

Rigging the Rules of the Game: How Landlords Geographically Sort Low-Income Renters

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This paper considers an unexamined mechanism in the selection processes that sort the urban poor into different neighborhood environments: the landlord. Scholars of poverty and residential mobility have long been interested in how the choices of low-income families interact with structural barriers to create high-poverty neighborhoods that reproduce social and economic isolation as well as racial segregation. However, they have not examined the ways in which these choices are shaped by the intermediary force of the landlord. This paper draws on ethnographic observation and in-depth interviews with 20 landlords and 82 residents in Baltimore, examining their engagement with the Housing Choice Voucher (HCV) program. Findings show that landlords' strategic implementations of voucher rules contribute to residential sorting patterns through a three-step process: first, selection, in which targeted recruitment tactics favor voucher tenants; second, a sorting process in which landlords cherry-pick the lower-end voucher tenants, matching them to hard-to-rent units; and third, landlords' selective retention of tenants who do not have the means to leave. This results in rigging the game, where a process of "reverse selection" operates: Rather than tenants selecting homes and neighborhoods, landlords are selecting tenants. Taken together, these tactics result in a strategic balkanization of the rental housing market that retains voucher holders where they can be most profitable—in the very neighborhoods policymakers would like to provide them with the opportunity to leave. Landlord tactics serve as a powerful mechanism in the concentration of poverty.

INTRODUCTION

From redlining and racially restrictive covenants to separate and unequal public housing rosters, discrimination in housing practices has played a pivotal role in sorting people across the urban landscape, creating and perpetuating spatial inequality and racial segregation in this nation (Massey and Denton 1993; Wilson 1987). Scholars of poverty and residential mobility have long been interested in how the choices of low-income families interact with structural barriers to create and reproduce high-poverty and racially segregated neighborhoods. On the one hand, research has focused on the structural-ecological forces that push and pull urban dwellers into different residential locations, creating residential flows between certain types of neighborhoods (Sampson 2012; Zorbaugh 1929). On the other, researchers have considered how the selection mechanisms

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of preferences and decision-making act to disperse residents into neighborhoods of their choosing (Mayer and Jencks 1989). However, both of these explanations ignore a critical intermediary force in distributing residents among neighborhoods: the landlord. Landlords function as gatekeepers on a simple and fundamental level: Every renter who wants a home must go through a landlord. I demonstrate that landlord practices interact with and shape structural forces and residential choices alike, constituting an understudied mechanism through which renters are sorted unequally across urban space.

To illuminate the juncture where policy, preferences, and landlords meet, I consider the recent transformation in housing policy over the past two decades, which has brought about the gradual dissolution of large-scale public housing and the shift to tenant-based housing subsidies. Where public housing was demolished, needy residents were given vouchers to move into the private housing market, with the expectation that as the poor shifted into the private housing market and exercised more autonomy over where they lived, they would experience positive outcomes and poverty would become less spatially concentrated. To be sure, these vouchers offer access to a wider variety of neighborhoods than project-based public housing did. Yet, voucher holders are reconcentrating in poor neighborhoods, with important differences by race (Devine 2003; Orr et al. 2003; Schwartz 2010). Why do not low-income families move to better neighborhoods when given residential opportunities to do so with a housing voucher? The answer to this question reveals the role the landlord may play in residential outcomes.

I take Baltimore as a case study, a city with one of the highest voucher rates in the country (ACS 2010, HUD 2009). I draw on ethnographic observation and in-depth interviews with 20 landlords and 82 residents, examining their engagement with the Housing Choice Voucher (HCV) program. I find that landlord practices sort the urban poor into units within different neighborhood environments through a three-step process: first, selection, whereby landlords use targeted recruitment tactics to favor voucher tenants; second, a matching process where landlords cherry-pick the lower-end voucher tenants and match them to hard-to-rent units; and third, the selective retention of tenants who do not have the means to leave. Across all three stages I find that race and geography are salient in landlords' selection and sorting of tenants. Taken together, such tactics result in a strategic balkanization of the low-income rental housing market, serving as a powerful mechanism that sorts and traps voucher holders where they can be most profitable to landlords—which happen to be the very neighborhoods policymakers now encourage them to leave.

TRANSFORMATION IN HOUSING POLICY

In recent years, the Department of Housing and Urban Development (HUD)'s HCV program, formerly "Section 8," has been expanded to serve over 2.2 million low-income households (CBPP 2012).¹ Along with this shift away from project-based public housing toward a tenant-based subsidy has come an increased reliance on the private market: Out of the five million households across the country that federal housing programs assist, over half are now housed in privately owned properties (Schwartz 2010).²

The voucher makes up the difference between what a needy household can afford and the cost of a unit in the private market. The price of the unit is set at a maximum of Fair Market Rent (FMR), which is defined as the 40th percentile of area median rent, adjusted

for bedroom size (Schwartz 2010).³ Families earning up to 80 percent of the area median income qualify for a voucher subsidy, and are responsible for paying 30 percent of their adjusted household income in rent.⁴ The voucher covers the remaining portion of rent, and is paid directly to the landlord. In theory, this system should give recipients access to units in a wide range of neighborhoods, including many low-poverty, resource-rich neighborhoods. Though the deconcentration of poverty has never been an explicit goal of housing vouchers. Increasingly, the program aspires to facilitate low-income renters' access to geographic opportunity through residential choice and has been enlisted to fight poverty concentration (Freeman 2011; Goering 2005; Goetz 2003; McClure 2010; Newman and Schnare 1997; Turner and Kingsley 2008).⁵

However, even though a voucher can be used in any neighborhood with an affordable unit, research shows that voucher holders are concentrating in neighborhoods with moderate to high poverty rates (Devine 2003; Galster 2005; Hartung and Henig 1997; Orr et al. 2003; Schwartz 2010). Voucher holders are no less likely to live in minority neighborhoods than unassisted low-income renters (Basolo and Nguyen 2005; Devine 2003; Schwartz 2010; Turner 1998). Furthermore, there are differential patterns by race: Black voucher holders live in poorer and more segregated neighborhoods than white voucher holders (Devine 2003; Pendall 2000). The voucher program was meant to provide families with a means to move to better neighborhoods, but instead, poverty concentration and residential segregation are being reproduced. This raises an important puzzle: When low-income renters are provided with the opportunity to afford a home in a more affluent and integrated neighborhood, why don't they take it?

RESIDENTIAL PREFERENCES AND NEIGHBORHOOD ATTAINMENT

Researchers have long posited that poor families seek to achieve social mobility through neighborhood attainment⁶ (Park and Burgess 1925; Sampson and Sharkey 2008; Sampson 2012). Others have looked to residential preferences to explain where people live: Surveys show that black renters prefer to live in racially integrated, nonpoor neighborhoods, and both blacks and whites would be open to more integration than currently exists, though blacks are open to more integration than whites (Charles 2003; Clark 1992; Krysan and Farley 2002). Schelling's well-known tipping-point model demonstrated that small imbalances in residential preferences between majority and minority groups can result in much higher levels of segregation than individuals would prefer (1971). White flight from neighborhoods experiencing an influx of black voucher holders may thus play some role in explaining the differential outcomes in neighborhood attainment that we see between black and white voucher holders (Farley et al. 1978). However, there is also evidence that black voucher holders are moving to neighborhoods that are already disproportionately black (Sanbonmatsu et al. 2011), where white flight, if it occurred in response to black newcomers, took place decades ago.⁷

Past research has also focused on policy implementation and its role in constraining voucher holders' residential decision-making during the complex search process (Boyd et al. 2010; DeLuca et al. 2013; Edin et al. 2012; Pashup et al. 2005; Pendall 2000; Varady and Walker 2003). There are myriad obstacles to successful lease-up with a voucher, including perceived discrimination, tight rental markets, bureaucratic delays, limited experience with the program, household size, health issues (Pashup et al. 2005), social

networks (Boyd 2008), constrained time windows within which to find a new unit (DeLuca et al. 2013), and problems with landlords (Boyd et al. 2010; DeLuca et al. 2013). Recent work on participants in Baltimore's voucher program shows that the desire for units with more space, privacy, and amenities may lead to less advantaged, predominantly African American neighborhoods (Wood 2014). In this paper, I propose that landlord tactics mold these perceptions of the geography of neighborhood opportunity, as they interact with, shape, and at times impede voucher holders' neighborhood attainment.

THE ROLE OF THE LANDLORD

Although economic theory presumes housing markets to be perfect and competitive, if we ignore the ways in which landlords may act as an extension of market forces, or at times even interfere with the competitive market (Gilderbloom 1989), we will not understand their influence on housing outcomes. Early work on landlords focused on their role in the urban housing crisis and the problem of deteriorating inner city slum housing stock, making a strong argument that they are an overlooked, but key interference in the market forces that underlie low-income housing problems (Stegman 1972; Sternlieb 1972). However, 40 years later, few researchers have attempted to address this oversight.

Recent research on landlords has examined the important role that they play in residential stability and turnover through the mechanism of eviction (Desmond 2012). The high prevalence of eviction in low-income neighborhoods cannot fully be explained by tenant characteristics and behavior (Desmond 2012; Hartman and Robinson 2003), and is an important contributor to residential instability and the reproduction of poverty, especially in female-headed households with children (Desmond 2012). Further, there is evidence that landlords can destabilize households through "soft eviction" techniques by creating unsustainable living environments or, in the case of the HCV program, manipulating Housing Quality Standards (HQS) inspections (Edin et al. 2012; Stegman 1972).⁸ This line of research focuses on eviction as a method of selecting tenants "out." However, we know little about landlords' role in selecting tenants "in" and sorting them into different types of neighborhoods.

Beyond the question of residential stability, landlords may play a key role in selection processes on a neighborhood level. There has been a recent turn in the study of neighborhood effects to study selection processes into neighborhoods in their own right (Sampson and Sharkey 2008; Sampson 2012). Landlord practices constitute an understudied mechanism through which people are sorted into neighborhoods across the city. Yet there is almost no research specifically examining how landlords make decisions about desirable tenant characteristics. We have much to learn about how tenants are selected and then sorted within a landlord's rental portfolio.

