

Source of Income Protections Public Meeting

November 17, 2016



Seattle Office for Civil Rights

THE ROLE OF THE SEATTLE OFFICE FOR CIVIL RIGHTS

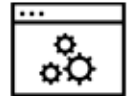
Investigate complaints



Provide outreach & education to the public



Technical assistance for property owners & landlords



Provide resources and referrals to the public



SOURCE OF INCOME PROTECTIONS



Expands Seattle's Open Housing Ordinance (SMC 14.08)

Effective September 18, 2016

First-In-Time -- Effective January 1, 2017



ORDINANCE OVERVIEW

The Ordinance creates a number of new protections for renters.

WHAT THE ORDINANCE DOES

- 1 Prohibits discrimination against renters who use subsidies or alternative sources of income to pay for housing costs
- 2 Requires landlords to cooperate with subsidy programs
- 3 Requires landlords to accept written pledges of payments from subsidy programs to settle bills
- 4 Sets new requirements for income screening
- 5 Prohibits preferred employer programs
- 6 Sets new “first-in-time” rules



Alternative Sources of Income

There are many ways to pay for housing.

ALTERNATIVE SOURCES OF INCOME



May not deny housing or offer different terms or conditions due to use of lawful, verifiable income that comes from sources other than compensation for employment.

EXAMPLES

SOCIAL SECURITY, UNEMPLOYMENT, RETIREMENT PROGRAMS, CHILD SUPPORT, REFUGEE CASH ASSISTANCE, AGED, BLIND OR DISABLED CASH ASSISTANCE

PROPOSED RULE



Alternative Source of Income

– Verifiable Income – Meaning of Confirmed

“Confirmed” means that there is written proof that on its own or in aggregate identifies the source of the income and that shows either the amount of income or that the income has been received by the prospective occupant. If an individual has multiple documents which together show the amount of income or the receipt of income, at least one of the written documents must specify the source of income.



Section 8 or Other Subsidies

Subsidies guarantee rent will be covered on the tenant's behalf.

SUBSIDIES



Subsidies may include short or long term subsidies from a government, non-profit, or other assistance program.

IMPACT ON LANDLORDS

Cannot deny a tenant housing because they use a subsidy to cover housing costs.
Cannot provide different terms or conditions for tenants who use subsidies.

COOPERATION WITH SUBSIDY PROGRAMS



Requires landlords to cooperate with tenants in completing or submitting information or documentation that is required for the tenant to be eligible to receive rental assistance from a subsidy program.

PLEDGES TO PAY FOR COSTS



REQUIREMENT FOR LANDLORDS

If a tenant falls behind on rent and is issued a 3-DAY or 10-DAY notice to pay rent or comply with lease terms, the landlord must accept a written pledge of payment issued by a subsidy program to pay for past due or current housing costs.

PLEDGES TO PAY FOR COSTS

SUBSIDY PROGRAM REQUIREMENTS



Pledge must be in writing



Pledge must be received before expiration date of the 3-day or 10-day notice



Must commit to paying the pledge within 5 days



Must not commit the landlord to anything other than providing information necessary for payment



Must be sufficient to allow the tenant to become current on all housing costs either on its own or in combination with alternative sources of income or subsidy



Income Screening Requirements

How does this impact the use of
'rent-to-income' ratios?

INCOME SCREENING



SCREENING CRITERIA MUST...

1 Subtract any payment from a subsidy program from the total of the monthly rent

- **AND** -

2 Include all sources of income, including alternative sources, as part of a tenant's total monthly income.

PROPOSED RULE



Subtraction of Section 8 or Subsidy from Monthly Rent – Short Term Subsidies.

Per SMC 14.08.040(F)(1), the monthly payment of the short-term subsidy must be subtracted from the total of the monthly rent. The payment shall not be calculated over the length of the lease or a longer time period.

