



A Pilot Study of Landlord Acceptance of Housing Choice Vouchers

Executive Summary



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Executive Summary

This report presents findings from a five-site pilot study of landlord acceptance or denial of federal housing choice vouchers. The U.S. Department of Housing and Urban Development (HUD) sponsored this study, and it is the first large-scale, multisite study of whether landlords treat people with vouchers differently than other renters. The project's goals were to (1) identify testing methodologies for measuring differential treatment of renters who use housing vouchers authorized under Section 8(o) of the United States Housing Act of 1937, (2) identify the types and patterns of rental housing discrimination against voucher holders, and (3) measure the prevalence and extent of voucher-related discrimination, including differences in discrimination against racial and ethnic minorities and differences between low- and high-poverty neighborhoods.

The Housing Choice Voucher (HCV) program is the federal government's largest rental housing assistance program. The goals of the HCV program are to increase access to safe, affordable housing units and to provide opportunities for low-income families to obtain rental housing outside areas of poverty or minority concentration (HUD, 2009). Voucher holders can, in theory, move anywhere in the country where a PHA administers the program, but their housing choices are severely constrained by their ability to navigate the private rental market, find a unit with rent below the payment standard, and identify a landlord who will participate in the program. Landlords decide, for the most part, if they want to accept vouchers as payment for their rental units.

Is it illegal for landlords to refuse to rent to voucher holders? The Fair Housing Act (Public Law 90-284), enacted in 1968 as Section VIII of

the Civil Rights Act, aims to “prevent segregation and discrimination in housing, including in the sale or rental of housing and the provision of advertising, lending, and brokerage services related to housing.” Under the Fair Housing Act, landlords are prohibited from refusing to rent to members of protected classes—defined based on race, color, national origin, sex, religion, disability, and familial status. Voucher holders are not protected under the Act and landlords may have a legal right to turn away voucher holders. Although voucher holders are not protected under the Fair Housing Act, the program disproportionately serves members of protected classes—families with children, racial and ethnic minorities, and persons with disabilities. Some fair housing advocates argue that claims under the Fair Housing Act may be justified, because the act prohibits practices that may appear neutral—such as electing not to accept vouchers—but result in “disparate impacts,” for example, residential segregation, for a protected class. Beyond the federal statute, states and local jurisdictions have passed local ordinances, often referred to as source-of-income protections, to prohibit discrimination against voucher holders. In these locations, it is illegal for landlords to discriminate against voucher holders. For this study, we use the term discrimination to describe unequal or differential treatment of voucher holders, although this treatment is not necessarily illegal in all our testing sites.

Study Methodology

The pilot study was designed to conduct voucher tests across neighborhoods in several sites, roughly in proportion to the prevalence of voucher-affordable housing in each site. Finding affordable housing required sampling advertisements from the Internet from virtually every ZIP Code in each site to achieve a target number of tests. Once eligible advertisements were identified, the study used a three-stage testing methodology to examine interactions

with landlords during the housing search. The first stage, the voucher acceptance test, was conducted in five sites: Fort Worth, Texas; Los Angeles, California; Newark, New Jersey; Philadelphia, Pennsylvania; and Washington, D.C.¹ During these tests, a female tester who would be perceived as White called landlords advertising rental units to ask, “Do you accept housing vouchers?”

If a landlord answered that he or she accepted vouchers, the test moved on to the second and third stages, which were conducted in three sites: Fort Worth, Los Angeles, and Newark. In the second stage, pairs of White, Black, and Hispanic female testers, matched on all characteristics (including race and ethnicity) other than voucher use (for example, White voucher holder versus White non-voucher holder, Black voucher holder versus Black non-voucher holder, and Hispanic voucher holder versus Hispanic non-voucher holder) conducted telephone tests to determine whether voucher holders were told about available housing and were able to secure appointments to view available units. If both testers were able to secure appointments, they proceeded to the third stage—in-person tests to determine whether voucher holders were able to meet with a landlord to see

available housing. In both the telephone and in-person tests, voucher and control testers also recorded detailed information related to potential differential treatment, including landlord statements about eligibility requirements (for example, applications, credit checks, cosigner requirements, or eviction checks), qualifications for tenancy (for example, information requested on marital status, income, occupation, or employer), and housing costs (for example, rent quoted by the landlord and any fees, incentives, or move-in costs). These measures provided opportunities to assess whether landlords who stated they accepted vouchers ultimately denied voucher holders indirectly.

