

# Landlord Engagement Update

July 2024



SCOTTSDALE  
**COMMUNITY  
SERVICES**



CITY OF  
**SCOTTSDALE**

# Research Summary: Addressing Housing Needs in Scottsdale through Landlord Engagement

The City of Scottsdale supports housing affordability and sustainability through a variety of programs supported by federal and local funds. Federal funds from the Department of Housing and Urban Development provide monthly rental subsidies for renters and family self-sufficiency with low-to-moderate income residents. Local dollars promote housing stability through the Housing Partner Program.

The City faces a pressing need to provide access to healthy, safe, and decent housing for its residents, particularly those participating in the Housing Choice Voucher (HCV) program (formerly section 8). A comprehensive outreach strategy has been initiated by Scottsdale Housing Authority to engage landlords and increase the utilization of available vouchers.

Scottsdale has specific challenges to housing affordability. Land costs are high and residents enjoy excellent property values. Current standards for open space and low-density development, building setbacks, higher parking ratios and quality building materials specifications were all created to maintain Scottsdale’s vibrancy and character, but they increase housing costs as shown in figures 1 & 2. There is an expectation by residents that nearby development will be of equal or greater value. Controversial redevelopment or infill development can extend public hearing and approval processes. Like much of our region and the nation, wages are not keeping up with increases in housing costs.

Figure 1

Median Home Value by Census Tract

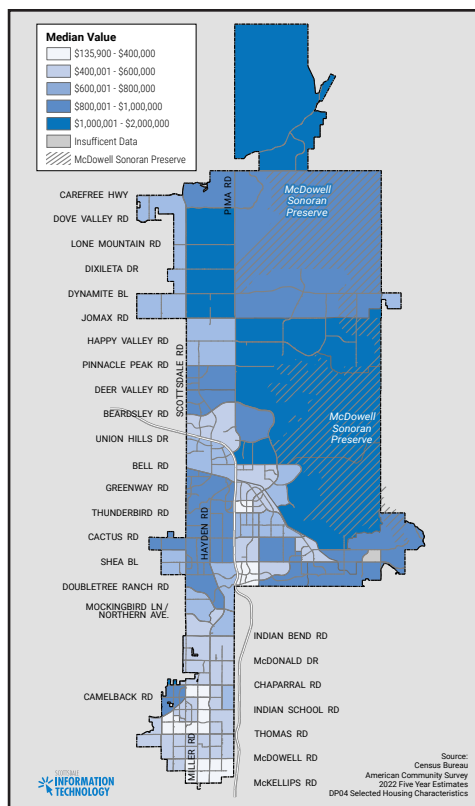
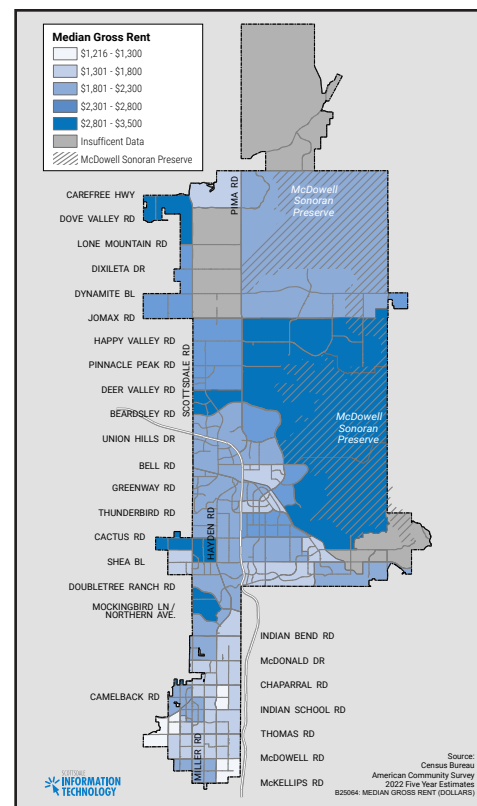


