

PRRAC

*Poverty & Race
Research Action Council*

Civil Rights Research

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Constraining Choice:

The Role of Online Apartment Listing Services in the
Housing Choice Voucher Program



Introduction

Increasingly, Americans are using online rental listing sites to aid their housing search. This is true of Housing Choice Voucher (HCV) holders as well as for the public at large. Update-to-date online listings for HCV holders provide benefits that traditional landlord lists maintained by the Public Housing Authority (PHA) cannot, such as detailed information about units, pictures of the interior and exterior of units and mapping features. Websites that cater to voucher clients can provide a much needed resource for renters. However, if the websites are not providing clients access to a full range of neighborhoods, including lower poverty, less segregated neighborhoods, they are not helping achieve the goals of the voucher program.

To assess how these online apartment listings for voucher holders are distributed, and whether they are succeeding in offering choices beyond segregated areas, we mapped their distribution in a number of major metropolitan areas. This report details our findings, mapping units advertised online in six major jurisdictions (New York, Los Angeles, Baltimore, Dallas, Houston, and Miami-Dade County). This research revealed that high percentages of online listings in these cities are located in poor and predominantly minority areas, although there are differences in the levels of concentration and segregation among the cities reviewed.

The Online Listing Business Model: Understanding How the Websites Work

Of the numerous sites dedicated to rental and apartment listings, only a few specifically target Housing Choice Voucher (HCV) holders. Currently, the two major websites that provide listings for PHAs and HCV families are GoSection8 and Socialserve (hereinafter “the Websites”). While the Websites both target HCV holders, they are distinguishable by their business models and approaches to recruiting clients.

Both Websites provide free access to their listings. There are numerous ways renters can use the Websites to search for housing. First, renters can go to the homepage of the Websites and search for rentals by state, city, or zip code. Renters using GoSection8 can also search for rentals through the websites of participating PHAs.¹ Renters using Socialserve can search for rentals on one of the state or countywide websites that Socialserve manages, or through a PHA link.

Searching for units using GoSection8.com returns results categorized into three different tabs: “Section 8”, “Standard”, and “All.” The “Section 8” tab is a listing of landlords that have self-identified that they accept HCVs. The “Standard” tab is a listing of landlords that have identified that they do not accept HCVs and the “All” tab is the combination of the Standard and Section8 listings.

¹ GoSection8.com is integrated into the websites of PHAs that use the service.

Since 2004, GoSection8 has been providing free online listings for PHAs by charging landlords to list on the website.² PHAs have the option of integrating GoSection8 with PHAs' websites. As of July 2014, there were over 160 PHAs that were featured on the GoSection8 website.³ In addition to receiving a free listing service, PHAs also receive access to GoSection8's rent reasonableness software.⁴ The ability to provide accurate rent reasonableness determinations can be a time burden for most PHAs. The rent reasonableness software GoSection8 provides to its PHA clients allows clients to create rent reasonableness certifications faster than PHAs can produce in-house.

As with GoSection8, Socialserve provides listings of affordable rental units and rent reasonableness certifications. Socialserve is a nonprofit housing search assistance website.⁵ Socialserve also provides a toll-free call center for its clients and renters, disaster relocation services, listings of affordable housing for sale and opportunity mapping of communities.⁶ State agencies pay for Socialserve and are provided with a website that lists all the available affordable rental units in the state.⁷

The Websites each have a mapping feature that allows visitors to see where available rental units are located. The GoSection8 mapping feature includes a Walk Score, a street view of the property, accessibility features, and other details about the property. Socialserve provides these same details and also provides the amount of the security deposit and application fee, whether there is a criminal background check, more accessibility details, and whether the property is lead-free.

2 GoSection8, For Owners and Managers *available at*: <http://www.GoSection8.com/LL/new-pricing2.aspx> (There are two different pricing plans landlords can select. Both pricing plans give landlords access to tenant profiles. Selecting either pricing plan allows the landlord's listing to be featured at the top of the search page.).

3 GoSection8, Government Users, <http://www.GoSection8.com/public-housing-authorities/>.

4 Nan McKay and Associates, Inc., "The GO8! Solution to the Rent Reasonableness Challenge", *available at*: <http://www.nanmckay.com/s-291-GoSection8.aspx> (PHAs pay for access to GoSection8's rent reasonableness software).

5 Socialserve.com, <http://www.socialserve.com/About.html>

6 *Id.*

7 See <http://www.iowahousingsearch.org>; www.ALASeniorHousing.org; www.ALHousingSearch.org; www.CapeFearHousing.org; www.ColoradoHousingSearch.com; www.CTHousingSearch.org; www.DCHousingSearch.org; www.DelawareHousingSearch.org; www.FloridaHousingSearch.org; www.FortWayneHousingNow.org; www.GeorgiaHousingSearch.org; www.HarrisCountyTexasHousing.org; www.HomeLocatorRI.net; and Housing.LACounty.gov (These are a few of the state and local websites SocialServe maintains).

The Geography of GoSection8 & Socialserve: Examples of Apartment Listings

To understand where available rental units were located, we mapped their distribution in the five largest PHAs that use GoSection8, and a selected jurisdiction using Socialserve.

A. Data and Methods

The data used in the analysis of locations of the GoSection8.com units comes from several sources. We used the 2012 Picture of Subsidized Housing (PSH) provided by HUD and 2008-2012 American Community Survey (ACS) 5-year estimates from the census.⁸ The locations of the apartment listings were downloaded in 2014 from PHA websites that are integrated with GoSection8.com.

We used the 2012 PSH data to select the five PHAs using the apartment listing services from GoSection8.com that reported the highest number of households in the HCV program. We collected the addresses of these listing during the week of June 16, 2014. There were a large number of listings in each of these PHAs on GoSection8. We used a stratified sampling method to randomly sample 300 units from each of the five PHAs.⁹ The PHAs chosen were as follows: the New York City Housing Authority (NYCHA), Housing Authority of City of Los Angeles (HACLA), Housing Authority of the City of Dallas (DHA), Houston Housing Authority (HHA), and Housing Authority of Baltimore City (HABC).

After sampling the units in the PHAs, we used mapping software (ArcGIS) to map each listing against census tract level poverty data in order to observe the distribution of units in their respective area. We also analyzed the apartment location distribution against the ethnic composition of that neighborhood. To compare the spread of GoSection8 units with the housing market of the PHA, we analyzed the distribution of occupied housing units (both renter and owner-occupied units) against each of the two metrics – census tract level poverty and racial/ethnic composition.¹⁰ The line graphs accompanying each map seek to clarify the distribution of units, both GoSection8 and occupied housing, according to the different metrics.

The Socialserve listing that we obtained was for the Miami-Dade County region, and was selected for analysis because of inquiries we had received from advocates in that region. Because Socialserve listings tend to vary based on the services requested by different states (and Socialserve has been

8 A Picture of Subsidized Households *available at* <http://www.huduser.org/portal/datasets/picture/yearlydata.html#download-tab>

9 In each PHA, we divided the GoSection8 listings into five strata depending on their bedroom sizes (studio, 1, 2, 3, 4 and more). Then, we randomly arranged the listings using the computer generated random function in excel, sorted them and sampled them. The number of sampled units in the strata was derived from the proportion of the bedroom size in the entire population of listing. For example, if 30% of the total listing for the PHA were three bedroom apartments, then 90 units were sampled (30% of 300).

10 "Minority" in this analysis is the total percentage of Non-Hispanic Blacks, Non-Hispanic Asians, and Hispanics

requested to provide opportunity-based listings in at least some jurisdictions), the Miami region may not be representative, and we did not attempt to create a sample of multiple Socialserve jurisdictions.

