

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

An Analysis of Housing Discrimination Bill: Senate Bill 329

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By

Elisa Lopez

in collaboration with

Yesenia Ramirez

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The graduate project of Elisa Lopez is approved:

Dr. Allen E. Lipscomb

Date

Dr. Loana D. Schmit

Date

Dr. James Decker, Chair

Date

California State University, Northridge

Dedication

I would like to dedicate this project to my parents and brothers. Without your undivided support, I don't know how far I would have got in this chapter of my life. I would also like to thank my son, Jacob, for providing me the motivation that I needed during times of uncertainty. This is all for you.

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Abstract

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By

Elisa Lopez

Master in Social Work

In Los Angeles County, we have come across various housing disparities that have led to decades of displacement and instability for many Angelinos that has triggered a range of policies that target the increase of the homeless crisis. After the establishment of the California Fair Employment and Housing Act of 1959, there was a need to create an amendment that targeted the current public perception of public assistance recipients and economic discrimination practices. This policy analysis aims to understand how Housing Discrimination Bill: Senate Bill 329 adds an additional layer of protection that promotes inclusive practices of public housing assistance, such as Housing Choice Vouchers Section 8, within the California housing system.

Key Words: California Fair Employment and Housing Act of 1959, Housing Discrimination Bill: SB 329, Housing Choice Vouchers Section 8, current homelessness crisis, impact of gentrification and stigma of public assistance

Section 1: INTRODUCTION

As the fight for human rights was starting to become the focal point of Americans in the late 1950's, California was instrumental in passing the California Fair Employment and Housing Act of 1959 (FEHA of 1959). This state policy predated federal protections that later came through the Civil Rights Act of 1968 and which that both policies aimed to provide residents housing protections from race or color, religion, national origin, physical disability, mental disability or medical condition, marital status, sex, sexual orientation, age, pregnancy of minority communities (Legal Records | DFEH, n.d.). As a trend of protections was initiated by these policies, it was determined 60 years later that additional protections were needed for an increase of economic discrimination practices by property owners. On October 2019, California Governor Gavin Newsom signed into law an amendment to FEHA of 1959, Housing Discrimination Bill: SB 329 to aim in prohibiting economic discrimination by landlords towards residents seeking to utilize housing voucher program and public assistance as income to subsidize cost of rent (SB 329 Discrimination: housing: source of income, 2019).

In Los Angeles County, the current homeless crisis has spotlighted challenges with current housing practices in particular Housing and Urban Development: Housing Choice Vouchers Section 8 (HCVS8). The HCVS8 program is a federal funded program with an objective to provide safe and affordable housing in the private market for low-income families, elderly and people with disabilities (HACLA, 2020). The state of California continues to regulate housing discrimination protections through state legislature that include protections for all residents and continue to focus on state residents that utilize HCVS8 to access to housing. In Los Angeles, HCVS8's are administered locally by the designated public housing agencies including but are not limited to the Housing Authority of the City of Los Angeles and the Los Angeles

County Development Authority that screen eligibility of HCVS8 recipients that are provided a housing subsidy, eligibility of landlords, and pay the remaining difference of rent on monthly a basis (LAHSA, 2017). Although federal housing subsidies attempt to provide feasible housing conditions for low-income families, there are economic discrimination practices by property owners that continue to impede program success resulting in drafting of legislation and approve amendments including Housing Discrimination Bill: Senate Bill 329.

Section 2: LITERATURE REVIEW

In order to understand the social construct of economic discrimination in the housing system in Los Angeles County we must examine the current homelessness crisis, impact of gentrification and stigma of public assistance.

