



U.S. Department of Housing and Urban Development
Housing Choice Voucher Program
Landlord Listening Forums and Focus Groups
September – October 2018



HUD's Housing Choice Voucher (HCV) program is the federal government's major rental assistance program for providing affordable safe, and sanitary housing to very low-income families, the elderly, and the disabled rental assistance in the private market. As the largest rental housing assistance program in the United States, the program serves over two million households.

Because the program involves providing families with subsidies in the form of a voucher that they can use on the private market, the success of the program depends on the participation of private market housing owners. Since 2009, however, the HCV program has seen a decrease in the number of landlords who accept vouchers, and many of those owners who do accept vouchers remain in concentrated areas of high poverty.

Two recent studies examined landlord acceptance of housing choice vouchers. The first study, "Urban Landlords and the Housing Choice Voucher Program: A Research Report" found that financial considerations such as guaranteed rental income, long-term tenants, Public Housing Agency (PHA) support, and the desire to help people were factors that landlords considered benefits of the HCV program. However, the study also showed that most non-participating landlords refused to rent to voucher holders because of negative experiences with the program including frustrations with the inspections process, lack of PHA support, bureaucracy, and negative experiences with tenants.

Another HUD sponsored study, "A Pilot Study of Landlord Acceptance of Housing Choice Vouchers" found clear evidence that landlords often refused to rent to voucher holders, with refusals more common in low-poverty areas than high-poverty areas.

In an effort to increase the number of landlords who participate in the HCV program, HUD Secretary Ben Carson created a Landlord Task Force to further explore common barriers faced by landlords and develop strategies and tools that may help retain and recruit landlords. In this report the term "landlord" refers to a rental property owner or manager.

Summary of Listening Forums

From September through October 2018, HUD held seven landlord listening forums nationwide to hear directly from landlords who currently accept or previously accepted vouchers about why they participate in the program, barriers they face and ideas they have to improve it. HUD also invited potential HCV landlords to share questions they had as well as their reservations to participate in the program.

Throughout the listening forums, attendees seemed to be dually motivated to participate by both altruistic and financial reasons. Many attendees stated they participated to provide a needed service by helping people who need housing. For some landlords the impulse was deeply personal such as when they or their family members had received housing assistance in the past. They were also motivated by receiving a stable, reliable monthly rent payment from the PHA. Knowing these motivations offer HUD two areas of focus when developing promotional messages for encouraging new landlords to join the program.

Attendees expressed a number of frustrations with the HCV program, which decreased their enthusiasm for participating in it. Overall, the majority of concerns across a range of issues related back to a financial matter. For example, participants felt unsupported by HUD and PHAs when they were attempting to navigate the program and resolve issues. These delays and lack of transparency resulted in financial losses. Landlords also expressed strong reservations about tenant behavior – that HCV participants did not understand how to be good tenants, often damaged housing and did not pay for damages, did not follow their leases, and were difficult to evict in those situations. They also voiced concerns about Fair Market Rents (FMRs) not keeping pace with market rents; the inspections process; the length of time for application process, eviction processes, and rent increases; the lack of ability to submit paperwork online; the abatement process; and requirements to use the required Housing Assistance Payments Contract, HCV lease addendum, and other paperwork required by HUD or the PHA over the paperwork used for non-HCV tenants.

Background and Process

HUD's Landlord Task Force, created by HUD Secretary Ben Carson, conducted seven listening forums across the United States to hear the experiences and recommendations of landlords about the HCV program. The forums, which kicked off in Washington, DC, were designed to elicit responses through a process/approach which included:

- A brief presentation of the research studies which informed the forums.
- A facilitated open discussion prompted through use of an engagement application.
- An additional 1-hour focus group at four selected locations.

The Washington, DC forum served as the kick-off event, therefore, the agenda for this session was slightly different from the other listening forums. This forum consisted of a presentation of trends of the national rental market, which was not included in other forums. This forum also included a much longer presentation of the two recent research studies mentioned in the previous section.

All forums were scheduled for 2 hours each during the weekday, to allow for adequate speaking time without creating an undue burden on attendee work schedules. The majority of the time scheduled for the forums were given to attendees (landlords) discussion.

HUD staff and staff from local housing authorities were present to provide support. The forum in Washington, DC was broadcast via webinar and recorded. The remaining listening forums were transcribed by a court reporter.

