



BELOW MARKET PURCHASE (BMP) PROGRAM

The City of Santa Clara has operated a BMP Program since 1995, assisting low- and moderate-income families achieve the goal of homeownership and fulfill State mandates for the production of housing for all income levels. Housing Trust Silicon Valley (HTSV) serves as the BMP Administrator.

A BMP unit is subject to a 20-year City loan secured by a Promissory Note, Deed of Trust and the Below Market Purchase Covenants, Restrictions and Option to Purchase document that is recorded on the title of the property. The principal amount of the City Loan is the difference between the appraised unrestricted Initial Market Value (IMV) and the restricted Affordable Sales Price (ASP) when the BMP unit is initially sold.

Year 1 through Year 5 of ownership: A BMP homeowner who sells the home within this time period must sell to an eligible BMP-qualified, new buyer at a re-established restricted resale price. The principal amount of the City Loan is forgiven and a new principal amount of the City loan is established for the new homeowner.

Year 6 through Year 20 of ownership: A BMP homeowner can resell the home at the current, unrestricted fair-market price if City declines option to purchase to sell home to an eligible BMP qualified buyer. The BMP homeowner will pay off the principal amount of the City Loan at the sale of the home. The BMP homeowner must also pay either 7% interest or a share of the increase in equity in the home to the City.

Year 21 and after of ownership: The BMP homeowner is required to pay back the principal of the City Loan and is able to realize all of the market-driven appreciation in the home above its initial market value. Resale restrictions expire and the BMP homeowner is no longer required to pay the City interest or a share in the increase in equity in the home.

ELIGIBILITY REQUIREMENTS – Please see complete program guidelines and requirements on www.housingtrustsv.org

- Must be first time home buyer, (or previous homeowner who did not own a home for 3 years), or displaced spouse
- Property must be Owner Occupied during duration of Restriction (First 20 Years)
- Minimum 3% down payment required. **Additional down payment may be required – check with an Approved BMP lender**
- Must have less than \$100,000 in financial assets after close of escrow on new home (excluding retirement assets)
- Yearly gross household income not to exceed the following established 2019 Moderate Income Limits (120% of AMI):

Household Size	1	2	3	4	5	6
Income Limit	\$110,400	\$126,150	\$141,950	\$157,700	\$170,300	\$182,950

- Must qualify for 30 Year Fixed-Interest Rate Conventional Mortgage with an approved BMP lender
- Applicants must attend a Program Orientation & Application Workshop administered by Housing Trust Silicon Valley
- Applicants must complete a HUD Approved 8-hour Homebuyer Education Class with Project Sentinel
- **Priority Levels:** The City has established priority levels for lottery entrance, they are:
 - 1st Tier-**At least one household member both lives and works in Santa Clara
 - 2nd Tier-**At least one household member lives in Santa Clara
 - 3rd Tier-** At least one household member works in Santa Clara
 - 4th Tier-**Any other qualified applicant household without regard to residency or employment

INCOME & RESALE RESTRICTIONS APPLY

The City of Santa Clara Below Market Rate Purchase (BMP) Program reserves the right to change availability, product, design or information in this brochure and its program, or pertaining thereto without prior notice or obligation.

Interest List & Offerings - HTSV maintains an Interest List for BMP units. This is NOT a waiting list, rather a general interest list. Periodic email updates are sent to notify applicants about an upcoming sale or changes to the program.

FOR ADDITIONAL INFORMATION

Housing Trust Silicon Valley | 95 S. Market Street, Suite 610 San Jose, CA 95113 | 408.436.3450 | www.housingtrustsv.org