



Department of Commerce

Landlord Mitigation Program

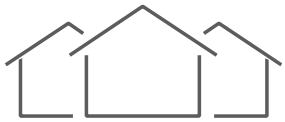
and the Tenancy Preservation program during COVID-19 Pandemic

Nicholas Yuva

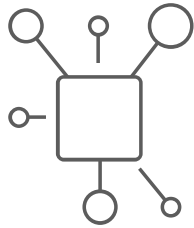
LANDLORD MITIGATION ADMINISTRATOR

11/21/2019

We strengthen communities



**HOUSING
HOMELESSNESS**



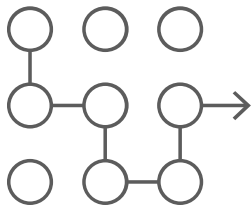
INFRASTRUCTURE



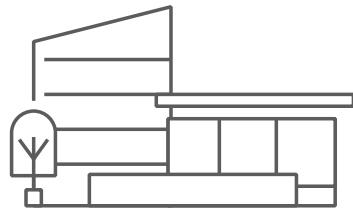
**BUSINESS
ASSISTANCE**



ENERGY



PLANNING



COMMUNITY FACILITIES



**CRIME VICTIMS
SAFETY**



**COMMUNITY
SERVICE**

COVID-19 Response

- The \$100 million CARES Act funding does not apply to the LMP or TPP.
- Commerce is receiving, reviewing and responding to LMP and TPP claims during the Eviction Moratorium.
- Currently, approved claims are being paid as normal (within 4-5 weeks).
- The LMP cannot be used to subsidize tenant's rent.
- The Moratorium does affect the TPP as landlords cannot appear in court.
- Funding for both programs is permanent and recurring though payments may be delayed.
- Get your Statewide Vendor registration and begin working on payment plans in now.

Statewide Vendor Registration



What is a Statewide Vendor ID Number?

- All payees of the State of Washington are required to obtain a Statewide Vendor ID Number for tax reporting purposes.
- Expect to receive a 1099 at the beginning of the following year to be filed with your taxes for the payment received.
- Landlords can complete the SWV number application in advance and use the same number for multiple claims.
- <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>

Online claim form and additional information
available at

<https://Commerce.WA.Gov/LandlordFund>

CARES Act Funding (ERAP)

- \$100 million has been awarded to Consolidated Homeless Grant recipients
- Eligible households must be:
 - At or below 50% AMI
 - Owe part or all rent owed during the previous three months
- Must meet one of the following criteria:
 - Rent burdened: 50% or more of current monthly income is needed to pay rent.
 - Previously homeless within last five years. This includes experiences of couch surfing/double up.
 - Eviction within last seven years.
 - Housing disrupted due to household member race, ethnicity, gender identity, sexual orientation, or religion.
 - At risk of severe illness.
 - Disability of any household member.
- Visit <https://commerce.wa.gov/serving-communities/homelessness> for more information including a list of approved subsidy providers by county.

Tenancy Preservation Program

Important:

The court must find the tenant to be “low-income, limited resourced or otherwise within a temporary financial hardship.”

This language must be in the order, stay action or judgement to qualify for this program.

Tenancy Preservation Program

- This program is currently affected by the Eviction Moratorium due to language in the RCW requiring that a court find the tenant eligible during a non-payment of rent eviction hearing.
- Attorney involvement is highly recommended.
- Tenants and Landlords may request a court to find the tenant eligible for use of these funds,
- Landlords and tenants may agree to an interest-free loan from Commerce to pay for the tenant's unpaid rental charges, late charges (limited to \$75) and court/legal costs.
- Landlords that have entered into a court agreed upon payment plan may receive any unpaid portion from Commerce upon the tenant's failure to pay as agreed.
- There is currently no limit on the judgement amount.

Tenancy Preservation Program

- Commerce will send the payment directly to the landlord.
- The landlord can no longer pursue a legal action for the monies claimed.
- The tenant is always the party responsible for repayment to the court where filed.
- Failure to repay the local court will make the tenant ineligible for the program in the future until the balance to Commerce is satisfied.
- The landlord may pursue legal action for any future unpaid rents and charges that are not included in the claim.
- This program is considered separate from the Landlord Mitigation Program at Commerce.

Tenancy Preservation Program

What do landlords need to provide?

- A Washington Statewide Vendor ID Number
- A written Rental Agreement signed by tenant and landlord
- Court Documents:
 - Order Finding Eligibility for the TPP, or
 - Stipulated Agreement, or
 - Writ of Restitution and Stay of Action, or
 - Payment Agreement with Tenant Ledger
 - Either must include language from ESB5600
- Tenant Acknowledgement Letter
- Complete an online Claim Form
- Absentee tenant forms are available for unsatisfied payment arrangements.



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Landlord Mitigation Program

The 2018 Landlord Mitigation Law (RCW 43.31.605) became effective on June 7th, 2018 to offer Landlords in Washington the means to make necessary repairs to meet inspection requirements and security to offer tenancy to applicants on a subsidy program in safe and affordable housing.



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What would you do with an extra \$18,000?