To ensure broad input, participants at the forums were able to offer their insights during the forum via verbal comments and written comment cards. Participants were also provided an email address during and after the listening forum where they could submit comments electronically. This option (submitting comments via email) was also available to interested parties who were not able to attend one of the forums.

Overview of the Forum Dates, Location, Attendance

City	Meeting Location	Date	Attendees	Focus Group Attendees
Washington, DC	U.S. Department of Housing and Urban Development	Sept. 20, 2018	102*	N/A
Atlanta, GA	Atlanta Apartment Association	Sept. 27, 2018	61	N/A
Dallas/Fort Worth, TX	HUD Fort Worth Regional Office	Oct. 3, 2018	44	4
Philadelphia, PA	HUD Philadelphia Regional Office	Oct. 5, 2018	88	15
Los Angeles, CA	Apartment Association of Greater Los Angeles	Oct. 10, 2018	33	10
Salem, OR	Salem Public Library	Oct. 16, 2018	32	10
Salt Lake City, UT	Utah Association of Realtors	Oct. 18, 2018	80	N/A
<i>*An additional 543 viewed the webcast.</i>				

Incentives and Barriers to Participating in the HCV Program

The section below is a summary of information gathered across all listening forums and focus groups. The most common incentives and barriers are included below.

Incentives

During the six regional listening forums, conversation began with a poll asking attendees what they liked about the program, or what their number one incentive was for participating. The facilitator then asked for one or two people to expand upon their poll responses.

National:

Based on the poll results, the top incentives for participating in the HCV program were financial reasons and a desire to help people. These incentives were echoed in the discussions during the listening forums as well.

- **Wanting to help people:** The majority of incentives discussed were related to providing a needed service by helping people who need housing. A number of participants had themselves or had relatives who had in the past benefited from assisted housing. Some attendees also noted positive experiences with both HCV tenants and PHA tenant caseworkers.

“I choose to do the program because I once was in these people’s shoes, and everyone needs and 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

- **Financial:** Many attendees nationwide said that receiving a stable, reliable source of rental income from HUD was a draw to the program. A participant in Salt Lake City indicated with proper screening including background checks and prior landlord interviews, the HCV tenants “stay for years and years.”

Regional:

- **Local programs or policies:** In the Salem and Salt Lake City markets, participants said that they were required by law to accept HCV recipients. (Note, participants in Philadelphia and Washington, DC are also legally required to accept HCV recipients). This requirement drew negative feedback because they felt that they could not leave the program. However, others said that they treated all applicants the same, so the requirement did not impact them. The HCV applicants were vetted the same and whoever qualified for the apartment first, was moved forward in the process to rent the unit.
- **Guaranteed Mitigation Fund Program:** Guarantee programs, which are funds available to landlords to repair tenant-caused damages, are available to landlords in Salem and Salt Lake City. Landlords in Salem and Salt Lake City noted that these programs mitigated concerns about landlords being financially responsible for tenant-caused damages.

Barriers

Discussion surrounding barriers to renting to HCV recipients took up the majority of the listening forums' discussion time. While barriers were brought up during the time allocated to discussing incentives, the facilitator used a poll to formally begin discussion on landlords' top challenges with the HCV program. Poll results indicated that major concerns were administrative and financial. These were also echoed during the discussion as noted below.

Many of these barriers are not just inconveniences but can cause a landlord to lose income, lose a tenant who was ready to move in, decrease the value of a unit, or lose valuable time to resolving the problem. In these cases, these barriers can cause a financial loss and disincentivize further participation in the HCV program. Several landlords and property owners in Atlanta and Los Angeles characterized the incentives for participation as overshadowed by the perceived increase in barriers in recent years.