Landlords have enormous power to define where voucher families can and cannot live (Johnson-Spratt 1998). Evidence documents landlord discrimination based on a social stigma associated with voucher program participants, both racial and behavioral (Briggs 2005; Freeman 2012; Turner and Ross 2005; Turner et al. 2002, 1999; Yinger 1995). Much of the policy debate around the HCV program centers on source of income (SOI) protection laws, and whether or not they should be more widespread to prevent discrimination against voucher holders in more affluent communities, which is often a proxy for racial discrimination. Yet many landlords refuse to accept families with vouchers even in

jurisdictions where this is illegal (Pashup et al. 2005; Tegeler et al. 2005).⁹ A study investigating whether SOI laws affect voucher holder locational outcomes finds significant impacts on poverty concentration as well as small but significant impacts on minority concentration associated with the implementation of these laws (Freeman and Li 2012).¹⁰

Above and beyond discrimination, evidence suggests that there may be administrative and procedural factors that deter landlords' participation in the HCV program (DeLuca et al. 2013; Turner et al. 1999). Several studies have pointed to the role of fair market rent (FMR) in providing a disincentive for landlords to rent to voucher holders in affluent areas, given that they may easily find other qualified tenants who can afford to pay with no special procedures. On the flipside, there may be incentives for landlords to rent to voucher holders in more disadvantaged areas (Collinson and Ganong 2013; DeLuca et al. 2013). However, we know next to nothing from the landlords' perspective about how supply and demand factor in decisions about which properties and in which neighborhoods to rent to voucher holders.

In short, in order to understand why voucher holders end up in the neighborhoods they do, we must look beyond both the preferences and behaviors of those who are *seeking* housing—voucher holders themselves—as well as the structural factors of the housing market and the operation of the HCV program, to focus also on those who are *supplying* housing—the landlords—and their role as gatekeepers, intervening between structure and preference in their selection of tenants. This paper contributes to a burgeoning discussion of how landlords affect residential stability and neighborhood attainment by considering the key moments of *who* gets selected and *where* they get sorted.

DATA AND METHODS

Using data from the American Community Survey and HUD's *Picture of Subsidized Housing*, I selected a neighborhood in Northwest Baltimore with an above-average voucher holder population, moderate poverty, and high residential instability. Park Heights' moderate poverty rate is typical of the types of neighborhoods to which voucher holders tend to move (Galster 2005; Orr et al. 2003). In 2010, 25.3 percent of Park Heights families lived below the poverty line, as compared with 16.5 percent in Baltimore (American Community Survey 2010). Despite its poverty rate, Park Heights has a large population of homeowners, many of whom were the pioneering working-class black families who bought homes in the neighborhood in the late 1960s and 1970s, as the neighborhood's predominantly Jewish population was moving out.¹¹ In recent years, there has been a new shift. Small declines in homeownership suggest that the pioneers of the neighborhood are passing on and their families are either renting or selling their homes. It is these homes that are often bought and managed by entrepreneurial landlords who are eager to recruit voucher holders to the neighborhood, whose rates have increased inversely. Voucher residences make up 12 percent of Park Heights occupied rental units, ranging from 5.7 at the lower end to 22.7 percent in the more concentrated areas. In comparison, HCVs make up 9.9 percent of the rental market in Baltimore city (U.S. Department of Housing and Urban Development 2009). These rates of concentration are some of highest rates in the city (Ibid.), and among the top 2 percent of HCV neighborhoods nationwide (Devine 2003).

The vacancy rate in Park Heights is near 20 percent, well above the Baltimore average of 16 percent, which is still quite high compared to other large cities in the United States (ACS 2010). Block faces are peppered with empty holes where homes have been torn down and tall grasses are left to fill in the spaces between the houses. Some of those left standing are occupied, while others have caved-in roofs through which trees have sprouted. Bright red “X” symbols marking many structures are an indication to the fire department that the home is structurally unsafe, and should be left to burn in the case of fire. It is not uncommon on these smaller streets to see memorials where residents have left flowers, notes, candles, teddy bears, or balloons to commemorate the loss of a loved one in a shooting or violent altercation.

DATA COLLECTION

For fifteen months from June 2011 to September 2012, I conducted fieldwork and lived in a one-bedroom apartment in Park Heights. During this time I became deeply embedded in local events with residents and landlords. I met and conducted ethnographic fieldwork and in-depth interviews with 20 landlords and 82 residents. Living and working in this neighborhood provided me with a baseline familiarity through which I was able to form connections with residents and landlords and interpret much of what I heard and saw related to tenancy and landlording. Throughout this paper, I draw primarily on data from the landlord sample, but also bring in data from the thousands of hours that I spent with residents, especially the subsample of 26 voucher holders.

The sampling strategy for the landlord sample aimed to incorporate as much heterogeneity as possible, including both small, self-employed landlords, as well as the biggest companies in the Baltimore rental market. I recruited a portion of the landlord sample through contacts I had made in my ethnographic work, and another portion through more formal means. I drew a random selection of landlords from all online listings for units in Park Heights, posted from June to September 2011 on the website www.gosection8.com, the source of rental listings to which voucher holders are directed by the Housing Authority of Baltimore City (HABC). For those recruited through the random draw, I contacted the individual associated with each listing by phone, using the telephone number listed in the advertisement or provided in the referral. If this person was the landlord or property manager in charge of that property, I invited him or her to participate in a study regarding the experiences of landlords in Baltimore city.¹² I arranged an interview, assured confidentiality,¹³ and offered compensation.¹⁴ This technique generated a high degree of cooperation: Over 80 percent agreed to meet with me.

Through a series of visits and unstructured observations over a span of 15 months, these landlords came to willingly let me into their world and trust me as a confidant with whom they could share the frustrations, joys, and daily struggles of their work. I spent approximately 300 hours with 20 landlord participants, including roughly 250 hours ethnographically observing them, meeting with each between one and five times,¹⁵ and observing them informally on many other occasions throughout my fieldwork. In each of these visits I observed landlords conduct daily business. I accompanied them on 12 property tours with prospective tenants, 25 tours of properties under renovation or maintenance calls, and was present during six evictions. On all these visits, I observed firsthand the physical conditions and neighborhood contexts of the units themselves. I also accompanied

landlords on eight visits to the HABC for lease-signings and other official meetings with tenants. These formal and informal interactions provided opportunities to discuss a number of open-ended topics related to their business, as well as to observe how events played out on the ground. Twelve landlords volunteered access to records of various kinds, such as rental applications, logs of maintenance requests and rent payments, evictions, and inspection reports.

I also conducted interviews with landlords. Each landlord was asked to tell the whole story of how he or she became a landlord, to describe all aspects of the job, and to address a range of topics pertaining to tenant selection, property acquisition, and the HCV program. In the initial interview, a set of predetermined topics was always covered, although the exact wording, order, and additional topics followed the flow of the conversation. Interviews lasted between 1 and 3 hours, the average was 2 hours long. Interviews took place in landlords' offices, in empty rental units, or while riding around on a property visit. All but one interview were recorded and transcribed,¹⁶ and after each day in the field, I spent several hours a night recording detailed field notes describing the interactions and activities in which I participated and observed.¹⁷ In this way, hypotheses emerged inductively from the data, while also systematically identifying and revealing the prevalence of various patterns and practices.¹⁸

The targeted-random sampling method produced a sample of 20 landlords (see Table 1) that spans the range of types of landlords who rent to voucher holders, and also

TABLE 1. Landlords

	HCV ¹	Race	Gender	Size/ Type	Total Units ²	Voucher Units	Percent Voucher
Lamar	Y	Black	Male	Small	4	0	0%
Randall	Y	Black	Male	Small	4	4	100%
Jake	Y	Black	Male	Small	5	3	60%
Morgan	Y	Black	Female	Small	5	4	80%
Oscar	Y	Black	Male	Small	25	15	60%
Noah	Y	White	Male	Mid	80	40	50%
Abe	Y	White	Male	Mid	83	11	13%
Tyrone	Y	Black	Male	Mid	84	40	48%
David	Y	White	Male	Mid	85	75	88%
Thomas	N	White	Male	Mid	90	0	0%
Larry	Y	White	Male	Mid	90	54	60%
Jason	Y	White	Male	Mid	90	68	76%
Jill	Y	Black	Female	Large	120	100	83%
Alex	Y	White	Male	Large	130	50	38%
Ryan	Y	White	Male	Large	150	100	67%
Albert	Y	White	Male	Large	300	50	17%
Mark	Y	White	Male	Large	400	350	88%
Pas. Lewis	Y	Black	Male	Large	550	400	73%
Hynam	Y	White	Male	Large	620	100	16%
Kevin	Y	White	Male	Large	800	520	65%
Total					3,715	1,684 ³	
Average							54%

¹HCV: "Y" indicates the landlord does accept vouchers, though may not have any currently, "N" means the landlord does not currently accept vouchers, though may have in the past.

²Total units includes those rented and owned.

³The total voucher count subtracts duplicates that are owned by one landlord and managed by another.

represents a significant portion of the units rented through the HCV program in Baltimore at this time. This includes high-level management personnel at three of the largest rental agencies in the city, several large tenant placement agencies that also own property, and two well-known local landlords who have played a role shaping policy and legislation related to the HCV program. Many of these landlords set precedents for smaller companies and individuals who rent to voucher holders.

