

Incentives For Landlords to Rent to Households Being Served Through Homelessness Assistance Programs



Vacancy Payments

The Housing Alliance of Pennsylvania is publishing this document as a discussion guide for increasing partnerships with and providing incentives for landlords to rent to households overcoming homelessness.

WHY

The rental housing market is competitive. There are more renters in need of a place to live and rent than there are rental units affordable to them.

Therefore, landlords can screen out tenants, making it more difficult for those that have experienced homelessness that often have barriers such as poor credit, no income, income less than three times the rent, past evictions, and having a criminal record.

Homelessness assistance programs can use landlord incentives to help retain landlords and attract new landlords in renting to lower income individuals and families.

These incentives can offset the potential or perceived added time and costs of renting to households overcoming homelessness that may be otherwise screened out by a landlord due to their little to no income, poor rental history, and/or criminal history.

WHAT

A vacancy payment compensates landlords who hold a unit for a tenant working with a homelessness assistance program for the loss of rental income that may arise from delays due to inspection and documentation.

The vacancy payment is meant to ensure that a landlord continues to rent their units to low-income households receiving rental assistance from a specific program.

WHO

The vacancy payment is made directly to a landlord. This incentive is of considerable value in maintaining the supply of community-based affordable housing by maintaining the pool of existing landlords working with homelessness assistance programs as well as other rental assistance programs.

Case Study

Montgomery County, PA

Your Way Home Montgomery County offers a holding fee to landlords who have agreed to rent to eligible tenants and are waiting for inspections to be complete. Landlords receive a “holding fee” equal to the monthly rent up front. The hope is that inspections will be complete in a months’ time but in extenuating circumstances the holding fee can be offered up to three months. This incentive is funded through philanthropic grants. The upfront “holding fee” has helped Your Way Home remain competitive against the private market and maintain their existing pool of landlords. Kayleigh Silver, Administrator for Your Way Home Montgomery County shared, “The investment is worth it. The up-front good faith effort is worth the risk of the unit not passing inspection.”

Your Way Home Montgomery County is the county’s unified and coordinated housing crisis response system for families and individuals experiencing homelessness or at imminent risk of homelessness. In 2018, Your Way home implemented a general landlord a general financial incentive that was capped at \$500. As time progressed, the incentive program was given more structure, the funding increased and was targeted towards a risk mitigation approach to allow for payments for damages above and beyond the security deposit and rent reimbursement for in the event the tenant damaged and /or abandoned the unit.

Then in 2020 the landlord incentive program evolved to include a vacancy payment advertised as a “holding fee”. It was the beginning of the COVID 19 pandemic and Montgomery County, as so many other communities were seeing a significant and rapid increase in demand for rental housing. There was growing concern that homelessness assistance programs were no longer able to compete with the private market. Offering an upfront “holding fee” allowed Your Way Home to not only maintain their existing pool of landlords but continue to recruit new landlords as well.

The Housing Alliance is a statewide coalition working to provide leadership and a common voice for policies, practices, and resources to ensure that all Pennsylvanians, especially those with low incomes, have access to safe, decent, and affordable homes.

We promote common-sense solutions to balance PA’s housing market and increase the supply of safe, decent homes for people who have low incomes.