



# Landlord Participation in the Housing Choice Voucher Program

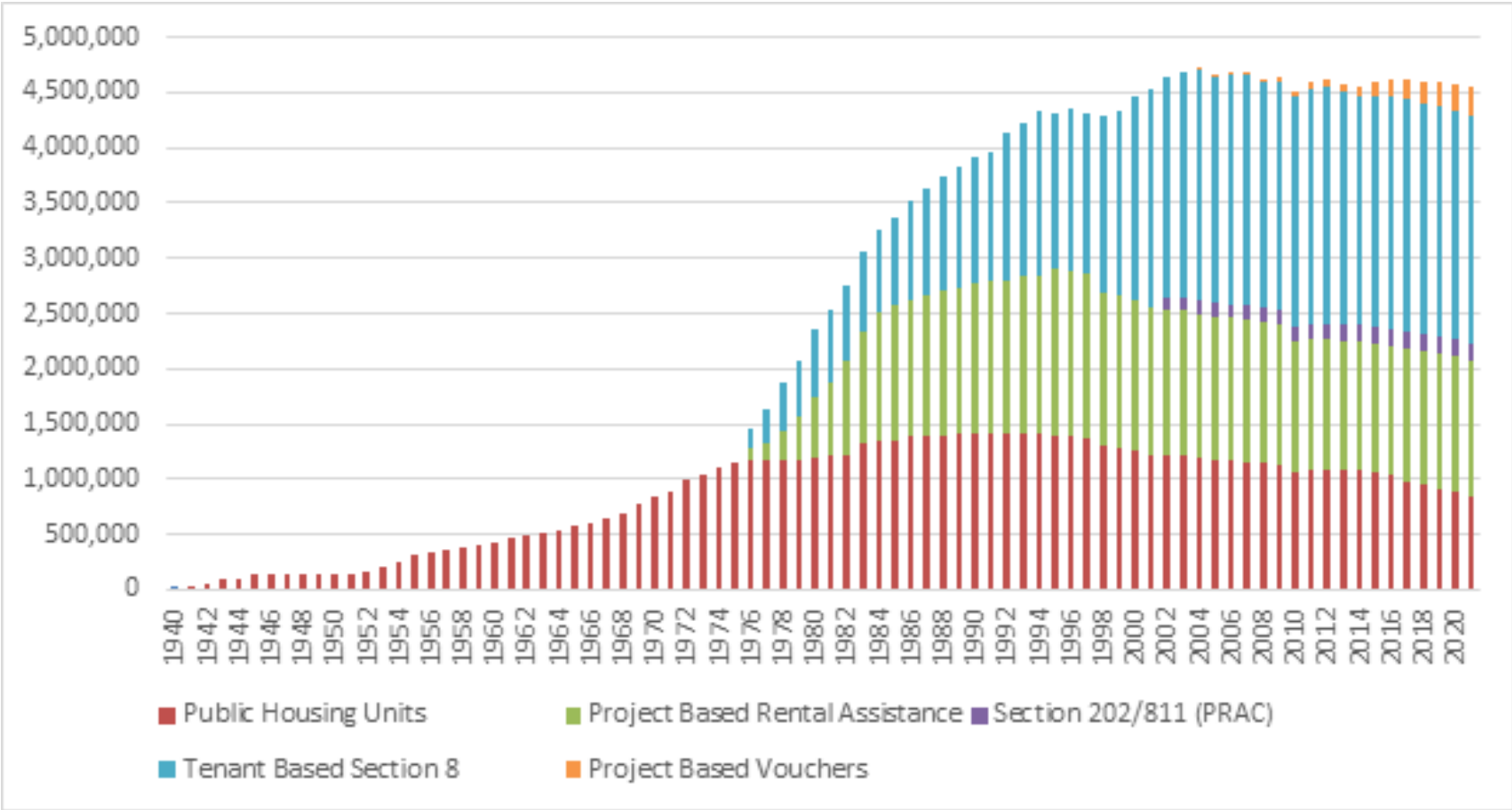
