that as personnel change, the processes change with each new employee.

If you do NOT accept rental subsidies, what is the reason(s)?	Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now? If you answer yes, please also provide as much detail as possible about the modifications you would recommend.
We do not accept new Section 8	1. Easy process for Rental Increase, because of this reason we are down to 1 from 4 Properties. chances are once this one is gone we will not be going back to Section 8
	2. Inspections are one sided, examples, even things that should be tenant responsibilities are thrown on landlords
Inspection	Inspection
Will not accept in future due to low rental cap.	Market rate for rent.
NA	Shorten the inspection process. Get initial payments out quicker.
Na	I would accept anything offered
We expect market rentals	When we accept a Section 8 voucher, CHA does conduct an inspection and only when it passes, the tenancy starts. When they come back for yearly inspection, they note all the deficiencies, even the damages done by the tenants. Most of the time they mark it as owner responsible. Even if they mark tenant responsible, CHA is not enforcing the tenant has to fix it. Not forcing the tenant to keep the unit clean. Some of my units are so bad, Inspectors never mentioned it.
Small Amount accept Section 8 Maintenance cost is too much with annual inspection and make owner pay for what tenant damaged and rental amount is lower than marketing rate	Shorter inspection waiting period, rent close to market rate and tenant should responsible for all their damage to property
N/A	Easier inspection process, more tenant accountability for damages and lease violations
na	Increase rent and some level of responsibility from INLIVIAN on the tenant actions
I accept all rental subsidies	Yearly increases are necessary because of the increases in taxes and insurances.
NA	Yes, I rented to Section 8 tenants out of a sense of civic duty. We would get less than full market rent plus be 100% liable for all damage because there was absolutely no way to collect from someone who had nothing. The additional hassle was considerable, and the damage was seldom less than \$2k per unit. It took me years to accept that, although we genuinely did help a few poor tenants, mostly we enabled the majority of them to continue making bad decisions. The program needs to vet the participants a lot more rigorously (e.g. drug use, unauthorized personnel staying with or take the participant's place for free rent, etc.).
NA	Would encourage yearly increase of rent. We already take a smaller amount in rent to accommodate section8
N/A	The rent increase process is burdensome and often doesn't keep pace/meet the max level of rents of other low income rent limits (i.e. Low Income Housing Tax Credit limits, and even HOME limits), and the annual review/inspection process for properties with project based vouchers is always a year behind and also burdensome (close out never happens within 30 days of inspection).

If you do NOT accept rental subsidies, what is the reason(s)?	Are there any modifications to rental subsidy/voucher programs or processes that would encourage you to accept subsidies? If you already accept subsidies, are there modifications that would encourage you to accept more than you do now? If you answer yes, please also provide as much detail as possible about the modifications you would recommend.	
NA	We have a few rentals that accept Sec 8, but we managed the property and the tenants had already lived there. We currently do not take sec 8	
N/A	They are not very organized. The inspection is way more for them than the average move in.	
I accept rental subsidies	Larger Deposit	
NA	Paperwork is too slow to process.	
NA	Straight \$300-\$500 per house on all so they don't get behind and evicted	
Quality of tenants & difficulty of getting rental increases.	Provide tenant rental history and path to self-sustainability through training & financial education.	
NA	The housing department conduct more inspections on the tenants	
N/A	Speed up the process	
NA	Certified list of AVAILABLE maintenance handymen to assist in housing acceptance and expedite approval.	
n/a	initial payment turn around needs to be more efficient. Landlord shouldn't have to wait a min. of 2 months before receiving payment from the agency for section 8.	
n/a	Make the tenants A LOT more responsible for the damage they cause while living in the properties.	
I don't accept more because of bad experiences in the past. The tenants tear the place up and I have to go in and repair everything at my cost.	I would accept more if the tenants/programs were responsible for damages.	
NA NA	 Count actual rooms instead of technical "bedrooms," just because they have closets Investors often pay for total square footage; not number of rooms. Section 8 and related programs lose out on large properties with fewer that could be useful for large families. Encourage sharing situations for needy families. Two small families could possibly share a large home in emergencies, as opposed to being homeless. In situations as in #3, landlords can be incentivized for the extra wear and tear on their properties by paying them according to the number of people in their units. Families with childrenwho happen to need more supportare also the more expensive renters, specifically because they happen to tear up your house (from my experience): They clog up the toilets and ask for plumbers, destroy toilet handles and faucets etc. Certain landlords avoid themunless they are morally compelled to sympathy for the needy. 	
N/A	With the section 8 voucher there is no modification, only what comes along with the criteria of having a voucher. The modification for the Key/Target program you must have some sort of disability. we meet and try to keep the require numbers for each program.	

Responses from Developers that have received City-funds

Based on your experience, please tell us what modifications and/or incentives to subsidy/voucher programs, if any, would encourage you and/or other landlords to accept more vouchers/subsidies. Please provide as much detail as possible about the modifications you would recommend.

From our perspective, the biggest hurdle is the availability of vouchers. We would accept as many applicants with vouchers as came in.

Common landlord concerns are the timing and difficulty of inspections, payment delays, limits on rent increases, and general additional bureaucracy. As we are just in lease-up we do not have specific concerns at this time.

Efficient process from lease application through inspection to occupancy is always a key consideration. Some programs are more effective than others. Timely subsidy payments is also a common concern amongst landlords, especially in turbulent economic times, when managing cash flow is paramount. I would recommend finite timelines from lease application to inspection and inspection to move-in that are transparent and can compete with market-based timelines for non-subsidized tenants.

We need promotional outreach to landlords to counter the negative perceptions of voucher programs.

Increased reimbursement rates for 1- and 2-bedroom units

We accept vouchers as long as the resident meets other rental history/credit/criminal background thresholds. Some subsidies include a reimbursement for repair costs if a vouchered resident damages a unit beyond normal wear and tear to encourage acceptance of residents that might not otherwise pass the threshold due to prior rental history.

Responses from Subsidy Providers

Based on your experience, please tell us about any (typical) feedback that you receive from landlords that reflects a reluctance to accept vouchers/subsidies.

What we hear most is concerns that their properties will not be taken care of by the tenant. To be honest, some of the landlords have had this to happen.

Concern about the credit / rental history of the applicants; concern about occupancy delays or FMR restrictions - especially if resident has a Housing Choice Voucher

The landlord doesn't give us a reason. They just say they will not take a check from us.

Besides timely monthly payments, most landlords are concerned about the potential destruction of their property as well as the associated time it takes to evict a tenant if there is damage to their property.

Please share from your perspective what you believe the pros and cons are of adding 'Source of Income' protection to the city's Fair Housing ordinance

If this passes it will be a great injustice to landlords and the City. Applications would be approved with no income knowledge and potentially many leases could be signed to tenants who cannot afford homes. It would only cause higher eviction rates and cost more taxpayers money. This is going in the wrong direction. Transparency is key in renting homes.

I realize there are those that work hard to better their lives. I also believe that many, not all, that receive financial help tend to not take responsibility for their actions or the actions of those they are associated with. This group isn't held responsible for their behavior when it disrupts the community dynamics or destroys property. Managers are left to handle the issues caused. This group isn't removed from the program, they are allowed to move from place to place bringing with them their "not caring attitudes". If there are damages, they do not pay for them after the fact because they do not have an income, or their income is very little. They do not care if it is turned over to collections or affects their credit because a third party will pay for them to live elsewhere. It seems to be the attitude of, "someone else is paying for this so I don't have to be responsible or take care of it". When income qualifications are met, people tend to be more responsible for what they have worked hard to achieve, and they are more concerned about their credit. Yes, you still get a bad egg on occasion, but the results are different in the long run. If I was living next to someone that was paying less because the difference is being paid by a third party and they didn't respect me or the community, I would be upset because of how hard I work to make ends meet. The more handouts given, the more hands are out. This group isn't learning how to take care of self because a third party is picking up the pieces. If things don't work out with a job, they are quick to walk away because financial help keeps them in a home and in some instances food on the table. I don't have an issue with helping someone in need but there are too many people that are lazy and have an attitude of "what can you do for me". This cycle needs to be broken. There are generations of families that are still living on assistance because it is the only thing they understand and know. I know guidelines are set in place to keep some of this from happening but as with most government jobs the resources are not available to be sure guidelines are kept. People move in with each other after the qualified person receives housing and it is impossible to get them out. And when reported, the housing authority doesn't do anything to help the situation. I don't think the government should have a say in how private investors qualify tenants. The investor already follows the fair housing guidelines. There are tax credit properties and there are subsidized properties for those needing help. If there isn't enough of these apartments available, ask yourself why. Could it be that more and more people are becoming lazy and don't want to help self when they know a handout is available? When does this stop? When is enough enough? Does the Mayor and the City Council want neighbors less than qualified to be living next door to them because a third party is paying the difference? Probably not, but they are ok with allowing them to live in places that have income qualifications. The only pro I can think of is vacancy issues are limited.

As a landlord by taking section 8 or any subsidized housing I am not only signing up for a new payment type, but I am also signing up for an administrative task that I may not be ready to accept. With section 8 comes contracts beyond a lease, inspections yearly, income from the county and a copay to collect. Constant changes to funding amounts. Not everyone is prepared or desires to have those put upon them. I quit taking section 8 for those reasons. My view is take subsidized housing for all rentals or not at all. Having a mix is a nightmare and no one should be forced to accept that.

Pros- Sec8 income counts which helps get more tenants. Cons- Sec8 doesn't pay all the rent usually, so it leaves the owner vulnerable if the tenant chooses not to pay their rent. CHA tells us to "enforce our lease" and that we're on our own. Our job is to protect our owners if our tenant checks show unreliability. But the main cons are the federal guidelines that define what an "acceptable habitat" means which are not reality. The vision of rats running around with non-working plumbing might be true sometimes and be worth fighting against, but that's not true of the lion's share of homes. Truthfully most non-rental houses would fail a Sec8 inspection (and the bi-annual reinspections) if done thoroughly. The federal guidelines are nit-picky and most of the issues found are not real issues. So why would a landlord subject themselves to arguably unreasonable guidelines for less rent? It's tough to consistently make a case for our owners to avail themselves of the Sec8 program which is what a blanket policy would do.

I accept Section 8 and have had great experiences, so not sure why (other than the owner maintaining a crap property and not wanted to spend the \$\$ to keep it up) an owner wouldn't accept Vouchers. However, I am against any government regulation(s) that 'forces" anyone to operate their owned asset in a manner in which they do not want.

Personally (selfishly), I don't like this as it may force other owners to start taking Vouchers, which would add greater competition to my portfolio of properties.

Honestly, it likely won't change much if this change happens. With so many people looking for rental homes (both with / without vouchers), an owner normally has several options/applicants for who to rent to...thus, they can always select a non-voucher applicant and support their decision without showing bias. Thus, unable to be enforced.

Pros, it would provide more housing opportunities for low income families. Mr. Flowers has been good to work with.

Cons, the process is cumbersome. I had a unit available, the tenant was ready to move in within a week, however the process took nearly a month. With forms, delays, coordinating the inspection, etc. If the process were more streamlined, I think landlords would be more willing to rent with INLIVIAN. As it stands now, it is much simpler to rent in the open market and not deal with the government red tape. The tenant finally moved in, I'm still waiting for the INLIVIAN deposit, the tenant has paid her portion. If I had rented this unit in the open market, the tenant could have moved in more quickly and the deposit and first month rent would be in my account vs when I'm still dealing with now.

Pro: I really do not see any

Con: Less people will utilize the services that are provided. I once had a Section 8 resident in my home and they trashed my home before moving out. That happened on 2 occasions. So, Property Managers that have experienced this will not be able to utilize some of the services offered for residents.

