



# HEARTLAND CONTINUUM OF CARE

## Landlord Risk Mitigation Fund Program Policy Manual

Approved by HCoC Board on October 2nd, 2025

## Introduction

The **Landlord Risk Mitigation Fund (LRMF)** is a program of the Heartland Continuum of Care (HCOC). LRMF is a formal partnership among housing providers, property owners and managers, and service providers. The goal is to create access to housing through a 'Housing First' approach that emphasizes rapid placement and support in housing. The LRMF will help persons who face housing barriers access housing and maintain housing by providing protection for both property owners and agencies providing services.

The Landlord Risk Mitigation Fund provides an incentive for landlords to rent to individuals and families experiencing homelessness and face significant impediments to housing. Essentially, landlords agree to rent to people who are part of supportive housing programs operated by Heartland Continuum of Care member agencies.

**The program aims to:** Mitigate the traditional risks associated with less stringent screening criteria. Meet the needs of persons who otherwise could not access housing or who face challenges to maintaining housing.

The Landlord Risk Mitigation Fund will reimburse up to three thousand dollars (\$3,000) for physical and operational losses for up to two (2) years after move-in.

**Eligible Clients for LRMF:** Tenants in Permanent Supportive housing (PSH), Rapid-rehousing (RRH), Payee services, and Emergency Housing Vouchers.

**Eligible Clients for Veterans LRMF (VLRMF):** Tenants in HUD-VASH, Supportive Services Veteran Families (SSVF), and Health Care for Homeless Veterans (HCHV). The VLRMF has unique funding sources, but the process is exactly the same as LRMF for the purpose of this policy. All mentions of LRMF apply to VLRMF.

### **The fund could cover the following expenses:**

- Damages caused by participant (tenant) in excess of normal wear and tear to the unit which exceeds the security deposit.
- Up to two (2) months of non-payment of rent if the participant (tenant) does not vacate the apartment in good standing.

- Court costs and attorney fees where necessary to terminate tenancy and remove a participant or nonpayment of rent for other serious and repeated violations of the lease in accordance with state law, up to six hundred dollars (\$600). (Landlords seeking reimbursement must provide evidence that they took reasonable steps to avoid eviction and that a legal proceeding was necessary to avoid greater financial hardship).

### **What the program is not:**

- A cosigner.
- A rental assistance program.
- An emergency assistance program.
- A direct financial benefit to the tenant.
- Guaranteed money for the landlord.
- Meant to upgrade the property.
- Meant to cover late fees.

All policies for the LRMF are approved by the HCOC Board in consultation with and upon recommendation from the LMRF Advisory Board.

## **PROGRAM OVERSIGHT AND ADMINISTRATION**

### **Advisory Board Responsibilities**

The Advisory Board provides oversight and administration of the LRMF program.

- Review approval of applications for the LRMF program.
- Review claims submitted for the fund and recommend appropriate levels of compensation to the HCoC Board of Directors for approval.
- Recommends policy to the Board of Directors and procedure to the Housing Navigator.
- Responsible for the policies and procedures, implementation and evaluation of the LRMF program, and for communicating relevant concerns to the Heartland Continuum of Care Board.
- With the support of the Housing Navigator, evaluate the program, and communicate the results of such evaluation.

**Makeup:** The Advisory Board is composed of no less than five (5) and no more than seven (7) members appointed by the HCoC Board of Directors. It is recommended that the Board of Directors should strive for balance in the makeup of the Advisory Board in race, gender and expertise including

housing experts drawn from the nonprofit community, the business community, the faith community, and city government. A member of the HCoC Executive Committee or HCoC Coordinator will chair the LRMF Advisory Board in the Housing Navigator's absence.

**Vacancies:** Vacancies occurring on the Advisory Board shall be filled, as soon as reasonably possible, by appointment of the HCoC Board.

**Term limits:** Each member is appointed to a two-year term, there is no limit to the number of times a member can be re-appointed by the HCoC Board.

**Attendance:** Attendance at meetings is strongly encouraged and can be either in-person or electronic.

**Removal:** An appointee who consistently fails (3 meetings in a 6 month span) to attend or participate may be removed and replaced by the HCoC Board of Directors at the request of the Advisory Board.

**Meetings:** Meetings will be held monthly as claims are submitted and as needed. When possible, an electronic option for attendance will be available. Submitted claims will be provided to board members at least 5 business days before each meeting so that decisions can be made during meetings. Discussion to obtain consensus will be the prevailing procedure used at meetings. Process for consensus decision-making will be determined by members of the Advisory Board. Meetings will be recorded and minutes will be taken for each meeting by the Housing Navigator or appointed designee. They will be distributed and stored in such a way as to protect the participant's confidentiality.

