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## Project Homeless

# Atlanta persuaded landlords to rent to homeless people. Can it work in Seattle?



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Simona Nichols holds her daughter, Storie, in their apartment in Auburn. Nichols used a Rapid Rehousing subsidy to find an affordable apartment and now pays the full rent herself. (Bettina Hansen / The Seattle Times)

A vertical advertisement for Nextiva. The top half has a blue background with white text. It says "SAVE 65%" in large letters, followed by "on your Business Phone System". Below this is an icon of three overlapping rectangles, with the front one containing a white circle with a dollar sign. Under the icon, it says "When you Upgrade to the Cloud." The bottom half has a white background. On the left is a yellow circle with the text "from \$19.95 /mo". To the right of this is the "nextiva" logo in blue lowercase letters.

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**The Housing Resource Center is modeled after Atlanta's Open Doors program, which has shown success persuading landlords to rent to risky tenants, but the high cost of renting in the Puget Sound region could present hurdles.**

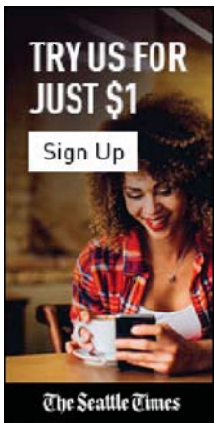


By [Vernal Coleman](#) 

*Seattle Times staff reporter*

If you're seven months pregnant, homeless and desperate to find a landlord willing look past a flawed rental history, you call landlords to discuss your situation before schlepping applications in person. So, that's what Simona Nichols did.

One property manager turned her down for lack of credit history. Another confused Rapid Rehousing — a city- and county-funded temporary rent-assistance program that Nichols was using — with Section 8, telling her the complex did not accept the federal vouchers.



After a month of cold calls and rejections, Nichols found a property manager who had previously rented to people on temporary rental assistance. Today, she lives in an Auburn apartment with her 1-year-old daughter and has a steady job as an in-home aide for the elderly. Despite setbacks, including a knee injury that forced her to miss several weeks of work, she was able to renew her lease.

# PROJECT HOMELESS

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"I feel like one of the lucky ones," Nichols said.

Recent data suggest she's right. In King County's tight rental market, with high rents and low vacancies, Rapid Rehousing subsidy recipients like Nichols search on average about 90 days before finding an apartment, if they find one at all. Though move-in rates have improved, less than half the people who received Rapid Rehousing assistance between January 2015 and August 2017 moved into an apartment, according to a recent King County Auditor's Office analysis.

Seattle and King County authorities have long searched for ways to make the apartment-hunting process easier for people enrolled in Rapid Rehousing and other temporary assistance programs, which are widely viewed as a cost-effective way of helping people move indoors.

The Landlord Liaison Project was one way they drove that effort. The King County and Seattle program was designed to build a roster of landlords willing to rent to low-income people, but it wasn't able to address the rising number of people falling into homelessness. Now, with more people being priced out of the private rental market, local authorities are looking to an Atlanta nonprofit called Open Doors for lessons on how to coax more landlords into participating.

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Founded in 2012, Open Doors employs staffers with real-estate backgrounds to leverage their relationships. It has also built an expansive database of rental properties that's helped house about 4,500 people receiving rental assistance in market-rate apartments. While many social-service organizations have their own "housing locator" operations, advocates for the Open Doors model say it allows them to focus more resources on helping their clients stabilize their lives.

After several months of discussions with landlords and the business community, Seattle and King County authorities are trying to replicate the Atlanta program. The Seattle Metropolitan Chamber of Commerce has stepped in to help amid a sometimes bitter debate about the private sector's role in the homelessness crisis. With just over \$1 million in startup funding from the city and county, the new project, called the Housing Resource Center, could be up and running sometime next year.

This new agency will still have to contend with a fast-moving market that makes finding decent and affordable apartments hard for average renters, let alone people with prior evictions, past criminal

records or low income. The Atlanta program, in contrast, was established in 2012 after the U.S. housing market crashed, when rental property managers were desperate to fill empty units.

But can the model work in King County where vacancies are far fewer?

### **Faster, cheaper option**

Seattle and King County authorities say they're investing more in rental-assistance programs because, at least in theory, they lift people off the streets quickly and at a lower cost than other methods.

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On average, it costs about \$7,351 to move a household, which may include more than one person, in King County from homelessness to permanent housing through the Rapid Rehousing program. That's about half the cost of moving people through the emergency-shelter system and about a third less than transitional-housing programs, according to recent data from the state Department of Commerce. Rapid Rehousing assistance kicks in about 30 percent of a person's income toward rent, and in most cases for only about three months.

Efforts to increase the amount of private rental-market housing to people on rental assistance dates to the late 1980s. The strategy involved offering incentives to persuade wary property owners to rent to potential tenants they might otherwise reject. Incentives included reimbursements for damage to apartments or missed rent payments. Tenants were paired with case managers to help prevent them from bouncing back into homelessness.

