



The BMR Sales Process

City of Palo Alto's Below Market Rate Housing Purchase Program

Palo Alto's BMR Program Started in the 1970s



2 Studio
51 One-bedrooms
96 Two-bedroom
92 Three-bedroom
8 Four-bedroom
1 Five-bedroom

98% of the BMR homes are in communities with Homeowner Associations (HOA)



How are BMR units and this transaction different?

- Price is set by the BMR agreement signed with the City
- For Resales - there are no Realtors
- An Owner Occupancy Agreement & BMR Documents are signed and recorded
- City is your partner as long as you own the house



When You Buy a BMR Home....

- It must be your primary residence
- You must pay your property taxes, maintain, and insure it
- Tell the City about any plans for ownership changes
- Agree to sell it back into the program



HOAs (Condominium Complexes)

- Manages and maintains common areas
- Enforces rules within a residential community
- HOA fees are the same for BMR units as they are for market rate units
 - Monthly Dues (\$500 - \$800/Month)
 - Special Assessments



Alta's Role in the BMR Purchase Program

- Work with Sellers to get them ready to sell
 - Inspection reports, information packets & open houses
- “Market” home to waiting list
 - Goal: Identify a buyer and two backup buyers
- Purchase Agreement & Earnest Money Deposit
- Facilitate Signing BMR Documents (buyer and City must sign)
 - Occupancy Agreement
 - Grant Deed
 - Promissory Note
- Prepare escrow instructions & ensure BMR Documents are recorded
- Transfer keys to buyer at the end of the transaction



Alta Housing is NOT a ...

- Realtor
- Property Inspector
- Mortgage Specialist
- Lawyer
- HOA Officer or Board Member

Alta Housing is solely the
administrator of the City of Palo
Alto's BMR Program.



Sobrato Center for Nonprofits
3460 W. Bayshore Rd., Ste. 104
Palo Alto, CA 94303

Tel. 650 321 9709
Fax. 650 321 4341

altahousing.org

ACKNOWLEDGMENT OF NON-BROKER ROLE

Re:

To the Buyer and Seller of the Below Market Rate ("BMR") Property Described Above:

Alta Housing is involved in this BMR transaction solely as an administrator of the BMR Program under contract with the City of Palo Alto. Alta Housing is not a real estate broker or agent to any party to this transaction and has no obligation to provide or verify the accuracy or completeness of any disclosures with respect to the BMR property. In particular, Alta Housing makes no representations or warranties, express or implied, regarding the condition of the BMR property in this transaction or the accuracy or completeness of any information provided in this transaction. Each party to the transaction is solely responsible for conducting a thorough due diligence investigation and is expected to independently analyze, verify and review all information relating to this transaction. Either party may hire his or her own agent, broker or lawyer for consultation and assistance in the negotiation of this transaction. Additionally, each party is encouraged to review Disclosures in Real Property Transactions, published by the California Department of Real Estate, available at <https://www.dre.ca.gov/files/pdf/r6.pdf>.

Each party, on behalf of itself and on behalf of successors and assigns, hereby releases and forever discharges Alta Housing from, and does hereby agree to indemnify and hold harmless Alta Housing from and against, any and all claims, causes of action, liabilities, costs, expenses, attorney's fees and other losses of any nature whatsoever, whether known or unknown, that relate to or arise from this BMR transaction. Accordingly, as to the matters released in this acknowledgment, the parties expressly waive the provisions of Section 1542 of the Civil Code of California, which provides:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

The parties acknowledge that there is a risk that subsequent to signing this acknowledgment a party will incur damage or loss which they attribute to the BMR transaction, but which by reasonable diligence should be known or anticipated at the time this acknowledgment is signed. Each party acknowledges and assumes such risk that damages presently known or which should be known may become progressive, greater, or more serious than is now known, expected, or anticipated. Additionally, each party agrees that if the facts with respect to the BMR transaction or the BMR property are later found to be different from the facts now believed by them to be true, they expressly accept and assume the risk of such possible difference in

BUILDING STORIES THAT MATTER

If housing involved, call 800-735-2929. Alta Housing Management & Services does not discriminate against any person because of race, color, religion, sex, sexual orientation, disability, familial status, or national origin.



BMR Sales Process

Timeframe: 4-6 months

- 2 Months - Prepare the property/marketing information
- 4 Months - Open house to sales close

**Please note that this is an estimate; there may be delays that affect this timeframe*



Steps - From Open House to New Home

- Open House & Information Packet
- Purchase Applications Due
- Process Purchase Applications
- Purchase Contract
- Signing BMR Documents
- Escrow - \$500 Earnest Money Deposit (EMD)
- Mortgage Underwriting
- Mortgage Approved
- Signing mortgage documents, funding loan & recording documents
- Pick up keys to your new home



Open House Invitation & Information Packet

Each property has two open houses - one Saturday morning and one weekday afternoon

- Information packet is shared with the email invitation for the open houses
- Purchase applications will be available at the open houses
- Must RSVP and attend open house to submit purchase application

What to expect at the open house?

- Properties are being sold “as-is”
- Inspection reports available
- Ask questions of the current owner



Information Packet - Household Size & Income Guidelines

- Income Limits
- Asset Limits-Based on Age of Head of Household
- Down Payment (5% of sales price)
- Citizenship/Permanent Residency Requirements

Number of Persons in Household:		1	2	3	4	5	6	7	8
Santa Clara County Area Median Income: \$195,200	Acutely Low	20500	23450	26350	29300	31650	34000	36350	38700
	Extremely Low	42200	48200	54250	60250	65100	69900	74750	79550
	Very Low Income	70350	80400	90450	100450	108500	116550	124600	132600
	Low Income	111700	127650	143600	159550	172350	185100	197850	210650
	Median Income	136650	156150	175700	195200	210800	226450	242050	257650
	Moderate Income	164000	187400	210850	234250	253000	271750	290450	309200



Is there a Minimum Income Requirement?

