

# Background on Source of Income Non-Discrimination Protections in Housing

## The Problem

Some landlords have a requirement that tenants demonstrate a certain income to rent a home, such as three times the rent amount. Some tenants report that prospective landlords will not count income derived from sources other than employment, such as housing assistance/vouchers, welfare, Social Security, child support, or alimony, even though counting that income would make them eligible to rent the home. “Source of income discrimination has a disproportionate effect on the most vulnerable members of society. Where a person lives defines their access to schools, employment, and community.”<sup>1</sup> There may be a variety of reasons landlords refuse to count these sources as income, ranging from avoiding the administrative burden associated with a voucher program, to perceptions that voucher recipients are undesirable tenants, fear other tenants would object to voucher recipients as neighbors or other reasons. In Denver, voucher holders do report difficulty finding landlords willing to count the value of a voucher as income as one of the barriers to finding appropriate housing<sup>2</sup>.

## The Policy

In 14 States (California, Connecticut, Delaware, District of Columbia, Maine, Massachusetts, Minnesota, New Jersey, North Dakota, Oklahoma, Oregon, Utah, Vermont, and Wisconsin), discrimination based on source of income is prohibited. It is also prohibited in counties and cities in over a dozen other states.

Research has found that source of income laws have the potential to make a substantial difference in voucher utilization rates and a modest difference in locational outcomes<sup>3</sup>. A 2001 study by the U.S. Department of Housing and Urban Development found that local prohibitions on source of income discrimination increase the rate at which voucher holders can find suitable housing<sup>4</sup>.

## Defining Source of Income

Municipalities approach defining “source of income” in different ways. Some jurisdictions specifically list Section 8 vouchers, while others leave it up to interpretation. In cities where Section 8 vouchers are not specified in the definition of “source of income,” judicial interpretation has been required to interpret the scope. Best practice is to define “source of income” to specifically include Section 8 vouchers among other non-traditional sources of income. The table below demonstrates how several jurisdictions define “source of income.”

## Exemptions

Under some local laws, specific owners are exempt from the prohibition.

- New York City: Owners with fewer than six units.
- Philadelphia: Single-family home where the landlord is a permanent resident.
- Washington D.C.: The home was rented without the use of advertisement

## Enforcement

- In many jurisdictions, the burden of enforcement falls on victims to bring complaints to an administrative agency.
- In other cities and states, the statutes permit both administrative and court enforcement.
- Some require an agency to enforce in court on behalf of a complainant and some permit a complainant to file suit directly.

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<sup>1</sup> [Local Progress, Banning Housing Discrimination Based on Source of Income](#)

<sup>2</sup> Interview with Denver Housing Authority on 3/8/2018

<sup>3</sup> [U.S. Department of Housing and Urban Development, Office of Policy Development and Research, The Impact of Voucher Utilization and Locational Outcomes \(2011\) at ix.](#)

<sup>4</sup> [U.S. Department of Housing and Urban Development, Office of Policy Development and Research, Study on Section 8 Voucher Success Rates \(2001\) at 3-17.](#)

City	Source of Income Description	Enforcement	Exemptions	Penalty
Philadelphia	Any lawful source of income including earned income, child support, alimony, insurance, and pension proceeds; all forms of public assistance; housing assistance programs.	Administrative AND Court	None	N/A
Ann Arbor	Any legal source from which a person obtains money.	Administrative AND Court	None	\$500 fine for each day the violations occur, plus all costs of action
Seattle	Lawful, verifiable income derived from sources other than wages, salaries including Social Security benefits, supplemental security income, unemployment benefits, other retirement programs, child support, The Aged, Blind or Disabled Cash Assistance Program, Refugee Cash Assistance, and any federal state, local government, private, or nonprofit-administered benefit program.	Administrative AND Court	Single family home where owner is permanent resident	First Offense - \$11,000
New York City	Income derived from Social Security, or any form of federal, state, or local public assistance, or housing assistance including Section 8 vouchers	Administrative AND Court	Owners with fewer than six units	If the owner fails to obey a commissions orders to comply, they are subject to \$50,000 fine
Washington D.C.	The monetary assistance provided to an owner of a housing accommodation under Section 8 of the United States Housing Act of 1937...shall be considered a source of income.	Commission on Human Rights OR D.C. Courts	Owner or me members of their family occupy one of the living units and in which there are accommodations for not more than four families; Owner does not own more than 3 single-family homes at any one time; the home was rented without the use of advertisement	N/A
Cook County	lawful manner by which an individual supports himself or herself and his or her dependents	Administrative enforcement by the Cook County Commission on Human Rights	Rental of room(s) in a private home by an owner if the owner or a member of the owner's family resides there	Pay actual damages; pay the complainant the full and equal enjoyment of the goods services, facilities, privileges, advantages, or accommodations of the respondent; pay the complainant all or a portion of the costs; pay a fine of not less than \$100 and not more than \$500 for each offense

## **Resources**

[Poverty & Race Research Action Council: Expanding Choice: Practical Strategies for Building a Successful Housing Mobility Program](#)

[Local Progress: Banning Housing Discrimination Based on Source of Income](#)

[U.S. Department of Housing and Urban Development: The Impact of Source of Income Laws on Voucher Utilization and Locational Outcomes](#)

[U.S. Department of Housing and Urban Development: Study of Section 8 Voucher Success Rates \(2001\)](#)