I am opposed to amending the ordinance. I believe landlords should have options to who they rent to. As a landlord having partnered with CHA for 15 plus years, I understand some of the pros and cons of income protection.

Pros: Landlords get to access who is best qualified to pay rent without through section 8.

Cons: I believe far more landlords will not list their property and find another avenue to rent their property. I know that Listing property though section 8 requires a lot of paperwork and yearly inspections, however, I have found it to be worth it. It benefits me and the tenant.

We accept Section 8. However, I have 15 years of experience in conventional apartment property management where those apartment communities did not accept Section 8. To be honest I think it is a form of discrimination to not accept the Section 8 voucher. It is clear the disparity between communities that do accept Section 8 versus those that do not. Those do not accept the Section 8 Voucher are often newer, more modern, and have better or more amenities. Is that Fair Housing? I don't think it is.

Pros: helps renters get considered for residences, Cons: requires voucher sponsors to provide rental background references for clients. Landlords will require the same scrutiny on pay history and cleanliness for the voucher recipients as they do for non-voucher applicants.

The con is by requiring everyone to participate in programs such as section 8 then the owner or in some cases the on-site team, must now provide certain financial proof of the property such as mortal age information and other such items which should not be a requirement to participate in section 8 as it is. Additionally, with our team just recently trying to accept a voucher our on-site team was asked for personal information of the property manager such as a photo ID.

Also, certain programs required property inspections and if you fail one item on the list they won't pay the funding/voucher. It is not right to require this undo financial burden of having an entire property inspected by an agency because you may have a handful of vouchers and then have the entire property inspected to be told that something is wrong with a different unit and you won't get your funding for that month. Properties already go thru inspections that additional inspections also put undue burden on the residents as well.

I believe making landlords subject to such a change would infringe on property owners' rights and would be challenged in court. No owner of rental property should be forced to accept public funds and be subject to the rules and regulations that go along with that. The government would need to add more staff and the accompanying expenses to regulate such rules.

As a small property owner, I would remove my property from the market by selling. You would create a major shortage of affordable housing.

This is outrageous. I will sell my houses to someone who does not care who rents their homes and I'll personally join or head any lawsuit against the city if this were to pass. Would you consider renting your own home to someone that cannot provide a proof of income. For many of us that own homes in Gastonia for rental purposes this is our only source of income. We take pride in selecting people that will take care of our homes and ultimately make our community look good. We do our due diligence to ensure that the tenants have the income to support the rent, that they do not have violent criminal backgrounds or drug convictions. So if I am required to not ask for proof of income how do I determine that a renter has sufficient income to support rent and that they are coming by their money in a legal way and I am not renting my house to a drug dealer? This will not better our city but in fact make our low-income housing worse. In addition, when I have worked with housing vouchers in the past, they take over 4 weeks to provide the money to move in costing the owner money. I had to make myself available for inspections by the city. We absolutely should be held accountable to not discriminate based on any protected class but to put the burden on the property owners to rent to all tenants seems illegal and is a recipe for disaster. Good luck attracting good landlords if this is passed! You will be welcoming the slumlords!

Changing the current ordinance appears as a way to force more landlords to accept Section 8 vouchers. Landlords should have the ability to accept or decline a voucher without having to worry about being hit with a Fair Housing complaint or discrimination lawsuit. A landlord should have the ability to decide if they are willing/wanting to deal with all the paperwork, compliance and HUD regulations that come along with accepting Section 8 vouchers. Changing the city ordinance appears to take away that decision-making process. Forcing a landlord, who is unfamiliar with all of the HUD regulations and compliance requirements, to accept an applicant/tenant with a Section 8 voucher, could expose them to unnecessary liability, increased costs (i.e. compliance monitoring, legal fees) and potential loss of income.

Adding source of income as a protected class would increase additional documentation (Vouchers) and inspections for the property that most communities are not accustomed to doing. Therefore, failed inspections or incomplete documents would result in delayed receipt of funds. This would cause undue hardship on communities that financially struggle with delinquency month after month.

There is no way that is or could be fair to landlords, how would we be able to determine if they could afford the rent.

I think this is too broad and I need more information. If someone list a drug dealer or pan handler, for example. This could open businesses up for more issues so I would need more information on how you think this would help improve the community and people's lives.

This cannot be done as the landlord has to eat the 1 month+ process waiting for section 8 to get inspections. Also, section 8 tenants usually have no wherewithal to cover damages they leave in properties. I just have one where the lady moved out and left with me 5K+ in damages and I have not one to collect it from. Also, a landlord may know their property won't pass a section 8 inspection, thus were not going to consider section 8 candidates. I personally have 6 or 7 properties in the section 8 program at present. If city of Charlotte guarantees cost of repairs for these folk's tenancy (stolen appliances (yes have had that), damaged property no limits beyond what can be reasonable shown, section 8 verifies and follows up. I can honestly tell you out of the probably 100 section 8 tenants I have had over my time, I have seen half at least lying whole way through (married or living man usually not claimed on paperwork, just too hard to fight and prove lives there but I am telling you they do) work for cash, etc. One of my coworkers regularly very upset by abuse of government programs she has seen. I tell her isn't our place to reject for that but if I were in power (president/mayor/etc.) I would institute very harsh penalties and loosen the rules to commonsense for. I once had a section 8 tenants in Detroit who was running a business out of my house, not paying me and claiming no income, etc. But had a fancy website advertising hair styling/photography out of my address and the section 8 office told me only had money for vouchers no enforcement investigations, etc. I finally let the property go back on foreclosure after evicted the lady and just gave up on the city of Detroit as many other landlords did. Do we want that in charlotte? People have to have discretion in who they rent to within the federal fair housing laws. Any businessman is not going to shoot self in foot and discriminate based on being section 8 income if makes sense, but there are many folks that may have a voucher that are just trouble. I did a number of deals with Supportive Housing Communicates (separate from section 8 but funded through same program by housing authority) where they took homeless people and put them into homes. A couple of those people worked out (actually only 1 of 3), the other two lived in my property had maintenance issues that normal tenants would not have both from hard wear and tear and flushing any and everything down toilets, sink drains, etc. I feel very passionate about this. If city wants to go this path then ask Section 8 to just lease the homes form landlords and handle all the maintenance, etc. Make it a turnkey rental (i.e. city leases for person X and city guarantees to return back in like same condition) and be liable for damages. Otherwise this is no go and is going to result in lawsuits against the city wasting taxpayer dollars.

This proposed 'source of income' amendment would seem to pervert the original intention of Fair Housing focused on their status as a person rather than their financial wherewithal to pay the rent. Additionally, forcing subsidized housing programs on landlords/property programs would require an added cost of paperwork and administrative burdens that some landlords may not desire to deal with. The ability for Landlords to rent their property to whomever they wish, original definition of the Fair Housing personhood statuses notwithstanding, would also seem to be an inherent property right issue. Expanding such a definition to include 'source of income' will likely have unintended consequences, such as shortage of rentals, as landlords choose to quit renting altogether and likely would lead to legal consequences difficult to prove/enforce in court. For example, if a Landlord decides not to rent to prospective tenant, would your new ordinance also require a landlord/property owner to explain their reasons for not renting to this prospective tenant? Lastly, if the intent is to provide more available housing in the city of Charlotte, it would seem less regulation and restrictions and property tax or other INCENTIVES would entice more property owners to get involved, rather than making things more difficult. You may want to seek legal counsel, as well.

Unfortunately, there are not any pros to this amendment. This is not the right way to fix the problem of few landlords accepting Section 8. The problem is not that owners don't like rental assistance programs, it's that they don't like Section 8 specifically. Other rental assistance groups are fantastic and we work with a lot of them, but we do not work with Section 8.

No one wants to accept Section 8, because, speaking from experience, Section 8 is not well run and it always costs the owners significant time and money. Again, speaking from experience, it can take months to receive income from Section 8, you have to collect rent from 2 parties each month, and it can be very difficult to remove disruptive, abusive, or destructive tenants. Furthermore, the inspectors get paid for each visit they make, so they are incentivized to find problems and fail the inspections, which typically costs weeks of lost rent. We've had tenants that make noise at 3am and disturb other tenants in the building, causing them to move out, but then we were not able to remove the disruptive tenant.

My company and our property managers work with several housing assistance groups in Charlotte, but we do not work with Section 8 for the reasons above. LOTS of owners love the rental assistance groups, they simply don't like Section 8.

Not all of these groups are equal, many are extremely good but the bad ones are terrible to deal with, and forcing owners into the bad ones only does a disservice to the groups that do a great job.

This amendment is an attempt to force more owners into using Section 8, which is a counterproductive answer to this problem. Not only is this going to crowd out the quality housing assistance groups that create a win/win for the owner and renter, but it's going to give the Section 8 program no incentive to improve itself. The net result is going to be landlords raising rent across the board to try to recoup the lost revenue that working with Section 8 causes.

The city should find ways to incentivize owners to participate in qualified housing assistance programs of their choosing. The city should consider designating a number of programs that they vet and then find a way to encourage landlords and property managers to work with these groups. That would provide an incentive for these groups to be well-run while also getting more owners to participate in these programs.

I have been a landlord for more than 30 years and have rented to Sec 8 tenants. 20 years ago I had a section 8 tenant and would get more than the market rent so when the inspection happened every year and I had to fix items that the tenant destroyed I felt like I had extra money to do so. Now that is not the case. It seems Section 8 does not pay market rent.

I believe this ordinance will hurt the section 8 tenants, because they will be spending on application fees. The landlord will find out the applicant is on section 8 by calling their current landlord. If the new landlord does not want to rent to section 8 tenants, they will make up a reason why they chose another applicant. The section 8 applicant will be out the application fee over and over. At least now, the section 8 tenant asks and knows the landlord will accept section 8 tenants before applying.

I will tell you this ... if I did not have to fix damage that the tenant caused, I would be happy to rent to section 8 tenants. It just seems section 8 tenants don't have the money to repair anything.

I realize I expanded on my answer. Maybe the program is different now. I have not rented to a section 8 tenant in a few years.

I'm against adding source of income as a protected class to the Fair Housing ordinance. If the source of income in question (i.e. Section 8) were able to be administered in a manner that didn't carry such a major burden for the landlord, then I would feel differently. But that's not the case.

Below is an email I sent to a few other investor friends of mine to review. I think this is well intentioned but could have disastrous impacts on business involved. Also, I think the city should figure out how do we make our program more desirable. People don't not take section 8 (what I think the actual target of this program is) because they are discriminating or something. We are all to results focused to do that. It is situations like harder living which costs landlord's money to fix up, time lapses for payment, inability to get damages covered, possible maintenance difference from other tenants. Again, this coming from a guy who owns 50+ properties (between my name, ENA rentals, and others) and has direct influence over others. Try offering property tax reductions for taking section 8 tenants or guaranteeing repairs with like a 5K deposit guarantee or something like that. Make private business more willing to take the risk than try and force it. You could put people out of business with drastic big hand of government mandates versus just juicing up the appeal of certain tenants that may be viewed by some as undesirable. Dealing with CHA/INLIVIAN has its own set of problems, believe me I am living it now. Below are my comments to a few colleagues:

Email

Date: Tue, Dec 1, 2020 at 2:50 PM

Subject: !!!!! Urgent need you folks to review and comment !!!!

