

Landlords and Housing Vouchers: 50 Years of Feedback

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Abstract

The Housing Choice Voucher (HCV) program relies on the willing participation of landlords to succeed. Since the program's earliest days, policymakers have been concerned with understanding how landlords think about and respond to the program's complex bundle of costs and benefits. The literature on landlord participation in the HCV program in the 1970s and early 1980s was designed to assess the feasibility of a voucher program for housing. These reports typically used attitudinal survey data from landlords, providing the earliest information on how landlords viewed a housing voucher program. More recently, trends in voucher success rates, search durations, and discrimination reignited interest in the topic, leading to a series of studies that wrestled with the question of landlord nonparticipation. Across those accounts, landlord frustrations are more about how the rules are administered than the actual rules. These themes highlight the importance of understanding what landlords think about the program so that policymakers can develop more effective strategies to improve it. This article concludes by encouraging practitioners and researchers to focus attention on implementation and administrative capacity within public housing authorities, which can improve landlord experience while not jeopardizing tenant outcomes.

50 Years of Feedback: Landlord Opinions on Housing Vouchers

It is hardly controversial to claim that the Housing Choice Voucher (HCV) program, originally Section 8, relies on the willing participation of landlords to succeed. The program simply cannot house more families than there are available units whose owners are willing to accept vouchers. Moreover, if the program is to have any benefits to recipients in terms of choice, its participants need access to a set of housing units that is heterogeneous with respect to unit and neighborhood characteristics.

To achieve those goals most efficiently, it has become clear that the voucher program cannot rely solely on the guaranteed rents that the program affords to landlords, nor can it effectively mandate landlord participation by *fiat*. Guaranteed rent is indeed an enormous incentive to landlords in markets with few reliable alternatives, but it is insufficient in areas where renters have low nonpayment rates (Garboden et al., 2018a). Although mandates against so-called source of income discrimination have been shown to improve tenant options, such laws are easily circumvented, prove difficult to enforce, do little to increase supply, and may be increasingly preempted by state law (Ellen, O'Regan, and Harwood, 2023; Faber and Mercier, 2022; Freeman, 2012; Freeman and Li, 2013; Greene, Ramakrishnan, and Morales-Burnett, 2020).

As such, those individuals tasked with designing and administering the HCV program have, since its earliest days, been concerned with how landlords might respond to the program's complex bundle of costs and benefits (Drury et al., 1978; Kanouse, 1980). Most recently, those concerns have led the U.S. Department of Housing and Urban Development (HUD) and a number of public housing authorities (PHAs) to test a variety of programmatic changes designed to make the program more attractive to landlords. The authors of this article take a step back and provide a review of studies during the past 50 years that attempted to assess landlords' perspectives on the voucher program—either through direct attitudinal data or by examining their responses to the program's features. What do they like about the program? What do they dislike? How do they form these opinions? Has anything changed during a half-century of vouchers? Most important, what reforms might be most effective to increase the number of landlords willing to participate?

Robustly identifying trends in landlord response is challenged by changes in methodology and relatively sparse literature over this time period. The earliest information on landlords and the voucher program was fairly positive compared with contemporary accounts, although many of the most salient contemporary issues were nevertheless extant. The voucher literature focused on landlords was remarkably sparse during the first three decades of the HCV program. The problem of landlord participation reemerged more recently as a public and academic concern due to a series of studies that highlighted low success rates, high levels of voucher discrimination, and the concentration of vouchers in high-poverty communities. Recent literature has highlighted a number of barriers to landlord participation and emphasized the importance of focusing on how programmatic elements are implemented as at least equally important as those elements. For example, landlord resistance to inspection is exacerbated by processes that they view as time-consuming, inefficient, and unpredictable. The recent Moving to Work (MTW) Expansion—Landlord Incentives Cohort study and multiple local initiatives suggest an enthusiasm by diverse stakeholders to identify best practices around landlord recruitment and retention. However, most of those efforts are too nascent to have produced strong evidence. This article concludes by encouraging practitioners and researchers to focus attention on implementation and administrative capacity within PHAs, which can improve landlords' experiences while not jeopardizing tenant outcomes.

