

# Housing Authority of the City of Napa

## Section 8 Landlord Mitigation and Incentive Program Guidelines

This Landlord Mitigation and Incentive Program (the “**Program**”) provides financial incentives to encourage property owners to rent residential units to holders of Section 8 Housing Choice Vouchers (“**Section 8 Vouchers**”) who are homeless/at risk of becoming homeless. Under the Program, the Housing Authority of the City of Napa (“**Housing Authority**”) provides “bonus/incentive” payments to property owners in Napa County (including incorporated cities and municipalities within the County) who agree to rent residential units to Eligible Tenants (defined below). In addition, the Program provides funding to mitigate potential losses that a participating property owner may experience due to nonpayment of rent or damage to a unit. The Program is administered by the Housing Authority Executive Director, or a designee of the Executive Director; which, as identified in the Program, may include the Housing Manager. The Executive Director, or designee, may delegate specified services under the Program to a contractor under contract with the Housing Authority. The Housing Authority is currently under contract with Abode Services, a California nonprofit public benefit corporation (“**Abode**”) to provide services under the Program, including: Abode will refer Eligible Tenants to participating property owners, will seek resources for tenant security deposits, will assign a staff person to support and advise each participating property owner, and will staff a telephone hotline to provide after-hours assistance to property owners to address urgent tenant-related concerns.

### **I. ELIGIBLE TENANTS.**

To be eligible to participate in the Program, a prospective tenant must meet all of the following qualifications:

- (i) the person or household must be a current holder of a Section 8 Voucher;
- (ii) the Housing Manager has made a determination that the person or household has been unable to locate available rental housing and therefore is homeless/at risk of becoming homeless and at risk of losing their Section 8 Voucher;
- (iii) the Housing Authority must have referred the prospective tenant to Abode for assistance in locating housing; and
- (iv) Abode must have referred the prospective tenant to the Property owner.

In order to be considered homeless, a household must lack a fixed, regular, and adequate nighttime residence. This shall include households who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason (i.e. “coach surfing”), are living in motels, hotels, or campgrounds due to the lack of alternative accommodations, are living in emergency or transitional shelters, or are living in a place not normally meant for habitation (i.e. living in cars, parks, public spaces, abandoned buildings, or similar settings).

In order to be considered at-risk of homelessness, the household must have had a voucher issued to them which will expire with ~~45~~60 days and they have either:

- (i) been unable to locate a housing unit that will accept the voucher (and the household’s current landlord will not accept the voucher and, without the voucher, they are extremely housing burdened – i.e. paying over 50% of their income for rent); or
- (ii) they already have a unit they are renting with a voucher, but the landlord has given them a notice to vacate for no-cause (i.e. 90-day notice), and they have been unable to locate a replacement unit.

Eligible Tenants may include both households that have newly been issued Section 8 Vouchers and households that are seeking to move either because the rent for their current unit has been increased beyond what the household can afford even with a Section 8 Voucher, and/or because they have received a notice to vacate their current unit.

## **II. BONUS/INCENTIVE PAYMENTS.**

Participating property owners who agree to rent to an Eligible Tenant may receive any combination of the following bonus payments in the maximum aggregate amount equal to one month’s contract rent for the rental unit.

**A. New Owner Bonus:** Property owners that have not rented to a Section 8 Voucher holder in the past three years, are eligible to receive a “New Owner Bonus” in the amount of \$1,000 when they sign a 12-month lease with an Eligible Tenant.

**B. Additional Unit payment:** Property owners who agree to rent more than one residential unit to Eligible Tenants are eligible to receive an “Additional Unit Bonus” in the amount of \$500 for each additional unit (beyond the first) when they sign a 12-month lease with each Eligible Tenant.

**C. Continuity Payment:** When an Eligible Tenant participating in the Program vacates a unit (other than due to eviction), the Property owner is eligible

to receive a “Continuity Payment” in an amount equal to one month’s contract rent based upon the contract rent paid by and/or on behalf of the vacating tenant if the property owner signs a 12-month lease to rent the vacated unit to an Eligible Tenant within 30 days following the date of the vacancy. If the unit is re-occupied within the same month that the unit becomes vacant, the Continuity Payment will be reduced by the contract rent paid by and/or on behalf of the new tenant. To be eligible to receive a Continuity Payment, property owners must notify Abode of their interest in participating in the Program before or at the time a unit becomes vacant. The Continuity Payment potentially enables the property owner to receive an additional month’s rent if they agree to rent vacant units to new Eligible Tenants.

