

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PRESENTS

HCV Landlord Webinar 1: Background and Introduction

January 29, 2020



Welcome

Danielle Bastarache, Deputy Assistant Secretary
Office of Public Housing and Voucher Programs, PIH HUD



HCV Landlord Participation Webinar Series

- Webinar 1: Background and Introduction: Challenges Landlords Experience
- Webinar 2: PHA Strategies for Improving Landlord Participation and Satisfaction
- Webinar 3: HUD Tools and Efforts – Landlord Strategies Guide for PHAs



Today's Webinar

WHAT TO EXPECT

- HCV refresher
- Landlord participation trends
- HCV Landlord Task Force
- Recent landlord-oriented research
- 2018 listening forums
- 2018 PHA focus group
- Upcoming efforts

Questions: hcv@firstpic.org



OVERVIEW

HOUSING CHOICE VOUCHER PROGRAM

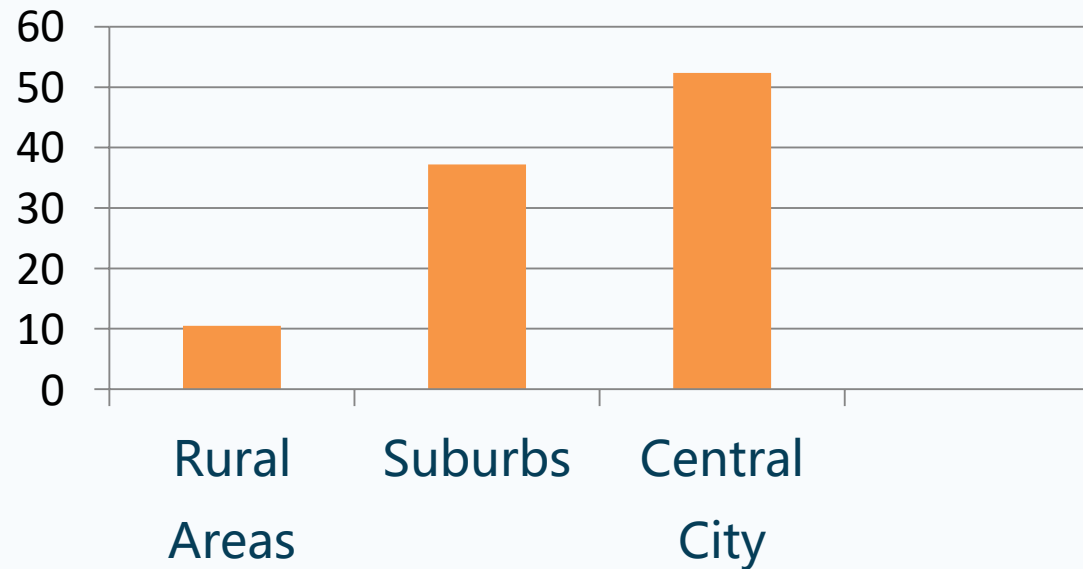
HCV PROGRAM OVERVIEW

- The largest housing assistance program in the United States.
- Serves more than 2 million low-income households.
 - 26% of households are elderly and 26% are non-elderly disabled.
 - More than 43% of households are a single person.

HCV Program Overview

More than 58% of HCV units are single family house or apartments with 4 or fewer units.

HCV Unit Location



HCV Roles

1

LANDLORD

Provide safe, decent, sanitary housing to the tenant at a reasonable rate

2

TENANT

Complies with lease, maintains unit, pays own portion of rent

3

PHA

Administers program locally, contracts with landlord to provide assistance for the family

4

HUD

Funds the program, pays the PHA a fee, and monitors compliance with program rules

HAP CONTRACT AND LANDLORD LEASE

- HAP Contract – between PHA and landlord
 - May not be modified.
 - Governs housing assistance payment.
 - Includes required tenancy addendum.
- Landlord Lease – between tenant and landlord
 - Enforced by landlord.
 - Tenancy addendum becomes part of landlord lease.

Rent to Owner

- Total monthly payments to owner, which may include utilities
- Payment standards: PHA adopted based on Fair Market Rents
 - Fair Market Rents are determined by HUD based on the 40th percentile rents for recent movers in that area
- PHA must also determine the unit to be “rent reasonable”

PROCESS FOR RENT INCREASES

- Rent reasonableness test
 - “...reasonable rent in comparison to rent for other comparable unassisted units...”
- 24 CFR 982.507
- May also be limited due to funding or restrictions.
- Landlords can request a rent increase with 60 days notice.

LANDLORD TRENDS

- 47 million rental units in U.S.
 - 43 million of which are occupied.
- 2 types of ownership:
 - Individual investors/ “mom and pop” landlords: 23 million units owned by 10 million individual investors.
 - Business entities: 25.8 million units owned by less than 1 million business entity landlords.
- HUD’s admin data indicates steady decline in landlords participating in HCV program.
 - 2010: 39.3 landlords per 100 Tenant-Based Vouchers.
 - 2018: 34.2 landlords per 100 Tenant-Based Vouchers.



HUD LANDLORD TASK FORCE

HUD LANDLORD TASK FORCE

- Created by HUD Secretary Ben Carson in 2018.
- **GOALS:**
 - To increase the numbers of landlords who participate in the Housing Choice Voucher (HCV) program.
 - To increase participating landlords satisfaction with the HCV program.
- **MISSION:** To explore common barriers experienced by landlords and develop strategies to address, and tools to alleviate, those barriers.

TASK FORCE COMPOSITION

- Members of the Task Force are from HUD's offices of...
 - Public and Indian Housing
 - Policy Development and Research
 - Innovation
 - Field Policy and Management
 - General Counsel
 - Fair Housing and Equal Opportunity

HUD's Recent Work on Landlords and the HCV Program

RESEARCH

*A Pilot Study of
Landlord Acceptance of
Housing Choice
Vouchers*, Urban
Institute

*Urban Landlords and
the Housing Choice
Voucher Program*,
Garboden, Rosen, Greif,
DeLuca, and Edin

TASK FORCE FORMATION

HUD Secretary Ben
Carson created the
Landlord Task Force

LISTENING FORUMS AND FOCUS GROUP

7 Landlord Listening
sessions held across the
country in 2018

Initial focus group held
with PHAs

EXPLORATION & IMPLEMENTATION OF RECOMMENDATIONS

Recommendations
presented to HUD
Secretary

Implementation and
feasibility of
recommendations explored



2018 Task Force Engagement

SNAPSHOT

- 2 Months
- 7 Listening Forums
- 1 virtual focus group with PHAs
- 6 HUD regions
- Over 330 Landlords
- 8 PHAs
- THOUSANDS of comments