All landlord respondents own one or more rental units, though some are also property managers, and I observed them in this capacity as well. Sixteen out of 20 landlords in the sample are open to, or prefer renting through the HCV program; four landlords no longer accept *new* voucher holders as a policy.¹⁹ Thirteen landlords rent 50 percent or more of their units through the HCV program. Nineteen landlords rent at least one property in Park Heights, eight of whom rent the majority of their properties in Park Heights, while the other 12 have properties spread throughout Baltimore city. Two of the landlords are female. Eight are non-Hispanic African American, and 12 are non-Hispanic white. Five landlords have small businesses, owning or managing between 1 and 30 properties; seven have mid-sized businesses, between 30 and 100 properties; eight landlords have large businesses, owning or managing over 100 properties. Together, these individuals and companies own and manage over 3,000 units in Baltimore city, over 1,600 of which are rented to voucher holders, meaning that they control over 14 percent of all the units rented through the HCV program at the time of the study.²⁰

FINDINGS

BALTIMORE AND THE APPEAL OF VOUCHER HOLDERS

Baltimore landlords face a common set of challenges in the local housing landscape: vacancies, high turnover, early lease termination, rent collection, and property damage. These circumstances have made the voucher program more attractive to landlords in recent years, increasing competition to attract and retain voucher tenants. Historically there has been a great deal of stigma surrounding the program, and landlords have often avoided renting to voucher tenants. Many of the older, more experienced landlords cite familiar stereotypes of voucher holders as noisy, dirty, discourteous neighbors and troublesome tenants. However, evolving HCV policies, coupled with the financial crisis of 2008 and subsequent changes to Baltimore's housing landscape mean that the HCV program now offers a powerful set of tools and solutions to combat persistent problems surrounding rent collection and turnover. For this reason, many landlords have a strong preference for renting to voucher holders, leading them to convert their business towards targeting voucher holders and implementing the rules of program in strategic ways.

The Problem of Rent Collection

Eighteen out of 20 landlords in this study report that rent collection is a central challenge. This is substantiated by the high-rent burdens in Baltimore city, where the median household income for renters is \$25,000, and a quarter of all renters earned \$9,600 or less. The means that an affordable monthly rent (30 percent of income) for the median renter would be \$625, and for renters in the lowest income quartile, it would be under \$240 per month.²¹ Yet the average gross rent in Baltimore is \$856 per month (ACS 2010).²² In Park Heights, where the average gross rent is \$710, 28

percent of renters pay more than 50 percent of their income in rent, while another 22 percent pay between 30 and 49 percent (ACS 2010). It is not surprising that landlords cannot always collect rent from their tenants: Many low-income renters in Baltimore simply cannot afford market rents. This is well understood by landlords, one of whom explains: “there’s no recourse against if you don’t [pay] so when you’re struggling to survive, ‘fuck the landlord!’” Many landlords go so far as to say that they simply cannot make a living renting to low-income market tenants, because they spend so much time and energy collecting rent, taking tenants to rent-court, and processing evictions for nonpayment. Though this may be an exaggeration, it is clear that they have a strong incentive to find ways to collect rental payments more reliably.

Seventeen out of 20 landlords in this study demonstrate a strong preference for voucher tenants because they recognize the economic advantages reaped from a tenant whose rental payments are mostly issued directly and dependably from the housing authority. As Tyrone remarks: “A lot of owners like voucher tenants because the rent is guaranteed. It’s going to be in your account between the first and the fifth. You don’t have to worry about chasing any money.” This accords with the remarks of other landlords who report having trouble collecting rent on time from market tenants.

In response to the challenge of rent collection, many landlords not only have a preference for voucher tenants, they have converted their properties to rent *specifically* to voucher holders. David, a young, white property manager who works with many local landlords and also owns some of his own units, has been working in the real estate business for the past 10 years. He explains that before 2008, he and his colleagues “were mostly doing ‘flips,’ as they called them in those days. . . . When the market was high and everything, people were paying a lot of money for properties so there was a lot to be made in the rehab side of things, and then as the market started going down, the rentals started becoming more stable. . . . So we started building up a rental portfolio.” Mark, a white man in his mid-thirties who is part-owner in one of the bigger real estate companies, Reservoir Properties, explains that after doing an analysis of the company’s rental portfolio in 2007, they realized that the HCV program was a very profitable way of doing business in the changing economic landscape. In the span of a year, the company went from 15 percent voucher-occupied units to 85 percent voucher-occupied units: “We literally just vacated everyone and . . . we just said ‘Hey, we’re not renewing your lease and it’s time to get out,’ and we just did like fifteen to twenty houses a month . . . turned the whole portfolio over and then marketed exclusively to Section 8.” Smaller independent landlords like Noah changed their strategies around the same time. Noah is a white man in his late forties who comes from a conservative Jewish family, and took over the family business in 1988 from his uncle and cousin, who had about 30 properties and never accepted voucher tenants. Against his family’s advice, Noah began accepting vouchers in 2006, and within a year he had converted almost half of his units to rent through the HCV program. Across the sample, this type of business conversion was a widespread solution to the problem of collecting rent from low-income tenants.

The Voucher Premium

Not only does renting through the voucher program provide a rent that is paid reliably, there is also evidence that landlords can obtain a premium for a unit rented through the voucher program, above what they would be able to obtain on the open market. Rent reasonableness for a given unit is officially determined through a two-step process where

rent for the unit is compared to rents for similar unassisted units nearby (Department of Housing and Urban Development 2001).²³ Though many of these criteria are fixed characteristics, there is evidence that landlords may be able to manipulate the rent reasonableness determination. Not only can they make decisions about what sorts of amenities to include in the unit, but they can also alter seemingly fixed characteristics, like the number of bedrooms, through renovations and other alterations like counting a den as a bedroom.

When I met with one local landlord, Jake, we sat on the front porch of the four-bedroom home he was renovating on a quiet street largely populated by older homeowners, but with a reputation for crime and break-ins. Jake is African American, 32 years old, and grew up in the neighborhood. He did all the renovations on the home himself, and wanted to rent it for \$1,500 per month, but he was certain that he could not get this much from a market rate tenant on this block: “I mean you can’t go ask a person for 1,500 dollars knowing they have a regular job . . . something like this [house], you have to stay within the budget that somebody can afford. Now most [market-rate tenants] can afford anywhere from 700 to 900. That’s what they’re willing to pay for rent.” Jake was pleased that morning because he had just found a voucher holder tenant and negotiated the rent at \$1,500. This price differential is the primary reason that Jake seeks voucher-holding tenants. Fifteen out of the 20 landlords in the sample reported that that they can get between 100 and 300 dollars more per month by renting through the voucher program. Jason, a white landlord in his forties, who learned the business from a local expert in voucher rentals, explains that there is room for negotiation when you ask HUD for a certain amount of rent in the contract:

You request a rent. They’ll come back and say, “Well, we can’t give you that but we’ll give you this.” And you can choose to accept it or deny it . . . You ask over—and it can be way over—but if you ask under they’re going to give you under . . . If I do get a Section 8 tenant, depending on the bedroom size, I may ask for 1300, 1350 and see where they come back in, knowing that they’ll probably come lower than that . . . A market tenant would probably be around 900 . . . and that’s a whole 900 you have to collect. That’s the difference.

The ability to collect a higher-than-market rent on a voucher unit is contingent on where the unit is located. In many poor neighborhoods where it is difficult to attract tenants, landlords are obliged to lower their asking rents for market-rate tenants in order to fill units and accommodate the incomes of the local population. The voucher rents are based on FMR for a much larger geographic area, and may indeed be higher than other similar houses on the block or in the neighborhood. Therefore, a landlord can often earn more rent by finding a voucher tenant than by renting through the open market.

Strategy and the Voucher Business Model

Landlords make strategic decisions in the interest of their business throughout the rental process. At every step of the way—from property acquisition to recruitment and selection criteria, managing relations with tenants, maintenance and renovation, and rent collection—these decisions can have an important impact on which voucher holders end up in which properties and on how long they stay.

Many landlords bought their properties before the housing market crash, with the intent to sell. But others have acquired their properties more recently as rentals intended to generate cash revenue, rather than as investment properties. In this case, landlords have strategies around what kinds of properties to buy and where to buy them. Due to financial and administrative constraints, many landlords who accept vouchers find it most useful to leverage economies of scale; once they learn the intricacies of the HCV rules and regulations, they maximize their investment by converting their entire business into one that caters to the voucher market. Landlords achieve this by acquiring units in clusters, renovating simultaneously, advertising in the same way, and setting up inspections for the same day. It may be in the landlords' best interest to concentrate their properties in a limited geographic area to minimize time spent traveling across the city for frequent inspections, maintenance calls, and rent collection.

For example, David's company used to buy houses primarily to resell them, but in the past several years with the economic downturn, the firm has transitioned to renting instead. Thirty out of David's 85 properties are located in just one neighborhood in Baltimore's Belair–Edison area. This type of clustering is common among the landlords in the sample. Though not all cluster their properties in the *same* neighborhood, it is common for them to cluster in the *same types* of neighborhoods—those where there is property available at the right price and where the right type of investment can be made. It is especially important to learn how landlords—who often know they will rent a particular property through the HCV program before they even buy it—make acquisition decisions, because these choices determine the array of rental options available to voucher holders. The geographic concentration of HCV properties is a mechanism through which landlords contribute to the spatial concentration of voucher users, which may cluster in disadvantaged neighborhoods, though more research is needed to systematically understand how this occurs.

Renovation is an important part of how landlords prepare properties to cater to certain tenants. When the landlord plans to rent to a voucher holder, he may take a series of steps to keep maintenance costs low, due to the perception that voucher tenants commonly have large families and will, in the words of more than one landlord, “destroy your home.” These steps may include unfinishing finished basements to reduce the chance of having extra adults living in the home; removing extra bathrooms to minimize service calls; and boarding up windows so that there are fewer to break. Indeed, the first time I met with Ryan in an HCV rental, he proudly showed me a bedroom with just one small window, where he had dry-walled over the other. “[I cut it down to] one window per room. Why would I want to put in all those windows? . . . Extra windows, they break them. . . . Extra doors, they kick them in. Less is more. That's where my model is different. . . . I don't want nothing in my basement. . . . They have no reason to go down there. Nothing good happens in the basement.” In houses with lead paint, Ryan often drywalls a second wall over the first, reducing the size of the room by six inches on all sides, but avoiding the costly and risky task of deleading. These types of modifications and renovations are just a few examples of the ways in which landlords cut costs, defer maintenance, work around regulations, and maximize profits by orienting their businesses toward voucher holders.

