

# WHAT IS A BELOW MARKET RATE HOME?



Below market rate, or **BMR**, homes are established through a City ordinance that is specifically designed to expand the amount of available affordable home ownership opportunities in the community. The ordinance requires that developers set aside 15% to 20% of new units they build to be permanently affordable for low to moderate income households.

Prices are set and continuously maintained in compliance with the targeted income levels the program has been established to serve. Most BMRs are priced to assist households with incomes that range from or 80% of the area median income (**AMI**), to 120% AMI. Incomes are adjusted for household sizes. Original BMR prices for new homes are finalized by incorporating the various housing costs including interest rates at the time the home is originally placed on the market. Prices for future resales are then established based on how much the AMI rises. Accordingly, a household who purchases a BMR will be assigned a resale price by the City at the time they sell their BMR home. BMR homes in Hayward increase or decrease in price by the same amount that AMI changes in Alameda County.

**BMR prices are set.** Buyers cannot offer a higher price for the unit and there is no purchasing advantage gained by the buyer in offering cash or a higher down payment for the home. Buyers are chosen by the City based on their eligibility to participate and purchase within the parameters of the City's BMR Program.

BMRs offer low to moderate income households a viable format to secure the **benefits of homeownership** in the City of Hayward. In many cases, the cost of ownership may be considerably less than purchasing an open market (not a BMR) home, and even in some cases (in today's market) could be **less than or comparable to the cost of renting**. These privileges and benefits, however, do come with a number of restrictions that apply to BMR homeownership:

- The owner must permanently reside in the home – it cannot be rented
- There are guidelines that may restrict the transfer of title to another family member or heir
- There are restrictions on refinancing the home, including obtaining cash out refinancing
- The property must be resold at a price assigned by the City and a strict set of protocols must be maintained in selling the home
- The property must be maintained in good shape and within all health and safety codes
- There are restrictions in adding capital improvements to the home.

Prior to closing your purchase transaction, the City will be providing you a comprehensive manual and set of program agreements that outline all the responsibilities and restrictions associated with the ownership of a Hayward BMR unit. It is important that you read and understand all the covenants and restrictions established in the agreements and discussed in the manual. These covenants must be strictly adhered to. Violation of any of the covenants could lead to a default in your ownership, which, if not cured, could lead to the required resale of your home to another eligible and qualified BMR program participant.

*The Bay Area Affordable Homeownership Alliance (**BAAHA**) is a 501(c)(3) nonprofit organization that administers the BMR program of Hayward. BAAHA is focused on promoting & delivering affordable homeownership.*

The Bay Area Affordable Homeownership Alliance, Inc.

myhomegateway.org | [bmr@myhomegateway.com](mailto:bmr@myhomegateway.com) | (800) 480-9020 x 556

# PARTICIPATION REQUIREMENTS:



## APPLICATION DUE: August 27, 2018 by 5:00 PM

All interested participants **must** complete a **BMR Program Application**. The application is used to determine eligibility to participate in the lottery to purchase the property (*see below*). Detailed instructions on completing the application are provided with the app. Apps are available **online** at [myhomegateway.org/watkinsstreetbmr](http://myhomegateway.org/watkinsstreetbmr)



## HOME BUYER EDUCATION

Participants must complete a **homebuyer education course** and provide a **certificate of completion** issued from a US Department of Housing and Urban Development (HUD) approved education provider. This course must be **completed before the close of escrow**. Links to HUD certified education providers around the Bay Area are located on BAAHA's website at [myhomegateway.org/hudagencies](http://myhomegateway.org/hudagencies)



## PROGRAM REQUIREMENTS AND PREFERENCES

Applying households must meet certain **eligibility requirements and lottery preferences** to participate in the lottery and to purchase the home. There is a **minimum household requirement of 2 people and preferred maximum of 5**. Households cannot make more than **120% of the Alameda County Area Median Income (AMI)** (based on household size) as **depicted in the table below**. There are lottery **preference points** assigned to households that live and/or work, and are first time homebuyers.