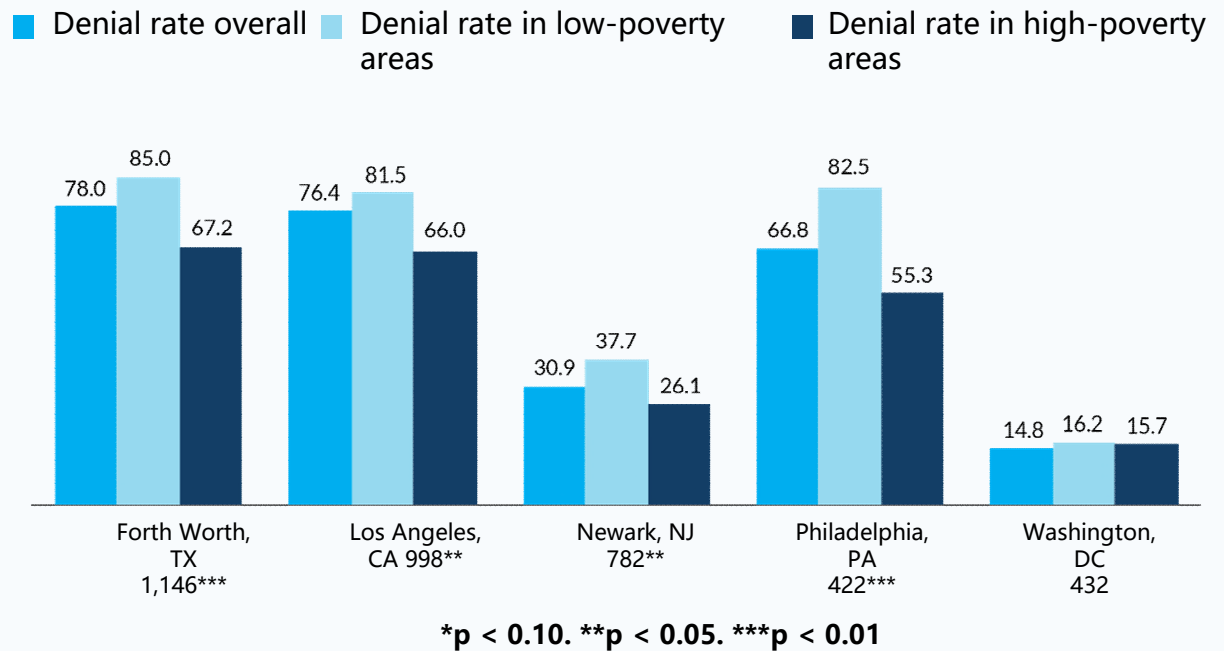


RESEARCH

RESEARCH

- “A Pilot Study of Landlord Acceptance of Housing Choice Vouchers”
- Researchers screened 341,000 advertisements and conducted 3,780 paired tests in five cities (Philadelphia, Los Angeles, Fort Worth, Newark, and Washington DC).
- Research Questions:
 - Do landlords treat HCV holders differently than similar renters?
 - Does landlord treatment of HCV holders vary by high/low-poverty?

Voucher denials more common in low-poverty areas than high-poverty areas

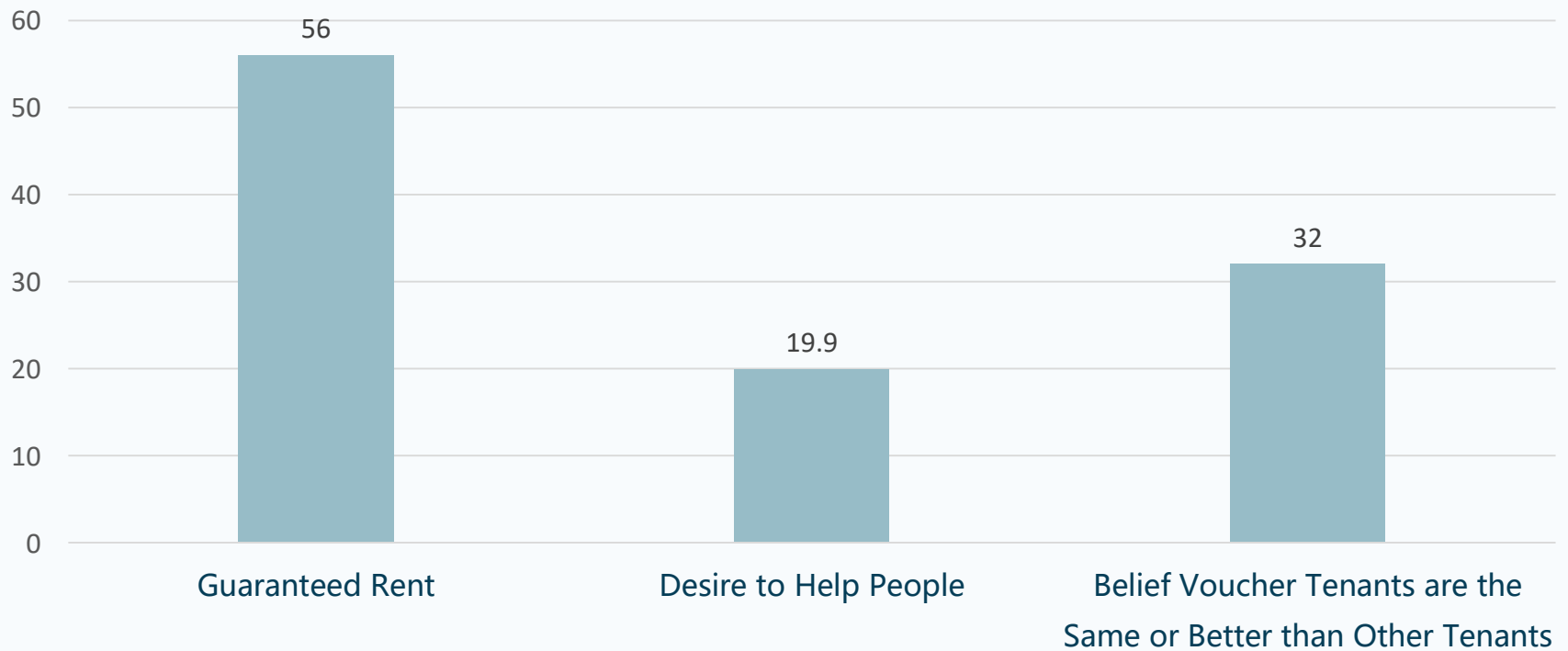


RESEARCH

- “Urban Landlords and the Housing Choice Voucher Program”
- Interviewed 127 landlords in Baltimore, Cleveland, and Dallas.
- Research Questions:
 - Why do landlords accept (or refuse) HCVs?
 - What do landlords like about the HCV Program?
 - What do they not like about the program?

