

Creating a Legal Rental Unit

With help from a local nonprofit

Lilypad Homes is a local nonprofit organization that helps owners of single-family homes create rental housing on their properties. Options include converting a bedroom or family room to a private rental unit, developing basement or garage space, building a cottage in the backyard, and more. Creating a rental unit makes owning a home more affordable and provides housing for local workers.

Find out more at lilypadhomes.org. To request an on-site visit, contact Lilypad at info@lilypadhomes.org or 415-250-9317.

Benefits of a legal rental unit can include:

- A steady stream of rental income
- Someone living close by while you still maintain your privacy
- A private space for your parent or another family member
- Private accommodations for a nanny or a caregiver
- A private apartment to offer someone in exchange for their services
- A cozy “home base” for you to return to between trips
- A way to maximize the value of your home and put it to work for you



Grant funding from the Marin County Board of Supervisors allows Lilypad to offer a free on-site feasibility assessment to any homeowner in Marin County who is planning to create new long-term housing. During the visit Lilypad can help you to determine the type of unit that is appropriate for your needs, your budget, and your property, and provide information about financing and next steps. Lilypad also offers design services, which are free to qualifying low-income homeowners.

Rental Rehabilitation Loan Program

Interest-free loans

The Rental Rehab Loan Program provides funds for the rehabilitation of existing rental units and/or creation of legal units for tenants with Housing Choice Vouchers. The owner/landlord can be of any income level and need not reside in the property.

In order to qualify for rental rehab, 51% of the units in any rental complex of three or more

units must be rented to low-income tenants. In a two-unit building, one unit must be rented to a low-income tenant.

A maximum loan of \$25,000 may be used for the rehab of an existing unit and a \$35,000 maximum loan for the creation of a legal unit. The loans are interest-free with principal deferred until sale or such time as the unit is no longer leased to a Section 8 tenant, at which time the loan becomes due and payable over three years at 3% interest.

Please contact Carmen Soruco, Homeownership Department Program Manager for more information at (415) 491-2532.

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Monique Broussard's Tips

Important facts about tenant screening

Understand Landlord legalities

Know what laws matter when screening tenants in your area. The Dept. of Fair Employment and Housing is the local agency responsible for enforcing California Fair Housing Laws.

For more information visit: fairhousingnorcal.org

Setting your standards

Every owner and manager should develop a written screening criteria that will be applied consistently to all applicants. Consistent application of these criteria will protect the owner against claims of discrimination. Set your screening standards and stick to them. It is recommended to have your written screening policies reviewed by an attorney prior to implementation.

Rental application tips

Use a compliant rental application. At the time you accept the application, be sure the applicant has also submitted your required documents, such as pay stubs, a copy of their driver's license or whatever else you listed on your criteria list. Get everything needed at this time so you may immediately begin the screening process without having to go back to the applicant or wait to get the needed documents. If you run a criminal background check, you need to get written consent from the applicant. The same goes for calling references and running a credit check.



If you do not rent to them because of negative information received from credit reports, you must tell them the name of the agency that reported the negative or insufficient information and their right to obtain a copy of their report.

Selecting your tenant

Once selected, you'll want to meet with the applicant and go over the rental agreement. This is the time to be clear about things moving forward, such as preferred communication styles, submitting repair request, paying rent and other house rules and policies.

Screening a prospective tenant can be an intimidating process. These steps are a guide to help you understand the process and what you need to know.

Need to report a change, request a rent increase, or list a new unit? Please contact Monique Broussard at 415-491-2567 or mbroussard@marinhousing.org or landlord@marinhousing.org.



Online Owner Portal Has launched!

Marin Housing Authority is proud to announce the Owner Portal has launched! If you are a participating owner or agent, please visit MarinHousingPortal.org to access the following:

- Payment history for 18 months
- Letters mailed to owners
- Inspection reports
- 1099s



Fair Housing Ordinance

Frequently asked questions



What are the implications of this ordinance?

This Fair Housing Ordinance requires housing providers to consider applicants with third party rental subsidies on equal footing with others. It bans the advertisement or statement of preference for an applicant or tenant based on their source of income. In addition, landlords may not require higher deposits or different lease terms, or treat a person differently based on their source of income.

This ordinance does not force landlords to rent to any applicant that does not meet their typical requirements, so long as those requirements are permissible under fair housing laws.

What are third party subsidies?

Rental housing subsidies are paid directly to a landlord on behalf of the tenant. Common subsidies include “Section 8”, Housing Opportunities for Peoples with AIDS (HOPWA) and Veterans Affairs Supportive Housing (VASH) vouchers, which are used in the private rental market and pay a portion of a family’s rent. The vouchers are intended to assist families, veterans, the elderly, and people with disabilities to move to areas of opportunity with access to better housing, schools and jobs.

Can a housing provider still screen applicants?

If a housing provider has a screening protocol, this ordinance requires that housing providers screen applicants and tenants on equal terms, regardless of an applicant or tenant’s source of income. Landlords may still screen tenants for criterion such as references, rental history, or even credit history, so long as selection criteria is applied

equally to all applicants. Landlords may impose income requirements on applicants so long as those requirements are only applied to the portion of the rent that the tenant is responsible for.

What incentives are available to participating landlords?

Marin Housing Authority (MHA), in partnership with the County, worked closely with the landlord community to develop an incentive toolkit to address perceived or real concerns associated with participation in third party rental subsidy programs administered by MHA. In July 2016, the Board of Supervisors approved the allocation of \$450,000 toward the landlord incentives listed below:

- Vacancy loss coverage
- Loss mitigation pool
- Landlord liaison to assist participating landlords and staff a 24-hour hotline to address any immediate or urgent concerns
- Deferrable, low-interest loans of up to \$25,000/unit for rehabilitation and/ or \$35,000 to finance development of a junior unit
- Reduction or waiver of building and planning permit fees for qualifying landlords (to qualify, 50% of homes on a given site must be rented affordably; fee waivers or reductions would be prorated based on the percentage of homes rented affordably).

For more information please visit

<http://www.marincounty.org/depts/cd/divisions/housing/affordable-housing>

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Marin Housing Authority in partnership with
The County of Marin and The California Apartments
Association will be hosting a

Landlord Fair This Summer 2017

All landlords whether participating in
the Housing Choice Voucher program or not
are invited to join us to learn about topics that will include:
Applicant Suitability Checks, Lease Enforcements,
Bed Bugs and more.

Any Questions For Our Team?

Here is our contact information:



4020 Civic Center Dr.
San Rafael, CA 94903

New office hours:
Monday–Friday
10:00 am–4:30 pm

Landlord Liaison

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