Distribution of overall rental units in the sampled metro areas

It is important to note that the distribution of apartment listings in each of the cities and regions tested is partly a function of the distribution of rental units within the metropolitan area, and the geographic price distribution of those rental units. This background distribution of units and rents is also a function of decades of government housing and land use policies that have exacerbated segregation. Thus, there may be fewer rental units located in low poverty areas, and many of these may have rents substantially higher than the Section 8 Fair Market Rent level for the region, which may require upward adjustment in Public Housing Agency payment standards, possibly with the need for approval by HUD (for increases above 110%). While it is important to keep in mind the distribution of rental unit location and pricing, this should not serve as a reason to limit voucher families' choices to high poverty, racially concentrated neighborhoods. For these reasons, we used the distributions of "all occupied units" and "all rental units" as the comparison sets for the distributions of online rental listings.¹¹

New York, NY

In 2012, the New York City Housing Authority (NYCHA) reported 88,803 households in its Housing Choice Voucher program, the highest number in the nation. Around 45% of the voucher holders were minority households, primarily non-Hispanic Blacks (43%). NYCHA directs voucher holders to access NYCHA's GoSection8 website to search for suitable apartments.¹²

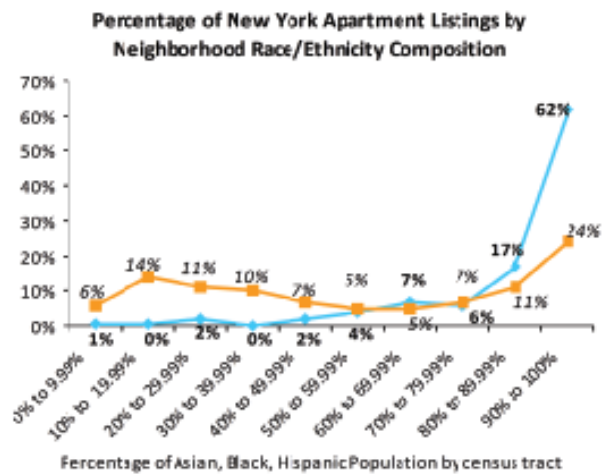
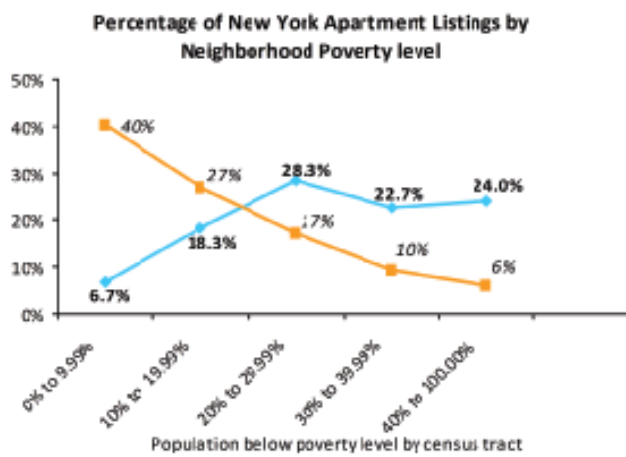
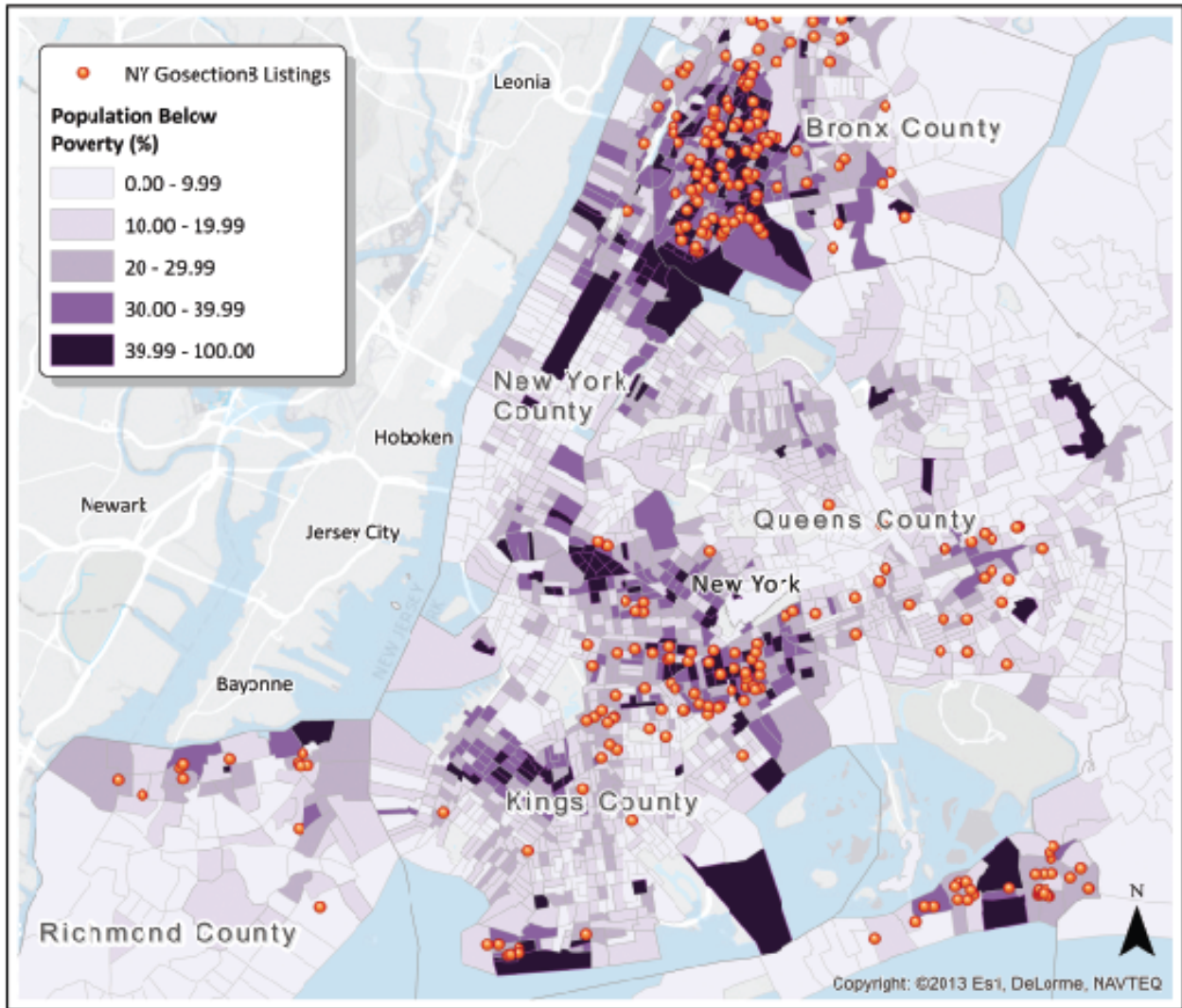
The map of the listings from GoSection8 for NYCHA sampled in June 2014 shows that nearly 50% of the apartment listings were in areas that have 30% or more persons living below poverty, while only 6.7% of the GoSection8 samples were in low poverty areas (less than 10% poverty). In comparison, in the local housing market only 16% of total occupied housing units, which includes both renter and owner-occupied units, are in high poverty areas (30% or more of the population below poverty level), while almost 40% were located in areas of low poverty (areas where 10% or less of the population is below the poverty level).

In regard to the racial/ethnic makeup of the areas where the GoSection8 sample is located, almost 62% of the units were in areas with a 90% to 100% minority population – compared to 35% of all occupied rental units.

11 Rental Units by Census Tract Minority were derived from the American Community Survey, ACS S2502 2013 (5 year average); and Rental Units by Census Tract Poverty from ACS B17019 2013 (5 year average).