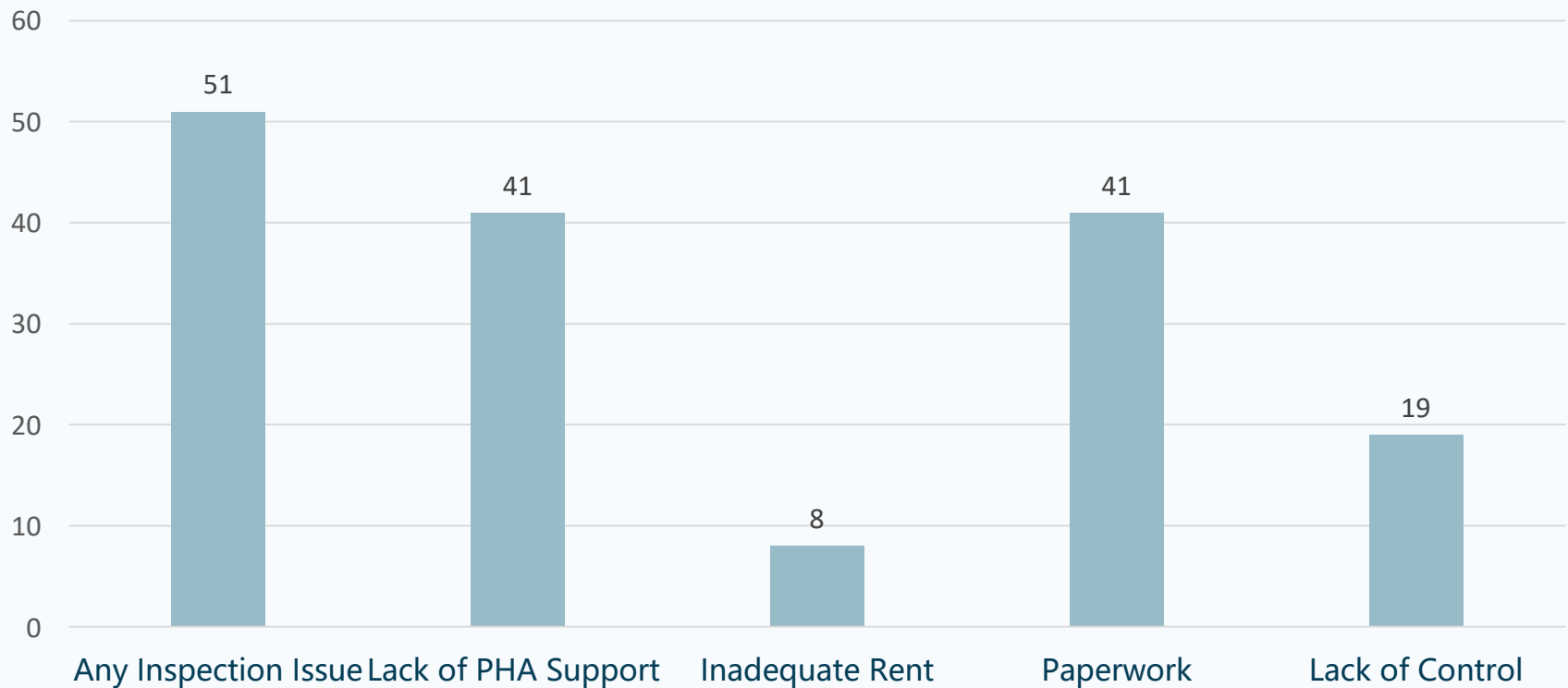
FINDINGS

Motivation for Participation



FINDINGS

Motivation for Non-Participation



RESEARCH

- “Landlord Participation Study”
- Researchers interviewed PHA staff.
- Research Objectives:
 - Provide insight from PHAs on factors associated with landlord decisions to participate in the HCV program.
 - Identify promising practices that PHAs have used to try to increase landlord participation.

FINDINGS

- Financial reasons - most common factor influencing landlord participation.
 - Payment standards, unit damage costs, and profit motivations.
- PHA activities to increase landlord participation.
 - Increasing payment standards, reducing inspection times, landlord incentive bonuses, security deposits, and landlord liaisons/online portal.

A photograph of a hallway with white doors and blue-tinted glass panels. A dark blue banner is overlaid across the middle of the image, containing the text "SEPTEMBER AND OCTOBER 2018" and "LANDLORD LISTENING FORUMS".

SEPTEMBER AND OCTOBER 2018

LANDLORD LISTENING FORUMS

LANDLORD LISTENING FORUMS

- Task Force conducted seven Landlord Listening Forums nationwide.
 - Heard directly from landlords about the challenges they experience when they participate in the HCV program.
 - Gathered input on efforts and activities to recruit and retain landlords.
 - Conducted September and October 2018.
 - Smaller, more intensive focus groups conducted at four of the forum locations.

LANDLORD LISTENING FORUMS

Selection based on analysis of:

LOCATION

- City and State
- Urban/Rural
- Logistics

MARKET CONDITIONS

- Description of rental housing market
- Description of housing market
- State vacancy rate
- Metro vacancy rate
- SOI protections

RESOURCES

- If featured in research
- Local organization and landlord resources and partners
- HCV utilization programs

OTHER

- PHA usable issuance records
- PHA lease-up success

Registration: Open to public.

Included opportunity to submit comments and questions to a designated email address.

LANDLORD LISTENING FORUMS OVERVIEW

- Washington, DC: September 20, 2018
- Atlanta, GA: September 27, 2018
- Dallas/Fort Worth, TX: October 3, 2018*
- Philadelphia, PA: October 5, 2018*
- Los Angeles, CA: October 10, 2018*
- Salem, OR: October 16, 2018*
- Salt Lake City, UT: October 18, 2018

*Focus group

LANDLORD LISTENING FORUMS

- Meeting format:
 - A brief presentation of the research studies which informed the forums.
 - Facilitated open discussion prompted through use of an engagement application .
 - Additional 1-hour focus group at four of the locations.
- Meeting locations included industry group meeting spaces, HUD regional offices, and a public library.
- Scheduled for 2 hours on weekdays.
- HUD and PHA staff were present but intent was to listen to landlords.



Washington, DC

- Vacancy rate 5.1%
- 36.5% Renters/63.5% Owners
- District of Columbia Housing Authority
- Has SOI protections

WASHINGTON, DC FORUM

- Kick-off event held September 20, 2018
 - Featured HUD keynote speaker
 - Update on U.S. rental market conditions
 - Research presentation
 - Panel discussion on landlord participation
 - Q&A session
- Only event broadcast via webinar and recorded
- 645 in-person and web attendees

DC PANEL DISCUSSION

The following issues were discussed during this panel discussion:

- Perceptions
- Expectations
- Motivations
- PHA – landlord relationship
- Inspection process

ATTENDEES

- Majority identified as property managers. Property owners and PHA staff also attended.
- Almost all attendees currently had HCV tenants. Very few attendees had never participated in the program.
- Most identified as having large portfolios (26 or more units).



Atlanta, GA

- Vacancy rate 6.9%
- 36% Renters/64% Owners
- Housing Authority of the City of Atlanta
- City of Atlanta Department of Housing and Community Development
- Housing Authority of Fulton County
- No SOI protection

ATLANTA FORUM

- Held at Atlanta Apartment Association.
- September 27, 2018
- Attendees 61
 - The majority of attendees identified as property managers. A smaller number identified as property owners.
 - Nearly 80% of attendees currently have HCV tenants. Very few attendees no longer had units rented to HCV tenants or had never participated in the program.
 - More of the attendees had a large portfolio of units.

