

INCENTIVIZING LANDLORDS TO ADVANCE EVICTION PREVENTION

Incentives are used across the public and private sectors to influence behavior. In local government, incentives often fall into two categories: financial incentives such as tax credits and non-financial incentives like streamlined development review or entrepreneurial support. Increasingly, local governments and agencies are investing in eviction prevention and turning to incentives to encourage more participation in eviction diversion, mediation programs, and education sessions.

WHY CITIES SHOULD CARE

Mom-and-pop landlords are critical partners in eviction prevention and housing stability, and they face their own vulnerabilities and challenges. Small, independent property owners own more than 71 percent of the nation's total rental units, according to the [2018 Rental Housing Finance Survey](#). These independent landlords are the [predominant providers of our nation's naturally occurring affordable housing](#), and are more likely than larger landlords to be [Black, Indigenous and People of Color \(BIPOC\)](#) and lower income themselves.

Cities need to rethink their strategies for engaging with and incentivizing mom-and-pop landlords to participate in eviction prevention programs to support vulnerable tenants and landlords as well as to advance housing stability. When implemented effectively, incentives can constructively engage landlords in local eviction prevention efforts and improve landlord, tenant and city relationships.

RECOMMENDATIONS

KEEP A BALANCED CARROTS-AND-STICK APPROACH. Many cities have overly punitive approaches to engaging mom-and-pop landlords. Cities should work on establishing stronger “carrots” which can be both financial and non-financial incentives.

EXPERIMENT WITH INCENTIVES. There are many different types of incentives and what will motivate one landlord will not necessarily motivate another. Be intentional about being inclusive of different landlord voices, such as landlords of color, landlords with limited-English proficiency, etc., and test different incentives to figure out what works and what does not.

GATHER COMMUNITY INPUT AND EVALUATE INCENTIVE EFFECTIVENESS.

Gather qualitative and quantitative information on the efficacy of different incentives. This means getting direct input from landlords on how likely they are to change their behavior based on different incentives.

HIGHLIGHT BENEFITS OF EXISTING PROGRAMS AND POLICIES FOR LANDLORDS.

Many landlord incentives or benefits already exist but may not be presented or branded in a way that landlords perceive as beneficial. Consider reframing existing programs to increase participation.

WHAT TO EXPECT FROM THIS TOOLKIT

This toolkit will provide cities and their partners an overview of what incentives are, ideas for how to incentivize landlords to engage in eviction prevention, examples of effective incentivization strategies or tactics and considerations as cities experiment.

◆ **An Overview of Incentives**

- ◆ What are incentives?
- ◆ Why use incentives?

◆ **Incentives and Outcomes Examples**

◆ **Evidence-Based Incentives**

- ◆ Community input before piloting an incentive
- ◆ Evaluating incentive effectiveness

◆ **Reframe Existing Programs and Policies**

- ◆ Highlight and coordinate all landlord-oriented help from public and nonprofit sources
- ◆ Landlord benefits from programs marketed towards tenants

◆ **Conclusion**

An Overview of Incentives

WHAT ARE INCENTIVES?

An incentive can be anything that persuades an entity (an individual, an institution, etc.) to alter its behavior. Incentives typically appeal to people's intrinsic or extrinsic motivations. Intrinsic motivations tap into personal satisfaction or enjoyment instead of external factors like rewards or punishment. Intrinsic motivations might appeal to someone's sense of moral responsibility, for example. Extrinsic motivations are driven by external rewards, such as money or the avoidance of punishment.

Some common examples of incentives used in local government include:

- ◆ **Tax incentives:** A city might offer companies tax credits to entice them to relocate, expand or remain in the locality.
- ◆ **Grants/subsidies:** A city might offer any homeowner who pays to install solar panels on their roof a check for \$1,000.
- ◆ **Fines:** A city will fine a residential property owner for violating local housing codes.
- ◆ **Rewards:** Promotion as a "good" landlord, or a "good" tenant.

While many of the incentives we traditionally think of in local government appeal to extrinsic motivations (e.g., money, punishment), this toolkit argues for a more expansive view of incentives that appeal to a range of motivations.

WHY USE INCENTIVES?