The original study design anticipated approximately 2,550 voucher acceptance tests, 1,650 paired telephone tests, and 1,200 paired in-person tests. However, because landlord denial rates were high, we completed far more voucher acceptance tests (3,780) than telephone and in-person paired tests (694 telephone and 509 in-person tests; Table ES.1). Moreover, because of high voucher denial rates in Fort Worth and Los Angeles, few tests from those sites advanced to the second or third stages of testing. Newark accounted for 61 percent of all telephone tests and 73 percent of all in-person tests. In addition, high proportions of

Table ES.1: Total Tests Completed by Site and Test Mode

Test Site	Voucher Acceptance Tests	Telephone Tests	In-Person Tests
Fort Worth, TX	1,146	142	73
Los Angeles, CA	998	126	62
Newark, NJ	782	426	374
Philadelphia, PA	422	NA	NA
Washington, DC	432	NA	NA
Total	3,780	694	509

NA = not applicable.

¹ The Fort Worth site included Tarrant County and the cities of Fort Worth and Arlington. The Los Angeles site included all of Los Angeles County, except for 13 small cities with PHAs administering a small number of vouchers. The Newark site included four counties in northeastern New Jersey: Bergen, Essex, Hudson, and Passaic. The Philadelphia site included the city of Philadelphia and Bucks County. The Washington, D.C. site included the District of Columbia and Montgomery County, Maryland.

paired telephone tests in Fort Worth and Los Angeles sites ended without appointments to meet with landlords, which led to smaller than anticipated sample sizes of completed in-person tests for those sites. As a result, we discuss only Newark’s telephone and in-person test results.

Findings

Finding Voucher-Affordable Units Is Challenging

How difficult is it to find voucher-affordable units? During 16 months, we screened more than 341,000 online advertisements across the five study sites to find 8,735 advertisements for rental housing that appeared to be voucher-eligible based on information in the ad. On average, we screened 39 advertisements to identify one potentially eligible unit. The effort required to find voucher-eligible housing differed dramatically across sites. For example, the average number of advertisements screened to identify a potentially eligible unit ranged from more than 50 in Los Angeles and Newark to 30 in Fort Worth, 19 in Washington, D.C., and 11 in Philadelphia. Once we found advertisements for units that appeared eligible, Los Angeles and Newark required the most effort to contact the landlord, an average of about two contacts per potentially eligible advertisement (Table ES.2).

As our testers searched for units, they did not precisely model the housing search a voucher holder might conduct. Nonetheless, their experience shows that searching for housing with vouchers is time consuming and frustrating. Voucher holders must navigate the rental market on their own, searching for units that meet the program rental cap. This search requires combing apartment listings and making multiple telephone calls to landlords to inquire about apartment availability. Many searches turn up short.

Many Landlords Do Not Accept Vouchers

The voucher acceptance tests show clear evidence of outright denial of vouchers, although denial rates varied widely (Table ES.3). Denial rates were highest in Fort Worth (78 percent) and Los Angeles (76 percent) and only somewhat lower in Philadelphia (67 percent). Rates were substantially lower in Newark (31 percent) and Washington, D.C. (15 percent). Moreover, across the five sites, between 9 and 25 percent of landlords said vouchers were accepted only under certain conditions or they were unsure of the voucher acceptance policy. Landlords were more likely to deny voucher holders in low-poverty areas compared with high-poverty areas, particularly in the sites with the highest voucher denial rates (Table ES.4). In four of the five

