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November 19, 2024

Jenny Panetta, Executive Director  
Housing Authority of the County of Santa Cruz  
2160 41<sup>st</sup> Avenue  
Capitola, CA 95010

Supervisor Justin Cummings, Chair  
Santa Cruz County Board of Supervisors  
701 Ocean Street  
Santa Cruz, CA 95060

Dear Supervisor Cummings:

The Housing Authority of the County of Santa Cruz respectfully requests that the Board of Supervisors support an amendment to Senate Bill 329 (SB 329) by signing a letter urging Assemblymember Gail Pellerin and/or Senator John Laird to propose this change. This amendment would align the law with its original intent and expand housing opportunities for Housing Choice Voucher (HCV) participants.

As you know, housing discrimination based on “source of income” was prohibited in California long before SB 329, but the definition of “source of income” excluded rental assistance payments. This allowed landlords to legally refuse to rent to HCV participants solely because they received rental assistance. SB 329, enacted in 2019, redefined “source of income” to include rental assistance, thereby protecting HCV participants from discrimination based on their participation in the program. While SB 329 was a critical step forward, its language unintentionally prohibits landlords from giving preference to voucher holders. This dilutes the impact of the legislation, which explicitly sought to eliminate barriers to housing for voucher holders and expand their housing opportunities.

To address this issue, the Housing Authority proposes adding the following language to SB 329:

*“The prohibitions in this chapter against discrimination based on source of income do not restrict a landlord or housing provider from prioritizing applicants for tenancy who qualify for or participate in government-sponsored rental assistance or subsidy programs, vouchers, or certificate systems.”*

This amendment would enable housing providers, including the Housing Authority, to establish preferences for voucher holders. Such preferences have the potential to:

- Increase housing stability and success rates for voucher holders.
- Enhance the viability of affordable housing developments or units by allowing owners to collect market rents while maintaining deeply affordable rents for tenants.

Other states, such as Delaware, include language in their anti-discrimination laws permitting landlords to prioritize voucher holders. For example, Delaware law states: “The prohibitions in this chapter against discrimination based on source of income shall not limit the ability of a landlord participating in any government-sponsored rental assistance program, voucher, or certificate system from reserving rental units for tenants who qualify for such governmental program” (Del. Code tit. 6 § 4607(k)). Adding similar language to SB 329 would give housing providers the flexibility to support voucher holders while preserving tenant protections against discrimination. Importantly, this change would not mandate preferences for voucher holders but would allow them, subject to fair housing requirements.

We believe this amendment will enhance housing opportunities for vulnerable populations in alignment with the original goals of SB 329, while also providing more tools that owners and developers can utilize to support the viability of new and existing housing.

Thank you for considering this request. I am happy to provide additional information or discuss this proposal further.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Panetta', with a stylized flourish extending from the end.

Jenny Panetta,  
Executive Director