Do Fair Housing Policies Help or Hinder?
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**Question**
Do fair housing policies actually reduce racial disparities in housing?

**Motivation**
- Stable and quality housing is important
  - Homelessness and eviction lead individuals to commit more crimes (Cronley et al., 2015; Aim and Backham, 2020)
  - Living in disadvantaged neighborhoods has both short and long-term effects on children’s outcomes (Chetty, Hendren, Katz, 2016; Chyn, 2018; King, Ludwig, Katz, 2005; Ludwig, Duncan, Hirschfield, 2001)
- Racial disparities in housing continue to persist
- Compared to white homeowners of similar profiles, black homeowners are shown 42% fewer available units by housing providers
- Compared to white renters of similar profiles, black renters are shown 4.2% fewer available units by housing providers (Turner et al., 2016)
- To combat racial disparities, many cities have introduced fair housing policies. However, the effects of these policies are unclear

**Fair Housing Policies in WA and Seattle**
- April 2016: HUD published Fair Housing policy guideline
- Jan 2017: WA attorney general fined rental housing companies for using blanket bans on tenants with a past felony (Seattle, Tacoma, Kirkland)
- Seattle’s fair housing policies
  1. First-in-time ordinance
     - passed: Aug 2016, effective: Jan 2017
     - requires landlords to lease to the first qualified applicant
  2. Move-in fees ordinance
     - passed: Dec 2016, effective: Jan 2017
     - limits security deposit and fees to one month’s rent
  3. Fair chance housing ordinances
     - passed: Aug 2017, effective: Feb 2018
     - prohibits landlords in Seattle from conducting criminal background checks or asking about criminal history

**Potential Effects**
- These policies could potentially decrease discriminatory behaviors as intended
- However, tighter regulation on screening could also discourage landlords and lead to a decrease in the supply of rental properties
- Instead of screening on criminal history, landlords could shift to screening on other factors, e.g., income

**Literature**
- Statistical discrimination by employers increases when there is less information about the candidates available (Autor & Scarborough, 2008; Wozniak, 2015; Bartik & Nelson, 2016; Clifford & Shoag, 2016)
- The ‘Ban the Box’ policy in job applications negatively impacts black citizens, especially black men (Agan and Starr, 2018; Doleac and Hansen, 2020)

**Empirical Approach**
Difference-in-differences approach comparing housing outcomes of
- Black and White residents
- Before and after 2017
- In WA and Seattle

**Model**
\[ Y_{it} = \alpha + \gamma_t + \delta \cdot \text{black}_i + \beta \cdot X_{i,t} + \beta \cdot I[\text{black} \times \text{post}]_{it} + u_{it} \]
- Coefficient of interest is \( \beta \)

**Data**
- 2005-2019 American Community Surveys
- Individual-level housing information
  - Likelihood of renting
  - Likelihood of having moved in the last 12 months
  - Housing spending
    - Renters: rent + utilities
    - Homeowners: mortgage + utilities + taxes + insurances
  - Characteristic information, e.g., income, education, marital status, age, gender

**Main Results**

<table>
<thead>
<tr>
<th>Washington</th>
<th>Housing Spending ($/month): WA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Data</td>
<td>Dynamic Difference-In-Differences</td>
</tr>
<tr>
<td>Likelihood of Renting: WA</td>
<td></td>
</tr>
<tr>
<td>Likelihood of having moved in the last 12 months: WA</td>
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</tbody>
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**Formal Estimates: Seattle**

<table>
<thead>
<tr>
<th></th>
<th>(1) housing spending</th>
<th>(2) renting</th>
<th>(3) having moved within 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>post x black</td>
<td>87.99</td>
<td>-0.0364</td>
<td>0.0143</td>
</tr>
<tr>
<td>Controls</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>N</td>
<td>53,458</td>
<td>53,458</td>
<td>53,458</td>
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<tr>
<td>Standard errors in parentheses</td>
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**Conclusion**
- In WA, fair housing policies led to
  - an increase of $106 per month in housing spending for black citizens
  - no significant effects on the likelihood of renting or the likelihood of moving
- In Seattle, the results are not statistically significant for any of the outcomes

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