Landlords also organize their business model around the creation of economies of scale, by hiring tenant placement agencies and management companies who have experience dealing with special problems such as rent court and other legal issues. Morgan is a 35-year-old African American woman who runs a management company that

contracts with several of the larger rental companies to “put out fires,” in her words. Her company deals with a multitude of tricky problems such as rent collection, rent court, eviction, and tenant management issues involving damage and repairs, infestations, hoarding, and more. Many landlords find it more efficient to outsource these specialized activities to companies like Morgan’s who have expertise in these areas. In this way their techniques and practices are disseminated to a wide range of landlords who employ their services.

Another way in which landlords optimize participation in the voucher program is to pool resources by partnering with others. For example, take Ryan, a seasoned landlord specializing in HCV rentals who owns over 150 properties in Southeast Baltimore and prides himself on an innovative business model that is optimized to cater to the HCV market. Ryan sets up his business with a “circle” of four other landlords who are his business partners, each members of each other’s company. Ryan has personally trained each of his partners as apprentices to learn the techniques of his business model. This helps ensure that renting to voucher holders—a process fraught with red tape and complicated administrative procedures—runs as smoothly as possible. For example, when more than one of the partners needs to go to rent court on the same day, any of them can go and act as a proxy for the others. This helps from an efficiency standpoint, but also because the trained partners even have a personal stake in the outcome. When a method is found to be successful, this practice is quickly diffused among landlords in the same social network. In sum, the practices of property acquisition, outsourcing, pooling resources, and apprenticeship have important implications for the ways in which the rules of the voucher program are implemented.

SELECTION OF TENANTS

Tenant selection is a key process through which landlords try to minimize the challenges of turnover and rent collection. Selection can occur in a passive way, where landlords are contacted by interested tenants who have seen their advertisements on the internet, in the voucher office, or locally. It can also occur in a more active way, where landlords employ a set of criteria to select certain tenants and engage in targeted recruitment of these types of residents. These selection criteria have important implications for who ends up where.

Selection Criteria: Screening for the Ideal Tenant

Beyond the preference for voucher holders and the financial motivation to fill units as soon as possible, landlords have strategies for finding the ideal tenant. Ryan has learned that it pays to look for certain characteristics in a tenant: “We’re going to take the cleanest, best tenant possible, versus just taking the first pulse that walks through the door. . . . I want one single person to walk through the door that has [a] one-bedroom [voucher] and no children and no family. . . . They’re not going to wreck your house.” Other landlords, too, express a desire for smaller families or single men or women without partners. But there are also advantages to larger families who come with higher value vouchers, as Ryan explains: “when I first started, we were always looking for the [families with] bigger vouchers and [more] bedrooms, because more money. But the house was destroyed.” Noah echoes this tension: he wants to find a family, “but it’s not the young

twenty-something with four kids, it's the later years with a couple of kids; a little bit older. . . . It's been my experience that the younger single mothers with multiple children aren't quite as focused on what they need to do to maintain the property."

What looks at first glance like a mess of contradictory preferences turns out to be a calculated strategy. Watching landlords interview and select potential tenants, it became clear that the ideal tenant *varies* depending on one key factor: the property. When Noah had an open one-bedroom unit in a rough area of the neighborhood, I observed him interview three potential tenants before picking one: He finally settled on a 32-year-old man with schizophrenia. I asked him why he was willing to accept a single man. He told me: "If it's a lower-level one-bedroom then I'm looking for a NED, a non-elderly disabled person. . . . The perfect tenant depends on the property." The general rule of thumb was best expressed by Pastor Lewis: "The ideal tenant is this: . . . the fewest amount of people in the house, with the highest amount of yield," which of course, depends on the property. This contingent matching process of tenant to unit is key to understanding how landlords' strategies sort tenants among units.

Credit history, residential references, and criminal history are three criteria upon which landlords can rely to screen tenants during the rental process in order to select for the characteristics of their ideal tenant for a given property. Of the three criteria, landlords are most interested in residential history: (1) how long a tenant stayed at the previous home and (2) their relationship with the landlord. David explains:

How many years have they been in a property, how often they change and why? In our experience if they had an issue in the last property after a year, they're going to have an issue with me. It's not so much the landlord, it's the tenant. If they have mice everywhere they go, that were just too bad to treat, clearly it's them. So rental history is definitely a big one and we speak to the landlord. The landlord says "Yeah, we got along fine. I'm sorry they had to leave." I'm more open to that. If the landlord is like "Yeah, they were horrible to deal with," and the tenant is like, "The landlord is horrible to deal with," I'm going to shy away.

As the selection criteria suggest, landlords are trying to find tenants who will give them little trouble, but who are also likely to stay in the unit for as long as possible. The latter is often more important than the former, and the screening criteria are used strategically to select for tenants who are most likely to stay.

The majority of the landlords (13 of 20) use voucher status as a proxy for both criminal background checks and credit checks. Noah skips the screening step entirely, saving time:

If it's a voucher I don't check for anything. . . . I could care less. Get the utility in your name, get the BG&E, electric and gas in your name and your rent's paid for by the Housing. Otherwise, I really don't care. . . . So you missed a rent or something like that, fine. But I'm going with a voucher so it kind of doesn't matter.

David finds criminal background checks to be especially irrelevant on single-family homes "because the other neighbors are not my tenants. If they have an issue with them, that's up to the police. That's out of my control. In multifamily we are a lot more particular." Additionally, since most of a voucher tenant's rent is likely to be paid through the HCV program, credit checks are not particularly useful. Furthermore, with advertisements like Premier Rentals' "Bad credit? No problem!" some landlords are in

fact selecting *for* tenants who have difficulty passing other landlords' more rigid screening techniques. Some landlords report advantages to renting to such tenants: Those with stains on their criminal, residential, or credit histories are (1) less likely to be picky about where the unit is located and (2) less likely to want to move, aiding the landlord in avoiding turnover costs.

Targeted Recruitment

Landlord strategies to find ideal tenants filter the tenant selection process and stack the deck, circumscribing and channeling the range of possibilities tenants are able to consider. Though a voucher holder can theoretically use a voucher in any affordable unit, the HABC directs all voucher holders to find available units on the privately owned website www.GoSection8.com. This single clearinghouse could theoretically function as a powerful search tool to help voucher holders find a unit that best fits their needs, but there are several reasons why this is not necessarily the case. The website does not constitute a "master list" of all available properties, since the properties listed on this website are only the ones that landlords choose to advertise.²⁴ Properties are not necessarily updated or removed after they are outdated. At any given time, the properties on the site that are still available are likely to be the ones landlords have not been able to rent to other tenants. Therefore, the manner in which landlords use the website mediates the selection process.

Beyond the website, landlords have additional strategies for finding and targeting the type of tenant they want. Inside the voucher office there is a waiting room with a table on which landlords leave fliers with listings for available units. Some of the bigger companies have boxes with their company's name marked on the outside, so that their fliers always have a visible home on the table. Further, many landlords directly recruit tenants outside the Baltimore Housing office building. David explains his recruitment strategy:

[I] kind of just hang out, [on] voucher day . . . they give out the new vouchers. They have a debriefing with the tenants. They give them the new voucher packets, so [there] is just a flood of tenant placement people. Even when I'm there for other issues sitting around the waiting room and talking to tenants I get phone numbers and give out a phone number and [recruit] that way.

Voucher holders without access to a computer or the internet or lacking the computer literacy skills to utilize gosection8.com are more susceptible to learning about available properties from the landlords who are doing direct recruitment at the HCV office. Since landlords are more likely to market certain types of properties in this way—for example, hard to rent properties—voucher holders with fewer resources will be more likely to end up in these types of units. Indeed, the landlords in this study employ these targeted recruitment tactics most often with units in disadvantaged neighborhoods that they are having trouble filling. This is an important way in which voucher holders are internally sorted within the voucher market, limiting access of a segment of the voucher population to certain types of units and neighborhoods. This runs counter to the program's ability to provide tenants an opportunity to choose a unit and landlord rather than the other way around.

GEOGRAPHIC MATCHING: “A TENANT FOR EVERY HOUSE”

In addition to tenant traits, geographic characteristics also matter in the sorting process of matching tenant to property. Landlords have a range of properties in various types of neighborhoods, some of which are distinctly harder to rent than others. This leads them to employ targeted recruitment tactics in order to attract tenants to hard-to-rent units. Oscar highlights the key to the strategy:

The thing is you don't need a lot of help when it's a good area. The owner will sit back and wait for calls himself. . . . If he in that area it's a no-brainer. Somebody's going to say, “Oh, man, I want that.” But with me, in the bad area, that's when it's hard. But you got to understand that everyone needs somewhere to live. It's a tenant for every house. You've just got to find the right tenant.

This means that landlords actually make strategic decisions about what type of tenants will be most likely to settle for a unit in a rough area and how best to attract them.

Enticements: “Building a Better Mousetrap”

In some neighborhoods—particularly in disadvantaged, resource-poor, or high-crime neighborhoods—landlords have difficulty renting units to any type of tenant. Therefore, it is common to compensate for these factors by taking special measures to make the units attractive and rentable. For example, Tyrone says he can capitalize on a property that is still under renovation in order to “lock down” the tenant:

You can . . . put the tenant in a position where they are in control. So you come into a room and say, “What color do you want this room?” And they feel like now it belongs to them, so it makes them want the property even more. It makes them do the things they need to do to qualify for the property and then we rent it a lot faster.

Other landlords, too, use upscale amenities and renovations to attract tenants to units located in neighborhoods they might not otherwise consider. Mark drove me to one of his units located in a rough area of East Baltimore. He gave me a tour of several of the company's homes on the block that have all been gut-renovated with hardwood floors, new carpeting upstairs, new kitchens with upscale appliances, finished basements, and the tenants' choice of paint colors. He explains: “Our experience has been you have to do this to get someone to move to a neighborhood that looks like this . . . this is towards the nicer end of what we deliver . . . you have to do a ridiculous product in order to get a Section 8 voucher . . . to really want to live there.” These measures can be selectively employed to recruit and attract voucher tenants who might otherwise use their voucher in a better neighborhood.

