



RACE AND SOURCE OF INCOME DISCRIMINATION IN RENTAL HOUSING

IN MARIN, SONOMA, & SOLANO COUNTIES

**FAIR HOUSING ADVOCATES
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FOREWORD

Over 300,000 families in California receive Housing Choice Vouchers (also known as “Section 8”) to ensure that lower-income renters can afford to live in a variety of neighborhoods, including those with higher opportunity, with the goal of limiting segregation and homelessness. However, to date, the voucher program has been unable to accomplish its goals in many jurisdictions due in large part to private landlords’ refusal to consider renting to such individuals. Additionally, voucher holders, who are disproportionately members of protected classes, often also face significant other barriers to housing opportunity, including discrimination based on race and other protected characteristics.

Discrimination in rental housing on the basis of race is already illegal under state and federal law. However, in an effort to increase housing opportunities for voucher holders, the California state legislature recently also made it illegal to discriminate on the basis of voucher status. While California’s Fair Employment and Housing Act (FEHA) already prohibited discrimination based on person’s source of income, in 2020 the state legislature amended FEHA to expand the definition of a legal source of income to include federal, state and local rental subsidies, including Housing Choice Vouchers (HCVs). Despite numerous city and county governments in California having already enacted similar ordinances (including some jurisdictions in Marin County) prior to 2020, SB 329 expanded source of income protections for voucher holders throughout the entire state.

While discrimination based on voucher status is not expressly prohibited under federal law, a housing provider’s policy of not renting to voucher holders may be illegal under both state and federal law if it is applied differently to some groups or applicants as compared to others. For example, if a landlord has a general policy of not accepting HCVs but makes exceptions for only white voucher holders, this practice violates federal law because it treats non-white applicants less favorably than white applicants. Additionally, even if a “no Section 8” policy is applied neutrally to all applicants, it may still violate federal law if it has a discriminatory effect. In most places, including the Bay Area, voucher holders are disproportionately members of protected classes (eg: women, people of racial and ethnic minorities, people with disabilities, and people with minor children), so refusing to rent to voucher holders likely has a disproportionate effect (or disparate impact) on other protected groups.

In order for the HCV program to function as it was intended and provide safe, stable housing for low-income individuals and families in a manner that promotes racial/ethnic integration, greater participation is required from a broader range of housing providers. In theory, this should have happened as a result of the passage of SB329; however, testing is necessary to measure the extent of the problem and/or improvements as a result of recent changes in the law. The purpose of this audit was to assess the extent to which Black HCV holders still experience discrimination or differential treatment in the initial stages of home seeking process based on their race and voucher status.

This audit was carried out from December 2021 through April 2022, by FHANC’s Investigation Coordinators, Ursula Lindsey, Maria Callahan and Quinn McFeeters, under the supervision of Supervising Attorney, Julia Howard-Gibbon, and Executive Director, Caroline Peattie. Ms. Howard-Gibbon analyzed the investigations and prepared this audit report, under the supervision of Ms. Peattie. Those responsible for this report hope the results and recommendations contained herein will heighten awareness and encourage a cooperative effort by all segments of the communities in Marin, Sonoma, and Solano counties to eliminate discrimination on the basis of race and source of income and to educate housing providers on their obligation to rent to people with rental subsidies.ⁱ

EXECUTIVE SUMMARY

This report details the results and subsequent recommendations following an investigation by Fair Housing Advocates of Northern California (FHANC) of discrimination against prospective Black Housing Choice Voucher (HCV) holders in Marin, Sonoma, and Solano counties (“tri-county area”). While discrimination on the basis of a renter’s source of income has been illegal in California for some time, only recently have these protections been extended to HCV holders, who have historically experienced barriers to housing opportunity based on their voucher status as well as membership in other protected classes.

This audit investigation examined sixty-nine (69) rental properties in the tri-county area; 27 in Marin County, 22 in Solano County, and 20 in Sonoma County. All tests consisted of match-paired phone or email tests, comparing the experiences of Black and white testers posing as voucher holders seeking rental housing. Testers contacted housing providers and inquired as to whether the property accepted Section 8 vouchers and, if so, whether voucher holders were required to meet a minimum income threshold in order to qualify for the unit.

FHANC then analyzed the tests to determine whether Black testers were treated less favorably than white testers and/or whether housing providers had policies that were discriminatory toward voucher holders. FHANC found that 70.83% of the housing providers tested discriminated on the basis of race (41.51%) and/or source of income (61.82%).¹

Tests conducted in Sonoma County revealed the most evidence of race discrimination (62.5%) and source of income discrimination (87.50%); with 92.31% revealing at least some evidence of either or both. Housing providers in Solano County were the least discriminatory; with 31.58% of tests revealing evidence of race discrimination and 44.44% revealing evidence of source of income discrimination. Tests at large properties showed significantly less evidence of source of income discrimination (36.36%) than tests conducted at small and medium sized properties (67.86% and 68.75% respectively). Email tests uncovered evidence of source of income discrimination at almost the exact same rate as phone tests (61.54% v. 61.90%).

The data speaks loudly and clearly: regardless of the recent expansion of the FEHA’s definition of source of income, voucher holders still face significant barriers in housing. These findings point to the need for more enforcement actions as well as increased education and outreach to property owners and managers; particularly those of smaller properties and/or those in Sonoma County where instances of discrimination were the highest. The fact that housing providers were willing to reveal discriminatory voucher policies in writing, suggests that at least some were likely unaware of their obligations under the law, underscoring the need for increased education and outreach.

Based on these results, FHANC has proposed a number of recommendations for the housing industry and community at large to help remove the barriers in housing that exist for voucher holders, particularly those who are racial/ethnic minorities. Considering the lack of affordable housing in the Bay Area, the HCV system is a crucial means for low-income families to access areas of high opportunity and it is critical that we address the systemic discrimination these families face.

¹ Note that tests that were determined to be inconclusive in one or both protected class category (race or source of income) and were not considered in the analysis for that category.

RACE AND SOURCE OF INCOME DISCRIMINATION IN RENTAL HOUSING

AUDIT REPORT

I. INTRODUCTION

This report presents results of an audit for race and source of income discrimination against Black renters with Housing Choice Vouchers (also known as Section 8) in Marin, Sonoma, and Solano counties in California. The was conducted by Fair Housing Advocates of Northern California (FHANC) between December 2021 and April 2022.

A. FAIR HOUSING ADVOCATES OF NORTHERN CALIFORNIA

FHANC is a private nonprofit organization dedicated to assisting individuals experiencing housing discrimination and educating the community, including tenants, housing providers, and government employees, as to their rights and responsibilities under federal and state fair housing laws. The mission of FHANC is to ensure equal housing opportunity and to educate the community on the value of diversity in housing.

FHANC provides free comprehensive fair housing counseling services to individuals alleging housing discrimination in Marin County, Sonoma County (except the incorporated city of Petaluma), and the cities of Fairfield and Vallejo in Solano County. FHANC also provides other services, such as foreclosure prevention counseling and trainings to housing providers, in other neighboring counties.

In addition to counseling and education services, FHANC recruits, trains and employs fair housing testers in order to investigate claims of housing discrimination and to assist in conducting systemic investigations, such as the one described in this report.

B. LEGAL BACKGROUND

1. Federal Fair Housing Laws

Title VIII of the Civil Rights Act of 1968, commonly known as the Fair Housing Act (FHA), prohibits discrimination in housing on the basis of a federally protected class. The FHA specifically states that because of race, national origin, color, religion, sex/gender, disability or familial status, it is illegal to:

- a. Refuse to sell or rent after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling;
- b. Discriminate in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities;
- c. Make, print, or publish, or cause to be made, printed, or published, any notice, statement, or advertisement with respect to the sale or rental of a dwelling that indicates discrimination, preference, or limitation;

- d. Represent that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact available;
- e. For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, handicap, familial status, or race; and/or
- f. Refuse to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.

While source of income is not a protected class under federal law, a source of income-related policy may still violate the federal Fair Housing Act if the housing provider applies it differently to some groups or applicants as compared to others. For example, if a landlord has a policy of not accepting Section 8 but makes exceptions for only white voucher holders, this practice would be discriminatory under federal law because it treats members of a protected class (non-white applicants) less favorably.

Additionally, the Fair Housing Act prohibits housing practices that have a discriminatory effect, even if there has been no intent to discriminate, if the practice actually or predictably results in a “disparate impact” on a group of people or creates, increases, reinforces, or perpetuates segregated housing patterns because of race, color, religion, sex/gender, disability, familial status, or national origin. Such a practice will only be upheld if the housing provider can show that the practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest that cannot be served by another practice that has a less discriminatory effect.

Therefore, even if a housing provider’s policy of refusing to rent to HCV holders is applied neutrally to all applicants, such policy may still violate the Fair Housing Act because in most places, including the Bay Area, voucher holders are disproportionately members of protected classes (eg: women, people of racial and ethnic minorities, people with disabilities, and people with minor children); therefore, refusing to rent to voucher holders in such an area would likely have a disproportionate effect (or disparate impact) on members of protected groups.

2. California/Local Fair Housing Laws

In California, the two primary state fair housing laws are the Fair Employment and Housing Act (FEHA) and the Unruh Civil Rights Act. These laws incorporate the same protected classes of persons as federal law, and also prohibit discrimination based on marital status, sexual orientation, source of income, ancestry, immigration status, citizenship, primary language and arbitrary factors such as age or occupation.

In late 2016, Marin County passed a local fair housing ordinance that established protections for renters based on source of income, including renters using third-party housing subsidies such as HCVs. While California state law already provided that it was unlawful to discriminate based upon one’s source of income, at that time the definition was narrow and did not include third-party housing subsidies such as HCVs, Veterans Affairs Supportive Housing (VASH), Housing Opportunities for People with Aids (HOPWA), and Shelter Care Plus vouchers. The ordinance made it unlawful for housing providers in the unincorporated parts of Marin County to refuse to consider renters using

housing subsidies, to offer different terms and conditions, such as higher security deposits, or to make discriminatory statements, such as “No Section 8.”

Following the County, a number of other jurisdictions also adopted similar policies in order to address some of the barriers to housing choice faced by individuals using these subsidies, who are often members of other protected classes. In April 2018, the town of Fairfax implemented a similar ordinance, followed by the city of Novato in September 2018, and the cities of San Anselmo and San Rafael in December 2018.

Then in 2019, in response to the severe shortage of affordable housing in the state and barriers preventing vulnerable low-income families from accessing housing of their choice, the California Legislature passed Senate Bill 329 (SB 329). SB 329 is a bill that amended FEHA to include housing subsidies and third-party rental assistance within the definition of source of income. As of January 1, 2020, nearly all housing providers in the state of California are required to accept applicants or tenants who have Section 8 or other housing subsidies, the only exception being owner-occupied single-family dwellings with only one renter in the same shared living space.

Housing providers may still deny a rental application submitted by an individual with Section 8, but not because they have a voucher. Furthermore, they may not use more stringent requirements or have different eligibility criteria for such applicants. In addition, while housing providers may require that an applicant meet an income threshold based on the rent for a particular unit in order to qualify for the unit, the income requirement must be assessed for voucher holders in accordance with California state law. Pursuant to Cal. Govt. Code §12955(o), if such applicant is a voucher holder, that income threshold must be calculated based on the amount of rent that will be paid by the tenant (i.e. the tenant’s portion), rather than the entire contract rent.

3. Housing Provider Responses to New Voucher Protections

While California and local jurisdictions have expanded the definition of source of income to include vouchers, there has been and still remains significant opposition from the landlord community. Additionally, housing providers seem to be unaware of the proper applicability of income requirements with voucher holders or intentionally misapplying the income requirement to make voucher holders ineligible. FHANC monitors advertisements online with potentially discriminatory statements and sends notification letters, sharing its fair housing concerns. Since the enactment of these local ordinances and SB329, FHANC has made concerted efforts to focus its education efforts on source of income protections, highlighting the change in the law and how income requirements work. The response from housing providers has varied from hostility to appreciation. FHANC also recently settled two enforcement actions – one lawsuit and one administrative complaint with the Department of Fair Employment and Housing (DFEH) – against housing providers in the tri-county area for refusing to rent to HCV holders and/or applying minimum income requirements in a manner that effectively excludes voucher holders.

C. OVERVIEW OF HOUSING CHOICE VOUCHER PROGRAM

The Housing and Community Development Act of 1974 developed Section 8 rental housing assistance programs to assist low-income families, seniors, and people with disabilities to access safe, affordable housing. The Quality Housing and Work Responsibility Act of 1988 combined the Section 8 voucher

and certificate programs under the HCV program. The HCV program is the Department of Housing and Urban Development (HUD)'s largest rental assistance program, providing assistance to more than 2.2 million low-income families.² HUD funds Public Housing Authorities (PHAs) nationwide; the PHAs administer the HCV program and pay funds directly to private landlords, with the HCV recipient paying the remaining portion of contract rent, which is an amount determined based upon the household income. HCV holders pay approximately 30% of their household income toward rent (but it may be up to 40%) and the PHA covers the balance. In order to be eligible for a voucher, the household's total income must not exceed 50% of the Area Median Income. PHAs set local payment standards based on HUD's Fair Market Rents, which cap for the total rent to be charged to the PHA and the tenant, limiting the pool of available housing where participants may use their HCVs.

While housing providers are now obligated to accept HCVs, many still refuse to accept HCVs outright or use HCV's as a pretextual reason for denying rental applications in order to conceal discrimination based on race and/or national, as evidenced by the results of FHANC's 2018-19 and 2020 audits. HCV holders, who often represent members of protected classes, such as people with disabilities, families with children, and racial and ethnic minorities, continue to face significant barriers to accessing housing. These barriers and concerns of disparate impact discrimination are some reasons why certain jurisdictions (such as the state of California) have enacted local ordinances that prohibit discrimination based on voucher status.

D. AUDIT BACKGROUND

For more than 20 years, FHANC has conducted multiple telephone, in-person, and email audits in several Bay Area counties designed to measure the extent of discrimination in housing against members of protected classes, particularly ethnic and racial minorities. Historically, the results of these audits suggest that unlawful discrimination based on race continues to be pervasive.

1. Previous Race and Source of Income Audits

In 2004-05, 2013, 2015-16, and 2018-19, FHANC conducted race audit testing in Marin, Sonoma, and/or Solano Counties. Results of this testing found evidence of discrimination against Black renters, whether the testing was conducted over the telephone or in person.

In 2004-05, FHANC found that Black testers encountered less favorable treatment than white testers 55% of the time in Marin County and 80% of the time in Sonoma County. In 2013, FHANC conducted a Black Voice Identification audit in Solano County, revealing that Black testers received less favorable treatment in the rental housing market 50% of the time.

In 2016-2017, FHANC conducted a race/familial status audit in Marin and Sonoma Counties, indicating significant discrimination in both counties, with 42% of tests conducted in Marin County and 57% of tests conducted in Sonoma County indicating less favorable treatment toward Black testers (including families with children).

In 2018-19, FHANC conducted an audit that assessed the extent to which prospective renters who are

² U.S. Department of Housing and Urban Development, Office of Policy Development and Research, September 20, 2018. <https://www.huduser.gov/portal/sites/default/files/pdf/Landlord-Acceptance-of-Housing-Choice-Vouchers.pdf>

Black and/or HCV holders experienced discrimination in the tri-county. 67% of the tests conducted during that investigation showed at least some level of discrimination based on race and/or source of income.

II. AUDIT GOALS AND METHODOLOGY

A. WHAT IS A FAIR HOUSING AUDIT?

A fair housing audit is a way to assess compliance or non-compliance with federal and state fair housing laws. It is a controlled measurement of the difference in quality, quantity, and content of information and services afforded to home seekers (testers) by housing providers. An audit differs from a complaint-based testing in that it gives a broad overview of housing provider behavior in a given market during a certain time period. Fair housing organizations routinely conduct audits as an educational and enforcement tool.

B. DEFINITIONS

1. **Testing** – an investigative tool used to gather evidence of potential housing discrimination that involves one or more testers and is generally covert in nature.
2. **Test** – an investigation of a particular property, involving one or more testers/ test parts.
3. **Investigation** (multiple meanings) – one test targeting a single housing provider (with one or more test parts); a series of tests targeting a single housing provider; OR an audit of multiple housing providers in a target geographic region.
4. **Test Part** – a contact or series of contacts via phone and/or email by a single tester/profile with a target housing provider (eg: a match paired test consists of two test parts).
5. **Complaint Test** – a test conducted to corroborate (or refute) existing evidence of discriminatory practices, including: reports from tenants/applicants/advocates of their experiences with a particular housing provider; a stated policy in a rental listing, house rules, bylaws or other document; or the results of a prior test or tests.
6. **Audit** – a controlled and systematic way to assess compliance or non-compliance with fair housing laws by housing providers in a particular housing market by using testers to determine how people with protected characteristics are treated in the rental or homebuying process; an audit differs from complaint-based testing in that target properties are not chosen based on prior evidence of discrimination.
7. **Single-Part Test** – a test that involves only one tester; usually used to determine whether a discriminatory policy exists.
8. **Match Paired Test** – a two-part test that involves two similarly matched testers – one control and one protected – posing as comparably qualified home seekers, on personal, financial, and other characteristics; used to detect differences in service, information, or treatment.

9. **Control Tester** – a tester whose profile does not include protected characteristics.
10. **Protected Tester** – a tester whose profile includes one or more protected characteristics.
11. **Tester Profile** – the characteristics and backstory assigned to a tester prior to conducting a test, which may include an alias, financial characteristics (such as income and credit information), an address, employment, a spouse, and/or one or more protected characteristic.

