

Relationships Beyond the Rental Market:  
How do Stakeholder Interactions in the Housing Choice  
Voucher Program Relate to Tenant Outcomes?

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## **Executive Summary**

This research examines the interactions of stakeholders (e.g. landlords, property managers, housing officials, inspectors, etc.) from the point of view of several housing advocates and landlords working in the HCVP in City of Pasadena, CA. I seek to answer how they impact tenant outcomes for voucher recipients. Since housing discrimination still persists in other forms, the perspectives of housing advocates who directly work with landlords and voucher households become important in understanding more about stakeholder relationships. Their unique perspectives, focusing on both the personal and the structural, make their voices tremendously important in analyzing the housing actions and approaches taken on by landlords. With the high number of low-income households that struggle to find affordable and decent housing, the HCVP only solves a part of the problem. This research uses the City of Pasadena as a case study for the continually increasing number of overburdened low-income households and consequent turnover to chronic homelessness.

I use examples of fair housing ordinances, the Fair Housing Act, and administration of the HCVP in other cities to establish examples of forms of discrimination based on race and income. In addition, some of these examples show examples of local Public Housing Authorities that were successful in their

administration of housing choice vouchers. Overall, these examples serve to show that tenant outcomes are influenced by discrimination based on not only race but also one's source of income. These findings contextualize the significance of stakeholders in causing tenant outcomes.

The case study on the City of Pasadena provides context for rent overburden and housing shortage. Furthermore, a section of the case study includes considerations for the impact that new administrative and budget changes to the U.S. Department of Housing and Urban Development. As the Trump Administration has released its preliminary 2018 budget blueprint, there will be a stark rise in unwanted concerns for the future of the HCVP and other housing assistance programs.

My findings focus on the roles of stakeholders in the processes of administering the HCVP. Moreover, I use the perspectives of landlords and housing advocates in order to examine the relationships of stakeholders in these processes. Given the perspective of housing advocates in their personal experiences in working with landlords, voucher recipients, and housing officials, how do stakeholder interactions influence voucher households directly? There are four ways in which I identified how stakeholder interactions influence

household outcomes: voucher household selection, roles of HCVP stakeholders, responses to tenant behavior, and expectations for the future of the HCVP.

In response to these findings, recommendations for the City of Pasadena are presented with consideration for voucher household outcomes and the expectations for the future of the HCVP. The primary recommendation for addressing voucher households that face housing discrimination based on race and income requires more support from not only the private sector but also housing advocacy groups. Consequently, housing advocates can help to form more transparent and favorable relationships between stakeholders through housing services and active outreach. These recommendations may allow for landlord exposure to the HCVP and administrative burdens to be minimized in their impacts on voucher tenant outcomes.

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## Introduction

In a housing market that demands more affordability than it can supply to its residents, it is no surprise that on any given night in Los Angeles County 47,000 people live without a roof over their heads (HUD 2016). This lack of housing affordability coincides with the reconcentration of dense urban areas, leaving a small number of alternatives for low-income families. More often than not, these families have no other options than to move into neighborhoods with high levels of poverty and a lack of access to good schools and safe, decent, and affordable housing (CFED 2017). The state of California has the highest rate of unsheltered homelessness in the nation and Los Angeles County has the second highest population of homeless people amongst U.S. metropolitan cities (U.S. Census 2010). As the homelessness problem in Los Angeles raises extreme issues for public safety, the magnitude and severity of the problem is too overwhelming for city and county efforts to appropriately provide assistance to those in need and to support efforts to deconcentrate neighborhoods with high levels of poverty.

Such efforts, on the other hand, may be difficult to accomplish. With consideration of the new presidential administration recently set in place, there will likely be challenges to solve issues of poverty and homelessness in our communities. The announcement of HUD's new secretary, Ben Carson, carries with him important questions to the future of housing subsidy programs. Moreover, Sarah Edelman, the director of policy for the Center for American Progress said:

The two biggest risks I see with a Carson administration are 1) that HUD sits on the sidelines, allowing Congress to chop funds for affordable housing, while our nation's housing problems get worse and 2) HUD abdicates responsibility for enforcing the Fair Housing Act, which would leave women, families with children, people with disabilities, and people of color less defended against a landlord or mortgage lender who discriminates against them and stall important economic mobility work (The Nation 2).

Given these challenges, the complex layers of issues that make up the shortage of affordable housing in our nation may worsen before an effective strategy can be implemented to facilitate and maintain decent and affordable housing.

The challenges that HUD face in providing more affordable housing for neighborhoods with high concentrations of poverty include discrimination in the housing voucher market. The federal Fair Housing Act prohibits discrimination when people are renting, buying, or securing financing for any housing. The prohibitions specifically cover discrimination in different forms: race, national origin, religion, gender, sex, disability and the presence of children. For both the sale/rental of housing and mortgage lending, the Fair Housing Act prohibits racially discriminatory actions that hinder the access to affordable homes for those who are eligible. For example, actions from landlords such as making housing unavailable, refusing to negotiate, and providing different housing services or facilities to tenants violate legislation. In response to these systemic issues, HUD implemented new programs such as the (Section 8) Housing Choice Voucher Program (HCVP) with intentions of reducing the number of cases of

segregation and discrimination in public housing. However, the program developed into a way for discrimination in many forms to further permeate throughout communities in America despite the purpose of the Fair Housing Act. “The bureaucratic-sounding federal program, Section 8 (later called the HCVP), became a racially coded put-down,” says Emily Badger of the Washington Post. The federally funded program called the HCVP provides local housing authorities the ability to provide housing assistance in the private market for the elderly, disabled, and very low-income families to find decent, safe, sanitary, and affordable housing. HUD designed the housing program for low-income households to move into any neighborhood as long as the participants qualify for the eligibility requirements of the program. As there are many ways for low-income families to experience some form of housing discrimination or segregation in their participation in the program, this research paper examines the themes such as the implications of choice, fair housing, and the different roles of participants of the voucher program through a focus on Pasadena, CA.

Housing discrimination continued to pervade throughout public housing projects and cities at the introduction of Housing Choice vouchers as a branch of the Section 8 housing program in the late 1990s. The financial freedom to live where they want, the implication of “choice” for qualifying low-income households had not been fully enforced, as segregation and racial discrimination pervaded across the U.S.; as a result, landlords continued to legally maintain the right to refuse housing to recipients of housing choice vouchers. Though federal fair housing ordinances including the Fair Housing Act were established to prohibit discrimination based on sex, race, color, national origin, religion,



familial status, and disability, housing discrimination doesn't have to be explicitly racially motivated to be considered illegal (CFED 2017). Many households who relied on their vouchers became subject to applying them in the same high poverty neighborhoods from which they sought to move away. Vale notes, "The assumption built into the [voucher subsidy] is that the people who need it the most have developed a moral failing that they are incapable of attaining housing for their families" (2015). In other words, assumptions about voucher recipients were based on the fact that they required federal government subsidies in order to provide for their families. Consequently, these assumptions developed into stereotypes reflecting that voucher recipients have morally failed in not bringing home a sufficient source of income and food for the household. Some landlords and developers comprehend this moral failing as a red flag or a sign of potential risk to the surrounding neighborhoods and their property.

While other studies focus on identifying the general determinants of the spatial locations of voucher households, this study emphasizes the perspectives of landlords, housing authority staff, and housing advocates of the City of Pasadena and the County of Los Angeles in a larger conversation about the program's design and administration. In regards to policy, the lack of information regarding rental housing is particularly evident. As policy debate has focused largely on whether supply-side or demand-side interventions are more effective in providing affordable housing for low-income households, findings show that demand-side strategies are more effective (Apgar, 1990; Galster, 1997). Moreover, political support and federal funding have followed these findings. Therefore, the abundance of bodies of literature on the associations between

“housing market actors” (or those who have an economic and social impact on the housing market such as landlords and property owners) and housing discrimination in combination with the lack of literature on housing supply and regulation suggest the significance of understanding the perspectives and actions of these market actors. In understanding these perspectives, this study is centered on landlord behavior and interactions in relation to voucher household outcomes.

Moreover, I examine landlord actions and perspectives in order to better understand the housing outcomes that are broadly observed in other housing studies. These actions and perspectives “emphasize the ways in which the sociological qualities of real estate make conventional market reasoning especially inappropriate for understanding how social relations are ordered around real estate” (Logan & Molotch, 1987). In other words, I aim to connect the actions of stakeholders in the HCVP (e.g. market actors and housing officials) to the kinds of opportunities that are available to voucher holders.

## **Background**

### **Housing Choice Voucher Program History and Timeline**

Before HUD established the current public housing voucher program, the U.S. Housing Act of 1937 had allowed for local PHAs to be set up by each state. Local PHAs became the primary source of housing assistance for about 30 years. Because of the federal government’s emphasis on job creation and elimination of

highly concentrated neighborhoods consisting of informal urban settlements during the Depression era, local PHAs began a public housing program using a strategy that focused on producing affordable homes for low-income families (HUD, 2001, Section 1-1). This strategy consisted of local PHAs solely owning and managing the public housing properties. Local PHAs consequently became the primary source of housing assistance for low-income households for about 30 years. However, HUD's strategy for housing assistance moved towards involvement from the private sector. In 1965, HUD implemented the Section 23 program which became the first PHA administered housing program to use privately owned housing (HUD, 2001, Section 1-2). This program allowed for local PHAs to lease units from private owners and then sublease the units to low-income families. Though privately owned properties were involved in HUD's strategy for financial assistance to these households, PHAs maintained the primary responsibilities of the program: tenant selection, rent collection, and management/maintenance.

In 1968, the Civil Rights Act of 1968 (otherwise known as the Housing Act of 1968) created the Section 235 homeownership program and Section 236 rental program to strengthen the shift towards using subsidies in privately developed, privately owned housing for public housing (HUD, 2001, Section 1-2). While the Housing Act of 1968 included provisions on housing discrimination, it led to the most comprehensive social program trial ever conducted by the federal government. This trial was called Experimental Housing Allowance Program (EHAP); it has been considered to be the earliest form of a federal tenant-based subsidy. During a nine-year period, about 50,000 low-income households

received financial assistance to lease units directly from property owners at two trial sites (HUD, 2001, Section 1-2). At the conclusion of this program trial, HUD revealed in their findings that 1) encouraging property repairs and maintenance in a housing allowance program could preserve the existing housing supply; 2) creating household mobility allowed for households to choose more safe, decent neighborhoods; and 3) households did not choose expensive units and were able to pay for their portion of rent in their units of choice (HUD, 2001, Section 1-2). With positive findings from the EHAP, the shift in federal housing strategy from locally owned public housing to privately owned rental housing became enacted into federal legislation called the Housing and Community Development Act of 1974. This law allowed for housing assistance such as grants, loans, and contracts to be provided in the form of funds or services of federal personnel. As a result, the Section 23 program was replaced by the Section 8 existing program, which required all PHAs to convert to the Section 8 existing program. The Section 8 existing program became an added component to the Section 8 project-based housing assistance. This new housing assistance provided tenant-based subsidies as opposed to the subsidization of privately owned property. Households under this program had the opportunity to choose their own housing since the tenant-subsidies followed the households from unit to unit.