Hey Folks, I got from the city today and thought I would share. They are considering making landlords not able to consider sources of income for tenancy consideration (source of income as protected class). I originally read as section 8 (meaning would be required to consider/take section 8 tenants at all properties as long as they qualify otherwise, but more I think about I guess would have to take someone who claims will have the money but can't explain how they will get either. Now I full disclosure have 7 or 8 Charlotte section 8 units right now and in general have no complaints about the program. But is a decision I as an owner/property manager (in consultation with the owner made) make, not something the city should mandate I feel. I am writing to you to request you input or guidance and if in agreement think we should each reply and lay out concerns (if have any) about being forced to ignore source of income in tenancy considerations. Basically I think it is a slippery slope if you can't decide if you want to work with the city housing program for housing folks in your property, next they tell us can't look at credit history or criminal history or rental history, etc.

Issues I have off top of head.

- A) Housing authority (INLIVIAN or other similar programs) takes like 6 weeks best case from time tenants applies till their property is approved usually (all this time the landlord is not paid), then have to wait another 60 days to get a check with section 8 programs.
- B) section 8 / other charitable agency tenants tend to have less wherewithal to cover damages they or their tenancy may cause on a property (not always but should be to each owner to evaluate the tenant, so the landlord should be able to consider that at time of renting if worried about). Again I have some great section 8 tenants, but don't think we are landlords should be mandated to ignore that consideration in analysis of a tenancy.
- C) Also this thing is not just section 8, what if you have a drug dealer, pimp, etc. wanting to lease your home/apartment, if you can't question their means to cover the property even though they have no documented means to pay for it, I don't think you could say no based on that. Seems like a recipe for disaster or a bad tenancy ending.

Sure there are many other considerations that I haven't even thought of. Please review and provide feedback to me or the city by clicking on the link below but appreciate any insights as well.

Again I by no means want this to be taken as I am anti-accepting these situations but I think it should be the landlord's discretion on a case by case basis. Also, the large programs if they can't get enough people to accept their programs should look at how to make them competitive, maybe give property tax credits, guarantee damages, etc.

Let me know your thoughts.

I don't think the City has the authority to do that and it will be met with legal action if they attempt to impose it.

The obvious Pro would be that more housing vouchers residents would find a greater supply of available rentals on the market.

But The main reason most property manager are unwilling to accept housing voucher is because of the difficult nature of some of residents and the ridiculous standards that housing vouchers administrators / code enforcement places on the property manager after the residents have damaged the unit. This is from personal experience. Some housing vouchers residents for years have abused the system and used code enforcement as a weapon against the property managers. So, the rental market reacted and stopped accepting vouchers. If the city adds source of income? as a protected class, they must create safeguards that protect the property and property manager.

This can the accomplished several ways-

- -having stronger enforcement of the number of residents living in a unit
- -have voucher holders receive resident / living classes on how to maintain a household
- -have a landlord advocate within charlotte housing authority that landlords can meet with on a regular basis
- -have charlotte housing authority guaranteed to fix all damages beyond normal wear / tear that the vouchers holder can't cover out of their deposit
- -offer the property managers expedited eviction process for vouchers holders that's enforceable. So instead of it taking 4-5 weeks to evict, make it 3 weeks
- -have the charlotte housing authority guaranteed and cover all cost on any eviction and payment to the property manager
- -having regular inspection of the units by the property manager / charlotte housing authority to make sure the units are being maintained. Once a year isn't enough.

I think adding source of income is fair

That is great. That helped the low-income tenants to pay their rent.

It is unreasonable to expect a homeowner who is an INDIVIDUAL trying to make it like everyone else to live up to the unreasonable expectations of some of the housing vouchers. The inspection process is burdensome and one-sided. This will stunt investment in the city. Until there is a reasonable and rational process for charging tenants for their damage, I see no way to make this workable. The city refuses to hold a tenant responsible for what every other tenant is responsible for in the terms of the lease. This rule will violate the agency requirements under the NC Real Estate Commission. Finally, we feel it is NOT the renters that are a problem it is the unnecessary and overreaching rules of compliance.

As the owner of affordable housing NHPF supports this ordinance. Allowing renters who receive vouchers to live in higher-end properties in more stable neighborhoods will be a good step in breaking the circle of poverty and crime that too many vouchers holders must deal with daily.

It's already added in my state, you should follow suit. Landlords don't want to comply because they think tenants will destroy their asset. I had this happen to me and of course Housing Authority did nothing. She applied for residence at another property just like that and I got stuck with over 5k worth of damages. So, that is the con. The pros, we all need a place to stay. If I can help a family in the process, I have no problem. The same can happen with any tenant in any scenario.

Think it should be added. Because you have most people live on a fixed income. But the people need to also remember is they need to work with the landlord in keeping these places clean and cared for, so that he does not have to increase their rent for damages they have done to the property.

Add it

As a property manager I think this is great. We are limited to the people that we are allowed to lease to when our properties do not accept vouchers making it difficult for people who need housing to get it.

I agree that source of income should be considered as a protected class.

I am partially ok with the change. Though the Housing Authority provides rental assistance, there is no guarantee of property protection should the property be damaged by a tenant. I don't profess to be an expert on tenant readiness training that goes on, but property protection is my concern.

Pros: It obviously potentially opens up more homes to those with vouchers; Cons: I personally love Section 8 and have about a dozen houses with vouchers and all of those families (with the exception of one who I did have to evict) have been with me for years and we have great relationships. Here is the thing about Section 8 though, it's a very unique process to get it rented. The Landlord has to be willing to deal with everything that entails from verifying the voucher, submitting the proper paperwork, being patient for the inevitable delay that it takes the voucher application to be processed, to understanding the very strict (and in many cases, unduly burdensome) inspection process, then being able to wait anywhere from 30-90 days for reimbursement to start being paid. It takes a special landlord who is willing to go through all of this. I fear that if all landlords are made to do this then when landlords who start this start the process, they will get through various stages of it and then pull the application. That will result in a tremendous waste of time and resources for everyone (tenant, landlord and INLIVIAN personnel). This will further slow down the already cumbersome process. Landlords will learn the hard way that they don't want to accept vouchers but only after they have gone through part of the process. As mentioned, it takes a unique landlord to accept and work with Section 8 and rather than mandating something (which I have no doubt will cause tremendous issues), I would recommend some sort of incentive for landlords to work with Section 8. After all, if I can get the same rent through the private market with less hassle and delay, then I'm going to choose that just about every time. But if you throw in a tax incentive or something like that (maybe a discount on property taxes or something?) then that could incentivize more folks to work with vouchers.

The con is that by adding "source of income" you are committing the property manager to complete cooperation with Sec 8 policy and allowing Sec 8 to dictate if rent should be paid by the tenant or "abated" by the City. As a property manager, I do not accept Sec 8 because that leaves me as a property manager vulnerable. On a \$650 rental at 10% commission, my monthly income from that property is just \$65, that's all. If you "abate" \$650 from me as a property manager, I may have already paid the owner \$585. ("Abate" means "take back".) I made \$65 and you "abate" me \$650. The owner is not going to give me those funds back, even though he/she should! When rent is paid out to the owner of the property it is gone! I cannot afford Sec 8. Sorry. Lost too much money that way in a business which is not a big money maker anyway. You need to find a way to penalize the owner, NOT the property manager.

The pros are that these folks (tenants) may need help. You need to use Sec 8 for private owners in a different way than you do for property managers. You are penalizing the wrong person(s) here. That is why managers are turning away from section 8.

Secondly, I am just going to be upfront with you...you need to hold tenants who do

malicious damage responsible for their own damages. If a wall is painted up by a tenant's children who are writing and drawing on walls, then the wall should remain that way or the tenant should be held responsible for the damage, Instead, the owner of this property is required to paint, paint, repaint till the child grows up! That is not being level handed. I always charge tenants for tenant damages. Sec 8 individuals at times have removed window screens and sold the metals, ripped out sinks, taken fixtures...yes all of this has happened, and I get fired by the owner for allowing Sec 8 or sued for allowing damages. (Remember I made \$65 per MONTH on this property.). Now the owner sues me for "allowing" damages.

My last comment is that Sec 8 does a very good deed for folks who need it.

I think Sec 8 and other programs actually should be expanded. Many many people in the past and now just can't make it working more than one job. But this job of mine is my lively hood, and I don't mix my lively hood with my charities. I am a giver when there is a need, but I do not have permission to be charitable for my owners. They have to do that for themselves.

Keep Sec 8, just fix it!

I am not opposed to adding source of income to the City's Fair Housing ordinance. The only concern is the additional burden this places on a landlord, such as additional inspections and possible issues with tenants who might not necessarily care about where they live.

This would be absolutely horrendous on so many different levels. I can't tell you how many fraudulent applicants proof of income has been able to stop from moving in. This would result in an immense increase in evictions and quality of residents in any area. The only reason to ask for proof is to prove you haven't lied on an application. It wouldn't stop being able to ask for income amount on application. There is no harm in asking for people to prove that they aren't lying. We get fraud apps weekly. Please don't do something so ridiculous.

Section 8 and other vouchers have significant requirements for landlords, which smaller landlords and older properties are not prepared to comply with.

pro: open inventory up to those most in need of a home

con: landlords would be forced into a government program that includes price locks they may not want to be a part of

December 4, 2020

Gail Whitcomb Assistant to the Director City of Charlotte Housing & Neighborhood Services 600 East Trade Street Charlotte, NC 28202

Dear Ms. Whitcomb:

On behalf of the National Rental Home Council (NRHC) I am submitting this response to your request for comments regarding consideration to add source of income as a protected class to the city's fair housing ordinance.

NRHC is the national trade association representing America's single-family rental home industry. Accounting for more than 23 million properties, to include over 720,000 in North Carolina, the single-family rental home industry provides housing for more than half of all renters in the United States. Members of NRHC include owners and operators, both large and small, of single-family rental homes, many of whom own properties in the city of Charlotte and the surrounding area, and who are proud to serve the households that call their properties home.

At a time when it has never been more important to ensure Americans have access to quality, affordable housing, NRHC believes efforts to restrict or compromise that access will only serve to create inefficiencies and obstacles in the delivery of housing for those most in need. We believe including source of income as a protected class will only act to disadvantage the very households the city of Charlotte is attempting to assist by ultimately limiting the options available to individuals and families in search of housing.

Today's housing market is constrained by a significant shortage of available homes at all price points, especially those within the affordable and entry-level segments of the market. Housing providers are responding to these constraints by working diligently to expand the availability of homes. Only when the supply of available homes is more in line with the demand for those homes will the market be able to accommodate the true spectrum of need.

For this reason, NRHC encourages the city of Charlotte to consider regulatory and oversight frameworks that will lead to a discernible expansion in the supply of housing for all in the metropolitan area, rather than prioritize approaches, like source of income restrictions, that will put further constraints on the availability of quality, affordable housing. Perhaps of most concern with source of income restrictions is the added administrative and operational delays and complexities such ordinances impose on renters and property owners which end up burdening the home rental process and limiting housing options. Specific concerns regarding source of income restrictions include:

First, many jurisdictions are served by more than one housing authority or agency charged with administering fair housing ordinances. This often creates a challenging and confusing environment for home owners with multiple rental properties not uncommon in the single-family rental home industry where rules and standards of compliance and administration lack uniformity and consistency.

Second, for purposes of transparency and disclosure, rental home owners prefer to operate under lease terms and conditions that are both clear and consistent across properties. This practice serves to protect both tenant and landlord by codifying standards, rules of conduct, and obligations that are easily understood and readily accepted. Source of income and other localized restrictions require amendments and provisions that add complexity to the lease document, both in terms of its legality and understanding by the parties.

