

MAYOR'S OFFICE OF HOUSING CITY AND COUNTY OF SAN FRANCISCO



GAVIN NEWSOM
MAYOR

MATTHEW O. FRANKLIN
DIRECTOR

April 2007

Subject: Below-Market-Rate (BMR) Inclusionary Housing Program Ownership Units Application

Dear First-time Homebuyer,

Thank you for your interest in applying for a Below-Market-Rate ownership unit through the San Francisco Mayor's Office of Housing (MOH) Below-Market-Rate (BMR) Inclusionary Housing Program.

The San Francisco Below-Market-Rate Inclusionary Housing Program requires developers to sell or rent a certain percentage of units in new developments at a "below-market-rate" price that is affordable to low - moderate income households. The program is governed by the [Residential Inclusionary Affordable Housing Ordinance of 2002](#) and by [Planning Code 315](#). The program is administered by the Mayor's Office of Housing and currently includes approximately 450 ownership units and 100 rental units around San Francisco. In addition, we estimate that up to 100 new and resale units will become available for sale or rental in the upcoming year.

Ownership units purchased through the BMR program are subject to resale restrictions. A unit remains restricted for at least 50 years and can be re-sold only at a below-market-rate price to a household that meets the current eligibility guidelines. MOH does not guarantee that the BMR owner will gain any appreciation on the unit upon resale and there are certain restrictions on title change, refinancing and renting that buyers should be aware of before purchasing a BMR unit.

Please review this complete packet before completing your application for a BMR unit. It is important to understand both the guidelines for applying and qualifying for BMR units as well as the restrictions placed on BMR units.

Please contact us anytime for information on the BMR program. For specific questions regarding a current development and to obtain an application, please contact the development or developer's sales team directly. For questions regarding the completion of the BMR application or the requirements of the program, please contact Homeownership Program Assistant, Pauline UI, at (415) 701-5551 or pauline.ui@sfgov.org. For general questions regarding the policies of the Inclusionary Affordable Housing Program, please contact me at (415) 701-5546 or chandra.egan@sfgov.org.

Thank you, again, for making San Francisco your home. We wish you luck with your application!

Sincerely,

Chandra Egan
Inclusionary Housing Program Manager

**CITY AND COUNTY OF SAN FRANCISCO
INCLUSIONARY HOUSING PROGRAM
APPLICATION FOR BELOW-MARKET-RATE UNITS**

(Submit pages 1-4 and all qualifying materials directly to the developer of the BMR units by the designated deadline in order to enter the BMR lottery for the units. Incomplete applications will not be accepted.)

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BMR UNIT ADDRESS 83 McAllister Street (Book Concern Building) **UNIT #** _____ **# Bedrooms** _____

1. Name of applicant(s) who will hold title and be on the loan for the BMR unit

Name: _____ Name: _____

SS#/ID# _____ SS#/ID# _____

Occupation _____ Occupation _____

Race/Ethnicity _____ Race/Ethnicity _____
(for statistical use only) (for statistical use only)

2. Name(s) of dependent household member(s) who will live in the unit (must be claimed on most recent tax form)

Name _____ Relation to Applicants(s) _____ Age _____
Dependent? Yes/No (circle one) In School? Yes/No (circle one)

Name _____ Relation to Applicants(s) _____ Age _____
Dependent? Yes/No (circle one) In School? Yes/No (circle one)

3. Total Household Size (including applicants and dependents) _____

4. Current Applicant Address _____ City/State/Zip _____

5. Home Telephone Number _____

6. Work Telephone Number _____ Email: _____

7. Financial Information, Part I: You must complete and attach the Mayor's Office of Housing Income Certification Form.

8. Financial Information, Part II: You must include copies of the following documents for each household member 18 years old or older.

