



LANDLORD RELIEF PROGRAM

Administrative Plan

LANDLORD RELIEF PROGRAM

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Executive Summary

The Vermont State Housing Authority (VSHA) Landlord Relief Program (LRP) is a “Risk Pool” or “Mitigation Program”. These types of programs have been shown to be critical tools in developing a supportive network of resources for a healthy rental market. The LRP helps support landlords who are providing rental housing that truly serves all low-income Vermonters. Vermont has a long history of employing Risk Pools through various sources, such as state funding, foundation grants, and other discretionary local funds used by case management agencies. The overarching goal in each model has remained the same: simultaneously open doors for Vermont renters while supporting landlords who are seeking to provide high-quality homes for their tenants.

The goals of this program are to:

1. Open doors for landlords and tenants to establish successful and trusting relationships that result in housing stability.
2. Maintain relationships with current landlords while increasing the availability of units for Vermonters experiencing, or at risk of experiencing, homelessness; and
3. Provide resources to prevent loss of housing opportunities for tenants and prevent vacancy loss for landlords.

Who can submit a claim?

- Landlords (Property Owners, Property Managers or Authorized Agents)
- Applications cannot be initiated by a tenant.

Eligibility Guidelines

Program eligibility includes five elements:

1. Landlord eligibility
2. Tenancy eligibility
3. Terms and conditions of lease eligibility
4. Rent affordability requirements
5. Terms and conditions of post-award eligibility

Successful applicants must demonstrate compliance with each element throughout the application and documentation process.

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Landlord Eligibility:

Landlords may be either for-profit or non-profit owners of rental housing. Landlords are expected to be in good standing with any local housing compliance regulatory body, local/state code enforcement, and the State of Vermont. Since landlords that are awarded funds from the program will receive a 1099, they must provide necessary tax forms.

Landlords may not apply for the Landlord Relief Program for benefits that can be covered by other programs. It is the intent of this program not to duplicate benefits or claims. Please see Appendix A to help identify your eligibility. Payments will be made in accordance with these guidelines.

Landlords must attest and/or verify that:

- If a claim is approved Landlords agree not to evict, or pursue legal action against, the tenant based on items addressed using funds from the claim
- They have exhausted all other funding options for eligible expenses available to them.
- They are following local and/or state requirements. This includes health and safety as well as registration requirements. If there are violations, verification must be provided that they are working to resolve identified issues in a timely fashion.
- If granted funds, they will allow for quality assurance visits by VSHA staff.
- They agree to allow VSHA staff to verify information provided in their application(s).

Landlords must demonstrate the following:

1. Lease to program-eligible households (see Eligible Tenancy section for details):
 - a. Landlord must have a signed lease or an Executed Request for Tenancy for a future date for a tenant that has a housing subsidy or other short or long-term rental assistance, such as:
 - i. Housing Choice Vouchers/Section 8
 - ii. State rental assistance
 - iii. Rental assistance from a local non-profit or faith-based initiative
 - iv. Vermont Emergency Rental Assistance Program or other emergency rental assistance from a community agency.
 - b. Landlord can confirm the tenant was referred from the local Homeless Continuum of Care or other agencies serving the homeless and at-risk households. This is called a “coordinated entry referral” and tenants referred to rental housing through this process can be verified by the local Coordinated Entry (CE) lead agency as identified here: [Vermont Lead Agencies - Vermont Coalition to End Homelessness](#)
2. Landlords must demonstrate regular inspections have been performed on the unit.

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Acceptable inspections include:

- a. Move-in inspection reports must have signatures and dates from the landlord and tenant in lieu of a third-party inspection report; and
- b. Claims requesting repairs after a tenant moves out will require a security deposit disposition letter and/or a ledger verifying use of the security deposit. Photos of damages, invoices for repairs, and photos of completed work will be required for all damage-related claims.

Eligible Tenancy:

Tenancy is defined as: the temporary period which a person (the tenant) has the legal right to occupy and use a property belonging to another person (the landlord) in exchange for rent.

