



# POLICY BRIEF

February 4, 2022

## Rental Housing Assistance Discrimination

### Highlights

#### Key Findings

- With Hawaii's high housing costs, many rely on housing assistance yet are turned away by most landlords based on this rental help.
- Discrimination against households because of their housing voucher or subsidy may mask other forms of already illegal discrimination.
- Jurisdictions that have implemented prohibitions against voucher discrimination have greatly decreased landlord refusal rates and have increased rates of voucher utilization.

#### Recommendation

- Hawaii would benefit from joining other states and localities in legally protecting households against discrimination based on their rental assistance. This would give people more equitable footing in accessing rental housing.

would be. Currently, this type of discrimination is legal in Hawaii. Many advertisements for rentals include language such as “No vouchers” or “No Section 8.” This discrimination may also take form in different tenancy qualification standards or rent prices for those with housing assistance as opposed to those without it.

### Why is this a problem?

Hawaii is consistently ranked at the top of the most unaffordable states in the country largely due to our extremely high housing costs.<sup>i</sup> In 2018, 42% of our population was living either in poverty or fell into the Asset Limited Income Constrained Employed (ALICE) population, struggling to make ends meet each month.<sup>ii</sup> The fallout from the COVID-19 pandemic and economic downturn is only expected to push more households into poverty or the ALICE population, with some estimates that that number could grow to 59%.<sup>iii</sup> Many people in Hawaii need rental assistance to stay stably housed. Receiving housing assistance allows households to stay in their current unit or to transition out of unstable housing situations, including situations of overcrowding, domestic violence, and homelessness.

Many households receive vouchers or other subsidies only to be turned away by landlords based on their receipt of housing assistance. Studies conducted in 2018 demonstrate that in jurisdictions without protection against housing voucher discrimination, landlords overwhelmingly refuse to accept vouchers.<sup>iv</sup> In two jurisdictions where this discrimination is legal, Fort Worth, Texas and Los Angeles, California, nearly 80% of all landlords tested refused vouchers.<sup>v,vi</sup> With limited search periods to lease up with a voucher of normally around 60- or 90-days, exclusionary practices can cause people to lose their rental assistance and can extend situations of housing insecurity and homelessness.<sup>vii</sup>

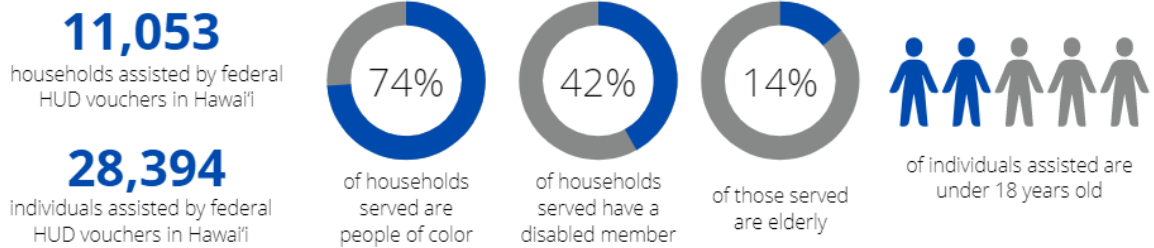
### What is rental housing assistance?

Rental housing assistance includes governmental and service provider rental programs that help low-income households pay rent. These programs may cover all or a portion of the rent and may be long-term or temporary. Examples of these assistance programs include Section 8 Housing Choice Vouchers, Permanent Supportive Housing, and County COVID-19 emergency rental relief programs.

### What is this type of discrimination?

Rental housing assistance discrimination, also known as housing voucher discrimination or source of income discrimination, occurs when a household receiving rental assistance is excluded from applying and being equally considered for a rental unit as others without assistance

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Source: HUD Resident Characteristics Report, Tenant Based Vouchers, State of Hawai'i, as of November 30, 2021.

Discrimination based on rental housing assistance may mask already illegal forms of discrimination. The Federal Fair Housing Act prohibits not only intentional discrimination, but also actions that cause disparate impacts against protected classes.<sup>viii</sup> Some studies point out that voucher discrimination may disparately impact households that belong to already protected classes, including race, national origin, familial status, and disability.<sup>ix,x</sup> Many stereotypes exist about those with vouchers, which include stereotypes about people's identities, such as their race. Protecting rental assistance could help reduce other forms of discrimination as well.

### Policy Recommendation

Legal remedies can help to prevent these discriminatory practices. Over 15 states and nearly 100 local jurisdictions across the United States have adopted laws to prohibit rental assistance discrimination.<sup>xi</sup> Numerous studies have demonstrated the positive impact that the implementation of housing assistance discrimination prohibitions can have.<sup>xii,xiii</sup> For HUD Housing Choice Vouchers in particular, jurisdictions that have implemented such protections have seen increased voucher utilization rates, ranging up to 12 percentage points higher in these jurisdictions than in those

without the legal protection. Studies such as the one conducted in 2018 in Washington, D.C., which has a law prohibiting housing voucher discrimination, demonstrate the difference that legal protections can have.<sup>xiv</sup> While 15% of landlords tested in this D.C. study still refused to accept vouchers, this is a marked difference from the refusal rates found in jurisdictions without legal protections.

