



Mission Crossing Affordable and/or Restricted Ownership Program Application Guide July 14, 2022

Note: Guide is subject to change as updated from time to time.

TABLE OF CONTENTS



TABLE OF CONTENTS	PAGE 1
1. INTRODUCTION	PAGE 2
2. ONLINE WEB PORTAL	PAGE 3
3. ESTABLISHING AN ACCOUNT	PAGE 4
4. HOUSEHOLD INFORMATION PROFILES	PAGE 6
5. APPLICATION PROCESS	PAGE 7
6. BELOW MARKET RATE (BMR) PRICING AND CITY'S OPTION TO PURCHASE	PAGE 15
7. APPLICATION FILE STRUCTURE AND CRITERIA	PAGE 16
8. EDUCATION AND TITLE REQUIREMENTS	PAGE 16
9. ELIGIBILITY AND PREFERENCE CRITERIA	PAGE 17
10. APPLICATION CRITERIA	PAGE 24
11. TRANSACTION & DOCUMENT HANDLING	PAGE 31
12. REASONABLE ACCOMMODATION	PAGE 33



Restricted Affordable Ownership Program Application Guide



1. INTRODUCTION

Buying, owning, and selling an Affordable Below Market Rate (BMR) Ownership Unit differs in many ways from buying, owning, and selling a market rate unit. It is important that the buyers and sellers of BMR Ownership Units understand the rules and procedures of the Program fully.

HouseKeys is the City's Affordable Housing Program Administrator for the Mission Crossing Housing Development. This Program Application Guide includes the guidelines, policies, and procedures that comprise the affordable homeownership program for below market rate (BMR) homes.

The Program Application Guide and other relevant information (e.g., Ordinance procedures and income limits) will be amended and updated from time to time, so long as such rules, policies and procedures do not violate any affordable housing laws. All proposed changes are subject to approval by the City Council prior to implementation.







Updates to this Program Application Guide and other relevant information will be posted on the HouseKeys website.

Please contact the City of Hayward or HouseKeys regarding any conflicts between this Program Application Guide, the Developer's Affordable Housing Agreement, the owner's BMR Agreement, and/or the City's recorded documents.

Please contact HouseKeys with any questions or concerns regarding this document or any other question regarding the Mission Crossing Affordable Housing Program.





ALL GUIDELINES ARE SUBJECT TO CHANGE WITHOUT NOTICE.


2. ONLINE WEB PORTAL DASHBOARD OVERVIEW

		
<p>Information Profiles</p>	<p>Tools & Planning</p>	<p>Program Center</p>
<p>Information Profiles are used to gather important facts that determine your eligibility and qualification. These profiles will be used to complete your program applications and participate in program activities.</p>	<p>There are lots of calculations involved in an Affordable Homeownership Program. From calculating the income category of your household, to determining your maximum restricted resale price, it's important to understand the math behind these programs.</p>	<p>All Application, Opportunity, Opportunity Drawing, and Participation Activity is captured in your Program Center. As soon as you complete your initial registration, this is where you'll spend the most time participating in the programs.</p>
		
<p>Program File Cabinet</p>	<p>Program Marketplace</p>	<p>Community Center</p>
<p>As you start to apply for and participate in program activities, your file cabinet is where you'll track progress, exchange information, and communicate with program administrators.</p>	<p>The program marketplace is where you can shop for ownership, rental, and financing opportunities.</p>	<p>The online community center will have a classroom, a bulletin board, and chatroom so you can stay educated, informed and in touch with other program participants and stakeholders.</p>

3. ESTABLISHING AN ACCOUNT (HOUSEHOLD PROFILE) IN THE MYHOUSEKEYS (WWW.MYHOUSEKEYS.COM)

The following five (5) actions are the initial steps needed to establish your household’s affordable housing account.

REGISTRATION PROCESS	ACTION OR MILESTONE
1. Initial Signup	 <p>Start out by completing our simple registration form. This step collects very basic information from you to establish a User Account, including your name, contact information, and your household size and income.</p>
2. Complete the Registration Wizard	 <p>The next step includes additional details about your address, household members, income profiles, and preference criteria. The preference criteria are described on Step 5 of the Registration Wizard. Completion of the Registration Wizard will create a summary of your household and provide you with access to additional features of the Administrator Platform.</p>
3. Browse the Marketplace	 <p>The Marketplace allows you to shop for Ownership, Rental and Finance Program opportunities that interest you. Make sure to read the Program Profile and get an understanding for how it works, the intent, the rules and the process.</p>
4. Request an Application I.D.	 <p>The Application I.D. allows the Program Provider and Administrator to identify your household as a prospective applicant household. It also puts you on the notification list to receive information and updates.</p>

<p>5. Find an Opportunity and Enter an Opportunity Drawing</p>	 <p>Each Opportunity is placed into an Opportunity Drawing that allows HouseKeys to facilitate multiple applicant interest. Application I.D.s are prioritized through a Random Selection Process (Lottery) or by Time and Date Stamp (First-Come-First-Serve).</p>
--	---

4. HOUSEHOLD INFORMATION PROFILES

HouseKeys holds orientation classes to introduce the Program and help applicant Households organize their application files and prepare for the application process. The application packet is broken down into 10 **Household Information Profiles**:

#	Information Profile Name	Description	Purpose
1	Location Profile	Where you live and where you work	The address where you live and work is an important factor in determining your eligibility. The county you presently live in, or may be moving to, is often used to determine how to categorize your household.
2	Member Profile	The people who live in your housing unit	The number of people in your household determines your household size and household size is used to determine income category.
3	Income Profile	Documenting the total income of all household members.	Income documentation is required by all household members who are 18 years of age or older
4	Expense Profile	Documenting monthly expense obligations	You should take into consideration all of your expenses, even if some are not counted/included by the lender in your debt-to-income ratios. This is to ensure that you can afford the monthly payment for the unit you are applying for.
5	Asset Profile	Deposit Funds and other Assets	You need to document your rental deposit funds. Please note that Assets are included in income calculations using the income shown on statements or calculations used by the Program Underwriter. See Asset Limits below.
6	Liability Profile	Your Debt	Your debt adds to monthly expenses and the maximum monthly rent that you can afford is an important qualification factor
7	Credit Profile	Your Credit Score	All three credit bureaus (Equifax, Experian, and TransUnion) are evaluated to ensure you meet minimum credit requirements



Restricted Affordable Ownership Program Application Guide



8	Public Record Profile	Collections, Liens, Bankruptcies and Foreclosures	These are evaluated to determine whether or not there is any risk that the finalization of lease signing or meeting any of the property management requirements.
9	Demographics Profile	Applicant Characteristics	Demographic information is critical to ensure fair housing compliance and to track how Program Providers are meeting their housing goals.
10	Program Preference Profile	Program Factors that determine Applicant Priority	While all applicants may apply for a housing program, applicants that live and work where the program is located are prioritized in many jurisdictions.