C. AUDIT GOALS

1. **To identify instances of differential treatment/discrimination at available rental sites**, including houses and larger multi-family complexes, thus indicating the extent to which Black renters using HCVs face difficulty in securing rental housing in Marin, Sonoma, and Solano Counties due to race discrimination.
2. **To conduct additional tests** where results indicate potential discrimination, and to conduct additional investigations at sites where results suggest that further investigation could yield stronger evidence of discrimination.
3. **To bring minor violations to the attention of housing providers**, in order to increase awareness of the potential consequences of engaging in discriminatory practices and prevent future transgressions.
4. **To file enforcement actions** (lawsuits or administrative complaints) in cases with strong evidence of differential treatment/discrimination.
5. **To increase awareness by housing providers** of the difficulties Black renters and HCV holders experience in securing rental housing.
6. **To make Black home seekers, including HCV holders, aware of discriminatory practices** they may experience and the services provided by FHANC to assist people in securing housing rights.
7. **To offer training to housing providers** on fair housing laws and practices in order to forestall future discrimination.

D. GEOGRAPHIC SCOPE OF AUDIT

FHANC tested a total of 69 properties; 27 in Marin County, 20 in Sonoma County, and 22 in Solano County. In Marin County, FHANC tested properties in Greenbrae, Kentfield, Larkspur, Mill Valley, Novato, San Anselmo, San Rafael, and Sausalito. In Sonoma County, properties were located in Cloverdale, Guerneville, Petaluma, Rohnert Park, Santa Rosa, Sonoma, and Windsor. And in Solano County, FHANC tested properties in Fairfield, Suisun City, Vacaville, and Vallejo.

FHANC attempted to test properties in areas representing a cross section of more densely populated cities as well as more suburban and rural areas with lower population densities. However, it was

difficult to find qualifying properties in small cities/unincorporated townships, due to smaller population size and lack of available rental housing, as well as properties in more expensive areas, where the cost of rental housing usually exceeds relevant Section 8 payment standards.

E. AUDIT METHODOLOGY

1. Types of Investigations

Investigations coordinators conducted a total of 69 match-paired phone or email tests within the target geographic area, totaling 138 test parts.

For each phone investigation, the investigations coordinator selected two testers – a “protected tester” and a “control tester” – to carry out each test part. A Black tester was selected as the protected tester and a white (non-Latinx) tester was selected as the control tester. Each tester was assigned a profile that included a Housing Choice Voucher as well as other relevant financial and personal information, and was assigned to call a target property posing as a prospective renter.

For each email investigation, the investigations coordinator created three separate profiles – a “protected profile,” a “control profile” and an “vacancy-check profile” – and created corresponding email addresses for each profile. Each protected profile had a Black-sounding name and a Housing Choice Voucher, each control profile had a white-sounding name and a Housing Choice Voucher, and each vacancy-check profile had a white-sounding name but no Housing Choice Voucher. The investigations coordinator emailed each target property from the protected profile and control profile for that test, posing as prospective renters. The vacancy-check profile was only deployed if neither the control nor the protected profile received a response.

2. Sampling Techniques

Investigation coordinators selected appropriate properties to test within the target geographic areas from advertisements posted on online sources (including but not limited to Craigslist.com, Trulia.com, Hotpads.com, Apartments.com, and Zillow.com) and sign postings. Shared homes were not tested, nor were vacation homes or short-term rentals.

The investigations coordinators did not select any properties where the advertisement included any statement as to whether the housing provider accepts or does not accept HCV subsidies. For example, listings that advertised either “no Section 8” or “Section 8 welcome” were not selected for testing.

The investigations coordinators selected properties where the advertised rent did not exceed the maximum payment standard for the size of the unit, pursuant to the Housing Authority’s payment standards for each jurisdiction. However, if no such property could be identified in a particular geographic area, the investigations coordinators selected properties in the target area that were as close to the payment standard as possible.

3. Recruitment, Screening, and Training of Testers

a. Tester Training

All testers received fair housing tester training and training in investigations procedures. All testers also received specialized training in the HCV program so they were able to competently speak about the program with rental agents.

b. Tester Selection

For phone tests, only testers with voices clearly identifiable as Black were selected as protected testers and only testers with voices clearly identifiable as white (non-Latinx) were selected as control testers.

4. Phone Investigations Procedure

a. Property Selection

For each test, the investigations coordinator identified a rental property in the target geographic area, pursuant to the sampling techniques set forth above.

b. Tester Selection

For each test, the investigations coordinator assigned two testers – one Black tester as the protected tester and one white tester as the control tester. Each tester was matched to their counterpart as closely as possible in age, gender and temperament. However, testers were sometimes matched with a person of the opposite gender if both testers' profiles include heterosexual spouses. None of the testers selected had obvious disabilities, so as not to introduce additional protected variables.

c. Profiles

For each test, the investigations coordinator created and assigned each tester a profile with an alias, a Housing Choice Voucher, and other personal background information. Black testers were assigned Black-sounding names as aliases and white testers were assigned white-sounding names as aliases. The matched profiles were designed to avoid any indication of difference in protected class characteristics other than race. For example, if the protected profile included a spouse, it was matched with a control profile that also included a spouse. None of the profiles included children or disabilities and none of the profiles were Latinx. This was done to avoid the introduction of additional protected variables.

All profiles included participation in the HCV program and information about the voucher, such as the applicable housing authority, the payment standard for the jurisdiction, the voucher size (i.e. number of bedrooms), the expiration date of the voucher, and an approximation of the tenant's monthly rent portion. All profiles included employment and income information. Household employment incomes were set low enough to qualify for the HCV program but high enough to cover basic monthly expenses. No profiles included any source of income other than employment and HCVs.

Matched profiles included roughly equivalent rental credentials, including similar household incomes and similar rental histories. However, the protected profiles had slightly higher incomes and slightly more stable rental histories than their control counterparts. Both testers were instructed to express identical housing needs, such as the number of bedrooms and price range.

Each profile included an email address for testers provide to the housing provider if requested. The email accounts were created and managed by the investigations coordinators. The email address assigned to each tester corresponded with the tester's alias.

d. Test Assignments

For each test, the investigations coordinator created a test assignment for each tester based on the information collected from the rental listing. The test assignments included information about the listing (i.e. the phone number of the agent and the address of the property), instructions for conducting the test, the tester's profile, and a copy of the rental listing.

Prior to starting the test, the investigations coordinator briefed each tester via phone and/or email and sent each tester their test assignment. Testers were instructed to review their test assignments, acknowledge receipt and understanding of the test instructions, and discuss any questions or concerns about their assignments with the investigations coordinator prior to starting the test.

e. Phone Tests

For phone tests, each tester started the test by calling the listed rental agent. The protected tester was instructed to start the test as soon as possible after reviewing the assignment (within reasonable business hours). The control tester was generally instructed to start the test within a reasonable amount of time after the protected tester completed the test (ideally within 24 hours, if possible).

If the tester reached an answering machine, the tester was instructed to leave a message stating their name (alias), phone number and their interest in the listed property. Testers were instructed not to include any other information about their profile in the message other than their name and phone number.

If the tester reached a person associated with the listed property (e.g. the owner or agent), the tester introduced themselves and stated that they were calling about the advertised unit. Testers were instructed to seek information from the rental agent about the rental unit and the rental process. If the tester was asked any questions about themselves by the agent, the tester was instructed to answer according to the tester's profile.

Testers were instructed to disclose that they had an HCV near the end of the test and ask if the landlord accepted vouchers. If the tester was told that the landlord did not accept vouchers, the tester was instructed to get more information about the policy (e.g. "Can I ask why not?" or "Is that management's policy or the owner's policy?"). If the tester was told that the landlord did accept vouchers, testers were instructed to inquire about whether there was a minimum income requirement, and if so, how such a requirement was applied to people with HCVs.

Phone testers were instructed to express interest in the property; however, they were told not to view the property, submit a completed rental application, or agree to a background check. If the agent asked to schedule a viewing during the test, the tester was instructed to give a reason consistent with their profile for why they could not schedule a viewing at that time (e.g. "I have to check with my wife about her availability first and then call you back").

f. Debriefs

After each test, the investigations coordinator debriefed the tester in via phone or email, generally within 24 hours of completing the test. During the debriefing, the tester gave the investigations coordinator a description of what happened during the test and discussed any issues or concerns that may have arisen. In some cases, where the investigations coordinator determined that additional information was needed, testers were instructed to call the agent back with additional questions.

g. Test Reports

After each test, each tester completed a Report Form in which they documented all the information gathered during the test, including the agent's name/title, the address of the unit, the number of bedrooms, the monthly rent amount, the security deposit amount, any lease options, the date of availability, and any other information that the agent may have provided or sought from the tester (e.g. the tester's income, employment, family size, etc.). In addition to the Report Form, each tester wrote and submitted a narrative description of what happened during the test, including all interactions with the rental agent(s).

5. Email Investigations Procedure

a. Property Selection

For each email investigation, the investigations coordinator searched online listings within the target geographic area and selected a listing that met the sampling techniques set forth above that also included an email address for the rental agent or an online form used to contact the rental agent electronically.

b. Profiles

The investigations coordinator then created three separate profiles – a protected profile, a control profile, and a vacancy-check profile. Only names that were clearly identifiable as Black were used for the protected profiles and only names that were clearly identifiable as white were used for the control profiles and the vacancy-check profiles.

All profiles were designed to avoid any indication of protected characteristics other than race and source of income. For example, if a protected profile included a spouse, it was matched with a control and a vacancy-check profile that also included spouses. None of the profiles included children or disabilities and none of the profiles were Latinx. This was done to avoid the introduction of additional protected variables.

Both the control and protected profiles included participation in the HCV program and information about the voucher, such as the applicable housing authority, the payment standard for the jurisdiction, the voucher size (i.e. number of bedrooms), the expiration date of the voucher, and the tenant's monthly rent portion. The vacancy-check profile did not include a voucher.

All profiles included employment and income information. For the protected and control profiles, household employment incomes were low enough to qualify for the HCV program but high enough to

cover basic monthly expenses. For the vacancy-check profile, the monthly household income was equal to at least three times the monthly rent. No profiles included any source of income other than employment and/or an HCV.

The protected profile and the control profile had roughly equivalent rental credentials, including similar household incomes and similar rental histories. However, the protected profiles had slightly higher incomes and slightly more stable rental histories than their control counterparts. All profiles included identical housing needs (e.g. number of bedrooms, date of availability, etc.).

The investigations coordinator created an email address for each profile. The email address for each profile included some variation of either the first, last or full name of the name associated with the profile. The investigations coordinator also assigned a Google Voice phone number to each profile, which was linked to the email account for the profile. The investigations coordinator had control over the Google Voice accounts and the email accounts for each profile.

c. Email Tests

For each test, the investigations coordinator emailed the rental agent from the protected and control profiles' email addresses, posing as prospective renters.

The investigations coordinator first emailed the agent from the protected profile stating his/her interest in the property, his/her household size (e.g. "My husband and I are interested at the apartment you have listed on craigslist..."), and that he/she has an HCV (e.g. "We have Section 8"). The investigations coordinator then, after a reasonable amount of time, sent an email to the agent from the control profile, which included the same information as the email from the protected profile, except the wording of the email was changed enough to avoid detection that the email was a test.

The investigations coordinator regularly checked the email accounts and the Google Voice accounts associated with each profile. If after a reasonable amount of time an email from either the protected profile or the control profile received no response from the listing agent, the investigations coordinator sent a follow up email from that profile. If at any time during an email test the rental agent requested information about the sender, the investigations coordinator responded according to the profile.

If both the protected and the control profile received no response or both received responses stating that the unit was no longer available, the investigations coordinator sent an email from the vacancy-check profile stating his/her interest in the property and asking if the unit was still available.

III. AUDIT ANALYSIS

A. ANALYSIS PROCESS

For phone tests, FHANC compared the Report Forms and narratives for each test to assess whether matched testers received the same or different treatment from each other. FHANC also reviewed the experiences of the control and protected testers to determine whether there was evidence that the housing provider had any discriminatory policies or practices related to HCVs and/or whether they made any discriminatory statements related to source of income (or any other protected class).

For email tests, FHANC compared the email exchanges between the housing provider and each profile to see whether the matched profiles received the same or different treatment/ information from each other. In tests where the vacancy-check profile was deployed, FHANC reviewed all the exchanges to see if the vacancy-check profile received a more favorable response (or response at all) in comparison to the control and protected profiles. FHANC also reviewed all the email exchanges to determine whether there was evidence that the housing provider had any discriminatory policies or practices related to HCVs and/or whether they made any discriminatory statements related to source of income.

When analyzing results, FHANC considered multiple factors, including but not limited to the following:

1. The housing provider's willingness to rent to each tester/profile;
2. Whether the housing provider offered different rental terms and/or conditions (including amenities and special offers) to the protected tester/profile versus the control tester/profile;
3. Whether the housing provider followed up with either tester/profile after the test was complete;
4. How the housing provider responded (or failed to respond) to initial contact or subsequent contacts by testers/profiles;
5. Information provided to the testers/profiles regarding applicant qualifications, eligibility, or rental criteria; and
6. The housing provider's comments and/or general treatment of testers/profiles indicating encouragement, discouragement, and/or steering.

B. CLASSIFICATIONS BASED ON STRENGTH OF EVIDENCE

FHANC analyzed each test for source of income discrimination and race discrimination separately. For each protected class category, tests that were not found to be inconclusive for that category were classified as either: 1) showing no significant evidence of discrimination, 2) revealing some or potential evidence of discrimination, or 3) showing clear evidence of discrimination.

1. Clear Discrimination

For the purposes of this report, "clear evidence of disability discrimination" refers to clear violations of the Fair Housing Act (FHA) and/or the Fair Employment and Housing Act (FEHA), including but not limited to:

- Having a policy of denying a rental application if part or all of the applicant's income is a housing voucher;
- Applying voucher policies inconsistently based on race and/or offering to make an exception to a stated voucher policy for the control tester but not the protected tester;

- Refusing to rent to or negotiate with a person because they have a housing voucher;
- Having a minimum income policy that requires voucher holders to meet an income threshold based on the entire rent, rather than the amount that would be paid by the tenant, in order to qualify for the rental unit.
- Making a false representation about rental availability to a person because of their race and/or source of income (as evidenced by representations to other testers);
- Offering inferior terms, conditions, privileges or services to a person because of their race and/or source of income;
- Suggesting another neighborhood or property would be more suitable because of a person's race and/or source of income (steering);
- Making discriminatory statements regarding a person's race and/or source of income;
- Stating a preference for certain applicants based on their race and/or source of income or implying that a person's application will likely be denied because of their race and/or source of income; and/or
- Discouraging a person from applying because of their race and/or source of income.

2. Some/ Potential Discrimination

For the purposes of this report, "some/ potential evidence of disability discrimination" refers to some but not clear evidence of a discriminatory policy; statutory violations that do not materially affect the housing transaction; and/or other less significant types of discriminatory policies or practices, such as:

- Responding to an inquiry from a white tester/profile after failing to respond to an inquiry from a Black tester/profile;
- Causing delays in the application process by failing to answer questions related to HCVs, and/or providing confusing or unclear answers to such questions, and/or deferring such questions to another person who is unavailable;
- Refusing to provide information about whether the housing provider accepts vouchers and/or how minimum income requirements are applied to voucher holders until after the person submits an application (and pays an application fee); and/or
- Making negative comments about a housing provider's obligation to rent to accept vouchers under the law.

3. No Discrimination

For the purposes of this report, "no significant evidence of race discrimination" refers to tests where:

- The housing provider did not make any discriminatory statements regarding race;
- The housing provider did not make any statements indicating the existence of a discriminatory practice or policy based on race; and
- Both testers received substantially similar information and/or treatment by the housing provider.

For the purposes of this report, “no significant evidence of source of income discrimination” refers to tests where:

- The housing provider did not make any discriminatory statements regarding source of income and/or vouchers;
- The housing provider did not make any statements indicating the existence of a discriminatory practice or policy related to source of income and/or vouchers; and
- In cases where a vacancy-check profile was deployed, the vacancy-check profile did not receive a response or better treatment than the profiles with vouchers.

4. Inconclusive Tests

Some tests were determined to be inconclusive in one or both protected class category (race or source of income) and were therefore not considered in the analysis for that category. Tests were only classified as inconclusive if there was insufficient contact between the tester and the housing provider to form a basis for comparison and/or to determine whether a discriminatory policy existed.

For example, a test would have been classified as inconclusive for race discrimination where one tester reached the housing provider on the first attempt, but the other did not reach the housing provider and instead left one or more voicemails to which they received no response. In this scenario, the test is inconclusive for race discrimination because there is no point of comparison between the two tests.³ There is no way to compare the housing provider’s response times or responsive behavior toward each tester because one tester left no voicemails and, therefore never required a response, and there is no way to compare other forms of treatment or behavior toward each tester because only one tester made contact with the housing provider.

However, such a test would still be considered conclusive for source of income discrimination, provided the tester who reached the housing provider was able to obtain information about the housing provider’s HCV policies. Tests where the housing provider stated that the rental unit was no longer available before the tester had a chance to ask about HCV policies or where the housing provider failed to respond to questions about HCV policies were determined to be inconclusive as to source of income discrimination.

