

## **SUMMARY REPORT AND RECOMMENDATIONS FROM THE 2023 SOURCE OF INCOME DISCRIMINATION RESEARCH CONVENING**

**July 2023**

This memo summarizes the discussion and research questions that emerged from a spring 2023 convening to explore future directions for research related to discrimination against Housing Choice Voucher (HCV) holders. Approximately fifty experts participated in the one-day event, representing diverse fields that intersect with housing voucher discrimination, including researchers, fair housing advocates, policymakers, and practitioners who work with voucher holders.

### **Overview and Goals**

The HCV program, with over 2 million low-income participating households annually, is among the nation's most important housing assistance tools. The ongoing problem of discrimination against families with housing vouchers has received increased attention in the past few years because of concerns about lagging voucher utilization rates, [declining numbers](#) of landlords participating in the program, low [success rates for voucher holders](#) in many markets, and slow progress on expanding voucher families' access to higher opportunity areas.

Tenant organizations and housing practitioners across the country have prioritized ending voucher discrimination as a local policy goal, which has helped to fuel a significant increase in the number of new source of income discrimination (SOID) laws – to the point where almost 60 percent of voucher families in the U.S. are living in jurisdictions where discrimination is prohibited (Knudsen, 2022). With this context in mind, it is important that we understand how well SOID laws work, how voucher families experience discrimination in the housing market, and how practitioners and policymakers can make the HCV program more effective.

The goals of the convening were to:

- 1) Reflect on the state of research related to discrimination against HCV holders, including research documenting the frequency and nature of discrimination; the effectiveness of state and local SOID laws; and the current role and effectiveness of SOID enforcement.
- 2) Identify research and knowledge gaps needed to improve practice and to support enforcement agencies, federal policymakers, voucher program administrators, and organizations that support voucher holders to improve outcomes for HCV participants.
- 3) Recommend research priorities for HUD and philanthropic investment.

Three discussions surfaced key topics for future research: 1) new approaches to measure the incidence and impacts of source of income discrimination; 2) research needed on enforcement of

SOID laws and to support enforcement; and 3) the impacts of public housing authority (PHA) policy and practices on SOID discrimination.

## Summary of Discussions and Research Questions

### 1. Measuring SOID

The goals of this session were to reflect on what we know about source of income discrimination—how common it is, what drives it, and how it plays out—and to identify remaining research gaps. Existing evidence suggests:

- **SOID is common and pervasive.** A combination of methodologies has consistently documented that landlords frequently refuse to accept vouchers, including “ghosting” voucher holders during their housing search. Most of this evidence has come from larger housing markets, and less has documented discrimination in smaller markets.
- **SOID protections have become more common since 2015**, with more voucher holders living in places covered by laws than not and laws becoming stronger over time.
- **Evidence suggests laws result in improved outcomes** for voucher holders, measured primarily by the characteristics of neighborhoods that successful voucher holders live in.
- **Discrimination persists**, albeit at lower levels, in places with laws in place.
- **There is little evidence about local PHA programs or policy characteristics** that might impact lease-up rates for voucher holders or influence the effectiveness of laws.

The discussion at the meeting touched on a wide range of topics, highlighting the diverse uses of evidence of discrimination. Research documenting discrimination, landlord behavior, and voucher holders’ experiences can be used to motivate SOID protections, program improvements, or enforcement. Research needs and uses vary for places with and without SOID laws in place.

Priority research questions include:

#### 1) What is the extent and nature of discrimination in places *without* SOID laws?

- How can testing be used as a tool to understand the incidence and nature of SOID in more places and make the case for protections and administrative improvements? Are there places where SOID testing has not yet occurred and might be helpful? For example, state campaigns in Michigan, Nevada, New Mexico, Delaware, or Maine might benefit from current local data.
- Building on lessons from past testing, what kinds of lighter-touch testing methods might be used to document discrimination through ghosting or outright denials (as an alternative to more intensive methods that may be challenging to implement in smaller markets)? This might include:
  - i. Online or phone audit testing. Audit/email automating interactions with potential landlords
  - ii. Phone denial/acceptance tests

- iii. Surveys of voucher families (by PHAs or through projects like Learning Collider or UnlockNYC)

**2) How does discrimination evolve and persist, even in places with SOID laws in place?**

To what extent do landlords adapt their approaches in response to SOID laws and continue to discriminate? And how does this affect the type of testing and investigation that may be needed?