2.1 Homelessness Crisis in Los Angeles

Research has shown that economic discrimination can be measured through political and social efforts that are contributing factors to the homeless crisis. As one of the hubs of homeless population in the US, Los Angeles County defines homeless person and/or family as being unhoused during nighttime, living in conditions not suitable for human habitation and not a participant of existing institutions such as jail, shelter, and or hospital (LAHSA, 2017). In recent years, there has been an increase of unhoused homeless individuals in Los Angeles County with a spike from 12% in 2019 to 14.2% calculated in Homeless Count in January 2020 and can expect a higher percentage through the COVID-19 pandemic economic impact (ContentEngine LLC, 2020). The homeless crisis is an observable phenomenon across the city with encampments within residential neighborhoods, businesses and centralized in the Downtown Skid Row area. In attempts to understand the consistent increase of homelessness, the challenge is that of politicians and community leaders continue to disregard systemic barriers Los Angeles residents encounter on a daily basis including residents living in poverty and below poverty income line, the ongoing shortage of affordable housing and individual factors such as unemployment and mental health issues (Barile et. al., 2018). As a result of being unable to understand and acknowledge systemic barriers, the unhoused homeless individuals and families are fronted with punitive policy and community practices that prevent investment and access to welfare assistance (Laniyonu & Byerly, 2021). Rather there is a constant battle between tax paying residents and

business owner's political influence in the interest of beautification of the properties and utilizing taxes to finance homeless support programs (Laniyonu & Byerly, 2021).

2.2 Gentrification

As Los Angeles County strives to curb the homeless crisis, an additional contributing factor is the socioeconomic status of residents and the increase of cost of housing throughout urban and residential communities of the county (Rosell, 2019; Scott, 2018). Researchers of this phenomenon, define gentrification as, “a process of land-use change in which higher socio-economic groups appropriate and upgrade housing compulsorily or voluntarily vacated by lower socio-economic groups” (Scott, 2018, pg. 507) and as “the process of renovating and revitalizing urban neighborhoods for the purpose of economic growth” (Rosell, 2019, pg. 24). Gentrification practices has affected Los Angeles County housing availability as it has triggered a trend of a skyrocketing housing market that has increased 65% in the last decade (Lupa, 2019). The communities that once were considered affordable for low-income families have been slowly transitioned into gentrified communities resulting in high rent markets, displacing low-income families and limiting the options for residents utilizing housing assistance programs due to exceeding any subsidized payment standards from local housing assistance programs (Lupa, 2019).

Besides exceeding standard payments, property owners have integrated stringent renting requirements for applicants. As an example, some property companies implement minimum income requirements and are not accepting housing subsidies for their units. According to a 2018 report, 53% of Section 8 voucher holders and 45% of HUD-VASH recipients were successful in finding a unit (Mulligan et al., 2018). With the increase in the renting market and changes in applicant requirements, recipients will continue to face struggles in finding a suitable home.

2.3 Stigma

As the trend of gentrification takes over Los Angeles County, the stigma towards use and acceptance of federal housing programs, including HCVS8, is evident within property owners' requirements and redlining practices. Property owners express hesitation with the extensive process that accompanies a prospective tenant of a federally housing subsidy program. Hesitations result from the process it takes between showing a tenant an available unit, going through the mandatory inspection process, making any needed repairs, and obtaining final PHA sign-off (Vesoulis, 2021). One property owner expressed that by the time a voucher recipient gets through all their hurdles and they get through all the inspection hurdles, they could have already rented the place (Vesoulis, 2021).

In addition to the extensive process of securing a unit with a housing choice voucher, there are also stigmas against HCVS8 tenants. According to a HUD pilot study, property owners expressed resistance to section 8 tenants due to concerns of the number of people who would be living or staying in the home, whether rent payments would be delayed, and whether property damage would occur (Cunningham et al., 2018). In addition, there was an instance where a property owner referred to section 8 recipients as bad tenants. With these forms of stigma, section 8 recipients will continue to face challenges in securing a unit in the allocated amount of time.

Section 3: DISCUSSION

3.1 Policy Description

Housing Discrimination Bill: Senate Bill 329 (SB 329) was created by Senator Holly Mitchell and introduced to the state committee on February 15, 2019 (California Legislative Information, 2019). Through endless reviews, hearings and amendments, Governor Newsom approved SB 329 on October 8, 2019 (California Legislative Information, 2019).