_____ Complete set of past three (3) years' Income Tax Returns (signed & dated)

_____ Complete set of past three (3) years' W-2 forms

_____ Three (3) most recent and consecutive pay stubs (For Self-employed, 3 years Income and Expenses Statements)

_____ Three (3) most recent and consecutive statements from each savings, checking or any other type of account in which you have money. (Do not include retirement savings that are not currently generating income.)

9. Has any household member owned any property in the past three (3) years? Yes
 No

ALL STATEMENTS MADE IN THIS APPLICATION ARE TRUE AND MADE FOR THE PURPOSE OF APPLYING FOR AN INCLUSIONARY AFFORDABLE HOUSING PROGRAM BELOW-MARKET-RATE UNIT THROUGH THE CITY AND COUNTY OF SAN FRANCISCO. VERIFICATION MAY BE OBTAINED FROM ANY SOURCE NAMED IN THIS APPLICATION. I/WE FULLY UNDERSTAND THAT TO KNOWINGLY MAKE ANY FALSE STATEMENTS CONCERNING THIS APPLICATION WILL RESULT IN THE CITY'S DENIAL OF THIS APPLICATION.

Applicant's Signature

Applicant's Signature

Date

Please use additional sheets of paper if necessary for any question above

ADDITIONAL INFORMATION FOR COMPLETING INCOME CERTIFICATION FORM

Part I: Development Data - Enter the property information.

Part II: Household Composition - Enter the full name of all intended occupants of the unit. If there are more than six occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification form. State each household member's status using one of the following:

- Adult - Adult household member
- Child - Applicant's dependent child or unrelated minor
- Other - Please specify (e.g., "Other - Niece")

Part III: Employment

Complete a separate line for each household member, whether the member is employed or not. List the respective household member number from Part II. If there is not enough room to list all employers for each household member, use an additional sheet of paper to list the remaining employers and attach it to the certification form.

Part IV: Annual Income –

Complete a separate line for each income-earning member. List the respective household member number from Part II. If there is not enough room to list all sources of income for each household member, use an additional sheet of paper to list the remaining income sources and attach it to the certification form. In the event of a person with documented disability and documented ongoing medical expenses, such expenses may be deducted from gross income for purposes of this calculation.

Wages(Gross)	Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
Social Security/ Pensions	Enter the annual amount of income from Social Security, Supplemental Security Income, pensions, military retirement, etc.
Public Assistance	Enter the annual amount of income received from public assistance (e.g., TANF, general assistance, disability, etc.).
Other Income	Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.

INCLUSIONARY HOUSING PROGRAM
APPLICATION FOR BELOW-MARKET-RATE UNITS
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APPLICATION CHECKLIST

Applicant(s) Name: _____

Development Address and Unit (if unit # is known): _____

Lender Name/Company/Contact Information (for final loan - if known):

Households applying for BMR units through the Mayor's Office of Housing must submit a complete application. A complete application includes the following documents for each person who is 18 years old or older. Please deliver all application materials directly to the developer or developer's representative.

- a complete Mayor's Office of Housing Inclusionary Housing Program Application for Below Market Rate Units (only one application for the household)
- a complete set of the past three years' Income Tax Returns (signed & dated) for each household member 18 years of age or older (all schedules must be included)
- a complete set of the past three years' W-2 forms for each household member 18 years of age or older
- three recent and consecutive pay stubs (for the self-employed, provide copies of Profit and Loss statements) for each household member 18 years of age or older
- three recent and consecutive statements from each savings, checking or any other type of account in which each household member 18 years of age or older has money saved

Note: MOH may require notarized affidavits in the case of unavailable documents (such as tax forms).

The following documents are required for applicants who are selected to purchase a unit after a lottery is held. These documents are not due at the time of application but must be available before the Mayor's Office of Housing drafts closing contracts for the buyer.

