



Department of Commerce

Landlord Mitigation Program

AND THE TENANCY PRESERVATION PROGRAM

Nicholas Yuva

LANDLORD MITIGATION ADMINISTRATOR

12/9/19

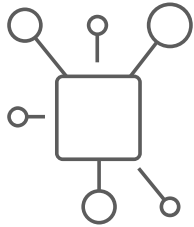




We strengthen communities



HOUSING / HOMELESSNESS



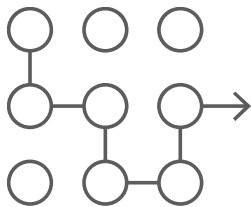
INFRASTRUCTURE



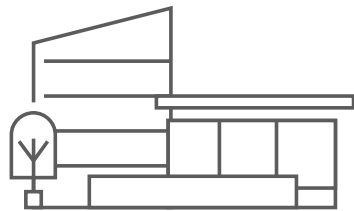
BUSINESS ASSISTANCE



ENERGY



PLANNING



COMMUNITY FACILITIES



CRIME VICTIMS / SAFETY



COMMUNITY SERVICE



Who Is Nicholas Yuva?

- Started my Property Management career in 1997
- Worked for several companies including:
 - Norris & Stevens
 - Income Property Management
 - American Property Management
 - Riverstone (Greystar) Properties
 - REACH Community Development
- Obtained my Oregon Property Management License
- Established Willamette Management
- Received my Accredited Property Manager designation
- Spent an hour with this beautiful giant Siberian tiger and her brother North of Chiang Mai Thailand at a Lion and Tiger Sanctuary.





Tenancy Preservation Program

Senate Bill 5600 became effective on June 28th, 2019

- In addition to extending the notice period for non-payment of rent, ESB5600 contained options and protections for landlords.
- Landlords and tenants may agree to a 90-day loan from Commerce to pay for the tenant's unpaid rental charges.
- Landlords that have entered into a court agreed upon payment plan may receive any unpaid portion from Commerce.

Online claim form and additional information
available at

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



Tenancy Preservation Program

- The tenant is always the party responsible for repayment to the court where filed.
- Failure to repay the local court will make the tenant ineligible for the program in the future until the balance to Commerce is satisfied.
- Commerce will send the payment directly to the landlord.
- The landlord can no longer pursue a legal action for the monies claimed.
- The landlord may pursue legal action for any future unpaid rents and charges that are not included in the claim.
- This program is considered separate from the Landlord Mitigation Program.

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Tenancy Preservation Program

What do landlords need to provide?

- A Washington Statewide Vendor ID Number
- A written Rental Agreement signed by tenant and landlord
- Court Documents:
 - Stipulated Agreement, or
 - Writ of Restitution and Stay of Action, or
 - Payment Agreement with Tenant Ledger
 - Either must include language from ESB5600
- Tenant Acknowledgement Letter
- Complete an online Claim Form
- Absentee tenant forms are available for unsatisfied payment arrangements.



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Frequently Asked Questions



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://ofm.wa.gov/it-systems/statewide-vendorpayee-services>

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

- 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 rents at \$1,200 per unit and an average vacancy rate of 5% could potentially earn an additional \$18,552.60 per year to their bottom line.

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Subsidized Tenants Offer More Security!

- 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.

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Landlord Mitigation Program

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.



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Landlord Mitigation Program



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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Landlord Mitigation Program

- 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.



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Landlord Mitigation Program

Example Scenario:

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

$\$1175 \times 12 \text{ months} = \$14,100$

$\$14,100 / 365 = \38.63

$\$38.63/\text{Day} \times 12 \text{ days} = \463.56 Lost Rent



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Landlord Mitigation Program



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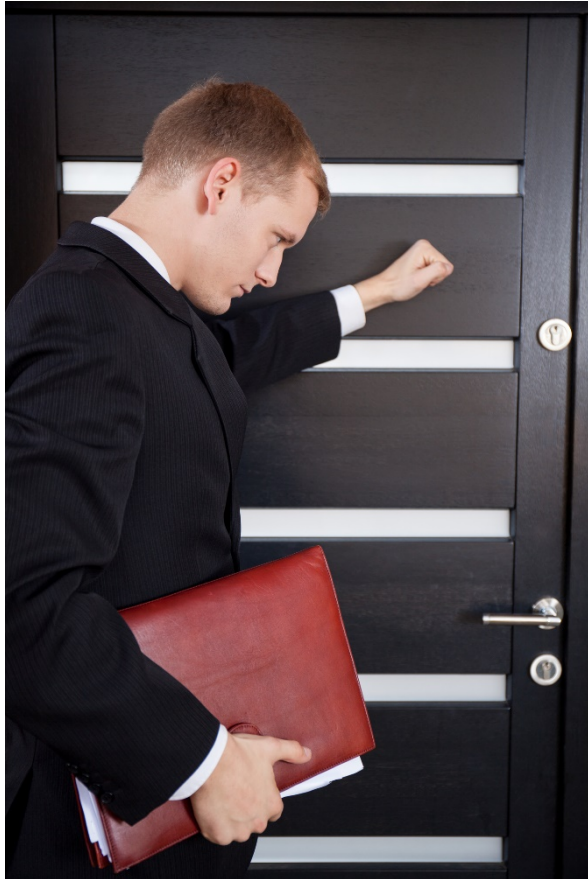
Important To Note!

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.



Landlord Mitigation Program



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

Subsidy providers often conduct random and periodic inspections as well.

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

Which will help prevent....

Online claim form and additional information
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Landlord Mitigation Program



...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

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



Landlord Mitigation Program

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 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
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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
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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
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Frequently Asked Questions



When can I submit a claim?

- You may submit as many claims as needed during the life of a tenancy.
- 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.

Online claim form and additional information
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Frequently Asked Questions

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?

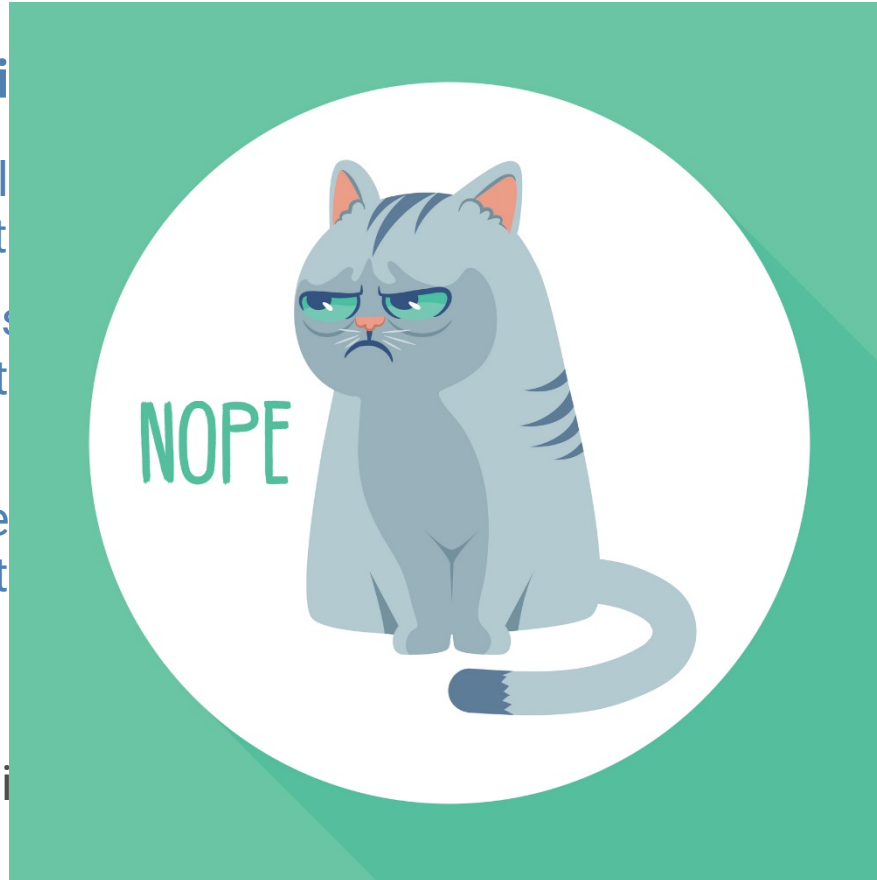
Most denials will be issued due to missing documentation, photos or information.

If the claim is denied for any of these reasons, we will be contact and given an opportunity to provide missing items.

Claims that are denied for any other reason can be appealed with a judgement against the state.

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Thank you!

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