5. THE APPLICATION PROCESS

5A. APPLICATION PROCESS (ORIENTATION, PRE-APPLICATION, AND PREFERENCES)

The application process is summarized below and on the following pages:

ORIENTATION

- All applicants, co-applicants, married couples, domestic partners, and any person that can or will be on title, must complete the Orientation before being eligible to participate in an Opportunity Drawing. Any exceptions to this rule will be posted in the Opportunity Drawing details. Applicants can sign up for an orientation class on the HouseKeys website. If HouseKeys makes an online orientation class available, attendees will visit the website, review the orientation materials, and take an online quiz. As stated above, all applicants, co-applicants, married couples, domestic partners, and any person that can or will be on title must take the online quiz if this option is provided.

PRE-APPLICATION AND APPLICATION ID ASSIGNMENT

- Request an Application ID in the Program Center
- Answer all of the Pre-Application Questions in the Request Wizard
- The applicant will either receive a pass or fail rating based on the information in the pre-application wizard
- Application ID will be assigned immediately. If there is a system delay or malfunction, Application IDs can take up to 7 business days to be assigned.
- An Application ID does not mean you are eligible or approved for the Program. It provides the applicant Household with the ability to enter Opportunity Drawings.



Restricted Affordable Ownership Program Application Guide



PREFERENCES AND RANKING

In all instances, the applicable preferences (described in Preference Section) will be used and verified by HouseKeys during the application process. Applicant Households that meet the stated preference criteria will be assigned a higher ranking. Once the list of Preference-Holding Applicant Households is exhausted, HouseKeys will begin processing the files for the Applicant Households who don't hold a Preference.

5B. APPLICATION PROCESS (OPPORTUNITY DRAWINGS)

Affordable Homeownership Opportunities are marketed through an Opportunity Drawing that is identified by an Opportunity Drawing Index Number. An Opportunity Drawing can contain one (1) or more available ownership that are up for sale. The primary process for determining the order in which applicants will be chosen in each Opportunity Drawing is called a Lottery. Through a Lottery, a randomized number is assigned to each eligible Opportunity Drawing Applicant who entered before the deadline. In certain circumstances, a second process may be used where we choose entrants in the Opportunity Drawing based on the timestamp using what is called a "First-Come-First-Served" process. No matter which process is used to determine the order, the first opportunity will only go to applicants who have entered the Opportunity Drawing before the deadline and who have submitted a file by the submission deadline.

Opportunity Drawing Timeline Breakdown

1	2	3	4
Opportunity Drawing Notification Date	Opportunity Drawing Entry Deadline Date	Opportunity Drawing Ranking Published Date	Opportunity Drawing File Submission Deadline
This is the date when HouseKeys announces a new Opportunity Drawing along with the dates outlined in 2, 3, and 4	The Drawing Entry Deadline is the deadline that Application ID holders must "Enter Drawing", answer the pre-screening questions and successfully be part of the group who will go through the selection process	The Selection Process (Timestamp, Randomized Number) will lead to a Ranking and that Ranking will be publicly published by this date. Ranking information is displayed with ID Number only in order to protect privacy.	Along with Entering a Drawing by the Entry Deadline, there is a deadline that is typically set for 7 to 10 days later to submit an Application Packet and an Initial Set of Supporting Documents based on the Checklist. This is all uploaded using the File Cabinet feature in myhousekeys.com



Restricted Affordable Ownership Program Application Guide



Please note: HouseKeys does leave Opportunity Drawings open for applicants to enter after the deadline as “backup” buyers. With backup buyers, Preference and Occupancy Requirements may not apply.

OPPORTUNITY DRAWING NOTIFICATION (EACH OPPORTUNITY DRAWING IS ASSIGNED AN INDEX NUMBER)

- A notification email will be sent out to Application ID holders. When a new Opportunity Drawing is released, it will be posted in the Program Center and identified by its Opportunity Drawing Index Number
- Follow the instructions and review the terms in each Opportunity Drawing Notification. It is the applicant Household’s responsibility to follow all instructions in each Opportunity Drawing. Each Opportunity Drawing announcement will include the selection method, file submission instructions, and the deadlines that Applicant Households must meet.

OPPORTUNITY DRAWING ENTRY

- Once the applicant reviews the Opportunity Drawing information and is certain that he/she can meet ALL listed requirements, the applicant can follow the instructions to Enter Drawing
- Applicant must complete **Exhibit D (Buyers): Authorization Form** for verification and sharing information with Registered Lenders or Property Managers
- Applicant must complete the **Application Packet Part E: Intent to Abide - Purchase Program** to confirm that the applicant understands the Program Requirements
- Applicant Households can only apply for one Opportunity Drawing at any one time. If an Opportunity Drawing has ranked applicants, and it is discovered that an Applicant Household has entered more than one drawing, the lowest ranked entry will be chosen. Applicant Households are allowed to opt out of any drawing as long as the “opt out form” is submitted before an applicant Household enters another drawing.
- If there is another Opportunity Drawing available at the same time, the applicant can opt out of one Opportunity Drawing to enter another, if it is done before the Opportunity Drawing entry deadline.
- In some cases, the Opportunity Drawing will remain open until all applicable units are sold. Anyone who enters their Application ID into an Opportunity Drawing after the first deadline will be added to the end of the list using the time and date stamp of their Opportunity Drawing entry. These are labeled as “back up buyers”
- Ranking and file request numbers are issued to set the application file processing order for each Opportunity Drawing. A new ranking and file request number will be issued every time an applicant Household participates in a new Opportunity Drawing. Ranking, file request, and Application ID numbers are not transferable.



Restricted Affordable Ownership Program Application Guide



5C. APPLICATION PROCESS (OPPORTUNITY DRAWING METHODS)

When an Opportunity becomes available, HouseKeys uses the methods outlined below to determine the order in which Application IDs and files will be ranked and organized for review.