INCENTIVES

Using one or two words, tell us what you like about the HCV program.

026



BARRIERS

What is the top financial barrier to your participation in the HCV program?

020

Voucher rents/payment standards are too low (FMRs are too low)



Unit repair costs are too high



Turnover rate of tenants is too high



Loss of rental income while waiting for inspections



Other



What is the top bureaucratic barrier to your participation in the HCV program?

017

Complexity of Rules/Regulations



Additional work required by Inspection/lease-up process



Process too time consuming



Other





Dallas/Fort Worth, TX

- Vacancy rate 8.1%
- Somewhat tight rental market
- 40.9% Renters/59.1% Owners
- Dallas Housing Authority
- Dallas County Housing Assistance Program
- Fort Worth Housing Authority
- State preemption outlaws local SOI protection

DALLAS/FORT WORTH FORUM

- Held at HUD regional office – Fort Worth
- October 3, 2018
- Attendees 44
 - Nearly 75% of attendees identified as property owners and property managers.
 - Most of attendees currently have HCV tenants. A very small number do not currently have HVC tenants or never participated in the program.
 - Almost half of attendees had large portfolios.
- Focus group – all four participated as landlords with exposure to HCV tenants.

INCENTIVES

Using one or two words, tell us your number one incentive to participate in the program.

021



BARRIERS

What is the top financial barrier to your participation in the HCV program?

019

Voucher rents/payment standards are too low (FMRs are too low)



Unit repair costs are too high



Turnover rate of tenants is too high



Loss of rental income while waiting for inspections



Other



What is the top bureaucratic barrier to your participation in the HCV program?

019

Complexity of Rules/Regulations



Additional work required by Inspection/lease-up process



Process too time consuming



Other





Los Angeles, CA

- Vacancy rate 3.9%
- Rental market tight.
- 51.8% Renters/48.2% Owners
- Housing Authority of the City of Los Angeles
- Housing Authority of the County of Los Angeles
- State SOI protection – now includes HCV

LOS ANGELES FORUM

- Apartment Association of Greater Los Angeles Office
- October 10, 2018
- Attendees 33
 - A majority of attendees were property owners. Property managers also attended.
 - Almost half of attendees currently have HCV tenants. More than a quarter of attendees did not currently have an HCV tenant or had never participated in the program.
 - Two thirds of attendees had either a large or mid-sized portfolio.
- Focus group –The ten members included five property owners, four industry group representatives, and a Realtor.

INCENTIVES

Using one or two words, tell us your number one incentive to participate in the program.

017

A word cloud visualization of responses to the survey question. The words are arranged in a circular pattern around the central phrase "to learn". The words are in various sizes and colors (blue, black, and grey). The words include: "to end homelessness", "no longer do", "regular payments", "help people", "housing provider", "end homeless", "help community families", "locate", "i am interested", "helping", "can't exit", "stable tenants", "time", "payment", "rental", "reduce vacancy", "participants", and "assist seniors".

to end homelessness
no longer do regular payments help people
housing provider end homeless
to learn
i am interested helping locate
can't exit stable tenants time
payment rental reduce vacancy
participants assist seniors

BARRIERS

What is the top financial barrier to your participation in the HCV program?

015

Voucher rents/payment standards are too low (FMRs are too low)



60 %

Unit repair costs are too high



7 %

Turnover rate of tenants is too high



0 %

Loss of rental income while waiting for inspections



20 %

Other



13 %



Philadelphia, PA

- Vacancy rate 5.9%
- Rental market – balanced
- 33.4% Renters/66.6% Owners
- Philadelphia Housing Authority
- Local SOI protection – includes all public assistance.

PHILADELPHIA FORUM

- Philadelphia HUD regional office
- October 5, 2018
- Attendees 88
 - The majority of attendees were landlords – either property managers and property owners.
 - Just under half of the attendees had current HCV tenants. A very small number did not currently have HCV tenants or had never had an HCV tenant.
 - A quarter of attendees identified as having a larger portfolio. Nearly another quarter identified as having a medium or small portfolio.
- Focus group had 15 participants. Fourteen were property owners (three with 200-500 units and one under 30). One PHA participated.

INCENTIVES

Using one or two words, tell us your number one incentive to participate in the program.

0 2 3

success! gain
once was a good program
decent housing rent increases
corporate inspections get paid provide improvement
mission
feedback timely payments ways better communication

guaranteed rent

rent increase communication opportunity fair
affordable housing rent meet
be part of solution need change results
clarity distugisted ideas improve communication
advocate for change

BARRIERS

What is the top financial barrier to your participation in the HCV program?

020

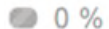
Voucher rents/payment standards are too low (FMRs are too low)



Unit repair costs are too high



Turnover rate of tenants is too high



Loss of rental income while waiting for inspections



Other



What is the top bureaucratic barrier to your participation in the HCV program?

013

Complexity of Rules/Regulations



Additional work required by Inspection/lease-up process



Process too time consuming



Other





Salem, OR

- Vacancy rate 4.9%
- Rental market – severe housing shortage
- 40.3% Renters/59.7% Owners
- Marion County Housing Authority
- Salem Housing Authority
- SOI protection – includes HCVs

SALEM FORUM

- Salem Public Library
- October 16, 2018
- Attendees 32
 - The majority of attendees were property managers and property owners.
 - More than half of attendees currently had HCV tenants. A small percentage did not currently have HCV tenants and no attendee identified as never having worked with HCV.
 - More than half of all attendees had a large portfolio. Very few reported a medium portfolio. No attendees identified as small portfolio holders.
- Focus group 10 participants. The majority were property management and landlords (one with 10,000 units). Three were members of landlord industry groups.

INCENTIVES

Using one or two words, tell us your
number one incentive to participate in the
program.

026



BARRIERS

What is the top financial barrier to your participation in the HCV program?

025

Voucher rents/payment standards are too low (FMRs are too low)



Unit repair costs are too high



Turnover rate of tenants is too high



Loss of rental income while waiting for inspections



Other



What is the top bureaucratic barrier to your participation in the HCV program?

026

Complexity of Rules/Regulations



Additional work required by Inspection/lease-up process



Process too time consuming



Other





Salt Lake City, UT

- Vacancy rate 7.0%
- Sales markets are tight and apartment markets are slightly tight.
- 32.6% Renters/67.4% Owners
- Housing Authority of the County of Salt Lake
- Housing Authority of Salt Lake City
- SOI protection

SALT LAKE CITY FORUM

- Association of Realtors
- October 18, 2018
- Attendees 80
 - A majority of attendees were property managers. Property owners attended as well.
- Half of attendees currently has an HCV tenant. A small percentage each no longer had an HCV tenant and had never participated in the program.
- More than $\frac{3}{4}$ of attendees had large portfolios. A very small number identified their portfolios as medium- or small-sized.

