

WFF System Innovation Grant – Risk Mitigation Funds (RMF) Guidelines

Building Changes is making (over the course of 2 years) \$428,000 available for Risk Mitigation Funds (RMF) to King County to support realignment efforts. Funds will be contracted by Building Changes with YWCA, Landlord Liaison Project who will administer funds to eligible transitional housing programs and in alignment with the direction provided by a body of local funding partners. Of those funds, \$50,000 will be made directly available to the YWCA to support the necessary administrative functions of this grant.

Risk Mitigation funds will be available for Transitional Housing programs (or owners of projects with homeless designated units) which either:

- Reduce screening criteria to support improved system access, or
- Participate in realignment efforts *and* reduce screening criteria

Purpose:

The community is committed to the success of families experiencing homelessness and the providers working with them. The funds are made available to support Transitional Housing providers through the changes occurring in the community. These guidelines provide guidance to the Risk Mitigation Funds (RMF) Review Committee and providers accessing funds to ensure RMF are administered consistently and responsibly. These funds are intended as one-time funds and provide limited dollars to support shifts occurring in the community. While we do not anticipate any significant changes to the operating costs of homeless housing projects due to the changes being implemented, these funds are intended to be used for costs above and beyond normal program operating expenses which may occur. And while the funds are meant to be flexible to support any unintended consequences, some parameters are needed to ensure that they are used in a way so as not to establish an unsustainable threshold. Organizations are still expected to plan for regular maintenance and turnover costs and include these in their annual operating budgets.

Evaluation:

The YWCA Landlord Liaison Project will be asked to document the following information to be submitted on a bi-annual basis:

- Number and frequency of requests
- Amount of each RMF request
- Types of RMF requests (damages, losses, repairs, etc.)

Building Changes and Family Homelessness Initiative (FHI) staff will also collect feedback through Learning Circles and/or surveys. All other evaluation efforts will be tracked through HMIS through existing evaluation efforts and coordinated with Coordinated Entry.

Roles & Responsibilities:

Given that these grants will be utilized for a fairly new and unique purpose in our community, multiple stakeholders will be involved in supporting the implementation of the RMF. The following stakeholders will provide input and guidance to the development of RMF implementation strategies:

- Public & Private funding partners
- Local Transitional Housing providers
- Building Changes
- Committee to End Homelessness, Family Homelessness Initiative

RMF Review Committee:

The Review Committee will be comprised of several local public and private funding partners with investments in transitional housing. The committee will be responsible for the following items:

- Meeting regularly to review requests
 - A smaller workgroup will coordinate to review and approve RMF requests, elevating those that are more complex to the larger group as needed
 - The larger group will convene quarterly to review progress and lessons learned
- Providing guidance to agencies and/or negotiating the terms of RMF requests, as needed

Building Changes:

Building Changes is the administrator and grantor of these funds. Building Changes will complete the following:

- Complete a fiscal review of the administering agency
- Contract directly with the administering agency
- Participate in the RMF Review Committee
- Provide guidance and oversight to the implementation of the project
- Assist in coordination/facilitation of RMF Review Committee efforts

Committee to End Homelessness:

The Family Homelessness Initiative led the convening of partners to support the development of the project proposal submitted to Building Changes. Throughout implementation of the project FHI staff will:

- Participate in the RMF Review Committee
- Provide guidance and oversight to the implementation of the project
- Assist in coordination/facilitation of RMF Review Committee efforts

Guidelines:

All forms and policies will be posted at: www.kingcounty.gov/familyhomelessness. These guidelines will be in effect for the first year of implementation at which point they may be revised to support lessons learned. Other adjustments may be made depending on implementation efforts and in coordination with the RMF Review Panel.

What costs can Risk Mitigation Funds cover?

- Risk Mitigation Funds can be used for costs above and beyond normal operating expenses and can include items such as:
 - Physical damages to the unit beyond standard unit turn cost and/or otherwise covered by a security deposit
 - Vacancy loss (not to exceed one month of vacancy) when a unit has been vacant more than two weeks
 - Legal fees for eviction if mitigation could not resolve problems and eviction is last resort
 - Non-Payment of Rent (not to exceed one month)
 - If a tenant moves without notice or non-payment, or
 - At the time of a mutual lease termination if after mitigation attempts or attempts to enter into a payment plan for non-payment is unsuccessful
- Risk Mitigation Funds are limited to \$4000 per tenant
- A provider may seek a hardship waiver to seek reimbursement in excess of this limit or beyond the eligible costs if there are legitimate and compelling grounds to do so

Who is eligible to access Risk Mitigation Funds?

