

CITY OF CUPERTINO BELOW MARKET RATE HOUSING RENTAL & PURCHASE PROGRAM



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Program Manager



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BMR HOUSING PORTFOLIO

City of Cupertino Below Market Rate (BMR) Program			
#	BMR Rental Apartment Complexes	# of BMR Units	BMR Developer Agreement Expiration Date
1	Arioso	20	1/29/2028
2	Aviare	22	7/8/2026
3	City Center	4	7/8/2026
4	Forge Homestead	15	1/16/2027
5	Hamptons	34	10/20/2027
6	Biltmore	2	8/30/2029
7	Markham	17	11/4/2039
8	Vista Village	24	11/29/2056
Total # of BMR Rental Units		138	
Total # of BMR Homeownership Units		122	
Total # of BMR Rental & Homeownership Units		260	



CUPERTINO PRIORITY POINT PLACEMENT SYSTEM

The City has established a priority point placement system that reflects the City's priorities regarding placement of households into the limited number of BMR affordable units in the City.

Applicants can receive up to a max of 4 points based on the following criteria:

- ▶ 1 point = Cupertino resident
- ▶ 2 points = Employment in Cupertino
- ▶ 1 point = Public Agency Employee Working in Cupertino



BMR WAITLIST & ELIGIBILITY FORM

- ▶ Waitlist Eligibility Forms accepted in October **ONLY**
 - ▶ Due October 31, 2016 @ 5:00pm
- ▶ Separate Waitlists for Rental & Purchase
- ▶ Waitlist refreshed every year, applicants have to apply annually
- ▶ Priority Points determine lottery number

APPLICANT		Please print clearly.	
First Name		Email	
Last Name		Employer	
Current Address		Position	
City	State	Work Phone	
Zip	Phone	Total # of Household Members:	
Total Household Gross Income: \$ <small>(Before taxes are taken out)</small>		Estimated Value of Net Assets: \$ <small>(Checking, savings, stocks, bonds, and/or CD accounts)</small>	
1. Have any members of the household been listed on a primary residential property title, at any time, in the past three (3) years? <i>Exception made for divorced or legally separated homeowners.</i>			YES or NO
PRIORITY POINTS			YES or NO
2. Are any members of the household currently living in Cupertino? <i>If yes, please specify address:</i>			1 point
3. Are any members of the household currently employed in the City of Cupertino? <i>If yes, please specify employer(s) & position(s):</i>			2 points
4. Are any members of the household currently employed at a public agency in the City of Cupertino? <i>If yes, please specify employer(s) & position(s):</i>			1 point
<p><i>By signing below, I certify that all the information on this form is true and complete to the best of my knowledge. When asked, I agree to give proof of this information and knowingly understand that supplying false, incomplete or inaccurate information is punishable under Federal or State criminal law.</i></p>			
<p><u> X </u></p>		<p>Signature Required. Date</p>	
Signature		Date	
Deadline: October 31, 2016 5:00pm			October 2016



BMR RENTAL PROGRAM 2016 INCOME LIMITS

Housing & Community Development (HCD) Maximum Income Limits* BMR Rental Program- 2016

Household Size	1	2	3	4	5	6
Very-Low Income	\$39,100	\$44,650	\$50,250	\$55,800	\$60,300	\$64,750
Low Income	\$59,400	\$67,900	\$76,400	\$84,900	\$91,650	\$98,450

**Income Limits will be Updated Each Year by HCD*



BMR RENTAL PROGRAM

- ▶ BMR Rental Housing Portfolio = 138 units
- ▶ Rent levels are below current fair market rent
- ▶ Unit Types: Apartments
- ▶ Bedroom Count: 1-3 bdrms.
- ▶ Meet Federal Definition of a First-Time Homebuyer, not owned a home for at least 3 years *exception for divorced or legally separated homeowners*
- ▶ Area Median Income (AMI) limits based on household size
- ▶ Very Low Income: 50% AMI & Low Income: 80% AMI



BMR RENTAL PROGRAM *CONT.*

- ▶ **Gross annual incomes (before taxes) of all household members age 18+ are considered when determining eligibility**
- ▶ **Max Assets: equal to the maximum income limit for household size that is allowable in order to be program eligible**
- ▶ **Must be primary residence**
- ▶ **Initial Lease Term = 1 year**
- ▶ **Annual Rent Increase Limits adjusted per AMI**
- ▶ **Annual Income Recertification**



CUPERTINO 2016 BMR RENTAL RATES

Low Income		
<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>
\$1,154/mo.	\$1,293/mo.	\$1,399/mo.

Very Low Income		
<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>
\$939/mo.	\$1,052/mo.	\$1,131/mo.