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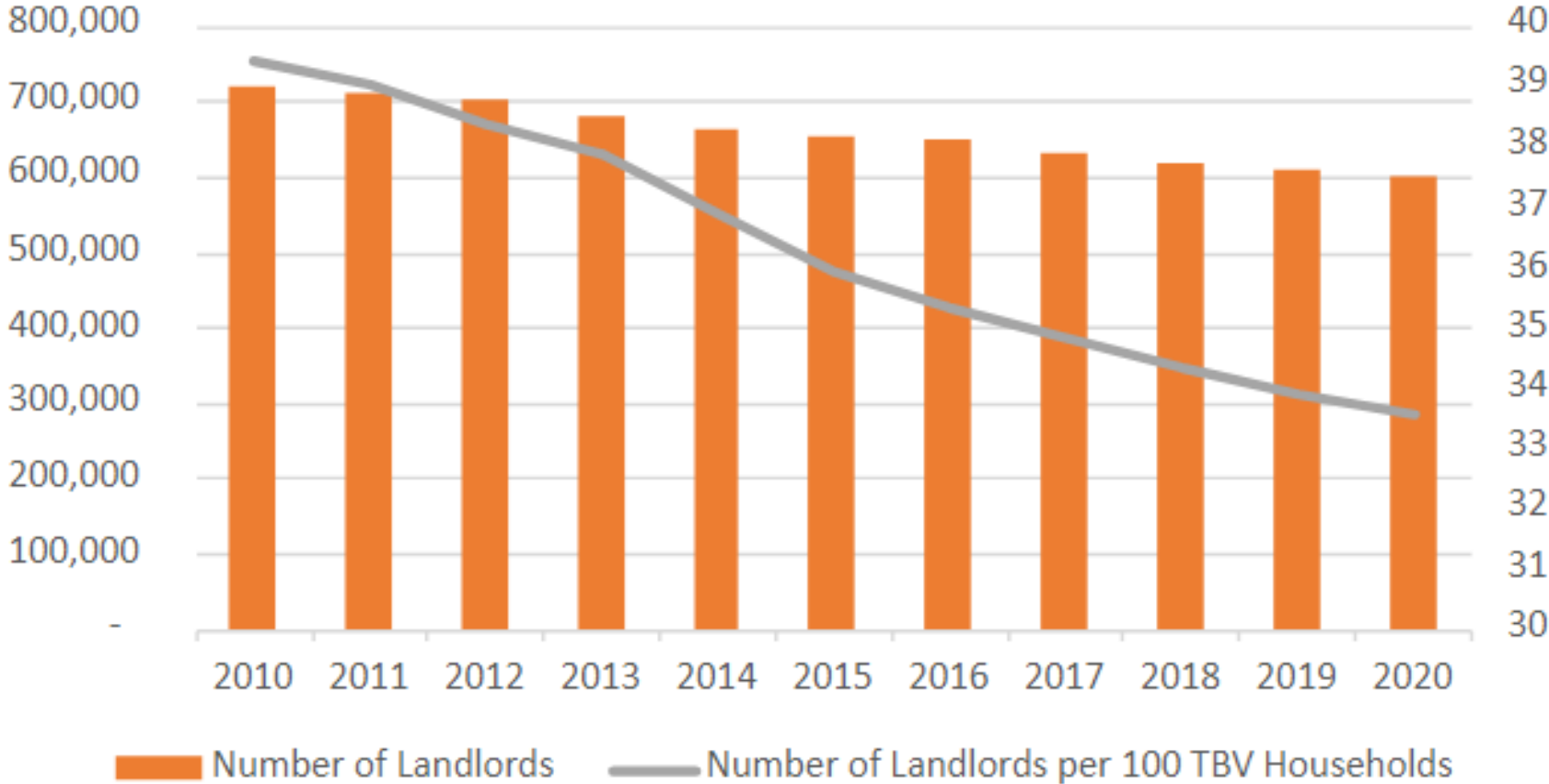
# Who Are Housing Choice Voucher Holders?

