In this brief, we examine the role of states in preventing discrimination against renters who participate in the federal Housing Choice Voucher (HCV) program. We focus on two states—Oregon and Texas—that over the past decade took differing approaches to protections for voucher holders. In 2013, Oregon passed a law that prohibits discrimination against voucher holders statewide; two years later, Texas passed a preemption law that prevents local governments from adopting such protections. Based on a review of public documents and interviews with key stakeholders, we describe and compare each state’s motivations in adopting the laws and the ways the laws have affected voucher program administration. We find that in both states, as has been the case elsewhere, evidence of discrimination against voucher holders sparked state or local action to adopt antidiscrimination protections. However, neither state measures discrimination on an ongoing basis, to track the effectiveness of laws or the continued incidence of discrimination. Oregon’s success passing a statewide law highlights the importance of dialogue among housing advocates and rental industry stakeholders and of acknowledging some landlord concerns about the voucher program. And in both states, efforts to innovate voucher program operations in ways that address landlord concerns followed legislative action.

Introduction

The Housing Choice Voucher program is the nation’s largest rental assistance program, serving more than 5 million people in more than 2 million households. For renters who receive vouchers, the
program pays a portion of their rent directly to their landlords. The share of rent covered by the program is typically the amount remaining after the household pays roughly 30 percent of its income in rent, up to certain limits determined by the US Department of Housing and Urban Development (HUD) and the local public housing authorities (PHAs) that administer voucher programs (CBPP 2017). Funding for the HCV program is distributed by HUD to about 2,200 state and local PHAs.

The HCV program has three main goals: to provide stable and affordable housing for households with very low incomes, to reduce concentrated poverty, and to improve housing and neighborhood choice (Galvez 2010; GAO 2012; Sard and Rice 2016). Research suggests that vouchers reduce housing cost burdens and homelessness among adults (Ellen 2020). Other research suggests that children benefit when their families use vouchers to move to low-poverty neighborhoods. A seminal study found that children whose families used vouchers to move from high-poverty to low-poverty neighborhoods were more likely to attend college and had higher future earnings compared with children in families with vouchers who did not have this option (Chetty, Hendren, and Katz 2016). These positive effects increased the longer the children lived in low-poverty neighborhoods.

However, landlord discrimination against renters with vouchers is common and in some places is extreme, potentially impeding progress on all three of the program’s goals (Cunningham et al. 2018). Voucher holders are not protected by federal fair housing laws, and in most places in the US, landlords can legally reject housing applicants solely because a portion of their income comes from vouchers—regardless of the applicants’ other qualifications as tenants. Discrimination by landlords can prevent voucher holders from finding housing during the time allowed for a housing search (Langowski et al. 2020). When this happens, the vouchers “expire” and are transferred to the next family on the housing authority’s waiting list. Discrimination can be more common in higher-income neighborhoods, limiting voucher holders’ housing options (Cunningham et al. 2018). Several studies have suggested that discrimination prevents voucher holders from reaching neighborhoods that may offer educational and economic opportunities (McClure, Schwartz, and Taghavi 2015; Schwartz, McClure, and Taghavi 2016; Tighe, Hatch, and Meade 2017).

Between 1971 and 2019, in response to the lack of federal protections for voucher holders, 12 states and 87 local governments (cities or counties) passed laws that prohibit landlords from discriminating against voucher holders. In a dataset and companion brief, “State and Local Voucher Protection Laws: Introducing a New Legal Dataset,” we describe these laws in detail, including their components and ways they have evolved. By the end of 2019, state and local voucher protection laws covered about 1.05 million voucher households, representing about half of all households with vouchers nationally.

The leaders in protecting voucher holders from discrimination have changed over time, with states passing the earliest protections, cities and counties following, and states reemerging in recent years. In this brief, we focus on the state-level laws passed in Oregon and Texas. We use publicly available documents from each state (including legislative records, public testimony, media reports, and published studies or data) and interviews with local leaders to understand why and how the states adopted their laws. We also consider whether the laws have affected the administration of the HCV program in each state or outcomes for voucher holders and their landlords.
In the next section, we discuss the evolving role of states in voucher holder protections. We then present the case studies from Oregon and Texas, as well as some lessons learned from the two states’ experiences.

The Role of States in Voucher Holder Protections

Massachusetts passed the nation’s first law to protect renters from discrimination based on their source of income in 1971, before the federal Section 8 rental voucher and rental certificate programs (the precursors to Housing Choice Vouchers) were established in 1974 (Bell, Sard, and Koepnick 2018). The original Massachusetts law included protections against discrimination for any tenant who received housing subsidies “solely because the individual is such a recipient.” The state later amended the law to clarify and strengthen protections for housing voucher holders specifically (Quirk 2011). Several other states soon followed suit. By 1993, eight states had adopted antidiscrimination protections for voucher holders, while only a handful of cities and counties had done so.

This dynamic began to change in the 1990s and 2000s, when antidiscrimination laws became more popular among local governments and less so among state legislatures. No states adopted protections between 1993 and 2012, while over 30 cities and counties adopted protections in this period (figure 1).

![Figure 1: Growth in State and Local Protections for Voucher Holders, 1971 to 2019](https://example.com/figure1)

*Cumulative number of laws*

Source: Authors’ analysis of state and local laws that prohibit housing voucher discrimination.
In more recent years, three states passed protections, and a countertrend emerged: states considering or passing laws that prohibit local governments from adopting voucher holder protections. As a result, voucher holders now face a patchwork of environments: some reside in states with statewide protections; others live in municipalities that protect voucher holders within states that do not; others live in states with local protections that may not include their jurisdictions; and still others live in places without any state or local protections—either because of inactivity or active preemption by state policymakers (figure 2).