50 Years of Landlord Research

Broadly speaking, the literature on landlord participation in the HCV program has occurred in two clusters. The first occurred in the late 1970s and early 1980s and was designed to assess

the feasibility of a voucher program for housing. Those reports typically used attitudinal survey data from landlords, often hypothetical, which contemporary methodologists would consider a highly imprecise measurement strategy. Nevertheless, they provide the earliest information on how landlords may view a housing voucher program. With the exception of a handful of studies, the literature fell largely silent on the question of landlords and the HCV program for much of the 1990s and early 2000s. However, concerning trends in success rates, search durations, and discrimination reignited interest in the topic, leading to a series of studies that wrestled with the question of landlord nonparticipation. This renewed interest was also bolstered by increasing concerns that vouchers were not fulfilling the potential of choice or poverty deconcentration and neighborhood attainment, but were instead reproducing existing patterns of inequality by way of so-called voucher submarkets—market segments in which landlords actively pursue voucher tenants (Kennedy and Finkel, 1994: 69; Rosen, 2020).

Designing the Voucher Program: Early Investigations into Landlord Response

The earliest research on landlords and housing vouchers occurred during the rollout of the voucher program and was based on either the Experimental Housing Allowance Program (EHAP),¹ which ran from 1970 until roughly 1980, or the Section 8 Existing Housing Program, established by the Housing and Community Development Act of 1974. Across these programs and demonstrations, a variety of designs were tested, none of which aligns precisely with the contemporary HCV program.

These studies were primarily quantitative in nature and designed to estimate the effect of a voucher-style housing program on recipient outcomes, rents, housing quality, and housing supply across a wide range of metropolitan areas. Therefore, nearly all the findings are landlord mediated insofar as they were implicitly (or explicitly) affected by the degree of landlord enthusiasm for the voucher program. Only a couple of studies looked at landlords directly in an attempt to better understand the group of individuals on whom the new program would depend. For the sake of parsimony, this review is limited to the studies that attempted to solicit landlords' opinions regarding participation.

The first study of housing allowances surveying landlords occurred as part of EHAP in St. Joseph County, Indiana, which includes the city of South Bend. The survey data were entirely prospective because they were collected before program recruitment in 1975 (Kanouse, 1980). Despite annual surveying of landlords to collect data on rents and housing quality, the authors could not locate any follow-up analysis of landlord attitudes. It is also important to note that the demonstration implemented in South Bend was much more flexible than the current voucher program. It had minimum quality standards but provided cash directly to tenants and, thus, was far closer to cash assistance than the heavily structured HCV program currently in effect. Therefore, the vast majority of landlords were positively or neutrally disposed to the idea of the housing allowance program (although most had not heard of the program until approached by survey researchers, and most landlords believed that their tenants would not participate, likely due to their income).

Excepting those who were ideologically opposed to social programs of any kind, the landlords generally believed that housing allowance payments would simply help their existing tenants afford

¹ Many EHAP reports are available at <https://www.huduser.gov/portal/EHAP.html>.

housing, with little downside to landlords serving low-income populations. Findings showed that landlords were particularly positive about the effect of the housing on tenant well-being. Nevertheless, 35 percent of knowledgeable landlords had at least some reservations. Negative assessments fell into one of two categories: either they were critical of the people who would receive aid—which Kanouse (1980) ascribed to a conservative anti-welfare ideology—or they feared the program would be abused or wasteful.

A few years later, the *Nationwide Evaluation of the Existing Housing Program*—in which payments were made directly to landlords, a rent ceiling was instituted, quality inspections were more routinized, and landlord participation was voluntary—would also consider landlord participation directly via a survey of roughly 700 participating landlords (Drury et al., 1978). First and foremost, the study found that most participating landlords had small portfolios consisting primarily of single-family properties, and one-third were owner-occupants. As in the South Bend study, the vast majority of landlords (90 percent) believed that voucher tenants were the same or better than comparable market tenants, and 42 percent noted that the “social objectives” of the program were a motivation for participation. An even larger percentage (57 percent) stated that the guaranteed rent was their primary motivation for participation, a program component that was not relevant to the South Bend study. However, an important finding was that more landlords believed that voucher tenants were less profitable than market tenants (23 percent) than believed the opposite (16 percent), although most viewed the two options as equally profitable (61 percent). Negative aspects of the program included interactions with the PHA (17 percent), paperwork (12 percent), rent ceilings (11 percent), and tenant characteristics (12 percent). Unfortunately, by sampling only participating landlords, this study struggled to explain nonparticipation because only landlords who perceived the tradeoffs favorably were included in the data collection.