- _____ *Mayor's Office of Housing Buyer Approval Letter (from the Mayor's Office of Housing)*
- _____ *A copy of the ratified purchase agreement -- final version (from the developer's sales representative)*
- _____ *A copy of the Primary Lender's Application (Fannie Mae 1003) -- final version (from the buyer's lender)*
- _____ *A copy of the Preliminary Title Report -- final version (from the buyer's lender)*
- _____ *A copy of a Fair Market Appraisal for the BMR unit -- final version (from the buyer's lender)*

For questions regarding BMR applications, please contact:
Pauline Ul, Mayor's Office of Housing
(415) 701-5551 or pauline.ul@sfgov.org

EXTRA MATERIALS:

Overview Information and Affidavit Forms

Please review the following documents before completing your application:

- City and County of San Francisco Mayor's Office of Housing (MOH) Below-Market-Rate ("BMR") Inclusionary Housing Program Overview: Ownership Units 2007
- Guidelines for Submitting a Complete Application for San Francisco Mayor's Office of Housing (MOH) Below-Market-Rate ("BMR") Inclusionary Housing Program Ownership Units
- Overview of the Process for Purchasing a Below-Market-Rate ("BMR") Inclusionary Housing Program Unit
- Affidavit Forms (if needed)
 - Income Tax Affidavit Form
 - Unemployed Affidavit Form

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING (MOH)

BELOW-MARKET-RATE ("BMR") INCLUSIONARY HOUSING PROGRAM OVERVIEW
Ownership Units 2007

Background Information

The San Francisco Mayor's Office of Housing Below-Market-Rate ("BMR") Inclusionary Housing Program requires developers to sell a certain percentage of units in new developments at a "below-market-rate" price that is affordable to median income households. The program is governed by the [Inclusionary Affordable Housing Program Ordinance of 2002](#) and by [Planning Code 315](#). The program is administered by the Mayor's Office of Housing (known as "MOH") and currently includes approximately 450 ownership units and 100 rental units.

To be eligible to purchase a "BMR" unit, a household must meet specific income and first-time homeowner requirements as detailed below.

Units purchased through the BMR program are subject to resale restrictions. A unit remains restricted for at least 50 years and can be re-sold only at a below-market-rate price to a household that meets the current eligibility guidelines. MOH does not guarantee that the BMR owner will gain any appreciation on the unit upon resale and there are certain restrictions on title change, refinancing and renting that buyers should be aware of before purchasing a BMR unit.

How to Apply for BMR Units

You can learn about new BMR opportunities through the Mayor's Office of Housing website at [Mayor's Office of Housing : Current Listings](#) or (415) 701-5500. Once a unit is listed on the Mayor's Office of Housing website, you must contact developers directly to obtain an applications for units available. We encourage you to sign up for our email alert system at www.sfgov.org/moh.

Applicants must submit a complete application **to the developer** by an established deadline date. Residential developers work in partnership with the Mayor's Office of Housing to hold a lottery for the available BMR units in each development. Placing high on the lottery list does not guarantee the unit, as applicants must still be qualified by the Mayor's Office of Housing, must be the correct household size for an available BMR unit, and must able to secure a mortgage loan.

Qualifications

To qualify for a BMR unit, you must be both a first-time homebuyer and a household earning no more than 100% of median income for the calendar year in which application is made. (Some units may be available to households earning below or above 100% of the median income.) Beginning in late spring of 2007, BMR applicants must attend an intensive first-time homebuyer workshop before applying for a unit. Applicants must also be able to secure financing (a loan) for a BMR unit.

Definition of a Household Member

To be considered a member of a household, a person must either be (1) on the title and the loan documents for the unit or (2) claimed as a dependent on the tax returns of a household member who will hold the title and loan for the BMR unit. A household is defined in terms of financial relationships and can include any owner partnerships as long as their combined gross, annual income meets the eligibility.