Even with these enticements, it can be difficult to rent properties in certain neighborhoods. Several of the larger companies engage the services of tenant placement agencies that do the work of targeting and recruiting voucher tenants for these hard-to-rent units. Jim Lewis, a former pastor, is a 55-year-old African American man who runs a very large tenant placement agency and works with the biggest rental agencies in the city. Pastor Lewis is clean-shaven, wears wide-rimmed tortoise-shell glasses, and often dresses in brightly colored checkered button-down shirts. He is passionate about his work, and prides himself on his ability to place tenants in difficult-to-rent units faster than any other

tenant placement agent he knows. He explains: “It depends on where their property is. If their property in Park Heights—I’m just trying to find somebody. I don’t care who that body is. . . . Park Heights, Cherry Hill, and Brooklyn all have the worst reputation in Baltimore city. . . . So it’s not easy necessarily placing tenants in those areas.” Park Heights is a particularly stigmatized neighborhood where tenants are often reluctant to rent: “A lot of Park Heights blocks is one of those kind of where . . . the first thing you’d say — because people call me and they say ‘What you got?’ I say, ‘I got this gorgeous house in Park Heights.’ [They say,] ‘What else you got?’” Pastor Lewis describes one property that he has in Park Heights where the landlord “did a beautiful \$74,000 rehab,” but, he says, it is “on the worst block . . . awful, awful, awful . . . a bunch of board-ups . . . And another property manager had it and he couldn’t get it rented. The guy called me, I got it rented in about three days.”

Tenant placement agents like Pastor Lewis have an arsenal of strategies to fill these hard-to-rent properties. Lewis often explains to landlords that it is in their best interest to offer tenants rental enticements or “promotions,” especially if they want to attract a voucher holder. He explains: “I tell owners . . . look, you want to get your place rented. Okay. All right, now, this girl is on Section 8, okay? Her annual income is \$6,000 a year. For real. You want a \$1,000 security deposit? You want one sixth of her annual income.” Pastor Lewis’s understanding of voucher holders’ financial precarity allows him to make an offer that is so good it is hard to refuse. He often advises landlords that waiving the security deposit on an apartment in an unattractive neighborhood can help it to rent more quickly, and makes it easier to attract the coveted voucher tenant. Fifteen out of the 20 landlords selectively used some form of “move-in special” or security deposit waiver to entice desired tenants.

One afternoon in Alex’s rental office, I watched him speak with a young woman, Malia, in her mid-twenties with an infant in tow. Malia had a two-bedroom voucher and was considering moving into the building. After visiting the two-bedroom apartment and discussing the rent, which would be 600 dollars a month, it was clear that she was still on the fence. Her voucher would go up to 900 dollars per month, so it was unclear why she was even considering this relatively small apartment, which was technically a one-bedroom with a den. The landlord, Alex, asked her if she worked. When she said she was still receiving WIC for the baby and her only additional income was a few hundred dollars in TANF, he nodded knowingly and offered to waive the 600 dollar security deposit. She looked relieved, and a few hours later signed on the dotted line. Alex told me that he often has to take special measures to attract voucher tenants: “I bend over backwards for these programs and these tenants. I mean that’s why my other two buildings are full of Section 8.” The security deposit is not usually covered by the housing voucher, so waiving the deposit is a particular enticement to voucher tenants and others on fixed incomes for whom it would be very difficult to come up with a large lump sum of money.

Alex also offers other types of incentives that are especially alluring to voucher holders with very little money. Behind the 100-unit property that Alex owns is the former site of a swimming pool that was built as part of the complex in the late sixties. It has long since been closed and filled in with cement, but in the weed-filled empty lot, Alex now stores discarded furniture from evicted residents, which he often offers as an incentive to prospective tenants who do not have enough money to furnish their apartments. Other companies, such as Premier Rentals, offer cash bonuses to voucher tenants after moving in and completing their first month of occupancy.

Some landlords target certain segments within the voucher market. Mark, at Reservoir Properties, says that his company prefers the “higher-end” voucher holders and chooses where to acquire properties and how to renovate them accordingly. In contrast Ryan, Jason, Larry, and Noah admit that they target the “lower-end” of the voucher market, eschewing background and credit checks since they are open to tenants that are less desirable to other landlords. In some cases, these landlords may even go out of their way to attract these tenants who are more likely to accept a unit in an undesirable neighborhood.

When landlords have difficulty attracting voucher holders to a given unit or neighborhood, there are additional recruitment techniques. Pastor Lewis employs a very particular strategy when showing voucher holders a prospective unit. He picks up families at their homes and drives them himself to see available units:

We’ll take the tenants around. My tenant placement service is built upon this. . . . How I got it rented was, I showed the girl the inside of the house. . . . She didn’t want to go, I said look, this owner . . . wants me to show his house . . . after that I’ll take you to any other house that you want to see. She said, “Well, okay.” . . . So she agreed to go in and see the house. . . . Well, when we got [there]— and this happens too on a bad block . . . the ladies will be like “I ain’t getting out [of the car] here. Are you crazy?” And this was one of those kind of blocks.

But Lewis convinces the voucher holder to see the unit, and he shuttles them directly in the door of the newly renovated home. This tactic effectively prevents prospective tenants from exploring the neighborhood and emphasizes the quality of the unit over its surroundings. Once the prospective tenant gets in the door, it is much easier to negotiate because the home is beautifully renovated with lots of amenities. “The house look like anything that you might walk in in the suburbs on the inside of the house, so, it’s beautiful. . . . It’s like, if you build a better mousetrap, you know how they say that.” In other words, he lures the tenant into a home with sparkling new renovations, and before they know what they have gotten themselves into, the lease is signed. The landlord’s financial investment in the home is rewarded by the ability to attract a voucher tenant, which often brings a premium above the amount of rent that could have been charged on the open market.

There is an interaction between geography and tenant characteristics, in particular, race. Though it is not clear how the racial background of a potential tenant may affect a landlord’s decision of whether or not to rent, it plays a clearer role in *where* a landlord is likely to show homes to a prospective tenant. Pastor Lewis admits to racial steering:

Now, I know — this may be discrimination and I must openly admit that I may discriminate, but I won’t take a white client and put her right down in the middle of Park Heights. There’s not very many in the war zone, no, because they get out for safety. But now . . . when we place whites, it’s whites on Section 8, and we [do] get whites, but I’ll try to place them in a more safer type neighborhood, if I have a white I won’t try to place a white down in the middle of the war zone. It wouldn’t — you can call it discrimination, but to me, it just wouldn’t be right.

Lewis’s attitude resonates with much of the literature on racial steering (Galster and Godfrey 2005; Pearce 1979; Turner and Ross 2005; Turner et al. 2002). Whether the

steering is based on discrimination or on a practical approach to renting the property as quickly as possible is debatable. Either explanation, though, points to a powerful and overt racial sorting process that reinforces segregation across neighborhoods.

SELECTIVE RETENTION: GAMING THE RULES THROUGH INCENTIVES AND THREATS

The selective retention of tenants is a key mechanism through which landlords can affect residential flows. Landlords have at their disposal a number of strategies to get desirable tenants to stay in hard-to-rent units, ranging from enticements and incentives, to strategic implementation of the HCV rules, to threats of voucher loss and financial entrapment. For example, Ryan offers bonuses as enticements:

I give some tenants incentives to stay, like #517 and #519. They both came up on their lease renewals, and I had a good deal with Best Buy on stainless appliances. And I sent an offer out to [re-sign] for two or three years, this is our re-sign bonus. And we gave them brand new stainless steel stove and fridge that was theirs to keep . . . if you have a great tenant, and they don't really want to move, and they're up in the air, and you give them a reason to stay . . . I'll spend \$1000 on new stainless steel fridge and stove. Why would I not do that to keep them another two [years]?

Despite his minimalist business model and renovation strategies, Ryan finds that by making small, but meaningful offers to incentivize his renters to renew their leases, he can “give them a reason to stay.”

The “Teeth” of the Program: Threatening Eviction and Voucher Loss

When incentives don't work, there are more insidious ways for landlords to get what they want. Many landlords explain that they can use the rules—or the “teeth”—of the HCV program to keep their tenants' behavior in line or to hold on to desirable tenants. These “teeth” are based on some of the newer rules and regulations embedded in the HCV program, which may explain in part why it is much more popular with landlords now than it used to be. Ryan explains the power of the voucher:

There's only one [way to hold tenants accountable]. . . . The only thing about Section 8 is that you have to be in compliance to have your voucher. If you're not in compliance, you can set up a hearing and lose your voucher. So that means you've got to pay your rent. You've got to have utilities. You've got to pass your inspections.

Here, Ryan identifies the main reasons for which a family would not be able to move without the loss of their voucher: owing the landlord rent money, utility money, or maintenance or repair fees. The threat of voucher loss can weigh heavily on a family. As Noah explains, “It's a big threat. If there's 16,000 people that are waiting for a voucher in Baltimore . . . that's a pretty big incentive . . . I would be scared.”

The threat of voucher loss can also be used to affect tenants' behavior. One of Oscar's tenants, a 30-year-old woman named Marie, lives in one of his single-family homes with her mother and two children. This home is located on a street with a lot of homeowners who have lived there for over 40 years. Oscar likes Marie, but has had some complaints from neighbors in recent months, and is close to getting in trouble with the police. On

the way to her house one day, he briefed me on the situation: “The city called me up and said, ‘Do you own a property on Georgia Ave?’ I said, ‘Yes.’ They said, ‘Well, we have a concern from a lot of homeowners over there that this is a nuisance house.’ They said, ‘Take care of it before we take care of it.’” Oscar was torn because he knows Marie is a single mom, and by and large she has been a good tenant, paying her portion of the rent on time. He explained, “It’s not so much her, it’s the people that she associates with. She got a lot of guys that may be up to no good selling drugs that know her, that’s always sitting on the steps. She may not be doing anything but you get it by association.”