The significance of establishment of the Section 8 existing program was in the program's differences from EHAP. One such difference was that direct payments were made to property managers of the selected unit on behalf of the household. Therefore, the households under the program did not receive payments from PHAs. Another difference included a HUD-established ceiling

based on fair market rent; it imposed a cap on the gross rent for a unit. Growing in popularity with Congress, local governments, property managers, and low-income households, the Section 8 existing program was renamed the rental certificate program (HUD, 2001, Section 1-3). In October 1998, the rental certificate program was then combined with the rental voucher program because their different impacts showed positive results for low-income households. For example, the certificate program allowed for a choice of housing, anonymity, inexpensive, and a community with neighborhoods that did not result in ghettos or site selection problems. On the other hand, the voucher program provided assistance to households based on their predetermined calculation of assistance amount (30% of adjusted income paid towards rent) and did not include a fair market rent ceiling. The formal legislation for the combination of the two programs was called the Quality Housing and Work Responsibility Act of 1998 (QHWRA). While this legislation removed any features that had different statutory requirements, it also mandated the types of subsidies in the program to come together into one housing voucher program. As a result, in May 1999, HUD issued the Merger of the Certificate and Voucher Programs for the official unification of the certificate and voucher programs into the HCVP (HUD, 2001, Section 1-2). Additionally, the interim rule included a provision for the certificate program to be phased out by October 2001. On October 1, 1999, the HCVP became effectively immediately, requiring voucher households to pay at least 30% of their income towards rent.

### **General Overview of the Housing Choice Voucher Program**

The Housing Choice Voucher Program (HCVP) is a major program federally funded by the U.S. Department of Housing and Urban Development (HUD) and administered locally through the Public Housing Authorities (PHA) of the city and county. The purpose of the program is to provide housing assistance in the private market for the elderly, disabled, and very low-income families to find decent, safe, sanitary, and affordable housing. In order for individuals and families to participate in the program, applicants must fit the eligibility requirements set by the PHA. In most local programs, the income of voucher holders must not exceed 50% of the median income for the county or metropolitan area in which they choose to live. The HCVP mandates that each PHA must distribute 75% of its vouchers to applicants whose incomes do not exceed 30% of the area's median income. HUD publishes the median income levels varying by location while the PHA of each community provides income limits for the area and household size.

As the name of the program suggests, the HCVP equips voucher holders with the freedom to choose any housing that fulfills the requirements of the program. Moreover, voucher holders are not limited to housing units situated in subsidized housing projects. As voucher holders are responsible for finding a suitable housing unit of the holder's choice, these rental units must fulfill the minimum requirements of health and safety set by the PHA. Once the owner of the unit agrees to rent it out under the program, the PHA directly pays the landlord a subsidy on behalf of the participating voucher holders and then the voucher holders pay the difference between the rent charged by the landlord and the subsidy provided to the landlord by the PHA.

There are different ways in which the program can be administered. Local housing authorities will distribute a number of vouchers or rental subsidies to tenant families who are eligible. With these types of rental subsidies, voucher holders must search for their own housing in which the respective landlord accepts their vouchers. Voucher households have the freedom to take their voucher where the property owner agrees to rent under the program. While landlords directly receive subsidies from the local public housing authority on behalf of the voucher household, voucher households pay the difference between the rent charged by landlords and the subsidy provided. In a different form of administering the program, local housing authorities will subsidize the rents themselves of some residential units. This form of assistance is considered project-based. For a contractually determined time, HUD provides subsidies for the assisted units of a particular mortgaged property. All such subsidies are received from HUD under the Section 8 New Construction, Sustainable Rehabilitation, and Loan Management Set-Aside Programs (LMSA). For any projects that receive notification of selection from HUD for these subsidy programs, subsidies will generally be devoted to the project for a single 20 year-term. As a result, the Housing Assistance Payment (HAP) contract enforces general responsibilities on the property managers of assisted properties: 1) leasing to Section 8 eligible households, 2) maintenance and upkeep for decent, safe and sanitary housing, 3) nondiscrimination and equal employment opportunity requirements, 4) Section 8 reporting, managing and accounting requirements, and 5) obtainment of the prior written approval of HUD and the contract administrator to any transferring voucher households from the project.

The HAP contract is a contractual agreement made between the landlord and the local PHA in which HUD provides Section 8 rental subsidies to the property managers of selected mortgaged properties if they stay in accordance with the HAP contract. HAP contracts are made between local PHAs and landlords but they are directed towards subsidizing voucher households rather than subsidizing privately mortgaged properties. Violations of HAP contracts committed by the property manager in general are considered as a default to thoroughly perform the obligations of the HAP contract. Landlords and property managers may resolve the issue by fulfilling the obligations that were violated; however, refusal to resolve the issue could lead to enforcement actions from HUD. These actions include not only reducing, suspending, or ending HAP payments but also taking possession of the property or applying to the State or Federal court for the voucher household to be received by a new property manager. Though tenant-based and project-based vouchers are distinct in how subsidies become available for low-income households, the relationships and responsibilities between the local PHA and property managers remain the same.

### **The Fair Housing Act and the Housing Choice Voucher Program**

The Civil Rights Act of 1968 formed legislation to prevent discrimination in the housing market. Title VII of the Civil Rights Act of 1964 protects programs and activities receiving federal financial assistance from discrimination on the basis of race, color, or national origin. Moreover, the Fair Housing Act (or Title VIII of the Civil Rights Act of 1968) prohibits discrimination in the selling, renting, and financing of homes, as well as in other housing-related transactions



based on the sex, race, color, national origin, religion, familial status, and disability.

Despite the significance of these provisions, more than thirty years later, minority home seekers still cannot count on getting the same information and assistance that comparable whites receive when they visit rental or real estate offices to inquire about homes advertised in the newspaper (de Souza Briggs 2005). As discrimination still continues to impact tenant outcomes, statistics in certain counties provide evidence of voucher households continuing to experience prejudice. The Urban Institute provides statistics for the administration of Alameda County, CA showing that only 18.6% of voucher recipients in the area found a unit with their voucher in 2015 (Brunet 2016). There were nearly 75,000 units in 2013 and, yet, only around 19,000 units were available to extremely low-income voucher holders. Consequently, the spatial geography of these voucher households indicates the constant impact of discrimination in spite of civil rights efforts.

The Fair Housing Act is designed to prohibit housing discrimination mainly because of race but it leaves questions for cases when voucher households searching for available rental units face discrimination. Because the Fair Housing Act does not include specific provisions for voucher households, the incomes of voucher tenants and the stereotypes attached to low-income households are assumed in their voucher status. Though the Fair Housing Act protects individuals and families of color from discriminatory housing practices, certain housing policies and landlord actions result in the effects of discrimination (LCBH 2002). Effects of discrimination initiated by voucher status are

considered “disparate impacts.” Disparate impacts are the discriminatory effects of a law or practice that may not have even been motivated by intent to discriminate. The distinction between what a policy or practice intended and didn’t intend is significant because it is uncommon for landlords or developers to admit that a policy or their housing practices carried intentions to marginalize low-income households.

Furthermore, disparate impacts such as discrimination based on source of income or voucher status do not have a cause for action under the Fair Housing Act. This is the case because the Fair Housing Act does not establish a contextual claim for discrimination against voucher holders. An individual’s voucher status refers to the socioeconomic status of voucher holders since they represent the incomes of those who are eligible and accepted for the program. The Fair Housing Act protects classes such as race, familial status, or disability but not socioeconomic status. Tamica H. Daniel of Georgetown University Law Center explains that socioeconomic discrimination is just another form of housing discrimination that Congress and the courts have not addressed (Daniel 2010). An example of discrimination in the voucher program includes landlords who reject voucher holders because they have a source of income based on public subsidies. “Some state and local governments have already implemented legislation to prevent source of income discrimination after 2002” but “because housing voucher holders are not a protected class under the Fair Housing Act, an individual claim for voucher discrimination under the current Act must rest on a disparate impact theory” (Daniel, 2010). As there are only some state and local governments that have passed laws to prohibit discrimination of socioeconomic

status, it becomes important for local Public Housing Authorities to be consistent with reducing the discriminatory effects of the voucher program. The federal courts of appeals must recognize disparate impact claims for voucher holders under the Fair Housing Act before there is a cause for action.

All federal courts of appeals have permitted claims under the Fair Housing Act based on disparate impacts but not the claims on voucher holders. The Fair Housing Act or Title VIII was a part of the Civil Rights Act of 1968 and Title VII was originally a part of the Civil Rights Act of 1964. Though they are separate pieces of legislation, they both share a common purpose: to reduce discrimination. This shared goal allowed for the courts to interpret the intentions of the Fair Housing Act in the same way that the courts do for the intentions of Title VII. Because they have similar goals in preventing discrimination in housing, the courts have maintained that Congress also intended to allow for plaintiffs to make disparate impact claims under the Federal Housing Act. Furthermore, the Fair Housing Act has not specified that disparate impact claims can be made under it but its statutory language and developed history provide implications that this can be done. The Supreme Court has stated that the text of the law is broad and inclusive enough to allow for disparate impact claims. Therefore, allowing for disparate impact claims furthers the purpose of the Fair Housing Act and Title VII to include a ban on discrimination based on source of income or housing voucher status.

Some courts believe that the history of the establishment of the HCVP suggests that Congress would reject disparate impact claims for voucher holders. These courts suggest that former versions of the HVCP emphasize the voluntary

nature of the program and that the changes to the program support a congressional intent to maintain it voluntary (Daniel 2010). They refer to the “take one, take all” provision repealed in 1998 that made landlords participating in the voucher program to accept all voucher holders who wanted to rent a unit and would be eligible for the program (Daniel 2010). Moreover, the argument for why the provision was repealed is that Congress had the intention of getting rid of disincentives to landlord participation such as mandating every private landlord to actively engage in the program. Even though Congress doesn’t explicitly verify that the provision was repealed to make the program more voluntary for landlords, some courts suggest that the repeal prevents reconcentration of poverty in which voucher holders choose the landlords in neighborhoods with high levels of poverty that are accepting all vouchers (Daniel 2010). Whether or not Congress intended to emphasize the voluntary nature of the program, the anti-discrimination provisions of the Fair Housing Act takes priority over voluntary participation. The text of the Fair Housing Act shows the significance of reducing housing discrimination while state courts add that the purposes of the voucher program to increase the number of households that move from high poverty neighborhoods to low poverty neighborhoods are more important than voluntary participation.

