



FREQUENTLY ASKED QUESTIONS

What is “Source of Income” discrimination?

“Source of income” (SOI) discrimination is when a landlord refuses to rent a unit to a prospective tenant based on his or her source of income. Some applicants have vouchers to assist with paying rent who are disabled, are veterans or are low income.

For example, a landlord may advertise rentals with “No Housing Choice Vouchers” or “No Section 8” or similar statements, **or when asked, say they don’t rent to Housing Choice Voucher holders.** This is currently legal and happens often **throughout Ohio.**¹

Examples of inquiries/comments that may be evidence of discrimination include:

- “We don’t take people on S SI.”
- “Two years steady employment required.”
- “Each roommate has to make three times the rent.”
- “I’ve found that people on Section 8 don’t fit in well here.”
- “We don’t give home loans unless you are employed full-time.”
- “Even if you have a Housing Choice Voucher, you must make three times the full rent.”
- “Don’t bother applying if you don’t have a job.”²

Who is affected?

People with income from the following sources are discriminated against:³

- Payments from federal and local programs
- Short-term and long-term rental subsidies
- Housing Choice Vouchers
- Rapid rehousing
- Emergency rental assistance
- Permanent supportive housing
- Tenant-based Rental Assistance under Housing Opportunities for Persons with HIV/AIDS (HOPWA)
- Short-Term Rent, Mortgage, and Utility (STRMU)
- Veterans Affairs Supportive Housing (VASH)
- Shelter Plus Care
- Emergency assistance payments
- Social Security Supplemental Security Income (SSI)

¹ South Euclid. 2019. ““Source of Income” Fair Housing Laws Q&A.” *Building and Housing*. October 30. Accessed June 28, 2020.

² Office of Human Rights. n.d. ““Source of Income” Discrimination in Housing.” *Office of Human Rights*. Accessed July 6, 2020.

³ Office of Human Rights. n.d. ““Source of Income” Discrimination in Housing.” *Office of Human Rights*. Accessed July 6, 2020. (not a comprehensive listing)



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- Unemployment insurance payments
- Alimony
- Veteran's Benefits
- Disability Benefits Payments

What is the definition of source of income?

Bexley City Council adopted its ordinance to protect people from discrimination based on their source of income on Sept. 22, 2020. Here is the definition it used:

Chapter 637.01 shall be amended to include the following definition: "Source of Income" means lawful income derived from wages, social security, supplemental security income, all forms of federal, state or local assistance payments or subsidies, including rent vouchers, child support, spousal support, and public assistance which can be verified and substantiated.

Westerville City Council adopted its ordinance on January 19, 2021. Here is the definition it used in amending Code Section 511.01:

"Source of Income" means a lawful financial resource or form of assistance which the recipient appropriately discloses, and which can be verified and substantiated as derived from wages, investments, trusts, child support, spousal support, grant or loan program, and all forms of federal, state, or local assistance payments, benefits, or subsidy programs including but not limited to vouchers for rent or housing, foster child assistance, public assistance, emergency rental assistance, veterans benefits, social security, supplemental security income or other retirement programs, or programs administered by any federal, state, or local government, or a nonprofit entity.

Does current fair housing law reinforce racism?

When landlords realize there is interest in an area, property values and rents go up making these areas less accessible to people of lower incomes. Well funded public resources (parks, schools, roads, transit, police, fire services, hospitals, etc.) are not evenly dispersed throughout all neighborhoods. Residents in high poverty areas tend to have lower levels of access to opportunity due to the absence of critical resources and disinvestment in their communities. African Americans are significantly more likely to live in areas of poverty and low opportunities than other groups.⁴ African Americans comprise a large percentage of Housing Choice Voucher (HCV) participants and refusing to accept HCVs therefore discriminates against

⁴ Lepley, Michael, and Lenore Mangiarelli. 2017. "Housing Voucher Discrimination and Race Discrimination in Cuyahoga County." *The Housing Center*. December. Accessed July 6, 2020.



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African Americans. HCVs allow participants to live in high-opportunity neighborhoods that they otherwise wouldn't be able to afford.⁵

How does the community benefit from having people of diverse incomes and backgrounds?

Affordable housing increases job accessibility for low and middle income populations and attracts a diverse labor force critical for industries that provide basic services for the community. This will lower the problem on homelessness within communities by reducing barriers to acquiring housing, enabling a better future for children and families that are able to move out of impoverished neighborhoods.⁶ Accepting vouchers creates more opportunities for creating affordable housing which is needed throughout the region.

There are significant benefits to children who have an opportunity to live in safe, higher resourced communities. Research shows that children who live in stable households in high opportunity neighborhoods for even a few years before reaching age 13 have improved long-term life outcomes including⁷:

- 31% higher incomes in early adulthood;
- 32% more likely to attend college;
- \$302,000 higher lifetime earnings;
- Girls are 26% less likely to be teen mothers; and
- Girls have a 70% lower risk of severe anxiety disorders.