Extrapolating too far from such attitudinal data would be reckless, but those early reports suggest that landlords held a generally positive opinion of the early voucher programs—both prospectively and in terms of their experience. They had concerns that would show up again in later research, but their opinions on most program components were neutral or positive. Perhaps because of those early positive reports, interest in landlord responses to the HCV program would fade during subsequent decades until administrative data began to suggest troubling trends in success rates, resident choice, and discrimination.

Increasing Awareness of Challenges with Voucher Use, Choice, and Mobility

The most straightforward measure of landlord enthusiasm is the percentage of families issued vouchers who are able to use them successfully within a reasonable period of time. All else being equal, the more landlords are willing to accept voucher tenants in a metropolitan area, the more likely families are to secure housing. National tracking of success rates over time has never been conducted, but a series of studies dating back to the 1980s suggest that success rates have declined in recent decades (Ellen, O’Regan, and Stochak, 2021; Finkel and Buron, 2001; Kennedy and Finkel, 1994; Leger and Kennedy, 1990). In the most recent study, Ellen, O’Regan, and Stochak (2021) used existing administrative data from PHAs and found that the national success rate in 2019 was 61 percent. This rate was less than that found by the previous three studies, all commissioned by HUD and drawing from original data collected directly from sampled large

metropolitan PHAs: 69 percent in 2000, 81 percent in 1993, and 68 percent between 1985 and 1987 (Finkel and Buron, 2001; Kennedy and Finkel, 1994; Leger and Kennedy, 1990).

Although success rates provide a binary measure of success, landlord enthusiasm for participation should also correlate with the amount of time families need to search for housing: the less enthusiastic landlords are, the longer it will take a family to find a landlord willing to rent to them. More enthusiastic landlords will market directly to voucher holders and be less likely to reject their applications. The two most recent studies also measured the median or average search times of successful voucher holders (Ellen, O'Regan, and Stochak, 2021). In 2019, the median search time was 60 days. In 2000, the median search time was 69 days (83 on average). In both 1993 and 1985 through 1987, the average search time was not measured (Ellen, O'Regan, and Stochak, 2021; Finkel and Buron, 2001).

Several of these studies also examined success rates across market contexts. Most dramatic were the differences in market tightness. In all four studies, success rates were lower (and search durations longer) in tight, high-rent housing markets. Inadequate rent ceilings in places with rapidly increasing rents may have caused some of that difference (McMillen and Singh, 2023), but the more straightforward explanation is that tight rental markets simply afford landlords more choice in tenants, thus raising the probability that a market tenant will be more profitable than a voucher tenant for any given landlord. PHA policies and practices, local laws, and housing characteristics all appear to affect success rates. Higher payment standards relative to Fair Market Rent, source of income discrimination protections, landlord outreach, and housing quality all positively affect the success rates for PHAs' voucher holders (Finkel and Buron, 2001).

The 1993 study makes an explicit link between success rates and the role of landlords: "One of the important issues to emerge from this study is the role of landlord acceptance of Section 8 in enrollee success" (Kennedy and Finkel, 1994: 69). Their interviews with landlords illustrate how the best predictor of voucher acceptance is whether the unit was previously offered to a voucher holder. For those units not already in the program, landlords cited several reasons for nonparticipation, such as their views that "unit rents are too high," "Section 8 tenants would not maintain units," "Section 8 tenants would not fit in," and the owner "didn't like Section 8/government programs."