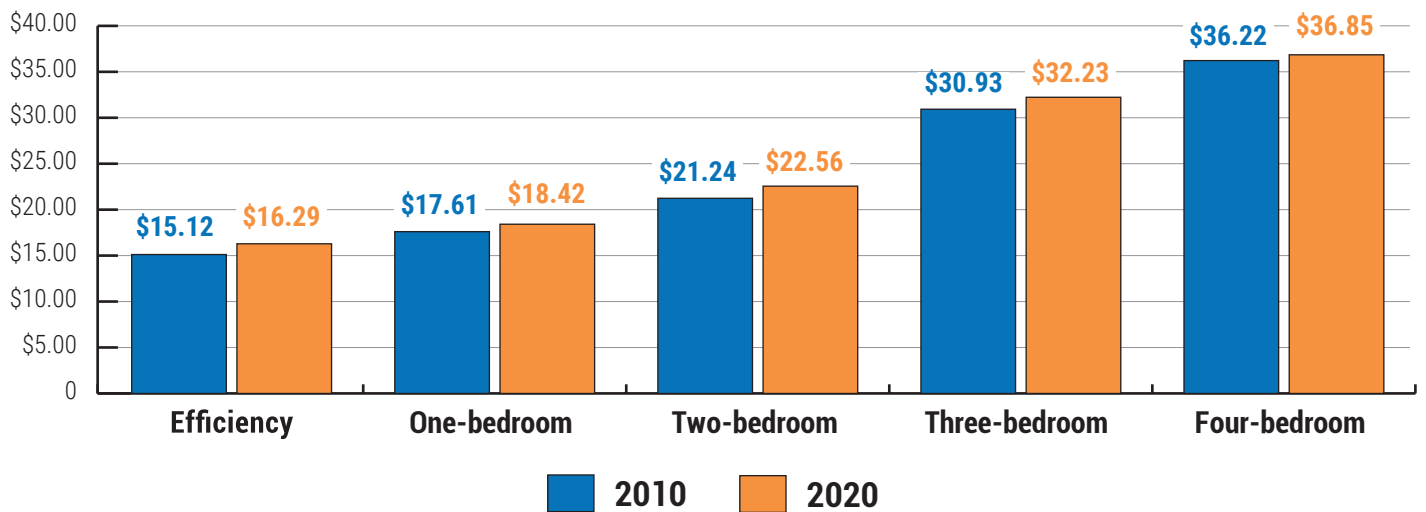
Figure 2

Median Gross Rent by Census Tract



The housing market in Scottsdale, mirroring national trends, is marked by high demand and low supply. This imbalance has led to housing shortages, escalating home prices, and rents, exacerbating affordability issues as shown in figure 3. The Scottsdale Housing Agency possesses 735 Housing Choice Vouchers, 20 Foster Youth-to-Independence vouchers, 34 Emergency Housing Vouchers, and 15 Veterans Affairs Supportive Housing vouchers. Yet, the full utilization remains at approximately 69% and our goal is to achieve a 98% utilization rate. While 69% is still over 500 people and families served, we are still not able to serve everyone on the program.

**Figure 3**  
**Required Hourly Wage to Afford Varying Rental Housing Sizes in Scottsdale Using HUD's Fair Market Rent in 2010 and 2020**



A Housing Inventory and Affordability Analysis conducted in June of 2022 revealed prospective homebuyers face limited options unless they earn over 120% of the Median Family Income (MFI). Scottsdale grapples with shortages in affordable housing, leaving low-wage earners (50% MFI and below) struggling to secure rental or ownership options as shown in figure 4. The Phoenix metro area is ranked 12 out of the 25 most populous cities for cost of living. In Scottsdale, apartment rent is on average 15% higher than Phoenix. Furthermore, a substantial portion of the housing stock is dedicated to seasonal use, further straining availability for full-time residents.

**Figure 4**  
**Number of Housing Unit by MFI Level for Scottsdale, June 2020**

MFI Level	Owner-Occupied Gap	Renter-Occupied Gap	Total
Affordable (0-30%)	(5,533)	(3,294)	(8,827)
Affordable (30-50%)	(5,376)	1,858	(3,518)
Affordable (50-80%)	(5,392)	9,402	4,010
Workforce (80-120%)	(2,836)	1,645	(1,191)
Market (120-200%)	4,624	(5,428)	(804)
Luxury (+200%)	14,533	(4,183)	10,350

