

**ARIZONA LANDLORD INCENTIVE PROGRAM (ALIP)  
LANDLORD PARTICIPATION AGREEMENT**

**I) PURPOSE**

The Arizona Landlord Incentive Program (ALIP) provides financial assistance to incentivize Landlords to lease and maintain safe, affordable rental housing capacity for homeless individuals and families in permanent supportive housing subsidy programs on an ongoing basis. The ALIP covers or mitigates the damages or vacancy costs that may occur from leasing to individuals and families who have experienced homelessness. This agreement describes the general obligations and resources available to participating Landlords as well as the processes for reimbursement under the program.

**II) DUTIES/ROLES OF PARTIES**

**A) LANDLORD AGREES :**

- 1) In submitting an ALIP claim to the Housing Subsidy Provider, to sign the Participation Agreement and agree to continue to lease to households experiencing homelessness participating in eligible permanent housing subsidy programs.
- 2) To submit all required reimbursement documentation and paper work to the Housing Subsidy Provider in a timely manner, consistent with this agreement.

**B) HOUSING SUBSIDY PROVIDER AGREES:**

- 1) To work with appropriate geographic Coordinated Entry system to identify homeless tenants in subsidized permanent supportive housing programs to occupy unit.
- 2) Collect all ALIP Landlord forms with documentation, conduct necessary inspections, reviews and approvals and submit completed application to the ALIP Administrator in accordance with these policies and procedures.
- 3) Work with Landlords to make corrections or provide additional documentation for incomplete applications.

**C) ADOH WILL:**

- 1) Review submitted materials for completeness.
- 2) Distribute ALIP funds in accordance with this agreement for complete applications subject to availability of program funds.
  - a. ADOH will not make corrections to incomplete ALIP applications. Incomplete ALIP applications will be returned to the Housing Subsidy Provider to work with the Landlord for correction and re-submission.

- b. Will not pay damages or lost rents if it is found Landlord breached lease.

### **III) DAMAGE REIMBURSEMENTS**

- 1) The ALIP program will reimburse a participating Landlord for unpaid rent and/or physical damages to a rental unit up to the program limits caused by an eligible tenant/program participant. ALIP is only available at the lease termination, eviction, rescission or abandonment by an eligible tenant. Repair reimbursement claims under the ALIP are capped at a maximum of \$2,000 for a one bedroom or smaller unit and \$3,500 for a multi-bedroom unit
- 2) Unpaid Rent: ALIP will reimburse landlord for any unpaid rent owed up to the eviction or abandonment of the unit including any administrative expenses related to the eviction or abandonment.
- 3) Damage/Repair Claims: Damage and Repair claims must meet the following criteria:
  - a) Lease must be signed after June 1, 2017 and property damage must occur after June 1, 2017,
  - b) Property damage must be caused by a tenant, while under a rental agreement at the time the damage occurred,
    - i) For Rapid Re-housing (RRH) tenants, an ALIP claim may be submitted through the balance of the first year lease agreement as long as tenant maintains lease at least three (3) months after the termination of the RRH subsidy.
  - c) Damage to property must exceed normal wear and tear (See below)
  - d) Reimbursement is only available for amounts in excess of any security deposit or third party payments applied to the damages.
    - i) If the lease agreement included mitigated damages or a schedule of repair/replacement costs, reimbursement will be limited to the amounts stated in the lease.
  - e) All claims must be submitted to the Housing Subsidy Provider within 30 days of the termination of the tenant lease.
  - f) Landlord must agree to lease to new eligible client referred by the Housing Subsidy Provider.
- 4) Damage Reimbursement Process
  - a) ADOH will only reimburse for damages upon submission of a complete application package by the Housing Subsidy Provider. Housing Subsidy Provider that worked with the tenant must work with Landlord to prepare the application packet.
  - b) Complete Applications –A complete application must include all of the following items:
    - i) ALIP Program Fund Request Cover Sheet – signed and completed by Housing Subsidy Provider representative
    - ii) Completed Security Deposit Disposition & Program Fund Request form
    - iii) A copy of the signed “Landlord Agreement”

