

EMERGENCY HOUSING VOUCHERS

Landlord Incentives

June 28, 2022

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- This is session is being recorded. Recording will be shared on the <u>HUD EHV site</u> at www.hud.gov/ehv
- All participants are muted. If you are having trouble connecting your computer audio, you can call in using the following information:
 - o +1 312 626 6799
 - Webinar ID: 879 0823 0856
- Please submit questions for HUD or presenters in the Q&A box
- Use the Chat feature to share thoughts/experiences on EHV implementation in your community

Sessions at a Glance

Date	Topic	Facilitator
June 14 th	System level approaches to landlord and unit engagement including assessing local market	TAC
June 28 th	Landlord incentives	Homebase
July 12 th	Marketing, outreach and retention strategies	CSH
July 26 th	TBD based on feedback from attendees	



Which of the following best describes your role?

- A. Housing Authority voucher program administration
- B. CoC or other housing provider operations
- C. Housing navigation or case management (client-facing)
- D. Housing search or landlord engagement (public/landlord-facing)
- E. Other (please specify in chat)

Which housing search and landlord engagement topics would you like to hear more about?

- A. Landlord engagement for special populations (youth, fleeing DV, etc.)
- B. Shared housing with vouchers
- C. Supporting households through the housing search process
- D. Other (please put the topic in the chat)



Are you planning to attend the National Alliance to End Homelessness (NAEH) Conference the week of July 25th?

- A. Yes
- B. Probably
- C. Probably not
- D. No



Providing Incentives to Private Market Landlords

- ✓ Understanding a range of landlord incentives
- ✓ Determining what type of incentives could work for your program
- ✓ Getting started creating a landlord incentive program



Overview of Landlord Incentives



Understanding Landlord Incentives

What do we mean by landlord incentives?

- Resources available to encourage rental-property owners or managers to participate in voucher programs or other housing programs
- Particularly useful in competitive rental markets where landlords have the freedom to be highly selective and are often reluctant to take on perceived risks or unknowns



Financial Incentives

Landlord Bonuses or Incentives

- "Paying for participation"
- One-time payments directly to landlords
- Can be per landlord or per unit
- Usually at point of lease up
- May offer additional bonus for lease renewals

Landlord Support Funds

- AKA damage funds or risk mitigation funds
- Money set aside to repay landlords for losses incurred as a result of damage beyond wear and tear or terminated leases
- Landlords submit claims with documentation after tenant moves out
- Usually capped at a certain amount per unit/claim

Additional Funds to Overcome Barriers

- Funds to cover costs of bringing units up to HQS standards or otherwise improve units
- Holding fees, security deposits, application fees, and related costs (credit or background checks)

Other Incentives

Application processing	 Housing Authority or partner agencies handle tenant screening and application process Requires trust by landlords Likely more appealing to smaller landlords
On-call support	 Direct line to a case manager or other staff Allows for quick response to concerns or urgent situations 24/7 availability is ideal
Mediation services	 Support resolving landlord-tenant or tenant-tenant disagreements Immediate or ongoing May be combined with tenant rights and responsibilities education
Property improvement services	 Repair Crew: maintenance or repair in the event a unit or surrounding property is damaged during lease term or when tenant moves out Beautification Crew: landscaping, gardening, and other property improvement Can provide job opportunities and training for current or former clients
Good PR	 Awards Appreciations Public recognition



Potential Funding Sources

Funding Source	Relevant Allowable Uses
EHV Program Administration and Service Fees	Tenant fees including security and utility deposits, rental application fees, holding fees, owner recruitment and outreach, as well as incentive and retention payments
HCV Admin Fee reserves	Supplementing EHV administrative fees to cover EHV administrative costs
ESG-CV funds	Incentives for landlords for up to 3x rent charged, including: signing bonuses, security deposits, damage repairs + costs of extra cleaning or maintenance
Municipal or local government funding	Flexible, according to local priorities/regulations
Local foundations and philanthropy	Flexible, mission-based



Example: Landlord Incentive Program

San Diego Landlord Engagement and Assistance Program (LEAP)

- For landlords within the City of San Diego who rent to households exiting homelessness
- Financial Incentives:
 - Payments: \$500 for first apartment rented, \$250 for each additional unit
 - Contingency Fund: Set aside funds to cover expenses upon move-out
 - Application and credit check assistance
 - Security deposits/utility assistance (average of \$1,500 security deposits and \$100 in utility assistance per household)
- Additional incentives include:
 - Pre-inspection certification good for 60 days
 - Free online rental listing & tenant placement assistance
 - Landlord liaison



Example: Incentive Payments for Mobility Areas

Chicago Housing Authority

- For units in Mobility Areas: defined as community areas with poverty levels below 20% and low violent crime rates
- One-time payment equal to Contract Rent of the unit (Housing Assistance Payment (HAP) plus participant portion), received within 30 days of first HAP
- No limit to the number of payments a property owner can receive
- No application required; payments are automatically made for units that qualify



Examples: Risk Mitigation Funds

Washington State Landlord Damage Relief Program

- Up to \$1,000 and up to fourteen days' rent loss to the landlord in reimbursement for some potentially required move-in upgrades
- Up to \$5,000 in qualifying damages caused by a tenant during tenancy
- Eligibility: Any landlord that has screened, approved and offered rental housing to any applicant who will use any form of housing subsidy program (excluding housing authorities)
- Created by legislation in 2018. State
 Department of Commerce reviews, approves, and pays claims.
- <u>Program FAQ</u>

