



## Department of Housing and Community Development

# THE RISK MITIGATION AND HOUSING DISPLACEMENT FUND

### OVERVIEW

In an effort to encourage landlord participation in Orange County rental assistance and other subsidy programs, assist with housing stabilization and mitigate displacement of low- and very low-income residents, and prevent homelessness, the Orange County Board of County Commissioners (BOCC) created the pilot Risk Mitigation and Housing Displacement Fund. The Fund, which is administered by the Orange County Department of Housing and Community Development Department (OCHCD), provides assistance in three (3) activity areas:

- **Risk Mitigation** (for landlords)
- **Emergency Housing Assistance** (assistance for security deposits, utility connections, and rental payments)
- **Displacement Mitigation** (due to an urgent community need such as manufactured home park closures and natural disasters)

The Fund was initially capitalized with \$67,778 in the FY 2017-18 budget. In FY 2018-2019, the BOCC allocated \$75,000 to the Fund. In FY 2019-2020 and in subsequent years, the BOCC will replenish the fund to maintain the \$75,000 level, based on availability of funds. OCHCD reserves the right, based on need and without prior notice, to shift funds from one activity area to another.

Financial assistance under the Risk Mitigation and Emergency Housing activity areas is based on availability of funds and are provided on a first come, first served basis. To be eligible for assistance under the Displacement Mitigation activity area, an individual or family must be participating in the Displacement Mitigation Assistance Program (D-MAP) or be referred based on another urgent community need, such as natural disaster or closure of naturally occurring affordable housing complexes. The following paragraphs provide additional information on each activity areas.

### RISK MITIGATION

Assistance under this area is available to landlords participating in the following voucher programs:

- Housing Choice Voucher Program (HCV)
- Permanent Supportive Housing Voucher (PSHV)
- Supportive Services for Veterans and their Families (SSVF)
- HUD-VA Supportive Housing (HUD-VASH)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Key Rental Assistance (Key)
- Transitions to Community Living Voucher (TLCV)
- Any Rapid Re-Housing program

**Mailing Address**  
P.O. Box 8181  
Hillsborough, NC 27278

**Main Office**  
300 W. Tryon Street  
Hillsborough, NC 27278

**Satellite Office**  
2501 Homestead Road  
Chapel Hill, NC 27516



OCHCD reserves the right, based on need and without prior notice, to provide assistance to landlords participating in other subsidy programs.

The Risk Mitigation activity area is a flexible fund that may provide financial assistance to mitigate various types of risks incurred by landlords participating in subsidy programs. Risk Mitigation funds may reimburse eligible landlords when, by no fault of the landlord, there is a financial loss associated with a tenancy (e.g., excessive damages to a unit, tenant abandons the unit, or other situations considered on a case-by-case basis).

To be eligible to receive funds, landlords must contact OCHCD with their request for reimbursement and must agree to continue renting the unit in question (or another comparable unit, with approval from OCHCD) to a voucher holder for a period of at least two years from the date the payment is made. The maximum amount of assistance will not exceed \$1,500.

For funding to cover repairs for damages, assistance should only be requested when repair costs are more than the security deposit and cannot be related to general maintenance items. OCHCD reserves the right to have in-house Rehabilitation Specialists document the damage, provide specifications for completion of repairs, and inspect the completed work before funds are disbursed.

### **EMERGENCY HOUSING ASSISTANCE**

Assistance under this activity area is available to households in Orange County that (1) earn no more than 60% of the area median income (AMI), (2) can demonstrate urgent need for housing assistance, and (3) do not have adequate savings to cover their housing costs.

To be referred for assistance, households must either:

- Be assessed through Coordinated Entry as at risk of or currently experiencing homelessness and who have identified safe, decent, and affordable housing
- OR**
- Be referred by various Orange County Departments and local service providers (e.g., Aging, Health/Family Success Alliance, Criminal Justice Resource and Social Services, Community Empowerment Fund, Interfaith Council, Compass Center, etc.)

*\* Preference will be given to applicants earning under 50% of AMI*

The most current income limits for Orange County are below:

	<b>Household Size</b>							
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>30% AMI</b>	19,100	21,800	24,550	27,250	30,680	35,160	39,640	44,120
<b>50% AMI</b>	31,850	36,400	40,950	45,450	49,100	52,750	56,400	60,000
<b>60% AMI</b>	38,220	43,680	49,140	54,540	58,920	63,084	67,680	72,000

*Source: 2020 HUD Section 8 Income Limits*

### **Eligible Costs and Maximum Assistance**

Emergency Housing Assistance may pay for security deposits, utility connections and arrears, rental payments and arrears, and, in certain emergency situations and upon OCHCD approval, other urgent housing-related costs (e.g., short-term stays in hotels, moving costs), especially for hard-to-house

individuals and families, such as large families with children, seniors, people with disabilities, veterans, and people with justice system involvement. Emergency Housing Assistance may not duplicate any assistance provided by any other program.

Households earning no more than 30% of AMI may be assisted up to three times. Households earning no more than 60% of AMI may be assisted up to two times. The total amount of assistance provided to any household may not exceed \$4,000.

Rent and utility payments may only cover arrears and/or payments for the current month or next upcoming month; assistance will not be granted for months further in the future. For example, if an applicant applies on June 15, assistance may be granted to cover any arrears for past rent owed, rent owed in the current month (June), rent to be owed in the upcoming month (July), but not for rent owed in future months (August or beyond). However, applicants may request assistance again in future months, if needed, up to the \$4,000 maximum.

### **Applying for Emergency Housing Assistance**

Applicants and referral agencies submitting on behalf of applicants should complete an Emergency Housing Assistance application, available at <http://orangecountync.gov/2359/Emergency-Housing-Assistance>, which includes:

- A description of the urgent need for assistance
- Pertinent background information on the client and other household members
- Information on the identified housing unit or complex (name of the complex, if applicable, and address)
- Name and address of the landlord or utility provider to whom the check for assistance should be made payable (whenever possible, a W-9 for the landlord or property manager should be included), as applicable
- Documentation verifying total gross household income and savings (see the Emergency Housing Assistance Application for a checklist of the acceptable source documentation)
- Copy of the lease or other documentation from the landlord showing the client has been approved to live at the identified unit and amount of funds needed, as applicable
- Statement or invoice from utility provider, as applicable

### **Reimbursement to Referring Agencies**

In situations when assistance is required urgently, referring agencies may use their own funds assist clients, and OCHCD may reimburse referring agencies for these expenses. Applicants must first be approved for assistance by OCHCD and referring agencies must receive prior approval from OCHCD in order to receive reimbursement. Only eligible costs for clients approved for assistance by OCHCD will be eligible for reimbursement.

### **DISPLACEMENT MITIGATION**

Assistance under this activity area is only available when an urgent community housing need and displacement of residents occurs, such as a manufactured home park closure or natural disaster. Funds may be used to provide direct assistance to affected individuals and families at or below eighty percent (80%) of the Area Median Income for Orange County. If the urgent community need relates to manufactured home park closures, persons requesting assistance must be participating in the County's Displacement Mitigation Assistance Program (D-MAP). Available assistance includes payment of security deposits, utility connections, etc.

---

This document is an overview of the Risk Mitigation and Housing Displacement Fund. Interested persons and entities should contact OCHCD for more information. Orange County reserves the right to amend, revise, and/or waive the program requirements, specified assistance, and activity areas based on community needs and budgetary and personnel constraints.

***Revised 7/14/20***