Most recently, researchers have begun to use audit studies to examine discrimination against voucher households. Both Cunningham et al. (2018) and Moore (2018) find discrimination against voucher holders in search of housing in the private rental market—meaning that landlords ignore or reject inquiries from voucher holders at higher rates than market tenants even when the two pools are experimentally manipulated to be otherwise identical. Cunningham and colleagues (2018), in the first large-scale pilot study in five cities of whether landlords treat voucher holders differently than nonvoucher-holding renters, draw from a three-stage audit testing methodology to show significant denial rates against voucher holders. Based on an email audit design of outreach to more than 6,000 landlords across 14 metropolitan sites, Moore (2018) similarly finds that landlords are less likely to respond to voucher holders at all—and even less likely to respond positively—compared with other renters.

These studies paint a detailed picture of denial rates, showing that they are higher in lower-poverty areas and that landlords who say they accept vouchers generally treat voucher holders similarly to nonvoucher holders on the phone but are more likely to treat them differently in person, for example by missing appointments (Cunningham et al., 2018). Moore (2018) focuses more attention on the potential effects of race, finding that although White voucher holders are more likely to receive a positive response, they are no more likely to receive a response overall.

Finally, Cunningham et al. (2018) draw attention to the specific role that landlords play in denying or discriminating against voucher holders. Although most landlords who did not accept vouchers did not explain their decision, those who did mention concerns with implementing the program believed that voucher holders are more likely to have “risky or illicit behaviors,” and had had past challenges with voucher-holder tenants. In response to this phenomenon, Cunningham et al. recommend further research aimed at understanding landlord perceptions of the program.

The research also shows that tenant race factors into landlord decisions in complicated ways. Additional audit research suggests that landlord bias against recipients of Section 8 housing vouchers may be stronger than racial bias—although it also finds that Black and Latino mothers are the only racial groups landlords penalized for being single mothers (Faber and Mercier, 2022), in line with ethnographic work highlighting this intersectionality (Rosen, Garboden, and Cossyleon, 2021).

In addition to troubling findings related to success rates and discrimination, growing literature also indicates the failure of vouchers to help low-income families relocate to communities with low rates of violent crime, well-funded schools, and other desirable amenities (Briggs, Popkin, and Goering, 2010; DeLuca, Garboden, and Rosenblatt, 2013; Pendall, 2000). It is clear from our review of the early voucher research that these goals were not consensus objectives for program designers, who appeared more concerned with improving the quality of the low-end housing stock than promoting economic or racial desegregation. Nonetheless, the implied benefit of vouchers has always been that they would allow families to identify housing that better aligns with their heterogeneous set of preferences.

This work is summarized elsewhere in this issue, but it has consistently found that voucher recipients’ neighborhood attainment is nearly identical to that of similar unsubsidized tenants (Basolo, 2013; McClure, 2013; McClure, Schwartz, and Taghavi, 2015; Owens, 2017). Voucher households not surprisingly outperform public housing residents in terms of tract poverty rates but remain overrepresented in high-poverty neighborhoods, particularly those renting in racially segregated urban metropolitan areas. Many explanations have been proposed for these patterns, ranging from information gaps to personal preferences to the need to locate near social, familial, and organizational resources. But many studies have also implicated the role of landlords whose differential enthusiasm for voucher tenants reproduces patterns of spatial inequality (Boyd, 2008; DeLuca, 2019; DeLuca, Garboden, and Rosenblatt, 2013; DeLuca, Garboden, and Rosenblatt, 2012; Rosen, 2014; Rosen, 2020; Sharkey, 2012).

Recent Work With Landlords: Understanding Nonparticipation

Given these concerning trends, recent research has addressed the question of landlord participation directly, primarily through in-depth qualitative interviewing (Garboden et al., 2018a; 2018b; Greenlee, 2014; Greif, 2022; Rosen, 2020, 2014; Varady, Jaroscak, and Kleinhans, 2017; Zuberi, 2019). It is important to note that most of these studies differ from prior survey research not only in the type of data collected but also in their analytic approach. Rather than asking landlords to answer hypothetical questions about the program or to articulate their potential for participation (or nonparticipation), these contemporary studies collected qualitative narrative accounts of landlord experiences with the HCV program, their reactions to those experiences, and the process by which they made participation decisions. Thus, they minimize the problems associated with posing speculative questions to respondents that have few material stakes and, instead, elicit retrospective accounts of actual experiences with (or decisions about) the voucher program.

