



HouseKeys Below Market Rate (BMR) Buyer Orientation

CITY OF CAMPBELL PRESENTATION DECEMBER 17, 2019

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Affordability Matters!

Named the City of Campbell Below Market Rate (BMR) Program

The BMR Program is part of the **Inclusionary Housing Ordinance (Ordinance)** in the Municipal Code (Chapter 21.24.010) and further upheld by the City's Housing Element and General Plan.

The Ordinance was adopted by the City of Campbell in **2006** to encourage the provision of housing affordable to a variety of household income levels in new housing development of **ten or more units**.

These homes continue to be made available through re-sale, **at affordable values, for up to 45 years**, generating an on-going affordable resource for the City. With each new housing development in Campbell, new affordable ownership opportunities are created adding to the City's total supply.



HouseKeys

Our Mission: To
Improve Programs
that Improve Lives

What do you mean by Affordable Housing?

CALCULATING HOUSING AFFORDABILITY

30% TO 35% OF APPLICABLE INCOME LEVEL

Affordable Housing Programs

AFFORDABLE HOMEOWNERSHIP

Income Certification at
Application

Annual Owner Occupancy &
Compliance Certification

AFFORDABLE RENTAL

Income Certification at
Application

Annual Income Certification

Annual Owner Occupancy &
Compliance Certification





The BMR Dilemma

Why & Why Not

1st Time Homebuyer
Opportunity

Long-Term Affordability
(Inflation Hedge)

Payment Avoidance

Build Credit

Savings Plan

Market Based Appreciation

Rental Property

“Anti” – Paperwork and Rules

Cash Out Refinances

Family Ownership Transfers



Why Affordability Matters

Home Ownership (Rental Rates)

Source: Rentometer.com	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom
Santa Clara County	\$954 to \$2,694	\$830 to \$3,567	\$1,991 to \$4,157	\$2,107 to \$4,311	\$2,200 to \$5,639

Source: Rentometer.com	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom
Campbell	Average \$2,171	Average \$2,883	Average \$3,809	Average \$4,982	Average \$5,085



Why Affordability Matters

Home Ownership (Cash Barrier)

Rank Out of 225	Santa Clara Country	Median Household Income	Median Sales Price	Estimated Housing Payment	Estimated Cash to Close
218	San Jose-Sunnyvale-Santa Clara, CA	\$131,400	\$1,330,000	\$7,557* <small>*Interest Rate Source: Bankrate.com</small>	\$172,900

Source1: City of Campbell Website HHLD Income Source2: Zillow Home Value Index, Campbell (5/6/19)	Median Household Income	Zillow Home Value Index	Estimated Housing Payment	Estimated Cash to Close
Campbell	\$131,400	\$1,092,000	\$6,206*	\$141,960

* Current interest rate 30 Yr. FRM + Property Taxes + \$100/mo. Hazard Insurance, without Mortgage Insurance or Association Dues



Affordability Matters

Key Questions to Ask



1

Can I Afford It?

2

Will I Qualify?