Third, source of income ordinances typically require an inspection of the home by the local housing authority or responsible agency as part of the application process. Further, source of income ordinances allow applicants to have only one rental home application under review at a time. This requirement makes it extremely difficult for applicants to obtain rental housing when competing applicants often have multiple applications under review simultaneously. Contributing to the problem, housing authorities often are not able to conduct the mandated inspection of the home for a number of weeks. During this time the applicant is not allowed to submit any other rental applications, effectively taking them out of the market until the inspection is complete. For the property owner, the period of time waiting for an inspection is dead time when the property is not rented and therefore not generating rental income. However, those homes continue to generate expenses for the owner property taxes, assessments, mortgage and financing costs, etc.

Fourth, home inspections often result in requirements for repairs that are at times ambiguous and unnecessary, yet provide no recourse in terms of contesting or refuting the results.

Fifth, the process of receiving payment from housing vouchers is notoriously cumbersome and time-uncertain. Often, property owners must wait 30 to 60 days to receive monthly rental payments, forcing the owner to cover costs with personal funds, if possible.

Ultimately, the financial cost and operating strain associated with source of income ordinances make it more difficult for rental housing providers to continue offering quality, affordable homes to those in need. This is especially true in the market for single-family rental homes where small, individual property owners often have little resources to comply with added bureaucracy and administrative complexity. Most concerning is the risk that small property owners will decide to sell their homes because the cost of compliance will be too great, causing the market to suffer from a dwindling supply of needed rental housing. For these reasons, NRHC encourages the city of Charlotte not to include source of income as a protected class to the city's fair housing ordinance.



SOURCE OF INCOME LAWS BY STATE, COUNTY, AND CITY

OVERVIEW

STATES WITH SOURCE OF INCOME LAWS	Connecticut, Delaware, District of Columbia, Hawaii, Maine, Massachusetts, New Jersey, New York, North Dakota, Oregon, Utah, Vermont, Washington
STATES THAT DON'T INCLUDE SECTION 8 IN SOURCE OF INCOME LAWS	California, Minnesota, Oklahoma, Wisconsin
COUNTIES WITH SOURCE OF INCOME LAWS	Marin County (CA), Santa Clara County (CA), Broward County (FL), Miami-Dade County (FL), Cook County (IL), Frederick County (MD), Howard County (MD), Montgomery County (MD), Erie County (NY), Nassau County (NY), Westchester County (NY), Suffolk County (NY), King County (WA), Dane County (WI)
CITIES WITH SOURCE OF INCOME LAWS	California: Berkeley, Corte Madera, East Palo Alto, Fairfax, Mill Valley, Novato, San Anselmo, San Diego, San Francisco, Santa Monica, Woodland; Colorado: Boulder, Denver; Delaware: Wilmington; Illinois: Chicago, Glenview, Harwood Heights, Naperville, Urbana, Wheeling; Iowa: Iowa City, Marion; Massachusetts: Boston, Cambridge, Quincy, Revere; Maryland: Annapolis, Baltimore, Frederick; Michigan: Ann Arbor, East Lansing, Grand Rapids, Jackson, Kentwood, Lansing, Wyoming; Minnesota: Minneapolis; Missouri: St. Louis; New York: Buffalo, Hamburg, New York City, Rochester, Syracuse, West Seneca; Ohio: Linndale, South Euclid, University Heights, Warrensville Heights, Wickliffe; Pennsylvania: Philadelphia, Pittsburgh, Borough of State College, Texas: Austin*, Dallas*; Tennessee: Memphis; Washington: Bellevue, Bellingham, Kent, Kirkland, Olympia, Redmond, Renton, Seattle, Spokane, Tumwater, Vancouver; Wisconsin: Cambridge, Madison, Milwaukee, Ripon, Sun Prairie, Wauwatosa
STATES THAT PREEMPT SOURCE OF INCOME LAWS	Texas

Asterisk – pending court case(s)



Source of Income Discrimination

CITY COUNCIL BUSINESS MEETING

February 22, 2021

1

Ad Hoc Advisory Group Feb - Mar 2021 Metric Monitoring & Findings Appointment & une 2021 Convening Monitoring · Based on Metric Setting · Change in HCV use / acceptance Research, finalize metrics Council appoints ad hoc **HCV Fair Housing Complaints Great Neighborhoods** Advisory Group · Great Neighborhoods Committee briefings **Committee briefing** Group is convened Present Final Report and Recommendations Update City documents and Monitor Federal Activity (Staff) • Strengthen language in City documents requiring mandatory acceptance of rental subsidies Monitor changes to the HCV Program at the Federal level with the new administration Mar - May 2021 Metric Setting Research (ad hoc Advisory Group) Quantify the number of unused and returned HCVs and other unused subsidies Determine if unused vouchers are redeployed Identify reasons that HCVs and other rental subsidies are not used How many units meet HUD's Fair Market Rent (FMR) guidelines · Determine the utilization rate of HCVs over the past three-years with comparable cities **HCV Enhancements (ad hoc Advisory Group)** · Explore ways to engage in new/existing public-private partnerships to increase acceptance of HCVs (reduced inspection times, automatic annual rent increases, mitigation funds, etc.) · Explore the possibility of turning unused HCVs into project-based vouchers · Work with INLIVIAN to strengthen tenant readiness programs for HCV participants **Getting Started**

Staff Recommendations

- Adopt a policy requiring mandatory acceptance of Housing Choice Vouchers (HCV) and other forms of rental subsidy in all City supported housing.
- 2. Encourage and monitor changes to the HCV Program at the Federal level with the new administration.
- 3. Create a Council appointed ad hoc Advisory Group to develop program enhancements and process improvements to the HCV program, including representatives from:
 - INLIVIAN

- Greater Charlotte Apartment Association
- · Private sector landlords
- Subsidy providers
- Property management professionals
- Tenants
- 4. Consider amending Fair Housing Ordinance if HCV program enhancements and process improvements are not successful.

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Great Neighborhoods Committee

- △At the February 17, 2021 Great Neighborhoods
 Committee meeting, the Committee took the following action:
 - 1. Accept staff recommendations as amended, and
 - 2. Recommend that full Council consider a closed-session to confer with the City Attorney about legal implications regarding a source of income ordinance.

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Issue Brief: Housing for Everyone— Addressing Barriers to Opportunity

A. Fulton Meachem, Chief Executive Officer May 2020

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Executive Summary

As the largest affordable housing provider in Charlotte, INLIVIAN relies on its partnership with the private rental market to provide housing to over 4,000 households through the Housing Choice Voucher (HCV) tenant-based voucher program. Given this role, INLIVIAN occupies a unique position with respect to leveraging data, housing provider/client feedback and program experiences. As such, it is the agency's intent that this issue brief be a resource that provides insight into source of income discrimination (SOID) as a factor in the local challenges faced by voucher holders in search of a place to live, the creation of affordable housing units, and the overall social and economic status of families that do not have access to opportunity neighborhoods. The ultimate goal of this effort is to make sure there are protections in place that prevent source of income discrimination.

SOID occurs when a housing provider refuses to accept payment for housing from any legal form of monetary payment because said housing provider chooses to discriminate against the source. For purposes of understanding the breadth of this issue, it is important to note that source of income discrimination is not solely an obstacle for Housing Choice Voucher (HCV) holders. It also presents a challenge for many of our neighbors who do not have a federal voucher, but who are receiving another type of rental subsidy and/or income from sources other than employment. This includes funds like child support, alimony, veteran benefits, disability income, and any rental assistance from a community organization or government entity such as the City of Charlotte or Mecklenburg County.

With the lack of SOID coverage in the city of Charlotte's Fair Housing Ordinance, source of income discrimination exacerbates lack of housing choice, concentration of poverty, and reinforcement of residential segregation—all which stifle economic mobility. In Charlotte, a majority of Housing Choice Voucher (HCV) participants live in neighborhoods that severely lack features that encourage economic mobility, with forty-eight percent (48%) of voucher families with children living in census tracts with at least double the rate of poverty (26%-62%) as an average Mecklenburg County census tract (13%).

Local data collected from both voucher holders and housing providers speaks to the existence of source of income discrimination in the Charlotte community:

- Housing search logs completed by HCV households searching for units to rent between the
 months of April and December 2019 show that while searching for a unit to rent, 44% of the
 households were denied by housing providers based on the use of the voucher subsidy.
 According to the search logs, one of the top three most common reasons for rejection by
 housing providers was the use of a voucher.
- In late 2019, a phone survey was conducted in which housing providers with units located near
 the LINX Blue-Line were asked, "Do you accept housing choice vouchers?". Of the responses
 received, 96.5% indicated that the property did not accept vouchers. The other 3.5% were
 Low-Income Housing Tax Credit properties, who are required to accept vouchers.

Over the past several months, thirty (30) local organizations serving diverse customers who span the Charlotte-Mecklenburg housing and social services continuum have joined together in support of the



effort to end SOID. Each organization that is a part of the city's end SOID campaign understands the nuanced impact this issue has upon the clients they serve, their respective organizations and the Charlotte-metro community. Ensuring equitable access to affordable housing is the cornerstone of the group's efforts.

Acknowledging that SOID protections are not the sole answer to addressing the significant lack of affordable housing or the barriers to economic mobility, INLIVIAN has made significant changes to the HCV tenant-based voucher program. These changes were informed in large part by gathering housing provider and voucher holder feedback through roundtable discussions, interviews, focus groups and surveys. In addition to the feedback received by staff from the INLIVIAN Housing Provider Advisory group and Greater Charlotte Apartment Association (GCAA) members, INLIVIAN utilized its research agreement with the University of North Carolina at Chapel Hill Center for Urban and Regional Studies (CURS) to conduct a survey-based study on barriers to housing provider participation. As a result of what was learned from these interactions, INLIVIAN has put in place program enhancements, many of which were made possible by the agency's Moving to Work (MTW) designation, that were designed to:

- streamline program processes (i.e. reduction in inspection frequency);
- provide more competitive rents (i.e. annual rent increases and higher payment standards in opportunity neighborhoods); and
- make available other monetary incentives (i.e. sign-on bonus and risk damage fund)

INLIVIAN is committed to continue efforts to increase housing provider participation in the HCV program by raising program awareness and working to make the program more accessible from a business process perspective to achieve additional program efficiencies.

Effectively addressing the lack of affordable housing and the impact on economic mobility requires an intentional community-wide multi-pronged approach. Over the past several years both the public and private sectors of Charlotte have demonstrated a commitment to addressing this issue. It is time to be even more resolute in our commitment to affordable housing access and improving economic mobility; a key component to our success is the elimination of source of income discrimination. Therefore, on behalf of the 30 organizations and over 1,100 citizens who have signed on to support the end of SOID, INLIVIAN is requesting that the necessary changes be made to the city's Fair Housing Ordinance (Chapter 12, Article V) to include protections against SOID.



Challenges to Accessing Opportunity

"A Rising Tide Should Lift All Boats"

Charlotte remains a segregated city. In some instances, inadvertently, but by design in others. Many of these segregated housing patterns in Charlotte and other cities are the direct result of actions and policies implemented by the federal government, banks and realtors after World War II. As Charlotte has transformed to a thriving, global city and among the best economies in the U.S., the city has been ranked 50th out of 50 of the country's largest cities in economic mobility measures. For a child in Charlotte born into poverty, it is harder to escape poverty than in any other large city in the United States. Local research indicates that families with

"The data show we can do something about upward mobility. Every extra year of childhood spent in a better neighborhood seems to matter".