LOTTERY: RANKING NUMBER ASSIGNMENT THROUGH RANDOMIZED PROCESS:

Step 1:	Step 2:	Step 3:	Step 4:
All Applicants: Opportunity Drawing Entry Time and Date Stamp	All Applicants: Ranking Number Assigned through Randomized Lottery Process	Applicants w/ Preference Listed based on Preference Type and Ranking Number	All Applicants: Final Ranking is issued to determine the order in which files will be processed. Preference-Holders first and then all remaining Applicants

All Applicants that enter their Application ID numbers into an Opportunity Drawing will receive a Ranking Number. Applicants enter the Opportunity Drawing using the Program Center Portal at www.myhousekeys.com and **must enter by the deadline stated** in the Opportunity Drawing instructions. Each entry is given a time and date stamp to confirm whether the Applicant entered on time. The Lottery is the randomized process used to assign Ranking Numbers. When the Lottery is held, each Application ID in the Opportunity Drawing will be assigned a Ranking Number and the list is published with selection order and Application ID number.

SAMPLE DRAWING ON NEXT PAGE

Initial Ranking:

#	Opportunity Drawing Deadline: Wednesday, 2/5/2020 at 5 PM	Preference(s) for Opp. Drawing	Lottery held Friday, 2/7/2020 at 3 PM	File Submission Deadline, Monday, 2/17/2020
	Timestamp and Application ID	Pref. 1 or 2	Initial Ranking # Assigned	File Submitted by Deadline?
1	2/1/2020 at 10:10 AM App ID 92-8-235	Pref: N/A	3	Yes
2	2/2/2020 at 3:30 PM App ID 92-8-100	Pref: 2	4	No
3	2/3/2020 at 8:05 AM App ID 92-8-72	Pref: N/A	2	Yes
4	2/4/2020 at 1:02 PM App ID 92-8-300	Pref: 1	1	Yes
5	2/6/2020 at 8:12 AM App ID 92-8-25	Pref: 1	Missed Deadline; Backup Buyer	N/A



Restricted Affordable Ownership Program Application Guide



Final Ranking:

#	Opportunity Drawing Deadline: Wednesday, 2/5/2020 at 5 PM	Preference(s) for Opp. Drawing	Lottery held Friday, 2/7/2020 at 3 PM	This Final Ranking # is used to determine the order selected based on the ranking + file submission.	Applicants who submitted a file by the deadline will be the ones who receive the file request from HouseKeys
	Timestamp and Application ID	Pref. 1 or 2	Initial Ranking # Assigned	Final Ranking # Assigned	File Request? (Request #)
1	2/4/2020 at 1:02 PM App ID 92-8-300	Pref: 1	1	(1) 92-8-300	Yes (Request 1)
2	2/2/2020 at 3:30 PM App ID 92-8-100	Pref: 2	4	(2) 92-8-100	No
3	2/3/2020 at 8:05 AM App ID 92-8-72	Pref: N/A	2	(3) 92-8-72	Yes (Request 2)
4	2/1/2020 at 10:10 AM App ID 92-8-235	Pref: N/A	3	(4) 92-8-235	Yes (Request 3)
5	2/6/2020 at 8:12 AM App ID 92-8-25	Pref: 1	Missed Deadline; Backup Buyer	Missed Deadline; Backup Buyer	N/A

Both Preference Holders and Non-Preference Holders receive a ranking and are listed in the Final Application File Selection Order. Applicants who enter their Application ID in the Opportunity Drawing after the deadline will be added to the end of the ranked list based on the time and date stamp that their entry form was completed. Late entrants have an opportunity to purchase if all ranked and selected files don't work out. Once the buyers are identified, the website will display a message with the status and the participants will be released from the drawing so they can enter another one. A household that enters an Opportunity Drawing can Opt Out at any time by logging into their account via www.myhousekeys.com, going to the Program Center and clicking the Opt Out Button for the Drawing that they entered



Restricted Affordable Ownership Program Application Guide



5D. APPLICATION PROCESS (APPLICATION REVIEW)

MORTGAGE LOAN REQUIREMENTS

The applicant Household must obtain a loan pre-approval from an Administrator-approved Lender to enter an Opportunity Drawing. Applicant Household must have acceptable payment-to-income ratios and show enough liquid assets (e.g. cash) to successfully close on the proposed home purchase. Any down payment assistance or closing cost assistance that will be used will need to have a written pre-approval from the program provider as well.

- Applicants must obtain a mortgage pre-approval letter, on mortgage company letter, with loan officer information, including their National Multistate License System (NMLS) ID number and packet must include:
 - Uniform Residential Loan Application and Uniform Underwriting and Transmittal Summary
 - Verification of Employment and Verification of Assets
 - Credit Report and Automated Underwriting System Findings (e.g. Desktop Underwriter Findings)

APPLICATION RANKING AND FILE REQUESTS

- The Opportunity Drawing Terms and Notifications will indicate when, where and how the Program Application Package needs to be submitted.
- Applicants must provide a complete Program Application Package, including exhibits and the supporting documents listed on the Document Checklist, to HouseKeys by the deadline stated in the Opportunity Drawing Notification.

PROGRAM APPLICATION PACKAGE COMPLETION

- Documentation needs to be dated within 30 days of submission.
- Applicants/Co-applicants, and or household members who submit inaccurate information, altered documentation, or false documentation or certifications, will be disqualified.
- Once all documents are received, the Applicant will be provided with a Submission ID which will be their file in line for Processing and Underwriting.



Restricted Affordable Ownership Program Application Guide



APPLICATION REVIEW

- The application package will be reviewed, and if complete, will be submitted to the underwriter for review
- If the application is incomplete, applicants will be given written notice to respond with any file updates or missing items
- Applications that remain incomplete after notifications and applicable grace periods, will not be processed or forwarded to the Underwriter for final review

5E. APPLICATION PROCESS (APPLICATION UNDERWRITING AND APPEAL)

APPLICATION UNDERWRITING

- The Underwriter will complete the review and issue a Program Eligibility and Qualification Certification (AKA “Approval Letter”).
- It is important to note that the Program Underwriter may request additional items from the applicant. If the applicant does not respond within the grace period (which is 24 hours from the time the notice is issued; if the notice is issued on a Friday or the deadline to respond lands on a Holiday, the applicant will have until the next business day), or a denial is issued, the Underwriter will move to the next Submission ID holder.
- If the applicant appears to be eligible for the program, the Administrator will submit the application file to the City for review and final approval.
- If approved, the Administrator will notify the builder of the outcome so that the applicant can move on with the contract signing as described in the next section.

