



## Bay Area Affordable Homeownership Alliance

[www.myhomegateway.org](http://www.myhomegateway.org) | [bmr@myhomegateway.com](mailto:bmr@myhomegateway.com)

### **PURCHASE PROCESS AND STEPS FOR:**

**88 S Broadway #3203, Millbrae, CA 94030**

Below Market Rate Home

*All households interested in purchasing this Below Market Rate (BMR) home must adhere to the following procedures and steps. Failure to do so may disqualify the household to participate in the purchase of the home. Please make certain to read this document in its entirety.*

The above referenced home is part of the City of Millbrae's affordable Below Market Rate (BMR) home ownership program. There are requirements that need to be met to participate in the BMR Program; as well as preferences in the buyer selection and lottery process. All outreach and Program eligibility activity will be conducted without regard to race, color, national origin, sex, religion, familial status or disability.

The basic steps a homebuyer will need to take to purchase the above referenced home are listed below. Further details regarding each of these steps are provided in this document.

- 1) Meet the core program eligibility parameters
- 2) View the property – you must view the property prior to the lottery at one of the open houses which are being held on:
  - Wed 6/6/18, 5-7 PM
  - Sat 6/16/18, 1-4 PM
  - Sat 6/23/18, 1-4 PM;
- 3) If you think you fit within the parameters, submit a Program application
- 4) The Program Administrator (Bay Area Affordable Homeownership Alliance, BAAHA) will review your application to provide you preliminary eligibility to be entered into the lottery
- 5) Participate in the lottery
- 6) Go through the process and receive final program approval by the City; and first loan approval with a preferred assigned program first lender
- 7) If approved by the City for the Program and by a 1<sup>st</sup> lender, continue to move forward through the escrow process to close the purchase of the home.

## CORE HOMEBUYER ELIGIBILITY PARAMETERS

The following homebuyer eligibility *requirements must be met* to participate in the purchase of the BMR. The Program Administrator will be reviewing documentation to finalize and provide final determination of eligibility.

- Maximum household incomes cannot exceed 120% of the San Mateo County Area Median Income as determined by the State of California’s Housing and Community Development Department. Incomes are adjusted by the size of the household. Income for all non-dependent household members will be applied to determine eligibility. Income eligibility will be reviewed by the Program administrator (see below):

<i>Households size allowance</i>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<i>Maximum income allowance as AMI</i>	<b>120%</b>	<b>120%</b>	<b>120%</b>	<b>120%</b>
<i>Maximum income allowance as \$</i>	<b>\$113,700</b>	<b>\$127,900</b>	<b>\$142,100</b>	<b>\$153,450</b>

- The homebuyer’s household’s lowest median FICO credit score cannot be lower than 640
- The household size must be no less than 2 people. Household members must either be on title or claimed as dependents on the primary buyer’s tax returns.

## BMR HOMEBUYER PRIORITIES

Homebuyer purchase priorities are established and consistent with the objectives of the **City’s** affordable homebuyer program objectives. Applicants will be required to provide proof to validate all the stated priorities prior to purchasing the property. Priorities assigned will include:

- Households who have a member that is currently employed as a teacher in the Millbrae School District
- Households who have a member that is currently employed as a teacher in a public unified School District in San Mateo County
- Households that have a member that currently resides in the City of Millbrae
- Households who have a member that is currently employed for an employer whose facilities and place of work are in the City of Millbrae
- First time homebuyers

The above referenced priority parameters will be incorporated into a point system that will be applied towards determining the selection order of prospective homebuyers. The point system is as follows:

<b><i>Priority Parameter</i></b>	<b><i>Points</i></b>
Teacher for Millbrae School District	20
Teacher for a public school district within San Mateo County	15
Live in the City of Millbrae	15
Works fulltime in the City of Millbrae	10
First time homebuyer	5
<b>Total possible points</b>	<b>65</b>

## EXECUTING THE SALE OF THE BMR HOME

### *Pre-screen BMR Applications*

All interested prospective BMR purchasers must submit a prescreen application to the Administrator. You cannot be considered to participate in the purchase of the BMR until you submit an application. Applications are available at open houses, or at one of the links below:

- Downloading the application from the Administrators website at [www.myhomegateway.org/88sbroadway](http://www.myhomegateway.org/88sbroadway)
- Emailing and requesting a Millbrae application from the Program Coordinator, Tim Zhovreboff at [bmr@myhomegateway.com](mailto:bmr@myhomegateway.com) or contacting him or at (800) 840-9020 x556

Applications must be filled out as accurately as possible and in their entirety. Applications with missing key information will not be reviewed without any further notice to the applicant. Applicants must provide accurate answers for all questions presented on the pre-screen application. Any gross misrepresentations of information discovered in the Program Eligibility process may void the applicant from the ability to participate in the BMR purchase process. All information provided in the application will be further and thoroughly scrutinized by the Administrator when and if the applicant continues advancing through the screening and lottery process. Applicants will receive additional instructions regarding filling out and processing the prescreen application along with the application.

