

**The Unfulfilled Promise of Neoliberal Housing Policy:**  
How the dynamics of the rental housing market  
influence the spatial concentration of voucher holders in New York City

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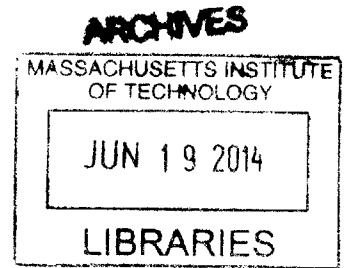
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## Abstract

This thesis seeks to understand how rental housing market dynamics—particularly landlord behavior, and the policies and players that shape it—contribute to the spatial clustering of households that participate in the Housing Choice Voucher (HCV) Program in New York City. Scholars have long been interested in understanding the reproduction of HCV holders into higher poverty, racially segregated neighborhoods in cities across the U.S. Most of the research to date has focused on the ways demand-side factors influence locational outcomes of voucher holders, specifically why they move, where and under what circumstances. However, to fully understand the residential patterns we see among voucher holders, we need to look beyond the demand-side barriers to understand the structural problems of the rental housing market and the voucher program itself.

This thesis draws on in-depth interviews with landlords who participate and do not participate in the HCV program in New York City to better understand their experiences with the program and what drives their decision-making practices. Interviews were also conducted with realtors, public agency officials, landlord associations and a legal advocacy organization to better understand the role that intermediaries, public policies and city agencies play in influencing these decisions. Findings provide detailed accounts of the policies and agency practices landlords and realtors are responding to; they begin to explain how the structure of the rental housing market and voucher program itself lends to the reproduction of HCV clustering into high poverty neighborhoods. Ultimately, these findings indicate how deeply embedded our housing problems are within our economic system and the need to question the adequacy of market-driven housing policies. If we hope to realize a more socially just city, a rethinking of our rental housing policies is in order.

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*Chazak, chazak, v'nitchazek.*

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## 1. Introduction

The purpose of this thesis is to understand how rental housing market dynamics—particularly landlord behavior, and the policies and players that shape it—contribute to the spatial clustering of households that participate in the Housing Choice Voucher (HCV) Program in New York City. The HCV program, formerly known as Section 8, is a cornerstone of U.S. housing policy, providing housing for over 2.1 million households (Center on Budget and Policy Priorities, 2013).<sup>1</sup> The program was created in 1974, after the federal government made a deliberate decision to end its production of public housing and shift to demand-side housing subsidies that would, in theory, enable low-income households to move to affordable, safe and decent housing (U.S. Department of Housing and Urban Development 2011). Over the past two decades, the U.S. Department of Housing and Urban Development (HUD) has shown interest in leveraging the program to enable low-income households to reach a more meaningful geographic range of housing sub-markets (Briggs, Comey, & Weismann, 2010), but this interest has not translated to meaningful action on the part of the federal government.

While policymakers hoped that the voucher program would provide low-income households access to lower-poverty neighborhoods, for the most part, they have not succeeded in helping low-income households leave higher poverty, racially segregated areas. In many cases, HCV tenants are no more likely to move to lower poverty neighborhoods than low-income households that do not have a voucher (McClure, 2008; Pendall, 2000; Galvez, 2010). Further, Black and Hispanic households are far less likely to live in lower poverty neighborhoods than White households (McClure, 2008).

This holds true for HCV tenants in New York City, where 67 percent of the housing stock is comprised of rental units (Lee, 2013). In New York City, HCV renters tend to be spatially clustered in high crime (Furman Center and Moelis Institute for Affordable Housing Policy, 2013), high poverty neighborhoods in the South Bronx, Northern Manhattan and Central Brooklyn (X. Wang, Varady and Y. Wang, 2008). The spatial segregation of HCV renters in New York City is indicative

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<sup>1</sup> The HCV program makes up the difference between 30-40 percent of a households' income and the rental price of a unit in the private rental market. With a Housing Choice Voucher, tenants are able to lease any apartment in the private rental market that is at or below the Fair Market Rent (FMR), which is determined by HUD each year. Fair Market Rents are defined by HUD as the amount needed to cover gross rents (including utilities) in a moderately priced housing unit in a metropolitan area.

of the private rental housing market's failure to supply and evenly allocate decent housing that is below-market across the city's geographic boundaries (Bratt, Stone, and Hartman, 2006).

Spatially segregating low-income households into neighborhoods that have high crime and poverty rates limits their ability to flourish and lead dignified lives—not because there is something inherently bad about low-income households living near other low-income households, but because these neighborhoods receive less financial investment from the public and private sectors, which, in turn, “determine school quality, job opportunities, safety, exposure to crime and asset accumulation” (Denton, 2006).

Academics have recently been concerned with understanding the drivers behind HCV holders' locational outcomes, and how policy might provide remedies. So far, most of the research has focused on:

1. Demand-side patterns of HCV recipients: why they move, where and under what circumstances (DeLuca, Garboden and Rosenblatt, 2013; DeLuca, Wood, and Rosenblatt, 2011).
2. How different places shape the well-being and life outcomes of HCV recipients (Keels, Duncan, DeLuca, Mendenhall, and Rosenbaum, 2005)

Within that literature, researchers have primarily focused on how assisted housing mobility programs can improve the locational outcomes of HCV recipients.<sup>2</sup> However, this research has primarily focused on demand-side factors, focusing far less attention on trying to understand the key institutional players—landlords, realtors, and public agencies—that shape the rental housing market (Feagin, 1988) and influence locational outcomes for low-income and minority households.

In contrast, policymakers in New York City have long been more concerned with new affordable housing provision than on poverty de-concentration and creating housing choices for low-income households. The city's pressing affordability crisis is certainly a contributing factor to this policy priority: the vacancy rate is currently 3.12 percent (Lee, 2013), and has been less than 5 percent for more than 40 years (Harris, 2012). Currently, over 52,000 individuals live in the City's shelter system, 22,000 of which are children (NYC Department of Homeless Services, 2014). In addition, 122,000 households are on the HCV waiting list and 224,000 households are on the public housing waiting

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<sup>2</sup> See, for example, Kathryn Edin, Stefanie DeLuca, and Ann Owens, *Constrained Compliance: Solving the Puzzle of MTO's Lease-Up Rates and Why Mobility Matters* (Cityscape, 14(2): 181-194, 2012); Xavier de Souza Briggs, John Goering and Susan Popkin, *Moving to Opportunity: The Story of an Experiment to Fight Ghetto Poverty* (Oxford University Press, 2010)



list (New York City Housing Authority, 2012). As such, their policy priority is to just get people housed.

In cities that have tight housing markets and are highly segregated by race and income, low-income households are particularly constrained in their ability to move out of high poverty neighborhoods (Edin, Deluca and Owens, 2012). Given New York City's highly segregated racial and economic landscape and the constraints imposed by its rental housing market, could the HCV program facilitate moves to lower-poverty neighborhoods? How can policymakers in New York City and academics together further goals of affordable housing provision and poverty de-concentration to create a more just city?

To fully understand the reproduction of voucher households into high poverty, high crime neighborhoods, we need to look beyond the demand-side barriers—"debilitating physical and mental health problems; limited time, money, transportation, information, and other resources for an effective housing search; a fear of losing vital social support and institutional resources; and ambivalence about moving itself" (Briggs, 2010a)—in place. While they provide some explanation for the segregated residential patterns we see, and are important to address, I argue that the stronger factors that reproduce HCV renters' spatial segregation are more a result of *structural* problems of the rental housing market (Denton, 2006) and the voucher program itself. Previous research has acknowledged the structural barriers (Briggs et al., 2010a; Varady and Walker, 2007; Basolo and Nguyen, 2005; McClure, 2006; Deluca et al., 2013) in clustering voucher households, but few have conducted in-depth studies on the institutional players that create these conditions.<sup>3</sup> Therefore, to understand the structures in place that shape the operation of the rental housing market and the implementation of the voucher program, one must understand the underlying political-economic system (Feagin, 1988) and the discrepancies in power among different participants in the housing market. To do this, I investigate what drives landlords and realtor decision-making practices and the role that public policies and city agencies play in influencing these decisions.

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<sup>3</sup> For a study similar to the one this author conducted, but in Baltimore, see, Eva Rosen, *Housing Policy in the Land of Opportunity: Landlords and the Geographic Sorting of Voucher Holders* (working paper, 2014).

## 2.1. Research Questions

With this gap in the literature in mind, this thesis pursues the following questions:

1. Why do some landlords participate in the Housing Choice Voucher program and others do not?
2. How do landlords and realtors reproduce the spatial concentration of HCV renters into high poverty, high crime neighborhoods?
3. How do HCV program policies and agency practices influence landlord and realtor behavior?
4. How can the New York City Housing Authority (NYCHA) and the Department of Housing Preservation and Development (HPD) better respond to landlord and realtor behavior to more effectively administer the program and incentivize greater participation?

## 2. Background

### 2.1. Households' Experiences in the Housing Choice Voucher Program

Most of the research on HCV households has centered on two bodies of literature: one that tries to understand *why* and *where* households move, and the other that looks at *how* different places shape the life outcomes of households (Briggs et al., 2010a). Within that literature, researchers have primarily focused on HCV families' experiences with assisted housing mobility programs to deconcentrate poverty and improve life outcomes, most notably the Gautreaux Mobility programs and the Moving to Opportunity (MTO) Fair Housing Demonstration.

The MTO program was modeled after the Gautreaux program. However, in contrast to the Gautreaux program, where HCV households had greater success in moving to low-poverty neighborhoods in the suburbs on account of housing counselors helping tenants find apartments, participants in the MTO program experienced difficulty in leasing and remaining in their apartments in lower poverty neighborhoods. The program took place in tight and highly segregated housing markets throughout the country, including New York City, and, as a result, many had to return to higher poverty neighborhoods. Researchers who worked on the longitudinal study on the MTO program, sought to understand how voucher holders' preferences (i.e. trade-offs) and access to information impacted the locational outcomes of voucher holders (Briggs et al., 2010b), as well as how different places impacted their life outcomes (Edin et al., 2012). HCV renters that were able to make more permanent moves to low-poverty neighborhoods cited an increase in their quality of lives because of an increased sense of safety. While the results of the MTO longitudinal study has demonstrated a need for greater demand-side assistance – i.e. housing counseling, transportation costs, etc. – they have also underscored the need to better understand “the structural features of the housing market,” to promote stable moves to lower poverty neighborhoods (Edin et al., 2012). In addition, Briggs, et al. (2010b) have mentioned the need to coordinate among multiple actors – “from tenants through landlords, housing agencies and in some cases, support services and community institutions” – to achieve better locational outcomes for voucher holders.

Currently, more research is being conducted to understand how HCV program policies constrain HCV holders' housing choices. Deluca et al. (2013) have conducted longitudinal interviews with 100 Black families with vouchers in Mobile, Alabama. They found that the time limit imposed

on housing searches, inclination to “remain in substandard housing out of fear of losing their subsidy”, and landlord practices impact the ability for HCV households to search and find housing in lower-poverty neighborhoods. However, their research has also recognized the importance in understanding the role landlords play in shaping the locational outcomes of voucher holders as well as the “organizational dynamics of PHAs” to understand how the program can be more effectively administered.

While most of the research to this point has centered on studying HCV tenant decision-making practices as a way to understand why HCV renters end up where they do, researchers are now considering the role of landlords and other institutional players as a critical factor in understanding HCV locational outcomes.

## 2.2. Landlords' Experiences in the Housing Choice Voucher Program

Most of the research on the HCV program has only touched upon the factors that disincentivize landlord participation in the program. Our understanding of landlord behavior has come mainly from HCV tenant accounts. Within the literature, three explanations have emerged as to why landlords choose to opt out of the program. One explanation is the high administrative burdens that the program places on landlords through Housing Quality Standards (HQS) inspections (Deluca et al, 2013; Turner, Popkin and Cunningham, 2000). The second is the Fair Market Rent (FMR), which may be below certain housing sub-markets (Deluca et al, 2013). This is an especially strong factor in tight housing markets where landlords have little trouble finding cash tenants to meet their asking price. The third is discrimination based on race and source-of-income, which includes the voucher itself (Briggs et al., 2010a). However, most of the literature has not provided in-depth explanations as to why landlords have a negative perception of the HCV program and its participants, as well as the specific administrative burdens and policies landlords are reacting to.

The only research to-date that has provided a detailed account of landlords' experiences in the HCV program is by Eva Rosen (working paper). In an effort to understand what drives landlords to want to participate in the program, she interviewed 20 landlords that participate in the HCV program in Baltimore. Rosen's research reveals that the operation of the housing market leaves little opportunity for HCV tenants to determine when and where they can move and creates "perverse incentives [for landlords] to recruit, sort, and selectively retain different types of HCV voucher holders into certain types of neighborhoods." As a result of these perverse incentives, landlords have clustered HCV tenants into some of the worst neighborhoods in Baltimore.

The way the HCV program and rental housing market is operationalized varies from city-to-city, leading landlords to respond to program policies and agency practices in different ways. Therefore, to fully understand how to incentivize greater participation and retain existing landlords in the program, it is important that more research on landlords' experiences with the HCV program is done within cities that have high numbers of voucher holders.

### 2.3. Contextualizing Housing Choice Voucher Holders in New York City's Rental Housing Market

New York City's housing landscape is unique in that 61.4 percent<sup>4</sup> of households live in rent-regulated housing.<sup>5</sup> At one point, in 1991, 74 percent of households lived in rent-regulated housing (Office of the State Comptroller, 2011). Currently, HCV households make up 7.2 percent of the rental market in New York City. Rent-regulation, which is arguably the city's best affordable housing program, has been instrumental in housing HCV households. Currently, 54 percent of HCV tenants live in rent-regulated housing.<sup>6</sup> As the city's rent-regulated housing stock continues to dwindle—as a result of gentrification, the city's housing boom, property owners choosing to opt out of project-based subsidy programs, and vacancy destabilization (Defillipis and Wyly, 2008)—HCV households will continue to encounter obstacles in their ability to remain in their homes or move to a new home, particularly in lower-poverty neighborhoods. According to NYCHA officials, between 8-10,000 eviction petition requests were filed by landlords, and thousands of transfer requests<sup>7</sup> were filed by HCV renters, in 2013. More research is needed to understand how often HCV households are moving and their reasons for moving.

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<sup>4</sup> Based on author's calculations using data from the New York City Housing and Vacancy Survey (NYCHVS 2011)

<sup>5</sup> This includes rent-stabilized, rent-controlled, Mitchell Lama, public housing, HUD-regulated, In-Rem, Article 4, Loft Board and Municipal Loan housing.

<sup>6</sup> Based on author's calculations using data from the New York City Housing and Vacancy Survey (NYCHVS 2011)

<sup>7</sup> Transfer requests can be voluntary or involuntary, depending on the circumstance. For example, an HCV tenant may be forced to file a transfer request or risk losing their voucher if a landlord does not complete necessary repairs after 2 months.

Currently, HCV households live in neighborhoods where the average poverty rate is 32.2 percent, which is slightly higher than the poverty rate (30 percent) of neighborhoods where the city's 1.67 million people living in poverty reside (Defillipis and Wyly, 2008). The average Black HCV household lives in a neighborhood that is 34.4 percent Black, but new participants to the program are moving into neighborhoods that are 38.4 percent Black (Defillipis and Wyly, 2008), revealing increasing racial segregation among Black HCV households (see Appendix V to spatially see how segregated Black and Hispanic households are in the city). Further, as shown spatially through Figure 1., HCV households tend to cluster in northern Manhattan, the Bronx, central and southern Brooklyn, southern Queens, and northern Staten Island.



**Figure 1:** Number of HCV Households by Census Tract; **Source:** U.S. Department of Housing and Urban Development (Picture of Subsidized Housing, 2012)

In 2008, New York City passed Source of Income anti-discrimination laws, known as Local Law 10 (2008), which made it illegal for landlords to discriminate against vouchers, among other

sources of income (Local Law 10, Section 8-101). Without an in-depth analysis, it is difficult to discern how effective the law has been in facilitating moves to lower poverty neighborhoods in New York City. Studies of Source of Income (SOI) anti-discrimination laws have shown that it increases voucher utilization rates in some states and local jurisdictions (Freeman, 2012), but the evidence is mixed as to whether SOI laws promote greater mobility for voucher holders (Freeman and Li, 2013). Freeman and Li (2013) found that SOI laws have modestly influenced the locational outcomes of voucher holders, but that the laws are by no means a cure-all to persistent voucher concentration.

Despite the passage of Local Law 10 (2008), landlords continue to discriminate against voucher recipients, sometimes blatantly (*see* Appendix II for a sample Craigslist advertisement that reveals deliberate landlord discrimination against voucher holders). Local Law 10 is not well enforced and it is difficult to prove instances of discrimination for potential HCV tenants. In addition, landlords are still able to reject a potential tenant on the basis of poor credit.<sup>8</sup>

However, the law may be somewhat effective in ensuring current tenants who only obtained an HCV voucher after having moving into an apartment remain housed. Legal advocacy organizations have successfully won a number of these types of cases, which has both reduced voucher recipients' rent burdens and allowed them to remain in their homes.<sup>9</sup> But despite the law's seemingly modest success, many tenants are unaware of their rights and, in many cases, accept landlords' discriminatory decisions as final. In addition, since 90 percent of low-income households do not have access to legal representation, they are ill equipped to fight discriminatory landlord and realtor behavior in order to remain in their homes (Desmond, 2012b).

While laws form the structure for how our society *should* function, they do not necessarily transform social relations or prevent perverse behaviors from occurring and reoccurring. Ultimately, to see a greater uptake of landlords who participate in the program, particularly in low-poverty neighborhoods, we need to understand and address the underlying causes that compel landlords to discriminate against voucher recipients in the first place.

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<sup>8</sup> Interview with Legal Aid attorney

<sup>9</sup> See, *Testimony of the Legal Aid Society at the City Council Joint Hearing of the Civil Rights, General Welfare, and Oversight & Investigations Committees on Local Law 10 Concerning Source of Income Discrimination*, for examples. Retrieved from [http://www.legal-aid.org/media/135471/microsoft%20word%20-%20local\\_law\\_10\\_testimony.pdf](http://www.legal-aid.org/media/135471/microsoft%20word%20-%20local_law_10_testimony.pdf)



### 3. Data & Methods

While the focus of this thesis is on how landlords affect the locational outcomes of Housing Choice Voucher holders in New York City, there are many players implicated in the administration of the program that have a direct and indirect impact on the behavior of landlords and realtors. To understand how the bottlenecks, disincentives, and incentives of the program influence landlord and realtor behavior, I sought to look at as many of the players involved in directly and indirectly administering the program. As such, I interviewed landlords, property managers, realtors, city agency officials, and lawyers from landlord associations and a legal advocacy organization.

#### 3.1. Landlord & Realtors

From January 2014 to March 2014, I conducted interviews with 13 landlords<sup>10</sup> and 7 realtors.<sup>11</sup> Of the landlords I interviewed, 9 accept and 4 reject the vouchers. I used randomized, targeted and snowball sampling strategies in an effort to capture the wide range of landlords that participate and do not participate in the HCV program. I sought out landlords that have small and large portfolios, as well as properties in low- and high-poverty census tracts.<sup>12</sup> I randomly selected half of the landlords and realtors from a list of apartments available by borough for HCV renters that NYCHA publishes and updates weekly on their website. The NYCHA list provides the most comprehensive list of rentals readily available to HCV renters in New York City. Three of the other landlords and realtors I interviewed were randomly selected from listings posted on Craigslist.com. In order to select landlords that have at least one property in low- and high-poverty census tracts, I geocoded the apartment rentals listed on the NYCHA website every week in January 2014. I then merged the apartment rental listings with poverty rates of New York City census tracts from the American Community Survey 2007-2012 5-year estimates. The last 7 landlords and realtors were identified through the interviews I conducted with the 13 landlords and realtors identified through the NYCHA list and Craigslist.com, as well as through an interview I conducted with two NYCHA

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<sup>10</sup> Includes property managers

<sup>11</sup> Some realtors are also landlords and, in my findings, I include their perspectives from their roles as realtors and landlords

<sup>12</sup> A census tract is considered a low-poverty tract if under 20 percent of the households live in poverty, a moderate-poverty tract if between 20 and 39 percent of the households live in poverty, and a high-poverty tract if over 40 percent of the households live in poverty (Briggs et al., 2010a)

officials. I was able to get the contact information of landlords who do not participate in the HCV program from my interviewees, as well as, ironically, from the NYCHA list.<sup>13</sup>

The landlord or realtor associated with each listing was contacted via phone, using the number provided in the NYCHA list or Craigslist advertisement. When referred to a landlord or realtor from another landlord or realtor, the contact information was provided. I introduced myself as a student and asked if they would be willing to participate in a research study that sought to better understand the experiences of landlords who participate and do not participate in the HCV program in New York City. I assured their confidentiality and an interview was scheduled. Nearly everyone I was able to get in contact with on the NYCHA list agreed to an interview. The ones that declined said they were too busy to do an interview at that time. I had a similar high rate of success when reaching landlords or realtors who listed their apartments on Craigslist.com and participated in the HCV program. However, I had no success in getting landlords or realtors who listed their apartments on Craigslist.com and advertised their apartments with the phrase 'No Programs' or 'No Section 8' to agree to an interview.<sup>14</sup> In 4 cases, my interviewee was both a landlord and realtor, so I interviewed them from both of those roles.

