



## Legislation Text

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File #: [23-0450], Version: 1

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### **Approve a Source of Income Protections Policy for Town-Supported Residential Developments.**

#### **Staff:**

Sarah Osmer Viñas, Director  
Nate Broman-Fulks, Assistant Director  
Emily Holt, Affordable Housing Development Officer

#### **Department:**

Affordable Housing and Community Connections

**Overview:** The proposed Source of Income Protections Policy would require residential developments that have received Town resources for affordable housing, including funding or land, to accept all lawful sources of income, including Housing Choice Vouchers, for payment.



#### **Recommendation(s):**

That the Council approve the Source of Income Protections Policy for Town-Supported Residential Developments.

**Context:** The Town Council's newly adopted [FY 2023-25 Strategic Focus Areas and Goals](https://chapelhill.legistar.com/View.ashx?M=F&ID=11932317&GUID=2794F7B0-650D-47B4-8E28-025FCB28FDD9) <<https://chapelhill.legistar.com/View.ashx?M=F&ID=11932317&GUID=2794F7B0-650D-47B4-8E28-025FCB28FDD9>> include a focus on Affordable Housing & Housing Production in order to increase housing across a range of income and housing types to achieve equitable housing outcomes for historically marginalized populations. This includes increasing the availability of affordable housing. Housing Choice Vouchers and similar housing subsidy programs provide valuable financial assistance for income-eligible families seeking affordable housing. Having a sufficient supply of units that accept these subsidies is an important way to expand the local supply of affordable housing.

Many households using vouchers, and other lawful alternative sources of income, face discrimination from landlords. County staff have reported that despite incentive packages and outreach efforts to landlords, about 15 percent of vouchers go unused (approximately 100 vouchers) and the average lease up time is consistently more than 100 days.

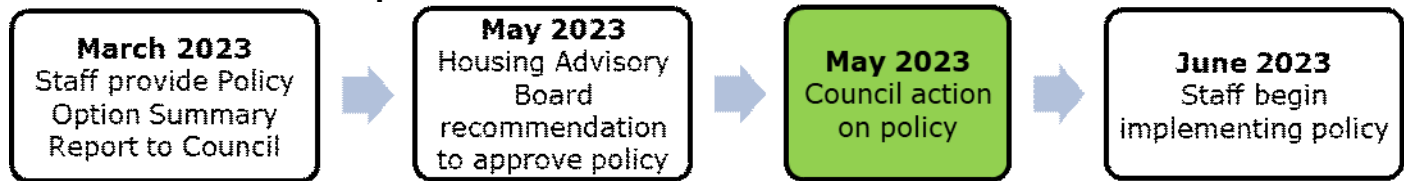
Many state and local governments across the country have adopted policies that prohibit landlords from denying rental applications based on the type of income they are using to pay rent.

Because NC state law does not include source of income as a protected category, NC municipalities are limited in what they are allowed to mandate locally. Since 2023, several NC municipalities have adopted policies that offer limited versions of source of income protections. Specifically, policies in cities like Raleigh, Charlotte, and Winston-Salem focus on requirements for housing that use public resources, such as funding or land, to support affordable housing.

At the April Housing Advisory Board Meeting (HAB), the HAB voted to request that staff develop a Source of Income Protections policy for Council to consider. At the May 9<sup>th</sup> HAB meeting, the HAB voted unanimously to recommend that the Council approve the policy.

**Fiscal Impact/Resources:** There is no fiscal impact for this item.

**Where is this item in its process?**



**Attachments:**

- Resolution
- Draft Source of Income Protections Policy for Town-Supported Residential Development
- HAB Recommendation

**A RESOLUTION ADOPTING A SOURCE OF INCOME PROTECTIONS POLICY IN TOWN-SUPPORTED HOUSING. (2023-05-24/R-7)**

WHEREAS, One of the Town Council's Strategic Focus Areas and Goals for FY2023-25 is to increase access to housing for individuals across a range of incomes; and

WHEREAS, Housing Choice Vouchers and similar programs administered by the U.S. Department of Housing and Urban Development, the State of North Carolina, and the Orange County Housing Authority provide valuable financial assistance to families seeking housing opportunities within the Town of Chapel Hill; and

WHEREAS, the Town Council determines it to be critical that housing development subsidized with Town financial support, including the conveyance of real property, be available to residents on a non-discriminatory basis regardless of their lawful source of income; and

WHEREAS, the policy establishes that prospective residential tenants in Town- supported housing developments will not be disqualified from renting a housing unit based on a refusal by the housing operator/owner or developer to consider a lawful source of income; and

WHEREAS, the 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 and other rental eligibility criteria; and

WHEREAS, on May 9, 2023, the Housing Advisory Board voted unanimously to approve recommending the Town Council adopt the proposed Source of Income Protections policy.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby adopts the attached Source of Income Protections Policy in Town-supported housing, as described in the May 24, 2023 meeting materials.

This the 24<sup>th</sup> day of May, 2023.

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

By adopting the resolution the Council hereby adopts the attached Source of Income Protections Policy in Town-supported housing.