

A guide to

Improve Housing Choice Voucher Acceptance

A PROJECT IN COLLABORATION WITH CPAL + IDEO.ORG • JULY 2022



CPAL x IDEO.ORG • JULY 2022



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Special thanks to our collaborators and subject matter experts for their time and insight, including the following organizations:

*DHA: Housing Solutions for North Texas
Inclusive Communities Project
Metro Dallas Homeless Alliance*

We believe that families should have the choice to live affordably in areas that are best suited to their needs and equipped for upward economic mobility.

This includes access to **“high opportunity” areas**, neighborhoods with strong economic, environmental, and educational outcomes. Research shows that these neighborhoods can yield long-term benefits, particularly for young children.

Introduction

Housing Choice Vouchers (HCVs) are an important financial tool to help low-income households access housing.

More than 2.2M households nationwide benefit from the Housing Choice Voucher program. Formerly known as Section 8, the HCV program was created in 1974 to subsidize rent in the private market to improve affordability and access for low-income renters. There are 15,505 vouchers currently leased by DHA in and around Dallas (per April 2022 HUD Dashboard).

According to the Center on Budget and Policy Priorities, vouchers and other rental assistance lifted 2.8 million people above the poverty line in 2014 under the federal government's Supplemental Poverty Measure. Vouchers are estimated to have contributed at least half of that effect.

Source: Housing Choice Voucher Data Dashboard, maintained by HUD [here](#). Center on Budget and Policy Priorities research reported [here](#).

*Average Per Unit Cost = Total Housing Assistance Payments (HAP) / Total Units Under Lease as of that month's report date.

Locally, for the Housing Authority of the City of Dallas (DHA)

15,505

Vouchers currently leased
(April 2022)

~\$18M

Total Housing Assistance
Payments (HAP) made
monthly

\$1,171

DHA average Per Unit Cost
monthly* (April 2022)

Other types of housing vouchers

Emergency Housing Vouchers

For individuals and families who are homeless, at-risk of homelessness, fleeing or attempting to flee domestic violence or human trafficking.

Veteran Affairs Supportive Housing

Rental assistance for homeless veterans with case management; in partnership with the VA.

Walker Settlement Housing Voucher

A specific voucher administered by DHA for Black residents to access low poverty/"high opportunity" neighborhoods.

Those that benefit most from vouchers are primarily women and BIPOC renters who live below the federal poverty threshold.

For recipients, the voucher program provides **an important security net** and alleviates financial stress that can leave them facing [impossible tradeoffs in today's system](#) (CPAL 2021). Vouchers give people the choice to live in areas of high opportunity, including proximity to good schools and their jobs.

A rigorous evaluation conducted between 2000–2004 reported that housing vouchers sharply reduced homelessness and instability among families with children (i.e., reduced the share of families doubling up or in shelters by 80%).

Source: CoStar, Center on Budget and Policy Priorities research reported [here](#).

15%

Of DHA HCV households are families with dependent children
(2,454 households)

87%

Of DHA clients are Black

\$16,120

Average household income of HCV clients*

*The poverty threshold for 2022 is \$13,590 for a household of 1 and \$18,310 for a household of 2 (and higher for additional family members), according to the Department of Health and Human Services [Guidelines](#).

Although vouchers are an important financial tool and represent guaranteed income, **landlords are not required to accept them** in a majority of states nationwide, including Texas.

For comparison, Source of Income (SOI) protections for voucher holders exist in 20 states and 100+ local jurisdictions nationally.

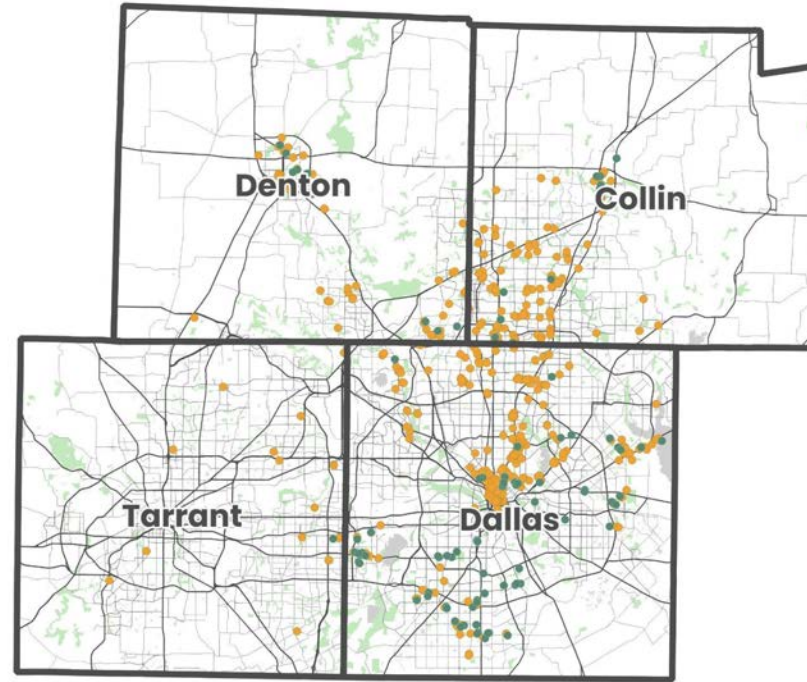
In response to a source of income discrimination ban passed by Austin, the State of Texas Legislature passed Senate Bill 267 in 2015. The bill stipulates: “a municipality or county **may not adopt or enforce an ordinance or regulation that prohibits an owner**, lessee, sublessee, assignee, managing agent, or other person having the right to lease, sublease, or rent a housing accommodation **from refusing to lease or rent the housing accommodation** to a person because the person’s **lawful source of income** to pay rent **includes funding from a federal housing assistance program.**” The bill includes an exception for veterans.

Only 7% of surveyed apartment complexes reported accepting vouchers, according to a survey by the Inclusive Communities Project across four North Texas counties in 2020.

Only 5% of the apartment complexes in majority white non-Hispanic zip codes accepted HCVs, while 22% in majority Black zip codes accepted HCVs.

Source: [ICP's 2020 survey of landlords](#) in North Texas (Dallas, Collin, Denton, and Rockwall Counties).

Apartments that Accept Housing Choice Vouchers



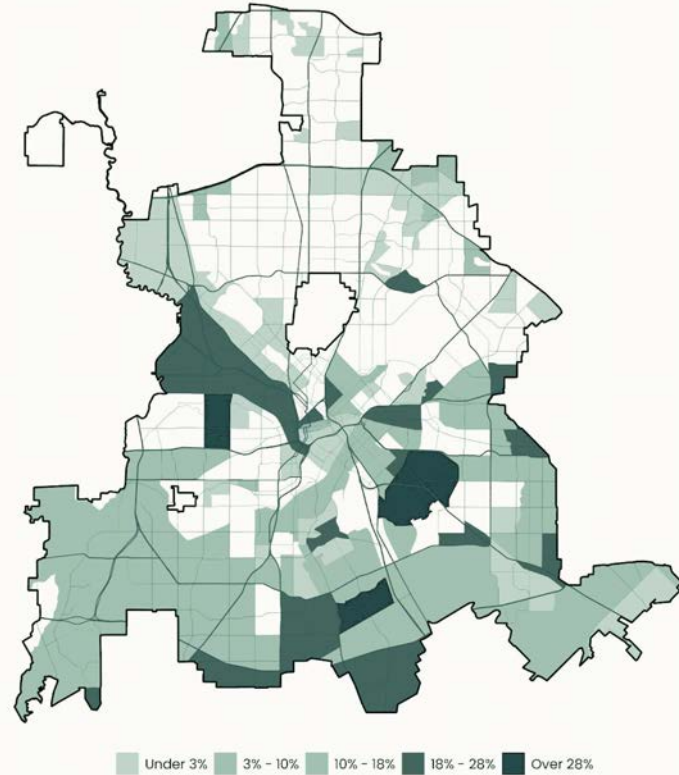
- Accepts Housing Choice Vouchers
- Does Not Accept Housing Choice Vouchers

Inclusive Communities Project Landlord Survey (2017 and 2020)

Within the City of Dallas, voucher holders are overwhelmingly housed in the **southern half of the city** and are concentrated in a handful of census tracts.

The map at right illustrates the share of renter-occupied households that are voucher holders. In areas shaded dark green, more than 28% of the renter population are voucher holders.

Percent of Housing Choice Vouchers in Renter-Occupied Units



U.S. Department of Housing and Urban Development. (2021). Housing Choice Vouchers.

Census tracts without voucher holders tend to have more white residents, greater household income, and less poverty than in census tracts where voucher holders live.

To improve low income families’ access to opportunity, HCVs will need to be more widely accepted in neighborhoods equipped for upward economic mobility.

Source: US Census Bureau American Community Survey 2020 5-year estimates.

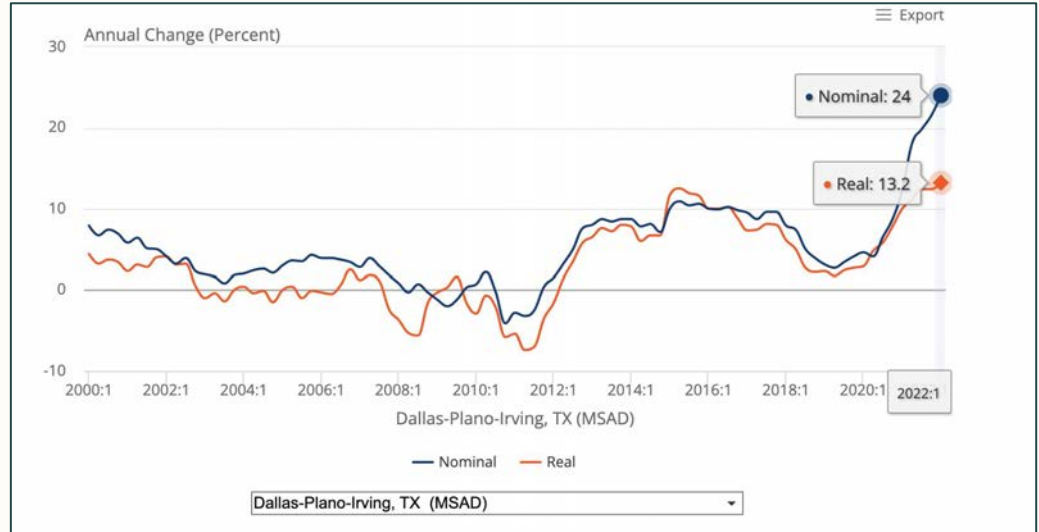
*An HCV Tract is a census tract in the City of Dallas where one or more residents rent using a voucher. A non HCV Tract is a census tract in the City of Dallas where no residents hold a voucher. **Total population does not equal sum of HCV and non HCV population because census tracts do not perfectly align with City of Dallas boundaries.

Demographics in Housing Choice Voucher Census Tracts in Dallas

Metric	City of Dallas	HCV Tracts*	Non HCV Tracts*
Total Population**	1,330,612	749,551	612,932
Asian	3.4%	3.5%	4.5%
Black or African American	24%	35.3%	10%
White Non-Hispanic	29%	17.1%	43%
Hispanic or Latino	41.8%	42.4%	40.2%
Poverty Rate	18.7%	23.6%	12.7%
Child Poverty Rate	29%	34.9%	20.3%
Median Household Income	\$52,528	\$40,714	\$70,338
Median Rent	\$1,086	\$930	\$1,270

To make matters worse, the cost of housing has reached record highs, increasing by over 20% year-over-year nationwide, and 24% in metro Dallas due to high demand, housing inventory shortages, and increased cost of building materials.

Annual home price growth in Metro Dallas



Source: [S&P/Case-Shiller U.S. National Home Price Index](#), [Harvard Joint Center for Housing Studies](#), NY Times, The Daily: [Why is it so hard to buy a house in America right now?](#)

Average rental price growth vs. median household income growth in the City of Dallas



\$60,960

Annual Income needed to afford current average rent in Dallas

vs.

\$15,080

Actual Annual Income with current minimum wage

And this trend has spilled over into the rental market, with **market asking rent up 12.3% YoY** by end of Q2 2022 in the City of Dallas. However, household income has only grown by **4.12% YoY (2020)**.

Dallas rents have been increasing for 19 straight months with tight supply, increasing demand, and lagging income growth squeezing renters. For perspective, to afford the current average rent of \$1,524 in Dallas, a tenant needs to earn at least \$60,960 to spend 30% or less on rent (the prevailing wisdom on how to budget for housing expenses). A minimum wage worker earning \$7.25/hour, working 40 hours per week, 52 weeks per year, will earn \$15,080.

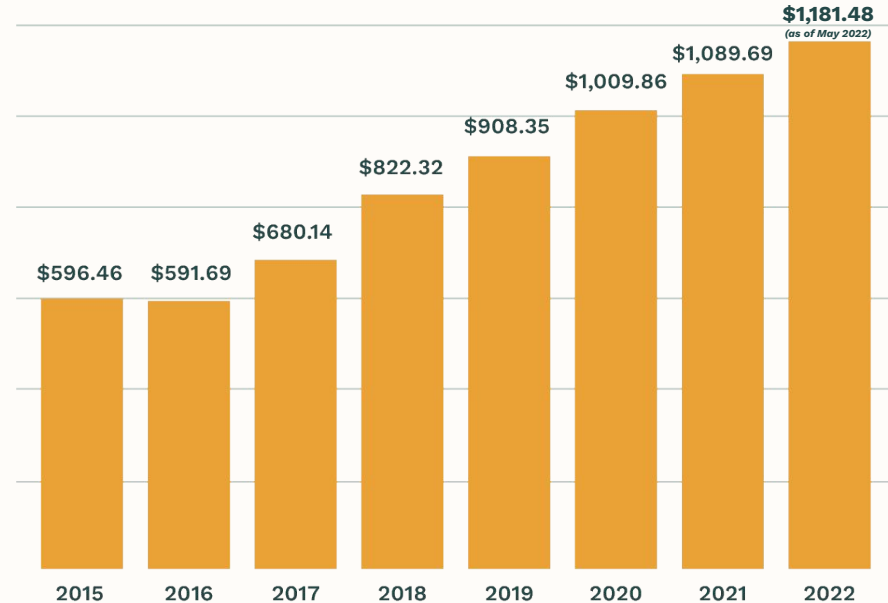
Source: CoStar, US Census Bureau and American Community Survey 5 year Estimate, ApartmentList.com Dallas Report.

DHA has realized increasing average Per Unit Costs (PUC) to track with rising market rent...

... but this only limits how many vouchers they can put into circulation.

For perspective, DHA has realized the second-highest PUC growth (97%) of all housing authorities nationwide in the past five years.

Average PUC Year over Year



Source: Housing Choice Voucher Data Dashboard, maintained by HUD [here](#).

We decided to explore how to improve the uptake of Housing Choice Vouchers in and around Dallas, amidst the current market, in order to help people have the choice to live affordably in areas that equip them for upward economic mobility.

How might we make the experience of renting to someone with a voucher *the same or better than* renting to someone without one?

In order to explore this design challenge, let's . . .

1

Understand the system,
the relationships, and
dynamics at play in the
Dallas voucher
ecosystem

2

Explore the hard
problems that stymie
voucher acceptance

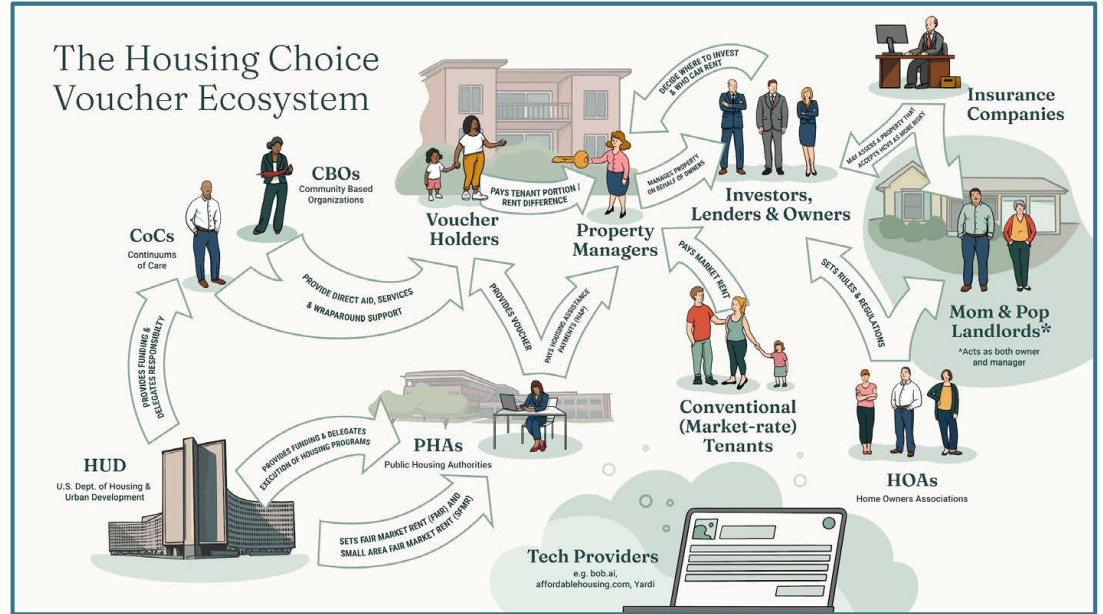
3

Identify the
opportunities and
leverage points for
design

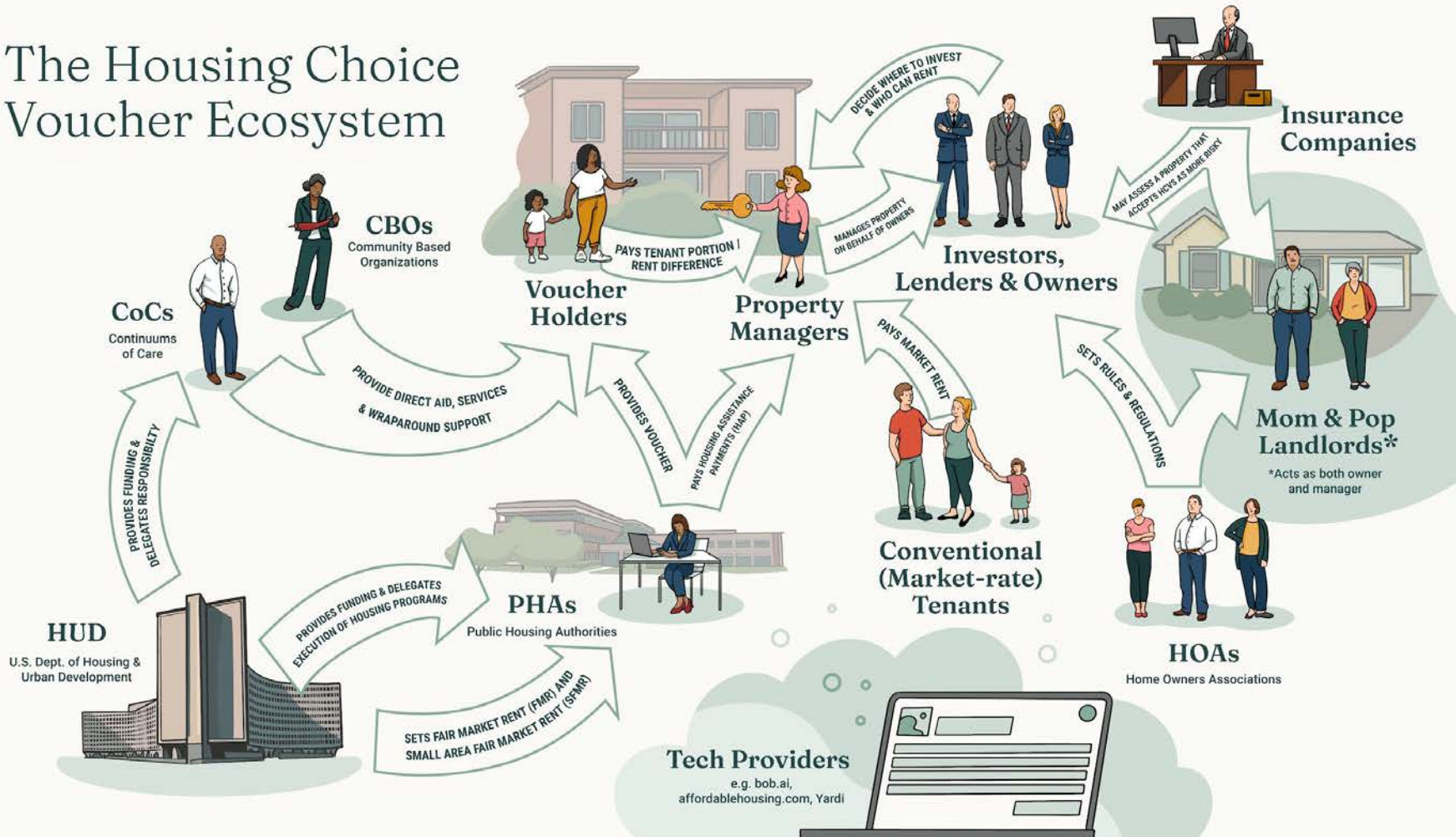
The System

Who and what makes up the voucher ecosystem?