Interviews lasted between 30 minutes and 90 minutes. In some cases, I conducted follow-up interviews if an interview had to be cut short because the landlord or realtor had to tend to a tenant or if I had further questions after reviewing my notes and/or the recordings. The interviews took place in the landlords and realtors' offices, at apartment showings, on car rides to and from their properties, and in coffee shops near their offices. I conducted three of the interviews by phone because they were unable to make time to meet with me. Interviews were semi-structured—I drew from a list of pre-determined questions, but I conducted the interviews as though I was having a casual conversation with each of the individuals and expanded on the list of questions when I inquired more about the information my interviewees had told me. Since I did not have a lot of time to build trust with my interviewees, and it was essential that I did to get the sensitive information that I needed, I spent some time before each interview engaging in small talk. Except for 3, all interviews were recorded and transcribed. For the interviews that were not recorded, I took detailed notes

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<sup>13</sup> While NYCHA claims to update the list weekly, a few of the landlords I interviewed said that they have had trouble getting their apartment listings off of the list.

<sup>14</sup> Two of the realtors I contacted who posted a listing with the phrase 'No Programs' or 'No Section 8' agreed to an interview, but not before spending close to 30 minutes assuaging their skepticism and assuring their confidentiality. Both times I was stood up, and when I called to reschedule, their phone numbers had been disconnected.

during and immediately after the interviews. I used open coding to identify categories in the data and axial coding to ensure accuracy in the categories I identified and to better understand how different categories were related to one another.

### 3.2. Other Actors

While landlords and realtors have the most visible influence on the locational outcomes of HCV renters and their ability to maintain stable housing, there are other actors that less visibly contribute to HCV renters’ mobility constraints and housing instability in the policies that they set and in the advocacy work that they do. More importantly, it is how these actors perceive of—and their degree of interaction with—one another that have had the most significant impact on the housing patterns we see today among HCV renters.

HCV-Administering Agency	Vouchers in Use	Participating Landlords
New York City Housing Authority	91,103	29,157
Department of Housing Preservation and Development	29,004	9,031

**Figure 2:** HCV Administering Agencies in New York City; *Sources:* New York City Housing Authority and NYC Department of Housing Preservation and Development

To understand how public agencies work with landlords and solicit their participation in the HCV program, I interviewed officials from two of the three agencies that administer the program in the city: the New York City Housing Authority (NYCHA) and the New York City Department of Housing Preservation and Development (HPD). The third agency in the city that administers the program is

the New York State Division of Housing and Community Renewal (DHCR). According to officials I spoke with at NYCHA, DHCR has between 6-7,000 vouchers. I reached out to officials within the Tenant Protection Unit (TPU) and the Section 8 division, but one declined an interview and the other never responded to e-mail and phone requests.

While there are many advocacy groups that help shape housing policy within the City, there are three that wield a particularly strong influence on the outcomes of voucher holders: the Rent Stabilization Association (RSA), the Community Housing Improvement Program (CHIP), and the Legal Aid Society (LAS). To understand how landlord associations interact with their members and HCV-administering public agencies, I interviewed lawyers from the RSA and CHIP, the two largest

landlord associations in New York City, which each serve and represent over 30,000 and 2,500 property owners and agents, respectively, and, when combined, amount to over 1 million units of housing throughout the five boroughs. Both associations have very powerful lobbying arms.

Lastly, to understand the types of cases brought to housing court by HCV landlords—and HCV renters' success in winning them—as well as how the largest legal advocacy organization interacts with HCV-administering agencies to institute progressive policies, I interviewed a lawyer from the Legal Aid Society. Both the landlord associations and Legal Aid Society interact most frequently with the public agencies that administer the voucher program.

## 4. Findings

### 4.1. Landlords<sup>15</sup>

While in many ways landlords respond similarly to the set of circumstances and challenges (Rosen, working paper) the HCV program and NYC market produces, it is unfair to paint a generalized characterization of landlord behavior. Through my interviews, I found a lot of nuanced variation in behavior among landlords who participate and do not participate in the HCV program. In understanding landlord decision-making practices, it is important to understand individual landlords' experiences with the HCV program as well as their motivation for becoming landlords.

The landlords in my sample come from diverse socioeconomic and racial and ethnic backgrounds. Eight are people of color and seven are first generation. According to a lawyer I spoke with at the Rent Stabilization Association (RSA), a landlord association that serves 25,000 landlords in the city, my diverse sample is reflective of a sizable portion of the wider pool of landlords that participate in the HCV program. He said that while there are unethical landlords that participate in the HCV program, there are also many that are not the sophisticated real estate entrepreneurs that we often associate as being landlords; they come from differing socioeconomic backgrounds. Many of the landlords, he explained, "have recently come from Asia...Europe...South America...the Caribbean and they have pooled their monies and they bought a 10-unit or an 8-unit building. They may live in the building. They're the super. They have a day job and then they're cleaning the halls [of the building] at night."<sup>16</sup>

According to NYCHA, forty percent of landlords that participate in the program are considered "mom and pop" landlords—which NYCHA defines as an owner who owns one to five

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<sup>15</sup> All names are pseudonyms to protect the landlords' identities.

<sup>16</sup> According to a study commissioned by the Community Home Improvement Program (CHIP) and RSA in 2009 on owners of rent-stabilized buildings, they found that 42 percent are first generation or born to parents of immigrants, 30 percent live within their building, 92 percent manage their own properties, 75 percent are individuals or part of a family business, 25 percent depend on rental income to comprise more than 75 percent of their annual income, 60 percent had revenues that exceed their operating costs, 31 percent covered their operating expenses, but did not make a profit, 9 percent had operating costs that exceeded their revenues and 70 percent have owned their properties for over 20 years (Fung, 2009).

units of housing—and sixty percent have medium-to-large portfolios.<sup>17</sup> The larger landlords in the program tend to work with, or have an in-house, property management company that handles their day-to-day operations, while the smaller landlords tend to be more hands on and complete many of the repairs themselves.<sup>18</sup> The distinction between smaller and larger landlords is an important one, and is highlighted throughout my findings. The capacity for what they can and cannot take on, their experience with the program and relationships with other key institutional players are largely dependent on their portfolio size.

The landlords in my sample fall into 4 categories: “mom and pop” landlords, the HCV Entrepreneur, the Entrepreneurial Landlord, and property managers. Some landlords fall into more than one of these distinct categories.

*“Mom and pop”*.—While NYCHA defines “mom and pop” landlords as owners who own between 1 and 5 units of housing, I define this category of landlords as owners who own between 1 and 6 buildings, but have no more than 50 units. I expanded the category to include landlords who own more than 5 units of housing because I found that the landlords who own between 1 and 5 units of housing are similar to the landlords in my sample that own between 5 and 50 units of housing. Landlords in this category either acquired the properties from their family, as an investment, or for themselves; they rent to a mix of cash and HCV tenants; and tend to manage the properties themselves. The landlords that bought properties to serve as their primary place of residence rent out a unit(s) in their home as a way to generate income and help pay their mortgage. Nine of the landlords that I interviewed fall under this category.

*The “HCV Entrepreneur”*.—I borrow the definition of the HCV Entrepreneur from Rosen (working paper), who defines this type of landlord as one who “most explicitly organizes their business model around trying to attract HCV tenants” and “exploit and employ HCV rules and regulations to their own advantage, often at the expense of the tenant.” Two of the landlords that I interviewed fall under this category.

*The “Entrepreneurial Landlord”*.— The Entrepreneurial Landlord is always trying to buy new properties, particularly in neighborhoods that are characterized as “emerging markets,” as well as sell their existing properties for a profit. “Emerging market” neighborhoods are neighborhoods that have historically been low-income and are starting to see more investment

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<sup>17</sup> Interview with NYCHA officials

<sup>18</sup> Ibid.

and higher-income households. Their primary objective is to maximize their short-term profits rather than invest in a building and its residents in the long-term. Their buildings are a mix of cash and HCV tenants. As soon as a tenant moves out, they will increase the rent and, if it is rent-regulated, will de-stabilize the unit. Three of the landlords that I interviewed fall under this category.

*Property Managers.*— There are two types of property managers: 1) A third party management company that handles the day-to-day operations for landlords, and 2) an in-house management company that operates and maintains all of the buildings one landlord owns. Of the landlords that I interviewed, 1 is a third party management company and 3 have an in-house management company.

#### 4.1.1. Why accept?

The landlords in my sample that chose to participate in the HCV program cited at least one of the following reasons for accepting the voucher: 1) the rent is guaranteed, 2) the HCV program will pay more than the market in certain neighborhoods, and 3) it is easier to find an HCV renter whose voucher can cover the asking rent compared to a cash tenant.

In higher poverty neighborhoods in particular, landlords find HCV tenants to be more desirable; the HCV payment standard is higher than the market and landlords have trouble finding reliable cash tenants in these neighborhoods. For example, Brandon prefers to rent out his investment properties in East Flatbush, where the poverty rate is 17.6 percent (Been et al., 2013), to HCV tenants because it is difficult to find a reliable cash tenant who would also be able to keep up with annual rent increases and ever rising utility expenses:

*Generally...they pay a little more than the average tenant out there and the money is a little more security coming in. Getting that rent is easier with the Section 8 program than your regular tenant. Plus you are entitled to your increases every year, which your average working tenant may not be able to keep up with. Expenses are going up very year, the water bills go up, every other bill goes up every year but the average tenant doesn't realize that and you start barely getting by with your expenses.*

Another landlord I spoke with, Katherine, decided to participate in the HCV program after needing to bring her two previous cash tenants to housing court for non-payment of rent. She lives on the bottom floor of her two-family home in Jamaica, Queens, where the poverty rate is 16.5 percent (Been et al., 2013), and relies on the rental income she receives from renting out the second floor unit to help pay her mortgage. She decided to rent out to HCV tenants after speaking with someone who told her that with HCV, her rent would be guaranteed: “I was speaking with someone when I was going through the court system with my previous tenant and they told me that with Section 8 you get most of your rent through Section 8 and on time.”

#### 4.1.2. On the Fence

There are some landlords—both small and large—who accept the program, but are ambivalent as to whether they should continue to accept it. They largely vacillate over whether the benefits outweigh the challenges in having to deal with the HCV program’s bureaucratic processes. In some cases, they are willing to accept the voucher—and do—but look to recruit reliable cash tenants when they can. Given the reasons why landlords are interested in participating in the program, this section begins to reveal how difficult it is for landlords to deal with HCV administrative processes and their inclination to shift their HCV acceptance policies when they feel confident in their ability to find reliable cash tenants.

*Smaller Landlords.*—For small landlords who are new to the program, there is a steep learning curve in understanding how the program runs and what the process is like to lease-up. They have a difficult time managing their HCV contracts, and question whether it is worth dealing with the administrative burdens imposed in order to have HCV tenants.

For example, one landlord in my sample—Ashwin—is questioning whether he will continue to accept HCV renters after his current tenants move out. The difficult lease-up process he experienced has led him to view the program negatively. Ashwin works in the sales department of a large commercial bank, and emigrated to the U.S. from India when he was eight years old. He decided to buy his first property less than a year ago in Jamaica, Queens, where the poverty rate is 16.5 percent (Been et al., 2013), after saving money for a number of years and seeing people he looks up to make a lot of money in the real estate business. He bought a 3-family home that was in foreclosure and chose to rent out to HCV tenants at the urging of his brother-in-law, a real estate agent and property owner, who said the program is good because the rent is guaranteed.



[However, his brother-in-law does not rent to HCV renters.] He is unsure of whether he will continue to rent out to HCV tenants after his experience with NYCHA and the 4-month process to lease-up all of his units:

*Because of this tedious experience, I'll tell you, I'm right there at the cusp of saying, 'the heck with it,' or possibly doing it again. I'm now more familiar with the process, I know what they're looking for. But, you know, there's so many obstacles. It's really a confusing area right now for me. The first tenant walked in on January 1<sup>st</sup>. The second one walked in on February 1<sup>st</sup>, and the third one will be in on March 1<sup>st</sup>. And mind you, all of these people were ready with their vouchers, available to move in, and interested to move in on December 1<sup>st</sup>. So I am losing a lot of money. And the process is really discouraging.*

When Ashwin decided to rent to HCV tenants, he had no idea how the process worked, and neither did his brother-in-law. It wasn't until he got connected to a realtor who only assists HCV tenants find apartments, that the process was explained to him. Despite working with a realtor, he still had to engage in a long process to lease-up all 3 of his units. This is a result of several issues with the administration of the program: 1) he received a lot of incorrect and conflicting information from customer service representatives at NYCHA's call center, 2) he needed to re-do paperwork multiple times because of conflicting information from NYCHA's staff of what the contract rent should be listed as, and 3) NYCHA needed to re-schedule the inspection date multiple times after Ashwin took days off from work to wait for the inspectors to come.

*Larger Landlords.*—Even larger landlords that have a lot of experience with the HCV program question whether they want to continue renting their units to HCV tenants. Some of them are also tired of dealing with the administrative burdens placed on them in order to remain in compliance with program rules and look to opt out of participating in the program whenever they can.

For example, Farrah, a young female property manager, works exclusively for one landlord who owns 14 buildings scattered throughout low- and middle-income neighborhoods in the Bronx, Brooklyn and Queens. Out of the 14 buildings the landlord owns, 15 units have HCV tenants. She says that they prefer to find reliable cash tenants rather than HCV tenants because they would rather not have to deal with the paperwork and yearly inspections that come with

having an HCV tenant. However, oftentimes, the reality is, it is quicker to find an HCV renter in a high-poverty neighborhood than a cash tenant:

*I try to go for cash, but being that Section 8 is so easy to get, most people have it in lower income census tracts. And you're so eager to rent an apartment, so you're just like, 'let's just do it.' You have issues with the cash renters as well – cash tenants not paying rent and then you have to go through lengths to evict that person.*

In addition, even though a cash tenant is always more desirable, she explains that in higher-poverty neighborhoods, the voucher will usually support a higher rent than the market will bear, so, at that point, they are compelled to accept the HCV tenant:

*The problem is, the rent is about \$2,000 and it's easier to get a Section 8 tenant who is willing to pay the \$2,000...[A cash tenant will] say, 'Here I have the cash,' but [think] am I really willing to spend \$2,000 for a 2-bedroom apartment? People don't do it.*

In contrast, to Farrah's company's business strategy, a realtor in my sample—George—that works exclusively to help one landlord lease-up the vacant units in his buildings said that his boss is willing to take a pay cut to get a 'good' cash tenant in, even if an HCV renter can pay more each month in rent. They continue to market their apartments to HCV renters because they know the difficulty in attracting reliable cash tenants in higher poverty neighborhoods, but if they have the option between a reliable cash tenant that can meet their reduced rent amount and an HCV renter whose voucher can pay a higher rent amount, they will choose the cash tenant. If they cannot find a reliable cash tenant, they will charge the HCV renter the full FMR, even if the market in that particular neighborhood would never support that rent amount:

*The next place I am working on to rent out is a house my boss just bought [in Canarsie, Brooklyn]...he told me it's a 4-bedroom, [and] so if you're going to rent it out he said for Section 8 people, tell them it's \$2,200 per month, but if you can find working-class people, good hardworking people, tell them it's \$1800/month. For good working people, he really doesn't need that much. He'd rather have good people in there and have peace of mind. He's willing to take a \$400 cut for peace of mind.*

George explained that the reasons why his boss would be willing to take a cut in rent, and he a cut in his broker's fee, is because 1) they believe HCV renters will create greater problems for them that will end up costing them more in the long-run ("destroy the apartment"), and 2) they do not want to deal with the program's administrative burdens:

*[Landlords] look at it from a financial perspective. [They] need to mitigate their risk. My job as a broker is to find the best tenant that will mitigate their risk. Is it the Section 8 client? Usually not. I'd rather have a paying tenant. There are other risks that come along with it because of the people. I just had a paying tenant and I literally told her I don't want to rent this out to Section 8, it takes longer, you have to go through the inspection and everything. I just don't like it. It's annoying. I said I would cut my broker's fee to \$1400. I'd rather take \$1400 from them and be able to get it rented in 7 days than go through a Section 8 person, charge \$1900 and take 3 weeks and stuff.*

#### 4.1.3. Why reject?

The landlords in my sample that chose to not participate in the HCV program cited at least one of the following reasons for their and other landlords' rejection of the voucher: 1) the administrative burdens are too great, 2) there is not enough support from city agencies to help landlords resolve issues, and 3) the payment standards are too low in certain low-poverty neighborhoods.

*Administrative burdens and a lack of support from city agencies.*—Three of the four landlords in my sample that chose to no longer accept HCV renters were smaller landlords—"mom and pop." They cited a lack of support from city agencies in helping them resolve issues—as well as difficulty in adhering to the program's rules and regulations—as their primary reasons for no longer wanting to participate in the program. Two of these landlords chose to reject the voucher despite their ability to receive higher rents each month from HCV tenants in the neighborhoods where their properties are located. To better understand the reasons why these three landlords decided to stop accepting HCV tenants, I relate their experiences:

*Gary.*—Gary owns six two-family homes in West New Brighton, Staten Island, where the poverty rate is 20.7 percent (City-Data, 2014), but made the decision to stop renting to HCV tenants in 2010, after 11 years of participating in the program. Gary was drawn to the program 14 years ago because a realtor had told him that the rent was guaranteed and it could help him pay

his mortgage. He bought his first property—a two-family home—because he “wanted to move out of the projects.” His main reason for no longer wanting to accept HCV tenants is due to the lack of support city agencies give to landlords to help them resolve issues, particularly ones that are tenant-related. He says, “The landlords are stuck – that’s the reason why no one wants to accept [Section 8 tenants]. The landlords are left alone on the Island and are not protected against these tenants.” The reason he feels this way stems from his frustration with the agency’s inclination to always side with the tenant on issues of non-emergency repairs, even when it is tenant-caused and/or the tenant is behind on their portion of the rent. To explain, he recounted an instance of when a tenant called the administering agency to complain about a maintenance issue that he claimed was the tenant’s responsibility to fix, as outlined in the lease, and he refused to address:

*[My] tenant called Section 8 [because of a hole in the door that needed to be repaired]. And Section 8 came out, and saw the hole, and stopped the check. I refused to fix it. So I called Section 8 a few times to say if a tenant destroys property, they should fix it, and the tenant is not paying their portion, and they were very rude to me. I ended up fixing it because I need to pay the mortgage. When I fixed it, they didn’t pay me for the two months that I refused to fix it. They only started paying me after I fixed it. So who wants to go through that? Nobody.*

He says that the cash tenants he has had have not been any better, and it is not easy to find cash tenants who are interested in renting his apartments, but believes that it is easier to evict a cash tenant for non-payment than it is to evict an HCV tenant.

*Adam.*—Adam made the decision to stop renting out to HCV tenants in 2005 after participating in the program for 2 years. He has a one-family home in Stapleton, where the poverty rate is 21 percent (Been et al., 2013), which he is currently renting out to a cash tenant. He was drawn to the program because, at the time, the City was giving landlords \$1,000 for each person they housed that came from the shelter system. One of the reasons why he no longer wanted to rent his home to HCV tenants was because he no longer wanted to have to comply with all of the HCV program rules and regulations. For cash tenants, he can create his “own rules...his own terms and it’s nobody’s contract” but his own. However, his primary reason for not wanting to rent his home to HCV renters anymore—and which he spoke to me about extensively—was due to the lack of support he received from NYCHA and HPD:

*Problem is, landlords don’t feel like Section 8 has our back. We should be working together. We understand you want these people out of the shelters,*

*you're tired of paying for them, but we're the ones who help them out of shelters. Right? Then you screw us. Section 8 favors the tenants—but, hey, we're the guys that are housing these people, take care of us, make us want to do it again. I even mention Section 8 to some of these landlords and they look at me like I'm crazy.*

When Adam spoke to me about feeling a lack of support from city agencies, he was mainly concerned with how landlords are made to be responsible for fixing damages caused by the tenant within the time period prescribed by the administering agency or risk the suspension of their rent payments. He spoke at length of the difficulty in arranging a time with the tenant to inspect and make the necessary repairs. A number of the landlords I interviewed shared similar frustrations in gaining access to a tenant's apartment to inspect and conduct repairs.

