

## **Source of Income Protections in County Supported Housing**

### **Policy**

It is the policy of Mecklenburg County to promote opportunities for individuals and families to obtain safe, quality, affordable housing. This includes aligning resources and policies that support the use of housing vouchers and other rental subsidies in support of affordable housing and to expand development and access to housing opportunities for low-to-moderate income households. Rental subsidies, including housing vouchers funded directly or indirectly by local, state, federal, and/or non-profit sources, along with other lawful sources of income, are recognized as key means of providing access to quality affordable housing for low- and moderate-income households.

As set forth in this policy, prospective eligible residential tenants for County-supported units will not be disqualified from renting a housing unit based on a refusal of the housing owner, operator or developer to consider lawful sources of income.

### **Applicability**

#### Affordable Housing

All affordable housing developments or projects receiving any County- provided subsidy or financial incentives including conveyance of real estate for the production of affordable housing.

#### Market-Rate Housing/Units

Any market-rate housing or units developed by a master developer or third-party developer(s) as part of a project receiving County infrastructure reimbursement incentives, such as Tax Increment Grants or 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 County and the developer, owner, or operator.

### **Non-Applicability**

The policy shall not apply to housing projects or developments that are not county funded or supported. Providers of housing with no County support are encouraged to voluntarily accept tenants with all forms of rental subsidies and lawful sources of income.

### **Term**

This policy will apply to applicable developments for a term equal to the greater of the incentive period or affordability period, whichever applies, based on the County incentive agreement. This policy will not apply after the termination of the County subsidy, or incentive, or applicable affordability period, whichever is greater, unless expressly provided otherwise in the incentive agreement.

### **Enforcement**

- This policy applies to the housing owner, operator, or developer responsible for making rental eligibility decisions.
- Housing owners, operators, or developers 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 local, state, federal, and/or non-profit sources. This Policy is not intended to require terms that prevent a property owner, operator, or developer 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 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 penalties described below may occur.

<b>Violation</b>	<b>Enforcement</b>
First Violation	<ol style="list-style-type: none"> <li>1. Mandatory compliance training, and housing owner, operator, or provider shall be given 30 days from the date of the confirmed violation to cure the violation without penalty.</li> <li>2. If violation not cured within 30 days of the confirmed violation, housing owner, operator, or provider shall pay the applicant denied housing \$100/day until the violation is cured, or 180 days, whichever occurs first.</li> <li>3. If violation not cured by the end of the 180 days referenced in #2 above, housing owner, operator, or provider shall be subject to a maximum contractual remedy up to \$23,000*.</li> </ol>
Two violations within five years	<ol style="list-style-type: none"> <li>1. Mandatory compliance training, and housing owner, operator, or provider shall be given 30 days from the date of the confirmed violation to cure the violation without penalty.</li> <li>2. If violation not cured within 30 days of the confirmed violation, housing owner, operator, or provider shall pay the applicant denied housing \$100/day until the violation is cured, or 180 days, whichever occurs first.</li> <li>3. If violation not cured by the end of the 180 days referenced in #2 above, housing owner, operator, or provider shall be subject to a maximum contractual remedy up to \$57,500*.</li> </ol>
Three or more violations within seven years	<ol style="list-style-type: none"> <li>1. Mandatory compliance training, and housing owner, operator, or provider shall be given 30 days from the date of the confirmed violation to cure the violation without penalty.</li> <li>2. If violation not cured within 30 days of the confirmed violation, housing owner, operator, or provider shall pay the applicant denied housing \$100/day until the violation is cured, or 180 days, whichever occurs first.</li> <li>3. If violation not cured by the end of the 180 days referenced in #2 above, housing owner, operator, or provider shall be subject to a maximum contractual remedy up to \$115,000* and housing owner/provider may be precluded from future contracts with the County.</li> </ol>

\*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/Developer/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, developer, operator, or its designee as approved by the County, shall provide to the County 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 funded directly or indirectly by local, state or the federal government, and any other such supporting documentation including tenant eligibility criteria as may be requested from the County from time to time in its sole discretion.

Additionally, housing owners, developers, or operators shall agree to auditing/testing by the CRC during the term of the policy applicability and shall preserve all applicant denials and justifications for at least seven years and make these records available to the County 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).
- **County Subsidies/Incentives:** County-provided financial assistance or subsidized real estate conveyance.
- **County Supported Developments:** Developments with County-provided financial assistance or real estate conveyance for the production or preservation of affordable housing or other public benefit.
- **Housing Voucher/Rental Subsidy:** 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.
- **Market Rate Unit:** means a dwelling unit where the rental rate or sales price is not restricted by requirements imposed by local, state, or federal affordable housing programs.
- **Incentive Agreement:** A contract, award, land conveyance or any other legal agreement between the County and Developer/Owner/Operator entered into as a condition of the provision of County 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 County-supported development receiving awards from the County after the date of enactment.