INCOME SCREENING



ONE EXCEPTION

Housing units that are subject to income and/or rent restrictions in a housing regulatory agreement or subsidy agreement and where income is determined pursuant to the agreement, are not subject to this screening requirement.



Preferred Employer Programs

For prospective tenants all employers are considered equal.

PREFERRED EMPLOYER PROGRAMS



PROHIBITED AS OF SEPTEMBER 18, 2016

Landlords cannot offer different terms to prospective tenants who work for a specific employer.

- HOWEVER -

If your current tenant is under a lease agreement that provided an incentive through a preferred employer program, that tenant may continue to enjoy those benefits until the lease expires and the tenant vacates the unit.







First-In-Time Requirements

This codifies a practice already used
by many landlords in Seattle.

1 NOTICE

Landlords must provide written notice of:

-  criteria used to screen prospective tenants and the minimum threshold for each criterion that a person will need to meet to move forward in the process
-  all information, documentation, or submissions necessary for the landlord to determine if the tenant meets those criteria
-  written notice about how to request additional time to complete the application if additional time is needed to ensure meaningful access or for a reasonable accommodation for a disability
-  if legally required to or voluntarily setting aside the unit for vulnerable populations

PROPOSED RULE



First-In-Time – Notice to Prospective Tenants – Website Advertisements

1. If a person advertises an available unit(s) on any website, its own or a third party, the advertisement must include notice of the required information listed under SMC 14.08.050(A)(1).
2. The website advertisement must include the required information in full text or through a hyperlink to the required information that exists on another website.

- If the advertisement includes a hyperlink, the hyperlink must be clear and conspicuous to the reader. To be clear and conspicuous, the link must be self-evident on the website, must be labeled to convey the nature and relevance of the information to which it leads and identify that a hyperlink is being used, and must take the reader directly to the information on the click-through page.
- 3.

2 CHRONOLOGY REQUIREMENTS

Landlords must:



note the date and time of when a completed application is submitted



screen completed rental applications in chronological order



offer tenancy to the first person who meets the screening criteria



provide 48 hours to the tenant to accept.



If not accepted, the landlord can move to the next tenant who completed an application

PROPOSED RULE



First-In-Time – Date & Time Stamp – Receipt Date

1. In-Person Receipt. For the purposes of noting the date and time of a completed application that is received in-person, the date and time of receipt is the date and time that the owner or lessor is physically provided the completed application.
2. Email Receipt. For the purposes of noting the date and time of a completed application that is sent by email, the date and time of receipt is the date and time that the electronic mail service notes on the email.
3. Mail or Mailbox Receipt. For the purposes of noting the date and time of a completed application that is sent by mail or received by mailbox, the date and time of receipt is the date and time that the owner or lessor physically removes it from the mailbox.

PROPOSED RULE

First-In-Time – Time Calculation

1. Notification by Telephone, Voice-Mail, or In-Person. For the purposes of calculating the time period that is referenced in SMC 14.08.050(A)(3) and (4) which must be provided to applicants if an owner requires additional documentation from an applicant, the period starts to run from the date and time of verbal notification if informed by phone or in person.
2. Notification by electronic mail or text message. For the purposes of calculating the time period that is referenced in SMC 14.08.050(A)(3) and (4) which must be provided to applicants if an owner requires additional documentation from an applicant, the period starts to run from the date and time that the electronic mail service notes on the email.
3. Notification by mail or mailbox. For the purposes of calculating the time period that is referenced in SMC 14.08.050(A)(3) and (4) which must be provided to applicants if an owner requires additional documentation from an applicant, the period starts to run from the date and time that the applicant receives the notice by mail or mailbox.

3 COMPLETED APPLICATIONS



A rental application is complete when the tenant has provided all information and documentation listed in the landlord's notice.



If after the initial screening, the landlord needs more information to make a decision, the application is not automatically considered incomplete.

- Landlords must give tenants 72 hours to provide additional information.
- If not provided, the application can be considered incomplete.

