

City of Livermore Affordable Homeownership Application Workshop

Hosted by Hello Housing



Tonight's Agenda

- Hello Housing & Stewardship Overview
- Program & Lender Requirements
- Application Overview
- Application Process

Interpretation Needs

If you require translation or interpretation services to understand the requirements of the program and application process, please contact

Hello Housing at (415) 863-3036 or hello@hellohousing.org



Overview of Hello Housing

What is Hello Housing?

A non-profit organization serving as the Program Administrator for the City of Livermore's Below Market Rate program.

Based in San Francisco & currently operating in 9 municipalities:

Livermore

Cupertino

Los Gatos

Concord

Alameda

Novato

Pleasanton

Lafayette

Daly City

Overview of Stewardship

- Manages and monitors BMR Housing Programs & Down Payment Assistance Programs
- Assists BMR owners with refinancing, selling their homes, approval of capital improvements
- Monitors owner compliance within city program guidelines
- Sells new and existing homes to low and moderate-income households

Pricing & Fees

Low-income (80% AMI) pricing:

1-bedroom price \$281,502

2-bedroom price \$328,190

3-bedroom price \$374,654

Moderate-income (120% AMI) pricing:

1-bedroom price \$419,554

2-bedroom price \$483,442

3-bedroom price \$547,330

BMR Program Income Limits

Household Size	Income Limits for Low-Income (80% AMI)	Income Limits for Moderate-Income (120% AMI)
1	\$73,100	\$100,150
2	\$83,550	\$114,450
3	\$94,000	\$128,750
4	\$104,400	\$143,050
5	\$112,800	\$154,500
6	\$121,150	\$165,950
7	\$129,500	\$177,400

Owner Responsibilities

Mortgage, Taxes, Insurance,
Utilities, & Repair Costs.



BMR Program Requirements - Time of Purchase

- First Time Homebuyer
- Minimum household size of one person per bedroom
- Applicants must be U.S. Citizens or permanent residents
- HUD Counseling Agency Certificate
- 660 FICO score
- No bankruptcy in last 3 years nor delinquent accounts, open collection accounts or charged off accounts with a balance
- Prequalified by lender for the purchase price

BMR Program Requirements - Time of Purchase

- Minimum of 3% seasoned down payment:
 - Seasoned means the money has been in the bank for 3 months or longer
 - Tax refunds and retirement funds count, but can only be used for 50% of your down payment.
- Ability to cover closing costs, typically 3-5% of the purchase price.
- \$400 document fee due at the time of closing

BMR Program Requirements - Time of Purchase

40% Debt-to-Income Ratio Maximum:

\$1900	Housing Payment (Mortgage, Insurance, Taxes, HOA Dues)
\$100	Car Payment
<u>+\$400</u>	<u>Debts</u>
<u>\$2400</u>	Total Debt
\$6200	Gross Monthly Income

Total Debt Divided by Gross Monthly Income
=38% debt-to-income ratio



BMR Program Requirements - Time of Purchase

- No more than 25% of the purchase price in liquid assets (does not include retirement accounts or pensions)
- Gifts allowed up to 17% + closing costs (these will be counted toward asset limit)

Maximum Asset Example:

Purchase Price of \$328,190 X 25% =
\$82,047.50

BMR Program Requirements – Ongoing

- Knowledge and understanding of Program Guidelines
- 55-year Deed Restriction
- Owner occupancy—cannot rent out all or a portion of your home
- Participation in annual monitoring
- Refinance restrictions—no cash out
- Limited Equity

Resale Price Calculation

Two options for reselling your home:

1) Sell at the Fair Market Value, in which case, City Second and interest becomes due.

2) Sell at the Affordable Purchase Price annually established by the City Council to an eligible purchaser, Silent Second transfers to the next buyer.

Silent Second Loan

- Silent second loan on the home held with the City of Livermore
- Loan will be the difference between the fair market value and the BMR price and will accrue 3% compounded annually interest for the first twenty years
- You will not be required to make payments

Silent Second Example:

Appraisal Value	\$700,000
BMR Price	<u>-\$328,190</u>
Silent Second	\$371,810

Title Transfers - Inheritance

All of the following terms must be met to transfer the Title by inheritance:

- Must be a “qualified eligible party” (spouse, domestic partner, surviving joint tenant, or child)
- Inheriting party must occupy the home as their principal residence
- A new Resale Restriction Agreement or similar document will be executed

Application Process

Remember to review the Application Best Practices handout against application and supporting documents.