Tenancy must meet **one** of the following for a landlord to be eligible to apply for the program:

1. Tenant household must be, or have been, a recipient of some form of rental subsidy or payment assistance within the past five (5) years. The subsidy or rental payment assistance does not need to be active when the application is submitted.
 - Subsidies or rental payment assistance can include one-time or ongoing assistance from a 3rd party or governmental program. State emergency rental programs resulting from on-going, or emergency programs are also eligible.
 - Documentation of the source of rental assistance or subsidy will be required.
 - **Please see Appendix A for additional information regarding subsidy/rental assistance-type eligibility.**
2. Tenant/household was homeless at the time of their initial move-in.
 - Must be able to provide documentation of a referral from the local Homeless Continuum of Care (CoC) to qualify for this status. This is called a “coordinated entry referral” and tenants referred to the rental housing through this process can be verified by the local CE lead agency as identified here: [Vermont Lead Agencies - Vermont Coalition to End Homelessness \(helpingtohousevt.org\)](#).

Eligible Lease Terms and Conditions:

Tenancy must have a formal lease for a claim to be eligible. The lease must be active and renewed within the terms of the original lease or any subsequent version of the lease. The lease must meet the minimum requirements of [Title 9, Chapter 137 of Vermont Statutes](#). While no specific lease format is required, a lease must at least contain the following:

- Property address and unit identification
- Name of landlord
- Name(s) of all tenants

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- Monthly rental amount and utility structure
- Terms of lease that includes the date the lease was initiated
- Description of how the lease is renewed (can be automatic)
- Security Deposit amount, and any terms related to the disposition of the deposit
- Signatures and dates

Rent Affordability Requirements:

There are two options for determining whether the lease meets program affordability guidelines:

1. **The rent amount is affordable to households at 80% Area Median Income (AMI)** as determined by [this chart of Vermont Housing Finance Agency's rent affordability thresholds with maximum rent and purchase price affordability based on income and household size](#). These change every year in the spring, so please be sure to check annually.
2. **The rent is determined by an ongoing rental subsidy** from a local, state, or federal rental assistance program. See Appendix A for more information on eligible subsidy/rental assistance types.

Maximum Claim Requests:

Tenancy is defined as: the temporary period which a person (the tenant) has the legal right to occupy and use a property belonging to another person (the landlord) in exchange for rent.

Landlord Benefits:

The maximum reimbursement is \$5,000 per unique tenancy with a maximum benefit of \$30,000 per unit.

Eligible Claim Expenses:

Below is a list of program-eligible claim expenses. There may be other resources available for some of the expenses listed below and applicants will be required to note whether they have pursued other resources for the proposed claim expense. In some cases, program administrators may defer your application to other agencies to exhaust other existing resources.

1. Vacancy Loss*/Housing Quality Standard Repairs (HQS) HOLD for future program-eligible tenants.
 - a. Limited to two months' rent
 - b. A signed "Request for Tenancy Approval", lease/rental agreement, or a VSHA Intent to Rent document is required.