-Rai Chettv

"Moves to Opportunity: Experimental Evidence on Barriers to Neighborhood Choice"

Housing Choice Vouchers (HCV) who are facing challenges associated with poverty would like to move to better neighborhoods but are often unable to do so.⁴

To ensure that families have access to the opportunities crucial to move out of poverty, increasing housing choice is essential. Charlotte is experiencing a significant shortage in affordable housing units the city is in need of 24,000 additional units of affordable housing.⁵ The HCV program is an important resource for addressing this shortage. To help expand affordable housing options, the HCV program relies on private-market landlords (also referred to as housing providers) to rent safe and decent housing to voucher holders. Yet, many stakeholders in the Charlotte area are increasingly concerned that there are housing providers that discriminate against low-income renters who rely on subsidies to pay rent. Non-participation by housing providers is having an adverse impact not only on voucher holders, but participants and providers along the city's affordable housing continuum. In response, this issue brief, based on the acknowledgment that INLIVIAN is in a unique position to leverage administrative data, draws on the agency's various information sources to highlight identified barriers to housing provider participation, along with how housing provider non-participation impacts voucher holders. The following information outlines the various initiatives and program enhancements that INLIVIAN has put in place to respond to both the local competitive rental market and feedback received from area housing providers and voucher holders. Also included is an overview of certain aspects of the voucher holder experience and its importance to the discussion of access to housing: finding housing, participating in the HCV program once housed and moving toward self-sufficiency.

⁵ United States, City of Charlotte, Department of Housing and Neighborhood Services. "Housing Charlotte: A Framework for Building and Expanding Access to Opportunity through Housing Investments.", 2018, p. 3.



¹ Rothstein, Richard. *The Color of Law: A Forgotten History of How Our Government Segregated America*. New York: W.W. Norton and Company, 2017).

² Chetty, Raj, et al. "Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States*." *Equality-of-Opportunity.org*, U.S. Treasury Department; National Science Foundation; Lab for Economic Applications and Policy at Harvard; the Center for Equitable Growth at UC-Berkeley; Laura and John Arnold Foundation, June 2014, www.equality-of-opportunity.org/assets/documents/mobility_geo.pdf.

³ Ibid.

⁴ Rohe, William M, et al. *Expanding Participation in the CHA Voucher Program*. 2019.

Source of Income Discrimination

Source of Income Discrimination, or SOID, is when a housing provider refuses payment for housing from any legal form of monetary payment because said housing provider chooses to discriminate against the source. SOID plays out in many ways including, but not limited to: applying different terms and conditions to a tenant; harassing or retaliating against a tenant; using different preferences or limitations in advertising; the denial of a housing application; refusing to show a unit to a prospective tenant; and the unfair expelling or evicting of a tenant.



For purposes of understanding the breadth of this issue, it is important to note that source of income discrimination is not solely an obstacle for Housing Choice Voucher (HCV) holders assisted by INLIVIAN. It presents a challenge for many of our neighbors who do not have a federal voucher, but who are receiving another type of rental subsidy and/or income from sources other than employment. This includes funds like child support, alimony, veteran benefits, disability income, and any rental assistance from a community organization or government entity such as the City of Charlotte or Mecklenburg County.

Charlotteans who have excellent credit, no criminal history and can afford rent should not be denied housing. SOID appears to be another obstacle for low wage families looking for a place to call home in a city that already has a very low supply of affordable units for rent. SOID causes families to experience extended search times and in many cases creates a housing market where families are unable to use their vouchers. Affected families can become perpetually stuck in temporary housing or left homeless, placing additional pressure on already scarce housing and social service resources.

This challenge is not unique to Charlotte. Over 100 states, cities, and counties have passed laws against source of income discrimination⁶. Among the most recent cities to find it necessary to put source of income protections in place is Atlanta, GA. National data suggests that localities that have added "income source" as a protected class have seen improvements and alleviated pressures on housing and supportive service providers.⁷ These localities have seen that equal access to affordable housing has led to:

- Deconcentration of poverty and increases in neighborhood diversity
- Increases in the numbers of voucher holders able to use their voucher
- Decreases in voucher holder search time

⁶ Poverty and Race Research Action Council. Expanding Choice and Practical Strategies for Building a Successful Housing Mobility Program. Appendix B: State, Local and Federal Laws Barring Source of Income Discrimination. Updated March 2020.

⁷ Bell, Alison, et al. "Prohibiting Discrimination Against Renters Using Housing" Choice Vouchers Improves Results—Lessons from Cities and States that Have Enacted Source of Income Laws," Center on Budget and Policy Priorities, December 2018 (updated).



Establishing source of income protections supports the fulfillment of goals outlined in the city's *Charlotte Housing Framework*, specifically Objective 2:

- Strategy 3-2: Align local resources with policies that support voucher use
- Strategy 3-3: Coordinate with the Charlotte Housing Authority [INLIVIAN] and other local voucher programs on opportunities to use vouchers to support target populations, particularly in areas with strong pathways to opportunity

Over the past few months, thirty (30) local organizations serving diverse customers who span the Charlotte-Mecklenburg housing and social services continuum have joined together in support of the effort to end SOID (see Figure 1 for some of the partnering organizations). In addition, to date, over 1,100 citizens have signed on to this effort. Each organization understands the nuanced impact this issue has upon the clients they serve, their respective organizations and the Charlotte-metro community.

Figure 1. Charlotte End of Source of Income Discrimination Partners



The figure includes some of the 30 organizations that are a part of the local efforts to end source of income discrimination.

The Voucher Holder Experience

Lack of Housing Choice and the Impact on HCV Families and Our Community

The goals of the HCV program at its inception, more than 46 years ago, remain today:

- Deconcentrate pockets of poverty
- Expand housing choice to neighborhoods with increased opportunity

Fulfilling these goals relies on a public-private partnership where the government provides the needed funds to fill the gap between what a family can afford to pay and unit rents, while housing providers provide rental units. Source of income discrimination presents challenges to fulfilling the HCV program's core tenets by limiting housing choice. The lack of choice available to HCV participants to select where they want to live is impacting the Charlotte community in a variety of ways, which:

- Conflict with INLIVIAN and Charlotte's economic mobility goals
- Perpetuate segregation and isolation of the poor
- Concentrate poverty and denies access to areas of opportunity
- Create costly backlogs that impact the entire affordable housing and supportive services continuum

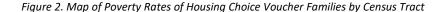
The severe shortage of affordable units in an increasingly competitive rental market continues to strain every housing assistance program offered in the area. Families that experience extended search times or who are unable to use their voucher are likely to face extended instances of homelessness and instability for our most vulnerable families. The decision not to participate by some housing providers has a negative impact on the community at large, as voucher recipients that do find a home are increasingly confined and concentrated in high poverty, low opportunity neighborhoods. This limits a family's housing options to neighborhoods that lack the features helpful to a climb out of poverty (decent schools, low crime, close to job centers etc.) further compounding Charlotte's unique longstanding manifestations of racial and economic segregation which have become the city's economic mobility crisis.

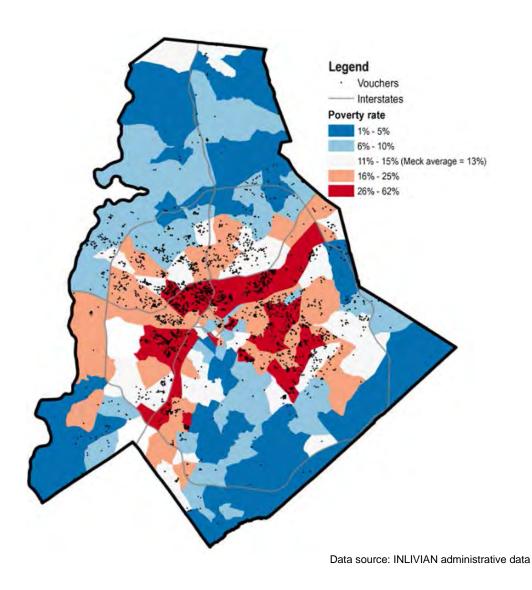
As the graphics in the next section depict, most voucher holders are living in census tracts with high rates of poverty.



Mapping Opportunity—HCV Households and Opportunity Neighborhoods

The majority of current HCV households live in census tracts that severely lack features that encourage economic mobility. Figure 2 maps the location of INLIVIAN HCV households against poverty rates throughout the county. The most highly concentrated area of voucher holders reside in census tracts with poverty rates that range from 26% to 62%—at least double the rate of poverty of the average Mecklenburg County census tract (13%).





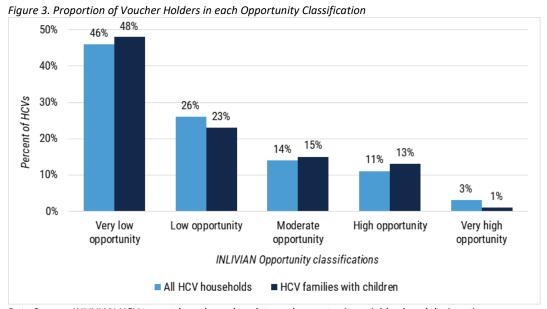
In response to challenges faced by voucher holders in accessing higher opportunity neighborhoods, INLIVIAN established the Opportunity Housing program. The program is focused on increasing housing options for voucher holders in these neighborhoods. Establishing this program included categorizing Mecklenburg County census tracts by the range of opportunity available as very low, low, moderate, high, or very high. The following are key variables used to define the amount of opportunity in each census tract:

"Our measure of opportunity is understood as neighborhood assets and conditions shaping a person's potential for economic and social mobility."

Our Children. Their Future.
Our Commitment".
The Charlotte-Mecklenburg
Opportunity Task Force Report.
Leading on Opportunity. 2017. p32.

- Percent of students proficient on end-of-year reading tests
- Percent of students proficient on end-of-year math tests
- Poverty rate
- Job proximity index
- Transit trips index
- Crime rate

Analysis of HCV address data confirms that most voucher holders live in very low and low opportunity neighborhoods. A plurality (46% of all HCV families and 48% of HCV families with children) live in very low opportunity neighborhoods, while roughly a quarter of voucher holders reside in low opportunity neighborhoods (see Figure 3). Relatively smaller numbers of voucher holders live in moderate and high opportunity neighborhoods, while very few (3% of all HCV tenant-based voucher families and 1% of voucher families with children) reside in very high opportunity neighborhoods.



Data Source: INLIVIAN HCV tenant-based voucher data and opportunity neighborhood designations.

School Performance and HCV Families

Despite the slight improvements in the quality of public schools in voucher household neighborhoods over the last 3 years, most voucher holders have neighborhood elementary schools with low performance scores (scores defined by North Carolina Department of Public Instruction, measuring a combination of two measures: school achievement and school growth). From 2017 to 2019, most voucher holders (including families with children) lived in neighborhoods assigned to schools with performance scores under 55 out of a possible 100 (see Table 1). The highest proportion of voucher holders with elementary school aged children live near schools with performance scores from 40-54.

Table 1. Elementary School Performance Scores for HCV Families (2017-2019)

School	All Vouchers		HCV Vou	HCV Vouchers with Children	
Performance Score	2017		2019	2017	2019
Over 85	0.4%		0.7%	0.4%	1.1%
70-85	7%		8%	5%	6%
55-69	32%		32%	39%	38%
40-54	40%		40%	40%	40%
Less than 40	21%		20%	15%	15%

Data source: North Carolina Department of Public Instruction, 2016–2017 school performance data; INLIVIAN administrative data.

Challenges Faced by Voucher Holders—SOID Concerns

Voucher Holder Search Results

Addressing the barrier to housing provider retention and recruitment has a direct impact on the availability of units from which a voucher holder must choose. Many families are challenged by the time it takes to find a unit to rent, with 21% of voucher holders in 2019 not finding a unit before their voucher expired (see Figure 12). The average housing search time of successful searches during this period averaged around 73 days.