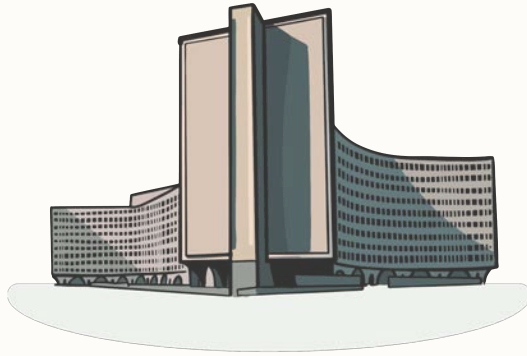
The voucher ecosystem is rich with partnerships among governmental and community based organizations working with private sector landlords on one common goal: **make housing available and accessible to lower income households.**



The Housing Choice Voucher Ecosystem



Housing and Urban Development (HUD) sets policy and creates programs like the HCV program.



U.S. Dept. of Housing & Urban Development

Description

The United States Department of Housing and Urban Development is a department of the U.S. federal government. HUD oversees initiatives to generate more affordable housing, to subsidize rent, to ensure housing quality and safety, and more.

Role in the HCV Program

The Department of Housing and Urban Development:

Sets Fair Market Rent (FMR) and Small Area Fair Market Rent (SAFMR). FMR represents the cost to rent a moderately-priced dwelling unit in the local housing market. SAFMRs are calculated at the zip code level and better account for variable housing costs than the metro-level FMR can.

Administers federal funds (grants) to local, public housing authorities to fund and run initiatives like the Housing Choice Voucher program.

Establishes regulations to govern the HCV program and monitors for compliance.

Did you know?

Unlike other federal benefit programs, like Social Security or SNAP, the HCV program is not an entitlement benefit. Instead, it's limited by the budget authority set by Congress. Practically, this means that **just 1 in every 4 households nationally that are eligible for an HCV actually receive one.** PHAs have the unenviable task of optimizing the number of vouchers in circulation while staying within budget. This is a tricky trade-off: the more eligible families who receive a voucher, the better, but rapidly increasing rent rates mean the budget doesn't stretch very far.

Programs and policy created by HUD are administered by local **Public Housing Authorities (PHAs)**.



Public Housing Authorities

Description

PHAs are the local arms of HUD. PHAs administer the local housing programs, notably the Housing Choice Voucher (HCV) program, and may also own and manage residential communities. There are 416 public housing authorities in Texas, including the Dallas Housing Authority (DHA). DHA serves seven North Texas counties: Collin, Dallas, Denton, Ellis, Kaufman, Rockwall and Tarrant. However, there are many other housing authorities also operating in North Texas. Dallas County, Grand Prairie, Mesquite, Plano, and others also run HCV programs.

**Note: DHA was the only area PHA that we engaged with for this project. However, during landlord interviews, other area housing authorities were described in addition to DHA, so we use the generic “PHA” throughout the report unless we’re making a specific reference to DHA.*

Role in the HCV Program

The Public Housing Authority:

Interprets HUD regulations, manages allotted budget, and reports performance to HUD.

Operates the HCV program by managing applications, approvals, and the waitlist, distributing vouchers, and paying landlords.

Conducts unit inspections annually for quality.

Sets payment standards based on 90-110% of FMR or SAFMR and up to 120% for households with disabilities.

Calculates value of vouchers: (1) Assesses rent reasonableness, (based on comparable units nearby and pricing standards set by HUD) and (2) Assesses rent affordability based on the household’s adjusted net income (i.e., after deductions).

Continuums of Care like the Metro Dallas Homeless Alliance (MDHA) are designated to coordinate resources and partners to implement housing initiatives.



Continuums of Care

Role in the HCV Program

The Continuum of Care:

Assembles and coordinates housing service partners and funding; is a subject matter expert within the housing ecosystem.

Manages information systems for continuum of care members to better connect tenants with wrap-around support.

Description

A Continuum of Care (CoC) is a designated regional or local planning body that coordinates housing services through partnerships and use of local resources. HUD funds homeless services and housing providers through CoCs. Metro Dallas Homeless Alliance (MDHA) is a local nonprofit that was designated by the Dallas City Council as a CoC in 2003 and operates as a backbone organization to align efforts across providers to more efficiently and effectively serve residents experiencing homelessness.

Distributes funds to nonprofit housing efforts and in direct aid.

Develops solutions to increase the number of housing units available to low-income families (by leveraging other local and state resources to provide the services).

Did you know?

The Metro Dallas Homeless Alliance has a **landlord engagement team** that focuses on building relationships with landlords that rent to households with Emergency Housing Vouchers.* The team works to facilitate a good renting experience for both the renter and the landlord and partners with landlords to make units available. The team “sells” landlords on **direct access and support** with the process and their tenant, especially **wrap-around services and case management**. They also offer **one-time landlord incentives** up to \$1000 per unit rented to Emergency Housing Voucher households.

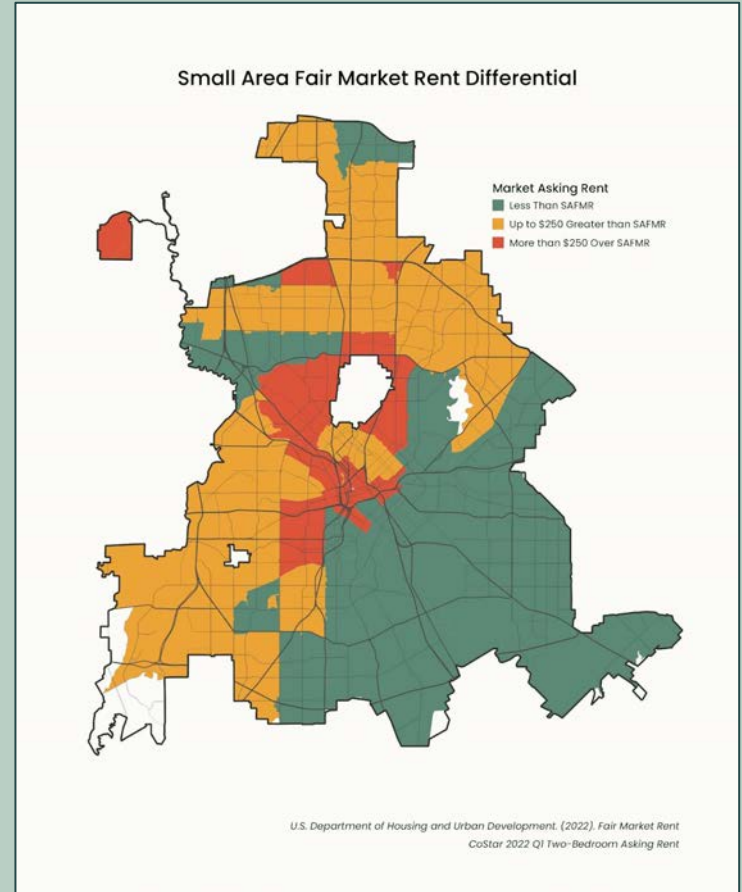
*For individuals and families who are homeless, at-risk of homelessness, fleeing or attempting to flee domestic violence or human trafficking. See page 5 for more.

Did you know?

HUD sets Fair Market Rent (FMR) and Small Area Fair Market Rent (SAFMR) annually to help housing authorities determine payments for various housing assistance programs.

FMR represents the cost to rent a moderately-priced dwelling unit in the local housing market. SAFMRs are calculated at the zip code level to better account for area-specific variable housing costs.

DHA applies SAFMR when calculating voucher standards, but many PHAs nationwide still use the metro-level FMR. SAFMR is advantageous because, in theory, it creates more access for voucher holders in "high opportunity"/more expensive neighborhoods.



Did you know?

The value of each Housing Choice Voucher is based on *rent reasonableness* (determined by HUD and PHAs) and *affordability* (determined by family income and expenses).



When a PHA administers a voucher, they pay a portion of the rent directly to a tenant's landlord. Tenants then pay the remaining balance of rent directly to the landlord. To determine the "voucher standard" – how much each voucher is worth – the PHA assesses an asking rent for both *rent reasonableness* and *rent affordability*.

Rent reasonableness of a unit is assessed based on market comparable units in the area and a price standard set by PHAs between 90-110% of FMR or SAMFR set by HUD. Rent reasonableness is also a comparison of subsidized/assisted units versus non-subsidized units in the same building to ensure that a landlord is charging a voucher holder the same rent as a conventional tenant.

Rent affordability is calculated based on a family's income, which may be adjusted based on particular circumstances like disability, and their estimated expenses. A family pays at least 30% of their income toward rent but not more than 40% when the lease is first created.

Did you know?

As a PHA assesses an asking rent, they calculate the minimum total tenant contribution based on their personal situation and the total housing assistance payment (HAP) they provide owners.

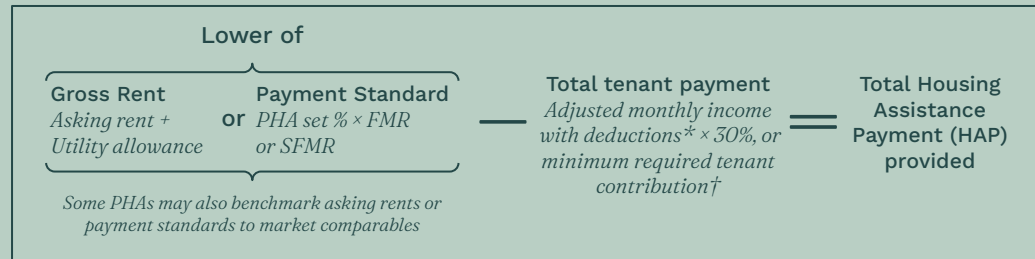
*Adjusted monthly income is annual income divided by 12 and minus deductions to account for circumstances such as disabilities.

†PHAs establish a monthly minimum rent contribution that the tenant is responsible for, often based on either a set percentage of income such as 30%, or other fixed amount; tenants are not allowed to pay more than 40% of their income to rent in the first year of the lease.

HUD [form 50058](#) is used as a “cheat sheet” to help determine each family’s contributions and voucher value.

12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	\$	12j.
12k.	Rent to owner	\$	12k.
12m.	Utility allowance, if any	\$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	\$	12p.
12q.	Lower of 12j or 12p	\$	12q.
12r.	TTP: copy from 9j	\$	12r.
12s.	Total HAP: 12q minus 12r	\$	12s.
Rent Calculation (if prorated rent, skip to 12ab)			
12t.	Total family share: 12p minus 12s	\$	12t.
12u.	HAP to owner: lower of 12k or 12s	\$	12u.
12v.	Tenant rent to owner: 12k minus 12u	\$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	\$	12w.

Summarized Housing Assistance Payment Calculation for an asking rent
(based on Form 50058)



Because the majority of housing is privatized, **investors and property owners** ultimately decide who can live on a property.



Investors & Property Owners

Description

Real estate investors and owners buy, sell, renovate, and/or finance properties, with the expectation that a return is coming their way. Increasingly, large real estate investment groups and trusts are doubling-down on multifamily buildings and single-family rentals. They hold a lot of power! If they say yes to vouchers, then many units can be unlocked at once.

Role in the HCV Program

Investors and owners:

Determine where capital goes—they decide to invest, build, and remodel properties.

Control criteria of who can rent at their properties—they choose whether or not to accept HCVs at their properties and instruct property managers as such.

Influence local, state, and federal politics through industry lobbying.

Did you know?

Because HUD determines Fair Market Rent, PHAs and property owners/investors have little room to negotiate voucher values. Property owners determine rents according to an ever-changing market, but the **value of vouchers is only reassessed by HUD once a year**—and it often does not track with market rates, resulting in notable rent gaps that fall on tenants to pay.

Property management oversees the day-to-day operations of an apartment complex, including tenant screening and lease-up. Onsite property managers engage directly with voucher holders.



Property Management
& Landlords

Description

Property management staff are hired or contracted by investors / ownership groups to manage their property assets, including leasing units, maintaining the property, collecting rent, and addressing tenant needs.

Role in the HCV Program

Property managers:

Hold relationships with investors and execute their decisions with some autonomy.

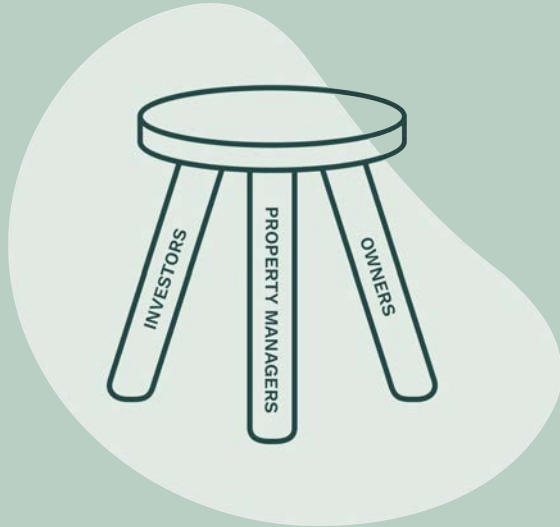
Control tenant application process and ultimate decision of who to approve.

Manage the experience of renting for tenants, including issuing leases and following up on maintenance and other tenant needs. Choose to renew or not renew a lease.

If a property accepts HCVs, the property management company may **retain specially trained staff** to manage the process and ensure compliance.

Did you know?

Investors hold the most power and influence over whether or not a property will accept vouchers.



The HCV program was originally created and designed in a time (1974) when the majority of property owners were individuals.

Today, many properties increasingly have sophisticated ownership structures that function like a “three-legged stool” with investors, owners, and property managers all working together. In this structure, as the funder, investors have the most power. For a property in such a structure to accept tenants with vouchers, a PHA vendor application requires approval by anyone with an ownership stake, adding additional complexity and time to the process.

“Mom-and-pop” landlords represent a major portion of property owners and can decide to accept voucher tenants without the layers of approval required at corporate multifamily shops. However, the administrative burden can be a lot to take on for a small business.



Mom & Pop Landlords

Description

Mom-and-pop landlords are often investor, owner, and property manager all in one. For mom-and-pops, owning and managing property may be a supplement to another job or their sole source of income.

Role in the HCV Program

Mom-and-pop landlords:

Control tenant application process and ultimate decision of who to approve.

Manage the experience of renting for tenants, including issuing leases and following up on maintenance and other tenant needs. Choose to renew or not renew a lease.

Directly engage the Housing Choice Voucher program—undergo the vendor application, submit the Requests for Tenant Approval (RFTA), and schedule inspections with the PHA.

Handle all the administrative tasks, like accounting, maintenance, marketing, etc.

Did you know?

Mom-and-pop landlords run 42% (~20M) of all rental properties in the United States, according to a [rental housing finance survey](#) by HUD in 2018. **Mom-and-pop landlords are the most prevailing type of owner of 1 unit and 2-4 unit properties:** they manage 72% of one-unit properties and 77% of 2-4 unit properties. About half of rental housing units are in properties that have 1-to-4 units. **Locally in DFW, there were 3,633 mom-and-pop landlords** using Avail in December 2020, a technology solution for small landlords to manage their properties.

We learned that mom-and-pops tend to have less stringent screening criteria, may be more hands-on with their tenants, and can be differently motivated by incentives and guaranteed rent than their corporate counterparts.

Community based organizations work actively to provide additional wraparound support for families and help connect them to housing.



Community Based Organizations

Description

Nonprofit organizations focused on making improvements to a community's social health, well-being, and overall function. Many CBOs that work with voucher holders have partnerships with landlords, other CBOs, and government agencies.

Role in the HCV Program

Community based organizations:

Build relationships with landlords to secure units for voucher families.

Build relationships with families and communities to provide wraparound services such as housing search assistance, case management, advocacy, and education.

Serve as subject matter experts to help piece elements of the ecosystem together (i.e., knowing which partnerships and resources to leverage).

Did you know?

Inclusive Communities Project exists to **expand fair and affordable housing opportunities** in Dallas for low-income families in high opportunity areas. They formerly ran a **master sublease program** as a go-between agreement for voucher families and landlords as a means of helping voucher families be just as competitive and easy to rent to as other tenants.

Houston-based NestQuest currently **runs a master sublease program for voucher holders** and served 42 families (148 people) in 2021. NestQuest provides search assistance, case management, and gap funding if asking rent is greater than Fair Market Rent. All in, the annual cost per family in 2021 was ~\$20K.

Tech providers create digital platforms to facilitate parts of the Housing Choice Voucher process.



Tech Providers

Description

Businesses that make technology or software specifically for the housing ecosystem. Tech solutions abound for conventional renters and real estate investors, owners, and property managers but are much less prevalent among government housing entities and for renters of affordable or subsidized housing.

Role in the HCV Program

Tech providers:

Develop features that can improve the experience of the HCV process for both voucher holders and landlords.

Can find efficiencies and economies of scale or connect various stakeholders in the ecosystem (e.g., connecting voucher holders to available units).

Collect, analyze, and report data that can help improve the overall ecosystem.

Did you know?

Bob.AI is a feature-rich marketplace that makes working with PHAs and assisted renters easier. With Bob.AI, landlords can find the possible assistant rent for any rental unit from any PHA in the US. Landlords can create a contract proposal (RFTA) in about 15 minutes for any PHA, and if the PHA is also a user on their platform, the **inspection can be completed in person or virtually**, allowing assisted renters to move in within just 3 days.

Voucher holders are responsible for finding and applying to units that will accept their vouchers.



Voucher Holder

Description

Families that receive Housing Choice Vouchers are typically extremely low income (earning less than 30% Area Median Income) and of historically resilient and underrepresented communities—Black, Indigenous, and People of Color. Among DHA's HCV clients, 84% are female heads of household, 49% have one or more persons with a disability in the household, and 15% are families with dependent children ([source](#)).

Role in the HCV Program

Voucher holders:

- Can choose which units to apply to.
- Can decide to move or renew lease.

Did you know?

Voucher families are responsible for finding and applying to housing units. Since only 7% of North Texas apartment complexes accept vouchers, this can be a difficult search.

Voucher holders are surrounded by fellow **neighbors** and **HOAs** that can influence who live in their communities.



Conventional
(Market-Rate) Tenants

Description

Neighbors depend on where the voucher holder lives. In an apartment complex, neighbors might include conventional renters who pay Market Asking Rent and/or neighbors who also have a form of housing subsidy. In a subdivision of single-family homes, duplexes, fourplexes, etc., neighbors might be homeowners and/or other renters (conventional or subsidized).

Role in the HCV Program

Neighbors:

Influence landlords and who landlords are willing to accept as tenants, based on their biases and where they are willing to rent/ live.

Can make voucher holder neighbors **feel welcomed or unwelcomed.**

Did you know?

Conventional tenants (tenants who pay market rent) influence landlords based on their beliefs about and biases against voucher families. Some landlords fear that voucher holders could contribute to lower property values if their properties are perceived as undesirable.

Voucher holders are surrounded by fellow **neighbors** and **HOAs** that can influence who live in their communities.



HOAs

Description

A homeowners association is an organization in a subdivision, planned community, or condominium building that makes and enforces rules for the properties and residents. Members of the association are made up of fellow neighbors and governed by a board. People who purchase property under an HOA's jurisdiction automatically become members and are required to pay dues. They can enforce rules through fines and legal action.

It is unknown how many rental units exist within HOAs, but they likely represent a small minority of all rental units.

Role in the HCV Program

Homeowners Associations:

Set and enforce rules for properties that residents and tenants living in them must abide by.

Collect association fees from property owners (members of the HOA).

Impose fines for violations.

Take legal actions for violations (e.g., sue).

Did you know?

HOAs can decide to ban voucher families from leasing member properties and can impose fines on landlords that do not adhere to this rule. [An example of a ban in North Texas](#) has been contested on grounds of a Fair Housing Act violation.

Our learnings and insights

WHO WE TALKED TO

Over the course of 6 weeks, we conducted 17 learning sessions with 21 people, including 2 collaborative workshops, to learn from stakeholders in the system.



11

Landlords

Including those who accept vouchers today, those who don't but would consider it, and those who have in the past but no longer do



3

Housing Choice Voucher Clients

Referrals from Inclusive Communities Project. One client had retired their voucher, two continue to use them



2

Local Agencies & Continuums of Care

Local PHA, Dallas Housing Authority, and continuum of care, Metro Dallas Homeless Alliance



2

Community Based Organizations

Inclusive Communities Project (Dallas) and NestQuest (Houston)

We applied a human-centered design process to surface barriers and identify opportunities for new solutions.

