



City of Campbell

Below Market Rate (BMR)

Rental Guidelines

January 2026 - draft



Below Market Rate (BMR) Program Rental Guidelines

INTRODUCTION

These Guidelines include policies and procedures that comprise the Affordable Rental Program for Below Market Rate (BMR) units.

Applying for, renting, and following leasing rules on an Affordable Rental Unit differs in many ways from renting at market rate. These differences include maintaining income eligibility during the entire lease term. It is important that prospective tenants understand the rules and procedures of the City's Affordable Housing Program ("Program") fully.

The Program Application Guide and other relevant information (e.g., Ordinances, procedures, and income limits), will be amended and updated from time to time. All proposed changes are subject to approval by the City Council prior to implementation and shall comply with state and federal affordable housing laws.

Updates to this Program Application Guide and other relevant information will be posted on the City of Campbell webpage.

For any questions or concerns regarding this document or any other question regarding the City's affordable housing program contact:

Online: www.housing-group.org/campbell

Email: campbell@housing-group.org

Phone: (650) 265-4501 Address: 70 N. First Street Campbell, CA 95008

ALL GUIDELINES ARE SUBJECT TO CHANGE WITHOUT NOTICE



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PREFERENCES AND RANKING

In all instances, the live in Campbell / work in Campbell / work-for Campbell preference (described in Section 9) will be used and verified by the administrator during the application process. Applicant Households that meet the stated preference criteria will be assigned a higher ranking. Once the preferred Household list is exhausted, the administrator will begin processing the files for the non-preference households.

APPLICATION PROCESS (Lotteries)

Affordable rental vacancies are filled through a lottery process. Applicant Households enter an lottery via the Doorway Housing Portal.

VACANCY NOTIFICATION

- When a new opportunity is available/released it will be announced in the following ways:
 - Details will be posted on the Program's website
 - Email notification
- Follow the instructions in each notification and review the terms for each lottery. It is the applicant Household's responsibility to follow all instructions in the lottery notification/announcement. Each lottery announcement will include the selection method, file submission instructions, and one or more deadlines that the applicant Household must meet.

LOTTERY ENTRY

- Once the applicant reviews the lottery information and is certain that he/she can meet ALL listed requirements, the applicant can follow the instructions to enter the lottery.
- In some cases, the lottery will remain open until all applicable units are leased.
- If a household enters multiple lotteries, the Program will review them one at a time. The first lottery entered will be reviewed first, and any additional lottery entries will be considered only after the initial review is complete. This helps ensure a fair process for all households.
- Ranking numbers are issued to set the processing order for each lottery. A new ranking will be issued every time an applicant Household participates in a new lottery. Ranking numbers are not transferable.

APPLICATION PROCESS (LOTTERY METHODS)

When a lottery becomes available, the methods outlined below determine the order in which the applicants will be ranked and organized for review.

METHOD 1: LOTTERY SELECTION AND ASSIGNMENT



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All applicant Households that enter the lottery by the deadline will receive a ranking number. Rankings will be chosen at random and assigned an Unfiltered Ranking number based on the order in which they were drawn.

Each ranked applicant will be re-ordered to account for the Live/Work Preference and a new ranking list Filtered by Live/Work Preference will be created. The Unfiltered Ranking number becomes the tie breaker between households with the same preference category.

Please note: Applicant Households who do not meet the Occupancy Standard will be assigned a lower priority number, regardless of lottery placement, or other eligibility criteria.

METHOD 2: FORM SUBMITTAL (DATE & TIME STAMP) TIE-BREAKER

All applicant Households that enter into a lottery by the deadline will receive a ranking number. The Unfiltered Ranking in this method is based on the time and date stamp that their entry form was completed.

As with Method 1, the Unfiltered Ranking number list is re-ordered based on Live/Work Preference and the Unfiltered Ranking number is used as the tie breaker between households with the same preference category.

Please Note: Applicant Households that do not meet the Occupancy Standard will be ranked last.