These studies spoke with landlords, property managers, and other intermediaries in Baltimore, Maryland, Cleveland, Ohio, Dallas, Texas (Garboden et al., 2018a, 2018b), Washington, D.C. (Rosen, Garboden, and Cossyleon, 2021), the Baltimore suburbs (Cossyleon, Garboden, and DeLuca, 2020), Cleveland (Greif, 2022, 2018), Cincinnati, Ohio (Varady et al., 2013; 2017), a so-called mid-sized urban area in Pennsylvania (Zuberi, 2019), and housing authorities throughout Illinois (Greenlee, 2014). Summarizing all the nuances of these reports is well beyond the limited space in this review, but they show remarkable consistency on many key issues related to nonparticipation.

First and foremost, the literature generally agrees that landlord enthusiasm for participation is inversely proportional to nonsubsidized tenants' ability to pay a profitable rent reliably within their submarket. As Garboden and colleagues (2018a) describe, this "counterfactual tenant" can be thought of as the tenant a landlord expects to house were they not to accept a household with a voucher. If the counterfactual tenant is able to pay the asking rent of the listed property and has a consistent source of income, the benefits of the voucher program fade away, leaving only the added hassles of participation. Described as far back as the 1970s, the improvement in rent collection for voucher tenants is an exceptionally positive aspect of the program (Drury et al., 1978). Although some landlords do express an earnest social motivation for participation (Greenlee, 2014), the profitability of their investments motivates the majority. Thus, they have no reason to accept or pursue a voucher household if the expected nonpayment rate of a market tenant is low.

Landlords are constantly weighing the inherent tradeoffs of voucher participation. On the one hand, voucher households are more likely to be stably housed, and nonpayment is minimized due to the direct payment from the PHA. On the other, participating in the program means abiding by a host of rules, regulations, and procedures that can have negative effects on landlord expenses.

Landlords have many comments on these rules, regulations, and procedures, but it is important to emphasize that many of their expressed frustrations operated at the meso level of PHA implementation and interaction. For example, landlords perceive inspections as inherently burdensome, but PHA procedures and staff competency can mitigate or exacerbate the burdens they create. When landlords express frustrations about the voucher program, it is often about an experience during which they felt rules were not implemented fairly and efficiently rather than the actual rules.

Certainly, most people have experienced the frustrations of interacting with customer service at a large business or a government bureaucracy, but landlord interactions are particularly touchy because they fundamentally believe that they contribute to the success of the voucher program via participation (and indeed, they do). They expect to be treated as partners in the endeavor. When PHAs cannot or will not provide the type of support they need, landlords often feel that the PHA has not held up their end of the deal (Garboden et al., 2018a, 2018b; Greenlee, 2014; Varady et al., 2017; Grief, 2022). Of course, this finding should not be viewed as a criticism of PHA staff—many of whom are extremely overburdened—but of a system that provides inadequate resources for implementation, thus increasing the administrative burden. Moreover, unless the PHA employs a landlord liaison, caseworkers trained in serving low-income households, not rental property owners, answer most of landlord queries.

Landlords' focus on PHA interactions and implementation does not mean that they do not also have programmatic issues with the HCV program. As several studies pointed out, inspections and contractual paperwork play a major role in landlord concerns (Garboden et al., 2018a, 2018b; Greenlee, 2014; Zuberi, 2019). Most landlords believed that providing safe and sanitary housing was a basic business goal, but disagreed that voucher inspections provided an accurate picture of housing quality, noting that the process allowed for inspections that were overly particular about issues that did not affect tenant well-being and did not always catch the most important quality features that affect tenants.

Similarly, several studies specifically highlighted the delays an extended three-party contractual process creates (Garboden et al., 2018a, 2018b; Greenlee, 2014; Varady et al., 2017). Particularly in hot rental markets, renting to a voucher tenant often delays the move-in date significantly, as PHAs must process paperwork, conduct an inspection, and implement rent reasonableness. All these factors directly delay the beginning of a voucher household's tenancy, resulting in potential lost rent for the landlords and an extended period of inadequate housing for the tenant.