Changing an Application after Submission

No Application changes shall be allowed after an application is submitted and after an application deadline has passed unless the change is (1) the removal of an applicant, (2) the addition of an applicant’s Spouse or Domestic Partner or a new Household member in the case of an adoption or new guardianship; (3) an update of income qualification, such as a new job or a job that has ended; or (4) correction of technical errors, such as current phone number or other non-qualifying information.

An application for a BMR Unit must be reviewed and approved for income qualification within one hundred and twenty (120) days prior to the Close of Escrow of a BMR Unit.



Restricted Affordable Ownership Program Application Guide



APPEAL

- If the applicant does not agree with the Processor or Underwriter decision, the applicant Household will have 3 business days to appeal. The applicant Household will need to submit clear and sufficient documentation, along with an appeal form that details why they feel the decision is inaccurate, within the timeframe given.
- Administrator Management will review the Appeal and all documentation.
- Administrator will contact the applicant regarding the status of the appeal approximately 7 business days from the date the complete Appeal Package was submitted. Administrator may require additional time as will be indicated during the status notification
- Administrator is unable to hold properties for households in the application or appeal process. Administrator will move on to the next Application ID holder after the initial appeal review.

SOME EXAMPLES FOR GROUNDS FOR DENIAL

1. Applicant's household exceeds 120% of AMI (Moderate Income)
2. Applicant's total debt to income ratio (aka Back Ratio) exceeds 45% (Back Ratio is the total housing expense plus your monthly consumer debt. Consumer debt can be car payments, credit card debt, installment loans, and similar related expenses).
3. Applicant's (total housing monthly expense) aka Front Ratio Exceeds 40% - front ratio is the percentage of your monthly gross income (before taxes) that is used to pay your housing costs, including principal, interest, taxes, insurance, mortgage insurance (when applicable) and homeowners' association fees (when applicable).
4. Applicant has insufficient funds to pay for down payment and closing costs.
5. Applicant has insufficient funds from their own resources to contribute 3% of the purchase price to the transaction.
6. Applicant's does not met the first mortgage lender's credit score guidelines.
7. Applicant committed fraud on application.
8. Application is incomplete by established deadlines.
9. Applicant has not received a first mortgage loan approval from a project approved lender. Such approval is required prior to submitting the application to the City for final program approval.
10. Applicant has not obtained Certificate of Completion for HUD approved homebuyer education.
11. Conflict of Interest: Some individuals are ineligible to purchase an Affordable Unit – Please see page 16 of this guide for more details.
12. Household size and Income Discrepancy: Applicant changes the number of members in the household or changes income
13. Unpaid taxes and/or other liens



Restricted Affordable Ownership Program Application Guide



6. BELOW MARKET RATE OWNERSHIP PRICING AND CITY'S PURCHASE OPTION

Households that purchase a BMR home in the Mission Crossing Project will be required to sign affordable housing documents to ensure the home remains affordable, and the homeowner must occupy the home for the entire restricted term in perpetuity. Please note this agreement exists in perpetuity and does not have an expiration date.

"Maximum Sales Price" means the maximum purchase price for the For-Sale Affordable Units that are affordable to Moderate Income Households, as determined by the City in accordance with the procedure set forth in Exhibit G of the Affordable Housing Agreement for Mission Crossing Development recorded on --/--/2022 #.

AFFORDABLE units are priced using a formula:

"Affordable Housing Cost" means a home whose purchase price is calculated to result in average monthly payments, including property taxes, homeowner's insurance, homeowner's association dues, if any, mortgage loan principal and interest, mortgage insurance, and a reasonable allowance for utilities (as provided by the City), which are equal to or less than: one-twelfth (1/12th) of thirty-five percent (35%) of one hundred ten percent (110%) of Area Median Income adjusted for household size based on the number of bedrooms in the unit. For purposes of purchase price calculation only (and not as a restriction on the number of persons occupying a unit), adjustments for household size based on the number of bedrooms in the unit shall mean one (1) person in a studio unit, two (2) persons in a one-bedroom unit, three (3) persons in a two-bedroom unit, four (4) persons in a three-bedroom unit, and five (5) persons in a four-bedroom unit. Amounts utilized for utility allowances shall be as provided by the City.

"Area Median Income" means the median gross yearly income adjusted for household size, as specified herein, for the County of Alameda, as published from time to time by the State of California Department of Housing and Community Development. In the event that such income determinations are no longer published or are not updated for a period of at least eighteen (18) months, the City shall provide the Developer with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by the State.

As agreed to in the affordable housing documents, a homeowner may choose to sell the AFFORDABLE home during the term of the restriction. The City (or Administrator) can exercise its Option to Purchase at the time a homeowner decides to sell by either purchasing the AFFORDABLE home for the Maximum Restricted Resale Price or assign the AFFORDABLE home to another eligible buyer for purchase.

The City is not obligated to exercise its Option to Purchase but the seller is obligated to give the City the option to do so. If the City does not exercise its Option to Purchase, the owner can proceed to sell the Home to an Eligible Purchaser at a price not to exceed the



Restricted Affordable Ownership Program Application Guide



Maximum Restricted Resale Price.

7. THE APPLICATION FILE STRUCTURE & APPLICATION CRITERIA

Program Eligibility vs. Qualification Criteria

The primary role of a Program Administrator is to determine the eligibility and qualification of applicant Households. A Program Processor serves the role of gathering the documents needed to evaluate the application and a Program Underwriter reviews the application to determine if it meets program requirements. The documents that will be needed are listed on the Standard Home Buyer Program Document Checklist and the Addendum to the Home Buyer Program Document Checklist that can be found along with other application forms and exhibits at www.housekeys8.com

It is important to understand that there is a lot of information needed to determine whether an application meets all the program requirements. The application criteria used to determine whether an applicant Household will be approved fall into one of two categories:

- **Program Eligibility Criteria:** These are standards that define the characteristics of the target households who are best served by the program and help the program provider meet its intended goals. These standards often follow legal definitions and published documentation requirements. Underwriters evaluate Program Eligibility Criteria to determine if households “check eligibility boxes” that include, but are not limited to, residence address, employment address, household size requirements, total household income requirements, and whether an applicant meets the legal standard to be defined as a first-time homebuyer. Program Underwriters need to consider program eligibility for up to three years before the application date and up to a year after the estimated close of escrow date¹.
- **Program Qualification Criteria:** Once it is determined that an applicant is eligible for the program, the Program Underwriter must also make sure that the home purchase is affordable for the applicant and that they are mortgage and home-purchase ready. In addition to requiring applicants attend first-time homebuyer classes, an Underwriter will evaluate the application to ensure successful and sustainable homeownership.