A lawyer I interviewed at Legal Aid Society said that small property owners and tenants do not have protocols for handling maintenance requests, and landlords will show up at a tenants' door at their convenience, expecting to be able to inspect the apartment and complete the necessary repairs at that time:

*Landlords want to be able to knock on the door whenever they feel like it and don't give notice to the tenants and they get frustrated when the tenants want more notice than right now. A lot of the smaller landlords...don't have procedures in place for sending out notices for access. And when they do find out they have to do something they get cranky and want to do it right away and then they find the tenant is out and then they get frustrated. No landlord in the history of the landlord/tenant world has ever said that the tenant provided access. So most landlords will say that they don't provide access. I think the truth is somewhere in the middle.*

Jorge.—The third landlord, Jorge, lives in Pennsylvania, but owns a property in Midland Beach, Staten Island, where the poverty rate is 6 percent (City-Data, 2014). The home was occupied by his in-laws before Hurricane Sandy. When Hurricane Sandy hit, the house flooded, and his in-laws decided to not return to Staten Island, so he fixed up the house with the intention of turning it into a rental property. Jorge accepted an HCV tenant and her children, but NYCHA would not allow them to move into the home because it did not have a certificate of occupancy:

*They wanted a certificate of occupancy on the house and I bought the property without a C of O...it consists of getting an architect, engineer and drawing up new plans. Then you have to submit it to the town, and then they have to do an inspection and make sure it's okay. It would cost me about \$4,000. And it takes a long time – a year...I told them that I would get them*

*a letter of no objection, which tells you what the property is supposed to be used for, and that should have been fine because it's from the state, but they didn't accept it. I told the tenant to go find something else because I am not going to bother with it.*

After this one experience with NYCHA, he decided to sell the property. He said that when he told the prospective tenant that he could not accept her because of NYCHA's regulations, "the lady almost cried...It was brand new...it's a single home and in a nice town – she would have loved it. I try to give a person a nice place to live and they give me a hard time."

*When the payment standards are not high enough.*—Landlords who own properties in low-poverty neighborhoods are more likely to reject the voucher because they can more easily find higher paying cash tenants that are reliable as well as not have to deal with the program's rules and requirements. When I asked landlords and realtors what would incentivize greater participation in the program, 2 realtors and 6 landlords cited higher payment standards as one of the ways to attract landlords.

For example, the fourth landlord in my pool of HCV rejecters would be attracted to the program if the payment standards were higher. Andrew owns three properties in Greenpoint/Williamsburg, Brooklyn, which have been in his family since the 1970s. He was interested in participating in the program because the rent is guaranteed, and so added himself to the NYCHA apartment list. However, he did not realize the amount of rent the HCV program would be willing to pay, and when he found out that the program paid below the market value for the neighborhoods his buildings are located in—\$1,600 for a 2-bedroom when the market would support rents between \$2,200 and \$2,500—he decided to not participate in the program.<sup>19</sup>

*Why smaller landlords are more likely to reject the voucher.*—Most of the landlords that are *new* to the program are the small "mom and pop" landlords, the ones with "the two- and three-family homes where a tenant may rent in an area that may not always get Section 8."<sup>20</sup> However, at the same time, the smaller landlords are the ones that are most likely to exit the program, or avoid

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<sup>19</sup> The poverty rate in Greenpoint/Williamsburg is very high; in 2011, it was 31.7 percent (Been et al., 2013). However, it is not indicative of how much the real estate market has changed in these two neighborhoods over the past several years. Previously, working-class households lived in these two neighborhoods, but, in recent years, they have been experiencing intense gentrification processes. The data has not captured this for two reasons: 1) the gentrification is happening in real time, and 2) there is a large Hasidic-Jewish population—where 55 percent live in poverty—concentrated in south Williamsburg (Cohen, Ukeles, & Miller, 2012).

<sup>20</sup> Interview with NYCHA officials

participating in the program altogether. According to a lawyer that works for the Community Housing Improvement Program (CHIP), a landlord association that represents 3,000 owners and managers in New York City, a lot of smaller landlords are choosing to not participate in the HCV program because of the administrative burdens the program imposes on landlords:

*I am seeing a lot of owners who own 1 or 2 buildings get out of the business because it is very difficult for them and if they don't have a third party owner/manager to keep their hands on everything they have to do and instead of that they are like screw it, I'm getting out of the business...A lot of the administrative burden squeezes out the smaller owners from being able to participate.*

A property manager I interviewed at Langsam Properties, a property management company that oversees the operation of 11,000 units of rental housing, 1,500 of which house HCV tenants, confirms this practice: “the smaller property owners would try to avoid it more because it’s harder for them to manage their contracts.”

A lawyer from RSA said when asked why he thinks landlords do not want to participate in the program:

*More than anything, there is fear of the program. A fear of government involvement. As just one example, owners already have to deal with HPD code enforcement inspectors and, on top of that, if you're a Section 8 owner, you have the annual Housing Quality inspection...these administrative burdens are real. Dealing with a bureaucracy that is often found to be impenetrable by both owners and tenants is difficult, time-consuming and, for the smaller owners in particular who lack the ability to retain professionals or staff to assist them, overwhelming.*

#### **4.1.4. Perceptions of HCV renters**

A majority of the landlords I spoke with have negative perceptions of tenants who participate in the HCV program. Many of the landlords in my sample said that other landlords are less inclined to accept HCV renters because of their negative reputation. Many characterized them as ‘lazy’ and ‘irresponsible,’ and said that they ‘destroy’ or ‘damage’ the apartments. For example, Gary, one of the landlords in my sample who rejects the voucher, says, “For me, it’s always someone who is lazy, someone who is irresponsible. Basically, someone who, I believe,

does not want to work.” He also went on to say that other landlords “all think – I don’t want to use the word low-class people’ – but that’s their perception, unfortunately.”

The stigmatization of voucher holders has presented greater obstacles to securing apartments, particularly in lower-poverty neighborhoods where landlords may be careful to not disrupt the current socioeconomic identity of those places and may see vouchers as a proxy for race (Galvez, 2010). One realtor, Dar, said that HCV renters have trouble finding apartments in lower poverty neighborhoods because they are not welcoming to them.

In contrast, I found that the landlords who were also realtors had a more nuanced perception of HCV renters and did not typecast them. Adam, a landlord and realtor said, “I am not going to say all of them are the same. These are people. You come in as a nice person, I don’t care what program you’ve got.” Another landlord and realtor, Yevgeny, says that, these days, the HCV renters that come to him “are more organized, more responsible,” than a few years ago. He said he used to reject 40-50 percent of the HCV tenants that would come in and, now, he might reject one HCV renter in a month. He believes the reason for seeing more ‘responsible’ tenants is due to the fact that the city is no longer issuing new vouchers and the “ones that didn’t recertify and jump through all of the hoops, lost their program.”<sup>21</sup>

#### 4.1.5. Selection Criteria

Selection criteria for HCV renters are based more on ‘gut feelings’ they have toward the prospective tenant rather than on hard numbers. A majority of the landlords and realtors I spoke with do not conduct credit checks on HCV renters. They know that their credit scores will most likely not be good; therefore, they look for other indicators that can tell them of an HCV renter’s ability to pay rent. Usually, landlords and realtors will conduct informal interviews with prospective HCV renters, trying to gain a sense for whether they would be good tenants by the way they answer questions and how they present themselves. For example, some landlords are particularly interested in knowing who the HCV tenant plans to contact when an issue arises,

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<sup>21</sup> Another reason for this may also be due to the increase in supportive housing developments constructed in the city over the past decade as a result of the NY/NY III agreement, which seeks to house 10,000 mentally ill and chronically homeless individuals.



and, if they answer by saying the City agency that administers their voucher, the landlord may be less likely to accept them. Ashwin explains:

*I think it's independently how you feel about each tenant. So I really didn't screen them, but I was able to pick up on their character based on their mannerisms and how they behaved with me, how they answered certain questions...and [if] they hesitate.*

*I ask them, 'why are you moving?...and if they start trashing their landlord, then I'm thinking twice. [When I ask them how do you respond to a situation, and] they say they won't call me, they'll call 311, I'll say ok, I don't have to pick you now because I know you're not a solutions oriented individual, you go to authorities, instead of working with me.*

In addition to their subjective 'personality test', landlords will rely on HCV renters' rental history to provide indication on whether or not they would be a good tenant. Landlords will do background checks to see if HCV renters have been in housing court, how often they have moved, and what their relationship is like with their current or most recent landlord. A good rental history could undermine any initial character judgments the landlord had previously made about the HCV renter. Yevgeny explains:

*[I look at their] rental history. Looking to see how often tenants are moving around. So if a tenant comes to me and they've been in their last home for 10 years, regardless of what opinions I form when I first meet that person, it must not have been so bad that the previous landlord kept them for 10 years.*

All of the landlords that I spoke with preferred to accept HCV tenants that were working, but some were willing to accept HCV renters on Public Assistance. In terms of household size and makeup, only two spoke explicitly about their avoidance of single mothers with children, at least in certain buildings that they own, and their preference for dual income households.

However, some landlords showed understanding towards prospective tenants' predicaments and felt compelled to help. For example, one property manager, Farrah, says, "We have people come in and say, 'Oh my voucher is about to expire, this is my fifth apartment that I've been looking at, I need this apartment.' You know, you take to that."

#### 4.1.6. Administrative Burdens and Inspections<sup>22</sup>

The HCV program places many administrative burdens on landlords, making it particularly difficult for smaller landlords to manage their HCV contracts and more likely that they will exit the program when they are able to find reliable cash tenants that will meet their rent amount. The challenging administrative processes also discourage smaller landlords from wanting to participate in the first place. Many of the landlords and realtors that I interviewed spoke extensively about the administrative burdens the program places on landlords and how reducing the administrative burdens would improve the program and/or incentivize greater landlord participation.

*Designated Staff Person.*—Larger landlords will usually have a person on staff that is solely dedicated to managing their HCV contracts. The Vice President of one of the property management companies I interviewed—Langsam Properties—explained the importance of having a person on their staff who can navigate the bureaucracy of the program, as well as the difficulty smaller landlords have in managing their contracts and knowing who to speak to when they run into issues:

*We have one person who's full time job is dealing with Section 8 and trying to collect old money that they owe. You can't do that if you're a smaller [landlord]. I can afford to spend 60k on an employee to do that, but small [landlords] can't afford, they don't have the time, there aren't enough hours in the day.*

*Rent Renewals.*—Currently, landlords are having a lot of difficulty in getting NYCHA to honor rent increase requests in accordance with Rent Stabilization Laws. While NYCHA has gotten a lot better over the years in ensuring they receive their rent increases at the time of the HCV tenant's lease renewal, three of the landlords I interviewed said that they are still not receiving their rent increases at the start date of a new lease.

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<sup>22</sup> Housing Quality Standards (“HQS”) inspections are “minimum standards established by HUD for all units receiving assistance under HCVP.” Landlords are required to have their units inspected before a tenant is eligible to move in to the unit and every year during the tenant's lease. If a unit fails inspection, landlords have 30 days to complete the repairs for non-life threatening conditions (21 days for window guard violations). HQS defects that are life-threatening require correction within 24 hours (NYCHA draft administration plan, 2013)

*Lease-up.*—The administrative lease-up process can be lengthy and difficult to navigate. The NYCHA and HPD officials that I spoke with say that the process, on average, takes about 4 weeks, but according to the landlords in my sample, it is not uncommon for the process to take up to two months or, on rarer occasions, more. The reasons for the process taking longer than it should, could either be a result of:

1. The landlord/realtor—they failed their initial unit inspection and require that the unit be re-inspected, and/or they do not fill out the paperwork correctly, or
2. The agency—they lose documents, take a long time to schedule an initial inspection or re-inspection, and/or send back documents if filled out incorrectly (sometimes, it can be as small as not checking off a box).

The lengthy lease-up process can turn landlords that are new to the program and inexperienced with the way the process works off from wanting to participate. Smaller landlords cannot afford to not be paid for one to two months because they oftentimes rely on the HCV program to help pay their mortgage(s).<sup>23</sup> One realtor and property manager that I spoke with, Joe, said that when the lease-up process takes too long “you see a lot of landlords taking the apartments away from the tenant and renting it cash because cash is quicker.” An attorney that I spoke with at the Legal Aid Society confirmed this practice and said, “it’s the small landlords that really get afraid of the loss of income. They also really don’t know how to get the stuff done.”

Another landlord I spoke to, Michael, who I would categorize as an ‘Entrepreneurial Landlord,’ says that because of the lengthy lease up process, he would even be willing to go with a reliable cash tenant who could not pay as much as an HCV renter: “If a cash tenant is willing to pay \$100 less than a Section 8 tenant, I’ll go with the cash tenant. With Section 8, the process can be 6 weeks, but if you can get a cash tenant in before, you don’t lose rent.”

An HPD official that I interviewed says they are trying, to the extent possible, to cut down on delays in processing and “not hanging up someone from moving into an apartment who didn’t date section 3 of page 8 of the package.”

According to a lawyer at RSA and officials at NYCHA, NYCHA used to have a policy where they would pay landlords a holder’s fee for the time it would take to lease-up their unit if

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<sup>23</sup> Interview with Legal Aid attorney

they agreed to hold it for an HCV renter. This included the time it took for landlords to correct any violations that would be found in the initial inspection.

*Inspections.*—Inspections take place during the initial lease-up phase and once each year during the term of a lease. The landlords in my sample were very frustrated with the inspection process. Landlords cited failing inspections for reasons as small as not having a doorknob on a door. Many of them also claim that HPD and NYCHA have failed them on maintenance issues that were the tenant’s responsibility to fix, or correct, as laid out in the inspections guidelines, such as ensuring there is a battery in the carbon monoxide detector, or fixing a hole in the wall that was created by the tenant.

Recently, HPD eliminated their HCV inspections unit and turned over inspections responsibilities to their Division of Code Enforcement. This means that whenever a Code Enforcement officer inspects a unit for participants in the HCV program, they need to look for building code violations too. As a consequence, a couple of the landlords in my sample say they “kill the file” if they receive a building code violation from an HPD Code Enforcement officer.

#### 4.1.7. Landlord Networks

Information is transmitted quickly between landlords, generating and enforcing perceptions they have toward households of differing backgrounds, ethnicities, sizes, needs and income sources. One realtor I spoke with, Dar, said, “News spreads quickly. When something good happens, everyone knows. When something bad happens, everyone knows.”

Through these informal networks, decisions of whether or not to accept HCV tenants can be strongly influenced by other landlords. This dynamic can lead landlords to base their decisions over whether or not to accept an HCV renter from the experience of one or two landlords, and many misperceptions of the program abound. Most importantly, the anecdotes related in this section indicate how inaccessible City agencies are to prospective and current landlords, which can have consequences in their ability to attract and maintain greater landlord participation in the program.

For example, Ashwin, who is Indian and new to the program, has received a lot of phone calls from other Indian landlords inquiring about the HCV program. His difficult experience with the program can shape their perceptions of the program and their future decisions on whether to accept HCV renters:

*I had calls from people who are landlords and they're looking for tenants and they see my name on [the NYCHA website] so they call me. A lot of Indians – I am Indian, so I guess a lot of people felt comfortable talking to another Indian. So they call me and go, 'So how's Section 8? Do you like it? Would you recommend it?' I said, 'Listen, man, I haven't really gotten to the point where I can give you an opinion, but so far it's a tedious task and I don't know if it's worth it. I have to find out.*

Another example of landlord networks influencing decision-making practices is shown through Gary's anecdote, where he was convinced by other landlords he is contact with to no longer accept HCV renters after being frustrated by the program: “I talked to other landlords and they said, ‘Get outta the program – no body want to be in the program.’”

#### 4.1.8. A Tenuous Relationship

Landlords revealed little confidence and trust in HCV tenants, and indicated through their anecdotes the little confidence and trust HCV tenants have in landlords. Oftentimes, when landlords spoke about HCV tenants, there was a lot of anger and frustration in their voices. A few landlords spoke about the lengths they would go to determine whether or not they could trust the HCV renter to be responsible. One landlord, Sundaresh, explained that he decides whether or not to accept the security voucher on a case-by-case basis, and has gone so far as to visit the current residence of a prospective HCV tenant to know whether or not he could trust the tenant to be responsible. He recounts:

*I'll accept a security voucher on a Section 8 tenant if the tenant has a good history that can be tracked. If she was living in the last place she was at for more than 3 years, and no problems with paying the rent and they can get a recommendation from their landlord. I [have even] went to the point where I said I will accept the voucher [from a tenant] on one condition: can I visit where you live now? Just to see where they live, how organized they are, how neat and clean they are.*

A property manager, Farrah, revealed how little HCV tenants trust landlords—and how little time landlords put into developing a relationship and instilling a sense of trust among tenants—when she explained how tenants are more likely to call a City agency over her if they experience a maintenance issue: “Some of them will call HPD for anything. And then when they complain, we get violations. And we tell them, if you have a problem, call us, don’t just call the state because we get violations and then we have to pay for them.” One realtor, Dar, said, “They cause trouble. For every little thing they call 311. They purposefully bring trouble on the landlord.” When I asked if he thought landlords made it clear to tenants that they should call them before reaching out to the City agency, he said, some do, but not all. Many of the landlords in my sample alluded to the fact that tenants are more likely to call 311 or the administering city agency when an issue arises before the landlord.

#### 4.1.9. Summary and Implications

The landlords in my sample that accept the voucher opt into the program because there is a scarcity of reliable cash tenants in the neighborhoods where their buildings are located in and HCV renters could guarantee them their rent check every month at a price that is at least what the market in that neighborhood could support.

The landlords in my sample that were either on the fence or rejected the voucher cited the administering agencies' inability to provide adequate support to landlords, be accessible to landlords, reduce administrative burdens, and match the market's rent as reasons for not wanting to participate. In particular, it is hard for smaller landlords to manage their HCV contracts. As such, smaller landlords are more likely to enter the program, but are also the most likely to exit the program. This is problematic because they tend to live in lower poverty neighborhoods.<sup>24</sup>

Further, while never explicitly stated, the lack of trust established between landlords and HCV tenants may be a factor in a landlord's decision to not renew an HCV tenant's lease, or accept a new HCV tenant.

This section has started to reveal—and another section, “Gentrifying Neighborhoods,” will more explicitly show—that as neighborhoods start to see higher income tenants that are able to pay as much as an HCV renter can pay in rent, landlords will be less likely to accept new HCV renters and renew the leases of their current HCV tenants.

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<sup>24</sup> Interview with NYCHA officials

## 4.2. Realtors<sup>25</sup>

Realtors play a significant role in shaping the locational outcomes of HCV renters. Many of the listings on the NYCHA website and Craigslist.com are posted by realtors, and many tenants looking for an apartment will turn to local realty offices for assistance in identifying available apartments because of their greater visibility within neighborhoods and the difficulty in finding apartments that will take the voucher. As such, realtors can be an important connective layer and set the tone of a relationship between the landlord and tenant. While the landlord has the ultimate decision-making power and realtors primarily respond to landlords' selection criteria, depending on the relationship a realtor has with a landlord, they can be in a position to influence landlord decision-making. At the same time, realtors can be responsible for reproducing segregation by steering HCV renters, particularly by race, to neighborhoods within the city that reflect their current racial and economic background. Lastly, given the high degree of contact realtors have with many different landlords day-to-day, they are able to paint a broader picture of landlord decision-making patterns that are taking place within various neighborhoods in the city. I interviewed seven realtors, five were men and two were women.

### 4.2.1. The Realtor as an Important Connective Layer between Landlords and Tenants

*Assisting with Paperwork.*—Realtors do much more than just help HCV renters find apartments. They substantially minimize the amount of work a landlord has to do—as well as the amount of time it takes—to move an HCV tenant into an apartment. The amount of paperwork that City agencies and the HCV program require is significant. Oftentimes, there is a lot of back and forth between the City agency and the realtor who filled out the paperwork due to errors either on the part of the agency (many times, the agency will lose documents received or send erroneous documents) or the realtor (the realtor will fill in the incorrect information or will accidentally not fill out certain parts of the documents).