- 2.35 million households
    - 32% are elderly
    - 24% are non-elderly disabled
    - 39% are families with children
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- Average annual income is \$16,610; 77% are extremely low-income
  - Those currently assisted have been assisted for an average of nearly 11 years; longer for elderly and disabled; shorter for families with children
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- Average tenant payment toward rent is \$420 per month
  - Average HUD subsidy per month is \$948 per month
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- Average time on wait list before getting housing is 27 months
  - While on wait list, roughly 40% become homeless or doubled up each year
  - Over 2.5 million households are on wait lists
  - Just 61% of those offered a voucher off the wait list in 2019 successfully leased a unit
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- Roughly 200,000 to 300,000 units turn over each year and are available for a new tenant

# Households Receiving Annual Federal Housing Subsidy 1940-2021

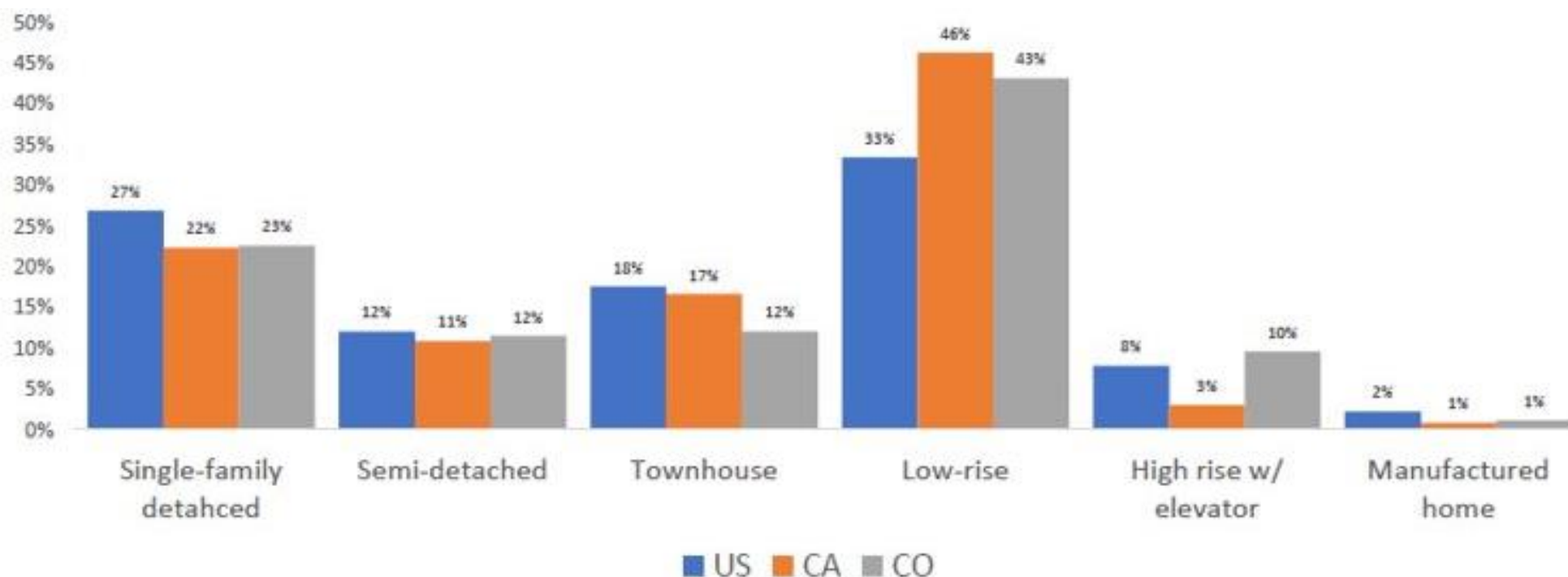


# Declining Number of Landlords Are a Barrier to HCV Utilization



# Most Tenant-Based Vouchers Are in Low-Rise Units

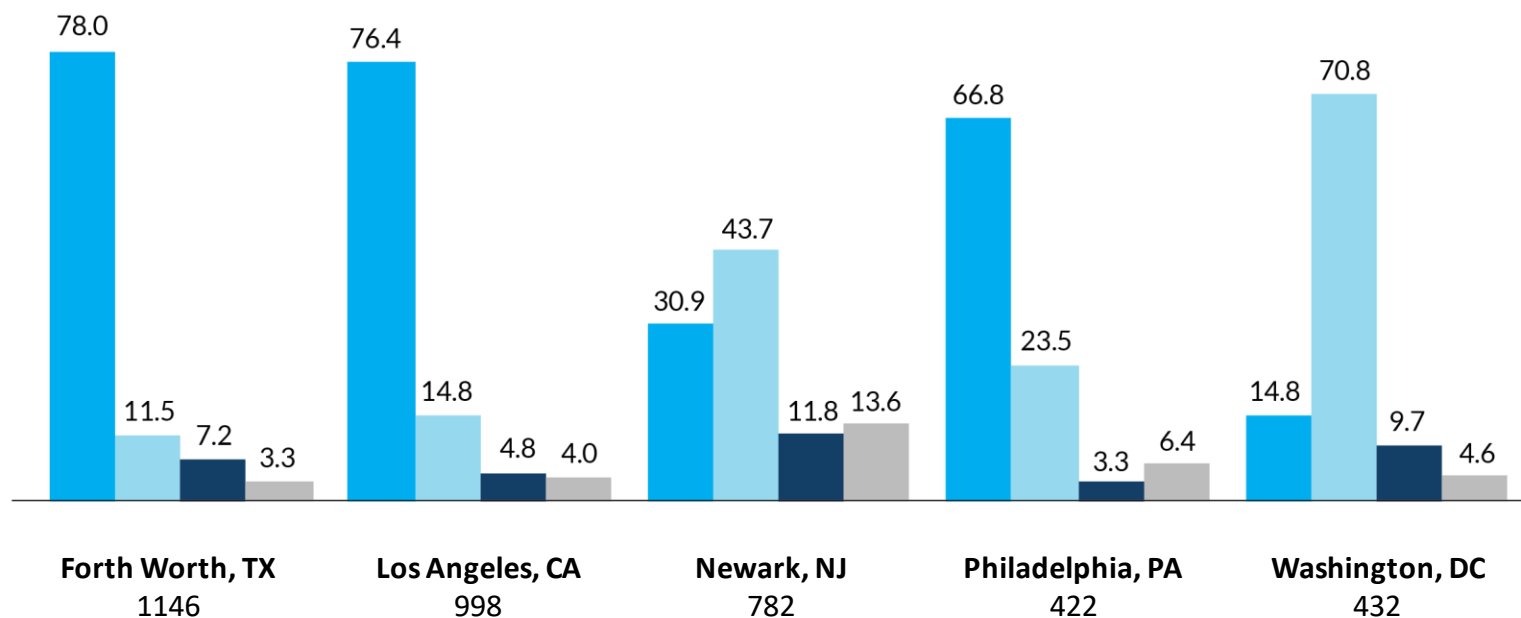
Structure Type of TBV Households, 2019



Source: HUD, PIC System  
\*Excludes MTW Records  
Prepared by: PD&R, PPRD

# More Than 70 Percent of Landlords Deny Vouchers in Some Cities

■ Denies vouchers   ■ Accepts vouchers   ■ Accepts vouchers with conditions  
■ Unsure of voucher policy/other



# What Matters to Landlords?

## Strengths:

- Financial considerations: amount of rent, payment of rent, minimizing vacancies, avoiding costly repairs.
- They like the voucher's guaranteed payment
- “Good tenants” – they like tenants who stay a while and care for the property
- Some landlords like the fact that the HCV program offers them an opportunity to help people

