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# Reducing Landlord Discrimination Against Housing Choice Voucher Holders in New York City

The Housing Choice Voucher (HCV) program offers rental subsidies to eligible low-income families in cities and towns across the United States. But landlords throughout NYC frequently discriminate against prospective tenants who plan to use vouchers as a source of income, even though such discrimination is illegal. To mitigate this issue, the New York City Department of Housing Preservation and Development (HPD) sought the assistance of ideas42's Behavioral Design Team. Through interviews and other research methods, the Behavioral Design Team identified eight key behavioral barriers that deter landlords from accepting HCV voucher holders. The Behavioral Design Team used these insights to draft a robust findings and recommendations report, which HPD can use to make behaviorally informed changes to the program to help encourage more landlords to participate in the program.

## Background

New York City is infamous for its exorbitant housing costs, leaving more than half of its residents struggling to pay rent.<sup>1</sup> Unfortunately, this puts many low-income families at risk of displacement or homelessness. In response, the city provides a range of housing assistance, including the Housing Choice Voucher (HCV) rental subsidy, to help families afford safe and secure housing.

### About the Housing Choice Voucher program

The federal HCV program, commonly called Section 8, originally created in 1978 and administered by the U.S. Department of Housing and Urban Development, provides rental subsidies to eligible low-income families throughout the United States. Typically, voucher holders are responsible for paying around 30% of their monthly household income toward rent, with the HCV subsidy making up the difference. New York City's HCV program is the largest in the nation, with nearly 150,000 households receiving vouchers through HPD, the New York City Housing Authority, and New York State Homes and Community Renewal.

## Highlights

- *Because people may be reluctant to disclose support of or engagement in illegal behavior, we employed nontraditional field research techniques to understand source-of-income discrimination.*
- *Discriminatory behavior is not always rooted in bias. Landlords and property managers who seek profit may consider profitability and ease of use as two driving factors for their decision to discriminate against voucher holders.*
- *Noncorporate landlords who are not aware of the voucher program and fair housing laws may unintentionally violate New York's source-of-income discrimination laws.*

<sup>1</sup> <https://furmancenter.org/stateofthecity/view/state-of-renters-and-their-homes>

Despite it being illegal for landlords to refuse prospective tenants who plan to use vouchers (a practice called “source-of-income discrimination”), this practice is widespread across NYC and the United States. Shockingly, a yearlong investigation by the Housing Rights Initiative revealed that 48% of landlords they investigated exhibited discriminatory behavior toward tenants with housing vouchers. This discrimination can be an additional barrier for low-income families to find decent, affordable homes.

To tackle this problem, the New York City Department of Housing Preservation and Development (HPD) enlisted the NYC Behavioral Design Team to help understand why landlords refuse to lease to HCV households, and to develop effective outreach and programmatic changes to stop this discriminatory behavior.

## Diagnosis (and its challenges)

When working to understand the causes of a behavioral problem, developing our understanding of the context and individuals involved is critical. Speaking with the affected populations directly is a key part of our research. For this project, we knew we wanted to speak with landlords who previously exhibited discriminatory behavior. However, we struggled to contact offending landlords and convince them to speak with us. In fact, nearly all of the landlords we were connected with outright refused to speak with us.

To overcome this challenge, we had to try different approaches, such as visiting Manhattan’s Housing Court to conduct on-the-spot interviews with landlords, calling real-estate interest groups to connect with their members, and even cold-calling landlords who posted their contact information on listing sites. Through these tactics, we eventually spoke with a few landlords willing to share their experiences. We also spoke with real estate brokers, tenant advocates, housing policy experts, and representatives from real estate interest groups to supplement our findings. We also analyzed publicly available data about HCV households and NYC rental registrations, and analyzed over 50 [paired testing](#) call recordings with New York-based brokers and landlords.

Through these channels, we identified eight key behavioral barriers that affect a landlord’s decision to accept an HCV voucher holder.

- 1. “What’s a voucher?”** The benefits and details about how the HCV program works are not salient, or obvious, to landlords. Landlords often conflate NYC’s various housing assistance programs, complicating their perception of the program and understanding of fair-housing laws.
- 2. “Money matters.”** Many landlords fear leasing to an HCV tenant will lead to unit damage or missed payments. The zero-risk bias, or our preference as humans for certainty when making decisions, fuels landlords’ desire to eliminate chance, causing them to believe that renting to market-rate tenants is a safer financial endeavor.
- 3. “No one cares about the landlords.”** The various benefits and protections available to landlords are not salient and not factored into their decision to rent to an HCV tenant.
- 4. “What a hassle!”** Landlords perceive the application process as lengthy and hassle-filled, leading them to believe renting to market-rate tenants is simpler.

