



SPONSOR: Sen. Lockman & Rep. S. Moore & Rep. Dorsey Walker &
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DELAWARE STATE SENATE
152nd GENERAL ASSEMBLY

SENATE SUBSTITUTE NO. 1
FOR
SENATE BILL NO. 293

AN ACT TO AMEND TITLE 6 AND TITLE 25 OF THE DELAWARE CODE RELATING TO FAIR HOUSING.

1 WHEREAS, both the Delaware Fair Housing Act, Chapter 46 of Title 6, and Residential Landlord-Tenant Code,
2 Chapter 51 of Title 25, prohibit discrimination based on source of income; and

3 WHEREAS, under both laws, "source of income" means any lawful source of money paid directly, indirectly, or
4 on behalf of a renter or buyer of housing, including income or rental payments derived from any government or private
5 assistance, grant, or loan program; and

6 WHEREAS, both the Delaware Fair Housing Act and Residential Landlord-Tenant Code have an exception to this
7 prohibition against discrimination based on source of income so that a landlord's nonparticipation in a government-
8 sponsored rental assistance, voucher, or certificate system (voucher) may not serve as the basis for an administrative or
9 judicial proceeding; and

10 WHEREAS, this exception means that this State's laws prohibiting discrimination based on source of income
11 explicitly allow discrimination against people who have a source of income that can only be used to pay for housing; and

12 WHEREAS, Delaware has a severe affordable housing shortage, with only 38 available and affordable rental units
13 for every 100 extremely low-income renters; and

14 WHEREAS, voucher recipients face significant hurdles finding units to rent; and

15 WHEREAS, when voucher recipients are unable to secure housing before their voucher expires, they lose their
16 voucher and thus, this crucial housing assistance for which they are eligible; and

17 WHEREAS, New Castle County gives voucher holders 120 days to find housing, but currently only 42% of
18 voucher holders find units during that window due to the lack of affordable housing; and

19 WHEREAS, this is a decrease from 2022, when 50% of New Castle County voucher holders were able to secure
20 housing with their voucher; and

21 WHEREAS, in Kent and Sussex counties, only 36% of households with federal Housing Choice Vouchers
22 administered by the Delaware State Housing Authority (DSHA) were able to secure housing with their voucher in 2023;
23 and

24 WHEREAS, even voucher holders that receive case management services under the DSHA-administered State
25 Rental Assistance Program (SRAP) experience difficulty renting a unit and only 79% of SRAP voucher recipients were
26 able to secure housing with their voucher in 2023; and

27 WHEREAS, the 5 Delaware public housing authorities (PHAs) have retained a consultant to assist with
28 streamlining the procedures required when landlords accept vouchers; and

29 WHEREAS, the Delaware Apartment Association (DAA) is actively participating in the PHAs' efforts to
30 streamline these procedures, including by providing feedback on the current processes; and

31 WHEREAS, the consultant retained by the PHAs to assist with this streamlining process has already provided a
32 list of preliminary recommended improvements; and

33 WHEREAS, the PHAs and consultant continue to hold meetings with the DAA and other landlords to discuss
34 these recommendations; and

35 WHEREAS, a New York University study of jurisdictions that enacted laws prohibiting source of income
36 discrimination against housing voucher holders found that these laws lead to more upwardly mobile moves among existing
37 voucher holders; and

38 WHEREAS, research by Opportunity Insights, based at Harvard University, found that children who grow up in
39 communities with more cross-class interaction are much more likely to rise up out of poverty; and

40 WHEREAS, both DSHA's 2020 Delaware Statewide Analysis of Impediments to Fair Housing Choice and the
41 Infrastructure & Environment Subcommittee of the African American Task Force, established under Section 39(j)(1)d. of
42 SB 260 (150th), recommended prohibiting discrimination against tenants with housing vouchers.

43 NOW, THEREFORE:

44 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

45 Section 1. Amend § 4607, Title 6 of the Delaware Code by making deletions as shown by strike through and
46 insertions as shown by underline as follows:

47 § 4607. Exemptions in certain situations.

48 ~~(j) A landlord is not required to participate in any government-sponsored rental assistance program, voucher, or~~
49 ~~certificate system. A landlord's nonparticipation in any government-sponsored rental assistance program, voucher, or~~
50 ~~certificate system may not serve as the basis for any administrative or judicial proceeding under this chapter. [Repealed.]~~

51 Section 2. Amend § 5116, Title 25 of the Delaware Code by making deletions as shown by strike through and
52 insertions as shown by underline as follows:

53 § 5116. Fair housing provisions.

