



“IT’S ABOUT THE VOUCHER”

SOURCE OF INCOME DISCRIMINATION IN RHODE ISLAND

Acknowledgements

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The views expressed in this report are those of the author and SouthCoast Fair Housing, Inc.

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“It’s About the Voucher”: Source of Income Discrimination in Rhode Island

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Introduction

This report presents SouthCoast Fair Housing’s (SCFH) research on source of income discrimination in Rhode Island.

What is source of income discrimination, and who are the Rhode Islanders affected by it? The federal Fair Housing Act prohibits housing discrimination on the basis of race, color, religion, national origin, familial status, sex, and disability. Rhode Island state law goes further, granting residents additional rights. Yet both still allow landlords to reject a prospective tenant based solely on where his or her income comes from, even when the applicant can afford the requested rent.

Income-based discrimination may initially seem like an unintuitive concept. A dollar is a dollar, regardless of where it comes from—right? Yet as it turns out, tenants who depend on income other than traditional employment wages face particularized discrimination on the private rental market. The following fictional vignettes describe how Rhode Islanders find themselves shut out of housing opportunities, despite being able and willing to pay:

<p>❖ Ethan is a chronically homeless veteran. Through the Providence VA Medical Center, he recently became eligible for a VA Supportive Housing (VASH) rental assistance voucher, which he can use to lease a small studio and get back on his feet. However, the landlords he has talked to so far do not want to accept any “voucher” payments.</p>	<p>❖ Jennifer is the primary caretaker of her two young children. She earns some money from crafts, but mainly relies on child support payments from her ex-husband. Before her kids start kindergarten, she’d like to move to a new school district. She’s found a two-bedroom that would be perfect—but the landlord will only rent to someone who works full-time.</p>
<p>❖ Mike worked full-time in manufacturing until chronic pain forced him to retire; he and his wife both now rely on monthly Social Security Disability payments. They recently began the process of leasing a newer, more accessible apartment, but their progress has stalled after neither could show the real estate agent any recent pay stubs.</p>	<p>❖ Aaliyah hasn’t felt safe in her neighborhood since she was mugged several months ago. She can subsidize her relocation through Rhode Island’s Crime Victim Compensation Program, which has also covered her counseling expenses. She tries to explain to a potential landlord how the program will cover her security deposit, but he doesn’t want to deal with any “outside hassle.”</p>

These examples illustrate how income-based discrimination hurts an array of renters who are just trying to get by. To make matters worse, the harm often compounds existing vulnerabilities. Tenants who rely on lawful non-employment income are disproportionately disabled, elderly, low-income, families with children, and people of color.¹ Around the country, there is growing evidence that source of income discrimination impedes housing opportunity and reinforces segregation and poverty.

¹ See, e.g., Michael Allen, *Increasing the Usability of Housing Choice Vouchers for People with Disabilities*, 36 NATIONAL HOUSING LAW PROJECT 111, 111 (2006) (noting that people with disabilities disproportionately depend on government rental subsidy programs); U.S. Housing Scholars and Research and Advocacy Organizations, *Residential Segregation*

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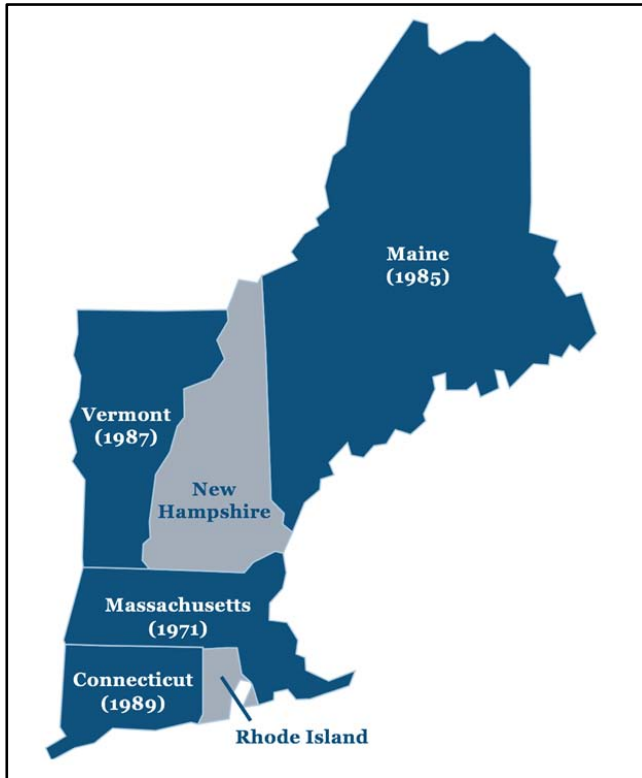


Figure 1: The New England states in blue prohibit source of income discrimination.

Fourteen states and over seventy-five municipalities now prohibit discrimination against lawful sources of income.² Federal lawmakers have also proposed a similar amendment to the national Fair Housing Act.³ While some of these laws and ordinances are relatively young, they appear to have a positive impact. Housing voucher recipients who live in “protected” jurisdictions, for example, encounter significantly fewer discriminatory denials than their counterparts elsewhere.⁴ In turn, increased participant success rates allow public housing agencies to serve a greater overall number of needy families.⁵

SCFH, a non-profit fair housing organization, works at the crosscurrent of these civil rights trends. The organization has served Massachusetts’s Bristol and Plymouth counties since 2012, and expanded to Rhode Island in early 2017. SCFH provides fair housing education and enforcement resources to its Massachusetts-based clients, including those affected by source of income discrimination. For example, the organization helps tenants to extend time-limited

rental assistance vouchers when discrimination stymies their efforts to secure a lease. Yet SCFH cannot offer an equivalent array of remedies in Rhode Island, where income-based discrimination remains legal. State legislators proposed bills to amend the state’s fair housing laws in both 2017 and 2018, but the General Assembly did not pass either measure.⁶

and Housing Discrimination in the United States at 5 (2008) (“[w]omen of color are disproportionately harmed by segregation in government-subsidized housing”); U.S. Department of Housing Urban Development, *Affordable Housing Needs: A Report to Congress on the Significant Need for Housing* at 2 (2003) (“More than one-third...of households with worst case housing needs are families with children.”).

² For a recent compilation, see Appendix B of the Poverty & Race Research Action Council report *Expanding Choice: Practical Strategies for Building a Successful Housing Mobility Program* (2018). Available at <https://www.prrac.org/pdf/AppendixB.pdf>.

³ See, e.g., National Low Income Housing Coalition, *Resource Library*, “Bipartisan ‘Fair Housing Improvement Act’ Would Prohibit Discrimination Based on Source of Income and Veteran Status” (2018). Available at <https://nlihc.org/article/bipartisan-fair-housing-improvement-act-would-prohibit-discrimination-based-source-income>.