ARIZONA LANDLORD INCENTIVE PROGRAM  
PARTICIPATION AGREEMENT  
PAGE 3

- iv)* A copy of the client lease covering the period of the damages
  - v)* A completed and signed Arizona Substitute W-9 form (necessary for payment)
  - vi)* Copy of Documentation of Damages
    - (1) Damages of \$300 or Less: Damage claims up to \$300 are available without a unit inspection by the participating Housing Subsidy Program. To apply for reimbursement incentives up to \$300 through ALIP:
      - (a) Landlord will submit the reimbursement forms with a copy of the move-in inspection and satisfactory descriptions and documentation of damages, including pictures, of the damage claim to the Housing Subsidy Provider from the Subsidy Provider who worked with the former tenant.
      - (b) Expenses for repairs estimated at or under \$300 require no written estimate of repairs.
    - (2) Property Damage Claims exceeding \$300: Complete property damage claims exceeding \$300 must include:
      - (a) , A copy of the move-in inspection, documentation of the damages (photos, etc.) and either: 1) a written estimate of repairs by a 3<sup>rd</sup> party licensed contractor or qualified professional; or 2) documentation of completed repairs performed by 3<sup>rd</sup> party licensed contractor or other qualified professional. ALIP reimbursement based upon estimates will be limited to estimated costs submitted with documentation.
  - vii)* The Housing Subsidy Provider must review the reimbursement application and conduct inspection of damages prior to submitting the reimbursement claim.
  - viii)* The Housing Subsidy Provider must approve and sign Program Fund Request Cover Sheet and submit all materials to ADOH for payment.
  - ix)* ADOH will issue payment in accordance with timeline described below for claims with complete documentation subject to funding availability.
- 5) Eligible Expenses - Damages may include but are not limited to:
- i)* Vandalism such as graffiti
  - ii)* Wall gouges and holes
  - iii)* Damages to doors and cabinets including their hardware
  - iv)* Damage to carpet or other flooring (ex: carpet stains or burns, cracked tiles)
  - v)* Broken windows, blinds or other window coverings,
  - vi)* Repair or replacement of minor household fixtures such as , garbage disposal, toilet, sink and/or plumbing fixtures,
  - vii)* Repair or replacement of lighting fixture.
  - viii)* Reasonable maintenance or special cleaning related to household tenancy.

ARIZONA LANDLORD INCENTIVE PROGRAM  
PARTICIPATION AGREEMENT  
PAGE 4

- ix) If unit was leased as “furnished”, reasonable repair or replacement of damaged furniture or other appliances provided in lease may be included. Furnishings must be listed in the lease or move-in checklist,
    - (1) If lease provides a replacement cost schedule for provided furnishings or provided items, reimbursement will be limited to replacement cost schedule amounts,
  - x) Standard and reasonable legal fees related to the termination of the tenancy,
  - xi) Costs Related to Death of Tenant – If a tenant dies in the term of a lease, ALIP will cover the expenses of removing and disposing of the tenant’s belongings as required by the Arizona Residential Landlord Tenant Act. ALIP will not pay costs associated with biohazard cleaning, removal of remains, or funerary expenses associated with the death of a participant,
  - xii) Landlord Insurance deductibles in the event of excessive damages, not to exceed maximum program limits.
- 6) Reimbursement will NOT cover normal “wear and tear”, standard maintenance, or routine work performed in turning over units defined as repairs related to the natural and gradual deterioration that occurs when rental property is used as a residence.
- a) Reimbursement will NOT cover bed bug treatments.

**IV) VACANCY REIMBURSEMENTS**

ALIP will reimburse landlords for lost rent resulting from the eviction, termination or abandonment of a lease/unit prior to the completion of the lease. Reimbursement is available for vacancy loss from time of the termination to re-leasing of unit to new eligible tenant; and/or a holding payment to hold open a unit for another qualified tenant referred through a participating Housing Subsidy Provider. Vacancy reimbursement is limited to a total of **\$1,000**.

