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HOUSING ASSISTANCE DIVISION
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Damage Reimbursement Claims

Owners may submit a reimbursement claim for damages beyond normal wear and tear to units rented to a formerly homeless individual/family on or after February 9, 2016, and the family moves from the assisted unit where they have caused physical damage to the unit during their occupancy.

Owner claims for reimbursement of damages will be reviewed for accuracy and completeness and are compared with the initial inspection record on file. The Los Angeles County Development Authority (LACDA) establishes standards by which to evaluate claims, but the burden of proof rests with the owner. The LACDA will pay properly filed claims to the owner for damage costs in excess of the amount of the security deposit paid for the unit as a function of the contract, not to exceed a maximum payment of \$2,000 (see *Processing Claims* section for more information). Additionally, any amount paid to the owner by the tenant will be reimbursed to the LACDA from the owner.

All claims for damages must be supported by the actual bills for materials and labor and a copy of the canceled checks or other receipts documenting payment. Invoices from individuals providing the labor must include their name, address, phone number, and e-mail address. The owner may not bill himself/herself for labor since that is not considered by the LACDA to be an "actual cost." However, the actual cost of the owner's employees' labor, such as the resident manager, to make repairs may be included. Other persons making repairs or replacements must be licensed to do business in Los Angeles County.

The LACDA may require verification of purchase date, quality, and price of replaced items, in order to calculate depreciation. Reasonableness of costs will be based on practices consistent with industry standard. Claims for normal wear and tear, previously existing conditions, routine turn-over preparation, and cyclical interior painting will not be paid. Claims for unpaid utility bills cannot be approved as part of a damage claim.

The LACDA will inspect the unit to assess the damages before any repairs are made. The owner must be present during the move-out inspection and only damages claimed by the owner are reimbursable.

Move-Out Inspections

Move-out inspections are performed after the tenant has vacated the unit. These inspections are performed by the Inspector to assess the condition of the unit.

The owner must first notify the LACDA of the move-out and then request an inspection within five calendar days of learning of the move-out, or contract termination, whichever is first, in order to submit a damage claim. In the event that the LACDA is unable to inspect within 10 calendar days, the owner will be permitted to use date-stamped photographs to substantiate the claim.

To ensure valid claim processing, a LACDA inspector will conduct a thorough move-out inspection. A LACDA inspector will note conditions as well as Housing Quality Standards (HQS) deficiencies. The inspector will take pictures of questionable items, and will send a report of the condition of the unit to the owner. The owner will be notified of the date and the time of inspection. If the owner is not present, the move-out inspection will not be conducted or rescheduled.

If the contract was terminated due to owner breach, or the owner was in violation of the contract at the time that it was terminated, there will be no entitlement to claims and therefore no inspection.

Processing Claims

Any amount owed by the tenant to the owner for damages will first be deducted from the maximum security deposit that the owner specified in the lease agreement. The LACDA will pay for qualified damage costs beyond the security deposit but not to exceed \$2,000. This represents the maximum amount that the LACDA will pay under any circumstances.

Example 1: The owner submits a damage claim for \$5,000 and the lease indicates that the owner collected a \$1,000 security deposit leaving \$4,000 in unpaid damage costs. The LACDA would reimburse the owner \$2,000 in unpaid costs.

Example 2: The owner submits a damage claim for \$3,000 and the lease indicates that the owner collected a \$2,500 security deposit leaving \$500 in unpaid damage costs. The LACDA would reimburse the owner the remaining \$500 in unpaid costs.

Example 3: The owner submits a damage claim for \$2,500 and the lease indicates that the owner collected a \$3,000 security deposit. The LACDA would not reimburse the owner as the security deposit collected exceeds the damage costs.

The LACDA will require proof that the owner has complied with State and local laws applicable to security deposits before making payment on any claim.

Costs of filing eviction to remove the tenant or any other legal fees shall not be reimbursed. Damage claims do not apply to tenant unpaid rent amounts.

All receipts of repairs must be submitted within 30 calendar days of the HQS move-out inspection date.