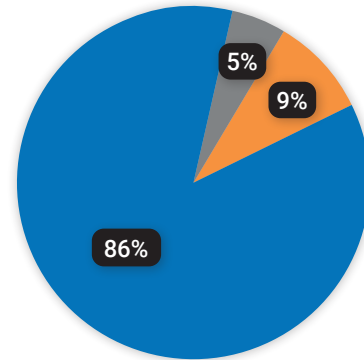
# Initiatives, Outreach and Outcomes

To address these housing challenges, the Scottsdale Housing Agency embarked on a comprehensive strategy involving outreach, incentives, and landlord engagement. The City's Landlord Engagement Initiative has increased housing options for Scottsdale HCV participants. It is a proactive link between the Scottsdale Housing Agency and landlords with vacant rental units. The initiative offers private sector or nonprofit landlords financial incentives and guarantees, as well as rapid response to their concerns.

Many potential landlords are unfamiliar with the Housing Choice Voucher (HCV) program as shown in figure 5. In 2022, as a part of the Landlord Engagement Initiative, a new position was created, the Landlord Liaison. The Landlord Liaison's role is to actively advocate for the Scottsdale Housing Agency, researching affordable housing trends, analyzing data, educating landlords on the benefits of the HCV program, introducing and administering landlord incentives, and maintaining relationships with local partners such as realtor associations.

At the conclusion of the FY 23/24 year, the implementation of the Landlord Engagement Housing Partner Program has resulted in the **addition of 96 units** for HCV participants with 10 units pending and the addition of **17 new landlord partners** joining on the program with 4 partners pending. Over the month of April/May there have been **5 new apartment complexes** that now accept HCV participants, with the total unit count of 405 units at those locations that could potentially be used for HCV participants. Furthermore, the success rate of new voucher holders finding a unit has increased. In quarter one of 2022 the average usage rate was 29% meaning only 29% of the issued vouchers were able to be used. This increased in 2023 to an average rate of 55% with the **peak usage rate in August at 79%**. The increase in utilization is due to an increase in available units, more participation from landlords, eviction moratorium freeing up more stock, and Phoenix passing a Source of Income Discrimination Ban. Multifamily property owners in Phoenix also owned sister properties in Scottsdale and were persuaded to accept the voucher holders source of income.

**Figure 5**  
**Have you heard of the City of Scottsdale's HCV Program?**



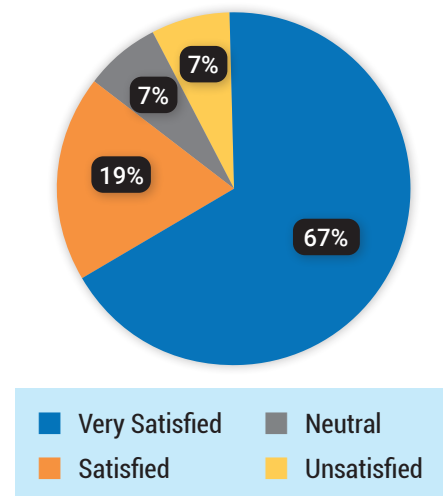
- Yes, familiar with the program
- I have heard of it, but I don't know much about the program
- No, not familiar with the program



In late 2023, a targeted questionnaire was sent to all current landlords who participate in the HCV program. The goal of this questionnaire was to collect valuable data and feedback on the Housing Partner Program, which aims to strengthen relationships and improve satisfaction among our landlord partners. The questionnaire contained multiple choice and short answer questions covering key areas such as awareness of the program and the incentives offered. By gathering direct input, we identified areas where landlords feel the housing agency excels, as well as opportunities for improvement.

Current landlords participating in the program have access to many tools aiding them with managing finances and incentives that come with participating in the program. One of the most popular incentives is the direct deposit system. This has been very well received by landlords due to rent payments being deposited on the same day every month. Another tool landlords can use is a portal to keep track of payments and properties that are on the program. The courtesy property listings went live in February 2024. The listing is continually updated with newly available units. The courtesy property listing enhances the relationship between Housing Choice Voucher (HCV) landlords and tenants, ensuring affordable units stay within our network. These incentives have given the Scottsdale housing agency an 86% satisfaction rate with the current landlords as shown in figure 6.