Table ES.2: Level of Effort to Find Voucher-Affordable Units

Test Site	Average Number of Advertisements Screened per Potentially Eligible Ad	Average Number of Contact Attempts per Potentially Eligible Ad	Number of Units Found Eligible and Available per Potentially Available Ad	Average Number of Advertisements Screened per Completed Voucher Acceptance Test
Fort Worth, TX	29.83	1.67	0.51	58.40
Los Angeles, CA	51.55	1.98	0.38	137.33
Newark, NJ	52.68	1.97	0.37	143.76
Philadelphia, PA	11.15	1.77	0.47	23.59
Washington, DC	18.82	1.54	0.54	35.07
Across sites	39.10	1.83	0.43	90.35

Table ES.3: Voucher Acceptance Test Results and Voucher Denial Rates by Site

	Fort Worth		Los Angeles		Newark		Philadelphia		Washington, D.C.	
	n	%	n	%	n	%	n	%	n	%
Total tests	1,146		998		782		422		432	
Denies vouchers	894	78.0	762	76.4	242	30.9	282	66.8	64	14.8
Accepts vouchers	132	11.5	148	14.8	342	43.7	99	23.5	306	70.8
Accepts vouchers with conditions	82	7.2	48	4.8	92	11.8	14	3.3	42	9.7
Unsure of voucher policy or other	38	3.3	40	4.0	106	13.6	27	6.4	20	4.6

Note: Testers recorded “accepts vouchers with conditions” whenever a landlord suggested vouchers would be accepted only under certain circumstances—for example, if the voucher was (or was not) from a particular public housing authority, if the voucher was for a certain unit size, if the voucher covered a certain amount of the rent, or if other requirements of tenancy (for example, a certain credit score) were met.

Table ES.4: Voucher Acceptance Test Results by Site and Low-, Medium-, and High-Poverty Census Tracts

	Fort Worth	Los Angeles	Newark	Philadelphia	Washington, D.C.
Total tests	1,146	998	782	422	432
Voucher denial rate (%)	78.0	76.4	30.9	66.8	14.8
Standard error (%)	1.2	1.3	1.7	2.3	1.7
Average voucher denial rates in low-poverty areas (%)	85.0	81.5	37.7	82.5	16.2
Standard error (%)	2.1	2.3	3.0	5.1	3.0
Average voucher denial rates in medium-poverty areas (%)	81.1	80.7	28.8	70.9	15.0
Standard error (%)	1.8	2.1	2.6	3.4	2.8
Average voucher denial rates in high-poverty areas (%)	67.2	66.0	26.1	55.3	15.7
Standard error (%)	2.5	2.9	3.7	3.9	3.9
Statistical significance	***	***	**	***	

** p < 0.05. *** p < 0.01.

Note: Significance tests measured the difference in denial rates in low-poverty tracts compared with denial rates in high-poverty tracts.

sites (all but Washington, D.C.), voucher denial rates were substantially higher for low-poverty census tracts than for high-poverty tracts.

We found lower landlord denial rates in sites that have legal protections against voucher discrimination (Table ES.3). In Newark and

Washington, D.C., where voucher holders are a protected class under local source-of-income antidiscrimination laws, denial rates were lower compared with sites without such protections. Philadelphia also has a source-of-income antidiscrimination law, but neighboring Bucks County does not. In Los Angeles and Fort

Worth, no portion of the testing area has state or local laws against voucher discrimination. Source-of-income protections were not the only differences among the sites that could explain different outcomes. Washington, D.C., and Philadelphia had higher payment standards, and Washington, D.C., uses neighborhood-level payment standards. Although these results are suggestive of and consistent with a desirable voucher ordinance effect, it is not possible to conclude that voucher protections cause fewer denials. Housing market tightness, public housing authority (PHA) performance, and other factors could also affect landlord denial rates.

Landlords Generally Treat Voucher Holders Equally During Paired Telephone Inquiries

Do landlords who say they accept vouchers treat voucher holders differently than non-voucher holders in phone calls? In paired phone tests, nearly all voucher testers were able to talk to landlords and secure appointments to

view housing, with some small variations in treatment between the voucher and control testers that suggested landlords had some knowledge of how the HCV program works.

