



# Section 6

## Renter Eligibility

### 1) Eligibility for Inclusionary Units

No household may occupy an inclusionary rental unit unless the City or its designee has approved the household’s eligibility. If the City or its designee maintains a list or identifies eligible households, initial and subsequent occupants will be selected to the maximum extent possible, in accordance with any rules approved by the Community Development Director.

Inclusionary rental units will be offered to eligible households at an affordable rent (see table below, “Affordable Monthly Rent,” to calculate maximum allowable rents for low- and very-low eligible households) according to the area median income (AMI).

**Affordable Monthly Rent**

No. of People Per Household	60% AMI Low Income	50% AMI Very Low
1	\$881	\$734
2	\$1005	\$838
3	\$1131	\$943
4	\$1257	\$1048
5	\$1358	\$1131
6	\$1458	\$1215

*Note: Affordable Rents means monthly rent that does not exceed 1/12 of 30% of 60% of AMI for low-income households and 1/12 of 30% of 50% AMI for very low-income households. Affordable rents are derived by using*

current annual HUD income limits for Alameda County. For example, the affordable rent of \$1048 for a very low-income household of four is calculated by dividing 30% of the maximum annual income (\$41,900) by 12. Any utilities such as water, garbage, gas or electric that the tenant pays should be deducted from the rent. City staff can provide owner with a current Section 8 utility allowance schedule if needed, otherwise owners may use their own utility estimates subject to City approval.

Owners of inclusionary rental units shall certify each tenant’s household income and rent to the City or City’s designee at the time of initial rental and annually thereafter (see Section 2.8, “Annual Report”).

The owner must annually obtain and review documents that demonstrate the prospective renter’s total income such as current income tax returns or W-2s for the previous calendar year, and submit information on a form approved by the City.

### 2) Wait List/Preference Categories

Owners shall maintain a wait list on a first-come, first-serve basis. To be placed on the wait list, interested households will need to complete a brief City-approved application (see Attachment F, “Wait List Update and Preference Information.”) which can be obtained from the owner. Applicants will

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provide current address, household size and annual income to determine eligibility, as well as residency and employment status information to determine preference points. The owner shall maintain the wait list by group and rank in accordance to the City's preference categories described below.

The owner shall verify continued eligibility for households on the wait list to confirm their income levels and preference category status have not changed. The owner shall attempt to contact all parties on the wait list twice via correspondence (first time by certified mail) and once by telephone. All parties that fail to respond by completing updated eligibility information (see Attachment F) will be deemed ineligible and removed from the wait list.

All San Leandro residents, City or school district employees, and households employed in San Leandro are given preference points and ranked higher on the wait list than other households. Preference categories mean the criteria to be met by eligible households in the rank order listed and defined as follows:

- a. *City Residents* (3 points): Applicants currently living within the incorporated city limits of the City of San Leandro.
- b. *City of San Leandro Employees* (2 points): Applicants with a member of the household working for the City of San Leandro for a minimum of one year. Temporary or contract employees are not eligible for preference consideration in this category.
- c. *San Leandro Unified School District Employees* (2 points): Applicants with a member of the household working for the San Leandro Unified School District for a minimum of one year. Temporary or contract employees are not eligible for preference consideration in this category.

This category also includes applicants with a member of the household working for the San Lorenzo Unified School District at a facility located within the incorporated San Leandro city limits for a minimum of one year.

- d. *San Leandro Employees* (1 point): Applicants with a member of the household working at a business within the incorporated city limits for a minimum of one year. Temporary or contract employees are not eligible for preference consideration in this category.

Households eligible for preferences under preference category "a" are limited to 3 points per household. All household members that will be on title are eligible to accumulate points under preference categories "b", "c", and/or "d."

The owner shall review each application to determine how many preference category points a household has accumulated. All households will be grouped in a cumulative preference point category and ranked in the order their completed application was approved by the owner. Applications are deemed approved when the owner completes verification of them. For instance, if two households submit applications that each earns 5 points, both will be placed in the cumulative preference point category of "5." The application approved first by the owner will be placed higher in this grouping. This illustration indicates how applications received at the same time with the same number of preference points would be ranked: the owner receives two or more applications on the same day. Each application is reviewed to determine completeness and total preference points. All completed applications are placed in the point preference category in sequential order. The owner will contact applicants with incomplete

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information. Incomplete applications will not be placed in a point preference category until all required information has been submitted by applicant and verified by the owner. The owner will then place completed applications by point preference category in sequential order.