Definition of a "First-Time" Buyer

While the definition of first-time buyer can differ for various programs, for those units restricted under the BMR Inclusionary Housing Program, it is as follows:

*A qualifying household of which no member has owned **any** interest in a dwelling unit or any commercial real estate for a three-year period prior to applying to qualify for purchase of a BMR.*

This definition is a legal requirement and includes, among other properties, those in which an applicant's name appears on title regardless of whether or not that interest results in a financial gain, is in another state or country, or if they have ever used the property as a primary residence. If any purchaser has had their name on title of a property but it was sold more than three years ago, the program considers them a first-time buyer.

Verifying First Time Buyer Status

To verify homeownership status, (1) applicants will be asked to provide copies of the three most recent years of federal tax returns (and corresponding W-2 forms) for each person on title; (2) applicants will sign a statement on their application stating their homeownership status; and (3) our office may conduct a title search.

Income Limits for Qualifying to Purchase a BMR Unit

The majority of projects will be available to households with a combined income of no more than 100% of area median income. The amounts are adjusted on an annual basis and the following represents the figures through the first months of 2007:

2006 Qualifying Income Maximum Amounts

(Your household must make no more than these amounts by household size)

Income	One Person	Two Person	Three Person	Four Person
100%	\$63,850	\$72,950	\$82,100	\$ 91,200

Income maximums are based on "gross" income derived from all sources as detailed in the City and County of San Francisco Affordable Housing Monitoring Procedures Manual.

Basis for Determining Income Eligibility

For purposes of determining household income, each person considered a member of the purchasing household must present: (a) a complete set of past three years' Income Tax Returns (signed & dated) and W-2 forms; (b) three recent and consecutive pay stubs (for the self-employed, provide copies of last 3 year's Profit and Loss statements); and, (c) three recent and consecutive statements from each savings, checking or any other type of account in which each person has money saved. (Retirement savings will be excluded from the asset test.) The Mayor's Office of Housing will determine final income eligibility based on your household's current income and assets.

How the Mayor's Office of Housing Calculates Household Income

The Mayor's Office of Housing calculates income based on the gross income on each applicant's past three pay stubs. The income is derived by dividing the year-to-date gross income by the current pay period and then annualizing an estimated pay period amount by the number of time the person is paid in one year.

Example:

Year-to-date income is \$20,000 as of the 10th pay period of the year
Estimated pay period amount = \$20,000 divided by 10 = \$2,000
Total number of pay periods in year for applicant is 24
Annualized pay = \$2,000 x 24 = \$48,000

In the case of a self-employed person, the Mayor's Office of Housing reviews the person's Profit and Loss Statement or other relevant documents on a case-by-case basis.

The Mayor's Office of Housing office must review income for all household members 18 years old or older, regardless of dependent status.

Asset Test for BMR Buyers

The Mayor's Office of Housing will apply an asset test to all applicants. Assets include all savings, checking accounts, gifts and other sources of money other than retirement accounts. (If your retirement account is currently generating income -- i.e. you are living off of your retirement -- you must count this money as income on the BMR application.) Assets also include any money that will be used toward a down payment on a BMR unit. 10% of all assets between \$15,001 and 115,000 will be added to the total household income; and 35% of assets above \$115,000 will be added to the total household income. Again, the Mayor's Office of Housing will not count retirement savings when determining a household's assets.

Example:

Household of 3 earns \$50,000 a year
Total household assets = \$150,000
First \$15,000 of assets is excused: \$150,000 - \$15,000 = \$135,000 remaining
10% of first \$100,000 remaining is added to income: \$100,000 x 10% = \$10,000
35% of all remaining assets is added to income: \$35,000 x .35 = \$12,250
Total amount added to income: \$10,000 + \$12,250 = \$22,250
New total household income: \$50,000 + \$22,250 = \$72,250

Size of BMR Unit

The size of a household must be compatible with the size of the unit being purchased. A minimum of one person per bedroom is required. There is no restriction on purchasing a unit that has fewer bedrooms than the household size. In other words, a single person may purchase a studio or a one-bedroom unit; a two-person household may purchase a two-bedroom unit or a smaller unit if they choose; a three-person household may purchase a three-bedroom unit; and so on.

