

TROUBLESHOOTING TIPS FOR BELOW MARKET RATE (BMR) RENTAL UNITS: PROGRAM MANAGEMENT

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TRAINING GOALS

This training provides staff with solutions to common BMR issues with program management.

Notes on key terms in this training:

- “BMR” refers to BMR rental housing, not the BMR Ownership Program for first time homebuyers
- “Staff” refers to property management staff

RELATED TRAININGS IN BMR SERIES



INTRODUCTION
TO BMR RENTAL
HOUSING



INCOME
ELIGIBILITY



REPORTING BEST
PRACTICES



TROUBLESHOOTING
ASSISTANCE



WAITLIST
REASONABLE ACCOMMODATIONS
HOUSEHOLD CHANGES

ALLOWABLE RENT AND INCOME CAPS

Each year the City publishes an updated version of the [Housing Affordability Table](#). It provides the BMR maximum gross affordable rents by household size and income category.

Reference this table when performing initial income certifications, annual recertifications, and annual rent increases.

ALLOWABLE RENT AND FEES

The allowable gross rent should be inclusive of all mandatory expenses, fees, and utility allowances applied to the unit.

- However, if financing for the construction of the property required parking, then the property **CANNOT** charge for parking unless:
 - The parking charge is deducted from the gross rent
 - The parking is unbundled and made optional; then it can be above the gross rent cap

CONVERTING BMR UNITS TO MARKET RATE

If the property wants to convert a BMR unit to a market rate unit (or vice versa), it must:

1. Maintain the number or percent of BMR units mandated in its Affordable Regulatory Agreement
2. Contact the City to provide for approval beforehand. Submit the request in writing with the:
 - Unit number
 - Square foot or floorplan type
 - Number of bed(s)/bath(s) in each unit related to the conversion
 - Site plan identifying all BMR units

CONVERTING BMR UNITS TO MARKET RATE (CONTINUED)

- Be proactive and ensure BMR status swaps don't result in BMR units becoming the least desirable units
 - E.g. smallest, worst located, worst views, or least often maintained/upgraded
- Discrimination complaints may be filed against the property if:
 - BMR tenants are treated differently than market rate tenants
 - The quality/desirability of BMR units is lower than market rate units

MANAGING CORRECT UNIT MIX

- Each property should reference its Affordable Regulatory Agreement to verify the number of BMR units it must maintain. Maintain this ratio regardless of move-outs and unit transfers
- One method to do this is to create a document in Excel (or similar software) to track:
 - Which units are BMR units versus market rate units
 - Number of bedrooms and total square footage of the unit
 - Accessibility features
 - The affordable housing programs that apply to each unit
 - Upgrades (including description of work, costs, and dates of completion)
 - Record of all transfers of BMR unit designations

NON-COMPLIANCE

- Miscommunications can often be a source of noncompliance. To prevent this, document all tenant communications in writing and maintain proper records of notices sent to households
- In cases of true noncompliance, the property should follow protocols set in its Affordable Regulatory Agreement and internal property policies
 - If needed, contact the City for assistance in resolving compliance issues

NON-COMPLIANCE (CONTINUED)

Examples of noncompliance by BMR tenants may include:

- Failure to pay rent
- Legal requirements not adhered to, e.g. refusal to submit annual recertification documentation or accompanying financial documentation

EVICCTIONS

- [City of Emeryville's Residential Landlord and Tenant Relations Ordinance](#)
 - This eviction harassment ordinance took effect on April 1, 2017
 - To start an eviction process, BMR properties must:
 - Provide the household and the City with a copy of the 3-day eviction notice
 - Follow procedures outlined in the property's Affordable Regulatory Agreement
 - Follow all applicable city and state laws

EVICTIONS (CONTINUED)

The [Emeryville Just Cause Eviction Ordinance Presentation](#) provides greater detail on the following topics:

- Just Cause Eviction Requirements
- Notice of Tenant Rights
- Notice of Termination
- Types of Terminations
- Tenant Relocation Benefits
- Exempted Units
- Eviction Harassment Protections
- Applicability of AB-1482
- "Rent Caps" under AB-1482

WHERE TO SUBMIT QUESTIONS

- Please submit any questions to:
City of Emeryville Economic Development and Housing Division
- Email: housing@emeryville.org or Emeryville@hellohousing.org