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- c. A signed “move-in” checklist
 - d. Repairs to meet HQS or pass inspection required by the source of rental subsidy. The landlord will be required to provide the initial \$500 of repairs to access this funding (SMOKE/CARBON MONOXIDE DETECTORS ARE NOT ELIGIBLE EXPENSES.)
 - (i) **Vacancy loss:** the lost rental income by property owners when their units are vacant and not generating any income. Vacancy loss occurs when a unit sits empty between tenants or if a tenant breaks a lease and the unit cannot be immediately re-rented. Vacancy loss will pay for the number of days or months the unit remains unoccupied, **not to exceed 60 days**, calculated by the following formula: monthly rental rate x the number of months (or days) vacant.
 - 1. Example: The rental property has a monthly rent of \$1,500. Your rental unit is unoccupied for 15 days; the vacancy loss would be calculated as follows: $\$1,500/30 \text{ days} \times 15 \text{ days} = \750
 - 2. Example: The rental property has a monthly rent of \$1,500. Your rental unit is unoccupied for one month; the vacancy loss would be calculated as follows: $\$1,500 \times 1 \text{ month} = \$1,500$
2. Vacancy Loss* of rent resulting from repairs that exceed addressing normal wear and tear. If the repairs or improvements also include an inspection process that causes loss of rent, that period shall also be eligible for program coverage.
- a. These repairs may occur during tenancy, or after tenancy is complete. If the unit is being transitioned, the next tenancy must be program eligible (see rent limits).
 - b. Landlords may receive up to one (1) month of lost rent due to move-in delays caused by the inspection and/or repairs.
- *Any proration of rent will be based on the contract rent listed in the Rental Agreement, divided by the number of days in the months of lost rent, and multiplied by the actual number of vacant days.
3. Damages or Repair costs exceeding security deposit for excessive damages, beyond normal wear and tear, to unit or common areas by applicant household.
- a. These repairs may occur during tenancy, or after tenancy is complete. If the unit is being transitioned, the next tenancy must be program eligible (see rent limits).
 - b. May include common areas if there is documentation directly attributing damages to the program-eligible households.
4. Other expenses associated with early termination of the lease.
- a. Eviction Expenses: inclusive of mediation, legal, and other expenses associated with

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the eviction process.

- b. Vacancy loss resulting from an eviction; up to one month of rent.
 - c. Landlords may receive up to one (1) month of lost rent due to early lease termination by the tenant.
5. Other uses with prior written permission from the administrator: case-by-case requests must be submitted in writing via the application portal, and a determination will be made by the program administrator.

****Back rent and utility arrears are NOT eligible under this program****

Claim Review Process

Timing of Claims: All requests must have a claim that occurred after December 25, 2022.

All applications must be submitted within 60 days of the landlord incurring an expense, inspection date, or discovering a claim.

Each claim could be during a tenancy, or the conclusion of the eligible tenancy (when the tenant moves out), or in advance of an eligible tenant moving into the unit.

Applicants must demonstrate the timeliness of their claim, efforts to address the issues related to the claim, and ensure that no additional expenses were unnecessarily incurred due to lack of timely maintenance of the units that causes an increase in the claim request.

If a landlord is aware that an event or expense has occurred but are unsure what the final amount of the claim will be, they are encouraged to submit their application as soon as possible. Eligibility for reimbursement of expenses may be reviewed and considered by the administrator prior to the final expenses being incurred.

Claims may occur prior to tenancy (pre-move-in), during a tenancy, or after a tenancy has occurred (post-move-out). The timing of the claim will impact on what expenses are eligible for reimbursement and will also dictate what documentation is required when submitting a claim.

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Claim Review Steps:

Applications for claims may be submitted online. Paper applications will be made available to accommodate a disability, or if the applicant lacks access to the necessary technology.

Once received, the administrator will review the applicant information and documents submitted with the claim within 10 business days. The claimant will be notified of a decision in writing. The decision may include a request for additional information/documentation. Partial claims may be considered if portions of a claim are ineligible, or an expense cannot be verified.

As noted below, photos documenting damage are required to substantiate a claim. At the discretion of the program administrator an in-person inspection of the unit may be required.

In addition to general information about the claim, applications will require some or all the following documentation depending on the specific claim. Items in bold means it's required:

- **Subsidy Inspection Report and/or Move-in condition report signed by both tenant and landlord**
- Executed Rental Assistance Agreement
- **Certificate of Occupancy as required by municipality**
- Lease (and documentation of current rent amount if different from original lease) A signed "Verification of Tenancy Approval form"
- Tenant ledger showing unpaid rent and other charges being claimed and application of Security Deposit (if post-move out)
- Notices to Tenant(s) related to unpaid charges.
- **Photos of damage**
- **Copies of all repair invoices for damage**

Program administrator reserves the right to waive or require additional documentation on a case-by-case basis.

Appeals:

If an applicant is determined to be ineligible for assistance, VSHA will notify the applicant in writing with a detailed reason for the denial, including any facts relied on for the decision. The claimant must notify VSHA, in writing or by phone, of their intent to appeal the decision within 10 business days from the date of the denial notice.