How BMR Units Are Priced

The inclusionary guidelines provide a [formula](#) for pricing units based on a household's maximum affordability (related to unit size) and includes variables of condominium association fees, taxes and insurance, a certain interest rate and a 10% down payment. The City does not fix the price of the units but merely establishes the maximum price by this formula. If a buyer is not able to qualify for as large a mortgage as the formula assumes, it may require a larger personal down payment to meet the purchase price.

Owner Occupancy

BMR units are intended to be owner-occupied and never used as investment or rental property.

Allowable Loan Products

In general, MOH prefers that BMR buyers use conventional 30- or 40-year fixed rate loans. Except for specifically approved loans programs, BMR buyers cannot use negative amortizing loans, adjustable rate loans, "balloon payment" loans, or interest-only loans. (The only current exception to the interest-only loan rule is the ACORN loan program.) MOH is awaiting approval for the CalHFA loan program, and will allow a number of loan products within CalHFA once we are approved. Because MOH is charged with protecting BMR buyers and the BMR housing stock, MOH will review loans for reasonable interest rates and other factors important to sound lending.

The loan agreement must state that only the MOH approved applicants will hold title. Furthermore, each person on title must be on the loan for the unit, as well. Please refer to the applicant's MOH approval letter to identify the specific persons who may hold title to a unit.

Downpayment Requirements

There is currently no down payment requirement for BMR units and there is no required loan to value ratio. There is a down payment requirement for some other MOH first-time homebuyer programs and there may be specific down payment requirements for specialized loan products. Although the BMR program does allow 100% financing, loan amounts must never exceed the maximum sales price.

Title Changes on BMR units

A BMR owner cannot make changes to the title on a BMR unit without prior approval from the Mayor's Office of Housing. For the most part, a BMR owner cannot add or remove person to or from the title of a BMR unit except in the case of marriage or divorce, or separation of domestic partnership. BMR owners must contact before making any changes to the title of a BMR unit.

Refinancing BMR Units and Taking Cash Out

In general, BMR owners may refinance their units only to take advantage of a new loan that benefits the owner financially (e.g. a lower rate or lower monthly payments). Owners must contact our office for prior approval of all refinancing.

Because BMR owners often have very little equity in their units, BMR owners may take cash out on a BMR unit only under certain circumstances. Generally, BMR owners cannot "cash out" an amount on their home that is larger than the amount they have paid down on their unit.

Renting BMR units

BMR units are intended to be owner-occupied and never used as investment property. However, it is recognized that there are circumstances in which an owner may be forced to relocate from his primary residence for employment reasons. In cases of relocation for a period of less than six months, it is possible to rent the unit with approval from the Mayor's Office of Housing and for a rent as specified in the City and County of San Francisco Affordable Housing Monitoring Procedures Manual.

Estate Planning

A BMR owner currently may not leave their unit to heirs or other family members upon death. The unit must be resold to a qualified household through a random lottery conducted by our office.

Restrictions on Re-Selling BMR Units

BMR units are commonly restricted for a period of 50 years (there are some variations by property— check for exact terms with the seller). These restrictions are recorded on the title of the property and require the current owner also to re-sell a BMR unit at a restricted price established by the City guidelines to a new income-eligible buyer.

Appreciation gained from the sale belongs to the owner (unless the owner has an additional loan from the City that requires an appreciation share). **However, a BMR owner is not guaranteed appreciation on a unit. The price of a BMR unit at resale is not guaranteed to exceed the initial purchase price of the unit.**

There is the possibility that the unit price may decrease from the time of purchase to the time of sale. In this situation, the Mayor's Office of Housing will make every effort to offer these owners the option of selling the unit for their purchase price plus realtors' commission and eligible capital improvements.

