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HUMAN RIGHTS

# Your Money's No Good Here: Combatting Source of Income Discrimination in Housing

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A few years ago, Jill Williams, an honorably discharged veteran of the U.S. Coast Guard, received a special housing subsidy for U.S. veterans to help her pay for housing. Williams was homeless at the time and living in the Baltimore region of Maryland. Because of her honorable service to the United States, she was entitled to a VASH voucher—a kind of Section 8 or Housing Choice Voucher—made available to homeless veterans with disabilities.

Williams took the voucher to landlord after landlord in Baltimore County—a jurisdiction that surrounds, but does not include, the city of Baltimore—seeking to rent an apartment. Williams, who has decent credit and no criminal history, was repeatedly turned away and told “we do not accept Section 8.” She estimates that she visited over 20 landlords before quickly renting an apartment in a less desirable neighborhood because she was about to lose her time-limited voucher and, therefore, her only chance at housing. In her own words, “I was good enough to serve my country, but not good enough to live in your neighborhood.” (J. Williams, “Discrimination Based on Source of Income in Baltimore County,” B. Sun (Oct. 8, 2019).)

The kind of housing discrimination Williams experienced is called “source of income discrimination” and refers to the practice of refusing to rent to a housing applicant because of that person’s lawful form of income. Often the denial of housing will serve as a pretext for a prohibited form of discrimination and disproportionately affects renters of color, women, and persons with disabilities. As a result, source of income (SOI) discrimination contributes to the perpetuation of racially segregated communities and neighborhoods with concentrated poverty.

This article discusses the history of SOI laws; recent momentum within federal, state, and local legislatures to prohibit the practice; and advocacy steps to undertake to pursue SOI bills in your local communities.



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## History

State and local laws prohibiting SOI discrimination began to appear in the 1970s, steadily spreading across the country, and increasing exponentially beginning in the mid-2000s. (See A. Bell et al., “Prohibiting Discrimination Results,” Ctr. on Budget & Policy Priorities (Dec. 20, 2018).) In 2017, the American Bar Association adopted a resolution that “urges federal, state, local, tribal, and territorial governments to enact legislation prohibiting discrimination in housing on the basis of lawful source of income.” (American Bar Association, Resolution 119A (Aug. 2017).)

In 2018, Senators Tim Kaine (D-Va.) and Orrin Hatch (R-Utah) introduced federal legislation to add SOI protection to the federal Fair Housing Act. (Fair Housing Improvement Act of 2018, S. 3612, 115th Congress (2018).) Senator Elizabeth Warren (D-Mass.) also included SOI protection in her broader American Housing and Economic Mobility Act, S. 3503 (2018). Today, SOI laws cover 16 states and over 90 local municipalities. The vast majority of these laws protect families with

Housing Choice Vouchers (HCVs), among other types of lawful income, and we estimate (based on CBPP data) that approximately half of U.S. HCV families live in areas protected by an SOI law.

Past research suggests families with HCVs have greater success using their vouchers, and thereby moving out of homelessness, and housing authorities have higher rates of HCV utilization (using all of the vouchers allocated) in jurisdictions with SOI laws. The latest research from HUD also shows dramatically lower rates of discrimination against HCV families in two areas with strong SOI protections—New Jersey and Washington, D.C. (HUD, “A Pilot Study of Landlord Acceptance of Housing Choice Vouchers,” (September 2018).)

One of the most important goals of SOI laws has been to open up higher opportunity and lower poverty neighborhoods to families with HCVs. We know the strong health, educational, and economic benefits for families and children who move from high poverty to low poverty neighborhoods. Today, housing mobility for families with HCVs is widely recognized as an important complement to neighborhood revitalization efforts. Last year, Congress included funding for a “Housing Mobility Demonstration” in the 2019 HUD budget, funding programs to recruit landlords and assist voucher families in finding units in high opportunity areas in up to 12 jurisdictions, similar to programs in Baltimore, Chicago, and Dallas that have collectively helped over 10,000 families move to areas of opportunity. (E. Julian, “Making the Case for Housing Mobility: the CMTO Study in Seattle” (Poverty & Race, May-August 2019).)

SOI laws are one of the key foundations for a successful HCV program, together with strong housing mobility programs and higher voucher rents. (Last year, HUD launched the “Small Area Fair Market Rent” rule, which directs housing authorities in 24 metro areas to raise allowable voucher rents close to the average rent in each zip code, as opposed to the average rent in the region.) Economist Raj Chetty and his team recently completed an experimental study of housing mobility in the Seattle region and demonstrated that, with assistance, a majority of voucher families were able to choose to move to high opportunity communities. (R. Chetty, et al., *Creating Moves to Opportunity: Experimental Evidence on Barriers to Neighborhood Choice* (Aug. 2019).) Importantly, the study acknowledged that the availability of higher voucher rents and the state’s SOI law were key to the success of the program.

## Advocacy Steps

In developing a successful strategy to pass SOI legislation, consider the following:

- 1 Build a broad coalition led by persons with lived experience.
- 2 Ensure bill language is broad and specific. The ABA 2017 Policy & Report contains the following definition: 1) a lawful profession, occupation, or job; 2) any government or private assistance, grant, loan or rental assistance program, including low-income housing assistance certificates and vouchers issued under the United States Housing Act of 1937; 3) a gift, an inheritance, a pension, an annuity, alimony, child support, or other consideration or benefit; or 4) the sale or pledge of property or an interest 5) in property.
- 3 Include strong enforcement provisions.
- 4 Understand the perception of the local housing agencies that administer vouchers and attempt to address any challenges.
- 5 Reinforce voucher program policies.
  - Landlords can use their regular (lawful) screening criteria and charge security deposits and regular rents.
  - Rent payments are reliable and the HCV payment is “recession proof.”

(See Alison Bell, Center on Budget and Policy Priorities, American Bar Association Webinar, “Your Money’s No Good Here” (Dec. 2018) available [here](#).)

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PRRAC maintains an up-to-date listing of all source of income discrimination laws in the United States. See [here](#).