¹ “Up to three years” speaks to the First-Time Homebuyer Status that is typically verified using 3 years of tax returns. Since Total Household Income is projected forward, it’s important to understand that the Program Underwriter is considering income circumstances going forward one year.



Restricted Affordable Ownership Program Application Guide



HOMEBUYER ELIGIBILITY

“Eligible Buyer” means a Moderate-Income Household that has been approved by the City. **There is no First-Time Homebuyer requirement for this program.** Applicants who are current homeowners must submit an appraisal and turn it in with their application. Appraisal must be ordered from a California state licensed appraiser within 90 days of application.

8. EDUCATION AND TITLE REQUIREMENTS

First-Time Homebuyer Education Workshop Requirement

All applicants who will take title to the property must attend and complete a first-time homebuyer education workshop and receive a certificate of completion from a **HUD and Administrator-approved** First-Time Homebuyer Education Provider **before** going into contract on a BMR Unit. A copy of the certificate of completion is required and certificates will be accepted for up to two years after completion. In light of Covid, online classes are acceptable as long as the completion certificate is issued by a **HUD approved agency.**

List of HUD Approved Counseling Agencies in the Bay Area – First-Time Homebuyer Education Classes

Agency	Contact Information
Operation HOPE (East Bay)	Mel Rogers (510) 535-6700
A-1 Community Housing Services	Nancy Rivera to register and complete intake, nrivera@a1chs.org
EDEN Council for Hope and Opportunity or ECHO (East Bay)	Main Number: (510) 581-9380
NID Housing Counseling Agency	Olga Tovar (510) 268-9792

Title Requirements

All adult Household members must appear as an owner or co-owner on the BMR Unit title. They also must co-sign for any purchase loan (unless they are a non-borrowing spouse) and sign all affordable housing documents (as defined on page 2) for the BMR Unit with the following exceptions:



Restricted Affordable Ownership Program Application Guide



1. Legal dependents of titleholders as claimed on the most recent federal income tax return or legal minor children of titleholders. Spouses or Domestic Partners are not considered dependents;
2. Household members younger than age 24 who are the child of a titleholder who will reside in the BMR Unit as their primary residence, regardless of being named as a dependent on the federal tax form of a titleholder; and
3. Recent immigrants with insufficient credit history are defined as a person who has been in the United States for 2 years or less as supported by entrance documentation or a sworn statement and lender documentation of the reason for a loan denial, including a copy of applicant’s credit report.

9A. ELIGIBILITY AND PREFERENCE CRITERIA FOR OWNERSHIP OF BMR UNITS

The City establishes a priority system for allocating the limited number of affordable ownership units.

The preference system will be used to establish a ranking of applicants. An applicant Household with at least one member, who will take title to the property, and who meets the criteria will have priority. Applicant Households comprised of members who do not meet the criteria may still apply for and occupy a BMR unit if there are no eligible preference holders in the applicable Opportunity Drawing.

9a. AFFORDABLE HOUSING PROGRAM PREFERENCE CRITERIA	
Priority 1*:	Displaced households due to redevelopment in the City of Hayward (must be verified by the City as a displaced household)
Priority 2*:	Persons who live or work within the City of Hayward (address must be verified as within the City of Hayward city limits)
Priority 3:	All other eligible Households

*Eligibility will be evaluated at the time of opportunity drawing submission and verified again prior to occupancy. If the applicant does not submit supporting documentation to prove that they meet a Priority, the applicant will not be given a Priority ranking.

9b. CONFLICT OF INTEREST	
The following individuals are <u>ineligible</u> to purchase or rent an Affordable Unit:	
City Employees and Officials	<p>City employees and officials (and their immediate family members) who have policy-making authority or influence regarding City housing programs and do not qualify as having a remote interest as provided by California Government Code.</p> <p>Note: If a City employee applies, the Housing Division staff will determine if the applicant has a conflict of interest with the program or not. Employees and family of employees under the City Manager’s Office would be ineligible to apply for the program.</p>
Residential Development Project Applicant & Property Owner	<p>The Applicant and its officers and employees (and their immediate family members); and the property owner and its officers and employees (and their immediate family members).</p>

9B. OCCUPANCY STANDARDS FOR BMR UNITS

Applicant/Co-Applicants must occupy the property as their principal residence. This means that the Applicant/Co-Applicants must use the property as their primary place of residence and the property must be owner-occupied upon purchase for the life of the deed restrictions. Use of the property for additional ownership purposes, including temporary leases, sub-leasing or room rentals are not allowed under the program and will trigger immediate action.

The City’s BMR Administrator will verify household occupancy once per year in perpetuity according to the BMR Agreement between the City and the homeowner(s).

9C. INCOME ELIGIBILITY CRITERIA

Income Eligibility is based on household size (number of persons in the household) and whether a household's income is below income category limits published annually by the California Department of Housing and Community Development (HCD) on their [HCD website](#) as well as the Program Website. These resources should be used to determine the income percentage and income category that is applicable to your household.

The City's Affordable Housing Ordinance presently defines the three income types most often used in their affordable homeownership program or as published and periodically updated by the State Department of Housing and Community Development.

- "Very low-income Household" means a household whose household income does not exceed very low-income limits applicable to the County
- "Low-Income Household" means a household whose household income does not exceed the low income limits applicable to the County.
- "Moderate-Income Household" means a household whose household income does not exceed the moderate income limits applicable to the County.

*<https://www.hcd.ca.gov/> and www.housekeys8.com

It is very important for the applicant Household to know BOTH:

- Applicant Household Income as a percentage of the published County Median Income (calculated by dividing Household Income by the published Median Income Amount) applicable to your household size. This calculation is not used for eligibility.
- Whether or not applicant Household Income is below the published income category limit applicable to your household size (e.g. Extremely Low, Very Low, Low, Median, or Moderate)

[this section is continued on the next page]



Restricted Affordable Ownership Program Application Guide



To qualify for the City Affordable Housing Program, your household’s combined gross annual income cannot exceed the maximum income limit for your household size, as established by the HCD. All household members ages 18 or older must have their income verified. Adult household members that do not work or will not have any income in the next 12 months must complete a notarized, zero-income affidavit.

Note: The income categories for a development may vary in accordance with the Affordable Housing Agreement.