APPLICATION PROCESS (APPLICATION REVIEW)

TENANT APPLICATION REVIEW AND LANDLORD SCREENING

- The Administrator will determine the processing order of the applicants and their priority ranking
- Once the Administrator has finalized the application ranking and processing order, a list will be sent to the landlord to begin the background and credit check process using the previously signed authorization form. If the Administrator performs the background and credit check, this will be done immediately following the application ranking and processing order determination.

PROGRAM APPLICATION PACKAGE COMPLETION

- Once written confirmation has established that an applicant has met all requirements after credit bank background check, the Administrator will request the full application package for Underwriter review.
- Applicants must provide and return all necessary documents to underwrite the file to the Administrator within 3 business days.
- Documentation needs to be dated within 30 days of submission.



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- Applicants/Co-applicants, and or household members who submit inaccurate information, altered documentation, or false documentation or certifications, will be disqualified.
- Once all documents are received, the Applicant will be provided with confirmation which indicates where their file is in line for Processing and Underwriting

APPLICATION REVIEW

- The application package will be reviewed, and if complete, will be submitted to the underwriter for review
- If the application is incomplete, applicants will be given written notice to respond with any file updates or missing items
- Applications that remain incomplete after notifications and applicable grace periods, will not be processed or forwarded to the Underwriter for final review

APPLICATION PROCESS (APPLICATION UNDERWRITING AND APPEAL)

APPLICATION UNDERWRITING

- The Underwriter will complete the review and issue a Program Eligibility and Qualification Certification (AKA "Approval Letter").
- It is important to note that the Program Underwriter may request additional items from the applicant. If the applicant does not respond within the grace period, or a denial is issued, the Underwriter will move to the applicant.
- If approved, the Administrator will notify the landlord of the outcome so that the applicant can move on with the leasing documentation and lease/contract signing as described in the next section.

APPEAL

- If the applicant does not agree with the Processor or Underwriter decision, the applicant Household will have 3 business days to appeal. The applicant Household will need to submit clear and sufficient documentation, along with an appeal form that details why they feel the decision is inaccurate, within the timeframe given.
- Administrator Management will review the Appeal and all documentation.
- Administrator will contact the applicant regarding the status of the appeal approximately 7 business days from the date the complete Appeal Package was submitted. Administrator may require additional time as will be indicated during the status notification
- Administrator is unable to hold properties for households in the application or appeal process. Administrator will move on to the next Application ID holder after the initial appeal review



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BELOW MARKET RATE MAXIMUM RENTAL RATES (Updated Annually)

Maximum Rental Rates: Maximum BMR rental rates are updated annually using the formula defined in the City's Inclusionary Ordinance.

"Affordable rent" means monthly rent, including utilities and all fees for housing services, which do not exceed the following:

- 1. For lower-income households: one-twelfth of thirty percent of sixty percent of area median income, adjusted for assumed household size based on presumed occupancy levels of one person in a studio apartment, two persons in a one bedroom unit, three persons in a two bedroom unit, and one additional person for each additional bedroom thereafter.*
- 2. For very low-income households: one-twelfth of thirty percent of fifty percent of area median, adjusted for assumed household size based on presumed occupancy levels of one person in a studio apartment, two persons in a one bedroom unit, three persons in a two bedroom unit, and one additional person for each additional bedroom thereafter.*

The allowance for utilities is based on estimates published by the Santa Clara Housing Authority and the California Department of Housing and Community Development (HCD).

Area median income (AMI) is the household income for the median (i.e., middle) household in a region. Each year, the Federal Department of Housing and Urban Development (HUD) calculates the median income for every metropolitan region in the country.

The United States Census Bureau uses a series of terms to determine the definition of a household. The basic meaning of Household is an occupied housing unit. A Householder (Primary Applicant) is the person whose name the housing unit is rented to or owned by. Members of the household share familial ties, living space, expenses, debts and/or assets with the Householder.

Rent Adjustments: The BMR rental rate may be increased once in a 12-month period. Rent adjustments will be based on the updated income limits published by the California Department of Housing and Community Development (HCD) annually and posted on the Program's website.

TENANT SELECTION, LEASE SIGNING, AND MOVE IN

Once an applicant is selected and their file is fully underwritten, and a Program Approval is issued, the Administrator will contact the Landlord and provide the name of the selected applicant to coordinate the next step which is signing the lease agreement and all Program related documents.



