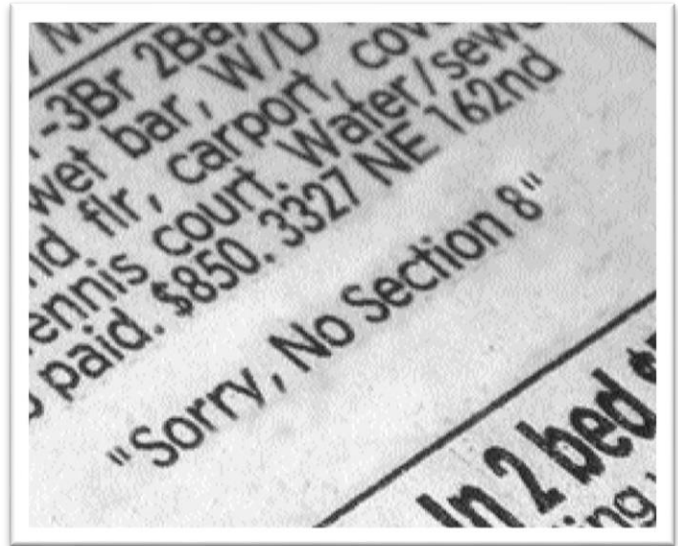


City of San José Department of Housing

Source of Income Ordinance

December 11, 2018 City Council
Item 4.3

Jacky Morales-Ferrand
Rachel VanderVeen
Christopher Alexander



What is a Source of Income Ordinance?

Picks up where federal and state laws leave off ①
Defines vouchers as tenant income

Prohibits exclusionary advertising ②



③ **Requires fair consideration of applicants with vouchers & housing subsidies**

④ **Defines which buildings are subject to the ordinance**

⑤ **Identifies enforcement**
City or privately initiated

Protected Classes for Housing

Federal

- Race/Color
- National Origin
- Religion
- Sex
- Disability
- Familial Status

California

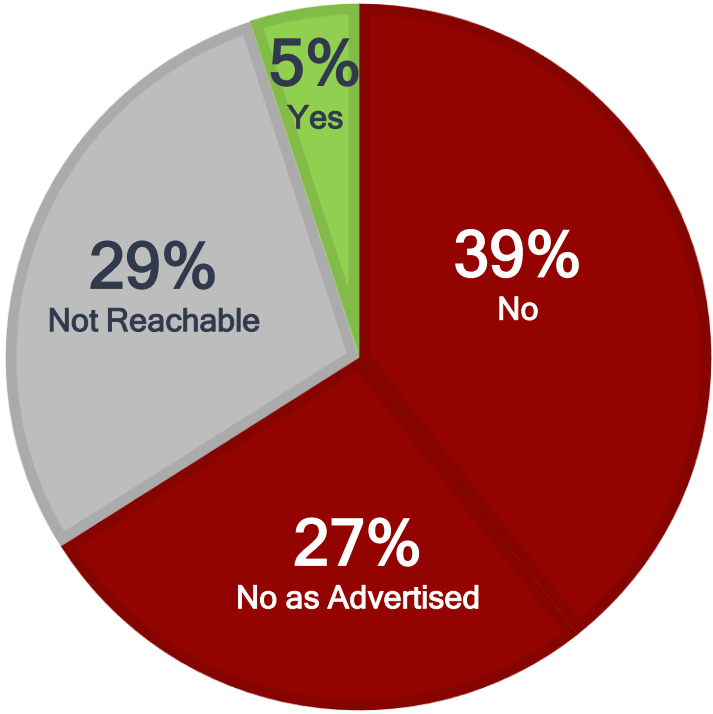
- Race/Color
- Gender Identity & Expression
- Sexual Orientation
- Marital Status
- National Origin
- Ancestry
- Source of Income*
- Disability
- Genetic Information