**Figure 6**  
**How Satisfied are you with your overall experience as a landlord in the Housing Choice Voucher Program?**



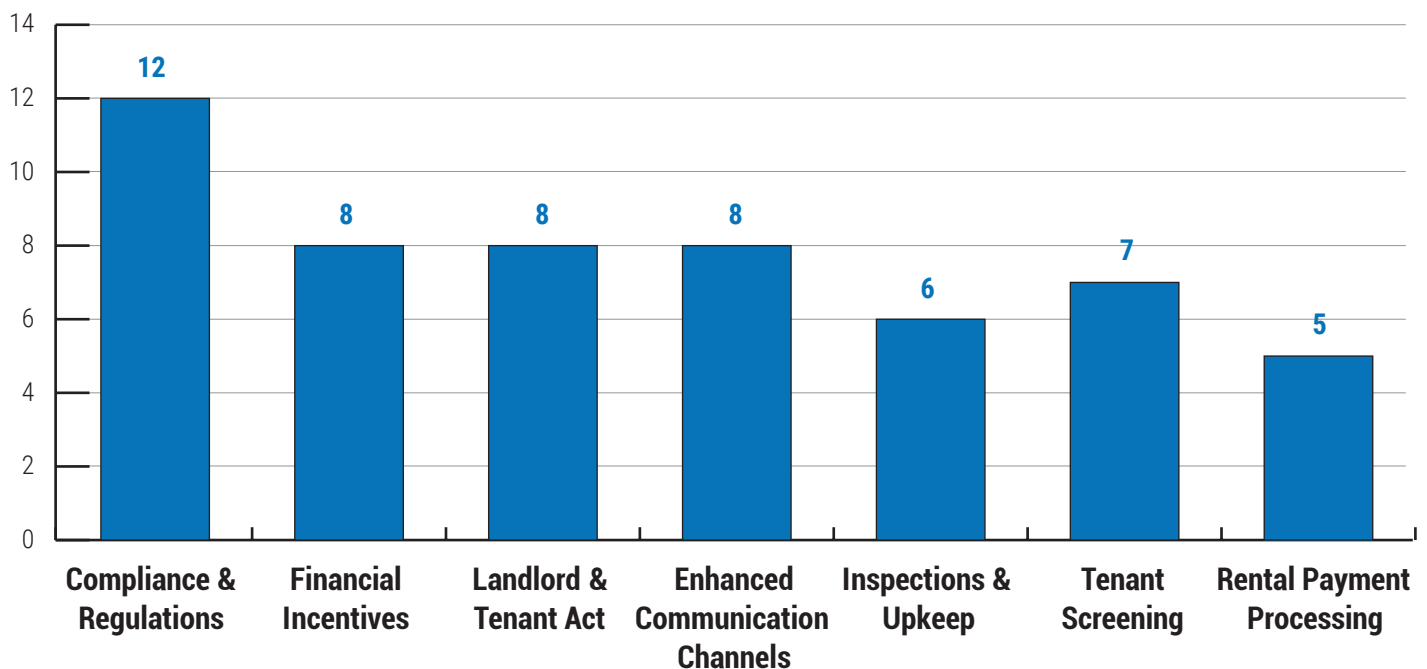
## Short-Term Rental Owners

Concerns over housing affordability and the impact of short-term rentals (STR) on housing stock have prompted policy proposals at both local and state levels. Efforts to regulate STR aim to address density issues and mitigate disruptive behavior, ultimately preserving housing availability for full-time residents. Nuisance phone calls for STR have increased by 33% from 2022 to 2023 within the City which resulted in the new stricter policy proposals.

Given the unique challenges faced by short-term rental owners, targeted questionnaires were conducted to gauge interest in the HCV program with an above average response rate. These owners, experiencing fluctuations in demand, new stricter regulations, and facing potential financial strain, represent a potential pool of landlords for long-term rental opportunities. By understanding their needs and preferences, the Scottsdale Housing Agency aims to tailor its outreach efforts effectively. Figure 7 provides insight to what trainings and educational material will be effective to engage with perspective landlords. In October 2023, there were over 4,000 STR units in Scottsdale with most of them being single family houses. Turning STR owners over to the HCV program can increase volume for housing vouchers while also reducing the nuisance complaints for those locations potentially solving two problems that the City faces simultaneously.