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<sup>25</sup> All the names used are pseudonyms to protect the identities of the realtors I interviewed.



*Ensuring Units Pass Inspections.*—Since realtors have learned what needs to be in place within a unit to pass the Housing Quality Standards (HQS) inspections, some will examine the apartment before the agency comes to do their inspection to look over what the landlord needs to do in order for it to pass. Doing this greatly reduces the possibility of the unit failing inspection and helps ensure the process moves along with as few technical hitches as possible.

*Maintaining New Landlords' Confidence.*—Some realtors spend time explaining the benefits of the program to landlords that are interested in renting their units to HCV renters for the first time. Landlords will inquire about the program usually after they have had a negative experience with getting a cash tenant to pay rent. The program appeals to them because the City guarantees—and will pay a majority (70 percent) of—the rent. However, despite their interest, many of them have heard negative stories from other landlords, particularly about the households who participate in the program, and are highly skeptical. Realtors have a more nuanced perspective of HCV renters; they understand that, like cash tenants, there are good and bad tenants in the program, and try to dispel prospective landlords of any rumors. For example, one realtor, Joe, who is also property manager in Staten Island, self-identifies as “one of the good guys,” and said that in order to convince landlords, he explains to them “that everybody is not the same, every tenant is not the same. Some people have different issues than other people.” Another realtor, Karen, who works in Crown Heights, Brooklyn, said that “when we deal with a landlord that never dealt with a Section 8 tenant before, I usually tell them that a cash tenant can do the same thing as a Section 8 tenant and that if the Section 8 tenant is giving you trouble, you can still get your money.”

In addition, landlords who are new to the program are not aware of the amount of time it can sometimes take to get a unit leased and, therefore, can become quickly frustrated and impatient when the process takes longer than expected. Realtors that assist HCV tenants find apartments are well-versed on the entire process and can maintain landlords' confidence in the program when the lease-up process takes longer than expected. For example, Darren explains that sometimes other realtors will try to “convince the landlord that cash is better, [and] why wait for this and this person [who] is making you lose money.” Sometimes he is able to persuade them to continue with the process, but other times he is not. It all depends on his relationship with the landlord. For example, he has been trying to move an HCV renter into a building of a landlord he is friendly with since November 18<sup>th</sup>, 2013 (the interview was conducted on January 13<sup>th</sup>, 2014),

but NYCHA is still processing her paperwork. He said, “We did this paperwork on November 18<sup>th</sup> [and] this place has not been inspected yet. And this [landlord], I know her. Imagine I didn’t know her. She wouldn’t take this lady because it’s moving too slow.” However, interestingly, when he is not able to convince the landlord to continue with the process, he said that, in many instances, “those same landlords end up coming back to [him] for Section 8. They come back to me because they don’t listen. They see the money [and] money talks.”

*Explaining Funding Cuts and Sequestration.*—Some realtors have also been instrumental in maintaining landlords’ confidence in the program when the City had to stop issuing new vouchers as a result of reduced federal funding for the HCV program in 2010 and sequestration in 2013. Karen said, “they were worried at first that the city [was] going to take away their vouchers, but I explained to them that they are not issuing any new vouchers. I explained to them the difference.”

*Convincing Landlords to Take Security Vouchers.*—As mentioned previously, if a realtor has a good relationship with a landlord, they are able to have greater influence over landlord decision-making practices. This has particularly been the case when it comes to pushing landlords to accept the security voucher administered by the Human Resources Administration (HRA). Before 2011, HRA issued cash security deposits to landlords; however, beginning February 1<sup>st</sup>, 2011, HRA started to issue security vouchers in lieu of checks to cover the security deposit. This cost-saving measure has created more obstacles for HCV renters’ in their ability to successfully lease-up a unit. Landlords are averse to taking the security vouchers issued by HRA because they prefer to have the cash upfront to use (despite being required by law to put the money in an interest-bearing account) and not have to go through the process of applying for reimbursement from the agency after the tenant moves out, which is meticulous and can take months to receive. If a landlord seeks reimbursement for tenant damages, they are obligated to complete a Landlord’s Claim for Security Voucher Payment form and submit proof of damages incurred. Further, landlords do not like that the City gets to use their discretion to decide on how much the landlord should be reimbursed. Sundaresh, a landlord who owns properties in Brooklyn and Queens, and accepts the security voucher on a case-by-case basis, recounts the difficulty a landlord-friend of his had in getting reimbursed from HRA for damages after her HCV renter moved out:

*They take forever to pay and I had a friend who told me it took her over 6 months to get back the security for the apartment and the security was \$1200, and they only got back \$785...[HRA] said they had to take off [for] the wear and tear of the apartment...So they'll pay whatever they want to pay.*

As a consequence, many landlords no longer accept the security voucher and require tenants to pay for the security deposit upfront in cash. In addition, HPD advises new HCV tenants to not rely on the security voucher from HRA and to make sure to have a plan in place if the security voucher does not come through in time.<sup>26</sup>

Despite the unpopularity of the security voucher among landlords, some realtors will try to convince landlords to take the voucher. Karen says, “most landlords that I deal with [do not want to take the security voucher] – I try my best to get them to take the [security] voucher. Most of them do. Most of the landlords that I work with, I have been working with them for a while.” The reputation she has cultivated with landlords has put her in a position to influence their decision-making practices to accept City policies.

*Helping HCV Tenants Expand Neighborhood Choice.*—Some of the realtors in my sample are willing to go to greater lengths to help HCV renters find units in the neighborhood of their choice, or at least in a neighborhood that is equally as good as the one they were first interested in. They do this by reaching out to realtors who work in other neighborhoods to see if they know of any available apartments. Karen explains the reason why she wants to help HCV tenants find better neighborhoods:

*Me, personally, as an agent, I don't want to go into a bad neighborhood myself to show, especially since I have kids, I don't want kids to be living in a bad neighborhood, so I try to find them an apartment that I myself would live in.*

Joe says that his realty company tries to help HCV tenants locate to the neighborhoods they want to live in, not just the high-poverty neighborhoods where so many HCV tenants end up:

*We ask them, where do you want? If that's the area you want, we'll try to find that area. We don't try to stick them in high-poverty areas because that's where everybody is trying to put the Section 8 tenants. They want to put them there and leave them there. Investors want to buy there so they say*

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<sup>26</sup> Interview with HPD official

*they're just going to put everybody there. We don't do that. We try to put them in areas where they want to be.*

While I was waiting for my interview with Joe, an HCV renter came into the office, and I observed her inquiring whether the realtor she had been working with had found any apartments in better neighborhoods in Staten Island, “not just the ghetto.” Unfortunately, they had not, but said they were still committed to helping her find a neighborhood that she would feel comfortable living in.

#### **4.2.2. The Role of Realtors in Reproducing Segregation**

*Hesitations around Soliciting Greater Landlord Participation in the HCV Program.*— All of the realtors I spoke with, except for one, said that HCV renters would prefer to live in a better neighborhood rather than a bigger apartment, and are very selective in where they want to live. In some realty offices, there is one staff member who works exclusively with HCV renters. The realtors in my sample get many calls from HCV renters each day, but explained that there are not enough apartments available in the neighborhoods that are desirable to many HCV renters. Therefore, while many tenants prefer to live in lower poverty neighborhoods, and some realtors may be in a position to convince landlords to accept the voucher, none of the realtors in my sample actively try to persuade landlords to accept it, particularly in lower poverty neighborhoods. As such, they inadvertently reinforce the segregation of HCV renters. To understand why realtors are less inclined to spend time convincing landlords to accept vouchers, I relate the following anecdotes:

Realtors know which landlords are willing to accept the voucher, and will not try to convince the ones that do not accept. Karen said, “I never...try to convince them to take a Section 8 tenant because I am wasting my time.” Another realtor, Maria, who works in Cypress Hills, Brooklyn, receives at least 5 phone calls per day from HCV renters and is the only one in her office who works with households who participate in the HCV program. As a result, she is overburdened and does not have time to try to convince landlords to take the voucher. She said,

“Sometimes [HCV renters] tell me to talk to the landlord [to see if they will accept the voucher], but I don’t do that because I have a lot of work.”

Another realtor, Gerry, who owns two properties in Flatbush, Brooklyn, and rents out to HCV renters, says that he would never try to convince landlords to rent to HCV renters because “if anything goes wrong they will point a finger at you. So I give them the pros and cons and let them make their decision.”

Similarly, a 25-year-old realtor from Long Island, New York, said he would never try to convince a landlord to lease-up their unit to an HCV renter because it could potentially damage his reputation. He only started to work in the real estate industry 6 months ago and is looking to make this his main profession. When I met him, he was showing an apartment off Ralph Avenue in Crown Heights, Brooklyn, which is in a section of Crown Heights that has not yet experienced gentrification. The apartment was a small three-bedroom in a walk-up building. Even though the apartment was not yet finished, he was showing the apartment to prospective tenants. While I was there, one White woman came to view the apartment with her young daughter. She was an HCV renter, looking to transfer her voucher from Virginia, and had 4 days to find an apartment before her voucher expired. She has two other daughters and a son, as well as a fiancé, and had been looking for a 4-bedroom apartment for weeks. This small 3-bedroom apartment would be too small for her and her family, but inquired whether George knew of any available 4-bedroom or larger 3-bedroom apartments, or if he could help her identify one. He did not know of any at the time, but promised he would. However, after she left he said:

*I am not going to call another landlord and say, “is this landlord accepting Section 8?” No, I’m not going to do that. I am not going to put my broke-ass clients on other people. I don’t want to be known as that guy who is always trying to push other landlords to take his broke-ass clients. I’m not that guy, this is my career.*

Another realtor, Yevgeny, who is also a landlord and owns properties in Staten Island, Yevgeny, says that he could easily convince landlords in middle-income neighborhoods to accept HCV renters, but there is no incentive for him to do so, especially when HRA only pays half a month’s rent for the broker’s fee:

*[Tenants have a lot of choice in where they can live], but the problem is that [realtors] have no incentive. I can convince anyone to rent to Section 8. I can*

*make the argument with anyone...But will I? Do I want to make a call and start convincing landlords when I am being compensated for half a month's broker's fee? No. So I want to – like everyone else – take the easiest route that is dealing with landlords who are already familiar with the program and those apartments tend to be in lower income areas...Especially when brokers are charging one month for a regular rental and that's just an hour's worth of work.*

*Racial Sorting and Steering.*—Only two of the realtors I spoke with explicitly spoke about the roles race and ethnicity play in deciding where to show tenants of different racial and ethnic backgrounds apartments. In other conversations with realtors, race was alluded to as a factor. One Black realtor from Staten Island, Adam, readily spoke about the prevalence of racist practices in the real estate industry when asked about landlords' selection criteria. Specifically, he spoke of landlords' desire to preserve the racial character of neighborhoods in the South Shore, where a majority of neighborhoods are over 90 percent White<sup>27</sup>, and his anger towards their unfounded racist attitudes:

*This is a very racist business. In their own way they tell you that they don't want any Blacks, or Spanish sometimes. That's on the South Shore. They're funny – they want Section 8, but they want a particular ethnicity. They want White. And I give them the worst white tenant that I can find. Screw you, here you go. I don't like what they do, but they have their reasons. But, technically, you are violating the discrimination law and I don't like to be involved.*

He further went on to explain that if a landlord who previously stated a preference for a certain ethnicity is unable to fill their vacancy, the desire for rental income will trump any initial desire to preserve the racial character of a neighborhood:

*One thing I realized, though, they'll try to be careful with how they say it, but once they can't get that thing rented, they'll take a god-dog alien. See, now you're taking aliens, you don't give a damn if they're green. They'll say, "You don't find no body yet?" I'll say, "Listen, I've told ya, got a nice Black lady with a child." "Show it to her! Show it to her!" [they'll say]. Oh, now it's "show it to her!" Before it was, "Oh, I'm just trying to keep it Spanish or White."*

However, even among racial and ethnic minorities discrimination is prevalent:

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<sup>27</sup> Based on the author's own calculations on the American Community Survey, 2007-2011 5-year estimates

*Landlords come off, 'Oh I already only have Spanish people living in the building, so that's all I want to have.' If you have a building filled with Mexicans and you throw a black person in there, you are going to get a bucket full of calls in the middle of the night of a fight.*

Another realtor, Yoram, an Orthodox-Jewish White man originally from Curitiba, Brazil, spoke about the industry's racist practices in a matter-of-fact way, as though they are the accepted rules of the game. He said that he would never show a person who is Black an apartment in an all White neighborhood, such as Bensonhurst, because he believes that they would never accept them: "In Bensonhurst, all Italian neighborhoods, all white, all very close."

*The Broker's Fee.*—The NYC Human Resources Administration (HRA) assists with broker's fee payments for HCV renters. HCV renters are eligible to apply for a one-shot deal, a one-time emergency grant, to assist with their move-in expenses. They are not guaranteed, subject to street-level bureaucrats' discretion, and can take anywhere from a couple of days to a couple of months to receive.<sup>28</sup> In January 2011, as part of the City's Program to Eliminate the Gap (PEG), HRA reduced the amount of money they are willing to pay for the broker's fee by half. Cutting the broker's fee amount has created hardships for HCV renters and placed limitations on apartment and neighborhood choice. Five of the realtors I interviewed require that tenants pay the full broker's fee, which is one month's rent, and only two of the realtors interviewed stated that they would accept the half broker's fee amount.

One realtor, Karen, says that "tenants are getting hit [by the City's new policy] because a lot of realtors don't want to deal with Section 8 tenants" anymore. Realtors work off commission and want the full amount, but it can take HCV renters some time to come up with the difference and they are not interested in waiting.

Yoram, who works in Crown Heights, Brooklyn, says that he requires tenants to pay the full brokerage fee. As a result of HRA's new policy, he has been less inclined lately to help HCV renters find apartments. Exasperated, he says, "This is how I make my living. The brokers are not motivated to rent to Section 8. I get half a month's rent – for what?"

The two realtors quoted above both work in gentrifying neighborhoods within Brooklyn. Despite Karen's willingness to accept the half broker's fee, she recognizes that she is an outlier. Realtors that I interviewed who work in high poverty neighborhoods tended to require the full

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<sup>28</sup> Interview with HPD official

broker's fee, but mentioned that other realtors, like themselves, were more willing to wait until the tenant came up with the difference than realtors working in lower poverty neighborhoods, where cash tenants already come prepared with it in hand.

However, despite many realtors' willingness to assist HCV renters in high-poverty neighborhoods find apartments before they have the broker's fee in hand, there are realtors who require that the tenant show proof that they have the funds available to pay not only the broker's fee, but also the security deposit. Some realtors are oversubscribed, particularly if they are the only ones in their office who work with HCV renters. To reduce the volume of HCV renters they assist, they become selective. For example, one realtor I spoke with, Maria, will not assist an HCV renter until they show proof that they have the cash available for the broker's fee and security deposit. She says, "If they don't have the money to pay for the broker's fee and security deposit, they cannot come for an interview. They have to be prepared."

#### 4.2.3. Summary and Implications

Realtors are important in helping to maintain landlord participation in the program—without them, landlords might be even less willing to rent out to HCV households. They remove a lot of the administrative paperwork landlords have to complete during the lease-up process, and when there are complications, they help maintain landlords' confidence in the program. In some cases, realtors will work hard to help HCV households find an apartment in their neighborhood of choice by contacting other realtors to see if they have listings in those areas.

At the same time, realtors are contributors to the reproduction of racial and HCV segregation in the city. Despite the Fair Housing Act of 1968, housing discrimination based on race continues to persist. Two landlords that I interviewed spoke about the blatant racist practices of realtors in steering HCV households—and other low-income households—to neighborhoods and even buildings that reflect their racial identity.

None of the realtors I spoke with actively try to convince landlords who do not accept the voucher to accept it, despite some who said they would be able to. They are less inclined to convince landlords to accept the voucher because it would either be a waste of their time, too much work, or could potentially tarnish their reputation.



As a result of the City's new policy to only pay for half of the broker's fee, landlords in low-poverty neighborhoods are less inclined to help HCV households find apartments if they will not make up the difference. In these situations, HCV renters may then be forced to search for apartments in higher-poverty neighborhoods, where realtors are more willing to show apartments while tenants come up with the other half. None of them would allow a tenant to sign a lease until they paid the other half of the broker's fee. Since HCV renters are resource-constrained and only have 4 months to find an apartment<sup>29</sup>, they risk running out of time and losing their voucher in situations where the realtor requires them to have the move-in expenses upfront, or to come up with the other half.

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<sup>29</sup> HCV households can only extend their voucher in emergency circumstances, or if needed as a reasonable accommodation for individuals with documented disabilities (HPD and NYCHA draft administrative plans, 2013)

### **4.3. Public Agencies: The New York City Housing Authority (NYCHA) and the NYC Department of Housing Preservation and Development (HPD)**

#### **4.3.1. Soliciting Landlord Participation and Expanding Neighborhood Choice?**

Informed by the research done on the harmful impacts of poverty concentration on low-income households' lives and the benefits in improving the locational outcomes of low-income households, HUD is encouraging Public Housing Authorities (PHAs) to assist households access a broader range of neighborhoods by recruiting landlords who have buildings in low-poverty areas. For PHAs that are able to show a decrease in poverty concentration among HCV households, they are eligible to receive bonus points (US Department of Housing and Urban Development, 2001b). However, because PHA administrative fees have not been fully funded by Congress since 2003, and many PHAs lack administrative fee reserves at this point, it has been difficult for PHAs to act on this directive. In FY 2014, only 75 percent of administrative fees will be covered (Council of Large Public Housing Authorities, 2014).

**NYCHA:** Currently, NYCHA is fiscally constrained in its ability to actively recruit new landlords to the program and to assist households move to low-poverty neighborhoods. To spread the word about the program to other landlords, they largely rely on landlords and landlord associations, such as the Rent Stabilization Association (RSA) and Community Housing Improvement Program (CHIP). They also give HCV renters a map of where low- and high-poverty neighborhoods are located at their briefings and encourage them to look for apartments in lower poverty neighborhoods. However, the majority of landlord and realtor referrals on the list NYCHA provides participants at briefings are located in higher-poverty neighborhoods in the Bronx, northern Manhattan, central and southern Brooklyn, northern Staten Island and the Rockaways:



**Figure 3:** Snapshot of HCV apartment listings posted on NYCHA’s website for the week of Oct. 21, 2013 over poverty rates; **Sources:** U.S. Department of Housing and Urban Development (Picture of Subsidized Housing 2012 database); American Community Services, 2012 5-year estimates (Poverty Status in the Past 12 Months)

A number of years back, NYCHA would try to recruit new landlords by holding landlord briefings. During these briefings, landlords were able to learn more about the HCV program. However, due to funding cuts and a decrease in new voucher holders (again, as a result of funding cuts), they stopped holding the briefings.

**HPD:** Similar to NYCHA, HPD does not actively recruit landlords, but encourages HCV renters to look for apartments in low-poverty areas. At the briefing, they give tenants a snapshot

of landlords that have posted listings on the GoSection8.com website and encourage them to keep checking the website for new listings. However, a quick look at the GoSection8.com website, one can discern that most of the apartments listed are also concentrated in higher poverty neighborhoods.

There is also less of an incentive for HPD to recruit new landlords to the program since a majority—two-thirds—of HPD’s HCV renters reside in units receiving Project-Based Voucher subsidies within HPD-funded affordable housing developments. One-third of the HPD HCV population resides in apartments in the private rental housing market, but they have usually come from HPD-funded affordable housing developments. After one year of living in an HPD-funded affordable housing development—oftentimes, a supportive housing development—they are eligible to receive a tenant-based voucher and move to an apartment within the private rental market. However, the HPD official said that many tenants will try to move with the tenant-based voucher after the first year, but only about 3 percent are actually able to secure a unit: “[They] get their voucher and they go out and they’re searching and they never find anything, or never find anything that they like and they just end up staying.” However, she recognizes that this percentage may be skewed since most of the tenants who live in PBV units in HPD-funded developments are residing in supportive housing and may face greater barriers in the rental market.

#### **4.3.2. Communication between Administering Agencies and Landlords**

Many landlords I spoke with felt helpless in resolving issues they had with City agencies and desired better communication and support from them. Many said that they preferred to work with HPD over NYCHA because they saw them less as a faceless bureaucracy and more as an agency they could rely on for assistance when they encountered a problem. [They also have higher payment standards than NYCHA.]