Data Analysis

We analyzed data from HUD's Housing Choice Voucher data dashboard for the City of Dallas (through April 2022), CoStar's commercial real estate database, Inclusive Communities Project's Landlord Survey (2020), and U.S. Census Bureau data (2020) to help us develop a better understanding of current HCV use, landlord acceptance, and market conditions.

Qualitative Inquiry

We held one-on-one interviews facilitated by tools to explore important questions around our design challenge. Tools included journey mapping, ordering barriers and bias "cards" on a spectrum from least to most prevalent, and a "build your ideal service" activity to surface concepts that inspired solution opportunities to improve the experience of the voucher program.

Literature Review

We drew from published research, best practices, case studies, and PHA reports to inform our understanding of the challenge and potential solutions. In particular, Raj Chetty's Moving to Opportunity studies as well as DHA's annual report, 2022 PHA plan, and published resources on Bob.Ai were instrumental.

Co-Design Workshops

To ensure learnings and opportunity areas were informed and relevant, we invited key stakeholders from the HCV ecosystem to collaborate with us through workshops. Co-design allows members of the ecosystem have a direct say in what solutions should be. Stakeholders helped us understand the nuances of the landlord and client experience, surface barriers, and shape opportunities for solutions in the system.

Our Key Learnings

Through the project, we surfaced over 60 distinct barriers or tensions, organized across six categories. *The barriers that follow may not be universally experienced by landlords or voucher holders but exist for some or many of them.*

Perception of Voucher Holders

Harmful narratives that are generalized to all voucher holders

Myths & Misinformation

Inaccurate understandings about the HCV process

Process-Related Barriers

Issues still ripe for continuous improvement at PHAs and HUD

Ecosystem Barriers

Big, sticky issues that are embedded in systemic or institutional practices

Voucher Client-Related Barriers

What voucher holders face outside of (but tangential to) the PHA process

Finance & Operations

Pain-points felt by apartment staff and leadership in day-to-day administration of voucher program

BARRIERS

Perception of Voucher Holders

Harmful narratives
that are generalized
to all voucher holders

(Perception) Accepting vouchers will impact the marketability of a property

(Perception) Accepting vouchers will impact the financial performance of a property

(Perception) Voucher holders will damage the unit

(Perception) Voucher holders bring crime to a property and do not adhere to community policies

(Perception) Voucher holders use the voucher as a crutch

BARRIERS

Myths & Misinformation

Inaccurate understandings about the HCV process

(Myth/Misinfo) A landlord can't apply their typical screening criteria to a voucher renter

(Myth/Misinfo) If a landlord takes one voucher, they are obligated to take more vouchers

(Myth/Misinfo) A landlord can't evict a voucher tenant; renters with vouchers must be treated differently than conventional renters

(Myth/Misinfo) Landlords won't be paid on time by the PHA

(Myth/Misinfo) PHA doesn't want to pay the market rate

(Myth/Misinfo) Larger corporate complexes have more negotiating power to get the voucher standard they want over small mom-and-pops; payment standards are arbitrary

(Myth/Misinfo) PHA is responsible for the voucher holder

(Myth/Misinfo) Voucher holders are assigned to the landlord/the landlord doesn't have say in who rents their unit

(Myth/Misinfo) PHA is a party to the lease agreement between the voucher holder and landlord

BARRIERS

Process-Related Barriers

Issues still ripe for continuous improvement at PHAs and HUD

HUD sets Fair Market Rent and Small Area Fair Market Rent once per year, but many properties are now using revenue optimization software to reprice rent daily

Voucher payment standards largely lag Market Asking Rent, so landlords may have to forfeit profit when accepting a voucher

Voucher payment standard for an individual household isn't always clear to the voucher holder and may lead to confusion when determining where they can afford to live

Anyone with an ownership stake must agree to designate the property management firm as the agent to accept vouchers; this is cumbersome for complex ownership structures

Long waiting list to receive a voucher; vouchers are not an entitlement benefit

Since vouchers are not an entitlement benefit, there's a trade-off between the number of vouchers that can be in circulation and the value of each voucher (i.e., more vouchers mean each voucher is worth less, which is harder to then use in a hot real estate market)

Account set-up and initial paperwork is tedious and time-consuming

BARRIERS

Process-Related Barriers

Issues still ripe for continuous improvement at PHAs and HUD

(cont'd)

The lingo and process can be confusing for first-time landlords

For voucher holders and landlords, no direct line of communication with the PHA to get answers quickly; customer service can be lacking

PHA may require a renewal offer farther in advance than is stipulated contractually, e.g., a PHA may ask for a renewal offer 90 days in advance of lease-end, but the landlord wants to set the renewal price as close to the end of the lease term as possible to reflect current market conditions

Lease agreement end date might not match what PHA has recorded, which may delay or confuse the renewal process

Scheduling and conducting inspection might be delayed

Interpretation of inspection standards widely varies

BARRIERS

Process-Related Barriers

Issues still ripe for continuous improvement at PHAs and HUD

(cont'd)

Lag time might exist between when a new account is set-up with the PHA and when the landlord receives their first payment

Voucher holder can only move in on the first of the month, but this is not always convenient for the voucher holder or landlord*

Dallas County PHA does not do direct deposit to landlords

Landlord and voucher holder don't always know where they are in the process

Some PHAs send important communication by snail mail instead of electronically, so key information might get overlooked by landlord

For both landlords and voucher holders, experience with PHA varies based on who they are working with, i.e., some staff might be more responsive/easy to work with

*May be true of some but not all PHAs; need to confirm with PHAs on their practice

BARRIERS

Process-Related Barriers

Issues still ripe for continuous improvement at PHAs and HUD

(cont'd)

Length of time to find a place to live (90 days, with possible extension) is not always sufficient

PHA might adjust down the number of bedrooms a voucher holder qualifies for when a child turns 18, even if the 18-year-old needs to continue living at home*

PHA inspections are not always conducted with discretion, thereby "outing" the voucher holders to their neighbors

Payments are made on the first and 15th of the month only*

When the voucher holder's income changes, the PHA will change the amount the voucher holder is obligated to pay, but changes are not always clear to the landlord and/or voucher holder and the landlord may have to retroactively make accounting corrections

Landlords who once accepted vouchers but no longer do are unaware of process improvements (and so hold on to incorrect beliefs)

HCV waiting list is purged every 18 months, and clients have to re-apply*

BARRIERS

Ecosystem Barriers

Big, sticky issues that are embedded in systemic or institutional practices

Insurance underwriters look at properties that accept vouchers as more risky and so may charge a premium or deny coverage

Some lenders won't give a loan to a property with more than 10% voucher holders

Many people (landlords, neighbors, etc.) don't know what the voucher program is/how it works or who a voucher holder is

Racism and discrimination can be part of the experience of finding and settling in to housing

Homeowners Association might require disclosure of voucher holders

BARRIERS

Voucher Client- Related Barriers

What voucher holders face outside of (but tangential to) the PHA process

Limited case management/wraparound support for voucher holders to find housing and to adjust/realize stability once in housing

Client may have to meet additional screening criteria to access housing and/or programmatic support

Being welcomed and building community in their new neighborhood, especially if predominantly white and/or more affluent, can be difficult; voucher holders may feel they have to code-switch and present themselves in a certain way to be accepted

Housing search and apartment application process can be time-consuming and complex for voucher holders

Difficult to identify properties that accept vouchers, are at the right price-point, and have vacancy; no "one-stop-shop" to look for properties

There are scammers that may target voucher holders

Renting a single family home may come with additional expenses, e.g., lawn care, that the voucher holder is responsible for

If the renewal offer exceeds what the voucher standard can pay, the voucher holder has to pay the difference out-of-pocket or move and try their luck in the market

BARRIERS

Finance & Operations

Pain-points felt by apartment staff and leadership in day-to-day administration of voucher program

Onsite leasing agent might not have autonomy to make decisions about accepting vouchers

Property management sees high staff turnover, so HCV training is required as new staff come onboard

Property management may have no past experience with HCVs and/or bandwidth to build capacity and manage voucher requirements, especially for small mom-and-pop landlords

Accepting vouchers requires running two simultaneous businesses: landlord must effectively keep two separate books, have multiple inspections (PHA and City), manage two lease agreements (PHA and TAA)

Investors, owners, and/or property managers might lack alignment or agreement on whether or not to accept vouchers

BARRIERS

Finance & Operations

Pain-points felt by apartment staff and leadership in day-to-day administration of voucher program

(cont'd)

Depending on anticipated return to investors and hold period horizon, accepting vouchers might cost more in time and resources than the benefit

Onus is on the property to build relationships with PHAs and communicate that they accept vouchers

A voucher holder cannot sign a lease agreement until after a passed inspection, whereas a conventional tenant can sign a lease before a unit is "made ready" and can move in as soon as it's done

If a voucher holder causes damage to their unit, the apartment complex is responsible for ensuring it's fixed before the PHA inspection

If a voucher holder is moving from one place to another, they have to honor the terms of their first lease agreement, which can create issues when setting a move-in date for the new place and leave a unit vacant for a period

We know there are many known and less well-known dynamics and barriers contributing to the current Housing Choice Voucher experience.

We decided to focus on a few key insights that we saw as interesting opportunities to leverage for systemic change.

The Hard Problems

We have organized our insights through the illustrative stories of six stakeholders within the HCV system. The stakeholder stories are *archetypes*, representations of people we spoke with and the opportunities and barriers they face. Although the quotes that follow were taken from real conversations, the stories are fictional and represent a compilation of many interviews.



CHAPTER 1

Tracey

Voucher Holder



CHAPTER 2

Janice

Regional Property
Manager



CHAPTER 3

Jerome & Jared

Mom-and-Pop
Owner/Landlord &
Corporate Owner



CHAPTER 4

Marcus

Public Housing
Authority Staff



CHAPTER 5

Andrea

Community Based
Organization Staff



INSIGHT 1

Voucher Holder

Jumping through endless hoops

HCVs are a crucial tool for economic mobility, but there's a common perception that vouchers create dependency, laziness, and an unwillingness to strive for self sufficiency.



“I did everything right, followed every step in the process and still came up against so many challenges. The system makes you feel like you don’t deserve a safe place to live for you and your family.”

Meet Tracey

Tracey is Black, a proud mother of five, a fourth-generation Dallasite, and a recent Clinical Psychology Master’s graduate.

She was introduced to the Housing Choice Voucher program sixteen years ago. Tracey was on the waitlist for four years until she received her voucher in 2010. With persistence, and the support of the Inclusive Communities Project (ICP), she led her family to Plano. The beginning of her HCV journey was stressful: with only 90 days to find a landlord that would accept her voucher, Tracey felt like she was running against the clock. She spent a lot of time driving around searching for “for rent” signs, calling, and ultimately trying to persuade, landlords that she was a worthy tenant. During the search, she encountered landlords that didn’t know about the voucher program at all and others that believed harmful stereotypes about voucher holders. The snide comments and microaggressions sometimes made her feel defeated. After many closed doors, a week before her 90-day deadline, Tracey found her new home.

Determined to use this opportunity as a tool to reach her personal goals, Tracey enrolled in the Family Self Sufficiency Program through the local PHA. Through the nine years in the program, she accomplished every goal she set for herself: she received her GED and enrolled in college, ultimately earning both an undergraduate and graduate degree.

With the support from the FSS program and the wraparound services from ICP, Tracey became the first woman in her family to receive a high school diploma and a college degree.

Moving to Plano exposed her family to positive experiences that helped her accomplish her goals and gave her children access to sports, international field trips, college prep courses, and more. However, these opportunities had some detrimental costs. In their mostly white neighborhood, Tracey’s family faced discrimination. The homeowners association even once considered barring voucher holders from the community but eventually relented. At times, Tracey’s children were called racial slurs at school.

Amidst the trials, challenges, and hoops she had to jump in the HCV program, Tracey was financially ready to relinquish her voucher in 2017 and is now starting the journey towards homeownership.

It’s important to note that Tracey’s voucher story is not universal. For many voucher holders, navigating the HCV program and the stigma that comes with it can be an endless, exhausting struggle that feels like defeat time and time again.

The Spark

Housing Choice Vouchers are a crucial tool for economic mobility. Most Americans receive some kind of support from the government - tax returns or tax breaks, homestead exemptions, etc. These incentives are important financial tools to support people broadly in their economic mobility. Housing vouchers are yet another one of such tools to help lower-income people realize financial stability.

In Dallas, where rent costs are rising and vacancy rates are tightening, vouchers help families access rental units that meet their needs and also afford housing without being cost-burdened.

What we heard

The importance of vouchers as an economic tool in times of need.

"I have 3 boys, I grew up in a rough part of Dallas, and I did not want my kids to endure what I had endured as a child. I wanted to stay in good areas and be in a healthy ISD system. Because of these choices, the universe granted me the opportunity to see all 3 of my boys graduate from high school."

VOUCHER RECIPIENT

"When you lose a job and you're out of work for 4-5 months and your rent is still paid, it gives you the opportunity to make those decisions. You can use this voucher and turn it into an opportunity for growth to get yourself out of this hole."

FORMER VOUCHER RECIPIENT

The Problem

Although the intention of the program is to be a tool for families to realize housing stability, there is a perception that vouchers limit self-sufficiency. Landlords and voucher holders reported that neighbors, landlords, and the larger community hold perceptions that vouchers create dependency and laziness — a stereotype unfounded in evidence. How might we re-position vouchers to be seen the same as any other financial tool provided by the government?

What we heard

Systemic distrust can create hurdles for families to access these tools.

"We do a couple rounds of interviews, and check references. It's definitely intense, but you know it's important to try and get the right family."

LANDLORD WHO ACCEPTS VOUCHERS

"I think prior to being in affordable housing, owners think, 'If I open up my criteria to take vouchers, I can open up the door.' Again they're not educated on that process - they may think we're leasing to people with criminal backgrounds, they're getting away scot free, won't take any ownership of their unit. Again, the stigma of being on a voucher is 'they get their rent paid for' but really they do pay part of their rent, it's transitional, not long-term."

LANDLORD WHO ACCEPTS VOUCHERS

Other notable barriers from Tracey's story

Racism, discrimination, and harmful narratives hurt the voucher holder's experience

Landlords and neighbors sometimes believe that voucher holders will damage their unit or bring crime to a property. If word gets out that a property accepts vouchers, landlords and investors worry about the marketability and financial performance of the property.

WHAT WE HEARD

"I had one landlord say, 'I don't think my home would be the best home for you because we've invested a lot of money in the property... I've have negative experiences with single moms where they tear up the home.'"

VOUCHER RECIPIENT

Lack of support and resources adds obstacles to an already complex system

Voucher holders face a perfect storm. The housing search process is time-consuming, but there's a 90-day limit to find a unit. Only some places take vouchers, but it's difficult to identify them – there's no one-stop-shop that shares current inventory of properties. And case management/wraparound support can be a game-changer, but only a few hundred households get access every year.

WHAT WE HEARD

"Most of our families are working 8+ hour jobs. When do you go look for an apartment? Get your application together and deliver your check stubs? If you're taking a day off to do this, then you're taking a day off work."

LANDLORD

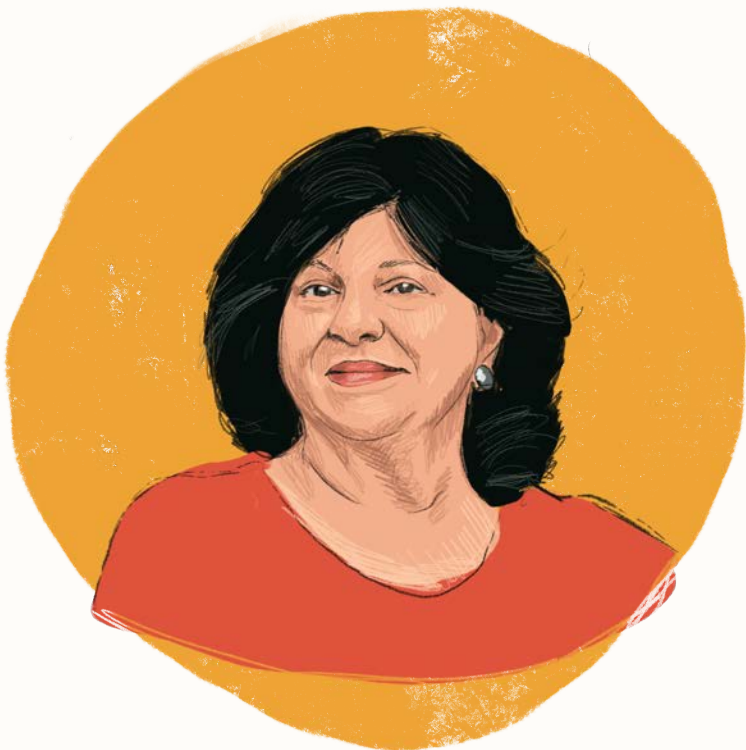
Understanding and working within the voucher standard is easier said than done for voucher holders

The value of the voucher is unique to every household and is calculated based on household size, income, and Fair Market Rent set by HUD. Voucher holders are sometimes confused about the range in which they can rent, and they may leave PHA briefings feeling lost, which can slow and complicate their search process. Once a voucher holder is in a unit, if their landlord ups the rent beyond what the PHA is authorized to pay, then the voucher holder is left to pay the difference out-of-pocket or attempt to move.

WHAT WE HEARD

"DHA briefing calculations go too fast! It can be a complicated process. Clients get confused in a two-hour briefing."

VOUCHER MOBILITY PROGRAM PROVIDER



INSIGHT 2

Regional Property Manager

Passing the buck

The HCV ecosystem is comprised of a diverse set of powerful stakeholders working at the government, community, financial, and management levels and everywhere in between. Because of the intersection of multiple stakeholders, making siloed improvements leave out opportunities for collaboration and much needed accountability.



“I love that my job allows me to help people. Some things are challenging and a lot of decisions are out of my control. I still try to do my best with what I am given.”

Meet Janice

Janice is a regional property manager with twenty years of experience, some of that working for an affordable housing developer. Today, the company she works for has 40 conventional multifamily properties in the DFW area, and two accept Housing Choice Vouchers.

Janice has been at her current company for 3 years, has developed a close relationship with the owner, and is often included in meetings with him and other investors. Because of her years of experience working in affordable housing, Janice sees an opportunity to explore accepting more vouchers in buildings in more affluent areas of Dallas. After attending a landlord engagement session with DHA, she was empowered to restart this conversation with her team.

Janice’s boss was interested when she came to him with the idea but had some reservations about working with a Public Housing Authority. According to him, their experience in the past has been less than ideal. He stated if DHA would improve their intake process, the company would consider it.

After some research and follow up conversations with the DHA team, Janice presented back to the owner the many process improvements DHA has made the past few years, including a digital application and approval process as well as virtual inspections. Janice’s boss was thrilled. Supported by him to pilot accepting vouchers at one of their higher income complexes, Janice collaborated with DHA and a community organization to ensure her first set of families and the property staff were fully educated on the process.

Shortly after the first families moved in, Janice’s boss called her and told her that their investors were concerned about increasing the number of voucher families because of rising insurance costs caused by the new “liability” of voucher families. Her boss also heard from peers that it may become harder to receive loans when acquiring future properties. Investors said these larger systemic forces were out of their control and that they needed to smartly manage their assets.

Janice is used to the push-back that comes with attempts to increase affordability while maintaining a luxury brand but wishes there was a way to collaborate with all parties for better outcomes.

The Spark

The HCV program requires the participation of multiple stakeholders (including housing agencies, property owners and managers, insurance companies, and underwriters and investors) to achieve access to affordable housing for the 2.2 million households receiving a voucher. In Dallas, these stakeholders are actively working to improve their parts of the ecosystem: apartment associations doing advocacy work, public housing authorities improving processes, and community based organizations acquiring philanthropic dollars to deepen family support services.

Because of their dedication to a housing system that works for their organizations and Dallas residents, stakeholders actively relay feedback about their motivators and pain points related to the existing process. There is plentiful information about how the program can be improved and which agents of change might be activated.

What we heard

Stakeholders openly offer feedback to PHAs and acknowledge improvements.

“[Having] a direct line to talk to DHA... has been super helpful.”

LANDLORD WHO ACCEPTS VOUCHERS

“Dallas has come a long way. My boss had been part of a focus group a few years ago to get more landlords to participate. The portal has really helped. Kudos to DHA for the last couple years to take some proactive steps to improve and do better.”

LANDLORD WHO ACCEPTS VOUCHERS

The Problem

The often complex ecosystem of stakeholders contribute to the inefficiencies throughout the HCV process and facilitate the common practice of “passing the buck,” or passing responsibility and root causes of these inefficiencies to the next stakeholder. While the reasons for the inefficiencies may be valid, the ecosystem needs to incorporate systems of accountability and collaboration to ensure the major pain points are being addressed rather than passed on. Establishing an internal practice of looking at systemic barriers and mapping them to critical partnerships can create a pathway forward to increase access to affordable housing and improve practices that support their business priorities.