54 (e) ~~A landlord not be required to participate in any government-sponsored rental assistance program, voucher, or~~
55 ~~certificate system. A landlord's nonparticipation in any government-sponsored rental assistance program, voucher, or~~
56 ~~certificate system may not serve as the basis for any administrative or judicial proceeding under this chapter. [Repealed.]~~

57 Section 3. (a) No later than March 1, 2028, the Delaware State Housing Authority shall compile a report regarding
58 the work of Delaware's public housing authorities (PHAs) to streamline their procedures associated with the use of
59 government-sponsored housing vouchers (vouchers). This report must contain all of the following:

60 (1) A list of the recommendations for streamlining provided to the PHAs by their hired consultant.

61 (2) The status of each recommendation under paragraph (a)(1) of this Section, including:

62 a. The recommendations that have been fully implemented.

63 b. The recommendations that are in the process of being implemented and the expected date of
64 completion.

65 c. Recommendations that are not being implemented and the reason each is not being implemented.

66 (3) Any additional streamlining improvements that have been identified and the status of each.

67 (4) Data comparing the utilization of vouchers in calendar years 2024 and 2025 with the utilization of
68 vouchers in calendar years 2026 and 2027, including data for each of the following:

69 a. Federally-funded vouchers.

70 b. State-funded vouchers.

71 c. Each PHA.

72 d. Different categories of landlords, including by groups based on the number of rental units owned.

73 (b) The Delaware State Housing Authority shall submit the report required under this Section to the President
74 Pro Tempore of the Senate and the Speaker of the House of Representatives, with copies to all members of the General
75 Assembly, the Governor, the Director and the Librarian of the Division of Research of Legislative Council, and the
76 Delaware Public Archives.

77 Section 4. This Act takes effect on January 1, 2026.

78 Section 5. This Act expires on December 31, 2028, unless otherwise provided by a subsequent act of the General
79 Assembly.

SYNOPSIS

The Delaware Fair Housing Act, Chapter 46 of Title 6, and Residential Landlord-Tenant Code, Chapter 51 of Title 25, both prohibit discrimination based on source of income, which is defined as including rental payments from any government program. However, both laws also provide that a landlord's nonparticipation in a government-sponsored rental assistance, voucher, or certificate system cannot be the basis for an administrative or judicial proceeding.

Like Senate Bill No. 293, Senate Substitute No. 1 for Senate Bill No. 293 revises both the Delaware Fair Housing Act and Residential Landlord-Tenant Code to repeal the exemption to discrimination based on source of income that allows a landlord to discriminate against tenants who participate in government-sponsored rental assistance programs because this exemption contributes to a lack of affordable housing in this State. There is currently a severe shortage of affordable housing for extremely low-income households in Delaware, with only 38 affordable rental units available for every 100 extremely low-income households. In addition, studies have shown that people who use government subsidies to move from high-poverty neighborhoods to communities with more opportunity have measurable health improvements and the children in these families earn more in adulthood than children who remain in high-poverty neighborhoods.

Also like SB 293, SS 1 for SB 293 delays the effective date of this Act to allow the opportunity for Delaware's 5 public housing authorities (PHAs) to do all of the following:

1. Streamline their procedures associated with housing vouchers.
2. Conduct outreach and education to landlords about how this Act changes the law. This outreach will include information explaining that while the law prohibits a landlord from having a blanket policy of not accepting government assistance to pay rent, it does not require a landlord to accept all applicants who receive rental assistance, such as applicants who have a history of evictions or not paying utility bills.

SS 1 for SB 293 differs from SB 93 by as follows:

- Adds whereas clauses that provide an expanded explanation of current law.
- Adds whereas clauses that explain the process Delaware's 5 PHAs are undertaking to streamline the procedures required when landlords accept housing vouchers.
 - Requires that the Delaware State Housing Authority provide a report by March 1, 2028, that contains the status of each streamlining recommendation and data comparing the utilization of vouchers before and after the effective date of this Act.
 - Provides a specific effective date of January 1, 2026.
 - Provides a sunset date, December 31, 2028, unless repealed or extended by a subsequent act of the General Assembly.

Author: Senator Lockman