

Source of Income Protections in City Supported Housing

Policy

It is a City of Charlotte (city) priority to promote opportunities for individuals and families to obtain safe, quality, affordable housing. This includes prioritizing support of affordable housing development to expand access to housing opportunities for low-to-moderate income households and aligning resources and policies that support the use of housing vouchers and other rental subsidies, as recommended by the Housing Charlotte Framework adopted in August 2018 and the Source of Income Ad Hoc Advisory Committee that completed its work in December 2021. Rental subsidies, including housing vouchers directly or indirectly funded by the federal government, along with other lawful sources of income, are recognized as a key means of providing access to quality affordable housing for low- and moderate-income households.

As set forth in this policy, prospective residential tenants in city-supported developments will not be disqualified from renting a housing unit based on a refusal by the housing operator to consider any lawful source of income.

Applicability

- Affordable Housing. All affordable housing developments receiving any city- provided subsidy or financial incentives including conveyance of real estate for the production of affordable housing.
- Market-Rate Housing. Any market-rate housing developed by a master developer or third-party developer(s) as part of a development receiving city infrastructure reimbursement incentives, such as Tax Increment Grants and capital-funded partnerships for infrastructure improvements.

All developments set forth in this Applicability section shall be required to consider housing vouchers and other provable and lawful sources of income as defined herein, and pursuant to the terms of all applicable agreements entered into between the city and the developer.

Non-Applicability

This policy shall not apply to the following housing developments:

- City-supported rezoning requests; and
- Housing with no city support.

Providers of housing with no city support will be encouraged to voluntarily accept tenants with all forms of rental subsidies and lawful sources of income.

Term

The policy will apply to applicable developments for **a term equal to the greater of the incentive period or affordability period as applicable, based on the applicable city incentive agreement.**

Examples of Current Policy Terms:

City-Support Type	Applicable Term
Housing Trust Fund	Affordability Period
Community Development Block Grant (CDBG)	Affordability Period
HOME Investment Partnerships (HOME)	Affordability Period
Land Conveyance (city-owned land for affordable housing)	Ground Lease Term, or Affordability Period

Tax Increment Grants (with for-rent housing)	Greater of Reimbursement Period or Affordability Period (as applicable)
CIP-Funded Infrastructure Partnerships (with for-rent housing)	Greater of Reimbursement Period or Affordability Period (as applicable)

The list in the foregoing table of examples of current policy terms is for illustrative purposes only, is not meant to be all-inclusive, and is subject to change as city programs are added or enhanced, or new funding sources are created or received.

This policy will not apply after the termination of the terms of the city subsidy, or incentive, or applicable affordability period, unless expressly provided for in the incentive agreement.

Enforcement

- The policy will be applicable to the housing owner/provider(s) responsible for making rental eligibility decisions.
- Housing owners/providers will be in violation of this policy if a reason for denying the applicant is an applicant's provable and lawful source of income, including housing vouchers directly or indirectly funded by the federal government. The Policy is not intended to require terms that prevent a property owner/provider from determining, in a commercially reasonable and non-discriminatory manner, the ability of a housing applicant to afford to rent a property.
- Enforcement will be based on complaints and proactive monitoring.
- Residents who believe they have been denied access to housing based on a lawful source of income may initiate a complaint with the city by calling 311 or the Community Relations Committee (CRC).
- Investigations will be conducted by the CRC. The CRC shall receive, initiate, seek to conciliate, and hold hearings on complaints alleging violations of this policy.
- Upon a finding that a violation of this policy has occurred, the following measures will occur:

<u>Violation</u>	<u>Enforcement</u>
First Violation	<ol style="list-style-type: none"> 1. Mandatory compliance training, and housing owner/provider shall be provided 30 days from the date of the confirmed violation to cure the violation without penalty 2. If violation not cured within 30 days of the confirmed violation, housing owner/provider shall pay the applicant denied housing \$100/day until the violation is cured, or 180 days, whichever occurs first 3. If violation not cured by the end of the 180 days referenced in #2 above, housing owner/provider shall be subject to a maximum contractual remedy up to \$23,000* payable to city
Two violations within five years	<ol style="list-style-type: none"> 1. Housing owner/provider shall be provided 30 days from the date of the confirmed violation to cure the violation without penalty 2. If violation not cured within 30 days of the confirmed violation, housing owner/provider shall pay the applicant denied housing \$100/day until the violation is cured, or 180 days, whichever occurs first 3. If violation not cured by the end of the 180 days referenced in #2 above, housing owner/provider shall be subject to a maximum contractual remedy up to \$57,500* payable to city
Three or more violations within seven years	<ol style="list-style-type: none"> 1. Housing owner/provider shall be provided 30 days from the date of the confirmed violation to cure the violation without penalty

	<ol style="list-style-type: none"> 2. If violation not cured within 30 days, housing owner/provider shall pay the applicant denied housing \$100/day until the violation is cured, or 180 days, whichever occurs first 3. If violation not cured by the end of the 180 days referenced in #2 above, housing owner/provider shall be subject to a maximum contractual remedy up to \$115,000* payable to city, and the housing owner/provider may be precluded from future contracts with the city
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*Maximum remedies are based on the U.S. Department of Housing and Urban Development's (HUD) maximum civil penalties for Fair Housing Act violations, and will be subject to HUD's published annual inflation adjustments. The remedy amount imposed on the Housing Owner/Provider will be determined by the CRC and will be influenced by factors such as the nature and circumstances of the violation, degree of culpability and history of prior violations.

Reporting Requirements

The housing **owner/provider**, or its designee as approved by the city, shall provide to the city on an annual basis a report including the number of units rented to households with housing vouchers and other forms of documented rental subsidies, including vouchers directly or indirectly funded by the federal government, and any other such supporting documentation **including tenant eligibility criteria** as may be requested from the city from time to time in its sole discretion.

Additionally, housing owners/providers shall agree to auditing/testing by the CRC during the term of the policy applicability, and shall preserve all applicant denials and justifications for a least 24 months and make these records available to the city as requested.

Definitions

- **Affordable Housing:** Housing that is predominantly affordable to low and very low-income households at or below 80 percent of Area Median Income (AMI), as published from time to time by the U.S. Department of Housing and Urban Development (HUD).
- **City Subsidies/Incentives:** City-provided financial assistance or subsidized real estate conveyance.
- **City Supported Developments:** Developments with city-provided financial assistance or real estate conveyance for the production or preservation of affordable housing or other public benefit.
- **Housing Voucher:** Any form of rental assistance provided by local, state and federal government sources and established local non-profit organizations, including vouchers directly or indirectly funded by these sources.
- **Market Rate Housing:** Housing development intended to be available at the prevailing market rate.
- **Incentive Agreement:** A contract, award, land conveyance or any other legal agreement between the city and Developer entered into as a condition of the provision of city support.
- **Lawful Source of Income:** Lawful sources of income shall include:
 - Wages from a lawful profession, occupation or job.
 - Any government or private assistance, grant, loan or rental assistance program, including vouchers directly or indirectly funded by the federal government or other rental subsidy programs.
 - Any legal, documented gift, inheritance, pension, annuity, alimony, child support, or other consideration or benefit.

This amended policy shall apply to all applicable city-supported development receiving awards from the city after August 22, 2022.