Figure 7

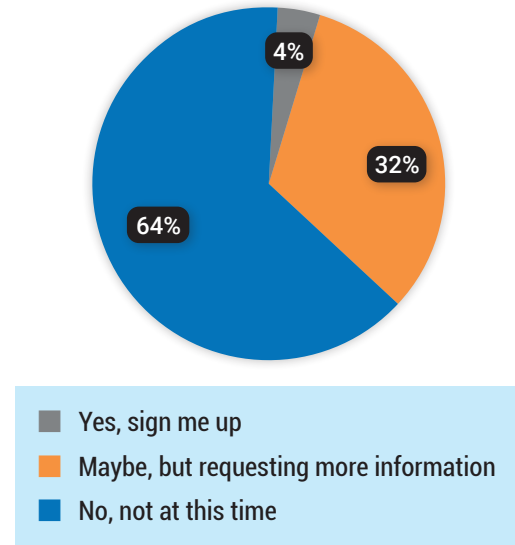
### What information or support would you like to learn more about at an upcoming educational workshop and webinar? (Select all that apply)



As it currently stands there is an interest from STR owners to become landlords in the HCV program. Of the 214 respondents of a questionnaire targeted to STR owners 77 of the respondents (36%) showed in figure 8 are potentially interested in the program.

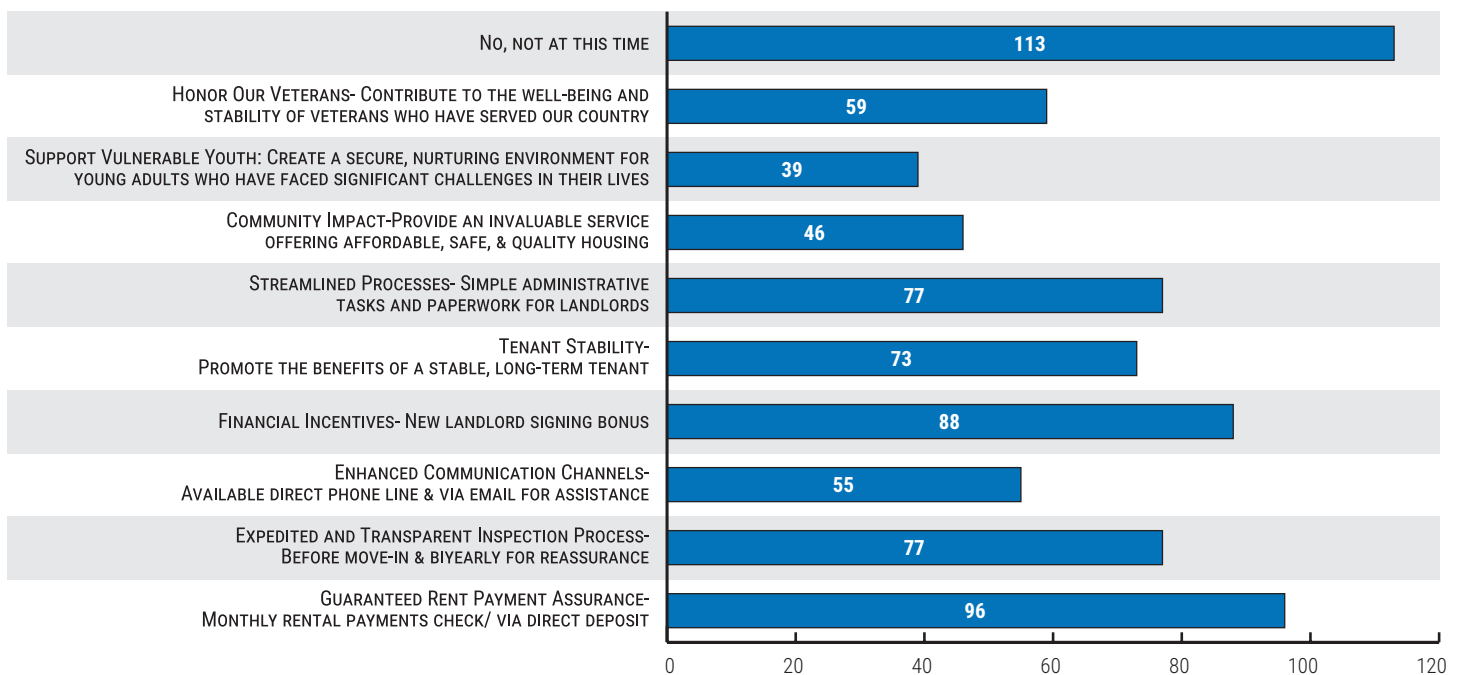
There are many options that can be used to target and convert STR owners into landlords for the HCV program without large financial impact. Most of the respondents that are interested in the program do not need any additional incentives to become landlords. The most popular incentives categories are shown in figure 9. The only incentive that has a significant financial impact and is a popular choice is new landlord sign-on bonus for new units.