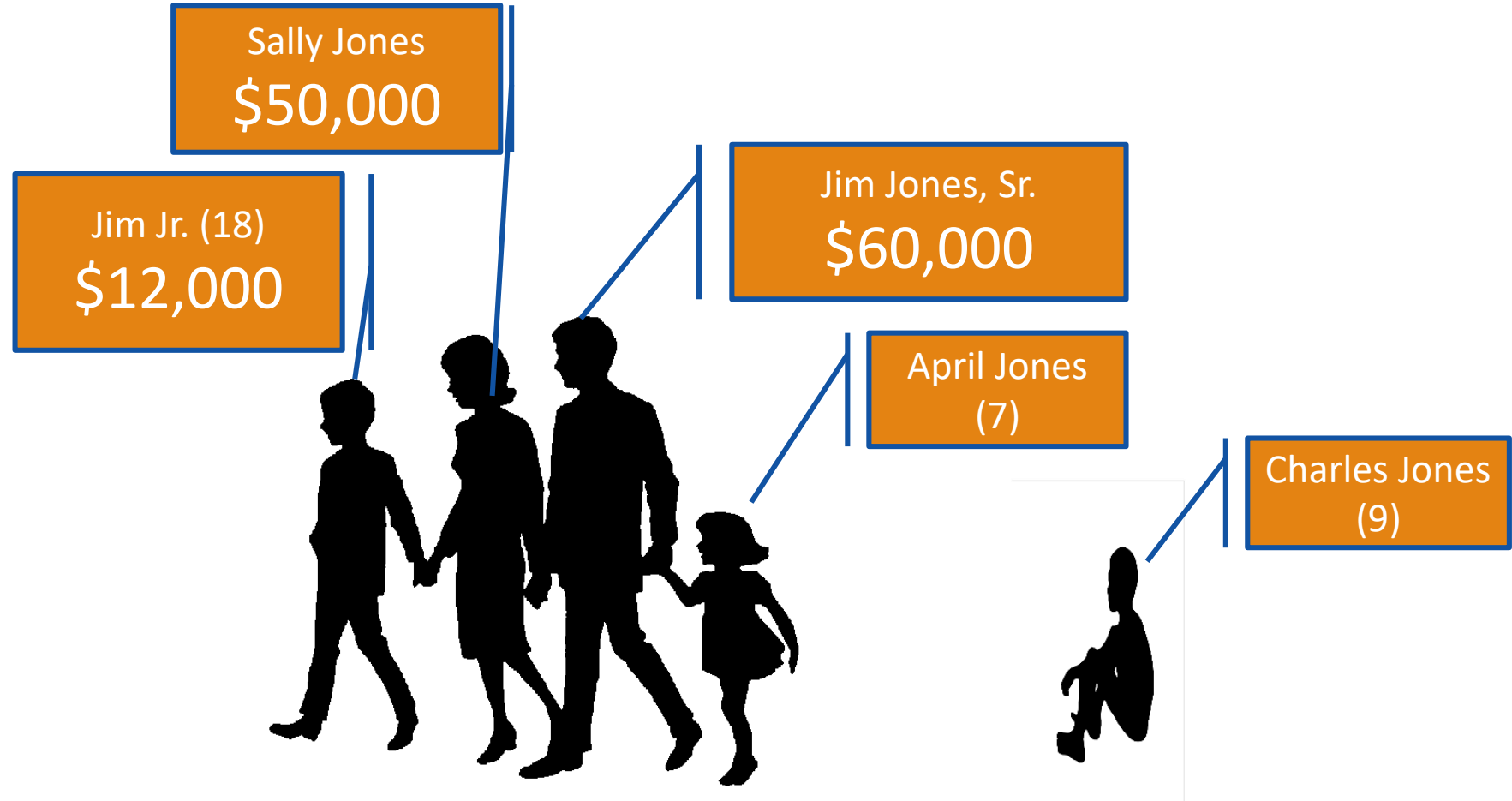
3

Am I Eligible?