What we heard

Without shared accountability and ongoing collaboration, it will be harder to overcome complex systemic challenges.

“Affordable housing is a huge issue in our industry, everyone wants to solve the affordability issues. Insurance underwriters look at properties that accept vouchers [as] more risky – another financial deterrent for ownership. Same thing with lending.... some lenders won’t give a loan for properties that have more than 10% [voucher residents].”

MULTI-PROPERTY OWNER

“Whenever I met with the landlord association - they gave us 10 items [to fix about the HCV program]. The top two: paperwork, process and customer service. Whenever we got to working on this [landlords would say] ‘we don’t mind the paperwork, that’s not a problem.’ The problem kept shifting on us.”

PUBLIC HOUSING AUTHORITY

Other notable barriers from Janice’s story

Internal champions with no decision- making power

Property managers/leasing agents are most proximate to tenants and so may have a more informed, positive perception of voucher holders. Sometimes, managers and agents are included in higher level discussions and can influence direction in the company. Oftentimes, however, decisions are made at the owner-investor level and are simply shared with the onsite staff to operationalize.

WHAT WE HEARD

“We need to go to corporate. They’re the ones that make the decisions.”

HOUSING LOCATOR

Lack of awareness of the program improvements

DHA has made significant improvements to the HCV process, including incorporating Ai to enable families and property owners to upload personal documents and conduct inspections virtually. Despite meaningful improvements, many landlords who’ve had previous negative experiences are not aware.

WHAT WE HEARD

“A lot of landlords...are not aware of all the improvements that we’ve made.”

PUBLIC HOUSING AUTHORITY

Biases against voucher tenants

Property owners and investors approach accepting HCV with trepidation or outright rejection because of unfounded beliefs about the quality of tenants and how they will treat the property.

WHAT WE HEARD

“I think a lot of people have heard through the grapevine...that it will be a challenging experience or [there are] elements in that population that they don’t want to deal with. [There’s] some prejudice, some kernels of truth.”

LANDLORD WHO ACCEPTS VOUCHERS

Financial institutions may devalue voucher participation

Property owners and investors are looking to turn a profit, but the biases of financial institutions can present additional hurdles. Some insurance underwriters and lenders look at properties that accept vouchers as more risky and may charge a premium or deny coverage. This creates additional costs for an owner and introduces risk that an owner might not want to take on.

WHAT WE HEARD

“These macro issues need to be resolved if we want properties to participate in this program.”

MULTI-PROPERTY OWNER



INSIGHT 3

Property Owners

Falling between two stools

Both corporate property owners and mom-and-pop landlords' participation in the HCV program offer a diversity of benefits for tenants seeking housing. Having internal buy-in and process know-how is critical to the success of increasing the portfolio of housing options for tenants in a profit-driven ecosystem.



“The market is working in our favor. We feel like we are providing a public good through quality housing for diverse incomes. We don’t need a program to help with that.”

Meet Jerome & Jared

Jerome and Jared are brothers who both went into the real estate business. After working at various non-profits that connected Dallas residents to necessary services and benefit programs, Jerome became inspired to start investing in properties to contribute positively to the housing market. Jerome had the goal of reserving his units for voucher recipients, but after having a difficult time understanding the PHA’s process and feeling burdened by the paperwork, he had one HCV tenant move in, and the rest of his units quickly filled up with conventional (market rate) tenants. Because he describes his units as already affordable to low-to-moderate-income families, Jerome still feels like he is achieving his goal without the tedious process of accepting more vouchers. Plus, because of the current economy, vacancies are filling up quickly. He can still cover his bottom line even though maintenance and repair costs are steadily increasing. Recently, Jerome was approached by a non-profit that provides wraparound services and covers move-in costs for voucher holders, but he’s not sure if he can manage it by himself or if it is the best financial decision.

Inspired by his brother’s work, Jared went into partnership with a couple of friends from college and started a real estate company. After acquiring five new buildings last year, they now own and manage a large portfolio of Class A properties in North Dallas. The properties are ideal for families with kids: located in a great school district, near grocery stores, and a short drive from parks and museums.

Working with a team of seasoned industry investors, all decisions are made at the higher level and are passed on to their property managers and administrative assistant, who often leave after a year or two on the job. To ensure they are meeting benchmarks to maximize profits, the company has established standardized screenings and employment requirements for tenants. Jared holds monthly meetings to hear feedback from staff working on-site but ultimately makes final decisions in collaboration with his co-owners.

While they do not explicitly say they don’t accept vouchers, voucher holders are typically turned away because the cost of their units are above what the HCV standards will cover. So far, Jared and his team feel like this process works for their business and have no interest in exploring other opportunities.

The Spark

Corporate landlords manage large portfolios and can unlock many units at one time. They have dedicated, trained staff and administrative teams to manage paperwork. Having experience with corporate lease agreements and potential Environmental, Social, and Governance (ESG) goals or aspirations for equity and fair housing position many of these corporate property owners as potentially ideal HCV partners.

On a smaller scale, mom-and-pop landlords are less likely to have many staff but run 42% (20M) of all rental properties (HUD, 2018) and dominate one unit and two-to-four unit rental properties nationwide. It might be easier for a voucher client to get housing with mom-and-pops who might not have strict screening criteria and tend to be the owner/investor and property manager all in one. Locally in DFW, 3,633 mom-and-pop landlords use the Avail platform to manage small portfolios of 50 units or less.

What we heard

Mom-and-pops and socially-minded corporate owners are critical to unlocking more units.

“Mom-and-pop landlords tend to be more compassionate and more open. ‘She is so nice, I’m going to lease to her.’ We have so much influence in that arena.”

VOUCHER MOBILITY PROGRAM PROVIDER

“Some of those groups have ESG imperatives to fulfill. We think this is an opportunity [to influence voucher uptake].”

LANDLORD WHO ACCEPTS VOUCHERS

The Problem

Corporate property owners and managers may be hard to convince to accept housing vouchers at certain properties because of their fiduciary responsibility to their investors and interest in maximizing profits. To run as efficiently as possible, larger corporate shops may also want to minimize tedious administrative requirements, especially if only for a few tenants out of hundreds or thousands. Additionally, because of their sophisticated organizational structures, approval to accept vouchers requires buy-in from many stakeholders and an internal champion committed to seeing it through.

For mom-and-pop property owners who typically don’t have many (if any) staff, the administrative burden that comes with taking a voucher might be too much. Mom-and-pops typically own smaller properties, so getting to scale is slower.

What we heard

Capacity, scale, and influence are often barriers to getting participation.

“[An international property management company’s] senior regional managers just don’t take vouchers. Next up on the chain is the ownership group - investors investing in the funds. “

LANDLORD WHO ACCEPTS VOUCHERS

“They made us jump through hoops. We don’t need these programs. There is a demand for our units.”

MOM-AND-POP LANDLORD

Other notable barriers from Jerome & Jared's story

Demand from conventional renters is sufficient for most landlords to maximize occupancy

The Dallas market has realized a 12+% YOY increase in Market Asking Rent. Property owners reported feeling less incentivized to participate in the HCV program because the voucher standards can't keep pace with market rents. For many landlords, accepting a voucher would require sacrificing profit.

WHAT WE HEARD

"I don't remember a time when I was like, 'oh, the market's great for voucher holders.' It's always been an uphill battle."

VOUCHER MOBILITY PROGRAM PROVIDER

Move in delays are an obstacle

Landlords reported that the time between connecting with a tenant, scheduling an inspection, and move in often result in longer-than-expected vacancies and a loss in revenue. Arbitrary parameters set by the PHA - like tenants can only move in on the first of the month - further hold up the process. The extra steps to participate aren't worth the hassle: landlords can move much more quickly with conventional tenants.

WHAT WE HEARD

"In a typical scenario in current market conditions, we rent an apartment well before it's made ready. Make-ready is a 5-10 day process where we go in to clean carpets and paint walls. Housing authorities won't even inspect until all those things are done. Whereas with a conventional renter, [we're] always timing close to move in. [Property managers are] incentivized by how quickly we can get apartments leased . . . we're losing money every day it's vacant."

PROPERTY MANAGEMENT CO. PRESIDENT

Limited-to-no experience with HCV

The HCV program gets easier with more experience. Small mom-and-pop landlords and corporate owners who have no past experience often see participation as daunting and may feel they have no bandwidth to sort through red-tape just to lease to tenants with vouchers. For first-time landlords, the process is made more frustrating when they don't have a direct point-of-contact with the PHA, when they can't see where they are in the process, and when they don't understand the lingo.

WHAT WE HEARD

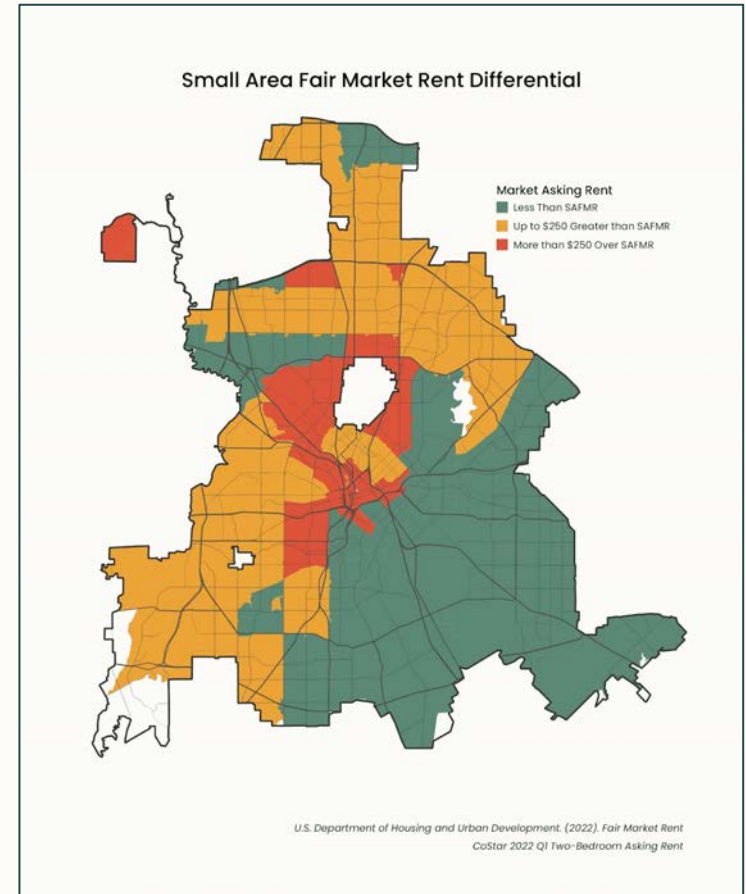
"It took me like 8 hours. I needed to get stuff notarized, not sure what to ask for. The form is not clear."

SOCIAL IMPACT INVESTOR

INSIGHT

SAFMR isn't always eclipsed by Market Asking Rent

To better understand the gap between Small Area Fair Market Rent and Market Asking Rent in Dallas, we mapped the difference by zip code. Some zip codes are far out of reach for voucher holders, but many are accessible with gap funding of \$250 or less per month (\$3,000/year per voucher household).





INSIGHT 4

PHA Staff

Pushing a boulder uphill

PHAs are making strides to modernize and streamline the voucher experience and have ambitious plans for continued improvement. However, PHAs also feel like they're faced with a lot of resistance: there are endless fires to fight, red tape to cut through, and sticky narratives to counter.



Meet Marcus

Marcus is an employee at the city's Public Housing Authority (PHA). He started working for the agency before the pandemic and led the charge to make process improvements to support virtual operations when gathering was impossible. Marcus also trains staff that work on recertification and interim changes, quality control, and new admissions.

Prior to the pandemic, he met a lot of first-time landlords that were hesitant to accept vouchers. After speaking with several new and veteran landlords, Marcus realized that many found the initial paperwork and account set-up confusing and time-consuming. No one had any idea where in the process they were and how long would it take before move-in and the start of monthly payments.

The pandemic snowballed all these problems, with major delays in paperwork and inspection. Marcus and his team took big steps towards modernizing the PHA's systems and making the process simpler with online and automated tools. The new online portal and virtual inspections cut processing time from 30-60 days to 7-14, a big win for voucher holders and landlords.

Despite these major upgrades, many landlords are unwilling to give the PHA a second chance, and Marcus sees an opportunity to better tell the story of continuous improvement.

In conversations with landlords, Marcus frequently comes across myths and misinformation that he works to debunk. Some landlords, for example, erroneously believe that they can't apply their own screening criteria to a prospective renter or that the PHA will simply assign a voucher holder to them. Other landlords worry they can't evict voucher holders if there's a lease violation. These myths and misinformation seem widespread, passed along through the landlord grapevine or based on policies and practices that are no longer in play.

On top of process pain-points and misinformation, Marcus has heard from landlords that it's sometimes difficult to get in contact with PHA staff to resolve issues or ask questions. Voucher holders have shared the same. The PHA is a complex organization with many moving parts and a constrained budget. Marcus wishes they could fund enough dedicated case managers so that every landlord and voucher holder had a direct point of contact, but it's just not feasible.

Marcus is eager to continue finding new efficiencies in the process and improve relationships between landlords, voucher holders, and the PHA. He has countless ideas he would love to implement, but urgent issues and unexpected fires take up most of his workday, and it's hard to find the time and space to do much else.

“My team worked hard to put a lot of these systems in place during the pandemic. We are leading the charge when it comes to PHA processes. There’s still so much to do but we wish our local landlords were more aware of the positive changes.”

The Spark

Housing authorities like DHA recognize the barriers to entry for landlords to participate in the Housing Choice Voucher program. PHAs have put significant effort in improving the experience for landlords with tools like first time landlord incentives and technological platforms like Bob.ai. With new improvements, PHAs are bringing simplicity and clarity to common pain-points. The COVID-19 pandemic accelerated many of these changes, but there are still needed upgrades in the queue.

What we heard

Housing authorities are making strides in responding to HCV process challenges.

“Section 8 has gotten a bad rap over the years. It was some of the people that were involved with it...It’s going to take the due diligence of someone in the voucher program to reach out to the communities. If you start reaching out to the individual managers, that person will go to higher ups and say ‘Look, things are changing, you might want to consider this.’”

LANDLORD WHO USED TO ACCEPT VOUCHERS

The Problem

Dallas landlords’ perception of the Housing Choice Voucher program is marred by first-hand headaches related to the process and/or real or rumored challenging experiences with past tenants. In speaking with landlords, some stories they shared as reasons why they don’t take vouchers were decades-old. While some process barriers might still hold true, such as paperwork load and rent approval process, many landlords remain unaware of improvements and are leary to accept vouchers as a result.

What we heard

Landlords are often unaware of new program updates and hold onto dated “nightmare scenarios.”

“We need more stories of good experiences - bad experiences can blow this whole thing up, can have exact opposite effect. Exposure may resolve problems, but that exposure can confirm negative stereotypes - there is pressure to get this one right.”

PUBLIC HOUSING AUTHORITY

“I tell you this to give you a concrete example of the type of nightmare scenario you can have. When you talk to a landlord - that’s what’s in the back of their mind. Even with landlord incentives, it’s weighing against all those headaches because it can be not an enjoyable experience.”

LANDLORD WHO ACCEPTS VOUCHERS

Other notable barriers from Marcus's story

HCVs aren't available for everyone who qualifies

Unlike other federal programs like Social Security and SNAP, the HCV program is not an entitlement benefit: only 1 in 4 households that qualify actually receive a voucher. As a result, PHAs maintain years-long waitlists and aren't able to offer help to everyone who needs it.

WHAT WE HEARD

"I first applied in the 90s [but] had to re-apply and get back on the waiting list from 2003 to 2016."

VOUCHER HOLDER

Fair Market Rent is set once per year

HUD sets Fair Market Rent and Small Area Fair Market Rent just once per year, so PHAs have very little flexibility to adjust voucher standards to better meet market conditions. Some landlords may feel like the PHA is holding back, but PHAs simply don't have the autonomy to go far beyond what HUD has set.

WHAT WE HEARD

"HUD only updates FMR in October every year. Seems like they need to update every 6 months."

LANDLORD WHO ACCEPTS VOUCHERS

Trade-off between number and value of vouchers

PHAs are stuck between a rock and a hard place. Since they have a fixed budget, they have to balance increasing per unit costs and optimizing the number of vouchers in circulation. More vouchers in circulation mean lower voucher standards and vice versa.

WHAT WE HEARD

"Rent is really high right now, but I have to be able to afford the families on the program. HUD only gives DHA a certain amount of money. You can go to 110% but cannot afford 110%."

PUBLIC HOUSING AUTHORITY

Unwieldy HUD requirements

Accepting vouchers requires running two simultaneous businesses. The landlord must effectively keep two separate books, have multiple inspections (PHA and City), and manage two lease agreements (PHA and TAA). HUD designed the program for an era when properties were largely owned by a single owner, so requirements like sign-off to accept vouchers by all owners is difficult to achieve within today's complex ownership structures.

WHAT WE HEARD

"Landlords in Texas just don't want to have to deal with another lease."

LANDLORD WHO DOES NOT ACCEPT VOUCHERS



INSIGHT 5

*Community Based
Organization Staff*

Stretching ourselves too thin

High-touch services are creating meaningful impact but operate at a small scale and lack long-term funding.



“One thing we don’t often talk about is that we really try to be there for our clients, especially when they feel so defeated and when they feel judged.”

Meet Andrea

Andrea is an outreach manager for a community based organization in South Dallas, helping HCV clients find housing in high opportunity neighborhoods. Upon starting her role, she quickly realized that while the program is designed to help families live where they want, in reality, voucher holders have an almost impossible time finding a place to live. She doesn’t remember a time when she was like, ‘Oh, the market’s great for voucher holders.’ It’s always been an uphill battle. The process and judgment leave a lot of her clients feeling really defeated.

She sees her role as a connector and counselor for families, helping them to overcome the known and unexpected barriers they might face. She empowers her clients with the right resources, listings of voucher-friendly landlords, referrals, and help with security deposits and application fees. Sometimes, voucher holders need someone to walk with them through the process, step-by-step, because it can feel so overwhelming. Her team puts a lot of effort into scouting landlords, educating landlords, and mediating between the families and landlords. Her small team successfully helps several hundred HCV families find a place they can call home every year. She takes pride in persuading some of the skeptical landlords, too.

But Andrea constantly feels like she never has enough capacity or time to support everyone. Running such a high-touch program is really expensive – thousands of dollars per family per year – but funding is hard to come by, and she often gets push-back for how expensive the model is. Andrea worries about the trade-off between scale and quality of support: in her many years of experience, helping families realize financial stability and self-sufficiency is a long game.

On her best days, Andrea delights in stories like that of her client, June, who recently moved with her voucher to a Dallas suburb and enrolled her three boys in award-winning schools. The boys are thriving, and June finally feels like she can breathe and dream again. On her worst days, Andrea feels like so much in the larger ecosystem is working against her – landlord refusals to take vouchers, seemingly intractable stereotypes about voucher holders, faraway investors and insurers who don’t seem to understand that a voucher holder is just the way as everyone else, and declining funding to sustain their efforts.

The Spark

CBOs have deep roots in the community and are impact-driven, placing them as critical partners in the voucher ecosystem. The services offered by CBOs, like Inclusive Communities Project (ICP) in Dallas and NestQuest in Houston, have been able to dramatically improve the voucher holder experience through dedicated staff working 1:1 with clients and supplemental funds to cover move-in costs. For example, ICP works with ~300 families per year, providing a support system for clients throughout the housing search process by giving them information about landlords that accept vouchers in high-opportunity neighborhoods. In the past, ICP has also covered deposits, application fees, and other moving-related expenses. Clients find ICP to be a “big big help” and suggest that all voucher recipients should be connected to a program like ICP.

What we heard

Wraparound support by CBOs is invaluable for clients.

“ICP has been great to me. It’s been a big big help... I learned about them from a Section 8 briefing. They’ve helped with the deposit, gave me information about properties that would take vouchers.. [and] there’s always someone to talk to if [anyone] is having a hard time.”

ICP CLIENT

“[ICP] pushed me where I am now. It look a lot for me to have that belief in myself... ICP was behind the scenes saying, ‘If you do find this property, we’ll pay your deposit fees’ – they helped with deposits.”

ICP CLIENT

The Problem

Wrap-around services have proven impact but limited reach. The high human and financial investment makes these programs harder to sustain without dedicated Dallas-based partners to support scaling efforts. For example, within their current funding structure, Houston-based NestQuest anticipates working with ~50 households in 2022 but has seen a dramatic decrease in public funding in the last several years. Likewise, ICP has scaled back their programming due to funding constraints.

What we heard

Rigorous, impactful wraparound support is expensive.

“We are a nonprofit for a reason, we know that it is not a profitable business... In 2021, cost per family for the year was \$20,000 (rents, utilities, other services, food, counseling, resource matching) for 42 households.”