In 93 percent of the 426 paired telephone tests conducted in Newark, both the voucher holder and the control tester were able to make contact with a landlord to get information about housing, and 96 percent of testers who were able to speak to a landlord were told about one or more available units (Table ES.5). Nearly all (98 percent) of the testers—with and without vouchers—who were told that housing was available made appointments to view housing in person. During phone calls, landlords told the voucher testers about slightly fewer units compared with their counterparts without vouchers. The difference was statistically significant but quite small. On average, landlords told voucher testers about 1.1 units of available housing and testers without vouchers about 1.2 units. Other small but statistically significant differences emerged through the Newark paired

Table ES.5: Headline Measures of Differential Treatment in Paired Telephone Tests in Newark, New Jersey

Measure	Both	Control	Voucher	Net Difference	Standard Error of Difference	n	
Testers able to obtain information about housing	93.4%	1.4%	2.6%	- 1.2%	1.0%	426	
If testers obtained housing information							
Testers told any units available	95.5%	0.8%	0.5%	0.3%	0.6%	398	
One tester told about more units		13.1%	6.0%	7.0%	2.3%	398	***
Average number of units told about		1.22	1.14	0.08	0.04	398	**
Testers were able to get an appointment	98.2%	0.3%	0.5%	- 0.3%	0.5%	380	
Average rent for any unit		\$1,486	\$1,494	- \$9	\$5	380	
Average yearly net cost		\$20,309	\$20,424	- \$115	\$105	380	

** p < 0.05. *** p < 0.01.

Note: For the values presented as percentages, values in the “Control” column indicate the percentage of cases in which the control tester experienced the measure, but the voucher tester did not; values in the “Voucher” column indicate the percentage of cases in which the voucher tester experienced the measure, but the control tester did not; and the values in the “Both” column indicate the percentage of cases in which both testers experienced the treatment.

telephone tests in how landlords discussed qualifications for tenancy and housing costs. Considered together, these results suggest that landlords understand how the HCV program works and recognize the voucher as additional income available to the potential applicant.

Landlords Are More Likely To Miss an Appointment With Voucher Holders

Only 58 percent of the in-person tests ended with both testers able to meet with a landlord, even though most paired telephone tests ended with both voucher holders and control testers making appointments to meet with a landlord (Table ES.6). Appointment no-shows were common, with about 11 percent of in-person tests ending with landlords standing up both testers. However, the voucher testers were 8 percentage points less likely to meet with a landlord to discuss their housing options. In addition, landlords told control

testers about more units and invited them to inspect more units, but the differences are small (for example, 1.39 versus 1.19 units).

Similar to the paired telephone tests, the in-person tests found that other forms of differential treatment were minimal and appeared to reflect the landlords’ understanding of vouchers as secure income dedicated to housing.

Implications for Future Testing

This pilot study explored different testing methodologies to provide insight for design and implementation of future studies.

Voucher acceptance tests and in-person paired tests yield the most valuable information. One-sided voucher acceptance tests captured the primary form of discrimination against voucher holders. Such tests can be used to measure differences across sites and

Table ES.6: Headline Measures of Differential Treatment in Paired In-Person Tests in Newark, New Jersey

Measure	Both	Control	Voucher	Net Difference	Standard Error of Difference	n	
Testers able to meet with landlord	58.0%	19.3%	11.2%	8.1%	2.9%	374	***
If testers able to meet with landlord							
Told any units available	95.4%	3.2%	0.5%	2.7%	1.6%	217	*
One tester told about more units		22.1%	6.0%	16.1%	3.2%	217	***
Average number of units told about		1.39	1.19	0.20	0.05	217	***
If available units recommended							
Inspected units	87.0%	3.4%	3.4%	0.0%	1.7%	207	
One tester inspected more units	82.6%	11.1%	6.3%	4.8%	2.6%	207	*
Average number of units inspected		1.05	1.00	0.05	0.04	207	
Average rent for any unit		\$1,507	\$1,508	-\$1	\$7	207	
Average yearly net cost		\$20,613	\$20,725	-\$112	\$114	207	

* p < 0.10. *** p < 0.01.