The Jones-Household Profile Overview

Eligibility Underwriting

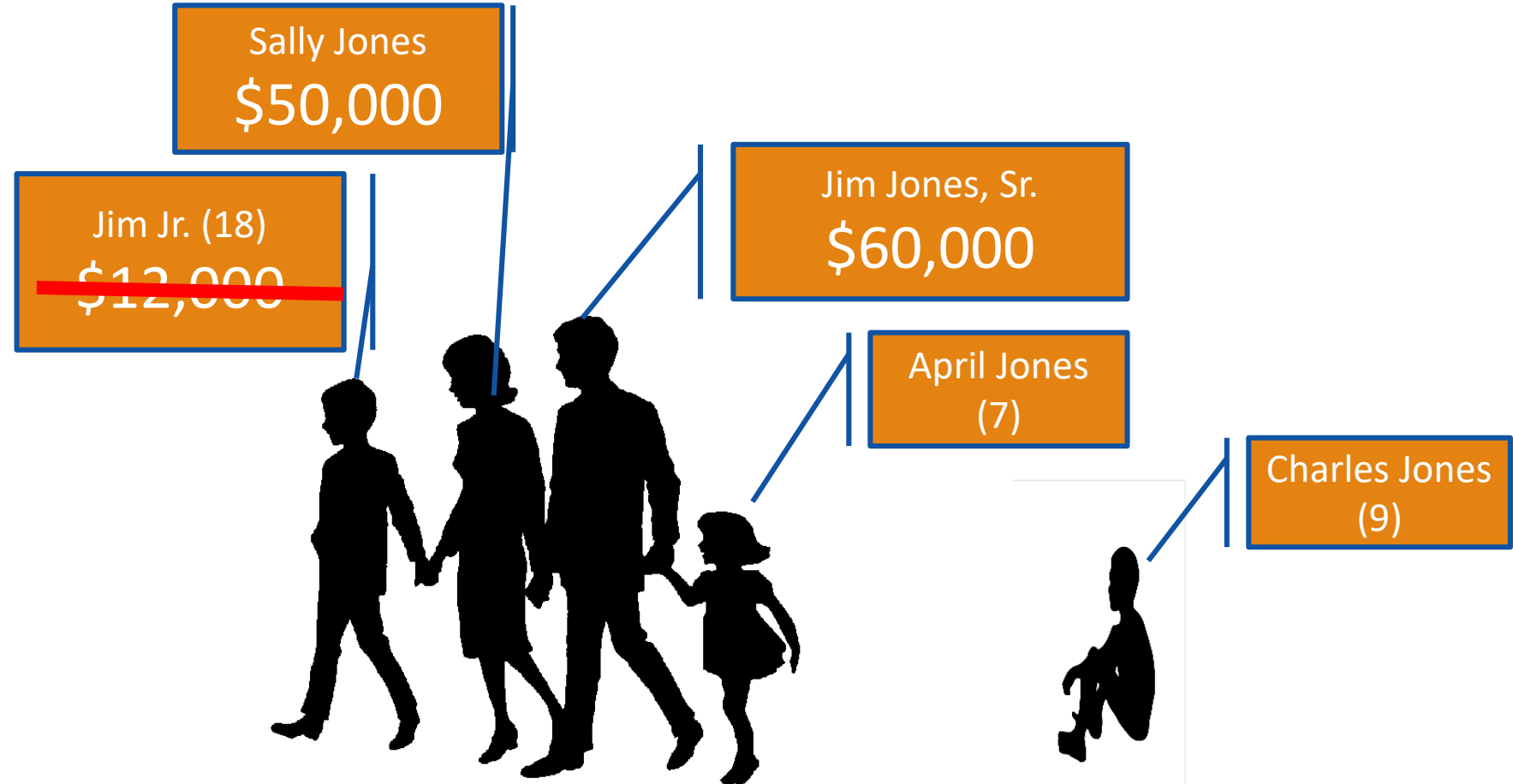


\$122,000
*12-Month Projected
Maximum Income*



Household Profile Overview

Qualification Underwriting



\$110,000
24-Month Averaged
Minimum Income



Household Profile Overview

Eligibility vs. Qualification

ELIGIBILITY INCOME
\$122,000

All Family Members; All Income

Used to make sure the
Household is below the
Maximum

QUALIFYING INCOME
\$110,000

**2-Year History Income w/
Likelihood to continue**

Used to make sure the
Borrower(s) can **afford the**
Financing

TOTAL ANNUAL GROSS INCOME (BEFORE TAXES)

40% Max

HOUSING PAYMENT
(MORTGAGE, TAXES, HOA DUES,
INSURANCE)

45% Max

ALL PAYMENTS
(HOUSING, CAR LOANS, STUDENT LOANS,
CREDIT CARDS, ETC.)