Rejecting disparate impact claims for voucher holders under the Fair Housing Act creates barriers to their search for safe, decent, and affordable housing opportunities. For instance, Daniel notes, “Discrimination against voucher recipients can conceal discrimination based on race, familial status or disability” (Daniel 2010). In other words, landlords are able to use the voluntary

nature of the HCVP as a cover for discriminating against existing protected classes of voucher holders. Daniel additionally claims that it is possible for segregation and poverty to be reduced when voucher holders are not confined to certain buildings and neighborhoods with voucher-unprotected policies (Daniel 2010). If landlords were not allowed to discriminate against voucher holders, adding disparate impact claims would open up a large number of buildings in different neighborhoods that are currently closed off to voucher holders.

### **Access to Housing “Choice” in U.S. cities**

The design of the HCVP causes both positive and negative outcomes. The program serves to achieve two primary goals: 1) To uphold HUD’s mission to provide safe, decent, and affordable housing and 2) to facilitate household residential location choice. Additionally, the voucher program guidebook recognizes the larger programmatic “concern about avoiding excessive concentrations of housing choice voucher families in high-poverty or minority neighborhoods” (HUD, 2001, Section 2-1). Therefore, housing choice is the responsibility of voucher households. This responsibility allows for voucher households to have the freedom to choose where they want to live as long as the fair market rent of the chosen unit complies with the eligibility requirements of the local Public Housing Authority. Voucher households are then expected to eventually relocate into neighborhoods that hold equitable opportunities for households of all income levels.

Often times, however, voucher households have no other option but to choose to live in a neighborhood with high concentrations of poverty. Because

landlords and housing authority officials are recognized as having an influence on locational outcomes, voucher households end up losing their housing choice. Such influence includes discrimination, bureaucratic procedures, shortages in vouchers, and long waiting lists. For example, the Chicago Housing Authority issued a cut of 14,000 vouchers per year between 2008-2012 in order to pay off bond debts, failing to address the more than 114,000 households on its waiting list for housing assistance (CTBA 2014). The source of the administrative burden associated with portability also includes the initially resource-intensive process of paperwork for leasing up and transferring voucher tenants (Greenlee 2011). On the landlord side, the willingness of landlords to follow fair housing ordinances and accept vouchers is significant to the tenant outcomes. Betsy Shuman-Moore at the Chicago Lawyers' Committee for Civil Rights said, "The program requires landlords to cooperate... and they are not," (Reddick 2013). Consequently, the housing choice that makes the program so effective is relinquished. The lack of housing supply and housing choice in cities brings attention to the failure of local PHAs to achieve and protect the primary goals of the HCVP. Existing literature on the housing outcomes in the HCVP in cities like Baltimore, Chicago, Oakland, and Los Angeles provide evidence for the cause of these locational outcomes.

### *Barriers to Housing Choice for Housing Choice Voucher Holders*

The Chicago Housing Authority has implemented the voucher program in order to "break up pockets of poverty, integrate low-income families and public housing families into mixed-income communities, and improve the quality-of-life for these families" (LCBH 2002). With various forms of housing to choose from,

low-income families have the freedom to decide where they would like to live, rather than go through the process of trying to find affordable housing through the private market. However, others believe that the HCVP is actually more damaging to neighborhoods as they think that clusters of households under public housing “can destabilize neighborhoods, bringing drugs, crime, and antisocial behavior and precipitating a cycle of neighborhood disinvestment and decline” (Popkin and Cunningham, 1999). Due to a high concentration of voucher households, some literature indicates that such concentration may decrease neighboring property values. Property values are one way to measure a community’s well being. Galster et al. (1999) conducted research in Baltimore County neighborhoods, and concluded that larger concentrations of voucher households had more of an adverse effect on the community than smaller concentrations did (Popkin and Cunningham, 1999). However, the research also explains there is the possibility of a faulty correlation between concentrations of voucher households and concentrations of low-property value neighborhoods. Rather, there may just be an overwhelming concentration of voucher households in neighborhoods that are extremely impoverished, unsuccessfully representing the population fairly as a whole.

### *Housing Discrimination Based on Residential Preferences of Landlords*

Because stereotypes about low-income families persist in housing practices, the general attitude towards voucher households is negative, and thus, landlords feel that they hold the right to turn away future tenants whom they believe may have problems with disturbing the neighborhood. Because race and

ethnicity play significant roles in housing practices, this can affect why market demand is low in areas with concentrations of voucher households. According to Turner and Wilson, African Americans mainly make up the minorities of the program and generally move towards neighborhoods with high poverty levels (Turner, 1999). Farley, Fielding, and Kryson (1997) concluded that since whites are hesitant to live in neighborhoods that “they perceive as black or racially changing, areas that are most open to minorities may also have the weakest property values and be most susceptible to decline,” (Turner, 1999). Low-income households are stratified into stereotypes that they are the cause for the declining property values in the adjacent neighborhoods, even though most of the neighborhood effects can be attributed to housing practices. When landlords refuse to tend to the complaints of tenants about damage repairs or terms of the lease contracts, such practices more often than not perpetuate the concentration of voucher households into neighborhoods of poor conditions. Abandoning the well being of the neighborhood for the income/welfare benefits of accepting voucher holders, property owners and landlords continue to view voucher tenants as detriments to their neighborhoods.

### *Housing Discrimination Continues Despite Fair Housing Efforts*

In the debate on the positive and negative impacts of the program, an internal problem exists in which practices of housing discrimination against voucher holders still persist regardless of the local Public Housing Authority’s fair housing ordinances (LCBH 2002). In such experiences, some landlords expressed they “didn’t want trouble” and had never participated in the program.



The decision of these landlords to not rent to tenants who were thought to be bringing “trouble” indicates that they associate voucher holders as bad or uncivil tenants (Turner 1999). Moreover, other forms of housing discrimination based on race, religion, age, and disability also persisted in Chicago. Despite the ruling from the 1998 City of Chicago Fair Housing Ordinance, which declares it illegal to discriminate based on “race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income,” existing literature provides evidence on housing search outcomes in which voucher holders are continually denied housing due to their race and income status (LCBH, 2002). In a testing conducted by LCBH, data show that income and racial discrimination continues to contribute towards housing outcomes in Chicago. A random sample of white testers and minority testers were gathered to call landlords, expressing interest in renting out housing with their vouchers. In a sample that focused on exception rent areas and adjacent neighborhoods, 148 landlords were part of the test and 55% of the landlords refused to offer housing and respond “no” to a white phone caller while 29% responded with “yes” and 16% responded with “other” (LCBH 2002). Then, a consecutive test was conducted in order to see whether race and ethnicity were discriminatory factors. In a random sample of 25 landlords, 36% responded with a “yes,” 16% with a “no,” and 48% with “other,” meaning they did not respond back to a follow-up call regarding their answer (LCBH 2002). The tests concluded that Housing Choice Voucher holders were restricted from accessing the majority of rental units in Chicago due to illegal discrimination. 41,000 voucher families were left to choose from 30% of available rental units within the Chicago Housing

Authority's rental payment guidelines (LCBH 2002). The researchers added, "once ethnicity is accounted for, the Housing Choice Voucher holder who is African-American or Hispanic has an even smaller opportunity or probability of locating suitable housing," (LCBH 2002). If low-income households are further prevented from accessing an opportunity to afford safe and decent housing, then they will likely have to relocate to neighborhoods with even lower standards of living or, even worse, become homeless. Although the voucher program has been implemented to assist those in impoverished living conditions, the choices offered by the Housing Choice Voucher Program aren't so abundant at all.

#### *Housing Choice Vouchers in Alameda County vs Los Angeles County*

HCVPs do not always result in discrimination as a study by Varady and Walker illustrates the success of Alameda County in Oakland, CA to assist voucher tenants move to the suburbs (2003). The study's literature suggests that the spirit of cooperation between the leaders of housing authorities, racial tolerance, and the availability of affordable housing contributed to the success of the program in such a tight housing market. Though the study shows that HCVPs can succeed, it strongly conveys the need for tolerance of racial differences and cooperation amongst developers in order for low-income households to be able to mobilize into low poverty neighborhoods. Moreover, the study focuses on a more contextually affordable market in Alameda County than the market in the Los Angeles region. Similar studies conducted in Los Angeles County indicate that the locational patterns of voucher households have been quite consistent from 1997-2002 (Yaquian-Illescas 2004). The findings show that tenant mobility did not

increase in Los Angeles County as a result of the HCVP. In addition, the lack of support to allow voucher households to gradually gain independence from their housing assistance prevents them from accessing neighborhoods of greater opportunity. Since over 50% of voucher families rely on wages for at least some of their income, those in high poverty neighborhoods tend to lack the economic independence to mobilize within a housing shortage (HUD 2003). Because the same affordability and cooperation amongst developers and leaders in the Bay area do not exist in Los Angeles County, poverty rates in Los Angeles neighborhoods have perpetuated.

*HUD's "State of California Analysis of Impediments to Fair Housing"*

Meanwhile, HUD's current fair housing strategy for California is represented in its "Analysis of Impediments to Fair Housing." This analysis provides a tool for assessment and regulation of local housing market actors (e.g. landlords and property managers). HUD emphasizes discrimination by landlords in these documents as a continuous issue and provides that landlord outreach and education can serve as a means of preventing such prejudice (HUD 2001). On the other hand, several obstacles challenge housing authority officials in their administration of the HVCP. The role of housing authority officials is to monitor spatial patterns of vouchers and to provide outreach to landlords and property managers, specifically to those who possess units outside of neighborhoods of concentrated poverty and minorities. However, the restrictions in staff resources and the high demand for housing assistance have shown to be significant barriers to fulfilling their roles as housing providers (HUD 2001). The source of this

administrative burden lies in the resource-intensive paperwork for transferring a tenant's residence. Moreover, extensive paperwork is required for each time that transferring households either make another transfer soon after arriving to a residence or "transfer back" to the same neighborhood in which they once lived (Greenlee, 2011). Further administrative burdens stem from the shortages of vouchers and housing supply in certain cities in California such as Los Angeles. "A HUD report from 1999 stated that one of the longest waiting periods for Housing Choice Vouchers was in the City of Los Angeles at an average of 10 years" (HUD 2001). HUD recognizes and acknowledges that landlords have an important role in the spatial patterns of residence of voucher holders but also that the administration of vouchers and the state of the housing market play a significant role in creating portability for voucher households.