**FIGURE 2**
State and Local Protections for Voucher Holders, as of December 2019

![Map showing state and local protections for voucher holders](image)

**Source:** Authors’ analysis of state and local laws that prohibit housing voucher discrimination.

Before selecting Texas and Oregon for our case studies, we reviewed media reports and the legislative records for all five states that passed laws related to voucher holder protections between the start of 2013 and mid-2019 to help us understand what motivated state legislators to act in recent years. In this period, Oregon, New York, and Washington each passed statewide voucher holder protections, while Texas and Indiana adopted laws that preempt local protections. California adopted a statewide voucher holder protection law in the second half of 2019 that became active in 2020; Maryland and Virginia adopted statewide voucher protections in 2020.

We found several reasons that states may be prompted to act. In the states that adopted statewide protections, lawmakers often reacted to new evidence on the prevalence of discrimination against voucher holders and effective advocacy from fair housing and tenants’ rights groups to improve outcomes for voucher holders. In New York and Washington, several cities and counties had already
passed voucher holder protections, which may have helped demonstrate the feasibility of these laws and eased the path for state action. In these states, lawmakers argued that protections were needed in part to ensure more consistent policies across their state. Conversely, in both Texas and Indiana, recently proposed or passed local legislation prompted the states to ban local protections. In both states, lawmakers perceived local protections as infringing on property rights and "forcing" landlords to participate in the HCV program.

Among the states that passed laws related to protections, we selected Oregon and Texas primarily because of their contrasting approaches to voucher holder protections during a similar time period. Oregon adopted its statewide antidiscrimination protections for voucher holders in 2013, while Texas enacted its prohibition against local governments' adopting voucher protections in 2015. In the state case study sections below, we go into greater detail on what prompted action and the nature of the debates in Oregon and Texas.

Characteristics of Voucher Holders and Their Neighborhoods

Voucher holders have much lower incomes on average than the general renter population, by design of the program. Applicants' incomes cannot be higher than 50 percent of the area median income to qualify for vouchers, and HUD requires that PHAs provide at least 75 percent of their vouchers to applicants whose incomes do not exceed 30 percent of the area median income. In many jurisdictions, voucher holders are also more likely to be people of color, older adults, and female-headed households than the general population of renters.

However, the characteristics of voucher recipients, and of the neighborhoods that they live in, vary across jurisdictions and in our two case-study states. As shown in table 1, the share of voucher holders who are white and the share who are 62 years or older are higher in Oregon than in Texas and in the US overall. Voucher holders in Texas, meanwhile, are more likely to be Black or Hispanic/Latino compared with voucher holders nationally. Within each state, voucher holders are more likely to be Black compared with the general state population, but Latinos are underrepresented compared with their presence in the state.
Because voucher holders are often more likely to be Black than the general renter population, many advocates have argued that landlords who discriminate against voucher holders are in fact discriminating based on race, which is a protected class under federal fair housing laws. As discussed below, some research also suggests that racism and using voucher receipt as a proxy for race may motivate resistance to voucher protections (Holloway 2014).

Federal courts are split on whether and under what circumstances discrimination against voucher holders is racial discrimination (Hutt 2018). What we do know is that the racial composition of voucher holders may influence location outcomes. Research suggests that in metropolitan areas where voucher holders are disproportionately people of color compared with the overall populations of the jurisdictions they live in, they are also more likely to live in neighborhoods (approximated as census tracts) that have higher poverty rates and that are more racially segregated (Galvez 2010; Pendall 2000).

These patterns are evident in Oregon and Texas, although the racial and poverty compositions of those states are very different. In Oregon, the majority (76 percent) of voucher holders in 2017 were white, and 21 percent of households with children lived in a high-poverty neighborhood (with a poverty rate of 30 percent or higher). In contrast, 86 percent of voucher holders in Texas in 2017 were people of color, and 43 percent of all voucher families with children lived in a tract with a poverty rate of 30 percent or higher (a larger share than in the US overall). In Texas, voucher holders also tended to live in racially segregated neighborhoods (table 2).

### TABLE 1

<table>
<thead>
<tr>
<th>Characteristics of Voucher Holders, 2017</th>
<th>US</th>
<th>Oregon</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of households with vouchers</td>
<td>2,042,488</td>
<td>31,876</td>
<td>140,217</td>
</tr>
<tr>
<td>Average household income</td>
<td>$14,428</td>
<td>$13,181</td>
<td>$13,420</td>
</tr>
<tr>
<td>Household head is a woman</td>
<td>80%</td>
<td>72%</td>
<td>84%</td>
</tr>
<tr>
<td>Household includes children</td>
<td>45%</td>
<td>37%</td>
<td>52%</td>
</tr>
<tr>
<td>Household includes children ages 5 to 12</td>
<td>13%</td>
<td>10%</td>
<td>17%</td>
</tr>
<tr>
<td>Head of household or spouse is 62 years or older</td>
<td>24%</td>
<td>27%</td>
<td>22%</td>
</tr>
<tr>
<td>Any household member has a disability</td>
<td>49%</td>
<td>56%</td>
<td>47%</td>
</tr>
<tr>
<td>Black (non-Hispanic)</td>
<td>48%</td>
<td>11%</td>
<td>57%</td>
</tr>
<tr>
<td>Asian (non-Hispanic)</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>White (non-Hispanic)</td>
<td>32%</td>
<td>76%</td>
<td>14%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>17%</td>
<td>9%</td>
<td>28%</td>
</tr>
<tr>
<td>Other race/ethnicity</td>
<td>1%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Families in high-poverty census tracts (&gt;=30% poverty rate)</td>
<td>38%</td>
<td>21%</td>
<td>43%</td>
</tr>
</tbody>
</table>