Legally protecting against housing assistance discrimination in Hawaii would enable those with and without rental housing assistance to apply for and be judged based on the same tenancy qualifications as each other instead of those with vouchers and subsidies being excluded. For years, affordable housing advocates, homeless service providers, Native Hawaiian advocacy organizations, children's groups, and more have supported legislative proposals in Hawaii on this topic as it affects many of our local households. It is time to end rental housing assistance discrimination in Hawaii and provide community members with equitable footing in accessing rental housing.

For more information, visit <https://homelessness.hawaii.gov> or e-mail [gov.homelessness@hawaii.gov](mailto:gov.homelessness@hawaii.gov).

<sup>i</sup> National Low Income Housing Coalition (2021) Out of Reach: The High Cost of Housing. [https://nlihc.org/sites/default/files/oor/2021/Out-of-Reach\\_2021.pdf](https://nlihc.org/sites/default/files/oor/2021/Out-of-Reach_2021.pdf)

<sup>ii</sup> United for ALICE (last updated 2018) Research Center: Hawaii. <https://www.unitedforalice.org/Hawaii>

<sup>iii</sup> United for ALICE (2020) Hawaii Report. <https://www.auw.org/sites/default/files/pictures/2020%20ALICE%20Fiver%20%20HDC%20FIN AL%20%281%29.pdf>

<sup>iv</sup> Cunningham, et al. (2018) A Pilot Study of Landlord Acceptance of Housing Choice Vouchers. Urban Institute. <https://www.urban.org/research/publication/pilot-study-landlord-acceptance-housing-choice-vouchers>

<sup>v</sup> Cunningham, et al. (2018) Do Landlords Accept Housing Choice Vouchers? Findings from Fort Worth, Texas. Urban Institute. [https://www.urban.org/sites/default/files/2018/10/03/do\\_landlords\\_accept\\_housing\\_choice\\_vouchers\\_fort\\_worth.pdf](https://www.urban.org/sites/default/files/2018/10/03/do_landlords_accept_housing_choice_vouchers_fort_worth.pdf)

<sup>vi</sup> Cunningham, et al. (2018) Do Landlords Accept Housing Choice Vouchers? Findings from Los Angeles, California. Urban Institute. [https://www.urban.org/sites/default/files/2018/10/03/do\\_landlords\\_accept\\_housing\\_choice\\_vouchers\\_losanjeles.pdf](https://www.urban.org/sites/default/files/2018/10/03/do_landlords_accept_housing_choice_vouchers_losanjeles.pdf)

<sup>vii</sup> Center on Budget and Policy Priorities (last updated April 12, 2021) Policy Basics: The Housing Choice Voucher Program. <https://www.cbpp.org/research/housing/the-housing-choice-voucher-program>

<sup>viii</sup> Alliance for Housing Justice (last updated Oct. 18, 2021) Understanding Disparate Impact. <https://www.allianceforhousingjustice.org/post/what-is-disparate-impact>

<sup>ix</sup> Lawyers' Committee for Better Housing, Inc. (2002) Locked Out: Barriers to Choice for Housing Voucher Holders. <https://www.lcbh.org/sites/default/files/resources/2002-lcbh-housing-voucher-barriers-report.pdf>

<sup>x</sup> Greater New Orleans Fair Housing Action Center (2009) Housing Choice in Crisis. <https://storage.googleapis.com/wzukusers/user-33549461/documents/5b4788735f3cNIEd9KN/HousingChoiceInCrisis2009.pdf>

<sup>xi</sup> Fasanelli & Tegeler (2019) Your Money's No Good Here: Combatting Source of Income Discrimination in Housing. American Bar Association.

[https://www.americanbar.org/groups/crsi/publications/human\\_rights\\_magazine\\_home/economic-justice/your-money-s-no-good-here-combatting-source-of-income-discrimin/](https://www.americanbar.org/groups/crsi/publications/human_rights_magazine_home/economic-justice/your-money-s-no-good-here-combatting-source-of-income-discrimin/)

<sup>xii</sup> Freeman (2011) The Impact of Source of Income Laws on Voucher Utilization and Locational Outcomes. Prepared for HUD.

[https://www.huduser.gov/publications/pdf/Freeman\\_ImpactLaws\\_AssistedHousingRCR06.pdf](https://www.huduser.gov/publications/pdf/Freeman_ImpactLaws_AssistedHousingRCR06.pdf)

<sup>xiii</sup> Finkel & Buron (2001) Study on Section 8 Voucher Success Rates, Volume I. Prepared for HUD. <https://www.huduser.gov/publications/pdf/sec8success.pdf>

<sup>xiv</sup> Cunningham, et al. (2018) Do Landlords Accept Housing Choice Vouchers? Findings from Washington, DC. Urban Institute. [https://www.urban.org/sites/default/files/2018/10/03/do\\_landlords\\_accept\\_housing\\_choice\\_vouchers\\_washington\\_dc.pdf](https://www.urban.org/sites/default/files/2018/10/03/do_landlords_accept_housing_choice_vouchers_washington_dc.pdf)