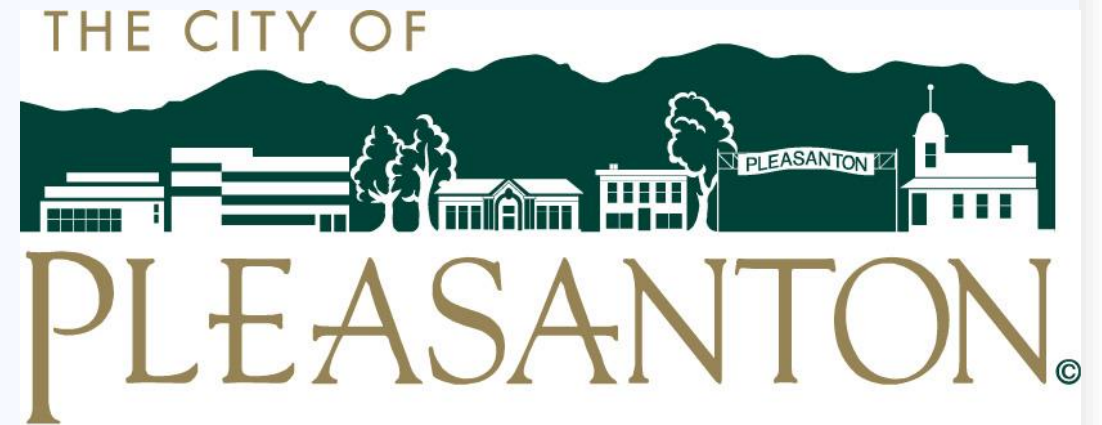


# CITY OF PLEASANTON

BELOW MARKET RATE HOME PROGRAM



# Speakers



## Betsy Hernandez

- A-1 Community Housing Services

## Walter Zhovreboff

- BAAHA – Bay Area Affordable Homeownership Alliance

## Steve Hernandez

- City of Pleasanton

# ABOUT A-1 CHS

A-1 community housing services (A-1 CHS) is a HUD-approved housing counseling agency, recognized by the IRS as a non-profit 501(c)(3) organization located in Hayward, California

We offer a range of programs focused on addressing homelessness, providing financial education, educating first-time homebuyers, offering rental counseling, preventing foreclosure, and managing credit.



**A-1 Community  
Housing Services**

A HUD APPROVED AGENCY

# ABOUT A-1CHS

We recognize that knowledge is power. **Since launching the housing program in 2016, we've educated and assisted over 5,000 households in the areas of rental, first-time homebuyer education, financial literacy and foreclosure prevention.**

Counseling and education services are provided **free**, in large part due to support from our local community, partners and funders.



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# ABOUT BAAHA

The Bay Area Affordable Homeownership Alliance (BAAHA) is a 501c3 non-profit organization that is contracted by the City of Pleasanton to administer their BMR and Down Payment Assistance Programs. Administrative duties include coordinating and overseeing:

- Lottery application submittals, review, and eligibility determinations
- Conducting the Lottery
- Program approval reviews and determinations
- Coordinating City documents submission and purchase transaction protocols with title company

All communications to BAAHA should be conducted by email at

[info@myhomegateway.com](mailto:info@myhomegateway.com)





## What is a BMR?

A Below-Market-Rate (BMR) home is a home that is priced to be affordable to households that are low to moderate income.

Usually, the BMR price is lower than the prices of similar homes that are being sold on the open market. BMR owners must occupy the home as their primary residence and cannot rent the home.

# PROGRAM OBJECTIVES

The City Pleasanton's Below Market Rate (BMR) Program provides access for low to moderate income Pleasanton first time homebuyers to purchase a below market rate (BMR) home in the City of Pleasanton. The City's BMR Program focuses on coordinating and delivering the following resources and services:

- Homebuyer Education and Counseling
- Access to Pleasanton BMR homes as they become available
- First Time Homebuyer subsidies that can provide up to \$72,100 in homebuyer financial assistance for eligible Pleasanton BMR homebuyers
- Professional specialized organizations that help coordinate and deliver resources and services to assist eligible BMR Program participants to become a Pleasanton homeowner.
- The ability for Pleasanton BMR Program participants to purchase a home in Pleasanton at a significant discount below the market value of the home.