Finally, it is important to note that a minority of landlords expressed negative opinions of voucher tenants compared with others who might occupy their units (Varady et al., 2017; Zuberi, 2019). Landlords were upset when inspections identified "housekeeping" issues that they were required to fix, but generally, landlords felt that voucher tenants were relatively similar to market tenants in terms of behavior, upkeep, and communication. Here again, it is essential to keep in mind the counterfactual tenant to whom the landlord was comparing their voucher tenants. In areas where poor women of color dominate the tenant applicant pool, landlords held similar negative stereotypes about voucher and nonvoucher tenants alike and, indeed, were attracted to the guaranteed rent as a way to address these preconceived assumptions (Rosen, Garboden, and Cossyleon, 2021). In contrast, those who owned properties in higher-income communities were more likely to speak negatively about voucher tenants, given that their alternatives were less likely to be poor Black and Latina women. In other words, landlord perspectives on tenant behavior depend heavily on the myriad intersectional differences between (and thus, stigma about) voucher tenants and the counterfactual, which is substantially more pronounced in low-poverty communities than in high-poverty communities (Faber and Mercier, 2022; Rosen, Garboden, and Cossyleon, 2021).

The Opposite of a Problem Is a Problem: Concerns Related to Voucher Submarkets and Predatory Inclusion

The research has been primarily concerned with landlord nonparticipation, especially in more advantaged rental markets. However, several studies have also highlighted the deleterious flipside of this problem. Just as landlord nonparticipation keeps low-income families from achieving diverse housing outcomes, overly enthusiastic participation has the potential to steer low-income families into a small subset of the housing market where vouchers are most profitable to landlords. This group of landlords and their properties—referred to as “voucher submarkets”—may come with negative consequences for tenants, particularly when it comes to neighborhood attainment.

Inquiries into voucher submarkets date back to the 1990s, as the *Section 8 Rental Voucher and Rental Certificate Utilization Study* documents (Kennedy and Finkel, 1994). In particular, this report found that voucher households typically limit their search to a “Section 8 submarket,” defined as “a segment of the market that is quite familiar with Section 8, and generally rents to Section 8 enrollees” (Kennedy and Finkel, 1994: 69). The report examined a number of important questions pertaining to tenant search tactics and success rates. For example, it showed that tenants generally found units in these submarkets with landlords familiar with and predisposed to rent through the program by using PHA listings and getting references from family and friends, although newspapers were less effective (Kennedy and Finkel, 1994). The report concluded that “the possibility of a Section 8 submarket is particularly important to consider and explore further, particularly the characteristics of these submarkets and their consequences for tenants.” It did not engage much, though, with the question of who these voucher landlords were, their locations, and how these two factors might be related to participation incentives and tenant outcomes.

Given that the benefits of a reliable rent collection are much more salient in some submarkets, landlords serving primarily low-income tenants retain a particularly strong incentive to recruit voucher holders. In these submarkets, many landlords prefer to rent to voucher holders and become “voucher specialists,” orienting their business models specifically toward catering to voucher holders (Garboden et al., 2018a; Rosen, 2020, 2014). Some quantitative work shows that landlords may be able to charge more for voucher units on average in high-poverty communities than for similar units rented to market tenants (Desmond and Perkins, 2016).

One way to address this issue is through payment standards and Fair Market Rent. In places where the payment-standard adjusted rent ceiling is calculated at the metropolitan level, the inevitable problem is that a high portion of the rental housing in some neighborhoods will qualify for the program, whereas other neighborhoods will contain none at all. Given the basic assumption that few landlords will significantly lower rents to accept voucher holders, this pattern alone encourages a concentration of voucher holders irrespective of landlord opinions. HUD attempted to address this problem via creating Small Area Fair Market Rents, which create calibrated rent ceilings for each ZIP Code. Research suggests this program has some modest impacts on voucher concentration (Aliprantis, Martin, and Phillips, 2022; Collinson and Ganong, 2018; Dastrup, Finkel, and Gould, 2019; Reina, Acolin, and Bostic, 2019).