**Voting Members:** All appointed Advisory Board members shall have one (1) vote.

**Electronic Voting:** Electronic voting is allowed to ease the challenge of making leadership decisions between meetings or when timing or travel is unrealistic for one or more members. The voting period and required response date shall be prominently posted in the request for vote.

**Quorum:** A quorum for the transaction of any business by the Advisory Board shall be a simple majority of the non-vacant seats on the Advisory Board.

## **Conflict of Interest Policy**

It is important for each member to be aware that both real and apparent conflicts of interest or dualities of interest sometimes occur in the course of conducting business of the LRMF Advisory Board and that the appearance of conflict can be troublesome even if there is, in fact, no conflict whatsoever. Conflicts occur because the many persons associated with the LRMF program should be expected to have, and do in fact generally have, multiple interests and affiliations and various positions of responsibility within the community. In these situations, a person will sometimes owe identical duties of loyalty to two (2) or more organizations. Therefore, the following general principles have been established:

- Each member of the Advisory Board has a duty of loyalty. The duty of loyalty generally requires a member to prefer the interests of the LRMF program over the member's interest or the interests of others.
- In the event any Advisory Board member or a member of their family has a personal or business interest in, or is involved in any way with, an organization with which the Board is considering issuing a claim payment must be disclosed to the Board. In such an event, the interested member shall neither vote nor participate in the discussion of the matter. However, any member who is excluded from voting or discussion pursuant to this policy may answer pertinent questions of other Board members and be present during the discussion.
- The minutes of the meeting shall indicate that the interested member disclosed the interest or involvement in the matter being considered by the board, recused herself/himself from the discussion, and abstained from voting on the matter.

## **Housing Navigator**

The Housing Navigator provides general operational oversight of the program including:

- Receiving applications and claims and presenting them to the Advisory Board.
- Processing payments when claims are approved.
- Provides staff assistance to the Advisory Board and may make recommendations on applications, claims, finances, policy, and procedures.
- Providing program reports to the Advisory Board, HCOC Board of Directors.
- Logs all processed payments into HMIS.

## **Data Standards**

A database of participants will be kept by the Housing Navigator and shared with the HCoC Coordinator. At a minimum, the following data is kept up to date on each participant:

- Participant name.
- Participants start and end dates in the program.
- Original and current service provider/worker.
- Original and current property company or landlord.
- Detailed information on file: Move-in photos, move-in checklist, landlord information agreement, claim forms, application agreement, ROI, and landlord risk certificate.
- Program status.
- Claim status and amount paid.

The Housing Navigator provides regular reports on the status of the program to the Advisory Board and the HCOC Board of Directors. Those reports will include, but are not limited to:

- Active applications in process.
- Balance of program funds.

## **ROLES AND EXPECTATIONS OF PARTNERS**

### **Service Providers**

Support organizations are to be the first point of contact with people and families in need. The organizations will provide case management when a participant is leased in a unit, and act as needed as the communication bridge between landlord and participant. Support organizations must be active members of the HCOC in good standing to access/participate in LRMF. Staff must make the Executive Director of their agency aware of the situations before submitting a claim to the fund for consideration of remedy internally. Executive Directors should approve the claim submittal.

### **Property Owners & Managers (Landlords)**

Landlords participating in the program are pivotal to the program's success. They may be asked to provide evaluations of the program as they gain experience with claims. The HCOC and the Service Provider will not publish or distribute, in any fashion, the landlord's name or participation in the Landlord Risk Mitigation Fund except as expressly directed by the landlord.

## **Landlord Expectations**

1. Sign a lease with the tenant and provide a copy of the lease to the tenant, the services provider, and the Housing Navigator.
2. If the tenant defaults on the lease or damages the property in excess of the damage deposit, contact the service provider and the Housing Navigator.
3. Deposits must be applied to all claims and documented clearly.
4. Landlords applying for reimbursement of physical repair costs must document the condition of the unit upon move-in. This is necessary to document the condition of the unit at the beginning of the tenancy to determine the damage caused by the LRMF tenant.
5. In the event of suspicion of excessive damages, lease violation, abandonment, etc., the landlord must contact the Housing Navigator.
6. Submit to inspection of the unit by Housing Navigator.
7. Provide any and all pertinent documentation of damages, monies owed, insurance, mediation, etc., relating to the fund participant to the LRMF application.

## **PROGRAM ELEMENTS**

### **Program Application**

1. Landlords and case managers apply as coapplicants for the Landlord Risk Mitigation program. The application includes what agency/s they are working with and documents LRMF eligibility.
2. The Advisory Board reviews all applications and makes recommendations and decisions about program participation.