- A 2014 study by the Apartment Owners Association of California shows that the average turnover cost nationally was \$2811.
- In 2016 the National Center for Housing Management released a report showing that landlords of subsidized tenants face 22% fewer turnovers.
- Considering these figures, a 50-unit community with rents at \$1,200 per unit and an average vacancy rate of 5% could potentially earn an additional \$18,552.60 per year to their bottom line.

Subsidized Tenants Offer More Security!

- Security deposits for most apartments range from \$500 - \$1500.
- When damages exceed the security deposit, monies owed are rarely recovered.
- Landlords are left with two options:
 - Filing a lawsuit for judgement against the tenant (costly).
 - Hiring a collection agency that will charge 50% of all collected funds.
- Neither option is guaranteed to provide positive results and creates substantial loss to a landlord.

Landlord Mitigation Program



Who qualifies for reimbursement?

- Any landlord that has provided housing to a tenant that received a short or long term subsidy during their tenancy.
- Except any property owned and/or operated by the Housing Authority.

Online claim form and additional information
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Landlord Mitigation Program

- Landlords can receive up to \$1000 in reimbursement for repairs required to pass a subsidy program inspection.
 - The landlord will not be reimbursed the initial \$500 of the cost of repairs.
- Landlords can also receive up to 14 days of lost rent due to move-in delays caused by the inspections and/or repairs.
 - The prorate will be based on the agreed upon rent in the Rental Agreement multiplied by 12 months, divided by 365 days, multiplied again by the actual number of days.



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Landlord Mitigation Program

Example Scenario:

A move-in is delayed by 12 days for repairs and rent is \$1175/month.

$\$1175 \times 12 \text{ months} = \$14,100$

$\$14,100 / 365 = \38.63

$\$38.63 / \text{Day} \times 12 \text{ days} = \463.56 Lost Rent



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Landlord Mitigation Program



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Important To Note!

Landlords with an approved damage claim may not take legal action against the subsidized tenant for damages at any point in the future regardless of the claim's award amount.

Landlords may file several claims throughout the tenancy for damages but the total award from any and all claims may not exceed \$5000 and each claim must be at least \$500.

Landlord Mitigation Program



Periodic and move-out inspections are an essential task for landlords.

Subsidy providers often conduct random and periodic inspections as well.

Both periodic and subsidy provider inspections helps in identifying differed maintenance.

Which will help prevent....

Online claim form and additional information
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Landlord Mitigation Program



...finding this at a move-out inspection

Move-out repairs are when the landlord faces the greatest expenses during a tenancy.

Move-out damages will also be the majority of claims filed with the Landlord Mitigation Program.

Online claim form and additional information
available at

<https://Commerce.WA.Gov/LandlordFund>

Landlord Mitigation Program

What do landlords need to provide?

- A Washington Statewide Vendor ID Number
- A subsidy program inspection report
- A written Rental Agreement signed by tenant and landlord
- A move-in condition report signed by tenant and landlord
- Proof of subsidy payments
- Before photos of damages/repairs
- Receipts/Invoices from repairs
- Notices to tenant for any unpaid charges included in claim
- Complete an online Claim Form



Online claim form and additional information
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Frequently Asked Questions

What damages can a landlord claim?

- Damages include (but are not limited to) physical damage to a property beyond normal wear and tear, unpaid rent and charges associate with tenancy including late charges, non-compliance charges, legal expenses and utility charges.
- **Important note:** The program does not pay lease-break charges or fees.



Online claim form and additional information
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Frequently Asked Questions

What is the difference between a Housing Assistance Inspection Report and a Move-In Condition Report?

- A **Housing Assistance Inspection Report** is the form that is completed to verify that the property is habitable and meets the minimum standards of the Housing Assistance program that is offering rental subsidy.
- A **Move-In Condition Report** is a form that is completed by the tenant and landlord to document the condition of the property at the time of move-in. Often, this same form is used again to document the condition of the property at move-out for ease of comparison.
- Both documents are required for your claim.



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Frequently Asked Questions



When can I submit a claim?

- You may submit as many claims as needed during the life of a tenancy.
- Each individual claim must exceed \$500
- Any combination of claims can be submitted but the maximum of all awarded combined claims cannot exceed \$5000
- Any claim awarded prohibits the landlord (or any collection agency) to take legal action against the tenant for damages attributable to the same tenancy.

Online claim form and additional information
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Frequently Asked Questions

How long does the review process take?

- You will receive receipt of your claim submission within ten business days. Claims are reviewed in order of submission. We cannot guarantee a specific timeline, only that each application will be reviewed in the order received.
- Funds will be disbursed to claims upon approval and fund availability. If funds are not available at the time of approval, the claim will be held in a pending status until funds are available in order of submission (approved claims will be paid in order received).
- Claimants with a denied claims will be notified immediately upon decision.

Online claim form and additional information
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Frequently Asked Questions

Can I appeal a denial of my claim?

- Most denials will be issued due to lack of supporting documentation, photos or information.
- If the claim is denied for any of these reasons, the landlord will be contact and given an opportunity to provide the missing items.
- Claims that are denied for any other reason may only be appealed with a judgement against the tenant.

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