Many incentives broadly related to eviction prevention are extrinsic, such as providing a risk mitigation fund to rent to tenants with a history of evictions or fining landlords for violating housing codes. While these incentives can prove effective in some cases, mom-and-pop landlords are not motivated solely by extrinsic incentives.

Several cities have leveraged the "rewards" model, including Tulsa, OK. Through the [Gold Star Landlord Program](#), participating landlords are advertised and promoted as the city's best landlords and property managers. They are also provided with access to a host of other benefits, such as expedited emergency rental assistance application processing and access to a dedicated staff person to help answer questions. This not only rewards the behavior of "model" landlords but sends a strong signal to other landlords in the community that just as bad behavior is punished, good behavior gets rewarded too.

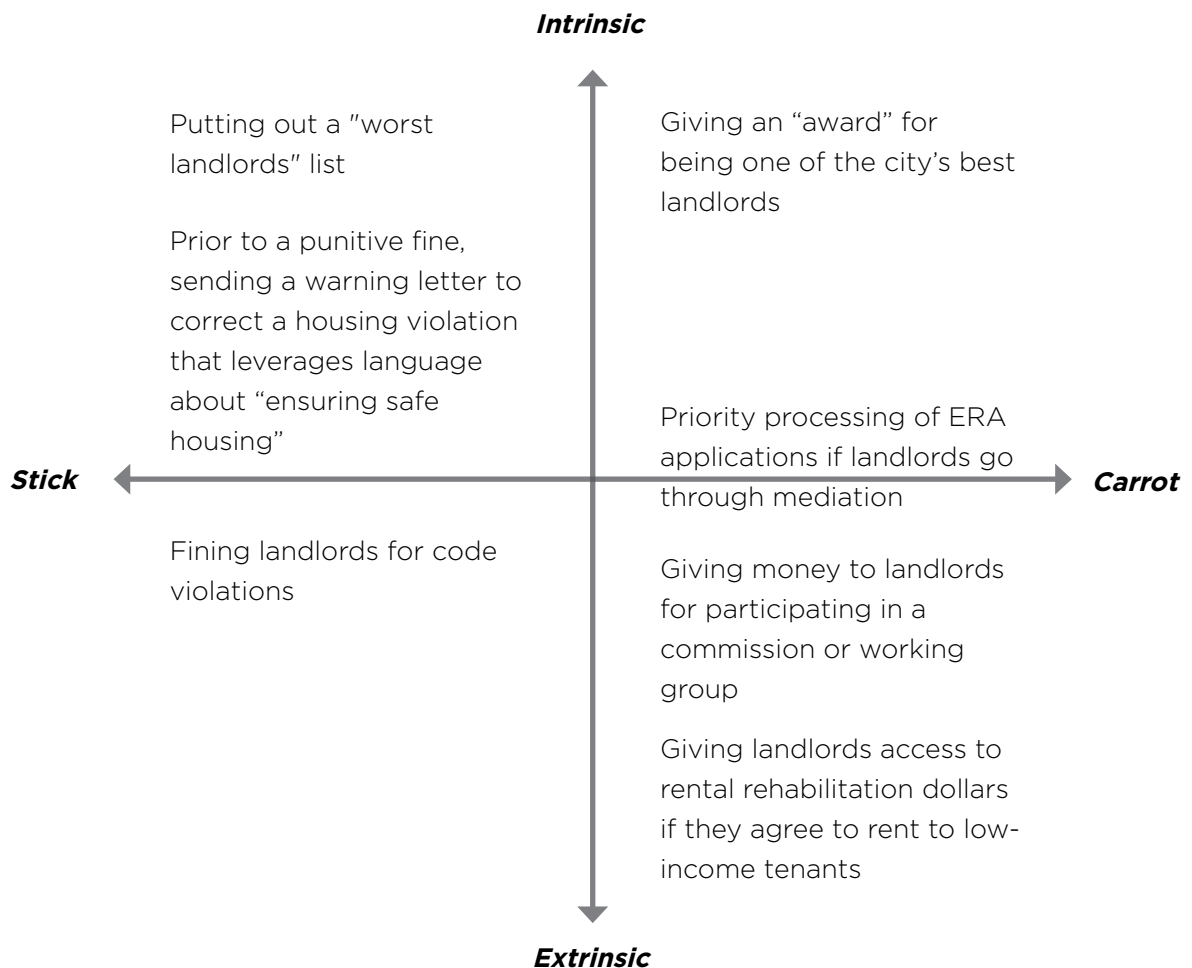
Sometimes, landlords may feel that cities more often side with tenants because many programs are framed as supportive of renters (eviction diversion, emergency rental assistance, mediation, etc.). Such programs also benefit landlords, but the emphasis is often placed on protecting tenants.