However, given the challenges associated with rent collection, rent ceilings appear to be only part of the story. The relative desirability of vouchers within certain submarkets can result in tactics of predatory inclusion. Landlords may rely on a number of techniques with which they try to recruit voucher holders, such as cash bonuses or free furniture. Many landlords waive the security deposit for a voucher tenant, a practice that is enormously beneficial to a voucher holder (who will, by definition, have difficulty coming up with a month's rent) but may also be so much of an incentive as to be somewhat coercive. Similarly, when landlords offer transportation assistance to tenants as they are searching, it can be tremendously helpful. On the other hand, it can allow the landlord to unduly influence the bounds of the tenants' search, keeping them in the units and neighborhoods in which landlords find them to be most profitable (Rosen, 2020, 2014). Landlords may also seek to hold on to voucher tenants and reduce voucher turnover by leveraging accumulated unpaid tenant portions to threaten tenants with eviction suits that would result in voucher loss. The result is to constrict voucher holder choices to a subset of units that are in neighborhoods most profitable to landlords (Rosen, 2020, 2014).

Continuing the study of voucher “submarkets” is important because it offers a window into the circumstances of an urban geography wherein landlords participate when few regulations, controls, or incentives are designed to promote participation from any particular type of landlord or neighborhood.

Moving Forward: Incentives and Burden Reduction

Research on landlord orientations to the voucher program suggests that landlords have been frustrated with various aspects of the voucher program from its inception, but that those frustrations have increased in salience over time. Importantly, where such reservations are most impactful on tenant outcomes—in properties that would be eligible to rent through the program if the landlord were willing—the few studies that did not limit their sample to participating landlords have found that many nonparticipating landlords have some direct experience with the voucher program. Either they offer some, but not all, units in their portfolio to voucher families, employ managers who have also worked with voucher properties, or had previous negative experiences with the program that discourage participation (Finkel and Buron, 2001; Garboden et al., 2018a). Although we might have assumed that nonparticipating landlords abstain due to misinformation or unfamiliarity with the program, eligible but nonparticipating landlords seem to have some experience with the program.

However, whether landlords had previously participated or not, it is clear that a sizable group of them could be motivated to participate, given the right set of incentives. Research makes clear that the simplest rubric for understanding landlords' motivation is to consider the tenant to whom that landlord would rent if not a voucher tenant. This basic logic creates two opposing trends. In more affluent neighborhoods, landlords may find little incentive to accept vouchers because of higher market rents and reliable nonsubsidized tenants. Conversely, in disadvantaged submarkets, landlords may view vouchers more favorably, leading to the emergence of so-called “voucher specialists” (Garboden et al., 2018a; Rosen, 2014). Together, these forces operate to narrow voucher holders' choices—pulling them into some submarkets and preventing them from entering others.

A review of the literature shows that many landlord complaints about the voucher program since its inception are related to policies and procedures that create an administrative burden for landlords. Although the administrative burden is usually conceived of in the literature as something social service recipients experience (Herd and Moynihan, 2019), the voucher program involves a three-party contract between PHA, landlord, and tenant (Barnes, 2021). The role of administrative burden to landlords—as a private market extension of the state—is also important to consider. Perhaps the clearest example of this issue is the period between when a landlord accepts a voucher tenant and when that tenant can move into the unit. For unsubsidized units, this period is negligible. For voucher tenants, landlords must submit a Request of Tenancy Approval, the unit must be inspected, and a rent reasonableness determination must be implemented. If the unit fails, a reinspection must occur, and if the rent is deemed unreasonable, the landlord must either lower the rent or instigate an appeal.

We are not arguing that any of these steps are unnecessary, but that inefficiencies and inconsistencies create harmful delays that benefit neither tenants nor landlords. In a world of unlimited resources, these requirements could delay tenancy by only a couple of days, but the reality is that such delays can last weeks, particularly for landlords new to the voucher program.