## **Stakeholders in the Housing Choice Voucher Program**

While there is a wide range of research on fair housing topics specifically focused on the patterns of spatial segregation, there are gaps in literature about the roles that landlords play in the HCVP. Most literature focuses on the impact that the program has on economic barriers and the classification of race and income based on neighborhood value and conditions. These studies on neighborhoods are significant because they provide findings on the effects of voucher programs that serve to alleviate housing segregation and high

concentrations of poverty in neighborhoods. Current literature focuses on two main perspectives. Studies on both perspectives show that the searching process for housing plays a significant part in establishing the foundation for patterns of voucher use and access to housing opportunities. One body of theory delineates how the spatial arrangements formed by public housing programs compound racial and economic inequalities (Squires & Kubrin 2006). This theory suggests that a combination of personal circumstances (e.g. affordability and neighborhood preferences) and conditions of the local housing market (e.g. housing supply and cost of available housing) determine the patterns of neighborhood choice for voucher recipients. In other words, inequitable access to affordable housing in white communities can be attributed to the combination of an individual household's budget for renting/leasing a unit and the state of the local housing market. However, other groups argue that this theory disregards the significance of the roles of property managers and landlords in housing outcomes. The perspective of these authors focuses on the impact of power influences on the housing choice voucher as a symbol of social stratification (Turner & Ross 2005). Research explains that this theory centers on groups and positions of power that use their resources to influence low-income households from accessing residences in their neighborhoods (Turner & Ross 2005). Moreover, the authors of this research reveal that the approaches of these groups of power included not only racial discrimination but also local housing regulatory policies (such as land-use/zoning regulations and restrictive covenants) to restrict and shape pathways of minority access to these communities (Turner & Ross 2005). The differences in the two perspectives can be seen in how much

emphasis is placed on the roles of “market actors” (e.g. landlords, real estate agents, and property managers), specifically their utilization of income status and race as criteria to manage the access to certain communities. Despite the important findings observed from identifying the causes for the spatial patterns of housing choice voucher neighborhoods, understanding the interactions and approaches of landlords with other stakeholders (e.g. local Public Housing Authorities and voucher recipients) in the HCVP can provide an in-depth perspective on the significant impacts that the relationships and individual approaches of market actors have on household outcomes (Greenlee 2014).

### *The Significance of the Roles of Landlords*

Landlords play a critical part in the successful implementation of the HCVP, but there has been an existing lack of understanding about the ways in which landlords implement housing practices to influence the outcomes of the program. For instance, there is not a lot of standardized data to fully analyze the influence of rental house suppliers in rental housing markets (DiPasquale, 1999). There should be a greater focus in analyzing the influence of landlords and property managers with their methods and practices, as well as their effects on the living experiences of their voucher tenants. Greenlee conducted a study in which he interviewed landlords in Illinois and the varying perspectives of the HCVP. He concluded, “for many landlords, the first exposure to the program occurred upon acquiring a new rental investment property in which voucher-subsidized tenants were already living” (Greenlee, 2014). Many landlords associate HCVP to be implemented in more urban neighborhoods while landlords

in rural and suburban communities said that they were not knowledgeable about information on the voucher program. When combined with a city's plan that primarily involves the demolition and rehabilitation of fixed-unit public housing, such a plan creates a public narrative about who voucher households are and what their presence and mobility represent for a community (Greenlee 2011). Because of these misperceptions about voucher households, many landlords do not want voucher households to be situated in their neighborhoods, as they believe that voucher holders can decrease the property values. Furthermore, because of such stereotypes, new landlords reject participation in the voucher programs. The outcomes of the voucher program then follow a similar pattern.

Though the freedom of choice for voucher holders to decide where to live is assumed in the provisions of the HCVP, researchers have shown in studies on the roles of landlords that they can influence the outcomes of the program for voucher households in different ways. Turner explains, "they clearly play an important role in determining whether problem behavior by individual voucher recipients becomes a serious problem for the neighborhoods in which the recipients live" (Turner 1999). Turner mentions the "problem behavior by individual voucher recipients" to refer to the tenant behavior of voucher holders who violate agreements made in their leases (Turner 1999). She notes there are some metropolitan cities that unintentionally allow landlords who accept vouchers to target families with a high probability of exhibiting disruptive behavior. Disruptive behavior comprised of complaints about the conditions of units. For example, Turner explains that landlords who fail to perform screenings and background checks for prospective tenants, enforce the lease terms, fix any

damages to properties, and evict problematic tenants may allow for voucher holders to undermine the neighborhood well-being (1999). In other words, landlords disregard their obligations in their relationship with voucher tenants so that they can take advantage of the subsidies without any circumstances. Moreover, existing literature suggests that landlords participate in the voucher program in order to increase their own rental income at the expense of the neighborhood's well-being, potentially perpetuating the conditions of high poverty neighborhoods (Turner, 1999). These examples provide evidence that landlords have a large control over how the program affects neighborhood well-being and tenant outcomes. Landlords who continue to exploit the voucher program without regard for the outcomes to the well-being of neighborhoods and voucher holders bring about discriminatory effects from such approaches in the program.

### *Impact of Landlord Perceptions*

While some landlords consider voucher tenants to be steady sources of income, others still hang onto the stigma attached to voucher subsidies. Furthermore, since there is a large housing demand, landlords positively view voucher households in the perspective that they are catalysts to their business. Given that interviews conducted with landlords in Chicago were conducted after the “burst of the housing bubble in 2007,” landlords described irregularities in collecting rent from fair market-rate tenants (Greenlee 2014). This issue made renting to market-rate tenants unfavorable for most landlords; as a result, they viewed voucher households as a valuable means for generating a stable financial



return. Nevertheless, landlord perceptions of housing voucher tenants during the lease up process suggest that the implications of their income status still hold significance over the stability of subsidized rental payments. Without very much knowledge about the housing search process, voucher households become subject to different treatment from that of non-voucher (market-rate) tenants. Landlords go through their own screenings consisting of criminal background and credit checks since voucher holders are regarded distinctly from market-rate tenants. Due to a lack of information that landlords possess about the program, “many of the tools used to assess creditworthiness and background may work against the case of voucher-subsidized households because of the potential for mismatch between household financial background and their purchasing power” (Greenlee, 2014). This missed opportunity hinders the voucher applicant from successfully taking the opportunity to rent housing under that landlord due to misperceptions and lack of knowledge. It is also important to note the effect in which low-income rental families fail to receive the full benefits of these vouchers. In the 2013 American Housing Survey, “1 percent of poor renting households lived in rent-controlled units, 15 percent lived in public housing, 17 percent received a government subsidy, mainly in the form of a rent-reducing voucher... and 67% received nothing” (Desmond Perkins, 2016). Further research must include the roles and attitudes of landlords in their approaches to the program in order to fully understand the incentives and disincentives for participants.

Several studies provide evidence that housing discrimination and segregation based on racial stereotypes are significant factors that prevent voucher holders from accessing safe, decent, affordable housing. Because race is a

socially constructed classification of biological differences entrenched into our institutions, there are less than more shared conceptions about ethnicity and cultural background. Literature on residential segregation and discrimination suggest that demand for housing tends to be the lowest in areas where voucher holders are most likely to find housing. Existing evidence reveals that people of color participating in the program, particularly African Americans, are most likely to be geographically concentrated to locate in higher-poverty and higher-minority neighborhoods (Turner and Wilson 1998). Moreover, research on the persistence of racial segregation in housing markets indicates that the neighborhoods in which African American voucher holders choose to live have lower income status than those in which white voucher holders live (Logan, Alba, and Leung 1996). Middle-class neighborhoods comprised of people of color participating in the voucher program are geographically closer to poorer neighborhoods and neighborhoods with higher crime rates and include more participants with insecure economic and social circumstances than the neighborhoods of middle-class white voucher holders. Because many white voucher holders are unwilling to move into neighborhoods that they perceive as black or racially changing (Farley, Fielding, and Kryson 1997), areas that are the most accessible to people of color participating in the program have the lowest property values and are the most susceptible to increase in poverty levels. The continued practices of housing discrimination and segregation in landlord approaches to leasing up HCVP stakeholders are significant factors contributing to the lack accessibility to safe, decent, affordable housing for people of color participating in the program.

*Landlord Interactions with Stakeholders in the Housing Choice Voucher Program*

Existing literature on the relationships and interactions of landlords in the HCVP show that overt discrimination during the housing search only represents one of several ways in which landlords treat voucher households differently from market-rate tenants. More subtle forms of landlord approaches exist in filtering voucher households in and out of the local neighborhoods. Therefore, discrimination based on income includes more than just a bias against vouchers as a source of income (Greenlee 2014). The explanation for the concentrations of voucher households in high poverty neighborhoods can be understood from the variability in assessment approaches of landlords when determining tenant risk. This variability suggests that discrepancies in exposure and knowledge about voucher households and the HCVP exist among landlords. Greenlee says, “The volume of tenant applications seen by larger landlords often makes it easier for them to develop objective standards of risk to apply specifically to voucher-assisted households” (Greenlee 2014). Even though the traditional screening process for fair market rate tenants is likely to bias against voucher households, not all landlords share the same screening process. And so, certain rental units and neighborhoods become housing choices of least resistance to leasing voucher holders while other areas consisting of landlords with little exposure to HCVP applications maintain more traditional or subjective standards for determining tenant risk. The standards and objectivity of assessment approaches vary in determining tenant risk as the knowledge and experience of landlords also vary.

Some landlords described experiences in which they used the voucher subsidy as a way of controlling tenant demands and behavior. For example, in their strategy to create a barrier between tenant needs and landlord obligations, several landlords in Chicago allowed for tenants to get behind on their monthly rents (Greenlee 2014). Ignoring or failure to tend to tenant concerns about the rental unit would normally result in the voucher household moving out when the lease agreement ends. However, landlords who use the mentioned approach potentially cause the tenant to lose their voucher if the landlord chooses to inform the local Public Housing Authority about late payments. Landlords who accept voucher households create the potential for program abuse and benefit from renting to voucher households (Greenlee 2014). Essentially, they gain control over the dynamics of the tenant and landlord relationship to maintain a profit from the subsidies provided by the local Public Housing Authority on behalf of the voucher tenant.