HHS	2	3	4	5
Max Income	\$100,250	\$112,750	\$135,300	\$145,350

*Source: California Department of Housing & Community Development (2018)*



## LOTTERY PROCESS

The current **target lottery date** is **September 6, 2018** in order to **participate in the lottery**. BAAHA will review the application to determine **eligibility and preference points** (*see above*) and notify applicants of their status via e-mail. It is important to get the application in **as early as possible** so that BAAHA can review, and if necessary contact the applicant with additional questions, or for additional clarification on information provided.

Download your application at [www.myhomegateway.com/watkinsstreetbmr](http://www.myhomegateway.com/watkinsstreetbmr)

For any questions, please contact BAAHA's Program Coordinator at [timothy@myhomegateway.com](mailto:timothy@myhomegateway.com)



## Household Member 1 (M1)

FIRST NAME:		MI:	LAST NAME:		DATE OF BIRTH (MDY):		SSN:	
_____		_____	_____		___/___/___		___-___-___	
<b>NO PO BOX #s</b>	HOME STREET ADDRESS:			APT #:	ADDRESS CITY:		STATE:	ZIP:
_____	_____			_____	_____		_____	_____
EMAIL ADDRESS:				CELL PHONE #:		WORK PHONE #:		
_____				( ) _____ - _____		( ) _____ - _____ X _____		
Do you have a homebuyer education certificate? If YES, supply year achieved and from which institution.				ADDITIONAL INFORMATION:				
<input type="checkbox"/> NO   <input type="checkbox"/> YES, in 20 _____ from _____								

## Household Member 2 (M2) a. Relationship to M1: \_\_\_\_\_ b. same address as M1:

FIRST NAME:		MI:	LAST NAME:		DATE OF BIRTH (MDY):		SSN:	
_____		_____	_____		___/___/___		___-___-___	
<b>NO PO BOX #s</b>	HOME STREET ADDRESS:			APT #:	ADDRESS CITY:		STATE:	ZIP:
_____	_____			_____	_____		_____	_____
EMAIL ADDRESS:				CELL PHONE #:		WORK PHONE #:		
_____				( ) _____ - _____		( ) _____ - _____ X _____		
Do you have a homebuyer education certificate? If YES, supply year achieved and from which institution.				ADDITIONAL INFORMATION:				
<input type="checkbox"/> NO   <input type="checkbox"/> YES, in 20 _____ from _____								

## COMBINED HOUSEHOLD INFORMATION a. Check if household is Section 8 Choice Voucher Holder:

TOTAL HOUSEHOLD MEMBERS:	NUMBER OF DEPENDENTS IN HOUSEHOLD:	DEPENDENTS RELATIONSHIP TO M1 (e.g. daughter, son, etc.)	Have any household members owned a home in the last 3 years to date? If YES, supply date of closing. If you currently own a home, please provide the current market value of your home.	
_____	_____	_____ _____ _____	<input type="checkbox"/> NO <input type="checkbox"/> YES Date closed: ___/___/___  Market value/price sold: \$ _____	
M1 MONTHLY RENT:	M2 MONTHLY RENT (if different address):	M1 YEARS AT CURRENT ADDRESS:	M2 YEARS AT CURRENT ADDRESS:	
\$ _____	\$ _____	_____	_____	

a. Are you working with a: realtor?:  NO  YES

Name: \_\_\_\_\_ Company: \_\_\_\_\_ Contact info: \_\_\_\_\_

b. Are you working with a lender?:  NO  YES

Name: \_\_\_\_\_ Company: \_\_\_\_\_ Contact info: \_\_\_\_\_

## Household Member 1 INCOME

NAME OF CURRENT EMPLOYER(S)/INCOME SOURCE(S):	TITLE / POSITION:	YEARS AT EMPLOYER:	CITY EMPLOYER LOCATED IN:	GROSS YEARLY INCOME:
				\$
				\$
				\$
				\$
			<b>TOTAL OF ALL AMOUNTS HERE:</b>	\$

## Household Member 1 ASSETS *Include investment accounts. Exclude retirement accounts.*

NAME OF BANK/INSTITUTION:	TYPE OF ASSET ACCOUNT (e.g. checking, savings):	CURRENT CASH VALUE:
		\$
		\$
		\$
		\$
		\$
		<b>TOTAL OF ALL AMOUNTS HERE:</b>

## Household Member 1 RETIREMENT a. Do you intend to access a retirement account for this purchase?

If yes, please note which account below in the notes section provided.