VOUCHER MOBILITY PROGRAM PROVIDER

Other notable barriers from Andrea's story

Many landlords take convincing

Since landlords in Texas are not obligated to accept voucher holders, CBO staff spend time and energy trying to get them on board. For a landlord unfamiliar with the voucher program, CBO staff start from square one to both educate and persuade. For landlords who know of the program but are reluctant to participate, staff probe to understand what holds them back and then respond accordingly.

WHAT WE HEARD

"When landlords were reluctant about the voucher, we called our case manager at ICP and asked them to explain."

ICP CLIENT

Limited channels for communication

For voucher holders, landlords, and CBOs, there isn't always a direct line of communication with the PHA to get answers quickly. This creates delays and feelings of frustration. While CBOs try to bridge the communication gap and help troubleshoot, they have limited bandwidth and don't work with all voucher holders and landlords.

WHAT WE HEARD

"Sometimes it's hard to get in touch with caseworkers [at the PHA], it can be a revolving door."

LANDLORD

Incomplete, lagging information on available units that take vouchers

For CBOs and voucher holders, it's difficult to identify properties that accept vouchers, are at the right price-point, and have vacancy. Although there's a surplus of websites and tools for *conventional* renters looking for housing, there's no "one-stop-shop" to look for properties that take vouchers in real-time. Instead, CBOs call landlords in their network and try to keep track of vacancies by hand. Some landlords take vouchers but don't like to advertise as such, so their units can be hard to identify.

WHAT WE HEARD

"Clients are really persistent. [They] call the resources and run down the list and call [apartments] and say they didn't find anything. It really is hit or miss. [You have to] be the squeaky wheel, be the oil."

VOUCHER MOBILITY PROGRAM PROVIDER



Voucher Holders

SUMMARY

HCVs can be a crucial tool for economic mobility, but there's a common perception that vouchers create dependency, laziness, and an unwillingness to strive for self-sufficiency.

INSIGHTS & OBSTACLES

See the voucher as a valued financial tool that can help them find stability and pursue their dreams

Have just 90 days to navigate a hot rental market to find a unicorn landlord willing to rent to them at a price-point the PHA will approve

May or may not have wraparound support and tools to help in the search and move

Must overcome harmful narratives and misconceptions about the HCV program and voucher holders

Might not feel welcomed by their new neighbors



Voucher Champion Property Managers

SUMMARY

The HCV ecosystem is comprised of a diverse set of powerful stakeholders working at the government, community, financial, and management levels and everywhere in between. Because of the intersection of multiple stakeholders, making siloed improvements leave out opportunities for collaboration and much needed accountability.

INSIGHTS & OBSTACLES

Aren't held back by bias

Know and appreciate the many benefits of the voucher program

Don't usually have the autonomy or decision-making authority to accept vouchers

Might be working against systemic barriers that are outside of their control, like lending and insurance practices

Might not know of (or might have leadership who doesn't know of) PHA improvements



Landlords

SUMMARY

Both corporate property owners and mom-and-pop landlords' participation in the HCV program offer a diversity of benefits for tenants seeking housing. Having internal buy-in and process know-how is critical to the success of increasing the portfolio of housing options for tenants in a profit-driven ecosystem.

INSIGHTS & OBSTACLES

MOM-AND-POP LANDLORDS

- Manage many 1-4 unit properties
- Have fewer, less stringent screening requirements
- Are more burdened by HCV administrative requirements

LARGE CORPORATE LANDLORDS

- Can unlock many units at once
- May have specially trained staff for HCV
- May have ESG and fair housing goals that HCVs can help meet
- Have complex ownership structures that all need to buy-in

BOTH

- Command high Market Asking Rents that don't meet SAFMR
- Fill vacancies easily and quickly
- Lose money (and patience!) when waiting for the voucher process to unfold



Community Based Organizations

SUMMARY

High-touch services are creating meaningful impact but operate at a small scale and lack long-term funding.

INSIGHTS & OBSTACLES

Improve the voucher experience for clients through search help, advocacy, and financial support

Seek and persuade landlords

Complement the work of the PHA

Rely on their network of landlords but don't have an easy way to see real-time vacancies

Necessarily operate a high-touch, expensive model that's not easily scalable

Don't have the funding or bandwidth to meet demand

Are an intermediary between the PHA, client, and landlord - a hard place to be!



Government Agencies

SUMMARY

PHAs are making strides to modernize and streamline the voucher experience and have ambitious plans for continued improvement. However, PHAs also feel like they're pushing a boulder uphill: there are endless fires to fight, red tape to cut through, and sticky narratives to counter.

INSIGHTS & OBSTACLES

Have deep process expertise and can easily spot and address pain-points

Are eager to optimize the experience for voucher holders and landlords

Are constrained by HUD regulations and compliance requirements

Can't make more frequent adjustments to SAFMR

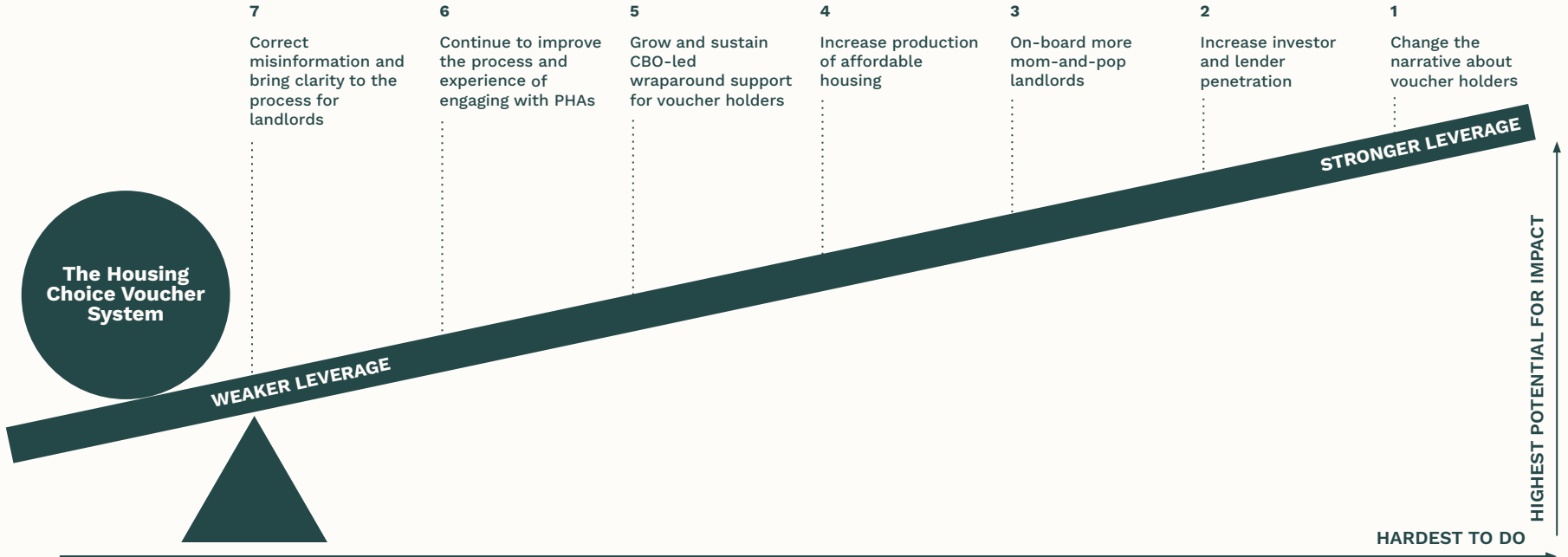
Have to balance their fixed budget authority with getting as many vouchers in circulation as possible

What needs to happen?

How to start tipping the scale?

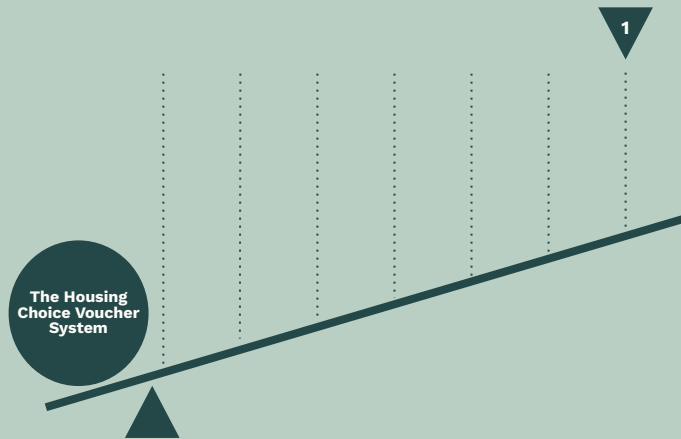
Securing housing for voucher holders in Dallas won't be a case of deleting an old system and building a new one from scratch. Instead, increasing voucher uptake in and around Dallas requires that we start changing existing relationships, dynamics, and processes to produce better outcomes for families.

We have identified a few key leverage points that we can design for to shift existing paradigms and introduce new interventions to disrupt the existing system. Ultimately, in action, these leverage points will contribute to a dynamic shift in accessing affordable housing for voucher holders.



Based on Donella Meadow's "Leverage Points: Places to intervene in the system".

Change the narrative about voucher holders



*The shift we wish
to see in future*

FROM

Perception that voucher holders
are risky and undesirable



TO

Recognition that voucher holders
are just the same as any other renter

Held biases or past negative experiences with voucher holders make landlords hesitant to participate in the voucher program. As a result, it's hard for voucher holders to find places to live.

How might we counter existing negative perceptions and rewrite a true narrative for voucher holders?

How might this look?

There is an opportunity to tell new, more accurate stories about *who* voucher holders are, *how* they are as tenants, and *why* the voucher is a helpful financial tool. Narrative change can be slow, but we have tools at our disposal to tell new stories at scale. Podcasts, videos (hello, Netflix!), and social media channels can feature profiles of voucher holders, share their journeys, and illuminate the complexities and trade-offs of having a voucher.

Most importantly, voucher holders should have access and opportunity to tell their own stories: perhaps by penning op-eds, speaking at housing industry events, interviewing with media, and testifying before elected officials.

Local PHAs and CBOs can use their platforms to highlight their clients. They can also proactively meet with neighbors (housing associations, tenants' groups), business (e.g., chambers), and elected officials to introduce the HCV program and the stories of voucher holders.

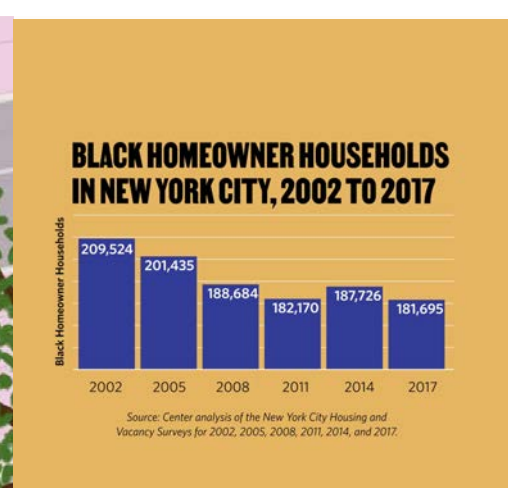
OPPORTUNITY AREA 1

CASE STUDY

The Black Homeownership Project

A multimedia student project bringing attention to homeownership resources

A collaboration between the Center for NYC Neighborhoods, DIVAS for Social Justice, and The ABNY Foundation, The Black Homeownership Project is part of a broader Affordable Housing **Youth Organizing** Program taking place in Queens and Northern Staten Island. The collaboration **created a curriculum** to educate the next generation of New Yorkers on housing history and topics such as redlining, gentrification, blockbusting, and the subprime loan crisis. The partners will engage in a **narrative campaign with homeowners** and community stakeholders to empower communities of color to invest in homeownership.



The Black Home Ownership Project features relevant for Dallas context

Youth-led, Multi-stakeholder Partnership

Nationwide, youth movements have brought attention to major challenges, from climate change to racial injustices. Organizing youth to be educated on affordable housing and to lead efforts to bring awareness to communities activates new perspectives. As future homeowners and/or renters, their buy-in for structural change is key.

Fact-driven Messaging

The campaign is informed by a recent study completed by one of the project partners and countless national resources related to Black homeownership and the racial wealth gap. A campaign rooted in facts and connected to a larger movement builds an inarguable case for the importance and relevance of the messaging.

People-led Storytelling

The campaign spotlights images and recordings of Black homeowners. Having Black homeowners themselves share their experiences directly to the audience—rather than simply quoting them in inaccessible reports or media stories—humanizes the challenges by putting a face to the problem. The campaign is hosted on a well-designed website and plans to use augmented reality, community journalism, and short films alongside the interviews with community members.

Popular Education

To socialize these narratives, the collective developed a curriculum to also build a shared understanding of who Black homeowners are and the challenges they are up against. Popular education utilizes creative activities, multiple platforms, and accessible language to meet people where they are at (online, in public places, and existing convenings).

Impact Projection

With these stories on the fore, perspectives and systems change can only move at the speed of trust. Changing long-held biases can take many years and up to a generation to see a major shift.

IMPLEMENTATION*

Easy

Difficult

REACH

Neighborhood Reach
(small scale)

City/Region Reach
(large scale)

KEY CONSIDERATIONS

City-wide collaboration between research and community groups, particularly youth

Connect stories to data and national trends

Develop programmatic and policy recommendations

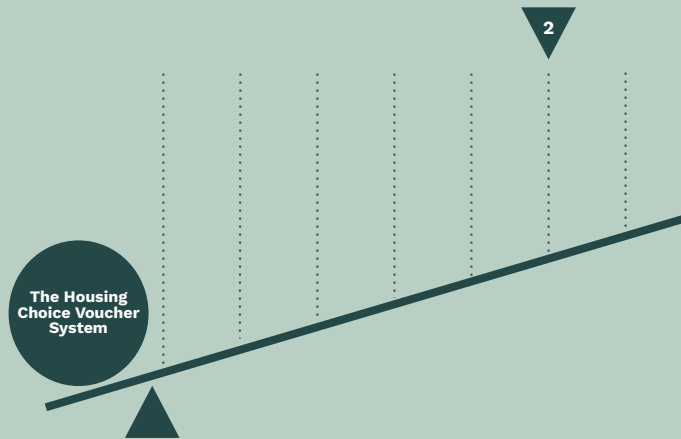
Bring stories of homeseekers across the spectrum

POSSIBLE PARTNERS

- Youth groups
- Voucher holders, renters, homeseekers
- Media partners
- Research groups and CBOs

**Implementation reflects level of difficulty of the opportunity area - see slide 76 for more. The farther to the right on the slider, the harder to do but the greater potential for impact.*

Increase investor and lender penetration



*The shift we wish
to see in future*

FROM

Investors being unaware of or hesitant to participate in the HCV program



TO

Investors encouraging or even requiring that properties in their portfolio accept vouchers

OPPORTUNITY AREA 2

Investors in and lenders to large multifamily properties wield a lot of power and can, potentially, unlock many units. Provided a compelling business case or alignment to Environmental, Social, and Governance (ESG) or Corporate Social Responsibility (CSR) objectives, investors may be willing to accept vouchers.

How might we connect with socially-minded investors to include voucher holders in their business model?

How might this look?

To increase investor penetration and appeal to lenders, relationship-building with and education for these stakeholders is key. Investors and lenders are increasingly aware of and responsive to calls for equity in their work, so the time is right to uplift the Housing Choice Voucher program as a critical and effective tool to support low-income renters.

Well established Real Estate Investment Trusts (REITs) might be tougher to access, but startup investors, historically underrepresented investors, and professional development communities for aspiring investors could be good places to start.

The bottom line matters most to investors, so lead with the business case: accepting vouchers provides revenue diversification, a helpful defense against labor market shocks.

OPPORTUNITY AREA 2

CASE STUDY

Low Income Investment Fund

Collective action to ensure continued affordability for low income residents

A joint venture with Stewards of Affordable Housing for the Future (SAHF) and National Affordable Housing Trust (NAHT) to raise \$1 billion to **build, protect and preserve** approximately 10,000 affordable homes across the country. Their innovative approach will **elevate tenant voices** and community needs when it comes to creating new developments, generating greater social impact—as well as financial return—for investors.

So far, LIIF and NAHT has launched the \$70 million (and growing) Black Developer Capital Initiative (BDCI), which will provide capital to support the growth of Black-led for-profit and nonprofit affordable housing developers.



The Low Income Investment Fund features relevant for Dallas context

Equity Business Model

This business model makes it possible for diverse affordable housing champions to increase participation in the market. Developers specifically identified barriers to access capital as a key obstacle to business growth; this initiative responds to that call for change.

The BDCI Line of Credit (BDCI LOC) was launched to provide Black developers with early capital for affordable housing projects. The program supports the business growth of typically under-resourced affordable housing developers by providing borrowers with advantageous average interest rates and by not requiring a minimum threshold for sponsor liquidity and net worth, a practice that advantages wealthier developers. To support their racial equity goals, LIIF emphasizes a developer's experience and past success rather than personal wealth.

Diversity of Funding

LIIF tapped Bank of America, Wells Fargo, Arnold Ventures, Santander Bank, and MacKenzie Scott to fund BDCI. BofA and Wells Fargo each provided each \$10 million in long-term, low-cost capital to launch the pilot program.

Each entity possess their own CSR and commitment to economic justice and/or racial equity, making this funding pool equally dynamic for achieving racial equity through affordable housing development.

Impact Projection

Reaching equity-driven investors and piloting an innovative model to increase participation in HCV would require a savvy team and dedicated time but could potentially yield significant impact.

IMPLEMENTATION

Easy

Difficult

REACH

Neighborhood Reach
(small scale)

City/Region Reach
(large scale)

KEY CONSIDERATIONS

Engage a network of local and national investors with social impact goals - develop a shared strategy

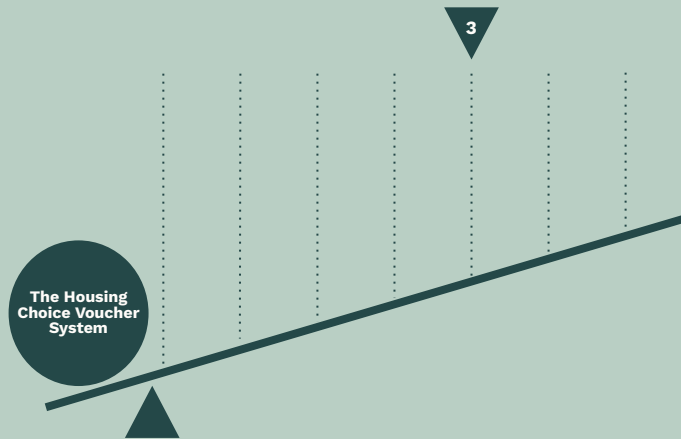
Build relationships with local M/WBE developers and design a program responsive of their needs

Leverage existing policies to advance opportunities for investor participation

POSSIBLE PARTNERS

- Investors
- Banks and lenders
- M/WBE developers
- Aspiring/start-up developers

Onboard more mom-and-pop landlords



*The shift we wish
to see in future*

FROM

Outsized administrative and
compliance burden



TO

Seamless, integrated administration and
outsourced compliance

Engaging in the Housing Choice Voucher program is harder to manage for smaller scale property owners and “mom-and-pop” landlords.

How might we provide additional supports for mom-and-pop landlords willing to accept vouchers?

How might this look?

Unlike big corporate shops, mom-and-pop landlords are diffuse, diverse, and largely uncoordinated. However, new technology platforms like Avail, specifically designed for landlords of 50 or fewer units, are making it easier to access many mom-and-pops at once.

In DFW, nearly 4,000 DIY landlords are using Avail to find and screen tenants, sign leases, and collect rent. They are already uploading relevant documents to Avail, so what if HCV vendor set-up and approval was automated through the platform? No extra hassle or additional technology to navigate through.

To ensure ongoing compliance and to help troubleshoot as needed, mom-and-pops could call on an HCV Process and Compliance Team, employed by a local housing nonprofit, for free. The team would especially come in handy when it's time to ensure a unit is ready for inspection or reinspection.

OPPORTUNITY AREA 3

CASE STUDY

Nesterly

An intergenerational home-sharing model

The City of Boston collaborated with Nesterly on the Intergenerational Homeshare Program pilot to **support affordable housing** for older adults. The pilot showed that **homesharing** is a valuable and **viable option for increasing affordability** and social connectedness. The matches were able to help offset some of the high rental costs. Nesterly created a website to match older adults with people looking for rooms to rent. Nesterly **handles vetting leases, payments, and offers human support** throughout the process.



The Nesterly Project features relevant for Dallas context

Reaching Mom-and-Pop Landlords

The City and project partners collaborated with community groups and local organizations to host informational sessions to reach a diversity of mom-and-pop landlords. Interested landlords were able to sign up directly on their website and get onboarded into the pilot by Nesterly staff.