**Figure 8**  
**Would you be interested in participating in the HCV program as a potential landlord?**



**Figure 9**

**If the following options were implemented, would you be inclined to consider participating in the HCV program as a landlord?**  
 (Select all that apply)



## Next Steps and Future Plans

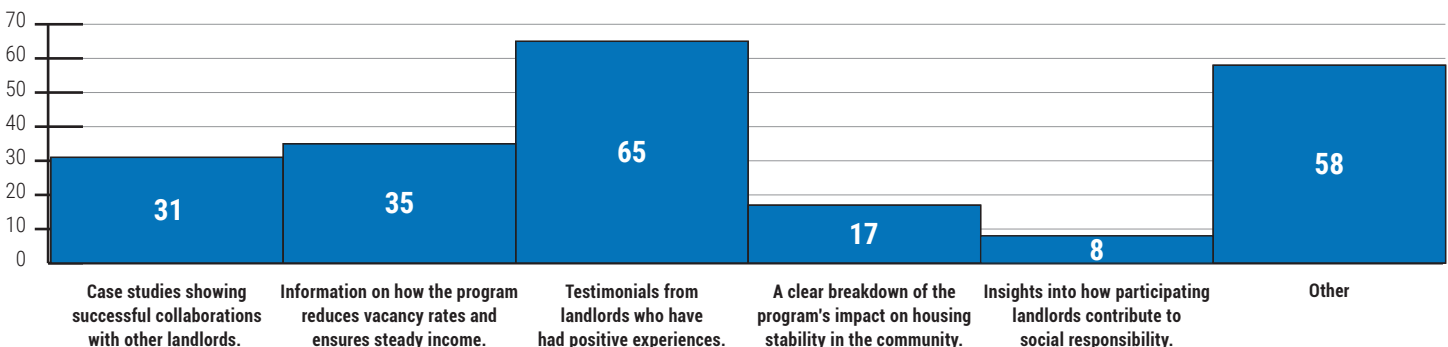
Moving forward, the Landlord Engagement Initiative (LEI) emphasizes maintaining high participation rates and delivering elite customer service. Education and engagement will remain focal points, with tailored workshops and questionnaires aimed at understanding landlord preferences and concerns. The Scottsdale Housing Agency continues to seek feedback and adapt its strategies to meet evolving housing needs.

Another plan the Scottsdale Housing Agency has is to create a landlord advisory board to further connect the landlords to the program and to provide a platform for input and engagement. Additional actions that are planned to increase engagements are networking events, developing marketing for landlords, maintaining and growing relationships with current landlords, and providing education about the program to perspective landlords. Another goal for the agency is to have a continuous increase to the volume of units available for vouchers by an average of 59 units per year.

The questionnaire reveals what prospective landlords would like more information about regarding the HCV program. The most requested option from perspective landlords is to see testimonials and experiences that current landlords have had working with the program. Other information that would be useful are case studies, more clarity on the tenant screening process, and what the landlord is responsible for as shown on figure 10. Overall improving communication and the information with landlords would increase new landlord enrollment for the program providing more units for HCV participants.

Figure 10

### What information would be most helpful for you to understand the benefits and advantages of the HCV program?



## Conclusion

Scottsdale recognizes the critical need to address housing shortages and improve access to affordable housing for its residents. Through targeted questionnaires, initiatives, partnerships, and policy advocacy, Scottsdale Housing Agency aims to expand housing options and to enhance the quality of life for all its voucher holders and the community at large.

As we advance the mission of the Scottsdale Housing agency in FY 2024/25, we will further engage with the community through educational and informative workshops, seek to capture the STR market property owners as an untapped resource and strengthen our connection with landlords through a landlord advisory board.