

Santa Clara Below Market Rate Program Guidelines Summary



City of Santa Clara Below Market Rate Program Background

- BMR Program has been in existence since 1995.
- Housing Developers are required to designate 10% of the new homes constructed to BMP.
- The City of Santa Clara also has Limited Housing Assistance Grants.
- Required to Record a Fixed-Term Repurchase Option & Affordability Restriction on the property for 45 years.
 - This Limits the future resale price
 - Which Uses a fixed formula to determine the resale price
 - You agree to Allow the Agency to name another qualified buyer

Eligibility Requirements

- 1) Must be true 1st time home buyer
- 2) Must be Owner Occupied during duration of restriction
- 3) Required 3% down payment
- 4) Must have less than \$ 100,000 in financial assets (excluding retirement assets)
- 5) Must have a household income less than 110% of Area Median Income (AMI)
Maximum Allowable Income Family Size 110% AMI
 - a) 1- \$ 81,235
 - b) 2- \$ 92,840
 - c) 3- \$ 104,445.
 - d) 4- \$ 116,050
 - e) 5- \$ 125,345
 - f) 6- \$ 134,640
- 6) Must Qualify with Fixed-Interest Rate 30 Year Conventional Mortgage
- 7) Qualifying Income use 35% of total gross household income toward house payment (Principal, Interest, Property Taxes & Home Owners Dues)
- 8) Must complete 8 hour workshop with NHSSV (prior to purchase)

Equity Increase

- In most instances, the equity increase is capped at the amount of percentage change in the Santa Clara County Area Median Income level from the time that the unit was purchased until the year that the unit is sold.
- Additionally, only certain qualified improvements may be considered in the determination of the resale price, and you must have copies of receipts.
- As a historical perspective, the change in AMI index per year has been approx. 2-3 percent. However, AMI index has been flat for the last 3 years.

Four Priority Levels: The City has established priority levels for lottery entrance.

They are:

- First Tier: Live and work in Santa Clara
- Second Tier: Live in Santa Clara
- Third Tier: Operate a business or work in Santa Clara
- Fourth Tier: Open to all others

INCOME AND RESALE PRICE RESTRICTIONS APPLY

The Santa Clara Below Market Rate Program reserves the right to change availability, product, design or information in this application and brochure or pertaining thereto without prior notice or obligation.