Note: For the values presented as percentages, values in the “Control” column indicate the percentage of cases in which the control tester experienced the measure, but the voucher tester did not; values in the “Voucher” column indicate the percentage of cases in which the voucher tester experienced the measure, but the control tester did not; and the values in the “Both” column indicate the percentage of cases in which both testers experienced the treatment.

across different types of neighborhoods. The in-person tests then provided a measure of failed attempts to meet with landlords at scheduled appointments. In contrast, we gleaned little unique information about differential treatment from telephone tests. These findings provide continued support for the use of in-person testing rather than telephone testing.

Tester profiles must reflect HCV program rules. A clear lesson from this study is that any rigorous paired-testing study of voucher-holder discrimination must incorporate HCV program-specific policies and requirements to minimize risk of detection and ensure that findings are credible. Training must prepare testers for questions about the HCV program and the PHA where testing takes place.

Assessing the role of race or ethnicity in voucher-holder discrimination is challenging.

The primary goal of this study was to identify whether voucher holders face discrimination compared with non-voucher holders. This goal led us to pair testers on every dimension but the voucher (for example, Black voucher holder and Black non-voucher holder). We were also interested in understanding potential differences in treatment by race. Barring sample size issues, this approach would have enabled us to produce estimates of adverse treatment of voucher recipients relative to unsubsidized renters of the same race or ethnicity and to compare these estimates across racial and ethnic groups. If adverse treatment of minority voucher recipients relative to their matched unsubsidized cotesters were greater than that of White voucher recipients relative to their unsubsidized White counterparts, we could conclude that race or ethnicity exacerbates the negative treatment of voucher holders. However, high voucher denial rates undermined our ability to conduct enough in-person tests to perform conclusive analyses of whether differential treatment against voucher holders varies by race. To rigorously compare differential treatment experienced by non-White voucher holders with that of White

voucher holders would have required us to use a larger sample of in-person paired tests, which we could not conduct due to the high rates of landlord denials during the voucher acceptance test. Future testing will need to balance the goal of understanding the role of race in voucher discrimination with that of isolating the incidence and nature of voucher discrimination.

Conducting testing in low-poverty areas is feasible. Testing in low-poverty “opportunity” areas is feasible without oversampling. Analyses of American Community Survey data found that sufficient voucher-affordable units are in low-poverty areas. Further, we were able to find target numbers of advertisements in many of these neighborhoods. The areas where finding advertisements proved most challenging were places with low vacancy rates and not necessarily areas with low poverty rates.

To produce national estimates of discrimination against voucher holders, we recommend a multiphase approach. Voucher acceptance tests documented the extent and variability of outright voucher denials in diverse testing sites, and revealed the implications of high voucher denial rates on paired-testing efforts. These implications suggest the need for a robust, multiphase design that can accommodate variations in denial rates. The first phase would include voucher acceptance testing by phone in a large enough sample of sites (for example, 50 sites) to characterize voucher discrimination nationally. Such a large sample, furthermore, would enable researchers to identify sites where additional testing would be viable and would further inform policymakers about the nature of voucher refusal. The second phase would involve continued voucher acceptance testing in a subsample of sites, accompanied by in-person paired tests.

More research on landlords is needed. This study did not explore landlords’ motivations for accepting or denying vouchers. In-depth interviews with landlords who reject, set

conditions on, or accept voucher holders would shed light on landlords' perceptions of the HCV program and voucher holders.

Implications for Policy and Program Management

The challenges we encountered finding voucher-affordable rental housing in some sites and neighborhoods suggest that voucher holders' housing searches are daunting. The difficulty finding landlords who will accept vouchers, particularly in low-poverty areas, likely increases the cost and duration of voucher housing searches, limits voucher holders' housing and neighborhood options, and increases costs to local PHAs and HUD. With this difficulty in mind, we consider several policy and program changes to encourage landlord participation and to facilitate voucher holders' searches.