As we approached the home, just as Oscar had predicted, Marie was sitting on the front stoop with a young woman and three men. There was music playing, and they were talking and fishing crabs out of bucket. Oscar approached the group and said, “Look, you can’t sit here.” He pulled Marie aside and said in a low voice: “We got to straighten this out. I could find another tenant, but then you’ll have to get another voucher. . . . If you could just settle down.” On the way back to his office, he explained to me what was actually at stake: “That’s the stipulations. You can’t have any drug activity in your house. You can’t be hanging around. It’s one of those things where she could lose her voucher.” Oscar did not kick Marie out, which in fact would have caused her to be kicked off the HCV program. But, he did not have to, because his threat worked: Marie knew that if she did not change her behavior, Oscar could report her to the voucher office, and not only would she lose her voucher, she would also likely be evicted since she would be unable to pay rent. This type of threat resonates with what we know about how landlords can use the threat of eviction to control tenant behavior (Desmond and Valdez 2012), though in this case, there is the added risk of losing one’s housing subsidy.

Eviction is a powerful tool that landlords have at their disposal (Desmond 2012). Landlords employ strategies to push certain tenants out of their units if they are deemed “bad tenants,” for example, those from whom they fear property damage or legal problems.²⁵ However, eviction is costly to the landlord, and most go out of their way to avoid it unless absolutely necessary. In fact, much of the time, landlords are scheming of ways not to rid themselves of tenants, but to *hold on* to tenants. In this study, one of the biggest challenges landlords face is tenant turnover. In Ryan’s words: “Every tenant wants to move all the time. That is the one bad thing about Section 8. . . . Got mad at the neighbor, mad at the boyfriend. Wants to move because she wants a new house. Just — there’s no reason for it. . . . They all want to move, all the time.” How long tenants stay varies by landlord, but it is true that turnover incurs significant costs. Every time a tenant moves, expenses include repainting, recarpeting, and also losing valuable time and money looking for a new tenant. Average costs range from 300 to 3,000 dollars (and sometimes more) every time the unit turns over.

The so-called “teeth” of the HCV program can help landlords to combat this challenge. Landlords exploit the intricacies of the voucher rules to attenuate the movement of voucher holders out of their properties. One of these rules is that a tenant cannot be issued a new voucher to move if the landlord is owed any money. Alex explains how the system has changed in recent years to give landlords more recourse:

Now Section 8 is a little more refined. . . . because if you have a problem with a tenant, you have somebody to go speak to. There’s a lady — Miss Watkins — at Section 8, sweetheart, works with you. If these people try to even decide to move out, they have to be caught up. In other words they can’t owe a water bill, they

can't owe back rent or they don't give them a new voucher — they can't go. So they worked it out, and if they wreck the apartment and you file against them like a lawsuit or something, and they can't get another voucher until they settle up with you.

Alex is not alone in finding it helpful to have someone to turn to at the HABC voucher office who can help him keep tenants' behavior in line with a threat of voucher loss; several landlords reported that they had personal relationships with administrators at the voucher office who they could call for help dealing with a tenant.

The inspection process is a central moment at which the interests of landlords conflict with those of the tenants, and is a battleground in the negotiations of how long a tenant stays. When approved units fail subsequent inspections, tenants must find and move to an alternative approved home within the prescribed time period. When the property owner is cited for a violation, this may give the tenant a right to break the lease and be issued a new voucher to move. Many landlords describe the challenge of reducing turnover as a constant "battle" against tenants who seem to always want to move. Ryan is particularly passionate about this problem:

Some tenants will abuse the system to get that voucher to move. When they're ready to go, they don't care what they owe, what they signed, they're ready to go, and they're going to go to every venue they can. Call every office, do this, do that. And we don't back down, bottom line. We're standing our ground, we're not giving in. We will fight you tooth and nail.

Thus, landlords develop strategies to deal with inspectors and demonstrate that their properties are in good condition. If the inspector determines that there are no grounds to break the lease, the tenant cannot be issued a voucher to move and the landlord "wins." Landlords fight inspection citations as a means of holding on to the tenant and avoiding turnover costs.

Some landlords take these disputes to the next level, using the legal system to combat tenants' attempts to move. Ryan specializes in waging these disputes in the courtroom. On his wall, he has a framed copy of a court decision determining that he, as a landlord, is not responsible for rodent infestations under certain conditions:

[The rules] used to be gray. . . . I'm making them right. . . . I'm done playing that game. The rat used to be a big go-to [for tenants trying to break a lease]. You don't hear about it anymore, because they know that it's been put to the test and won. Anything we do, anything that gets done, anything that happens, photographs. You can't deny photographs, so when somebody wants to say "rats," no problem! I guarantee you I've got six or eight pictures from prior that show the process of how this tenant is.

In order to provide legal evidence to assign responsibility, landlords like Ryan meticulously record service calls and visits with photographs and written documentation. If the landlord can document that (1) he exterminated before the tenant moved in, and (2) the tenant has a history of leaving food in the kitchen, failing to remove trash, or not mowing the lawn, then the landlord is not responsible for any rat infestation that appears. Ryan is very proud of this win because now a tenant can never use rats as the basis for a request to move.

Landlords use the provisions of the HCV program as tools or “sticks” against a tenant. For example, a landlord can call the voucher office for a spot inspection to determine responsibility for damage and hold the tenant responsible for repairs. Many landlords prefer to do the work themselves and simply charge the tenant for it. Ryan’s policy is not uncommon: “We want our houses fixed our way. We don’t want you to bring some guy in that’s going to cut his arm off in our house and try and fix your stuff, so our policy is that if you break something, we’ll fix it. We’re only going to bill you what it cost us.” But there are other reasons why a landlord would want to do the repairs himself and send a bill. Noah explains:

The stick is — I can call up for a spot inspection. . . . I show up and I see there’s a giant hole in the side of the, you know, I’m like, ‘What happened?’ ‘My boyfriend put his head through the wall last night.’ Oh great, ‘HABC, please go inspect property 123 Main Street; there’s a problem inside. I think the tenants are destroying the place.’ They go and inspect it. Sure enough, it’s not a maintenance issue; it’s destructive behavior. . . . So the stick is, they can come out and inspect. Now I’m still responsible for the damage, I cannot have a hole in the wall with somebody living there or whatever it is. But if it’s determined that it’s behavioral and not maintenance, the voucher can be pulled. Once a voucher is pulled, if they can’t pay the rent, then I go through the eviction process like any other tenant.

If the landlord repairs a problem that the tenant created, then the tenant owes him money. Through this strategy of indebtedness: landlords like Ryan make it difficult for tenants to move:

If they owe money for damages, they can’t move until they make good on it. The old way, they used to be able to just pack up, move, and be irresponsible. . . . Essentially, it’s not really that you’re holding them . . . [it’s] that they’re accountable . . . that glitch got fixed. So now a tenant has to be 100 percent current before they move.

Landlords feel this is a vast improvement on the old system, because they so frequently have to make repairs and fix damages that the tenant has incurred. Together, these policies can have the effect of holding tenants in a living situation that they may be trying to escape. Though both the tenants and the landlords are using the inspection process and legal system as tools in the “struggle” over who can leave and when, the landlords come prepared. This is their job, they have far more resources and information, and most importantly, they know the rules of the game and how to use them.

Rent Collection and Indebtedness: A Game of Chicken

HCV landlords must also address the challenge of collecting the tenant’s portion of the rent. Some landlords take their tenants to rent court every month, even for small sums and even though it costs more in rent court fees than they recoup. Landlords like Mark say they do this on principle:

So we’re going to spend \$33 in rent court to take you to court for \$100? But it’s a training issue for us . . . so we’re just playing chicken. We’re just letting you know how we’re going to play ball, and we know we have . . . the really nice house, and it’s in a nice area, so we just say, “No, you have to pay your \$100 portion. I’m not going to let it slide. I know I’m getting \$1200 from Section 8 but I’m getting your \$100

just 'cause that's how we're going to run this ship, like it's going to be tight like I don't want to hear any stories. . . . You have a \$100 portion that Section 8 says you have to pay and so we'll get right up to eviction and it will be over [a] \$100 freaking thing, and they just think we're bluffing. . . . That's fine, we'll do this every month if you want . . . you're not going to lose your voucher, and so I'm going to win this game of chicken.

But some landlords have a different strategy, allowing these small sums to build up over time. Ryan does not file a claim in rent court until a tenant owes him at least \$500 or \$600. He says it costs him \$50 just to get the paperwork, and tenants so often pay late that it's better to wait. In addition, there are other advantages that he does not directly refer to, though they are clear. As he stated at other times, a tenant cannot leave if they owe him money. This holds true for Ryan's attitude about eviction as well.

Four months ago [a tenant] just stopped paying her portion. She has a \$400-a-month portion. Hasn't paid in the last four months, so I went to rent court, got the judgment. What's going on? Going through a tough time, but she's been with me seven years. So it's not like I'm going to evict her over four bad months. Section 8 pays a larger portion, \$800 or \$900 or something like that. . . . Look, sometimes they get in jams, and at tax time, they'll make right on it. . . . Do I evict somebody over \$400, \$800, \$1200, go fix up the house, re-rent the house, get a new tenant? . . . How long do you wait? You still are getting something. You're getting \$900 out of \$1300, and you've been getting \$1300 for the last seven years, and she's been golden, a great tenant. . . . I just think it's a bad business model to evict somebody for \$1200 and destroy her whole life, because when I evict her she loses her voucher. Then her kids are homeless. I'm not going to do that as a human being, and I'm not going to do it as a businessperson. Because it's bad business.