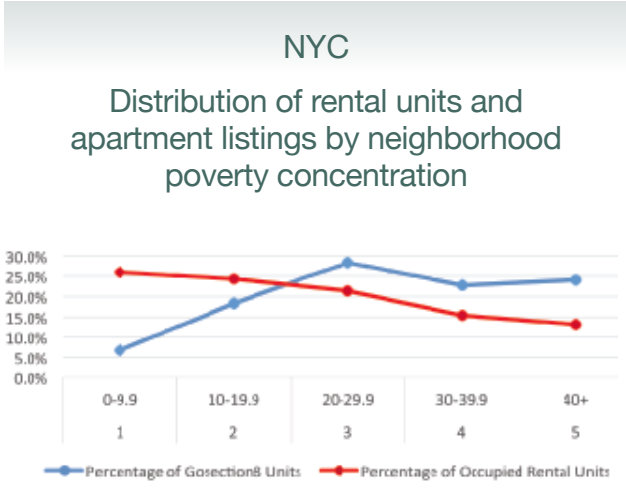
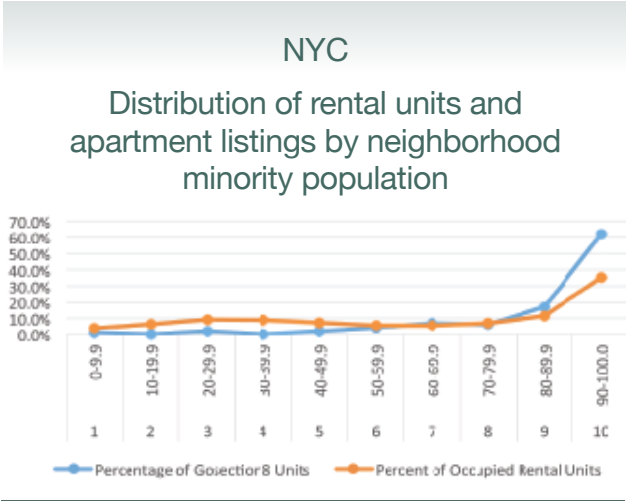
12 <http://nycha.GoSection8.com/SearchRentals.aspx>

New York City Housing Authority's GoSection8 Apartment Listings by Neighborhood Poverty Level



◆ Percentage of Gosection8 Units

■ Percentage of Occupied Housing Units



Los Angeles City, CA

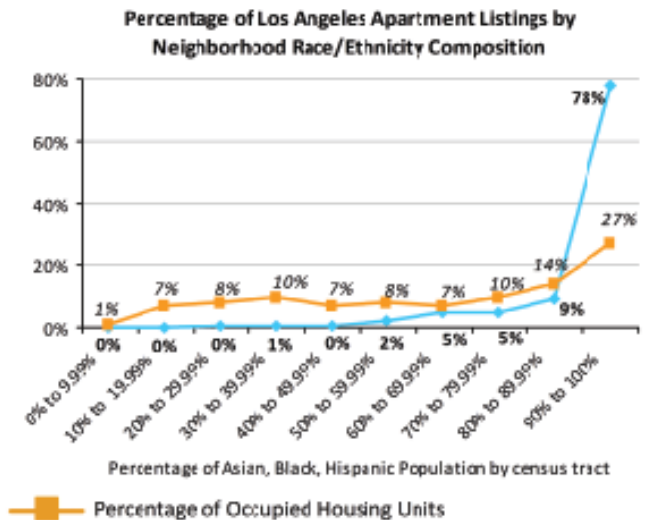
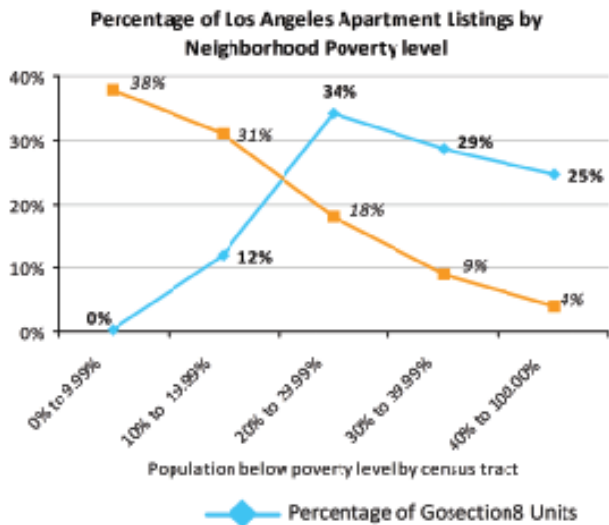
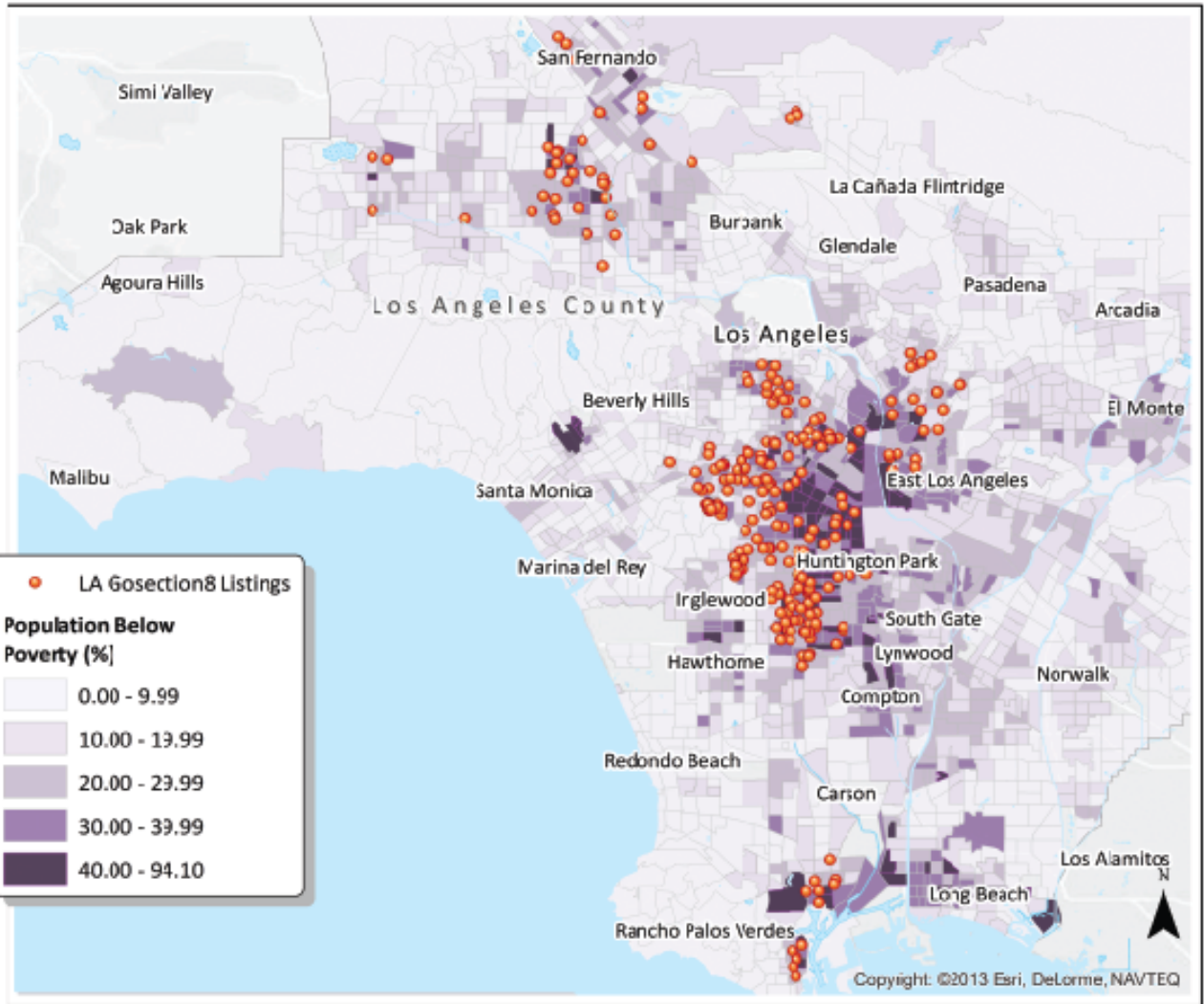
The Housing Authority of the City of Los Angeles (HACLA) reported that there were 44,560 households in its HCV program in 2012. Minority households made up 78% of the voucher holders, including 54% non-Hispanic Blacks and 21% Hispanics. Asians constituted around 4% of the total reported voucher holders in HACLA.

