

# Landlord Risk Mitigation Fund

## Program Procedures

The Northwest Minnesota Foundation



Northwest  
Minnesota  
**FOUNDATION**

Community Impact- Housing & Homelessness Program

201 3rd St NW

Bemidji, MN 56601

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*Landlord Risk Mitigation Fund- Program Procedures*

## **I. Introduction**

Partnerships with landlords, tenants, and collaborative Housing Service Providers is a crucial strategy to ending youth homelessness. As part of the Community Impact Homeless Program and the Northwest Minnesota Foundation's (NMF) Mission, we are determined to collaborate and identify possible system improvements to the homeless response system in Minnesota. Reducing the amount of time that a youth remains homeless is the primary goal of this program. Based on past research of programs that have been successful in other cities, states, and regions, a Landlord Risk Mitigation Fund (LMRF) has been identified as a project that would fit within the Northwest Minnesota Foundation's values and expertise.

The Landlord Risk Mitigation Fund is managed by the NMF Homeless Program and is open to homeless youth under 25 who could be successfully housed by collaborating with Housing Service Providers, but are unable to find a Participating Landlord who is willing to rent to them due to their age and/or history. The tenant agrees to additional education and oversight by the Housing Service Provider in order to participate, and the Participating Landlords agrees to work with the tenant and Housing Service Provider. In exchange, Participating Landlords are eligible to receive financial support in the event of property damage and/or lost rental income.

## **II. General Provisions**

### **a. Program Timeline:**

The program will begin on May 2<sup>nd</sup>, 2022, and will be evaluated for effectiveness in April, 2023. Tenants will receive up to two years (24 consecutive months) of case management and supportive housing services from the time that leases begin for tenants.

### **b. Eligible Expenses:**

Participating Landlords can claim up to \$3,000 for property damage and lost earnings potentially covered by the LRMF. Claims are made to the Fund by the Housing Service Providers (Providers) on behalf of the Participating Landlord, then paid out by the Fund and reimbursed by Providers.

### **c. Ineligible Expenses:**

Funds cannot fund political activities, religious propagation, discriminatory practices, past operating debts, legal fees, or similar activities.

### **d. Role of the Northwest Minnesota Foundation & Advisory Committee:**

The Northwest Minnesota Foundation will serve as the fund administrator, and will be responsible for processing approved financial claims, and retaining all relevant program records outlined in these procedures. The program staff will

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provide meeting facilitation to the Landlord Risk Mitigation Fund's Advisory Committee, which shall operate in partnership with the Northwest Minnesota Foundation. The Landlord Risk Mitigation Fund's Advisory Committee is responsible for approving and refining all program procedures, approving/denying Participating Landlord claims, and tenant/service provider enrollment forms.

**e. Program Capacity:**

The Landlord Risk Mitigation Fund's Advisory Committee will be responsible for establishing initial program capacity. Program capacity will be based on the amount of available funding, and the geographic distribution of both the number of available housing vacancies and the number of young adults experiencing homelessness. This information will be decided through group consensus, based on most recent available data through the Homeless Management Information System (HMIS).

**f. Client Eligibility Criteria:**

- Clients must be under the age of 25, and be homeless (either doubled up, literally homeless, in emergency shelter, hotel shelter, or other place not fit for human habitation)
- Tenants must work through a service provider agency that is a current member of the Northwest Continuum of Care
- Clients must agree to Participating Landlord and service provider expectations (to be discussed through group consensus)
- The client agrees to site visits, and ongoing housing case management while participating in the program, up to 24 consecutive months
- Clients must agree to sign a minimum of one-year (12 consecutive months) lease agreements
- Tenants must complete an Enrollment Form with their Housing Service Provider and Participating Landlord (once a lease has been secured)
- Tenants must agree to follow all lease agreements and program expectations

**g. Participating Landlord Eligibility Criteria:**

- Owns or manages a rental property in the following counties: Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomon, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau.
- The program is also eligible to those that own or manage rental dwellings or properties that are located within the boundaries of the counties listed above within the following tribal nations: The Leech Lake Band of Ojibwe, The Red Lake Nation, and The White Earth Nation.