Below are the procedures for owners to follow in using the wait list and preference categories:

i. Notify the City when they are ready to develop a wait list. The City can provide technical assistance to help owners develop their wait lists and sort by preference category rankings.

ii. Notify and work with eligible households on the wait list from the top of the list. The owners may not contact and/or select households out of ranked order from the wait list without adequate justification. For instance, owners may not arbitrarily target households on the wait list with higher incomes. It is the owner's responsibility to verify and document the income eligibility and preference category status of each household selected for an available inclusionary unit. The owner will submit to the City for final approval the households he/she has pre-approved for an available inclusionary unit along with documentation of reasons for denying units to higher ranked applicants (see Attachment G for sample form), income (e.g., current tax returns) and preference category status (e.g., utility bills, driver's license, letter from employer, pay stub). Owner is required to maintain documentation of how he/she notifies eligible households on the wait list (e.g., certified mail) to be made available only upon request by the City.

### **3) Selection of Tenants**

If owners choose not to maintain their own selection process (e.g. wait list) they may fill

vacant units by selecting low- and very low-income-eligible households from an established list such as the Section 8 Housing Choice Voucher Waiting List maintained by the Alameda County Housing Authority. Owners will still need to prioritize if they use other lists such as Section 8. City must approve use of other lists. City shall send owners updated income and affordable rent limits set by the U.S. Department of Housing and Urban Development (HUD) annually.

### **4) Subsequent Rental to Income-Eligible Tenant**

The owner shall apply the same rental terms and conditions to tenants of inclusionary units as are applied to all other tenants, except as required to comply with the ordinance (e.g., rent levels, income requirements) or with other applicable government subsidy programs. The federal Fair Housing Act of 1968 with amendments in 1988 prohibits housing discrimination. Owners may not refuse to rent to prospective applicants based on race, color, national origin, religion, sex, familial status or handicap. In addition, the California Department of Fair Employment and Housing prohibits housing discrimination based upon source of income including housing assistance programs such as Section 8.

ECHO Housing is a non-profit agency that contracts with the City to provide housing counseling services to San Leandrans related to fair housing and landlord/tenant issues. Owners may contact ECHO Housing at (510) 581-9380 for information about federal, State and local fair housing laws and landlord/tenant rights and responsibilities.

### **5) Changes in Tenant Income**

If, after moving into an inclusionary unit, a tenant's household income exceeds the limit for that unit, the tenant household may remain in the unit as long as his or her household income does not exceed 140 percent of the

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income limit. Once the tenant's income exceeds 140 percent of the income limit, the following shall apply:

- a. If the tenant's income does not exceed the income limits of other inclusionary units in the residential development, the owner may, at the owner's option, allow the tenant to remain in the original unit and redesignate the unit as affordable to households of a higher income level, as long as the next vacant unit is re-designated for the income category previously applicable to the tenant's household. Otherwise, the tenant shall be given one year's notice to vacate the unit. If during the year, an inclusionary unit becomes available and the tenant meets the income eligibility for that unit, the owner shall allow the tenant to apply for that unit.
- b. If there are no units designated for a higher income category within the development that may be substituted for the original unit, the tenant shall be given one year's notice to vacate the unit. If within that year, another unit in the residential development is vacated, the owner at the owner's option may allow the tenant to remain in the original unit and raise the tenant's rent to market-rate and designate the newly vacant unit as an inclusionary unit affordable at the income level previously applicable to the unit converted to market rate. The newly vacated unit must be comparable in size (e.g., number of bedrooms, bathrooms, square footage, etc.) as the original unit.

must at the same time provide a notice of the City's rent review procedure before demanding or accepting any increase in rent. Tenants that receive notice of a rent increase that: 1) will increase their rent more than 10% above the rent paid in the previous month, 2) is greater than \$75 per month or 3) follows one or more prior rent increases within the past twelve months may request that the San Leandro Rent Review Board review the increase. Such a request must be made in writing within 15 days of receiving notice of the rent increase. Copies of the Notice of Increase must be submitted at the same time of the hearing request. After hearing from the tenant and landlord the Board will make a non-binding recommendation for resolution of the rent dispute. For questions about the Rent Review Board, please call 510-577-6004.

## **6) Changes/Adjustments in Rents**

Under California Civil Code 827 (b), a landlord must provide a tenant with 30 days notice prior to a rent increase. Under Title 4, Chapter 32 of the San Leandro Municipal Code, a landlord