

MINUTES OF THE HOUSING COMMITTEE
October 22, 2018
East Conference Room

Present: Councilmembers Anderson, O'Malley & Rader

Also Present: Councilmembers George, O'Leary & Litten, Assistant Law Director Swallow, Mayor Summers, Kris Keniray and Lenore Mangiarelli of The Fair Housing Center for Rights & Research, former Councilmember Cindy Marx, Development Officer Dan Wyman, State Senator Mike Skindell, Planning Director Sylvester, Human Services Director Gelsomino, 8 members of the public

Call to Order: 6:00 p.m.

ORDINANCE 35-18 - AN ORDINANCE repealing Section 516.01 and Section 510.01, Discrimination Prohibited, of the Codified Ordinances of the City of Lakewood and enacting a new section in its place to include source of income as a protected class as well a definition for the term source of income.

Councilmember Rader made introductory remarks about the ordinance, explaining that it amends the anti-discrimination ordinance to add source of income as a protected classification and adds a definition for source of income which includes social security and Section 8 vouchers. He explained that the ordinance is necessary to address discrimination and to address barriers to housing that people with vouchers are experiencing. He pointed to recent research and surveys on this topic. He reported that according to a recent survey, the top reason that landlords denied voucher holders was lack of knowledge about the program. Other reasons for denying voucher holders were negative stereotypes and concerns about the process. Councilmember Rader stated that he is willing to amend the ordinance to exempt landlords of owner-occupied doubles or triples, acknowledging that the delay in processing the voucher may be detrimental to those relying on the income. He pointed to 12 states and 100s of communities with similar ordinances. He concluded by stating that this ordinance would be beneficial with no evidence that it would result in negative consequences such as lower home values, blight, or crime.

Councilmember Anderson asked for more information about the problem that the ordinance is trying to address. He questioned whether there is truly a shortage of low income housing in the City.

Councilmember Rader responded that the City has a very low proportion of voucher holders – approximately 325 to 350 – and is not doing its fair share of taking in those with vouchers. He clarified that it is CMHA which is addressing low income housing and that those with vouchers are looking for market rate housing.

Mayor Summers suggested that the Committee first agree on a working definition of affordable housing then measure that and apply it. He referenced different definitions that take into consideration income, utilities, and work commute.

Councilmember Anderson provided background information on the number of singles, doubles, and triple-family homes in the City and the number of housing licenses issued annually. This

ordinance would apply to the approximately 2,600-2,700 landlords going through the housing license process each year.

Councilmember O'Leary raised issues with the proposed exemption for owner-occupied singles, doubles, and triples, stating that since the City has such a high proportion of owner occupied rentals that the exception could be larger than the rule and counteract progress on the issue of discrimination.

Kris Keniray and Lenore Mangiarelli of The Fair Housing Center for Rights & Research presented information on the mechanics of the housing choice voucher program. She explained that participants pay 30% of their income toward rent and the voucher covers the gap between that amount and the rent. She explained that CMHA sets the rates for different types of apartments. Those rates are set looking at market data across multiple counties. In 2019 CMHA will be able to set market rates based on local data at the census tract level. It was clarified that a resident cannot offer to pay more than 30% of their income to a landlord who is offering an apartment above the market rate unless they are an existing tenant and the rent is being raised. She also remarked that many landlords appreciate the program because rent is guaranteed. She said that currently people in need cannot even get on the waiting list for a housing choice voucher.

Ms. Keniray & Ms. Mangiarelli remarked that Lakewood rents are rising and that each year long-term Lakewood residents with vouchers are forced to leave the City. They acknowledged that the switch to small area fair market rent will alleviate some of this problem. They provided findings from a landlord survey about why landlords do not participate in the program. The largest portion of landlords (60%) were unfamiliar with the program.

Mike G. spoke from his perspective as a Lakewood landlord. He owns four rentals in the City and expressed concerns about the ordinance. Specifically he expressed concern that he would not be able to collect damages or garnish wages of tenants who damage his property to an extent that exceeds the amount of the security deposit. He questioned why the ordinance would exempt owner occupied properties. He expressed concern about the possibility of a 30 day inspection period and also raised questions about how a landlord should proceed if two applicants represent two separate protected classes. Mike also added that he charges higher for his two bedroom units than the CMHA market rate and explained why. Lastly, he explained issues that he had in the past with a Section 8 tenant next door to his properties.

Ms. Keniray responded to these concerns. She explained that two-thirds of voucher holders are engaged with the labor force and therefore their wages could be garnished in the case of a court action. She rebutted the assumption that the typical voucher holder would engage in such destruction given that a voucher holder loses their benefits if evicted. In response to the concerns about the 30 day wait period, Ms. Keniray stated that the process has been streamlined and the wait period is usually only 30 days if the unit does not pass initial inspection and multiple inspections are required. She provided demographic information about the Section 8 voucher holder in Lakewood – 61% are female headed households with children, 48% have a disability and 41.5% are African American.

In response to a question from a landlord, Councilmember Rader clarified that the definition of source of income discrimination was written to include Section 8 as well as other government assistance.

Jamie L., a landlord expressed that the ordinance should not exclude landlords of owner occupied properties. He stated that being a landlord is a lot of work and that this ordinance presents an undue burden on landlords. He described a negative experience he had with a Section 8 tenant. He said that the program has too many hoops to jump through.

Dan O’Leary, a landlord in Lakewood landlord said that it was “telling” that an exemption for landlords of owner occupied properties was being considered. He described a negative experience he had with a Section 8 tenant and said that he did not want to be forced to accept vouchers, that it was government intrusion and that landlords already have enough taxes to pay and hoops to jump through.

James Nagy, a Lakewood landlord, expressed resentment for government intrusion that affects his bottom line. He pointed out that the City derives income tax revenues from residents and by focusing on attracting voucher holders it will lose out.

Councilmember Rader clarified that a landlord can still deny housing to a voucher holder for reasons other than discrimination such as a bad credit check or background check

In response to questions by a Lakewood landlord, Ms. Keniray explained that the eviction process for a voucher holder is the same for a non-voucher holder such as a three day notice and court proceedings.

Councilmember Rader remarked further on the needs that inspired the ordinance, pointing out that Lakewood is only 6% African American and that Cleveland is 64%. He acknowledged that public education may be just as effective as or more effective than an ordinance to address discrimination.

Another Lakewood landlord advocated for no exceptions to the proposal and questioned what would prevent landlords from raising rents to exclude voucher holders.

Cindy Strebis, a Lakewood landlord, argued that Lakewood already has a diversity of ethnicities and income levels and that the ordinance is not needed.

Councilmember Anderson summarized the public comment that was heard, noting that there are remaining questions about how much risk landlords can tolerate and manage in a business dependent on cash flow. He committed to continue the discussion on this.

Former Councilwoman Marx expressed concern that the ordinance may cause landlords to leave the City and stated that there are other ways to address diversity through looking at Section 8.

Housing Committee adjourned at 6:59 p.m.