⁴ See, e.g., Mary Cunningham et al., *A Pilot Study of Landlord Acceptance of Housing Choice Vouchers* at 3 (2018) (“[L]ower landlord denial rates correspond with places that have protections for voucher holders.”).

⁵ Lance Freeman, *The Impact of Source of Income Laws on Voucher Utilization and Locational Outcomes* at ix (2011) (“[I]mprovements in utilization rates ranged from four percentage points to eleven percentage points. In a [local housing authority] with 10,000 vouchers this could translate into 400 to 1,100 additional families receiving assistance.”).

⁶ See, e.g., Christine Dunn, “R.I. bill seeks to end Section 8 stigma,” *The Providence Journal* (March 19, 2018). Available at <https://www.providencejournal.com/news/20180319/ri-bill-seeks-to-end-section-8-stigma>.

SCFH undertook the research in this report to shed new light on how source of income discrimination affects Rhode Islanders. We focus on benchmarking discrimination rates against Rhode Island tenants who participate in the Housing Choice Voucher Program (HCV), the nation's largest rental assistance subsidy for elderly, disabled, and low-income families.⁷ The resulting data does not reflect every manifestation of source of income discrimination, but it does highlight one large-scale pattern. As of 2016, approximately 9,300 Rhode Island families relied on the HCV program.⁸ The program remains one of the most well-known and stigmatized forms of public housing subsidy.

The sections below detail our methodology and findings. We also set out recommendations for how Rhode Island can amend its fair housing laws to protect vulnerable tenants, promoting housing choice and stability. We hope that this report helps to catalyze the changes necessary to make housing fairer and more accessible for all Rhode Islanders, building a more prosperous and integrated Ocean State.

Executive Summary

SCFH's research measures the prevalence of source of income discrimination in Rhode Island. Income-based discrimination affects a wide variety of state residents who receive financial support from sources like Social Security, child support, and rental assistance vouchers, yet struggle to find private landlords who accept these means of payment. As a result, participants in many of the same public assistance programs designed to encourage housing opportunity instead face widespread rejection.

Since the 1970s, individual states and municipalities have moved to remedy this problem by prohibiting discrimination against lawful sources of income. Within New England, Connecticut, Maine, Massachusetts, and Vermont all protect lawful sources of income under state fair housing laws.

SCFH first began to research source of income discrimination in Rhode Island in February 2018. The organization inquired by phone about a hundred recently advertised apartments to assess whether the relevant housing providers would consider a tenant with a Housing Choice Voucher. That audit represented the first of its type in Rhode Island, and this report now expands on the initial survey. SCFH conducted its latest research in November 2018, again focusing on bias against HCV program participants. The results reflect two methods of measurement: (1) monitoring online rental advertisements and (2) auditing additional housing providers by phone.

In the study's first component, staff and volunteers recorded data from online advertisements for private rental housing posted to Craigslist, Zillow, Showmojo, Facebook Marketplace, and Apartments.com over the course of two weeks. Only 34% of the approximately 3,070 listings posted during that time period were affordable for a Rhode Islander with a voucher. Within that pool, 6.4% explicitly discouraged voucher holders from applying with statements such as "no Section 8." Another 15% required all prospective tenants to earn two or three-times the rent in gross monthly income, effectively disqualifying the same low-income renters. Taking these factors into account, only 27% of online listings were plausibly accessible to a tenant with a voucher.

⁷ Formerly known as "Section 8," after the program's original authorization in the United States Housing Act of 1937. The U.S. Department of Housing and Urban Development (HUD) administers Housing Choice Vouchers in partnership with local public housing agencies.

⁸ Center on Budget and Policy Priorities, *Rhode Island Fact Sheet: Federal Rental Assistance*. Available at <https://www.cbpp.org/sites/default/files/atoms/files/4-13-11hou-RI.pdf>.

The study's second component, an expanded phone audit, illustrates how HCV participants face even more pervasive rejection than these web-based numbers initially suggest. SCFH test callers, or "testers,"⁹ contacted landlords and real estate agents about over 150 recent advertisements for affordably priced rental units. Testers only responded to facially "neutral" online listings—posts without discriminatory language or minimum income requirements. Once SCFH testers reached these listings' authors by phone, however, 63% flatly refused to consider a tenant with a voucher. An additional 11% gave equivocal answers, compounding the already-high rejection rate.

These results indicate that source of income discrimination is real and pervasive in Rhode Island. Roughly 9,300 households rely on the HCV program to afford quality rental housing, and participating renters should be able to afford more than a third of statewide listings. Yet the same tenants will ultimately be shut out of approximately 93% of units, regardless of their individual qualifications. Rhode Island can reduce barriers for affected families by adding lawful sources of income to its fair housing laws, protecting tenants in the HCV program and beyond.

Assessing Source of Income Discrimination in Rhode Island

Fair housing advocates around the country have made it a priority to document source of income discrimination.¹⁰ Only months ago, the Urban Institute released a comprehensive study sponsored by the U.S. Department of Housing and Urban Development (HUD) that demonstrates how private landlords in five major American cities treat HCV participants less favorably than other prospective tenants.¹¹ SCFH drew on this body of research, as well as the organization's own experience with fair housing investigations, to design a two-pronged approach to collecting data in Rhode Island.

a. Research Methodology

i. Online Advertisements

SCFH staff and HOPE volunteers began by monitoring online advertisements for private rental housing posted during the two-week period between November 5th and November 18th, 2018. By capturing data from a broad set of listings, we hoped to approximate what a Rhode Islander with a voucher encounters when searching online for housing opportunities.

The research team monitored five websites: Craigslist, Zillow, Facebook Marketplace, Showmojo, and Apartments.com. These sites represent popular, high-volume platforms for online listings. While there is significant overlap between the sites' content, different platforms do attract different posters. Showmojo, for example, caters to professional property management companies, while independent landlords often access Facebook Marketplace through their existing Facebook accounts.

⁹ Fair housing testing "refers to the use of individuals who, without any bona fide intent to rent or purchase a home, apartment, or other dwelling, pose as prospective buyers or renters of real estate for the purpose of gathering information." U.S. Department of Justice, *Fair Housing Testing Program*. Available at <https://www.justice.gov/crt/fair-housing-testing-program-1>.

