

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

Date: May 16, 2024

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Shakita LaGrant McClain, Director, Department of Health and Human Services

Subject: A report from the Director, Department of Health and Human Services (DHHS), seeking approval of eligibility criteria for the Landlord Incentives to Foster Tenancy (LIFT) pilot program and a fiscal agent contract to administer the funds

File Type: Action Report

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**BACKGROUND**

The Milwaukee County Board of Supervisors called upon the Department of Health and Human Services (DHHS) and all other relevant departments to develop sound processes and eligibility criteria for landlords to apply for Landlord Incentives to Foster Tenancy (LIFT) pilot program funds and present those recommendations to the Milwaukee County Board for review and approval by the June 2024 cycle as a result of passage of [Milwaukee County Resolution #24-268](#). The following text below provides such recommendations, as requested.

Related File No's:	24-108, 18-139
Associated File No's (Including Transfer Packets):	24-268, 24-472

**Overview**

File 24-268 directed the transfer of \$356,355 from Agency 194-1945 Appropriation for Contingencies to Agency 800 - Department of Health and Human Services to create the "Landlord Incentives to Foster Tenancy" (LIFT) pilot program to help grow the number of Milwaukee County landlords accepting tenants with Milwaukee County rent assistance. LIFT can further reduce landlord's concerns with risk of unanticipated financial burden and loss of rental revenue related to verified tenant damage and vacancy loss, and therefore, make Milwaukee County rent assistance a more sought-after and efficient product in the private rental housing market.

In turn, a better rent assistance product and intentional landlord engagement services strategy offered by Milwaukee County Housing Services will result in more housing opportunities from more landlords to the benefit of targeted rent assistance households,

landlords, and rent assistance programs themselves. The LIFT criteria being recommended by Housing Services for landlords are described below in detail, but in short, require an active membership agreement, compliance with said membership agreement, ability to enter a Housing Assistance Payments contract with Milwaukee County Housing Services. Further, the contract applies only to their tenancies supported by active Milwaukee County Housing Services' Continuum of Care and Housing Choice Voucher rent assistance program participants.

### **Recommendations for LIFT Eligibility Criteria:**

#### **I. Membership Agreement & Eligibility**

All landlords seeking LIFT funds must be an active LIFT member, as evidenced by an executed, active, LIFT membership agreement. The LIFT membership agreement requires the following information, and documents:

- Owner/manager point of contact
- Agreement term
- Partnership benefits (financial AND administrative benefits)
- Flexible Screening Criteria (flexibility as a result of LIFT funds)
- LIFT Owner/Manager agreements (other contingencies for receiving access to LIFT funds):
  - o Orientation
  - o Unit availability (vacancy) information (provided via Unit Intake Form)
  - o Communication expectations
  - o Unit condition (safe, sanitary, and in good repair)
  - o Adherence to all Fair Housing, and general housing laws and regulations
  - o Owner/Manager documents (W-9, blank rental app, base tenant screening criteria, etc.)

A claim can only be filed for Milwaukee County Continuum of Care and Housing Choice Voucher rent assistance program households, currently. After processing a claim, payments are sent to the corresponding landlord.

If a landlord is seeking reimbursement for verified tenant damages *and* vacancy loss for the same tenancy, the total claim limit is still limited to three times (3x) the monthly contract rent amount.

## II. Damage & Vacancy Loss Fund

Landlords with active LIFT membership agreements may access up to a total maximum of three times (3x) the monthly contract rent amount for unreimbursed expenses for verified tenant damages and vacancy loss for any given eligible tenancy.

### Damages

Up to three times (3x) the monthly contract rent amount for unreimbursed expenses associated with verified tenant damage. If a claim is being processed for verified tenant damage after the tenant moves out, the landlord must utilize the security deposit and submit a written list of items charged against it for any damages beyond normal wear and tear (with the amount of each item), in accordance with applicable laws and regulations. If the security deposit is insufficient for reimbursement for verified tenant damage, the landlord may seek additional reimbursement via LIFT funds by submitting a claim for an amount not to exceed the lessor of:

- The amount owed to the landlord; or,
- Up to three times (3x) the monthly contract rent

To substantiate claimed damages, the unit must have a documented “Move-In Condition” checklist as a part of the executed lease. LIFT may complete a standardized checklist if the landlord does not have a condition checklist in the standard lease template to ensure the claimed damages at the end of the lease were not pre-existing. To make a claim for damages, the Landlord must immediately notify LIFT and the Case Management Agency (specified in the Milwaukee County Housing Services’ rent assistance program Housing Assistance Payments Contract, Program Lease, and/or residential Lease) when the Household has moved-out of the Contract unit.