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- Ability to consistently implement guidelines and procedures established by the Landlord Risk Mitigation Fund’s Advisory Committee
- The Participating Landlord must also agree to follow all program procedures and policies established by the supportive Housing Service Provider programs.
- Participating Landlords must provide a copy of the tenant’s lease to both the participating tenant, Housing Provider referring the tenant, and the Landlord Risk Mitigation Fund’s Advisory Committee
- Be available to respond to tenant emergencies related to property management
- Ability to complete regular building maintenance, and ensure tenants receive properly maintained dwellings in accordance with local regulations
- Maintain up-to-date records, and ensure tenants and Housing Providers receive the correct copies of tenant leases, and any other required paperwork
- Maintain regular communication with both tenant and their Housing Provider/case manager
- Regularly inform case managers/Housing Providers of any changes in tenant’s living situation (tenant abandons property, tenant becomes incarcerated, ensuring rental payments are current, or any other lease violation occurred)
- Agree to third party mediation if requested by the tenant, service providers, or Landlord Risk Mitigation Fund Program staff/Advisory Committee members

**h. Participating Housing Agency Criteria:**

- Housing Service Providers and their agencies must be current members of the Northwest Continuum of Care
- Supportive Housing Service Providers are responsible for assisting the client and Participating Landlord in documenting the move-in condition of the rental unit
- Clients may enter into the program through either coordinated entry, or non-coordinated entry
  - The Landlord Risk Mitigation Advisory Committee will not provide a cap on the number of non-CES enrollment, but reserves the right to implement a cap on the percentage of non-coordinated entry enrollment after the program launches
  - This will be determined at the discretion of the Advisory Committee, and will be revisited after the program successfully launches in May, 2022 (approximately six months after launching)

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- Clients must be enrolled in a supportive housing program that provides rental assistance
- Eligible housing options must be, transitional housing, rapid rehousing (RRH), or permanent supportive housing (PSH), housing may be scattered-site or tenant based.
- Service Providers that wish to enroll clients into the program must complete an enrollment form with their prospective tenant
  - Tenant Enrollment Forms are signed by the tenant, Participating Landlord, and authorized representative acting on behalf of the agency in question
  - Authorized representative must be in an active leadership role within their agency
- Housing agency is responsible for providing ongoing case management (up to 24 consecutive months)
  - Housing Providers are required to provide regularly scheduled site visits to tenant's place of residence (frequency and duration is determined by the requirements of the supportive housing program providing rental assistance, and the client's individualized needs)
  - In the event of a staff transition, the Landlord Risk Mitigation Fund's Advisory Committee and Northwest Minnesota Foundation's program staff must be notified of any agency change of contact information within two weeks' (14 business days) of advance notice
- Housing agencies are responsible for maintaining up-to-date information on all relevant tenant records outlined in these program procedures
- Housing agencies are responsible for referring clients to housing navigation services
- Housing agencies must maintain regular communication between Participating Landlords and be available to regularly address Participating Landlord concerns or needs
- Service worker will document client's participation in program, and provide any logistical support necessary for client to meet program requirements (transportation, ensuring rental payments are current, ensuring compliance with lease agreement, scheduling on going case management meetings, etc.)

### **III. Tenant & Housing Agency Enrollment Process:**

Prospective tenants must enroll in the program through housing agencies that are participating members in the Northwest Continuum of Care.

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- Tenants must meet all program eligibility requirements outlined in these procedures
- Clients that are interested in becoming participating tenants should work with their Housing Provider and decide if a referral for program enrollment is the best decision
- Clients must meet the eligibility requirements to successfully enroll, and enrollment openings/availability will be communicated via notice on the program's website.
- Clients may enter into the program through either coordinated entry, or non-coordinated entry
  - The Landlord Risk Mitigation Advisory Committee will not provide a cap on the number of non-CES enrollment, but reserves the right to implement a cap on the percentage of non-coordinated entry enrollment
  - This will be determined at the discretion of the Advisory Committee, and will be revisited after the program successfully launches in May, 2022 (approximately six months after launching)
- Clients must be enrolled in a supportive housing program that provides rental assistance
- Tenant Enrollment Forms must be completed by the client and the supportive housing service provider.
  - Tenant Enrollment will be reviewed and approved by the Landlord Risk Mitigation Fund Advisory Committee
  - Tenant Enrollment may not be denied based on past rental history
  - Clients/tenants may choose to omit their identifying information from the Enrollment Form
  - All enrollment forms should be submitted to the Northwest Minnesota Foundation's staff:

Margaret Krueger:  
Program Officer  
Email: [margreth@nwmf.org](mailto:margreth@nwmf.org)  
Phone: 218 759 2057 ext. 105

- If enrollment is denied due to client eligibility, then the Landlord Risk Mitigation Fund staff will notify the supportive housing service agency, with the reason for denial cited by the Landlord Risk Mitigation Fund's Advisory Committee.
- Once approved, tenants and housing agencies will receive a certified copy of the Tenant Enrollment Certificate, which will serve as the official record of agreement

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to follow all program procedures, and will be used during the housing navigation phase.

- The Northwest Minnesota Foundation’s program staff is responsible for maintaining all records of agreements between tenants, housing agencies, and Participating Landlords.
- The Certificate of Enrollment will not be signed until housing navigation has been completed, and a lease agreement has been signed by the tenant and landlord
- Once the tenant and their provider are approved and enrolled, the Housing Provider is responsible for working with the prospective tenant to complete housing navigation, and obtain a housing solution
- Once the enrollment is accepted, and a rental unit has been found, tenants and Housing Providers are responsible for ensuring the completion of a Tenant Enrollment Certification
  - Once a lease has been acquired, Tenant Enrollment Certification Forms are signed by both the client, the case manager, the Participating Landlord and the authorized representative, who is acting on behalf of the agency in question
  - Once a rental unit is found, the Tenant Enrollment Certification Form and signed lease agreement must be submitted by the agency listed on the form to the program’s staff within 10 days. Tenant Enrollment Certificates and lease agreements should be sent to the Landlord Risk Mitigation Fund’s program staff:

Margaret Krueger:

Program Officer

Email: [margreth@nwmf.org](mailto:margreth@nwmf.org)

Phone: 218 759 2057 ext. 105

- Participating Landlords and tenants must enter into a lease agreement, the duration of which will be determined by the Participating Landlord, tenant, and Housing Providers
  - The minimum requirement for the duration of all lease agreements will be one-year (12 consecutive months), but may extend beyond that range
- Upon obtaining a signed lease agreement between enrolled tenant and a Participating Landlord, Housing Providers should procure a copy of the lease for their records, and send their records to the Landlord Risk Mitigation Fund’s Advisory Committee and Northwest Minnesota Foundation’s program staff when signing the Tenant Certificate of Enrollment.



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- Once a move-in date has been agreed upon between the Participating Landlord, tenant, and their Housing Provider, a Housing Inspection (HUD Form 52580A & LRMF Housing Inspection Checklist) must be completed and recorded by the housing agency.
- Housing agencies are responsible for providing the following tenant records to the Landlord Risk Mitigation Fund Program Staff and Advisory Committee:
  - Tenant Enrollment Form with Copy of client release of information (if release is applicable)
  - Signed Certificate of Tenant Enrollment with lease agreement attached
  - Tenant Housing Inspection Records (HUD FORM 52580A and Housing Inspection Checklist upon move-in and move-out)
  - Tenant Exit Form (include HUD FORM 52580A and Housing Inspection Checklist once participation is terminated, or client exits program)
  - Participating Landlord Claims (if any)
  - Any other applicable case management notes/records
- Once all necessary paperwork has been acquired for participation, the tenant and Housing Provider must engage in regular monthly case management meetings/site visits
  - The exact frequency of required site visits and case management meetings will be determined on a case-by-case basis, based on individual client needs

#### **IV. Tenant Transfers, & Exit Process:**

##### **a. Transfers**

Tenants have the right to select a new Participating Landlord, or a new supportive housing service agency. Tenants must notify their supportive housing service agency contact listed on the Tenant Enrollment Certification of any transfers. Tenants must complete a new Tenant Enrollment Certification with their new Participating Landlord and supportive housing service agency contact before the transfer occurs, or risk termination from the Landlord Risk Mitigation Fund Program.