City Government-sponsored Pilot

The pilot responded to identified needs of the city: both a rapidly aging population and a need for more affordable housing. Their hypothesis was that this pilot program would allow seniors to stay in place and provide alternative, affordable housing options for area college students. Following the pilot, the City identified areas for expansion and made 100 matches between older adults with spare rooms and people who needed a room to rent.

Digital Matching Platform

Nesterly's platform hosts the gamut of supports needed for homesharing and leasing available space. Via its website, Nesterly conducts screenings for the right fit, handles any paperwork for lease agreements, and is the intermediary for payment processing.

Building Community

This platform has an additional goal to bridge the gap across generations. Older adults living alone now have a new connection in the community and means for social interaction. This approach has the potential to improve their overall quality of life and rebuild neighbor-to-neighbor connections in a new way.

Impact Projection

Engaging small landlords will require dedicated staff capacity to begin identifying available units to lease. A similar program is best to begin on a neighborhood level before scaling.

IMPLEMENTATION



REACH



KEY CONSIDERATIONS

Understand local HCV regulations for renting rooms vs full vacancies

Conduct deep research to identify vacancy trends and rentable units

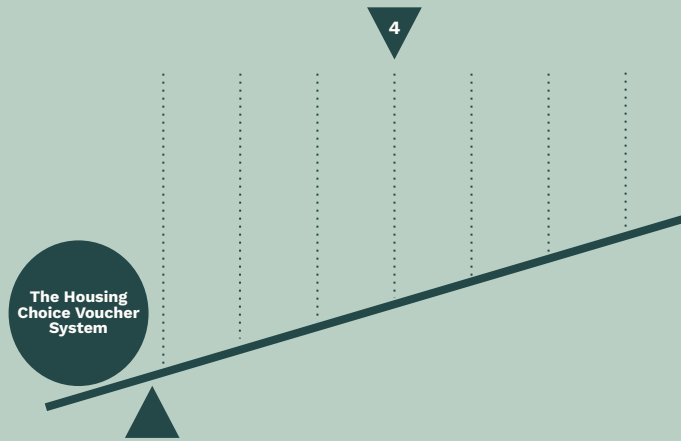
Identify a target population

Develop a strong marketing campaign to reach desired landlords

POSSIBLE PARTNERS

- Landlord outreach team or case managers at local CBOs
- Mom-and-pop landlords
- Philanthropy
- City agencies

Increase production of affordable housing



The shift we wish to see in future

FROM

An acute shortage of rental units affordable to low-income families



TO

Housing supply that better matches demand

OPPORTUNITY AREA 4

A voucher holder's housing search process is made tougher by an impossibly hot housing market in Dallas. The competition is fierce: vacancy rates are at an all time low, and demand far outstrips supply. Production can be difficult, constrained by zoning restrictions and increasing construction costs.

How might we catalyze greater production of rental units affordable to low-income families?

How might this look?

Affordable housing can mean both government-subsidized housing and also conventional housing that low- and moderate-income families can afford within their budget. In Dallas, we need more of both.

Subsidized housing is automatically required to accept vouchers – e.g., a Low-Income Housing Tax Credit (LIHTC) property cannot discriminate against a voucher holder. Exploring unique models for affordable housing and incentivizing more local developers to take advantage of government subsidies will yield more housing that is immediately accessible to voucher holders.

To grow the inventory of affordable housing that isn't subsidized, we need to get creative, especially to overcome rising construction costs. Inventive housing typologies, like micro-units, shared housing, ADUs and tiny houses, coupled with new construction techniques, like modular, 3D-printed, and recycled materials, can help us grow our housing stock.

OPPORTUNITY AREA 4

CASE STUDY

Accessory Dwelling Units

Expanding the profile of affordable housing

The Evanston Development Cooperative is a builder that specializes in accessory dwelling units (ADUs). The EDC is a local advocate for efficiently sized homes as a way to address affordable housing shortages.

In recent years, Evanston, Illinois has become an increasingly ADU-friendly city. ADUs are being used as an affordability tool in high-cost cities, especially where single-family zoning is prevalent.



Over the Garage



Garage Conversion



Stand Alone Unit



Basement or Attic Conversion

Evanston ADUs features relevant for Dallas context

Unlocking Underutilized Land

ADUs can be attached to an existing structure or exist as a free-standing structure on a property. These small independent housing units contain a bathroom, kitchen, and areas for living and sleeping.

Allowing ADUs in single-family zoned neighborhoods can help unlock underutilized land and help boost opportunities for families in high-opportunity areas. By design, ADUs slightly increase density and decrease driving distances. Their compact footprint leads to lower utility bills, as smaller spaces take less energy to heat and cool.

City Wide Investments

In 2018, the City of Evanston began the work by legalizing already existing ADUs. They continued to make headway by passing an ordinance that legalized the construction of ADUs behind any residential structure on a conforming property. By adapting zoning codes, the City made the ADUs easier to build. In partnership with the City of Evanston, Evanston Development Cooperative has developed an ADU guidebook, including a step-by-step guide from zoning analysis to move-in.

Impact Projection

Piloting new models for affordable housing necessitates City and political buy-in to reach scalable solutions.

IMPLEMENTATION

Easy

Difficult

REACH

Neighborhood Reach
(small scale)

City/Region Reach
(large scale)

KEY CONSIDERATIONS

Understand local zoning regulations on residential properties

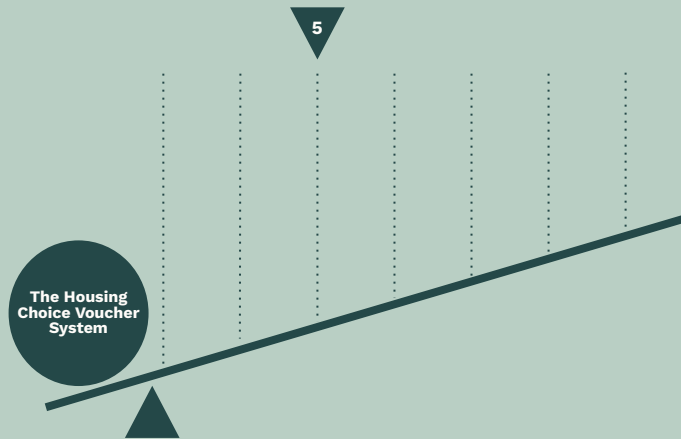
Engage homeowners to participate in advocacy to unlock buildable land

Develop strategy to grow resources needed to scale this model

POSSIBLE PARTNERS

- City of Dallas
- Homeowners with land to spare and interest in ADUs
- Homeowners associations

Grow and sustain CBO-led wraparound support for voucher holders



*The shift we wish
to see in future*

FROM

Some voucher holders have robust support, but most are on their own



TO

All voucher holders have access to tools, contacts, programs, and financial support needed to realize success

OPPORTUNITY AREA 5

Navigating HCV administrative needs, finding a unit, and settling in is hard to do successfully without support along the way. Voucher holders benefit from CBO staff who have deep process experience, a network of landlords to call on, and flexible funds to pick-up extra costs.

How might we create and sustain modes of support to make the experience as smooth as possible for voucher holders?

How might this look?

Current CBOs that offer support to voucher holders are small but mighty. They need more funding, more staff, and greater visibility to scale and sustain their models. In Dallas, there may also be room for new nonprofits to take on this function so the work doesn't fall exclusively to one or two organizations.

Comprehensive case management is expensive, so building lighter-touch models of support is also needed. PHAs could pair experienced voucher holders with new voucher holders to coach them through the process. Using online or in-person spaces, PHAs and CBOs could also convene voucher holders to build community – which has been done in the past, but COVID disrupted these efforts. To reduce the lift on case managers helping to source available units, new or improved technology tools could feature available units that accept vouchers in real time.

OPPORTUNITY AREA 5

CASE STUDY

NestQuest

A Houston based voucher mobility program moving families to opportunity

NestQuest **expands housing access** in high opportunity areas for low income families by **connecting** Housing Choice Voucher families with quality homes zoned to high performing schools. Their mission is to break the cycle of intergenerational poverty and systemic segregation in schools.



ENROLLMENT PROCESS



NestQuest staff will tour your property to determine if the rental will be a good fit for the program.



Potential residents will be directed to view your property and tours will be scheduled during a prearranged time.



When a prospective tenant has indicated that they would like to move in, NestQuest staff will schedule an inspection with the Housing Authority.



Once the unit has passed inspection, the tenant will move into your property and start their lease!



The NestQuest Project features relevant for Dallas context

Case Manager Support

Case managers work directly with families from the start of their relationship with NestQuest. They discuss housing and education needs to find the right home in their neighborhood of choice. Once moved in, NestQuest staff work with families to resolve maintenance issues, manage rent payments, and maintain the upkeep of the home throughout the duration of the lease.

Cost Per Family

In 2021, each family cost NestQuest about \$20,000 - including costs of case management, maintenance, and rent (i.e., the gap between Market Asking Rent and Fair Market Rent). They are currently working with 42 families and looking to scale.

Corporate Leasing Model

Landlords that participate in the NestQuest program are able to participate with the Housing Choice Voucher Program without having to handle any of the administrative obstacles that are typically associated with the program. NestQuest serves as the lease holder, following a typical corporate leasing model, and pays rent at the beginning of the lease start date. To align with PHA requirements, NestQuest performs their own rigorous, quarterly inspections of the leased unit to ensure property upkeep. They also act as a middleman between the property and the tenant for any maintenance needs.

Gap Funding

NestQuest often pays the difference between the asking rent and the voucher standard, usually ranging from \$12-\$200/month,

Impact Projection

Launching a new wraparound program or expanding an existing program would require significant funding and staffing capacity to scale.

IMPLEMENTATION



REACH



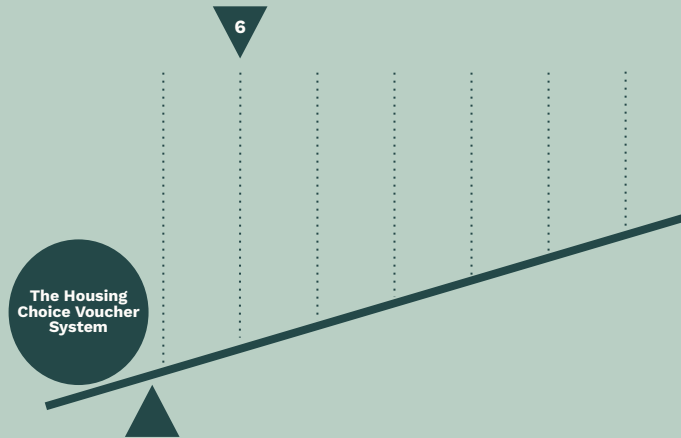
KEY CONSIDERATIONS

- Match impact to cost and fundraise to ensure long-term sustainability
- Have a dedicated and well supported staff
- Build strategic relationships with property owners to scale efforts

POSSIBLE PARTNERS

- Property owners
- Philanthropy
- CBOs
- PHAs

Continue to improve the experience of engaging with PHAs



The shift we wish to see in future

FROM

A process with pain points



TO

A smooth, seamless, and responsive process

OPPORTUNITY AREA 6

Government-designed programs can be complex, laden with red tape and moments of frustration along the way. PHAs work hard to bring order from chaos for their landlords and clients, but there's always room for improvement.

How might we surface and resolve process pains for landlords and voucher holders?

How might this look?

Through our work, we heard easy-to-solve pain points, like removing the PHA decal from the inspection van so a voucher holder isn't "outed" to their neighbors. We also heard trickier pain points, like ensuring changes to payment standards are clearly communicated in a timely fashion to both landlords and voucher holders. See slides 40-44 for process-related barriers identified through this project.

Continuously improving the process requires ongoing feedback loops between clients, landlords, and the housing authority, an open, growth mindset by the PHAs, and dedicated staff or external support that can plan for changes.

Every PHA is different, and some have modernized faster than others. Sharing lessons learned, best practices, and emerging technologies across all PHAs regionally might help us go further, faster.

OPPORTUNITY AREA 6

CASE STUDY

Value Based Care

A hospital's approach to delivering health and wellbeing differently

The concept of value-based care is one in which healthcare providers are compensated for the health and wellbeing of their patient population rather than for the number of services performed. In Salt Lake City, Intermountain Healthcare is piloting this new model of care within their not-for-profit structure. Within a local collaborative, the Utah Alliance for the Determinants of Health, they are promoting cross collaboration to increase patient health, improve healthcare access, and decrease healthcare costs. Value based care restructures the current healthcare delivery system and shifts from fee-for-service to payments tied to positive outcomes for the patient.



The Value Based Care features relevant for Dallas context

Studied Process Improvements

Historically, hospitals have focused on filling their beds and are paid based on the amount of care provided rather than the quality of care a patient receives. Ultimately, this approach has been shown to drive up the cost of healthcare without improving overall health.

The value based care model's goal is to improve public health. To confidently approach this new model of care, Intermountain is leaning on data backed science and collaboration to pursue the best methods to change their current way of delivering healthcare.

In Dallas, HCV providers should analyze the challenges in their complex system, explore data, and collaborate to try new ways to deliver affordable housing to Dallas residents.

Strategic Partnerships for Dynamic Change

Collaborating with existing users while also expanding into new partnerships offers an opportunity to see the interconnected forces informing the issue at hand. Intermountain's model to reimagine primary care required partnership with patient members and providers and resulted in reductions in hospital and emergency room admissions, yielding cost savings. They've been intentional in engaging the public in the social determinants of health to improve lifestyle behaviors and reduce preventable conditions. Finally, they've launched an alliance comprised of city, county, and state government agencies and other community-based organizations to improve health by focusing on non-medical factors that affect health such as housing instability, utility needs, food insecurity, interpersonal violence, and transportation.

Impact Projection

A better program experience requires inventive organizational design and deep partnerships. An approach to systemic change that centers equity can achieve a greater impact for participating and future families as well as property owners.

IMPLEMENTATION



REACH



KEY CONSIDERATIONS

Prioritize equity in process redesign

Bring in partners early and have representation across the ecosystem

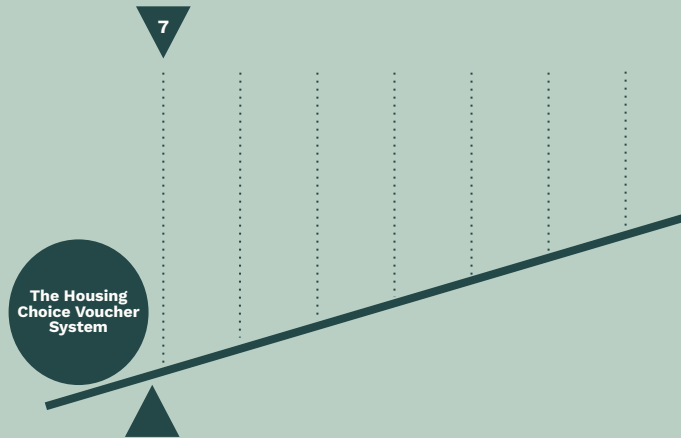
Lean in on data and dig into root causes of barriers

Emphasize quality first, then scale

POSSIBLE PARTNERS

- PHAs and HUD
- Mom-and-pop and corporate landlords
- Affordable housing advocates and CBOs
- Voucher holders

Correct misinformation and bring clarity to the process for landlords



*The shift we wish
to see in future*

FROM

Landlords leaning on myths and long ago experiences with PHAs



TO

Landlords equipped with current and accurate information about how vouchers work

PHAs have made big improvements in recent years, but many landlords don't know and may assume that the process still runs as it did years ago. Myths also exist that need to be debunked so landlords have the full truth when deciding whether to accept vouchers.

How might we update and clarify messages about the HCV process?

How might this look?

Our engagements with landlords and DHA highlighted a misalignment between current truths and common misconceptions about the HCV program (outlined on slide 39). To combat the spread of misinformation and bring clarity to the process and newer improvements, PHAs can regularly compile and socialize FAQs or myth-busters with apartment associations and other industry groups with access to landlords. CBOs and landlord engagement teams should also be equipped with the FAQs and myth-busters in order to counter them if they come up in conversation with prospective landlords.

PHAs can regularly convene landlord focus groups for feedback on how to improve and simplify communication about the HCV process. For landlords who decline to accept a voucher or who exit the program, PHAs can conduct "exit interviews" to better understand why and uncover lingering misinformation or myths.

OPPORTUNITY AREA 7

CASE STUDY

We Can Do This

A multi-million dollar campaign confronting COVID-19 misinformation

In the summer of 2020, the Department of Health and Human Services began a \$265 million campaign to promote COVID-19 prevention and encourage vaccine acceptance. Contracting two consulting firms, HHS developed a series of public service announcements for multiple media channels featuring pop-culture and entertainment figures alongside public health officials. The campaign was also featured on television, radio, print, and social media channels and focused on vaccination and prevention.



The We Can Do This campaign features relevant for Dallas context

Strategic Goal Setting

The campaign set ambitious goals to inform and correct misinformation being spread about COVID-19 and the vaccines. The goals were to explain, strengthen public confidence, and increase uptake. Sharing the right level of information to populations that would benefit most informed the best methods to distribute the messages.

Ongoing Research and Evaluation

HHS completed ongoing research to inform campaign activities: audience segmentation, daily monitoring of news and social media, secondary data scans, focus group discussions, surveys, and a weekly current events tracker. Using the rapidly changing data, the team made real-time adjustments to the campaign as they were learning.

Strategic Partnerships

The campaign connected to HHS' existing partnership networks as well as corporations, foundations, and nonprofits beyond their networks. By prioritizing working in partnership, they were able to find ways to support the needs of their target audience by meeting them where they were at and providing access to the appropriate resources that helped the campaign meet its goals.

Catered Audience Design

The campaign used a science-based approach to motivate behavior change, evolving messages based on the latest scientific information and research. Messages were specially designed to reach diverse populations that were most likely to take action to protect their health and those disproportionately affected by COVID.

Impact Projection

A campaign debunking misinformation will leverage existing PHA material and increase awareness of program facts and its benefits while ultimately working to garner greater property owner participation.

IMPLEMENTATION



REACH



KEY CONSIDERATIONS

- Identify population segments to influence
- Build relationships with community members within HCV program
- Set fundraising goal to achieve maximum impact

POSSIBLE PARTNERS

- Marketing and communications consultants
- Local PHAs, CBOs, and apartment associations/real estate industry groups
- Community members as co-designers
- Philanthropy

A way forward

Where to start tomorrow: quick(ish) wins

1	Master Sublease/ Corporate Sublease Agreements	To get voucher holders in units with the same speed as conventional renters, a third party organization (likely a nonprofit) can sign master lease agreements with an apartment and then sub-lease to voucher holders
2	Risk Mitigation Fund	A pool of funding to make repairs ensures that landlords are not financially responsible for any damage caused to a unit or any upgrades that need to be made to pass the HUD inspection; mitigation fund helps with peace of mind against worst-case scenarios
3	Close the Gap Fund	A pool of funding to bridge the gap between what the PHA can pay for the voucher standard and asking rent at a particular property so that voucher holders can access high-opportunity neighborhoods and landlords don't have to forfeit profit; fund can also help with miscellaneous costs to the voucher holders, like security deposits, application fees, etc.
4	Landlord Advocate	Peer-to-peer guidance between an experienced HCV landlord and a novice HCV landlord; landlords new to HCV will be assigned a veteran landlord to serve as a resource along the way; ideally, advocates would be paid for their time and expertise
5	HCV Process and Compliance SWAT Team	Funded and housed at a housing nonprofit, this external team could support landlords willing to accept vouchers but in need of help to get started and ensure compliance; could also conduct training for apartment staff and help troubleshoot when questions arise
6	PHA Hotline	Dedicated phone line for landlords and voucher holders to get questions answered on-the-spot
7	HCV Rent Calculator	A digital tool for HCV clients to instantly assess the asking rent of a prospective unit to determine if it meets the PHA's constraints and also works for their household budget

Unanswered Questions

Outstanding Quantitative Questions

What is SAFMR vs. Market Asking Rent by zip code for Denton, Collin, and Dallas County?

Where do voucher holders live in Denton, Dallas and Collin County?

What is the average length of time voucher holders maintain their voucher?

How many families are working toward self sufficiency and/or homeownership? I.e., what is the conversion rate of HCVs to homeownership?

What are estimated savings in other parts of the system / societal ROI compared to the expense of a voucher? I.e., what is the lifetime ROI of a voucher?

How many mom-and-pop landlords exist in and around Dallas? How many are currently using the Avail platform to manage their business?

Outstanding Qualitative Questions

How do real estate investors make investment decisions? How do ESG and CSR goals figure into decision-making? How might investors be persuaded to accept vouchers within their portfolio?

For landlords who are least willing to lease to voucher holders, what holds them back? Are there ways to overcome strong resistance?

How can homeowners associations (HOAs) help or hinder voucher holders? What is or is not permissible by HOAs as it relates to voucher holders?

What motivates a NIMBY (not in my backyard) attitude? How might we overcome it?

