Engaging & Supporting Landlords through Risk Mitigation Funds

Community Profiles

A risk mitigation fund can be an important tool in your community's landlord engagement toolbox. Below we've gathered details on how Denver, Colorado, Orlando, Florida, Portland, Oregon, and Seattle, Washington implemented this incentive as a key part of their full landlord engagement strategy.

City of Orlando and Orange County, Florida

What led to creating the fund? How was it started?	In the City of Orlando, the extremely low vacancy rate and the disparity between cost of living and wages led the city to start identifying ways to increase landlord recruitment and support for existing tenants with vouchers. Landlord engagement is also part of the broader efforts of Orlando/Orange County to end chronic homelessness. The shared risk fund started in 2014 primarily as a damage fund, but quickly expanded to offer short-term vacancy reimbursement.
Who is currently leading the effort and who provides funds?	The City of Orlando continues to lead and provide the funding for participating landlords regardless of where the units are located. The Office of the Mayor views this as its contribution to the larger efforts of ending chronic homelessness and the money comes from the Code Enforcement Revenue at the city. The Office of the Mayor hope to ramp up resources and staffing in the long term to cover even more expenses.
How is the fund managed/staffed?	The shared risk fund is currently managed by the City of Orlando Office of Business and Financial Services, and is submitted to the city by the Homeless Services Network of Central Florida (HSN). HSN is the lead agency for the Continuum of Care in Orange County.
What is covered by the fund?	The shared risk fund was designed to support all areas of risk a landlord may assume. The fund prioritizes coverage for individuals experiencing chronic homelessness and Veterans who are referred through Supportive Services for Veteran Families. Veterans using HUD-VASH vouchers are not covered by the Shared Risk Fund at this time in order to keep the pilot project manageable. It includes coverage of up to 75% of damages (after insurance and deposit), and reimbursement for claims up to $300 may be available without inspection. Claims are capped at $2,000 for a single unit and $3,000 for a multi-bedroom unit, and are reviewed on a case-by-case basis. Unpaid rent reimbursement is also available and

	applies to circumstances such as "holding fees" and abandoned units or unpaid tenant rent.
How do landlords participate?	Landlords are eligible if they can confirm participation in the Central Florida Supportive Housing Program (CFSHP) and the claim involves a CFSHP-referred tenant. To participate, landlords contact CFSHP's Housing Locator Team directly.
How do agencies/providers participate?	Agencies are automatically included if they are participating in centralized intake through the CFSHP. The Shared Risk Fund is tied to certain households where occupants were previously identified as experiencing chronic homelessness through the coordinated entry system. Those households are currently being served by the Health Care for the Homeless agency. However, if other agencies were awarded funding to serve households as part of that project, those program participants would also be covered through the shared risk fund.
How do tenants participate?	Anyone referred by CFSHP is eligible, with prioritization for people experiencing chronic homelessness and Veterans referred through Supportive Services for Veteran Families. However, as noted earlier, Veterans with HUD-VASH vouchers are not covered by the shared risk fund at this time.
How and by whom is it paid out?	The City of Orlando CFO manages payments. Landlords file a claims with the Homeless Services Network (HSN), who then reviews for compliance and bills the city. Funds are held in a non-lapsing appropriation with a purchase order to HSN as the sole service provider to receive payment for these costs. If the money runs out, the City of Orlando is committed to reevaluating the need/benefits of the shared risk fund and to consider additional funding.
Lessons learned:	Landlords appear more interested in renting to individuals needing affordable housing. Additionally, to date, there have been no claims filed, supporting the idea that such a fund provides peace of mind rather than addressing a significant existing financial need for landlords.
For more information:	http://www.hsncfl.org/programs/housing-locator/

Portland, Gresham, and Multnomah County, Oregon

What led to creating the fund? How was it started?	Portland, Gresham, Multnomah County's investment in the Veteran risk mitigation pool began as a response to low vacancies and high rents. The risk fund was identified by landlords as an important incentive in exchange for prioritizing Veterans for their units. Launched FY 2014, the funds were highlighted as part of the supports offered to landlords. Additionally, availability of the pool has helped offset other direct costs that housing placement providers were facing, as landlords were otherwise charging significantly higher deposits to rent to tenants with any housing barriers in Portland's very tight rental housing market.
Who is currently leading the effort and who provides funds?	The City of Portland and Multnomah County are leading an ongoing effort to end homelessness, called A Home for Everyone, as well as a specific effort to end Veteran homelessness, called A Home for Every Veteran. The Mayor of Portland and the Chair of Multnomah County and Gresham are actively involved in both efforts. They assisted in the initial efforts by calling local landlords and encouraging them to rent to Veterans experiencing homelessness. The funding for the Veteran risk mitigation fund comes from the City of Portland. Initially, the Portland City Council approved the funding as a special appropriation during FY 2014-15 and then continued it through the adopted FY 2015-16 budget at the Portland Housing Bureau. To date, the fund totals over $100,000.
How is the fund managed/staffed?	The risk mitigation pool is managed by the Landlord Recruitment and Retention Program (LRRP). The LRRP is funded by the City of Portland, and managed and operated by JOIN, a local homeless services provider that works to ensure people experiencing homelessness can return to permanent housing. The LRRP staffs a 24/7 hotline to address any issues or concerns that may arise from landlords. However, most of their time has been spent doing outreach to recruit additional landlords, as well as reaching out to landlords who have already begun the program and proactively ensuring a trusting relationship with their tenant.
What is covered by the fund?	The risk mitigation pool covers any damages to a unit that may occur during occupancy but are not covered by a security deposit. Additionally, the fund can cover tenants who fall behind in rent or who break a lease prematurely. Portland did not establish a contractual limit on how much an individual tenant can access from the fund, though the fund itself is capped at $100,000. JOIN established a $3,000 cap per household unless otherwise negotiated. Landlords are required to submit claims to JOIN for reimbursement.