Some reframing of existing programs can help landlords see eviction prevention programs as more mutually beneficial (see the section [Reframe Existing Policies and Programs](#) for more information). In addition to reframing existing programs, cities can incorporate new incentives that encourage landlord participation in eviction prevention programs while highlighting that they are mutually beneficial.

Incentives can also prove effective when cities move beyond some of the most common carrot vs. stick framing. Some cities have begun to employ “nudge theory,” an emergent field of behavioral science and economics.

“Nudges” are carefully designed prompts and activities that encourage better outcomes by leveraging how people naturally think and feel. For example, [Syracuse, N.Y. nudged people who were behind on property tax payments](#) by sending them courtesy letters with a handwritten note on the envelop. Across the trials, the city managed to collect approximately \$1.5 million in additional revenue.

Intrinsic vs. Extrinsic Incentives on a Carrot-and-Stick Continuum



Incentive and Outcome Examples

Below is a sampling of city programs that have leveraged incentive(s) and what outcomes the incentive(s) intend to achieve. In some cases, programs will combine multiple types of incentives.

CITY AND STATE PROGRAMS

MINNEAPOLIS, MN

[4d Affordable Housing Incentive](#)

Incentive: Lower tax rate; solar energy incentives

Desired Outcome: Keep housing units affordable

Qualified building owners that agree to keep a minimum of 20 percent of units per building affordable to households making 60 percent of Area Median Income (AMI) for ten years will receive 10-year eligibility for a 40 percent tax rate reduction on qualifying units. These units are also eligible for free energy efficiency and healthy homes assessments and qualify for solar energy incentives.

TULSA, OK

[Gold Star Landlord Program](#)

Incentive: Credibility/award; promotion; fast tracked access to services; free advice and help; access to city staff

Desired Outcome: Landlord participation in housing stability and quality programs such as the Tulsa Safe and Healthy Homes Program and Early Settlement Mediation Program

The City of Tulsa's Gold Star Landlord Program provides incentives and rewards for landlords and property owners who engage in best rental practices. This voluntary program is free and helps advance quality housing and eviction prevention, as well as build better relationships between landlords, tenants and the city. By participating in the program, landlords are promoted as "Gold Star Landlords" and gain access to city staff, prioritized processing of applications to the city's emergency rental and utility assistance program, can receive landlord incentives funded by the [Affordable Housing Trust Fund](#), and referrals of tenants who have completed the Housing Solutions' Housing Stability Certificate program.

TULSA, OK**[Landlord-Tenant Education Resource Center](#)****Incentive:** Free advice and help**Desired Outcome:** Landlords are more likely to actively seek assistance and participate in eviction prevention programs like the Early Settlement Mediation Program

Housing Solutions' Landlord-Tenant Resource Center launched the [Social Services Hub](#) which provides resources for landlords and tenants experiencing financial hardship or struggling with other housing-related issues. At this hub, landlords can schedule in-person mediation with a tenant through the Early Settlement Mediation Program and access legal services through the Lawyer Referral Program.

GLENDALE, CA**[Landlord/Tenant Ad Hoc Committee](#)****Incentive:** Program and policy influence; money**Desired Outcome:** Landlord feedback on city policies; improve communication and outreach

The City of Glendale's City Council and Housing Authority established a Landlord/Tenant Ad-Hoc Committee. This Committee was created to 1) provide a forum in which City renters and rental housing providers could raise issues of concern, 2) review City policies and provide recommendations to the city council and 3) provide additional community outreach and education. The Committee includes three tenants, three landlords and one community member, each appointed to a 12-month term. Each member of the committee receives a \$50 stipend for each monthly committee meeting they attend.