40%

35%

30%

5%

10%

15%

3 Very Important Buttons



PROGRAM CENTER

Request Application ID

APPLICATION ID

Enter Drawing

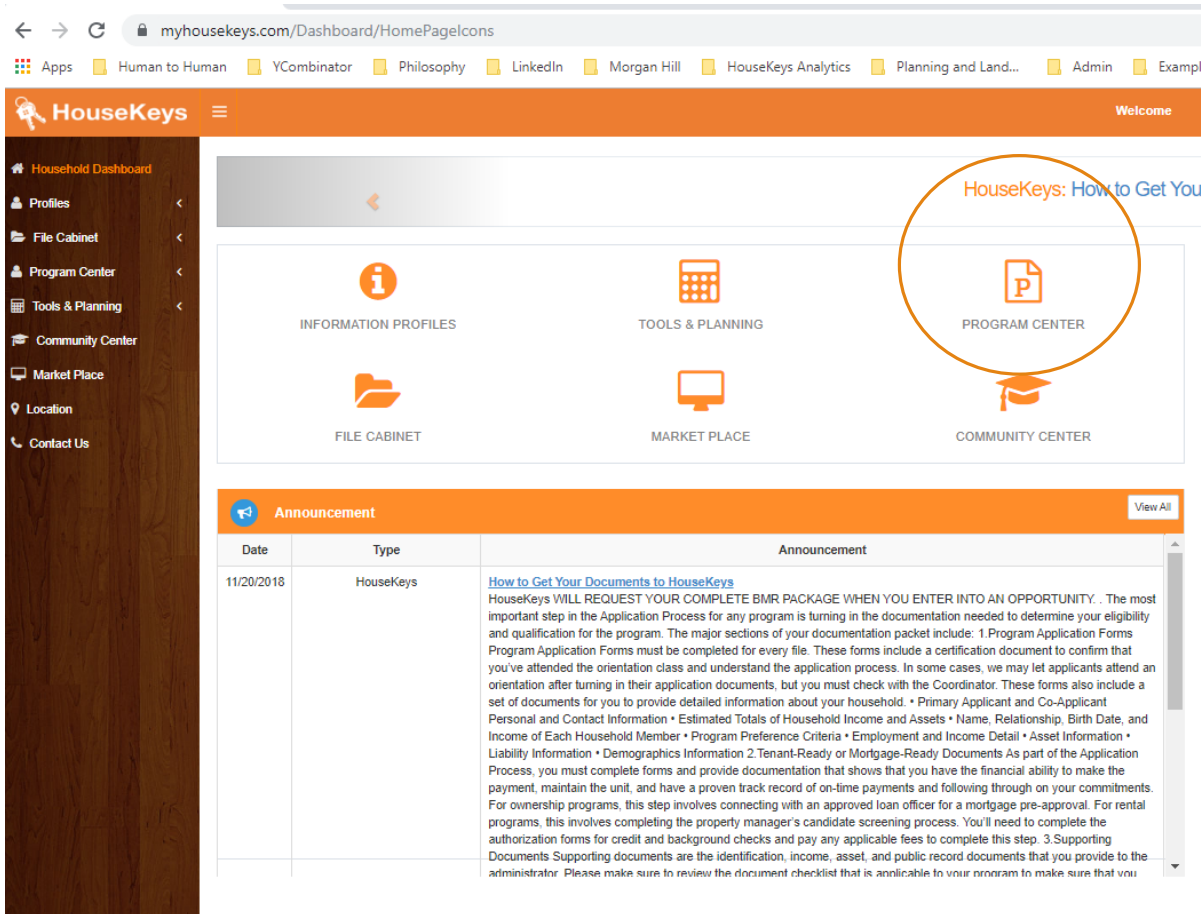
DRAWING ENTRY

The Basic MyHouseKeys Process

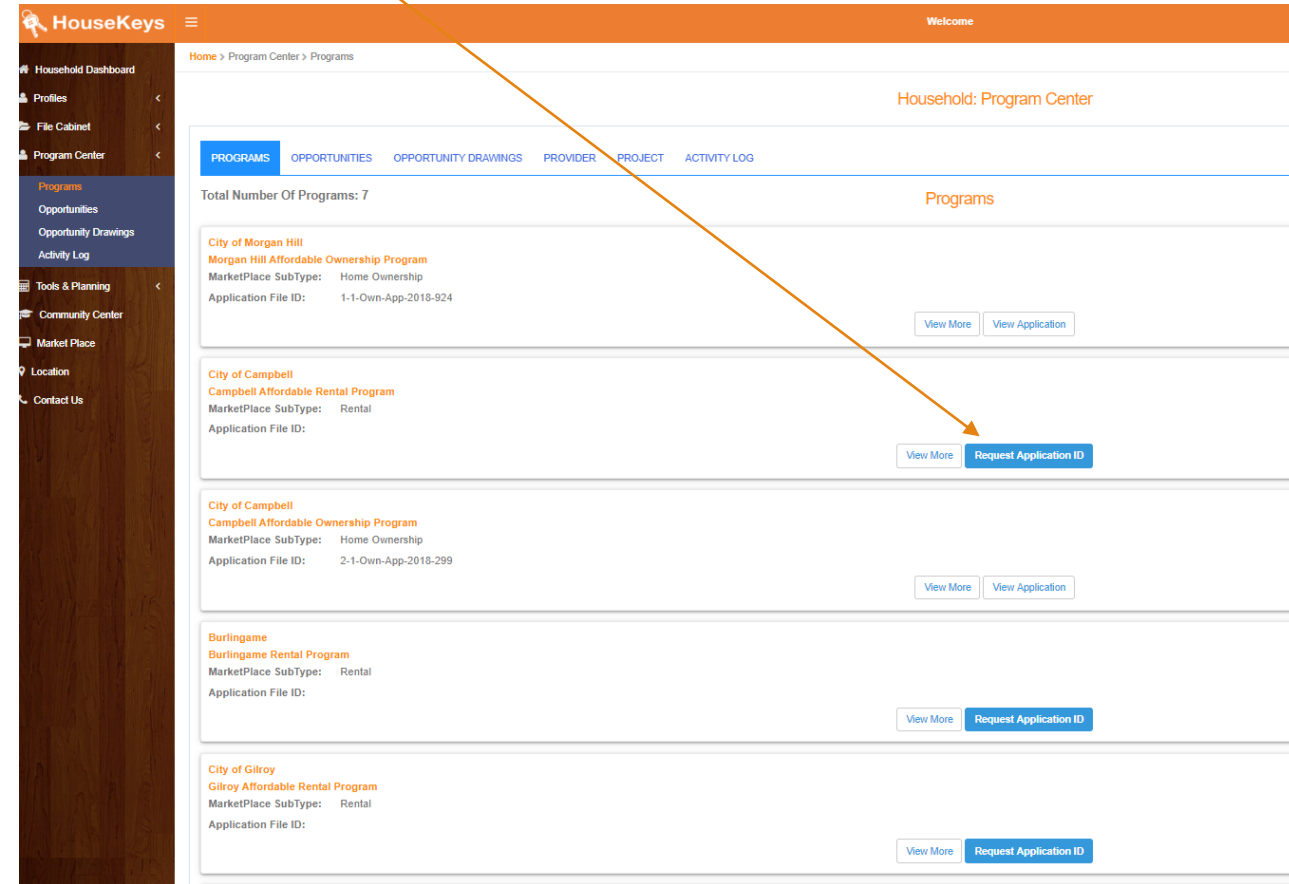
1. Sign Up
2. Household Profile (HHLD ID)
3. Program Center / [Request Application I.D.](#)
4. 920006-1-Own-App-2019-#####
5. Opportunity Drawings Tab / [Enter Drawing](#)

Log into MyHouseKeys (www.myhousekeys.com) and enter the Program Center from the Home Screen. One of the 7 Programs Listed in the Program Center is the “CAMPBELL Affordable Ownership Program”. Scroll down to that Program name and click

Request Application ID



The screenshot shows the MyHouseKeys Home Page. The browser address bar displays `myhousekeys.com/Dashboard/HomePageIcons`. The page features a navigation menu on the left with options like Household Dashboard, Profiles, File Cabinet, Program Center, Tools & Planning, Community Center, Market Place, Location, and Contact Us. The main content area has a header with "HouseKeys: How to Get You" and a grid of six icons: INFORMATION PROFILES, TOOLS & PLANNING, PROGRAM CENTER (circled in orange), FILE CABINET, MARKET PLACE, and COMMUNITY CENTER. Below the grid is an "Announcement" section with a table containing one entry dated 11/20/2018, titled "HouseKeys", with a link to "How to Get Your Documents to HouseKeys".