In their interactions with the Chicago Housing Authority, landlords have often cited that HUD's lengthy lease up process created disincentives for them to participate in the HCVP (Greenlee 2014). Because the lease up process includes ensuring that voucher households are renting units that meet housing quality standards, landlords face an additional challenge in potentially losing profit from this vacant unit while waiting for it to be approved. The process is bureaucratic in the sense that it is extremely important to make sure that landlords are providing quality housing but the lengthy approval process causes disincentives to landlords who receive a greater demand for their units from the private market. Moreover, state policies established to provide housing assistance also impede

this progress. While program participation from landlords is important to the success of the HCVP, the goals of the HCVP cannot be overlooked in favor of alleviating landlord disincentives.

Though most landlords suggested that their motivations for participating in the HCVP only extended to providing a basic housing good, others described a more holistic approach when renting to voucher tenants. For example, around two thirds of landlords interviewed in Chicago described having a more delineated approach while the remaining third described a method offering more flexibility (Greenlee 2014). Those who took delineated approaches included landlords who did not make efforts to develop relationships with tenants; rather, some set barriers in these relationships to take advantage of voucher subsidies, as mentioned previously in other studies. On the other hand, signs of offering flexibility to voucher tenants showed that some landlords found benefits to participating through ways other than financial returns. These landlords believed that they benefit from having a positive influence on the life circumstances of low-income households (Greenlee 2014). Examples of flexibility from landlords included developing flexible payment plans for rent, extending financial counseling, and paying the security deposits for voucher households. While the motivations of these landlords are grounded in a demonstrated social mission or desire to put their rental unit forward as a way of helping households that they perceived to be in need of assistance, further motivations exist for incorporating their social mission into participation in the program. Greenlee states, “For some, program participation was prompted by their own life histories, growing out of poverty and past situations in which they relied upon government assistance”

(Greenlee 2014). In addition, landlords taking a more holistic approach expressed that they recognized and were aware of the significance of their roles and management strategies as landlords (Greenlee 2014). Even though some landlords carry social missions and more knowledge about the HCVP into their participation, it is still unclear whether using such strategies are anything more than strategies for protecting a valuable and reliable source of financial returns.

## **Methodology**

A qualitative methods approach was used to answer my research questions. In contextualizing Pasadena's housing needs and analyzing discriminatory housing practices I reviewed literature covering fair housing, the Housing Choice Voucher Program, and neighborhood effects of the program. I conducted semi-structured interviews with landlords and public housing staff members in Pasadena. These interviews were semi-structured to make sure that participants talked about the same themes and concepts but the questions are left open-ended so that they have the flexibility to share their personal experiences and anecdotes. I held interviews with each participant in a one-on-one setting either in person or through the phone. The interview questions focused on the roles and attitudes of landlords and public housing authority staff members in their relationships and voucher contracts with tenants. I recorded the interviews through tape recordings that I subsequently transcribed once the primary data had been collected. In order to ensure the confidentiality of participant identity, I plan to delete the recordings of interviews once all transcriptions are finished.

Moreover, I did not state the names or any descriptions of participants that could potentially reveal their identity.

I recruited several landlords for the study by reaching out to the City of Pasadena Housing Department (CoPHD) and Union Station Homeless Shelter, a local homeless services center, for a list of landlords who currently are or have participated in the voucher program. Though the discretion of the CoPHD did not allow for such a list to be disclosed, I was able to utilize its website to search for properties under the HCVP within a 15 mile radius of the housing authority. This strategy resulted in interviews with two landlords. In addition, the CoPHD was unwilling to allow HCVP staff to answer any questions about their experiences and perspectives on the program's stakeholders. Utilizing a different strategy to recruit interviewees, I contacted housing advocacy groups in the City of Pasadena and Los Angeles County. In addition, I attended a public monthly meeting for the city's Continuum of Care program at the CoPHD. Attending this meeting allowed me to connect with any other advocates I could interview. This approach led me to a list of housing advocates and their organizations. I interviewed six housing advocates. Though housing advocates do not directly participate in the program as other stakeholders do, some have had experiences as former/current landlords or voucher recipients. Working directly with voucher recipients, housing advocates provide personal experiences from working with landlords and analysis of voucher household outcomes. As a result, these perspectives have allowed for a case –by-case view of the problems that occur in housing searches, negotiations of HAP contracts, and tenant-landlord relationships.

To evaluate the roles and housing practices of landlords in the HCVP in Pasadena and Los Angeles County, I interviewed property managers of buildings for project-based units and for tenant-based vouchers and housing advocates in the nonprofit sector. The interviews and housing practices discussed were directed towards the perceived obligations of landlords in a voucher household's housing search and lease negotiations. While the perspectives of public housing officials would be significant for this type of research, I was informed that HCVP staff members in Pasadena are restricted from participating in my study at this time.

Participants of the study were asked about their general perception on the negatives and positives of the program, the transparency of stakeholder relationships, behaviors of landlords, and tenant selection. Additionally, participants were asked about their personal experiences with landlords and housing authority staff in regards to the HCVP. In order to keep the identities of participants anonymous throughout the data of this study, I refer to participants in my interview data as either "housing advocate" or "landlord". I found several recurring themes in each interview: voucher household selection, the roles of HCVP stakeholders, responses to tenant behavior, and expectations for the future of the HCVP.

### **Research Questions**

The Housing Choice Voucher program was designed to help deconcentrate poverty in the U.S. This research is an evaluation of the interactions and roles of



landlords and public housing officials in the Housing Choice Voucher program in Pasadena, CA. In particular I attempt to answer the following questions:

- What kinds of interactions do landlords in Pasadena have in their relationships with voucher holders as opposed to those with market-rate tenants?
- How do administrative burdens in the program affect stakeholder interactions?
- How do landlords respond to tenant behavior and who takes responsibility for tenant issues?
- What motivations do landlords have for participating in the HCVP?

## **Case Study**

### **Housing Choice Voucher Program in Los Angeles, CA and other cities**

In an examination of the public housing programs throughout the U.S., housing and economic experts have concluded that public housing programs in places like Chicago and Detroit have developed into policies and housing practices contributing to segregation and discrimination. For example, Richard Rothstein of the Economic Policy Institute notes that 99% of public housing residents in Detroit are African American according to HUD's data within the Detroit Housing Commission. Lawrence Vale of the Massachusetts Institute of Technology attributes this housing discrimination to Americans "racializing the conflation of where people live with who they are" (Vale 2015). In other words, many people have shifted their perceptions from "people who need public housing the most" to "people who are wrecking our neighborhood." However, the distinction between who needs public housing and what is causing the rise in neighborhood crime and violence does not stem from the people who are living in

these areas but from the high levels of poverty and the lack of maintenance in buildings. As households that receive government assistance live on average incomes of less than \$13,000 per year, local housing authorities often do not have sufficient funds to support the maintenance of buildings after rent payments and security deposits are used for upkeep (Vale 2015).

Despite the fact that the design of the HCVP is intended for a broader population of households in need of housing assistance, the housing assistance program has also reduced national homelessness for targeted populations. Because the primary target for the HCVP is a low-income household earning 30% or less of the Area's Median Income (AMI), HUD administers the program in partnership with other funding streams to reduce homelessness for a more targeted population. Since 2010, the number of homeless veteran in the U.S. fell by 36%; and, in 2015, 56,033 homeless veterans were housed as a result of investments in targeted vouchers by HUD and the Veteran Supportive Housing Program (CBPP 2016). Additionally, homelessness among veterans in the U.S. fell as the number of vouchers in use for homeless veterans increased (CBPP 2016). These results show how a less broad and more targeted or specific approach to housing specific homeless populations can be more effective in housing those in need of housing assistance.

As for low-income populations in the U.S., over 2 million low-income households used Housing Choice Vouchers to afford decent, privately owned housing in 2015 (CBPP 2016). On the other hand, 77% of very low-income households were not assisted by the HCVP and yet they pay too much for rent such that 68% of these households pay more than half their income to pay for

housing (CBPP 2016). Furthermore, 546,708 people in the U.S. in 2015 have been repeatedly homeless or homeless for a long period of time. These statistics show how the limited number of vouchers has affected low-income and very low-income households in the U.S. Additionally, waiting lists to apply for the HCVP can take a long time before they are reopened. HUD stated in a report that Los Angeles has one of the longest waiting periods for Housing Choice Vouchers at an average of 10 years (HUD 2001). Maintaining the housing that low-income households acquire through the voucher remains to be a large issue. In Los Angeles County, about 13,000 people on some kind of housing assistance fall into homelessness every month (Holland 2015). The number of people who experience chronic homelessness keeps growing regardless of the number of people who were housed in recent years (Holland 2015). This growth in continuous homelessness indicates that housing cannot serve as a solution until preventative approaches are taken to limit the ways in which people become homeless. Such preventative approaches must account for the needs of voucher tenants and the obligations of landlords.

Housing Choice vouchers have created a stigma around the households who do not have a strong enough income to afford high market rents because the high poverty neighborhoods they move into often involve violence, drug use, and chronic homelessness. However, the success of public housing programs relies on more than just the people who live in these projects. The news media industry has exhibited a perceived notoriety of public housing and the people it assists (Vale 2015). Vale conducted a study on the news media industry's perception of public housing to be "notorious" through a search for articles from a range of

newspapers mentioning the words “public housing” within fifty words of the word “notorious” (Vale 2015). In several well-known daily newspapers, the frequency of these occurrences sharply increased in the 1990s and again in the 2000s. These findings show that the news media industry conveys a skewed perspective of public housing assistance such that those who apply are assumed to have morally failed to fulfill the plan of attaining and maintaining a home because they live in neighborhoods with high levels of poverty. The public also adopts this perspective and treats low-income families under public housing assistance similarly. HUD data further provides evidence for the negative impact that Housing Choice vouchers have had on the type of neighborhoods for which voucher holders are bound. Moreover, the findings of a study by public policy researcher Pope included in Yaquian-Illescas’ report on tenant mobility in Los Angeles show that even after controlling for income status, families of color are still less likely than white families to move to predominantly white neighborhoods and are more likely to move to colored or racially mixed neighborhoods (1995). The Housing Choice voucher program has not only increased the stigma on voucher households but also increased the cases of existing segregation.