The housing authority directs voucher holders to HACLA's GoSection8 site to search for apartment units.¹³ Similar to NYCHA's GoSection8 listing sample, HACLA's sample of apartment units from June 2014 shows that more than 50% of the units were in areas that have 30% or more of the population living below the poverty level. In contrast, only 13% of the total occupied housing units are in areas that have more than 30% of the population below the poverty level. Almost 38% of the total occupied housing units are located in low-poverty areas or areas that have poverty level below 10%. Only one unit in the HACLA's GoSection8 sample was in an area that is less than 10% poverty level.

Looking at distribution of listings by racial/ethnic composition, 78% of the GoSection8 apartments were in areas that have a 90% to 100% minority population, compared to about 37% of all occupied rental units.

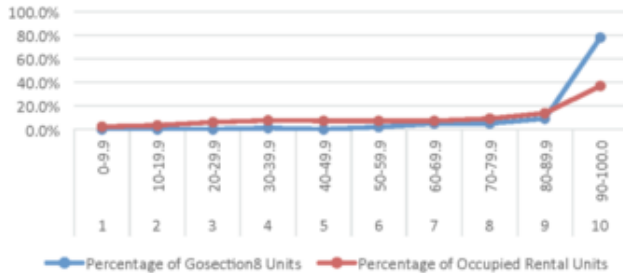
¹³ See <http://hacla.GoSection8.com/SearchRentals.aspx>

Housing Authority of the City of Los Angeles' GoSection8 Apartment Listings by Neighborhood Poverty Level



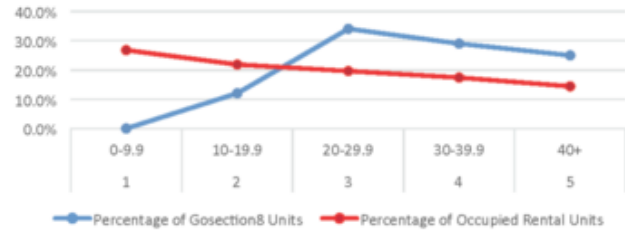
Los Angeles

Distribution of rental units and apartment listings by neighborhood minority population



Los Angeles

Distribution of rental units and apartment listings by neighborhood poverty concentration



Dallas, TX

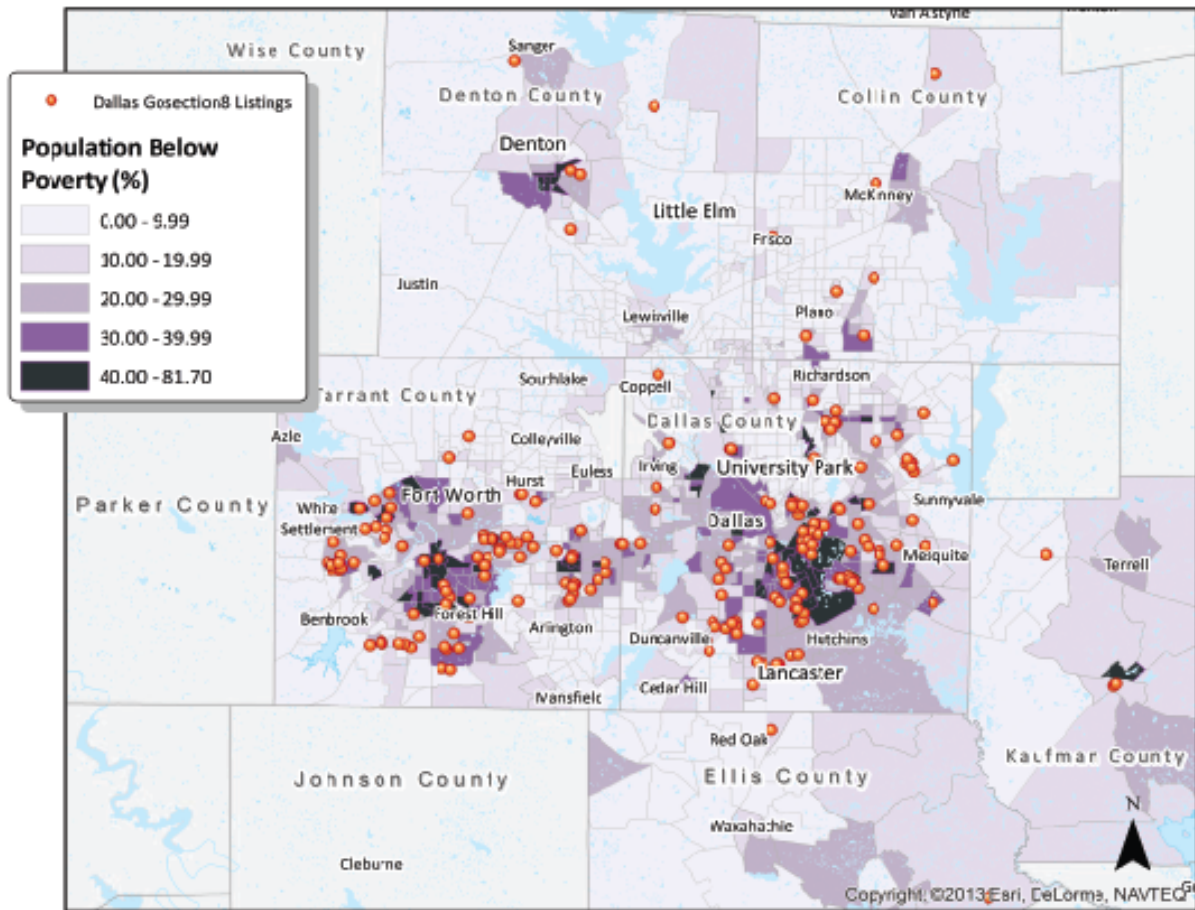
The Housing Authority of the City of Dallas (DHA) reported that 18,463 households were participating in the HCV program in 2012. A majority, or 94%, of the HCV participants were minorities with 86% non-Hispanic Blacks, 7% non-Hispanic Asians or Pacific Islanders, and 6% Hispanics. The DHA also requests voucher holders to visit DHA's GoSection8 website to search for affordable apartments.¹⁴

The map of a June 2014 sample of GoSection8 listings illustrates that around 43% of the apartments were located in areas that have more than 30% of the population below the poverty level. The distribution of occupied housing units stands in sharp contrast when compared to the GoSection8 sample. Only 11% of the occupied housing units are in areas with 30% or more poverty level. Furthermore, a large percentage of the occupied housing units, 47%, are located in areas that have a low poverty level between 0 to 10%. Comparatively, only 6% of the GoSection8 sample were in areas with such low levels of poverty.

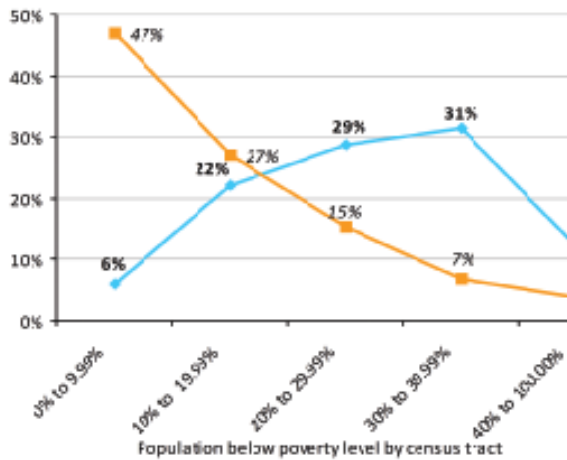
When looking at the spread of the GoSection8 sample listings in comparison to the racial/ethnic percentages, the graph shows that around 65% of the listings were located in areas that have a greater than 70% minority population, compared with about 41% of all rental units.