¹⁰ See, e.g., Austin Tenants' Council, *Voucher Holders Need Not Apply* (2012); Fred Freiberg and Diane L. Houk, Fair Housing Justice Center, *No License to Discriminate: Real Estate Advertising, Source of Income Discrimination, and Homelessness in New York City* (2008); Inclusive Communities Project, *Survey of Multi-Family Properties: Voucher Acceptance in Collin, Dallas, Denton, and Rockwall Counties* (2017).

¹¹ Mary Cunningham, et al., *A Pilot Study of Landlord Acceptance of Housing Choice Vouchers* (2018). Available at <https://www.huduser.gov/portal/sites/default/files/pdf/Landlord-Acceptance-of-Housing-Choice-Vouchers.pdf>.

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SCFH and HOPE collected data from each of these websites at the same time each day, using filter mechanisms to view those listings posted within the last twenty-four hours. At the end of the monitoring period, the team manually removed from the data any duplicate advertisements that appeared multiple times on the same site, or across sites. Local housing providers posted a total of approximately 3,070 listings on the five sites during the monitoring period. Minus duplicates, these posts advertised 851 unique units available for rent.¹²

After noting the total daily listings on each site, researchers gathered individualized data on the subset of units that were affordable for HCV participants. We defined affordable apartments as those advertised at rents within 120% of the Fair Market Rent, or “FMR,” that HUD issued for Rhode Island in 2018. FMR standards establish how much rent a voucher will cover for differently sized units in a given location. Within Rhode Island, HUD calculates FMRs for three metropolitan areas: (1) Newport-Middletown-Portsmouth, (2) Providence-Fall River, and (3) Westerly-Hopkinton-New Shoreham.¹³

Metropolitan FMR Area (2018 FMR Rates)	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Newport-Middletown-Portsmouth	\$831	\$1,021	\$1,303	\$1,895	\$2,295
Providence-Fall River	\$748	\$849	\$1,014	\$1,271	\$1,508
Westerly-Hopkinton-New Shoreham	\$851	\$873	\$1,161	\$1,572	\$1,808

We included units with rents between 100% and 120% of FMR in our sample based on several considerations. HUD empowers the individual public housing agencies that administer Housing Choice Vouchers to establish separate, jurisdiction-based payment standards between 90% and 110% of FMR.¹⁴ Administering agencies have the discretion to set any standard within this range, and may even adopt one as high as 120% of FMR with HUD approval. In 2018, many Rhode Island public housing agencies established payment standards between 100% and 110% of FMR.¹⁵

¹² Researchers counted a total of 851 unique units within the sample. We calculated the overall number of listings at 3,070, a number that reflects some approximation. We were able to tally total daily listings for every site except Facebook Marketplace, which provided fewer suitable filtering and display options. We extrapolated the site’s approximate total by comparing the daily number of affordable, non-duplicative Facebook Marketplace ads to the other four sites’ average proportion of affordable, non-duplicative ads to total listings.

¹³ The Fair Market Rents Documentation System for Fiscal Year 2018 lists statewide FMR rates. Available at https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2018_code/select_Geography.odn.

¹⁴ See, e.g., Department of Housing and Urban Development, *Payment Standards and Fair Market Rent FAQs* at 2-3 (2015) (“[Public Housing Authorities] may establish the payment standard amount for a unit size at any level between 90 percent and 110 percent of the published FMR for that unit size . . . [A] PHA may request an exception payment standard above 110% of FMR, up to 120% of FMR, by submitting a request to the HUD Field Office.”).

¹⁵ For a list of sample payment standards set by Rhode Island public housing agencies in 2018, see Appendix A.

Additionally, while an HCV tenant will normally contribute 30% of his or her household income towards rent and utility expenses, program participants may elect to pay up to 40% of household income in order to lease an apartment priced slightly above the applicable payment standard. Lastly, landlords are sometimes willing to negotiate the advertised rent, and often do not make clear whether the listed price excludes or includes utility expenses. For all of these reasons, we collected data on units with rents up to 120% of FMR.

The research team gathered individualized data on affordable listings in order to analyze what percentage explicitly or implicitly barred HCV participants from applying. To the extent possible, researchers recorded all of the following information for each listing:

- Ad title;
- Date posted;
- Unit number;
- Number of bedrooms;
- Rent amount;
- Zip code;
- Exact or approximate location;
- Metropolitan FMR area;
- Contact information;
- Voucher-friendly language (e.g., “Section 8 welcome”);
- Discriminatory language (e.g., “No vouchers,” “No government programs”); and
- Gross minimum-income requirements.

We did not include listings for short-term rentals, sublets, or individual roommate openings. For posts that advertised multiple differently-sized apartments within a single complex, researchers recorded information for each available unit size. Data was double-checked for entry errors; researchers also saved PDF images of ads with discriminatory language in order to document their content.

ii. Phone Audit

The majority of online listings make no mention of the HCV program, either to encourage or discourage applications. On paper, these facially neutral ads appear accessible to any renter, including one with a voucher. During the phone audit component of our research, testers called the housing providers who authored these posts in order to confirm how many would, in actuality, rent to a tenant with a voucher.

Researchers selected advertisements for audit from within the online sample. Testers then contacted landlords and agents whose 156 listings met the following criteria:

- Included phone contact information;
- Advertised rents within 100% of FMR; and
- Did not indicate any stance towards vouchers or a minimum income threshold.

Testers placed calls using pseudonyms and an online call-forwarding service; they also relied on fictional caller profiles in order to approximate tenants with variably sized households. Three of the testers were

female, and two male. All sound stereotypically “white,” a factor that may have decreased the discrimination that they encountered.¹⁶

Testers who successfully reached a housing provider by phone confirmed (1) that the advertised unit was still available, and then (2) whether the provider would accept a voucher that covered the stated rent. Testers did not leave voicemails, but called up to three times. We recorded provider responses to the voucher query as either “Yes,” “No,” “Need to Check with Someone Else,” “Unclear Answer,” or “Depends on Additional Factors.” Testers also noted down relevant provider comments.

b. Findings

i. Online Discrimination and Obstacles to Renting

SCFH analyzed online ads in order to approximate the apartment-hunting experience of a Rhode Island voucher holder. The resulting data illustrates the extent to which rising rents and active discrimination combine to exclude those tenants from housing opportunity.

At the outset, we found that HCV participants simply cannot afford most of the units advertised online. Of approximately 3,070 listings, only 34% were priced within 120% of FMR for the relevant metropolitan area. HUD’s FMR standard is meant to represent “the 40th percentile of gross rents for typical, non-standard rental units occupied by recent movers in a local housing market.”¹⁷ Not all of the units captured by our sample may meet these criteria, affecting how the distribution of rents compares to HUD calculations. However, the fact that only 34% of rents fell within 120% of FMR—a more generous threshold—suggests that low-income tenants are being priced out of many units, despite the significant subsidy a voucher represents.¹⁸

Within our sample, different Rhode Island communities supplied significantly differing levels of affordable rental stock. Some municipalities, including Foster, Little Compton, New Shoreham, Scituate, and West Greenwich, registered virtually no affordable units available for rent during the two-week monitoring period. The map on the following page visualizes the distribution of the affordable units we documented among the state’s municipalities.