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1. Lease/Contract Signing:

- a. The landlord will schedule an appointment with the applicant to go over all documents and sign the lease agreement.
- b. The landlord may ask the tenant for other documents needed to finalize the move-in (e.g. renter's insurance).
- c. The applicant must comply with all Landlord requirements.

2. Move in Process:

- a. The landlord may start the move-in process with the applicant once all of the rules and regulations for the project are explained and accepted by the applicant.
- b. The landlord shall provide Administrator staff with a copy of the lease agreement, renter's insurance, and all other documents deemed necessary to document the file for Administrator records.
- c. Once all documents have been approved by the landlord and Administrator and signed by the applicant, the "applicant" becomes a "participant" and must comply with all BMR Program rules and regulations, including but not limited to submitting all required Annual Certification documentation described on the following page.

PARTICIPANT / TENANT COMPLIANCE, RESPONSIBILITIES, AND ANNUAL RECERTIFICATION

Participant/Tenant Compliance and Responsibilities:

1. The tenant shall comply with all rules and regulations set forth by the Landlord or development.
2. The tenant shall also comply with all Affordable Program (BMR) requirements for the duration of the lease.
3. Tenant must notify Owner/Manager within ten (10) working days of any and all changes in family structure, family size, employment income etc.

Annual Recertification Process:

1. All BMR tenants shall be recertified once per year, at the end of the lease term, for compliance with all Program requirements including, but not limited to income and family size.
2. Administrator will initiate the Recertification Process with the Owner/Manager as described in the next section.
3. The Program Coordinator will require a full and complete application package for any household asking for a lease extension or a new lease.
4. The tenant will be required to sign the "Intent to Abide" disclosure/form.
5. The tenant will have 30 days to submit all required documentation, following notification of the annual recertification process.

6. Refusal by tenant to promptly provide all required documents for re-certification



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will result in a 60-day Termination of Lease and a Notice to Vacant will be sent out.

Enforcement

1. If tenant fails to cure the violation, the City/Administrator will exercise its legal right to coordinate with Property Owner, Landlord, and/or the Management Company to initiate Unlawful Detainer proceedings
2. The City/Administrator reserves the option to apply to a court of competent jurisdiction if it deems legal action is appropriate

THE APPLICATION FILE STRUCTURE & APPLICATION CRITERIA

Program Eligibility and Qualification Criteria

The primary role of a Program Administrator is to determine the eligibility and qualification of applicant Households. A Program Processor serves the role of gathering the documents needed to evaluate the application and a Program Underwriter reviews the application to determine if it meets Program requirements.

It is important to understand that there is a lot of information needed to determine whether an application meets all the Program requirements. The application criteria used to determine whether an applicant Household will be approved fall into one of two categories:

- **Program Eligibility Criteria:** These are standards that define the characteristics of the target households who are best served by the Program and help the Program provider meet its intended goals. These standards often follow legal definitions and published documentation requirements. Underwriters evaluate Program Eligibility Criteria to determine if households “check eligibility boxes” that include, but are not limited to, residence address, employment address, household size requirements, total household income requirements, and whether an applicant meets the legal standard to be defined as a first-time homebuyer. Program Underwriters need to consider Program eligibility for the years prior to the rental application.
- **Program Qualification Criteria:** Once it is determined that an applicant is eligible for the Program, the Program Underwriter must also make sure that the rental opportunity is affordable for the applicant and that they are tenant-ready. In addition to requiring applicants attend orientation classes, the underwriter ensures that the tenant understands what they are signing up for and is comfortable with the annual income recertification.



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ELIGIBILITY FACTORS AND PREFERENCE CRITERIA FOR RENTAL OF BMR UNITS

The City's Inclusionary Housing Ordinance establishes a priority system for allocating the limited number of affordable rental units. First priority (for up to ten percent of all affordable units) shall be given to income eligible employees of the City of Campbell. Second priority is given to income eligible existing Campbell residents and third priority is given to income eligible persons employed within the city limits of the City of Campbell. If a particular address is in question, Administrator will check with City staff to determine if the property is within the City's jurisdictional boundaries.