How do we know that this ordinance will actually be effective at promoting more socio-economic diversity allowing greater access to housing when there are few affordable units for rent?

Historically, HUD had used Fair Market Rent across the entire Metropolitan area to determine the value of vouchers. A few years ago, HUD began experimenting with basing the

⁵ 2018-2022 Impediments to Fair Housing Choice for Columbus and Franklin County, page 72, report prepared by Mosaic Community Planning, October 2018.

⁶ Bergman, Peter, Raj Chetty, Stefanie DeLuca, Nathaniel Hendren, Lawrence Katz, and Christopher Palmer. 2019. "Creating Moves to Opportunity: Experimental Evidence on Barriers to Neighborhood Choice." *Opportunity Insights*. August. Accessed July 6, 2020.

⁷ Gautreaux I (1976-1998), Gautreaux II (2002-2005), Move to Opportunity (1994-1998); and Baltimore Housing Mobility Program (2003-present); Chetty, Raj, Nathaniel Hendren, and Lawrence Katz. 2016. "[The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Project](#)." *American Economic Review* 106 (4)



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value of vouchers to rents in each ZIP code. This is currently in use in 24 metro areas across the US. HUD could expand this rule to additional metro areas in the future.⁸

If local incentives are provided to landlords or if additional rental support is provided to applicants, this ordinance would be more effective in promoting socio-economic diversity.

It may take time to see effective change in socio-economic diversity, but there are promises. Voucher holders are attracted to areas of high opportunity, and if they are able to find housing in these areas, then they will likely continue to stay in the same unit providing stability for themselves, their families, and the landlord.

A comprehensive study by the U.S. Department of Housing and Urban Development (HUD) showed that in cities with SOI protection, landlords were less likely to deny housing vouchers than in cities without SOI protection. In cities without SOI protections, voucher denial rates were exorbitant, topping 78%. But cities with these protections saw denials plummet, reaching as low as 15%.

Why would a landlord not take vouchers?

Even though rent payments through the Housing Choice Voucher (HCV) program and other federal voucher programs are backed through the federal government, some landlords are put off by the bureaucracy of the HCV program and other voucher programs. Currently, the programs require paperwork and routine housing inspections to check for health and safety issues, which may be a deterrent for landlords unless there is an incentive for landlords willing to participate.

There are also negative stereotypes and discrimination towards HCV holders and other voucher holders, which proves as a barrier to those in the voucher programs. These harmful stereotypes can make voucher holders seem like destructive problematic tenants, when in reality the HCV program actually incentivizes voucher holders to be upstanding tenants. Voucher holders have strong incentives to be good tenants as many have waited years to receive rental assistance, and they are aware that they could lose their subsidy if the unit is damaged, rent is not paid on time, or they are evicted for a similar reason.⁹

Should cities or states adopt SOI legislation?

Governments throughout the country are protecting their residents from discrimination. Source of income protections are now in place in dozens of jurisdictions across all levels of

⁸ Office of Policy Development and Research. 2020. *Small Area Fair Market Rents*. Accessed July 6, 2020.

⁹ Wiltz, Teresa. 2018. *Getting a Section 8 Voucher Is Hard. Finding a Landlord Willing to Accept It Is Harder*. August 31. Accessed July 6, 2020.



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government. According to the Poverty and Race Research Action Council, almost 50% of voucher holders are now covered by SOI laws.¹⁰

- 18 states and the District of Columbia have some type of SOI protection
- 100 cities and counties throughout the country have adopted SOI ordinances including the following 9 cities in Ohio (that we are aware of):

Bexley (9.22.20)	Cincinnati	Columbus (3.8.21)	Linndale	Reynoldsburg (3.23.21)
South Euclid	Toledo (12.15.20)	University Heights	Westerville (1.19.21)	Wickliffe

Under Ohio's Home Rule provisions, cities can enact SOI protections. Support for a state and federal discrimination law will rise as local municipality laws become more widespread.¹¹

Who will come out to oppose this type of ordinance and why?

Housing associations representing landlords have been the primary opposition to these ordinances, such as in Austin, Texas, where they sought to block the city ordinance that would provide SOI protection.¹² The Columbus Apartment Association has as well as described in this editorial in the Columbus Dispatch: [Bexley Rent Rule Dispatch Editorial](#).

How many if any Section 8 vouchers are currently being used in Central Ohio?

The Columbus Metropolitan Housing Authority (CMHA) manages over 13,000 vouchers under the Housing Choice Voucher Program, with most being used in concentrated areas within the City of Columbus. However, only 25% of people eligible for housing assistance actually receive it due to limited funding. Thus 75% of those eligible are housing cost burdened.

What are the current rents at market rate for 1, 2 and 3 bedrooms in various parts of the region?