TOLEDO, OH**[Rental Rehabilitation Program](#)****Incentive:** Matched funding for code-related repairs; 10-year, forgivable loan at 3 percent interest rate**Desired Outcome:** Maintain existing rental stock for low- and moderate-income families; improve quality of affordable rental stock; lead remediation

The City of Toledo's Rental Rehabilitation Program is available to owners who want to rehabilitate 1-to-4-unit buildings. To qualify, the units must be occupied by, or reserved for, low- and moderate-income households. As part of this program, the city will match up to \$12,000 per unit for code related repairs or up to \$16,000 for lead remediation.

SAN DIEGO, CA**Landlord Engagement and Assistance Program****Incentive:** Signing bonus; contingency fund; access to city staff**Desired Outcome:** Landlords rent to San Diego residents experiencing homelessness

The Landlord Engagement and Assistance Program incentivizes landlords to rent to families and individuals experiencing homelessness. As part of the program, landlords are eligible for a pre-inspection certification; \$500 payment for the first apartment rented and \$250 for each subsequent unit rented to an individual or household experiencing homelessness; access to a contingency fund to help landlords cover expenses upon move out such as repairs that exceed security deposits; security deposit and utility assistance; application and credit check assistance; and access to a landlord liaison to help answer any questions. Landlords who participate in the program receive access to a “[Landlord Portal](#)” that includes information such as unit inspection results, ledger balances, pending payment and abatement holds, caseworker assignments, forms such as change of address, etc.

OREGON STATE**Rent Guarantee Program****Incentive:** Risk mitigation fund**Desired Outcome:** Landlords rent to low-income households

The Rent Guarantee Program (RGP) provides rental assurance as an incentive for landlords to rent to lower-income tenants who experience specific barriers to obtaining housing. Landlords are eligible for payments up to \$5,000 per eligible tenancy and can receive payment for unpaid rent, damages beyond normal wear and tear, and other damages. In return, landlords must rent to tenants with annual household income no greater than 60 percent of the area’s median income; those experiencing specific barriers such as poor credit, history of eviction or criminal history; or those who have been a ward of the state. All eligible tenants must have completed a Tenant Readiness Education Course that covers topics such as landlord/tenant law, fair housing rights and responsibilities, what makes a good tenant and tips for moving in and out, among other topics. According to [data from November 2022](#), of the 2,754 individuals who received a tenant education certificate, only nine individuals have needed a payout for unpaid rent, eviction and/or property damage costs for a total of \$22,540.62 claims paid.

Evidenced-Based Incentives

Not all incentives are created equal when it comes to effectiveness. A broad array of social, cultural, psychological and economic factors influences how people respond to incentives. When poorly designed or implemented, [incentives can backfire](#) and actually diminish the very behavior the incentive is meant to encourage. For example, when day care centers in Haifa, Israel, began fining parents for late pickups, the number of tardy parents doubled. This is why it is critical to focus on evidence-based incentives.

A recent example from [U.S. Department of Housing and Urban Development-sponsored research](#) provides interesting insight into the efficacy of incentivizing landlords and how to use different forms of evidence to design incentives. The Marin Housing Authority (MHA) convened a landlord advisory committee to brainstorm solutions and incentives given that voucher holders struggled to find landlords willing to accept their vouchers.

A working group made up of county and MHA officials and local landlords designed the [Landlord Partnership Program](#), which leveraged incentives like security deposit assistance, vacancy loss coverage and damage loss mitigation. By identifying the reasons landlords were hesitant to rent to voucher holders, the MHA was able to increase tenant's voucher success by 22 percent between June 2015 and 2018.

COMMUNITY INPUT BEFORE PILOTING AN INCENTIVE

Community input and feedback is crucial when launching any new incentive program pilot. Depending on resources and timeline, cities can pursue small-scale means of achieving community input or undertake more deliberate and comprehensive methods.

COLLECT INPUT THROUGH 30-MINUTE FEEDBACK SESSION(S)

Ask landlords or related stakeholders if they have time for a 30-minute Zoom or a coffee chat. This could be 5-10 landlords, or more if the city has time and capacity. You can ask them to keep the conversation confidential.

- ◆ In the first 10 minutes, present the basics of the proposed program:
 - ◆ Explain the incentive(s).
 - ◆ Describe who will benefit from the incentive(s).
 - ◆ Outline the intended result(s) of the incentive(s).
- ◆ Then in the next 10 minutes, ask for their reactions. This can help you gauge if the program, messaging, and design are clear enough to your audience.
 - ◆ Can you tell me what the program is about?
 - ◆ How would you describe it to a friend?
 - ◆ What would you change?