Because of the stigma attached to Housing Choice vouchers, landlords are more likely to turn people of color away. A study in Chicago conducted by the Lawyer’s Committee for Better Housing found that landlords would use the restrictions under the HCVP as an excuse for rejecting voucher holders of color (2002). The study indicated that landlords often don’t want voucher holders in their housing units because voucher holders are often associated with African

American and Latino individuals and families (LCBH 2002). In a similar study done in Baltimore, Chris Swope indicates that certain differences in voucher values are accepted or rejected by landlords. Ed Rutkowski, a leader of a community development corporation that revitalizes neighborhoods on the east side of Baltimore, calls the HCVP “a catalyst in neighborhood deterioration and ghetto expansion.” Because landlords in low poverty neighborhoods will often reject vouchers due to the unfair implications that persist around this form of payment, low-income households become concentrated in high poverty neighborhoods, leading to neglected properties, persistent crime, and a consistent influx of homelessness.

Several states throughout the U.S. have passed laws to ban discrimination against sources of income. Since 2015, these states include Connecticut, Hawaii, Maine, Massachusetts, New Jersey, North Dakota, Oklahoma, Oregon, and Vermont, along with the District of Columbia (Brunet 2016). Though only a small number of states have passed such policies, cities and counties across the nation have proposed or passed similar policies to forbid landlords to discriminate against renters for their source of income. Some of these cities include Los Angeles, Seattle, New York City, Philadelphia, and Miami-Dade County (Brunet 2016). Furthermore, California could join the list of states that passed these policies. CA Senator Mark Leno in February 2016 proposed a bill called Senate Bill 1053; the main provisions of the bill prohibit landlords “to discriminate against prospective tenants based on their income; instigate written or oral inquiry on a tenant concerning their source of income; and publish a notice, statement or advertisement indicating a preference, limitation, or discrimination

based on income” (Brunet 2016). While landlords would still have the ability to turn away voucher households under the proposed law, the only lawful reason for landlords to deny them housing is their criminal background, credit, and rental history. Therefore, states that pass similar policies can “extend the protections of the Fair Housing Act to include other characteristics, such as marital status, sexual orientation and source of income used to rent” (CFED 2015). Despite the fact that the Fair Housing Act does not establish a contextual claim for discrimination based on source of income under its provisions, passing laws that extend other characteristics specific to the needs of voucher households protect the goals of the HCVP to provide affordable, decent and safe housing and to facilitate household residential location choice. With more counties and states looking into such policies, it becomes increasingly important to ensure that voucher holders have easier paths to finding their next home. On the other hand, discrimination in more subtle forms exists in the interactions between stakeholders of the HCVP. In order to fully accomplish these goals in the future, alleviating burdens to the path to finding affordable housing for voucher households must also account for more subtle forms of discrimination.

In the efforts of the Housing Authority of the City of Los Angeles (HACLA) to ban discrimination against housing choice voucher recipients, housing officials have described several incentives for property owners to accept housing choice vouchers. These incentives include offering a “guaranteed damage mitigation fund” and paying security deposits and holding fees (Barragan 2016). The purpose of the mitigation fund is to pay for maintenance of units after the tenant moves out; the holding fees and security deposits ensure that landlords will

dedicate these vacant units to renting to voucher families. Such incentives can draw landlords to participate in the HCVP but some explained that the main issue remained. The revenue from renting to voucher holders is not sufficient for positive returns. One Los Angeles landlord explained, “The maximum allowance for a Section 8 voucher is \$1,600, so, if a two bedroom apartment rents for \$2,100 based on the area’s average, the landlord wouldn’t have much of an incentive to accept a \$1600 voucher, even with the perks from the county” (Daniel 2016). As the maximum allowance for vouchers are dependent on the fair market rent of the entire county, the fair market rent for Los Angeles County doesn’t account for the fluctuations of rent in different neighborhoods. “So vouchers might pay too much in one neighborhood, and too little in others,” said Ehren Dohler from the Center on Budget and Policy Priorities (Daniel 2016). In addition to bureaucratic procedures involved in leasing up voucher tenants, broad coverage of the fair market rent over the unique neighborhoods in Los Angeles County further exhibits the bureaucratic nature of housing assistance policies. As a result, landlords have to make the choice between charity and income.

### **Homelessness and Low-Income Housing in Pasadena, CA**

As the availability of affordable rental housing in Los Angeles County is quite scarce, about half of the households in Pasadena, CA who rent are overburdened such that they pay more than 30% of their gross income (U.S. Census 2010). Households making less than a monthly median income of \$4,583 are considered overburdened in Pasadena when renting at or above the monthly

median rent of \$1,375 (U.S. Census 2010). In addition, Pasadena was reported by Apartmentlist.com to have the biggest year-over-year rent increase in the Los Angeles metro area. The inability to pay rent has been cited as the leading cause of homelessness. Low-income families do not have a lot of options in such a tight housing market and some resort to living in unsheltered areas because fair market rents in the area are too high. Mike Nemeth, spokesperson for the California Apartment Association, explains, “The number of apartments being built isn’t keeping pace with the number of jobs that are being created. That creates a supply-and-demand ratio that doesn’t line up” (Smith 2015). On the other hand, homeless service centers in Pasadena have been making strong efforts to facilitate and maintain housing for low-income families and homeless populations. Moreover, the 2016 Pasadena Homeless Count provides data showing that between 2015 and 2016 there was a 20% decrease in unsheltered homelessness. This means that the number of homeless that were unsheltered dropped from 442 in 2015 to 352 in 2016. To put these numbers in perspective, the 2016 Homeless Count in Los Angeles County reported that the number of homeless that were unsheltered in 2015 was 31,025 and in 2016 was 34,701 (LAHSA, 2016). These results show that Pasadena has contributed to rather than impeded efforts to reduce unsheltered homelessness in Los Angeles County. These reductions in Pasadena can be attributed to the implementation of new approaches in 2011 and the continued active search for partnerships with landlords and property owners willing to rent to formerly homeless and low-income families. However, the implications of these results still remain unclear, as it is possible that formerly homeless populations in Pasadena that could not



maintain their housing due to their disabling condition, race, or income contributed towards the increase in the unsheltered homeless population in Los Angeles County.

Though the total number of homeless unsheltered has recently decreased, the main problem in Pasadena's efforts to reduce homelessness lies in those who experience chronic homelessness. In Pasadena, 530 people were considered to be homeless in 2016 but the number of people who have greater needs and are chronically homeless made up the majority of total homelessness. The chronically homeless population makes up 42% of the total homeless population and the 2016 Pasadena Homeless Count reported 225 people to be chronically homeless. The U.S. Department of Housing and Urban Development defines "chronic homelessness" as "either (1) an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, OR (2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years" (2007). Disabling conditions include a diagnosable substance abuse disorder, a serious mental illness, a developmental disability, or a chronic physical illness or disability (HUD 12). The needs of the chronically homeless population are greater since they require further assistance to accommodate for their disabling condition. In the efforts of the City of Pasadena Housing Department (CoPHD) to "End Chronic Homeless by 2017," the chronically homeless population has only increased since 2013 in Pasadena. This increase indicates that current strategies to build additional housing have not addressed the pathways or causes to experiencing homelessness. In addition to the lack of success in solving this

problem, discrimination based on certain characteristics impacting tenant outcomes remains as a significant problem for maintaining affordable housing for low-income families and formerly homeless populations.

Furthermore, the CoPHD carries its own administrative burdens in facilitating affordable housing and household residential location choice. One such burden includes the limited resources that the CoPHD has to distribute vouchers to all residents. The last time the CoPHD opened its waiting list for Housing Choice Vouchers was on October 15, 2014 but was shortly closed on November 1, 2014. Therefore, low-income households and formerly homeless populations will have to find their own individuals approaches to finding a place to live or revert to their previous housing. In addition to the shortage in available vouchers, administrative changes on the federal level may pose challenges to achieving the goals of the HCVP. With Ben Carson as the new Secretary of HUD, housing officials across the nation are only anticipating billions in budget cuts to public housing assistance funds (Capps 2017). While Carson has yet to explicitly state his plans for the future of HUD and housing assistance programs, “the Trump administration has considered more than \$6 billion in cuts at the Department of Housing and Urban Development, according to preliminary budget documents obtained by The Washington Post” (DelReal 2017). Housing advocates add that their best guess for the estimated total cuts to the Housing Choice Voucher Program is over \$1 billion (Capps 2017). Local Public Housing Authorities across the nation are already cutting their budgets in preparation for these federal cuts. Because the federal government reimburses agencies for the

number of vouchers used, cities that have every family using their vouchers will receive larger budget cuts since these reimbursements result in further administrative costs (Capps 2017). Moreover, agencies will not have enough funds to administer voucher assistance to all low-income families if they maximize the number of vouchers used. All in all, regardless of the preparatory budget cuts made by local Public Housing Authorities, the number of families that won't receive housing assistance will continue to increase. The budget proposal also has implications for local community development in Pasadena, CA. As the CoPHD receives \$1.7 million from HUD to fund the Community Development Block Grant (CDBG) program, \$600,000 from these funds are dedicated to the development of affordable units as well as homeless and non-homeless programs and services for residents (e.g. Boys & Girls club, Rose Bowl Aquatic Center, Mother's Club, etc.). The rest of the CDBG funds are dedicated towards preventing poverty and urban decline in local neighborhoods. The current HUD budget is set to dedicate \$3 billion to CDBG programs throughout the U.S. this fiscal year; however, the proposed budget would cut these funds entirely (DelReal 2017). The implications of the proposed budget cuts do not reflect positive signs for the availability of housing vouchers to low-income families and homeless populations in need of housing assistance. Additionally, it is likely that individuals and families who experience chronic homelessness will find it harder to achieve their needs and maintain housing.

## Findings

Given the perspective of housing advocates in their personal experiences in working with landlords, voucher recipients, and housing officials, how do stakeholder interactions influence voucher households directly? There are four ways in which I identified how stakeholder interactions influence household outcomes: voucher household selection, roles of HCVP stakeholders, responses to tenant behavior, and expectations for the future of the HCVP.

### **Voucher Household Selection**

Housing advocates expressed the extent to which landlords conduct their background checks for voucher households. In the process of selecting a voucher recipient, landlords were cited by housing advocates as important partners in determining the outcomes of affordable rental units. Public Housing Authorities utilize a simple background check process to determine if low-income households are deemed eligible for the HCVP but landlords can select whomever they like for their property. Because this process gives landlords a position of power, they have the freedom to form criteria for tenants. Moreover, housing advocates said that landlords would prefer tenants with low risk. One housing advocate explained that landlords more often than not are strict in searching for a tenant:

In the areas that market rate developers invest landlords will say that certain credit scores aren't high enough and reject them or if they have a single eviction they will be out, references from landlords who give horrible reviews and will also be out, late rents will be out.