For the Mission Crossing Homeownership Program, income of an eligible household cannot exceed the income limits for a moderate-income household as established by the California Department of Housing and Community Development for Alameda County.

Eligibility income limits are adjusted based on household size. These numbers change each year – usually before June of each year and are published on this website: <https://www.hcd.ca.gov/>

CALIFORNIA DEPT. OF HOUSING & COMMUNITY DEVELOPMENT 2022 ALAMEDA COUNTY SINGLE FAMILY INCOME LIMITS (as of MAY 13, 2022)					
	Number of Persons in Household				
Income Category	1	2	3	4	5
Moderate Income 120% AMI	\$119,950	\$137,100	\$154,200	\$171,350	\$185,050



Restricted Affordable Ownership Program Application Guide



9D. ASSET LIMITATION CRITERIA

Assets are not limited however a household must disclose all assets so they can be assessed and determine how much income is derived to be counted towards the total household income. Per the Affordable Housing Agreement Recorded -/-/2022 Exhibit D this is how assets are taken into consideration:

“Where a family has net family assets in excess of five thousand dollars (\$5,000), income shall include the actual amount of income, if any, derived from all of the net family assets or 10 percent of the value of all such assets, whichever is greater. For purposes of this section, net family assets means value of equity in real property other than the household's full-time residence, savings, stocks, bonds, and other forms of capital investment. The value of necessary items such as furniture and automobiles shall be excluded”

9E. FIRST-TIME HOME BUYER CRITERIA

The City does NOT have a first-time homebuyer requirement to be eligible for the program.

9F. FORMAL DEFINITION OF THE TERM “HOUSEHOLD” (PRIMARY APPLICANT)

The United States Census Bureau uses a series of terms to determine the definition of a household. The basic meaning of Household is an occupied housing unit. A Householder (Primary Applicant) is the person whose name the housing unit is rented to or owned by. Members of the household share familial ties, living space, expenses, debts and/or assets with the Householder.



Restricted Affordable Ownership Program Application Guide



10. APPLICATION CRITERIA – ENTERING HOUSEHOLD INFORMATION INTO THE PROGRAM APPLICATION

10A. Household Size, Location & Member Identification

The Household Location and Member Profiles capture the basic information used by the Program Underwriter to determine who is part of the household and which members will become the title-holding homeowners.

Information Profile	Criteria	Criteria Description
Priority 1 Profile	Verification of Residence Location	<ul style="list-style-type: none"> ● At least one member of the Applicant Household, who will be taking title to the property, must provide the following proof of residency preceding their entry to an Opportunity Drawing: <ul style="list-style-type: none"> ○ One utility bill with a City address dated before the drawing entry date for the AFFORDABLE Unit. Utility bills can include gas, electric, garbage, or water; or: ○ Current pay stubs with City address; or ○ A current, formal lease with a City address
Priority 2 Profile	Verification of Employment Location	<ul style="list-style-type: none"> ● Administrator shall verify that a person works in the City by reviewing an applicant’s paystubs. If an applicant’s employer is not based in City, or if a person’s paystubs do not reflect a City work address, the applicant must supply a letter from the employer stating that the person works primarily in City and demonstrates that at least 75% of their working hours are in City
Member Profile	IDENTIFICATION	<ul style="list-style-type: none"> ● All applicants will need to provide positive identification including a copy of valid driver’s license, California ID card, birth certificates, US Passports, and a copy of a valid social security card.
Member Profile	HOUSEHOLD SIZE	<ul style="list-style-type: none"> ● Any household members not living in the same household at the time of application will need to be a co-applicant for the first mortgage loan and on title to form a household ● Tax returns and current addresses will be used to determine household size ● All applicants, co-applicants, married couples, partners, domestic partners etc. that are on title will have to occupy the property during the term of the signed deed restrictions ● All applicants, co-applicants, married couples, partners, domestic partners etc. that are on title will have to occupy the property for ____ years per the signed deed restrictions (please see the restriction for exact years)



Restricted Affordable Ownership Program Application Guide



10B. Income Inclusion and Exclusion

The Affordable Housing Agreement Document #-- recorded --/--/2022 Exhibit D has rules that determine how Gross Income is calculated and what income types are included and excluded from the Gross Income total.

Note: Income is looked at differently to qualify for a mortgage. It's possible to be income eligible for the program, but not a loan, and vice-versa.

"Gross income" shall mean the anticipated income of a person or family for the twelve-month period following the date of determination of income. If the circumstances are such that it is not reasonably feasible to anticipate a level of income over a twelve-month period, a shorter period may be used subject to a redetermination at the end of such a period. "Income" shall consist of the following: (a) Except as provided in subdivision (b), all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor shall be included in the annual income of a family. Income shall include, but not be limited to:

Income Inclusions:

- (1) The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;
- (2) The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);
- (3) Interest and dividends;
- (4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see subdivision (b)(3)).
- (6) Public Assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:
 - (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
 - (B) The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities,
- (7) Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;



Restricted Affordable Ownership Program Application Guide



(8) All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse (but see subdivision (6)(5)).

Where a family has net family assets in excess of five thousand dollars (\$5,000), income shall include the actual amount of income, if any, derived from all of the net family assets or 10 percent of the value of all such assets, whichever is greater. For purposes of this section, net family assets means value of equity in real property other than the household's full-time residence, savings, stocks, bonds, and other forms of capital investment. The value of necessary items such as furniture and automobiles shall be excluded.

Income Exclusions:

- (1) Casual, sporadic or irregular gifts;
- (2) Amounts which are specifically for or in reimbursement of the cost of medical expenses;
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- (4) Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans not used for the above purposes of which are available for subsistence are to be included in income;
- (5) The special pay to a serviceman head of a family away from home and exposed to hostile fire;
- (6) Relocation payments made pursuant to federal, state, or local relocation law;
- (7) Foster child care payments;
- (8) The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the eligible household;
- (9) Payments received pursuant to participation in the following volunteer programs under the ACTION Agency:

(A) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs.

(B) National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).

Income Review Procedures

Income maximums are based on "gross" income derived from all sources as detailed in Internal Revenue Code (26 USC Section 61), whether or not exempt from federal income tax. Administrator projects future income based on the gross income on each applicant's



Restricted Affordable Ownership Program Application Guide



past income. In addition to other items deemed necessary to make this income determination, the Administrator may request up to 4 of the most recent year-to-date pay statements and the previous year's final pay statement. Administrator must review income documentation for all Household members 18 years and older, regardless of dependency status. Applicants without income will need to provide a signed and notarized Zero-Income Affidavit provided by the Administrator. Unemployment benefits are considered income. For employed applicants, annual income is generally derived by dividing the year-to-date gross income by the current pay period count and then by annualizing an estimated pay period amount by the total pay period count over one year (12 months). Please note that a Verbal and Written Verification of Employment may be required to be completed by the Employer issuing the pay statements.