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Reviews for appeals will be conducted by staff other than the one who made, or approved, the initial decision or a subordinate of this person. The reviewer will conduct necessary research and give the Applicant an opportunity to provide additional information and present written or oral objection to the decision under review.

When rendering a decision, VSHA will evaluate the level of documentation provided by the applicant and the accuracy of the calculations as well as the decision. VSHA will communicate in writing the results of the review to the applicant within 10 business days.

A formal appeal can be bypassed by providing missing information, if that was the reason for denial, and calling VSHA to let them know the information has been sent, by what means (email, etc.), and when.

The following process will be followed for appeals:

- i. Applicant receives denial letter, which includes reason for denial.
- ii. Applicant contacts the Agency (by phone/email / letter sent via USPS) and requests a hearing (within 10 business days from the date of the denial letter).
- iii. Application is referred to appeals hearing officer.
- iv. Appeals hearing officer reviews application and supporting documentation and within 10 days of request either reverses decision (go to step vi.) or schedules the hearing.
- v. Appeals hearing officer conducts hearing via video conference or phone call. The applicant may have a representative or support person at the hearing.
- vi. Appeals hearing officer makes determination and updates Applicant Notes.
- vii. Application is referred to Program Specialist for follow up, including:
 - Sending final determination letter to applicant, and the representative of either who appeared at the hearing, describing the reason(s) for the determination.
 - Requesting any required information if denial is overturned.
 - Scheduling payments if denial is overturned.

Suspected Fraudulent Applications:

In cases suspected of fraud, identity theft, or provision of documents that are suspected to be fabricated with false information for any of the required eligibility criteria outlined above: VSHA may require additional information; if additional information is determined to be false and/or identity theft has been verified, the applicant will be denied without the right to appeal.

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Landlord Relief Program Examples of Voucher Eligibility

<u>These programs are <i>not</i> eligible to access Landlord Relief</u>	<u>Damages</u>	<u>Vacancy Loss</u>	<u>If “no”, the reason</u>	<u>Documentation Required</u>
Project Based Rental Assistance (PBRA)	No	No	Program provides for reimbursement	N/A
Shelter Plus Care, Rapid Rehousing, and A Way Home Project-Based Vouchers (PBVs)	Yes	No	Program provides for reimbursement	Referral from Agency
Low-income Housing Tax Credit (LIHTC) when combined with 1 or 2 above	No	No	Program provides for reimbursement	

<u>These programs are eligible to access Landlord Relief</u>	<u>Damages</u>	<u>Vacancy Loss</u>	<u>If “no”, the reason</u>	<u>Documentation Required</u>
Section 8 Project-Based Vouchers (PBVs) - private landlords	Yes	No	Program provides for reimbursement	50058
Section 8 PBVs – Non-profit landlords -- <i>when housing literally homeless households only</i>	Yes	No	Program provides for reimbursement	50058/Coordinated Entry (CE) Referral
Section 8 PBVs – Low-income Housing Tax Credit (LIHTC) units – <i>when housing literally homeless households only</i>	Yes	No	Program provides for reimbursement	50058/Tenant Income Form (TIF)/CE Referral
Housing Choice Vouchers (HCV) - Private landlords	Yes	Yes	N/A	50058/ CE Referral
HCVs – Non-profit landlords – <i>when housing literally homeless households only</i>	Yes	Yes	N/A	50058/ CE Referral
HCVs - LIHTC units - <i>when housing literally homeless households only</i>	Yes	Yes	N/A	50058/TIF/CE Referral
Unassisted LIHTC units -- <i>when housing literally homeless households only</i>	Yes	Yes	N/A	TIF/CE Referral

Please Note: Non-profit housing providers and providers with LIHTC units are eligible to make applications to LRP in accordance with the eligibility guidelines established above, when leasing to a household experiencing homelessness.

This is not an exhaustive list other forms of rental assistance are eligible
Other Expenses are reviewed on a case-by-case basis.