Note: 2016 BMR rental rates subject to change



BMR PURCHASE PROGRAM 2016 INCOME LIMITS

Housing & Community Development (HCD) Maximum Income Limits* BMR Purchase Program- 2016

Household Size	1	2	3	4	5	6
Median Income	\$74,950	\$85,700	\$96,400	\$107,100	\$115,650	\$124,250
Moderate Income	\$89,950	\$102,800	\$115,650	\$128,500	\$138,800	\$149,050

**Income Limits will be Updated Each Year by HCD*



BMR PURCHASE PROGRAM

- ▶ BMR Purchase Housing Portfolio = 122 units
- ▶ BMR units priced below current fair market value
- ▶ Unit Types: Condominiums & Townhomes
- ▶ Bedroom Count: 1-4 bdrms.
- ▶ Meet Federal Definition of a First-Time Homebuyer, not owned a home for at least 3 years *exception for divorced or legally separated homeowners*
- ▶ Area Median Income (AMI) limits based on household size
- ▶ Median Income: 100% AMI &
Moderate Income: 120% AMI



BMR PURCHASE PROGRAM *CONT.*

- ▶ Gross annual incomes (before taxes) of all household members age 18+ are considered when determining eligibility
- ▶ Max. Net Asset Limitation: \$100,000 (*retirement excluded*)
- ▶ Borrower min. 5.0% down payment requirement + plus closing costs
- ▶ Pre-Purchase Homebuyer Education
- ▶ Pre-Approved by a 1st Mtg. Lender/Broker
- ▶ 1st Mtg. must be a fixed principal + interest loan, no interest-only or adjustable loans allowed
- ▶ Must be primary residence



BMR HOMEOWNERS

- ▶ 99 year deed restriction
- ▶ Deed of Trust & Promissory Note
- ▶ Resale Price formula based on Consumer Price Index (CPI) or Area Median Income (AMI)
- ▶ Cash-Out Refinance/Subordinations allowed, no greater than 90% of Resale Restricted Value
- ▶ Property Inspections (Initial inspection, Appraisal, Termite, etc...)
- ▶ Annual Occupancy Verification (Utility, Mortgage, etc...)
- ▶ Homeowners must notify West Valley Community Services:
 - ▶ Refinance
 - ▶ Capital improvements
 - ▶ Sale of home



BMR PROGRAM PURCHASE EXAMPLE FHA LOAN

BMR Purchase Price	= \$300,000.00
5.0% Down Payment	- \$15,000.00
FHA 1st Mtg. Loan Amount (w/UFMIP @ 1.75%)	= \$289,987.50
FHA 1 st Mtg. Interest Rate	= 4.75%
FHA 1 st Mtg. 30 yr. Fixed Payment (P&I)	= \$1,512.71/mo.
Property Taxes	= \$312.50/mo.
Homeowner's Insurance	= \$40.00/mo.
FHA Monthly Mortgage Insurance (MI) @ 1.35%	= \$326.24/mo.
Homeowner's Association Dues (HOA)	= \$300.00/mo.
Total Housing Expense	= \$2,491.45/mo.

Note: For educational purposes; assumptions above are subject to change



BMR PROGRAM PURCHASE EXAMPLE CONVENTIONAL LOAN

BMR Purchase Price = **\$300,000.00**

5.0% Down Payment - **\$15,000.00**

Conv. 1st Mtg. Loan Amount (No UFMIP) = **\$285,000.00**
Conv. 1st Mtg. Interest Rate = 4.75%
Conv. 1st Mtg. 30 yr. Fixed Payment (P&I) = \$1,486.69/mo.
Property Taxes = \$312.50/mo.
Homeowner's Insurance = \$40.00/mo.
Monthly Mortgage Insurance (No MI) = \$0.00/mo.
Homeowner's Association Dues (HOA) = \$300.00/mo.
Total Housing Expense = **\$2,139.19/mo.**

Note: For educational purposes; assumptions above are subject to change



BMR RESALE / REFINANCE CALCULATIONS

	Year	CPI	BMR Price
Time of Purchase	April 2005	222.20	\$232,000
Current	June 2015	292.549	-
Maximum BMR Resale Value			\$305,452
Maximum Refinance Value			*\$274,907 (90% of \$305,452)

*Maximum refinance value is 90% of maximum resale value per City of Cupertino Program Guidelines.

Note: For educational purposes; assumptions above are subject to change



WEST VALLEY COMMUNITY SERVICES (WVCS)

- ▶ Contracted by the City of Cupertino
 - ▶ Manage Waitlist
 - ▶ Process Eligibility Forms
 - ▶ Annual Certifications, etc.
- ▶ Fees (*when a unit is available*):
 - ▶ Rental Application: \$30.00
 - ▶ Purchase Application: \$50.00
 - ▶ Administration Fee: \$350.00
 - ▶ Refinance: \$250.00



*Fees Subject to Change

CONTACT INFORMATION

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