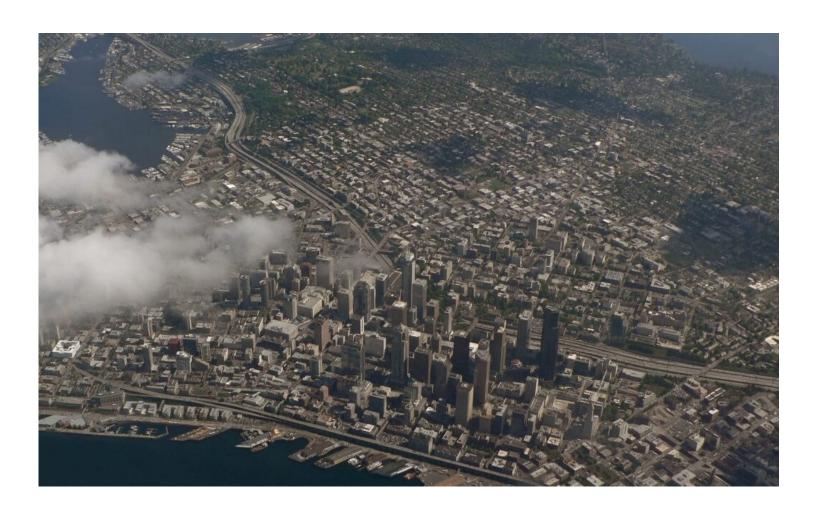
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Can new housing laws in Seattle help the homeless? - AvvoStories

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Can new housing laws in Seattle help the homeless?

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A <u>study</u> published in August by real estate website Zillow quantified the correlation between rent increases and homeless populations in 25 major metropolitan areas around the country. What the authors <u>found</u> is that the homeless rate is tightly linked to rent increases in some cities, but not in others.

In some cities, like Atlanta and Tampa, rent increases are uncoupled from homeless rates. But in Seattle, a modest 5 percent rent increase equates to an additional 258 people without a place to live—and some Seattle renters saw a <u>50 percent</u> increase in rent this year.

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another city? And what laws can be put in place to help? Could <u>rent control</u> fix the situation in Seattle, or any other city with an exploding homeless population?

A tale of two cities

In Houston, the fifth-most populous metropolitan area in the United States, a 5 percent rent increase predicts only 120 more homeless people. Houston city agencies and nonprofits worked together to reduce the homeless population 75 percent in only five years—primarily by <u>providing housing</u>—even while rents increased. (Needless to say, Houston will now be facing a homeless problem of an entirely different genesis, because of Hurricane Harvey and the resultant <u>flooding</u> that has damaged much of the city's housing stock.)

Meanwhile, Seattle has seen a tremendous growth in homelessness over the same period as the available housing supply has dwindled. After years of population increases fueled by local companies like Amazon and the tech sector in general, Zillow <u>estimates</u> Seattle's homeless population now totals 12,763 people, second only to New York (76,341) and Los Angeles (61,398).

A 5 percent rent increase in Seattle (where the average rent increased 8.3% in 2016) creates more than twice as much homelessness as the same increase in pre-flooded Houston. And while it's true that vacancy rates in Seattle have recently <u>stabilized somewhat</u>, the damage has already been done.

Rent control in Seattle?

Seattle is not the only area with a tight housing market and skyrocketing <u>rents</u>, a combination that usually leads to new <u>renter protection laws</u>. In extreme situations, some cities have implemented rent control, sometimes also known as rent stabilization.

Rent control sets legal limits on how much landlords can increase rent from one month to the next or between lease terms. Such restrictions may be tied to inflation, or be a fixed percentage of current rent. Rent control can also protect tenants from lease termination without cause, especially if the landlord can raise the rent without limits between tenants.

New York City made rent control famous, but rent control exists in <u>several states</u> on the Eastern seaboard and in California.

However, in Seattle, rent control is not currently an option. Although the Seattle city council passed a resolution in 2015 directing city lobbyists to ask the state legislature for the authority to enact new laws related to rents, Washington state still has a prohibition against rent control.

Housing solutions

Regardless of how cities choose to handle it, the implementation of rent controls in response to skyrocketing rents has been <u>criticized</u> as treating the symptom rather than the disease. Most economists <u>agree</u> that while rent control may provide some protections for existing renters, it is largely ineffectual in reducing homelessness. Rents skyrocket, the argument goes, not because of greedy landlords, but as an indicator that demand has outstripped the supply.

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But the question remains: Where are people supposed to live when the number of properties available is low, and rents outstrip their ability to pay? What help can be offered in the meantime?

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In Seattle, the city council has passed numerous laws in an attempt to address the situation: establishing a <u>renters'</u> <u>commission</u>; requiring a <u>first-come</u>, <u>first-served</u> tenant selection policy; and even <u>banning</u> landlords from screening tenants based on their criminal records. But the consensus is that in places where demand for urban housing is rising, the solution is simply to build more housing.

Build and build some more

And in fact, Seattle is in the midst of a construction boom, raising more <u>construction cranes</u> than any other city in the United States for two years running. Permits for 25,516 new housing units were granted in 2016, with about 63 percent of the newly constructed housing units in multifamily buildings.

But *how* a city builds is also important. Seattle's booming high-tech economy and the influx of well-paid workers has largely skewed in the wrong direction, as <u>all of the new rental units</u> built in the last decade have been classified as luxury —too expensive for those who are already being priced out, and even too costly for middle-class renters.

A raft of so-called <u>upzones</u> will allow developers to build more densely while requiring them to either create a certain percentage of affordable units or pay into an affordable housing fund. But even this may not be enough to bring supply in line with demand in the <u>fastest growing</u> city in the United States. Seattle, and other cities with a strong correlation between the cost of rent and homelessness, need to exhaust all options and be creative to find workable solutions for their most vulnerable residents.

Tagged Landlord Tenant Law, real estate, Seattle

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