- ◆ What would make it more engaging or valuable?
- ◆ In the final 10 minutes, ask more broad questions:
 - ◆ How might this program go wrong?
 - ◆ Might anyone oppose it or be upset by it?
 - ◆ Who might misuse it?
 - ◆ What racial equity implications are missing in the program design?
 - ◆ What else would you recommend we do? Invite them to play the ‘policy-maker’ or ‘program designer’ role

FACILITATE LARGER-SCALE FEEDBACK SESSION(S)

Your team might run similar feedback sessions in a more organized and thorough way. This might be through town halls, community Zoom meetings or focus groups that use a similar feedback structure but with a much larger quantity of responses. A team could even undertake a listening tour of 25 or 30 stakeholders employing similarly structured one-on-ones. One-on-one feedback often provides more honest and thorough responses.

CONDUCT LARGE-SCALE SURVEYS

If you have the capacity, distribute a short survey in which the proposal is presented along with a simple yes/no or scaled 1-5 questions. Include questions like:

- ◆ Would you use this?
- ◆ Would you recommend it to a colleague?
- ◆ How much value would it provide you?
- ◆ Do you have any recommendations on how to improve it?

Without a facilitator explaining the proposal, respondents may misunderstand components of the program and give misinformed assessments. Additionally, many respondents may experience “survey fatigue” and response rates may suffer if the survey is too long.

Whatever your situation, it is crucial to get this input and to include community representatives from different segments of your audience. For example, ensure you are getting feedback from groups who may have limited English proficiency, those with different rental portfolio sizes and those in different types of neighborhoods. Consider the specific barriers and needs these different groups face (for example, those with limited English proficiency) and make the necessary accommodations to capture their perspectives.

EVALUATE INCENTIVE EFFECTIVENESS

Sound evaluations help measure the impact of your program and policy. If executed well, you can identify the most successful parts of your program and understand what works for different groups. That understanding ensures funding is spent most effectively on programs that work.

IDEAL SCENARIO: RANDOMIZED CONTROL TRIAL

In an ideal world, cities would be able to conduct [randomized control trials](#) to test different interventions against a “control” group – a group that does not have the option of the incentive. Randomized control trials are considered the most reliable and rigorous way to evaluate the effectiveness of interventions, because the methodology isolates the cause/effect relationship between an intervention and its impact.

For example, the City of Syracuse, NY, used a randomized control trial to test the efficacy of modified notices and modified notices plus a handwritten note. They [ran two separate trials](#) to test the impact of a general courtesy notice and a courtesy notice with a personalized handwritten note against no additional notices at all (the control).

REALISTIC SCENARIO: QUALITATIVE FEEDBACK AND ADMINISTRATIVE DATA

More realistically, cities are constrained due to resources and time, and conducting a randomized control trial might not prove feasible or efficient. But cities can use two pivots – separately or in tandem – to still conduct meaningful evaluations.

Real world pivot: Collect qualitative data through interviews

Do not forget how important and compelling it is to hear from landlords themselves. Consider holding interviews and focus groups to get direct feedback from landlords. For example, you can present landlords with different options and ask how likely they would change their behavior based on each intervention. Based on these results, the city can choose the intervention landlords are most responsive to.

Once the incentive is available, the city can ask landlords (both those who decided to participate and those that declined) questions like “What do you think you would have done if you had not learned about the incentive program?” or “Why did you not choose to participate in this program?”

Interview and focus group participants should, where possible, receive compensation for their time. This will not only increase participation but show a good faith effort by the city to engage landlords and signal that their opinions are valuable.

Real world pivot: Administrative data

For incentives that aim to increase landlord participation in programs, records of programmatic data such as the number of participants, retention rates or the number of mediations prompted by the incentive offer significant insights even if the city cannot conduct a randomized control trial. In this case, capture relevant administrative data before the incentive is made available and at a few points after (e.g., one month after, three months after, six months after).

For example, a city might want to increase participation in a landlord education program by giving landlords \$250 for successful completion. After six months, they may find there is a 35 percent increase in landlord participation. While the city will not be able to say with statistical certainty that the incentive – \$250 for successful completion – increased participation by 35 percent, the city can make a reasonable conclusion that the incentive likely made an impact on participation rates. This is where qualitative data may help augment the city’s findings by asking landlords for feedback on what influenced their decision to participate.