¹⁶ See, e.g., Chicago Lawyers’ Committee for Civil Rights Under Law, *Final Report: Fair Housing Testing and Survey Project For the Chicago Housing Authority* (2010) (finding that black testers who posed as an HCV program participant encountered higher rates of rejection, steering, and differential treatment than white counterparts).

¹⁷ Department of Housing and Urban Development, *U.S. Housing Market Conditions, “Fair Market Rents”* (4th Quarter, 1998). Available at <https://www.huduser.gov/Periodicals/ushmc/winter98/summary-2.html>.

¹⁸ According to HousingWorks RI’s *2018 Housing Fact Book*, the share of cost burdened renter households in Rhode Island has increased from 37% in 2000 to 51% in 2016. Between 2016 and 2017 alone, median home prices and average rents rose from 6 to 8 percent, while renter and household income rose barely 2 to 3%. Report available at https://www.housingworksri.org/Portals/0/Uploads/Documents/2018_HWRI_Housing_Fact_Book.pdf.

Overall, Rhode Island’s urban communities supplied the majority of affordable stock, with progressively decreasing shares located in the state’s urban rings, suburbs, and rural municipalities.¹⁹ These results negatively implicate low-income tenants’ ability to stay in, or move to, local communities of their choice.

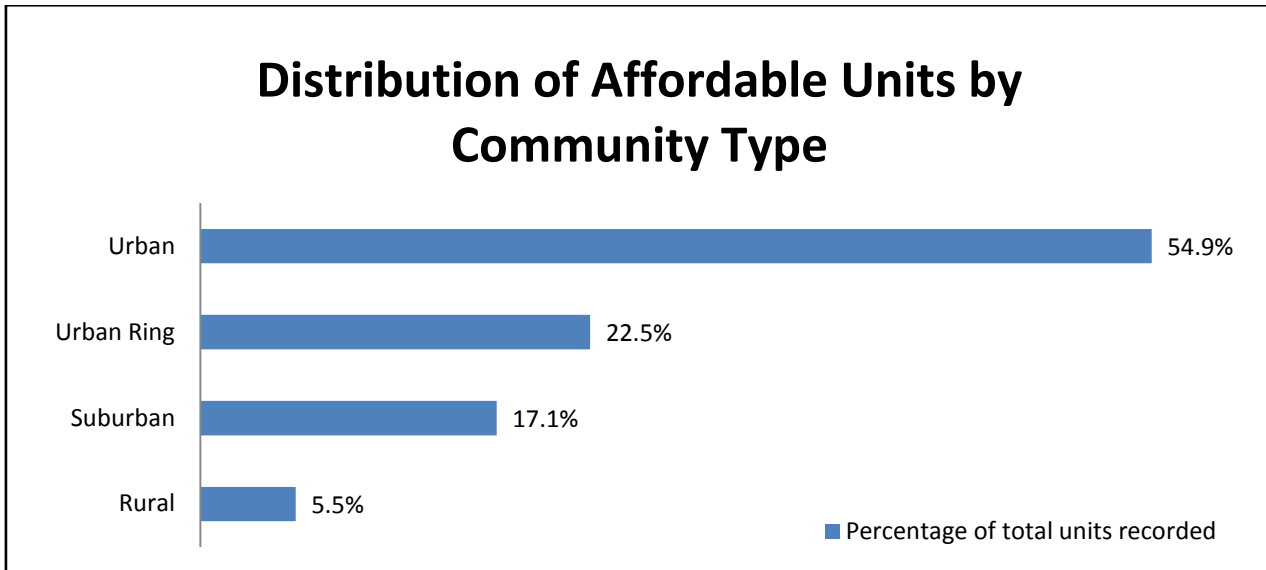


Figure 3: Urban municipalities represented the majority of affordable units in the online sample. For a list of municipalities in each category, see Appendix C.

Discrimination against HCV participants compounds the problems of rental expense and scarcity. Among the affordable listings we recorded, 6.4% explicitly discouraged voucher holders from applying. Providers frequently referred to “Section 8,” but also made statements such as “no vouchers” and “no government programs.” These sweeping prohibitions likely impact low-income renters beyond the HCV program. Homeless veterans who receive rental assistance vouchers through VASH, for example, may be equally dissuaded from responding to such listings.

¹⁹ We sourced these categories from the 1999 Grow Smart Rhode Island report, *The Costs of Suburban Sprawl and Urban Decay in Rhode Island*. The classification system divides Rhode Island municipalities into four categories based on population trends and gross density. This system has also been used by the Rhode Island League of Cities and Towns in its 2018 *Special Report on Municipal Fiscal Conditions*.

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<p>Kitchen and Bath</p> <p>Hardwood cabinets Refrigerator</p> <p>Stove / oven Soaking tub</p> <p>Lease Terms</p> <p>Tenant pays all utilities One year lease</p> <p>No smoking <u>No section 8</u></p>	<p>Marketplace > Rentals</p> <p>1 br · 1 ba · apartment Pawtucket, RI · 23 minutes ago</p> <p>\$775 / Month</p> <p>Apartment · Studio · Cat Friendly · Dog Friendly</p> <p>Utilities: heat and hot water included! Floor: 2nd floor Laundry: none Parking: Yes - 1 spot Lease Term: 1 year Section 8: <u>no</u> Pets: Cats, Dogs, Birds, Fish welcome – breed and weight restrictions apply NO SMOKING Professionally Managed</p> <p>REQUIREMENTS: •1st months rent and equal security deposit</p>
<p>Are you a fantastic tenant? Up for grabs is a 3 bedroom in a very convenient area on the east side of Providence, next to branch ave in Providence, minutes from the I-95. It is a 2nd floor apartment with high ceilings. Open floor plan, double parlor. Nice hardwood floors. Excuse the pics, they are painting and its almost done. Please only call if you can provide proof of income and have 1st and security and a very steady source of verifiable income. UTILITIES ARE NOT INCLUDED. <u>WE do not accept vouchers of any kind, cats ok.</u></p>	

Figure 4: 6.4% of affordable listings explicitly discouraged applications from HCV participants and other public assistance recipients.