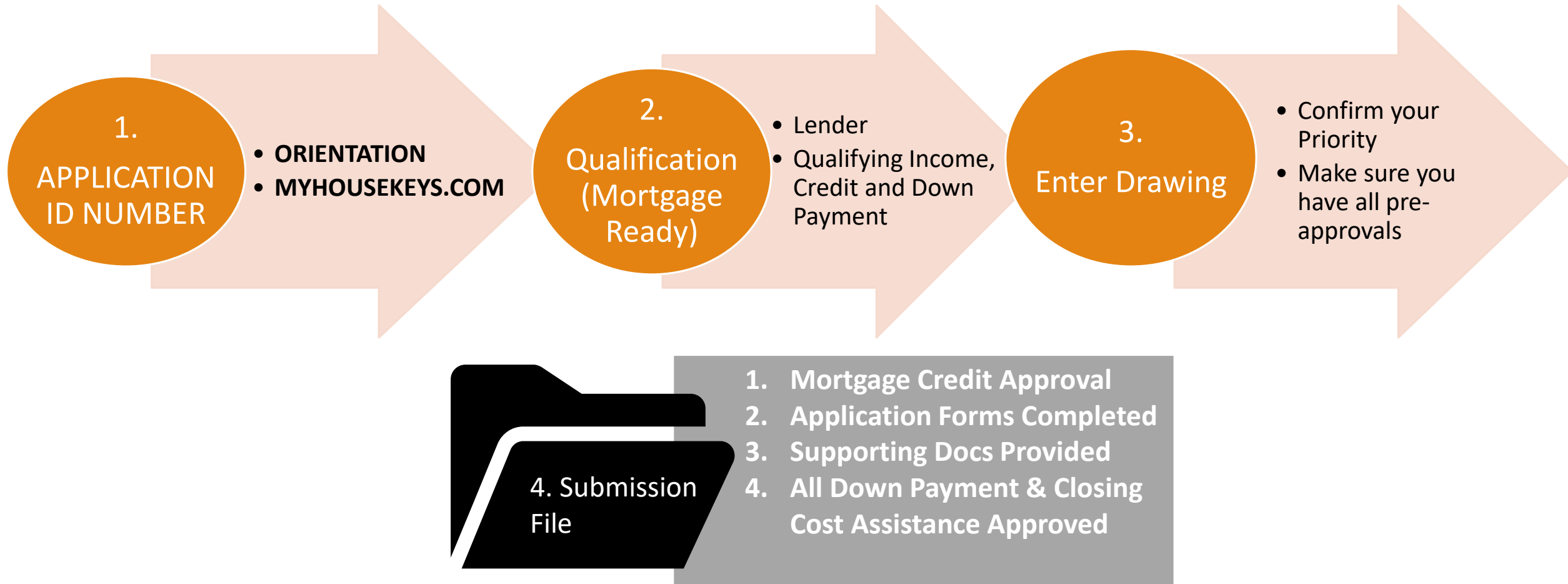


The screenshot shows the MyHouseKeys Program Center. The breadcrumb trail is "Home > Program Center > Programs". The page title is "Household: Program Center". The main content area has a sub-header "PROGRAMS" and a list of 7 programs. The "CAMPBELL Affordable Ownership Program" is highlighted, and a blue arrow points from the "Request Application ID" button in the text above to this button. The table below lists the programs with their details and buttons for "View More" and "Request Application ID".

City	Program Name	MarketPlace Sub-Type	Application File ID	Buttons
City of Morgan Hill	Morgan Hill Affordable Ownership Program	Home Ownership	1-1-Own-App-2018-924	View More, View Application
City of Campbell	Campbell Affordable Rental Program	Rental		View More, Request Application ID
City of Campbell	Campbell Affordable Ownership Program	Home Ownership	2-1-Own-App-2018-299	View More, View Application
Burlingame	Burlingame Rental Program	Rental		View More, Request Application ID
City of Gilroy	Gilroy Affordable Rental Program	Rental		View More, Request Application ID

Basic Process: Part 1

Application ID – Qualification – Drawing - Submission



Information Pages: Opportunities Info and Documents to Download

The screenshot shows a web browser window with the URL housekeys2.com/buyer. The page features a large banner with the word "Buyer" and an illustration of a house and a woman. A navigation menu is visible at the top, and a dropdown menu is open, listing various forms and guides. Below the banner, there is a section titled "INFORMATION PAGES" with a list of links. The main content area contains text about the availability of buyer guides and information, and a link to a pre-application form.

Buyer

HOME TAKE AN ACTION INFORMATION PAGES OWNERSHIP OPPORTUNITIES IN 2017 AND 2018 RENTAL OPPORTUNITIES ONLINE FORMS EVENT REGISTRATION

INTEREST FORM
CAMPBELL HOME BUYER GUIDE
HOME BUYER PRE-APPLICATION
OWNER AND BORROWER INQUIRY FORM
LIST OF APPROVED LOAN OFFICERS
RENTAL PRE-APPLICATION FORM (CAMPBELL)
BMR NOTICE OF DISCLOSURE
BMR OTHER RULES AND DISCLOSURE

INFORMATION PAGES

HOME BUYER INFO PAGE

TENANT PROSPECT INFO PAGE

PROGRAM HOMEOWNER / BORROWER INFO PAGE

We are currently working on providing additional buyer guides and information. In the meantime, you can click on the links below to get access to the Application Forms. You can also click on the "Event Registration" folder above to register for available orientation classes and events. Also, please review the [Campbell Affordable Ownership Program Interim Guidelines](#) to get a sense of the requirements for the Program and to find the income limits. The income limits will be updated as soon as the State releases the new limits for 2017. As of 5/30/2017, they have not been released.