**NYCHA:** Due to federal budget cuts in the HCV program, NYCHA has had to implement cost-saving measures that have forced their system to become more automated. As a result, landlords and tenants have had to increasingly communicate with a faceless bureaucracy that has been ineffective at adequately addressing their needs and has bred a lot of frustration and feelings of helplessness.

Prior to 2010, NYCHA assigned case managers to both an HCV renter and their landlord. Case managers were assigned by zip code and located throughout the five boroughs. If a landlord or tenant had an issue, they could reach out to their case manager to help them settle it. In its place, NYCHA created a centralized intake system where a landlord or tenant speaks with a new person every time they call. As a result, there is a lot of misinformation given to landlords and tenants, as well as there is a lot of confusion over the proper steps to take to resolve an issue. This has created bottlenecks in the administration of the program. Landlords greatly appreciated the individualized assistance they used to receive from their assigned case managers because it shortened the time it took to get an issue resolved and sped up the process to lease-up. It also helped them develop a relationship with the agency. Yevgeny explains:

*If you call the Section 8 offices outside of NYC, you can forget the automated system you get routed to. You call a person, you'll know her by her first name. And Section 8 [in NYC] used to be this way. My office in Staten Island used to be across the hall from the Section 8 office...I used to be able to walk into that office, sit down with a caseworker, whoever is giving me a hard time with paperwork, work it out right there and then... The paperwork would be accepted. They would ask the inspector to stop by the house after lunch and that same day get a move-in letter.*

In 2011, NYCHA introduced a new computer system called Extranet to replace their case management system. Extranet gives landlords the ability to manage their HCV portfolios online 24/7. On the Extranet, landlords can complete lease renewals, submit their inspection certification, view their payment history, sign up for direct deposit, and change their contact information. When I spoke with the Deputy Director and Assistant Director of the Leased Housing Department at NYCHA, they said that they were in the process of adding new features to the Extranet in 2014, such as the ability for landlords to submit forms to receive Major Capital Improvements<sup>30</sup> and annual rent increases, as well as petitions for evictions. All of the landlords I spoke with liked the new computer system and thought it was a step in the right direction, but still desired to have a case manager assigned to them. While the computer system has made it easier for landlords to manage their HCV contracts, there are still substantial issues with the administration of the program as shown in the previous sections on landlords and realtors.

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<sup>30</sup> When owners of rent-stabilized units make improvement to their buildings, they are eligible to receive a rent increase, called a Major Capital Improvements (MCIs) (NYS Homes and Community Renewal, 2011)

**HPD:** A number of the landlords that I spoke with prefer to work with HPD rather than NYCHA. One landlord, Sundaresh, said that HPD is more inclined to help landlords resolve issues:

*I'd prefer to work with HPD rather than NYCHA all the time. Only because of the fact, their office at 100 Gold St – you can actually call them up and talk to somebody and get some kind of help. And if you're having problems with your tenant, they'll work with you to the point where if your tenant is abusing your apartment, they will work with you. So they usually help me out with it. It will hurt me because they'll come here, they'll find things wrong, they'll get me to try to fix it, and sometimes I don't get through because the tenant won't give me access. And if that happens, they'll stop the rent. But what they'll do is put pressure on the tenant, and when they put pressure on the tenant, [the tenants] tend to straighten up and care a bit more.*

Similarly, a realtor I spoke with, Dar, said that HPD cares more about helping landlords than NYCHA:

*HPD is better, they are quicker, and they work with tenants and landlords to make sure everything goes right. NYCHA doesn't care, they don't work as closely with tenants and landlords.*

According to an HPD official that I spoke with, HPD chooses to position themselves in partnership with landlords, rather than against:

*Something that we're always looking for is being a good partner for the landlords. Someone they feel is worth doing business with. If it doesn't work for landlords, then the program doesn't work. Particularly, we don't want to create a situation where we're only getting the participation of bad landlords. We want to do something that works for responsible landlords that are providing decent housing.*

In contrast to NYCHA—where it is difficult to get a clear answer from a customer service representative and walk into their building to receive assistance—HPD is much more welcoming to tenants and landlords. The HPD official I spoke with said that employees at HPD see themselves as public servants, open to the public to walk-in and receive assistance during their hours of operation. In some cases, larger landlords have the e-mail addresses and phone numbers of staff.

For large non-profit developers who are using HPD financing to fund the construction of their building and Section 8 Project-Base Vouchers (PBV) to subsidize tenants' rent, HPD will host a series of briefings that detail the specifics of the lease-up process. However, there is not a similar set of briefings for smaller landlords.<sup>31</sup>

HPD also has a computer system, but it is not nearly as advanced as NYCHA's Extranet. However, it allows landlords to check on the status of paperwork submitted. According to the HPD official that I spoke with, it is moderately used by landlords. HPD is pushing landlords to use the system—which is called Partner Portal—because they claim that 70 percent of the questions they receive can be answered by logging onto the Portal.<sup>32</sup>

#### 4.3.3. Summary and Implications

Federal funding cuts have had a significant impact on NYCHA and HPD's ability to effectively run their programs, solicit greater landlord participation in the program, assist tenants access a broader range of neighborhoods, and be more accessible to landlords. In particular, the elimination of NYCHA's case management system has impacted landlords considerably, despite its rollout of an online portfolio management system. As shown through my interviews with landlords, NYCHA's inaccessibility has triggered a loss of faith for many in the program and has created, in a number of instances, a disincentive to participate in the program. For that reason, many landlords prefer to work with HPD over NYCHA because they appear to provide more individualized assistance and are more inclined to help them resolve issues.

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<sup>31</sup> Interview with HPD official

<sup>32</sup> Ibid.

#### 4.4. Legal Advocacy Organizations

Legal advocacy organizations have provided legal representation in housing court, filed class action lawsuits, and engaged in discussions with NYCHA on behalf of HCV renters to ensure their protection from landlord abuses and agency inefficiencies. Through their advocacy work, they have helped make the program more effective and safeguarded many HCV renters from eviction proceedings. Further, given the drive from landlords to destabilize their units, particularly in gentrifying neighborhoods, legal advocacy organizations have, in a number of cases, indirectly prevented rent-stabilized units from leaving New York City's affordable housing stock by fighting for their clients to remain stably housed. For these reasons, legal advocacy organizations have worked to counteract the varying sets of forces that have been driving the spatial concentration of HCV renters.

However, despite their presence in housing courts throughout the city, demand for legal assistance from low-income households greatly exceeds their ability to help everyone who seeks representation. Currently, in New York City, it is estimated “that 90 to 95 percent of tenants are unrepresented by counsel, whereas 85 percent of landlords are represented. The great majority of unrepresented litigants are poor or low income” (New York County Lawyer's Association, 2005).

*Reasons why HCV households end up in housing court.*— According to the Legal Aid attorney that I interviewed, the most common reason an HCV renter ends up in housing court is non-payment. She says, “a lot of tenants end up in non-payments because their share wasn't adjusted, or they fell behind their share for other reasons: their welfare case gets closed, they lose their jobs, mismanaged their money.”

Recently, though, they have been seeing an uptick in the number of holdover cases. A holdover case is “brought by a landlord to evict a tenant...for reasons other than simple non-payment” (Legal Aid Society, n.d.). Landlords have been trying to come up with more creative legal arguments on which to evict their HCV tenants. For example, landlords are currently trying to evict their HCV tenants on the grounds that they have violated the terms of their lease by failing to comply with HCV program rules. In these cases, HCV tenants have already been terminated from the HCV program. There is one of two reasons for their termination: 1) a tenant fails to recertify (according to the Legal Aid attorney, these are 99 percent of the cases), or 2) a



tenant is terminated for the landlords' failure to correct Housing Quality Standards (HQS) violations within a 6-month period. Landlords are forming legal arguments around the second reason, despite the fact that it is the landlord's fault that the tenant was terminated from the program due to HQS violations. But landlords are trying to make the argument that they were not able to complete the repairs on time because tenants did not provide them with access to the apartment. Landlords have not had a lot of success with these cases because most leases do not specify that complying with HCV program rules is grounds for termination of a tenant's lease. In the future, landlords may start writing into their leases that complying with HCV program rules is part of their tenancy obligations, and, therefore, would have a stronger argument for the right to evict a tenant for failing to recertify. But since a lot of these cases involve tenants who are rent-stabilized, they cannot alter the terms of their leases.

*Improving the HCV program's administration.*—Over the years, the Legal Aid Society has helped to improve the program's administration through filing class action lawsuits against NYCHA on issues regarding yearly tenant recertification and the procedures of transfer vouchers. In regards to recertification, in 2011, many tenants were losing their vouchers due to errors stemming from NYCHA's computer system. When NYCHA had caseworkers assigned to each tenant and landlord by zip code, the caseworker would sometimes reach out and assist the tenant if there were issues with the recertification paperwork. The lawsuit is currently pending, and while NYCHA has gotten better with ensuring that tenants receive the recertification package on time, paperwork continues to go missing. And, now, without the added benefit of caseworkers pushing tenants to submit their recertification documents on time, a number of tenants are having their vouchers terminated. When a tenant's voucher is terminated, they, most often, cannot afford to stay in their homes. Therefore, they either leave their home before legal proceedings commence or, most often, get evicted.

#### **4.4.1. Summary and Implications**

When an HCV tenant is forced to leave their apartment—either through eviction, harassment, non-renewal of lease—there are fewer places for them to go, especially if their rental history becomes tainted. While legal advocacy organizations have been instrumental in helping HCV tenants stay in their apartments, the reality is, justice may be temporary in these cases. Landlords may try to continue to evict their tenants, or harass them to the point where they feel

compelled to leave. However, what is made clear from these cases is that landlords and tenants need greater support from City agencies to ensure landlords' continued trust and interest in the program and tenants remain stably housed.

The holdover cases and recertification lawsuit underscore the institutional players that are responsible for driving a tenant's housing instability: the administering agency and landlord. In regards to recertification, when an HCV renter is terminated from the program for failing to recertify, the administering agency is directly responsible. While landlords are the ones who directly evict HCV tenants from their buildings in these situations, they are reacting to the agencies' policies on recertification. When an agency terminates an HCV tenant from the program, the tenant, in most cases, is unable to pay their future rent, and landlords, who rely on the rent to operate their businesses, are compelled to start eviction proceedings.

In regards to holdover cases that involve an HCV tenant's termination from the program as a result of the landlords' unwillingness, or inability, to complete repairs on time, it appears from my interviews that both the landlord and administering agency may be responsible. Again, while landlords are the ones who directly evict the tenant from the apartment, and the landlord is inexcusably responsible for completing necessary repairs, these issues may be more complex than how they initially appear. Of course, there are landlords who do not take responsibility in keeping their apartments up to code. However, there are landlords, particularly smaller ones who do not have maintenance protocols, that have trouble arranging a time to gain access to an apartment, or may refuse to complete the repairs because they believe it is the tenant's responsibility to do so.

## 4.5. Landlord Associations

Landlord associations provide a lot of support to landlords, particularly larger ones, and have played a significant role in helping to improve the administration of the HCV program in New York City. I interviewed two lawyers who work at the two largest landlord associations in New York City: the Rent Stabilization Association (RSA) and the Community Housing Improvement Program (CHIP). The RSA has 25,000 members that own and manage approximately 1 million units of housing and CHIP has 3,000 members that own and manage approximately 300,000 units of housing. It is not uncommon for landlords to be members of both associations.

Landlords have to adhere to policies and regulations from a number of different agencies within the City, including HPD, NYCHA, the Division of Homes and Community Renewal (DHCR), HRA, the Department of Buildings (DOB), the Fire Department, the Sanitation Department, and the Finance Department. Both associations were created to provide a variety of services to their members to help them navigate these complex bureaucracies that impact their ability to own and manage property. This includes informational services, such as a monthly newsletter and website with pertinent information and forms; an insurance agency to increase the buying power of smaller landlords; housing counselors who can answer specific questions on rent-regulation; educational seminars and meetings; and a powerful lobbying arm.

To improve the administration of the program, both RSA and CHIP have periodically met with NYCHA over the past 14 years to bring forth patterned issues that their members experience. Recently, RSA has had more regular communication with NYCHA, and in the fall of 2013, NYCHA and HPD held a seminar for members of both associations as way to inform them of new policy changes to the HCV program. A lawyer at the RSA, says:

*NYCHA has realized, and HPD to a lesser extent, that we can be helpful. NYCHA has now converted entirely to electronic payments—so we said we can help you reach property owners with this information. And so they sent us an announcement and we sent it out in an e-mail blast and put it in our newsletter...the reality is, the more helpful we are to the agencies, and the more helpful we are to our members in this regard, the more we fulfill our mission as a trade association for property owners.*

A few years ago, CHIP collected thousands of documents that highlighted the administrative issues their members were having, mainly revolving around: 1) reinstating suspended payments after correcting completed repairs, 2) improperly communicating the repairs that needed to be completed after a failed unit inspection, and 3) substantial delays in giving landlords who own rent-stabilized properties their yearly rent increases in accordance with Rent Stabilization Laws (it was not uncommon to receive the rent adjustment 2 or 3 years after the renewal). A lawyer I interviewed at CHIP said not all of the issues were completely addressed, and problems persist, but NYCHA has become more efficient at administering the program.

Despite all of the work RSA and CHIP have done on behalf of landlords to help improve the administration of the HCV program, they have been largely against many of the tenant protections that have been implemented over the past few years. In particular, they were strong and vocal critics against the enactment of the source-of-income anti-discrimination law. They saw it as “another piece of legislation targeted toward [their] members.”<sup>33</sup> The lawyer, who I interviewed at RSA, is White, grew up in public housing in Brooklyn and Queens, and worked for HPD for 16 years before joining RSA’s staff. He explains that it is difficult for many of the smaller landlords to manage HCV contracts and to compel them to accept HCV renters could hurt them financially. He later says in our conversation, “what may seem logical to a Legal Aid attorney, and very right, is not always so self-evident when [small landlords are] trying to pay [their] bills and just trying to survive.” He assures that this is no excuse to discriminate against tenants, but that there are very real administrative burdens placed on smaller landlords that also need to be addressed.

Of all the landlords I interviewed, only one – Langsam Properties, a property management company – is an active member of a landlord association. Langsam is a large operation, managing the day-to-day operation of 11,000 units in the Bronx, Northern Manhattan and lower Westchester County. HCV tenants reside in 1,500 of the units. Since Langsam manages such a large number of properties, they have a lot to gain from RSA and CHIP’s political power and influence.

While RSA and CHIP have a range of members – small to large – they may be less attractive to smaller landlords. One of the smaller landlords in my sample, Sundaresh, had been

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<sup>33</sup> Interview with lawyer at RSA

part of a landlord association – RSA – but de-activated his membership because he felt that since he was a smaller landlord, he did not benefit from the services they provided:

*As much as we pay into them, the only thing we get benefits from are the new forms and new updated laws. Other than that, in terms of issues that we have on a building basis, on a tenant basis, it's hard – they don't do anything much... There are a couple of guys in the business that have over 100 units and are part of RSA – they get more benefits. If they have an issue to help remove a tenant or they have an issue with the Department of Buildings, RSA tends to steer them in the right direction to help them solve their problems faster. And sometimes when I dealt with RSA, they just sent me through the regular channels. These other guys would get a phone number to contact to take care of the problem.*

#### 4.5.1. Summary and Implications

The two landlord associations I interviewed—RSA and CHIP—have played a significant role in improving HCV administrative policies and the experiences of landlords who participate in the program. However, only the largest landlord in my sample was part of a landlord association. A smaller landlord in my sample was once part of the RSA, but deactivated after not feeling well-supported by the organization. Given that 40 percent of landlords that participate in the HCV program are “mom and pop” landlords, and that 19 out of the 20 landlords that I interviewed are not active in any landlord association, this may provide further indication of the need to give increased support to small- and medium-sized landlords.

Lastly, landlord associations' opposition to increased tenant protections reveals the antagonistic relationship between landlords and tenants, and the need to address the tensions that exist in order to increase stability for HCV households.

## 4.6. Gentrifying Neighborhoods

Within gentrifying neighborhoods in Brooklyn and Queens, I interviewed three landlords and two realtors. All of them indicated that when a neighborhood starts to transition, and more reliable cash tenants start to move in, HCV tenants become less desirable to landlords. Currently, in these neighborhoods, there is a decrease in the number of apartments available to HCV tenants. The primary reason for why landlords are choosing to opt out of the program is a result of their ability to charge cash tenants rents that are at least as high as what the HCV program is willing to pay without having to deal with the bureaucracy of the HCV program.

One realtor, Karen, assists HCV renters and non-HCV renters primarily in Crown Heights and Bedford-Stuyvesant, two neighborhoods that have experienced rapid gentrification over the past few years and have high percentages of rent-stabilized units.<sup>34</sup> She said that she has been receiving a lot of phone calls from smaller landlords who either want to evict their tenants or not renew their leases; they are interested in de-stabilizing their units in order to get higher rent from wealthier cash tenants that are moving into the neighborhood:

*When tenants call, I'll ask them why they're moving and they'll say that the landlord is repairing the apartment. They won't repair it while they're in it, but they'll repair it so that they can get someone else in it who can pay higher rent. Sometimes, the landlords will even contact me and say they are trying to get the tenant out so they can repair the apartment. Sometimes they'll pay them to move out - like, they'll pay the security fee, the broker's fee, and one month's rent so they can get out. For a 3-bedroom, Section 8, the city, would pay \$1,900. A 3-bedroom in Bed-Stuy and Crown Heights, you can get \$2,700 or \$3,000 for the same apartment.*

Another realtor, Yoram, who also assists HCV renters and non-HCV renters in Crown Heights and Bedford-Stuyvesant, said that as these neighborhoods have become more attractive to higher income renters, many landlords that used to accept the program no longer do because they can get higher rents from cash tenants and not have to deal with the rules imposed by the program: "I used to have a lot of landlords who want to accept Section 8 and now almost nobody wants to accept Section 8 because of the program nightmare."

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<sup>34</sup> In North Crown Heights/Prospect Heights, 49.7 percent of units are rent-stabilized. In South Crown Heights, 78.4 percent of units are rent-stabilized. In Bedford-Stuyvesant, 32 percent are rent-stabilized (Lee, 2013)

A third landlord that I interviewed – Michael – has 40 buildings located in Brooklyn, Queens, the Bronx, Jersey City, and Newark, and is constantly trying to buy new properties and sell the ones he owns to turn a quick profit. He is primarily driven by money and prefers to get as much rent as possible from his tenants over establishing a good relationship with them. In the neighborhoods where the HCV program’s payment standards are higher than what the market will pay, he will “just deal with Section 8.” He goes on to explain, “Nobody likes it but the rent is good. You can make \$10-20,000 extra per year if you deal with Section 8’s rules and regulations.” However, in neighborhoods where he can get as much or more from a cash tenant, he will not accept HCV tenants. Currently, Michael has a number of properties in Crown Heights and Bedford-Stuyvesant, and is trying to get his HCV tenants out of his buildings. When I met him, he was writing out a check to an attorney who was helping him evict eight of his HCV tenants from his properties in these two neighborhoods. He says:

*Here in Crown Heights and Bed-Stuy there is pretty much no Section 8. Cash tenants are paying more. For a 3-bedroom you’re gonna get \$2,500-3,000. Section 8 is paying \$1,900 and change. [In addition] you don’t have to deal with Section 8—the rules and regulations, the inspection.*

*...I’m trying to get [my HCV tenants] out to get more money. Trying to move my Section 8 tenants into buildings in crappy areas, so that I can get more money in rent in my buildings in better areas.*

A lawyer I spoke with at Legal Aid Society confirmed the move towards trying to evict tenants—as well as not renew leases—in gentrifying neighborhoods within the City. She explained that there are “a lot of under-the-table deals going around” and, despite the security of rent-regulation, many tenants do not know their rights. They feel vulnerable and no longer welcome in their neighborhoods, so will just leave. In addition, there is a lot of landlord harassment that has pushed them to settle on buy-outs. For example, Michael told me that he recently accepted \$6,000 from a landlord to take an HCV renter. The landlord who is in effect selling the tenant to Michael has a building in the heart of gentrified Crown Heights, where he could get \$3,000 per month for the apartment and the City agency can only pay \$2,000. Michael said that he would move the household into one of his worse-shape buildings in Bedford-Stuyvesant for the time being.