Capital Improvements

Owners may add eligible capital improvements and special assessments to their resale price only if the improvements are (1) eligible and (2) made after the unit is 10 years old. There may be an exception for special assessments that are levied before the 10-year period.

Documents that Govern the BMR Buyer

Once a buyer is approved by the Mayor's Office of Housing and able to secure an acceptable loan, the Mayor's Office of Housing will provide the title company with the closing documents required to comply with the requirements of the Planning Motion. All titleholders to BMR units will sign the following four documents in order to ensure that the unit is restricted upon resale.

Deed of Trust – A deed that is subordinate to the primary deed, executed by the buyer as trustor, for the benefit of the City to secure the City Promissory Note described as follows:

Promissory Note – A lien that is based upon the difference between Appraised Fair Market Value and below-market-rate actual sales price insuring compliance with the resale restrictions outlined in the Special Use Restriction of the planning motion. The BMR owner may not repay the lien until the unit leaves its restricted period, general no sooner than 50 years from date of purchase.

Grant of Right of First Refusal – A document that requires the seller to notify the Mayor's Office of Housing (or assigned agency) upon resale, giving the City the option to exercise their right to substitute a qualified buyer.

Acknowledgement of Restrictions – Verification that the buyer has been advised of the terms of the Affordability restrictions contained in the Conditions of Approval of the relevant Planning Motion.

Pricing BMR Units Upon Resale

A BMR resale price is dependent on interest rates and local median incomes at the time of sale. Specific allowable expenses for Capital Improvements may be added to a resale price, along with an additional 5% when using the services of a broker and the Multiple Listing Service (MLS).

In general, BMR units will be priced so that they remain affordable to a household that is sized one number larger than the bedroom count of the unit at a designated percentage of area median income. Most units are priced at a level that is affordable to households earning 100% of area median, but there may be variations. Most re-sale units will be priced in accordance with the change in the area median income from the time of the current owner's purchase to the time of sale. For instance, if the median income for a household of 4 was \$86,100 in 2002 and \$91,200 in 2006, the unit price will increase by 6%, or by the percentage change in the area median income. Other units will be priced on the percentage change in the consumer price index or on the current Cost of Funds Index. Specific prices methods vary by development (per the Planning Approval for each development).

Finding Buyers for Resale BMR Units

BMR owners must contact our office if they wish to re-sell their BMR unit. Your BMR unit will be resold at a restricted price to a household that meets the first-time homebuyer and income qualifications for the program. Your BMR unit will be resold through a lottery system conducted by the Mayor's Office of Housing.

MOH will price the unit for resale within 30 days of the submission of a signed listing agreement, signed resale request and capital improvements documentation. MOH will send a letter to the owner stating the resale price.

Finding More Information About City Programs

For further information about BMR units available and other City sponsored first-time homebuyer programs, please refer to our website at www.sfgov.org/moh. Please look under the "First-time Homebuyers" link. Or, please contact our office for brochures and current listings of available properties at (415) 701-5500. Another helpful source for affordable housing options may be found through the San Francisco Redevelopment Agency at www.ci.sf.ca/sfra. The Redevelopment Agency also offers Below-Market-Rate units, but their program and restrictions differ from those of the Mayor's Office of Housing.

Finding More Information About Housing Programs

The best way to find information on all housing programs available in San Francisco is to call a local housing counseling agency, The Mayor's Office of Housing works with 5 primary housing counseling agencies. A list of these agencies can be found on the Mayor's Office of Housing website at www.sfgov.org/moh. Please look under the "First-time Homebuyers" link.