Ryan is delicately interweaving several rationales. On the one hand, "as a human being," he claims he does not want to be responsible for the tenant and her family being put out on the street. In addition, it is clear that Ryan likes this "model" tenant and has had a positive experience with her over the 7 years she has rented from him. Finally, Ryan articulates that from a business perspective, evicting a good tenant is not profitable in the long term. It is in his financial interest to keep tenants for as long as possible in order to minimize transition costs, so this is one of the tactics devised to keep the tenant in the unit even when they want to leave. Mark is very familiar with this type of strategy, though he is disdainful of it:

[Certain landlords] . . . game the Section 8 system back to the tenant because . . . they'll take the low rate tenant, but then they'll keep them there because if they bang up the house they'll threaten them out. They are just very aggressive . . . if someone owes them money or if someone doesn't pay their \$100 portion . . . [they] would let them not pay and then hold that over their head so when they say, "I want to leave," "No, you owe me \$1500," and . . . they are never coming up with \$1500. They've never seen \$1500, I mean they barely have any income. . . . He just lets them [not pay] and then uses it against them so that they can't move 'cause . . . they're not released.

This practice of allowing debt to accrue as a means of retaining tenants may serve as a broader mechanism that prevents voucher tenants from leaving undesirable living situations and moving on to newer homes and neighborhoods. It also has the potential effect of retaining the most disadvantaged voucher holders—those behind on their rent—in some of the worst quality units in the poorest neighborhoods.

DISCUSSION

This paper shows how landlord practices contribute to selection processes that sort the urban poor into different neighborhood environments. Recent changes in the Baltimore housing market and program rules have made housing vouchers more attractive to landlords, who have responded by structuring their businesses around the program. These landlord strategies are linked to residential sorting patterns through three steps: selection, matching, and selective retention. Across all three stages, race and geography structure how landlords make decisions with repercussions for residential sorting of poor tenants.

REVERSE SELECTION

Landlords find it in their interest to rent to voucher holders, and may be collecting more money for properties rented to voucher holders than for those rented to market tenants. Targeted recruitment tactics involve recruiting outside of the voucher office and offering incentives to which disadvantaged tenants will be more receptive. Even within the voucher population, certain tenants are more vulnerable to landlords' targeted recruitment tactics because they (1) lack the education or resources to use the website to make an informed choice, (2) lack the transportation resources to visit multiple homes before making a decision, or (3) are in dire residential circumstances and have limited time to conduct a full housing search. Landlord tactics therefore result in a process of reverse selection, where rather than tenants selecting homes and neighborhoods, landlords are selecting tenants.

THE MATCHING PROCESS

Tenants must meet a minimum standard, which may vary by landlord, but also by property. Some tenants are more appropriate for certain types of units in certain neighborhoods. Landlords make strategic decisions about which tenants will be most likely to settle for a unit in a rough area, and how best to attract them. Landlords' preferences emerged during interviews, but there was no clear identification of what constitutes the universal "ideal tenant" across all contexts. It was only through fieldwork, as I watched landlords receive calls and visits from prospective tenants and carefully pick which properties to show them and in what order, that the meaning of Oscar's statement, "there's a tenant for every home," became apparent. Landlords have an array of properties and a list of prospective tenants. They are trying to satisfy renters by finding them a home they will be interested in, and at the same time fill as many of their units as possible with tenants who are likely to stay over the long term. In a city with a soft rental market like

Baltimore, where landlords often have vacancies, they have an opportunity to shift residents around within their properties. Landlords engage in a matching game, sorting residents into optimal units in order to minimize vacancies and turnover and maximize profit.

Further, evidence suggests that the lower-end voucher holders are those who have less power in terms of (1) resources (time, money, education) that would allow them to make more informed choices, and (2) race: Regardless of their own race, landlords reserve units in better areas for whites and they preemptively place blacks in more disadvantaged neighborhoods. Some landlords market properties specifically toward this “lower-end” or less advantaged segment of the voucher market. Tenants who have bad credit histories, unfavorable residential references, or criminal records also have fewer options about where to live, and are more likely to accept the first unit a landlord offers them. Voucher holders who have little money saved up for a security deposit are more likely to accept a unit if the landlord offers to waive it. Those who have only lived in rental units with rodent infestations, dysfunctional kitchens, or persistent water leaks are more susceptible to the allure of a newly renovated kitchen or the landlord’s offer of a dishwasher. Those with few resources to learn about new and different neighborhoods are more likely to be swayed by the physical features of the unit than by the less tangible characteristics of the neighborhood. Landlords capitalize on these vulnerabilities, attracting the tenants they want by “building a better mousetrap.” These tactics channel voucher holders into vacant units which are often located in neighborhoods already on a downward trajectory.

Previous research clearly shows that black voucher holders live in much poorer and more racially segregated neighborhoods than white voucher holders (Devine 2003; Pendall 2000). Whether or not landlords make explicit distinctions according to race as opposed to socioeconomic background is a question for further empirical research. Results from this study do not show race to be a salient trait on the basis of which landlords *select* a tenant, but race is relevant in the *matching* of tenant to property.²⁶ In other words, while there is not evidence here that Baltimore landlords turn away black voucher holders, there is clear evidence that the interplay between the race of the voucher holder and the characteristics of the neighborhood inform landlords’ actions. Landlords place black voucher holders in particular types of neighborhoods, that is, those where whites do not want to live. For example, Pastor Lewis admits that he does not place white renters in poor, black, high-crime neighborhoods. Given that few of these landlords’ units are located in predominantly white neighborhoods, if tenant placement agents like Pastor Lewis are prioritizing the placement of white voucher holders in those neighborhoods, they are *de facto* unable to place black tenants in such neighborhoods. This may be one explanation for the disparate locational outcomes we see for black and white voucher holders in the quantitative research.²⁷

SELECTIVE RETENTION: LEVERAGING THE VOUCHER

The selective retention of tenants is a key mechanism through which landlords can affect residential flows. Previous research has demonstrated that eviction is a means through which landlords selectively purge residents (Desmond 2012). I find evidence that landlords can also play a role in the selective *retention* of tenants. Once the tenant is acquired, landlords may undertake efforts not only to rid themselves of certain tenants, but also to

selectively hold on to desirable ones. It is important to note that although new research demonstrates that eviction is more prevalent than previously accounted for (Desmond 2012), I find that landlords simultaneously have a strong financial incentive *not* to evict tenants (especially voucher tenants, whose rent is paid mostly by the government) and take measures to prevent their tenants from leaving.

Strategies of retention operate through tactics of threat, intimidation, and leveraging of debt. These occur through (1) inspections, (2) legal battles in the courtroom, and (3) exploitation of voucher rules. Further, landlords imagine the rental process as a game, or struggle between landlord and tenant, in which the voucher is in jeopardy and can be used to manipulate behavior. Landlords have superior access to information and resources and know the rules of the game. In contrast, many voucher holders are not aware of their own bargaining power and do not have the resources to employ it effectively. Landlord retention tactics effectively trap many voucher holders in units in disadvantaged neighborhoods, and because these tactics are more effective at holding on to tenants who have fewer alternatives, the process has important repercussions for *which* voucher holders are most affected.

IMPLICATIONS

Taken together, the landlords in this sample represent a significant portion—over 14 percent—of the HCV units in Baltimore City. If landlords' strategic use of the voucher program involves (1) selecting and recruiting certain types of tenants, (2) sorting them into certain properties and types of neighborhoods within their portfolios, and (3) selectively retaining tenants through methods of entrapment, policymakers ought to take notice. The process of “reverse selection” operates in direct contradiction to the idea that the voucher program should provide tenants with choice and access to low-poverty neighborhoods.

Working within the voucher system, there are several policy options that could be adopted to address these problems. Better information and counseling for families without internet access, transportation for housing searches, and security deposit assistance would all minimize the effect of the landlord's targeted recruitment tactics that attract and trap vulnerable voucher holders. It is essential for families to be informed of their rights as tenants so they can report necessary repairs or request to move without fear of losing their voucher.

Another potential area of intervention is in the calculation of Fair Market Rent and the perverse incentives that are created in the way it is defined. New research finds that when the FMR is defined at the zip-code level rather than at the metropolitan level, voucher holders move to better neighborhoods with no additional costs (Collinson and Ganong 2013). This may in part be due to the fact that lower FMRs eliminate the voucher premium, removing the financial incentive for landlords to disproportionately recruit voucher holders to disadvantaged neighborhoods. This has important implications for the cost effectiveness of voucher administration. If housing authorities spend less on rent, they could help a larger number of families, which is key, since only one in four qualified families currently receives housing aid (Turner and Kingsley 2008).

Some may argue that the voucher system's failure to achieve much change in poverty concentration is not due to the fact that it is a market-based solution, but rather, because

it is not *enough* of a market solution. One might ask what outcomes we would see in a truly unfettered market—one where landlords do not manipulate the system to their advantage, charging more than units are worth or abusing HCV rules to retain tenants. What would happen in a system where residents are well-informed of their options and rights and empowered to exercise choice? If we fixed these problems, would we see better locational attainment? Not necessarily.

Though at times they operate in discriminatory ways, landlords themselves are not solely responsible for the patterns of racial and economic segregation that persist in this country. Racial discrimination in housing markets, residential preferences, and structural forces operate in tandem to produce and reproduce these patterns of “durable inequality” across time and place (Tilly 1999). As Hartman pointed out when he called housing vouchers the “grand delusion,” the idea that we can rely solely on forces of the free market to address inequality is intrinsically flawed. Without explicit intervention, it is likely that the same forces that sorted and marginalized low-income minority renters across the city in the first place will be reproduced.

Nevertheless, uncovering the mechanisms through which landlord practices contribute to this poverty concentration and racial segregation process is a crucial step. The Housing Choice Voucher program is an expanding strategy to house the poor, and as such, policymakers should consider the ways in which landlord practices may circumvent its intended purposes. This paper shows that landlords sculpt residential choices in ways that undermine tenant agency, reversing the mechanism of selection, and recreating spatial inequality rather than uprooting it. A clearer understanding of these mechanisms can help policymakers better design housing programs that truly offer low-income renters the opportunity to move to neighborhoods of their choosing. The ways in which landlord behavior affects residential flows are in many ways applicable more broadly to low-income renters: Landlords use similar tactics to select, sort, and selectively retain unsubsidized tenants. Future work should systematically investigate the varying ways in which landlords interact with voucher and market tenants.