¹⁴ DHA states that the properties are located in seven counties: Collin, Dallas, Denton, Ellis, Kaufman, Rockwall, and Tarrant, <http://dhadal.GoSection8.com/>

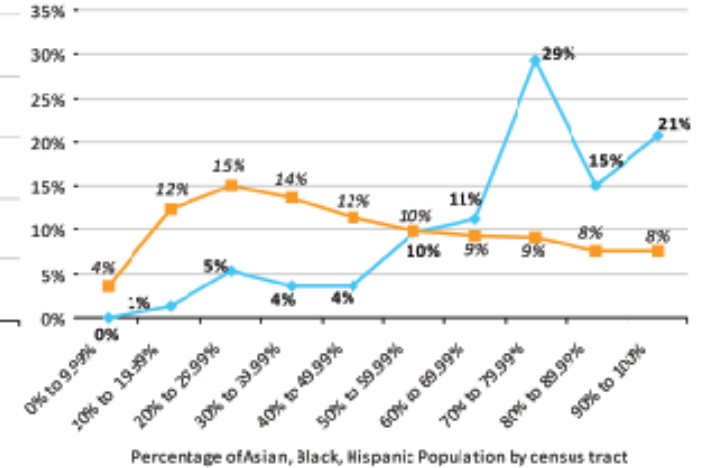
Dallas Housing Authority's GoSection8 Apartment Listings by Neighborhood Poverty Level



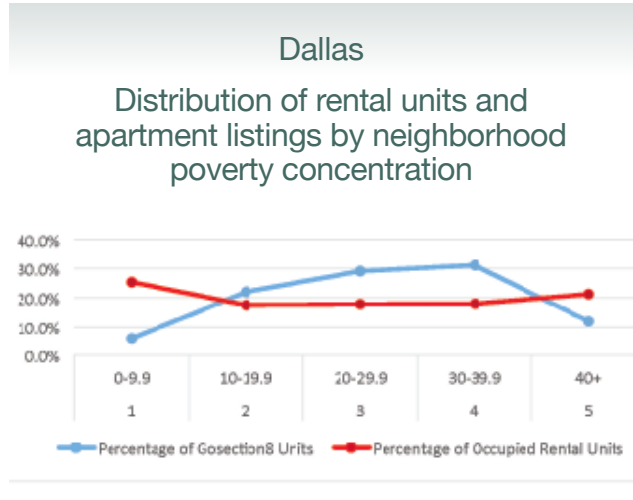
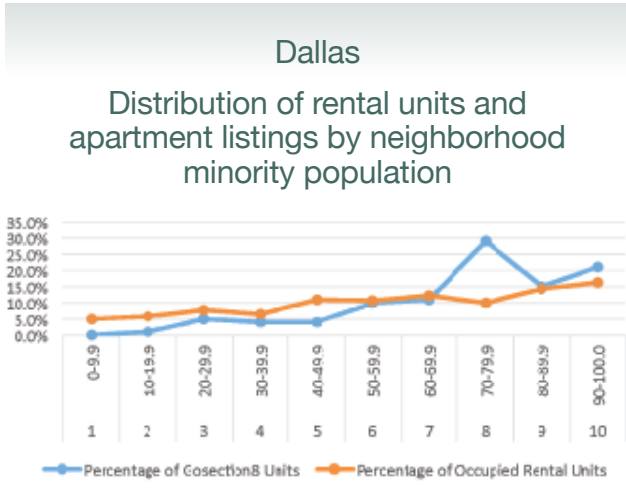
Percentage of Dallas Apartment Listings by Neighborhood Poverty level



Percentage of Dallas Apartment Listings by Neighborhood Race/Ethnicity Composition



◆ Percentage of GoSection8 Units
 ◆ Percentage of Occupied Housing Units



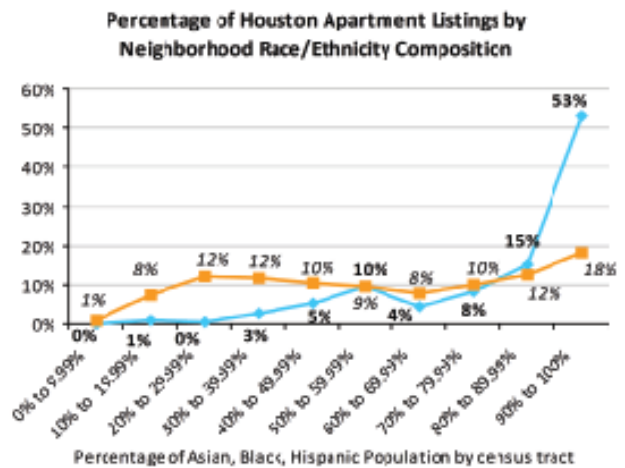
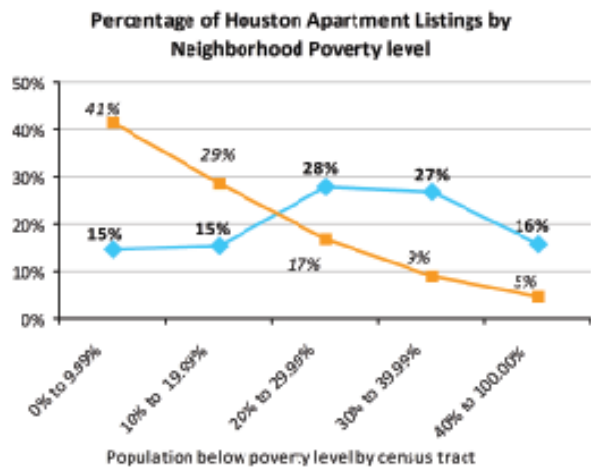
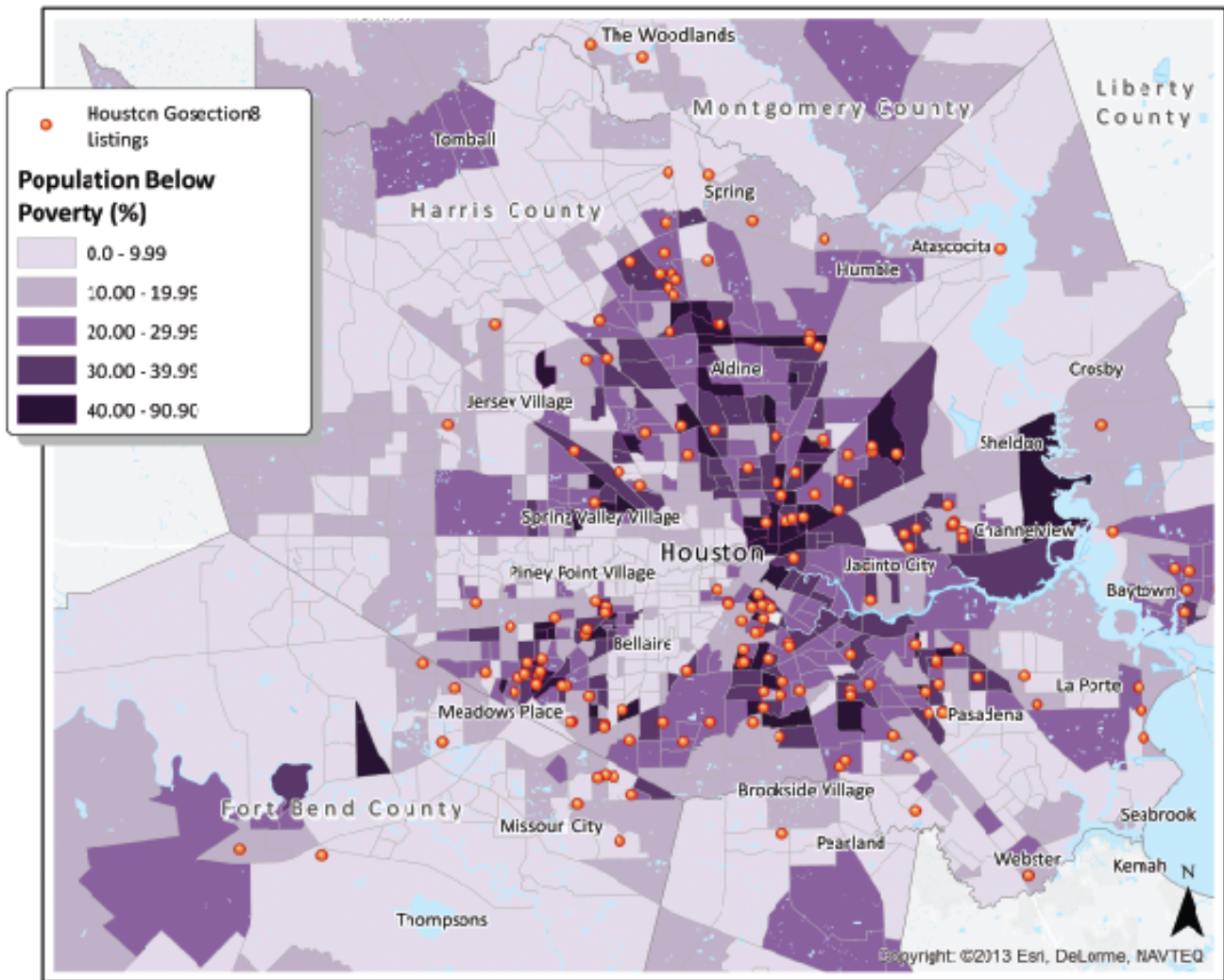
Houston, TX

