

# SOURCE OF INCOME AND RACE INVESTIGATION

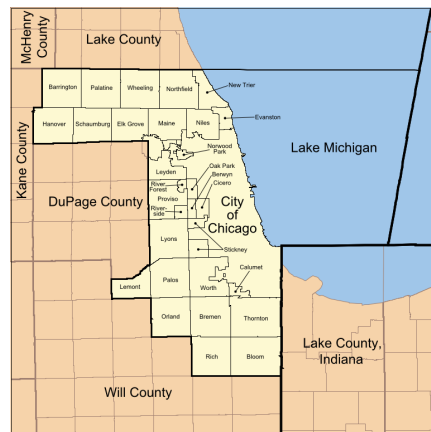
## SUBURBAN COOK COUNTY



**August 8th, 2015** marked two years since the amendment making it a violation of the Cook County Human Rights Ordinance to discriminate based on housing choice voucher status became effective. The Cook County ordinance does not require landlords to accept all applicants with vouchers, but only to decide whether to rent to them based on other qualifications such as landlord references, as well as treat them equally with other tenants after renting to them. Chicago Fair Housing Partners, Chicago Lawyers' Committee for Civil Rights, HOPE Fair Housing Center, Open Communities, and South Suburban Housing Center, conducted fair housing tests in suburban Cook County to investigate how housing providers are treating African-American and Caucasian voucher holders two years post-amendment.

**Housing Choice Vouchers**, formerly called Section 8, are federal subsidies for low-income families, the elderly, and the disabled which enable participants to rent quality housing in the private market. It is essential that private landlords cooperate by renting to qualified tenants with vouchers. This allows them to live in neighborhoods and towns previously inaccessible to them, while the owners are paid fair rent. This has the great potential to break down segregation based on race, ethnicity, disability, and economic status, and to affirmatively further fair housing. Unfortunately, families with Housing Choice Vouchers in suburban Cook County have been primarily concentrated in segregated, high poverty neighborhoods and towns, known as low opportunity areas.

**The Fair Housing Project** of the Chicago Lawyers' Committee for Civil Rights Under Law seeks to eliminate housing discrimination and segregation based on race, national origin, familial status, physical and mental disability, sexual orientation, source of income, religion, gender, and other bases, to affirmatively further fair housing in the Chicago metropolitan area. The project does so through education, advocacy, investigation and litigation. This investigation found that discrimination against tenants with Housing Choice Vouchers, particularly African-Americans, continues to be widespread in suburban Cook County and more needs to be done to address this problem.



**The Fair Housing Partners** completed a total of 50 matched pair tests from May to July 2015 in North, Northwest, West and South/Southwest suburban Cook County. Twelve to fourteen matched pair tests were conducted in each region using an African-American and Caucasian tester for each. Properties were selected from various online and print sources. Advertisements that explicitly stated “no vouchers,” or “vouchers accepted” or other similar language were excluded. Testers inquired about the availability of each property, asked whether a Housing Choice Voucher (HCV) would be accepted for rent, and, when applicable, asked the housing provider why a HCV would not be accepted.

**Below are tables reflecting findings.** The Refusals based on HCV category included tests where the housing provider refused the voucher from both the African-American and Caucasian tester. The Refusals based on Race categories included tests where the housing provider was willing to accept the voucher only from one of the testers, African-American or Caucasian. A similar analysis was applied to the Terms and Conditions and Steering categories. An explanation and analysis of the results follow the tables.

**Discrimination - Type and Basis by Region**

	Refusal based on HCV	Refusal based on Race - AA	Refusal based on Race - Caucasian	Yes, with discouragement based on HCV	Maybe, based on HCV	Inconclusive
North	2	4	0	3	3	3
Northwest	6	0	0	1	0	3
West	3	1	0	1	0	1
South/Southwest	5	4	0	1	0	1
<b>Subtotals</b>	<b>16</b>	<b>9</b>	<b>0</b>	<b>6</b>	<b>3</b>	<b>8</b>
<b>Percentages</b>	<b>32%</b>	<b>18%</b>	<b>0%</b>	<b>12%</b>	<b>6%</b>	<b>16%</b>