Lawyers at Legal Aid try to educate their clients on their rights, and tell them that there is nothing that the landlord can do as long as they are paying their rent, but it has not always been effective. She says:

*It is understandable [that they prefer to take the buyout rather than having to be constantly harassed by their landlords], but it does encourage the path of gentrification and it isolates the tenants...and just concentrates them further out. Section 8 was supposed to solve this problem, but it hasn't because they are still at the mercy of the private market. Landlords end up concentrating tenants.*

*Differing Thresholds.*—When interviewing landlords whose properties are located in high-poverty neighborhoods, I asked them whether they would stop renting their units to HCV renters if the neighborhood started to attract higher income households that would be able to pay more than the payment standards set by the HCV program. Four said yes, but they each had different thresholds of when they would no longer accept HCV tenants. One landlord, Ashwin, said he would stop taking the voucher if the market paid \$200 more each month because, at that point, he would not want to have deal with the program's administrative processes:

*I do feel at some point if the fair market value allows for \$1,600 for a one month rent fee for a one bedroom apartment and Section 8 says our rate is \$1,400, I would say go kiss butt because I will find a tenant that will meet the market price. Why should I take a \$200 cut, especially for a 3-month inspection. Come on.*

Another landlord, Yonah, who has a property in East Flatbush said that he privileges a better relationship with his tenants over extracting as much rent as possible from them “within a normal range,” which he defines as 10-30 percent below the market. In other words, if the HCV payment standards are between 10-30 percent below what cash tenants are willing to pay, it would make most economic sense to keep them housed in his buildings if they are good tenants. But if a cash tenant is willing to pay over 30 percent what an HCV tenant can pay each month, then he would stop renting to HCV tenants.

Another landlord, Brandon, said that he would most likely not rent to HCV tenants if the neighborhood were to get better. However, it's “not all about the money,” he says. He goes on to explain that costs are rising every year and he needs to go with the renter who can help him keep up with all of his payments:

*You have to understand, one of the factors...is that every year the rates are going up – 7 percent , 14 percent -- the National Grid is going up with the gas...as they keep going up, I'm being squeezed because now my escrow account is going up which means my mortgage payment is going up which*



*means I have to keep up. So, if whoever is not keeping up, I can't deal with that, whether it's the public or whether Section 8.*

*Keeping HCV renters, even when a neighborhood changes.*—Sundaresh recognizes that a good relationship with his tenants will be less costly for him in the long run than chasing after higher rents. His properties are currently in Cypress Hills, Brooklyn, and Jamaica and Ozone, Queens, where the poverty rates are 27 percent (City-Data, 2014b), 16.5 percent (Been et al., 2013), and 13.4 percent (City-Data, 2014c), respectively. He said that if the neighborhoods were to transition, he would still like to rent to HCV renters, especially if they are good tenants, and would never force any of his current HCV renters to move out or not renew their leases. Sundaresh says:

*I would still rent out to Section 8 because I would like the security of what they provide. My mentality is I'll take a loss on the rent to get a good person. If I have that, then I am comfortable. So you don't make \$1000 profit, I'll make a \$600 profit and they're good to you.*

Another landlord, Yevgeny, shared Sundaresh's reasoning. He explained that when “you have a new tenant coming in, you're interested in the highest possible income you can get,” but “once the tenant is living in your home, I would never evict a tenant because I could get more money for a unit, especially when I have a good tenant.”

#### **4.6.1. Summary and Implications**

As mentioned in the earlier section on landlords, not all landlords are the same. Some landlords are only interested in turning the highest profit they can through charging the highest possible rent supported by the market, and others are interested in having a better relationship with their tenants because they believe it will be less costly to them in the long run. In the middle, are landlords who privilege a better relationship with their tenants over extracting as much rent as possible from them, but only up to a certain price point.

When a neighborhood gentrifies, the landlords who are only interested in turning a profit, will try to force their existing HCV renters immediately out. But there also appears to be a subset of landlords who might be willing to continue renting to HCV households even when a neighborhood gentrifies if the administrative burdens were reduced. Gentrification poses a serious threat to the housing stability of HCV renters, as well as their ability to benefit from

improved neighborhoods. Since HCV renters face significant barriers in New York City's rental housing market, involuntarily moves have serious consequences in their ability to secure affordable housing elsewhere, especially in a good neighborhood. Improving the administration of the program and increasing landlord support may be critical to maintaining landlords' participation in the program within these neighborhoods.

## 4.7. The Impacts of Federal Budget Cuts

In response to the lack of federal funding allocated to the HCV program, new HCV policies have been created that inadvertently constrain HCV renters' ability to find decent housing in low-poverty neighborhoods and remain stably housed. Each year, HUD determines authorization and funding for the HCV program based upon annual Congressional appropriations. Since 2009, the program has experienced a dramatic decrease in federal funding. In 2009, HUD reduced NYCHA's funding allocation by \$58 million dollars (New York City Housing Authority, 2011), resulting in the rescission of 3,000 unfulfilled vouchers (Chung, 2009). In 2011, NYCHA started to issue new vouchers again. However, since 2013, as a result of the Budget Control Act of 2011, also known as sequestration, NYCHA and HPD have had to stop issuing new tenant-based vouchers, and have had to reduce their payment standards from 110 to 90 percent (New York City Housing Authority, 2013) and 110 to 105 percent (NYC Department of Housing Preservation and Development, 2013), respectively, of HUD's Fair Market Rent (FMR). These funding cuts have placed even constraints hardships on an HCV tenant's ability to choose when and where they can move.

For example, one property manager, Matt, explained how it is getting harder for HCV renters to transfer to new apartments as a result of the newly reduced payment standards:

*It affects the tenant in that now instead of the tenant having a voucher that's worth \$1,000, now that voucher is going to be worth \$900. They're affected because searching for an apartment with a lower payment standard makes it that much more difficult.*

Beyond reducing the voucher payment standards, NYCHA and HPD have had to go further to save costs by implementing new policies that make it difficult for a tenant to remain in the HCV program. A lawyer at the Legal Aid Society explains:

*They don't have enough money so they need to get people off. They have made this very clear. I don't think this is the way NYCHA wants to be dealing with the tenants necessarily; especially over petty things like transfer voucher extensions. They simply just don't have the money and the more forceful they are, the less tenants t(Pendall, 2000)hey have in the program.*

The following are the new policies NYCHA and HPD have had to implement:

1. *NYCHA and HPD policy:* NYCHA and HPD have reduced the amount of time—from six to four months—an HCV renter has to search for an apartment before the voucher expires, with virtually no opportunity for extension.
2. *NYCHA policy only:* If a unit fails inspection and the landlord does not complete the repairs within a two-month period, NYCHA will issue a transfer voucher and give the tenant 4 months to find a new apartment. If a household cannot find a new apartment within those 4 months, their voucher will be terminated.<sup>35</sup>

According to the Legal Aid attorney, because it can be difficult for tenants to compel their landlords to make repairs, and most HCV renters are unable to secure legal representation, tenants may experience greater housing instability:

*In theory it sounds good: we'll give them a transfer voucher, they can move. What's the problem here? But it doesn't function that way in the city where there's very limited housing stock. Landlords have every incentive to have long-term rent-stabilized tenants not have the repairs done and have them off the program, or transfer at a minimum.*

As it is, it is difficult for HCV renters to find apartments, particularly in lower poverty neighborhoods, as one landlord points out:

*Tenants call...and their vouchers are about to expire, and a lot of tenants end up picking what they can. They either waited too long, or they haven't been able to find anything, or they don't like what they're seeing. It's not easy; a lot of landlords don't take Section 8. They're not going to find an apartment in the Village – a lot of the time they are in low-income neighborhoods, the neighborhoods are not good.*

#### 4.7.1 Summary and Implications

This section shows how federal budget cuts are impacting the mobility constraints and housing stability of HCV renters in New York City. As a result of budget cuts, HCV renters are required to pay more towards their rent, given less time to search for apartments, and obligated to transfer from their apartment if a landlord does not address HQS violations within a two-month

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<sup>35</sup> In NYCHA's draft administration plan (2014) they do not explicitly state this practice. The Legal Aid attorney that I spoke with revealed this new practice.

period. This could lead to a greater uptick in the number of tenants seeking legal representation for non-payment of rent or to compel their landlords to address necessary repairs, which, given their small chances of gaining legal representation, may result in an increase in evictions. If HCV tenants are required to move out from their apartments because of unaddressed repairs, they may have issues finding a new apartment in a neighborhood of their choice, especially given that the payment standards have been reduced and prospective landlords' disinclination to rent to tenants with unstable rental histories. In addition, now that they have less time to search for an apartment, tenants may have difficulty finding apartments in lower poverty neighborhoods and may have to settle on higher poverty areas, or, worse, have to return their voucher.

## 5. Discussion and Recommendations

*When you take these people and limit their options, you say you can't be here, you can't be there, you're basically creating a project in some little neighborhood that is funded by private people. You're not solving the problem.*

- Landlord in Staten Island

### 5.1. Discussion: The Structural Paradox of the Housing Market

Who is responsible for clustering HCV renters into high poverty, high crime neighborhoods? The answer is complex, and reveals the competing interests and motivations of different players that participate directly and indirectly in a housing market.

*Landlords.*—Most often, fingers are pointed directly at the landlord. They are most vilified because they are most visibly responsible for creating hardships for HCV renters—they are the ones who file eviction actions, harass tenants to get them to move, discriminate against the voucher, refuse to renew tenants' leases, and do not complete repairs on time. But what motivates their discriminatory and abusive behaviors? As I was reminded repeatedly throughout my interviews with landlords, realtors and landlord associations, landlords are operating a business. They rely on the income of the business to sustain their own lives, and, in many cases, those of their family and friends. Therefore, their decisions are based on what makes the most economic sense for the sustenance of their own business. This is a direct consequence of our competitive market economy, which does not take into consideration issues of morality. In a competitive market economy, individuals are encouraged to pursue their own self-interests by seeking profit wherever they can find it within the boundaries of the law (Satz, 2010).

Consequently, if HCV program policies create an economic *disincentive* to participate in the program, landlords will opt out. This is shown most explicitly when landlords choose to opt out of the program due to administrative burdens, a lack of support from city agencies, and an FMR that is set below-market in a certain neighborhood. Most often, landlords will opt out in lower-poverty neighborhoods because of the ability to more easily get a reliable cash tenant who can pay at least as much as an HCV renter without having to comply with any program rules. In

neighborhoods that are gentrifying, these are the reasons why landlords are choosing to opt out. However, two of the landlords in my sample that chose to opt out own properties in high-poverty areas and no longer want to participate in the program due to the administrative burdens the program places on landlords and the lack of support they receive from City agencies to help them resolve issues.

Conversely, if HCV program policies create an economic *incentive* to participate in the program, landlords will opt in. In higher poverty neighborhoods, there is more of an incentive to opt in because it is difficult to find reliable cash tenants, the program guarantees a majority of the landlord's rent each month and pays at least as much as the market could support. Therefore, landlords' behavior is most directly in reaction to HCV program policies and the agencies that administer them, as well as market forces.

*City Agencies.*—New York City's HCV program is influenced, to a large extent, by the amount of money Congress appropriates each year for the program. Because Congress has not fully funded the program since 2003, the ability for NYCHA and HPD to effectively administer the program has been greatly reduced. The enormous budgetary pressures these agencies are under have resulted in a need to create policies that increase cost-savings, which have ended up harming both landlords and tenants.

For landlords, these cost-saving measures have created disincentives to participate in the program. Landlords have felt inadequately supported by City agencies, especially NYCHA. In 2010, NYCHA had to eliminate its case management system, which provided individualized assistance to landlords. Now, there is only a central call center and online portfolio management system to assist landlords. Despite landlords' regard for the new computer system, landlords continue to not feel adequately supported by City agencies. Landlords do not like dealing with a faceless bureaucracy, and the call center and computer system only perpetuate that image. When seeking assistance from a staff person at the call center, they, oftentimes, receive inconsistent or erroneous information and experience difficulty in getting ahold of anyone. Additionally, NYCHA's need to reduce staff capacity has also impacted its ability to process applications and lease renewals, as well as conduct inspections, in a timely manner. Smaller landlords, in particular, have been most impacted—they are least able to absorb the loss of rental income during a lengthy lease-up process. This is problematic because smaller landlords—particularly “mom and pop” landlords who make up 40 percent of NYCHA's landlord population—are more

likely to live in lower-poverty neighborhoods. Further, most new landlord participants to the program are smaller landlords, but, at the same time, they are most likely to exit the program, too, because of difficulty in managing their HCV contracts and the lack of institutional support they receive.

For tenants, these cost-saving measures have made it more difficult for them to remain on the program or transfer to apartments in neighborhoods of their choice. The reduction in payment standards has constrained mobility to better neighborhoods; the reduction in staff has resulted in the inability to provide tenants with assistance in completing recertification documents and, consequently, there have been instances when tenants have been terminated from the program; and the reduction in the amount of time a tenant has to search for an apartment has forced tenants to settle on higher poverty, higher crime neighborhoods or return their vouchers unused. Another way NYCHA has made it difficult for tenants to remain in the program is through forcing tenants to move when their landlord does not correct violations within two months. Since they only have 4 months to search for an apartment, and the payment standards have been reduced, their ability to find an apartment in a better neighborhood is limited.

*Realtors.*—Realtors' decision-making practices are in response to both HRA's policies, which pays for the broker's fee, and landlords' selection criteria. In 2011, HRA cut the broker's fee in half. Through my interviews, I found that realtors working in lower-poverty neighborhoods are less inclined to accept the half broker's fee amount and wait for tenants to make up the difference. Because of the limited availability of apartments their vouchers can afford, it is difficult to help HCV renters find apartments and they can more easily assist a cash renter who is readily able to pay the broker's fee in full. In higher poverty neighborhoods, realtors are more likely to assist a tenant as they come up with the other half of the broker's fee. Since HCV tenants may be less likely to come up with the difference quickly enough, they may be forced to only search for apartments in higher poverty neighborhoods.

Realtors also reproduce racial segregation through engaging in racial steering practices. Two realtors I spoke with explicitly talked about the racist practices that persist in the real estate industry today—Adam, a Black realtor, spoke about landlords' preferences to preserve a certain racial character of a neighborhood or building, and Yoram, a White Jewish-Orthodox realtor, spoke as though he knew the racial preferences of different communities. While their practices are



partially in response to the racial and ethnic preferences of landlords, it is unclear how much realtors are also responding to their perception of what they *think* a community wants or if they steer people to neighborhoods on account of *knowing* what a community will tolerate. As a result, people of color have less ability to compete within a rental housing market.

*Interest Groups.*—Legal advocacy organizations and landlord associations react to the needs of the people they feel are not well-supported by the current system and seek to advocate for them on their behalf. Legal advocacy organizations advocate on behalf of the tenant and landlord associations advocate on behalf of the landlord. Since they sit on opposite ends of the table, there is an antagonistic relationship between the two and neither sees the perspective of the other. This is problematic because if, for instance, justice is served—a tenant wins their housing court case and remains in their home—it may only be temporary. The relationship between the landlord and tenant has not been transformed, and, in many cases, it may be exacerbated, and an HCV renter’s tenancy may remain unstable.

### 5.1.2. Moving from a state of reaction?

While demand-side barriers provide some explanation to the spatial patterns we see, the factors that influence the spatial clustering of HCV renters are fundamentally structural. To improve the locational outcomes of HCV renters and ensure their stability, we need to question the adequacy of market-driven housing policy and the consequences in depending on private landlords to provide housing for low-income households. Any effort that does not address the underlying structural issues can, at best, mitigate HCV renters’ spatial segregation, but never fully integrate them into the broader fabric of the city.

In these next two sections, I propose recommendations that can be accomplished within the existing structure, as well as further considerations to safeguard low-income renters from the instability of the free market, in order to further goals of poverty deconcentration and affordable housing provision.

## 5.2. Policy Recommendations

### 5.2.1. Providing greater support to landlords and tenants

As indicated through my interviews with landlords and landlord associations, there is a lot of distrust between landlords and tenants, and landlords feel unsupported by public agencies when they run into problems. While I did not interview any tenants directly, my interviews with landlords and the Legal Aid Society indicated a greater need to support tenants, too, particularly with recertification and landlord responsiveness to maintenance repairs. The following recommendations address the lack of distrust and support among landlords and tenants:

- ***Assign a housing specialist to both the tenant and landlord.***—Since the elimination of NYCHA’s case management system, landlords have felt less supported by City agencies. While NYCHA does not have the funding to re-introduce another case management system at the moment, Single Stop USA may be able to absorb this critical need. Since Single Stop operates legal, financial and benefit enrollment clinics at 26 locations throughout the city, they could be well-positioned to hire housing specialists at each site, or other identified sites, to provide assistance to both landlords and tenants. The housing specialists could have a direct relationship with NYCHA to help landlords and tenants resolve issues that concern NYCHA’s involvement, but they could also help mediate conflicts between the landlord and tenant when issues do not directly concern NYCHA. They can also help ensure tenants fill out their recertification paperwork, which has been a significant obstacle in maintaining HCV households’ ability to remain on the program.
- ***Create an agreement between the landlord, tenant and housing specialist.***—In Norfolk, Virginia, the Virginia Coalition to End Homelessness has understood the need to view landlords as partners and promote a communicative landlord-tenant-housing specialist relationship. Therefore, they have created a ‘Landlord-Tenant-Case Manager Communication Agreement’ (see appendix xx) that outlines who to call in varying situations. While the agreement is not required for the landlord and tenant to fill out, NYCHA can require such an agreement as a rider to a lease.
- ***Create a landlord damage insurance fund.***—In Norfolk, Virginia, the Planning Council has created a landlord damage insurance fund, seeded by the National Alliance to End Homelessness (NAEH), for their rapid re-housing program as a way to recruit landlords

to rent to ‘high-barrier’ families (families with eviction or criminal records). The fund provides up to \$750 of coverage above and beyond the security deposit.<sup>36</sup>

- **Hold Briefings for Small Landlords.**—While realtors have helped maintain landlords’ confidence in the program when the process becomes complicated and lengthy, it is not always enough to retain landlords’ participation. NYCHA and HPD should hold landlord briefings on the first and fifteenth of each month to walk small landlords through the lease-up process and prepare them for any issues that may arise.
- **Provide Better Tenant Rights Education.**—Many tenants do not know their rights and, since most do not have access to legal representation, are vulnerable to landlord harassment and abuses. At tenant briefings, NYCHA and HPD provide information on who to contact if tenants have been discriminated against during their housing search (HPD Briefing Book), but do not provide education on tenants’ rights as well as provide recipients with information on who they can contact when they run into legal issues with their landlord.

### 5.2.2. Expanding Landlord Participation in the HCV Program

- **Create a real estate brokerage team.**—The Planning Council in Norfolk, Virginia, has a designated staff person whose job it is to go out and recruit landlords to participate in their rapid re-housing program. They understood that in order to recruit landlords to the program, they would need a person who understands the real estate business, not a case manager who does not. Therefore, they hired a woman who is a realtor and property owner herself. Everyday, she goes out into the field and talks to landlords about the benefits of the program. She dispels them of any rumors they may have heard about the program and its tenants, and, many times, she is able to convince them to accept the housing subsidy. Because of her background as a realtor, she is able to gain legitimacy among landlords and relate to them from her own experiences: “I understand their concerns because I am a realtor and property owner myself. Also, my own sister in New York City is on Section 8 and I know firsthand how it can be beneficial to families and beneficial to a landlord.” As a way to build credibility with landlords, she also inquires about their business strategies and offers them advice, which further gains their trust.

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<sup>36</sup> Interview with Program Manager, Norfolk Planning Council

NYCHA should create a real estate brokerage team that consists of realtors and property owners who go out into the field and recruits landlords, particularly in low-poverty areas, to the program. The brokerage team could eliminate the need for HCV renters to use realtors to find apartments.

- ***Hold Landlord Information Sessions.***—NYCHA and HPD can partner with local community organizations to hold information sessions for landlords. At these information sessions, landlords can learn more about the program.
- ***Provide Group Purchasing Programs to Landlords.***—The RSA and CHIP provide a number of services to their members, such as group purchasing programs for heating oil, natural gas, electricity, health insurance, and property and liability insurance. This saves landlords a lot of money each year. NYCHA should partner with the RSA and CHIP to make these types of benefits accessible to all landlords in the program, particularly smaller landlords who could greatly benefit from group purchasing power.
- ***Establish a Housing Taskforce.***—While NYCHA is engaging more with the RSA and CHIP to resolve issues with the program, there are voices that are left out. NYCHA, HPD, and DHCR should create a housing taskforce that consists of agency officials from NYCHA, HPD, DHCR, and HRA; landlords—both small and large; HCV tenants; and lawyers from RSA, CHIP and Legal Aid Society. The housing taskforce would address the bottlenecks in the administration of the program, particularly as they pertain to rent renewals, recertifications, the initial lease-up process, and inspections. This could be critical to maintaining landlords’ participation in the program and ensuring tenants remain on the program and stably housed, particularly in gentrifying neighborhoods where landlords are less inclined to renew HCV tenants’ leases and have been trying to buyout tenants.