INCENTIVES

Using one or two words, tell us your
number one incentive to participate in the
program.

059



BARRIERS

What is the top financial barrier to your participation in the HCV program?

064

Voucher rents/payment standards are too low (FMRs are too low)



Unit repair costs are too high



Turnover rate of tenants is too high



Loss of rental income while waiting for inspections



Other



What is the top bureaucratic barrier to your participation in the HCV program?

062

Complexity of Rules/Regulations



Additional work required by Inspection/lease-up process



Process too time consuming



Other

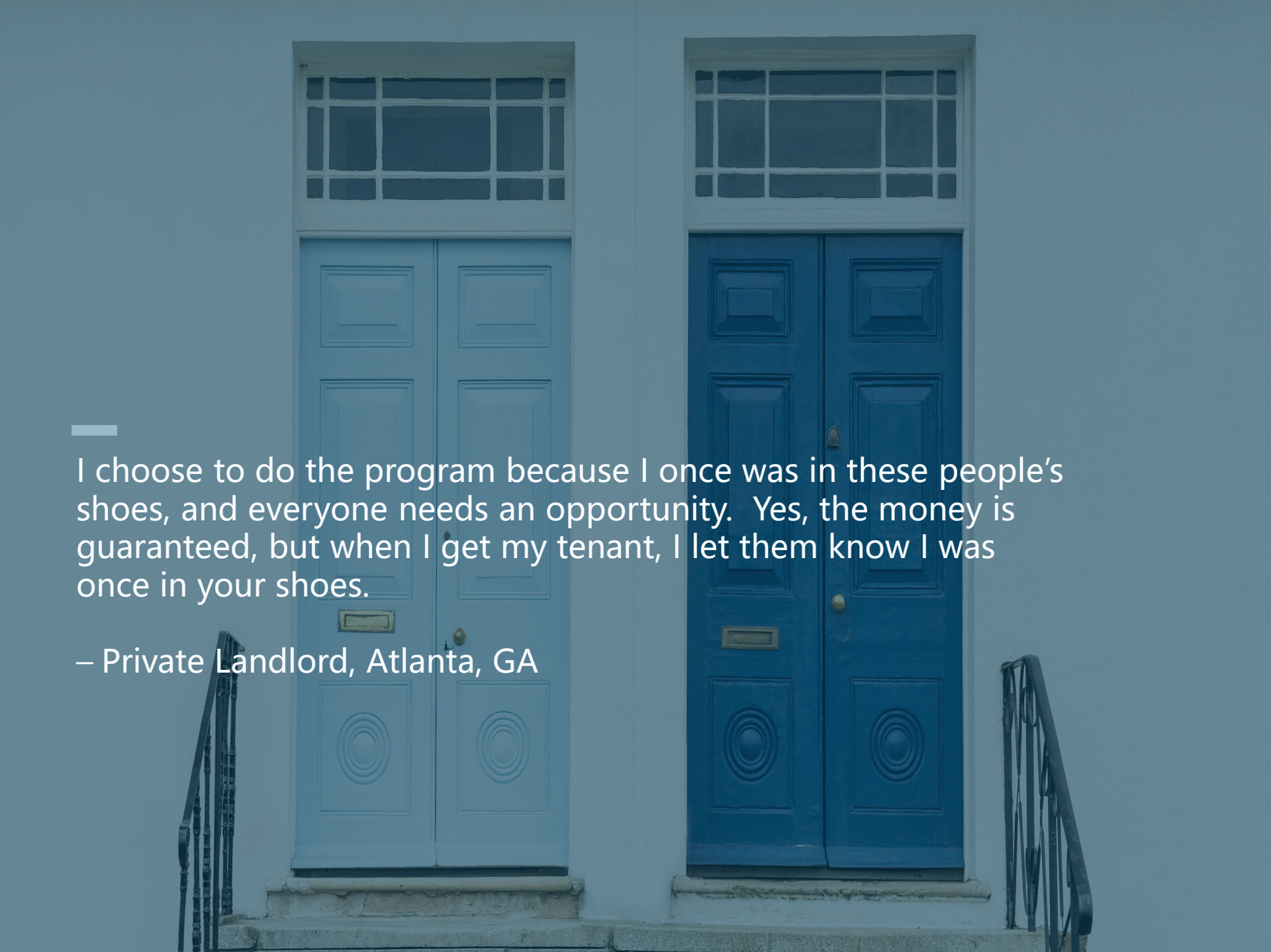




LISTENING SESSION TAKEAWAYS

TOP REASONS FOR PARTICIPATING

- Wanting to help people.
- Receiving a stable, reliable source of income.



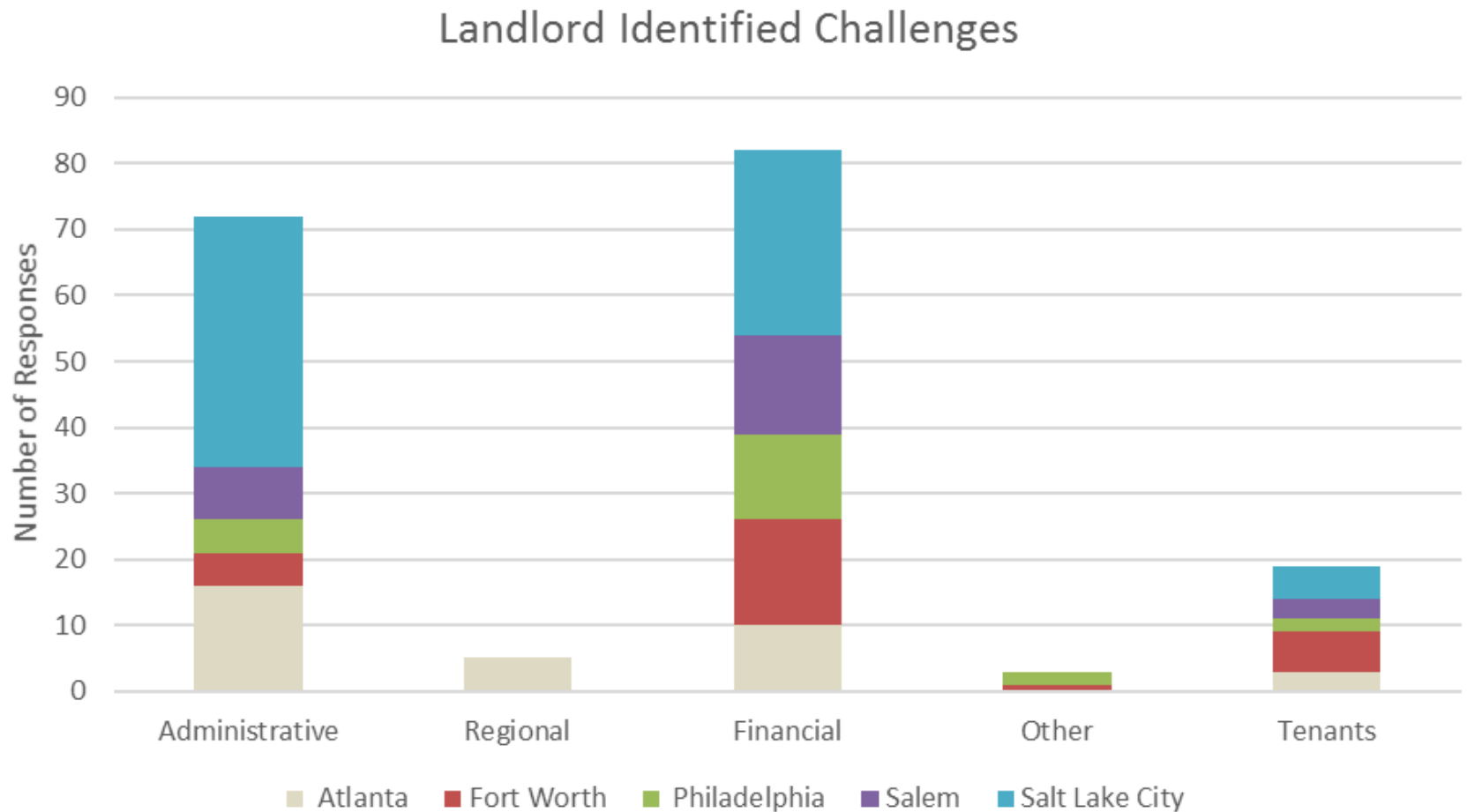
I choose to do the program because I once was in these people's shoes, and everyone needs an opportunity. Yes, the money is guaranteed, but when I get my tenant, I let them know I was once in your shoes.