##### **b. Tenant Program Exits or Lease Termination**

Tenants that have moved into other housing, discontinued program participation, or otherwise violated lease agreements should be exited from the program. Housing Providers should determine if their client is returning to homelessness and will again need to receive supportive housing services, either through coordinated entry, or non-coordinated entry.



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**c. End of tenant Lease & Expiration of Coverage**

The certificate of enrollment will cover a tenant's occupancy for up to 24 consecutive months, beginning from the tenant's move-in date on the Move-in Report Form. At the end of this period, the housing agency, Participating Landlords, and tenant will complete a Tenant Exit Form, which will serve as a final inspection of the unit. This Exit Form will indicate the overall success of the tenant's occupancy, documentation of unit's condition, and the tenant's end of lease plan (only if lease is ending). The housing agencies will be responsible for completing a Tenant Exit Form, and will provide a copy to the Landlord Risk Mitigation Fund's Advisory Committee Members and the Northwest Minnesota Foundation's program staff.

**V. Participating Landlord Approval Process:**

Participating Landlords who have vacancies they wish to fill and are willing to rent to individuals with lived experiences of homelessness and housing insecurity, should submit a letter of intent to become a Participating Landlord.

- Participating Landlords must own or manage a rental property in the following counties/tribal nations: Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau, The Leech Lake Band of Ojibwe, The Red Lake Nation, and The White Earth Nation.
- Participating Landlords must complete a letter of intent to participate
- Participation approval will be at the discretion of the LRMF Advisory Committee
- Upon approval, the letter of intent will serve as official record of Participating Landlords agreement to all program procedures established by the Landlord Risk Mitigation Fund's Advisory Committee
- If a Participating Landlord has a vacancy they wish to fill, the Participating Landlord will notify the Landlord Risk Mitigation Fund's Advisory Committee.
- Participating Landlords must obtain a copy of the prospective tenant's certificate of enrollment, and provide their contact information to the tenant, service worker, and LRMF Advisory Committee
- All Participating Landlords are responsible for ensuring the completion of a lease agreement for their tenants.
  - Participating Landlords must also provide a copy of the lease to the Housing Provider, and the Landlord Risk Mitigation Fund's Advisory Committee and program staff

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- Participating Landlords must agree to ongoing communication between the tenant, and their Housing Provider, for the duration of tenant's participation in the program (up to 24 consecutive months)

## **VI. Participating Landlord Claims**

The Northwest Minnesota Foundation will cover financial claims of property damage or lost rental income that is in excess of the tenant's security deposit. The damage must have occurred to a unit during a participating tenant's occupancy outlined in the lease agreement. The maximum claim amount will not exceed \$3,000.00 per tenant for the duration of their participation in the program. The process for completing a claim is dependent upon the type of claim that is being filed.

### **a. Property Damage Claims:**

Items that require general maintenance outside of the tenant's control or have otherwise depreciated due to normal wear and tear are not eligible under this program.

#### Eligible Claims:

- Debris removal
- Repair of doors, walls, and permanent fixtures
- Damages in excess of normal wear and tear that were not present prior to tenant's occupancy
- Damages to common areas may qualify if there is sufficient evidence to prove that tenant causes said damage

### **b. Claims for Lost Rental Income**

Lost rental income may be covered if the tenant abandons their unit, fails to provide sufficient notice of departure which results in the unit's turnover rate over a 60-day period, refuses repayment of rent and fees, requires legal mediation, or otherwise violates their lease agreement. Rental income will only be provided in the case that a tenant/Participating Landlord lease has been terminated before the end of lease date. Rental income shall not be provided to Participating Landlords whose tenant/Participating Landlord lease agreement termed out, or was not renewed, and there were no other approved financial claims of property damage. Rental income may also be provided in the case that the Participating Landlord has an approved claim of property damage beyond normal wear and tear, which is the sole cause of extending the vacancy period of the unit. Up to 60 days of rental income or \$3,000 per tenant, may be approved upon review of the financial claim, whichever occurs first.