National:

- **Lack of Support and Communication:** One of the underlying themes, and the most consistent concern expressed by attendees throughout the forums, was that they felt a lack of support from HUD and the PHAs. This was exemplified by the fact that HCV tenants could point to the case worker, but landlords have no equivalent single point of contact. Landlords expressed frustration that no one answers their phone calls at PHAs, and when they do, PHA staff they spoke with did not have any knowledge of the HCV program. This issue of lack of support ties in with a number of the barriers listed below.
- **Inspections and Tenant Damages:** Multiple attendees expressed the sentiment that PHAs and current regulations protected tenants' rights but did not offer any assistance or protection for landlords. Attendees presented two primary examples of how this lack of support/protection played out to create significant financial issues:
 - Inspections: While attendees saw the importance of inspections, they had many frustrations in connection with the process. When there are delays in the inspection process, this can cause delays in initiating the Housing Assistance Payments. It can also cause payment cessation when abatement takes place. Attendees find that despite the existence of Housing Quality Standards, inspectors and

"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

Landlord's characterization of experience with PHAs

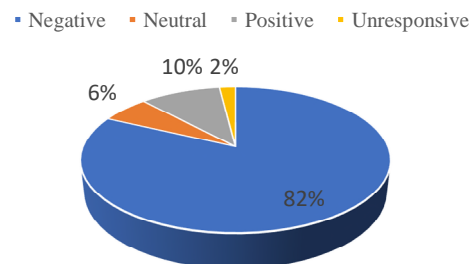


Figure 1 Summary of Poll from all Forums: Landlord's Characterization of Experience with PHAs

"And this is my point I am getting to. And it does have to do with financial. There is no support for us whatsoever. The landlords are on their own. I feel as though -- and we have been doing this for five 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

necessary repairs are not always consistent. The type of repair and the amount of work that would qualify as acceptable was not always clear and consistent. They were frustrated that a unit could just as easily fail based on cosmetic issues, as for health and safety issues. In terms of inspection appointments,

landlords were very frustrated that in some cases they were not informed of the appointment or were not given an appointment window of less than eight hours, perhaps in part because there were fewer inspectors than seemed to be needed for the number of units. This may cause part-time landlords to miss a day of work. If onsite, the landlord may be able to make a repair immediately and allow a unit to pass inspection. Additionally, landlords were not informed in a timely manner when the inspector would not be able to make an appointment. Some attendees stated that after making the repair to fix cited deficiencies, attaining the subsequent pass seemed to work best only if the attendee had a relationship with a particular inspector.

- **Tenant Damages:** Attendees expressed many concerns over how tenants were not held accountable for damages made to units. This was one of the most common concerns at each forum. Attendees stated that they (1) lacked a means of collecting on tenant-caused damages, (2) lacked a way of removing tenants who caused damages, (3) were required to repair units, and (4) had units fail inspections based on damages of which the landlord was unaware and that were caused by the tenants. The attendees in general felt that tenants needed more education in how to be a good tenant and care for a unit. The tenants did not always (1) contact the landlord in a timely manner about items which needed repair, (2) understand what their responsibility was, (3) know how to advocate for themselves in the housing search, and (4) understand or follow the terms of their leases. Attendees didn't always have ample security deposits for these tenants and, especially when they pursued damages in court, were concerned that tenants who could not pay their full rent, would not have funds available to pay for damages. Additionally, when tenants moved, the attendee would not be able to locate the tenant for repayment.

- **Application and Move-in:** The process of application and move-in was cited as a barrier in every forum. Attendees discussed concerns related to approved rent amounts, length of time for application approval, and inspections. Attendees, when comparing the time for move-in for a market rate tenant versus an HCV tenant, stated that the

"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

"We had a tenant that brought a dishwasher in, which you're not supposed to, hooked it up wrong. It flooded the unit. They [PHA] withheld rent until we were able to get all that damage done when the tenant was the one that ruined it, not us." –Property Manager, Salt Lake City, UT

"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

difference could be months, months during which they would not be paid. If the required rent amount was not approved, they would never be paid for the delay.