#	How Often Paid	How to Determine Annual Income
1	Paid Annually	Annual Gross Pay
2	Paid Monthly	Use monthly gross payment x 12
3	Paid Twice Monthly	Twice monthly gross pay x 2 pay periods x 12
4	Paid Biweekly	Biweekly gross pay x 26 pay periods
5	Paid Weekly	Weekly gross pay x 52 pay periods
6	Paid Hourly	Hourly gross pay x average # of hours per week x 52 weeks
7	Government Employees with Annual Award Letters	Income may be derived by referring to the Annual Award Letter

Variable Income (Tips, Overtime, Bonuses, etc.)

Please Note: All Variable Income is subject to Underwriter Approval. Each circumstance is different and must be considered using the documentation in the file. The words below are meant to be used as a basic guide to help prospective applicant Household's understand how this income type is considered during the underwriting process.

Tips, Overtime, Bonus, and other "variable income amounts" (amounts that change with each pay period) will be annualized separately from the base income outlined on the chart above. All income will be annualized and totaled unless the applicant can provide documentation from the employer. The employer must be available to complete a verbal verification of employment with the Administrator. In cases, where the variable income item is a one-time occurrence, the amount will be removed from the annualized calculation of income and added in a one-time total to determine the annual income.

Example: An applicant earns \$60,000 per year based on base monthly pay statements of \$5,000 ($\$5,000 \times 12$). In addition to the base income show, the applicant received a \$2,500 one-time bonus in the first quarter of the year.

If annualized, the \$2,500 quarterly bonus would total \$10,000 and the total income would be **\$70,000** ($\$60,000$ base + $\$10,000$ annualized bonus income).



Restricted Affordable Ownership Program Application Guide



If proper documentation shows that the \$2,500 is a one-time payment, and Administrator is able to verify and validate this information, the \$2,500 would be added to the \$60,000 base. The alternative total income would be \$62,500 (\$60,000 base + \$2,500 one-time bonus).

Seasonal Workers

Administration will not annualize current income for seasonal workers who provide a Verification of Employment from their employer (s) verifying that the work does not occur year-round

Self-Employed Income

All self-employed applicants must submit a notarized Self-Employed Affidavit provided by Administrator. If self-employed we will use 2 years of federal income tax returns (Schedule C) and review the net income to average and calculate the annual income. Expenditures for business expansions or amortization of capital indebtedness, home expenses, depreciation and depletion shall not be deducted. If self-employed less than 2 years, we will review the submitted Profit & Loss Statement and the previous year tax return to determine projected annual income. Additional documentation may be needed from the Self-Employed Household Member to determine projected annual income and may require an audited profit and loss statement from a CPA at the applicant's expense.

Calculating Income from Cash Income

In the case of an applicant who is paid cash for employment, Administrator will require a Verification of Employment from the applicant's employer to confirm annual income and IRS Tax Verification Form 4506-T to confirm that no taxes were paid.

Unemployed Applicants

Unemployed applicants who are receiving no income at all should submit a Zero-Income Affidavit as provided by Administrator in place of income statements. Applicants receiving unemployment benefits do not need to complete the Zero-Income Affidavit as unemployment benefits are considered income.

Income from Commercial Property or Land Owned

The net income from any commercial property or land owned by any applicant shall be counted toward the annual Household income.



Restricted Affordable Ownership Program Application Guide



Additional Notes on Income Calculation

If applicant has recently changed positions with employer, determine the effect of the change on the applicant's eligibility and opportunity to receive bonus or overtime pay in the future

If applicant who has historically been employed on a part-time basis indicates that he or she will now be working full time (or vice versa), obtain written confirmation from borrower's employer

A verbal verification of employment (VOE) may be required for each employer

All material alterations, and/or omissions from the initial Registration, Application ID Questions, Opportunity Drawing Entry Form, Application Submission and Supporting Documents; including but not limited to household size, income and asset information, etc., are not permissible and will render all future re-submissions ineligible for review and approval for a period of one year. Exceptions for re-submissions are significant life events such as a job/career change, marriage, death, or the birth of a child and are at the discretion of the Administrator.

10C. Determining Mortgage and Home Purchase Readiness

Affordable homeownership programming requires that applicant Households who meet the basic requirements for being considered eligible, must also prove that the home purchase fits within their household budget and that they are able to successfully obtain mortgage financing.

<p>Income Profile & Expense Profile</p>	<p>HOUSING PAYMENT TO INCOME RATIO</p>	<ul style="list-style-type: none"> ● To qualify, an applicant's total housing payment, including principal & interest, taxes, insurance, and association dues cannot exceed 40% of the income for Below Market (BMR) home. For example, if your annual income is \$90,000 your maximum monthly house payment cannot exceed \$3,000 or \$36,000 per year (40% of \$90,000 = \$36,000 divided by 12 = \$3,000). ● Additional debts will also be taken into consideration and cannot exceed 45% of income. ● Non-borrowing applicant's debt will be added to ratios ● Exceptions can be made if there are compensating factors and the borrower has loan approval
--	---	---

Restricted Affordable Ownership Program Application Guide

<p>Expense Profile</p>	<p>RENT HISTORY</p>	<ul style="list-style-type: none"> ● Applicants/co-applicants will need to show the last 6 months of rent history ● HouseKeys will review the current rent vs. the new housing payment for affordability. Any circumstance where the new housing payment exceeds 150% of current rent will be considered a “Payment Shock” risk. For example, if your current rent is \$1,000 per month, then any housing payment exceeding \$1,500 per month would be considered a potential payment shock risk ($\\$1,000 \times 150\% = \\$1,500$). ● If Payment Shock risk exists, the underwriter may make an exception if compensating factors are present in the file (e.g. post-close reserves)
<p>Asset Profile</p>	<p>DOWN PAYMENT</p>	<ul style="list-style-type: none"> ● The minimum down payment for the AFFORDABLE program is 3% of the purchase price with first mortgage loan amount equal to 97% of the purchase price. ● The minimum 3% of the purchase price must come from the applicant’s own funds and be present in the applicant’s account for at least 3 months ● A gift can be used for any down payment amount more than 3% of the purchase price ● Note: In some cases, mortgage financing programs may require 5% of the purchase price to be approved
<p>Liability Profile & Credit Profile</p>	<p>CREDIT REPORT AND CREDIT SCORES</p>	<ul style="list-style-type: none"> ● A credit report is required for all applicants and non-borrowing applicants ● The credit report must include information from all three credit bureaus (Experian, TransUnion, Equifax) and use a mortgage-risk model (used by licensed mortgage lenders) ● The lowest median (middle) score is used ● Must meet the lender’s credit score guidelines ● An applicant or co-applicant with an unsatisfactory credit report will be denied. ● We will be reviewing the Credit Report to identify all of the account balances and monthly payments ● The monthly payments on your credit report will be used to determine the total debt ratio (total debt and household payments divided by monthly income) ● As stated above, the total debt ratio cannot exceed 45% of applicants’ gross monthly income



