Subject: Vulnerable Renter Protections Proposal: An ordinance prohibiting landlords from refusing to rent a dwelling unit to an applicant based solely on the applicant’s source of income.

Key Points:
- Rents are increasing dramatically in the City of Vancouver. Most recent reports indicate that from July 2014-July 2015 renters have had a 9.8% rent increase.
- Vancouver and the surrounding metro area are experiencing an unusually low vacancy rate (less than 2 percent).
- Incomes have not kept pace with rent increases.
- There is rental support (certificates) available through the Vancouver Housing Authority and different non-profit agencies; however, due to low vacancy rate, some of these potential renters are having a difficult time finding housing.
- Supported by work from the Affordable Housing Task Force, the proposed ordinance would prohibit landlords from refusing to rent a dwelling unit to an applicant based solely on their source of income for properties in Vancouver city limits.

Objective: To develop an ordinance that will provide some protections for vulnerable renters

Present Situation: Vancouver and the surrounding communities are experiencing an unprecedented demand for rental units. Current data (Q2 2015) shows a rental vacancy rate of 1.98% (source: Norris Beggs & Simpson Multifamily Report). As the rental market becomes more competitive, landlords can be more particular when choosing tenants. Local service providers report that it is increasingly difficult for participants in rental assistance programs to use their rent vouchers.

The number of property owners participating in the Section 8 rent voucher program has been steadily decreasing. Between 2010 and 2015 there has been a 22% decrease in the number of landlords participating in Section 8, while the number of vouchers has stayed fairly consistent at approximately 2,500.

<table>
<thead>
<tr>
<th>Date</th>
<th>February 2010</th>
<th>February 2011</th>
<th>February 2012</th>
<th>February 2013</th>
<th>February 2014</th>
<th>February 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Landlords</td>
<td>887</td>
<td>837</td>
<td>836</td>
<td>829</td>
<td>719</td>
<td>686</td>
</tr>
</tbody>
</table>

Source: Sasha Nichelson, Director of Voucher Programs at Vancouver Housing Authority

In addition, service providers report that income screening requirements are often applied in a way that does not acknowledge the rent guarantee that a voucher provides. An example follows.
If the landlord chooses to use income screening criteria, this ordinance requires that the landlord subtract the amount of the voucher from the rent owed before using the rent multiplier.

Example:

1. No voucher – Rent is $1,200 and Landlord requires income of two times the rent. That would be 1,200 X 2 = $2,400

2. Voucher – Rent is $1,200 and Landlord requires income of two times the rent, but the tenant has a $500 voucher. $1,200 - $500 = $700 X 2 = $1,400

The City ordinance will provide that a landlord cannot refuse to rent a dwelling unit to any applicant solely on the basis of the source of income. Source of income is defined as dollars derived from Social Security benefits, supplemental security income, other retirement programs, and any federal, state, local, or nonprofit-administered benefit or subsidy programs, including housing assistance, public assistance, and general assistance programs. The ordinance also states that if income screening criteria are elected to be used, any source of income in the form of a rent voucher or subsidy must be subtracted from the total of the monthly rent prior to calculating income.

Advantage(s):
1. The ordinance would prevent discrimination against rental applicants based solely on their source of income.
2. Requiring the voucher amount to be deducted from the rent cost in income screening calculations increases the likelihood that voucher holders will qualify for available units.

Disadvantage(s): The landlords might raise the income requirements for all rental units.

Budget Impact: None


Action Requested:
1. On Monday, September 14, 2015, following first reading and a public hearing, approve ordinance, setting date of second reading and public hearing for Monday, September 21, 2015.
2. On Monday, September 21, 2015, following second reading and public hearing, approve ordinance.

Attachment(s): Ordinance
ORDINANCE NO. __________

AN ORDINANCE relating to prohibiting landlords from refusing to rent a dwelling unit to an applicant based solely on their source of income; providing for severability and an effective date.