CONCLUSION

The shift in American housing policy in the last two decades towards individual subsidies has been touted as a way to let the private market solve the problem of concentrated poverty—in which federal housing policy has been historically complicit—by providing opportunities for poor families to move to neighborhoods of their choosing. However, without studying the ways in which landlords mediate the operation of market forces, we miss an important mechanism shaping residential choices. Rather than providing low-income families with the opportunity to make informed decisions about which neighborhood would be best for them, the system has been turned on its head. Instead of tenants selecting neighborhoods, landlords are recruiting, selecting, and then sorting tenants into the units and neighborhoods where the greatest profit can be made. Despite its potential to facilitate the mobility of low-income households, the HCV program has in some cases done the opposite. In this process of reverse selection, supply actually *creates* demand, landlords’ actions shape and constrain residents’ choices. This reversal illuminates a mechanism in processes of residential sorting and selection fundamental to urban sociology. The voucher case demonstrates the ways in which landlord practices

intervene to pervert the process of residential choice, revealing the limits of a market-based solution to a complicated and entrenched social process. The set of landlord practices described here becomes a powerful sorting instrument that channels the most disadvantaged voucher holders into some of the worst neighborhoods, thus reproducing spatial inequality and concentrated poverty.

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Notes

¹Though only one in four eligible families receives housing aid, HUD's programs nevertheless reach a non-trivial portion of the poor (Turner and Kingsley 2008).

²Since 1992, the number of public housing units in Baltimore has significantly diminished while the number of HCV units has almost doubled from 5,966 units to 11,700 (Jacobson 2007). In 2009, HCVs made up 9.9 percent of the rental market in Baltimore (U.S. Department of Housing and Urban Development 2009). In the United States, there has been an increase of 450,000 vouchers since 1995, and in 2004 vouchers rose to make up 40 percent of HUD's assisted households (CBPP 2012; Schwartz 2010).

³There are two important stipulations: (1) The Quality Housing and Work Responsibility Act (QHWRA) allows housing authorities to set payment standards between 90 and 120 percent of FMR under certain circumstances; (2) The FMR was raised to the 50th percentile in the 39 most expensive housing markets in 2001 (Schwartz 2010).

⁴Since the QHWRA of 1998, the voucher holder must independently pay for any rent above the FMR, though this cannot exceed 40 percent of the resident's income (Schwartz 2010).

⁵Though poverty deconcentration is not an explicit goal, an emphasis on helping families move to low-poverty neighborhoods and a desire to demonstrate that an increasing proportion of HCVP households are moving to low-poverty census tracts are reflected in various HUD documents (Department of Housing and Urban Development 2001; Wang et al. 2008).

⁶I use the term "neighborhood attainment" following Sampson and Sharkey's (2008) extension of the "locational attainment" model (Alba and Logan 1993). This body of literature draws on substantial supporting evidence suggesting that overall, segregation is involuntary on the part of blacks and that integration is desired (Alba and Logan 1993; Logan and Alba 1993; Sampson and Sharkey 2008).

⁷For example, the case study neighborhood was 5 percent black in 1960, 81 percent black in 1970, and upwards of 95 percent black from 1980 to the present (U.S. Census 1960–2010).

⁸HQS are minimum criteria set by HUD, evaluated in a yearly inspection, in order to ensure the health and safety of program participants.

⁹Although in some states and counties, there are Source of Income Protection (SOI) laws that make it illegal for landlords to discriminate on the basis of voucher status, in many states landlords often refuse to accept families with vouchers. See Freeman (2011) for a complete list of states and jurisdictions with SOI laws. SOI laws have been adopted at the city, county, and state levels; currently, only 10 states have SOI laws, as well as a number of counties and cities. See Tegeler et al. (2005) for a list of all areas with SOI laws.

¹⁰Further, Freeman finds substantial evidence that SOI laws affect the experience of voucher holders; in particular, he finds that they are associated with higher voucher utilization rates (2012).

¹¹Homeowners constitute 48 percent of occupied units in Park Heights, just above the Baltimore average of 45 percent (American Community Survey 2010). The neighborhood has experienced a population shift from 95 percent white in 1960 to 81 percent black in 1970, and over 95 percent black thereafter (ACS 1960–2010).

¹²All participants in the landlord sample are property owners, though some also act as property managers for other property owners; all respondents act as the key decision maker for a given unit.

¹³To protect the identity of participants, all names, company names, and addresses are pseudonyms.

¹⁴About one-third of the landlords initially did not want to accept payment, though I remunerated every participant with the 50 dollars and suggested that they could use it in some way for the benefit of their tenants if they preferred.

¹⁵Of the twenty landlords, I conducted ethnographic observation and interviews with sixteen, and interviews only with the other four. Of the 16 that I ethnographically observed, in addition to the interview, I met with 4 of them once, 2 twice, 3 three times, 1 four times, and 6 landlords five times.

¹⁶One landlord requested not to be recorded, but agreed to be directly quoted. Written notes were taken.

¹⁷These data were loaded into the qualitative data analysis software Atlas.ti and coded both inductively and deductively. A list of the forty codes used for analysis is available upon request.

¹⁸I also relied heavily on my experiences from the field as an ethnographer, and my own knowledge of how people and places were connected. Some of the most important insights from this paper were revealed during interactions I witnessed that illuminated a process obscured in the interview.

¹⁹Though not all landlords in the sample accept new voucher tenants, they all have units that are currently occupied by voucher tenants, except for one, who used to have voucher tenants, but no longer does.

²⁰In 2009 11,834 units were rented to voucher holders in Baltimore city (HUD 2009). By compiling the total number of units that the landlords control, which is 1,634 (the sum of units owned and managed, subtracting duplicates), I calculate that they control 14.23 percent of all units rented to voucher holders in Baltimore city.

²¹American Housing Survey, Baltimore Metro data, 2007.

²²Gross rent is the amount of the contract rent plus the average monthly cost of utilities, if paid by renter.

²³Criteria for comparison include location, quality, size, unit type, and age of the unit, and secondly, amenities, housing services, maintenance, and utilities the owner must provide under the lease.

²⁴Even in jurisdictions where the list may be more complete, voucher holders are limited to the neighborhoods in which landlords are choosing to market their units specifically to voucher holders. DeLuca et al. find that 182 of 191 listed properties were in mid- to high-poverty areas and located almost entirely in highly segregated neighborhoods (DeLuca et al. 2013:281).

²⁵For these tenants, even small lapses in rental payment result in immediate eviction filings. The responsiveness to repair requests can also be employed to catalyze turnover, creating an unsuitable living environment and eventual failure of inspections. For more on landlords and eviction, see Desmond (2012).

²⁶The results show little explicit mention of race by landlords in their strategies, though there are some obvious explanations why it is rare to discuss how the racial background of a tenant plays a role in selection. Certainly, this type of discrimination is taboo, and landlords may not have been willing to discuss such views with me. It is also important to note that in Baltimore, over 90 percent of voucher holders are black, so race cannot be used a criterion of selection if landlords want to fill units with these subsidies (HUD 2009).

²⁷The data presented here are well suited to investigating the mechanisms through which black voucher holders are disproportionately channeled into disadvantaged, predominantly African American neighborhoods. However, sample constraints make the data less suited to identifying how landlords with properties in affluent white neighborhoods may be actively preventing blacks from accessing these homes. Qualitative in-depth fieldwork focusing specifically on landlords with properties in these “opportunity” areas is warranted in order to understand whether and how this type of active discrimination may be taking place. It is not known,

for example, if landlords are actively keeping blacks out because of direct discrimination, a desire to cater to the discriminatory preferences of their existing tenants, or if there is a more indirect sorting process at work, whereby landlords are merely showing these properties to white families first, based on a calculation that they will not want to live in a black neighborhood. Future research should focus on systematically disentangling how landlords market properties in neighborhoods with different racial and economic compositions, to voucher holders of different backgrounds.

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Quebrando las Reglas del Juego: Cómo Propietarios Ordenan Geográficamente a Inquilinos de Bajos Ingresos

Resumen

Este artículo se enfoca en un mecanismo inexplorado en el proceso de selección que ubica a los pobres de la ciudad en diferentes ambiente urbanos: los propietarios. Por largo tiempo los investigadores de la pobreza y de la movilidad residencial han estado interesados en cómo las elecciones de familias de bajos ingresos interactúan con barreras estructurales para generar barrios de alta pobreza que reproducen el aislamiento social y económico así como la segregación racial. Sin embargo, no han examinado las formas en que estas elecciones son formadas por la acción intermediaria de los propietarios. Este artículo se basa en información etnográfica y en entrevistas en profundidad con veinte propietarios y ochenta y dos residentes en Baltimore, y se examina su compromiso con el programa Housing Choice Voucher (HCV). Los resultados muestran que las implementaciones estratégicas de la HCV de parte de los propietarios contribuyen a los patrones de selección residencial a través de un proceso de tres pasos: primero, selección, en la cual tácticas de reclutamiento focalizadas favorecen a los inquilinos con vouchers; segundo, un proceso de ordenamiento en el cual los propietarios seleccionan y escogen a los inquilinos con vouchers menos deseables, colocándolos en unidades que son difíciles de alquilar; y tercero, retención selectiva de inquilinos sin medios por parte de los propietarios. Juntas, estas tácticas resultan en una balcanización selectiva del mercado de alquiler de viviendas que retiene a poseedores de vouchers en donde estos pueden resultar más convenientes –en los mismos barrios en donde los hacedores de políticas quisieran darles la oportunidad de salir. Las tácticas de los propietarios sirven como un mecanismo poderoso para la concentración de la pobreza.