How do landlords participate?	Interested landlords or site managers contact the Landlord Recruitment and Retention Program directly.
How do agencies/providers participate?	The fund covers units occupied by Veterans who have been housed by local Supportive Services for Veteran Families and HUD-VASH housing placement staff.
How do tenants participate?	All Veterans who have Supportive Services for Veteran Families or HUD-VASH vouchers are eligible to participate and would coordinate any assistance through a service provider or case manager. Veterans seeking services can also find resources at http://ahomeforeveryone.net/veteran-resources/.
How and by whom is it paid out?	Landlords claiming damages contact the LRRP, who assist them immediately in accessing the needed funds. The funds are flexible and easy to access. To date, the funds have only been utilized once.
Lessons learned:	Landlords need to be treated as an ally and partner in the work. Having a strong media push is vital so that landlords are aware of the presence of the fund. For Portland, the Landlord Recruitment and Response program has also shown that this risk fund model could be used for a broader group, such as families experiencing homelessness.
For more information:	http://ahomeforeveryone.net/landlord/

City of Seattle and King County, Washington

What led to creating the fund? How was it started?	With a combination of low vacancy rates and high-cost housing, housing partners needed a plan to make more units available for individuals with vouchers and rental supports. Also, landlords did not have a central point-of-contact for questions or to express interest in partnering to end homelessness. Instead, they were receiving many requests to participate from multiple agencies in the community. In 2009, the Seattle/King County Committee to End Homelessness took on the role of designing a comprehensive program for strategic landlord engagement. They created the Landlord Liaison Project (LLP) and their risk reduction fund serves as one key element of that project. When designing the fund, planners also worked with the local Public Housing Authority to understand more about typical expenditures and cost estimates.
Who is currently leading the effort and who provides funds?	The risk reduction fund was started with an initial $1 million investment from the King County Veterans and Human Services Levy, with half of the funds reserved for Veterans and their families. This portion of the fund is held at King County and drawn down as needed. Over the years, other funders have contributed to the mitigation resources, including United Way of King County, Seattle Housing Authority, and King County Housing Authority (some of the resources are targeted for specific subpopulations and geographic areas). There are three primary funders contributing to the LLP: King County, City of Seattle, and United Way of King County.
How is the fund managed/staffed?	The LLP is managed by the YWCA and delivered by a staff of six, which includes a program manager, three housing specialists, a housing education specialist, and support staff. LLP staff provide outreach and engagement with landlords; direct assistance to clients to find appropriate housing (in partnership with case managers in the community); mediation with landlords and tenants if an issue arises; landlord and tenant education and classes; and move-in funds, time-limited rental assistance, and eviction prevention funds. LLP staff are also responsible for approving any charges to the Risk Reduction Fund. The fund was designed to be held by King County or other funders and only drawn down on an as needed basis.
What is covered by the fund?	The fund is meant to cover excessive damages to a unit beyond the security deposit. The landlord can also receive assistance for unpaid rent and legal fees. There are limits to the amount that a landlord can access. Other flexible dollars are also included in the toolkit of available resources with the LLP, such move-in assistance, limited rental assistance and eviction prevention funds, landlord and tenant mediation, and educational classes.
How do landlords participate?	LLP reaches out to recruit landlords who have vacancies and who are willing to rent to people with rental barriers. The landlord and the LLP housing support specialist negotiate screening criteria, which must comply with fair housing laws, and support the tenant through the lease signing and move-in process. The LLP housing support specialist meets with the landlord annually to evaluate the partnership agreement.