NAME OF BANK/INSTITUTION:	TYPE OF ACCOUNT (e.g. 401K, IRA):	CURRENT VALUE:
		\$
		\$
		\$
		\$
		\$
		<b>TOTAL OF ALL AMOUNTS HERE:</b>

## Household Member 1 CREDIT & DEBTS

FICO/CREDIT SCORE: \_\_\_\_\_

AS OF: \_\_\_\_/\_\_\_\_/20\_\_\_\_

NAME OF CREDITOR/LENDOR:	TOTAL OUTSTANDING BALANCE:	MONTHLY PAYMENTS/INSTALLMENTS:
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
<b>TOTAL OF ALL AMOUNTS HERE:</b>	\$	\$

### ADDITIONAL FINANCIAL INFORMATION:

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## Household Member 2 INCOME

NAME OF CURRENT EMPLOYER(S)/INCOME SOURCE(S):	TITLE / POSITION:	YEARS AT EMPLOYER:	CITY EMPLOYER LOCATED IN:	GROSS YEARLY INCOME:
				\$
				\$
				\$
				\$
			<b>TOTAL OF ALL AMOUNTS HERE:</b>	\$

## Household Member 2 ASSETS *Include investment accounts. Exclude retirement accounts.*

NAME OF BANK/INSTITUTION:	TYPE OF ASSET ACCOUNT (e.g. checking, savings):	CURRENT CASH VALUE:
		\$
		\$
		\$
		\$
		\$
		<b>TOTAL OF ALL AMOUNTS HERE:</b>

## Household Member 2 RETIREMENT a. Do you intend to access a retirement account for this purchase?

If yes, please note which account below in the notes section provided.

NAME OF BANK/INSTITUTION:	TYPE OF ACCOUNT (e.g. 401K, IRA):	CURRENT VALUE:
		\$
		\$
		\$
		\$
		\$
		<b>TOTAL OF ALL AMOUNTS HERE:</b>

## Household Member 2 CREDIT & DEBTS

FICO/CREDIT SCORE: \_\_\_\_\_

AS OF: \_\_\_\_/\_\_\_\_/20\_\_\_\_

NAME OF CREDITOR/LENDOR:	TOTAL OUTSTANDING BALANCE:	MONTHLY PAYMENTS/INSTALLMENTS:
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
<b>TOTAL OF ALL AMOUNTS HERE:</b>	\$	\$

### ADDITIONAL FINANCIAL INFORMATION:

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# HOUSEHOLD MEMBER ACKNOWLEDGEMENTS

Read, sign, and date the following acknowledgment.

I (We) verify that the above information is truthful and accurate. Information provided and derived in/from this application will be used to determine my (our) program eligibility and/or home purchase capacity. Inaccurate or wrongful information could, at the Program Administrator's discretion, disqualify me (us) from the program screening process. I (We) authorize the Bay Area Affordable Homeownership Alliance to share our information with an affiliated organization for the purpose of completing the program screening process.

This application is only used to establish a preliminary homebuyer program eligibility determination, and will be used to match information to restriction criteria of program-related properties/resources available in the requested areas. It is important that the application is filled out accurately. Wrongful and withheld information could lead to my (our) disqualification to participate in the homebuyer program.

I (We) have made certain to fill out all sections pertaining to my/our household. I (We) have made certain that I (we) have written legibly. I (We) understand that BAAHA is not responsible for not being able to contact me (us) if I (we) have not supplied my (our) contact information or have made it so that it is illegible.

I (We) have read and followed the BAAHA Program Prescreen Application instructions.

By signing below, I (we) understand the nature, guidelines, and restrictions of this prescreen application.

The program administrator will verify receipt of your application and contact you with any additional questions or concerns that they may have. All communications will initially be conducted by e-mail.

\_\_\_\_\_  
M1 FIRST & LAST NAME

\_\_\_\_\_  
M1 SIGNATURE

\_\_\_\_/\_\_\_\_/\_\_\_\_\_  
DATE

\_\_\_\_\_  
M2 FIRST & LAST NAME

\_\_\_\_\_  
M2 SIGNATURE

\_\_\_\_/\_\_\_\_/\_\_\_\_\_  
DATE



**The Bay Area Affordable Homeownership Alliance, Inc.**  
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