

Opening Doors Landlord Loss Mitigation Fund

North Dakota Housing Finance Agency

Special Needs Housing: Combating Homelessness

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While it may not be the outright display of mental illness or substance abuse that costs an individual access to housing, it is often instead a collateral effect. A cycle of negative behavioral patterns can lead to criminal, credit and/or rental history issues which in turn can disqualify an individual from being able to rent a home.

North Dakota Housing Finance Agency (NDHFA) is dedicated to maximizing affordable housing opportunities for all North Dakotans while proactively addressing the housing needs of growing communities and the state's most vulnerable populations.

Complicating factors like physical and intellectual disability, lack of education and job skills, high housing costs, and extremely low incomes can make finding and keeping housing difficult for some households. Taken all together, this sets up a delicate balance that makes the target populations of NDHFA's [Opening Doors Landlord Risk Mitigation Fund](#) some of the hardest to house.

Traditional selection criteria used by housing providers examine criminal and financial background to ensure the safety of the property and to confirm the tenant's ability to pay rent. The criteria are meant to protect the property owner's investment and the other tenants.

Opening Doors helps Medicaid-eligible households secure housing by offering housing providers coverage beyond the security deposit if a program participant causes excessive damage to a rental unit or a loss of revenue.

Are innovative

[NDHFA's Strategic Plan](#) prioritizes increasing access to affordable housing for vulnerable populations by leveraging partnership with other state agencies to unify housing and support services to stabilize these populations and by collaborating with state agencies on housing initiatives and related services to maximize state and federal resources and improve connectivity with non-government entities.

While the process that resulted in the creation of Opening Doors required a major system change, tearing down government silos resulted in a low-cost program that increases housing opportunities for individuals with significant rental barriers; it provides a tool that helps support service providers to assist their clients in achieving housing stability while reducing the financial risk to housing providers.

Are replicable

Opening Doors was modeled after a landlord risk mitigation program established by the [FM \(Fargo-Moorhead\) Coalition for Homelessness](#) in 2014 that encourages property owners to rent to people who are experiencing homelessness.

With NDHFA serving as Opening Doors program administrator, individuals are provided with the opportunity, if they so desire, to live in any North Dakota community and allows them to transition directly from the institutional setting into a stable home environment.

Respond to an important state housing need

The need for a supportive housing safety net led to the joint effort between NDHFA and the Medical Services Division of the North Dakota Department of Human Services (ND DHS) that [produced the Opening Doors Landlord Loss Mitigation Fund](#).



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ND DHS continually faces challenges in discharging individuals from institutional settings and securing affordable and safe housing that will allow people to become integrated into a community.

A statewide Supportive Housing Collaborative and regional housing collaborative groups organized by ND DHS, NDHFA, and other housing and service agencies from across the state of North Dakota worked to identify a solution to best address the issue. One solution suggested was the development of a statewide landlord mitigation fund that could create more opportunity for individuals to leave an institutional setting or prevent institutionalization.

Demonstrate measurable benefits to HFA targeted customers

Having access to a risk mitigation fund eases a property owner's concerns about renting to individuals and households who have had bad experiences in the past either as a renter or in the justice system.

Service providers regularly checking in with program participants can lead to discovering job loss and quick proactive identification of resources to solve an issue before it compounds to lease violations.

Opening Doors shows housing providers and service providers the importance of open communication and the value that tenancy supports provide in maintaining stability even if the tenant faces setbacks. Resolving concerns early prevents eviction and fosters a good housing provider/tenant relationship.

Have a proven track record of success in the marketplace

Of the enrolled tenants, only 15 percent have been evicted, and having access to the Opening Doors claims process and being able to receive an additional payment for excessive damages has encouraged housing providers to take a chance on other program participants.

Provide benefits that outweigh costs

Multiple safety nets are required for vulnerable populations to be successful. By helping to ensure stable housing through Opening Doors, NDHFA administers one net and relieves a burden for another state agency so that its staff can focus on the individual and the other support services required.

Demonstrate effective use of resources

Opening Doors tenants are covered for up to 18 months. During that time, their housing provider may receive compensation for damage or lost rent claim coverage for up to \$2,000.

The initial grant, secured by ND DHS and administered by NDHFA, that established the program provided \$135,000 for the risk mitigation fund and \$15,000 for program administration. Assuming a 25 percent claim rate per year and each claim being for \$2,000, the funding was initially projected to last for 13 years and to cover up to 67 claims.

From January 2019 to March 2022, 73 individuals have applied for coverage from Opening Doors. Program commitments have helped 39 individuals secure housing with the average individual maintaining their tenancy for 12 months.

Prior to enrollment, all these individuals assisted were either in transitional housing or some sort of homeless situation. Through Opening Doors and supportive services, little investment was required to move these individuals into a permanent housing environment. The greatest challenge typically was finding a housing provider willing to rent to the household in need.



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Most of the individuals currently enrolled in the program have criminal convictions. Of the 73 applicants, 60 have substance abuse issues, 54 have credit/bad debt, and 55 have criminal convictions including 5 who are registered sex offenders. Per the North Dakota Department of Corrections, the cost per day in FY2020 to house an individual in their facilities was \$132.61.

To date, NDHFA has only paid nine Opening Doors claims totaling \$14,623.79. In the little over three years of the program's operation, providing 39 individuals with stable housing has potentially saved the state of North Dakota more than \$1.8 million.

ND DHS has six transitional service programs with clients that are all potential Opening Doors applicants – [Free Through Recovery](#), [Community Connect](#), [the Medicaid 1915\(i\) State Plan Amendment](#), [Money Follows the Person](#), [Developmental Disabilities Services](#), and [Aging Services](#).

Currently, only three of the programs are actively using Opening Doors to assist clients in securing housing. One of the biggest and most costly programs, nursing home care administered by Aging Services, will begin transitioning eligible clients this summer which is anticipated to grow the Opening Doors program while significantly reducing the state's Medicaid costs.

Effectively employ partnerships

In addition to the partnership between NDHFA and ND DHS, Opening Doors operates as a formal partnership between housing providers, service providers, and the individuals with barriers to housing.

One of the key provisions of the Opening Doors program is care coordination provided by a service provider. Households must apply through a care coordinator who agrees to provide services for the duration of the individual's enrollment. This includes helping to find and secure housing, monitoring tenancy, and mediating any disputes with the housing provider.

Any housing provider who is willing to rent to households with rental barriers can agree to be one of Opening Doors' Participating Landlords. Agreeing to participate is not binding; it is simply an indication that they will consider renting to households who are working towards a successful tenancy with assistance from a service provider.

Achieve strategic objectives

Opening Doors has proven to be an efficient and effective tool to help Medicaid-eligible people with housing barriers to be successful tenants. Establishing these individuals in a stable setting with planned care coordination has produced cost savings for the individuals, their community, and the state.



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Supporting Materials

[Demand for at-home assistance booming](#), *KFYR TV*, May 18, 2021

[North Dakota's Prison Population is Down](#), *KX News*, Aug. 22, 2018

['Money Follows the Person' program helps over 400 North Dakotans statewide](#), *KFYR TV*, May 16, 2018

[Opening Doors for Households with Rental Barrier](#), NDHFA, Sept. 13, 2018