

What is the BMR Program?

The Below Market Rate (BMR) Program has developed in response to zoning provisions in effect in most Marin County jurisdictions which require that developers on new residential projects over a certain size sell at least 10% of the units at below-market prices to first-time, moderate-income homebuyers.

Called "inclusionary zoning," these ordinances represent an effort by Marin's cities and towns and the County of Marin to increase this region's stock of affordable housing.

Marin Housing, acting as coordinator of BMR sales for most local jurisdictions in Marin County, administers the sale of newly constructed units as well as previously-owned units being offered for resale.



Questions and Answers

Q *How many properties are available through the program?*

A There are over 300 properties administered by *Marin Housing* in the BMR Program.

Q *How frequently do units come up for sale?*

A Very little new housing is currently being built in Marin County, which means that most units available under this program are resales. In a typical year, eight to ten will be offered. Whenever a unit is offered, everyone who has applied during the year will be considered.

Q *How are prospective purchasers selected?*

A By a drawing held each time a unit becomes available (see *Step-By-Step* section for details.)

Q *Are there any restrictions attached to BMR units?*

A Yes. A resale restriction agreement is recorded with each unit, limiting the profit which can be realized through future resale. The purpose is to preserve its affordability for future moderate-income, first-time homebuyers.

Q *How are resale prices determined?*

A The resale price of a unit is based on the original purchase price, plus the lesser of two calculations: the percentage increase in the "median income" for Marin County; or the percentage increase in the Consumer Price Index for the San Francisco Bay Area.

Q *Will the equity in my BMR unit be protected?*

A Your equity investment will appreciate over time, but at a slower rate than a market rate investment.

Q *Can I rent or lease my BMR unit to someone else?*

A No. The BMR deed restrictions require continuous owner occupancy.

Step-By-Step: What and When

While each city and town has its own inclusionary requirement that results in the creation of new BMR units within its jurisdiction, the procedures for applying for and buying a unit under the *Marin Housing* BMR Program are essentially the **same** for all areas.

1 Once you have determined that you are eligible for the program and filed your application (good for the current calendar year), you will be considered for each lottery held during that year.

2 A drawing is held each time a BMR unit becomes available. Your name will be entered in every drawing for which you are eligible by household size.

3 Starting with the first name drawn, applicants are interviewed to verify program eligibility and ability to qualify for financing. The first applicant who qualifies on both counts will be offered the opportunity to purchase the unit. Thus your chances of being the buyer will depend on your being selected in the drawing and your obtaining timely approval from a BMR lender.

4 If selected, you enter into a purchase contract with the seller and pay an initial deposit, at which time an escrow account is opened at the title company.

5 You shop around among BMR lenders for the most favorable financing, and then apply for your loan.

6 Upon approval of your loan, you sign the loan papers, and with the closing of escrow, you become the proud owner of your new home.

Am I Eligible?

To be eligible to purchase a home through the BMR Program, you must meet the following guidelines:

- You must be a “First-time Homebuyer”, defined as a borrower(s) who has not owned a home in the past three-years.
- Your total gross household annual income must fall below the current income limits established for Marin County (effective 3/19/09, published by HUD:

<u>HH Size</u>	<u>Moderate Income</u>
1	\$81,300
2	\$92,950
3	\$104,550
4	\$116,150
5	\$125,450
6	\$134,750

- You must have cash and savings available equaling approximately 5% to 10% of the purchase price to cover down payment, closing costs and reserves.
- You must be able to qualify for financing through a BMR lender based on your verifiable income and credit standing.
- The total value of your assets may not exceed 75% of the purchase price.
- You must live in the home as an owner-occupant. You may not rent or lease it to another party; to be monitored by *Marin Housing*.
- To qualify for a 2-bedroom unit, you must have at least 2 members in your household and to qualify for a 3-bedroom unit, you must have at least 3 members in your household.

How Do I Apply?

Visit our website at www.marinhousing.org; click on the link to the Home Ownership Programs page.

Print the BMR application from the link, or call *Marin Housing* at (415) 491-2550 to request an application. Mail the completed form along with a \$25 check, to:

Marin Housing / BMR Program
4020 Civic Center Drive
San Rafael, CA 94903-4173

Para recibir este folleto en Espanol, haga el favor de llamar al (415) 491-2532

1-800-735-2929

TDD for the hearing impaired



Rev 2/10

Below Market Rate Home Ownership Program



A program offering moderate-income, first-time homebuyers the opportunity to purchase designated condominium units in Marin County at less than market value.

MARIN HOUSING

Making Housing More Affordable

4020 Civic Center Drive
San Rafael, CA 94903
415 / 491-2550