CITY OF CHARLOTTE

Rental Subsidy Requirements in City-supported Housing

GREAT NEIGHBORHOODS COMMITTEE

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Briefing Objectives

◁ Committee Charge

◁ Policy Overview
- Policy Summary
- Definitions
- Implementation
- Tiered Discipline

◁ Rezoning and Tax Increment Financing Requests

◁ Next Steps

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Committee Charge

On February 22, 2021, City Council directed staff to:

Create a policy requiring acceptance of Housing Choice Vouchers (HCV) and other forms of rental subsidy in all City supported housing.

Policy

◁ Prospective tenants in City-supported developments of affordable housing will not be disqualified from renting a unit based on a refusal to consider **any lawful source of income**.

◁ The policy is not intended to require terms that prevent a property owner or manager from determining, in a commercially reasonable and non-discriminatory manner, the ability of a housing applicant to afford to rent a property.

◁ Landlords can decline renting to a potential tenant. However, it cannot be because of a lawful source of income.

Definitions

◁ **City-supported Developments.** City-provided financial assistance or subsidized real estate conveyance for the production or preservation of affordable housing units.

◁ **Affordable Housing.** Housing units developed for-sale or for-rent that are intended to be affordable to households earning at or below 80% of the area median income (AMI).

◁ **Lawful Source of Income.** Lawful sources of income shall include income from:
- A lawful profession, occupation or job,
- Any government or private assistance, grant, loan or rental assistance program, including under the United States Housing Act of 1937, and
- Any legal, documented gift, inheritance, pension, annuity, alimony, child support, or other consideration or benefit.

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Implementation

◁ **Policy requirements:**
- Currently included in Housing Trust Fund RFP guidelines.
- Will be included in the terms of other City affordable housing agreements (e.g. loan documents, land conveyance documents, etc.).

◁ **Will apply to all City-supported developments receiving awards <u>after</u> policy is approved.**

◁ **Will apply for the term of the affordability period.**

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Implementation

◁ **Developers will be in violation of this policy if the sole reason for denying the applicant is because of the applicant's lawful source of income.**

◁ **Residents who believe they have been denied access to housing solely based on a violation of the policy may initiate a complaint with the City by calling 311 or the Community Relations Committee.**

◁ **Investigations will be conducted by the Community Relations Committee.**

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Tiered Discipline (confirmed violations)

First Offense
- Documented warning
- Compliance training

Second Offense
- Compliance training
- $500 fine per day until cured

Third Offense
- Default letter with cure period

If no cure:
- Recapture City award*
- Responsible party no longer eligible for future City-support

* If unable to recapture award (e.g. for City-land conveyances with no other City financial support) escalating fines will apply.

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Tax Increment Grant Financing and Rezoning Requests

Tax Increment Financing

◁ Policy will apply to TIG multi-family development when there is a City-supported affordable housing component.

◁ Developers with non-City Supported affordable housing components will be encouraged to voluntarily accept rental subsidies.

Rezoning Requests

◁ Per the City Attorney, enabling legislation from the North Carolina General Assembly would be required to apply this policy to all Rezoning requests.

Next Steps

◁ **Provide overview of proposed policy to full Council for consideration at a future City Council meeting.**

◁ **If policy is approved by Council, staff will**

- Incorporate policy into all City contract language
- Ensure developers and their respective property managers understand the policy
- Educate tenants of their rights at City-supported developments