



Department of Commerce

Landlord Mitigation Program

Landlord Mitigation Administrator

Nicholas Yuva

Housing Assistance Unit

We strengthen communities

The Department of Commerce touches every aspect of community and economic development. We work with local governments, businesses and civic leaders to strengthen communities so all residents may thrive and prosper.



Planning



Infrastructure



Community
Facilities



Housing



Safety /
Crime Victims



Business
Assistance



Landlord Mitigation Program Overview

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

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 an average vacancy rate of 5% could potentially earn an additional \$18,552.60 per year to their bottom line.

Online claim form and additional
information available at

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



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Landlord Mitigation Program Overview

Subsidized tenants now offer landlords more security than ever!

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.

Online claim form and additional
information available at

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Landlord Mitigation Program Overview

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.



Online claim form and additional information available at <https://Commerce.WA.Gov/LandlordFund>



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Landlord Mitigation Reimbursement



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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.



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Pre-Move In Reimbursement

- 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.



Example Scenario:

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

$\$1175 \times 12 \text{ months} = \$14,100 / 365 =$
 $\$38.63/\text{Day} \times 12 \text{ days} = \463.56 Lost Rent



Post-Move In Reimbursement



Online claim form and additional information available at

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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.



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Post-Move In Reimbursement



Clarification:

Landlord mitigation damage claims can be used at any time during a tenancy of a subsidized tenant. Not just at move-out.

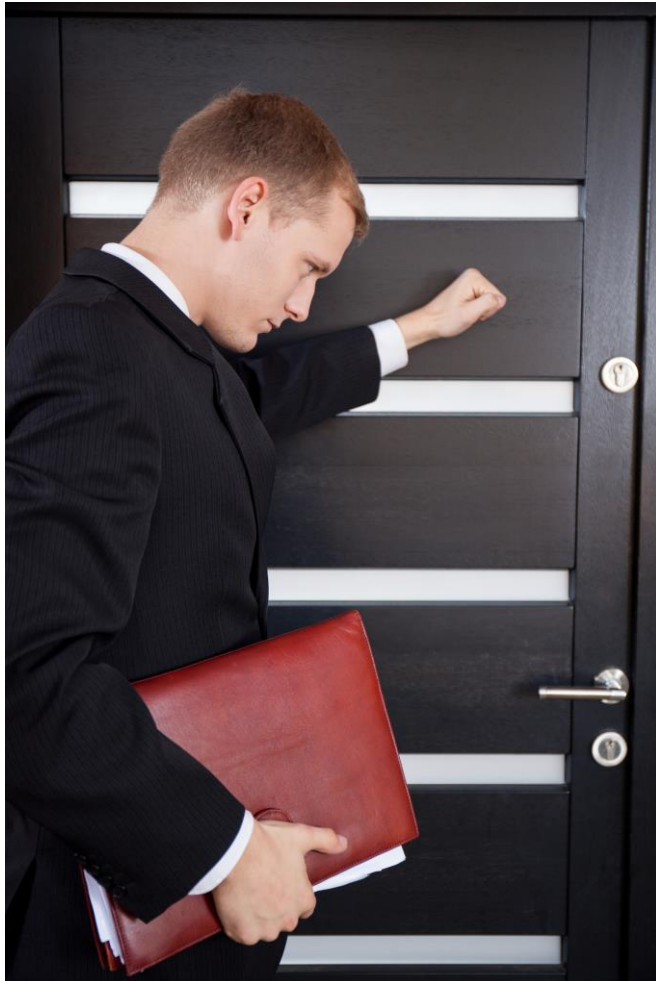
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Post-Move In Reimbursement



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

Subsidy providers often conduct random inspections as well.

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

Which will help prevent....



Post-Move In Reimbursement



...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

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Post-Move In Reimbursement

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 & after 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 available at

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



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Frequently Asked Questions



Online claim form and additional information available at

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

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://des.wa.gov/sites/default/files/public/documents/HRPayroll/SACS/SWV-Reg-W9.pdf?e4e77>



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Frequently Asked Questions

Will you consider claims for tenants that moved in/out prior to June 7th, 2018?

Unfortunately, the Landlord Mitigation Program is not a retroactive law and claims for move-in or move-out repairs or rent loss that occurred prior to this date will be not considered.

For clarification, post-move in claims will be considered for tenants that occupied the property prior to June 7th, 2018 so long as the damages occurred after June 7th, 2018.



Online claim form and additional information available at

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



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Frequently Asked Questions



What if I didn't get a copy of the housing voucher or Housing Assistance Inspection form?

The easiest solution to satisfy this requirement is to contact the housing assistance program that provided you with the rent assistance and ask them to provide you with copies.

If you are not able to collect copies from the Housing Assistance program, a signed statement from the tenant or case manager stating the amount and length of rent assistance will suffice.

Online claim form and additional information available at

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



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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.



Online claim form and additional information available at

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Frequently Asked Questions



Online claim form and additional information available at

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When can I submit a claim?

You may submit as many claims as needed during the life of a tenancy. It is important to note the consequences to being awarded a claim

- 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.
- You may only submit one claim for modifications required to pass an occupancy inspection.



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



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Frequently Asked Questions



Online claim form and additional information available at

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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.



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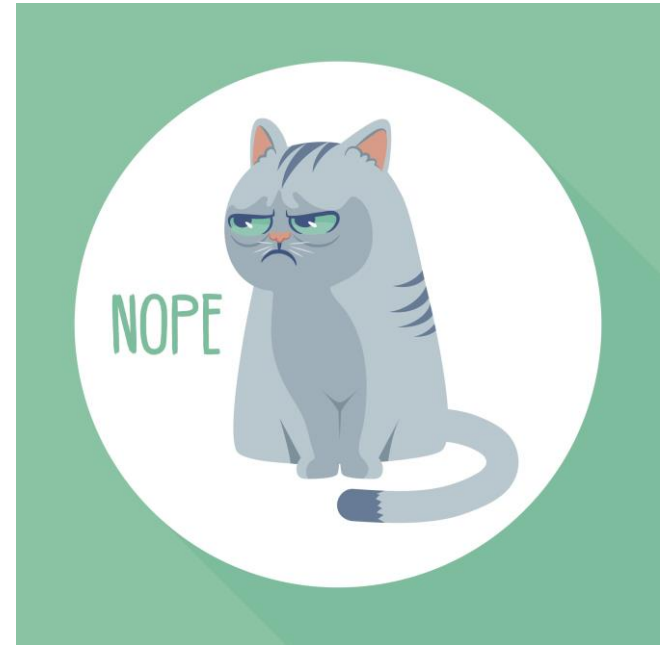
Frequently Asked Questions

Can I appeal a denial of my claim?

Most denials will be issued due to lack of supporting documentation, photos or simply lacking information on the form.

If the claim is denied for any of these reasons, please submit a new claim with all corrected information and supporting documents included. The new claim will drop to the bottom of the queue and may significantly delay a decision.

Claims that are denied for any other reason may only be appealed with a judgement against the tenant.



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Questions and Answers Time

*Thank you
for joining
us and for
helping to
house
Washington
Residents!*

Additional Information:

- Landlord Mitigation Fund Page:
 - <http://commerce.wa.gov/landlordfund>
- Washington RCW :
 - <http://app.leg.wa.gov/RCW/default.aspx?cite=43.31.605>
- Cited Resources:
 - * <https://www.aoausa.com/magazine/?p=1846>
 - ** <http://www.nchm.org/Resources/Operation-Insights/Review/ArticleId/117/A-50-turnover-rate-Its-not-high-its-the-average>





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