**Source**: US Department of Housing and Urban Development Public and Indian Housing Information Center data.

**Notes**: Table uses race/ethnicity categories from HUD’s administrative data. People identified as Hispanic may be of any race. The race/ethnicity categories refer to the head of a voucher household.
### Oregon Case Study

In 2013, Oregon Governor John Kitzhaber signed House Bill 2639 into law, expanding the state’s fair housing law to include protections for voucher holders. The bill amended a statute that prohibited discrimination in housing based on “source of income” but that explicitly excluded “rent subsidy payments” from the definition of source of income. The amended law redefined source of income to include “federal rent subsidy payments...and any other local, state, or federal housing assistance.”

The legislation also created a landlord mitigation fund to reimburse landlords for unpaid rent and tenant-caused property damage in limited circumstances and created the Statewide Housing Choice Advisory Committee made up of housing advocates, landlords, and housing authority representatives to oversee the fund. It also required PHAs to improve how they administer the voucher program, including expediting voucher program procedures to eliminate administrative delays and get units approved quickly.

When the law was passed in 2013, no municipality in the state had adopted protections against discrimination for voucher holders. Lawmakers, advocates, and other stakeholders we interviewed for this study consider the law a success. But the road to this achievement was long, filled with strong leadership, mistakes, learning, and collaboration.

### Motivation for Legislation

The Oregon state legislature initially considered voucher protections in 2009, when state Representative Tina Kotek proposed legislation to prohibit landlords from discriminating against people with vouchers. Landlord groups like Multifamily NW fought the proposed bill, citing concerns about onerous paperwork, inspections, delays in renting a unit, and other costs associated with renting to voucher holders.

Local housing authorities were also unwilling to support the bill, suggesting that statewide protections might jeopardize their relationships with landlords, whose cooperation they needed to run their voucher program. Without support from these groups, the bill failed.

In 2011, discrimination against voucher holders garnered renewed attention after the Oregonian published an investigation of the use of vouchers in Portland’s metropolitan area. The series revealed that the housing authority in Multnomah County, Home Forward (formerly the Portland Housing Authority), and the housing authorities that served Washington and Clackamas Counties had failed to equitably distribute voucher units throughout the three-county Portland metro area.

### Table 2

<table>
<thead>
<tr>
<th>Average Poverty Rate</th>
<th>Oregon</th>
<th>Texas</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average population share people of color</td>
<td>19</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>26</td>
<td>72</td>
<td>56</td>
</tr>
</tbody>
</table>

Source: US Department of Housing and Urban Development Picture of Subsidized Households data.

Note: People of color include all racial and ethnic categories except people identified in the administrative data as non-Hispanic white. Neighborhoods are defined as census tracts.
investigation revealed that “more than half of vouchers are used in census tracts where at least 20 percent live below the poverty line” and that over time, Black and Latino voucher holders newly entering the program were increasingly concentrated in the same set of higher-poverty, racially segregated neighborhoods.\textsuperscript{14} As one interviewee told us, “the data were damning.”

Bolstered by this new evidence, Kotek told the \textit{Oregonian} that “the Section 8 program is not reaching its full potential” and pledged to reintroduce legislation that protects voucher holders.\textsuperscript{15} In 2013, Democrats gained control of the state legislature, and Kotek was elected speaker of the Oregon House of Representatives. In the same year, she introduced new voucher protection legislation.\textsuperscript{16}

\textbf{Negotiation and Outcome}

This time, Kotek took a different approach, engaging stakeholders on all sides of the issue from the outset to address concerns and find common ground. Resolving differences among stakeholders proved challenging but ultimately paid off.

Early in the process, landlords expressed several concerns, including about the quality of tenants, the risk of property damage that they would have to pay for, and the slow and bureaucratic process of working with local housing authorities, as well as more general concerns about property rights and government overreach.\textsuperscript{17} When negotiations began, the large landlord groups in the state were united against the bill.

Public housing authorities in Oregon were split. Although all housing authorities wanted their vouchers to be used and faced pressure from long waiting lists, some remained concerned that enacting protections for voucher holders might alienate landlords and threaten housing authorities’ relationships with the local landlords they needed to run their programs. One interviewee told us that “there was concern that this might backfire and make less properties available.”

Tenant advocates knew how valuable vouchers were but also the difficulties that voucher holders faced in finding housing that suited their needs and in their preferred neighborhoods because of discrimination. Tenant advocates believed robust protections could expedite the search process, help reduce the concentration of poverty, and improve choices for voucher holders.

To address the concerns and interest, Kotek convened a stakeholder group made up of the leading advocacy organizations that represented landlords, housing authorities, and tenants. The group collaborated to address landlord and housing authority concerns. One interviewee said: “You have to engage your landlords…You have to sit down with them and work this out. You have to work out their fears.” Another interviewee told us, “To have a genuine open conversation, that was the key to this thing being able to pass.”