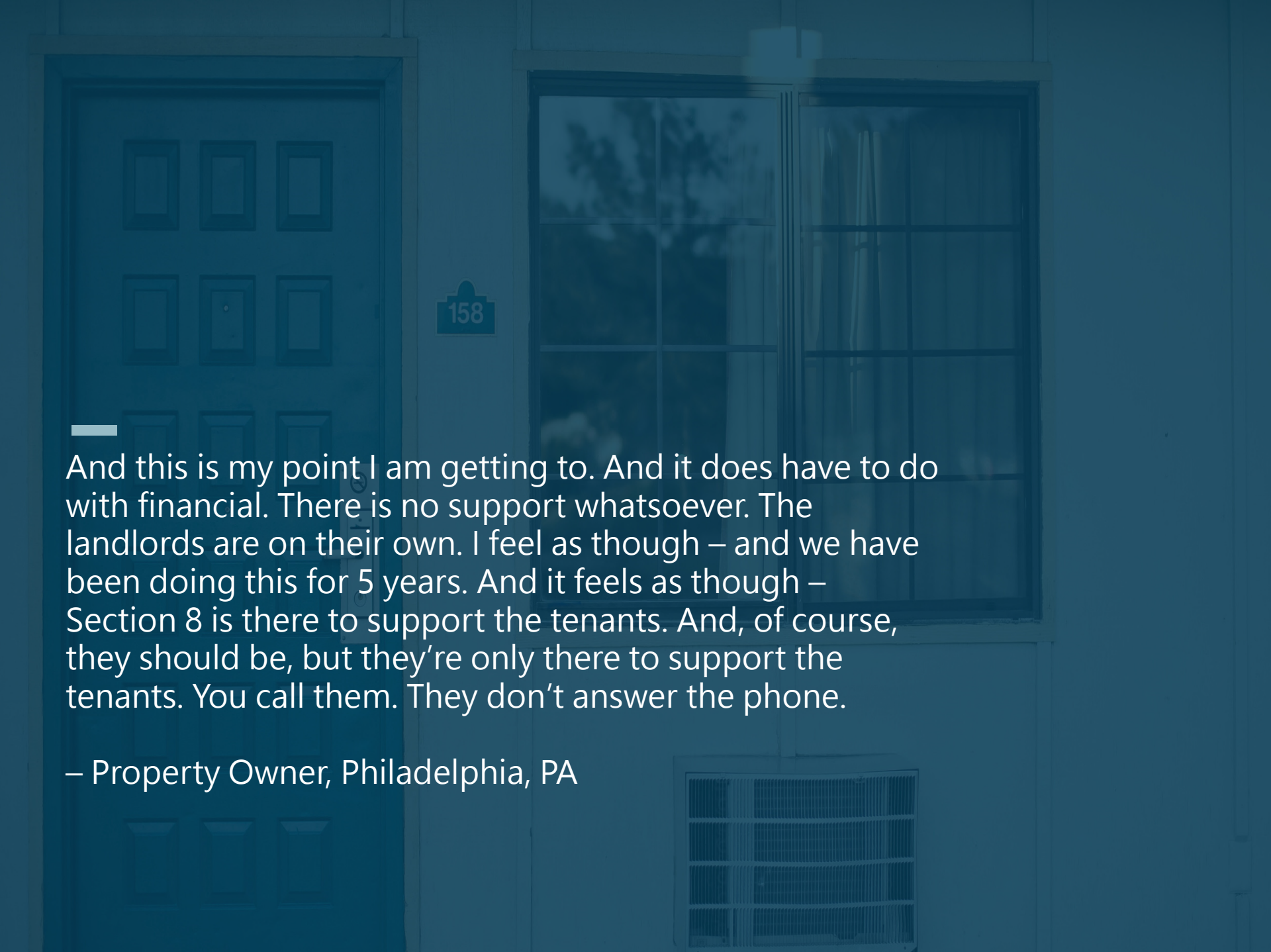
– Private Landlord, Atlanta, GA

TOP REASONS FOR PARTICIPATING

- At the regional sessions, participants also listed:
 - Local requirements to accept HCV recipients.
 - Guarantee programs.