- What kinds of more detailed or innovative testing and data collection approaches might be needed to detect and document evolving forms of SOID?
- How can practitioners scale innovative practices that capture voucher holders' interactions with landlords to understand how landlords adjust their behavior in response to SOID laws but continue to discriminate?
  - i. One example is UnlockNYC's app-based approach, showing how data collected by tenants in real time can be used for enforcement and research to inform policy and practice.
  - ii. How can we utilize surveys of voucher families to better understand sophisticated forms of discrimination?
- How are housing application and screening practices bypassing SOID protections?
  - i. To what extent do minimum income requirements, credit score requirements, additional fees and costs, shortening lease terms, adjusting asking rents just beyond payment standards, or refusing to comply with Housing Quality Standards serve as tactics to deny voucher holders?
  - ii. Responses to the recent federal request for information on tenant screening may also generate new insights on the exclusion of voucher families.

**3) Questions related to landlords and variations across landlords: Are there variations in landlord acceptance among different types of landlords? How does take-up and discriminatory behavior vary?**

We still know relatively little about how different types of landlords perceive and treat voucher holders and the voucher program. Large management companies may have more capacity to work with PHAs and voucher holders but also may have more tools to avoid voucher holder tenants. Smaller landlords may be more likely to be unaware of the laws or unwilling to work with PHAs.

- How can existing voucher holder and property-level data be used to understand patterns of discrimination and inform enforcement?
  - i. Voucher location data could help find variations from expected locations at the property, portfolio, or geographic levels to identify possible discrimination by a landlord or housing provider.
  - ii. Matching voucher addresses with Low Income Housing Tax Credit (LIHTC) property addresses can be useful to identify which, if any, LIHTC properties have very few (or zero) HCV households in residence (discrimination against families with Housing Choice Vouchers is prohibited in the LIHTC program).
  - iii. Comparisons of voucher incidence in properties owned by the same landlord or management company in high vs. low poverty areas, etc.

## **2. Enforcement of SOID protections**

The goals of this session were to understand how SOID laws are enforced and research needed to both understand and support effective enforcement models.

There are many assumptions about what constitutes effective enforcement of SOI discrimination laws and how different levels of enforcement impact local markets. For example, it has been assumed that the relatively long history of audit testing and enforcement in Washington, DC, has led to the relatively lower rates of discrimination reported in the 2018 Urban Institute/HUD study of SOI discrimination (Cunningham et al., 2018). PRRAC has posited that SOID laws with the option of court enforcement and court-awarded attorneys' fees are more effective in deterring discrimination (PRRAC, 2020). However, very little research looks at frequency of state or local enforcement, types of enforcement, enforcement resources, or impacts of enforcement. In one descriptive study, the Urban Institute and PRRAC created a dataset of SOID laws and key characteristics related to enforcement, including private right of action, attorneys' fees, and the presence or lack of exemptions (Greene et al., 2020). Two recent studies found evidence that laws banning SOID discrimination do help voucher households reach lower-poverty neighborhoods (Teles and Su, 2022; Ellen et al., 2022). But Teles and Su (2022), using the Urban Institute SOID law database, found no evidence that SOID laws considered "stronger" were any more effective than those considered less robust. However, this study only looked at characteristics of SOID laws, not actual levels of enforcement. Research priorities identified in the discussion of SOID enforcement include:

### **1) Assessing state agency enforcement of state SOID laws.**

- a) A comparative assessment of state agency enforcement activity for the 17 states with state SOID laws covering Housing Choice Vouchers could examine:
  - i. Number of complaints filed
  - ii. Staffing and budget for SOID investigations in relation to complaints filed
  - iii. Number of pre-determination settlements
  - iv. Number of cause/no cause findings
  - v. Number of cases going to hearing
  - vi. Average time from complaint to cause finding
  - vii. Average damages awards and range
  - viii. Types of injunctive relief sought/attained
  - ix. Availability of attorneys' fees
  - x. Are damages awards – including settlements – public?

