



**CITY OF BALTIMORE**  
**COUNCIL BILL # 18-0308**  
**HOUSING DISCRIMINATION**  
**– SOURCE OF INCOME**

**What does the legislation do?**

- This bill will prohibit landlords and other property owners from discriminating against persons seeking housing based on their “*source of income*”.

**What does “source of income” mean?**

- “Source of income” (SOI) means any *lawful* source of funds used to rent or purchase of housing. It includes money from: 1) lawful employment; 2) any government or private assistance, grant, loan, or rental assistance program; and 3) any gift, inheritance, pension, annuity, alimony, or child support.

**Why does Baltimore need this legislation NOW?**

- Baltimore is behind the curve: 75 cities across the country already prohibit discrimination based on source of income. Baltimore only prohibits SOI discrimination in the few properties covered by its Inclusionary Housing ordinance. That leaves the vast majority of households in Baltimore City unprotected.
- Passing CB # 18-0308 will mean:
  - Ensuring fairness for seniors, working families, veterans, and the disabled seeking housing;
  - Help encourage the creation of mixed-income communities and greater affordable housing;
  - Deconcentrate poverty by opening up housing opportunities in other neighborhoods within Baltimore, keeping families from having to move out of the city to escape poverty; and
  - Ensure better housing and economic opportunities for more than ten thousand City residents with vouchers, and thousands more with legal non-wage income such as disability payments.

**What does this legislation NOT do?**

- The bill ***does not*** prohibit a landlord from determining the renter’s ability to comply with lease terms or pay the rent by: verifying the renter’s source and amount of income; evaluating the stability and security of the renter’s income; or evaluating the renter’s tenant history and suitability.
- The bill ***does not*** prevent a landlord from refusing income derived from criminal activity.
- The bill ***does not*** prevent housing authorities from revoking housing choice vouchers if the tenant violates the terms of the lease or the voucher program.

**Who would benefit from the passage of this legislation?**

Source of income discrimination disproportionately affects vulnerable populations: senior citizens, people with disabilities, single mothers, veterans, and lower wage workers, many of whom use housing vouchers because their incomes are not high enough to pay the full rent (although they still must pay approximately 30% of their income toward rent).

In Baltimore City, the Baltimore City Housing Authority (HABC) administers over 16,000 housing vouchers (with a waiting list of tens of thousands). Using state-wide voucher data, we know:

- 59 % of voucher households in MD rely on SSI, social security or pensions
- 39% of voucher households in MD include wage earners
- 39% of people in MD who benefit from vouchers are children
- 40% of voucher households in MD are single mothers with children<sup>1</sup>

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<sup>1</sup> HUD Database, Resident Characteristics Report, Tenant Based Vouchers, November 11, 2018,

Studies show that voucher holders and their children experience better outcomes in education and economic opportunity when they are able to move to lower-poverty areas.<sup>2</sup> However, when a family can't find a unit in a lower-poverty area, poverty remains concentrated and the improved outcomes disappear. In Baltimore City, the highest concentration of housing voucher households are still overwhelmingly found in neighborhoods with low levels of economic opportunity, education and community health.<sup>3</sup>

Voucher holders in cities and jurisdictions that have passed source of income bans, from Frederick, MD to San Francisco, CA gain greater access neighborhoods with lower-poverty rates.<sup>4</sup>

### **Discrimination Based on SOI is a Race Equity Imperative.**

Currently, landlords in more white, affluent neighborhoods often refuse to accept housing vouchers or alternative forms of payment, while research shows that landlords in predominately Black, lower income neighborhoods often actively entice voucher holders to move into lower quality units in high poverty neighborhoods.<sup>5</sup> This discrimination on a systemic level in Baltimore City perpetuates segregation and often masks other forms of discrimination against Black or disabled people and families with children. It also distorts the housing market by creating voucher submarkets that artificially raise rents and hurt neighborhoods.

### **Do source of income anti-discrimination laws exist in other place?**

- YES. Baltimore City already has a law in place prohibiting source of income discrimination but only for larger rental developments that are subject to the City's "Inclusionary" Housing law. **Howard, Montgomery and Frederick Counties** as well as **Frederick City** and **Annapolis** all have laws prohibiting source of income discrimination in all properties.
- Across the Country over 12 states and the District of Columbia, including **Utah, Oklahoma, Washington State** and nine other states (CT, ME, MA, MN, ND, NJ, OR, VT, WI) have similar laws.
- Over 75 cities and counties also have such laws including **New York City, Chicago, Philadelphia, Boston** and **Seattle**. Many of these laws have been in place for over 20 years.
- These laws work. A recent study showed that in neighboring Washington, DC, a city with SOI protections, landlords refuse vouchers only 15% of the time despite DC's hot market. In contrast, landlords in Ft. Worth, a softer market without protections, landlords refuse vouchers 78% of the time.<sup>6</sup>
- These laws don't eliminate all forms of bias hiding voucher discrimination, but they work and are especially effective when combined with housing counseling services and effective enforcement.

### **Groups supporting this legislation, include:**

ACLU of Maryland  
Baltimore Housing Roundtable  
Baltimore Chapter, NAACP  
Baltimore Regional Housing Partnership  
BRIDGE Maryland, Inc.  
Disability Rights Maryland  
Health Care for the Homeless  
Homeless Persons Representation Project  
Jews United for Justice  
Public Justice Center

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<sup>2</sup> Dolores Acevedo-Garcia, Nancy McArdle et. al, "Neighborhood Opportunity and Location Affordability for Low-Income Renter Families", Housing Policy Debate 26, 607-645 (2016)

<sup>3</sup> American Community Survey (2014); Knaap, Baltimore Regional Plan for Sustainable Development, Baltimore Metro Council (2016)

<sup>4</sup> Lance Freeman, Yunjing Li, "Do Source of Income (SOI) Anti-Discrimination Laws Facilitate Access to Better Neighborhoods?", 29 Journal of Housing Studies 1 (2011)

<sup>5</sup> Eva Rosen, "Selection, Matching, and the Rules of the Game: Landlords and the Geographic Sorting of Low-Income Renters", Joint Center on Housing Studies, Harvard University

<sup>6</sup> HUD, "A Pilot Study of Landlord Acceptance of Housing Vouchers" (2018)