# PROGRAM OBJECTIVES

The City of Pleasanton contracts the **Bay Area Affordable Homeownership Alliance (BAAHA)**, a housing non-profit, to administer the delivery and purchase of Pleasanton BMR Homes. Questions regarding BAAHA and the services it provides should be directed to BAAHA by email at [info@myhomegateway.com](mailto:info@myhomegateway.com)

# PROGRAM PARTNERS

BAAHA and the City of Pleasanton achieve their BMR Program objectives by collaborating with Program Partners, including and not limited to:

**A-1 Community Housing Services** <https://www.a1chs.org/> - provides valuable and required homebuyer education and counseling.

**Mechanics Bank** – works in conjunction with BAAHA and Program Certified 1<sup>st</sup> Lenders to provide eligible Pleasanton BMR Program participants access to the Federal Home Loan Bank WISH Program. WISH offers up to an additional \$32,100 subsidy to eligible low-income Pleasanton BMR Program participants.



# HOMEBUYER EDUCATION AND COUNSELING

Homebuyer education and counseling equips first time homebuyers with essential knowledge applied towards purchasing their home:

- Helps the household assess if they are ready to become homeowners
- Prepares the household to become a homebuyer
- Enables first time homebuyers to make informed decisions regarding their home purchase
- Provides important insight on required steps first time homebuyers should take to become homeowners.

## Home Buyer Education:

Pleasanton's BMR Program works in conjunction with **A-1 Community Housing Services** to direct and provide Pleasanton residents and workforce homebuyer education and counseling services.

In order to purchase a Pleasanton BMR home all adult household members that will be on title must complete an **8-hour** HUD approved homebuyer education course. A Certificate of Completion must be submitted before the close of escrow.

# CITY OF PLEASANTON BELOW MARKET RATE HOMES

## BMR Inventory Sources and Availability

The two primary sources that yield BMR properties in the City of Pleasanton include:

- ***Resale or Transfer of Existing BMR Inventory*** – there are current existing and owned BMR homes in the City of Pleasanton. Most of these homes stay affordable in perpetuity. Current owners must either resell or otherwise transfer title to these to eligible BMR owners/buyers. There are approximately one to two Resale BMR homes placed on the market each year.
- ***New Development Inventory*** – the City requires most new residential ownership developments to set aside affordable BMR homes for the Pleasanton community. Pleasanton is anticipating up to twenty new BMR units to start coming online within the next **twenty-four months**. Part of the newly developed BMR inventory will be directed towards senior housing **(55 years plus)**

# CITY OF PLEASANTON BELOW MARKET RATE HOMES

## BMR Property Types

BMR homes vary in property types and bedroom size. Types of properties usually range from one to three-bedroom single family homes, townhomes, and condominiums. The majority of the existing and future BMR inventory are townhomes and condominiums

# CITY OF PLEASANTON DOWN PAYMENT ASSISTANCE LOAN PROGRAM SUBSIDY

The City of Pleasanton has limited down payment assistance subsidies that may be available to purchase a Pleasanton BMR. If available, up to a maximum **\$40,000** City subsidy per a household (based on need) may be provided. The subsidy is in the form of a fifteen-year loan. The principal balance of the loan has to be paid back with shared appreciation either at:

- The end of the fifteen-year term.
- If the property transfers title to a new owner, prior to the 15-year term. Transfer of title includes selling the property.

Shared appreciation is established on how much the price of the property has increased at time the loan is repaid. The shared appreciation portion is based on the level of subsidy provided as a percentage of the purchase price. If the City contributed 5% of the purchase price through the Pleasanton Down Payment Assistance Program subsidy, the owner would have to pay the City the full loan amount they borrowed plus 5% of the profit they made on the property at the time of title transfer (including the sale of the property)

# LOW INCOME PLEASANTON DOWN PAYMENT ASSISTANCE LOAN PROGRAM SUBSIDY

Low Income Pleasanton's BMR Program subsidy, may have access to secure a subsidy of up to **\$32,100** from the Federal Home Loan Bank WISH subsidy. WISH subsidy funds can be applied towards down payment and/or closing costs loan, The WISH loan is totally forgiven over a five-year duration – only if the owner/borrower maintains owner occupancy of the property. WISH Program participants must contribute **\$8,025** towards their down payment to secure the maximum **\$32,100** subsidy.

The combination of both funding sources can provide up to **\$72,100** in subsidies for low-income Pleasanton's BMR Program participants

Pleasanton Down Payment Assistance subsidies could yield Program participants the following two benefits:

- Expand the purchase price a Pleasanton BMR Program participant could afford to purchase a BMR home
- Reduce monthly home ownership payment



# PLEASANTON'S BMR PROGRAM PARTICIPATION REQUIREMENTS

· *First Time Homebuyer* – may have not been on title or owned a home 3 years prior to the date of their application.