The process also led to specific features in the bill that directly addressed landlords’ concerns. For example, some landlords argued that they would not be able to recover the cost of damage to their properties in excess of the security deposit because voucher holders would not have the ability to pay. In response, the group proposed the landlord mitigation fund, which would insure damages up to $5,000
and be payable directly to the landlord. To ensure transparency, the fund would be managed by an advisory committee that included housing authority staff, landlord advocates, and tenant advocates and would report to the legislature on the fund’s use and progress.18

Landlords also expressed concern about the time and costs associated with navigating PHAs’ process to approve properties to participate in the voucher program. Housing authority inspections were time-consuming, the landlords argued, and waiting for an inspection cost weeks of rent. Kotek persuaded the PHAs to examine and report out on inspection times. When the results bolstered landlords’ claims, PHAs committed to improving, at least as much as possible within the constraints imposed by federal program requirements. PHAs agreed to language in the final legislation that obliged them to “facilitate participation of landlords...[by] ensuring timely inspection of dwelling units and prompt processing of tenant applications and tenant-based assistance payments to landlords.”19

Yet some landlords remained concerned about the complex process. In response, PHAs pledged to review internal procedures and establish a “process that allows landlords to provide regular input to housing authorities.”20 The mechanism for collecting yearly feedback could vary based on local need and context. In some cases, housing authority representatives might join the landlord association; in others, PHAs would create a staff position whose role was to be a liaison to the landlord community. Collaboration between landlords and PHAs proved vital to the success of these efforts once the law was adopted and assured nervous housing authorities that voucher holder protections would not alienate landlords.

Impact of Legislation

The PHAs kept their promises. They applied for capacity-building grants from the state to move to a paperless filing system. They also secured funding to move their inspection systems to tablets that update live; this shift saved inspectors travel time by removing the need to shuttle back and forth for paperwork. Stakeholders we spoke with reported that these innovations improved turnaround times on inspections.

Some PHAs also created a standard intake form for tenants and provided tenants with a letter to prospective landlords that described how much of the rent the voucher could cover. Before these improvements, landlords had to call the housing authority to confirm what they could charge a tenant. These changes helped improve relationships between landlords and PHAs.

The Statewide Housing Choice Advisory Committee also strengthened relationships and led to program improvements. One of the committee’s most important roles, according to advocates, was to keep lines of communication among key stakeholders open in the years after the law passed. The committee’s mandated reports to the legislature also encouraged compliance from both landlords and PHAs.

Members of the stakeholder group that Kotek convened early on continued to partner on implementation of the law. For example, Multifamily NW and Oregon Law Center received a grant from
the Housing Choice Education Partnership to train landlords on the new law. Advocates credit the training program with helping communicate the potential benefits of the HCV program to landlords. More than five years later, advocates and landlord groups say the law is no longer controversial, and the partners continue to work together. The training model was also adapted for other state laws, like a statewide rent control bill, in subsequent years.

Whether and how the law affected the frequency of discrimination across the state remain unclear, and to date, no statewide research or paired testing study on voucher discrimination has been done. One local test in Portland between January 2018 and June 2019 found some evidence of ongoing discrimination against voucher holders (Fair Housing Council of Oregon 2019). But the test was conducted after the law had gone into effect, so it could not determine whether discrimination rates had increased or decreased since the law was passed.

Stakeholders we interviewed did provide anecdotal evidence of improvements. They suggested that the number of rental ads that rejected voucher holders had noticeably dropped. One interviewee said the law had also helped destigmatize housing assistance and voucher holders.

But perhaps the clearest and most dramatic impact has been landlords’ participation in and perception of the HCV program. Several interviewees suggested that the law had diversified the pool of landlords participating in the program. Some of the most vocal opponents of the state law ended up renting to voucher holders and eventually became champions of the program. They came to appreciate voucher holders as responsible tenants, as well as the benefits of participating in the voucher program. One interviewee said: “Many of the concerns that landlords initially raised were based on misconceptions about the program and who participates in it. Once you get over that hurdle, they came to see that there are so many benefits to renting to someone with a voucher. Where else do you get a big chunk of your rent and your security deposit guaranteed?”

Texas Case Study

In 2015, Texas Governor Greg Abbott signed into law Senate Bill 267. The law prohibits cities and counties in the state from passing ordinances that bar landlords from rejecting tenants whose “lawful source of income to pay rent includes funding from a federal housing assistance program.” Texas’s preemption law was a swift reaction to a voucher protection law that the Austin City Council passed in late 2014 and would have gone into effect in early 2015 if the state had not acted. Dallas also considered voucher protections in 2015. Neither of the local laws went into effect.

Texas was the second state in the nation to preempt local source-of-income protections, following Indiana, which adopted its law earlier in 2015. Texas’s voucher population more closely mirrors the national voucher program than does Oregon’s. At the time the law was passed in 2015, voucher holders in Texas were more likely to be people of color than voucher holders nationally (86 percent compared with 68 percent).
Unlike in Oregon, where housing advocates and landlord industry groups collaborated with state lawmakers to design the state legislation, deep divisions separated the various Texas stakeholders representing voucher holder and landlord interests, as well as local- and state-level lawmakers.

Motivation for Legislation

The Austin voucher protection law that sparked preemption was motivated by evidence of landlord discrimination by race and against voucher holders in Austin and other Texas cities and of concentrations of voucher holders in distressed neighborhoods. The Dallas Housing Authority (DHA) has been operating since 1990 under a consent decree to promote fair housing and racial desegregation after the US District Court for the Northern District of Texas found that DHA had been systematically moving Black families to racially segregated public housing developments and was operating its voucher program in a way that prevented Black voucher holders from moving to nonsegregated neighborhoods. The Inclusive Communities Project, which provides direct services and advocacy related to civil rights and fair housing in Dallas, was initially established as a remedy to the desegregation lawsuit.25

In 2012, the Austin Tenants Council conducted an audit study of the nearly 80,000 voucher-eligible units in Austin and found that fewer than 11 percent of landlords would accept Housing Choice Vouchers (Austin Tenants Council 2012). In 2013, 25 percent of Texas voucher holders were living in high-poverty neighborhoods.26

More recently, an Urban Institute study found that 78 percent of landlords in Fort Worth refused to rent to people with vouchers, with an additional 7 percent stating that they accept vouchers only in limited circumstances (Cunningham et al. 2018). In low-poverty neighborhoods, discrimination rates were even higher, with 85 percent of landlords refusing outright to accept vouchers.

