



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo
Vice Mayor Magdalena Carrasco
Councilmember Chappie Jones
Councilmember Don Rocha

SUBJECT: SEE BELOW

DATE: December 7, 2018

Approved

Date

**SUBJECT: DIRECTION ON THE CREATION OF A SOURCE OF INCOME
ORDINANCE AND RENTAL SUBSIDY PROGRAM IMPROVEMENTS**

RECOMMENDATIONS

1. Accept Staff's recommendations.
2. Direct the Housing Department to convene apartment owners and representative organizations, including the California Apartment Association; staff from Santa Clara County Housing Authority and the County of Santa Clara; and voucher holders and tenant representatives, to identify a workplan for continued improvements in streamlining lease-up, payment, reducing paperwork, and mitigating landlord risk in the voucher program.

BACKGROUND

Programs such as the federal Housing Choice Vouchers (i.e. "Section 8 vouchers" or "vouchers") and other supplemental rent programs can be potent tools to combat homelessness and to expand housing choices for low- income residents.

Unfortunately, we have seen these goals undermined too often by the unwillingness of some landlords—because of either aversion to administrative headaches in dealing with the federal voucher program, or perceived shortcomings of potential tenants who are voucher holders—to refuse tenants with vouchers. The Housing Department found that 66% of listed apartment units could not be rented with vouchers, and we know anecdotally that many landlords regularly deny other cash subsidies as well.

Landlord concerns about paperwork and delay appear both significant and credible, and must be addressed. For that reason, we need to push for continued improvements in program administration, as we have recommended above. We are encouraged to see that the Housing

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Authority has adopted a new vacancy payment program, lease-up bonuses, a more streamlined leasing process, and the appointment of an ombudsperson. It's apparent that the Housing Authority's current leadership is committed to improving the landlord experience with the voucher program; with our direction, we task the Housing Department with holding their feet to the fire to ensure continued progress.

When we weigh the landlords' objections against the imperative of family needing to find a home to avoid homelessness, however, the choice appears obvious. Data shows that source of income ordinances help tenants find housing more successfully, as demonstrated by the well-documented 2011 HUD study finding that cities with such ordinances saw utilization rates improve by 4 to 11 percentage points.

We thank both the Housing Department and the Santa Clara County Housing Authority in their continued efforts confront to homelessness, and for their collaborative work on this matter.