Agencies eligible to access Risk Mitigation Funds include:

- Transitional Housing programs participating in the first phase of system realignment and reduce screening criteria

- Transitional Housing programs that reduce screening criteria
- Transitional housing programs that operate in housing owned and operated by entities other than the service provider (i.e., another non-profit, affordable housing provider) will have direct access to RMF

To qualify, programs must remove screening criteria and associated fees and security deposits according to the following levels:

Criteria Category	Threshold	Special Requirements (as applicable)
Security Deposit	Transitional Housing Programs: no more than \$25 Permanent Housing: income based with a minimum of \$25	
Rent	30% of income	
Income Requirement	Programs cannot require income at time of entry	Some programs may require limits on income (below 30% or 40% AMI, for example); Some program types may require households contribute income to rent according to some timeline. Programs can describe this at time of intake.
Screening or Other Fees	None to families	
Children/ Reunification	If no children in the household at time of intake, a plan to be reunified once housed If joint/shared custody, 51% custody	
Evictions	No eligibility requirements	
Credit History and Bankruptcy	No eligibility requirements	
Criminal History	Programs may establish criteria prohibiting tenancy to persons with: <ul style="list-style-type: none"> • Convictions for meth production • Open warrants • Arson convictions • Sex offense* 	*As of 3/23: Agencies have discretion on sex offense threshold but are strongly encouraged to consider nature of offense and how recently/frequently convictions occurred.
Housing Authority Debt	No eligibility requirements	SHA and KCHA require debt to other housing authorities to be paid in full. Both SHA and KCHA allow families to set up payment plans. Refer to SHA/KCHA guidelines and policies for more information.
Private Landlord Debt	No eligibility requirements	
Legal Status	No eligibility requirements	Any federal funds require at least 1 person in the household have legal status. This person can be a minor.
Allowable Household Size	Subject to specific occupancy codes as required by PHA or other jurisdiction	

Refer to relevant PHA policy for any further information or contact your funder with any questions.

If my program is eligible to access funds, what do we need to do?

Prior to requesting funds, agencies must:

1. Complete a **Risk Mitigation Fund Program Application** (see attached) per directions, which also includes submitting the following information:
 - a. Each program's modified screening criteria (If you believe your program has already submitted criteria per the thresholds above, please note this in the application)
 - i. To revise screening criteria, please contact CEH staff, michelle.valdez@cehkc.org and note in your email that you wish to revise criteria for Risk Mitigation Fund purposes
 - ii. You will receive a survey link in order to complete a program inventory
 - iii. Once submitted, CEH staff will share your program inventory with the RMF Review Committee and your program funders
 - b. Copy of W9 (also shared to YWCA, LLP for their administrative purposes)
 - c. Budget actuals for the past 2 fiscal years, highlighting any costs incurred due to property damage and related losses (for each transitional housing program)
 - d. A copy of your insurance policy and any claims made in the past two years
 - e. Data for the past two years:
 - i. Number of vacancies per quarter per year
 - ii. Average length of time units are vacant before filled
2. Receive an electronic notification that the above documents have been reviewed and your agency is approved to request funds
 - a. At that time, CEH staff will communicate with Family Housing Connection to notify them of the change in your criteria

In order to request funds, agencies must:

1. Complete and submit a **Risk Mitigation Fund Request Form** (see attached) to Triina Tennelo at triina.tennelo@cehkc.org
 - a. Include an itemized report of any labor or material costs, if applicable
 - b. Include a move-out condition report with any available photos, if applicable

How are RMF determinations made and how are agencies notified?

All requests and supplemental documentation will be shared across members of the review panel.

1. Authorization for Requests and Risk Mitigation Fund Applications will be reviewed by a panel of public and private funding partners
 - a. A smaller workgroup will review all applications
 - b. Requests may be elevated to the larger panel as needed
 - c. Agencies may request an expedited review/determination should they need to, otherwise determinations will be made within 6 working days of submission
 - d. Agencies will also be notified if additional information is needed to make a determination or if a determination is approved conditionally
2. Generally, requests will be approved if they meet the following criteria:
 - a. Requests follow the guidelines as outlined above
 - b. Costs or losses appear to be reasonable

What happens next?

1. Once a request is approved, agencies and LLP will receive notice via email
 - a. Both parties will receive email confirmation and a copy of the payment voucher (page 3 of RMF Request Form)
2. LLP will work to distribute funds within 14 days of receiving notice
3. Your agency will receive the funds requested and will utilize them based on the application submitted
4. Your agency must also submit an invoice/receipt of the final costs incurred