From 2017-2019, 204 households were granted a voucher but were unsuccessful in utilizing it—this equates to approximately 400 children who were given a chance at stable and secure housing but who were unable to do so. Based on HCV voucher holder "search logs", **the most common 3 reasons** for families not utilizing their vouchers were:

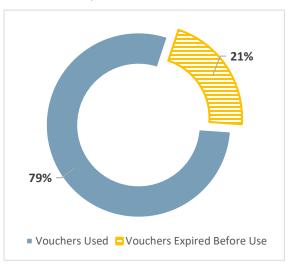
- Housing Provider did not take Section 8
- No units were available
- Did not meet income requirements

Information from a snapshot of search log responses completed by HCV voucher holders looking for units to rent between April and December 2019 found that of the 110 logged attempts to obtain housing, housing providers denied housing based on the use of the voucher subsidy to pay for rent 44% of the time.

"I feel like I'm wasting my time calling because as soon as you say 'Section 8': Click. You get a dial tone, or you get an attitude."

-Shanna Lee, Housing Choice Voucher holder. "A Mask for Racial Discrimination. "How Housing Voucher Programs Can Hurt the Low-income Families They're Designed to Help' ". Time. Abby Vesoulis. February 20, 2020.

Figure 4. Voucher Search Success Rate (January-November 2019)



Data Source: INVLIVIAN administrative data

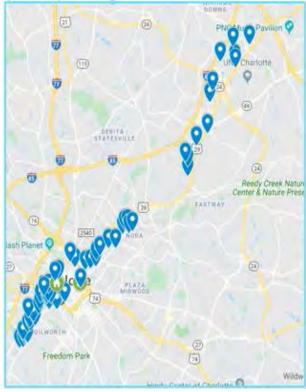
Housing Provider Rental Surveys

In 2019, a series of third-party cold calls were made to housing providers along the Charlotte Lynx Blue line (Figure 4). Housing providers were asked, "Do you accept housing choice vouchers?". Of the responses received, 96.5% indicated that the property did not accept vouchers. The other 3.5% of the responses were from Low-Income Housing Tax Credit properties that are required to accept vouchers.

With a lack of designated affordable housing along the Blue Line, access to housing by extremely low to moderate income families made possible by tenant-based vouchers gives families access to housing in areas not otherwise accessible—areas that have a range of resources important to improving economic mobility (employment, better education, healthcare, transportation, etc.).

INLIVIAN knows through discussions with our partners, that these are not solely the experiences of INLIVIAN voucher holders. These are the experiences of countless other low-income families who have met the basic housing provider screening criteria applied across the private rental market but are denied housing based on the means by which they pay rent.

Figure 5. Housing Provider Rental Voucher Acceptance
Call Survey Area



Data source: Habitat for Humanity

Eligible Families Should be Allowed to Rent a Unit

As a developer and landlord of over 35 communities across Charlotte through its two subsidiaries (Housing Development Partners and Blue Horizons Management Company), INLIVIAN is attuned to the market-rate risk factors of renting and looks at the same indicators as others when making decisions about whether to rent to a family. The agency considers the same basic eligibility criteria as other housing providers and does not look to have housing providers that participate in the HCV program to change these criteria:

- ability to pay rent (income)
- credit history
- criminal background
- security deposits

These already established standards eliminate the possibility of claims of subjectivity in rental decisions based on factors such as race, age and source of income. A voucher provides a family with a means to



make required rental payments. These standards allow low income families to meet the industry's "income equals at least 3 times the monthly rent" rule. A family who can afford the rent and meets the other three standards, should not be judged by the source(s) used to pay rent—if a family meets these screening criteria, they should be allowed to rent a unit.

Encouraging Economic Self-Sufficiency

INLIVIAN is dedicated to promoting the economic independence and self-reliance of the families the agency serves. As such, the agency believes it is essential to create a clear expectation that all applicants and participants who are non-elderly/non-disabled should work. To this end, INLIVIAN instituted a Work Requirement Policy, inclusive of a supportive services component, in which each non-elderly/non-disabled household is expected to work at least 20 hours per week. To be considered employed, a household must be working for a minimum of 20 hours per week. If this threshold has not been met after a 6-month introductory period, the household will be placed on a 90-day improvement plan. Households may also fulfill the work requirement by completing work-related activities (WRA), including: part-time work (minimum of 15 hours per week); employment and life skills training; or enrollment in GED, Associate's, or Bachelor's degree programs. In addition, limited time serving as a volunteer can be counted as a WRA.

INLIVIAN's Client Services department supports the Work Requirement Policy by providing case management with a focus on work-able families that are not working by connecting those families to resources to address barriers to employment:

- Education
- Transportation
- Childcare

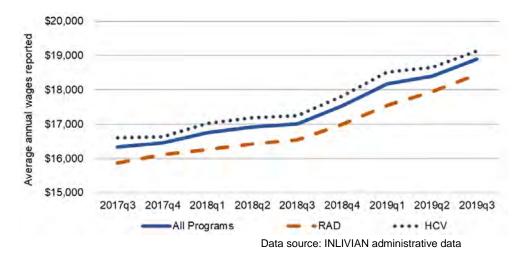
Over the past few years, 156 households participating in INLIVIAN's FSS program have moved toward economic independence. This includes six families no longer needing the voucher subsidy and 21 families who moved to homeownership with the use of a voucher.

The Working Poor and the Realities of the Private Rental Market

Between 2017 and 2019, there was a 16% (\$2,550) increase in the average wages of INLIVIAN households, from \$16,340 to \$18,890 (see Figure 5). While INLIVIAN households are making great strides toward economic self-sufficiency, the dramatic increases in earnings necessary for many voucher holders to no longer rely on a voucher is significant and requires time to achieve. Even with a steady increase in average reported annual wages during this period, INLIVIAN households made less than half of the wages needed to rent in the private rental market without a housing subsidy. Based on the National Low Income Housing Coalition's (NLIHC) 2019 Out of Reach report, a household in Mecklenburg county earning minimum wage (\$7.25/hour) would have to work 109 hours a week—more than two full-time jobs—to afford a two-bedroom unit at HUD's fair market rent (FMR) of \$1,028 for the area without spending more than 30% of its income on housing costs. This translates to annual income of about

\$41,100.8 INLIVIAN households (93% of whom are headed by single mothers) would be unable to access housing without a housing subsidy.

Figure 6. Change in Average Wages Among Households that Continuously Maintained Residence in INLIVIAN Housing (by Subsidy Type)



Successfully exiting the HCV program into private market rental options through wage growth is only part of the challenge. Following the 2008 recession, Charlotte experienced an explosion of low-wage jobs coinciding with a reduction in the percentage of employment opportunities capable of lifting workers out of poverty. The cost of basic goods and services, from food to childcare, to medical expenses have risen as median incomes across various low wage employment sectors stay flat.

IN LIVIAN HOUSING REDEFINED

⁸ National Low Income Housing Coalition. Out of Reach. 2019, p.NC-181. FMRs are an estimate of what a family moving today can expect to pay for a modestly priced rental home in a given area and is the basis for payment standards from the HCV program. The FMRs can oftentimes be lower than the actual rents in a jurisdiction. This is the case in Charlotte-Mecklenburg.

Evictions and Program Terminations

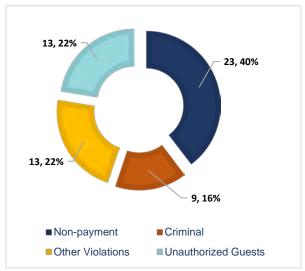
If renters violate their lease agreements, they may be evicted, voucher households or otherwise. Just as eligible families should be able to rent a unit if they meet all the renter screening criteria (see discussion in the Eligible Families Should be Allowed to Rent a Unit section), housing providers have the ability to address lease violations once a family is housed by initiating eviction action.

The following summarizes HCV terminations based on evictions in order to provide context about program evictions in relation to the county's overall evictions, as well as among all INLIVIAN tenant-based voucher holders. It should be noted that evictions of tenant-based voucher holders are initiated by HCV housing providers. INLIVIAN does not evict tenant-based voucher households. Instead, the agency ends the voucher subsidy (terminates assistance) in response to an eviction. Overall, evictions represent a small percentage of the INLIVIAN tenant-based voucher household experience.

Between 2017-2019, INLIVIAN terminated a total of **58 tenant-based voucher households from the HCV program based on 4 eviction categories** (See Figure 7)⁹.

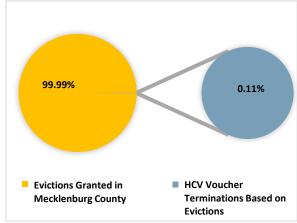
A look at eviction data available concerning INLIVIAN's HCV tenant-based voucher program shows that voucher holders experience vastly lower evictions when compared to total evictions in the Mecklenburg County rental market. Figure 8

Figure 7. Reasons for Terminations Due to Evictions (2017-2019)



Data source: INVLIVIAN administrative data

Figure 8. All County Evictions vs. INLIVIAN HCV Evictions (2017-2019)



Data sources: INVLIVIAN administrative data and UNC Urban Institute. Charlotte-Mecklenburg State of Housing Instability and Homelessness: September 2019

illustrates that INLIVIAN voucher-holders evicted between 2017-2019 represent less than 1% of the total evictions that were granted in Mecklenburg County court during the same time. Description Specifically, between 2017-2019 there was an average of 17,196 evictions granted by the Mecklenburg County court per year. During that same time, an average of 19 voucher households were terminated each of the three years from the HCV program due to eviction.

UNC Charlotte Urban Institute. Charlotte-Mecklenburg State of Housing Instability and Homelessness. September 2019.
 pp29-30. INLIVIAN administrative data on program terminations based on evictions. 2017-2019.
 Ibid.



⁹ INLIVIAN administrative data on program terminations based on evictions. 2017-2019.

Further, the total number of eviction related terminations of HCV tenant-based voucher households are negligible when compared to the total average number of families in the HCV program between 2017-2019. Figure 9 shows that terminations based on evictions represented less than 1% of the total families housed each of the years reported.¹²

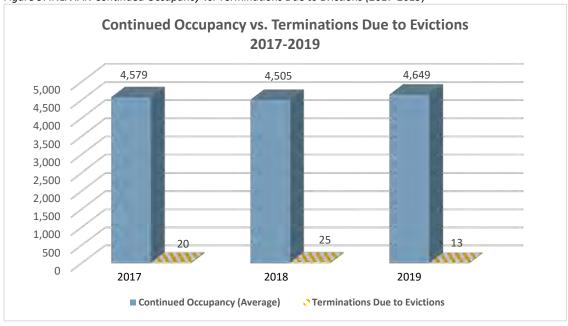


Figure 9. INLIVIAN Continued Occupancy vs. Terminations Due to Evictions (2017-2019)

Data Source: INVLIVIAN administrative data

¹² UNC Charlotte Urban Institute. *Charlotte-Mecklenburg State of Housing Instability and Homelessness.* September 2019. pp29-30. INLIVIAN administrative data on program terminations based on evictions. 2017-2019.



Maximizing Access to Opportunity: Addressing Barriers to Housing Provider and Voucher Holder Participation

INLIVIAN has gathered housing provider and voucher holder feedback on barriers to participation through roundtable discussions, interviews, focus groups and surveys.

This included conversations with the INLILVIAN Housing Provider Advisory (HPA) group, established in 2019 as a mechanism for ongoing dialogue between staff and housing providers about program operations. This group has provided insights into program challenges and opportunities for program improvements. HPA members, many of whom are also members of the Greater Charlotte Apartment Association (GCAA), include housing providers with significant experience in the voucher program. INLIVIAN is also an active participant on the GCAA Housing Affordability Sub-Committee.