¹⁰ Poverty & Race Research Action Council. 2020. "State and Local Source-of-Income Nondiscrimination Laws: Protections that Expand Housing Choice and Access." *PRRAC*. June 8. Accessed July 6, 2020. <https://prrac.org/pdf/AppendixB.pdf>

¹¹ Poverty & Race Research Action Council. 2020. "State and Local Source-of-Income Nondiscrimination Laws: Protections that Expand Housing Choice and Access." *PRRAC*. June 8. Accessed July 6, 2020.

¹² Lim, Andrea. 2018. *More details: Federal judge declines to block city "source of income" ordinance*. September 6. Accessed July 21, 2020.



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<u>At Market Rate from Apartments.com & AffordableHousingOnline.com</u>	1 Bedroom ¹³	2 Bedroom ¹⁴	3 Bedroom ¹⁵	Inventory of Rental Units ¹⁶	Affordable Apartments for Rent ¹⁷
Bexley	\$763	\$851	\$1,172	5,098	56
Columbus	\$963	\$1,383	\$1,416		22,805
Dublin	\$1,038	\$1,216	\$1,607	13,023 (includes Powell)	496
Grandview	\$1,337	\$1,710	\$2,632		0
New Albany	\$921	\$1,248	\$1,728		0
Upper Arlington	\$1,167	\$1,466	\$2,087	10,748	0
Westerville	\$782	\$858	\$789	17,503	418
Worthington	\$849	\$1,191	\$1,673	7,828 (includes Sharon)	32

These are the current rents at market rate found using Apartments.com for each of the listed neighborhoods as of July 2020.

What are the current federal payment standards for paying rent?

Payment Standards For Housing Choice Vouchers ¹⁸	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
	Current / New	Current / New	Current / New	Current / New
<ul style="list-style-type: none"> New: Effective 12/1/20 	\$794 / \$910	\$992 / \$1,134	\$1,262 / \$1,428	\$1,461 / \$1,615

¹³ Apartments.com. 2020. *Average Rent of a 1 Bedroom Apartment..* Accessed July 1, 2020. Apartments.com.

¹⁴ Apartments.com. 2020. *Average Rent of a 2 Bedroom Apartment..* Accessed July 1, 2020. Apartments.com.

¹⁵ Apartments.com. 2020. *Average Rent of a 3 Bedroom Apartment..* Accessed July 1, 2020. Apartments.com.

¹⁶ Vogt Strategic Insights, CAA Presentation, Performance by Submarket, 2019, March 2020,

¹⁷ Affordable Housing Online. 2020. *Search Low Income Apartments and Waiting Lists.* (listing of affordable housing, LIHTC, Housing Choice Voucher projects; July. Accessed July 1, 2020.

¹⁸ Columbus Metropolitan Housing Authority. 2020. "2020 Income Limits." *Columbus Metropolitan Housing Authority.* April 1. Accessed July 6, 2020.



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Payment standards are created by the local Public Housing Authority (PHA) based on the Fair Market Rent established in the metro area by the Department of Housing and Urban Development (HUD). Payment standards represent the maximum amount that the local PHA is willing to pay for rent *and* utilities for each number of bedrooms. Tenants generally pay 30% of their income towards rent and utilities, but they may pay up to 40% of their income if the unit rents for more than the payment standard.¹⁹

Have there been lawsuits challenging source of income protections?

- Austin Apartment Ass'n v. City of Austin, 89 F. Sup.3d 886, 901 (W.D. Tex. 2015).²⁰
 - Challenged the ordinance of Source of Income laws
 - Court ruled to deny removal of Source of Income protections
- T.K. v. Landmark West, 353 N.J. Super. 353, 802 A.2d 609 (N.J. Super. Ct. App. Div. 2001)²¹
 - Questioned notion if landlords could deny housing voucher holding tenants based on credit score
 - Found that creditworthiness is specifically related to the landlords "legitimate concern that a prospective tenant has a reliable and steady source of income to fund rent payments and satisfy the other financial requirements of a lease."²² More information about this case can be found in this document from the [National Housing Law Project](#).²³

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¹⁹ Eberlin, Erin. 2020. *The Balance Small Business*. May 21. Accessed July 6, 2020.

²⁰ Lim, Andrea. 2018. *More details: Federal judge declines to block city "source of income" ordinance*. September 26. Accessed July 1, 2020. [However, the state passed a law prohibiting municipal source of income protections.]

²¹ National Housing Law Project. 2008. "Courts Consider Landlord Defenses to Source of Income Laws." *Housing Law Bulletin*. December. Accessed July 9, 2020.

²² South Euclid. 2019.

²³ National Housing Law Project. 2008. "Courts Consider Landlord Defenses to Source of Income Laws." *Housing Law Bulletin*. December. Accessed July 9, 2020.



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