

CITY OF SAN DIEGO SOURCE OF INCOME DISCRIMINATION ORDINANCE

POSITION: The Chamber's Public Policy Committee voted to OPPOSE the proposal and to ask the proponents to work with landlords to find alternative solutions before passing a ban on July 10, 2018.

RATIONALE: The ordinance would increase vacancy time due to the need to wait for Section 8 unit inspections. We would like to see the proponents work with landlords to attempt to find solutions before passing an ordinance.

STATUS: The ordinance was issued June 20, 2018. It was heard at the San Diego City Council's Smart Growth and Land Use Committee June 27, 2018. It is expected to go to Council in late July.

INDUSTRY/IES IMPACTED

Residential rental property owners will be most directly impacted. Indirectly, the availability and affordability of housing close to work continues to be the most common concern of businesses having difficulty with attraction and retention of talent. This ordinance would create less financial incentive to develop new modestly-priced rental housing which would result in fewer new homes, and increasing difficulty attracting and retaining employees for a broad array of employers.

SUMMARY

The ordinance would prohibit landlords from using participation in the Section 8 Housing Choice Voucher Program as a factor in determining which tenant to rent to. Because homes rented using Section 8 vouchers often have to wait weeks for a required inspection prior to inhabitation, many landlords currently prefer to avoid the program. To cover higher anticipated turnover between renters, this ordinance could have the unintended consequence of pushing up rents.

SUPPORTERS

- Councilmember Georgette Gomez
- Councilmember David Alvarez
- Legal Aid Society of San Diego

OPPONENTS

- Councilmember Scott Sherman
- Councilmember Lorie Zapf
- San Diego County Apartment Association

ARGUMENTS IN FAVOR

- Low-income individuals and families who receive rental assistance can have extreme difficulty in finding a home.
- Because Section 8 participants include high propensities of minorities, allowing landlords to use participation in the program to determine eligibility for an apartment, in-effect, acts as discrimination against those minority populations.

ARGUMENTS IN OPPOSITION

- Homes rented using Section 8 vouchers require an inspection prior to inhabitation. The wait time for an inspection can be weeks, resulting in weeks of vacancy and lost rent payments while the mortgage payments associated with the property are still due.
- It appears that the proponents and opponents have not first attempted to work together to identify workable solutions outside of passing a new ordinance.
- This ordinance attempts to force landlords to work with a government program, rather than working to make the government program more attractive to work with.