

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 the term of the City incentive agreement.

Examples of Current Policy Terms:

<u>City-Support Type</u>	<u>Applicable Term</u>
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)	Reimbursement Period
CIP-Funded Infrastructure Partnerships (with for-rent housing)	Reimbursement Period

This 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 unless expressly provided for in the incentive agreement.

Enforcement ~~Council will consider and take action on policy enforcement at a future Council meeting.~~

- ~~• Developers/Housing 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.~~
- ~~• 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.~~
- ~~• Investigations will be conducted by the Community Relations Committee (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:~~
 - ~~1. The first violation will result in a documented, written warning and the Developer/Housing Provider will be required to undergo mandatory compliance training.~~
 - ~~2. A second violation will result in additional mandatory compliance training and a fee of \$500 will be assessed daily until the violation is cured as determined by the CRC.~~
 - ~~3. A third violation will result in a written notification of default under the incentive agreement between the City and Developer/Housing Provider which will provide a time period to cure the violation.~~

Failure to Comply

If the Developer/Housing Provider fails to comply with the Policy, upon the third violation the incentive agreement will be terminated, and the Developer/Housing Provider shall:

- ~~1. Refund any funds provided to the Developer/Housing Provider by the City through the applicable project or program subject to the requirements of this policy; and~~
- ~~2. May be precluded or debarred from being awarded or entering into any further contracts with the City through which the Developer/Housing Provider would participate or receive any program or project awards.~~

~~If direct financial support was not provided by the City (e.g. City land conveyances with no other City financial support), escalating fines will apply.~~

Reporting Requirements

The Developer/Housing 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 as may be requested from the City from time to time in its sole discretion.

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 policy shall apply to all applicable City-supported development receiving awards from the City **after July 11, 2022.**