STEP BY STEP

1

Provide written notice of criteria used to screen prospective tenants.



Two-Bedroom Unit Available in West Seattle!

Applicants must provide:

- Verifiable source of income
- Income Requirement: 3x Monthly Rent
- No evictions in the past 5 years
- Two prior housing references

STEP BY STEP

2

Note the date & time applications are received to ensure they are screened in chronological order.



STEP BY STEP

3

Screen completed rental applications in chronological order.



STEP BY STEP

4

Offer tenancy to the first person who meets the screening criteria.



"We screened your application & you qualify for the apartment. You have 48 hours to accept the offer."



SOME ALTERNATE SCENARIOS

1

First person turns down offer for tenancy.



screen the next completed application and follow previous steps

2

First person meets initial criteria, but landlord needs additional information to make a decision.



notify the tenant & give at least 72 hours to provide additional information.



if tenant does not provide additional info, the application is incomplete. move on to the next completed application.

MEANINGFUL ACCESS



Tenants with "meaningful access" needs who require extra time to complete the application for that purpose, must request the additional time from the landlord.



The tenant and landlord must agree on the amount of additional time.

Landlord may:

1. deny the request if the requested amount of time is unreasonable.
2. require reasonable documentation of the need for additional time.

MEANINGFUL ACCESS & CHRONOLOGY

1

Landlord must document the date & time of the request.

↳ if request is accepted, this date & time will serve as the date & time of receipt for determining chronological order.

↳ if request is denied, the date & time of the completed application is the date & time of receipt for determining chronological order.

MEANINGFUL ACCESS & CHRONOLOGY

2

Request is accepted, but landlord requires documentation of need for additional time.

↳ notify the tenant at time of granting a request.

↳ if the tenant does not provide requested documentation, landlord may change the date & time from when the request was made to when the complete application is submitted.

MEANINGFUL ACCESS SCENARIOS

1

Tenant requests additional time to complete application on account of a language barrier.

"I speak Russian, and need to have the application translated. Can you give me two days to do this and complete the application?"



a: "Sure. I can wait two days. I'll go ahead and note the time & date of your request so that you don't lose your place in line."



b: "Of course. However, I will require documentation of this need. A bill for translation services will do."

MEANINGFUL ACCESS SCENARIOS



Landlord grants tenant more time to complete application, and does not request documentation.

"Thank you for giving me more time to complete the application."

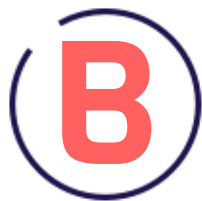


1: "You're welcome. I can see that your application is complete. Since you were first in line, I will move on to screening it."



2: "Certainly. Your application will be filed according to the date of your request. You were third in line, so I will let you know if we make it to yours in the screening process."

MEANINGFUL ACCESS SCENARIOS



Landlord grants tenant more time to complete application, but requests documentation.

"Thank you for giving me more time to complete the application."

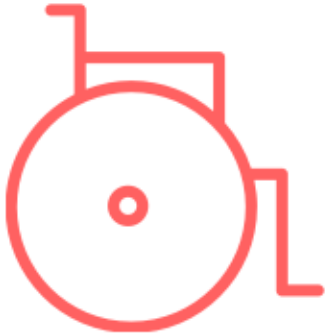


1: "You're welcome. Thank you for attaching the receipt for translation. Your application is at the top of the stack. I will let you know if you pass screening."



2: "No problem. But, since you didn't attach the requested documentation, I will have to note the current date & time for chronology purposes."

MEANINGFUL ACCESS & REASONABLE ACCOMMODATIONS



This provision does not apply for reasonable accommodation purposes. Landlords must follow the requirements of providing a reasonable accommodation as outlined by SMC & the Fair Housing Act, if applicable.



QUESTIONS?

Thank You.



Seattle
Office for Civil Rights

206.684.4500