The Austin source-of-income protection ordinance was the product of a multiyear effort by the Affordable Housing Siting Policy Work Group—which included the Austin Community Development Commission, housing advocates, and other stakeholders—to address a lack of affordable housing in specific Austin communities.27 Recommendations from the working group, presented in fall 2012, included adding source of income as a protected class to the city’s fair housing ordinance.28 We also heard from people interviewed for this case study that a collaborative of local disability rights advocates was instrumental in persuading city council members to introduce the protections, noting the disproportionate share of voucher holders who have disabilities. In 2014, 23 percent of people living in voucher households in Austin had a disability.29

Housing and disability rights advocates and Austin City Council members worked together to amend the city code and fair housing policies to include source of income as a protected class. Armed with the working group’s final report, the 2012 Austin study, and a 2011 HUD study on voucher use, the Austin City Council introduced the voucher holder protection ordinance in April 2014 through Resolution 20140417-048.30 After the ordinance was introduced, the city collected community and stakeholder input on the proposal through two public meetings and two regular meetings of the Austin Human Rights Commission. Some housing advocates and council members expressed concern that the
city’s approach to implementing the ordinance was vulnerable to court challenges and a state preemption. Nevertheless, the ordinance passed in December 2014 and would have gone into effect in January 2015 if state preemption had not occurred.

The Austin advocacy coalition did not include key stakeholders like local landlords and rental property owners; their main industry group, the Austin Apartment Association; or local PHAs. Local landlords and industry groups spoke against the ordinance in stakeholder input meetings. And, just one day after the local law was passed, the Austin Apartment Association filed a lawsuit that challenged its legality, stating that because the voucher program itself did not require landlords to accept vouchers, any antidiscrimination ordinance would be contrary to HCV program rules and regulations.

The landlord and other industry groups that supported state preemption saw voucher holder protections as requiring private businesses to contract with the government and preemption as necessary to support property owners’ rights and to prevent a "patchwork" of local laws from emerging across the state.

While the Austin Apartment Association challenged the local ordinance in court, the Texas Apartment Association (TAA)—the state-level landlord industry organization—aggressively lobbied state legislators for a law that would preempt all local source-of-income protections statewide. The TAA noted its concerns that more local jurisdictions around Texas would start to pass source-of-income protections. In a video titled "The Battle over Source of Income Ordinances," TAA’s vice president of government affairs, David Mintz, said that "if [a source of income ordinance] happened in the city of Austin and then if the city of Dallas adopted a similar ordinance, we would see similar ordinances across the entire state."

Senate Bill 267 was introduced in 2014 by state Senator Charles Perry, a Republican from Lubbock, with 2 coauthors and 11 cosponsors from across Texas. The bill’s sponsors and the TAA framed the issue as one of property rights and presented voucher discrimination protections as compelling property owners to accept voucher holders. One interviewee shared that "forcing rental property owners to participate in a federal program—assuming HCV recipients meet other rental criteria—infringes on property owner rights."

Some stakeholders, however, emphasized that racism and discrimination based on assumptions about voucher holder characteristics were motivating opposition to voucher protections. In an interview, John Henneberger of Texas Housers, a housing advocacy organization based in Austin, said: “Anyone who works in this field understands that the voucher population in most of the state is very heavily skewed African American and largely single women with children. First and foremost, there is a history of Jim Crow racism that permeates everything in the state. And then, secondarily, there is a prejudice against single women. And then on a third level, having children being present in the development.”
Negotiation and Outcome

Led primarily by the TAA, the main proponents of state preemption were landlords and associations that represent rental market interests such as rental property owners, real estate agents, and the builders, developers, and property management firms and companies that support rental properties. The TAA’s political action committee (PAC) was crucial to getting state preemption introduced and passed. The TAA PAC is “one of the largest trade association PACs in Texas” and is a large financial supporter of Texas state legislators and candidates for statewide offices (Texans for Public Justice 2016).

The TAA and its PAC had several advantages. First, the Texas legislature tends to be more politically conservative than local legislative bodies in Austin and the largest Texas cities and has used state preemption to restrict local action on a host of public policy issues, including gun control and hydraulic fracturing (fracking) regulations. Second, the TAA, with members in 23 local apartment associations and in 24 cities statewide, had strong relationships with state lawmakers. TAA representatives met with state legislators and testified to legislative committees in support of the bill. A stakeholder we spoke with noted that TAA did not run a coordinated campaign that targeted the public, although some members promoted the bill through newspaper opinion pieces and media interviews.

The coalition of disability rights advocates, fair housing advocates, community organizers, and voucher holders in favor of local voucher holder protections argued that state preemption would disproportionately affect people who were members of protected classes under the federal Fair Housing Act. The coalition attended hearings, testified, and lobbied legislators to vote against preemption. It also launched a coordinated media campaign against the bill that included writing opinion articles and developing relationships with reporters. It highlighted the Austin Apartment Association’s history of opposing fair housing regulations, specifically its failed attempts to repeal the city’s 1968 fair housing ordinance. However, the coalition failed to generate enough public and legislative support to defeat the bill. One advocate said that unlike TAA, the coalition was “not a membership organization, so we couldn’t mobilize hundreds of people.”