Operated by the YWCA of Seattle, King and Snohomish County, the Landlord Liaison Project (LLP) connected more than 3,000 people with apartments over the last decade, receiving national recognition. But some landlords say it wasn't perfect. Sean Martin, executive director of the Rental Housing Association of Washington, said the LLP worked well for the most part, but some of the association's members felt it struggled to refer tenants quickly, leaving vacant apartments dedicated to the program unfilled.

In 2016, with homelessness on the rise and housing prices reaching a peak, Seattle and King County authorities went looking for feedback from landlords on how to reboot and expand the program.

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In a series of focus groups, landlords cited the financial risks of participating in the program and lingering discord with city government, as the City Council has passed several new laws favorable to renters, including one requiring them to choose among qualified renters on a first-come, first-served basis. The association sued to overturn the law, calling it unconstitutional. A King County Superior Court judge agreed. Seattle officials have [filed notice to appeal the decision](#).

“There’s a level of mistrust between landlords and the city right now,” Martin said. “They feel like the city doesn’t work with them, and they don’t trust the city, so there is a ton of work to be done there to bridge that gap.”

Some landlords also said the process for applying for reimbursement was “confusing,” and they were often left in the dark about how to address issues with tenants.

“That’s been the biggest issue — access and response when an issue arises,” said Brett Waller, Washington Multifamily Home Association director of government affairs. “The last thing we want to see is people get evicted, so what are the things we can do to mitigate that? To that end, being able to call someone immediately to resolve issues is imperative.”

After the YWCA’s contract expired, local authorities went looking for a new operator to expand its outreach to landlords. Just one bid came in, and that came from the YWCA.

It was about that time that authorities began looking at how other cities were tackling the problem.

### **A new model**

Open Doors was founded by a group of local real-estate professionals who came together to address the fundamental problem at the center of Atlanta’s own homelessness crisis.

“The playbook says you don’t accept people who on paper appear risky, so the question was, how do we mitigate risk for landlords who want to be part of the solution to homelessness,” said Aaron Goldman, a real-estate developer and a co-founder of Open Doors.

The group, made up of property developers like Goldman, owners and real-estate financiers, took a standard approach: Offer landlords access to qualified potential tenants and a pool of funds to mitigate damage to units or other tenant-related costs. But Open Doors tweaked the model by acting as the nexus between landlords and social-service organizations.

To the social-service providers, Open Doors offers the opportunity to outsource the grueling work of building and managing relationships with landlords. To property managers and owners, Open Doors offers access to tenants backed by robust case management and a standardized system for dealing with tenant-related issues.

Today, Open Doors officials estimate that the organization has access to as many as 35,000 units through agreements with landlords and property-management companies. But only a precious few of



them are set aside specifically for its use, leaving clients to compete with the general public for the 1,500 to 2,000 apartment units that may be open on any given day.

That competition is presenting a bigger challenge as Atlanta's housing market grows tighter.



Coming off the housing-market crash, some properties Open Doors worked with had 40 percent occupancy rates, Goldman said. "Today, most are at 90 percent."

That's similar to occupancy rates across the Puget Sound region today.

### **A difficult challenge**

The Open Doors model could face a tougher road in Seattle. The county's homeless population is larger than Atlanta's, and the need for affordable housing still outweighs supply.

Simona Nichols was able to find housing with the aid of Wellspring Family Services. Like several other nonprofit housing agencies, it employs people to build and manage a list of willing landlords, and case managers to help its clients navigate the application process. But even with help, finding an apartment in the region remains an uphill battle.

Gordon McHenry, president of Solid Ground, a nonprofit that administers one of the region's largest Rapid Rehousing programs, thinks social-service providers will welcome the help.



“Between getting a person ready for housing and maintaining relationships with landlords, our front-line folks are spread thin,” he said. “Having an organization that can bridge the gap between the providers and landlords can only make our jobs easier.”

Seattle Metropolitan Chamber of Commerce CEO Marilyn Strickland said her organization is in an ideal position to recruit new landlords and to build trust with those wary of working with local government.

The Housing Resource Center will have one other big challenge: the gap between the market rate for rental units and what tenants on temporary rental assistance will be able to pay.

Rapid Rehousing is generally intended for households that earn no more than 30 percent of the area median income (\$27,100 for a family of three.) King County rents average about \$1,700 — greatly limiting options for renters receiving temporary aid.

The center employees will also have to convince wary landlords that temporary rental-assistance clients will be able to afford the apartment once their subsidies end, some after about three months.

Nichols managed to keep hers. After her Rapid Rehousing subsidy ended after three months, Nichols began paying the full rent herself.

“I told myself I could do this, that I could do this for my daughter, that I could afford this place once I got back on my feet,” she said.

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