### 5.2.3. Preserving and Expanding the Affordable Housing Stock

In comparison to low-income households that do not receive housing assistance, HCV households are more stably housed. However, as I have begun to show through my findings on landlords who own properties in gentrifying neighborhoods, and what was made clear in the outcomes of the Moving to Opportunity study, it is difficult for HCV households to remain stably housed in lower poverty neighborhoods in tight housing markets (Briggs et al., 2010). Many

gentrified and gentrifying neighborhoods in New York City are losing their affordable housing stock—project-based and rent-stabilized—which could lead to even further clustering of HCV households into higher poverty neighborhoods. According to DeFillipis and Wyly (2007) this “represents a “double loss” – both of the affordable units (and the subsidies that enabled their affordability), and the loss of already “de-concentrated” units in good or improving neighborhoods.” If mixed-income neighborhoods are the goal, preservation of the existing affordable housing stock will be critical. In addition, expanding the affordable housing stock, particularly in lower poverty areas, will be necessary to ensuring HCV renters have access to a wider range of neighborhoods.

***Preserve rent-regulated housing stock.***—When neighborhoods experience gentrification, landlords who have rent-regulated units are more inclined to opt out of the HCV program in order to destabilize their units, charge higher rents, and not have to deal with the bureaucracy of the program. This is particularly true for smaller landlords who have greater difficulty in managing their HCV contracts. This is also highly problematic since 54 percent of all HCV renters live in rent-regulated housing<sup>37</sup> and are then less able to benefit from a neighborhood when it improves.

Vacancy destabilization is a significant problem—particularly since 2009, many landlords have been destabilizing their units without notice or explanation (New York State Homes and Community Renewal, 2013). In recent years, DHCR’s Tenant Protection Unit (TPU) has implemented a number of reforms to curb the number of rent-regulated units leaving the affordability stock, such as increasing the deregulation threshold from \$2,000 to \$2,500 and only allowing landlords to claim one vacancy bonus in a year (New York State Homes and Community Renewal, 2011). Most recently, TPU has been conducting audits of landlords with questionable rent increases and asking them to show proof of improvements made. Many of the landlords could not provide proof of the improvements made to justify the rent increase and, as a result, TPU was able to bring 28,000 units of rent-stabilized housing back into the rent-regulated stock (New York State Homes and Community Renewal, 2014). TPU’s move to crack down on landlords who own rent-regulated units is promising, but it does not remove further injustices from taking place. Landlords will continue to try to find ways to destabilize their units, especially when a neighborhood improves and they can charge higher rents. However, from my interviews,

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<sup>37</sup> Based on author’s calculations using data from the New York City Housing and Vacancy Survey (NYCHVS 2011)

it appears that landlords who own properties in gentrifying neighborhoods and participate in the HCV program may be less quick to get rid of their tenants if the program were administered more effectively and landlords felt they had greater support from City agencies. Even though there might be more seemingly reliable cash tenants who can pay higher rents, it does not preclude landlords from having to deal with their tenants' unexpected life circumstances. The fact that NYCHA can guarantee the majority of the rent is appealing to landlords.

***Generating Increased Capital and Expense Funding for NYCHA and HPD.***—Public Housing Authorities (PHAs) across the country are resource constrained. Since Congress has not fully funded the HCV program since 2003, PHAs have had to deplete reserves, take away vouchers, eliminate important programs and implement harmful policies that have weakened the effectiveness of the program and, in effect, reproduced the spatial concentration of voucher holders. PHAs can no longer only rely on the federal government to provide funding, and need to think of new ways to generate the income needed to close financing gaps.

Both of the recommendations presented have already been proposed as ways to help NYCHA close the financing gap desperately needed to adequately address current and ongoing maintenance issues within their public housing stock. However, if both of the strategies were to be pursued together, NYCHA could potentially not only have the funding stream needed to leverage private and public dollars to finance the ongoing maintenance of existing NYCHA buildings, but also the capital and expense funding needed to purchase buildings and vacant/underused land throughout the city and work with partner non-profits to house a diverse range of incomes—from very-low to middle-income. This could help ensure HCV renters are able to access lower poverty neighborhoods. The increased capital may also allow additional money to be funneled into their HCV program to re-instate important components, such as the case management system.

***Infill Development on NYCHA land.***—NYCHA's proposed land-lease program has received strong vocal criticism from NYCHA tenants and community advocates who are concerned with losing scarce public land to luxury housing and creating a slippery path to privatizing public housing (Shamsuddin & Vale, unpublished). However, the plan presents an opportunity to close the growing financing gap in an era of reduced federal funding of public housing and construct more housing for a broad range of income groups in a city that perennially faces housing shortages. In addition, the plan employs a different strategy to deconcentrating poverty that does not require the dispersal of tenants. By densifying the land NYCHA housing

occupies with mixed-income developments, the percentage of low-income households decreases, while the number of low-income households increases (Shamsuddin & Vale, unpublished).

The concerns raised by tenants and advocates are important and cannot be overlooked. Creating an inclusive planning process will be necessary to garnering any kind of support for the plan and to ensuring tenants are protected against displacement. With a new administration that has the support of many low-income households in the city, there may be a window of opportunity to implement such a plan in collaboration with current NYCHA residents.

*Rental Assistance Demonstration (RAD) Project.*—RAD creates an opportunity for PHAs to convert units in their public housing stock to project-based assistance under the Section 8 program. Converting their housing stock to project-based assistance provides PHAs greater ability to “access private and public funding sources” and reduce their reliance on Congressional appropriations to fund their programs (Hoekman, S. & Griffith, J., 2013). Many PHAs, including NYCHA, are interested in participating in the RAD program, but Congress did not grant an expansion of RAD in FY14. More political will be needed to ensure the continued funding and expansion of this greatly needed program.

## 5.2. Future Research and Other Considerations

***The Small Area Fair Market Rent Demonstration Project.***—Currently, HUD sets FMRs for an entire metropolitan area, but is piloting a project that sets FMRs by zip code in the hopes that it will facilitate access to lower poverty neighborhoods. While the program has showed initial success in other cities, it may not be suitable for New York City. Both HPD and NYCHA declined to participate in the project due to the lack of capacity needed to implement the program. Further, an HPD official that I interviewed was concerned that setting FMRs by zip code could lead to perverse outcomes. Only 6 percent of landlords that participate in the program have rents set below the FMR (U.S. Department of Housing and Urban Development, 2003). With only a set amount of funding allocated to the HCV program in New York City each year, City agencies would either need to cut down on the number of vouchers they issue (in effect, take away vouchers) or determine how to reallocate rental payments.

Reallocating rental payments would mean reducing rent for landlords that have properties in weaker housing sub-markets to increase the rent for landlords that have properties in stronger housing sub-markets within the city. Given the administrative burdens involved in the program, landlords in weaker housing sub-markets may decide to opt out of the program if their rent is all of a sudden reduced. Many of the landlords in my sample that have properties in higher poverty neighborhoods chose to participate in the program because the rent is guaranteed, but also because they can charge higher rents than what the market could support. Conversely, two of the landlords in my sample that have properties in higher poverty neighborhoods chose to opt out of the program and accept lower rents because the administrative burdens imposed on them were too high and a lack of agency support in helping them resolve issues made them feel helpless. Therefore, unless the amount of money allocated to NYCHA and HPD increased, or NYCHA and HPD found a way to subsidize higher rents without reducing current rent amounts, setting the FMRs by zip code, may lead to a host of perverse outcomes, including: an increase in the number of landlords choosing to opt out of the program; landlords illegally charging higher rents to make up for the loss, creating rent burdens on HCV households; and an increase in the number of unsuccessful housing searches, which could trigger further growth in the city's shelter population.

***Merging NYCHA, HPD and DHCR's HCV Programs?***— NYCHA, HPD and DHCR have been meeting relatively regularly to try and align policies, but should they streamline the



administration of the voucher program by merging their three separate voucher programs into one? HPD and NYCHA have different voucher populations. A majority of HPD's voucher population has Project-Base Vouchers (PBV), while NYCHA only has tenant-based vouchers. HPD's PBVs are used to subsidize the rental income in affordable housing developments they help fund. Given HPD's heavy use of PBVs, would it make sense to combine HPD and NYCHA's voucher programs? Without having had the opportunity to interview anyone within DHCR or interview any landlord that has tenants with a DHCR voucher, I cannot compare their program to NYCHA or HPD's programs. Further research needs to be done to understand what would be the implications of merging the three HCV programs.

## 6. Conclusions

This findings of this study begin to reveal the way public policies, agency practices, and the conditions of the rental housing market influence landlord and realtor behavior to drive the spatial clustering of HCV households into high poverty, high crime neighborhoods within the city. First, the research begins to indicate the limited ability HCV renters have to *move to* lower poverty neighborhoods as a result of 1) payment standards being too low for certain housing sub-markets in the city, 2) the financial constraints NYCHA and HPD have in recruiting and forming partnerships with landlords in a broader range of areas, 3) steering and sorting based on race and income, and 4) the reduction in broker's fee payments, which provides a disincentive for realtors to assist HCV renters in lower poverty neighborhoods.

Second, the research begins to indicate the difficulty in *remaining in* gentrifying neighborhoods. Landlords are more likely to opt out of the program when a neighborhood begins to gentrify because they no longer want to deal with the programmatic requirements the HCV program imposes and can get at least as much as the HCV program can pay from reliable cash tenants. Reducing administrative burdens and providing greater support to landlords (i.e. through a case management system) could slowdown gentrification processes.

Third, the research begins to indicate landlords' inclination to opt into the program if they have buildings in higher poverty neighborhoods due to difficulty in getting reliable cash tenants, the ease in getting HCV renters, and the ability to get guaranteed higher rent than the housing sub-market could support. However, this research also begins to indicate how landlords who have properties in higher income neighborhoods are choosing to accept lower rents from seemingly reliable cash tenants over HCV renters. The landlords in my sample who reject voucher holders in the higher poverty neighborhoods where their buildings are located in are averse to the program because of the high administrative burdens involved and the lack of support they receive from City agencies to resolve issues.

Fourth, this research begins to indicate the importance of maintaining smaller landlords in the HCV program. Smaller landlords are most likely to enter the program and live in lower poverty neighborhoods. At the same time, they are also most likely to exit the program because of difficulty in managing their HCV contracts. Agencies should think of strategies to make it easier

for smaller landlords to manage their contracts and ways to provide greater support to ensure they do not opt out of the program.

However, the ability to deconcentrate poverty through the HCV program is limited, despite reforms to the program and better cooperation with landlords. Ultimately, the findings of this study provide clear indication for how our housing problems are deeply embedded in the “operation of our economic system” (Bratt, Stone, Hartman, 2006). Allowing the provision of low-income housing to be a business has contributed to low-income households’ inability to control the fate of their lives. Their ability to decide when and where they can move is dependent on what makes the most financial sense for another person’s business. While this is true of all tenants in a rental housing market, HCV tenants—and other low-income households—are particularly constrained in the choices they can make because they have the least amount of resources to cope when issues arise.

In the U.S., where less than a third of eligible low-income households receive housing assistance (Rice and Sard, 2009), the HCV program has been instrumental in providing desperately needed affordable housing to our lowest-income households. Many who receive the voucher feel as though they have won the lottery (Briggs et al., 2010b). However, market-driven housing policies could never produce the kind of spatial equality we hope to see, and the spatial clustering of HCV renters into high poverty, high crime neighborhoods has inflicted high social costs on low-income households’ lives and contributed to the growing inequality of our cities (Marcuse, 2005), which, in the end, harms us all (Wilkinson & Pickett, 2011). As such, we need to question the implications of allowing the private market to provide and justly distribute housing for low-income households (Bratt, Stone & Hartman, 2006). Now is the time for us to re-think our rental housing policies and envision a housing system that yields a more socially just city.

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## Appendix I: Interviews

Actor	Interview Date
<b>Landlords</b>	
Brandon, Brooklyn*	1/14/2014
Ryan, Staten Island	1/13/2014
Katherine, Jamaica, Queens	1/14/2014
Sundaresh, Queens	1/17/2014
Ashwin, Queens	2/16/2014
Yonah, Brooklyn	2/17/2014
Michael, Brooklyn	1/10/2014; 1/21/2014
Joe, Staten Island*	1/13/2014
Zach, Beechwood Properties, Bronx and Manhattan	1/19/2014
Dan, Beechwood Properties, Bronx and Manhattan	1/24/2014
Gary, Staten Island	1/18/2014
Andrew, Brooklyn	1/10/2014
Jorge, Staten Island	1/11/2014
Yevgeny, Staten Island*	1/16/2014
Adam, Staten Island*	1/8/2014; 1/18/2014
Farrah, Brooklyn, Bronx, Queens	1/17/2014
<b>Realtors</b>	
Dar, Staten Island	1/8/2014; 1/13/2014
Karen, Brooklyn	1/15/2014
Yoram, Brooklyn	2/17/2014
Maria, Brooklyn	1/10/2014
George, Brooklyn	2/16/2014

<b>Government Agencies</b>	
Robert Tesoriero, Deputy Director, Leased Housing, NYCHA	1/15/2014
Alex Mathew, Assistant Director, Lease Housing, NYCHA	1/15/2014
HPD official	3/25/2014
HPD official	4/2/2014
<b>Advocacy Organizations</b>	
Attorney, Legal Aid Society	3/5/2014
Attorney, Rent Stabilization Association (RSA)	3/6/2014
Attorney, Community Housing Improvement Program (CHIP)	1/21/2014
Program Manager, Norfolk Planning Council	3/24/2014
Housing Specialist, Norfolk Planning Council	3/31/2014
Program Manager, New York Peace Institute	4/1/2014

\*Also a realtor



## Appendix II: Craigslist Advertisement



contact prohibited  Posted: 13 days ago

### \$1850 / 4br - 4 Bedroom Apartment (Bronx, New york)

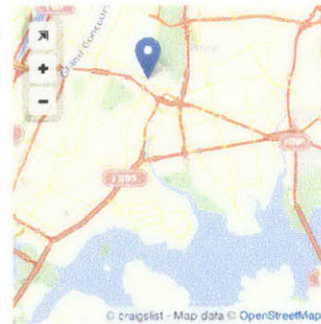


Renting a spacious 4 Bedrooms apartment located in the Bronx, New York area. Total rooms in the apartment are 7. Separate living room, lots of closet space, new bathroom and windows with full size windows, high ceilings. Living in a very quiet household, no pets or washing machine, no smoking. Please call Edwin at 917-771-7479 no section 8

Right near: Botanical Garden, Bronx Zoo  
Close to: Bus 9, 19, 36  
Train: 2,5

Honeywell Avenue at 181 street ([google map](#)) ([yahoo map](#))

- Location: Bronx, New york
- do NOT contact me with unsolicited services or offers
- Fee Disclosure: 4 Bedrooms Apartment. 1,850.00
- Listed By: Camilo apartment



Honeywell Avenue at 181 street

4BR

post id: 4315420107 posted: 13 days ago updated: 3 days ago [email to friend](#) [best of](#)

Please flag [discriminatory housing ads](#)

[Avoid scams, deal locally!](#) DO NOT wire funds (e.g. Western Union), or buy/rent sight unseen

### Appendix III: Profile of Landlords

Table: Profile of Landlord Interviewees\*

Name	Accept or Reject the HCV?	Gender + Race	First Generation?	Location of Properties	# of properties owned / # of HCV HHs	On-site property management?	Part of a Landlord Association	Full-time Occupation?	Referral Source
Brandon	Accept	Male / Black	Yes	East Flatbush, Brooklyn	3 properties / 3 HCV HHs	No	No	No; Realtor	NYCHA list
Ryan	Accept	Male / White	No	Mariner's Harbor, Staten Island	2 properties / 1 HCV HHs	No	No	No; Psychologist	NYCHA list
Katherine	Accept	Female / Black	No	Jamaica, Queens	1 property / 0 HCV HHs	No	No	No; Nurse	NYCHA list
Sundaresh	Accept	Male / Asian	Parents Emigrated from India	Cyprus Hills, Brooklyn; Ozone + Jamaica, Queens	6 properties / 15 HCV HHs	No	No	Yes	Realtor

Ashwin	Accept	Male / Asian	Emigrated from India	Jamaica, Queens	1 property / 3 HCV HHs	No	No	No; works in the banking industry	NYCHA list
Yonah	Accept	Male / White	Emigrated from Israel	Flatbush + Bushwick, Brooklyn	5 properties / 6 HCV HHs	No	No	Yes	NYCHA list
Jeff	Accept	Male / White	No	Brooklyn	35 properties / 15 HCV HHs	Yes	No	Yes	NYCHA list
Joe	Accept	Male / Black	No	Staten Island	17 properties / XX HCV HHs	Property Management Company	No	No; Realtor	Realtor in Staten Island
Zach and Dan	Accept	Male / White	No	Bronx and Northern Manhattan	11,000 properties / 1,500 HCV HHs	Property Management Company	Yes	Yes	NYCHA official
Yevgeny	Accept	Male / White	Emigrated from Russia	Staten Island	49 properties / 180 HCV HHs	Yes	No	Yes	Realtor in Staten Island
Jeff	Reject	Male / Black	Emigrated from Barbados	Staten Island	6 properties / 0 HCV HHs	No	No	No; Accountant	Realtor in Staten Island

Andrew	Reject	Male / White	No	Greenpoint / Williamsburg, Brooklyn	3 properties / 0 HCV HHs	No	No	Yes	NYCHA list
Jorge	Reject	Male / Hispanic	Yes	Staten Island	1 property / 0 HCV HHs	No	No	No;	NYCHA list
Adam	Reject	Male / Black	No	Staten Island	1 property / 0 HCV HHs	No	No	No; Realtor	Realtor in Staten Island

\*Pseudonyms are used to protect the landlords' identities; includes property managers



## Appendix IV: Sample Questions

### Sample Questions for Landlords that Accept HCVs

1. Why did you to become a landlord?
2. How many buildings do you own? When did you acquire each of your properties?
3. Where are your buildings located?
4. How do you decide where to buy your properties?
5. How long have you participated in the HCV program?
6. What prompted you to participate in the HCV program?
7. How many units within each building have HCV recipients?
8. ***If all of the units have HCV recipients:*** do you intentionally market your building as a Section 8 building? Or do you not market your building as a 'Section 8' building and happen to only receive Section 8 applications?
9. ***If only some of the units have HCV recipients:*** do you dedicate a certain number of units to HCV recipients? Do you limit the number of HCV recipients in each building? Has the number of HCV recipients in your units decreased over time?
10. Is it difficult for you to manage your HCV contracts? Do you work with a realtor or management agency to help you manage your HCV contracts?
11. Do you work with other landlords to pool resources? Do you consult with other landlords on issues you are having? Are you part of a landlord or property association? He works with other landlords – they share a electrician, plumbers, etc. He is part of a homeowner's association
12. Is it easier to work with HPD or NYCHA?
13. What are the biggest issues with the HCV program?
  - a. Does the HCV program help you adequately cover your operating expenses?
  - b. Does NYCHA or HPD pay rent on time?
  - c. Do tenants pay rent on time?
14. How can the HCV program be improved?
15. If it were easier to work with NYCHA or HPD, would you be more willing to rent to an HCV tenant, despite the rent being lower than what a cash tenant would pay? Would you privilege a good relationship with your tenant over the amount of rent paid (as long as it was reasonable)? Yes
16. What do you like about the HCV program?
17. How long do HCV tenants usually live in your units?
18. What is your perception of HCV tenants?
19. How have tenants found out about your apartment(s)?
20. Are you part of a landlords' association? Do you speak with other landlords who rent to HCV recipients, as well as landlords that do not?

### Sample questions for landlords that do not accept HCVs

1. How many buildings do you own?
2. Where are your buildings located?
3. Have you ever thought about participating in the Section 8 program? What has stopped you from wanting to participate in the program?

4. What do you think of the HCV program?
5. Do you perceive it as being an effective program in helping low-income households?
6. What is your perception of tenants participating in the HCV program?
7. Would you ever consider participating in the HCV program?