Opportunities for next steps and future exploration

- **Socialize this work**
Take this report on a roadshow and share learnings and opportunities with elected officials, funders, and other stakeholders.
- **Schedule future building sessions**
Schedule a future building session with the same multi-stakeholder group that participated in workshops to reflect on this report, begin designing solutions, and anchor on one or two quick wins.
- **Send a feedback survey**
In addition to sharing this report with potential stakeholders across the ecosystem, share a survey to gather additional feedback, reflections, and ideas.
- **Lead a CPAL project on a quick win**
Lead or support a design project on a quick win to demonstrate early momentum (e.g., master sublease agreements).
- **Facilitate an investor sprint**
Build relationships with investors and explore creative business cases that might yield greater voucher uptake.
- **Facilitate a mom-and-pop sprint**
Build relationships with and design solutions for mom-and-pop landlords. Meet and explore partnerships with Avail and/or other small landlord tech solutions as part of this work.
- **Plan and execute a narrative change project**
Work with an agency to develop and implement a strategy for narrative change as it relates to voucher holders. Select a target audience (e.g., GenZ/young renters), test messages, and identify what brand and medium most appeal.
- **Leverage community of voucher holders and supportive neighbors**
To expand capacity of CBOs, explore ways to leverage volunteers to help with the housing search process, e.g., similar to a CASA high-intensity volunteer model.

Increasing voucher uptake in and around Dallas will require complex systems-level change and a concerted expansion of involved stakeholders.

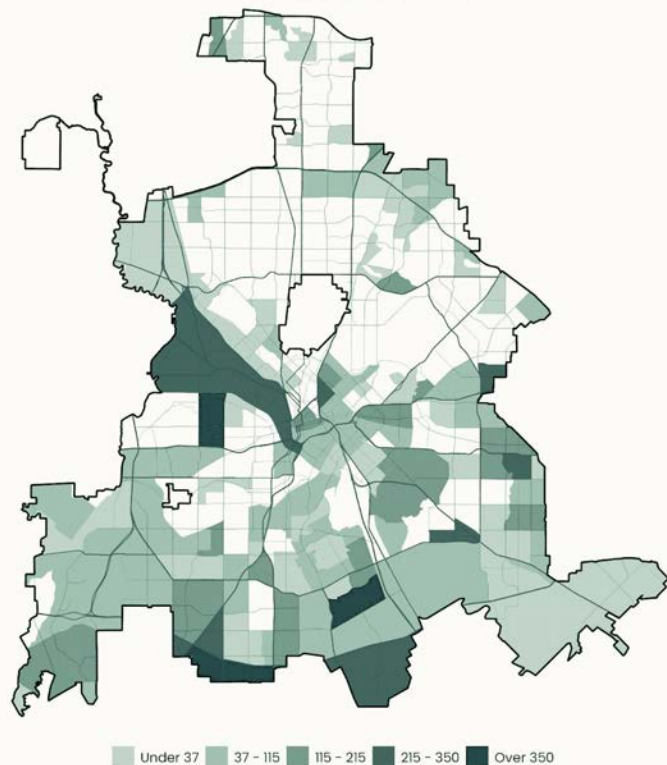
Most importantly, change requires fresh narratives about who voucher holders are. At the end of the day, voucher holders are just the same as any other renter, with similar aspirations and needs and constraints, who deserve a place to call home that they can be proud of.

Appendix

Within the City of Dallas, voucher holders are overwhelmingly housed in the **southern half of the city** and are concentrated in a handful of census tracts.

The map at right illustrates the number of voucher holders by census tract. In areas shaded dark green, 350+ voucher holders reside. In areas without shading, no voucher holders reside.

Total Count of Housing Choice Vouchers in Renter-Occupied Units

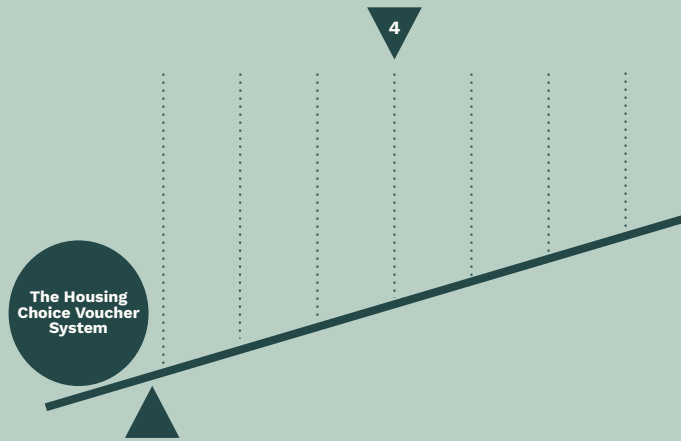


U.S. Department of Housing and Urban Development. (2021). Housing Choice Vouchers.

Other Case Studies

We have compiled a selection of case studies from across the country that are meaningfully increasing access to Housing Choice Vouchers and Affordable Housing for low- and moderate-income households. Use these for inspiration as you think about what might be useful within the Dallas context.

Increase production of affordable housing



The shift we wish to see in future

FROM

An acute shortage of rental units affordable to low-income families



TO

Housing supply that better matches demand

Community Land Trusts

A proven tool for creating and preserving affordable housing

Amid the housing crisis in Denver, Elevation CLT was established as a public-private partnership that includes the philanthropic community, public sector, private developers, and community-based organizations to create **long-term affordable** homeownership opportunities. The CLT has rehabbed and sold more than 60 homes since 2017. In early July of 2021, the land trust closed on an acquisition, which pushed its portfolio to about 300 homes with the help of **philanthropic, municipal, and land developers**. Their portfolio includes new properties across Denver, Aurora, Fort Collins, and Boulder. Elevation CLT's model includes single-family, multi-family, duplexes, multi-plex, and townhomes.



The Community Land Trust features relevant for Dallas context

Stewards and Protects Long-Term Housing Affordability

Community Land Trusts (CLTs) retain long-term ownership of land and the homeowners own the structure, while retaining a leasehold interest on land. The purchase price for homeowners is more affordable because the homeowner is only buying the house and not the land - i.e., a CLT mitigates the risk of increasing property taxes.

City-Wide Investment

Elevation CLT started out with an initial \$24 million in seed funding from a coalition of philanthropic funders. The City of Denver contributed \$3 million to acquire and rehab properties in Denver, Boulder, Fort Collins, and Aurora.

Promotes Homeownership and Equity

The land trust has sold more than 60 homes since its inception in 2017. In early July of 2021, the land trust closed on an acquisition, which pushed its portfolio to about 300 homes. Elevation CLT's goal is to acquire and sell 1,000 homes by 2027. They have made a commitment to making homeownership accessible to communities of color: as of 2021, 59% of the ECLT homeowners were households of color, and 47% of the homeowners identified as female.

The CLT's priority is to keep current residents in their homes and neighborhoods, while also putting homeownership within reach for low- to moderate-income families.

Impact Projection

CLTs require a high level of funding and community participation to begin to secure land for affordable housing preservation and development.

IMPLEMENTATION



REACH



KEY CONSIDERATIONS

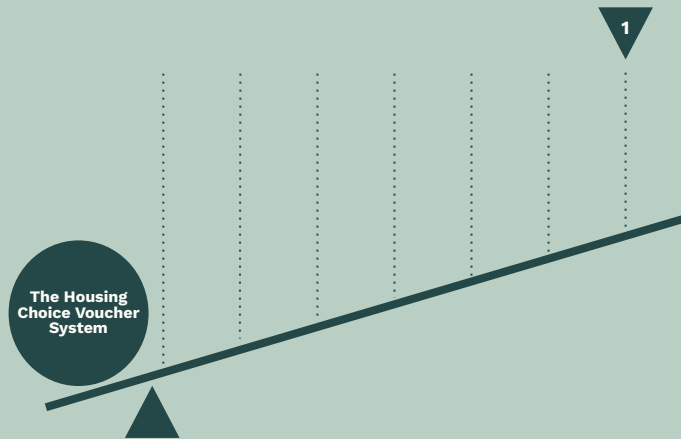
Commitment to build organizational capacity to meet ongoing operational responsibility

Confront challenges that may come with bringing residents, nonprofit corporations, municipal entities, and real estate developers together

POSSIBLE PARTNERS

- City of Dallas
- Dallas County
- Real estate developers
- Philanthropy
- Nonprofit organization as backbone for CLT

Change the narrative about voucher holders



*The shift we wish
to see in future*

FROM

Perception that voucher holders
are risky and undesirable



TO

Recognition that voucher holders
are just the same as any other renter

OPPORTUNITY AREA 1

CASE STUDY

East Harlem Neighborhood Plan

Community building through collective visioning

A **community-based process** convened to inform neighborhood rezoning. Hester Street, a community development and urban planning non-profit, provided technical planning, design and development assistance, workshop facilitation, and project management.

Neighborhood residents raised the following issues/concerns through the process: anti-displacement, **affordability based on local resident incomes**, protection of local jobs and small businesses, and long-term resiliency and planning for key community resources like schools, transportation, parks, and grocery stores.

The planning process brought together a **diverse group of residents**, which helped to build community and squash harmful or misguided narratives.



The East Harlem Neighborhood Plan

Project features relevant for Dallas context

Community Building

Visioning and planning processes include community members from varying backgrounds and experiences. Successful sessions build intentional community and surface differences, identify ways to deepen connections, and develop creative solutions to meet needs while also combating learned biases. Hester Street held 7 community visioning sessions which resulted in 60+ recommendations to improve neighborhood conditions.

Community as Expert

Community members come with lived and professional experience that can be leveraged to solve problems in collaboration with technical experts. Collaborating with agencies with the funding and decision-making power to make change, these planning processes can achieve a shared community vision and push the needle to meet identified needs.

Connection to Resources

Community members felt compelled to continue participating because the visioning and planning process was directly connected to funding and programs facilitated by City agencies. Knowing their volunteered time would result in real change and having transparency about next steps was critical to meaningfully engage the community.

Impact Projection

Neighborhood planning sessions can serve as spaces to address common challenges and bring together people with different socioeconomic backgrounds to challenge preconceived biases. These can work on neighborhood-level or a City-wide scale.

IMPLEMENTATION

Easy

Difficult

REACH

Neighborhood Reach
(small scale)

City/Region Reach
(large scale)

KEY CONSIDERATIONS

Balance surfacing issues and developing a vision with building community that can be sustained post planning period

Encourage a participatory and community-led process

Build in mediation tactics and allow for shared learning

POSSIBLE PARTNERS

- Local CBOs
- Diverse residents
- Area PHAs and other city agencies
- Local housing developers, landlords, and property owners

OPPORTUNITY AREA 1

CASE STUDY

Our Homes, Our Health

A national campaign bringing attention to local issues

A national campaign activating grassroots organizing efforts to call for a multi-platform **policy agenda to support affordable housing**, prevent displacement and evictions, and connect housing to the ongoing economic and health crisis.

The Our Homes, Our Health campaign seeks to bring **national attention** to the housing crisis and provide tangible examples of how local communities are impacted and can benefit from policy change and overall **narrative shift** of who is being most harmed by this crisis.



The Our Homes, Our Health campaign features relevant for Dallas context

Striving for Social Change

The campaign connects the issue of housing discrimination and unaffordability to social determinants of health. The campaign calls for protections for renters and homeowners and builds solidarity across different statuses of residency and ownership. While seeking immediate change, the campaign supports the advancement of lasting solutions via a housing justice platform.

Name Recognition

Powered by PolicyLink, a research and action institute dedicated to advancing economic and social equity, the campaign is supported by a number of nationally recognized and respected equity-driven organizations. Likewise, the campaign has received public support from powerful political figures. Being supported by trusted organizations and national leaders has allowed the campaign to gain traction in the media and amongst localities across the US.

Multi-scale Campaign

The campaign is comprised of community based organizations across the US leading their own nuanced campaigns for fair housing. This national network of local organizations coming together demonstrates the systemic challenges that many localities experience and the need for greater policy change. These local campaigns and national movement seek to advance a long-term strategy from different angles with shared messaging and the same root issue: wealth inequality.

Impact Projection

A national campaign done in collaboration with local movements across the country can influence dominant narratives and policy change. An approach at this scale will require building relationships with other organizations and political leaders. It has the promise to reach hundreds of thousands of people nationwide.

IMPLEMENTATION

Easy

Difficult

REACH

Neighborhood Reach
(small scale)

City/Region Reach
(large scale)

KEY CONSIDERATIONS

Map existing Dallas or statewide housing and economic justice movements and key players

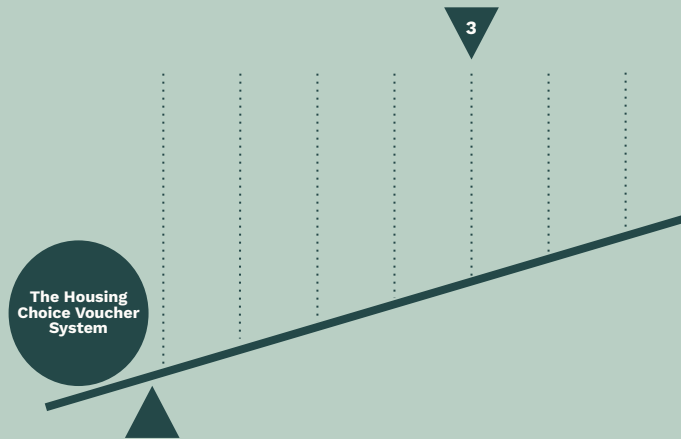
Build relationships with organizations and leaders working on comparable campaigns

Invest in a multi-media marketing strategy

POSSIBLE PARTNERS

- Local CBOs
- Tenant unions and housing organizing groups, e.g., Texas Tenant Union
- National partners focused on housing justice
- Marketing and communications consultants

Onboard more mom-and-pop landlords



*The shift we wish
to see in future*

FROM

Outsized administrative and
compliance burden



TO

Seamless, integrated administration and
outsourced compliance

OPPORTUNITY AREA 3

CASE STUDY

The Homecoming Project

A sharing economy model for formerly incarcerated community members

Non-profit organization Impact Justice is adapting the **Airbnb model** to design a solution for formerly incarcerated community members in Alameda County, Oakland, California. Hosts are **homeowners with extra space** (ground floor rental units and/or unused bedrooms) who receive financial subsidy. Both the host and returnee receive **ongoing support** with communication, collaboration, and problem solving.

The organization received a \$2.5 million award in 2020 to both expand the Homecoming Project in the Bay Area and create a model for other cities to replicate. In their first two years, they worked with 27 participants, costing ~\$10,000 for each participant. With the additional funding, they plan to place 120 people returning home from prison.



The The Homecoming Project features relevant for Dallas context

Reaching Mom-and-Pop Landlords

By focusing engagement efforts on homeowners within a certain county, Impact Justice builds relationships with homeowners in target neighborhoods where families may have personal experience with returning citizens. By doing targeted outreach, Impact Justice builds a database of available units and rooms. These efforts become scalable models applicable in other neighborhoods.

CBO Screening and Matchmaking

Impact Justice handles all the paperwork and all the technical needs that come with renting out a room or unit. They complete the screening and matching process to ensure the right fit. They also have a dedicated team providing ongoing support, resources, and mediation for all participants.

Building Relationships

The Homecoming Project brings together neighbors who may in other settings not have engaged with each other. Bridging a “social divide,” the Homecoming Project reminds participants and their neighbors that every person is deserving of affordable, safe, and stable housing.

Impact Projection

Building relationships with prospective landlords within a target neighborhood will require a strategic outreach strategy, dedicated staff, and funding to subsidize rent costs. It is a small-scale model that can have important impact.

IMPLEMENTATION



REACH



KEY CONSIDERATIONS

Understand local HCV regulations for renting rooms vs. full vacancies

Have a dedicated team to conduct deep research and outreach to identify vacancies and rentable units

Identify a target population

Develop a strong marketing campaign

Consider landlord incentives to increase participation

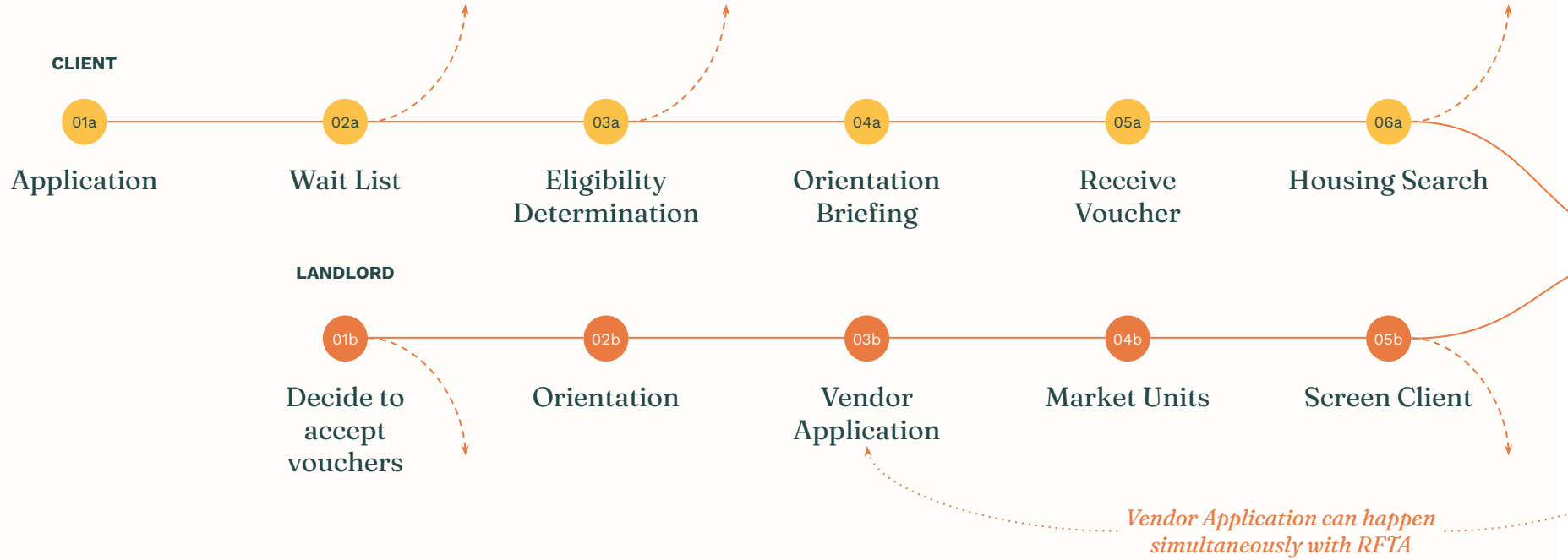
POSSIBLE PARTNERS

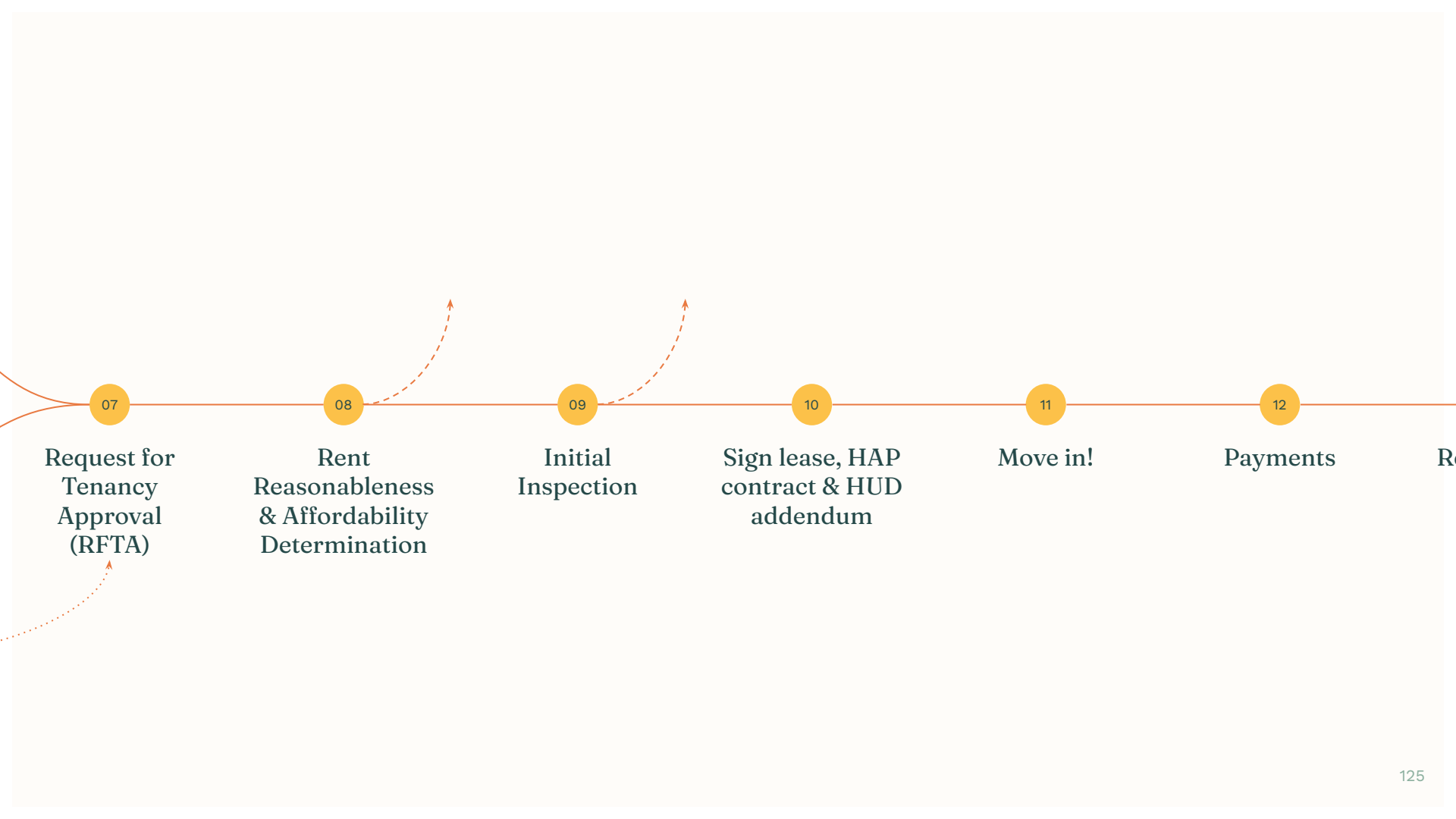
- Landlord outreach team or case managers at local CBOs
- Mom-and-pop landlords
- Philanthropy