### **Service Provider Expectations**

1. Service provider includes the following documentation in the client's HMIS record:
  - Written documentation unit conditions prior to move in, such as move-in checklist and any additional documentation provided by the landlord.
  - Photo documentation of the condition of the unit.
2. Service provider fulfills housing stabilization efforts for the duration of the program.

### **Landlord Expectations**

1. Landlords relate and communicate with the tenant as they would with any other tenant. Should the need arise, the landlord may utilize the

assistance of the service provider or mediation services to maintain a positive tenant-landlord relationship.

2. Keep a signed lease on file and submit with any claims made to the LRMF program.

## Claims

LRMF can indemnify two (2) types of claims through the Risk Mitigation Fund: physical and operational. While the initial claim form for each of these claims is the same, the documentation required, and the cost reasonableness evaluation procedure differs. The amount eligible from the fund will be reduced by the amount that could be recovered from an insurance claim when the after-deductible benefit amounts to three thousand dollars (\$3,000) or more. The decision of whether to actually file a claim is up to the landlord. Claims submitted to insurance cannot be submitted to LRMF.

## Physical

**Definition:** These are claims for physical damage to a LRMF unit, caused by a LRMF tenant. It is assumed that all unit turnovers require a certain amount of repair (cleaning, painting, and some carpet replacement would not be unusual).

1. An eligible tenant causes physical damage to their unit and/or elsewhere on the property. These costs may be covered by the Risk Mitigation Fund.
  - a. Physical claims could include the following:
    - i. Excessive cleaning, including carpet cleaning.
    - ii. Debris removal and disposal.
    - iii. Repair of doors, walls, cabinetry.
    - iv. Other damages in excess of those arising out of normal wear and tear.
    - v. Damage to common areas by tenants may qualify, depending on the circumstances.
  - b. Physical items not included are:
    - i. Normal wear and tear.
    - ii. Normal turnover costs.

## Operational

**Definition:** Operational claims are claims related to lost rent revenues or excessive operating losses. LRMF is not a rent subsidy program.

1. Claims for excessive operational expenses could include:

- a. Legal costs related to evictions, up to six-hundred dollars (\$600).
  - b. Rent that is owed but not collected, not to exceed sixty (60) days.
  - c. Rent during the vacant turnover time when a tenant has broken the lease and that period exceeds thirty (30) days.
  - d. Other items such as utilities might be included, depending on the circumstances.
2. Claims not eligible for reimbursement include:
- a. Any increase in insurance premiums.
  - b. Lost rent during initial lease-up period.
  - c. Operational costs that are considered normal business expenses for operating the rental unit.

In general, all claims are to be submitted after termination of the lease has occurred. The fund may also be used to prevent a termination in certain circumstances when a physical claim is filed but must be approved by the advisory board on a case-by-case basis.

### **Filing a Claim**

- Claims can only be filed for units used for eligible tenants.
- Proper documentation must be submitted with each claim.
- The Housing Navigator should be contacted immediately and may do an emergency inspection by a fund designee and walk the landlord through the claims process.
- Landlords will be required to complete a claim form.
- For physical damage claims only:
  - In addition to completing a claim form, claimants must attach a description (work order or contract) of the proposed repairs including quantities, materials, unit prices, an estimate, and a bid or invoice for repairs (including material and labor). Photos of damage should be provided.
  - LRMF will use the landlord's standard move-out accounting and documentation on claims for security deposits as a way of determining when repairs are beyond normal wear and tear.
- For operational losses only:
  - Landlords must complete a separate claim form for Operational Losses as well as provide a brief explanation of what occurred and what actions the landlord took to try to limit losses.
  - Landlords must attach the standard move-out accounting and documentation used to make claims against security deposits.

## **Claim Review**

- The LRMF Claim Form must be completed by the Landlord.
- All claims will be reviewed by the LMRF Advisory Board, who will determine that the unit is eligible, that the application is complete, that the repairs are necessary, and the cost of the repairs is reasonable.
- The LRMF Advisory Board will determine the amount of claim to be paid. Third party verification may be requested.

## **Appeals**

- Appeals on claims may be made first to the Advisory Board, then to HCoC Board of Directors for final decision.
- The advisory board will have an opportunity to see the appeal decisions, in their regular program reviews to look at potential program changes or challenges.

## **Disbursement of Funds and Statute of Limitations**

- Claim checks will be issued and sent to the landlord within thirty (30) days of the HCoC Board approval.
- The claims form and required accompanying materials must be submitted to LRMF within sixty (60) days from the time the damage or loss occurred.
- An exception to this requirement is pending insurance determination that would prevent the claims form from being complete. In these instances, LRMF must be notified of the intent to file a claim within sixty (60) days of the occurrence.