**D. “No Loss” Vacancy Bonus:** When a property owner agrees to rent a unit to an Eligible Tenant pursuant to a 12-month lease, the owner may be eligible for a “No Loss Vacancy Bonus” payment to cover rent losses for units that become vacant and available for occupancy. The payment will be equal to a daily prorated amount based upon the approved contract rent, and will be paid based upon the number of days a unit remains vacant after it is ready to be leased and occupied. The maximum payment amount is equal to the monthly contract rent amount. To be eligible, property owners must provide Abode and the Housing Authority with a written notice of their intent to rent to a program participant, and the unit must be move-in ready. Property owners are not permitted to receive both a Continuity Payment and a No Loss Vacancy Bonus concurrently for the same unit.

### III. LOSS MITIGATION PAYMENTS

If a participating Eligible Tenant abandons a unit leaving significant damage, breaks their lease, is evicted for non-payment of rent or repeated lease violations that result in lost rent, or any combination of these, the Program will provide the property owner with compensation for costs above those covered by the tenant’s security deposit, up to a maximum of \$3,500 per unit. Property owners may submit claims for these payments only during the three-year period commencing upon the Eligible Tenant’s initial lease start date. Claims must be submitted within thirty days following the date the unit is vacated or abandoned. Eligible payments include the following:

**A. Damages Payment:** The property owner may be eligible for a “Damages Payment” if costs to repair damage caused by an Eligible Tenant will exceed the amount of the tenant’s security deposit. The property owner must confirm that the tenant has vacated the unit and must provide Abode with proper documentation of the condition of the unit. Proper documentation (such as

photographs and work orders) must support a reasonable expectation that the required repairs will exceed the amount of the tenant's security deposit. Abode or the Housing Authority must inspect the unit to verify damage prior to the commencement of any repairs or other work. Normal wear-and-tear, and damage not caused by tenants (such as by an Act of God) are not covered under the Program. The maximum payment is \$3500 in the aggregate in combination with any Uncollected Rent payment (described below).

**B. Arrears/Uncollected Rent:** If a participating Eligible Tenant abandons a unit or is evicted, and owes rent that exceeds the amount of the security deposit less the cost to repair damage, the property owner may be eligible for a payment in the amount of all or a portion of the unrecovered rent up to a maximum aggregate amount, combined with any payment to cover damages, of \$3500. The property owner must provide evidence that written notices of past due rent have been provided to the tenant, and must provide a ledger of the total amount owed, including the amount to be covered by the security deposit. The payment will only cover past unpaid rent that is not covered by the security deposit, and does not cover eviction costs.

#### IV. **BARRIER REMOVAL AND SECURITY DEPOSIT RESOURCES**

The Program may provide up to \$5,000 for "barrier removal" to assist an Eligible Tenant secure housing. Eligible costs may include, but are not limited to, application fees, security deposit, or payment of unpaid utility bills on an old utility account, so utilities can be turned on in the new unit. Before utilizing Program funds for "barrier removal," Abode will first work to match Eligible Tenants with other available community funding resources for security deposits (e.g., Seasons of Sharing, ~~Flex Pool~~) and only utilize Program funds if other resources, including the Tenant's own funds, are not available.

#### V. **ADDITIONAL RESOURCES AND SUPPORT FOR PROPERTY OWNERS**

An after-hours telephone hotline number and Abode staff support will be available through the Program for participating property owners. The Landlord Crisis Response Hotline is a toll-free number that property owners may call to obtain advice regarding urgent tenant related matters outside of regular business hours between 5:30 p.m. and 8:30 a.m. on weekdays and all day on weekends and holidays. In addition, in connection with each referral of an Eligible Tenant, Abode will assign a dedicated "Landlord Retention Specialist" who will be able to provide the property owner with additional support regarding tenant related issues.