Source: Garboden, et al 2018

# Motivation for Non-Participation

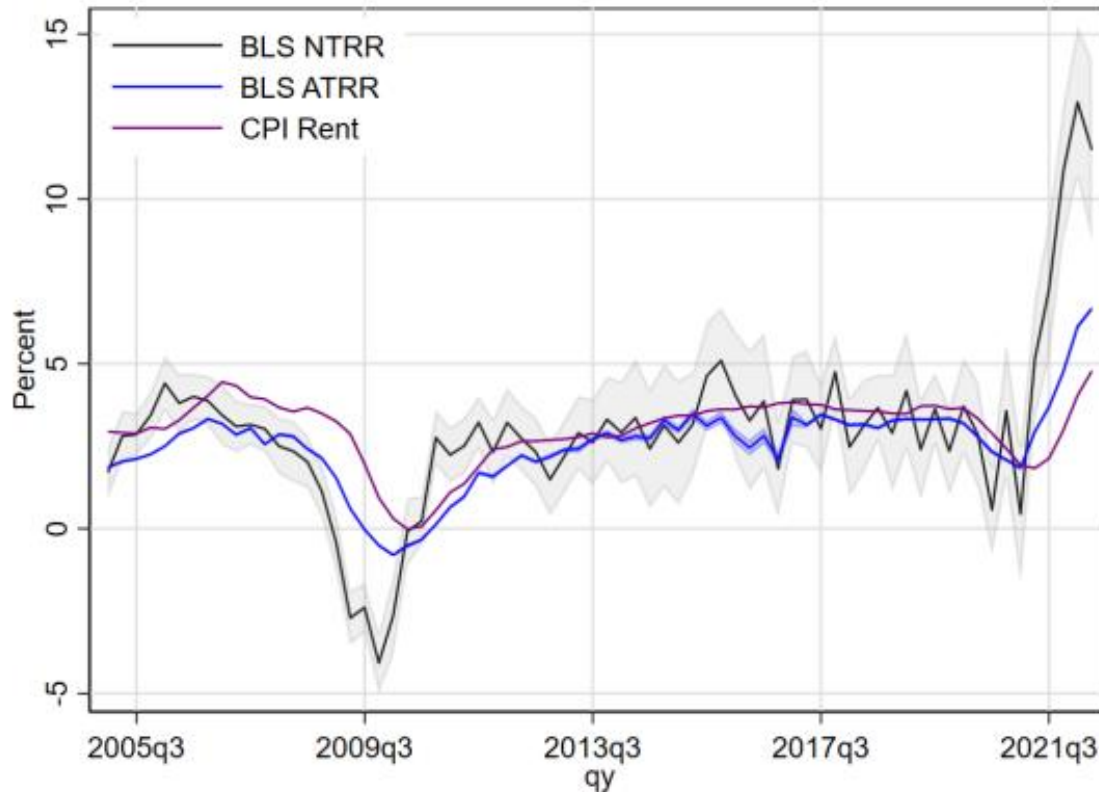
	%
Any inspection issues	51
costs associated with repairs	30
time associated with inspections	30
Lack of PHA support during tenant conflict	41
Inadequate rents	8
Paperwork and bureaucracy	41
Dislike of regulation, lack of control	19
Other	6

