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Landlord Engagement Initiative

Due to low vacancy rates and high rental costs, households with rental vouchers often cannot locate a landlord who will accept the subsidy. Fair Tide's Landlord Engagement Initiative (LEI) was created to incentivize landlords to rent their units to these individuals and families.

Incentive Package:

- **Guaranteed Rent –**
 - Tenants with housing vouchers pay 30% of their income towards rent and utilities, with the voucher covering the remainder (up to the rental cap determined by the government). The portion paid by the voucher is deposited into your bank account at the beginning of every month. The tenant's portion is paid directly to you from the tenant. Our case manager assists in making sure this is paid in full and on time.
- **Damage Loss Mitigation –**
 - Landlords may file a claim for up to \$2,000 from this fund if there are physical damages to the unit that are:
 - Above and beyond normal wear and tear; AND
 - The cost to fix the damages is greater than the security deposit.
 - The fund may also cover lost revenue due to nonpayment of rent, evictions or prolonged unit turnover due to damage repair.
- **Vacancy Loss Coverage-**
 - Funds are available for up to one-month's rent to landlords who agree to hold a unit for a voucher recipient while voucher process is underway.
- **Sign On Bonus-**
 - A one-time sign on bonus of \$500 per unit is awarded to LEI partners who participate in the program. Funds are disbursed upon tenant move in and require a one-year minimum lease.
- **Case Management Support**
 - Fair Tide provides ongoing case management services to all LEI renters, visiting the tenant regularly to help with stability and goal achievement.
 - The case manager and executive director serve as resources and points of contact for the landlord if any issues arise.
- **Rent Ready Tenants**
 - Most potential tenants have completed a course designed to prepare them for the responsibilities of being a renter.

If you are interested in participating or learning more, please contact Emily Flinkstrom at executivedirector@fairtide.org or 207-439-6376 ext 1



Landlord Engagement Initiative Policies & Procedures Manual

I. Introduction

Due to low vacancy rates and high rental costs, households with rental vouchers often cannot locate a landlord who will accept the subsidy. Fair Tide's Landlord Engagement Initiative (LEI) was created to incentivize landlords to rent their units to these individuals and families.

II. General Provisions

a. Eligibility

- i. **LEI tenants** will be homeless, as defined by the office of Housing and Urban Development, with preference given to individuals residing at the local area homeless shelters. They must have a rental voucher available for use, a process which Fair Tide can assist with.
- ii. **LEI landlords** will have at least one rental unit located in the towns of Kittery, York, Eliot, Berwick and/or South Berwick, Maine and agree to follow the Landlord Expectations outlined in Section V. We may consider units outside of this general service area on a case-by-case basis.

b. Fair Tide's role

- i. Pre-screen potential tenants – Fair Tide meets with potential tenants prior to placement to make sure they are ready to take on the responsibilities of renting.
- ii. Match tenants with participating landlords – Fair Tide gets to know each potential tenant and helps to match with available rental units to assure a successful housing placement. Facilitates initial meeting between landlord and potential tenant so landlord can determine fit.
- iii. Assist with rental voucher paperwork – Fair Tide staff has experience with the paperwork associated with accepting a rental voucher and can assist the landlord in navigating the process.
- iv. Perform move-in and move-out inspection along with LEI tenant and landlord.
- v. Case management- Fair Tide's case manager meets regularly with LEI tenants, often in their homes, to provide support and assure stability.
- vi. Administer damage loss fund, vacancy loss coverage and sign on bonus – Fair Tide processes all claims related to the damage loss fund as outlined in Section III and determines when to offer vacancy loss coverage funds as outlined in Section IV. Fair Tide also determines eligibility for sign on bonus and issues checks accordingly.

III. Damage Loss Mitigation

Fair Tide's LEI covers excessive physical damages to a unit that may occur during occupancy, but are not covered by the security deposit. Additionally, in certain situations the fund may cover revenue lost. Claim pay outs will not exceed \$2,000 in total, including physical damages and lost



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revenue, and the amount eligible from the fund will be reduced by the security deposit. The process and documentation required to file a claim depends on the type of claim filed.

- a) **Claims for Physical Damage:** The physical damage **must** be over and above the requirements of traditional unit turnover such as cleaning, painting, and some carpet replacement.

