

Legislation Text

File #: 15-18502, Version: 1

Source of Income Protections in City Supported Housing Policy

Action:

Adopt a resolution approving the Great Neighborhoods Committee's recommendation to amend the Source of Income Protections in City Supported Housing Policy to:

- **Add enforcement provisions, and**
- **Clarify the applicable policy term.**

Committee Chair:

Victoria Watlington, Great Neighborhoods Committee

Staff Resource(s):

Shawn Heath, Housing and Neighborhood Services
Tracy Dodson, City Manager's Office

Current Policy

- City Council adopted the Source of Income Protections in City Supported Housing Policy (Policy) on July 11, 2022.
- The Policy establishes that 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. City-supported housing includes:
 - Affordable housing, which is all affordable housing developments receiving any city-provided subsidy or financial incentives, including conveyance of real estate for the production of affordable housing, and
 - Market-rate housing, which is 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.

Proposed Changes

- A summary of the recommendations considered by the Great Neighborhoods Committee includes:
 - Enforcement. Upon a finding by the Community Relations Committee that a violation of the Policy has occurred, the following measures will occur:
 - *First Violation:*
 - Mandatory compliance training, and Housing Owner/Provider (Owner) shall be provided 30 days from the date of the confirmed violation to cure the violation without penalty.
 - If violation is not cured within 30 days of the confirmed violation, Owner shall pay the applicant denied housing \$100 per day until the violation is cured, or 180 days, whichever occurs first.
 - If violation is not cured by the end of the 180 days, Owner shall be subject to a maximum remedy up to \$23,000 payable to city.
 - *Second Violation within previous five years:*
 - Owner shall be provided 30 days from the date of the confirmed violation to cure the violation without penalty.
 - If violation is not cured within 30 days of the confirmed violation, Owner shall

- pay the applicant denied housing \$100 per day until the violation is cured, or 180 days, whichever occurs first.
 - If violation is not cured by the end of 180 days, Owner shall be subject to a maximum remedy up to \$57,500 payable to city.
- *Third Violation within previous seven years:*
 - Owner shall be provided 30 days from the date of the confirmed violation to cure the violation without penalty.
 - If violation is not cured within 30 days, Owner shall pay the applicant denied housing \$100 per day until the violation is cured, or 180 days, whichever occurs first.
 - If violation is not cured by the end of the 180 days, Owner shall be subject to a maximum remedy up to \$115,000 payable to city, and the Owner may be precluded from future contracts with the city.
- The maximum remedy amounts are based on the U.S. Department of Housing and Urban Development's (HUD) Fair Housing Act maximum civil penalties and will be adjusted annually based on corresponding inflation adjustments published by HUD.
- Policy Term.
 - The policy term is clarified to be equal to the greater of the incentive period or affordability period as applicable, based on the applicable city incentive agreement.
- The amendments are proposed to be effective immediately upon Council approval.

Committee Discussion

- During the July 11, 2022 Business Meeting, Council directed staff to reassess and finalize the proposed enforcement provisions associated with the Policy, to seek stakeholder input regarding Policy enforcement, and to review the enforcement proposal with the Great Neighborhoods and Economic Development Committees.
- On August 15, 2022, the Great Neighborhoods Committee, joined by the members of the Economic Development Committee, evaluated the above amendments to the Policy.
- The Great Neighborhoods Committee voted unanimously (Council members Watlington, Graham, Johnson, Phipps and Newton) to recommend the proposed policy changes. Additionally, members of the Economic Development Committee in attendance (Council members Graham, Driggs, Phipps, Watlington) also expressed support for the proposed amendment.

Attachment(s)

Resolution

Source of Income Protections in City Supported Housing Policy - Blackline