If requested by LIFT, the Landlord must schedule an inspection of the unit with the County to assess the alleged damage prior to occupancy by a new Tenant and prior to repair of any damage. LIFT may use its discretion to accept photographic evidence of damage in place of an inspection. Any damages repaired prior to documentation or alerting LIFT will not be eligible for reimbursement. LIFT may also access and utilize Milwaukee County rent assistance program documents to aide in their determination.

### Vacancy Loss

Vacancy loss is restricted to one month of contract rent for unreimbursed expenses associated when a tenant breaks a lease and/or contract in without sufficient notice, or mutual recession. If the landlord collected any of the household’s portion of the rent for the month the unit is discovered vacant, the vacancy loss will be reduced to account for

the paid rent to ensure the vacancy coverage does not exceed one month of contract rent in its entirety. A Vacancy Loss Claim may be submitted under the following conditions:

- The tenant moved without cause during the term of the lease without a mutual rescission or sufficient notice as defined in Milwaukee County Housing Services' rent assistance program Housing Assistance Payments Contract, Program Lease, and/or residential Lease, and as allowed by laws and regulations.
- The tenant moved at the end of the lease term without providing sufficient notice as defined in Milwaukee County Housing Services' rent assistance program Housing Assistance Payments Contract, Program Lease, and/or residential Lease, and as allowed by laws and regulations.
- An eviction was not preventable despite good faith mediation efforts.

The landlord is not entitled to any payment for the vacated unit unless the Landlord immediately notified LIFT, and if applicable, Case Management Agency (specified in the Milwaukee County Housing Services' rent assistance program Housing Assistance Payments Contract, Program Lease, or residential Lease) upon learning of the vacancy.

The landlord cannot reject eligible applicants and has made efforts to re-rent the unit after the previous tenant vacated the unit. The property owner MUST submit verification that an attempt has been made to re-lease the unit (e.g., leasing reports, online listing, relisting unit directly with LIFT, etc.) when submitting a Claim Form.

### **III. Claim Process**

A landlord (with an active LIFT membership) alerts LIFT staff immediately upon discovery of tenant damage or vacancy. A landlord must submit a LIFT Claim form with a satisfactory description and required documentation, including photographs of the damage and receipts for any materials/labor purchased. Claims must be submitted within thirty (30) days of a tenant vacating the unit for Vacancy Loss reimbursement, or in the case of Damages, within thirty (30) days of initial inquiry for damage assessment and/or damage inspection. Vacancy Loss claims must be submitted after the unit has been released or has exceeded 30 days of vacancy.

LIFT staff will review claims in a timely manner, or within (10) business days and communicate the approved reimbursement which will be paid out within (30) days of payment approval under a fiscal agent contract being recommended with Community Advocates.

### **RECOMMENDATION**

It is recommended that the Milwaukee County Board of Supervisors approve the eligibility criteria for the Landlord Incentives to Foster Tenancy (LIFT) pilot program as described herein and approve a fiscal agent contract with Community Advocates for \$356,355 to

administer the funds. The fiscal agent contract will be effective starting July 1, 2024, and end December 31, 2024.

**FISCAL EFFECT**

A fiscal note form is attached.

**TERMS**

The contract with Community Advocate reflects a term of July 1, 2024, to December 31, 2024.

**VIRTUAL MEETING INVITES**

James Mathy, Housing Administrator  
Connor Goggans, Senior Real Estate Project Manager  
Alexi Millard, Landlord Engagement Coordinator

**PREPARED BY:**

James Mathy, Housing Administrator, Department of Health and Human Services

**APPROVED BY:**

*Shakita LaGrant-McClain*

Shakita LaGrant-McClain, Director, Department of Health and Human Services

**ATTACHMENTS:**

“05-07-2024 LIFT Board Presentation”

Cc: County Executive David Crowley  
Sup. Willie Johnson, Jr., Chair, Finance Committee  
Sup. Shawn Rolland, Chair, Health Equity, Human Needs and Strategic Planning Committee  
Mary Jo Meyers, Chief of Staff, County Executive’s Office  
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors  
Janelle M. Jensen, Legislative Services Division Manager, Office of the County  
Steve Cady, Research Director, Comptroller’s Office  
Lottie Maxwell-Mitchell, Sr. Budget and Management Analyst, DAS