All applicants, co-applicants, additional co-applicants, married couples, partners, domestic partners and anyone that can or will be on title must attend a HouseKeys Home Buyer Orientation for the City of Campbell before applying for a homeownership opportunity or a Lottery. We are unable to give anyone credit for attending other orientations with other Agencies or NHSSV. The Orientation must have been taken with HouseKeys in order to obtain attendance credit and be able to participate in a homeownership opportunity or lottery.

https://housekeys.formstack.com/forms/campbell_bmr_homebuyer_preapplication_actual APPLICATION List of Approved Loan Officers

Home Buyer Pre-Application Form

www.housekeys2.com



Basic Buyer Process: Part 2

What are the minimum requirements?

***Make sure you meet
the minimum
requirements!***

CREDIT SCORE: 620

TAX LIENS MUST BE PAID OFF

**3 % min Down Payment (from buyer's own funds)
(Seasoned for 6 months)**

Down Payment and/or Closing Cost Assistance

Social Security Number (Card Verified)

HUD Approved 8 Hour Education Class



Household Profile Overview

The Jones' Files



- HouseKeys Buyer Application
- HouseKeys Checklist Docs
- HouseKeys Exhibits



Lender File

- Loan Application
- Credit Report
- Underwriting File (Docs)



Down Payment & Closing Cost Assistance Providers

- Household Income File
- Lender Income File
- Underwriting File

State Govt.

County Govt.

City Govt.

Public Benefit Organizations



Household Preferences



6-Month Requirement for all Preference (Priority) Qualifications

Preference Application to TOTAL BMR Units in Project	Preference Application	Sales Process
First 10% of All BMR Units	1st Preference: Income Eligible Employees of the City of Campbell	1 st Lottery or Drawing Grouping (10% of all Projects)
Remaining 90% of All BMR Units	2nd Preference: Income Eligible Existing Campbell Residents	Remaining (90%) Lottery of Drawing Groupings
	3rd Preference: Income Eligible persons Employed Within the City Limits of the City of Campbell	

Occupancy Standards

In some cases, an exception to the minimum standard may be made where no other qualified buyer can be approved within 30-days of holding the lottery.

Room Size	Minimum	Maximum
1-Bedroom	1 Person	3 People
2-Bedroom	2 Person	5 People
3-Bedroom	3 People	7 People
4-Bedroom	4 People	9 People



Basic Buyer Process: Part 3

Highest Preference; Earliest Priority

APPLICATION ID NUMBER & PREFERENCE NO. (#)

Application ID	Preference Number	Priority Number
2016020082	3	N/A
2016020324	2	N/A

- APPLICATION ID
- PRIORITY NUMBER
- PREFERENCE NUMBER
- RUNNER-UP NUMBER

1. Highest Preference
2. ...with the Highest Priority Number = Runner Up

Adverse Action Notice

3 Business Days!

Mortgage

Certification

PROPERTY

Application ID	Preference Number	Priority Number	Runner Up
2016020124	3	1	2
2016020262	3	2	3
2016020003	2	3	1
2016020054	0	4	4

Put together your Eligibility & Qualification File while you wait



Basic Buyer Process: Part 3

You Can Be in **ONLY ONE** Lottery At a Time



Application ID	Preference Number	Priority Number	Runner Up
2019020124	3	1	2
2019020262	3	2	3
2019020003	2	3	1
2019020054	0	4	4