Source: Author's Tabulation, Garboden et al 2018

Note: Categories are non-exclusive



# Rent Shock in 2021

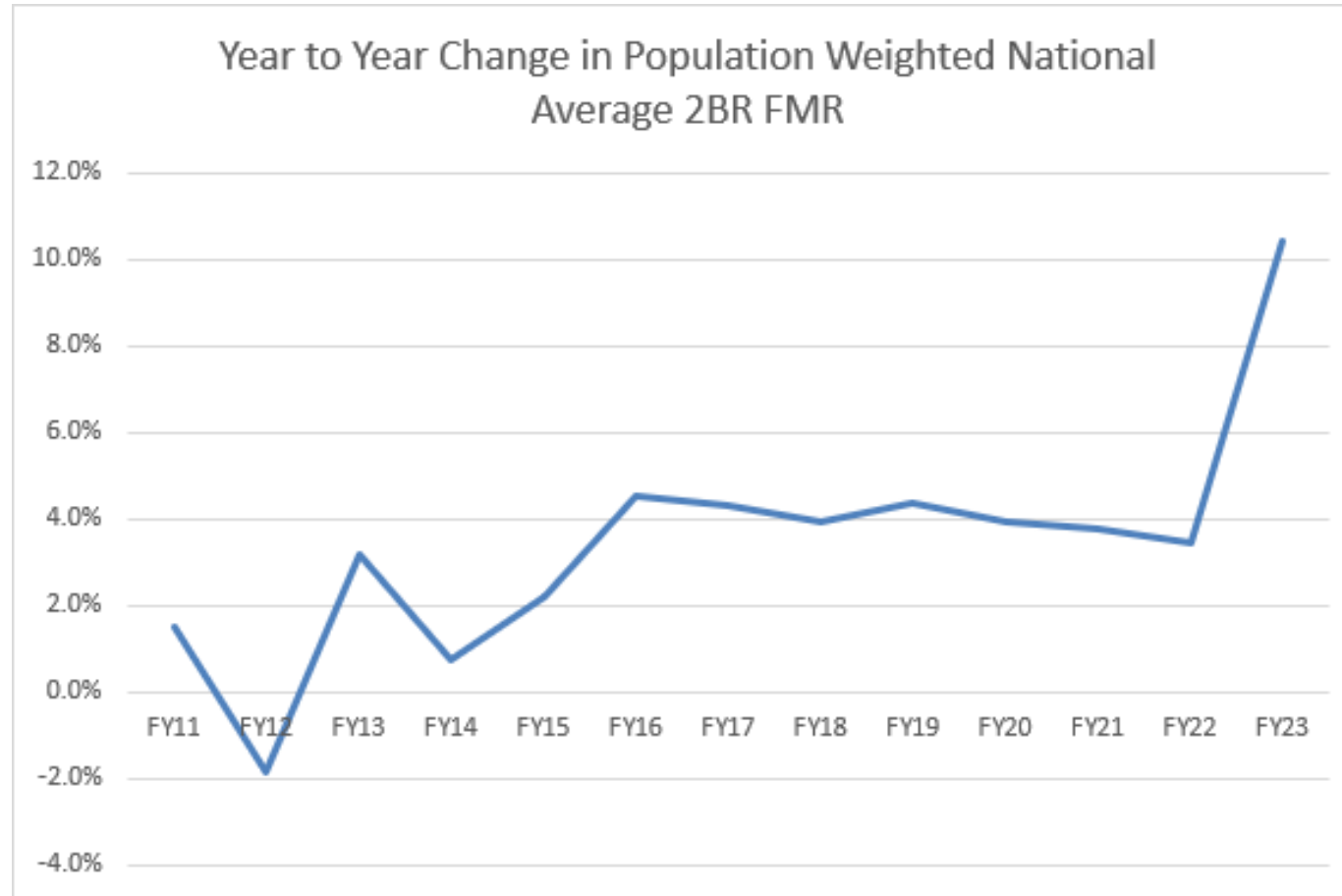


NTRR = New Tenant Repeat Rent Index

ATRR = All Tenant Repeat Rent Index

**Figure 2.** NTRR VERUS ATRR. Note: CPI Rent is rent of primary residence. The construction of ATRR and NTRR are described in Section 3. Source: BLS Housing Survey.