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Eligible Claims:

- Legal costs associated with the eviction process
- Rent that is owed, but not paid, not to exceed 60 days, or \$3,000
- Loss of rental income due to turnover for damage repairs that exceeds 60 days of the unit's vacancy

**c. Filing a Claim**

Participating Landlords that have a financial claim to make against a tenant, must request a Participating Landlord Claim Request Form from their tenant's Housing Provider within 60 days of damage occurrence, or lease violation.

- Participating Landlords that need to complete a financial claim are responsible for providing their record of the Housing Inspection Reports, Tenant Exit Form (if applicable), and documenting any physical damage, including photos of damages beyond normal wear and tear/maintenance
- Lost rental income claims will require the proper supporting documentation of any of the costs associated with the types of claims specified above
- Participating Landlords should complete their Claim Form within 60 days, and send their claim to their tenant's housing agency listed in the Certified Enrollment Form
- Participating Landlords should submit all claims to the supportive housing service agency listed on the Tenant's Enrollment Certification
- Supportive Housing Service Agencies are responsible for sending all claims from Participating Landlords to the Landlord Risk Mitigation Fund's program staff:

Margaret Krueger:

Program Officer

Email: [margretk@nwmf.org](mailto:margretk@nwmf.org)

Phone: 218 759 2057 ext. 105

**d. Claim Review Process:**

Once a housing agency has received a Participating Landlord's Claim Form, the agency is responsible for sending the claim to the Landlord Risk Mitigation Fund's Advisory Committee, and the Northwest Minnesota Foundation's program staff.

- The Landlord Risk Mitigation Fund's Advisory Committee members will be responsible for considering Participating Landlord's claims

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- Claims will be reviewed within 60 days, and Participating Landlords and housing agencies will be notified of the decision on the claim by the Northwest Minnesota Foundation's program staff
- The review process may include, but is not limited to the following:
  - Interview with Participating Landlords, tenants, and housing agency
  - Review of documentation and evidence of claims (photos, legal records, etc.)
  - Completion of move-out inspection of unit
  - Review of calculation of claim amount and reimbursement requests
  - Review of Tenant Exit Form (if applicable)
  - Review of accounting records and documentation of lost rental income claims (if applicable)

**e. Disbursement of Funds**

Claims will be made payable by the Northwest Minnesota Foundation to the Participating Landlord requesting reimbursement. Participating Landlords must submit documentation supporting their claim request, including: financial records of lost rental income, invoices or estimate of costs associated with repairs, photos of property damages, documentation of legal fees, documentation of unit vacancy, or any other supporting records for your claim. Claims will be reviewed by the Landlord Risk Mitigation Fund's Advisory Committee within 60 days.

**VII. Appeals Process**

Tenant, Participating Landlords, and Supportive Housing Service Agencies have the right to appeal any decision made by the Landlord Risk Mitigation Fund's Advisory Committee. If any parties not satisfied with the Participating Landlord Risk Mitigation Advisory Committee member's decision for any reason, all program participants have the right to make an appeal to the Northwest Minnesota Foundation and the Landlord Risk Mitigation Fund's Advisory Committee. All parties submitting an appeal must provide written notice within 30 days of the Advisory Committee's decision in question. All appeals should be submitted to the Landlord Risk Mitigation Fund's Program Staff at the Northwest Minnesota Foundation: Margaret Krueger, [margaretk@nwmf.org](mailto:margaretk@nwmf.org) or at 218-759-2057 ext. 105

**VIII. Procedure Amendment Process**

The process for amending or updating any of the programmatic procedures listed above will be determined by the Landlord Risk Mitigation Fund's Advisory Committee. All procedural amendments will be implemented in consultation with the program's current

## Northwest Minnesota Foundation

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Participating Landlords, tenants, and their housing agencies. Procedural amendments will be documented, and all program participants will be notified of any expected changes with 30 days of advance notice. An annual review of the program procedures and all supporting documents must be completed by the LRMF Advisory Committee. The annual review of all program procedures will be required for the duration of the program, and will recur every 12 months, from the time of the program's launch (May 2<sup>nd</sup>, 2022).