	Terms & Conditions based on HCV	Terms & Condition based on Race - AA	Terms & Conditions based on Race - Caucasian	Steering based on HCV	Steering based on Race - AA	Steering based on Race - Caucasian
North	0	0	0	1	0	0
Northwest	0	1	1	0	2	2
West	0	3	0	1	0	1
South/Southwest	0	3	1	0	2	0
<b>Subtotals</b>	<b>0</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>3</b>
<b>Percentages</b>	<b>0%</b>	<b>14%</b>	<b>4%</b>	<b>4%</b>	<b>8%</b>	<b>6%</b>

**Housing providers discriminated** against tenants based on voucher status 32% of the time. Refusals based on HCV status included clear “no” responses from housing providers as well as “yes” responses that included conditions that would make it impossible for an HCV holder to qualify for housing, such as a high minimum income requirement or, in one case, a housing provider’s unwillingness to accept partial payment from the tenant and partial payment from the public housing authority. In 18% of the tests, housing providers discriminated against African-American HCV tenants but not Caucasian HCV tenants. Housing providers sometimes responded to testers’ inquiries about accepting vouchers with a “yes” followed by a discouraging statement such as “but our rents are often higher than the vouchers are willing to pay” or “but we’re not Section 8 approved.” Pre-approval is not required before the landlord considers renting to an HCV recipient. A housing provider can submit a Request for Tenancy Approval (RTA) after accepting an application from an HCV tenant. Housing providers

responded with a “maybe” 6% of the time. Testers did not receive a response from housing providers in 16% of tests; the housing provider either did not return both testers’ calls, or the testers were unable to inquire about HCV acceptance because the unit had already been rented. The Northwest, South and Southwest suburbs had the highest incidences of refusals based on HCV. The North, South and Southwest suburbs had higher refusals to rent based on race.

**Differences in treatment** were also observed throughout the investigation. Housing providers discriminated in terms and conditions based on race 18% of the time. Landlords were more likely to quote African-American testers less favorable terms and conditions. The study did not observe differences in terms and conditions based on voucher status, firstly because there was no comparison group and secondly because acceptance or refusal of the voucher was the bigger issue for housing providers.

**Steering, restricting choices by suggesting other areas or properties** to a tester in addition to the one or ones the tester is inquiring about, occurred in 18% of tests, and the majority of the time it was based on race (14%) rather than voucher status (4%). Steering examples included housing providers offering more available units to one tester or suggesting that they only accepted HCVs at certain properties. The Northwest suburbs had the highest number of steering incidents.

**Many housing providers continue to erroneously believe** they have a choice whether to accept or take applications from tenants with HCVs. As stated above, some housing providers stated that they were willing to accept HCVs but had policies and made statements that either discouraged or disqualified testers. Below are the reasons housing providers gave for not accepting, disqualifying and/or discouraging housing choice vouchers:

**Housing provider's preference or policy is to not accept vouchers (9)**

**Housing provider is not approved for voucher program (7)**

**Housing provider has a minimum income requirement for tenants, commonly 3 times the rent (4)**

**Housing provider's units rent for more than the voucher provides (4)**

**Housing provider believes there are too many problems associated with the program (1)**

**Housing provider only accepts the voucher at specific properties (1)**

**Housing provider will not accept a partial payment from the tenant (1)**

**Housing provider is running an upscale apartment building (1)**

**Two years since the passage** of the source of income amendment, this study shows that housing providers are still illegally refusing to rent to tenants and treating them differently because of their Housing Choice Vouchers. This is particularly true of African-American voucher holders. This contributes to ongoing segregation in Cook County by keeping qualified renters, most of whom are African-American, out of areas of opportunity with access to better schools, jobs, and other amenities.

**In order to promote equal opportunity and fair housing for all**, break down entrenched segregation in the metropolitan area, and affirmatively further fair housing, Chicago Lawyers' Committee for Civil Rights and its Fair Housing Partners recommend that:

- 1. Federal, state and local governments work with the fair housing centers to educate landlords and tenants about the Housing Choice Voucher program and housing discrimination laws,**
- 2. Federal, state, and municipal governments join the City of Chicago and Cook County in banning discrimination based on source of income without exemptions,**
- 3. Government and fair housing centers conduct ongoing investigations, including testing, and**
- 4. Governments and fair housing centers bring enforcement actions for damages, affirmative relief, and attorneys' fees against housing providers that continue to violate laws against housing discrimination.**

*This report was prepared by the Chicago Lawyers' Committee for Civil Rights Under Law, LLC., in association with HOPE Fair Housing Center, Open Communities, and South Suburban Housing Center. For more information, contact Betsy Shuman-Moore at (312) 630-9744 or BShuman-Moore@clccrul.org.*