A Buyer's Guide to Your Property at 4469-4475 Altadena Ave. San Diego, CA 92115

Welcome to a Great Investment Opportunity:

Your property at 4469-4475 Altadena Ave, San Diego, CA, includes four units, one of which (Unit 4473, a 433 sq/ft upstairs unit) is deed-restricted for moderate income households for a period of 15 years. This restriction supports San Diego's mission for affordable housing and provides a steady, predictable rental income.

What Does the Deed Restriction Mean for You?

A deed restriction on Unit 4473 sets guidelines to ensure affordability while giving you flexibility and control over tenant management. This is overseen by the San Diego Housing Commission (SDHC).

- **Length of Restriction**: The deed restriction applies for 15 years and runs with the property, ensuring compliance by all owners during this period.
- **Purpose**: This restriction ensures the unit remains affordable to tenants within specified income limits, supporting San Diego's affordable housing goals.
- **Binding Nature**: The restriction cannot be removed or altered without approval from SDHC and aligns with city housing policies.

Key Financial and Compliance Details:

1. **Maximum Rent**:

   - With all utilities included: $2,629/month.
   - Without utilities: $2,363/month (subtracting $266 utility allowance).
   - The maximum rent of $2,629 is above market rent for comparable units in the area, ensuring the deed restriction does not negatively impact cash flow or your ability to charge market rates.

2. **Tenant Responsibilities**:

   - Tenants pay for their SDG&E (San Diego Gas & Electric) account.
   - You can bill tenants for water.

3. **Income Limits for Tenants**:

   - One occupant: Maximum income of $92,000/year.
   - Two occupants: Maximum income of $105,150/year.

4. **Additional Tenant Eligibility Requirements**:

   - Tenants must be verified as eligible by SDHC prior to leasing.
   - Annual re-certification is required on the anniversary of initial certification.
   - Tenants cannot have any relationship with the owner (e.g., blood, marriage, or employment).
   - The unit cannot be rented to student dependents or households where any member owns real property.
   - Tenants' liquid assets cannot exceed 110% of the Area Median Income (AMI).

5. **Rent Adjustments**:

   - Rent can be raised annually, based on the updated Area Median Income (AMI) Rent Chart values for that year.
   - The 110% AMI calculations and maximum rent values are adjusted annually and typically trend upwards as incomes rise, ensuring your rental income remains competitive.

6. **Compliance Fee**:

☐ SDHC charges $157.50 annually for compliance monitoring. This ensures all requirements are met with minimal effort on your part.

Simple Process for Managing the Deed-Restricted Unit:

1. **Determine Rent**:

   ☐ Refer to the AMI Rent Chart to identify the maximum allowable rent.
   ☐ Adjust the rent based on whether utilities are included or not.

2. **Tenant Application**:

   ☐ Tenants fill out the Tenant Income Certification Form and submit documents like bank statements and pay stubs.

3. **Approval Process**:

   ☐ Submit the application to SDHC for approval. Typical turnaround time is under 12 hours.

4. **Lease Signing**:

   ☐ After SDHC approval, have tenants sign the lease.

5. **Lease Renewal**:

   ☐ At the lease's end, submit updated terms to SDHC for approval. Rent adjustments must align with the new year's AMI Rent Chart.

Benefits of Owning This Deed-Restricted Property:

1. **Steady Rental Income**:

   ☐ Predictable cash flow from tenants who meet eligibility requirements.

2. **Support for Affordable Housing**:

   ☐ Be part of a meaningful effort to provide accessible housing in San Diego.

3. **Ease of Compliance**:

   ☐ SDHC offers clear guidelines and fast responses, making management straightforward.

4. **Flexibility in Management**:

   ☐ You retain control over tenant selection, lease terms, and utility billing.

Final Thoughts:

Owning a deed-restricted unit combines financial reliability with the satisfaction of contributing to a thriving community. With clear rules, robust SDHC support, and a straightforward process, managing this property is simple and rewarding.