



## H.B. 229: SOURCE OF INCOME DISCRIMINATION IN OHIO

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### PROBLEM AND POLICY OVERVIEW

Over 229,000 households in Ohio use a federal housing voucher to help pay their rent. Yet in most places in the state, landlords can legally refuse to rent to a prospective tenant solely based on the source of their rent payment. This practice, known as “source of income discrimination” adds unnecessary burdens to households that already face many challenges in securing housing and disproportionately impacts marginalized populations such as women and African Americans throughout the state.

More than a dozen states and numerous counties and cities across the nation have enacted laws to prohibit discrimination based on a renter’s lawful source of income. House Bill 229, recently introduced in the Ohio House of Representatives, would add Ohio to that list. A study by the United States Department of Housing and Urban Development (HUD) found these source of income non-discrimination laws do in fact make a difference: landlords are less likely to deny vouchers, and voucher holders are more likely to use their voucher to secure decent housing.

### HOUSING CHOICE VOUCHER PROGRAM

The goals of the Housing Choice Voucher Program (often referred to as “Section 8”) are to eliminate the concentration of poverty and to provide households with low incomes access to higher-opportunity neighborhoods. Households using vouchers must find housing on the private market and pay a portion of the monthly rent based on their income, while the other portion is paid by the voucher. The voucher goes directly to the landlord and operates as a guaranteed source of rent. When landlords can legally refuse to accept vouchers, households end up clustered into areas with high poverty, high crime, low educational opportunities, and prevalent environmental health hazards. In Cuyahoga County, 90% of households using vouchers are concentrated in neighborhoods with minimal resources.

## **PREVALENCE OF RENTER DISCRIMINATION**

Source of income discrimination is a frequent occurrence in Ohio. Finding rental housing is far more difficult for families using vouchers to pay rent. Sometimes, advertisements for rental properties contain explicit language stating the landlord does not accept vouchers (as in "No Section 8"). For example, our recent study of Cuyahoga County rental listings found 16% of Craigslist advertisements over a three-month period contained such language. The number of rental properties that are refused to prospective tenants because of vouchers is likely far greater than what is seen in the advertisements. A Cuyahoga County field test found 92% of voucher holders were denied when they applied for housing in neighborhoods that had a low concentration of voucher holders. And 80% of voucher holders surveyed reported landlord refusal of vouchers to be a major barrier in their housing search.

## **DISPARATE IMPACT**

Excluding voucher holders from renting properties often disproportionately harms individuals in other protected classes, such as race, disability, or familial status. For example, 90% of those who use vouchers in Cuyahoga County are African American. Throughout Ohio, of people receiving rental assistance:

- 28% are adults with disabilities
- 80% are women
- 38% are households with children

There is some evidence that landlords may use voucher discrimination as a proxy for discrimination against protected classes. In a recent study using paired testers, Cuyahoga County landlords who advertised they did not accept voucher holders were 5 times more likely to treat African American applicants worse than similar white applicants, even when the applicants did not mention or plan to use a voucher.

Allowing renters to be excluded due to their use of a voucher perpetuates inequality and undermines federal and state fair housing laws that prohibit the discrimination of individuals and families based on race, sex, familial status, and disability.

## **CONCLUSION**

Hundreds of thousands of Ohioans use a housing voucher to help pay for their rent. Housing vouchers provide a guaranteed source of rental payment, yet, in Ohio, it is currently legal for landlords to refuse to accept vouchers. This is a well-documented problem in our state which creates extra burdens on households with low incomes, perpetuates inequality, and undermines fair housing laws.

## ADDITIONAL READING

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