· *Household Size* – Household size requirements are based on the number of bedrooms the BMR property has. Two-bedroom BMR homes have a minimum of a one-person household, and maximum of a 5-person household. Three-bedroom BMR homes have a minimum of a **3-person** household and maximum of a **7-person household**.




· *At least a **660 FICO score*** – all adult household members must have at least a 660 credit FICO score to secure a PLEASANTON BMR PROGRAM subsidy




· *1st mortgage loan approval* – participants must have the financial capacity to be approved for a 1st mortgage by a BAAHA certified Program 1st lender

## PLEASANTON'S BMR PROGRAM PARTICIPATION REQUIREMENTS...CONTINUED

· *Financial capacity to purchase a BMR home in Pleasanton* – participants must have the financial wherewithal, including the down payment, earnings, and credit capacity to purchase a BMR home located in Pleasanton.

A large, light brown arrow pointing downwards, indicating a sequence or flow from the first requirement to the second.

· *Strong preference for current Pleasanton residents and workforce* – households who live and work in Pleasanton will be provided additional preference points to purchase Pleasanton BMRs.

A large, light brown arrow pointing downwards, indicating a sequence or flow from the second requirement to the third.

· *Program income limit requirements* – must be within Pleasanton BMR Program income limit requirements as set by the State of California for Alameda County (See below tables for low income and moderate-income allowances)

# PLEASANTON BMR PROGRAM LOW INCOME & MODERATE PROGRAM INCOME LIMITS:

Additional funding opportunities are available for **low-income** households whose incomes do not exceed the below income – based on household size:

Household Size	1	2	3	4	5	6	7
Max Household Income	\$87,550	\$100,050	\$112,550	\$125,050	\$135,100	\$145,100	\$155,100

**Moderate income** homebuyers receive access to the City Pleasanton BMR Program subsidy of \$40,000. However, they may not receive some of the additional low-income subsidies that Pleasanton BMR Program partnering subsidies provide.

Household Size	1	2	3	4	5	6	7
Max Household Income	\$134,250	\$153,400	\$172,600	\$191,750	\$207,100	\$222,450	\$237,750

# YOUR NEXT STEPS!

1. Attend the Pleasanton BMR Program Introductory Informational Workshop
2. Review detailed Pleasanton BMR Program information provided on BAAHA's website. Visit and read all the Pleasanton BMR Program information provided on BAAHA's Pleasanton BMR Program website located at: <https://www.myhomegateway.org/pleasanton-birchbmr.html>
3. Attend a HUD approved homebuyer education workshop. Pleasanton BMR Program participants are required to submit a HUD education Certificate of Completion prior to closing a transaction. ***BMR lottery applicants are not required to complete the HUD course prior to submitting their application.***
4. Submit your Pleasanton BMR Program Application. An application can be obtained at BAAHA's website: [www.myhomegateway.org/pleasanton-birchbmr.html](http://www.myhomegateway.org/pleasanton-birchbmr.html). Read through the entire application instructions. ***Incomplete applications will not be accepted and will be returned to the applicant.*** Filling out a complete and accurate application is a required step to continue your process to apply for and secure a Pleasanton BMR and additional funding resources.

## YOUR NEXT STEPS!... CONTINUED

Upon submitting your Pleasanton BMR Program application, BAAHA will take the following steps. Additional detailed instruction will be provided by BAAHA as each step is implemented:

- **Preliminary Pleasanton BMR Program Lottery Eligibility Determination** – upon reviewing the Pleasanton BMR Program application, BAAHA will notify the applicant if they are eligible to participate in the Pleasanton BMR Program Lottery process. Ineligible applicants will be provided an explanation why they are ineligible and be provided up to three days to contest their ineligibility status.
- **Preference Points Application** – The City has established a preference point system which provides higher lottery ranking points for households who live and work in the City of Pleasanton. There are also other parameters that the City takes into consideration that will add preference points. All eligible BMR lottery households will be issued a Preference Point Application that must be submitted to claim preferences. A deadline submittal date will be provided at the time the Preference Point Application is issued.
- **BMR Program Lottery** – The lottery for the Birch Creek Terrace Pleasanton BMR will most likely be held sometime between the 2nd and 3rd week of June. BAAHA will notify eligible lottery households of the exact date.