Notably, an additional 15% of affordable listings included a minimum gross income requirement for prospective tenants, usually 2.5 or 3-times the monthly rent. While not explicitly discriminatory, minimum income thresholds effectively function as a ban on low-income tenants, even those with a voucher that covers the rent in full. The following table illustrates how income-based eligibility standards exclude HCV participants, despite their ability to pay:

No Gross Minimum Income Required	Gross Minimum Income Required
<p>Rent: \$1,000/month</p> <p>Renter Income: \$600/month HCV Subsidy: \$1,050/month</p> <p><u>Outcome:</u> Tenant can rent</p>	<p>Rent: \$1,000/month (but 3x income required)</p> <p>Renter Income: \$600/month HCV Subsidy: \$1,050/month</p> <p>3x Income Threshold: \$3,000/month</p> <p><u>Outcome:</u> Tenant cannot rent</p>

Some of the housing providers who use these standards might agree to include a voucher’s value as part of an applicant’s income, if contacted directly. Even in this scenario, however, low-income tenants would rarely clear the steep minimums normally required. Listings that stress these income eligibility standards also likely discourage HCV participants from applying in the first place, regardless of the author’s intent.

Cranston, RI 02910
1 bed · 1 bath · -- sqft

FOR RENT
\$750 /mo
List your rental on Zillow. It's free!

1 bed, 1 bath third fl unit in Rolfe Square, adjacent to all shops and restaurants along Park Ave.
Managed complex in a quiet building;
Nice kitchen, fully appliances, easy care vinyl flooring.
Cleaned, painted & ready for move-in December 15th.
Coin-op laundry in building
Off-street parking for one car.
Easy highway access, near Cranston High School East and a RIPTA bus line.
Rent of \$750 per month does not include gas or electric**
Hot water is included.
Pictures are of a similar unit in the building
Sorry NO Sec 8...Need 2 references, a clean BCI and a monthly income of \$2,250.00 and no prior evictions
\$25.00 Non refundable application fee
Only Call If You Meet These Requirements
Cats ONLY

Confirm showing by:

Do you have any pets? *

What's your earliest possible move-in date? *

Have you been evicted in the last five years, filed for bankruptcy in the last five years, or been sued by a previous landlord in the last three years? *

What is your verifiable monthly income? * ←

REQUIREMENTS:

- 1st months rent and equal security deposit required for move in
- Must pass background investigation
- Favorable credit history required
- \$20 Application Fee (Per adult)
- Gross (Before Tax) Monthly Income Must Be At Least 2.5X Monthly Rent (Must Provide Proof)

\$775/month

- 2nd Floor Apartment
- 1 Bedroom Apartment
- Heat & Hot water included
- Plenty of kitchen and Cabinet Space
- Pets Negotiable
- 1 Year lease

REQUIREMENTS:

1st months rent and equal security deposit required for move in

Must pass background check

\$35 Application Fee (Per adult 18 and over)

Gross (Before Tax) Monthly Income Must Be At Least 3X Monthly Rent (Must Provide Proof)

Pets allowed!

You need to make sure you meet the minimum qualifying standards:

- verifiable monthly income of all occupants combined should be at least 3x rent
- min credit score 600
- positive references previous landlords

Total rehab. No Pets. Plenty of parking. Washer dryer hook up. First and security.

Income requirement: Minimum take-home monthly income is \$3225. Less




Figure 5: 15% of affordable listings required prospective tenants to earn a minimum gross monthly income. In the upper right, Showmojo allows housing providers to screen applicants by monthly income.

At least one site, Showmojo, affirmatively enables housing providers to screen prospective tenants by minimum gross monthly income. Before an applicant can schedule a viewing, he or she must enter an amount of verifiable monthly earnings. Renters whose gross monthly income falls below the standard set by a listing’s author cannot proceed any further on the platform. The site does not provide fields for users to enter alternate payment methods such as an HCV subsidy.

Showmojo’s screening tool encapsulates the broader problem with minimum income requirements: they prevent HCV participants from renting units for which they are able and willing to pay.

Whether that outcome is unintentional or not, the practice reduces housing opportunities for many Rhode Island tenants.

ii. “It’s About the Voucher”: Results from the Phone Audit

Online source of income discrimination is real and pervasive in Rhode Island, yet represents only part of the bias that HCV participants face. Many local housing providers whose listings initially seem accessible to a voucher holder nevertheless turn away any who do respond, regardless of individual merits. Our phone audit quantifies this additional layer of discrimination.

SCFH and HOPE selected 156 ads for audit from within our online sample. These ads all included phone contact information and advertised rents within 100% of FMR—a more conservative affordability criterion. Importantly, we only audited “neutral” listings that contained neither exclusionary language nor minimum income requirements. These criteria allowed us to gauge discrimination *in addition to* those instances that we already observed online.

After responding to 156 listings, testers ultimately reached the landlords and real estate agents responsible for advertising 105 units, 82 of which were still available for rent. When questioned, 63% of these providers would not consider a tenant with a voucher, though it covered the rent in full. An additional 11% gave unclear or equivocal responses; only 26% affirmatively agreed to consider an HCV tenant. Some providers offered specific reasons for denials, including concerns about lead certification and administrative delays. Others gave little explanation, or simply hung up.