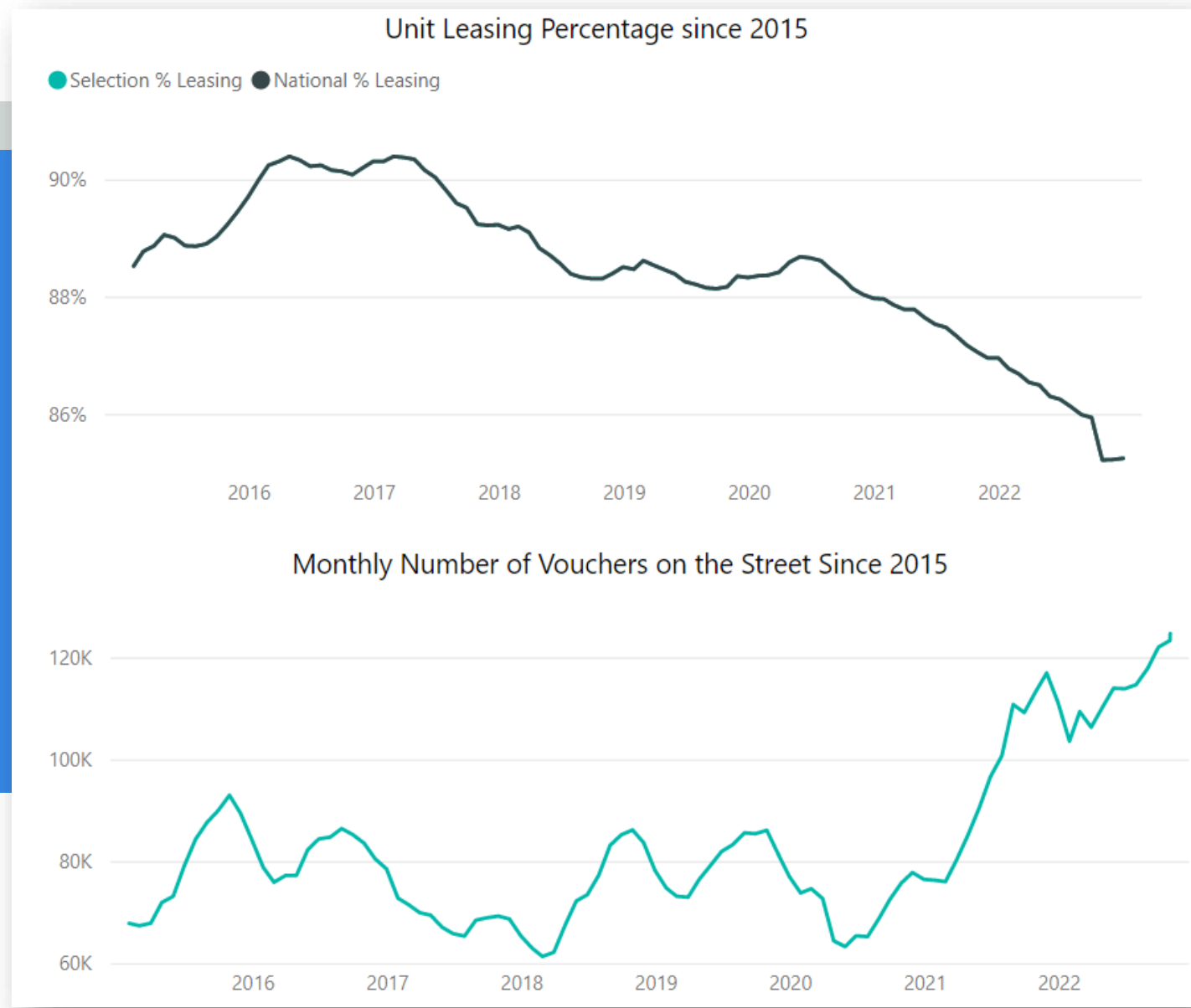
# Fair Market Rent Change 2011 to 2023



FY 2022-2023 Change in Population-weighted National Average 2-BR FMR: 10.4%

Voucher-weighted Change: 9.6%

# High Rents and Low Vacancy Rates May be Harming HCV Leasing



# On-going Research

## **Increased funding - Community Choice Demonstration**

Study of over 15,000 HCV families with children in 8 study sites to test the effectiveness of a voucher and mobility-related services. Activities to attract landlords in opportunity areas include:

- proactive owner outreach
- fast inspections
- owner incentives
- damage mitigation fund