Restricted Affordable Ownership Program Application Guide



10D. Public Record and Default Risk

In addition to determining home purchase readiness, the Program Underwriter must also determine the risk of the property being lost to foreclosure or the risk of a lien being attached to the property that can adversely affect the resale process or excess sale proceeds.

<p>Public Record Profile</p>	<p>PUBLIC RECORD SEARCH (DETERMINED USING A STATEMENT OF IDENTITY FORM)</p>	<ul style="list-style-type: none"> ● An applicant or Co-applicant may apply for consideration under the following circumstances: <ul style="list-style-type: none"> ● Chapter 13 bankruptcy – after 2 years from discharge or 4 years from dismissal. ● Chapter 7 – after 4 years from discharge ● Short Sale/Deed in Lieu - after 4 years ● Foreclosure - after 7 years ● All applicants, co-applicants, and non-borrowing spouse cannot have liens outstanding at the time of the home purchase ● All liens, including IRS liens, or any past due money owed to the IRS, shall be required to be paid off prior to being issued a program approval.
-------------------------------------	--	---

11. TRANSACTION AND DOCUMENT HANDLING

File Stacking (List of Documents Needed for Each Stage of the Transaction)



Restricted Affordable Ownership Program Application Guide



If application is approved, and the applicant Household is cleared to move forward with the purchase, the applicant's lender must supply the following documentation to the Administrator (**Financing File Stacking Order**):

1. Application Forms signed under penalty of perjury
2. Certificate of Completion of HUD approved Homebuyer Education
3. Supporting Documents on Program Document Checklist
4. Appraisal of any other real property owned
5. Lender's Initial Residential Application and 1008 forms

Routing documents to the City for signatures can take 10 to 14 business days. Before any transaction documentation can be sent to the City for signature, the following documents will need to be in the Administrator's file (**Pre-Close Stacking Order**):

1. Lender Checklist (listing all the loan documents)
2. Loan Application with final figures and lending terms (currently known as a 1003)
3. Uniform Underwriting and Transmittal Summary (currently known as 1008)
4. Mortgage Loan Commitment Letter
5. Loan Estimate (After the applicant is in contract)
6. Preliminary proof of property insurance for the full replacement value of the Home naming the City as an additional insured if the full replacement value of the Home is not covered by the Master HOA Certificate of Insurance. If property is covered under the HOA Master Policy, the City must be added to the Master Policy and provided proof of insurance prior to the close of escrow.
6. Preliminary Title Report (After the applicant is in contract)
7. Estimated Settlement Statement
8. Appraisal

After closing, the Title Company must provide the following to the Administrator (**Post-Close Stacking Order**)

1. CLTA Policy insuring the City Deed of Trust in the amount of the Purchase Price of the Home, subject only to the City Resale Agreement, First Mortgage Loan Deed of Trust issued by the Title Company



Restricted Affordable Ownership Program Application Guide



2. Final proof of property insurance for the full replacement value of the Home naming the City as an additional insured if the full replacement value of the Home is not covered by the HOA Master Policy.
3. Final Settlement Statement – Seller (Re-Sale and Acquisition Transactions Only)
4. Final Settlement Statement – Buyer
5. Final Settlement Statement – Master
6. Original City Resale Note
7. Certified copies with recording confirmation of all City documents:
 - a. City Resale Agreement
 - b. City Deed of Trust
 - c. City Subordination Agreement
 - d. Partial Release of Affordable Housing Agreement
 - e. Request for Notice of Default – First Mortgage Lender **(recorded post-close with all blanks filled in specifically referencing the First Lender Deed of Trust)**
8. ALTA Policy
9. Certified copy of First Lender Note
10. Certified copy with recording confirmation of First Lender Deed of Trust
11. Copy of 1st Lender Escrow Instructions
10. 1st Lender Request for Notice of Default
11. Copy of any Subordinate Lender Notes and Deeds of Trust
12. Copy of any Subordinate Lender Escrow Instructions
13. Subordinate Lender Request for Notice of Default

Length of Escrow and Fall-Out Risk

The typical escrow period for a BMR Unit sale is 90 days. This period can stretch out longer if the property is under construction and there are delays. Applicant Households must be prepared for a long escrow period and to continually keep their file updated to comply with the one hundred twenty-day (120-Day) application review period. Households must be eligible and qualified through to close of escrow. Unfortunately, a change in the application file during the escrow period can cause the applicant Household to become disqualified and lose out on the purchase opportunity.

12. REASONABLE ACCOMMODATION AND EXCEPTION REQUESTS



Restricted Affordable Ownership Program Application Guide



Accommodations in Program rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities, or a household with a member with disabilities, equal opportunity to apply for an AFFORDABLE home. The requested accommodation must be reasonably related to the particular disability of the household member and must be necessary in order to provide the household with equal access to housing.

Households or individual applicants unable to produce any particular document required in the application form for legitimate reasons beyond their control (natural disaster, military service, refugee status, domestic violence, witness protection program, disability etc.) may request an exception for that particular document.

Upon such request, Administrator may request a reasonably equivalent alternative document, and/or any additional supporting documentation deemed necessary by the Program Processor and Program Underwriter to verify eligibility of the Applicant/Co-Applicant and/or their entire Household.

Exceptions related to disabilities (reasonable accommodations) may be requested according to this procedure, with a brief description of the exception(s) needed due to the Applicant's disability. The City and Administrator will consider the requested exception and will provide a written response within 14 calendar days, stating if the requested exception can be granted in full or part and the reason for such decision. The Administrator may approve or deny such request. If denied, Applicants may submit an appeal of such denial to the City