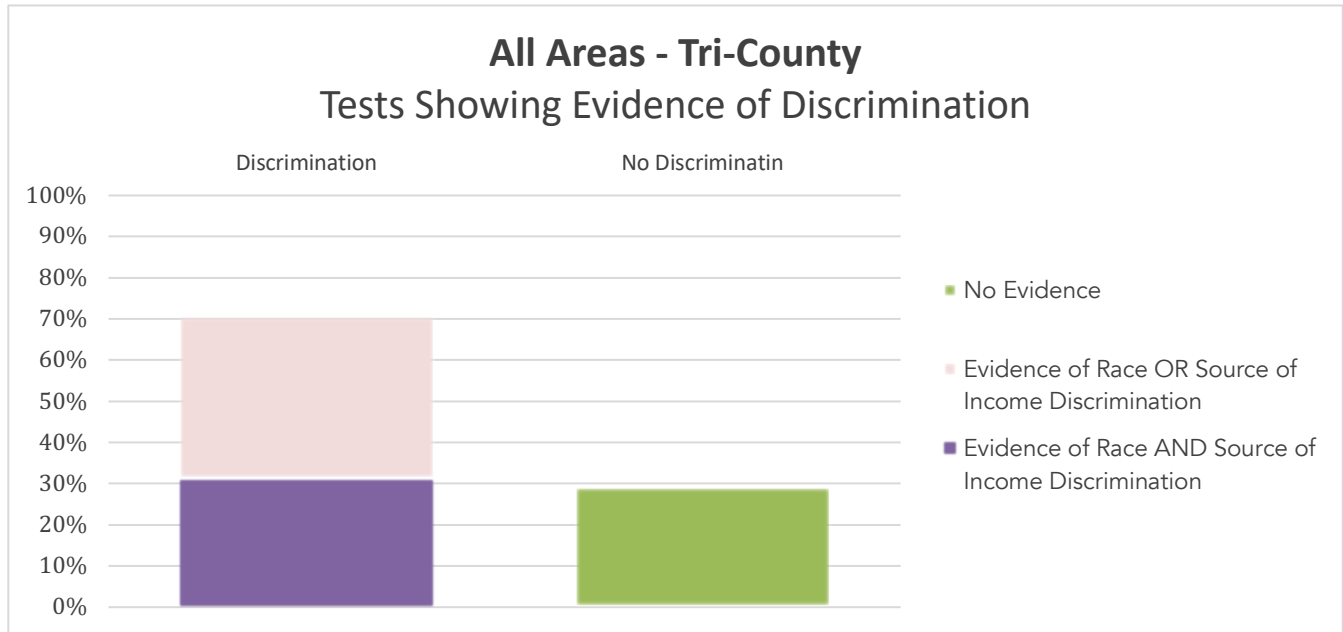
³ In this scenario, there is no way to compare the housing provider’s response times or responsive behavior toward each tester because one tester left no voicemails and therefore never required a response and there was also no way to compare other forms of treatment or behavior toward each tester because only one tester made contact with the housing provider.

III. AUDIT RESULTS

A. RESULTS BY GEOGRAPHIC REGION

1. All Areas – Tri-County

a. Race and/or Source of Income Discrimination

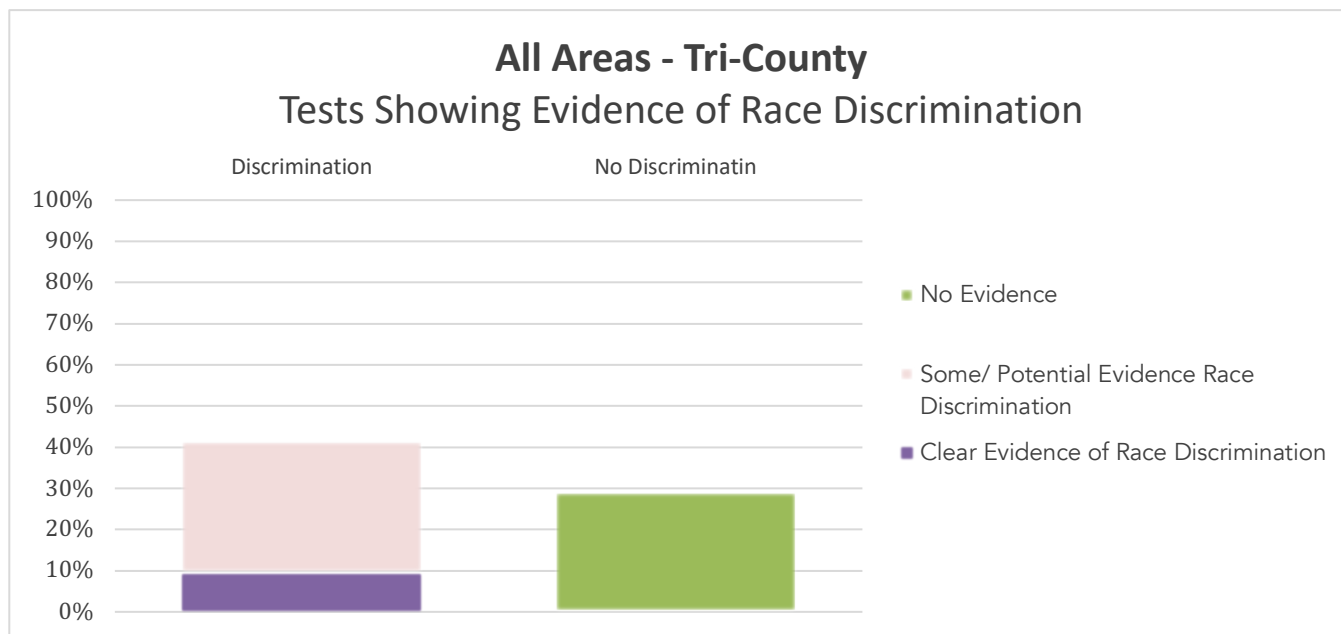


Of the qualifying tests⁴ conducted in Marin, Sonoma and Solano Counties, 70.83% revealed at least some evidence of discrimination based on race and/or source of income, while only 29.17% revealed no significant evidence of discrimination. 31.25% revealed evidence of discrimination based on both race and source of income.

Evidence of Discrimination	Number of Tests	Percent of Tests
Evidence of Race AND Source of Income Discrimination	15	31.25%
Evidence of Race OR Source of Income Discrimination	19	39.58%
Evidence of Race and/or Source of Income Discrimination	34	70.83%
No Significant Evidence of Discrimination	14	29.17%
Total	48	100%

⁴ "Qualifying tests" refers to tests that were not classified as inconclusive for either race or source of income.

b. Race Discrimination

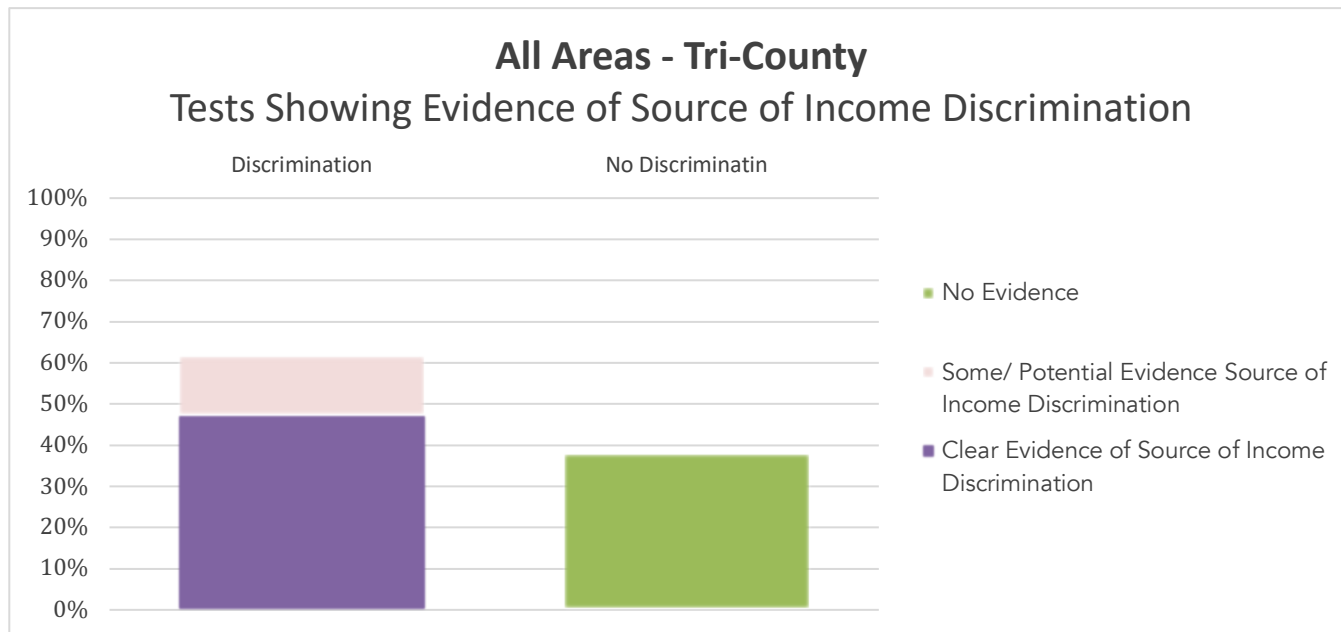


Of the qualifying tests⁵ conducted in Marin, Sonoma and Solano Counties, 41.51% revealed evidence of race discrimination; with 9.43% showing clear evidence of discrimination and an additional 32.08% showing some or potential evidence of discrimination. 58.49% revealed no significant evidence of race discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Race Discrimination	5	9.43%
Some/ Potential Evidence Race Discrimination	17	32.08%
Total Race Discrimination	22	41.51%
No Significant Evidence of Race Discrimination	31	58.49%
Total	53	100%

⁵ "Qualifying tests" refers to tests that were not classified as inconclusive for race.

c. Source of Income Discrimination



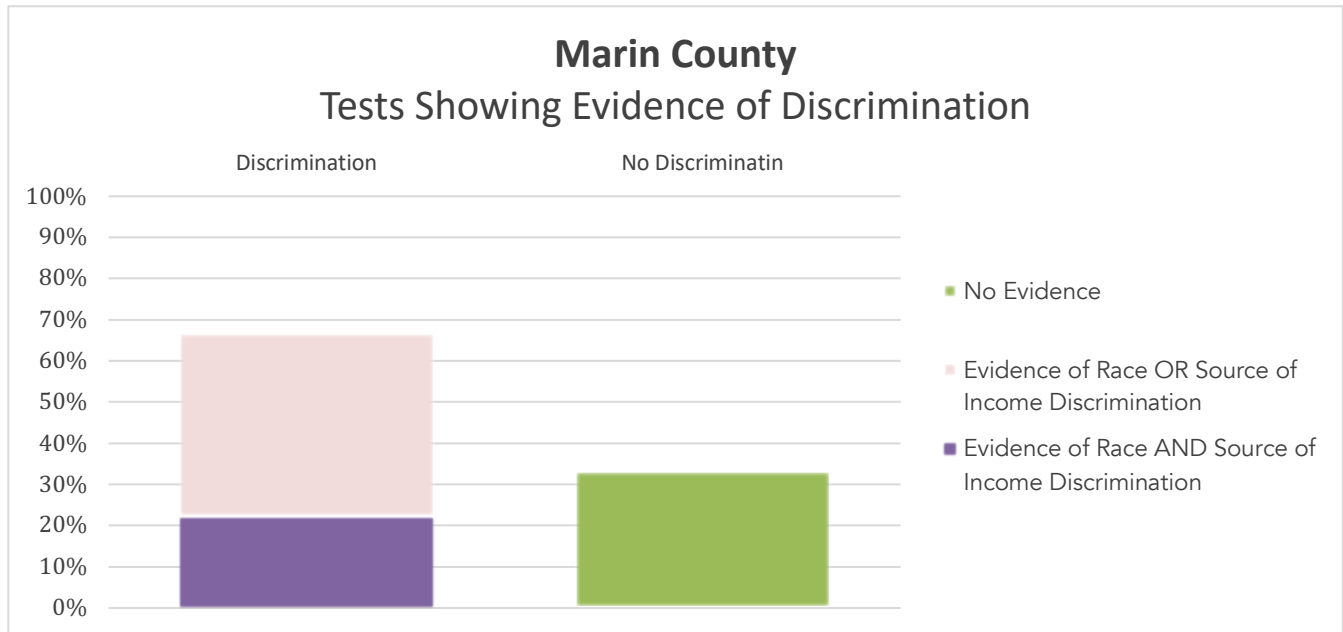
Of the qualifying tests⁶ conducted in Marin, Sonoma and Solano Counties, 61.82% revealed evidence of source of income discrimination; with 47.27% showing clear evidence of discrimination and an additional 14.55% showing some or potential evidence of discrimination. Only 38.18% revealed no significant evidence of source discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Source of Income Discrimination	26	47.27%
Some/ Potential Evidence Source of Income Discrimination	8	14.55%
Total Source of Income Discrimination	34	61.82%
No Significant Evidence of Source of Income Discrimination	21	38.18%
Total	55	100.00%

⁶ "Qualifying tests" refers to tests that were not classified as inconclusive for source of income.

2. Marin County

a. Race and/or Source of Income Discrimination

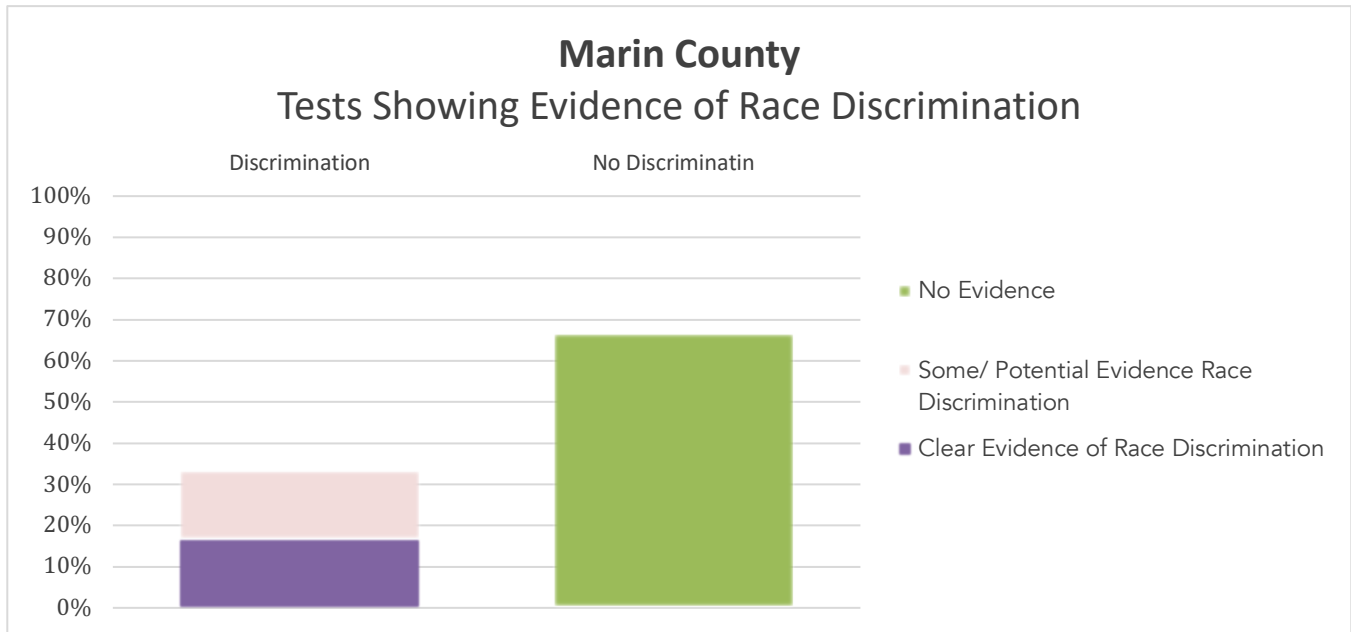


Of the qualifying tests⁷ conducted in Marin County, 66.67% revealed at least some evidence of discrimination based on race and/or source of income, while only 33.33% revealed no significant evidence of discrimination. 22.22% revealed evidence of discrimination based on both race and source of income.