WHEREAS, as reflected in SR - __________, Vancouver and the surrounding communities are experiencing an unprecedented demand for rental units; and

WHEREAS, current data shows a rental vacancy rate of 1.98%; and

WHEREAS, as the rental market becomes more competitive, landlords can be more particular when choosing tenants; and

WHEREAS, local service providers report that it is increasingly difficult for participants in rental assistance programs to use their rent vouchers; and

WHEREAS, the number of property owners participating in the Section 8 rent voucher program has been steadily decreasing; and

WHEREAS, between 2010 and 2015 there has been a 22% decrease in the number of landlords participating in Section 8, while the number of vouchers has stayed fairly consistent at approximately 2,500; and

WHEREAS, service providers report that income screening requirements are often applied in a way that does not acknowledge the rent guarantee that the voucher provides; and
WHEREAS, the City of Vancouver recognizes that this is a complex, changing and ongoing issue; and

WHEREAS, this ordinance is an exercise of the city of Vancouver’s police and legislative authority derived from Wash. Const. art. XI, § 11 and is consistent with RCW 35.22.280, and is to protect the public’s health, safety and welfare; and

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. A new Chapter designated as VMC 8.45 is hereby added to read as follows:

Chapter 8.45 – SOURCE OF INCOME PROTECTION

8.45.010 – Definitions.
8.45.020 - Refusal to rent based solely on source of income prohibited.
8.45.030 - Exceptions.

Section 2. A new Section designated as VMC 8.45.010 is hereby added to read as follows:

VMC 8.45.010 - Definitions.

As used in this section:

“Dwelling unit” means any building or portion thereof which contains living facilities including provisions for sleeping, eating, cooking and sanitation, including not more than one kitchen for not more than one family.

"Source of income" includes income derived from social security, supplemental security income, other retirement programs, and any federal, state, local, or nonprofit-administered benefit or subsidy programs, including housing assistance, public assistance, and general assistance programs.

"Source of income" does not include income derived in an illegal manner.

Section 3. A new Section designated as VMC 8.45.020 is hereby added to read as follows:
VMC 8.45.020 - Refusal to rent based solely on source of income prohibited.

No person shall refuse to rent a dwelling unit to any rental applicant solely on the basis that the applicant proposes to rent such unit with a “source of income” as defined in this Chapter.

Section 4. A new Section designated as VMC 8.45.030 is hereby added to read as follows:

VMC 8.45.030 - Exceptions.

Nothing in this chapter shall:

A. Apply to the renting, subrenting, leasing, or subleasing of a portion of a single-family dwelling, wherein the owner or person entitled to possession thereof maintains a permanent residence, home or abode therein;

B. Be interpreted to prohibit any person from making a choice among prospective tenants on the basis of factors other than the source of income;

1. If income screening criteria are elected to be used, any source of income in the form of a rent voucher or subsidy must be subtracted from the total of the monthly rent prior to calculating if the income criteria have been met.

C. Prohibit a religious organization, association, or society, or any nonprofit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association, or society, from limiting the rental or occupancy of dwellings which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on the basis of race, color, national origin or other illegal discriminatory basis;

D. Be construed to prohibit treating people with disabilities more favorably than people who do not have disabilities;

E. Be construed to protect criminal conduct; or

F. Prohibit any person from limiting the rental or occupancy of a dwelling based on the use of force or violent behavior by an occupant or prospective occupant, including behavior intended to produce fear of imminent force or violence against the person or property of the owner, manager, or other agent of the owner.

Section 5. Severability. If any clause, sentence, paragraph, section, or part of this ordinance or the application thereof to any person or circumstance shall be adjudged by any court of competent jurisdiction to be invalid, such order or judgment shall be confined in its
operation to the controversy in which it was rendered and shall not effect or invalidate the remainder of any parts thereof to any person or circumstances and to this end the provisions of each clause, sentence, paragraph, section or part of this law are hereby declared to be severable.

Section 6. Effective date. This ordinance shall become effective thirty (30) days following the date of final adoption.

Read first time:
Ayes: Councilmembers
Nays: Councilmembers
Absent: Councilmembers

Read second time:
PASSSED by the following vote:
Ayes: Councilmembers
Nays: Councilmembers
Absent: Councilmembers

SIGNED this _____ day of ______________________, 2015.

________________________
Timothy D. Leavitt, Mayor

Attest: Approved as to form:
SUMMARY

ORDINANCE NO. __________

AN ORDINANCE relating to prohibiting landlords from refusing to rent a dwelling unit to an applicant based solely on their source of income; providing for severability and an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).