While there is no official minimum income or asset threshold, it's essential to understand that BMR homeownership entails ongoing annual expenses. These include:

- Property Taxes
- Homeowners Insurance
- Monthly Homeowners Association (HOA) Fees
 - Determined each year by the Homeowners Association and are the same for all homeowners—there is no discount for BMR units

Prospective buyers should ensure they have sufficient income to comfortably meet these costs. **As a general guideline, your annual income should be at least three times the total annual homeownership costs (HOA fees, property taxes, and insurance) of your BMR home.**



Purchase Application

- Backup documentation will be requested for all information shared on your purchase application
- We will contact you via email if you are the first, second or third applications to purchase
 - If you are contacted, please start collecting all of the backup documentation to share with Alta via Box



Eligibility Interview

- All members of the household over 18 years old must be present
- Review your documents to make sure we have everything we need to determine your eligibility and ability to purchase (pre-approval for mortgage)
- This is an opportunity to ask YOUR questions about the program



BMR Documents

Buyers sign:

- Occupancy, Resale and Refinancing Agreement (also signed by City)
- Deed of Trust
- Promissory Note
- Notice of Default (also signed by City)



Preferred Lenders

First Citizen Bank

Maria Pineda
Mortgage Banker Market
Specialist
NMLS #1208990
Email: mpineda@svb.com
Phone: 408-769-8245

Change Mortgage

Jae Ro
Mortgage Advisor
NMLS #1956762
Email: jro@changemtg.com
Phone: 408-242-8309

BMO Financial Group

Arthur Chen
Mortgage Banker
NMLS #849094
Email: arthur1.chen@bmo.com
Phone: 408-881-2579
Mobile: 408-571-9913



What you can do to get ready?

- Go to BMR open houses and apply
- Take a homebuyer's class (Fannie Mae online class)
- Get a pre-approval
- Research other loans/financing sources
- If you plan to draw funds from your IRA/retirement plan, learn more about the timing and consequences.



Annual Waiting List Update

- Alta Housing reaches out to households on WL to see if they want to remain on the list for the next year
- Information Requested:
 - Income
 - Household Size
 - Current Contact Information
 - PA Live/Work Preference
- Households who fail to respond by the deadline or submit incomplete forms are **removed** from the list
- An update version of the WL is posted on the Alta Housing website



ALTA HOUSING

Sobrato Center for Nonprofits
3460 W. Bayshore Rd., Ste. 104
Palo Alto, CA 94303

Tel. 650 321 9709
Fax. 650 321 4341

altahousing.org

CITY OF PALO ALTO – BMR PURCHASE PROGRAM 2025-2026 WAITING LIST UPDATE FORM

IMPORTANT: Please complete ALL sections clearly. Incomplete update forms will not be accepted. Update forms are due **Tuesday, July 1, 2025, by 4:00 PM. This is a hard deadline—NO EXCEPTIONS.**

CONTACT INFORMATION:

Head of Household's Full Name: _____

Residence Address: _____
(Number and Street) (City, State, Zip Code)

Mailing Address: _____
(If different from above) (Number and Street) (City, State, Zip Code)

E-mail Address: _____

Telephone Numbers: (Daytime) _____ (Evening) _____

HOUSEHOLD COMPOSITION:

As a reminder, all members must be living in the same household and/or lease for at least one year. You will have to provide proof once your household is contacted for a purchase opportunity.

#	Name	Relationship	Age	Sex
1		Head of Household		
2				
3				
4				
5				
6				
7				
8				

Does at least one member of the household work in Palo Alto? Yes No
If yes, provide the employer's name and address: _____

Note: Only the Stanford Medical Center and Stanford Shopping Center are in Palo Alto. Employment or residence at Stanford University or within the city of East Palo Alto DOES NOT give an applicant preference. These regions are not considered within Palo Alto city boundaries.

Does any member of the household use a wheelchair? Yes No

BUILDING STORIES THAT MATTER

If housing requested, call 650-735-1251. Alta Housing Management & Services does not discriminate against any person because of race, color, religion, sex, marital status, disability, familial status, or national origin.



Additional Resources

- Online class through Fannie Mae
<https://yourhome.fanniemae.com/buy>
- Credit Scores
<https://consumer.ftc.gov/articles/free-credit-reports>
- Project Sentinel - Online and In-Person Classes
<https://www.housing.org/first-time-homebuyer-education>
 - \$99 fee per Participant
 - Complete online Course + Schedule and attend one-on-one counseling session to receive Certificate



Keeping in Touch - Questions & More Information

- Majority of our communication is done via email
- Update us if your contact information changes
- If you want to meet with us, **please make an appointment ahead of time:**

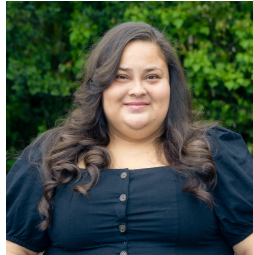
Hours: Monday through Friday from 9AM to 5PM

Address: Sobrato Center for Nonprofits
3460 W. Bayshore Road, Suite #104
Palo Alto, CA 94303

Email: bmrpurchase@altahousing.org



Sheryl Klein
BMR Program Supervisor



Daisy Rodriguez
BMR Program Manager



Rachael Richmond
BMR Program Administrator