Application Process

1. Submit a completed application on or before 5:00 pm on February 15th via Hello Housing's online application. Please mail a check for \$125 payable to the City of Livermore (address is on the online application).
2. Hello Housing reviews applications, in lottery ranking order, for program approval.
3. In ranking order, Hello Housing will send conditional approval or denial letters to applicants.

Application Process

4. Those conditionally approved will be invited to a meeting with the seller's agent to discuss the details of the home.
5. Applicant will have 5 business days to decide if they would like to move forward with purchasing.
6. The household is then invited into contract for the home. 1% deposit will be due at this time.
7. Households must provide a certificate of completion from a HUD certified first time homebuyer course by close of escrow.

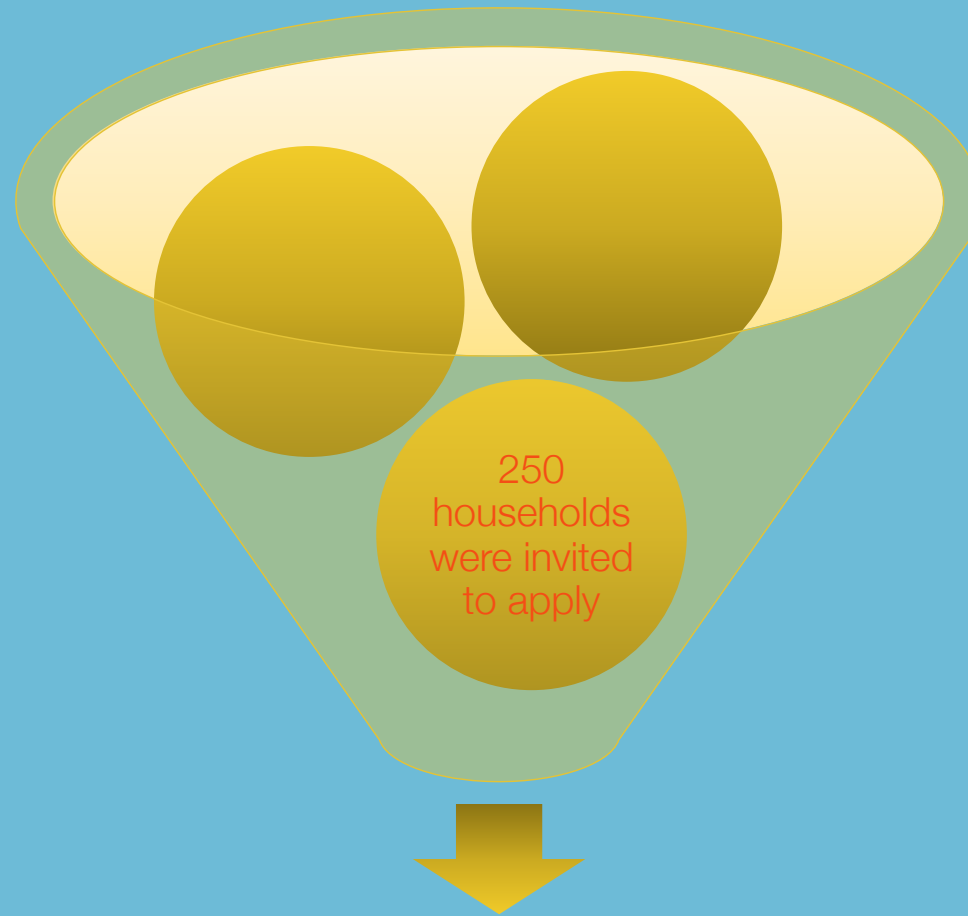
Pre-Purchase Counseling

Free Homebuyer Services through ECHO Housing:

- Pre-Purchase Counseling: Prior to submitting an application, you can meet with a homebuyer counselor who can assess your eligibility for the BRM Program.
- Homebuyer Education: ECHO Housing offers HUD approved homebuyer education course that satisfies the requirement for the BMR Program.