### **2) Private vs. public enforcement.**

- a) Is there a difference in outcomes for cases brought by attorneys vs. pro se complainants?
- b) Do states providing for court-awarded (or agency-awarded) attorneys' fees see higher rates of represented parties?

### **3) Deterrent impacts of enforcement.**

- a) How do landlords and property owners react to publicly reported enforcement? (potential polling or focus groups of landlords)
  - b) What kinds of enforcement knowledge have the biggest impact on landlord behavior?
  - c) Are there new types of deterrence that could be more effective?
  - d) How can PHAs play a stronger role in enforcement?
- 4) Research to support enforcement**, including data to rebut common landlord defenses and objections to participating in the HCV program, would assist advocates and state enforcement agencies. For example:
- a) Research exploring how minimum income requirements are applied to families with vouchers and impact outcomes
  - b) Research related to the reliability of credit scores in assessing the likelihood of paying rent in relation to other measures
  - c) A model analysis demonstrating the racial impact of SOI discrimination in a typical metropolitan market, following the standard protocol for measuring disparate impact as set out in the HUD discriminatory effects regulation
  - d) State or local surveys documenting voucher representation in multifamily properties within payment standard limits, including LIHTC properties

### **3. The impact of HUD and PHA policies and practices on SOID.**

Voucher program administration by PHAs is commonly noted as an important driver of landlord participation in the HCV program—including how well-run agencies may be, timeliness of inspections and rent payments, availability of high-quality customer service, and other factors that may impact landlord acceptance of vouchers. But there is little research on the relationship between PHA practices and SOID. Pandemic area programs, including the emergency housing voucher program and the waivers allowed by HUD for the HCV program during 2020-2022 address some HCV administrative concerns, and HUD data may be available to track the impacts of these reforms. In addition, states and local areas have enacted policies that may encourage landlord participation, inform SOID enforcement, or support voucher holders. The meeting helped to surface several research questions related to PHA or local policies that may encourage landlord participation in the HCV program:

- 1) How do administrative changes to the voucher program increase landlord participation rates? Which practices are most effective in increasing participation?**
  - Expediting or streamlining inspection and lease-up practices
  - Online document signing

- Funds for security deposits, application fees, etc.
- Small Area Fair Market Rents (or equivalent)
- Strong “customer service” culture at PHA
- Active landlord education and recruitment program

**2) Are landlord incentives effective at increasing landlord participation in the voucher program?**

- Tax credits in high-opportunity areas
- State, local, or PHA-level loss mitigation funds
- Grants or low-interest capital for unit improvements
- Signing bonuses
- Apartment holding fees (while inspection and lease processing are pending)

**3) How can other practices that support tenants increase success rates?**

- Are there tools that can help tenants more successfully navigate voucher housing searches and landlord screening processes such as credit checks and other screening systems?
- Are there systems that can help tenants build positive credit or housing histories by capturing on-time rental payments?
- What are the potential benefits of rental registries? How could they be used to advance voucher utilization?

**4) What are the potential impacts of “cashing out” voucher assistance on success rates, landlord participation, and housing and neighborhood quality?**

- How might a model that provides housing assistance payments directly to tenants be tested?
- How might providing housing assistance directly to tenants make housing searches, lease-ups, and rent payments more efficient?
- To what extent could providing assistance directly to tenants improve landlord take-up and voucher utilization?
- To what extent could providing assistance directly to tenants relieve or exacerbate geographic concentration in the program?

**5) What is the role of PHAs in educating landlords and families about the existence of SOID laws?** To what extent do apparent lags in the impacts of SOID laws on voucher holder outcomes reflect a lag in landlord or voucher holder awareness of SOID protections?

- Are landlords aware of laws or possible enforcement, and how can landlord education support voucher acceptance rates? What types of landlord education activities are in place or have been effective?
- Is there a role for PHAs in detecting or documenting discrimination or supporting enforcement? This might include collecting complaints, providing more or better information to voucher holders about complaint processes, or taking a more active role in documenting discrimination.
- Are there more proactive enforcement steps that PHAs can take in places with protections in place?