In efforts to support the housing needs of low-income families and vulnerable populations, SB 329 was endorsed to provide housing voucher recipients the opportunity to receive a thorough and fair vetting when they seek housing (California Legislative Information, 2019). As of January 1, 2020, property owners throughout the state will no longer be able to deny applicants that participate in rental assistance programs that include HCVS8 and HUD-VASH (McMahon et al., 2019). In addition, housing discrimination based on source of income will be forbidden. Under SB 329, “source of income” has been redefined as verifiable income that is paid directly to a tenant or to a representative of a tenant, or paid to a housing owner or landlord on behalf of a tenant, including federal, state or local public assistance, and federal, state, or local housing subsidies, including, but not limited to, federal housing assistance vouchers issues under Section 8 of the United States Housing Act of 1937 (McMahon et al., 2019).

In passing SB 329, government codes section 12927 and 12955 were also amended. California government code 12955 prohibits owners from harassing or discriminating against prospective applicants due to race, color, religion, source of income and more (DeBoe Law, 2022). California government code 12927 indicates forms of housing discrimination that include

but are not limited to: refusal to permit reasonable accommodations for a disabled person, refusal for negotiation and refusal that a housing accommodation is available when in fact is vacant (DeBoe Law, 2022).

3.2 Conflict Theory

Conflict Theory is a perspective developed by Karl Marx that introduces the social conflict developed in a capitalist economic system in which there is a class system between two groups of people (Omer and Jabeen, 2016). Marx described our society being divided between the two classes of the, “bourgeoisie, haves; and proletariat, have nots” (Omer and Jabeen, 2016, pg.196). Given the establishment of a class system, it consequently creates economic inequalities and refusal of sharing financial means to fund supportive programs for people that are of low socioeconomic status. This is true in Los Angeles County, Lanionu and Byerly (2021) describe conflict related to funding and sharing of revenue to support housing programs in the following:

while local elected officials are typically empowered to raise revenue to fund welfare programs for the poor, research in fiscal federalism argues that they are nevertheless powerfully constrained from doing so by the mobility of businesses, capital, and high-income households (pg. 1157)

The impact of class system and social conflict is present in the housing system resulting in the development of Housing Discrimination Bill: SB 329, that main goal is to establish policy in attempt to curve the stigma between the class system of haves (landlords) and have nots (Housing Choice Vouchers Section 8 recipients). The Los Angeles County housing system is an arena where economic class dictates the outcome of people’s livelihood. In order to maintain the class division, punitive policies and criminal identity are placed on the homeless and low-income

tenants (Laniyonu & Byerly, 2021). In congruence with Marx's thinking, it is thought that for the bourgeoisie, the holder of wealth, the belief is that for the workers, producers of the wealth, there is no economic benefit for businesses and high-income households to prioritize housing programs (Omer and Jabeen,2016). In Los Angeles County, it is established that business and high-income earners are not willing to designate their property taxes revenue on empowering or improving the livelihood of who they consider to be of working class. Within the class system identified in Conflict Theory perspective, Housing Choice Vouchers Section 8 programs that benefit the homeless and low-income earners will continue to face challenges due to the push to maintain wealth among the elite. Laniyonu and Byerly (2021) (as cited Blasi 2007; Vitale 2008) describe the following:

At the individual level, a range of factors, such as political ideology, race, wealth, and education, are known to predict support for redistributive spending on the poor...Los Angeles, for example, leading business groups within central business districts have mobilized other businesses to support punitive policing programs targeting the homeless and other marginalized groups (pg. 1155) .