Unlike the PHAs in Oregon, which were active in the debate about protecting voucher holders, PHAs in Texas remained mainly silent on state preemption and on the Austin ordinance. As in Oregon, local and statewide landlord organizations expressed concerns about the administrative burden of the voucher program. Stakeholders we interviewed noted that PHA leadership privately voiced that HCV program rules and processes—including contracting, payment, and eviction procedures—were mischaracterized or that preemption would harm voucher holders. However, PHAs and leaders in large cities—like Dallas—did not publicly join the coalition advocating against state preemption. A notable exception was Harris County Housing Authority CEO Tom McCasland of Houston, who testified against the bill in the state Senate.

Housing authorities may have been reluctant to publicly oppose the bill because of competing policy priorities in the 2015 legislative session. Multiple items that were aligned with the PHAs’ legislative priorities, such as property tax and housing tax credit rules, were also the subject of
legislation that session. Advocates acknowledged that PHAs may have felt pressure to avoid a politically contentious issue that could jeopardize their long-term policy agenda. As we discuss later, however, the coalition was able to generate support for exemptions related to veterans and to housing developed using other public investments.

Efforts to reverse or challenge the state’s preemption of voucher holder protections have continued in Texas courts since the bill was signed into law in 2015. In 2017, the Inclusive Communities Project and the City of Austin filed separate lawsuits that challenged the preemption of local voucher holder protections. The Inclusive Communities Project lawsuit claimed that the Texas law violated the Equal Protection Clause of the US Constitution by singling out Black households (who are overrepresented among voucher holders) for unequal treatment and the Fair Housing Act for having a disparate impact on Black renters. A US District Court dismissed the lawsuit in May 2018 (Poverty & Race Research Action Council 2020). The City of Austin’s lawsuit claimed that the Texas preemption violated the Supremacy Clause of the US Constitution by obstructing Congress’s intent when creating the HCV program and conflicting with HUD’s interpretation of federal statutes. A federal appellate court dismissed the case in 2019, finding that the state officials named in the lawsuit were protected by sovereign immunity (Poverty & Race Research Action Council 2020).

In 2019, two Texas representatives—Jon Rosenthal of Houston and Eddie Rodriguez of Austin—worked with housing advocates to introduce two bills that would repeal the state preemption. Neither bill received a committee hearing.

**Impact of Legislation**

The potential implications of state preemption are difficult to quantify. Advocates note that at a minimum, landlords’ refusal to accept vouchers and the concentration of voucher holders into higher-poverty, racially segregated neighborhoods are unlikely to have improved. The implications of landlords’ continued refusal of vouchers, as one interviewee noted, are that low-income voucher families are “denied access to high-performing schools, safe neighborhoods, and any degree of substantive choice on where they can live, so segregation continues.”

In 2015, Dallas was in the process of developing a source-of-income protection bill. It initially included Housing Choice Vouchers, but after the state preemption law passed, the bill’s authors removed voucher holders as a protected class. Dallas’s source-of-income protections passed in late 2016.41

However, even without the ability to implement local protections for voucher holders, jurisdictions and PHAs in Texas have explored ways to encourage landlord participation in the HCV program. Senate Bill 267 allows cities and counties to enact protections that limit landlords’ ability to discriminate against veterans with housing vouchers and that require landlords who voluntarily accept public investments from refusing voucher holders. Cities are taking advantage of the “voluntary” program exemption by making acceptance of HCVs a condition of participation in city programs that provide funding or other incentives to housing developers. For example, in Dallas, the city’s source-of-income
protection law was amended to require that housing providers that receive city funding accept vouchers and set aside at least 10 percent of units for voucher holders. One advocate we spoke with said Dallas is structuring its low-income housing tax credit program to encourage housing providers to build mixed-income properties and to locate new units in high-opportunity neighborhoods (e.g., areas with high-performing public schools or employment opportunities). Federal regulations already require low-income housing tax credit properties to accept HCVs. And, in October 2019, the Urban Land Institute for Austin proposed an amendment to the city’s land development code to create an affordable housing bonus program that would apply to all new development and include source-of-income discrimination protections (Urban Land Institute Austin 2019).

Some Texas housing organizations are also implementing master lease programs, in which a third party leases units in high-opportunity neighborhoods to reduce voucher program administrative burdens for landlords and help voucher holders find housing that accepts vouchers. For example, the Inclusive Communities Project created the Dallas Sublease Initiative for DHA voucher holders, and the Houston Housing Authority created the Houston Master Lease Program and works with nonprofits like NestQuest Houston, which helps voucher holders “cut through red tape” and offers “financial incentives to landlords who were wary of renting to a voucher-holder.” These efforts are relatively new but show promise for speeding up housing searches and engaging landlords who might otherwise avoid voucher tenants.

Finally, in some cities, local landlord associations are offering seminars and partnering with local PHAs to educate landlords about the voucher program. The Apartment Association of Greater Dallas partners with DHA to hold monthly seminars for members, including information on what to expect from the leasing process, how rent is calculated, and landlord responsibilities. In fall 2019, the Austin Apartment Association held a seminar for 25 members to educate them on the benefits of vouchers and to dispel misconceptions about working with housing assistance programs, including the HCV program.