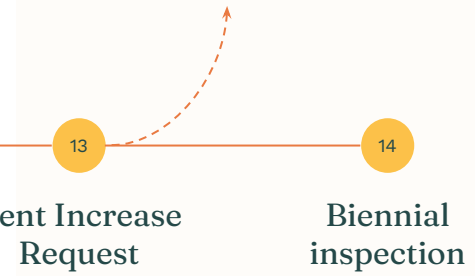
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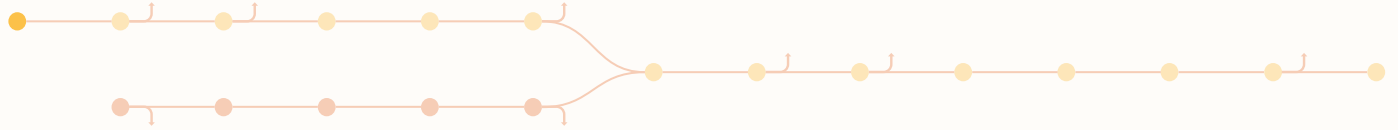
Housing Voucher Process at DHA

PROCESS





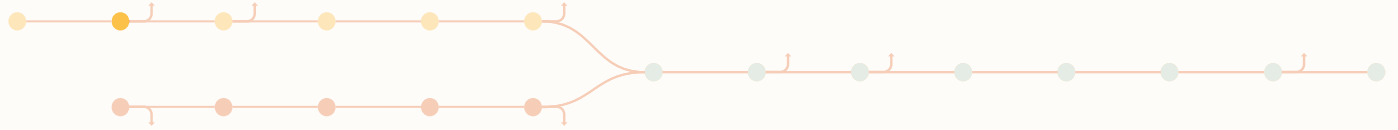




Application

HOW IT WORKS

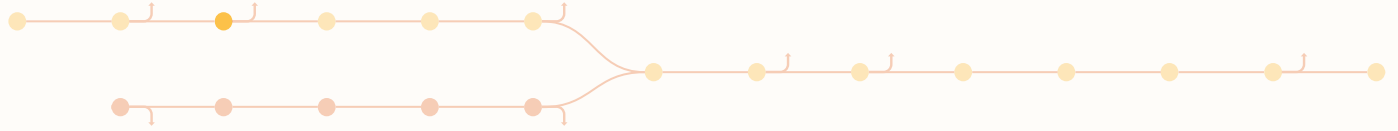
- Potential clients find out about vouchers via the website, newspaper, word of mouth, community partners, and service providers
- The application is online and requires:
 - Name
 - Address
 - Email
 - Family members
 - Household income



Wait List

HOW IT WORKS

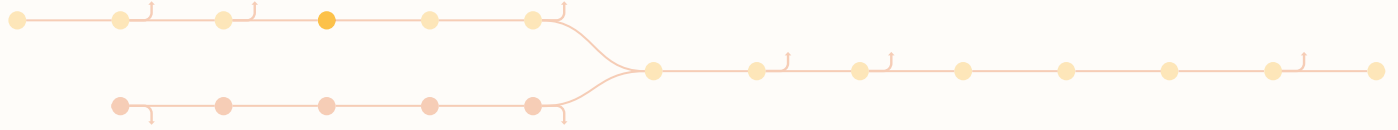
- Clients can be on the waitlist for up to 18 months, but then it's purged. Clients are informed and can re-apply
- Clients can check the status of their application in the client portal



Eligibility Determination

HOW IT WORKS

- A client may be denied a voucher if their application is missing documentation, if they have previously been terminated from a Section 8 program, and/or if they have been evicted from public housing within the last 5 years
- If a client is denied a voucher, DHA sends a notice to the client with the reason for the denial
- A client who has been denied can reapply

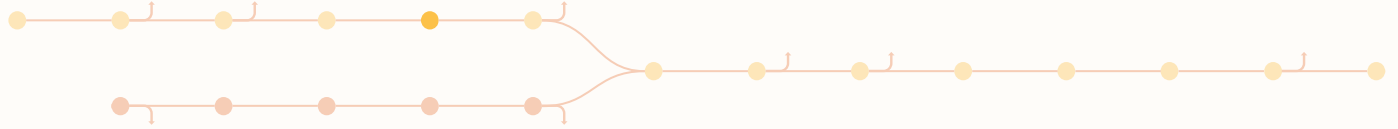


Orientation Briefing

HOW IT WORKS

- DHA sends the client a video briefing of a caseworker explaining how the voucher program works and the process of affordability calculation
- Community based orgs like ICP are introduced
- Client receives a “cheat sheet” that provides a rent range

See Step 08 — Rent Reasonableness & Affordability Determination



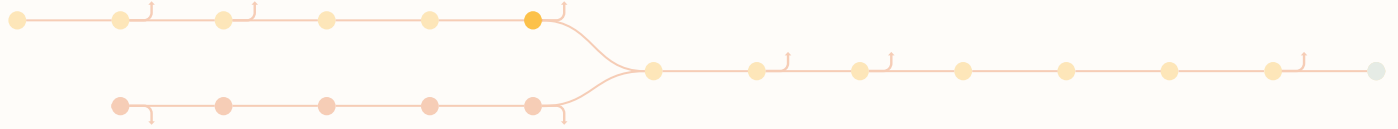
Receive Voucher

HOW IT WORKS

- Generally, the client has 90 days to use the voucher in the rental market
- For clients with special vouchers, e.g., VASH, they have 120 days to use the voucher in the rental market
- Extensions may be granted on a case-by-case basis
- Assigned case manager becomes primary point of contact between client and DHA going forward
- Case managers may change based on the phase that the voucher holder is in, e.g., recertification vs relocation

OPPORTUNITIES

- Tool to automatically calculate value of voucher based on criteria (including family size and income)



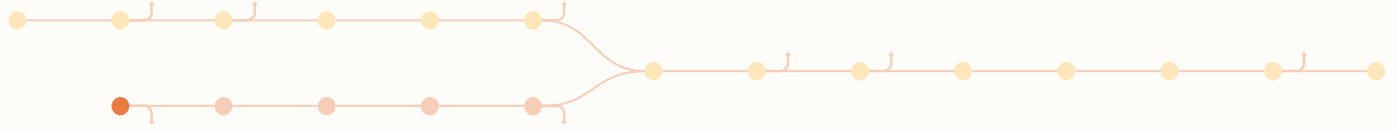
Housing Search

HOW IT WORKS

- Client looks for apartment listings online or by driving around looking for “For Rent” signs
- Case managers and housing navigators can also look for units
- Sources for lists of properties that accept vouchers:
 - TDHCA tax credit property list
 - Bob.ai - if tenant finds a unit on Bob.ai, they can chat directly with the landlord
 - ICP mobility counseling
 - MDHA Landlord Engagement Team

OPPORTUNITIES

- Comprehensive digital list of properties that accept vouchers, updated in real-time with the fast-moving market



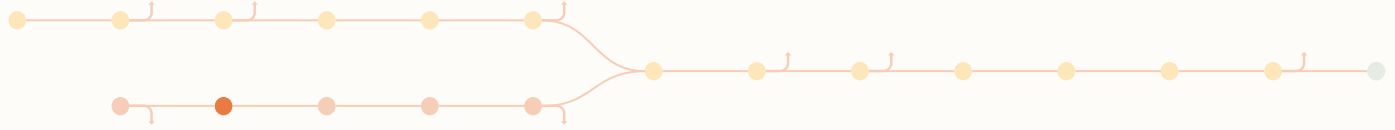
Decide to Accept Vouchers

HOW IT WORKS

- Determine whether or not to accept vouchers, consider:
 - Intended hold period horizon
 - Target return
 - Amount of investment in the property that needs to be recouped
 - Consumer perception of voucher holders
- Get approval from owners to be agent that receives vouchers (*due to sophisticated ownership structures, property manager may have to get written approval from many entities*)

OPPORTUNITIES

- Create creative business cases and incentives to convince investors and owners to accept more voucher holders
- Streamline the approvals process with owners



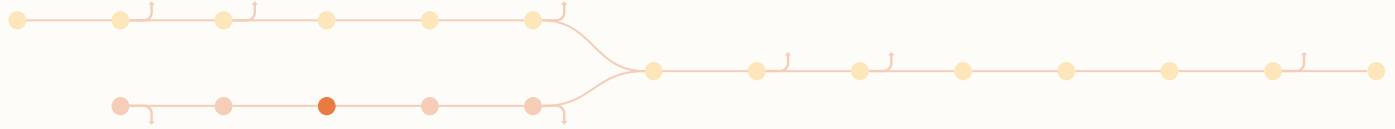
Orientation

QUESTION

When is a landlord assigned a case manager at DHA? Does the landlord have a direct point of contact?

OPPORTUNITIES

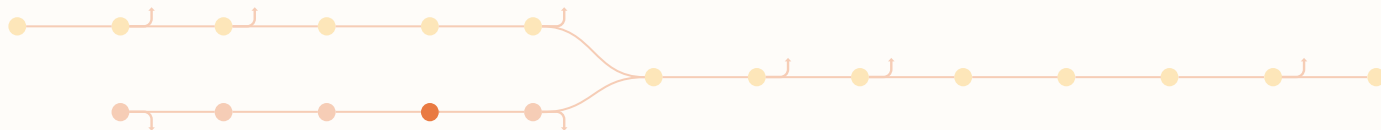
- Education on what vouchers are/how they work and who voucher holders are
- Introduction to various tech tools/platforms that a landlord will need to navigate



Vendor Application

HOW IT WORKS

- Application happens online in Bob.ai
- Application can happen simultaneously with leasing and inspection
- Vendor submits ID, SSC, W-9, SS44 (IRS letter), recorded deed, voided check, ACH Information, management agreement
- Approval takes between 1 day and 2 weeks, depending on owner submitting documents

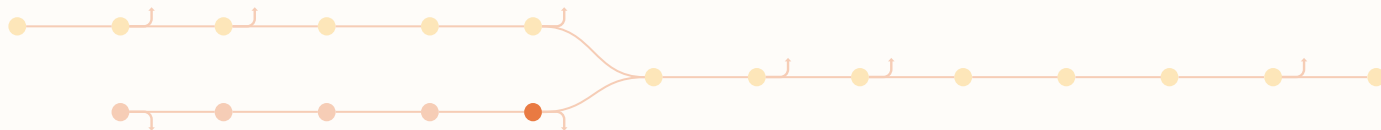


Market Units

HOW IT WORKS

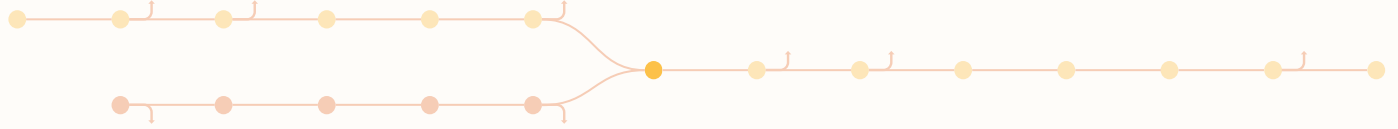
- Landlords can advertise available properties specifically to voucher holders via tools like [AffordableHousing.com](https://www.affordablehousing.com) and Bob.ai
- Landlords who specialize in affordable housing may proactively reach out to a housing authority to let them know when units are available
- Some landlords may not want to advertise that they accept vouchers on a property

Screen Client



HOW IT WORKS

- Landlord receives rental application from potential tenant
- Landlord screens tenant against apartment's screening criteria
- If renter is qualified, the rental application is approved and the process can move on to RFTA



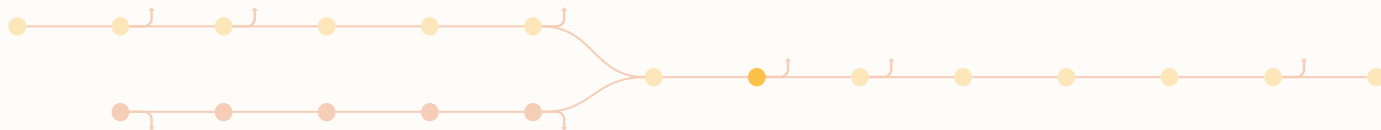
Request for Tenancy Approval (RFTA)

HOW IT WORKS

- Landlord and client fills out the RFTA form online (via Bob.ai)
- Vendor application may also begin at this stage
- Property manager holds the unit vacant while process continues

OPPORTUNITIES

- Holding the unit vacant costs time and money; many landlords would rather rent to someone who can complete the process and move in right away



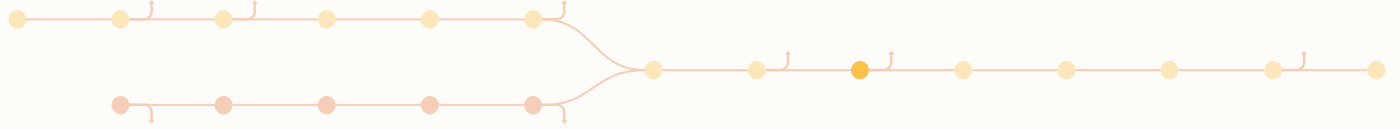
Rent Reasonableness & Affordability Determination

HOW IT WORKS

- Landlord sends DHA proposed rent
- DHA assesses rent based on affordability and reasonableness
- Affordability is based on client's monthly adjusted income;
 - Client must pay minimum of 30% but not more than 40% of income in rent
- Reasonableness is based on comparable units in the same zip code and of same size
 - DHA's current payment standard is 100% of HUD Fair Market Rent (FMR), can go to 120% for clients with disabilities
 - The FMR includes utilities
- DHA approves or declines proposed rent; if approved, process continues; if declined, then landlord counter-offers or ends process

OPPORTUNITIES

- Payment standards often don't keep up with what landlords can charge for non-voucher tenants
- Landlords may feel frustrated if DHA won't approve rent that's slightly above what the payment standard will allow; some CBOs step in to pay the difference (e.g., NestQuest)



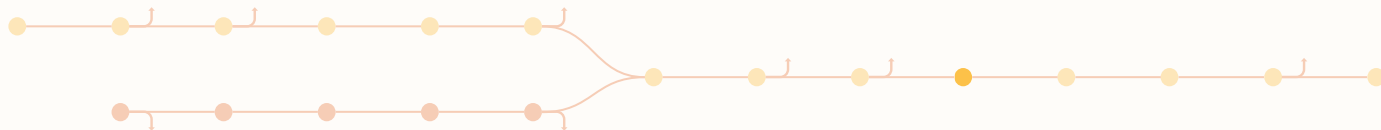
Initial Inspection

HOW IT WORKS

- Inspection is scheduled within 1-5 days of rent confirmation
- DHA inspects the unit virtually
- If pass, then the contract is initiated
- If fail, then remediate deficiencies and schedule re-inspection within 21 days

OPPORTUNITIES

- In convention rental market, make-ready process takes 5-10 days and then tenant can immediately move-in; with inspection process, this might be delayed
- Inspections may vary depending on who is conducting the inspection



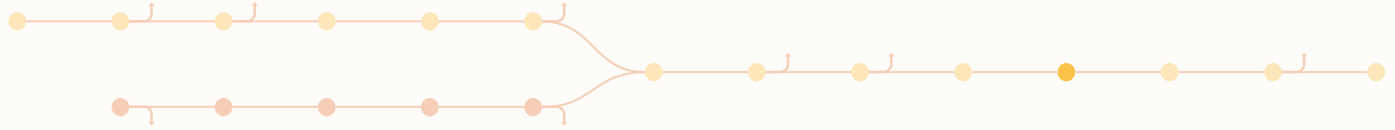
Sign lease, Housing Assistance Payment (HAP) contract & HUD addendum

HOW IT WORKS

- Client signs landlord's lease agreement
- Landlord countersigns lease agreement
- Landlord signs HAP contract and HUD addendum in Bob.ai (later viewable in Yardi)

QUESTION

Is the HAP contract the same as the HUD addendum? If not, what's the difference?



Move in!

HOW IT WORKS

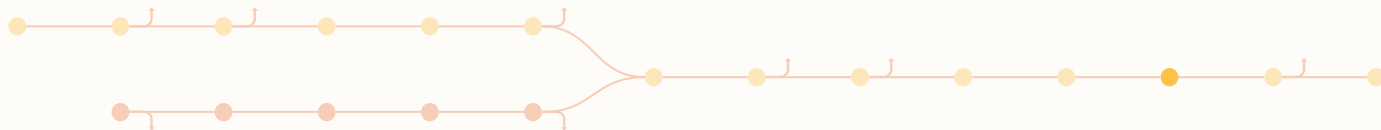
- DHA Relocation Team sets move-in date

QUESTION

When does the tenant move in? First of the month, or as soon as possible?

OPPORTUNITIES

- Scheduling a move-in date can be tricky: the client must be compliant on the lease they are moving from (i.e., client can't end lease early to move into a new unit)



Payments

HOW IT WORKS

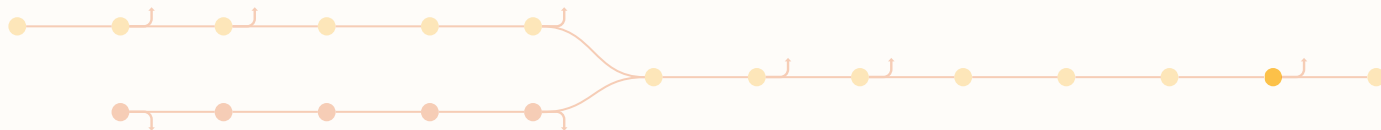
- First payment to landlord is sent by check on the 1st or 15th of the month
- Subsequent payments are sent by direct deposit
- If the client's income changes, their portion of the rent also changes

OPPORTUNITIES

- Depending on when the client moves in, there might be a delay for the first payment
- When the share of rent coming from the client versus DHA changes, landlords must account for the adjustment

QUESTION

Are subsequent payments also sent on the 1st or 15th only?



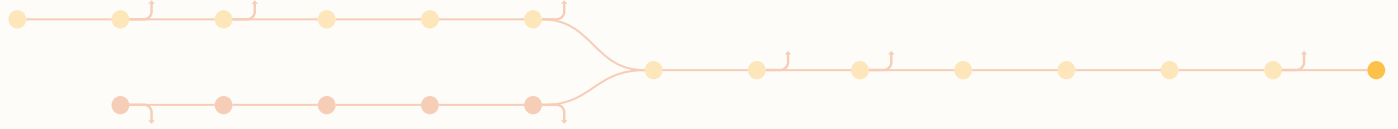
Rent Increase Request

HOW IT WORKS

- Landlord sends renewal offer to client and DHA at least 60 days before the lease expires
- DHA approves or declines renewal offer; if approved, process continues; if declined, landlord counter-offers or decides to non-renew the lease
- Rent Increase Request process can be done in 20 days

OPPORTUNITIES

- HUD establishes Fair Market Rent once a year in October. Landlords, however, may use revenue optimization software to update their rents daily to keep pace with market conditions



Biennial Inspection

HOW IT WORKS

- Landlord may do a pre-inspection of their own to identify and remediate issues
- Inspection is scheduled
- DHA inspects the unit virtually
- If fail, then remediate deficiencies and schedule re-inspection within 21 days
- If the unit passes the initial inspection on the first try, then DHA may move to a biennial inspection