Pursue legal protections for voucher holders. Although voucher holders are not a protected class, the program is comprised of households that are protected under the Fair Housing Act and thus outcomes from the HCV program have potential fair housing implications. Among our five study sites, landlord refusal of vouchers is more common in jurisdictions without source-of-income protections. Coupled with other available evidence, this finding suggests that legal protections for voucher holders might improve HCV program outcomes and merit further consideration.

Encourage landlord participation and recruit landlords, particularly in low-poverty neighborhoods. One way to increase landlord participation in the HCV program is to make it more attractive through recruitment strategies and incentive programs. Some PHAs and neighborhood mobility programs that help voucher holders search for housing have liaisons to recruit landlords in opportunity neighborhoods. HUD and PHAs could strengthen financial incentives (or remove perceived

disincentives) for landlords to participate. For instance, PHAs could offer one-time signing bonuses or financial incentives for new entrants or for landlords in low-poverty neighborhoods. Some jurisdictions are piloting initiatives that provide security deposits or insurance against damages or tenants vacating the unit before their lease expires. Other jurisdictions waive permit fees for repairs or improvements or provide landlords access to interest-free loans they can use to rehabilitate their properties.

Set rents to be more competitive and improve program management. For vouchers to be appealing to private market landlords, they must offer rent payments comparable with the market. This study did not examine the role of payment standards or Fair Market Rents (FMRs) in the availability of voucher-affordable housing or in landlord denial rates, but we did observe that some sites with higher payment standards had lower rates of landlord denial. Adopting Small Area FMRs or payment standards better aligned with market rents could make the HCV program more appealing to landlords in high-rent markets. In addition to offering competitive rents, improving PHA management could attract more landlords. Critics of the HCV program argue that there are good business reasons landlords do not participate; they include complaints about PHAs that have poor customer service or that increase the cost of renting to voucher holders by taking too long to complete housing quality standards inspections or by not sending rent checks on time. To increase customer satisfaction among landlords and decrease the real or perceived costs of doing business with housing authorities, PHAs could streamline these tasks so that landlords are not financially penalized for participating in the HCV program.

Expand search time and provide housing search assistance. Extending search times from 60 days to 120 days would provide more time for voucher holders to identify landlords with units available. This extension is particularly important

if voucher holders are searching for housing in opportunity neighborhoods or in tight housing markets where units are harder to find. Voucher holders may also benefit from housing search assistance—a combination of pre and postmove counseling, landlord outreach, and financial support for moves. Our findings on the difficulty identifying landlords who accept vouchers—particularly in low-poverty areas—coupled with the evidence base on the importance of living in high-opportunity neighborhoods suggest these services may be an important step toward improving program outcomes and voucher holders’ long-term well-being.

Conclusion

This five-site study is the largest, most comprehensive test of voucher discrimination conducted to date, providing rigorous quantitative data on the prevalence of landlord denial and on the ways landlords treat voucher holders differently than similar prospective tenants. In designing and conducting nearly 4,000 tests during 16 months, we gleaned lessons for future testing studies and housing policy, particularly related to voucher holders’ likely experiences searching for housing. We learned that the process of finding an available unit, reaching landlords, finding a landlord to accept vouchers, and then meeting with them to view the available housing was extremely difficult. It takes a lot of work to find housing with a voucher. The search requires sifting through numerous advertisements, making numerous calls, and facing frequent rejection. Our study reveals that many landlords refuse to accept vouchers. Voucher holders who want to find housing in an opportunity area—perhaps close to high-quality schools, jobs, and transportation—face even more rejection. We learned that even if landlords said they accepted vouchers, they may treat voucher holders differently during apartment showings—standing them up at higher rates than control testers. Our findings should remind policymakers that landlords are not

passive actors in the HCV program. Landlords play a critical role in narrowing or widening the choices available to voucher holders in their search for safe, affordable, quality housing.

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