Evidence of Discrimination	Number of Tests	Percent of Tests
Evidence of Race AND Source of Income Discrimination	4	22.22%
Evidence of Race OR Source of Income Discrimination	8	44.44%
Evidence of Race and/or Source of Income Discrimination	12	66.67%
No Significant Evidence of Discrimination	6	33.33%
Total	18	100.00%

⁷ "Qualifying tests" refers to tests that were not classified as inconclusive for either race or source of income.

b. Race Discrimination

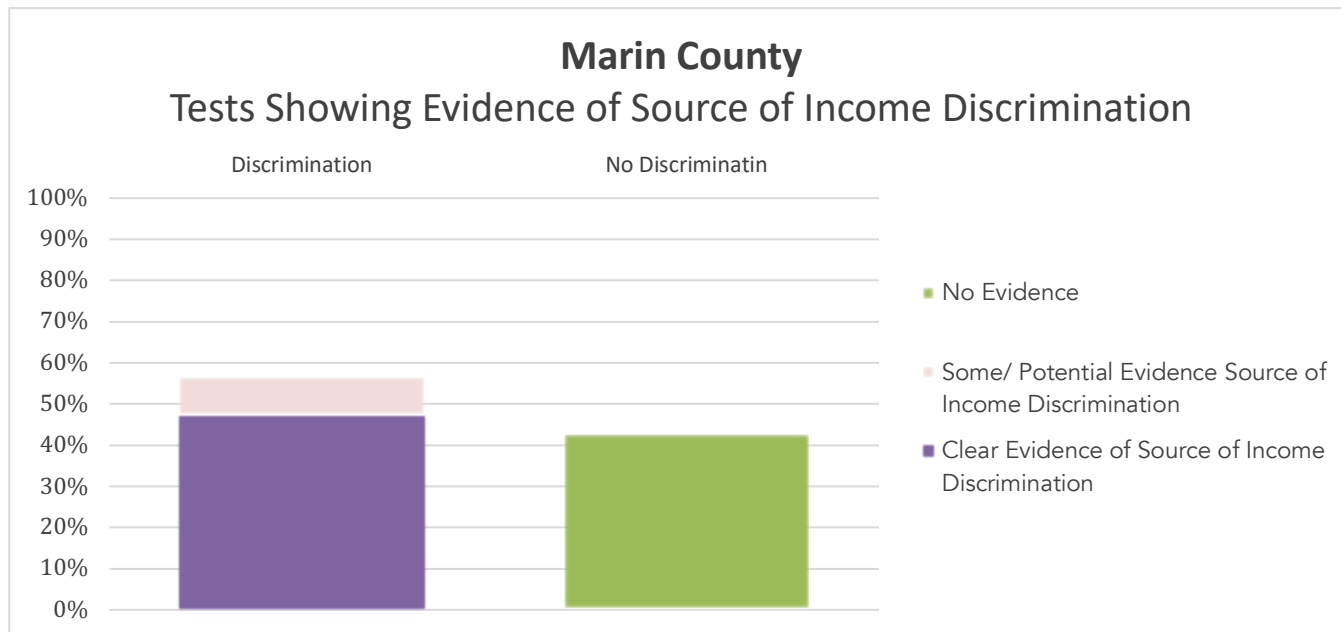


Of the qualifying tests⁸ conducted in Marin County, 33.33% revealed evidence of race discrimination; with 16.67% showing clear evidence of discrimination and an additional 16.67% showing some or potential evidence of discrimination. 66.67% revealed no significant evidence of race discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Race Discrimination	3	16.67%
Some/ Potential Evidence Race Discrimination	3	16.67%
Total Race Discrimination	6	33.33%
No Significant Evidence of Race Discrimination	12	66.67%
Total	18	100.00%

⁸ "Qualifying tests" refers to tests that were not classified as inconclusive for race.

c. Source of Income Discrimination



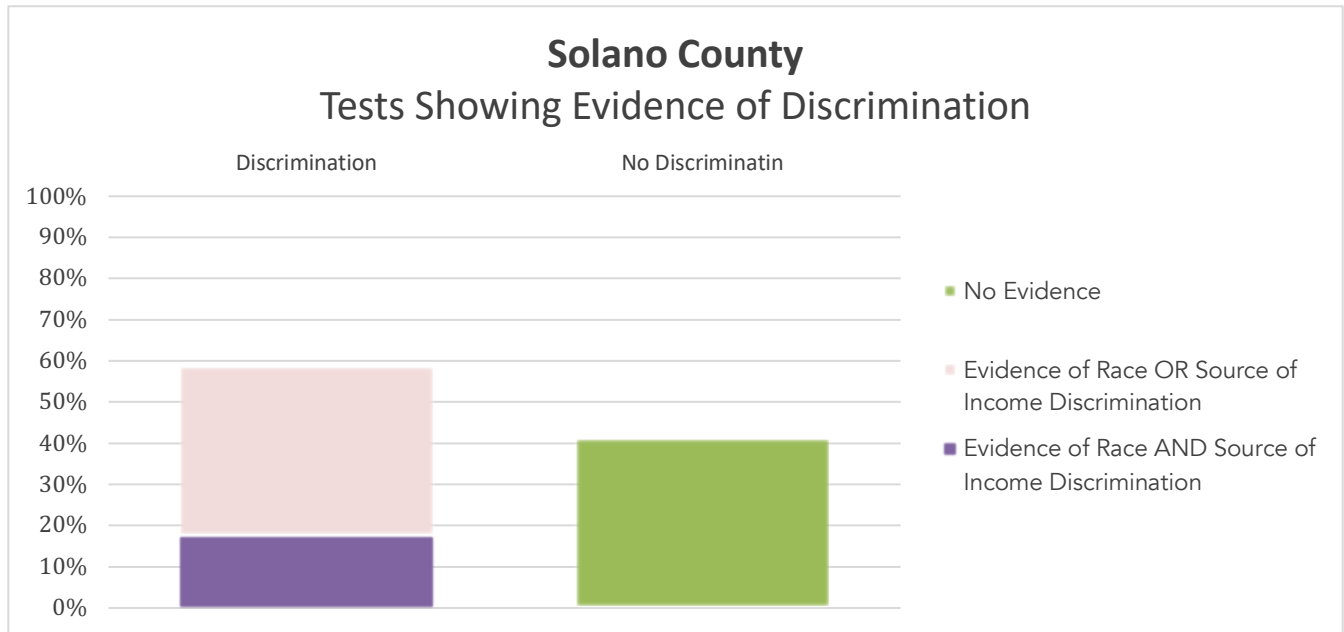
Of the qualifying tests⁹ conducted in Marin County, 57.14% revealed evidence of source of income discrimination; 47.27% showing clear evidence of discrimination and an additional 9.52% showing some or potential evidence of discrimination. 42.86% revealed no significant evidence of source discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Source of Income Discrimination	10	47.62%
Some/ Potential Evidence Source of Income Discrimination	2	9.52%
Total Source of Income Discrimination	12	57.14%
No Significant Evidence of Source of Income Discrimination	9	42.86%
Total	21	100.00%

⁹ "Qualifying tests" refers to tests that were not classified as inconclusive for source of income.

3. Solano County

a. Race and/or Source of Income Discrimination

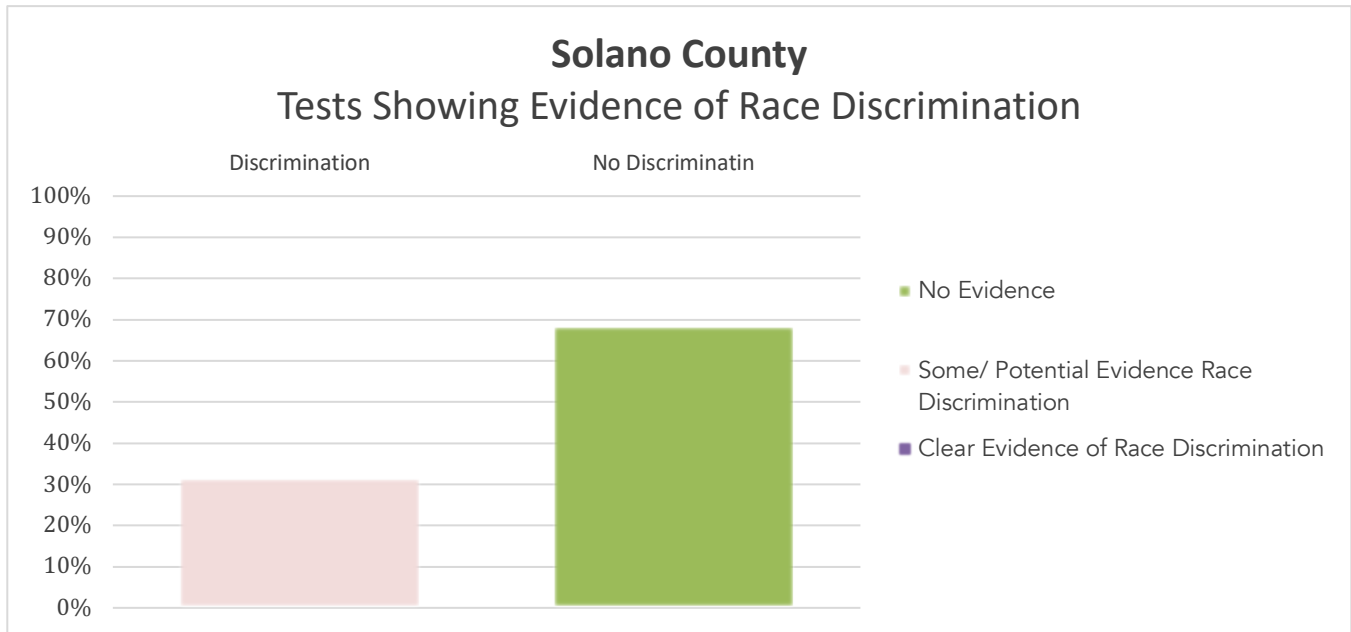


Of the qualifying tests¹⁰ conducted in Solano County, 58.82% revealed at least some evidence of discrimination based on race and/or source of income, while only 41.18% revealed no significant evidence of discrimination. 17.65% revealed evidence of discrimination based on both race and source of income.

Evidence of Discrimination	Number of Tests	Percent of Tests
Evidence of Race AND Source of Income Discrimination	3	17.65%
Evidence of Race OR Source of Income Discrimination	7	41.17%
Evidence of Race and/or Source of Income Discrimination	10	58.82%
No Significant Evidence of Discrimination	7	41.18%
Total	17	100.00%

¹⁰ "Qualifying tests" refers to tests that were not classified as inconclusive for either race or source of income.

b. Race Discrimination

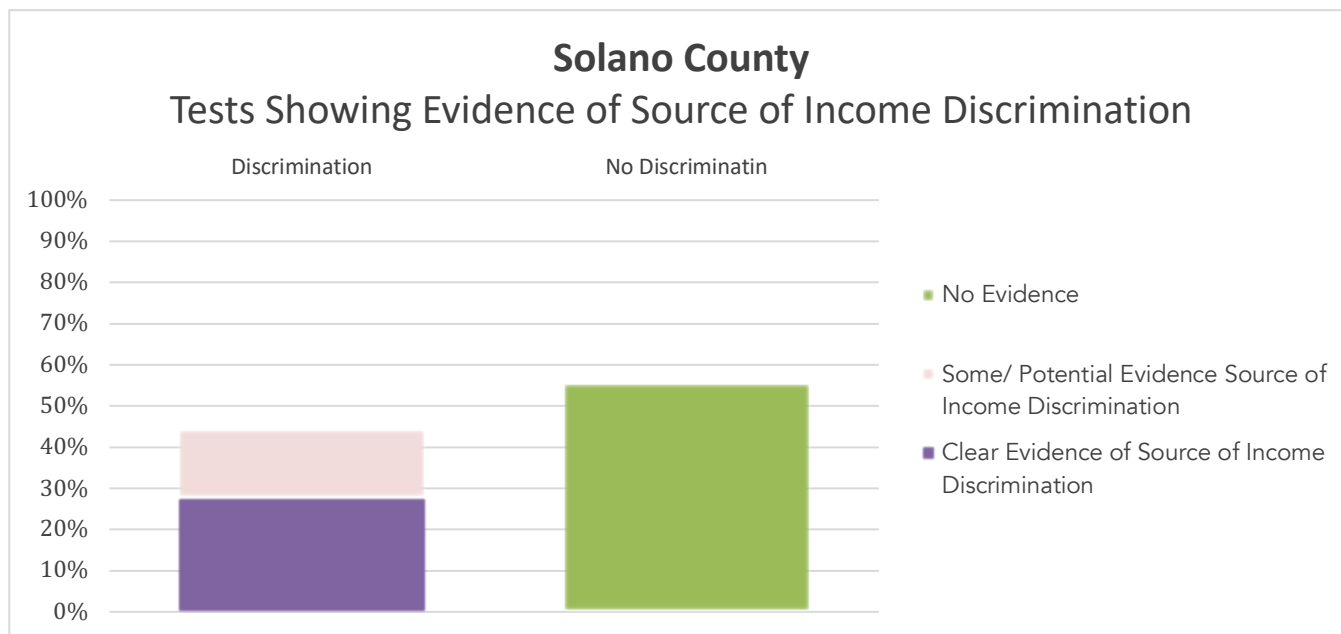


Of the qualifying tests¹¹ conducted in Solano County 0% revealed clear evidence of race discrimination but 31.58% revealed some or potential evidence of race discrimination. 68.42% revealed no significant evidence of race discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Race Discrimination	0	0.00%
Some/ Potential Evidence Race Discrimination	6	31.58%
Total Race Discrimination	6	31.58%
No Significant Evidence of Race Discrimination	13	68.42%
Total	19	100.00%

¹¹ "Qualifying tests" refers to tests that were not classified as inconclusive for race.

c. Source of Income Discrimination



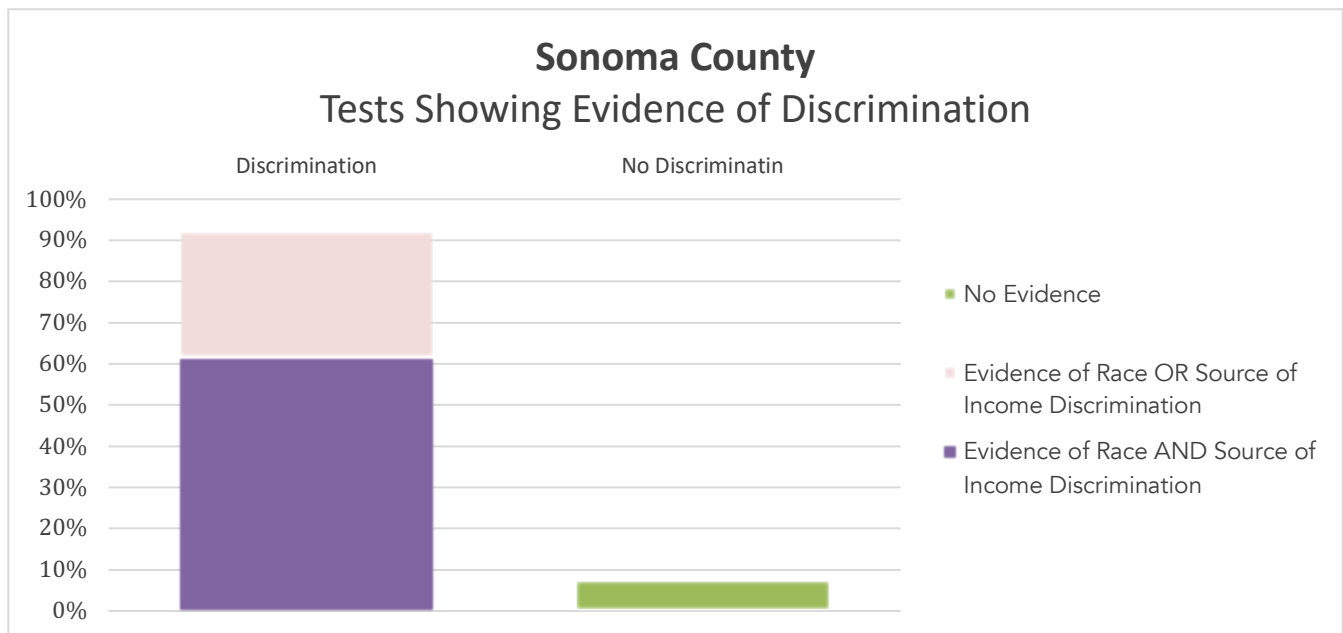
Of the qualifying tests¹² conducted in Solano County, 44.44% revealed evidence of source of discrimination; with 27.78% showing clear evidence of discrimination and an additional 16.67% revealed some or potential evidence of discrimination. 55.56% revealed no significant evidence of source discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Source of Income Discrimination	5	27.78%
Some/ Potential Evidence Source of Income Discrimination	3	16.67%
Total Source of Income Discrimination	8	44.44%
No Significant Evidence of Source of Income Discrimination	10	55.56%
Total	18	100.00%

¹² "Qualifying tests" refers to tests that were not classified as inconclusive for source of income.

4. Sonoma County

d. Race and/or Source of Income Discrimination

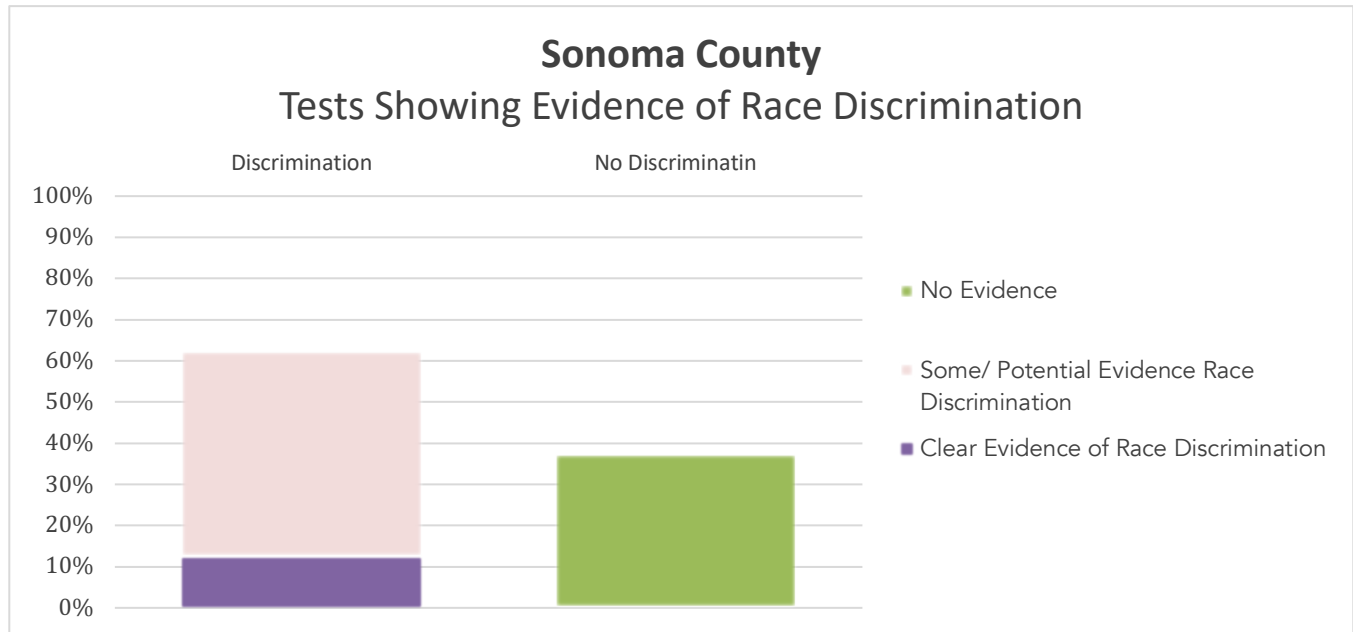


Of the qualifying tests¹³ conducted in Sonoma County, 92.31% revealed at least some evidence of discrimination based on race and/or source of income, while only 7.69% revealed no significant evidence of discrimination. 61.54% revealed evidence of discrimination based on both race and source of income.