Lessons from Oregon and Texas

The contrasting experiences of Oregon and Texas offer lessons for housing advocates and state and local policymakers considering adopting protections for voucher holders.

First, in both states, evidence of discrimination against voucher holders sparked action. At the local level in Austin, the audit study of voucher-eligible units was used to build awareness about the prevalence and potential impacts of voucher discrimination. In Oregon, the media’s in-depth documentation of the spatial concentration of voucher holders in Portland provided a similar motivating factor. More recently, evidence of discrimination against voucher holders in Los Angeles sparked new local and statewide protections.

Related to this, the experiences of both states highlight the need to track and measure discrimination on an ongoing basis, to understand the impact of protections on voucher holders and the effectiveness of voucher protection laws. Neither Texas nor Oregon has timely, direct evidence about
the impacts of voucher protections or preemption—such as periodic landlord testing or success rates for voucher holders over time. Administrative data from HUD or PHAs for households that successfully use their vouchers are of limited value to measure the impact of voucher protections or the extent of landlord discrimination because they cannot fully capture the experiences of people who cannot find housing with their vouchers or the constraints that successful voucher holders must navigate to find housing. Ongoing acceptance testing, tracking of the number and characteristics of landlords participating in the program, and improved data identifying success rates and search times for voucher holders are needed to demonstrate the extent to which discrimination persists and the value of voucher protections.

Second, both Texas’s and Oregon’s experiences highlight the importance of dialogue and coalition building among housing advocates and rental industry stakeholders to craft, enact, and enforce voucher protections. In Oregon, the bill’s sponsor convened the key stakeholders—including the leading statewide organizations that represent tenants, landlords and housing authorities—to address landlord concerns about the voucher program and suggest features of the legislation that could address these concerns. The stakeholders, including the landlords and tenant advocates, had a history of working together; an interviewee from Oregon shared that the groups have been collaborating since the mid-1980s to find compromises in their efforts to lobby for amendments to state housing law. The law created a standing advisory committee to oversee a fund created to encourage landlord participation in the voucher program and ongoing dialogue between PHAs and landlords. Notably, Oregon’s initial attempt at enacting state-level voucher protections did not include this coalition, which was likely a factor in its failure. In contrast, Texas advocates for voucher protections did not have the expressed support of PHAs or a mechanism for open communication with landlords and rental housing industry representatives—either when the Austin law was passed or during efforts to oppose state preemption. They were able to advocate for concessions for veterans and publicly funded programs, but meaningful dialogue about ways to encourage landlord participation and temper negative perceptions of the HCV program was not part of the process.

Third, the experiences of both states suggest that strong champions are needed to push protections through the legislative process. In Oregon, state Representative Kotek was a central figure in pushing for protections, in both the successful 2012–13 effort and the failed 2009 attempt. In Texas, the Texas Apartment Association played a similar role for mobilizing members and resources behind preemption.

Fourth, both the Oregon and Texas examples highlight the importance of acknowledging and addressing perceived or actual concerns about PHAs’ performance and about the HCV program. Voucher holder protections are not the sole solution to voucher discrimination, and they may be most effective when part of a set of approaches that encourage landlord participation. In both Oregon and Texas, landlords raised concerns about the voucher program related to administrative burdens and delays that echo documented concerns from landlords across the country (Garboden et al. 2018). For example, a recent Urban Institute study found that some landlords in Fort Worth, Texas; Los Angeles;
and Newark, New Jersey, would accept vouchers only from certain PHAs because of concerns about the management of other local PHAs (Cunningham et al. 2018).

The experiences of both states suggest that ongoing attention and improvement to program administration may be just as important as legal protections for voucher holders—in both states, efforts to improve voucher program operations followed legislative action. In Oregon, PHAs have taken steps to modernize and improve their operations. And since state preemption went into effect in Texas, some PHAs and advocates have shifted their focus to improving program administration and encouraging landlord participation, in part through approaches that reduce administrative burden or risk on the part of landlords.

Finally, assumptions about voucher holders’ race and other characteristics cannot be underestimated as a factor driving opposition to voucher protections. In Texas and elsewhere, the history of racism in housing policy is visible in voucher holder location patterns and racial segregation more broadly. Implicit racial bias and other forms of discrimination in the rental housing market continue to undermine housing options for voucher holders and people of color (Equal Justice Society and Wilson Sonsini Goodrich & Rosati 2014; Olinger, Capatosto, and McKay 2017). Future research should further explore the role of racial discrimination in HCV holder outcomes.

Conclusion

In the absence of federal protections for renters with vouchers, many state and local governments are stepping up to protect them from discrimination by landlords. At the same time, some states have moved in a different direction, banning local governments from adopting protections for voucher holders.

In this brief, we examined what motivates state action and what we can learn from two states that took opposite approaches to addressing discrimination against voucher holders. Ultimately, the most important takeaway from this research is that when would-be adversaries work together and take each other’s concerns seriously, solutions are possible. We see from Oregon’s experience that landlords’ concerns about bureaucratic hurdles to participation in the voucher program were valid but surmountable. The Oregon legislation included compromises but also created infrastructure to continually improve administration of the voucher program, address landlords’ concerns, and recruit more landlords to participate. In the end, that many landlords in Oregon shifted from critics to champions of the voucher program should offer hope to other states and suggest ways in which careful negotiation and program design improvement can lead to mutually beneficial outcomes.