In addition to the feedback received from the INLIVIAN HPA and GCAA members, the agency utilized its research agreement with the University of North Carolina's Center for Urban and Regional Studies (CURS) to conduct a survey research study. The interviewees included diverse stakeholders that span the local HCV landscape: INLIVIAN staff, rental market stakeholders and individual housing providers, and INLIVIAN voucher recipients. The housing providers who were interviewed collectively own or operate over 100,000 units nationwide. In addition, of the housing providers interviewed, more than half currently rent to voucher holders while the remaining do not.

The agency listened to the concerns and recommendations offered and in response has made a series of policy and programmatic changes focused on increased efficiencies and incentives to improve both the housing provider and participant experience with the HCV program. Many of the HCV enhancements INLIVIAN has implemented were made possible by its designation as a Moving to Work (MTW) agency. One of only 39 housing authorities nationwide that have received the MTW designation by the U.S. Department of Housing and Urban Development (HUD), INLVIAN has accessed the broad regulatory and funding flexibilities available to MTW agencies to make policy changes that meet the needs of the Charlotte community.

Program Enhancements to Address Housing Provider Feedback

The following figure summarizes program barriers identified by multi-family and single-family property owners/managers and corresponding program enhancements made by INLIVIAN. Enhancements made possible through the MTW program are noted.



Program Enhancements to Address Housing Provider Feedback *made possible by Moving to Work (MTW) flexibilities

"FINANCIAL RISK & NONPAYMENT"

- Cost of tenant damages and inability to recoup repair costs from tenants
- No rental income between leases

BARRIER

Rent increases too low to keep up with rental property expenses

INLIVIAN PROGRAM ENHANCEMENTS

- ✓ **Increased program rents** in high opportunity areas (subsidy payments up to 150% of Fair Market Rent)*
- ✓ Established a risk/damage fund post move-out to cover tenant-caused damages (up to \$1,000)*
- ✓ Provide funding between lease-ups to offset the time a unit may go vacant and is not generating rental revenue ("continuity assistance")*
- ✓ Rents are now increased by a minimum of 2% each year upon request*

- ✓ Increased financial feasibility for renting to voucher holders
- ✓ Providing housing providers with monetary assistance that supplements security deposits to offset costs of preparing units to be leased after a moveout

IMPACT

IMPACT

MPACT

INSPECTION "HASSELS"

Frequency (too often) BARRIER

- Time to schedule/conduct leaseup inspections
- **Re-inspections**
- HQS too stringent vs. City Code

INLIVIAN PROGRAM ENHANCEMENTS

- ✓ Inspections conducted every two years instead of annually*
- Decreased the average number of days to have a lease-up inspection conducted from the time it is requested (decrease from 12 days to a week)
- ✓ Housing providers self-certify they have addressed non-health and safety issues instead of having to schedule a re-inspection by submitting proof of repairs via emailed photos and work receipts

- ✓ Reduced administrative burden
- ✓ Reductions in the time it takes to lease a unit and thereby begin receiving rental payments

COMPLICATED "PROCESS"

Staff Responsiveness

INLIVIAN PROGRAM ENHANCEMENTS

- ✓ Created a Housing Provider Outreach position
- **Annual Housing Provider Symposium**
- ✓ Established Housing Provider **Advisory group**
- ✓ Established a signing bonus (\$250)*

- ✓ Housing Provider Briefings held quarterly to go over program processes and new policies
- ✓ Initiated Media Education Campaign #HousingForEveryone
- ✓ Established 1st time housing provider Concierge service



- ✓ Improved understanding of the program
- ✓ Opportunities to educate current and potential landlords about the program and navigating it

BARRIER





Program Enhancements and Resources in Place to Address Voucher Holder Challenges

In addition to the policy and programmatic enhancements INLIVIAN has initiated to incentivizing the retention and recruitment of qualifying housing providers, INLIVIAN has also **extended the amount of time a voucher holder has to search for a unit—from 90 days to a maximum of 180 days.**

INLIVIAN also has an **HCV Resource Room** that is available to assist voucher holders with unit searches. The resource room can be accessed Tuesdays and Thursdays between 8:30am-12:00pm. The Resource Room has listings provided by housing providers and HCV staff are available to answer questions. In addition, the Resource Room is equipped with computers that have online access to available affordable housing listings, with links to online search resources like GoSection8.com and SocialServe.com. These online listings can be accessed 24 hours a day from anywhere. *Due to COVID-19, voucher holders have been unable to access the HCV Resource Room under INLIVIAN's current teleworking environment; however, INLIVIAN staff are available to assist voucher households via phone and email. Also, in addition to GoSection8.com and SocialServe.com, FAQs are accessible on the INLIVIAN web-site.*

Additional Policy Changes Under Consideration

INLIVIAN will continue to look for ways to increase program efficiencies with ongoing engagement with HPA, GCAA, program participants and other stakeholders to identify additional approaches to streamlining the program. This includes partnering with these and other stakeholders in approaching HUD with program changes beyond what is allowed through INLIVIAN'S MTW flexibilities.

Please see below the improvements the agency is currently considering.

Figure 11 Potential Program Enhancements to Address Housing Provider Feedback

POTENTIAL Program Enhancements to Address Housing Provider Feedback INSPECTIONS, LEASING & POTENTIAL INLIVIAN PROGRAM RENT INCREASES ENHANCEMENTS ✓ Reduced administrative burden ✓ Housing Quality Standards ✓ Additional inspection process streamlining informed by IMPACT (HQS) are arbitrary and a comparative analysis of Housing Quality Standards ✓ Increased financial more stringent than the (HQS) and the City's Housing Code feasibility for renting to City's Housing Code voucher holders ✓ Automatic annual rent increases ✓ Rent increases are not automatic

Conclusion...Next Steps

Providing safe and stable housing as a platform for ensuring access to opportunities that increase economic and social mobility is critical to the overall vitality of any city. Recognizing that everyone plays a role in the health and vibrancy of a community means providing opportunities for everyone to thrive, including our most vulnerable families in need of affordable housing. In order to effectively improve the economic and social mobility necessary for families to move out of poverty, housing choice is necessary. Choice made possible by an increase in the number of HCV housing providers, especially in areas of opportunity is essential.

However, there is concern that a significant challenge to making this possible is the absence of a law that prohibits the denial of housing for families who meet all the qualifying criteria to rent a unit because of the source of income being used to pay rent. The subsidies provided by the HCV program and other locally funded affordable housing programs are integral to creating the 24,000 additional units of affordable housing needed in the city. Based on the data related to voucher holder search experience presented in this issue brief, it is clear that there is reason for concern. As such, **INLIVIAN** and its partners in ending source of income discrimination are requesting the addition of language to the city's Fair Housing ordinance that makes source of income a protected class.

In order to effectively meet the challenge of increasing affordable housing opportunities and improving the economic and social mobility of extremely low to moderate income families in Charlotte, a multi-pronged approach is necessary. In addition to ensuring the elimination of housing discrimination based on a family's source of income facilitated by changes to the city's Fair Housing ordinance, the following work is also required:

- 1. Ongoing education of housing providers about what the HCV program has to offer
- 2. Continued engagement with housing providers and HUD concerning additional HCV program enhancements/improvements
- 3. Maximizing the use of other policies—i.e. inclusionary zoning and accessory dwelling units (ADU)

As outlined in this issue brief, INLIVIAN has implemented significant program enhancements designed to: streamline program processes; provide more competitive rents; and make available other monetary incentives in order to retain and recruit housing providers. INLIVIAN is committed to continue efforts to increase housing provider participation in the HCV program by raising program awareness and working to make the program more accessible from a business process perspective in order to achieve additional program efficiencies.

This issue requires intentionality defined by a clear community-wide commitment to ensuring there is enough affordable housing across the city to meet the demand, while fostering economic mobility. Over the past several years, this commitment has been acknowledged by both the public and private sectors of Charlotte as demonstrated by established priorities, including a focus on maintaining and increasing the city's supply of affordable housing. It is time to be even more resolute in our commitment to affordable housing access and a key component to our success is the elimination of source of income discrimination.



Appendices

Response to Mayoral Inquiry

Hyperlinks to related sections of the document have been placed in the responses provided.

Table 2. Responses to Mayoral Inquiry

Question	Response
How many vouchers have gone unused over the past three years and explain the top three reasons that the vouchers have gone unused?	Over the past three years (2017-2019), 204 vouchers expired after being issued. The following are the top three reasons that families did not lease up: • Housing Provider did not take Section 8
	No units were available
	Did not meet income requirements
	For additional information, see the <u>Voucher Holder Search</u> <u>Results</u> section, p13.
What types of programs does Inlivian administer to residents to help ensure that they are successful when they have an opportunity to use a housing choice voucher?	INLIVIAN has a resource room which was available to voucher holders Tuesdays and Thursdays between 8:30am-12:00pm. The resource room has listings of available units provided to INLIVIAN by housing providers. The resource room is also equipped with computers that allow access to online unit search services— www.SocialServe.com and www.gosection8.com . These online resources can be accessed from any device and does not require visiting INLIVIAN to access. Due to COVID-19, voucher holders have been unable to access the HCV Resource Room under INLIVIAN's current teleworking environment; however, INLIVIAN staff assists voucher households via phone and email. In addition to GoSection8.com and SocialServe.com, FAQs are accessible on the INLIVIAN web-site (see the "Program Enhancements and Resources in Place to Address Voucher Holder Challenges" section, p22).
How many households have successfully used vouchers over the past three years?	The average number of families that utilized tenant-based vouchers between 2017-2019 is 4,577 per year.
Recognizing that housing units must pass an inspection before a housing choice voucher can be used:	
 How many inspections passed the first time over the past three years? 	 Approximately 49% of all initial unit inspections (also referred to "lease-up" inspections) passed the first time.
 How many units required a second inspection over the past three years? 	Approximately 51% of all initial inspections required a reinspection

Question	Response
 What's the timeframe for both the initial and second inspections over the past three? 	 INLIVIAN has reduced the average number of days to have an initial inspection conducted from 12 days to one week.
	When an initial inspection requires a housing provider to address specific conditions in a unit, the housing provider has up to 30 days to correct the unit deficiencies. If the work is completed earlier, the housing provider is advised to contact the Inspector to schedule reinspection. Reinspections are scheduled within a few days of an Inspector being contacted. In lieu of a reinspection, housing providers have the option to submit proof of repairs by emailing photos and receipts to INLIVIAN, eliminating the need to have a reinspection conducted (see the "Program Enhancements to Address Housing Provider Feedback" section, p20).
Provide the number of cases that used the risk mitigation fund and the average amount per repair?	The risk mitigation fund was implemented in late 2019. To date, INLIVIAN has not had any risk mitigation claims filed. To ensure housing providers know about these enhancements, INLIVIAN has marketed through radio, newsletters and at the agency's annual Housing Provider symposium.
Provide the number of evictions that have occurred for housing choice voucher holders over the last three years and the causes of these evictions?	While INLIVIAN does not evict voucher holders, the agency does terminate voucher assistance based on housing provider evictions. Between 2017-2019, a total of 58 voucher subsidies were terminated based on a housing provider initiated eviction (see the "Evictions and Program Terminations" section, p18).
Provide data from any community engagement efforts with the private sector, multi-family and single-family housing property owners that explains why they don't accept housing choice vouchers and data from them about circumstances where they will consider accepting housing choice vouchers.	INLIVIAN has sponsored or participated in a series of discussions in which local housing providers have identified challenges to participating in the HCV program. For detail on the challenges identified by housing providers and how INLIVIAN has responded to many of these concerns, along with the agency's plans to take further action over the course of the next year, see the "Maximizing Access to Opportunity: Addressing Barriers to Housing Provider and Voucher Holder Participation" (p20) and "Program Enhancements to Address Housing Provider Feedback" (p20) sections.
 What is the effectiveness of the Moving to Work Program? How are the individual participants being monitored and supported to ensure that they achieve their goal? To the extent that they are moving out are those units being recycled with a new housing choice voucher holder? 	The MTW program has been quite effective. With respect to housing provider recruitment and retention, the flexibilities provided by the MTW program have been instrumental in establishing many of the HCV program enhancements (see the "Program Enhancements to Address Housing Provider Feedback" section, p20). In addition, INLIVIAN has established several policies aimed at increasing economic self-sufficiency using the agency's MTW regulatory and fiscal flexibilities (see



Question	Response
	the <u>"Encouraging Economic Self-Sufficiency"</u> section, p16).
	 Individuals participating in INLIVIAN's self-sufficiency programing are monitored by the agency's Client Services team through a case management model, inclusive of assessments, monitoring compliance, coaching and connecting participants with needed resources.
	 INLIVIAN works directly with housing providers to retain program units in order to maintain existing options for new voucher holders and those who may be transferring from one unit to another.