Evidence of Discrimination	Number of Tests	Percent of Tests
Evidence of Race AND Source of Income Discrimination	8	61.54%
Evidence of Race OR Source of Income Discrimination	4	30.77%
Evidence of Race and/or Source of Income Discrimination	12	92.31%
No Significant Evidence of Discrimination	1	7.69%
Total	13	100.00%

¹³ "Qualifying tests" refers to tests that were not classified as inconclusive for either race or source of income.

e. Race Discrimination

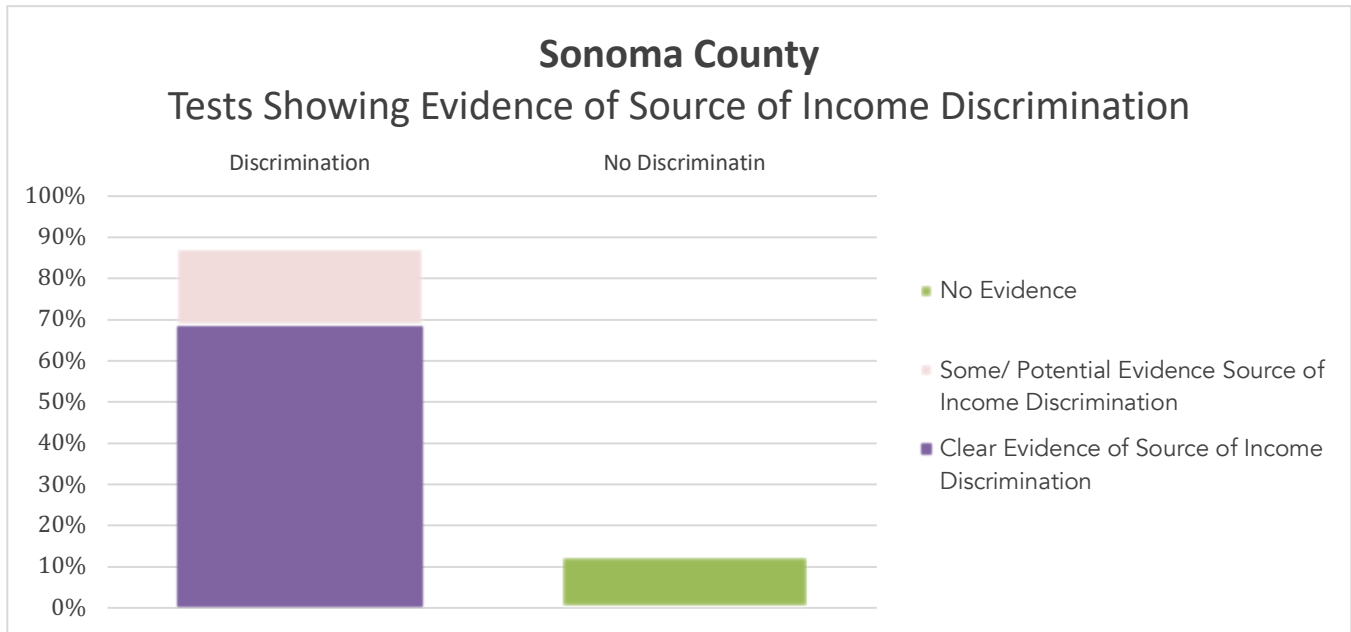


Of the qualifying tests¹⁴ conducted in Sonoma County, 62.50% revealed evidence of race discrimination; with 12.5% showing clear evidence of discrimination and an additional 50% revealed some or potential evidence of discrimination. 37.5% revealed no significant evidence of race discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Race Discrimination	2	12.50%
Some/ Potential Evidence Race Discrimination	8	50.00%
Total Race Discrimination	10	62.50%
No Significant Evidence of Race Discrimination	6	37.50%
Total	16	100.00%

¹⁴ "Qualifying tests" refers to tests that were not classified as inconclusive for race.

f. Source of Income Discrimination

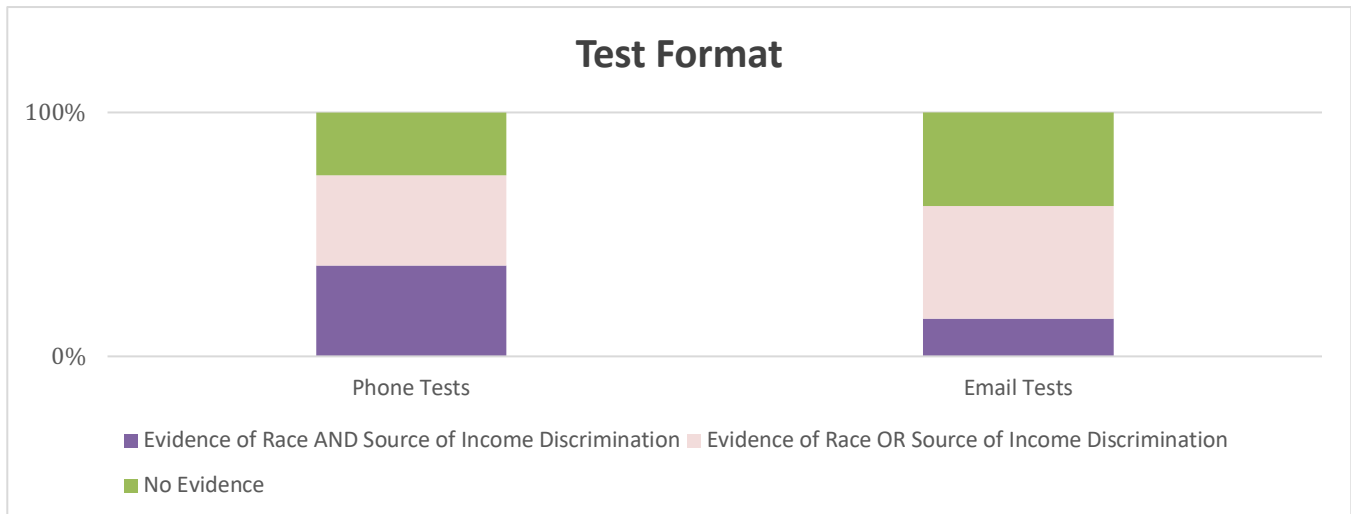


Of the qualifying tests¹⁵ conducted in Sonoma County, 87.50% revealed evidence of source of income discrimination; with 68.75% showing clear evidence of discrimination and an additional 18.75% showing some or potential evidence of source of income discrimination. 12.5% revealed no significant evidence of source discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Source of Income Discrimination	11	68.75%
Some/ Potential Evidence Source of Income Discrimination	3	18.75%
Total Source of Income Discrimination	14	87.50%
No Significant Evidence of Source of Income Discrimination	2	12.50%
Total	16	100.00%

¹⁵ "Qualifying tests" refers to tests that were not classified as inconclusive for source of income.

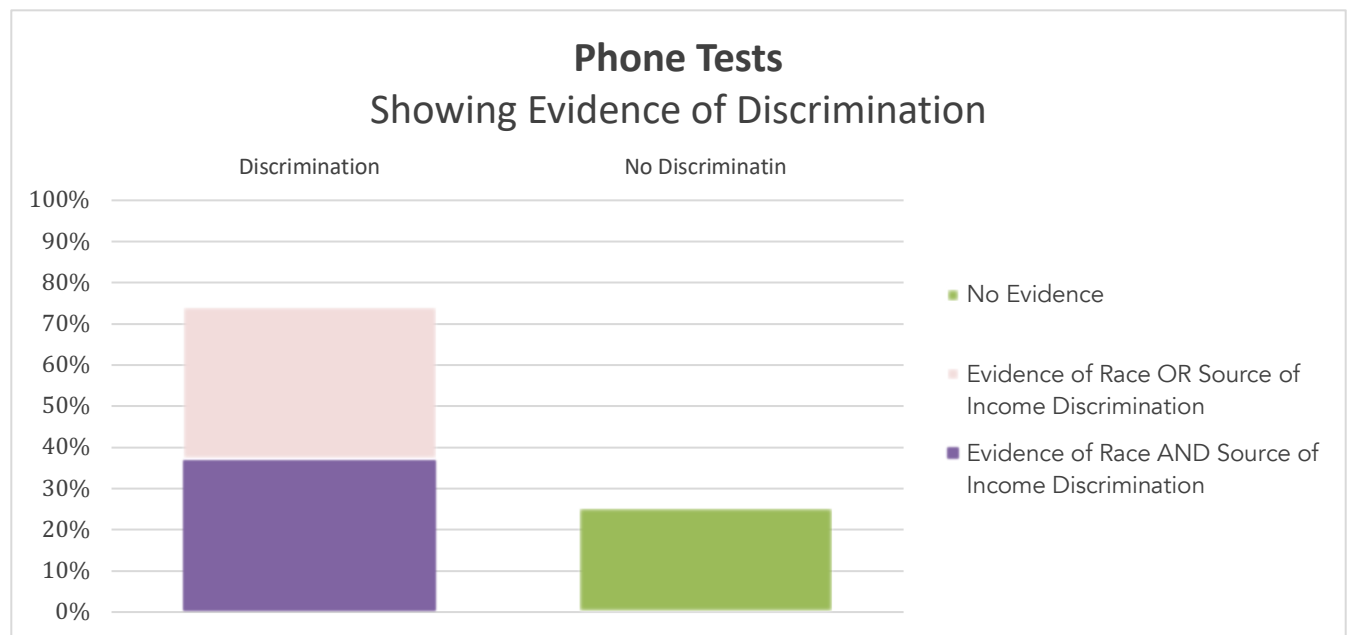
B. RESULTS BY TEST FORMAT



74.29% of qualifying phone tests and 61.54% of qualifying email tests revealed at least some evidence of discrimination based on race and/or source of income. 37.14% of phone tests and 15.38% of email tests revealed evidence of discrimination based on both race and source of income.

1. Phone Tests

a. Race and/or Source of Income Discrimination

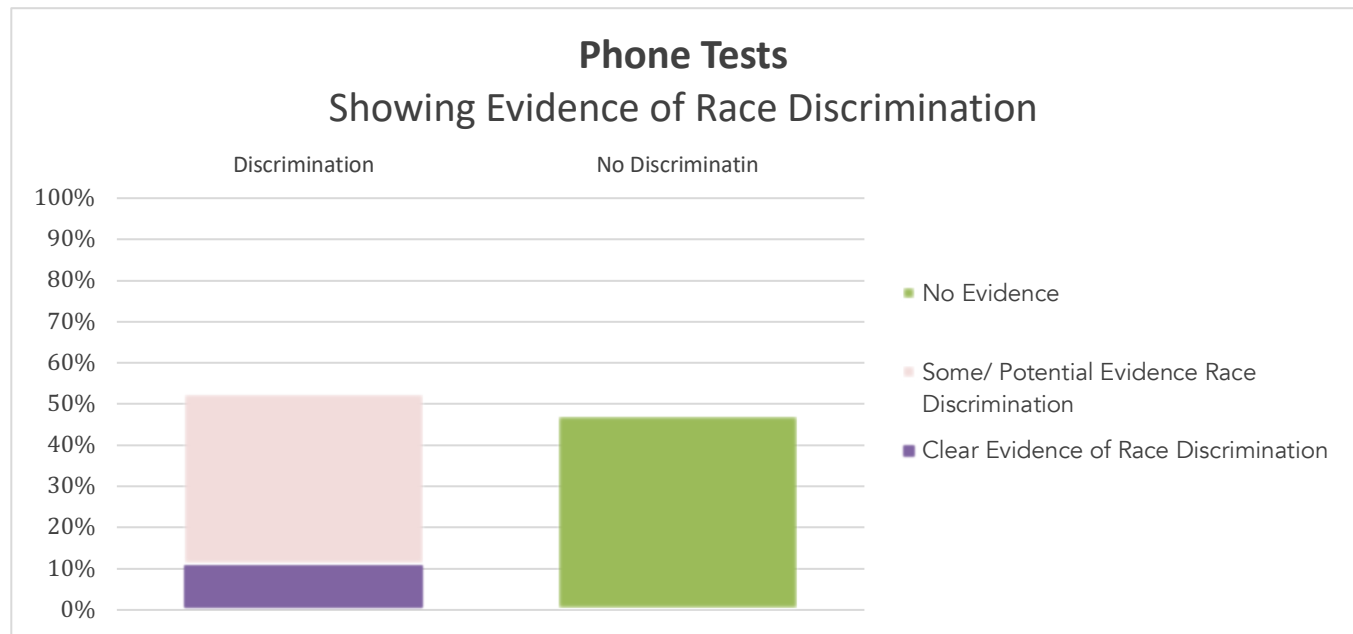


Of the qualifying phone tests¹⁶ conducted in the tri-county area, 74.29% revealed at least some evidence of discrimination based on race and/or source of income, while only 25.71% revealed no significant evidence of discrimination. 37.14% revealed evidence of discrimination based on both race and source of income.

¹⁶ "Qualifying tests" refers to tests that were not classified as inconclusive for either race or source of income.

Evidence of Discrimination	Number of Tests	Percent of Tests
Evidence of Race AND Source of Income Discrimination	13	37.14%
Evidence of Race OR Source of Income Discrimination	13	37.15%
Evidence of Race and/or Source of Income Discrimination	26	74.29%
No Significant Evidence of Discrimination	9	25.71%
Total	35	100.00%

b. Race Discrimination

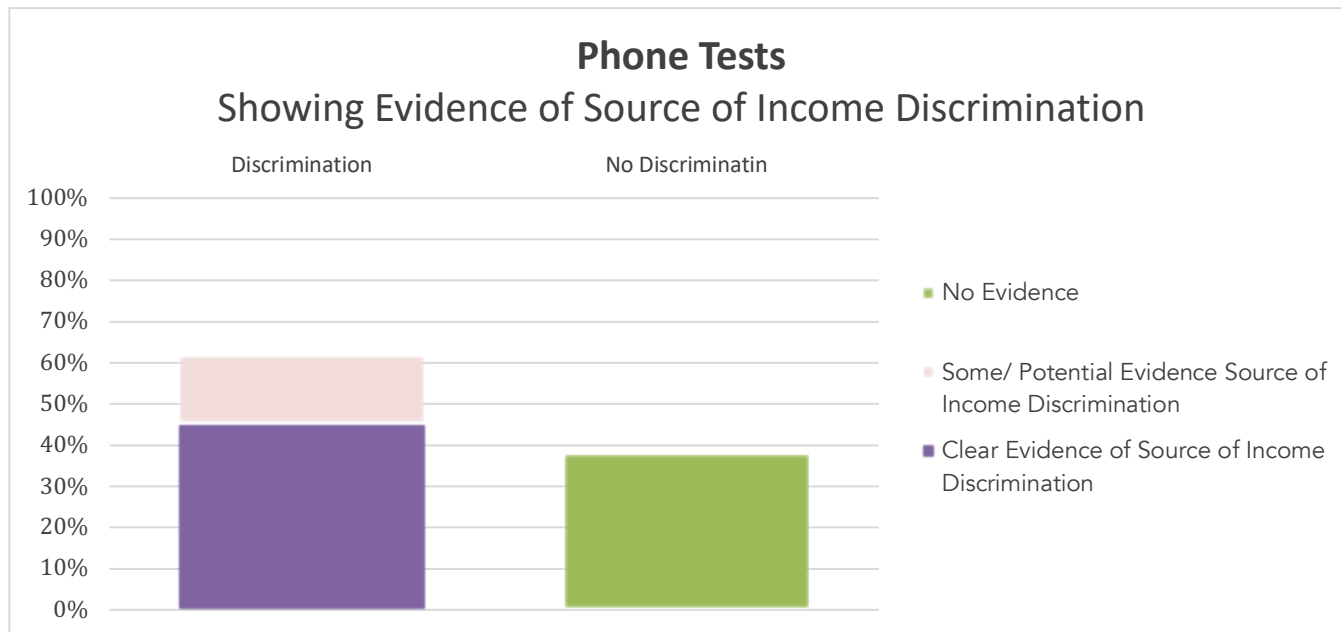


Of the qualifying phone tests¹⁷ conducted in the tri-county area, 52.78% revealed evidence of race discrimination; with 11.11% showing clear evidence of discrimination and an additional 41.67% showing some or potential evidence of discrimination. 47.22% revealed no significant evidence of race discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Race Discrimination	4	11.11%
Some/ Potential Evidence Race Discrimination	15	41.67%
Total Race Discrimination	19	52.78%
No Significant Evidence of Race Discrimination	17	47.22%
Total	36	100.00%

¹⁷ "Qualifying tests" refers to tests that were not classified as inconclusive for race.