Evaluation is mostly about information management. Be clear from the beginning what your information management strategy is, and make sure to document your logic alongside the data. It is much easier to collect the data on an ongoing basis than to try to retroactively decide how you will conduct evaluation.

Reframe Existing Policies and Programs

Consider what existing programs, policies or services benefit landlords. Spotlight these existing initiatives to your landlord community, emphasizing the value they might receive.

Mom-and-pop landlords that have not had extensive relationships with city government agencies or courts are particularly likely to be unaware of different resources, funding, self-help and information that already exists for them. By highlighting and coordinating all landlord-oriented help from the city and other nonprofits, your team can show how government agencies can assist landlords and develop constructive relationships.

HIGHLIGHT LANDLORD RESOURCES ACROSS SECTORS

Coordinate with staff across the city and nonprofit partner organizations to compile a comprehensive list of programs available to landlords and evaluate the benefits offered by each. Create a webpage or a guide that highlights city-supported or local nonprofit resources for landlords, including information such as:

- ◆ **Court self-help staff** can assist landlords without an attorney to understand their rights, fill in forms, respond to lawsuits and deal with legal issues that arise.
- ◆ **Landlord training** that landlords can attend or complete at their own pace. Let landlords know what it takes from both landlords and tenants to build a successful rental relationship, what programs are available from the city to support landlords and the ways to address challenges if they arise.
- ◆ **Neighborhood data** can help them understand the local housing market and opportunities.
- ◆ **Model leases** they can use to make sure that the leases they give to new tenants is legally compliant and vetted.
- ◆ **Landlord-tenant laws** that clearly outline city and state regulations and landlords' responsibilities under these laws.
- ◆ **Rental rehab programs** that can provide funding in the form of grants, zero-interest loans, etc., to rehabilitate rental units.
- ◆ **Housing navigators** that can help landlords and their tenants deal with problems that arise, stay on top of new opportunities for government support, etc., but do not provide legal support.
- ◆ **Community and pro bono mediators** can help landlords and tenants resolve problems and come to agreements to ensure their relationship is stable and strong.
- ◆ **Rental registries** can help level the playing field between landlords and property managers that strive to keep their units up-to-code and provide safe housing for their renters and the minority of landlords and property managers who are more negligent. Rental registries can also give landlords a better line of communication with the city, providing easier access to information and resources.

HIGHLIGHT HOW LANDLORDS BENEFIT FROM PROGRAMS TYPICALLY MARKETED TOWARD TENANTS

You can also explicitly make the argument about why some programs often marketed in tenant-oriented framing can also serve landlords. Some of the programs offering mutual benefits (but often touted in terms of tenant protections) include model leases, mediation programs, diversion initiatives and emergency rental assistance.

You might consider re-messaging or re-branding existing policies and programs to appeal to landlord motivations. Examples include:

- ◆ **Save money and trouble by preventing problems before they start.** Use these local mediation programs to resolve problems that might be developing with your tenants. Mediation can stop conflicts from escalating, save you from having to go to court or deal with attorneys and repair your relationship with tenants.
- ◆ **Worried your tenant might miss next month's rent?** There are local emergency rental assistance programs (ERAP) that can make sure your tenant stays on track. This money can help your tenant get through a period of instability and ensure you can pay your housing costs. Contact the local ERAP agency as soon as possible to see if you can use the rental assistance program to make sure no one falls behind on housing costs.
- ◆ **Want to avoid the hassle and conflict of court?** Explore the city's eviction diversion program, which helps landlords and tenants work out mutually agreeable plans to solve a problem they may be having about unpaid rent or lease violations. Diversion programs can get landlords what they want without the cost and risk of going through a full trial, appeal and set-out process.

Conclusion

With some creativity and willingness to engage landlords, tenants and other stakeholders, cities can get a better understanding of landlord motivations. With a more nuanced understanding of these motivations, cities can design more effective incentives and nudges, and reframe how certain programs are advertised to increase landlord participation in key eviction prevention programs. Mom-and-pop landlords are a critical stakeholder in rental housing in America and being willing to experiment with new ideas may help advance housing stability, support vulnerable tenants and landlords, and build better relationships.