- A) **VACANCY LOSSES** - After a tenant abandons their unit or is evicted prior to the end date of and ALIP eligible lease, a Landlord may request reimbursement for lost rent due to unplanned vacancy during the period of the lease less any security deposit paid. Reimbursement for lost rent or vacancy may not exceed \$1,000.
  - 1) Eligibility:
    - a) Referred tenant broke lease agreement, abandoned unit, or was evicted prior to full lease term.
    - b) Landlord agrees to lease to new referred tenant or written confirmation of approved tenant application and commitment to hold unit or equivalent unit for the new referred tenant and date of unit availability
- B) **HOLDING PAYMENT**: A Housing Subsidy Program may request funds to hold or secure a unit for limited time if necessary to ensure rental to a potential participating homeless tenant.

ARIZONA LANDLORD INCENTIVE PROGRAM  
PARTICIPATION AGREEMENT  
PAGE 5

- a. Eligibility - To apply for a holding payment, the Housing Subsidy Program must either:
    - i. Verify the property owner will rent the unit to a referred tenant as documented in letter or other document provided to the housing subsidy provider; or,
    - ii. Previously have leased a unit under this program with Landlord for an eligible tenant.
  - b. Amount Available – A holding payment is equal to the lesser of \$1,000 or the move-in deposit for the new lease. Once a move-in date is established, any pro-rated un-expended holding payment will be applied to the move-in expenses of the new lease.
- C) Vacancy Reimbursement Process
- i) ADOH will only reimburse for vacancy upon submission of a complete application package by the Housing Subsidy Provider. Housing Subsidy Provider that was working with the tenant must work with Landlord to prepare the application packet.
  - b) Complete Applications –A complete vacancy reimbursement application must include all of the following items:
    - i) ALIP Program Fund Request Cover Sheet – signed and completed by Housing Subsidy Provider representative
    - ii) Completed Security Deposit Disposition & Program Fund Request form
    - iii) A copy of the signed “Landlord Agreement” to lease to another program participant
    - iv) A copy of the client lease covering the period of the damages
    - v) A completed and signed W-9 form (necessary for payment)
    - vi) Copy of Documentation of Vacancy or Holding Unit
      - (1) Tenant Lease signed after June 1, 2017,
      - (2) Documentation and dates of non-payment of rent
      - (3) Documentation of eviction or mutual rescission
      - (4) Documentation of security deposit applied to unpaid rent, or receipts documenting expenditure of security deposit funds if not applied toward unpaid rent.
  - c) Housing Subsidy Provider will review Landlord request and supporting documentation. Application will be approved and signed by Housing Subsidy Provider and submitted to ADOH for payment.
- V) MULTIPLE CLAIM TYPE REIMBURSEMENT- A Landlord may request reimbursement under both damages and vacancy resulting from a single lease termination. Total reimbursement is limited to combined applicable limits for each reimbursement type. Landlord and Housing Subsidy Provider would need to provide documentation for both claims.

**VI) REIMBURSEMENT PROCESS**

- A.) For all reimbursements, Landlord will work with the Housing Subsidy Provider to complete all forms, documentation and inspections.
- B.) The Housing Subsidy Provider will assemble all documentation and sign Program Fund Request Cover Sheet and submit the full, complete ALIP application.
- C.) ALIP Application must be submitted electronically to ADOH via the ADOH portal located on the ADOH website at <https://housing.az.gov/portals/document-upload-portals>.
- D.) **Fund Management:** Upon receipt of a claim from the Housing Subsidy Program, ADOH staff will:
  - a. Confirm receipt of claim from Housing Subsidy Provider within 2 business days or submission.
  - b. Review all documentation and forms for completeness to make sure they are within program expense limits within five (5) business days of receipt of the reimbursement claim from the Housing Subsidy Provider. ADOH will notify Housing Subsidy Providers of approval or denial of claim via e-mail by the end of the five (5) day review period.
    - i. Complete Applications w/ in ALIP limits: ALIP will issue reimbursement within thirty (30) days of acceptance of complete applications for reimbursement within ALIP limits.
    - ii. Incomplete or Above Program Limit Applications will be returned to Housing Subsidy Provider for corrections.
  - c. ALIP staff will not make corrections or exceptions for incomplete applications.
- E.) Reimbursements and payment are subject to availability of funding. Funding availability or suspension of ALIP funding availability will be announced through ADOH bulletins.

This agreement is executed by:

LANDLORD

HOUSING SUBSIDY PROVIDER

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date