### Sample questions for realtors

1. Do you own any properties yourself, besides your home? [If yes] Do you rent to Section 8 voucher holders?
2. Your realty company was listed on \_\_\_\_\_(craigslist, NYCHA, gosection8) – if NYCHA, did they contact you or did you contact them?
  - a. If NYCHA, do you find it difficult to post a listing on their website?
3. Do you like working with HPD and NYCHA? Do you find it difficult or easy to work with them? Who is easier to work with?
4. Where else do you advertise listings for Section 8 apartments?
5. Why do you think certain neighborhoods are not welcoming to Section 8 voucher holders? Is it people within a neighborhood or is it more that landlords are not welcoming to Section 8 voucher holders?
6. Do you help a lot of Section 8 voucher holders find apartments? How many voucher holders would you say you help in a year (or week)?
7. Do you find that it is difficult for Section 8 voucher holders to find apartments in \_\_\_\_\_ (name borough)?
8. Are there a lot of landlords that accept Section 8 vouchers? Do you feel like Section 8 tenants have a lot of choice in where they can live?
9. Do landlords usually accept the security voucher given by Section 8 or do they prefer that tenants pay their security deposit in cash?
10. Do tenants usually get the neighborhood of their choice? Do tenants prefer to live in bigger apartments vs. better neighborhoods?
11. Are there only certain neighborhoods where Section 8 voucher holders live \_\_\_\_\_ (name borough)?
12. Do you ever help Section 8 tenants find apartments in low poverty neighborhoods?
13. How long does it take for a voucher holder to secure an apartment?
14. Do you find that Section 8 tenants stay for a long time in their apartments?
15. How do you perceive of Section 8 voucher holders?
16. How do landlords perceive of Section 8 voucher holders?
17. What are landlords' usual selection criteria?
18. What kinds of landlords accept Section 8 voucher holders? What kinds of landlords are averse to accepting Section 8 voucher holders? (i.e. ones that specialize in section 8)
19. Do landlords partner with one another to pool resources?
20. Do you convince landlords to accept Section 8 tenants? What is that process? Do tenants come to you and say they want a certain apartment but the landlord does not want to rent, so you step in and try to convince the landlord?
21. Do you help landlords fill out the Section 8 package? Do you help landlords deal with NYCHA or HPD – help them correct violations? Or with housing court?
22. What do you think of the Section 8 program? How do you think it can be improved? What is challenging about the program?
23. What do you think would incentivize greater landlord participation in the Section 8

- program?
24. Did you find that landlords lose confidence in Section 8 programs after Advantage? Do they lose confidence in rental assistance programs?
  25. Did landlords lose confidence in Section 8 after funding was cut a few years ago and they no longer issued new vouchers for a couple of years? Did landlords not want to rent to Section 8?
  26. Do you find that Section 8 landlords have a large or small portfolio? Do they cluster their buildings in certain neighborhoods?
  27. How many new landlords participate in the Section 8 program each year?
  28. Is it easier to find cash tenants or voucher tenants? Does it vary from neighborhood to neighborhood?
  29. What are landlords' ideal tenants? What are their selection criteria?
  30. How much do you charge in brokerage fees? Do you find that it is difficult for tenants to pay? Do you work with tenants to create a payment plan if they cannot pay? Do most Section 8 landlords work with realtors/brokers?

### **Sample questions for city agencies**

1. How many landlords participate in the Section 8 program?
  - a. Have you seen a decrease in the number of landlords participating in the program in recent years?
  - b. Was there an upswing in the number of landlords participating in the program after 2007?
2. Do you find that landlords have large portfolios or small portfolios? What would you say is the range?
3. How do you solicit landlord participation?
  - a. Do landlords advertise their units in the Section 8 office?
  - b. Is there an effort to solicit landlord participation in lower poverty neighborhoods?
  - c. What are the hurdles in soliciting landlord participation?
  - d. Do you provide any type of incentives for landlords to participate?
4. What kinds of landlords do you think participate in the Section 8 program?
5. Does HPD receive a lot of landlord complaints? What types of complaints do you receive from landlords? How many would you say? Who fields those complaints?
6. After a landlord accepts an HCV recipient, what is the process to lease up?
7. Are landlords cooperative? Do they usually comply with program requirements?
8. What is the rate of initial failed unit inspections? How about yearly inspections? How much time are they given to correct violations?
9. Are there any patterns of landlord practices you are seeing?
10. Where do you direct tenants to look for apartments?
11. What is the rate of noncompliance?
12. How often do you find tenants move?
13. How are landlords responding to sequestration? Are they confused/upset that their selected tenants' vouchers are not being fulfilled? Do you think it reduces landlord confidence in rental assistance programs? Do you think it will have an effect on how many participate in the future? Did it have an effect when S8 funding was cut a few years ago and no one was issuing new vouchers?



14. How do you think landlords that participate in the program feel about Section 8 tenants?
15. Is there a noticeable decrease in the number of landlords participating in the Section 8 program when another rental assistance program is introduced in the City (i.e. Advantage)?
16. What do you think would incentivize greater landlord participation in the program, particularly landlords who have properties in low-poverty neighborhoods?

### **Sample questions for lawyers that work with HCV households**

1. How many Section 8 cases do you usually have at any one time?
2. Do you only work on Section 8 cases?
3. What are the cases usually about? Do you see any patterns?
4. What are usually the outcomes of these cases?
5. After an issue is resolved, do you find that tenants still have issues with their landlords? If so, what kinds of issues do they have?
6. Are there any attempts to mediate the conflict between the landlord and tenant prior to going to court?
7. Do you know of any successful tenant/landlord mediation program in the country?
8. Are there any organizations you know of that help mediate conflicts between landlords and tenants?

## Appendix V: Figures

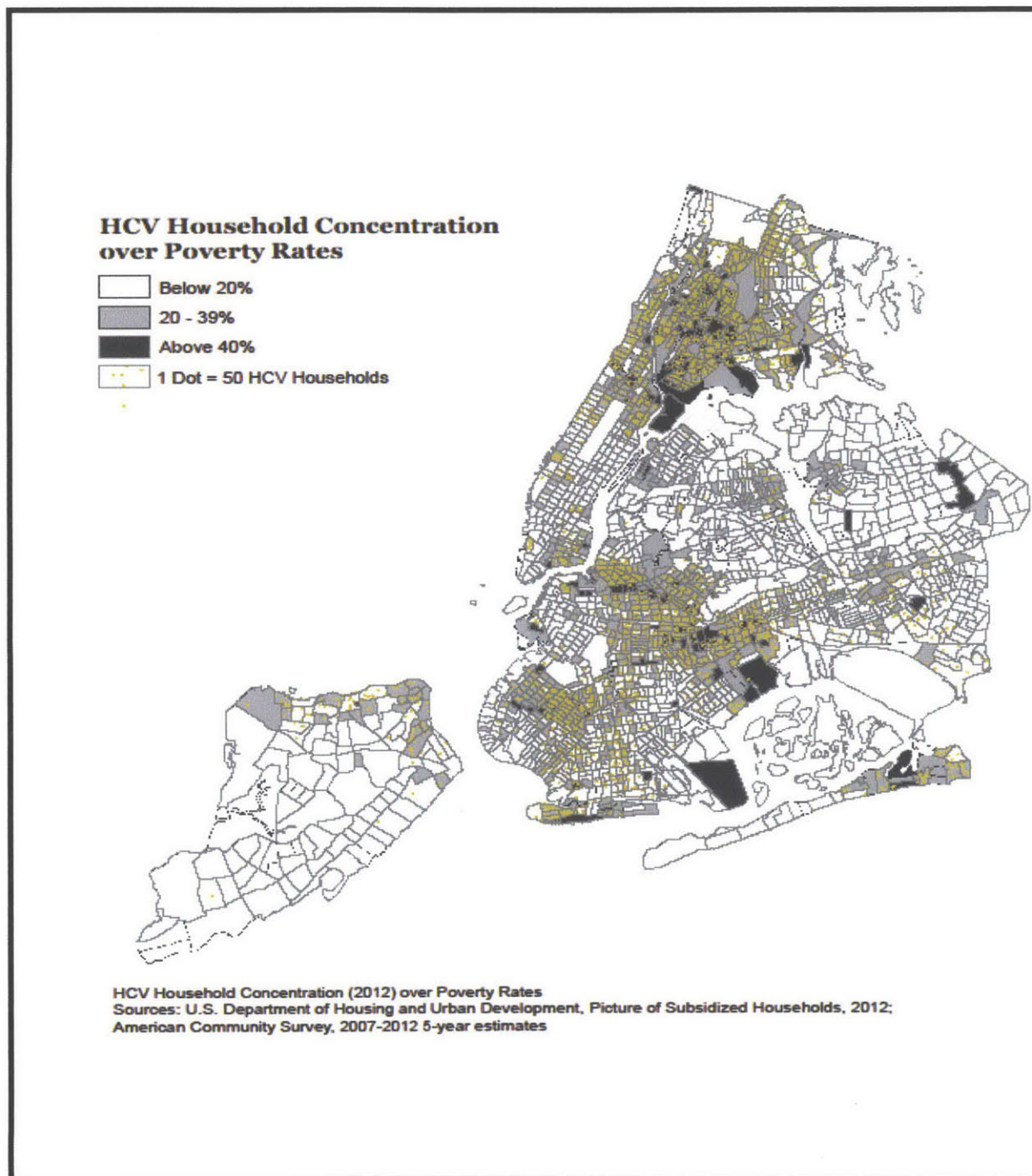
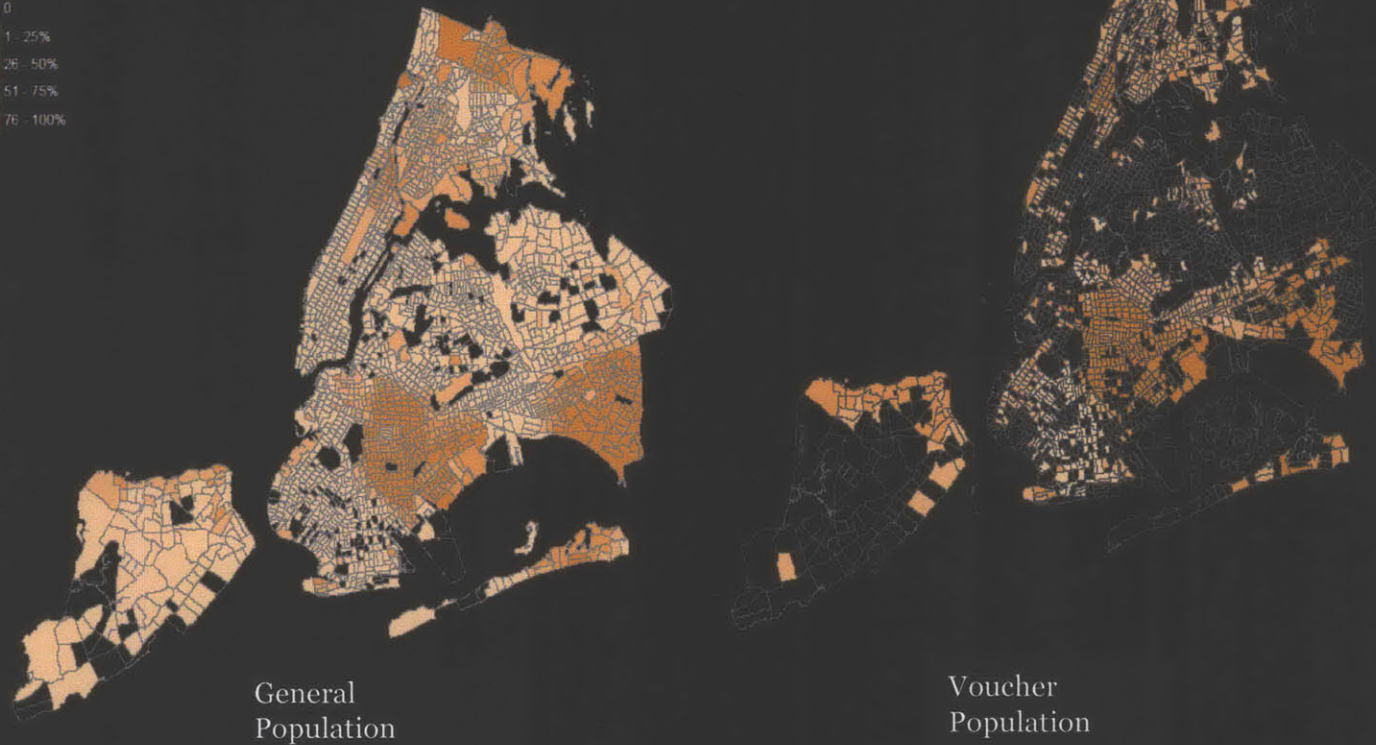
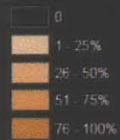
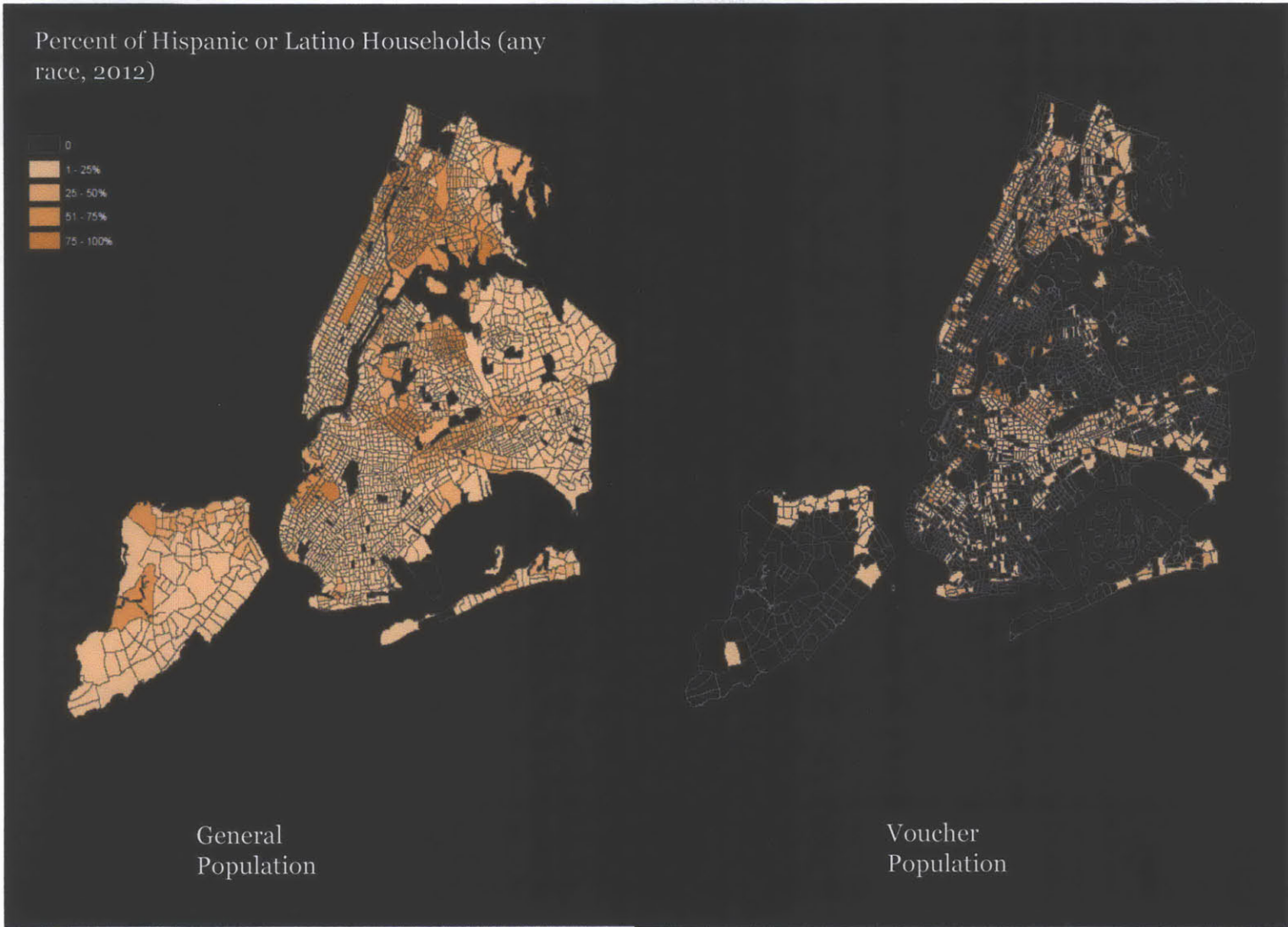


Figure 4: HCV Household Concentration over Poverty Rates

Percent of Non-Hispanic Black  
Households in New York City  
(2012)



**Figure 5:** Percent of Non-Hispanic Black Households – general population vs. voucher population. **Sources:** 2007-2012 American Community Survey, 5-year estimates; U.S. Department of Housing and Urban Development, 2012 (Picture of Subsidized Housing)



**Figure 6:** Percent of Hispanic or Latino Households – general population vs. voucher population. *Sources:* 2007-2012 American Community Survey, 5-year estimates; U.S. Department of Housing and Urban Development, 2012 (Picture of Subsidized Housing)

# Appendix VI: Landlord-Tenant-Case Manager Communication Agreement (Virginia Coalition to End Homelessness)

## LANDLORD-TENANT-CASE MANAGER COMMUNICATION AGREEMENT

About this tool: This communication agreement should be filled out and signed by the tenant, landlord and case manager with copies provided to the all parties to promote open communication. The form can easily be modified, but already includes those communication issues that frequently cause problems. Note that before this agreement is used, you may want to have your client sign an information release authorization form.

### My goals are to:

- Fulfill my obligations as outlined in the lease
- Ensure rental payments are received on time
- Maintain the rental unit in good condition
- Help maintain a safe, pleasant and decent housing community

One way to achieve these goals is to help maintain a positive and communicative landlord-tenant-case manager relationship. Therefore, I will immediately inform the signors of this agreement (unless otherwise indicated), both verbally and in writing, if any of the following occurs (initial next to all that apply):

### Landlord

- \_\_\_\_\_ I have not received full rent by the 3<sup>rd</sup> day of the month.
- \_\_\_\_\_ I have received a complaint that there is too much noise from the tenant's apartment.
- \_\_\_\_\_ I have significant concerns about the condition of the tenant's unit. (Examples: Landlord has seen damage or received complaints about bad smells that could be related to garbage.)
- \_\_\_\_\_ I think someone is living in the tenant's unit who is not named on the lease.
- \_\_\_\_\_ I think someone in the tenant's unit may be doing something illegal.
- \_\_\_\_\_ The behavior of someone living in or visiting the tenant's unit is causing other tenants to complain.
- \_\_\_\_\_ Provide the tenant with 24 hours notice prior to entering the unit.
- \_\_\_\_\_ Follow up / Respond quickly to inquiries and concerns.
- \_\_\_\_\_ I see something that is a violation of the lease. Describe : \_\_\_\_\_
- \_\_\_\_\_ Other: \_\_\_\_\_

**Tenant**

- \_\_\_\_\_ A rare, but serious emergency occurs that will impact my ability to pay rent on time
- \_\_\_\_\_ I will be away from the unit for an extended time period (Examples: 30, 60, 90 days)
- \_\_\_\_\_ Inform the landlord of maintenance issues
- \_\_\_\_\_ I observe or experience an issue or event that impacts the safety of the community
- \_\_\_\_\_ Follow up / Respond quickly to inquiries and concerns.

**Case Manager and/or Housing Coordinator**

- \_\_\_\_\_ Inform the landlord if I become aware of a situation that will impact the tenant's ability to pay rent on time
- \_\_\_\_\_ Inform the landlord if I become aware of a circumstance that will impact the tenant's occupancy of the unit (Examples: tenant is hospitalized for 60, 90 days)
- \_\_\_\_\_ I observe a maintenance issue
- \_\_\_\_\_ I observe or experience an issue or event that impacts the safety of the community
- \_\_\_\_\_ Participate in problem solving / trouble shooting only in the event that the tenant and landlord are unable to resolve an issue without my assistance
- \_\_\_\_\_ Follow up / Respond quickly to inquiries and concerns

Please contact me using any of the following:

	Phone	Phone 2 / Pager	Email	Address
Landlord Name:				
Tenant Name:				
Case Manager Name:				

\_\_\_\_\_  
(Signature of Landlord) (Date)

\_\_\_\_\_  
(Signature of Tenant) (Date)

\_\_\_\_\_  
(Signature of Caseworker) (Date)