

COVID-19

Homeless System Response: Leveraging ESG-CV Landlord Financial Incentives to Expedite Engagement

Purpose

COVID-19 has emphasized the essential role landlords play in providing housing to low-income and formerly homeless households. Quickly rehousing people experiencing homelessness during the pandemic will help reduce the spread of COVID-19 and protect vulnerable individuals from the risk of severe illness. As communities begin rehousing work in challenging rental markets, they should consider ways to engage with landlords through the use of financial incentives. This document provides an overview of how to operationalize landlord incentives permitted under the Emergency Solutions Grant (ESG)—Coronavirus Aid, Relief, and Economic Security (CARES) Act (ESG-CV) notice. Prior to beginning landlord engagement efforts, communities should review [5 Tips to Approaching Rehousing with Racial Equity](#).

On July 19, 2021, HUD released [Notice CPD-21-08: Waivers and Alternative Requirements for the Emergency Solutions Grants \(ESG\) Program Under the CARES Act](#). This notice provided updates for the additional \$3.96 billion in funding provided for the ESG program under the CARES Act. The notice allows funds to be used to pay incentives to qualifying landlords for up to three times the rent charged for the unit, including:

- Signing bonuses.
- Security deposits.
- Repairing damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit.
- Cost of extra cleaning or maintenance.

This resource provides examples of how communities are messaging and leveraging these incentives to expedite landlord engagement. The examples below include both sample landlord recruitment materials and written agreements between programs and landlords. You can use these examples to create templates for your own community.

For additional resources on landlord engagement, visit the [COVID-19 Homeless System Response: Landlord Engagement page on the HUD Exchange](#).

Landlord Recruitment Materials

A proactive landlord engagement strategy is one of the most effective means of increasing the supply of available rental units in your community. Strategies may include directly emailing landlords, conducting social media advertising, and preparing flyers that can be posted to websites or printed for distribution. When reaching out to landlords, be clear about the support the homeless sector can provide and ensure the commitments are realistic for your providers. Some communities, including Phoenix, Arizona, have surveyed area landlords to ask which incentives are most appealing and which methods of outreach they prefer to begin designing their recruitment strategies and materials. Engage property owners in culturally specific neighborhoods by translating and posting materials in threshold languages for your community.

Direct Outreach to Landlords

Some communities secure units and build relationships with landlords through direct communication. This may include contacting local realtor associations, apartment groups, or other real estate professional associations. In many communities, there may be a large property manager that controls rentals for several different landlords. Promote opportunities for landlords to partner with your Continuum of Care (CoC) and housing providers. Consider if there are opportunities to expand the promotion to media outlets most frequently used by communities of color if these are not already among the media outlets that you have traditionally used to promote opportunities for partnership with the CoC. Local public housing authorities (PHAs) may also have distribution lists and may be willing to contact landlords on behalf of the homeless service system. Faith-based organizations may have contacts with local property owners. Getting in touch with these groups or property managers to inquire about working with the homeless services system has proven effective in many communities. Additionally, track information on landlords with reports of exploitation and

harm toward Black, Indigenous, and people of color (BIPOC) tenants and ensure programs are not referring to or utilizing those properties.

Cold calling or emailing may work best when you identify a specific person and can tailor your outreach to them. As part of your outreach strategy, you should:

- Introduce yourself.
- Identify specific properties of interest, such as large apartment complexes.
- Highlight potential incentives.
- Explain how the homeless services system helps ensure successful relationships with landlords through risk mitigation, ongoing services, and other stabilizing factors.
- Be intentional about reaching out to a diverse group of landlords.
- Target landlords and property managers the system has successfully worked with in the past, inquiring about additional units.

Social Media and Online Advertising

Posting on social media can be an effective way to reach a diverse audience. In addition to posting on your homeless system's social media accounts, contact apartment associations and government agencies, such as the local Chamber of Commerce, to see if they will share your posts to help increase your reach. Include celebratory acknowledgments of existing landlords who have rehoused households experiencing homelessness. Craigslist also allows users to post for "housing wanted."

Rhode Island launched a successful landlord recruitment campaign, posting on Twitter, Facebook, and Instagram to develop new relationships. The advertisements, available in both English and Spanish, reached several hundred landlords. Rhode Island exceeded their original goal of 100 pledged units and have continued the campaign. Interested landlords are directed to call 211 so staff can collect basic information about the unit for follow-up by homeless system staff. If the landlord has questions about more nuanced issues, such as renting to tenants with criminal histories, 211 transfers the call to homeless system staff.

GOT APARTMENT UNITS FOR RENT?

Housing NOW

RI REALTORS

2-1-1
Get Connected. Get Help.™

United Way
United Way of Rhode Island

Are you a **property owner** in Rhode Island with **vacant units**?