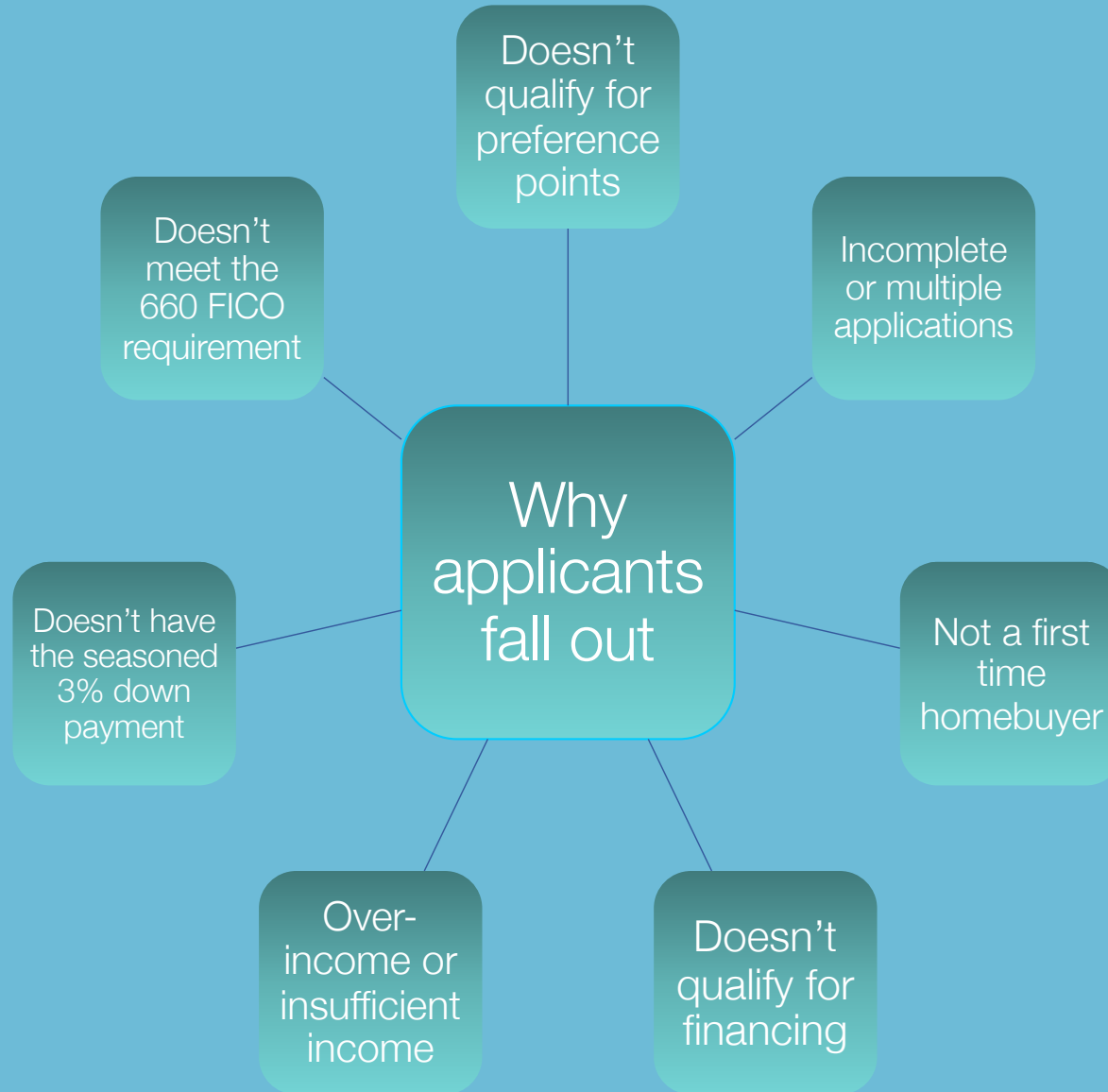
For more information contact:
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Livermore, CA 94551
(925) 583-5992
www.echofairhousing.org

What are the odds?



If you believe you are qualified, please do not be discouraged from submitting an application!

Disqualification



Contact Information

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