## **More PHA Flexibility with existing money – Moving to Work research**

Study of landlord incentives that a PHA might choose to implement with their existing funding, including:

- landlord signing bonuses
- paying landlords for time their unit spends vacant waiting for a voucher lease-up
- waiving initial HQS inspection
- paying for tenant damages
- setting payment standards to better match market rents



# Focal Areas for Improvement of the Housing Choice Voucher Program

- Rents and other costs to improve tenant access to housing
- Inspections
- Automation
- Tenant protections and other measures to help families
- Project-based vouchers
- Other rules and practices



# Efforts HUD Has Taken in the Past Two Years

- Remote Video Inspections & Confirmation of Housing Quality Standards (HQS) Deficiencies through Alternative Means
- Updated HCV Utilization Tools
- EHV Services Fees to Increase Leasing
- Fees for new fair share vouchers and for SPVs to help increase leasing
- Eviction Prevention Toolkit for PHAs and Landlords in Support of Stabilizing Families
- Support the Expansion of PBVs in the HUD-VASH program



# Recent Changes to Support HCV Utilization

- Use of private market rental data for FY 2023 Fair Market Rents (FMR)
- Opportunity for most PHAs to adopt payment standards up to 120% of FMR
- New flexibility to use Administrative Fees to support leasing activities
- Improved program communications, guidance and best practices with the HCV Connect Newsletter and HCV Utilization Webinar Series (more at [www.hud.gov/hcv](http://www.hud.gov/hcv))



# HCV Outreach & Support

- Data Informed Policy
- HUD.gov/HCV & HUD Exchange
- Communication to PHAs
- Informative Newsletters
- Monthly Utilization Webinars
- Technical Assistance Available
- Landlord Resources
- Mythbusters, Benefits & FAQs
- Regional Landlord Outreach Symposiums

## HCV Program: Basics, Benefits, and Ways to Participate

### Introduction to the HCV Program



### Landlord Testimonial Highlights



## Landlord Testimonials

... / program from the perspective of these landlords. Watch each landlord's video in its entirety or jump to a specific video se...



Adam

Single-Family



Antwoine

Single-Family and Small Apt. Complex



David

Large Apt. Complex



La...



# National Standards for the Physical Inspection of Real Estate (NSPIRE)

NSPIRE strengthens HUD's physical condition standards, formerly known as the Uniform Physical Condition Standard (UPCS) and the Housing Quality Standards (HQS), by prioritizing resident health and safety by:

- Prioritizing health, safety, and functional defects over appearance
- Updating HUD's physical inspection model, which is now 20+ years old
- Focusing on the areas that impact residents – their units
- Providing a more accurate score for property conditions
- Aligning inspection standards across all HUD-assisted properties, as directed by Congress
- Incorporating resident feedback regarding the condition of units

# Historic Funding Increase for 2023

- The 2023 Act provides a \$2.9 billion increase to the HCV Program, including a \$2.3 billion (10.5%) increase for Contract Renewals, and a \$367 million (15%) increase in Admin Fees
- This is a historic increase intended to help PHAs adjust to recent inflationary pressures
- HUD strongly recommends that PHAs use this funding to make sure their rents are keeping up with the market, and to increase leasing to serve more families



# Highlights of the 2023 Funding

- **\$337M for Tenant Protection Vouchers (TPVs)**– This will allow HUD to provide TPVs for all Public Housing units removed from inventory that were occupied in the prior 24 months
- \$607M for Mainstream
- \$50M for new VASH Awards
- \$30M for new FUP Awards
- **\$50M for new Incremental Vouchers** – Like the \$200M in new incremental vouchers awarded last year, these will likely be available to PHAs via formula allocation later this summer

# Proposed in the 2024 Budget



Demonstration allowing housing assistance payment (HAP) funding to be used for security deposits



Codify administrative fee flexibilities



Align PBV maximum rents with payment standards should HUD expand the basic range



Allow pre-inspection of units



Family Unification Program (FUP) and Mainstream voucher reallocation and flexibilities