All filled out prescreen applications must be delivered to the Administrator for review. Applicants can email a PDF format scan, fax, or mail their completed application to the Administrator.

<b>Email PDF to</b>	<a href="mailto:bmr@myhomegateway.com">bmr@myhomegateway.com</a>
<b>Fax to</b>	<b>(415) 231-5181</b>
<b>Mail application to</b>	Tim Zhovreboff BAAHA 5517 Geary Blvd, #206 San Francisco, CA 94121

Applications must be completed and submitted no later than

**5:00 PM on Thursday June 28, 2018**

**Late applications will not be accepted.**

Upon receipt of the pre-screen application the Administrator shall 1) contact the applicant and acknowledge the receipt of the pre-screen application; and 2) if necessary request additional pertinent information to complete the screening process

### **Prescreening Process**

The initial program eligibility screening process will be conducted by the Administrator. The objective of the pre-screening process is to assess which applicants may be eligible to advance their efforts to be entered into the lottery to purchase the BMR property. The pre-screen is only a preliminary overview that analyzes the data provided by the applicant.

Upon completion of the BMR pre-screening process the Administrator shall issue a Notice of Conditional Eligibility to Eligible prospective buyers (lottery participants). The Notice of Conditional Eligibility will provide the ranking the City has assigned to the buyer based on the priority system referenced above under the “*BMR Homebuyer Priorities*” section.

### **Lottery**

All recipients of the Notice of Conditional Eligibility will be automatically entered into the BMR lottery. The City will instate a lottery if there are more than one equally scored eligible buyers. The Administrator anticipates that the BMR sale will require a lottery to be conducted. In order to assure complete objectivity in the lottery process, City staff (not the Administrator) will conduct the lottery. The lottery is currently scheduled to take place on Monday, July 2, 2018. Lottery participants are not required to attend the lottery drawing. All participants will be informed of their lottery ranking by email.

### **Preliminary Program Approval**

The highest ranked winners will all be required to secure 1<sup>st</sup> lender approval from the **preferred BMR lender** prior to submitting a purchase contract to the Listing Agent (Rob Belli, with Home Quest Realty). The **preferred lender is assigned by the Administrator**. The Administrator and City will assign a 1<sup>st</sup> lender that has the capacity and desire to lend on the BMR unit and is able to work within the resale restrictions and provisions stipulated within the City’s BMR documents.

In order to secure BMR program approval all lottery winners will be required to provide support documents to the 1<sup>st</sup> lender and the Administrator. These documents will be supplied in order to 1) further substantiate information provided on the pre-screen application; and 2) receive 1<sup>st</sup> lender pre-approval. Information and documents must be provided by all non-dependent household members that will be residing and on title of the property. Documents required include:

- Three years tax returns
- Two years W-2s
- Last two consecutive pay check stubs
- Last two consecutive bank account, investment, and retirement statements
- Tri-merged mortgage credit report
- Complete loan application (1003)

The Administrator will commence in proceeding its underwriting process upon securing 1<sup>st</sup> loan approval from the 1<sup>st</sup> lender. The underwriting process will include reviewing and approving all the documents and findings from the 1<sup>st</sup> lender in addition to conducting and

underwrite to determine the households income eligibility.

### **Purchase Contract**

Upon securing preliminary BMR program and 1<sup>st</sup> lender approval, the real estate agent representing the buyer (which may include the listing agent – dual agency) will be instructed to submit a purchase contract to the listing agent and seller. In the case that the purchase contract is written by the “listing” agent, all dual agency disclosure documentation, including language exempting the City from any Agency related liability, will be provided and executed with the purchase contract.

### **Title Company**

The Administrator may have a preferred title company that maintains a strong understanding of BMR program they may refer the buyers and sellers to use.

## **PROGRAM OVERSIGHT**

The City and its Administrator has the authority to demand that a non-performing BMR buyer have their contract terminated, especially if: 1) the buyer has continuously failed to meet their original purchase agreement contingency deadlines; 2) the Administrator, through the transaction process, discovers a material fact and/or situation that adversely affects the buyers Program eligibility; and 3) the buyer, through their interaction and activity, is unrealistically delaying and blocking the ability of a subsequent eligible BMR buyer to purchase the subject unit.

## **ADMINISTRATOR**

The City of Millbrae contracts a Program Administrator, Bay Area Affordable Homeownership Alliance (BAAHA), to oversee the BMR Program eligibility and approval process, and to manage the BMR transaction.



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