Examples of types of claims that **may** be covered include:

- Excessive cleaning
- Debris removal and disposal
- Repair of doors, walls, cabinetry
- Other damages in excess of normal wear and tear
- Damage to common areas may qualify if there is evidence proving the covered tenant caused such damage

Items **NOT** included:

- Normal wear and tear
- Normal turnover costs

i) **Depreciation**

If the damages include replacement of an item that has a depreciable basis, the maximum claim would be reduced by the depreciation using average life as identified by the International Association of Certified Home Inspectors.

For example, replacing carpet that was excessively damaged:

If the carpet is 3 years old and its useful life is 8 years, $3/8 = .375$ is the depreciable basis.

If the total replacement cost is \$2,500 x .375 (depreciable basis) = \$937.50 depreciation.

$\$2,500$ (replacement cost) - $\$937.50$ (depreciable basis) = $\$1,562.50$ (maximum claim). The pay-out would also be reduced by the security deposit.

Depreciable items/useful life

- Flooring
 - Carpet - 8 years
 - Laminate - 15 years
 - Vinyl - 25 years
 - Tile - 75 years
- Countertop - 20 years
- Oven/Stove - 13 years
- Microwave - 9 years



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- Refrigerator - 10 years
- Dishwasher - 9 years
- Paint - 10 years
- Dryer - 13 years
- Washing Machine - 10 years

Proper documentation must accompany the claim submission. Incomplete claim requests will serve as a basis for denial of claim. To file a claim, the landlord must complete a Claim Form and submit required accompanying documentation within 60 days from the time the damage was discovered. Claims can be submitted to Fair Tide's Executive Director at executivedirector@fairtide.org or mailed to 15 State Road Kittery, ME 03904.

b) Claims for lost revenue may include:

- Legal costs related to evictions.
- Rent that is owed by tenant, but not collected, not to exceed 60 days.
- Loss of rent due to prolonged unit turnover for repairing excessive damages that exceeds 30 days.
- Other items such as utilities may be included depending on the terms of the lease agreement.

Items **NOT** eligible for lost revenue claim include:

- Costs that are considered normal expenditures for operating a rental unit.

c) Claim Review Process

Once a claim request is received, Fair Tide's Executive Director, or designee, will review the documentation provided.

For claims of physical damage, the review will include, but is not limited to:

- Review of Move-In Condition report and accompanying documentation to determine the condition of the unit at the beginning of tenancy.
- Review of the evidence of damage to determine normal wear and tear versus actual excessive damage, including photo of damage.
- Interview with landlord, tenant, and Fair Tide case manager.
- Review the description of proposed repairs including materials, unit prices, and estimate, bid, or invoice for repairs.
- A move-out accounting and documentation of claims for security deposit to determine when repairs are beyond normal wear and tear.
- Review of calculation for reimbursement to ensure reductions have been made to reflect reimbursement from security deposit.



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For claims of lost revenue, the review will include, but is not limited to:

- Review of the explanation of what occurred and what actions were taken to limit loss.
- Review of move-out accounting and documentation used to make claims against security deposit.

Fair Tide's Executive Director, or designee, will then make a determination of payment. The determination will be reviewed by Fair Tide's Board of Directors and the landlord will be informed of the decision within 30 days of claim submission.

Disbursement of Funds

Claim checks will be issued to the landlord within 30 days of claim approval.

End of Lease/ Expiration of Coverage

The Damage Loss Mitigation Fund covers the landlord throughout the LEI tenant's occupancy. At the end of tenancy, Fair Tide, the landlord and tenant will complete a move out inspection report. Coverage expires along with the tenant's lease; however, if applicable, the landlord has 60 days from the end of the lease to file a claim.

IV. Vacancy Loss Coverage

Funds are available for up to one-month's rent to hold a unit for an LEI tenant while the voucher process is underway. LEI landlords will receive the payment once they have a signed one-year lease with an LEI tenant and the tenant has moved into the unit.

V. Landlord Expectations

- Screen potential LEI tenants to determine best fit for your unit(s).
- Allow a pre-lease initial inspection of the available unit and lease agreement.
- Complete any paperwork related to a rental voucher in a timely manner, with assistance from Fair Tide.
- Complete a Move-In Condition Report with tenant and case manager.
- Execute a lease agreement with an LEI tenant, for a minimum of one year.
- Contact Fair Tide's case manager in a timely manner if a tenancy concern arises.
- Complete a Move Out Inspection Report with the tenant and case manager at the end of the lease.

Agreeing to participate in the program is not a binding commitment to lease to tenants covered under Fair Tide's LEI. It is merely an indication that the landlord is willing to consider tenants referred by the initiative.