TOP LANDLORD IDENTIFIED CHALLENGES



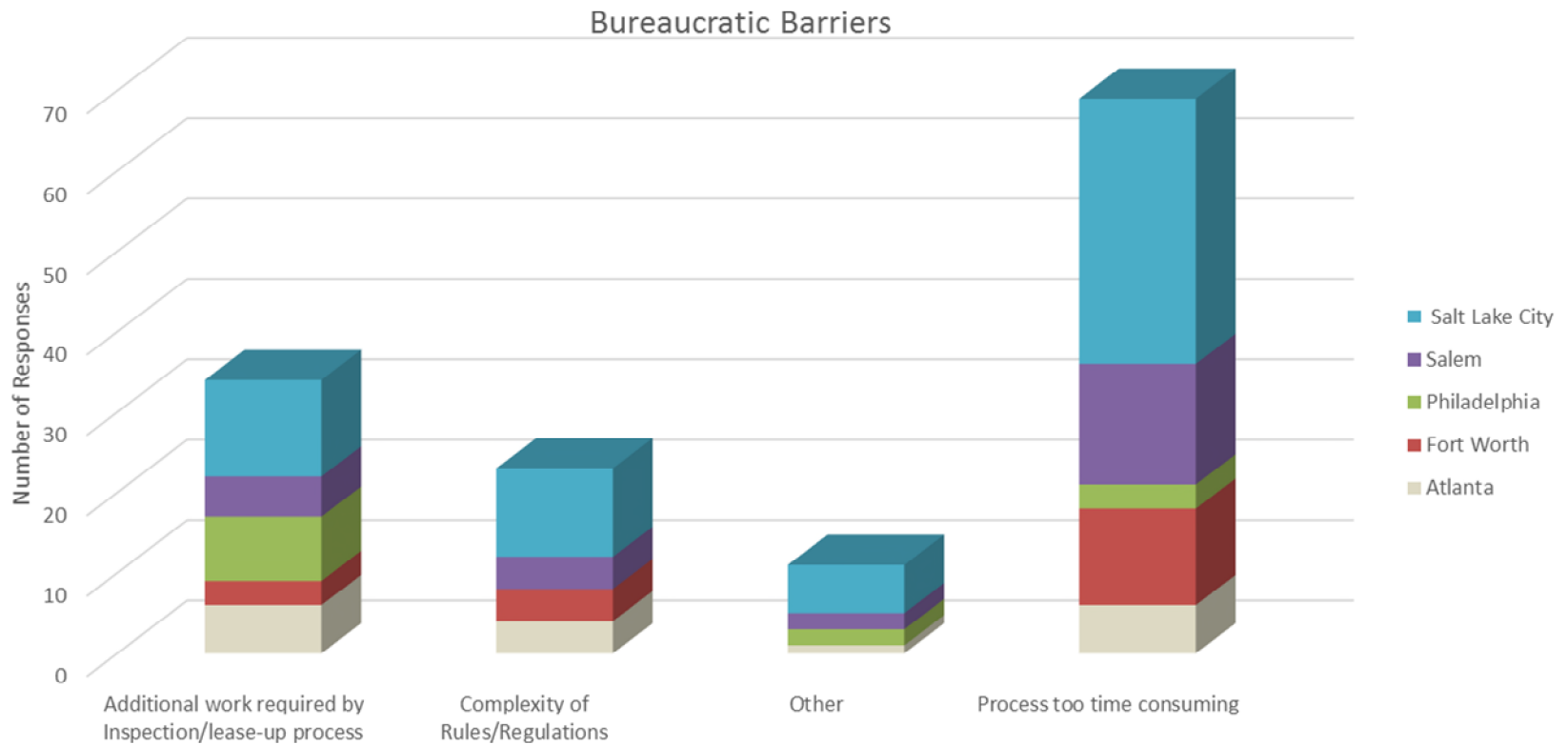
The background image shows a building entrance with a white door featuring a grid of small square windows. To the right of the door is a large window with multiple panes. A small blue house number sign with the number '158' is mounted on the wall between the door and the window. Below the window, there is a white air conditioning unit. The entire image is overlaid with a semi-transparent blue filter.


—

And this is my point I am getting to. And it does have to do with financial. There is no support whatsoever. The landlords are on their own. I feel as though – and we have been doing this for 5 years. And it feels as though – Section 8 is there to support the tenants. And, of course, they should be, but they're only there to support the tenants. You call them. They don't answer the phone.

– Property Owner, Philadelphia, PA

BUROCRATIC BARRIERS TO PARTICIPATION

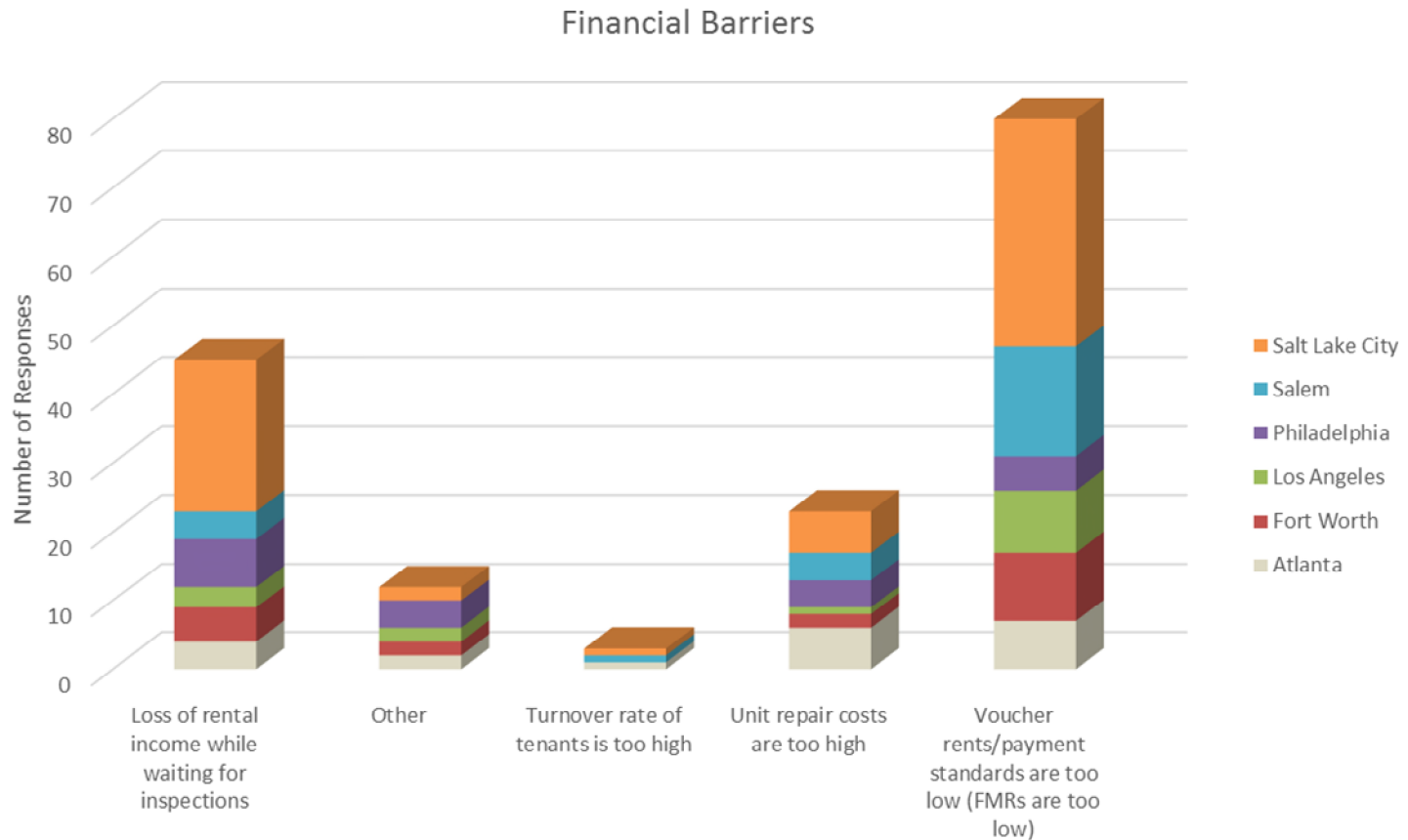



A photograph of a hallway with a white door, a light switch, and a potted plant. The image is dimly lit and has a blue tint. A white door is on the right side of the frame. To the left of the door is a white light switch. Below the light switch is a potted plant with green leaves. The text is overlaid on the left side of the image.