According to the 2012 PSH, the Houston Housing Authority (HHA) reported that there were 16,525 households in their HCV program. Among the HCV holders, around 97% were non-white (90% non-Hispanic Blacks, with Asians and Hispanics each representing 5% of the voucher population). HHA is different from other PHAs as it directs voucher holders directly to the GoSection8 website and not the PHA-integrated GoSection8 version. Here, for comparison purposes, we use the listings from the PHA's GoSection8 website. Along with GoSection8.com, the HHA also directs the voucher holders to other online listing services including MyApartmentMap.com and Socialserve.com.

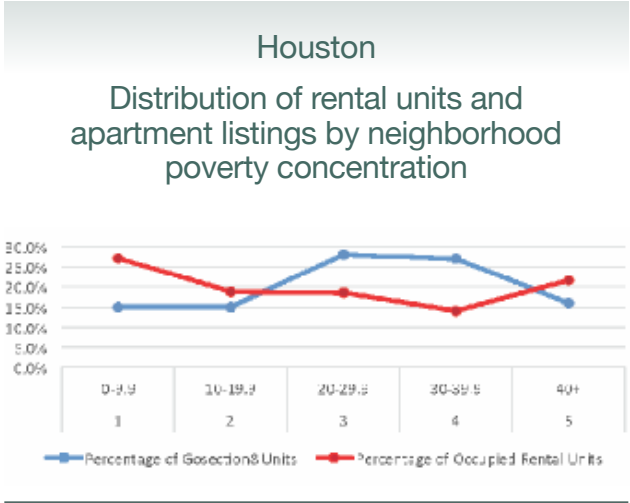
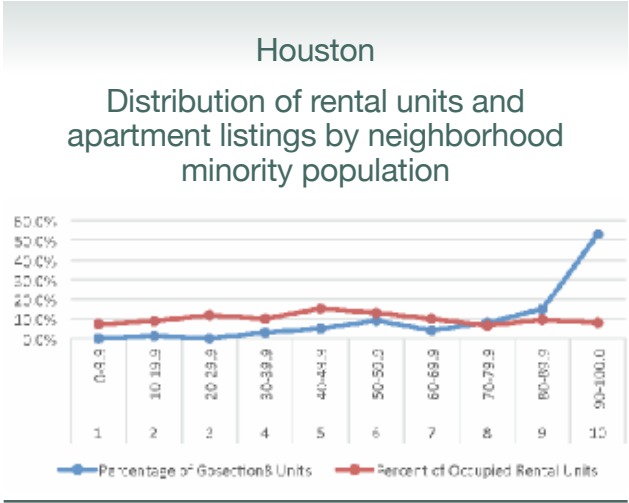
The map of the GoSection8 sample units from June 2014 illustrates that almost 43% of the total sample were located in high poverty areas with poverty rates ranging from 30% and above. However, when comparing the spread to the general housing market, only 14% of the occupied housing units are located in such areas. Furthermore, 41% of occupied housing units are located in areas below the 10% poverty level. Comparatively, only 15% of the GoSection8 sample were located in low poverty areas.

An analysis of the distribution of GoSection8 listings according to the racial/ethnic composition of the neighborhood shows that almost 53% of the listings were located in areas that have 90% to 100% minority population. In comparison, only 8% of occupied rental units are in these areas.

Houston Housing Authority's GoSection8 Apartment Listings by Neighborhood Poverty Level



◆ Percentage of GoSection8 Units
 ◆ Percentage of Occupied Housing Units



Baltimore, MD

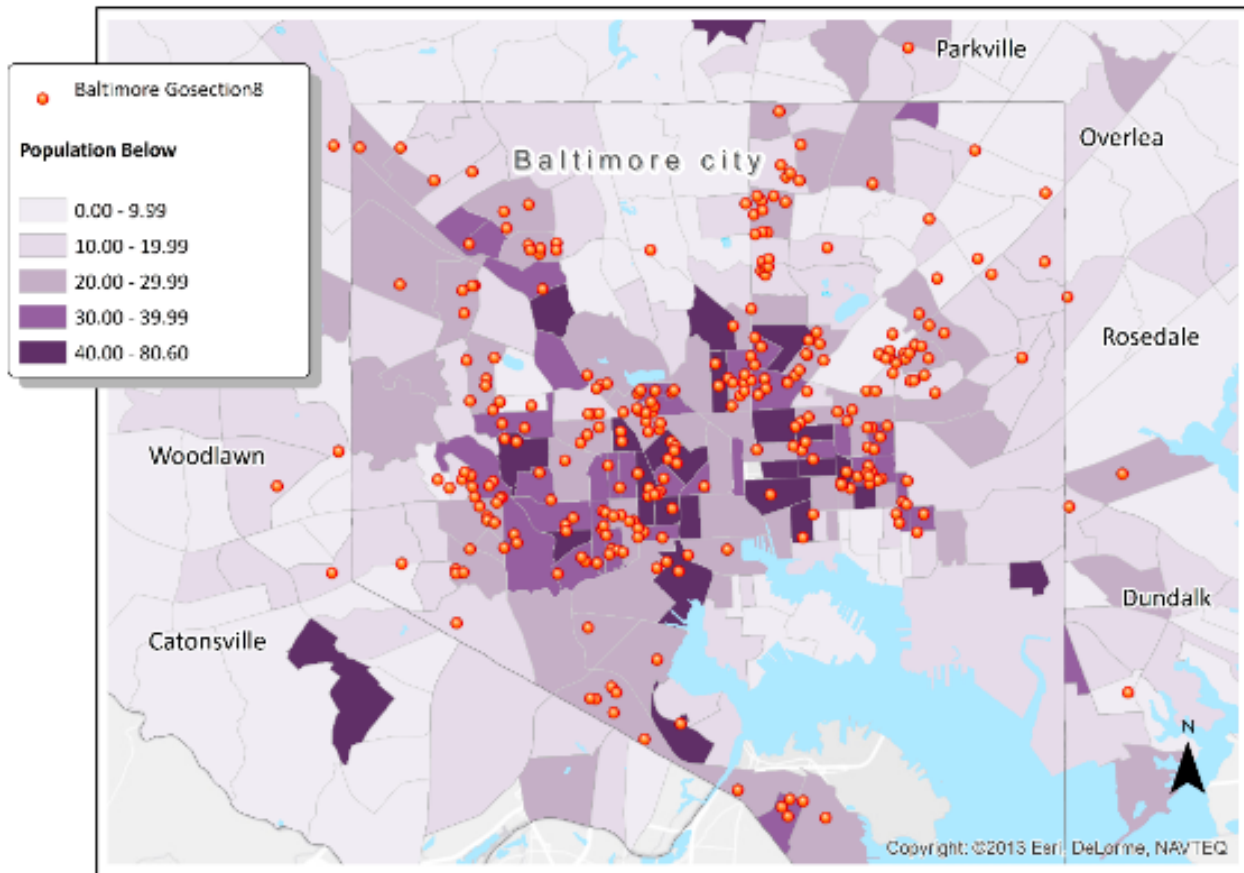
The Housing Authority of Baltimore City (HABC) reported 13,200 voucher holder households in 2012.¹⁵ Around 89% of the voucher holders are minorities, among them almost all voucher holders are non-Hispanic Blacks. HABC directs the tenants to the PHA’s GoSection8.com website to search for apartments in the area.¹⁶ It also urges landlords to use GoSection8 to advertise their listings.