The preference system will be used to establish a ranking of applicants. An eligible household will be ranked according to where they live or work. While an applicant who lives or works within the city limits will have priority over an applicant who does not, residency/employment status is not a requirement for the Program, and all individuals and households may apply. Households comprised of applicants who do not reside or work in Campbell may occupy a BMR unit if there are no eligible Campbell residents or workers on the eligibility list for occupancy.

PROGRAM PREFERENCE CRITERIA*	
Priority 1: Work for City (for up to 10% of units)	Must currently work for the <i>City of Campbell</i> government entity at least 20-hours per week, and held their position for at least 6-months. Employee must have passed probation
Priority 2: Live in Campbell	Must currently live in Campbell and maintained residency for at least 6-months
Priority 3: Work in Campbell	Must currently work at a business located in Campbell at least 20-hours per week, and held position for at least 6-months * This category includes Campbell School District employees. The district office is located in Campbell although the school building may be located in another city

*Eligibility will be evaluated at the time of lottery submission and verified again prior to occupancy

OCCUPANCY STANDARDS FOR PROGRAM UNITS

Applicant/Co-Applicants must occupy the property as their principal residence. This means that the Applicant/Co-Applicants must use the property as their primary place of residence and the property must be tenant-occupied upon renting for the term of the lease agreement. Use of the property for additional rental purposes, including temporary leases, sub-leasing or room rentals



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are not allowed under the Program and will trigger immediate action.

To ensure that the City's limited BMR units are used efficiently, a household must be of a size equal to the number of bedrooms in the BMR unit. Pursuant to fair housing laws, the maximum occupancy allowed in a BMR Unit is two people per bedroom, plus one additional person. The table below shows the minimum and maximum household size based on the number of bedrooms. In some cases, an exception to the minimum standard may be made where no other qualified renter can be approved within 30-days of holding the lottery.

The City's BMR Administrator will verify household occupancy once per year for the Term of the Lease Agreement between the City and the renter(s).

Note: Maximum Household size is subject to change per property management or Affordably Housing Agreement documents.

PROGRAM OCCUPANCY STANDARDS		
Number of Bedrooms	Minimum Household Size	Maximum Household Size
One	1	3
Two	2	5
Three	3	7
Four	4	9
Five	5	11

INCOME ELIGIBILITY CRITERIA

Income Eligibility is based on household size (number of persons in the household) and whether a household's income is below income category limits published annually by the California Department of Housing and Community Development (HCD) on their website as well as the Program Website. These resources should be used to determine the income percentage and income category that is applicable to your household.

Campbell's housing ordinance presently defines the three income types most often used in their affordable homeownership program

- "Very low-income Household" means a household whose household income does not exceed very low-income limits applicable to Santa Clara County
- "Lower-Income Household" means a household whose household income does not exceed the lower income limits applicable to Santa Clara County.



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- “Moderate-Income Household” means a household whose household income does not exceed one hundred twenty percent of the area median income applicable to Santa Clara County

It is very important for the applicant Household to know BOTH:

- Applicant Household Income as a percentage of the published County Median Income (calculated by dividing Household Income by the published Median Income Amount) applicable to your household size
- Whether or not applicant Household Income is below the published income category limit applicable to your household size (e.g. Extremely Low, Very Low, Low, Median, or Moderate)

Income earned from assets, such as dividends, interest, rental income, business income, etc., is included in the household’s annual income pursuant to the [Code of Federal Regulations](#), Title 24, Part 5 income inclusions (§ 5.609). Income calculation is also guided by [California Code of Regulations](#), Title 25, Chapter 6.5 Program Operations, Gross Income (§ 6914). To qualify for the City of Campbell BMR Program, your household’s combined gross annual income cannot exceed the maximum income limit for your household size, as established by the HCD. All household members ages 18 or older must have their income verified. Household members that do not work or will not have any income in the next 12 months must complete a zero-income affidavit.

Note: The income categories for a particular development may vary in accordance with the Affordable Housing Agreement.

ASSET LIMITATION

In addition to meeting the income limit, there are restrictions on the amount of assets that a household may have to be eligible for the City of Campbell’s Program. For households applying to be a renter of a BMR unit, the limit is 100% of household AMI.