Furthermore, some housing advocates explained that landlords have a number of prejudices and biases in the screening process for voucher tenants

because it is important for them to determine the risk of the household.

Determining this risk serves as a metric for potential extra costs for landlords when the unit is in need of maintenance after voucher households move out. One landlord explained examples of criteria for screening voucher recipients:

At the end of the day, it depends on the type of the building but the some of the people we do fall under three categories: arsonists, we cant bring in arsonists mainly because our insurance companies wont allow us; people who have actually produced meth labs because again its endangering the building, yourselves, and everyone, and the end of the day its tied to insurance and liability; and people involved in sexual predation or sexual infractions because often times these are family households and family living. So these are the types of people we can reject.

Since landlords possess a position of power in the screening process, many voucher holders do not have success finding available rental units in comparison to market rate tenants. Landlords especially become more likely to rent to market rate tenants financial returns are favorable. Though vacancy rates and housing supply are low, landlords still keep a selective process for leasing to voucher households due to not only prejudice but also competition from the high demand for affordable housing. One housing advocate described the difficulty for voucher households to access available rental units due to the demands of the housing market:

I think in probably a few years back when vacancy rates were low it was more of an issue [of filling vacant units] but landlords have a chance to look at a number of applicants and basically select the best candidate.

Landlords have bias in their screening process because they want a certain type of tenant living on their property. While related studies have described

source of income bias to contribute to housing outcomes, administration of the program in some cities show that this is not the case across the board. Therefore, the type of bias depends on the knowledge and exposure of landlords to voucher households. This exposure is represented by the number of voucher households that remain in neighborhoods of high poverty, as there are certain neighborhoods with less resistance to voucher households. Those who have little to no experience with voucher households are likely to accept the stigma surrounding housing choice vouchers as a filter for tenants with potential risk. One landlord described their views on ensuring the safety of their property:

I think it's their responsibility to keep an eye on the people that they're bringing in and do a check on them and do a walkthrough to make sure they're not hoarding and they aren't thugs.

As the voucher program has often been stigmatized as a program for poor families with histories of bad credit and evictions, landlords develop these stereotypes into their screening processes. Existing literature show landlords often avoid voucher recipients because it's easier to not have to take on the likelihood of bringing potential risk and damages to the property. Therefore, this leads to landlord to compare voucher tenants in the same way that they do for market rate tenants. Housing advocates explained that solving this issue is not as easy as it may seem. Because there are so many extra considerations that landlords must make for the potential risk that voucher households may carry with them, landlords view market rate tenants to be more favorable in terms of their expectations. One housing advocate described his view on the impact of

adding regulations to prohibit these expectations from affecting the housing outcomes for tenants searching for available rental units:

One of the problems landlords have with accepting vouchers to begin with is they don't want to jump through all of those hoops. So to add for some landlords what would be additional requirements of processes, I don't think it would be helpful. I think it would increase the bloat on a system that is already bloated basically.

The exposure of landlords to the program is important to the perspectives they hold in selecting a tenant. Because the methods that landlords use for measuring credit history and criminal background don't change for voucher tenants, they are essentially held to the same standards that they hold for a market rate tenant. The high number of people who need housing also contributes to the perspective that landlords don't have to take voucher tenants when there are tenants who are expected to bring less potential risk. The differences in financial background and criminal background for market rate and voucher recipients are significant to how landlords choose who they want on their properties. While this comparison highlights the stereotypes on voucher households, it does not provide a full picture of tenants. Landlords hold a perspective that whether the financial returns to their property are at risk determines the type of tenant a voucher holder could be. However, landlords often overlook the factors contributing to the differences in market rate and voucher tenant backgrounds. Voucher households represent rent overburdened low-income families and formerly homeless populations that hold disabilities or conditions that make it harder for them to maintain permanent housing.

## **Roles of HCVP Stakeholders**

Housing advocates described the bureaucracy that goes into accepting a voucher household into a rental unit. Because it is the responsibility of housing authorities to ensure that voucher households are placed in safe and decent housing, housing advocates explained how much work goes into transferring voucher households to new units. On the other hand, landlords perceive the time that goes into verifying low-income households for vouchers as a waiting period before they receive a stable financial return. One housing advocate described his views on the housing authority's role in the bureaucracy that goes into placing voucher tenants in rental units:

On the housing authority side, it's kind of what you'd expect from a federal program, it's a lot of paperwork a lot of redundant questions, a lot of checking and double checking. There's a lot that's going on in the housing authority side, and then every 30 days you typically have to have new eligibility paperwork so if the process goes beyond for days, before you issue your voucher, you have to get new income verification, you may have to sign new authorization... so it's heavy on the housing authority side and it varies from landlord to landlord.

Despite that local Public Housing Authorities take on the perspective that housing is a social good in their goals for the program, the interactions that they have with landlords exhibit relationships that extend only as far as verifying the compliance of landlords. Housing advocates expressed that Public Housing Authority officials are not as interested in their relationships with stakeholders as they are. Because housing advocates serve to provide housing and attach services to maintain housing, they try to convince landlords to take voucher tenants.



However, housing officials take a different approach. They take a perspective of following guidelines but do not find importance in creating relationships to increase voucher program outreach. In this sense, the perspectives of housing officials hold more significance in verifying the quality of housing to be provided to voucher tenants. One housing advocate described his views on the kinds of relationships that form between landlords and local public housing authorities:

They have a checklist and just go down their list. We make sure through our property management that we match checkboxes. They're bureaucrats and they're just doing their job. Most inspectors are doing their job. They are equipped to looking at one thing. [Inspect] The physical environment and that's it. They don't look deeper into what the situation is. Lets say they go into the unit and someone's balcony is full of storage. They say you get docked for it or something. But they dont really care finding out the background story why its there or certain things.

Furthermore, housing advocates stated that the layers of requirements that go in to the inspection process reflect some of the issues that landlords want to avoid. Because renting to a market rate tenant would not include many of these inspections and paperwork, selecting between market rate versus voucher tenants becomes an easy choice. Housing advocates explained the impact of the bureaucracy that goes into the inspection process for landlords:

There's the inspection process, working with the local housing authority around the requirements and paperwork process in terms of signing up for the appropriate tax program and there's these extra steps and requirements that are put on the landlord where they don't necessarily have to deal with these things for the private renter. The housing authority tends to argue that ultimately they're guaranteeing the rents of voucher recipients and low vacancy rates.

On the other hand, one housing advocate described their personal experience in holding a positive relationship with inspectors and landlords. Even

though housing officials have shown they extend their relationship with landlords in terms of compliance, one housing advocate explained the awareness of the landlord to concerns voiced by inspectors. The housing advocate said that this landlord had intentions of evicting his voucher tenant but the housing advocacy organization assisting the tenant made the relationship more transparent for the landlord. While the landlord did not hold a perspective for offering consideration to the contributing factors to tenant behavior, housing advocates have provided the outreach and significance in perspectives for landlords. The housing advocate explained the impact of this relationship with landlords and inspectors for tenant outcomes:

We have all built a relationship together in which the inspector knows the landlord really well. He knows what's wrong and tries to respond to it as quickly as possible. The inspector knows his response level so he will do what needs to be done. The inspector just tells him what needs to be done on the spot and then come back in two weeks and expects it to be done. It's quite lax and less stressful and a good relationship where the paperwork and such are all bypassed making it easier for everyone. Some landlords are on it.

These findings exhibit the interactions between housing officials and landlords in their roles to provide and maintain housing for voucher recipients. Housing advocates have described experiences in which landlords have felt there were no incentives to participating in the program. Other advocates have shared similar experiences in which some housing officials were examining only the voucher household's compliance to the program without any regard for the causes of for these issues. On the other hand, one housing advocate recalled an experience when a tenant was at risk of receiving an eviction if the tenant did not achieve the landlord's terms in the lease agreement. Once housing advocacy

groups connected their case managers with this voucher household, the support and voucher knowledge they provided to the landlord allowed for a relationship to form. This relationship created a transparency for all stakeholders to interact in way that offered more sympathetic perspectives and appreciation. As a result, exposure to the program has shown to be an important factor in how landlords perceive their role to provide housing to voucher recipients. While landlords with less exposure are likely to utilize criteria for market rate tenants in their treatment of voucher households, it seems that more flexibility and transparency is offered from those receiving support from housing advocates. In addition, it is clear that housing advocates have an affect on the relationship between housing officials and landlords in some way. Further research on this relationship could be important to understanding how different forms of involvement or support from housing advocacy can promote permanent housing for voucher recipients.

### **Response to Tenant Behavior**

Though behavior from voucher tenants are often based on bias around their financial and physical circumstances, housing advocates have explained the significance of outreach to landlords. As exposure to the program holds an impact on the perspectives of landlords, housing advocacy organizations take on efforts to ensure that these perspectives include the personal circumstances of voucher households. Providing this information not only helps landlords to keep a certain expectation for voucher households but also maintains these expectations from one voucher tenant to the next. One housing advocate explains

his thoughts on the contrasting approaches that landlords hold in their responses to tenant behavior:

Most [do] not [respond] in a positive way. We have a lot of landlords who are very willing to work with people but they aren't the majority. The population that we work with we have a family that's been moving around in the last 5 years and so we will explain this to the landlord who's been working with us for the last 2 years to make sure they learn to respect property and hope they take all the things that we help them with and continue practicing paying rent on time, make sure kids don't destroy property, shutting down the parties. You have to be a good neighbor if you want to be housed.

As the ways that landlords respond to tenant behaviors vary across the board, housing advocates explained that dealing with late payments is one example of this variance. Responding to such behaviors can allow for landlords to take advantage of voucher subsidies. In this sense, housing advocates explained that discrimination for voucher tenants exists in subtle ways. Some landlords select voucher tenants who can offer more money to offset the Area Median Income (AMI) limitations on vouchers in Los Angeles County. One housing advocate recounted an example of a late rent payment negotiation between the voucher recipient and landlord:

The tenant has a \$1k voucher, the landlord wants \$1100 for the unit, the house authority says we'll only pay \$1050... and the landlord says to the tenant pay me the extra \$50 on the side... and that's our deal. That's something that occurs here and there. I've seen it happen.

Some housing advocates expressed that neither housing officials nor landlords should hold responsibility for tenant behaviors. Even though they have personal circumstances that led them to their present life, one housing advocate voiced that voucher tenants should be aware of the lease agreements they signed

and make efforts to avoid any violations. If housing officials and landlords are performing their roles in the program, housing advocates stated tenants should also feel accountable. Just as market rate tenants are held accountable for damages and potential risk to property, housing advocates stated that voucher tenants should not be treated differently in this regard:

I don't think it's ever the landlord's responsibility since he's done what he has to do in renting out to the tenant. And housing authority I don't see how it's their responsibility either because they are already taking care of financial parts and those who can't pay their part. So I would say that it's the tenant's responsibility to behave.