An ongoing and related question remains how effective the voucher protections passed in Oregon and elsewhere are at improving outcomes for voucher holders and under what conditions. The evidence on this, and on the components of the laws themselves, remains challenging to capture empirically. Our companion brief, “State and Local Voucher Protection Laws: Introducing a New Legal Dataset,” offer some tools to help inform future research.
Notes


2. States and local governments typically include voucher protections in a broad ordinance that protects renters from discrimination based on their “source of income,” which can cover a range of sources other than wages and salaries that can be used to pay rent (like alimony or disability insurance benefits). Not all source-of-income discrimination laws protect renters with vouchers: in some cases, laws explicitly exclude vouchers; in others, courts have ruled that ambiguous or general language in laws does not cover vouchers. In this analysis, as well as our companion brief and database, we consider only source-of-income discrimination laws that include protections for vouchers. Since we completed our review and coding of state and local laws at the end of 2019, two additional states (Virginia and Maryland) and one county (Prince George’s County, Maryland) have adopted laws that protect voucher holders from discrimination. We do not include these most recent laws in our calculations or maps in this brief because data on voucher holders in 2020 are not available.


4. The law, which amended ORS 659A.139 and 659A.421, can be found in full at https://olis.leg.state.or.us/liz/2013R1/Downloads/MeasureDocument/HB2639/Enrolled.

5. Authors’ calculations using the Urban Institute database of state and local voucher protection laws. The estimate is based on jurisdictions with laws enacted through 2019 and voucher holder locations recorded in HUD household-level Public and Indian Housing Information Center data for 2017.


7. For more information on when the law was passed, see the law’s page on the Oregon legislature’s website: https://olis.leg.state.or.us/liz/2013R1/Measures/Overview/HB2639.

8. The law, which amended ORS 659A.139 and 659A.421, can be found in full at https://olis.leg.state.or.us/liz/2013R1/Downloads/MeasureDocument/HB2639/Enrolled.

9. The law, which amended ORS 659A.139 and 659A.421, can be found in full at https://olis.leg.state.or.us/liz/2013R1/Downloads/MeasureDocument/HB2639/Enrolled.


For more on the landlords’ concerns, see Yuxing Zheng, “Oregon’s Section 8 Policy Complicates Housing Search for Poppy Michell, Gladstone Single Mother of 3 Boys.”

More information on Oregon’s Statewide Housing Choice Advisory Committee is available at https://www.oregon.gov/ohcs/Pages/housing-choice-advisory-committee.aspx.

House Bill 2639, 77th Oregon Legislative Assembly, 2013 regular session.

House Bill 2639, 77th Oregon Legislative Assembly, 2013 regular session.

Advocates we spoke with highlighted that measuring the impact of SB 2639 is complicated by the state’s tight rental market (i.e., rising rents, low vacancy rates), which prices out voucher holders, particularly in the Portland area.


2015 Picture of Subsidized Households data from HUD’s Office of Policy Development and Research.

The Inclusive Communities Project was created in the 1990s to support the members of the Walker v. US Department of Housing and Urban Development class action and to promote fair housing. Since 2001, it has been focused on civil rights, fair housing, and inclusive, nondiscriminatory community development throughout Dallas. More information on Walker v. US Department of Housing and Urban Development is available at https://www.clearinghouse.net/detail.php?id=1015. More information on the Inclusive Communities Project is available at https://www.inclusivecommunities.net/about-icp/.

2013 Picture of Subsidized Households data from HUD’s Office of Policy Development and Research.

The Affordable Housing Siting Policy Work Group was authorized in Resolution 20111215-058 in December 2011 by a unanimous vote of the Austin City Council. The full text of the resolution can be found at http://www.austintexas.gov/edims/document.cfm?id=161989.

The final report from the Affordable Housing Siting Policy Work Group is available at http://www.austintexas.gov/edims/document.cfm?id=181992.

2014 Picture of Subsidized Households data from HUD’s Office of Policy Development and Research.

Austin Resolution 20140417-048 cites the 2011 HUD study (Freeman 2011), which suggests that source-of-income discrimination laws increase voucher holders’ ability to find a unit that will accept their voucher and facilitate a successful lease-up. The full text of the resolution is available at http://www.austintexas.gov/edims/document.cfm?id=209153. Findings from the stakeholder meetings are available at http://www.austintexas.gov/edims/pio/document.cfm?id=216587.

These concerns were expressed in our interviews with stakeholders and were documented in public statements. For an example, see Michael Kanin, “Source of Income’ Protection Looming at Council,” Austin Monitor, September 23, 2014, https://www.austinmonitor.com/stories/2014/09/source-income-protection-loomings-council/.

The full text of the city ordinance amending City Code Chapter 5-1, Article 2 (Discrimination in Housing-Fair Housing Act Compliance) is available at https://www.austintexas.gov/edims/document.cfm?id=222858.


The coalition included two fair housing organizations—the Austin-based Texas Housers and Dallas-based Inclusive Communities Project—and ADAPT of Texas, an Austin-based disability rights group.


For the updated text of the Dallas source-of-income protection ordinance, see http://dallascityhall.com/departments/fairhousing/PublishingImages/Pages/fair_housing_links/Amended%20Chapter%2020%20Source%20of%20Income.pdf.

The standard search time allowed by HUD is 60 days. PHAs may provide an extension for search times in tough rental markets, and extensions are usually decided on a case-by-case basis. For more information, see the HCV Program Guidebook at https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Housing_Search_and_Les.pdf.

The Dallas Sublease Initiative is run through the Inclusive Communities Housing Development Corporation, a 501(c)3 created by the Inclusive Communities Project. More information on the Dallas Sublease Initiative is available at https://www.inclusivecommunities.net/wp-content/uploads/2018/08/SubleaseInitiative.pdf.


References


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