Marin County/Marin Housing Authority Landlord Partnership

Overview: The Landlord Partnership Program (LPP) increases the supply of homes available to rent for low-income families by providing incentives to landlords who are participate in the federal Housing Choice Voucher ("Section 8") program, administered locally by Marin Housing Authority (MHA).

Challenge: The Marin County Board of Supervisors identified the acquisition and preservation of affordable housing as a county priority. One resource for affordable rental housing was being underutilized. In Marin’s very tight rental market, fewer landlords were accepting Housing Choice Vouchers (HCV). With a vacancy rate of 2%, high rents and a negative perception of “Section 8,” MHA’s clients were losing their vouchers because they could not find a unit - or they were leaving the county and these families and federal resources were being lost.

Innovative Solution: A working group was convened consisting of County Supervisor Damon Connolly, Community Development Agency staff, MHA staff, and local landlords. From the working group came the idea of having an incentive program to encourage landlords to partner with MHA to provide homes to approximately 2,100 HCV families in need of housing. The working group identified three major barriers and concerns:

- **Security deposits:** It can be extremely difficult for low-income households to compete on the open market with someone who has a 700+ credit score and disposable income. By providing security deposit assistance, it allowed voucher holders to secure housing in a timely manner.

- **Delays caused by additional documentation needed by MHA:** Vacancy Loss was offered to landlords who either had an HCV tenant moving out of their unit, and they were filling it with another HCV tenant, or to landlords who listed their unit with us and was placing a new HCV tenant. By providing vacancy loss protection, landlords were not losing money while a unit sat empty during the turnover period and search for a tenant.

- **Perceptions that voucher holders will damage rentals:** Loss Mitigation was offered to landlords for any damage caused to units beyond normal wear and tear. Although this is not a common occurrence, it is unfortunately a stigma our clients face. By providing loss mitigation funds to landlords, we were able to remove the hesitation from landlords who thought they may be left “holding the bag” with no help from MHA and no recourse elsewhere.

The Marin County Board of Supervisors allocated $404,000 in general fund resources to MHA for a two-year pilot “Landlord Partnership Program.” MHA was then able to leverage federal Community Development Block Grant (CDBG) funds to provide loans to landlords to either rehab an existing unit or create a new unit. MHA provided loans in the amount of $25,000 to rehab an existing unit and $35,000
to create a new unit. As long as the landlord rents the unit to an HCV tenant, the loan is deferred. If the landlord wishes to no longer rent to an HCV tenant, the loan becomes due and is payable at 3% interest.

Along with the incentives, MHA was able to offer enhanced customer service by having a landlord liaison, 24/7 landlord hotline, online landlord portal, landlord workshops, landlord newsletters, and a housing locator. Our landlord liaison is the single point of contact, and our housing locator is able to assist clients in finding and securing housing.

**Originality:** This collaboration between a County and a housing authority, with input from local housing providers, is innovative response to a crisis that many California communities are facing. Voucher holders are losing housing and the County was losing federal dollars committed to serving these families. When initiated in 2016, this was the first program of its kind. Launching around the same time was an incentives program at San Mateo County Housing Authority. Since then, housing authorities across the country have reached out to MHA and Marin County to obtain information on how our LPP was funded and implemented to do the same in their communities.

**Cost Effectiveness:** The County provided $404,000 for the two-year pilot program. Originally the allocation for security deposits was $125,000. But with the huge success of the deposits, funds were reallocated, and to date, we have paid over $230,000 in deposit assistance to house HCV tenants.

**Results:** Prior to the launch of LPP the success rate for families being housed was 30% (with 1,900 families housed). After launching in August 2016, MHA had a success rate of 56% (2,000 families housed in 2017) and over 2,100 in 2018 (see the chart below). With the increased success rate, we have seen a decrease in the number of families taking their vouchers out of the county. In 2015 there were over 250 families who had left. In 2017 there were less than 50. We have been able to house more families by bringing on over 90 new landlords during the two-year pilot.

<table>
<thead>
<tr>
<th>Year</th>
<th>Voucher Success Rate</th>
<th>New Owners</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
<td>51%</td>
<td>25</td>
</tr>
<tr>
<td>2017</td>
<td>56%</td>
<td>51</td>
</tr>
<tr>
<td>2018</td>
<td>58%</td>
<td>20</td>
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