1. Complete Opt-Out Form



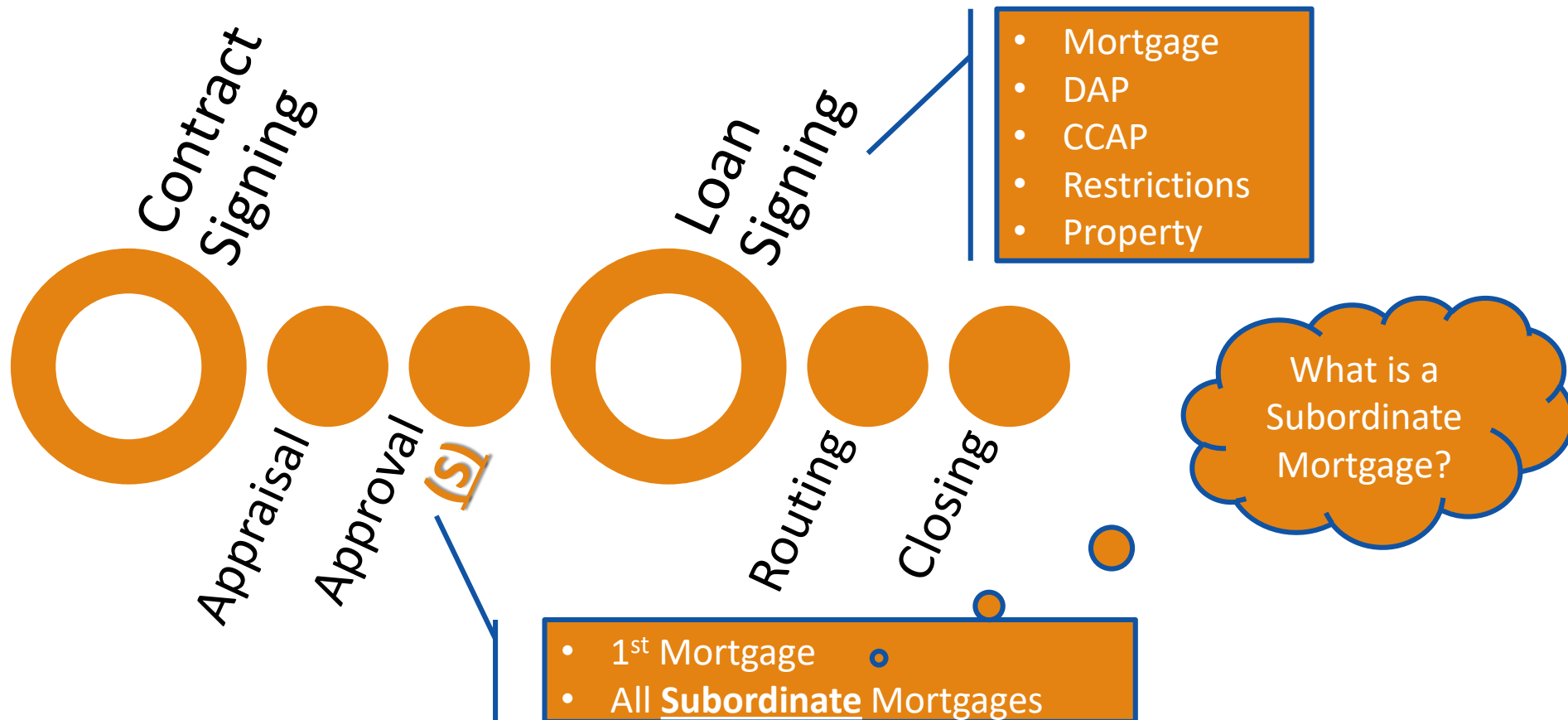
Application ID	Preference Number	Priority Number	Runner Up
2019020124	3	1	2
2019020262	3	2	3
2019020003	2	3	1
2019020054	0	4	4

2. Complete Lottery Submission Form



Basic Buyer Process

Plan For an estimated 90 - 180 Day Escrow or longer



ACTION ITEMS

- 1. Attend Orientation
- 2. Add Our Contact Information to Your Contacts and Email (bmr@housekeys.org)
- 3. Obtain Application I.D. [<https://www.myhousekeys.com>]
- 4. Check Website and Email for Opportunity Drawing (Lottery) Notification
- 5. Connect with an Approved Loan Officer
- 6. Attend Live HUD-Approved First Time Homebuyer Group Class (Certificate is good for 2 Years)
- 7. Complete Program Application

BMR Registered Loan Officers

- As of December 2019, we have 13 Registered Loan Officers on the List.
- The 13 Registered Loan Officers represent the following companies: Guild Mortgage, Academy Mortgage, Boston Private Bank, Wells Fargo Home Mortgage, Bay Equity Home Loans, Planet Home Lending

Main Site: www.housekeys.org

INFORMATION ITEM	DESCRIPTION
CITY OF CAMPBELL PROGRAM WEBSITE	www.housekeys2.com
LIST OF HUD APPROVED COUNSELING AGENCIES	WWW.HUD.GOV OR WWW.HOUSING.ORG
PHONE NUMBER	1-877-460-KEYS (5397)
EMAIL ADDRESSES	Programs@HOUSEKEYS.ORG
TO REGISTER AND OBTAIN AN APPLICATION NUMBER	www.myhousekeys.com
State of California Income Limits	State Income Limit Website