Asset limit = 100% of household AMI

The Administrator will review household income and assets for all occupants, including temporary occupants. To determine total household assets, Administrator will review the household’s total assets according to monthly financial statements and/or other valuations. A six-month average will be calculated just prior to Program application to determine eligibility and avoid applicant “asset dumping” (asset liquidation or transfer to other parties). Assets held in IRS-recognized retirement accounts (401-k’s, IRA’s, etc.) are not included for the purpose of determining whether an Applicant meets the Program asset limits. However, retirement and insurance payments will be used to determine gross household income.



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QUALIFICATION FACTORS

RENT TO INCOME RATIO

- To qualify, applicants must have income at least 2 times the tenant paid rental amount for Below Market Rent (BMR) rental units. Applicants may be accepted with conditions, such as additional security deposit or guarantor.
- No more than 50% of the applicant's income can go to the rent payment. For example, if income is \$30,000, the maximum rent cannot exceed \$1,250.00 (50% of \$30,000/12). Additional debts will also be taken into consideration.
- If a guarantor is required, the guarantor's income must be 5 times the tenant paid rental amount.

CREDIT

- The applicant shall pay the required non-refundable fee to the landlord in the form of a money order or cashier check.
- A credit report is required for all applicants and co-applicants
- All applicants/co-applicants must pass the landlord's credit check and a background check.
- The minimum credit score is 620 (in addition to Landlord Requirements).
- An applicant with an unsatisfactory credit report will be denied.
- Excessive collection accounts, including utility accounts (regardless of status) will result in denial of the rental application. All utility collection accounts within the last 2 years must be paid in full and confirmation presented with the application in order to be approved.
- An applicant whose credit report contains more positive than negative history may be approved subject to an additional deposit.
- Bankruptcy (regardless of discharge) or repossession within the last 2 years will be grounds for denial of the application or may require an additional deposit for approval.
- Applicants with a foreclosure history over 2 years old may be accepted without an additional deposit. Applicants with a more recent foreclosure history may be approved with an additional deposit.
- Rental housing debt, evictions, or collections will result in automatic denial of the application.
- Any unresolved tax liens will negatively impact the overall applicant screening result.

BACKGROUND SCREENING

- All applicants will be screened for criminal history at initial application.
- A felony conviction or adjudication for a felony offense against persons or property in the last seven years will result in an automatic denial of application.
- A misdemeanor conviction may result in denial of application or lease renewal with consideration given to the nature of the conviction.
- Applicants or current residents appearing on the list of known terrorists and/or wanted fugitives as provided by the Office of Foreign Asset Control (OFAC), federal agencies (including the FBI or other state and local law enforcement agencies) will be denied.



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GUARANTORS

- Acceptable guarantors must reside in the United States and qualify in each of the above categories. An additional deposit may be accepted if a qualified guarantor is not available.

RENT HISTORY

- Applicants (except first time renters) must have at least 12 months of verifiable and positive residency history immediately preceding application.
- First-time renters or applicants with no verifiable residency history will require payment of an additional deposit or acceptable guarantor in lieu of immediate past rental history.
- Residency history that includes prior evictions, multiple late payments, returned checks, poor housekeeping, conduct disturbing the rights and comforts of other residents, unauthorized occupants, property damage or failure to adhere to the policies and regulations of the community or management company will result in automatic denial of the application.
- Landlord reference indicating the landlord would not re-let to the applicant due to lease violation is grounds for automatic denial of the application.
- If the applicant owned his/her immediate prior residence, mortgage history will be verified through a credit report or other documentation of homeownership.

IDENTIFICATION

All applicants will be asked to provide positive identification including a copy of a valid driver's license and social security card.

INCOME INCLUSION AND EXCLUSION

The Federal and State government both have rules that determine how Gross Income is calculated and what income types are included and excluded from the Gross Income total.