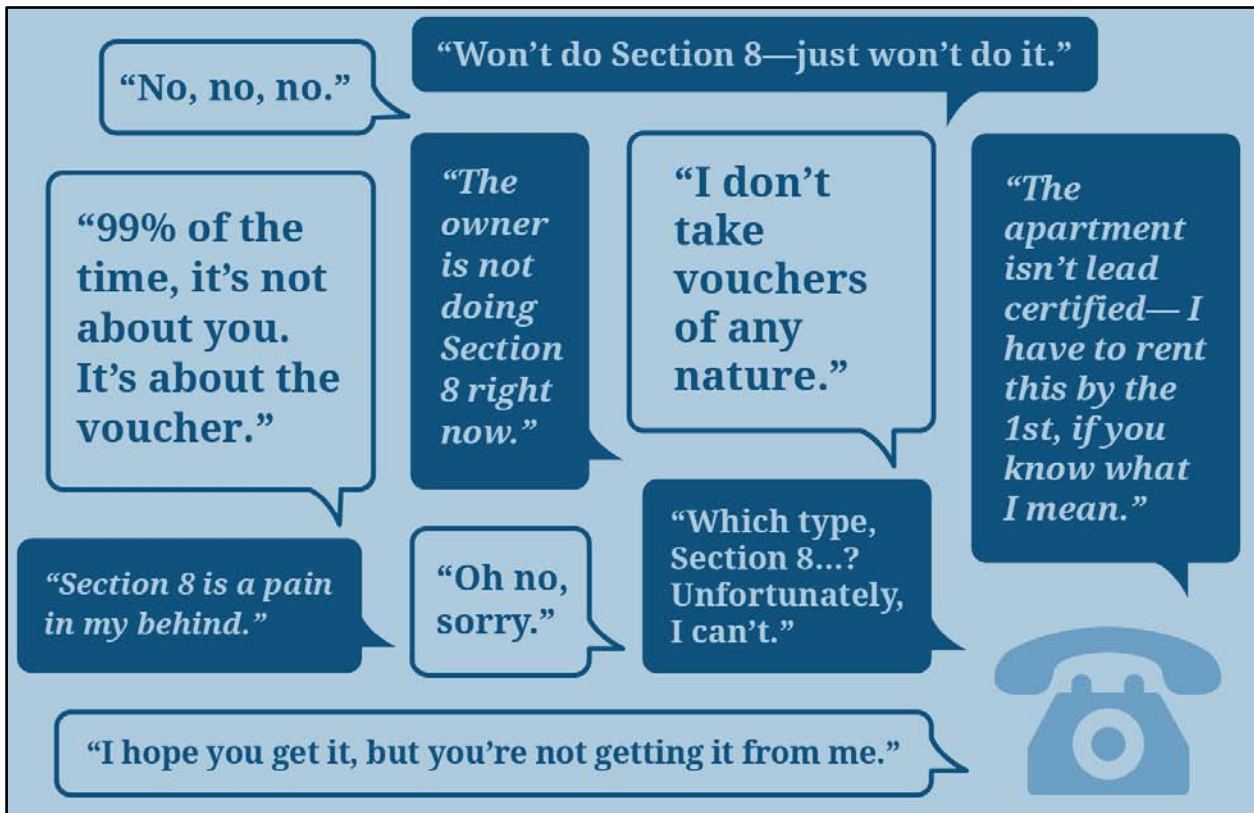


Figure 6: 63% of housing providers reached by phone would not consider renting to a tenant with a voucher. Testers recorded provider comments during the course of the phone audit.

Source of Income Discrimination in Rhode Island

These results resemble those of SCFH's February 2018 phone audit. In that survey, 77% of providers—53 out of 69—would not consider a tenant with a voucher, while an additional 10% expressed uncertainty. Only 13% agreed to consider a voucher holder. Both audits have small sample sizes, a limitation that likely contributes to varying provider response rates. Yet the results capture a fundamentally similar dynamic: few Rhode Island landlords will currently rent to the state's HCV participants.

The maps on the following two pages visualize these rejection rates.

November HCV Phone Audit Results

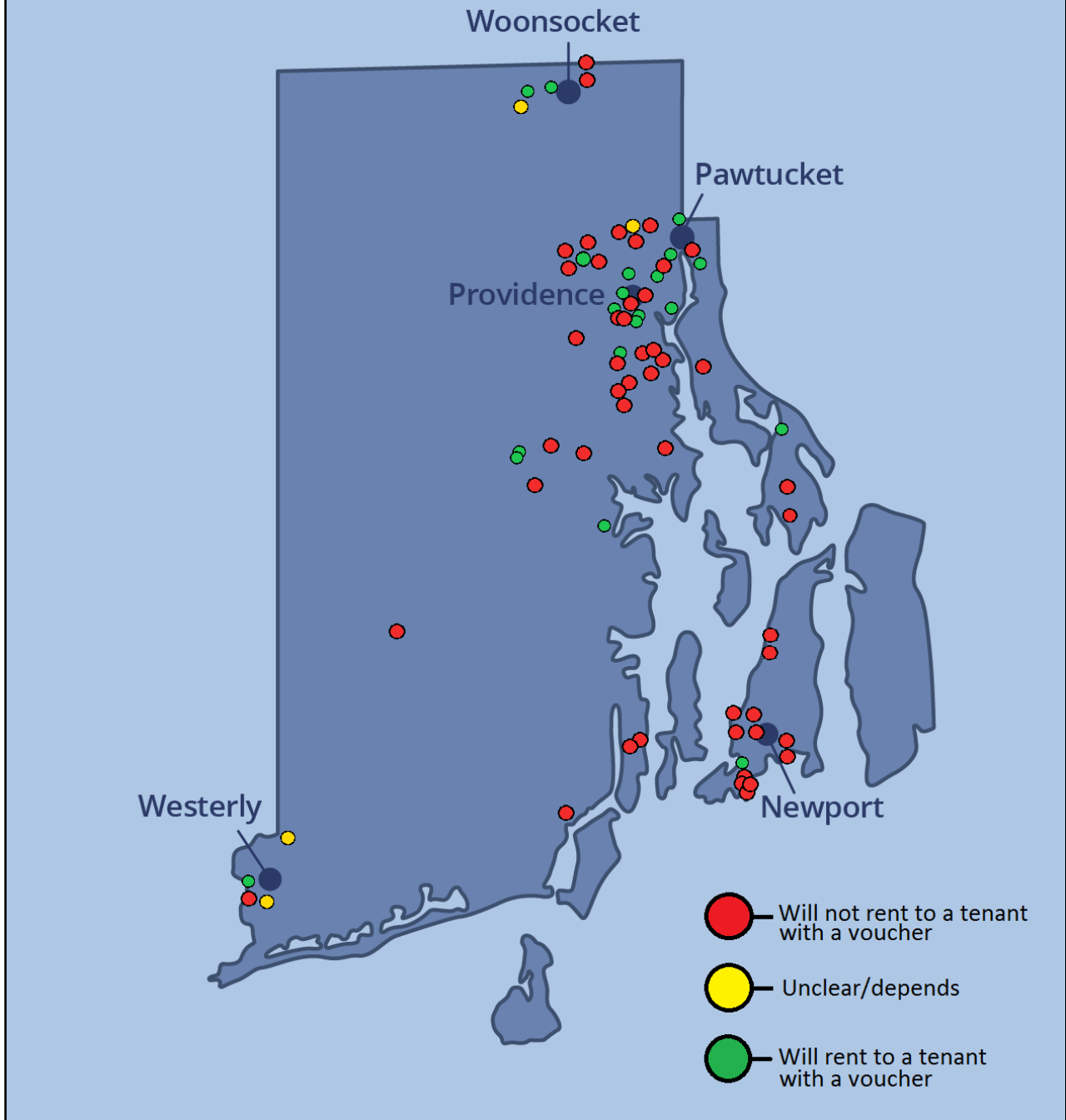


Figure 7: 63% of housing providers reached by phone in November 2018 would not consider a tenant with a voucher. Another 11% expressed uncertainty.