The map below shows the distribution of GoSection8 apartments in Baltimore sampled in June 2014 by poverty level. The figure shows that 39% of the units were located in areas that have greater than 30% of the population living below the poverty level. In comparison, only 10% of the total occupied housing units are in these areas, while 45% of the occupied housing units were in areas of low poverty. Highest percentages of GoSection8 units were in areas where 20% to 29.99% of the population are living below poverty, and only 7% were in areas that have less than 10% poverty.

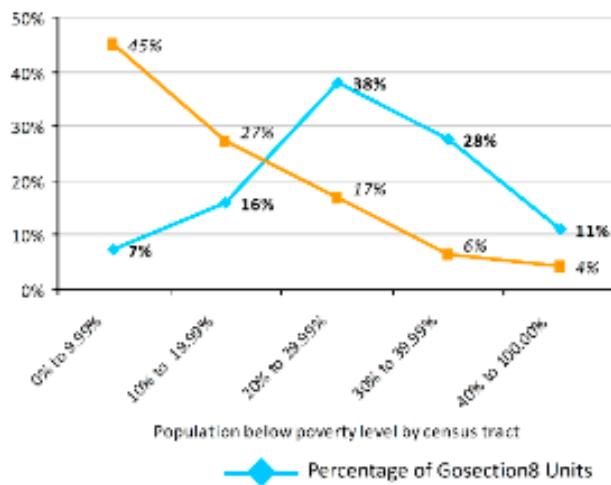
Almost 59% of GoSection8 units were located in areas where 90% to 100% of the population are minority. In contrast, the occupied housing units were distributed evenly across the area with only 19% concentrated in areas with a 90% to 100% minority population. Only 8.5% of occupied rental units are located in these neighborhoods.

¹⁵ 2012 Picture of Subsidized Households
¹⁶ See <http://www.GoSection8.com/portal/baltimore>

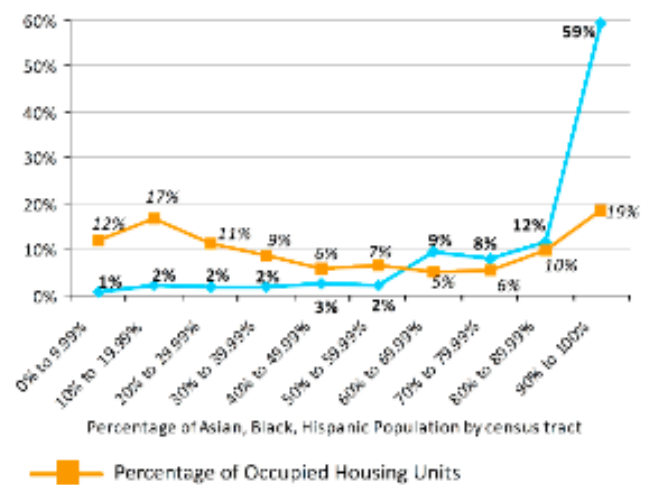
Housing Authority of the City of Baltimore's GoSection8 Apartment Listings by Neighborhood Poverty Level



Percentage of Baltimore Apartment Listings by Neighborhood Poverty level

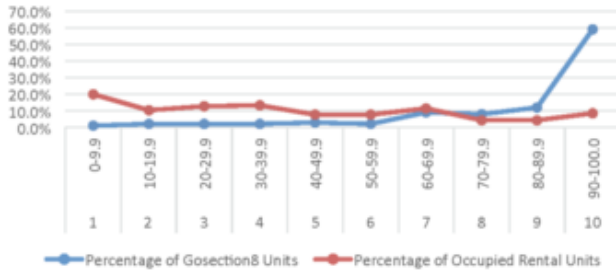


Percentage of Baltimore Apartment Listings by Neighborhood Race/Ethnicity Composition



Baltimore

Distribution of rental units and apartment listings by neighborhood minority population



Baltimore

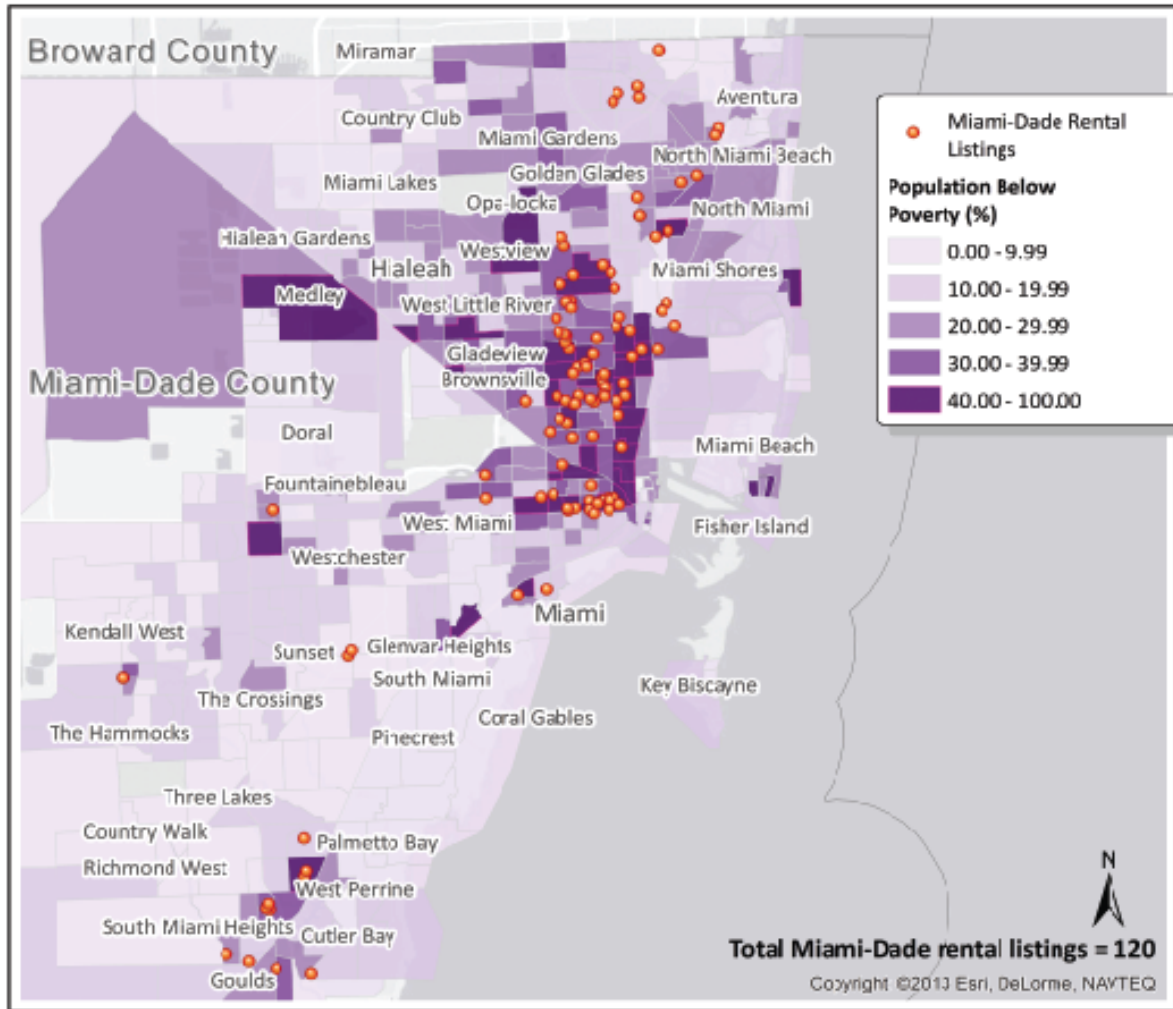
Distribution of rental units and apartment listings by neighborhood poverty concentration



