



TO: Elizabeth Pauli, City Manager
FROM: Rebecca Boydston, Council Assistant, on behalf of Council Member Walker Lee
COPY: City Council and City Clerk
SUBJECT: Resolution Authorizing the Use of up to \$50,000 from the City Council Contingency Fund to Support a Pilot Project to Provide Incentives to Landlords Who Accept Section 8 Housing Vouchers; and, Directing the City Manager to Negotiate and Execute a Professional Services Agreement with the Tacoma Housing Authority Outlining the Scope of Work and Deliverables for the Pilot Project – November 28, 2017
DATE: November 15, 2017

SUMMARY:

Resolution authorizing the use of up to \$50,000 from the City Council Contingency Fund to support a pilot project to provide incentives to landlords who accept Section 8 Housing Vouchers; and, directing the City Manager to negotiate and execute a professional services agreement with the Tacoma Housing Authority outlining the scope of work and deliverables.

COUNCIL SPONSORS:

Council Members: Blocker, Campbell and Walker Lee

STRATEGIC POLICY PRIORITY:

The proposed resolution to encourage affordable housing through Section 8 landlord incentives best aligns with the City Council’s strategic policy priorities of:

- Strengthen and support a safe city with healthy residents.
- Ensure all Tacoma residents are valued and have access to resources to meet their needs.

BACKGROUND:

At the November 14, 2017 Study Session, Council Member Walker Lee shared a Council Consideration Request sponsored by Council Members Blocker and Campbell. As part of the homeless health emergency declaration and increased cost of living in the Tacoma area, the City Council has discussed strategies to encourage affordable housing, including incentives for landlords to accept Section 8 Housing Vouchers from the Tacoma Housing Authority (THA).

According to THA, as many as 40% of new voucher recipients in 2016 had to turn their vouchers back in because they could not secure housing in the time allotted. That percentage was 22% in 2017. The change in percent is not because housing is more available, but rather because THA is giving families more time to look for housing. It is sometimes taking over four months for new voucher holders to secure housing.

THA’s suggestions for a pilot program are to establish the following incentives:

1. A signing bonus for landlords who make units available to Section 8 tenants.

This would be a one-time cash incentive for landlords who make units that have not previously been available to Section 8 tenants available to them. Far too many individuals who have waited years for vouchers to become available are being forced to turn them back in because



they cannot find landlords who will take them. Oakland and San Diego have established such incentives.

2. Create a landlord damage fund.

This fund would act as an insurance policy for landlords if their properties were to become damaged by Section 8 tenants. The fund would likely only provide reimbursements for amounts in excess of the tenant's security deposit and any other insurance payments, as well as include a cap on what that amount would be. Seattle has established such a fund, which is rarely used. We believe such a fund would create security for landlords, while dispelling the myth that Section 8 tenants are more likely to cause damage.

3. Create a fund to assist tenants with screening fees and security deposits.

Screening fees and security deposits are an ongoing barrier for low-income households. Access to these types of funds will make Section 8 households more competitive in the rental market.

4. Request City staff examine the feasibility of adding source of income as a protected class over the next year.

This strategy would request the City's Office of Equity and Human Rights, along with the Human Rights Commission, to look at the feasibility of making it illegal for landlords to discriminate on the basis of where tenants get their income. Some landlords refuse to rent to Section 8 voucher holders, and often these holders are forced to turn their vouchers back in when they are unable to use them. Adding source of income as a protected class would end the practice of landlords refusing to rent to individuals using Section 8 vouchers because of their source of income. Implementing this policy would take an extensive outreach and education campaign, as well as community engagement, so we would request OEHR begin laying out a timeline for implementation to be presented the Community, Vitality, and Safety Committee next year.

ISSUE:

In order to authorize use of the City Council's Contingency Funds for this purpose, a resolution must be adopted.

ALTERNATIVES:

The City Council could choose to adopt, modify, or reject the resolution.

RECOMMENDATION:

As part of the homeless health emergency declaration and the need for affordable housing due to the increased cost of living in the Tacoma area, we recommend the City Council approve the use of up to \$50,000 of the City Council Contingency fund to provide incentives to landlords who accept Section 8 Housing vouchers.



FISCAL IMPACT:

EXPENDITURES:

| FUND NUMBER & FUND NAME * | COST OBJECT (CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT |
|------------------------------------|----------------------------|--------------|-----------------|
| 1030 City Council Contingency Fund | 660000 | 5310100 | \$50,000 |
| | | | |
| TOTAL | | | \$50,000 |

* General Fund: Include Department

REVENUES:

| FUNDING SOURCE | COST OBJECT (CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT |
|------------------------------------|----------------------------|--------------|-----------------|
| 1030 City Council Contingency Fund | 660000 | 6311010 | \$50,000 |
| | | | |
| TOTAL | | | \$50,000 |

POTENTIAL POSITION IMPACT:

| POSITION TITLE | PERMANENT/ PROJECT TEMPORARY POSITION | FTE IMPACT | POSITION END DATE |
|----------------|--|------------|-------------------|
| | | | |
| | | | |
| TOTAL | | | |

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$50,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

N/A