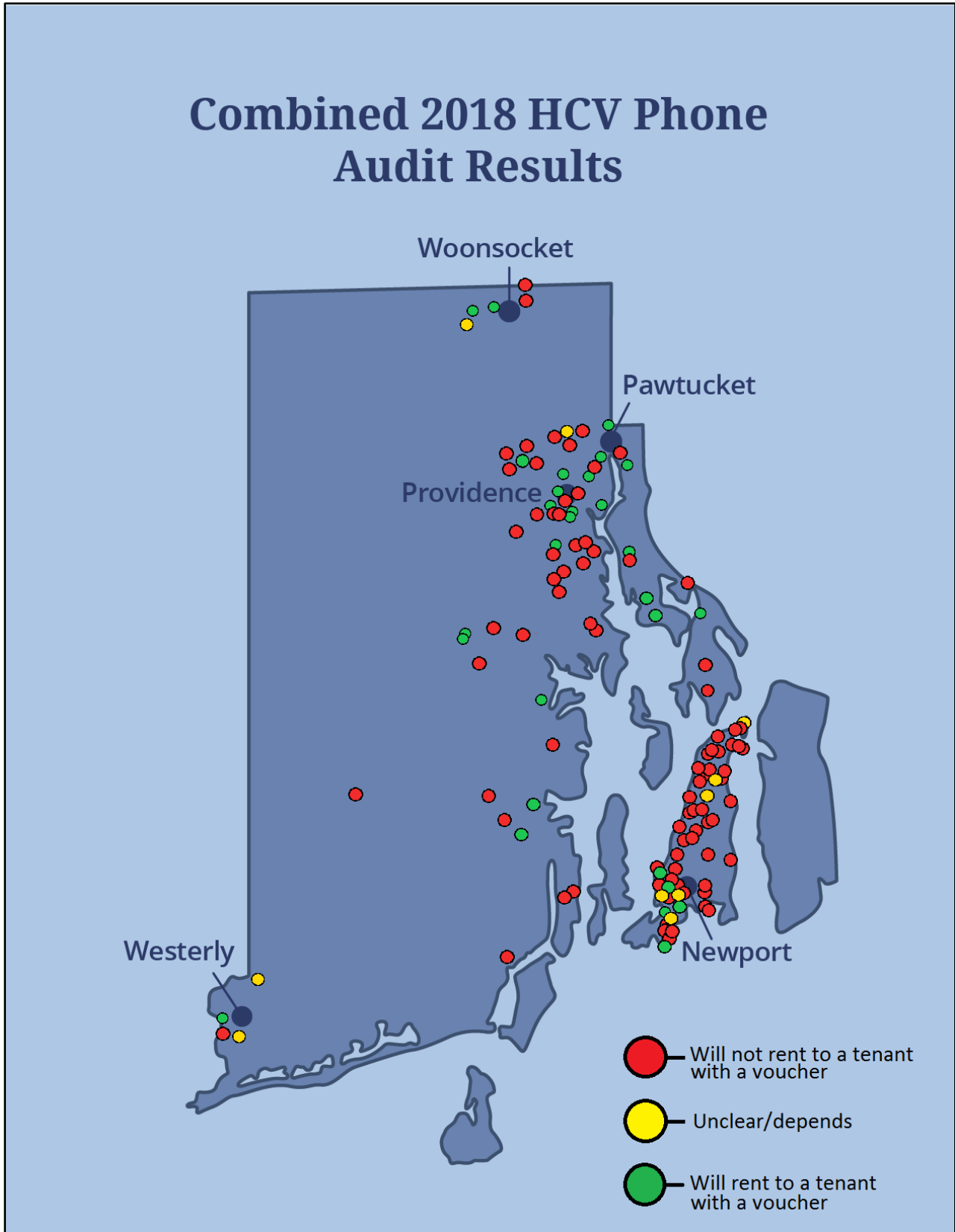


Figure 8: 75% of housing providers reached by phone in February 2018 would not consider a tenant with a voucher. This map visualizes both audits' combined results.

Our audits’ limited sample sizes prevent us from drawing any conclusions about individual Rhode Island municipalities. However, the results do suggest certain patterns. Of the housing providers we reached, those with units located in urban communities were the most willing to accept a tenant with a voucher. Denial and uncertainty rates increased for units in the urban ring, and again in the suburbs. Rural providers expressed the most uncertainty about whether they would rent to an HCV participant, possibly reflecting a regional lack of exposure to the program.

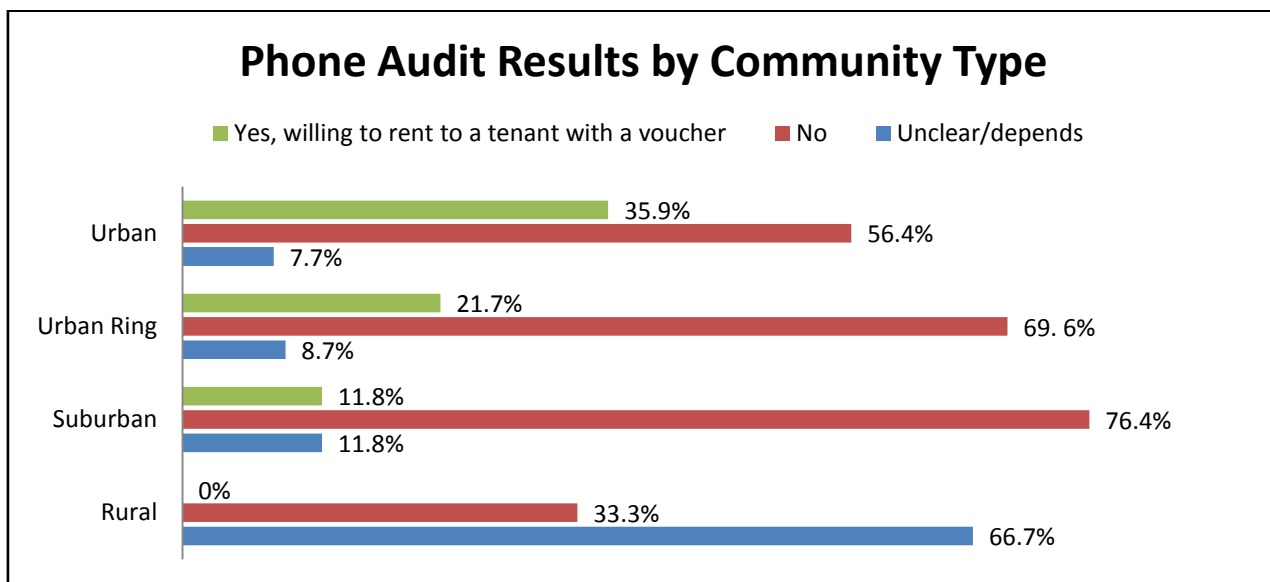


Figure 9: HCV phone testers encountered variable response rates among housing providers depending on the type of community in which a unit was located. For a list of municipalities in each category, see Appendix C.