And one of the struggles is when we have multiple applicants, one being a Housing tenant, the delay that it takes to get them approved, contract signed, and get money from them is a financial cost to our owners that we could otherwise replace them with a market tenant that could pay immediately.

–Property Manager, Salt Lake City, UT

FINANCIAL BARRIERS TO PARTICIPATION



A blue-tinted photograph of a wooden door. The door has a mail slot on the left side and a doorknob on the right side. The wood grain is visible, and the overall tone is a deep blue.

A market tenant these days, I turn a unit before the person even moves out...Impossible with Section 8...I'm going to have to do a whole lot of things in the process to get it [unit] ready again. So I'm going to lose 30 to 45 days of rent...

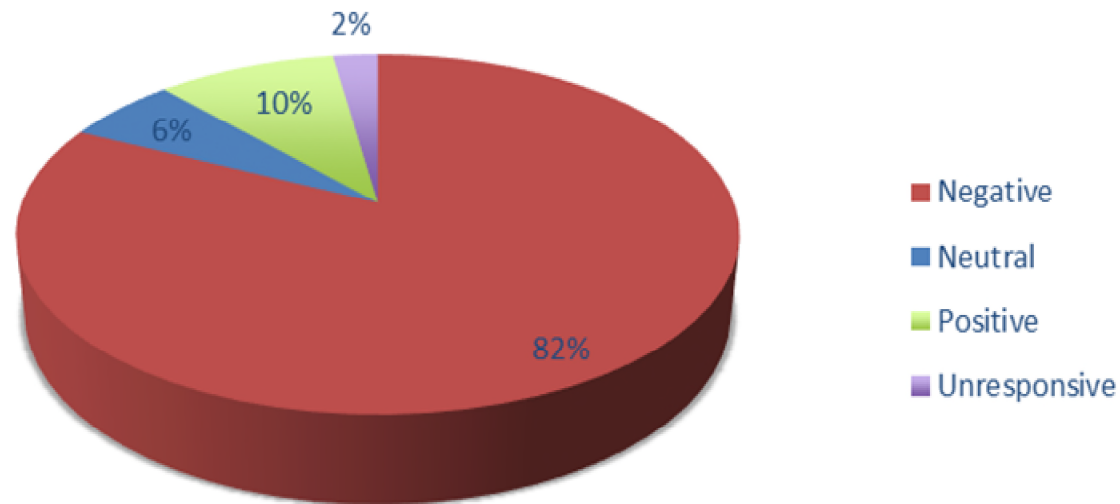
—*Owner of Real Estate Company, Atlanta, GA*

On the inspection... it's not uniform. The standards are not uniform. Sometimes many of the inspectors take things personal... I have to take time off of work. I'm a teacher, so I have to take the whole day off, to get a substitute to cover my class, and then you come in and fail for something that's trivial.

Attendee, Dallas/Fort Worth, TX

INTERACTION WITH PHAs

Landlord's characterization of experience
with PHAs



The background of the slide is a grayscale photograph of a modern apartment building facade. The building features a grid of windows and balconies with white railings. A dark blue horizontal band is superimposed over the middle of the image, containing the text.

2018 VIRTUAL FOCUS GROUP

2018 VIRTUAL FOCUS GROUP

- October 25, 2018
- 2 hours
- Participants: 8 members of the Public Housing Authorities Directors Association (PHADA)
 - Dedham HA (MA)
 - Everett HA (WA)
 - HA of Chester County (PA)
 - HA of Salt Lake City (UT)
 - HA of San Bernardino (CA)
 - Houston HA (TX)
 - Sonoma County HA (CA)

DEDHAM HOUSING AUTHORITY (MA)

- 461 vouchers.
- SEMAP high performer.
- Concern about lagging FMRs.
- Landlords appreciate direct deposit and annual inspections.

EVERETT HOUSING AUTHORITY (WA)

- 3,160 vouchers.
- SEMAP high performer.
- Rent reasonableness is a concern.
- Recent SOI law, but there are ways around like use of credit score.
- Has a large group of active landlords, finds differences in working with larger and smaller landlords.

HOUSING AUTHORITY OF THE COUNTY OF CHESTER (PA)

- 1,674 vouchers.
- SEMAP high performer.
- Chester County is the 23rd wealthiest county in country.
- Concern about lagging FMRs.
- SAFMR has made a big difference in helping families move into other parts of the county.
- Landlords do not want to rent to voucher holders.
- Single POC is 100% on the phone with landlords.

HOUSING AUTHORITY OF SALT LAKE CITY (UT)

- 2,666 vouchers.
- SEMAP high performer.
- Fast rising area rents are a challenge.
- State has SOI protection. The associated tenant damage fund is hard to access.
- PHA has three landlord POCs.

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO (CA)

- 9,528 vouchers.
- SEMAP high performer, MTW.
- Difficult to find units with low rental inventory.
- New market analysis divides county into nine payment standards since county has wide range of affordability.
- Understands the issues because the PHA is also a landlord.
- Inspection should be seen as opportunity to educate.

HOUSTON HOUSING AUTHORITY (TX)

- 16,703 vouchers.
- SEMAP high performer.
- Slightly soft rental market with estimated 9% vacancy rate.
- FMRs lagging, but SAFMR opens markets.
- SOI discrimination is legal.
- Mobility program includes full-time POC and call center with designated service for landlords.

SONOMA COUNTY HOUSING AUTHORITY (CA)

- 2,945 vouchers.
- SEMAP high performer.
- Hard hit by fires.
- Landlords have complained about lagging FMRs.
- They would like vacancy protection, access to mediation.
- Hired housing locator in July 2018.

Recommendations

- Develop materials on the HCV program relevant to landlords.
- Work to streamline processes - including inspections.
- Facilitate information and best practice sharing across PHAs.
- Provide opportunities for landlords to connect with HUD and PHAs.



CURRENT AND UPCOMING EFFORTS

- HCV Landlord Resources Webpage
- HCV Program Materials for Landlords
- HUD HCV Landlord Symposiums
- Landlord Strategy Guide for PHAs
- Task Force Coordination with NSPIRE-V
- HCV Landlord Webinar Series – 2 & 3

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/landlord

Questions?



Thank You!

We hope that you join us for the next webinar.
hcv@firstpic.org