We are looking for units immediately available across the state to provide safe harbor to vulnerable Rhode Islanders without a home. Units must be **safe and habitable**.

We want to support each of you with the rental income our state will be issuing in the coming weeks. Our programs will pay **market rent reliably** on the first of each month.

We are challenging our state to pledge at least **100 units** by **July 1st!**

CALL 211

- \$2,000 signing bonus for the first pledged unit
- Up to \$2,000 per unit for move-in upgrades and repairs
- \$500 for each additional unit
- Guaranteed **first and last** month's rent

Flyers

Flyers can be included in email blasts, posted on websites, or hung in places such as coffee shops and community centers. The flyer should include basic information about the incentives, as well as contact information for an appropriate staff person. Below is an example of a flyer from the Housing Authority of the City of Evansville, which aimed to recruit new landlords into their Section 8 program to increase affordable housing stock in Indiana.

up to \$1000 per leased unit



It **PAYS** to be an **EHA LANDLORD!**



\$100 INCENTIVE: CURRENT LANDLORD

*EHA will offer a \$100 incentive for all new Housing Assistance Payment (HAP) Contracts signed with current landlords between 9/1/2020 and 12/31/2020. Multiple units may qualify for this incentive. *HAP Contract renewals not covered.*

\$200 INCENTIVE: CURRENT LANDLORD

EHA will offer a \$200 incentive to any current participating landlord who signs a new HAP Contract between 9/1/2020 and 12/31/2020 for a unit that has not been subsidized for 12 consecutive months (as of 8/31/2019). Multiple units may qualify for this incentive.

\$500 INCENTIVE: NEW LANDLORD

*EHA will offer a \$500 incentive to any new landlord participating in the program for the first time who signs a new HAP Contract between 9/1/2020 and 12/31/2020. Multiple units may qualify for this incentive. *May opt-out for \$1000 incentive.*

For a limited time only, recent CARES Act funding allows the Evansville Housing Authority to offer financial incentives to landlords who qualify and agree to partner with EHA's Housing Choice Voucher (HCV) Program for a minimum of one year. Our applicants have vouchers in hand and are ready to lease up immediately!

\$1000 INCENTIVE: NEW LANDLORD

After a pre-inspection is conducted by EHA, first-time participating landlords may be reimbursed UP TO \$1000 to correct Housing Quality Standard (HQS) Inspection violations for units that have never been on the program. Repair reimbursements to landlords are contingent upon a HAP Contract being signed for the specific unit between 9/1/2020 and 12/31/2020.

*Multiple units may qualify for this incentive. *Reimbursement requests up to \$1000 must include invoices/receipts for work completed after the pre-inspection and before the HAP Contract is signed..*



EVANSVILLE HOUSING AUTHORITY

Contact: Marques Terry, Housing Choice Voucher Program Director
Phone: 812-428-8548 x115
Email: marques.terry@evansvillehousing.org
Website: www.evansvillehousing.org/landlords



Disclosure: Only one incentive offer may be accepted per signed HAP Contract. Incentives will be offered for a limited time only while budgeted funds remain.

Agreements Between ESG Administrators and Landlords

Before paying a landlord an incentive for a unit, it will be necessary to sign an agreement for the transfer of funds. Communities should also provide the landlord with a W-9 for tax reporting. Each community may structure agreements differently according to local practices, but should include the following sections:

- The date the agreement was signed, the address and unit number of the property, the name of the agency administering the incentive funds, and the name of the landlord or property management company.
- The amount of the incentive provided and its specific purpose (e.g., signing bonus to increase unit availability, additional deposits for potential damage, etc.).
- The terms of the agreement. This may include conditions for the homeless services system, such as the unit passing housing quality inspection and required lease terms. The landlord may also be granted certain terms, including that the tenant moves into the unit within a specified timeframe (e.g., 14 days) and passes applicable credit checks, although incentives should be leveraged to obtain flexible screening criteria where possible.
- References to any local, state, or federal laws, including the source of income, and Fair Housing and Equal Opportunity.
- Signatures of both the landlord and the fund administrator.

In some cases, landlord incentives are used to negotiate tenant criteria, which can be included in the rental agreement. For example, if an apartment complex requires a credit score of 650 or higher for potential tenants, you may use incentives to negotiate for a tenant with a lower credit score to qualify so long as they are otherwise eligible for the unit. Negotiations may also include giving preference to units in certain neighborhoods that are desired by clients or close to needed services.

The following resources provide additional information for communities developing landlord incentive programs, including non-financial incentives:

- [Landlord Engagement and Recruitment Desk Book](#)
- [Landlord Engagement: Reset Your Community's Critical Partnerships During COVID-19](#)
- [RentConnect in Miami-Dade County](#)