5. **“We don’t discriminate.”** Many landlords and brokers discriminate in ways that are hard to detect and regulate, such as “ghosting” (i.e., withdrawing from a conversation without notice or explanation). However, because they are not explicitly discriminating, self-serving bias—the tendency to use information to advance one’s self-interest—contributes to landlords’ and brokers’ belief that their actions are not illegal.
6. **“What consequences?”** Landlords and brokers do not worry about violating fair-housing laws because they perceive the risk of being caught to be extremely low due to depleted enforcement efforts, and the potential penalties do not dissuade them.
7. **“They’re not a good match for this building and its other tenants.”** Many landlords believe negative stereotypes and have implicit biases against voucher holders.
8. **“I’ve heard some shocking stories.”** There are many harmful narratives about HCV tenants damaging their units or refusing to pay that are shocking and memorable, even though incidents like this are, in fact, very rare. This availability bias causes landlords to overestimate the likelihood of these events and negatively impacts their decision to rent to voucher holders.

Most of the challenges reported to us were related to the structure of the program rather than any issues with the voucher holders themselves. Of the eight obstacles we identified, only two were related to landlords’ implicit biases toward voucher holders. This led us to believe that many landlords viewed their decision to participate in the HCV program as a choice about the HCV program itself, rather than a decision about whether to accept an HCV tenant or not.

## Solution

With these insights in mind, we drafted a comprehensive report detailing our findings and offering recommendations to help HPD reduce source-of-income discrimination. Our 18 design recommendations are divided into three top-priority areas of improvement: education and outreach, application process, and enforcement and incentives.

Some of the ideas we proposed include:

- ▶ **Revamping the “I Vouch for Vouchers” campaign.** The city’s Public Engagement Unit’s existing “I Vouch for Vouchers” campaign features success stories from local property owners who have worked with the city to rent their units to voucher holders. The current campaign highlights the benefits that rental owners and property managers receive when renting to voucher holders, in addition to addressing misinformation and stigma around vouchers. We suggested relaunching the campaign with updated imagery and language, working to address the lack of awareness among smaller landlords about the HCV program, and highlighting the benefits landlords receive when participating.
- ▶ **Digitizing the HCV application process.** Because landlords, brokers, and tenants alike expressed frustration with HCV’s current paper application process, we recommended digitizing the application to eliminate the hassle of providing the same information multiple times through the current paper application process. This will also speed up the application process for landlords, brokers, and tenants and make it more efficient overall.

- ▶ **Enhance the HPD landlord portal.** While HPD currently hosts a property owner online portal, its functionality is limited. We recommended adding features allowing landlords to check their application status, request personalized assistance, and receive program-wide updates directly to their inboxes. This will enable landlords to stay informed and track their progress with ease.

Our team also suggested that the HPD collaborate with the New York State Office of the Attorney General to revise how fair housing testing is handled. Relatively few landlords and brokers know that the city is monitoring and enforcing its housing discrimination laws. Moreover, only landlords caught discriminating are issued cease and desist letters if they exhibit explicitly discriminatory behavior. However, we discovered that landlords and brokers use subtle, hard-to-detect methods of steering, ghosting, or discouraging tenants from their units. To render the perceived risks of discrimination more visible to landlords, we recommended that the Office of the Attorney General become more transparent about its testing by garnering more media attention to its efforts and publishing more reports. Additionally, we suggested that the Office of the Attorney General send warning letters to landlords who exhibit questionable conduct while not engaging in explicit discriminatory behavior.

We believe these changes would help reduce housing discrimination in New York City and ensure landlords and brokers are held accountable for their actions. By increasing transparency and reporting, more people will be aware of the issue and HPD's progress towards reducing it.

## Results

Following the delivery of our final report, HPD began collaborating with an external consultant to redesign HPD's Housing Choice Voucher application and recertification processes. Our report helped inform that work and will be used to help inform longer-term process and design decisions that HPD plans to implement.

## Takeaway

Through our project, we gained valuable insights into the challenges of addressing illegal and illicit behaviors related to the discrimination of HCV holders. Unsurprisingly, our experience reveals that individuals are often hesitant to discuss such activities, which can make it difficult to understand the root causes and, thus, design effective solutions. Although implicit bias toward voucher holders *was* found to be a contributing factor, it was not the *only* factor driving landlord behavior. We found that incomplete and inaccurate information about the HCV program, and the hassles landlords face in participating in it, were key factors in their decision to reject voucher holders illegally. These findings highlight the importance of addressing both individual awareness and structural barriers when addressing illegal and illicit activities, especially when it comes to ensuring that everyone has access to safe, affordable homes.