

APPAM discussion

- 1) Slipping Into and Out of Arrears (Ellen et al)
- 2) Impact of residential mobility on segregation dynamics (Lens et al)

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Slipping Into and Out of Arrears (Ellen et al)

Research question: what can arrears spells tell us about how to target policies for rent assistance, eviction protections, etc.?

Data: rent rolls from 166 LIHTC developments, Nov 2021 to Aug 2025

- 1 landlord, 16 states, lots of project-based vouchers (80% of properties)

Methodology: novel descriptives + LPM to look at heterogeneity in exiting property

Answers:

- 22% in arrears in any given month. 40% recover within 3 months (but many fall back into arrears)
- Most still pay *some* rent
- 16% who fall into arrears exit within 3 months
- Lots of heterogeneity. Exits higher for those further behind on rent, without additional subsidies, or in states with less friendly tenant laws

1) Any way to compare to market-rate units?

- Humphries et al (2025): 50% of low-income Chicago renters fall behind on rent at some point (rent roll data)
- Census Pulse surveys ask if caught up on rent, with splits by demographics and state
 - In Summer 2024: 21% behind if <\$25k income, drops steadily by income

1) Any way to compare to market-rate units?

2) Separating forced vs. voluntary moves

- 'Strategic' arrears if a household knows it's moving out soon anyways?
- Is there useful variation in size of security deposit? Larger deposits \implies more likely current on rent at move-out?

Comments

- 1) Any way to compare to market-rate units?
- 2) Separating forced vs. voluntary moves
- 3) Is who enters into arrears predictable at move-in?
 - If so, landlords may use this information in screening – could affect ‘targeting’ of LIHTC
 - Unique to have private intermediaries have this much influence over assisted households
 - (Might not have data on characteristics?)

Comments

- 1) Any way to compare to market-rate units?
- 2) Separating forced vs. voluntary moves
- 3) Is who enters into arrears predictable at move-in?
- 4) Are there spillovers between tenants?
 - E.g., if the landlord shows lots of forbearance during a given month, do more tenants enter arrears in the coming months?
 - Easier if can observe evictions. Higher evictions \implies remaining tenants less likely to go into arrears?

Comments

- 1) Any way to compare to market-rate units?
- 2) Separating forced vs. voluntary moves
- 3) Is who enters into arrears predictable at move-in?
- 4) Are there spillovers between tenants?
- 5) What about who enters into arrears in the first place?
 - Variation by subsidy status, state, renter protection laws, ... ?

Impact of residential mobility on segregation dynamics (Lens et al)

Research question: how do individual moves contribute to persistent segregation?

Data: California residents with credit score, 2011-2022

- Race/ethnicity imputed by credit bureau
- Credit bands used as proxy for income

Methodology: descriptive analysis of observed moves between Census tracts

Answers:

- By credit bin, similar share of moves 'up' as 'down'
- Black movers *far* less likely to make upward moves, most likely to move down
- But Black movers *more* likely to make 'integrative' moves

Future: are moves into LIHTC integrative?

1) What's the 'choice set' for White vs Black movers?

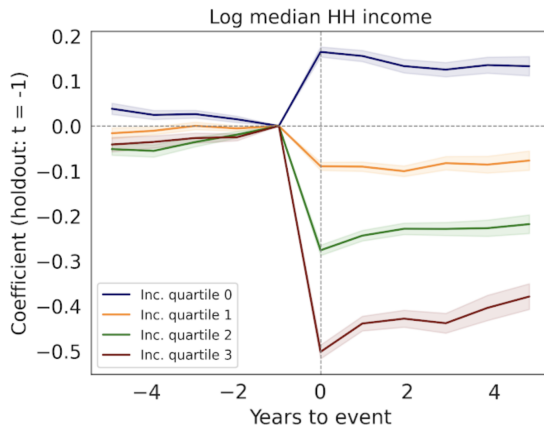
- What share of *potential* neighborhoods would be up/down/integrative for each?
- Differences in how distance to those neighborhoods from current location?
- Suppose each group chose random neighborhood. Would you still find that Black movers are more likely to make integrative moves?

- 1) What's the 'choice set' for White vs Black movers?
- 2) How does it vary by *trend* of the origin neighborhood?
 - Who leaves improving/worsening neighborhoods?
 - For average resident of each group in 2011: would staying put have been up/down/integrative over time?

- 1) What's the 'choice set' for White vs Black movers?
- 2) How does it vary by *trend* of the origin neighborhood?
- 3) For LIHTC, should integration be the goal?
 - Weigh against costs, access for low-income households (far from current nbhd?), ...
 - Build in majority-White areas \implies integrative on margin, but fewer minority households

LIHTC movement patterns: 'up' vs 'down' depends on destination

Neighborhood income around move-in by income quartile of LIHTC development (Infutor)



LIHTC movement patterns: origin neighborhoods vary by destination

Previous nbhd chars. by opportunity quartile of LIHTC development (Census/IRS moves)