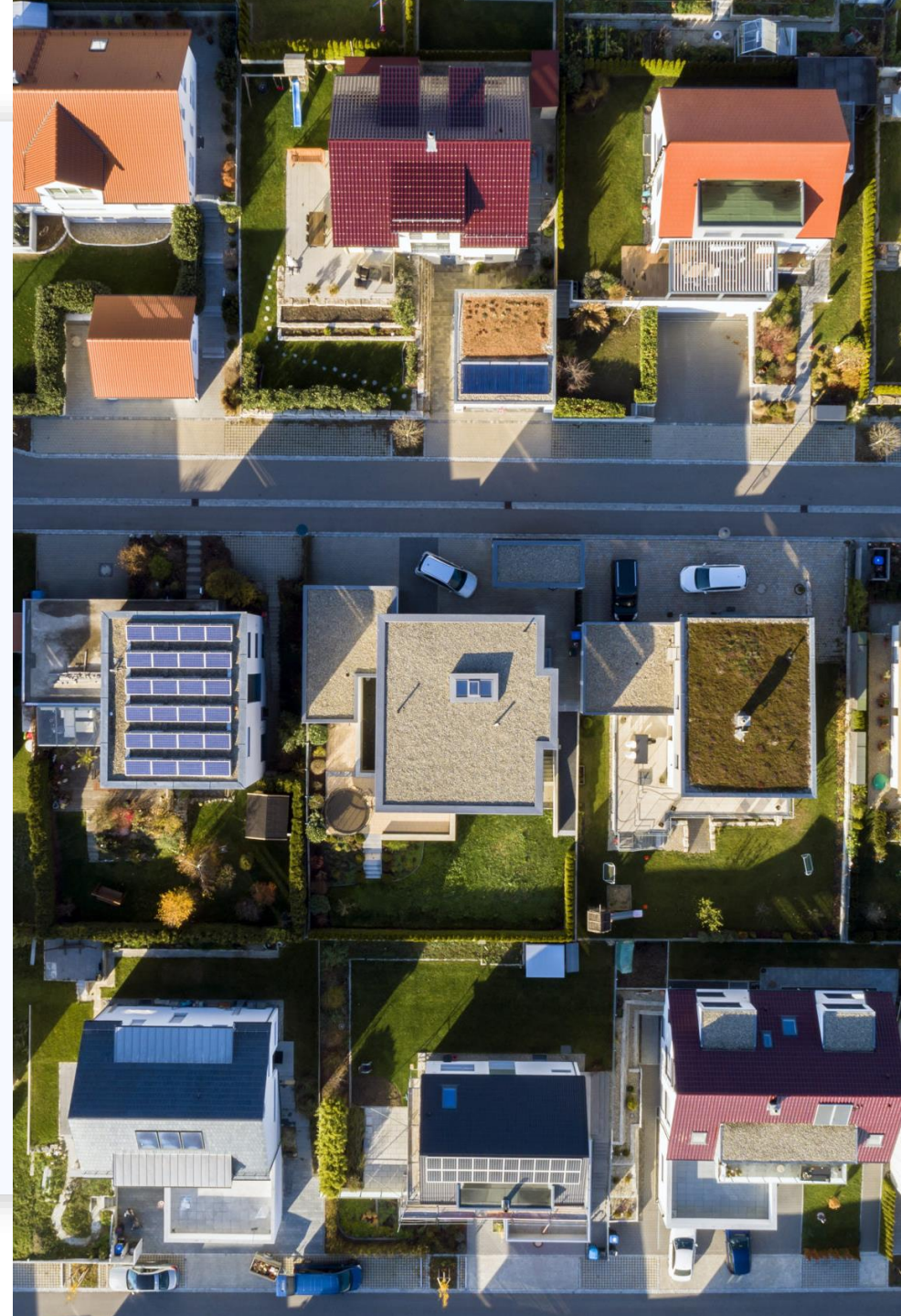


# A1CHS FREE SERVICES

- ✓ First Time Home Buyers Certification Workshop
- ✓ Foreclosure Prevention Counseling
- ✓ Financial Literacy/Money/Credit Management Counseling
- ✓ Rental Counseling
- ✓ Pre-Purchase Counseling



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# First Time Home Buyer Course

## Free Monthly Workshops

- ✓ 8-hour class, divided into Part III series
- ✓ Includes a 1:1 counseling session with our team

## Self-Paced Virtual Course

- ✓ Take the course at your own pace
- ✓ Includes a 1:1 counseling session with our team
- ✓ \$99 course fee applies
- ✓ Available in English and Spanish



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# First Time Home Buyers Certification Course

A workshop will be scheduled for the  
Pleasanton Area Residents and Workforce.  
BAAHA will be notifying all Pleasanton BMR Program  
Intro Workshop participants.

Visit our webpage for more information  
<https://www.a1chs.org/workshops-and-events>



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QUESTIONS?