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING (MOH)

GUIDELINES FOR SUBMITTING A COMPLETE APPLICATION FOR BELOW MARKET RATE
INCLUSIONARY HOUSING PROGRAM UNITS

The following explains the process of completing the application for a Below-Market-Rate (BMR) Inclusionary Housing Program Unit through the Mayor's Office of Housing only. For information on qualifications and restrictions associated with BMR units, please review the following documents:

- *Below-Market-Rate ("BMR") Inclusionary Housing Ownership Program Overview*
- *City and County of San Francisco Affordable Housing Monitoring Procedures Manual*

Inclusionary Affordable Housing/Below-Market-Rate Application Guidelines

- Each household member in a BMR unit must be either (1) on the title and loan for the unit or (2) claimed as a dependent (as reflected in the most recent tax returns) of a person who is on the title and loan for the unit.
- All spouses of applicants must appear on the title and loan for the unit.
- A household is only eligible for a unit that holds the same number of bedrooms as the household size or fewer (e.g. a two-person household may only apply for a two-bedroom, one-bedroom or studio unit; a one-person household may only apply for a one-bedroom or studio unit, etc.)
- Applicants may submit only one application per household and each applicant must be included in only one application per development.
- The Mayor's Office of Housing calculates income based on the gross income on each applicant's past three pay stubs. The income is derived by dividing the year-to-date gross income by the current pay period and then annualizing an estimated pay period amount by the number of time the person is paid in one year.

Example:

Year-to-date income is \$20,000 as of the 10th pay period of the year

Estimated pay period amount = \$20,000 divided by 10 = \$2,000

Total number of pay periods in year for applicant is 24

Annualized pay = \$2,000 x 24 = \$48,000

In the case of a self-employed person, the Mayor's Office of Housing reviews the person's Profit and Loss Statement or other relevant documents on a case-by-case basis.

- The Mayor's Office of Housing office must review income for all household members 18 years old or older, regardless of dependent status.
- The Mayor's Office of Housing will apply an asset test to all applicants. Assets include all savings, checking accounts, gifts and other sources of money other than retirement accounts. (If your retirement account is currently generating income -- i.e. you are living off of your retirement -- you must count this money as income on the BMR application.) Assets also include any money that will be used toward a down payment on a BMR unit. 10% of all assets between \$15,001 and 115,000 will be added to the total household income; and 35% of assets above \$115,000 will be added to the total household income. Again, the Mayor's Office of Housing will not count retirement savings when determining a household's assets. *(You must include all retirement account statements, even though retirement is not counted toward assets.)*

Example:

Household of 3 earns \$50,000 a year

Total household assets = \$150,000

First \$15,000 of assets is excused = \$150,000 - \$15,000 = \$135,000 remaining

10% of first \$100,000 remaining is added to income = \$100,000 x .10 = \$10,000

35% of all remaining assets is added to income = $\$35,000 \times .35 = \$12,250$

Total amount added to income = $\$10,000 + \$12,250 = \$22,250$

New total household income = $\$50,000 + \$22,250 = \$72,250$

- The following documents can only be used in the event that the applicant is not able to provide the Mayor's Office of Housing with the standard required documents. Failure to order copies of documents in time for an application deadline is not a qualified reason for using the following signed statements.

Tax Affidavit Form (must be signed and notarized)

- If the applicant cannot provide three consecutive years of tax returns.
- If the applicant entered the country in the past three years, a copy of their passport and the tax affidavit form is required.
- If the applicant was a student in the past three years, a copy of transcripts and the tax affidavit form is required.
- If the applicant worked in the past three years but was not required to file taxes, s/he is still required to provide W2s for the corresponding tax year and a tax affidavit form is required.

Unemployment Affidavit- must be signed and notarized if the applicant is not currently employed.

Verification of Employment (VOE)- must be signed by the employer if the applicant is not able to provide three consecutive pay stubs.

- All applications must be submitted directly to the developer's sales team or developer's representative (i.e. loan officer) for the current BMR for-sale units. The developer will ensure that your application is delivered to the Mayor's Office of Housing. Please do not submit applications to the Mayor's Office of Housing.
- It is very important to submit a complete application.
- BMR buyers are not approved to purchase a unit until they receive an approval letter from the Mayor's Office of Housing. This letter is generated approximately 10 days after the lottery for a development.