Additional Figures

Affordable Housing Stock in Charlotte Compared to the INLVIAN Portfolio

The following graphs and maps provide an overview of the number of affordable housing units in the INLIVIAN portfolio in comparison to the total number of affordable units in Charlotte's private rental market by Council District.

"Affordable" in the following charts, refers to what is considered affordable rent for a 2-bedroom unit based on HUD's fiscal year (FY) 2019 payment standards (by census tract).

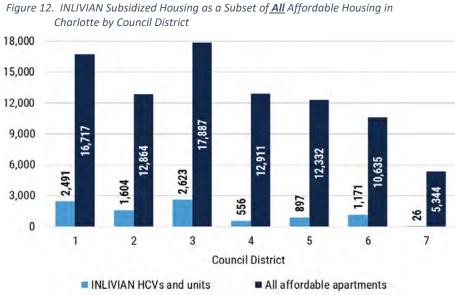
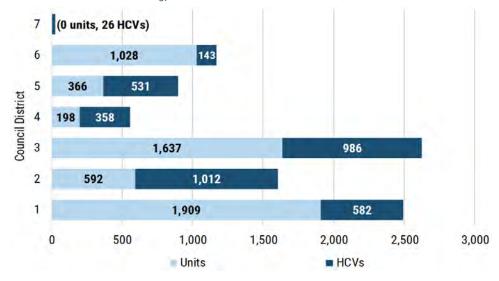
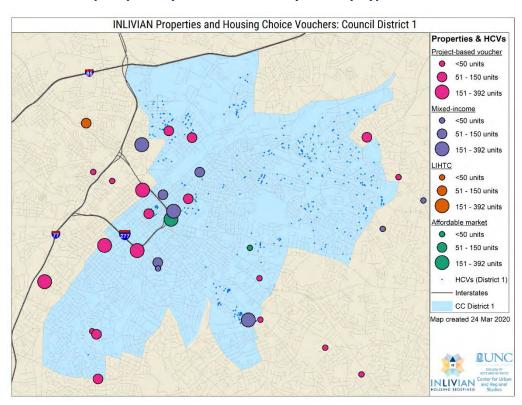


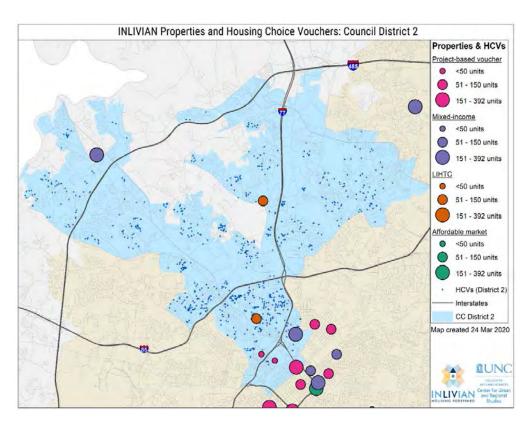
Figure 13 INLIVIAN Subsidized Housing by Council District (HCVs and All Other INLIVIAN Subsidized Housing)

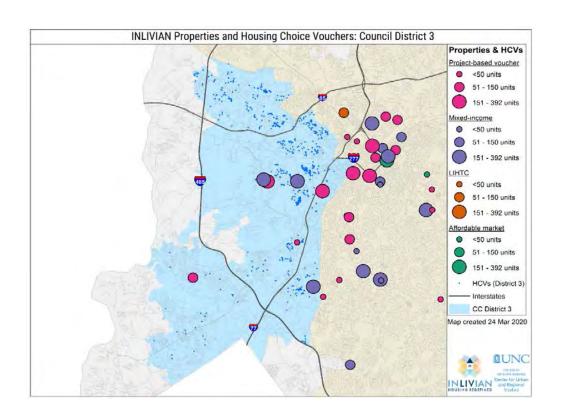


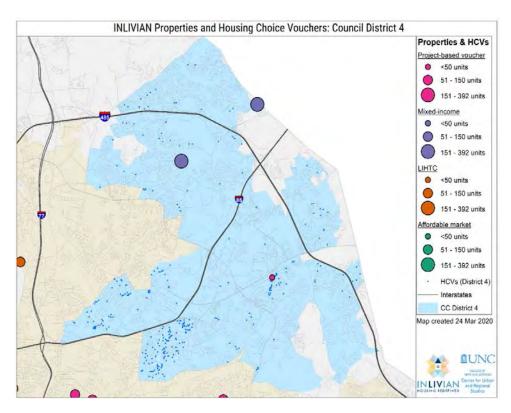
"Units" are defined as LIHTC, project-based vouchers, and mixed income. These are units that are a part of INLIVIAN's portfolio.

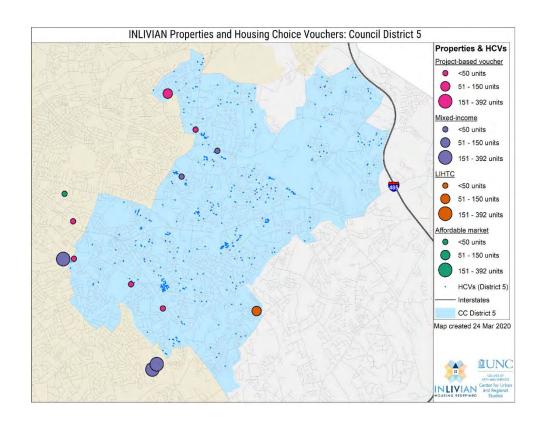
INLIVIAN Impact per City Council District by Subsidy Type

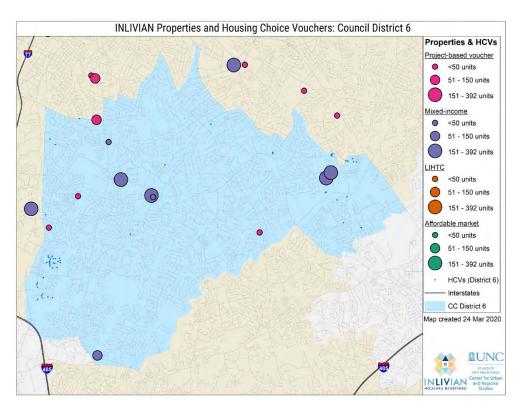




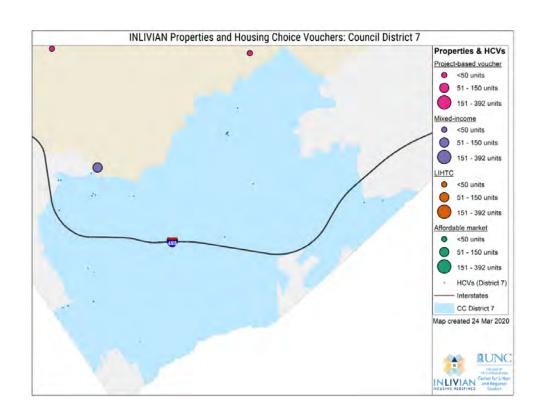












Glossary of Terms

Fair Market Rents (FMR)

Fair Market Rents (FMRs) are used to determine payment standard amounts for the Housing Choice Voucher (HCV) program, and to determine initial renewal rents for some expiring project-based Section 8 contracts. Fair market rent is a gross rent estimate that includes the base rent, as well as any essential utilities that the tenant would be responsible for paying.

Family Self-Sufficiency program (FSS)

The Family Self-Self Sufficiency Program (FSS) seeks to help participants make measurable progress toward economic security so that they no longer rely upon welfare programs, are less dependent on rental assistance, and are better able to achieve the goals they set out for themselves and plan for the future. Cornerstone features of the FSS program entail a financial incentive for participants to increase their earnings in the form of an escrow savings account that increases as residents' earnings increase. It also provides quality case management in order to: help families access services they may need to overcome barriers to employment; strengthen their financial capability; and address other challenges holding them back from achieving family goals.

Housing Provider

Landlord or owner or rental housing.

Housing Quality Standards (HQS)

Housing Quality Standards (HQS) are the HUD minimum quality standards INLIVIAN uses for the agency's HCV tenant-based voucher programs. HQS are required at initial occupancy and to be maintained during the term of the lease. INLIVIAN is required by HUD regulations to inspect units to ensure that each are "safe, decent and sanitary".

Moving to Work (MTW)

Moving to Work (MTW) is a HUD demonstration program for public housing authorities (PHAs) that provides designated PHAs the opportunity to design and test innovative, locally designed strategies that: use Federal dollars more efficiently; help residents find employment and become self-sufficient; and increase housing choices for low-income families.

Opportunity Housing Program

INLIVIAN's Opportunity Housing Program offers eligible families with young children the ability to move into higher opportunity neighborhoods. These targeted neighborhoods have lower crime rates with improved education, transportation, and employment choices. In this program families can use their subsidy not just to pay the rent, but to advance the family and maximize the potential of its members.

Payment Standard

The payment standard is the maximum subsidy INLIVIAN will pay on behalf of a family receiving HCV assistance. INLIVIAN establishes payment standards based on the HUD-established Fair Market Rents (FMR) for the area. HUD Guidelines state that payment standards must be within an established range (90-110%) of the FMR. Through INLIVIAN's MTW authority, the agency has the flexibility to go above this range in opportunity neighborhoods as part of the Opportunity Housing program.



Project-Based Voucher (PBV):

The project-based voucher (PBV) program is one part of the HCV program. It helps pay for rent in privately owned rental housing, but only in specific privately-owned buildings or units. Unlike the Tenant-based voucher program, assistance is tied to the unit.

Rental Assistance Demonstration (RAD) Program: RAD allows PHAs to leverage public and private debt and equity in order to reinvest in an agency's public housing stock while ensuring long-term affordability. This is critical given the backlog of public housing capital needs and diminishing HUD capital funding. Under RAD, units are converted from the public housing funding subsidy (also known as Section 9) to the Section 8 funding subsidy with a long-term contract that, by law, must be renewed in perpetuity. A Use Agreement is also recorded under RAD further enforcing HUD's long-term interest. This ensures that the units remain permanently affordable to low-income households.

Tenant-Based Voucher:

This voucher type moves with the tenant—if the household no longer wishes to rent a particular unit and is program eligible, the household may use the voucher and move to another rental property. The level of subsidy is based upon the income of the household, the particular unit the household selects, and INLIVIAN's payment standards.