

Introduction

Housing determines the quality of life for many individuals. Better housing gives individuals access to better schools, healthier food options, a safer environment, better healthcare, and more. Through both explicit and implicit biases, Black Americans have been relegated to low quality housing or, in many cases, no housing at all. This issue feeds into the cycle of systemic racism which keeps Black Americans from acquiring wealth and obtaining opportunities to access better housing. Many policies have been implemented to remedy the issue of housing and homelessness in America, however they often fall short or ignore the systemic racism planted firmly in the United States' housing system. Section 8 housing vouchers, for example, have by and large failed to provide low income housing solutions to Black Americans. These barriers stem from deep-rooted structural and institutionalized racism. From Jim Crow era zoning laws to modern food deserts, Black Americans are still fighting injustices in housing and homeownership. In this memo, I will discuss currently proposed legislation to address issues of race and homelessness as well as policy alternatives.

Background

Housing sits at the bottom of Maslow's Hierarchy of Needs and it is no coincidence people of color have been kept fighting for equal housing since slavery was abolished. During Jim Crow, housing segregation was cemented in zoning laws created to deter, or in some cases explicitly deny, Black individuals from moving into majority white neighborhoods. These zoning laws created the first level of housing inequality and began the formation of Black and white neighborhoods.

Moving forward to the 1930's and 40's, racial segregation was starting to be seen in federal housing subsidies. Redlining (systemic denial of mortgages, loans, etc. based on race) kept Black Americans from building their wealth and kept them confined to their current neighborhoods which lacked the economic growth brought to white neighborhoods by FHA loans and other financial opportunities denied to Black Americans through redlining. As the practice of redlining and similar institutional attempts to maintain segregation became outlawed or ruled unconstitutional, new methods of keeping people of color in poverty emerged.

Food deserts, for example, keep away access to affordable and healthy food options and, like housing inequality, keep people of color stuck in the first tier of Maslow's Hierarchy of Needs, which we might begin to see as a theme. Section 8 housing vouchers provide another issue with access to better housing. Although the Fair Housing Act makes it illegal to discriminate in terms of housing based on race, no law currently requires landlords to accept these vouchers, which

makes it an easy way for landlords to deny an application for housing from a Black family under the guise of it being related to Section 8 housing rather than race.

Evidence

The most clear evidence of systemic racism in housing is the percentage of Black Americans who are experiencing homelessness when compared to the percentage of the Black population in the United States. Current research estimates as many as 40 percent of homeless individuals and 50 percent of homeless families are Black despite Black Americans making up only roughly 13 percent of the United States Population (Homelessness and Racial Disparities). The racist connotations of this staggering figure is backed up by research conducted by the Supporting Partnerships for Anti-Racist Communities Institute (SPARC). The SPARC Institute study conducted both quantitative and qualitative research into the overrepresentation of Black Americans in the homeless population of the United States. In their study, they examined the exit-destination (the housing outcome for an individual or family after experiencing chronic homelessness) and found Black American young adults age 18 to 24 were 69 percent more likely to exit back into homelessness than white Americans of the same age range (Olivet et al., 2021).

Further evidence of racism in housing can be seen through the reliance on Section 8 Choice Housing Vouchers (CHVs). While the Fair Housing Act prohibits discrimination based on race, landlords have used CHVs as a loophole to deny tenantry to Black applicants. If a Black individual or family applies for a rental with a CHV, the landlord can reject the application because of the CHV. In a small study conducted in Marion County, Indiana, for example, landlords refused to accept CHVs 81 percent of the time. That percentage jumped up to 90 percent when examining only majority white neighborhoods. In Marion County, 89 percent of CHV holders are Black. Because the majority of CHV holders are Black, rejecting them is blatantly contributing to systemic racism, whether the landlords are explicitly biased or implicitly biased. Landlords often refuse CHVs on the basis of social constructions around people of lower socio-economic status which results in this bias tending to be a racist one, not just classist (*Fair Housing Rental Testing Audit Report On Section 8 Denial Rates In Marion County, Indiana* 2014).

Policy Solutions

The first policy solution is one which has already been implemented in many localities and proposed nationally in the Senate. As mentioned previously, CHVs are often ineffective due to landlords not accepting them. An obvious solution to this is to either incentive landlords to accept them or outright enforce that CHV holders cannot be denied tenantry because of their CHVs. Senate Bill 1820, for example, is a recently proposed bill which aims to reduce homelessness in the United States by providing incentives for landlords to accept CHV. The proposed incentives in the bill include one-time payments, security deposit payments, bonuses to public housing agencies that employ landlord liaisons, and amounts for other recruitment

purposes. These incentives also help landlords with justifying the cost-benefit analysis on renting to CHV holders due to social constructions built around CHV holders (*Choice in Affordable Housing Act of 2021*).

A small version of this program has been implemented in Baltimore, Maryland where it has had great success. It also provides aspects which need to be fixed before larger scale implementation. Issues with the program cited were the paperwork involved and lack of contactability for the public offices handling the CHV cases. The other main issue was with inspections and the responsibility for repairs (Cossyleon et. al, 2020).

Another policy solution is to modify the current CHV program to improve its effectiveness. In this solution, CHV holders sign a flat-rate rental agreement with a percentage of their wage going to saving account escrows rather than the traditional model of requiring a percentage of the CHV holders income to be used on rent. Many cities have implemented this as part of the Department of Housing and Urban Development's (HUD) Moving to Work program. While this might seem like a small difference, it allows much greater flexibility for CHV holders in their finances and opens up many more housing opportunities for them.

One issue with doubling down on CHVs is they end up creating wealth for the landlords the vouchers pay instead of creating wealth for the individuals or families who need the vouchers in the first place. Renting also becomes problematic in that it can be easily lost if one loses income for a short period. A policy solution to remedy this is housing ownership vouchers (HOVs). One implementation is to simply take the same system of CHVs where a fixed portion of the HOV holder's income goes towards paying a mortgage rather than rent. This implementation does require the HOV holders to be able to make a downpayment, but many states have first time homeowner programs designed to help with this. In a sense, HOVs would be an extension of those programs. HUD has begun work on this program but has not been able to develop all of the necessary funding yet.

Opponents of these sorts of subsidies to help homeless individuals often cite the cost to the taxpayer. However, a cost-benefit analysis shows the cost of CHVs and HOVs for homeless individuals is less than the cost of the resources these individuals utilize as part of their daily lives living without a home. The United States Interagency Council on Homelessness estimates taxpayers pay between \$30,000 and \$50,000 each year for an individual to remain chronically homeless. This cost comes from medical resources utilized, law enforcement encounters, and other public resources utilized. The National Alliance to End Homelessness has found these costs are reduced by 49.5 percent when supportive housing is provided. The cost of supportive housing is \$12,800 which means providing supportive housing saves the taxpayers between \$2,000 and \$12,000 per homeless individual annually. This means a savings of at least 1.1 billion dollars.

CHVs don't just fight systemic racism, they are cheaper than the alternative too (*Ending Chronic Homelessness Saves Taxpayers Money* 2018).

Recommendation

Given the two proposals, I recommend further developing HUD's HOV program. While the CHV incentives are effective at getting Black individuals and families into houses, they do not do much to stem the rampant systemic and institutionalized racism in the United States. By providing a path for Black individuals and families to gain home ownership, they also gain access to better schools, food, healthcare, and environment.

References

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