Application Criteria Description

- The gross amount, before any payroll deduction, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services
- The net income from the operation of a business or profession (for this purpose, expenditure for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business). The adding back of certain deductions will be subject to underwriter approval (e.g. depreciation).
- Interest, dividends and other net income of any kind from real or personal property.
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as outlined in "exclusions" section)
- Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on a passbook savings rate, up to 10%. The current passbook savings rate used by the Administrator is 2.5%



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- Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;

The following is an abbreviated list of items that are excluded from income:

- Casual, sporadic or irregular gifts
- Amounts which are specifically for or in reimbursement of the cost of medical expenses
- Lump-sum additions to family assets such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses
- Foster child care payments
- The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the eligible household
- **See full inclusion list on the Program Website**

Income Review Procedures

Income maximums are based on "gross" income derived from all sources as detailed in Internal Revenue Code (26 USC Section 61), whether or not exempt from federal income tax.

Administrator projects future income based on the gross income on each applicant's past income. In addition to other items deemed necessary to make this income determination, the Administrator may request up to 4 of the most recent year-to-date pay statements and the previous year's final pay statement. Administrator must review income documentation for all Household members 18 years and older, regardless of dependency status. Applicants without income will need to sign a Zero-Income Affidavit provided by the Administrator. Unemployment benefits are considered income.

Please Note: All Variable Income is subject to Underwriter Approval. Each circumstance is different and must be considered using the documentation in the file. The terminology in this Guide is meant to be used as a basic guide to help prospective applicant Household's understand how this income type is considered during the underwriting process.

For employed applicants, annual income is generally derived by dividing the year-to-date gross income by the current pay period count and then by annualizing an estimated pay period amount by the total pay period count over one year (12 months). Please note that a Verbal and Written Verification of Employment may be required to be completed by the Employer issuing the pay statements.



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#	How Often Paid	How to Determine Annual Income
1	Paid Annually	Annual Gross Pay
2	Paid Monthly	Use monthly gross payment x 12
3	Paid Twice Monthly	Twice monthly gross pay x 2 pay periods x 12
4	Paid Biweekly	Biweekly gross pay x 26 pay periods
5	Paid Weekly	Weekly gross pay x 52 pay periods
6	Paid Hourly	Hourly gross pay x average # of hours per week x 52 weeks
7	Government Employees with Annual Award Letters	Income may be derived by referring to the Annual Award Letter

Variable Income (Tips, Overtime, Bonuses, etc.)

Please Note: All Variable Income is subject to Underwriter Approval. Each circumstance is different and must be considered using the documentation in the file. The words below are meant to be used as a basic guide to help prospective applicant Household's understand how this income type is considered during the underwriting process.

Tips, Overtime, Bonus, and other "variable income amounts" (amounts that change with each pay period) will be annualized separately from the base income outlined on the chart above. All income will be annualized and totaled unless the applicant can provide documentation from the employer. The employer must be available to complete a verbal verification of employment with the Administrator. In cases, where the variable income item is a one-time occurrence, the amount will be removed from the annualized calculation of income and added in a one-time total to determine the annual income.

Example: An applicant earns \$60,000 per year based on base monthly pay statements of \$5,000 ($\$5,000 \times 12$). In addition to the base income show, the applicant received a \$2,500 one-time bonus in the first quarter of the year. If annualized, the \$2,500 quarterly bonus would total \$10,000 and the total income would be **\$70,000** ($\$60,000$ base + \$10,000 annualized bonus income). If proper documentation shows that the \$2,500 is a one-time payment, and Administrator is able to verify and validate this information, the \$2,500 would be added to the \$60,000 base. The alternative total income would be **\$62,500** ($\$60,000$ base + \$2,500 one-time bonus).

Seasonal Workers: Administration will not annualize current income for seasonal workers who provide a Verification of Employment from their employer (s) verifying that the work does not occur year-round

Self-Employed Income: All self-employed applicants must submit a notarized Self-Employed Affidavit provided by Administrator. If self-employed for 2 or more years, Administrator will use verifiable (verified using Form 4506-T) federal income tax returns and review the net income for as many as 3 years of tax returns to determine the projected annual income. If self-employed less than 2 years, Administrator will review the submitted Profit & Loss Statement and use it to



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determine projected annual income. Additional documentation may be needed from the Self-Employed Household Member in order to determine projected annual income.