c. Source of Income Discrimination



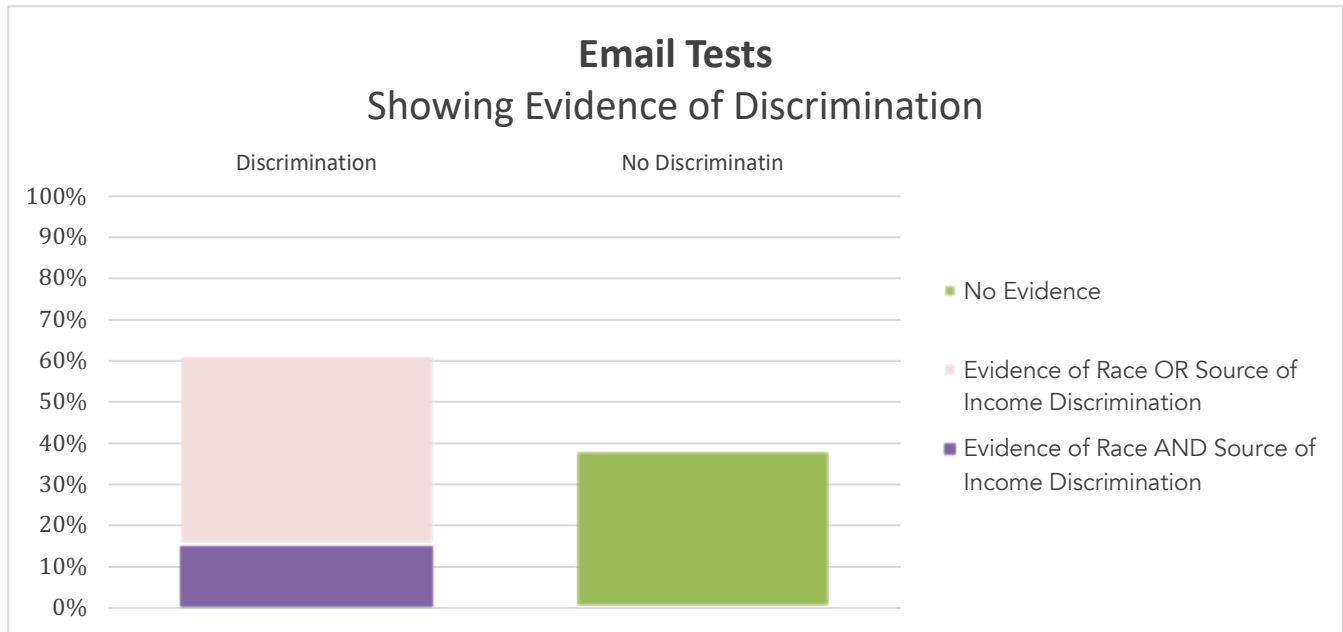
Of the qualifying phone tests¹⁸ conducted in the tri-county area, 61.90% revealed evidence of source of income discrimination; with 45.24% showing clear evidence of discrimination and an additional 16.67% showing some or potential evidence of discrimination. Only 38.1% revealed no significant evidence of source discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Source of Income Discrimination	19	45.24%
Some/ Potential Evidence Source of Income Discrimination	7	16.67%
Total Source of Income Discrimination	26	61.90%
No Significant Evidence of Source of Income Discrimination	16	38.10%
Total	42	100.00%

¹⁸ "Qualifying tests" refers to tests that were not classified as inconclusive for source of income.

2. Email Tests

a. Race and/or Source of Income Discrimination

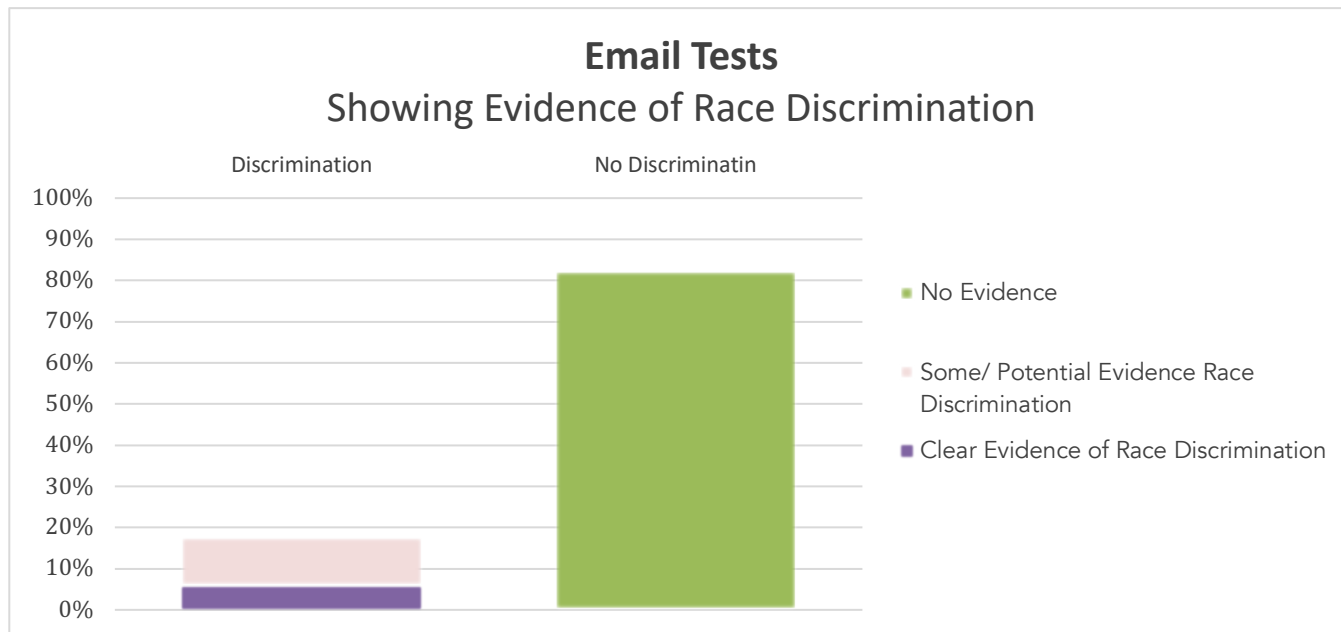


Of the qualifying email tests¹⁹ conducted in the tri-county area, 61.54% revealed at least some evidence of discrimination based on race and/or source of income, while only 38.46% revealed no significant evidence of discrimination. 15.38% revealed evidence of discrimination based on both race and source of income.

Evidence of Discrimination	Number of Tests	Percent of Tests
Evidence of Race AND Source of Income Discrimination	2	15.38%
Evidence of Race OR Source of Income Discrimination	6	46.16%
Evidence of Race and/or Source of Income Discrimination	8	61.54%
No Significant Evidence of Discrimination	5	38.46%
Total	13	100.00%

¹⁹ "Qualifying tests" refers to tests that were not classified as inconclusive for either race or source of income.

b. Race Discrimination

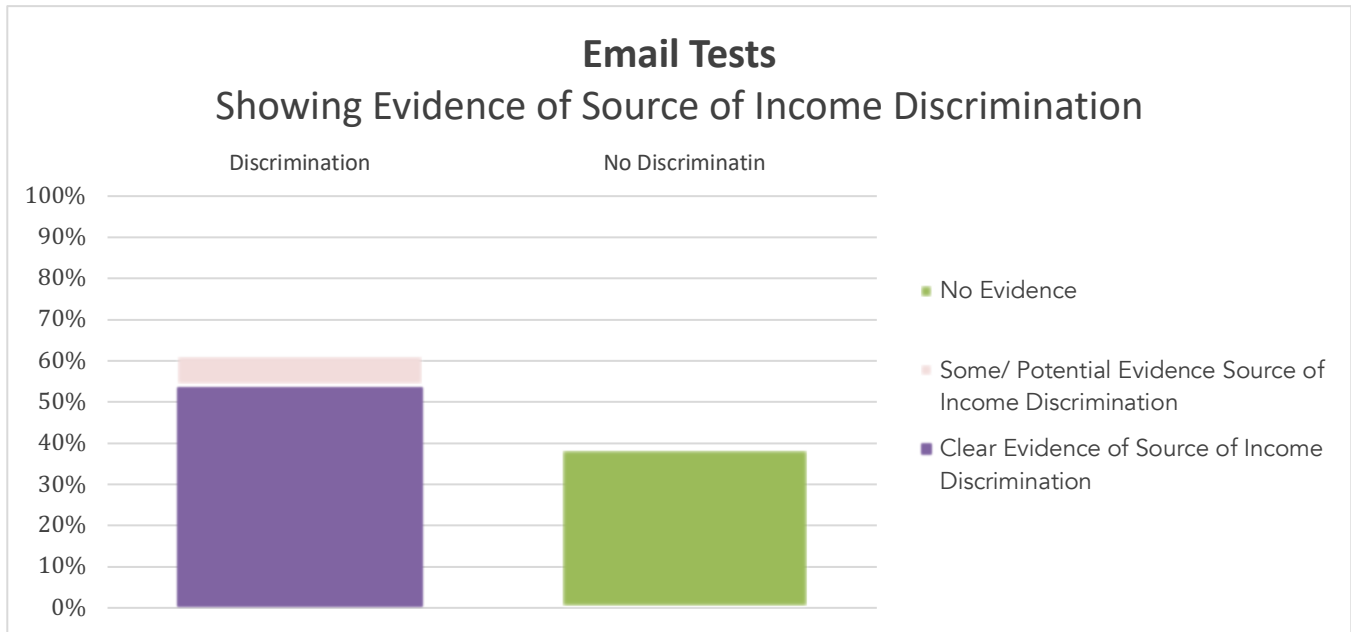


Of the qualifying email tests²⁰ conducted in the tri-county area, 17.65% revealed evidence of race discrimination; with 5.88% showing clear evidence of discrimination and an additional 11.76% showing some or potential evidence of discrimination. 82.35% revealed no significant evidence of race discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Race Discrimination	1	5.88%
Some/ Potential Evidence Race Discrimination	2	11.76%
Total Race Discrimination	3	17.65%
No Significant Evidence of Race Discrimination	14	82.35%
Total	17	100.00%

²⁰ "Qualifying tests" refers to tests that were not classified as inconclusive for race.

c. Source of Income Discrimination



Of the qualifying email tests²¹ conducted in the tri-county area, 61.54% revealed evidence of source of income discrimination; with 53.85% showing clear evidence of discrimination and an additional 7.69% showing some or potential evidence of discrimination. Only 38.46% revealed no significant evidence of source discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Source of Income Discrimination	7	53.85%
Some/ Potential Evidence Source of Income Discrimination	1	7.69%
Total Source of Income Discrimination	8	61.54%
No Significant Evidence of Source of Income Discrimination	5	38.46%
Total	13	100.00%

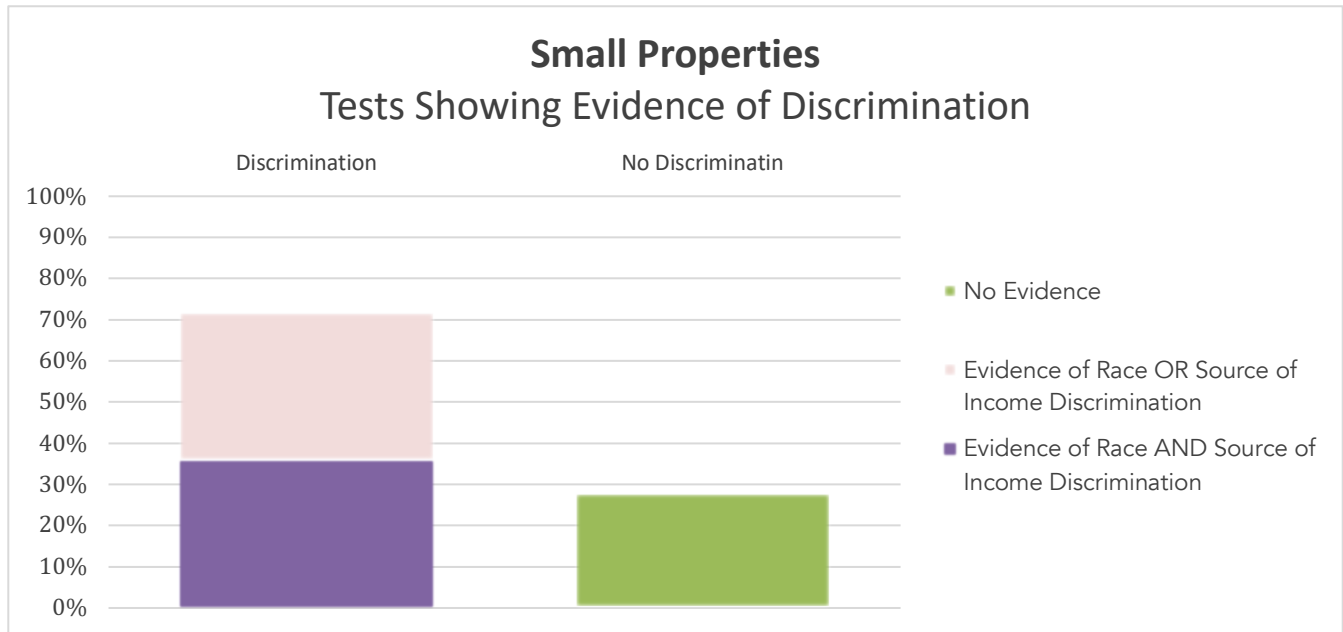
C. RESULTS BY PROPERTY SIZE

For the purpose of this audit, a “small property” refers to a property with 10 units or less, a “medium property” refers to a property with 11 to 50 units, and a “large property” is a property with more than 50 units. Of the 69 properties tested, 36 are small properties (comprising 96 total units), 21 are medium properties (comprising 542 total units), and 12 are large properties (comprising 1,901 total units).

²¹ “Qualifying tests” refers to tests that were not classified as inconclusive for source of income.

1. Small Properties

a. Race and/or Source of Income Discrimination

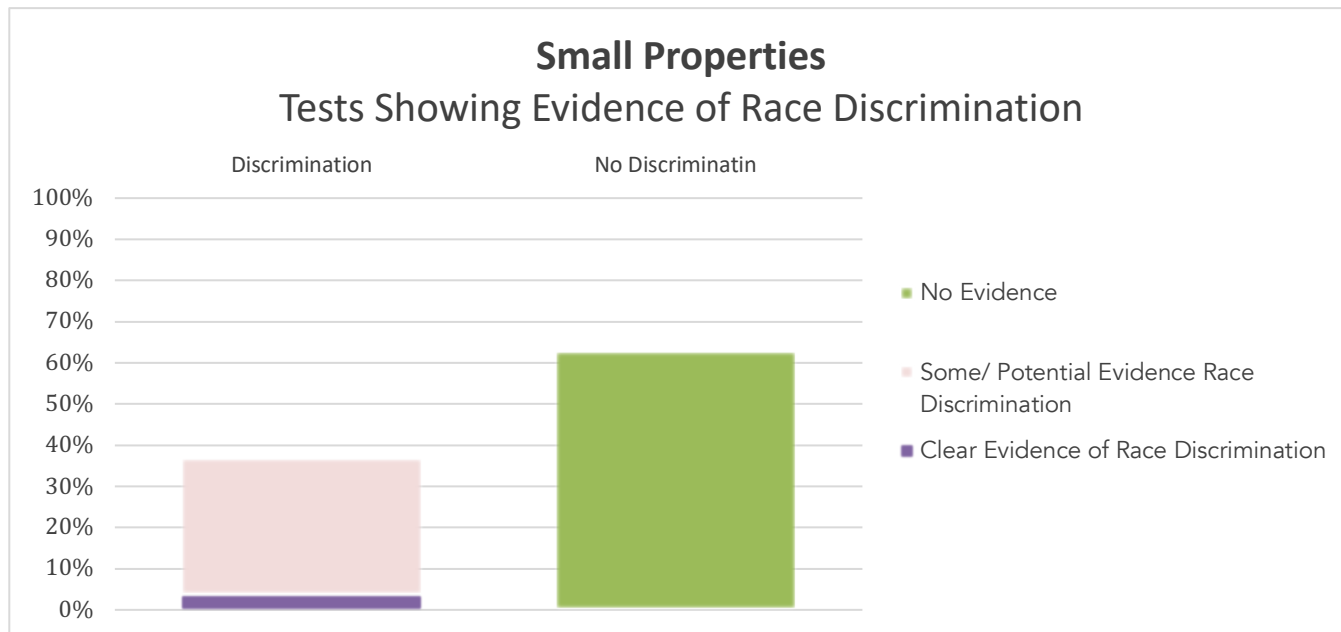


Of the qualifying tests²² conducted at small properties in the tri-county area, 72% revealed at least some evidence of discrimination based on race and/or source of income, while only 28% revealed no significant evidence of discrimination. 36% revealed evidence of discrimination based on both race and source of income.