The way PHAs administer the program also matters. Indeed, research shows that when landlords own properties in multiple PHA jurisdictions, they express explicit preferences for the one that performs the same functions most efficiently (Cunningham et al., 2018; Garboden, 2018a, 2018b). As other research shows, burdens that fall on landlords also increase burdens for tenants as they struggle to redeem their vouchers on the market (Barnes, 2021)—in turn increasing administrative costs to PHAs as they struggle to house clients.

Luckily, a number of policy approaches are meant to increase the voucher tenant's attractiveness and profitability relative to a market tenant in more advantaged neighborhoods while reducing the voucher premium in more disadvantaged neighborhoods. HUD is experimenting with many of these incentives today as part of the MTW "Landlords Incentive Cohort," which requires 29 PHAs to select one or more programmatic innovations designed to increase landlord participation.² This menu of innovations builds on promising but largely unevaluated initiatives by PHAs throughout the country, including (1) adjustments to payment standards; (2) vacancy loss to cover vacancies between voucher tenants prior to move-in; (3) establishment of a fund for damage claims in the event that tenant damages to a unit exceed the security deposit; and (4) adjustments to inspection schedules, such as prequalification, a reduction in inspection frequency, or waving initial inspections for newly constructed units or buildings with a proven track record (HUD, 2022). PHAs, both in the MTW expansion cohort and elsewhere, have experimented with other approaches to landlord recruitment, such as offering signing bonuses, hiring landlord liaisons, or linking tenants with housing navigators who can advocate to landlords on their behalf (DeLuca, Katz, and Oppenheimer, 2023; Marr, 2005; Rosenblatt and Cossyleon, 2018).

Each of these innovations is designed to make the program more appealing to landlords without eliminating any of the important protections. Although getting rid of *any* programmatic elements that might make participation less attractive to landlords may be tempting, caution is necessary

² More information on the specific incentives and participating PHAs can be found at https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/expansion/landlordincentivescohort.

before jettisoning aspects of the program designed to mitigate the challenges inherently associated with vouchers (Steuerle and Twombly, 2002). In fact, the original designers of the voucher program were acutely aware of two factors that could undermine its feasibility: moral hazard allowing for rampant price inflation of subsidized units and a lack of tenant market power resulting in unsafe and unsanitary conditions. To address these issues, HUD implemented programmatic features to keep these issues in check, including payment standards, rent reasonableness procedures, inspections, and more recent efforts at Small Area Fair Market Rents. These features may be unpopular with landlords but serve key functions in the program. Little evidence exists that such concerns have become irrelevant in the last 50 years.

If housing vouchers are to remain the dominant approach to housing subsidies to tenants in the United States, then such programmatic elements are necessary even if they present a tradeoff in terms of landlord participation. Critically, much of the recent research the authors reviewed suggests that landlords are more frustrated by *how* these guardrails are administered than they are that the guardrails exist. Few landlords desire inspections, but none desire inspections that are hard to schedule, capricious, and apparently inconsistent. All landlords desire higher rents, but they get particularly frustrated when the processes of rent setting are not communicated candidly and clearly. All landlords have issues with tenants, but they throw up their hands when they cannot reach someone who can answer their questions or when they are required to communicate only with caseworkers who know a lot about their clients but nothing about rental property ownership.

In other words, programmatic elements could, and should, be implemented in ways that take advantage of existing technologies to decrease burden and provide basic customer service to landlords. In this and many other ways, the lack of administrative capacity of PHAs reduces their ability to implement these safeguards in an efficient manner that aligns with landlord business needs.

Given this imperative, future research should carefully examine not only the rules and regulations of housing vouchers that deter landlords, but also the manner in which they are implemented and the barriers that PHAs face in implementing a program effectively and efficiently. Much of the current energy around landlord incentives is focused on programmatic reforms, regulatory waivers, or additional incentives. These changes are likely to positively shape landlord participation at the margins, but their effect will be limited if PHA capacity remains inadequate. We should not lose sight of the budgetary constraints that undergird PHA performance and, thus, the lack of landlord participation. Improving performance across thousands of PHAs is far from simple: it involves new resources, monitoring, and quality control. However, if the insights from 50 years of research with landlords are to be believed, paying more attention to PHA administration could have significant dividends for landlord participation and, by extension, tenant outcomes.

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