How do agencies/providers participate?	The LLP is designed to be a centralized housing search assistance program and to operate as a service for all eligible agencies to access. To join, an agency completes an application form. Once the agency is approved, the agency's case managers meet directly with LLP staff and/or attend an agency orientation. The orientation covers partner expectations, the client application process, financial assistance forms, and tenant education opportunities. Partnership agreements with the LLP clarify roles and set expectations regarding the level and quality of services to be provided to tenants.
How do tenants participate?	To participate in LLP, a household must be referred by a partner agency. LLP staff will assist participants with tenant trainings and mediation with landlords and provide a 24/7 phone number for the landlord to call in case an issue arises. Eviction prevention funds are available for two years after move-in, on an as-needed basis. LLP staff also work with the referring agency to formulate a plan to address the tenant's underlying housing issues.
How and by whom is it paid out?	LLP staff members oversee charges to the risk reduction fund. A landlord may submit a claim to LLP for damages that occur within the first two years of tenancy.
Lessons learned:	The LLP needed to determine how to set up a rolling fund with the county that didn't have to be spent in full each year. The original fund investment has lasted far longer than anyone expected. In addition to the risk mitigation fund, the other most important aspect of the program for landlords has been the 24/7 phone number to call if an issue comes up during the night or on the weekends.
For more information:	www.landlordliaisonproject.org

Denver, Colorado Metro Region

What led to creating the fund? How was it started?	The landlord recruitment program, Landlords Opening Doors, is an effort to identify and provide incentives to landlords to make housing units available for Veterans and individuals experiencing chronic homelessness. The fund was created to address the perceived risk of housing those most in need. This campaign was developed in response to an exceedingly tight rental market in the seven-county Denver metro region.
Who is currently leading the effort and who provides funds?	Landlords Opening Doors is led by Metro Denver Homeless Initiative (MDHI), the Denver metro CoC lead organization, in partnership with Brothers Redevelopment, Inc., a local affordable housing non-profit. Other partners include the Metro Mayors Caucus (MMC), Atlas Realty, and the Colorado Department of Local Affairs (DOLA). The MMC includes 40 mayors whose cities are all within the Denver metro CoC. The fund was created with dollars from MMC, approximately 15 municipalities in the CoC, and donations from local property management firms. To date, this fund totals more than $65,000.
How is the fund managed/staffed?	The infrastructure and staffing for the initiative and fund is provided by MDHI and Brothers Redevelopment, Inc. Funding for Brothers Redevelopment is provided by the Colorado DOLA. Resources for the incentive fund are provided by the MMC, as well as private funders. Administrative and operation costs come from other funding sources, so that 100% of the $65,000 can go to landlords.
What is covered by the fund?	The fund covers property damage and holding fees. Property damage claims up to $300 may be available without a preliminary unit inspection and will cover minor damages and repairs (after the deposit is applied). Property damage claims exceeding $300, but not more than $1,000, will be reviewed on a case-by-case basis. Eligible damages may include: wall gouges and holes; doors and cabinets including their hardware; carpet stains or burns; cracked tiles; broken windows; minor household fixtures such as disposal, toilet, sink, sink handle; and lighting fixtures. The payment of a holding fee of up to half the monthly rental payment or $600, whichever is less, can be provided to hold a unit for an eligible tenant while awaiting subsidies to be made available.
How do landlords participate?	Funds for property damage and holding fees are reserved for landlords who have participated in Landlords Opening Doors, have leased the unit to an approved tenant, and continue to allow placement of the tenant in the same unit. To apply for a holding payment equal to half of one month's rent, a landlord must have placed the previous tenant through the Landlord Recruitment Campaign and have rented the same unit to another tenant through the process. To participate, landlords contact Colorado Housing Connects and ask for the Landlord Recruitment Specialist, or sign-in via the website [www.coloradolandlords.org.](http://www.coloradolandlords.org)

How do agencies/providers participate?	Agencies participating in Denver Metro's regional coordinated entry system are eligible to participate. Brothers Redevelopment invested in building an online platform that maintains a list of available units, and a group representing the region's providers regularly reviews the list together to match units with tenants. Participating agencies have agreed to respond in a timely manner regarding open units and to provide excellent customer service to participating landlords.
How do tenants participate?	Tenants do not directly access the fund, but instead address any issues through their case managers as part of the coordinated entry system. Tenants who access housing through the Landlords Opening Doors campaign agree to receive coaching on good tenancy practices, including timely payment of rent, conflict resolution, and communication with landlords.
How and by whom is it paid out?	Landlords submit their claims to their Colorado Housing Connects Landlord Recruitment Specialist, who reviews and forwards to MDHI for payout. Claims are reviewed within two business days and paid within 30 days, after a post-repair inspection. At this point, only one claim has been made against the fund.
Lessons learned:	The Denver metro region is shifting from an individual community approach to a coordinated regional strategy. Stakeholders across jurisdictions were often approaching the same landlords, causing confusion. And smaller organizations were less equipped to develop relationships with landlords and both secure units and provide support if issues arose. By coordinating efforts, the metro region now has a streamlined approach that supports organizations of all sizes and offers improved service to landlords with increased efficiency in matching landlords to tenants. Cold calling landlords proved largely ineffective, so partners are working with local providers, the faith-based community, and others to provide warm handoffs. Leaders consider the effort to be worth the work, though they note a significant obstacle in overcoming the costs of one bedroom and efficiency apartments, which are in high demand and often bring in rent over asking amounts. They continue to look at ways to expand what the fund can cover and strengthen coordination between agencies and landlords, as a part of the regional effort.
For more information:	www.coloradolandlords.org www.mdhi.org