

Council on Housing Stability Landlord Incentive Program

OCTOBER 2023

The **Council on Housing Stability** is seeking opportunities to continue and expand financial tools to promote affordable housing leasing partnerships between low-income households and private sector property owners. These strategies have come to be known as Landlord Incentive Programs or Affordable Housing Incentive Programs. The initial thinking was to provide flat, one-time financial payments to landlords for their participation in leasing to rental assistance program recipients. Further inquiry found more nuances to the concept of financial incentives to achieve longer-term impacts.

The CHS commissioned an analysis of existing programs run by Public Housing Authorities, other government agencies, and nonprofit organizations. This analysis was completed in June 2023 based on program data from 2021-2023. The key findings updated the position of the CHS as to the activities and investments it believes are priorities for any future funding. The driving purpose behind CHS recommendations is centered on the needs and experiences of New Hampshire residents who are in need of housing that is affordable to their income level in order to stay in their community and prevent or exit homelessness. New Hampshire is already faced with a general housing shortage, which is exacerbated at among residents with the lowest incomes who continue to face challenges even with the benefit of rental assistance.

KEY FINDINGS

- 1 Landlords valued the payments as means of engaging with the programs, but the monetary value did not directly impact their business bottom line.
- 2 Landlords and tenants are concerned about the long-term participation in rental assistance programs with pressures of rising rents exceeding rental assistance payment standards. Tenants believe their housing can still be in jeopardy in the future.
- 3 Landlords believe they are more likely to be retained in a rental assistance program if the experiences with the tenants are positive.
- 4 Both Landlords and tenants want a third-party support to problem solve, facilitate communication, link tenants to financial, educational and social supports, and recognize lease compliance and tenants' rights.
- 5 The cost for low-income individuals to move into affordable housing is expensive even with rental assistance, and can be a barrier to accessing available units.
- 6 Affordable housing units with rental assistance or other financing are much higher quality than non-assisted units.

RECOMMENDATIONS FOR FUTURE LEASING INCENTIVES

- 1 Invest in third-party services to support tenant stability and lease compliance: This will promote ongoing retention tenants in housing, reducing unit turnover and risk of increased rents, and retention of landlords in programs, which is needed to for high voucher/program utilization.
- 2 Make funding available for security deposit, rental application fees and moving costs: Tenant-based costs to leasing are needed to reduce the financial strain of accessing affordable housing.
- 3 Target funding for unit repairs for pre-leasing and excessive damage: Units must meet Housing Quality Standards to receive federal funding. Landlords that need repairs to meet HQS and agree to accepting rental assistance will increase their housing quality in the community. Targeted funding removes this barrier to participation. Repair funds can also be available if there is damage to a unit that exceeds a security deposit and therefore protect the bottom line of the owner, that could impact long-term affordability.
- 4 Maintain incentive payments for new landlords: A flat payment for newly participating in leasing programs should be maintained for its value in welcoming additional owners.