Consequently, California State Senate found the need to add Housing Discrimination Bill: SB 329 as an amendment to housing discrimination policies, it is important to consider Conflict Theory perspective in understanding the economic motivation to stigmatize Housing Choice Vouchers Section 8 recipients. In addition similarly to redlining practices, established by the New Deal where federal government of maps areas where people of color were allowed to live, the class conflict has result high-earning household and business creating boundaries of where working class and homeless are to live by having a “Not in My Backyard” mentality and utilizing their

wealth to segregate people to areas such as Skid Row and under bridge tent villages (Laniyonu & Byerly, 2021; Gross, 2017).

3.3: Policy Analysis

Senate Bill 329 (SB329) is a bill to amend the current protection of tenants by attempting to destigmatize the participation in Housing Choice Vouchers Section 8 program. SB 329 in part is pushing back on the red taping and relining practices that have created income segregation in Los Angeles County. By creating these protections, it creates opportunities for housing programs to support low-income families with the same rights to stable and affordable housing. SB 329 is a continuous effort to promote greater social equity via policy as a deterrent of housing discrimination practices in California and more specific the metropolitan areas such as Los Angeles County.

SB 329 integrates social work values in the area of service and social justice. Service consists of drawing on our knowledge, values, and skills to help people in need and to address social problems (NASW, 2021). SB 329 was created by the growing housing discrimination that is evident and experienced by housing subsidy recipients. SB 329 has a clear understanding that residents, regardless of income status, should receive a fair opportunity for housing. SB 329 was created to address this social injustice and to address the current and growing homeless crisis. With the implementation of SB 329, housing service providers and various housing non-profit organizations are educating residents and landlords of the bill. For example, the Housing Authority of the City of Los Angeles has integrated fact sheets during the voucher issuance process. These fact sheets provide insight on SB 329, a recipient's rights and what landlords are prohibited to do.

In addition, the fact sheets provide contact information for appropriate entities to contact if a recipient experiences housing discrimination.

3.4 Limitations

Although Senate Bill 329 (SB329) prohibits property owners from discriminating against solely on an applicant's income, property owners can find "loopholes" when screen suitability through other factors. For example, property owners can request a minimum credit score for applicants and a rental history. When other requirements are not met, property owners can deny applicants.

As SB 329 incorporates an "antidiscrimination" perspective for voucher recipients, it does not address the extensive process of securing a home with a housing subsidy. Housing programs, such as HCVS8, have multiple parties involved. According to the Department of Housing and Urban Development (2021), prospective tenants, landowners, PHA's and HUD have an important role in the process. With so many parties involved, the process that begins with a rental application and ends with a move-in, can take months. The process can be discouraging for property owners as they feel that they could have worked with a prospective tenant without a housing subsidy and move-in could have been expedited in comparison.

Section 4: CONCLUSION

As the housing crisis continues to impact low-income families and homeless individuals, Housing Discrimination Bill: Senate Bill 329 is a step forward in removing barriers that force them into a stagnant mobility and limiting their ability to survive. Social economic status should not hinder the opportunities and access to affordable housing. The protection of housing programs, such as Housing Choice Vouchers Section 8, can increase support for additional housing funds to decrease years of waiting for many residents in need and create a positive trajectory for many families.

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Appendix A

Joint Addendum Form

Policy Analysis: SB329

Policy Analysis: SB329 is a joint graduate project between **Yesenia Ramirez** and **Elisa Lopez**. This document will explain the division of responsibilities between the two parties. Any additional information can be included in a separate document attached to this Addendum page.

Student #1 Yesenia Ramirez is responsible for all the following tasks/document sections:

- Introduction
- Conflict Theory

Student #2 Elisa Lopez is responsible for all the following tasks/document sections:

- Policy Description
- Limitations

Both parties shared responsibilities for the following tasks/document sections:

- Literature Review
- Policy Analysis
- Conclusion

Student #1 Yesenia Ramirez

Name

Date

Student #2 Elisa Lopez

Name

Date

Committee Chair

Date

James T Decker

Committee Member #1

Date

Ioana D Schmidt

Committee Member #2

Date

Allen E Lipscomb

Department Chair

Date

Name

Graduate Coordinator

Date

Jodi L Brown