- **Voucher – Approved Bedroom Size for PHA Service Area:** A housing choice voucher lists an approved bedroom size. The amount of rent the PHA can pay on behalf of a voucher holder varies based on the voucher bedroom size as well as the local housing market. Both landlords and, per their comments, HCV tenants found it difficult to understand how much rent voucher tenants actually qualified for based on the information in the voucher paperwork. The paperwork tended to indicate, they said, an allowable amount, but, in fact, after applying and waiting a significant amount of time, a tenant might not be approved for the amount that the unit was renting for. This can be due to a misunderstanding of who pays for which utilities, what amenities units are expected to have to rent for a certain price, and more. The landlord must either lower the rent—which was not always an option and not desirable—or start the process again, having lost rent for a period of time. The concern over rent amount was exacerbated in regions that experienced rapid population growth and decreased new construction during the economic downturn. These conditions led to lower vacancy rates, increased demand, and increased rents. While this often meant that landlords could fill units easily – sometimes even before the current tenant vacated – the conditions led to issues with the HCV program. Landlords in all locations reported that FMRs were not keeping pace with market rents. Because demand was great and the turnaround time on units, especially in higher demand areas, was brisk, HCV applicants who 1) faced a longer application process, 2) whose rent amount was not clearly understood by the tenant and communicated to the prospective landlord, and 3) could not move in until an inspection was completed were at a strong disadvantage. These delays cost the landlords money. Attendees stated that the process needs to be streamlined and more transparent. HCV participants and HCV landlords need better instruction on what the HCV tenant qualifies for with their specific voucher.
- **Administrative delays:** Overall, attendees working with the HCV program said that not being able to submit applications and other paperwork to PHAs online resulted in a waste of time and resources. Several attendees mentioned that paperwork sent through the mail ended up not reaching its intended recipient at the PHA and, as a result, it was necessary for attendees to hand deliver their paperwork. Technological barriers that delayed move-in or required a landlord to invest additional time to correct was a financial drain. In Atlanta, where the housing authority allowed online submission, attendees generally had positive experiences, but noted that the number of staff who could sign off on cases could be extremely low during holiday and vacation times, slowing approvals.

All procedures involving paperwork were cited as taking a long time and having no clear outcome. The PHA's lack of programmatic knowledge and lack of a defined timeframe for decisions created impatience among landlords. Attendees indicated that they submitted rent increase paperwork by hand delivery – to avoid it being lost in the mail—they would wait a period identified as 2 - 4 months for a PHA response. After waiting, the increase was likely to be denied. A Philadelphia attendee stated that rent increase applications took two years, at which point they could be denied, and an attendee in Dallas/Fort Worth reported receiving a communication from the PHA stating that no rent increases would be considered because the program was out of money.

Regional:

While many landlord concerns and motivations crossed jurisdictional boundaries, there were also regional-specific issues. These issues included small area FMRs, regions with multiple PHAs providing

services, and PHA-specific incentives or restrictions to participating in the HCV program. While these issues may currently have a greater impact on one or another region, they may offer lessons learned that relate to a broader audience.

- **Small area FMRs:** In Dallas/Fort Worth, a location that uses small area FMRs, landlords did not always perceive the small area as a useful unit of measure. Rather than recognizing that small area designation increased the payment standards, and therefore the HAP payment landlords receive, landlords instead complained that two units with similar conditions and amenities that were geographically very near, but zip code separated, had very different payment standards.
- **PHAs:** Participants said that when they worked in areas with multiple housing authorities, they were frustrated that the PHAs had different paperwork, different tenant and landlord resources, and different rules and limitations. It took considerable time and effort to work through the differences in the agencies.
- **Tenant Damages:** In states with tenant damages funds, including Utah and Oregon, landlords were generally favorable. But in some cases they found that the amount of paperwork, need for proof of damage and repair, and need to go to court complicated the access to the funding. One landlord from a large property management company in Oregon commented that once they learned the process, it became much easier to access these funds. The company learned when it was worth designating their staff time and resources towards going through the process to access the funds.
- **Leases:** Landlords said that the PHAs forced them to treat HCV tenants differently because of the use of the different lease requirements. For example, in Salt Lake City, some landlords use month-to-month leases with their market rate tenants but have to use annual leases with the HCV tenants. When market rate tenants become HCV tenants, a new lease must be signed which can be disruptive. The Salt Lake City landlords mentioned that they prefer to time their lease end dates to coincide with the end of the school year when there is an increase in turnover to decrease the disruption. The HCV lease addendum also allows for nonpayment of rent while awaiting repairs which is not standard in their typical lease.

Summary of Barriers:

While the identified barriers provided both verbally during the forums and focus groups, and through the poll varied and cut across several categories (administrative, financial, tenants, inspections), the majority can be traced to having a negative financial impact for landlords and property owners. Some issues such as tenant damages, FMRs, and inspections/repairs have a clear financial tie. Others such as administrative processing time and a lack of communication and delayed inspections can also lead to financial disincentives. In effect, they could also be summarized as “time is money” as they directly impact the time a unit sits vacant not collecting rent and the amount of staff time that is dedicated to finding answers or resolving issues.