Colorado Landlord Incentive Program

- Property damage claims up to \$300 available without a preliminary unit inspection, to cover small damages exceeding wear and tear that were caused by tenant's occupancy while under a rental agreement
- Claims exceeding \$300, up to \$1000 are reviewed on a case by case basis
- Post-repair inspection conducted prior to payment
- Eligibility: Landlords participating in Landlord Recruitment Campaign who have leased the unit to an approved tenant with a housing voucher, and continue to allow placement of the tenant in the same unit
- <u>Program Flyer</u>



Additional Examples: EHV Incentive Packages

Eureka/Humboldt County HA

New York Homes and Community Renewal

Imperial Valley HA

Kern County HA

Philadelphia HA

- Leasing bonus (\$500 for existing and \$1000 for new landlords)
 + landlord liaison and free unit advertising
- Bonus of one month's rent + repairs up to \$1000 to ensure unit meets HQS + losses if tenant is evicted for non-payment of their portion of rent
- Incentive of \$500 + \$250 for lease renewal + holding fee of \$250 if client is at fault for not entering into a lease + pre-inspections to expedite leasing
- \$1,000 signing bonus + mitigation insurance fund (up to \$2,500) + 3 years of supportive services for tenants
- Signing bonus of \$300-500 for any landlord who enters into lease + bonus of \$1000 for units in qualifying opportunity areas + "Owner Assurance" up to \$2,500



Additional Examples: EHV Landlord Bonuses

Sacramento HA

• Landlord bonuses (\$3,000 for new landlords, \$2,500 for current landlords + \$1,000 for each additional unit leased by an EHV applicant) + damage claims (up to \$2,500)

Caribou HA

\$1,000 per unit leased by EHV holder

HA of Travis County

• \$500 incentive for lease + \$500 for renewal at one year

Raleigh HA

• Landlord bonus up to \$500 + referral bonus of up to \$250 for referring new landlords who establish an EHV lease



Getting Started: Creating Incentives



Defining the Need

- Identify the primary reasons landlords are not working with you/your clients. Talk with:
 - Landlords (potential and participating, big and small)
 - Providers (CoC providers and "non-traditional" organizations)
 - Tenants and clients
- Understand the scope and nature of the landlords you need to bring into the fold:
 - Large property management companies or smaller landlords?
 - Those with properties in certain areas (e.g., high opportunity areas)?
 - Owners of particular sizes or types of housing?
- Examine previous or existing incentive programs: What has worked and what hasn't?
- Look at the difference between private market rents and EHV payment standards.
- Find out how often (in Housing Authority and CoC programs) units require repairs that exceed security deposit coverage.



Identifying Potential Solutions

If the barrier is	Potential solutions might include
Application fees are too high	Cover application fees, including costs associated with credit checks and background checks
Rents are above EHV program payment standards	Negotiating lower rents by offering "sign on" or bonus payments to make up the difference
Private units go off the market too quickly	Offering holding fees
Landlords are worried about tenants damaging their units	Landlord Support Fund (aka "risk mitigation" or "damage repair" funds) Complimentary repair crew (during or after lease)
Landlords don't want to incur the expense of bringing their units up to HQS code	Funds to cover needed repairs Complimentary repair crew
General hesitancy or distrust of the program or potential tenants	Financial incentives or bonus payments On-call support (case managers, repair, mediation, etc.) "Good landlord" PR (awards, public recognition, etc.) Reminder of guaranteed rent payments



Designing the Program: Key Considerations

- For financial incentives:
 - o How much will you need to offer?
 - What will your criteria be? (e.g., one per landlord/unit, "new" landlords only)
- For non-financial incentives:
 - What benefits can Housing Authority offer and what will require partnerships?
 - What infrastructure is required (e.g., for on-call support or repair crews)
 - How will you ensure consistency of implementation?
- Overall:
 - O Who will administer?
 - o How will you define success?



Test out new incentives with pilot programs

- Begin with a relatively low investment
- Work out kinks
- Measure impact
- Adjust criteria and right-size amounts
- Build relationships
- For example:
 - Narrow criteria for landlord bonuses
 - Limited number of slots for incentives or landlord support funds
 - Pilot a repair crew at a property owned by a trusted landlord



Additional Landlord Engagement Resources

- HCV Landlord Resources
 - HCV Landlord Guidebook: Incentives
- Rapid Rehousing Roundtable Discussion Series: Landlord Engagement and Unit Acquisition



Q & A



Upcoming Office Hours

Upcoming EHV Office Hours (Tuesdays at 3pm ET):

- Resuming August 9th
- Go to the <u>HUD EHV site</u> at www.hud.gov/ehv for additional resources
 - Office hours schedule & recordings/materials
 - Updated EHV FAQs
 - EHV Mailing List Sign-up



Technical Assistance Collaborative

15 Court Square, 11th FI. Boston, MA 02108 (617) 266-5657

tacinc.org

@TACIncBoston

Corporation for Supportive Housing

61 Broadway, Ste. 2300 New York, NY 10006 (212) 986-2966

csh.org

@CSHInfo

Homebase

870 Market St #1228, San Francisco, CA 94102 (415) 788-7961

homebaseccc.org/

@HomebaseCCC



Thank You!