San José

- Source of Income

Landlords are not Considering Vouchers Holders in San José

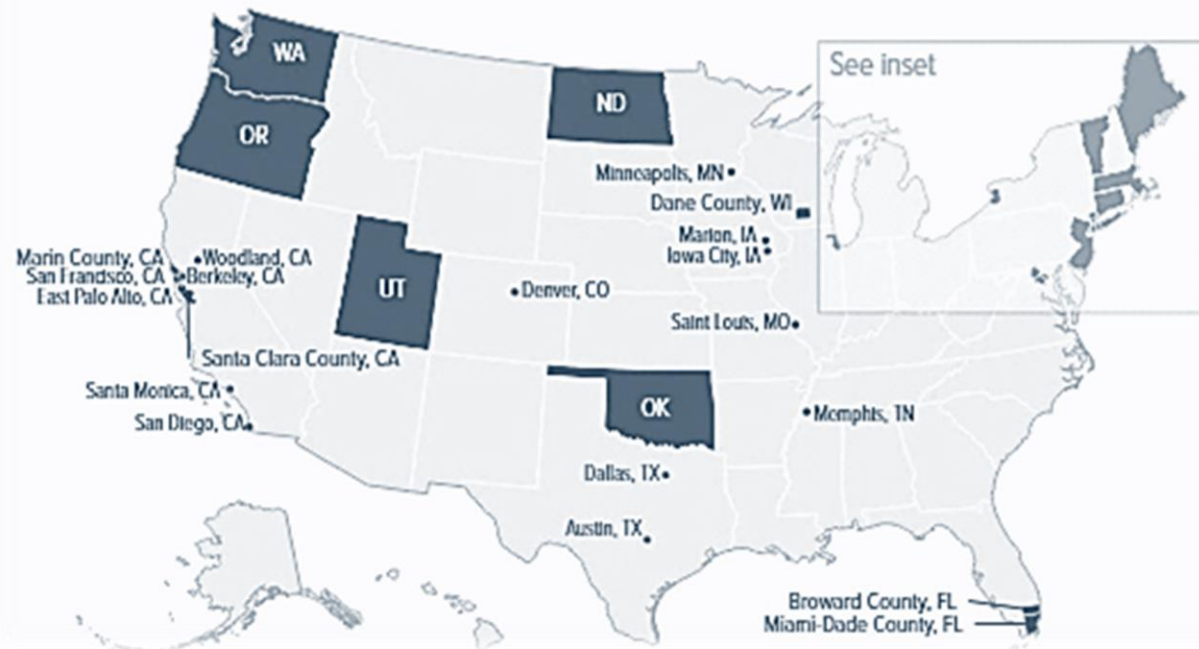
- No
- No as Advertised
- Not Reachable
- Yes



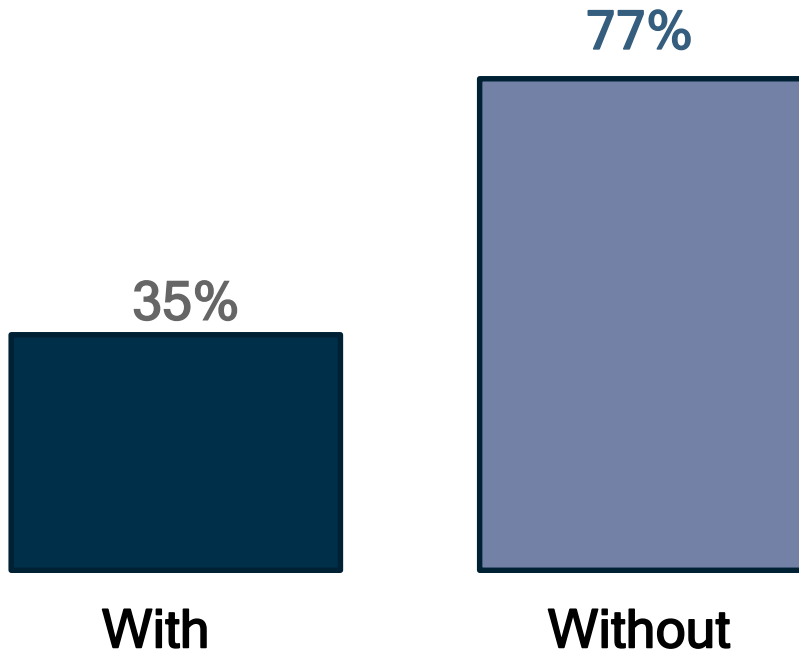
Why Have a Source of Income Ordinance?

- Create access and choice
- **Nearly 4,000 (21%)** HCV holders reside in affordable apartments instead of private market rate housing
- Rental Subsidy programs serve our most vulnerable households
- People of color disproportionately represented
- Success of our local programs depends on landlords accepting tenants with rental subsidies
- **20%** of voucher housing searches (Nationwide) were unsuccessful (2001)

Laws Prohibiting Discrimination Against Voucher Households



Fewer Landlords Reject Vouchers in Jurisdictions with Source of Income Laws



Stakeholder Feedback

Landlord

- Concern about administrative burden
- Negative perceptions or experiences
- Concerns about temporary subsidies
- Concerns about private right of action

Tenant

- Housing Authority is working on program improvements
- Negative stereotypes about voucher holders
- Difficult to find housing
- Disproportionate impact

Recommended Ordinance Provisions

- **Definition of Source of Income:** All rental subsidy programs
- **Prohibited activities:** May not impose different conditions or exclusionary advertisement
- **Applicability:** All rental housing, exception for owner occupied home
- **Enforcement:** Public and private action

Landlords Can Still Screen Tenants

- Ability to pay rent
- Income more than 3x the monthly rent
- Credit check
- No Smoking
- No Pets
- Prior eviction history
- Criminal history
- References



Improvements to Increase Landlord Participation

- **Add staff member**
 - Evaluate track complaints
 - Coordinate with Housing Authority
 - Increase education and outreach
- **Explore incentives and program improvements**

Next Steps

**Council
Direction**

**Public Review
Period**



**Draft
Ordinance**

**Ordinance to
City Council**

Recommendation

1. Direct the City Attorney's Office to develop a source of income ordinance including, but not limited to, staff's recommended provisions on the definition of source of income, prohibited activities, applicability, and enforcement.
2. Direct the Housing Department to implement an education and outreach plan in coordination with Santa Clara County Housing Authority and other rental subsidy partners that considers process improvements and incentives to increase the use of rental subsidy programs.

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