Evidence of Discrimination	Number of Tests	Percent of Tests
Evidence of Race AND Source of Income Discrimination	9	36.00%
Evidence of Race OR Source of Income Discrimination	9	36.00%
Evidence of Race and/or Source of Income Discrimination	18	72.00%
No Significant Evidence of Discrimination	7	28.00%
Total	25	100.00%

²² "Qualifying tests" refers to tests that were not classified as inconclusive for either race or source of income.

b. Race Discrimination

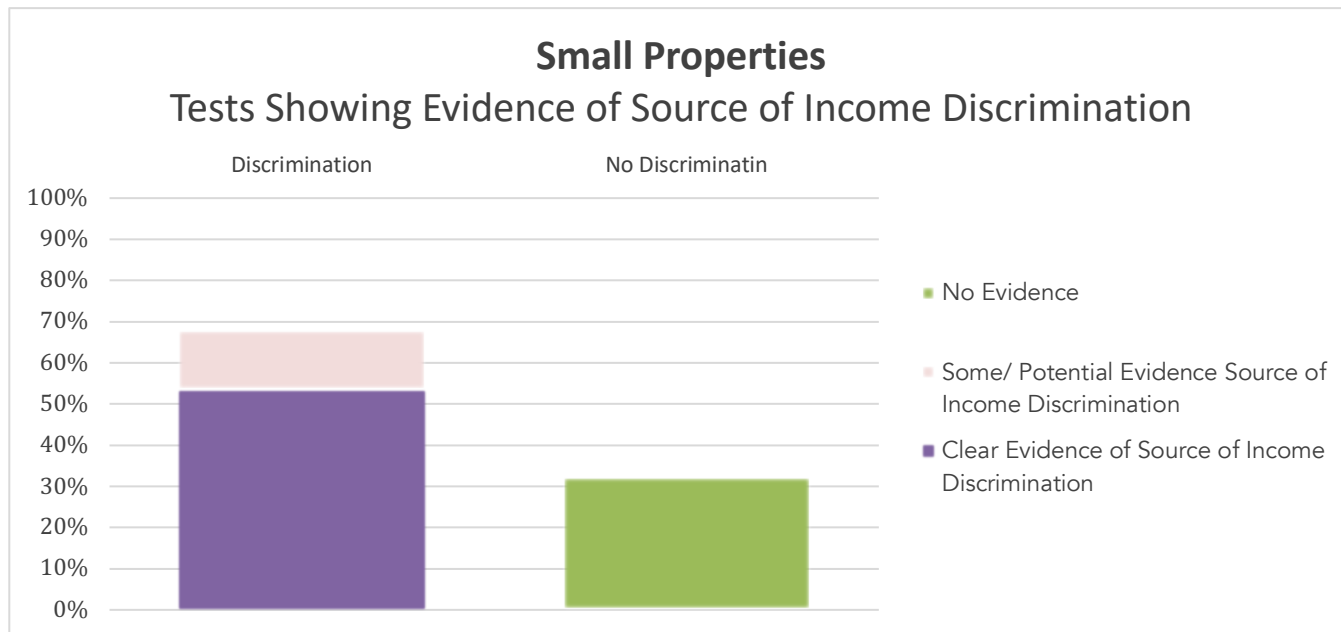


Of the qualifying tests²³ conducted at small properties in the tri-county area, 37.04% revealed evidence of race discrimination; with 3.7% showing clear evidence of discrimination and an additional 33.33% showing some or potential evidence of discrimination. 62.96% revealed no significant evidence of race discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Race Discrimination	1	3.70%
Some/ Potential Evidence Race Discrimination	9	33.33%
Total Race Discrimination	10	37.04%
No Significant Evidence of Race Discrimination	17	62.96%
Total	27	100.00%

²³ "Qualifying tests" refers to tests that were not classified as inconclusive for race.

c. Source of Income Discrimination



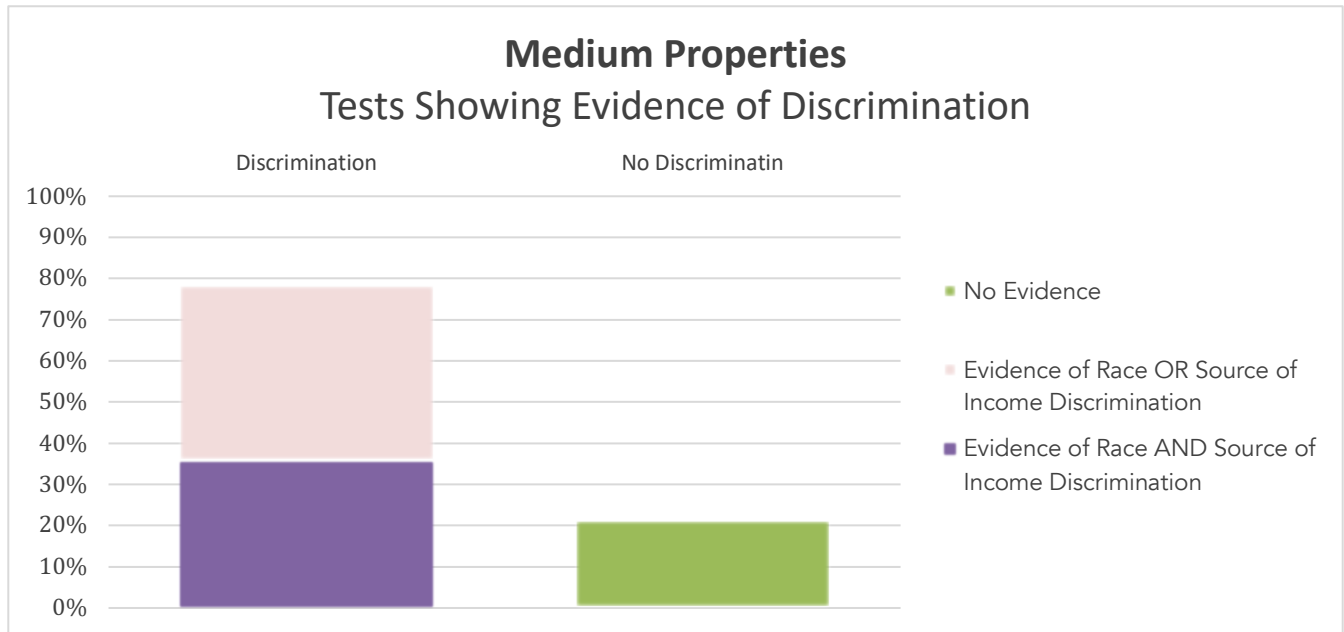
Of the qualifying tests²⁴ conducted at small properties in the tri-county area, 67.86% revealed evidence of source of income discrimination; with 53.57% showing clear evidence of discrimination and an additional 14.29% showing some or potential evidence of discrimination. Only 32.14% revealed no significant evidence of source discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Source of Income Discrimination	15	53.57%
Some/ Potential Evidence Source of Income Discrimination	4	14.29%
Total Source of Income Discrimination	19	67.86%
No Significant Evidence of Source of Income Discrimination	9	32.14%
Total	28	100.00%

²⁴ "Qualifying tests" refers to tests that were not classified as inconclusive for source of income.

2. Medium Properties

d. Race and/or Source of Income Discrimination

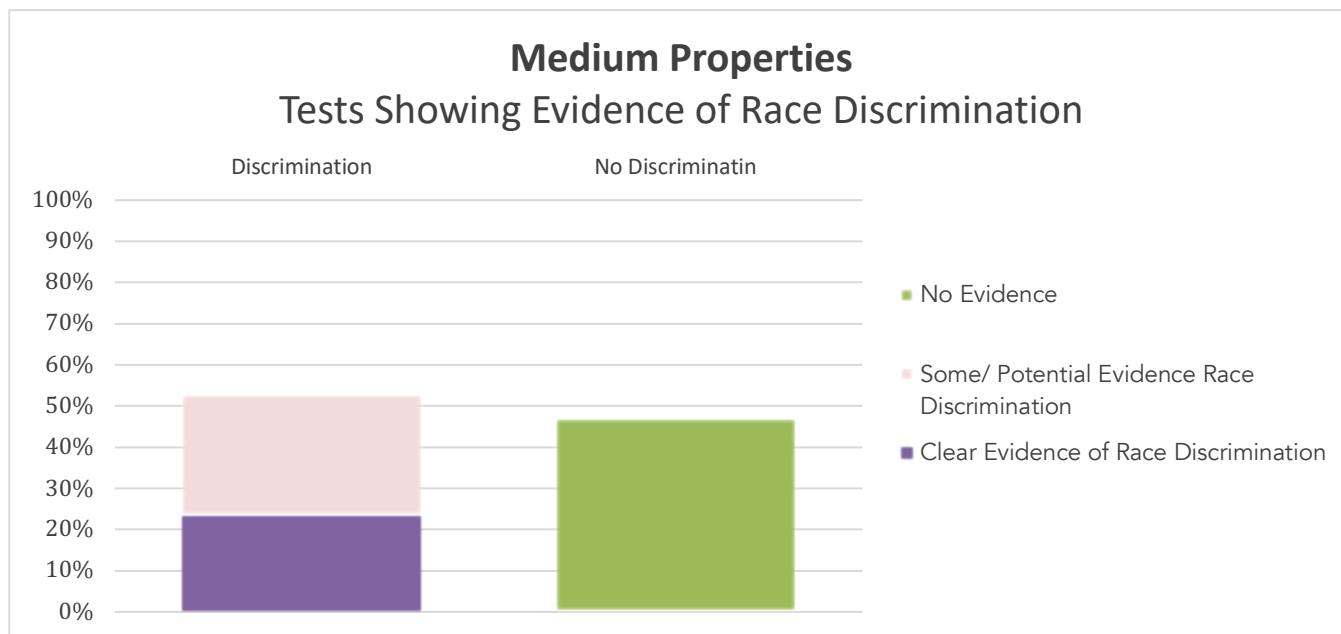


Of the qualifying tests²⁵ conducted at medium properties in the tri-county area, 78.57% revealed at least some evidence of discrimination based on race and/or source of income, while only 21.43% revealed no significant evidence of discrimination. 35.71% revealed evidence of discrimination based on both race and source of income.

Evidence of Discrimination	Number of Tests	Percent of Tests
Evidence of Race AND Source of Income Discrimination	5	35.71%
Evidence of Race OR Source of Income Discrimination	6	42.86%
Evidence of Race and/or Source of Income Discrimination	11	78.57%
No Significant Evidence of Discrimination	3	21.43%
Total	14	100.00%

²⁵ "Qualifying tests" refers to tests that were not classified as inconclusive for either race or source of income.

e. Race Discrimination

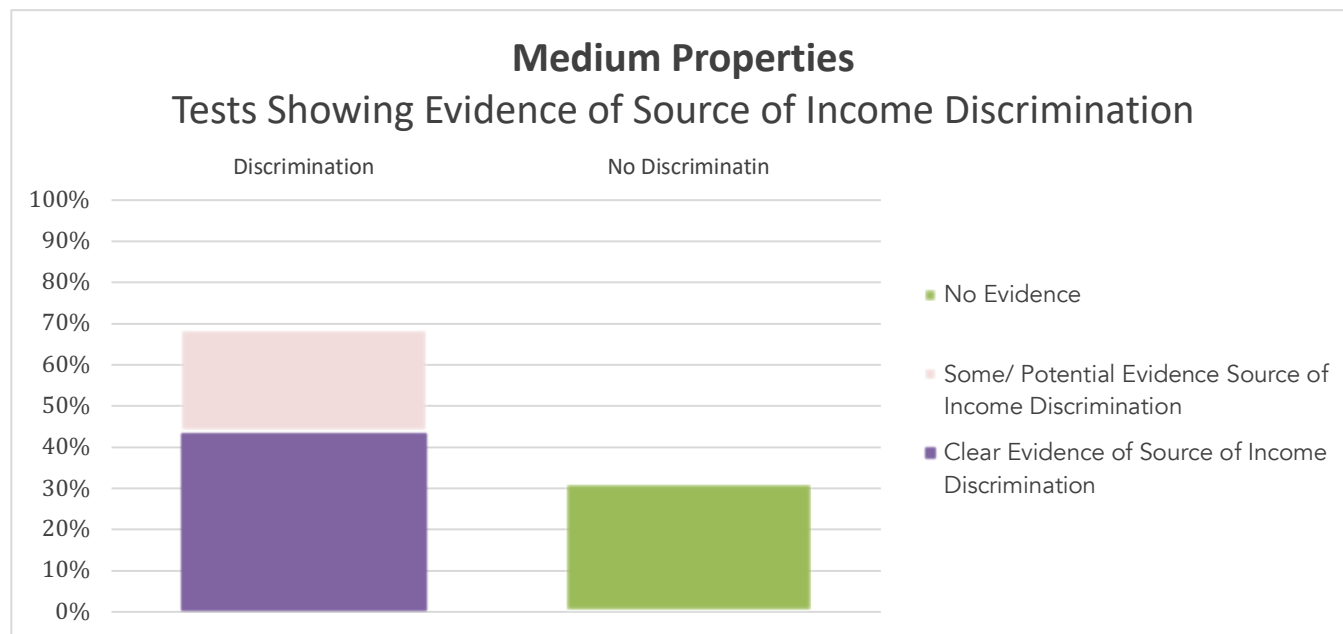


Of the qualifying tests²⁶ conducted at medium properties in the tri-county area, 52.94% revealed evidence of race discrimination; with 23.53% showing clear evidence of discrimination and an additional 29.41% showing some or potential evidence of discrimination. 47.06% revealed no significant evidence of race discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Race Discrimination	4	23.53%
Some/ Potential Evidence Race Discrimination	5	29.41%
Total Race Discrimination	9	52.94%
No Significant Evidence of Race Discrimination	8	47.06%
Total	17	100.00%

²⁶ "Qualifying tests" refers to tests that were not classified as inconclusive for race.

f. Source of Income Discrimination



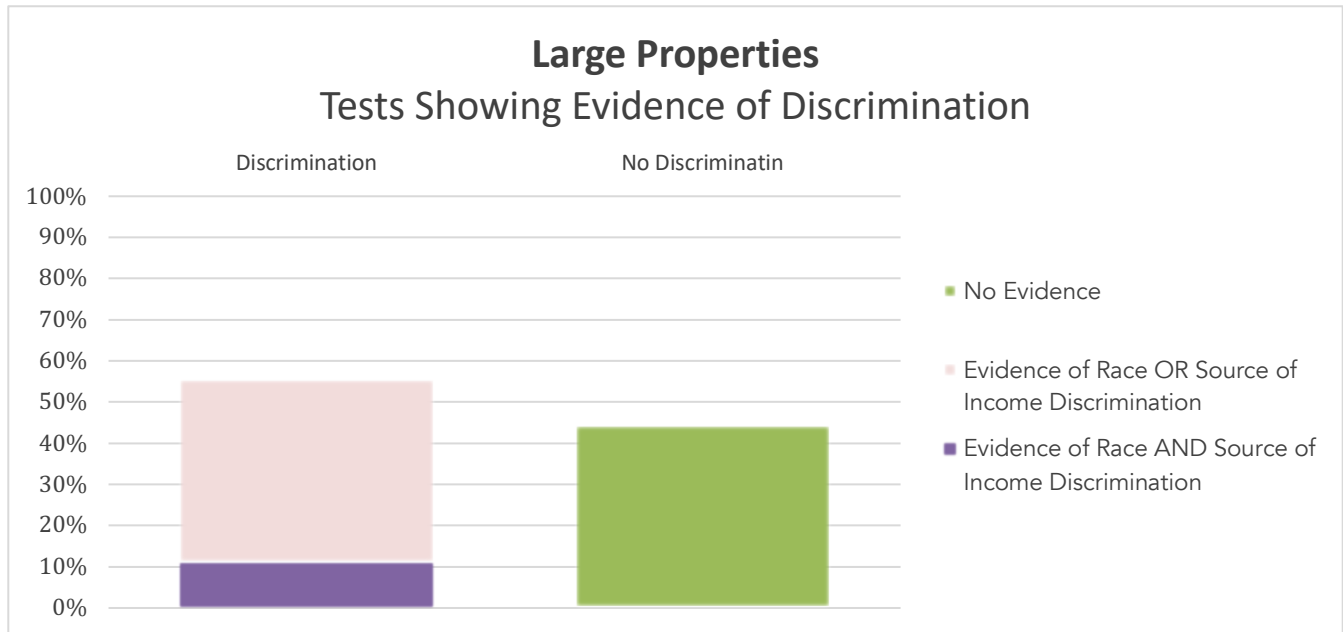
Of the qualifying tests²⁷ conducted at medium properties in the tri-county area, 68.75% revealed evidence of source of income discrimination; with 43.75% showing clear evidence of discrimination and an additional 25% showed some or potential evidence of discrimination. Only 31.25% revealed no significant evidence of source discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Source of Income Discrimination	7	43.75%
Some/ Potential Evidence Source of Income Discrimination	4	25.00%
Total Source of Income Discrimination	11	68.75%
No Significant Evidence of Source of Income Discrimination	5	31.25%
Total	16	100.00%

²⁷ "Qualifying tests" refers to tests that were not classified as inconclusive for source of income.

3. Large Properties

a. Race and/or Source of Income Discrimination

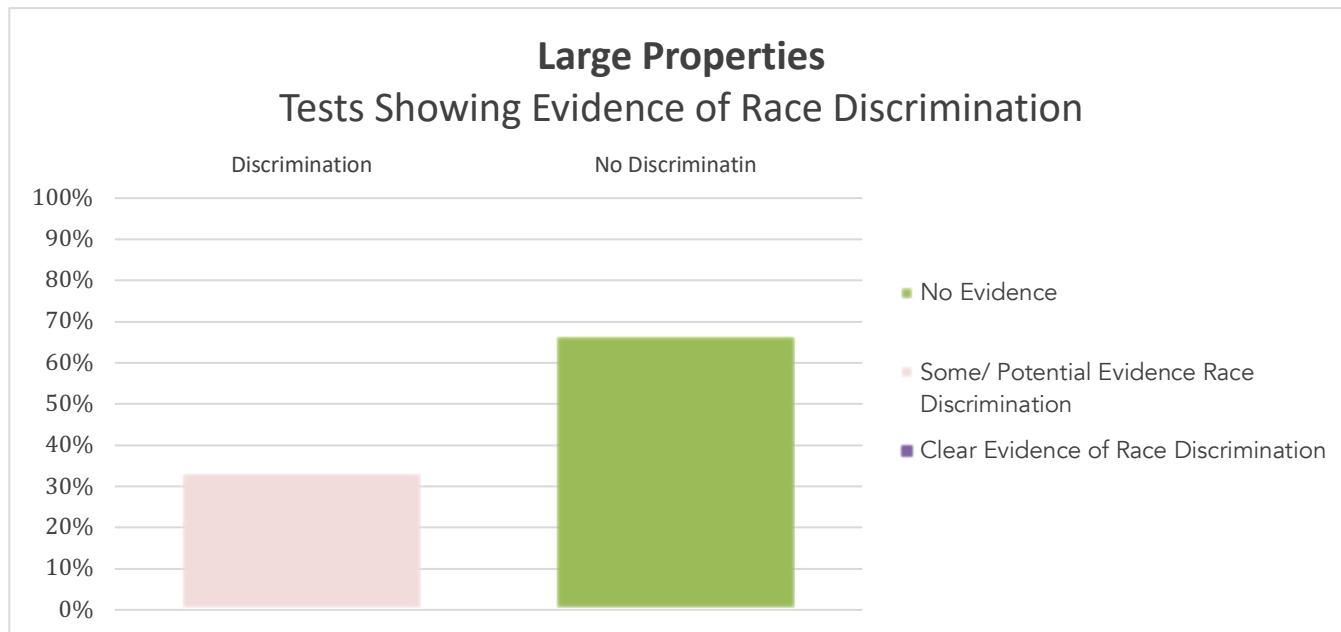


Of the qualifying tests²⁸ conducted at large properties in the tri-county area, 55.56% revealed at least some evidence of discrimination based on race and/or source of income, while 44.44% revealed no significant evidence of discrimination. 11.11% revealed evidence of discrimination based on both race and source of income.

