This Landlord Incentive Agreement is an addendum to the *Rental Assistance Agreement* found at <https://www.tdhca.state.tx.us/home-division/esgp/guidance-solutions.htm>. This addendum is intended for Emergency Solutions Grants Coronavirus Aid Relief and Economic Security Act (ESG CARES) Subrecipients through the Texas Department of Housing and Community Affairs.

Instructions:

1. The ESG CARES Subrecipient should complete the highlighted fields below for Monthly Contract Rent and Security Deposit assistance provided in *Rental Assistance Agreement*.

|  |  |
| --- | --- |
| Monthly Contract Rent | $0.00 |
| Security Deposit in Rental Assistance Agreement | $0.00 |

1. The ESG CARES Subrecipient should determine the amount of landlord incentive to provide from the list below. In no case may the total in incentives exceed the cap for each incentive or the maximum of three times the contract rent for all incentives.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Landlord Incentive** | **Description** | **Incentive Cap** | **Auto-Calculated Max Assistance** | **Elected Amount**  *Auto-populates amounts in form* |
| Security Deposit | * The total for security deposit cannot exceed more than 3 months of rent. * Cap includes any security deposit in the rental assistance agreement. | 3x Monthly Contract Rent | $0.00 | $0.00 |
| Signing Bonus | * Lease must be at least six months long. * For rent-restricted units on new leases: the rent restriction program must allow a signing bonus for an initial lease. * For rent-restricted units on renewed leases: The rent restriction program must allow a signing bonus and the landlord must provide written documentation of a current lease violation that would serve as good cause to not renew the lease. | 2x Monthly Contract Rent | $0.00 | $0.00 |
| Repairs & Cleaning | * Cannot be caused by normal wear and tear * Cannot be used for items covered by a security deposit or landlord insurance * Can be incurred while the program participant is still residing in the unit * Can be paid if incurred while the ESG CARES Contract is active. | 3x Monthly Contract Rent | $0.00 | $0.00 |
| **Total Landlord Incentives** |  | **3x Monthly Contract Rent** | **$0.00** | **$0.00** |

1. From the table above, the ESG CARES Subrecipient should complete the remaining fields in the addendum below.
2. Completed forms are signed by the ESG CARES Subrecipient Authorized Representative, the Landlord, and the ESG CARES Program Participant(s).
3. Executed Landlord Incentive Agreement Forms should be kept with client-level documentation.

|  |  |  |
| --- | --- | --- |
| ***Emergency Solutions Grants Coronavirus Aid Relief and Economic Security (ESG CARES) Subrecipient:*** | | ***Contract Number:*** |
| ***Tenant Name:*** | | |
| ***Address of Unit being Rented:*** | **Check If Rent Restricted Unit:** | |
| ***Name of apartment complex, as applicable:*** | | |
| ***Landlord Name:*** | | |
| ***Landlord Address:*** | | ***Phone:*** |

This Landlord Incentive Agreement applies only to the above-referenced Tenant household and rental unit. This form is an addendum to the *Rental Assistance Agreement* found at <https://www.tdhca.state.tx.us/home-division/esgp/guidance-solutions.htm>.

*Landlord Incentives.* The limitations on eligible activities under section 415(a) of the McKinney Vento Act and 24 CFR §576.105 are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR §576.105 to add the eligible cost of paying for landlord incentives as reasonable and necessary to obtain housing for individuals and families experiencing homelessness and at risk of homelessness.

ESG Subrecipient may use ESG-CV funds to pay the landlord incentives set forth below. **The total for all landlord incentives per unit can be up to, but not exceed, three times the contract rent charged for the unit.**

Monthly contract rent is $0.00.

Amount of security deposit in Rental Assistance Agreement: $0.00.

1. ESG Subrecipient will pay Landlord Incentive Security Deposit in the amount of $0.00.

**The total security deposit from landlord incentives and rental assistance agreement cannot exceed three times the contract rent.**

Landlord will comply with state and local laws regarding interest earned on Security Deposits. After Tenant has moved from the rental unit, Landlord may, subject to state and local law, use the Security Deposit, including any interest earned on the deposit in accordance with state and local laws, as reimbursement for rent or any other amounts payable by Tenant under the Lease. Landlord will give Tenant a written list of all items charged against the Security Deposit and the amount allocated to each item. **After deducting the amount used as reimbursement to Landlord, Landlord will promptly refund the full amount of any remaining balance to Tenant.**

1. ESG Subrecipient will pay a Signing Bonus to Landlord in the amount of $0.00. To qualify for a signing bonus, the lease must be at least six months long, or the term of the rental assistance agreement, whichever is longer.
   1. Landlords that terminate a lease prior to its expiration are not eligible for this type of incentive.
   2. Signing Bonuses may be used for initial lease execution or lease renewal within the last sixty days of the lease term.
   3. For rent-restricted units: For a signing bonus to be used as an incentive for initial lease execution on a rent-restricted unit, the rent restriction program must allow a signing bonus for an initial lease. The rent restriction program must allow a signing bonus and the landlord must provide written documentation of a current lease violation that would serve as good cause to not renew the lease.
2. ESG Subrecipient will pay the cost(s) of repair caused by the program participant, and/or extra cleaning caused by the program participant or related to COVID-19, to the Landlord up to the amount of $0.00. The cost to repair damages incurred by a program participant (cannot be caused by normal wear and tear) not covered by a security deposit, landlord insurance, or that are incurred while the program participant is still residing in the unit. Incentive may include paying the costs of extra cleaning of a program participant’s unit or appliance caused by program participant or related to COVID. A cost breakdown of charges for repairs and extra cleaning will be required before payment of repairs or cleaning.

Total amount of landlord incentives is $0.00 (not to exceed three times the contract rent of the unit). I/we understand that notice of the cleaning and repair must occur not more than 30 days after the tenant vacates the unit and before [ESG CARES Contract end date\*] andsubmitted to      [ESG CARES Subrecipient].

I/we understand that with my/our signature I/we are certifying all information herein is true and correct.

**Signature of Tenant: Date:**

**Signature of Tenant: Date:**

**Signature of Landlord/Landlord’s Agent: ­­­­­ Date:**

**Signature of ESG Subrecipient’s Authorized Representative: Date:**

\* Subrecipient is responsible for submitting costs incurred by the end of the reporting period of their contract.

**WARNING: Title 18, Section 1001 of the U. S. Code provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States will be fined not more than $10,000 or imprisoned for not more than five years, or both.**