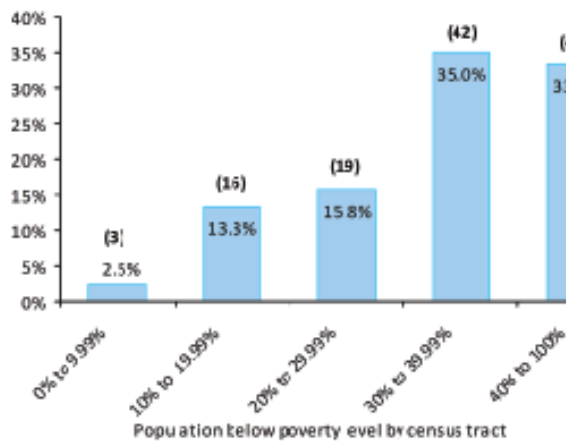
Miami-Dade County, FL

The map of the listings from Socialserve for Miami-Dade County sampled in May, 2014 shows that over 68% of the apartment listings at that time were in census tracts with 30% or more persons living below poverty. Additionally, only 2.5% of the listings were in low poverty areas (areas where 10% or less of the population are below the poverty level). 82.5% of Socialserve Section 8 listings were in 90%+ tracts, as compared to only 38.3% of all occupied rental units.

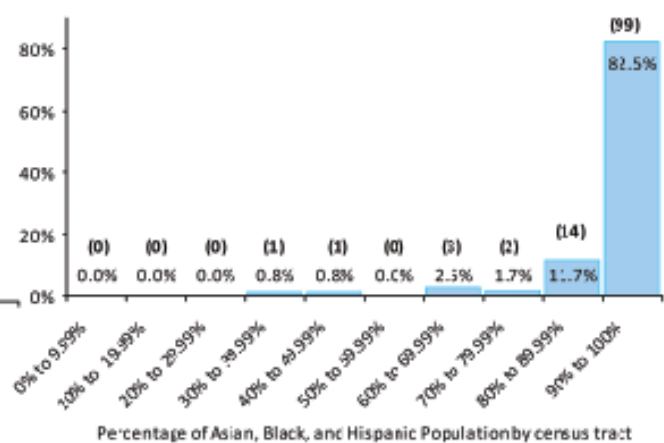
Miami-Dade Section 8 Apartment Listings by Neighborhood Poverty Level



Percentage of Miami-Dade Apartment Listings by Neighborhood Poverty level*



Percentage of Miami-Dade Apartment Listings by Neighborhood Race/Ethnicity Composition*

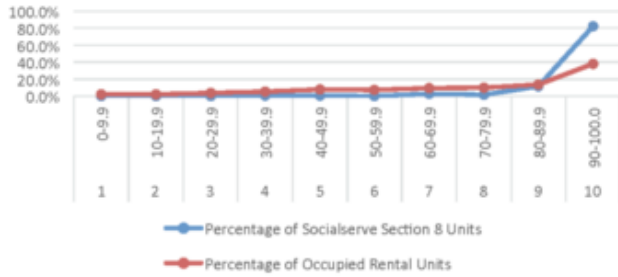


*Numbers in parentheses represent total count of listings

Source: Miami-Dade Section 8 Apartment Listings available at www.socialserve.com accessed in 5/1/2014. U.S. Census Bureau Boundary Files, 2008-2012 American Community Survey

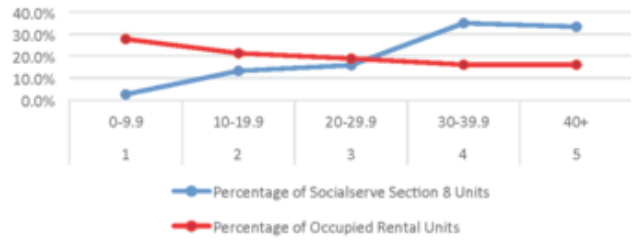
Miami

Distribution of rental units and apartment listings by neighborhood minority population



Miami

Distribution of rental units and apartment listings by neighborhood poverty concentration



Conclusion

The maps of the listings of the five largest PHAs that use GoSection8, and the selected listing from Socialserve, share a number of similarities as well as a few differences. It is clear from the maps that high percentages of listed apartments were in predominantly minority areas, although there are differences in the level of concentration. Additionally, the units were generally concentrated in areas of high poverty, although differences in the level of concentration exist among PHAs. With limited choices in lower poverty neighborhoods, these listings may cause voucher holders to re-concentrate in higher poverty neighborhoods – a result the HCV program was created to avoid.

The distribution of the listings should also trigger concerns about potential fair housing law violations. Public housing authorities are required to affirmatively further fair housing, including through their policies around client search processes. All parties (including the PHAs as well as the listing services) must avoid policies or practices that have a discriminatory impact by reinforcing segregation, or steering clients toward segregated neighborhoods.

Additionally, eight states and numerous municipalities have source of income protections that specifically include Housing Choice Voucher (HCV) assistance.¹⁷ In states with source-of-income protection, the Websites should not distinguish between voucher holders and non-voucher holders since discrimination on this basis is potentially a violation of the state source-of-income law. However, both GoSection8 and Socialserve appeared to sort apartments according to whether vouchers were accepted.¹⁸

Based on the above findings, we recommend that PHAs and listing services take steps to provide clients with more balanced offerings. Such steps should include redesign of the listing sites to clarify source-of-income protections; concerted efforts for landlord outreach in low-poverty areas; expressly listing at least an equal number of apartments in low poverty, non-segregated neighborhoods, and counseling and other informational services to help clients identify the listings that provide the best opportunities for their families.

17 PRRAC, Appendix B: State, Local and Federal Laws Barring Source-of-Income Discrimination *available at* <http://www.prrac.org/pdf/AppendixB.pdf> (listing Connecticut, District of Columbia, Maine, Massachusetts, New Jersey, North Dakota, Oklahoma, Oregon and Vermont as the states that have source-of-income protection that specifically includes housing choice vouchers).

18 When searching for a rental on GoSection8.com a perspective renter can type in the city, state or zip code in which they are searching and click a magnifying glass to return search results. Regardless of where a renter is searching, the format of the search results page is uniform. There is a "Section 8" tab, a "Standard" tab and an "All" tab which combines both the "Section 8" and the "Standard" units. In the eight states and the District of Columbia, we searched for rentals on GoSection8.com in the most populous city of each. The cities in Maine, North Dakota, and Vermont either had no listings or had just one listing. In the remaining four states and the District of Columbia our search results were categorized by "Section 8", "Standard" and "All." Socialserve does not currently provide listings for Massachusetts, North Dakota, Oregon or Vermont, but in Maine, New Jersey and Oklahoma renters are asked whether they have a voucher even though those states have source of income protection. Connecticut and District of Columbia renters were not asked whether they had a voucher.

Acknowledgments

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