Evidence of Discrimination	Number of Tests	Percent of Tests
Evidence of Race AND Source of Income Discrimination	1	11.11%
Evidence of Race OR Source of Income Discrimination	4	44.44%
Evidence of Race and/or Source of Income Discrimination	5	55.56%
No Significant Evidence of Discrimination	4	44.44%
Total	9	100.00%

²⁸ "Qualifying tests" refers to tests that were not classified as inconclusive for either race or source of income.

b. Race Discrimination

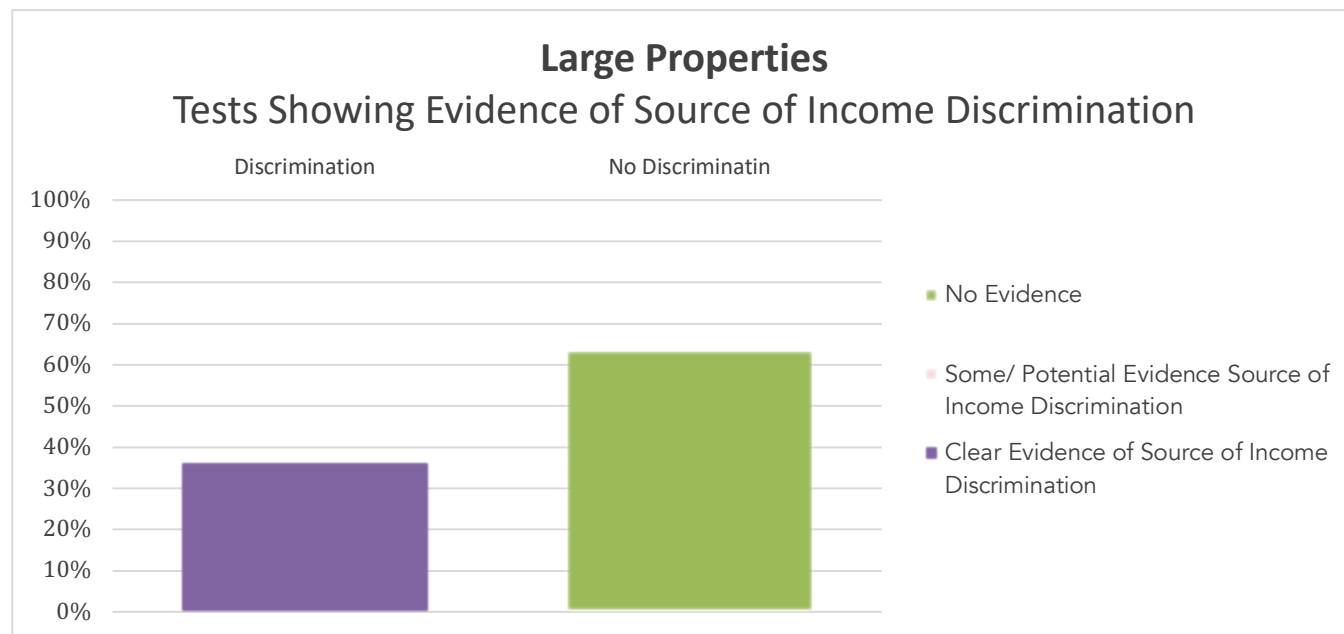


Of the qualifying tests²⁹ conducted at large properties in the tri-county area, 33.33% revealed some or potential evidence of race discrimination (0% showed evidence of clear discrimination). 66.67% revealed no significant evidence of race discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Race Discrimination	0	0.00%
Some/ Potential Evidence Race Discrimination	3	33.33%
Total Race Discrimination	3	33.33%
No Significant Evidence of Race Discrimination	6	66.67%
Total	9	100.00%

²⁹ "Qualifying tests" refers to tests that were not classified as inconclusive for race.

c. Source of Income Discrimination



Of the qualifying tests³⁰ conducted at large properties in the tri-county area, 36.36% revealed clear evidence of source of discrimination. 63.64% revealed no significant evidence of source discrimination.

Evidence of Discrimination	Number of Tests	Percent of Tests
Clear Evidence of Source of Income Discrimination	4	36.36%
Some/ Potential Evidence Source of Income Discrimination	0	0.00%
Total Source of Income Discrimination	4	36.36%
No Significant Evidence of Source of Income Discrimination	7	63.64%
Total	11	100.00%

IV. CONCLUSIONS

Of the qualifying tests conducted in the tri-county area, 70.83% showed at least some evidence of discrimination; with 41.51% revealing evidence of race discrimination and 61.82% revealing evidence of source of income discrimination. Of the tests that revealed evidence of source of income discrimination, 76.47% were based on clear evidence.

Tests conducted in Sonoma County revealed the most evidence of both race discrimination (62.5%) and source of income discrimination (87.50%); with 92.31% revealing at least some evidence of either or both. Only 7.69% of the housing providers tested in Sonoma County did not discriminate. Additionally, of the tests that revealed evidence of source of income discrimination in Sonoma County, 78.57% were based on clear evidence.

³⁰ "Qualifying tests" refers to tests that were not classified as inconclusive for source of income.

Tests in Marin County showed a high rate of discrimination, yet significantly less than in Sonoma County. 66.67% of qualifying tests in Marin County showed at least some evidence of discrimination; with 33.33% revealing evidence of race discrimination and 57.14% revealing evidence of source of income discrimination. Of the tests that revealed evidence of source of income discrimination, 83.33% were based on clear evidence. Housing providers in Solano County were the least discriminatory based on race and source of income; with 31.58% of qualifying tests revealing evidence of race discrimination and 44.44% revealing evidence of source of income discrimination.

Phone and email tests revealed almost the exact same rate of source of income discrimination (61.90% v. 61.54%) while race discrimination was detected at a significantly higher rate in phone tests than email tests (52.78% v. 17.65%). The fact that phone tests produced more evidence of race discrimination than email tests is not a surprising result because more information tends to be exchanged over the phone than via email, therefore, there are generally more points of comparison and more opportunities to detect differences. Conversely, the fact that email tests revealed such a high rate of source of income discrimination (as high as phone tests) is a significant finding because it points to the fact that housing providers are willing to make discriminatory statements in writing.

Tests conducted at small and medium sized properties showed the most evidence of discrimination – 72% and 78.57% respectively. Comparatively, 55.56% of tests conducted at large properties showed evidence of discrimination. Tests at medium sized properties showed the most evidence of race discrimination (52.94%), while 37.04% of tests at small properties and 33.33% at large properties showed evidence of race discrimination. Tests at large properties showed significantly less evidence of source of income discrimination (36.36%) as compared to tests at small and medium sized properties (67.86% and 68.75% respectively).

In tests that revealed evidence of source of income discrimination, housing providers either freely discriminated by outright refusing to rent to voucher holders or they did so in a manner where a true applicant might not realize they were being discriminated against. For instance, by quoting an improper application of the minimum income requirement, which would preclude the voucher holder from being eligible for the rental while attempting to avoid liability by not outright stating “we don’t accept Section 8”. In addition, some housing providers were willing to make exceptions to discriminatory voucher policies for white voucher holders, revealing evidence of both race and source of income discrimination.

V. TAKEAWAYS

It is already incredibly difficult to access affordable housing in the Bay Area. For a voucher holder who has likely waited years – sometimes decades – to receive their housing subsidy, the realities of navigating the housing search process can be devastating. Housing providers have found a number of ways to discriminate on the basis of source of income, and it is clear that if the voucher holder is Black or Brown, the likelihood of receiving inferior treatment preventing one access to the housing of their choice is much greater. Every time a housing provider gives incorrect information regarding the voucher holder’s income requirement, it is likely to discourage them from following through; in addition, while the testers’ profiles in this audit included income from employment, it is often the case that a voucher holder may not be employed and rely on other means of income, or the sole support of the voucher. Anecdotally, the results of the audit indicate that whether a voucher holder is employed

may make a difference in a housing provider's willingness to consider them for tenancy and whether they would meet an improperly applied minimum income requirement.

Furthermore, even in the case when FHANC determined there was no significant evidence of discrimination, housing providers can still engage in behavior that is problematic for a voucher holder applicant, particularly in a tight rental market. For instance, in many tests the housing provider informed both testers that they accepted Section 8, but did not know how the income requirement would work with a voucher and could not confirm they would be eligible to apply.

The results of this audit are striking, but what is even more concerning is that this is likely to be just the tip of the iceberg. If data were available showing how many applications voucher holders actually received and how many housing providers rented to voucher holders, the landscape is likely to be even more dismal than the 70.83% of tests that indicated some level of discrimination here.

These findings point to the need for more enforcement actions as well as increased education and outreach to property owners and managers; particularly those of smaller properties and/or those in Sonoma County where instances of discrimination were the highest. The extremely high rate of discrimination at small properties points to a clear need for increased education and outreach to "mom and pop" landlords. Conversely, the low rate of discrimination at large properties suggests that larger players in the housing market seem to be aware of their obligations under the law, and, at least at the initial stages of the home seeking process, are complying with their obligations. This is an encouraging finding because larger properties represent a significantly larger portion of the units effected (1,901 total units at large properties versus 96 total units at small properties).

Additionally, the fact that so many housing providers were willing to state their discriminatory voucher policies in writing suggests that at least some are likely unaware of source of income protections under the new law, underscoring the substantial need for increased education and outreach, in addition to enforcement efforts.

A. LESSONS AND FEEDBACK FOR PUBLIC HOUSING AUTHORITIES

In addition to the barriers faced by HCV holders related to the private landlord's behavior, FHANC encountered additional difficulties in even locating eligible properties to test in Solano County and more remote parts of Sonoma County. Given the methodology, FHANC excluded advertisements that made any statement regarding Section 8 (either a refusal or willingness to accept), which limited the housing stock available to search. One major lesson learned from the last audit and remained relevant in the current audit is that the payment standards for rental units in Solano County are far too low given the current market, which made it extremely difficult to find target properties.

One must remember that HCV holders are often people with disabilities, families with children, and racial/ethnic minorities, and therefore are likely to experience discrimination and other barriers in housing aside from the difficulties faced navigating the voucher program. Consistent across the tri-county area was a clear message that landlords would prefer not to rent to individuals using HCVs, and this was the case for a variety of alleged reasons ranging from concern about requirements under the government program to concern about stereotypes of the holders themselves. Most often, the housing provider indicated that they were unsure how the minimum income requirement would work or they provided an incorrect income requirement that deemed the voucher holders ineligible. There

must be greater outreach to a wider variety of landlords to encourage participation and to provide necessary education, and not just among smaller housing providers.

The difficulties faced by these individuals in securing housing is exponentially worse for residents in areas like Solano County where the payment standards are too low and places like Sonoma County where discrimination is rampant. Finding new housing, particularly if one has specific needs in their housing, is becoming increasingly difficult, especially following the loss of available housing stock after the fires in Sonoma and Solano Counties. Given these difficulties, it is incumbent upon Public Housing Authorities (PHAs) to share data with the Department of Housing and Urban Development (HUD) and try to help achieve higher payment standards for the various jurisdictions it serves or to consider alternatives.

In addition to working to increase the payment standards or use more appropriate standards for the market, PHAs must assess the length of the search times they are providing their participants to find new housing, as the results of this investigation indicate search times should be increased given the lack of available housing, discrimination and general refusal to participate in the program by landlords, and often disability-related needs of the HCV holders. Taking into account the current pandemic, this need is even greater.

The need to assess and increase voucher search time is not limited to Solano County, as it is evident that the majority of Marin and Sonoma County landlords are not inclined to participate in the voucher program. While locating properties within the payment standard was less of a hurdle in Marin County and the majority of Sonoma County, finding housing providers willing to consider an HCV recipient in any parts of the tri-County area tested was a difficulty. Accordingly, PHAs should continue outreach to different types of landlords so that it can effect necessary changes within the program that will increase greater landlord participation and should support local efforts to implement legal protections for HCV holders.

C. AUDIT LIMITATIONS AND LESSONS

1. Pre-Application Testing Underestimates the Degree of Discrimination

By virtue of its very design and purpose, this audit does not identify the full scope of discriminatory conduct. This audit sought to measure only the degree of discrimination an individual could encounter at the pre-application stage. Because testers did not submit applications, this audit cannot identify housing providers who dispense information and applications freely but discriminate later in the tenant selection process. This suggests the need to perform follow-up site visits and application tests in addition to the site tests conducted to date, especially in those instances where initial tests suggest differential treatment. Completed application tests could yield evidence of housing providers turning down qualified Black applicants because of their race; in addition, it could demonstrate whether housing providers are truly willing to consider HCVs.

Even application tests would not detect the full extent of discrimination against in-place Black tenants, as opposed to applicants. Black renters report discrimination based on race, for instance, in the terms, conditions, privileges or services associated with their housing (e.g. a housing provider's failure to respond to Black tenants' repair requests, or delayed responses, while White tenants requests are responded to promptly). This audit cannot purport to examine evidence of that kind of discrimination.

2. Difficulties Locating Eligible Properties

As discussed, there were a number of difficulties in locating eligible properties to test given the methodology and specifics related to the HCV program. In addition, once an eligible property was located, FHANC experienced a number of difficulties that led to some paired tests being deemed failed or attempted.

For example, some properties required applications to be submitted in person prior to any information being provided regarding the unit or any other available units; in addition, there were difficulties with call centers and being able to access the same agent/property. Given the difficulties encountered in locating eligible properties, at times FHANC had to pick some properties that were slightly above the payment standard.

VI. RECOMMENDATIONS

- A. **Disseminate audit results** to Marin County, Sonoma County, and Solano County officials, the general public, media, and advocacy groups as an important educational tool. Meet with local governments and partner organizations to inform them of the results of the audit and what steps need to be taken to combat race and source of income discrimination. Social media posts and press releases should focus on informing the public about barriers faced by Black people and people with even in the pre-application stage. Media efforts should also be devoted to try to counteract housing providers' views regarding the HCV program and its holders.
- B. **Monitor sites** where there was an indication of differential treatment. FHANC may take further action.
- C. **Offer Fair Housing training** seminars to the owners, managers, and agents audited in this report. The audit points out the need for continuous training in fair housing laws for all owners and managers of rental property, with an emphasis on the subtleties of differential treatment and the need to supply uniform information and treatment to all potential applicants, whether in person, over the phone, or by email. FHANC has conducted Fair Housing Law and Practice seminars throughout the North Bay for many years. Such educational endeavors should be supported by public officials and aggressively marketed to housing industry providers through housing associations and elected officials. It is important to ensure that all housing providers and their staffs receive fair housing information and training. Furthermore, training is necessary for Public Housing Authorities and voucher holders so that they can be educated and trained about how income requirements work, and PHAs should play a large role, both with tenants and private landlords. Voucher holders should be provided with information and referrals for how to proceed with a complaint if they are denied or given incorrect information and this should be included as part of their voucher briefing.
- D. **Work with housing providers** to ensure that they are following fair housing laws and that they understand the laws. Send flyers to properties where testing showed some differential treatment. Flyers should inform housing providers that source of income laws have changed and inform them of the new protections for people with HCVs. Ask members of the housing industry, such as property management firms in the area and local rental housing associations, to take a positive

stance that fair housing is good business and good for business. Recommend that these organizations publicly declare their support with a statement on their letterhead, outreach materials, and forms. Ask that rental property owners and real estate offices check to make sure that the required HUD equal opportunity housing provider logo is posted in plain view for applicants.

- E. **Conduct additional audits.** Because discrimination is so often subtle or cloaked as helpful suggestions, it may go undetected. Comparative studies such as this one are the best way to bring such practices to light. We recommend that Marin County, Sonoma County, and Solano County consider funding similar studies in the future.
- F. **Public Housing Authority action.** Assess whether payment standards are at appropriate levels for your jurisdiction, perhaps considering alternatives, particularly in Solano County. Increase search times for HCV holders given the barriers faced and limited housing options for holders. Improve communication with participants and landlords to have a better appreciation of the difficulties faced on both sides.
- G. **Spread the word to potential targets.** Work with other agencies serving the Black community, as well as HCV holders, to inform their clients of their fair housing rights and available services.

ⁱ Note: This material is based on work supported by the Department of Housing and Urban Development (HUD) under FHIP Grant FPEI190035. Any opinion, findings, and conclusions or recommendations expressed in this material are those of the authors and do not necessarily reflect the views of HUD.