### **Conclusion**

Even as more states and local areas have implemented source of income protections, there is increasing evidence that discrimination against HCV holders persists. It is important to ground policy in solid empirical research, even as the need to address rampant discrimination against families with vouchers is urgent. The convening revealed that the types of research needed to inform and improve policy are evolving as landlord behavior, PHA practices, and enforcement tools evolve. The next wave of research needs to focus on efficient ways to capture discrimination on an ongoing basis and in a variety of settings; on effective ways to enforce SOID protections to minimize discrimination; and on the effectiveness of new approaches to attracting landlords to the HCV program by PHAs, cities/states, and groups that work directly with HCV holders.

The HCV program remains one of the nation's most important housing assistance tools. Research shows the array of benefits that vouchers—when successfully used—can bring low-income people and families. There is an urgent need to understand how the program and landlords are responding to new laws and practices to ensure the program is as efficient and effective as possible. The observations of practitioners, advocates, and families experiencing discrimination will provide valuable insights as research advances in tandem with improved policies and enforcement.

*These recommendations were compiled by Martha Galvez and Elizabeth Lochhead of the NYU Furman Center), Philip Tegeler of PRRAC, and Mary Cunningham and Daniel Teles of the Urban Institute.*

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**INVITED PARTICIPANTS  
FEBRUARY 28, 2023 AT THE URBAN INSTITUTE**

<b>NAME</b>	<b>AFFILIATION</b>
Ingrid Ellen	Furman Center
Kathy O'Regan	Furman Center
Martha Galvez	Furman Center
Sophie House	Furman Center
Elizabeth Lochhead	Furman Center
Mary Cunningham	Urban Institute
Daniel Teles	Urban Institute
Lance Freeman	University of Pennsylvania
Jessica Lurz	Abt Associates
Nandita Verma	MDRC
Sarah Oppenheimer	Opportunity Insights
Justin Steil	MIT
Dionissi Aliprantis	Cleveland Federal Reserve
Gretchen Weismann	Mobility researcher, Boston
Margaret Greif	Johns Hopkins University
Philip Tegeler	PRRAC
Brian Knudsen	PRRAC
Dave Pringle	PRRAC
Audrey Martin	PRRAC
Peggy Bailey	CBPP
Alicia Mazzara	CBPP
Andrew Arnaud	NLIHC
Sarah Gallagher	NLIHC
Antonia Fasanelli	National Homelessness Law Center
Morgan Williams	National Fair Housing Alliance
Anne Houghtaling	LDF Thurgood Marshall Institute
Deborah Thrope	National Housing Law Project
Diane Houk	Emery Celli Brinckerhoff Abady Ward & Maazel
Manon Vergerio	UnlockNYC
Jessica Valencia	UnlockNYC
Jasmin Dial	Learning Collider
Brent Meltzer	NY Attorney General's Office
Kerri White	NY Attorney General's Office
Alicia Lendon	DC Attorney General's Office
Valerie Rosenberg	Mobility Works
Adria Crutchfield	Baltimore Regional Housing Partnership
Jonathan Eber	Enterprise-NY
Jeanne Fekade-Sellassie	Funders for Housing & Opportunity
Reed Jordan	Wells Fargo
Viviana Vizcaino	NYU Wagner School
Sunny Velez	NYU Wagner School
Solomon Greene	Housing & Urban Development (HUD)
Brian J. McCabe	Housing & Urban Development (HUD)
Aaron M. Shroyer	Housing & Urban Development (HUD)

Demetria L. McCain	Housing & Urban Development (HUD)
Sin C. Chiu	Housing & Urban Development (HUD)
Lucia Petty	Housing & Urban Development (HUD)
Sasha M. Samberg- Champion	Housing & Urban Development (HUD)
Kathleen M. Pennington	Housing & Urban Development (HUD)
Ayelet R. Weiss	Housing & Urban Development (HUD)
Douglas H. Rice	Housing & Urban Development (HUD)
Alison Bell	Housing & Urban Development (HUD)
Ellen Lurie Hoffman	U. S. Department of Treasury
Lauryn Enrico	Federal Housing Finance Agency (FHFA)