Conclusions and Recommendations

Source of income discrimination imposes steep barriers to renting for low-income Rhode Islanders who rely on the HCV program. With a voucher, participating tenants should be able to afford roughly 34% of the apartments advertised online each day around the state. *In actuality, discrimination narrows the share of housing opportunities closer to 7%.*

These dispiriting results resonate with existing data on Rhode Island voucher outcomes. Within the Providence-Warwick metropolitan area, families with children disproportionately end up using their vouchers in high-poverty, low-opportunity neighborhoods, even when qualifying apartments exist in low-poverty, high-opportunity areas.²⁰ A number of factors may aggravate this disparity, but our research suggests that families who do try to “move to opportunity” encounter frequent discrimination.

Our research focused on discrimination against HCV participants, but it’s worth reiterating that source of income discrimination affects Rhode Islanders beyond any single program. Tenants who financially rely on child support, alimony, Social Security, veterans’ benefits, and emergency housing stabilization programs are similarly vulnerable. All risk losing out by virtue of their income’s source, rather than dollar value.

²⁰ Poverty & Race Research Action Council, *Where Families with Children Use Housing Vouchers* (2019). Available at <https://www.cbpp.org/sites/default/files/atoms/files/1-3-19hous.pdf>.

Source of Income Discrimination in Rhode Island

Rhode Island can foster new housing opportunities for tenants by protecting lawful sources of income under state fair housing law. Numerous states around the country provide ready legislative models. Within Rhode Island, an effective measure would ideally accomplish all of the following:

- Protect a comprehensive array of lawful income sources, including federal, state, and local public assistance programs;
- Clarify how landlords should apply gross monthly minimum income requirements to tenants with Housing Choice Vouchers and other, similar subsidies; and
- Enact a vigorous enforcement structure that discourages landlords from resorting to more covert forms of income-based discrimination.²¹

Based on the number of housing providers that we spoke with who repeated common misconceptions about the HCV program, as well as concerns about lead safety compliance, additional funding for both (1) lead remediation and (2) outreach and education programs would also bolster public housing agencies' efforts to successfully connect voucher holders with private landlords.

SCFH would again like to thank all those who helped to make this report possible. We hope that our research shines a light on the scope and harms of source of income discrimination in Rhode Island. The state will build a brighter future by ensuring fairer housing for all of its residents, in all of its communities.

²¹ Connecticut, Massachusetts, and New Jersey do not allow landlords to cite an administrative burden defense in source of income cases, in large part because “[c]reating an exception...would provide landlords with an easy ground upon which to evade compliance.” Armen H. Merjian, *Attempted Nullification: The Administrative Burden Defense in Source of Income Discrimination Cases*, 22 GEORGETOWN JOURNAL ON POVERTY LAW AND POLICY 211, 212 (2015); see also *Commission on Human Rights and Opportunities v. Sullivan Associates*, 739 A.2d 238, 248 (Conn. 1999) (“an exception...would eviscerate the basic protection envisioned by the statute.”). Chicago, New York City, and Washington, D.C. have adopted the same standard.

Source of Income Discrimination in Rhode Island

Appendices

Appendix A

(Sample 2018 payment standards set by Rhode Island public housing agencies)

Pawtucket Housing Authority

Bedroom Size	FMR Standard	Payment Standard
0	\$748	\$748
1	\$849	\$892
2	\$1,014	\$1,004
3	\$1,271	\$1,246
4	\$1,508	\$1,493

Providence Housing Authority

Bedroom Size	FMR Standard	Payment Standard (City)	Payment Standard (East Side)
0	\$748	\$785	\$822
1	\$849	\$891	\$933
2	\$1,014	\$1065	\$1,115
3	\$1,271	\$1335	\$1,398
4	\$1,508	\$1559	\$1,658

Source of Income Discrimination in Rhode Island

Rhode Island Housing (Middletown, Portsmouth)

Bedroom Size	FMR Standard	Payment Standard
0	\$831	\$914
1	\$1,021	\$1,123
2	\$1,303	\$1,433
3	\$1,895	\$2,084
4	\$2,295	\$2,542

Rhode Island Housing (Barrington, Charlestown, Exeter, Foster, Glocester, Jamestown, Little Compton, Narragansett, North Kingstown, North Smithfield, Richmond, Scituate, and West Greenwich)

Bedroom Size	FMR Standard	Payment Standard
0	\$748	\$822
1	\$849	\$933
2	\$1,014	\$1,115
3	\$1,271	\$1,398
4	\$1,508	\$1,658

Source of Income Discrimination in Rhode Island

Appendix B

(Geographic distribution of affordable listings from the online sample, by municipality)

Municipality	Percentage of Total Sample
West Greenwich	0%
Little Compton	0%
Foster	0%
Scituate	0%
New Shoreham	0%
Tiverton	0.12%
Glocester	0.12%
Exeter	0.12%
North Smithfield	0.12%
Richmond	0.24%
Jamestown	0.24%
Hopkinton	0.24%
East Greenwich	0.36%
Burrillville	0.48%
South Kingstown	0.71%
Charlestown	0.71%
Barrington	0.71%
North Kingstown	0.71%
Cumberland	0.83%
Central Falls	0.83%
Warren	1.07%
Lincoln	1.07%
Johnston	1.07%
Smithfield	1.19%
Coventry	1.31%
Narragansett	1.67%
Westerly	2.26%
Portsmouth	2.38%
Bristol	2.38%
Middletown	2.62%
East Providence	2.62%
Warwick	4.40%
West Warwick	4.64%
Cranston	4.76%
North Providence	5.95%
Woonsocket	7.50%
Newport	8.45%
Pawtucket	12.38%
Providence	25.71%

Source of Income Discrimination in Rhode Island

Appendix C

(Rhode Island municipalities classified by population growth and gross population density, per 1999 Grow Smart Rhode Island report)

Urban	Urban Ring	Suburban	Rural
Central Falls Newport Pawtucket Providence Woonsocket	Cranston East Providence North Providence Warwick West Warwick	Barrington Bristol Cumberland East Greenwich Jamestown Johnston Lincoln Middletown Narragansett North Kingstown Portsmouth Smithfield Warren Westerly	Burrillville Charlestown Coventry Exeter Foster Glocester Hopkinton Little Compton New Shoreham North Smithfield Richmond Scituate South Kingstown Tiverton West Greenwich