Please review the following related documents for more information:

- City and County of San Francisco Mayor's Office of Housing (MOH) Below-Market-Rate ("BMR") Inclusionary Housing Program Overview: Ownership Units 2007
- *City and County of San Francisco Affordable Housing Monitoring Procedures Manual (1992)*
- Affidavit Forms

For questions regarding BMR applications, please contact:

**BMR Homeownership Program Assistant
Mayor's Office of Housing
(415) 701-5551**

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING (MOH)

OVERVIEW OF THE PROCESS FOR PURCHASING A BELOW MARKET RATE
INCLUSIONARY HOUSING PROGRAM UNIT

The following memo explains the process of applying for a Below-Market-Rate (BMR) Inclusionary Housing Program Unit through the Mayor's Office of Housing only. For information on qualifications and restrictions associated with BMR units, please review the following documents:

- [*Below-Market-Rate \("BMR"\) Inclusionary Housing Program Overview: Ownership Units 2007*](#)
- [*City and County of San Francisco Affordable Housing Monitoring Procedures Manual*](#)

Process of Applying for an Inclusionary Housing BMR Unit

- Potential qualified BMR buyers learn of new BMR unit availability through Mayor's Office of Housing website at <http://www.sfgov.org/site/moh> and through marketing conducted by the developer of the BMR units.
- Beginning in spring of 2007, applicants must certify that they have attended a certified first-time homeownership workshop in order to apply.
- Applicant contacts developer of BMR units to obtain a Mayor's Office of Housing application.
- Applicant submits complete BMR application packet directly to developer or developer's sales team by a specified deadline and before a public lottery for the units. Incomplete applications will not be entered into the lottery. Please do not submit applications to the Mayor's Office of Housing.
- Public lottery is held. Mayor's Office of Housing monitors lottery.
- Developer sales team contacts lottery winners.
- Developer sales team compiles and sends complete buyer application packets to MOH for qualification for the program.
- MOH reviews and approves/disapproves buyers within 10 days of receipt of a complete packet.
- BMR buyer secures a loan for financing the unit.
- Buyer's lender submits final appraisal; preliminary title report; and final loan application to MOH.
- Developer sales team sends signed and ratified sales contract to MOH.
- MOH drafts closing documents to be reviewed and signed by BMR buyers within 5 days of receiving a complete loan, appraisal, title report and sales contract packet.
- Title Company works with BMR buyer to review and sign documents that restrict the resale of the BMR unit and that establish a lien on the property.
- Title Company returns signed, notarized and recorded closing documents to MOH within 30 days of close of escrow.
- Units close escrow and buyers move into unit!

For specific questions regarding a current development and submitting your application, please contact the development or developer's sales team directly.

For questions regarding the completion of the BMR applications or the requirements of the program, please contact (415) 701-5551

For general questions regarding the policies of the Inclusionary Affordable Housing Program, please contact Inclusionary Housing Program Manager, Chandra Egan, at (415) 701-5546 or chandra.egan@sfgov.org.

CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING
INCLUSIONARY HOUSING PROGRAM

UNEMPLOYED AFFIDAVIT

Before me this _____ day of _____, _____, personally appeared _____, who, being duly sworn, deposes and says:

I am not presently employed, not currently receiving any income, and will not file for unemployment benefits in 2006.

I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining my (our) eligibility for purchase of a price restricted Inclusionary unit. (We) acknowledge that a material misstatement fraudulently or negligently made in this affidavit or in any other statement made by me (us) in connection with an application for purchase of the Inclusionary unit may constitute a federal violation punishable by a fine and/or denial of my (our) application for an the purchase.

Applicant/Resident Signature

STATE OF CALIFORNIA

Before me personally appeared, _____ who acknowledged to me that he/she/they executed the foregoing instrument this _____ day of _____.

(NOTARIAL SEAL) Notary Public