On the other hand, other housing advocates expressed that the responsibility for managing tenant behavior and relationships is dependent on the landlord's perspective for the impact of vacating their rental unit. Landlords who are focused on receiving stable financial returns from voucher subsidies tended to try to avoid evictions. In a sense, they offered flexibility to voucher recipients in order to avoid losing the stability that monthly voucher subsidies bring into their revenue. Since vacating a unit would mean that landlords had to go through the strenuous process again for selecting a tenant and losing a stable source of revenue, housing advocates expressed that some landlords are willing to work with voucher tenants. Housing advocates who worked with landlords explained the cost implications for evicting voucher tenants:

In the grand scheme of things it is more cost effective to keep the unit leased instead of going through the eviction process and so forth. They will sometimes offer leniency with late payments and withhold the late fee because they want to keep things cordial and work with folks. But other ones they are by the book like if you don't

pay in three days you're getting a notice and late fee tacked on it. It really just depends on the property management.

While some landlords are looking to maintain their financial stability from responding to tenant behaviors, housing advocates explained that others held the tenant responsible for following lease agreements. The personal circumstances of voucher tenants may require extra considerations and services to be attached. However, housing advocates explained that because the local Public Housing Authority and landlords are fulfilling their obligations to administering the program, voucher tenants are held to the same expectations. In addition, the intentions of landlords to maintain stable revenue help in sustaining and expanding permanent housing for voucher holders. Though there are different views on who is responsible for responding to tenant behavior, the bottom line for landlords is that they want to retain the financial benefits of renting to voucher households and will use different means for maintaining these benefits.

### **Expectations for the future of the HCVP**

As housing advocates expressed their awareness about the changes to the presidential budget and HUD administration, they did not have optimistic views about the challenges the program will face. Significant budget cuts to the program will have dire consequences on local community development projects and the supply of affordable housing and services attached to housing assistance.

Despite these concerns, one housing advocate expressed that he is hopeful for finding other ways to meet these challenges. This advocate stated that it will be further under resourced but housing officials must get more involved in order to mitigate the consequences of such significant changes. One housing advocate explained his thoughts on the major changes to HUD and how the HCVP could improve in spite of these changes:

Unfortunately with the given federal and HUD leadership changes going on in DC. We are at a time where we are really concerned. This program could get cut further. It's a long waiting list for the vouchers. These vouchers serve as a way to provide rental subsidy for low-income families. There are definitely challenges with the program aside from it being under resourced. More education and outreach needs to happen on the landlord side. I think there has been a lot of efforts on the county level but I think that there needs to be more outreach because there are stigmas associated with section 8.

Furthermore, one landlord shared similar views about the future of the voucher program:

The number of vouchers is limited and my guess is that under this new administration, it will be even more limited. So they probably will continue with the people who are already receiving them but they probably will start issuing less.

Some housing advocates accounted for the current housing supply and how it will impact voucher households in the future. As the current housing market reflects the shortage in housing and high demand, budget cuts at the federal level could perpetuate some of the bureaucratic issues that already exist in the program. Observations made by housing advocates include the challenges that voucher tenants to maintain their housing. One housing advocate described

the supply of housing market vouchers available and the observations of the impact of this shortage:

Since the economy has done a rebound and the housing market has healed a little bit, there's such a shortage of housing and there's such a shortage of acceptable affordable housing that about three years ago, we started seeing people lose their vouchers because they went the entire 6 months unable to find property... and we have seen that before.

The degree to which administrative burdens will further have an impact on housing outcomes in the HCVP will be determined by the final budget cuts for HUD. While it is expected that over \$1 million will be cut in Pasadena's budget for affordable housing and homeless services, some advocates stated that these cuts cannot be reflected as a sign for allowing this emerging problem to perpetuate current issues in the future. While outreach and rental housing meetings are some approaches that the CoPHD already use, the limited resources and underfunded projects prevent further efforts to expand the acceptance of housing vouchers. These administrative burdens certainly suggest that the extent to which stakeholders will influence voucher household outcomes will be determined by the ability of local Public Housing Authorities to gather funds from other grants and partners in the private and nonprofit sectors.

## **Policy Recommendations**

My research leads to underlining several possible strategies for local Public Housing Agencies to provide more support for landlords as key decision



makers in facilitating housing and to protect more tenants from losing their housing. Some of these strategies include more effective outreach and education to landlords with previous exposure to the program and more targeted approaches to recruiting landlords without experience. The findings from this study are significant for administrators of the HCVP and stakeholders who have a direct influence on regulating the supply and demands of housing. Future research should focus on understanding the roles of housing market actors in providing collective opportunities for planning, policy, and community development.

### **Propose and Pass Policies that Ban Discrimination Based on Housing Choice Vouchers**

As my interview data present the persistence of discrimination based on source of income in more subtle ways despite fair housing laws, the City of Pasadena must adopt policies to prevent voucher households from contributing towards the count on chronic homelessness in Los Angeles County. My findings provide several perspectives on the role of landlords in the HCVP: 1) landlords are likely to use the same social and financial criteria designed for market rate tenants when selecting voucher tenants, 2) bureaucracy limits participation from landlords, and 3) landlords have varying levels of experience and knowledge about the HCVP. Though it's still unclear whether formerly homeless populations in Pasadena experience homelessness more than once, it is possible for such results considering the lack of housing supply and rent control in Pasadena.

Most neighborhoods in Pasadena are overburdened, and so the AMI from which the ceilings of Housing Choice Vouchers are calculated must effectively represent the fluctuating median incomes of each neighborhood. Proposed policies must avoid bureaucratic processes to attract more market actors to the program. Paperwork intensive processes limit participation such that the leased unit is left vacant and the landlord cannot receive any payments until the voucher tenant has moved in. While some housing advocates have explained that most experiences with landlords regarding receiving the first payment have ended positively, there other times that landlords were frustrated and had bad experiences offering housing to voucher recipients. More often than not, landlords choose to rent to market rate tenants because they fit the criteria of the community. Rather than creating more incentives for landlords through mitigation funds, housing outcomes could result in permanent housing if approaches to limit the number of requirements and potential risk from financial losses for landlords are taken more seriously for areas with high AMI. Taking on this perspective may be helpful for housing officials in their objectives to recruit more landlords who understand the various roles of the program and their impacts on voucher households. In addition, this perspective may open questions about the need for the housing vouchers in Los Angeles County to be based on the AMI of each city or neighborhood in the county. A Los Angeles County wide AMI standard for voucher household eligibility has shown to not lead to lower numbers of chronic homelessness.

### **Active Landlord Outreach and Continued Education**

Given the design of the HCVP, landlords are often the first point of contact for housing searches and issues. Based on the findings in this study, various perspectives from landlords on the administration of the HCVP are dependent on their past experience working with voucher tenants. In some cases, landlords were willing to offer more flexibility than most tenants expected. Despite that the results of such actions generate a stable source of income for landlords, outreach would clarify and inform landlords what kinds of housing practices are appropriate for maintaining housing for low-income households. However, there are challenges to ensuring that landlords are more knowledgeable and experienced in the program. The proposed presidential budget announced about a month ago poses looming obstacles for the administration of the HCVP. Without CDBGs funding local communities, they are at risk of urban and poverty decline. In addition, the HCVP in Pasadena is expected to lose nearly all of its funding, \$1.7 million in grants for homeless services and local community development. Therefore, nonprofit housing organizations and private developments must come together to be able to compensate for the lack of resources that local Public Housing Authorities will have to recruit and strategically approach landlords. It becomes important for stakeholders to share similar goals to reduce discrimination against Housing Choice Vouchers, provide much needed housing services such as financial assistance and disability services, and generate conversations about how the community can compensate for deep administrative burdens. Therefore, local housing authorities must push the federal efforts of the Department of Housing and Urban Development (HUD) to alleviate homelessness in urban cities.

The roles of stakeholders have the potential for causing tenant outcomes. Because there are variations in the exposure of landlords to the HCVP, the outreach and education provided by the housing officials are significant in their decision to participate. The administrative burdens placed on the placement and inspection processes serve as disincentives for landlords that hold a profit-driven perspective. Landlords holding this perspective for voucher tenants are likely to not understand the reasons for such bureaucracy. Additionally, as compliance is the only important criteria for inspectors, some local Public Housing Authorities do not form transparent relationships with landlords. Landlords become further frustrated over the amount of time that goes transferring voucher households since their unit remains vacant until this process is completed. On the other hand, housing advocates expressed that most of their experiences with landlords in these situations did not lead to further issues. Because housing advocates approach landlords with a strategic approach to ensure that these frustrations do not hold any actual threat to their financial returns, housing advocacy organizations can soften the relationships between landlords and housing officials to extend beyond compliance. This form of outreach and exposure to landlords may allow for more transparency about the processes driving the program and the families behind the financial circumstances. If local Public Housing Authorities were to successfully connect with housing advocates, the services and outreach that housing advocacy groups can provide may be able to alleviate the administrative burdens and lack of resources that housing officials are expected to experience.

## Conclusion

In conclusion, there are more than several cases exhibiting the impact of interactions between stakeholders in the HCVP. Voucher tenant outcomes are related to not only a greater economic context but also the social structures and systems that prevent households from accessing communities with greater opportunities. In order for discrimination based on one's source of income and race to be completely eliminated, it will require city, state, and federal efforts to preserve permanent housing and prevent stakeholder interactions from affecting the number of voucher households turning over to the chronic homelessness count.

By taking a closer look at the housing actions and perspectives of stakeholders, it is clear that there are multiple contexts and relationships contributing to tenant outcomes. While passing policies to prevent discrimination is significant to increasing and maintain the number of voucher households, my findings show that it is equally important to consider the impact of administrative burdens on tenant outcomes. Therefore, it is important for extra support in the form of housing services and case managers to be involved in managing stakeholder relationships. There must be ways in which local Public Housing Agencies can expand their limited resources to develop supportive housing into permanent housing for voucher households.

The purpose of this research extends as far as providing perspectives on the interactions and roles of stakeholders in the HCVP. It can provide some of the motivations that landlords have for their participation and explain the perceived

roles of stakeholders and their relationships. Moreover, research on the market actors of the HCVP shows that they hold significant, key decision-making capabilities for voucher household outcomes. Further research on the interactions of market actors and their impacts can provide an important starting point for creating and sustaining more supportive communities.

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