

MPLP comments to the House Judiciary Committee supporting HBs 4062-4063 and SBs 205-207

The Michigan Poverty Law Program (MPLP) supports HBs 4062-4063 and SBs 205-207. They would increase rental housing opportunities for many Michigan low-income families too often denied them.

The extremely limited housing choices facing the families who these bills would benefit, particularly HUD voucher holders, frequently consign them to renting units in areas highly segregated by race and poverty.¹ These bills would enhance their housing choice (helping to further a goal of the Housing Choice Voucher (HCV) program, HUD's largest rental assistance program) by making it harder for landlords to refuse to rent to families with HCVs and other housing assistance, particularly some of the especially vulnerable low-income populations these programs serve including persons with disabilities, veterans, and families with kids.

Yes, source of income ("SOI") protections would put some very modest burden on landlords, such as the inspection requirement. But any burden on landlords is greatly limited by the number of vouchers in circulation in Michigan (contrary to common belief, only 1 in 4 families who are eligible for permanent federal housing assistance get it²). There are fewer than 65,000 vouchers authorized in Michigan. 56,604 are reported as currently under lease.³ That's about 5% of the almost 1.1 million renter-occupied housing units in Michigan.⁴

More significantly, the real benefits to SOI protections far outweigh any burdens. Landlords get the near equivalent of a federally guaranteed monthly housing assistance subsidy payment (HAP). They also avoid potential fair housing liability for refusing to rent to families based on their SOI. And, landlords, tenants and their communities have a rental unit that has passed inspection.

More helpfully, source of income protections would likely lead to higher success rates for families using vouchers, some decline in housing segregation, and realization by more low-income families of the proven favorable outcomes, especially for kids, of living in low poverty "high opportunity" areas⁵. These protections would also counter the pretext for unlawful discrimination that refusing to accept vouchers too often is, and the stigma, myths, stereotypes, and prejudices that too commonly and unfairly deny rental housing opportunities to HCV families (and the protections wouldn't prevent landlords from using legitimate rental screening criteria for rental applicants).

While other interventions are needed to improve housing choice for low-income families, most notably significant additions to the supply of affordable (or anywhere near affordable) rental housing units, and higher HCV subsidy values and housing mobility programs, enacting these bills would very meaningfully and affirmatively expand housing choice for many of our most housing needy families.

¹ DeLuca, Garboden, & Rosenblatt: Segregating Shelter: How Housing Policies Shape the Residential Locations of Low-Income Minority Families (May 2013) (<https://krieger.jhu.edu/sociology/wp-content/uploads/sites/28/2012/02/Segregating-Shelter-How-Housing-Policies-Shape-the-Residential-Locations-of-Low-Income-Minority-Families.pdf>)

² CBPP Chart Book: Funding Limitations Create Widespread Unmet Need for Rental Assistance (February 2022) (<https://www.cbpp.org/research/housing/funding-limitations-create-widespread-unmet-need-for-rental-assistance>)

³ HUD HCV Data Dashboard – Summary Page (https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/dashboard)

⁴ Census ACS 1-Year Estimates Data Profile, 2021 (<https://data.census.gov/table?q=DP04&g=040XX00US26&tid=ACSDP1Y2021.DP04>)

⁵ Ellen, O'Regan, Harwood: Advancing Choice in the Housing Choice Voucher Program: Source of Income Protections and Locational Outcomes (May 2022) (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4102425)