Calculating Income from Cash Income: In the case of an applicant who is paid cash for employment, Administrator will require a Verification of Employment from the applicant's employer to confirm annual income and IRS Tax Verification Form 4506-T to confirm that no taxes were paid.

Variable Income

Income from Commercial Property or Land Owned: The net income from any commercial property or land owned by any applicant shall be counted toward the annual Household income.

Unemployed Applicants: Unemployed applicants who are receiving no income at all should submit a Zero-Income Affidavit as provided by Administrator in place of income statements. Applicants receiving unemployment benefits do not need to complete the Zero-Income Affidavit as unemployment benefits are considered income.

Additional Notes on Income Calculation

If applicant has recently changed positions with employer, the administrator will determine the effect of the change on the applicant's eligibility and opportunity to receive bonus or overtime pay in the future

If applicant who has historically been employed on a part-time basis indicates that he or she will now be working full time (or vice versa), obtain written confirmation from borrower's employer

A verbal verification of employment (VOE) may be required for each employer

All material alterations, and/or omissions from the initial Registration, Application ID Questions, Opportunity Drawing Entry Form, Application Submission and Supporting Documents; including but not limited to household size, income and asset information, etc., are not permissible and will render all future re-submissions ineligible for review and approval for a period of one year. Exceptions for re-submissions are significant life events such as a job/career change, marriage, death, or the birth of a child and are at the discretion of the Administrator.

REASONABLE ACCOMMODATION AND EXCEPTION REQUESTS

Accommodations in Program rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities, or a household with a member with disabilities, equal opportunity to apply for a BMR home. The requested accommodation must be reasonably related to the particular disability of the household member, and must be necessary in order to provide the household with equal access to housing.

Households or individual applicants unable to produce any particular document required in the



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application form for legitimate reasons beyond their control (natural disaster, military service, refugee status, domestic violence, witness protection program, disability etc.) may request an exception for that particular document.

Upon such request, Administrator may request a reasonably equivalent alternative document, and/or any additional supporting documentation deemed necessary by the Program Processor and Program Underwriter to verify eligibility of the Applicant/Co-Applicant and/or their entire Household.

Exceptions related to disabilities (reasonable accommodations) may be requested according to this procedure, with a brief description of the exception(s) needed due to the Applicant's disability. The City and Administrator will consider the requested exception and will provide a written response within 14 calendar days, stating if the requested exception can be granted in full or part and the reason for such decision. The Administrator may approve or deny such request. If denied, Applicants may submit an appeal of such denial to the City.

LANDLORD COMPLIANCE AND OWNER / MANAGEMENT RESPONSIBILITIES

1. **General Compliance:** The landlord shall comply with all Program requirements and provide requested documentation to the City/Administrator in accordance with these Program Guidelines, the Developers Affordability Agreement, and the City's Inclusionary Housing Ordinance.
2. **Current Records.** The landlord shall keep current and updated BMR tenant/participant records that relate to Program eligibility (e.g. household member occupancy changes, employment loss, income changes, etc.).
3. **Annual Recertification:** Owner / Manager shall, upon request, provide Administrator with all required Annual Audit documents listed on the Program checklist, for review and approval, as part of the annual recertification process.
4. **Tenant Income Changes:** Following notification to and verification by Administrator, the Owner / Manager shall terminate the tenant's lease and send the tenant a notice to vacate if the tenant's income level exceeds the maximum income limit for that particular PROGRAM unit.
5. **Vacancies:** Owner / Manager shall notify Administrator in writing, using Exhibit A of the rental guide, upon vacancy of any BMR unit.
 - a. Administrator will set up a lottery and start processing applications within 60 to 90 days of receiving the notice.
 - b. Administrator will provide a list of potential tenants to the Owner / Manager for review and approval.
 - c. Owner / Manager shall provide Administrator with the following documents for all approved tenants:
 - 1) Copy of the credit report



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- 2) Copy of the background check.
- 3) Letter of approval once a tenant has been approved by the Owner / Manager for occupancy.
- 4) copy of the lease agreement
- 5) Updated rent roll
- 6) All other relevant reports or documents, as requested by the Administrator / City