

Updated Annual Below Market Rate (BMR) Homeownership Lottery Procedures

Program Overview

The City of Alameda (“**City**”) funds and oversees the Inclusionary Housing Program, often referred to as the Below Market Rate (“**BMR**”) Program. In July 2023, the City of Alameda selected Rise Housing Solutions (“**Program Administrator**”) to administer its BMR Program. This manual describes the processing procedures for the BMR homeownership program. It establishes the roles and responsibilities of the Program Administrator on behalf of the Developers of new residential projects (“**Developer**”) and sellers of existing BMR homes (Collectively referred to as “**Seller**”). The Seller shall bear the cost of the Program Administrator for the Program Administrator’s services with regard to the Seller’s Affordable Housing Agreement. The City shall review and update these procedures from time to time to reflect changes in the market and better meet the community’s needs. Program users should be aware that under certain circumstances information provided in connection with the BMR Program may be considered to be public records and subject to disclosure in accordance with the California Public Records Act. However, the City and/or Program Administrator does not give, share, sell or transfer any personal identifying information to any third party that is not affiliated with an application for housing. These procedures shall be subject to final interpretation by the City. If there is a conflict between these guidelines and any agreement entered into between the City and the Seller, the agreement shall prevail.

Pre-Application, Marketing, Lottery Period and Waitlist Administration

The following section describes the activities that will be performed, on behalf of the Seller, by the Program Administrator during the pre-application, marketing, and lottery period.

The Program Administrator shall:

1. Prepare and submit an annual marketing plan to the City of Alameda approximately thirty (30) days after the State of California Housing and Community Development posts updated annual income limits.
 - a. Create a pre-application process timeline with a year-long open application period and a minimum 3-week marketing period.
 - b. Create and disseminate marketing materials in multiple languages advertising the housing opportunity. Marketing collateral and publications subject to City approval.
2. Develop a pre-application to determine program and preference point eligibility based on stated information from the applicant(s) and will require applicants to submit appropriate documentation to substantiate preference selection.
3. Upon conclusion of the pre-application period, prepare all eligible pre-applications to be entered in a lottery drawing to establish a ranking position within each preference point category. Prior to conducting the lottery, Program Administrator to provide an unranked list of all applicants to the City.
4. Email lottery results to all applicant households and posted to the Program Administrator’s website. Program Administrator to provide spreadsheet of lottery ranking to City.

5. Allow applicants to submit a pre-application year-round.
 - a. Applicants who enter after the initial lottery ranking has been held will be added to the end of the lottery list upon entry point on a first come, first served basis. These newly added applications will be ranked at the end of their respective preference point category.
6. Notify all applicants from the previous lottery that their application has expired and offer an opportunity to apply in the next lottery, since all applications will expire the day before the subsequent annual lottery's start date.
7. Update and post the lottery list to the Program Administrator within thirty (30) days of a lottery or when there are any changes to the lottery list.
8. Provide the ranked lottery list to the City.

Application Period

The following section describes the activities that will be performed, on behalf of the Seller, by the Program Administrator during the application period.

The Program Administrator shall:

1. Market and advertise the available homes to the appropriate to the ranked list.
 - a. Offer prospective applicants an opportunity to opt in for consideration for the home(s) that is/are available.
 - b. Host an application workshop for the members that opted in detailing the City requirements, application process and key details of the housing opportunity.
 - c. Provide applications to participants and set a deadline to submit the required documentation.
2. Review applications in lottery order for each income category, and request additional documents as needed.
3. Complete eligibility review and provide files to City to confirm eligibility determination to City.
4. Allow applicants one refusal of a purchase opportunity and retain their lottery ranked number.
 - a. NOTE: If the buyer refuses more than once in a year, the buyer will be moved to the end of the current lottery list regardless of preference category.

City Determinaton:

For each BMR unit, the City of Alameda makes the final determination as to whether the submitted applicant is a qualified purchaser. Seller should not enter into a purchase agreement with an applicant until the following criteria are satisfied:

- The City has approved the applicant as income qualified to purchase the unit.
- The applicant has received full underwriting approval for all financing needed to complete the purchase. Financing must conform to Section 4 – General First Loan Requirements.
- The Program Administrator has determined that the applicant's monthly housing costs fit within the parameters of the program (taking into account the loan obtained and downpayment required).
- The applicant has demonstrated sufficient funds to close.

The City shall review files submitted by the Program Administrator for conditional approval, decline or re-ranking. If the City determines that the applicant is not a qualified purchaser, the Program Administrator will issue a decline letter to the applicant. An applicant that receives a decline letter may file an appeal to the Program Administrator in writing with a copy to the City's Housing and Human Services Manager not later than ten days from the date of this decision. The appeal should state completely and in detail the factual and legal grounds for the appeal and should contain new, supporting documentation. Appeals may be considered after the ten day period only in circumstances where the documentation to overturn the decline was not yet available. For example, if a household was declined due to failure to obtain a mortgage then the appeal could be submitted after the borrower was able to obtain a new pre-approval. The City will consider the appeal and will respond within sixty days after the filing of the appeal. The decision of the City is final.

Purchase Contracts and Close of Escrow

The following section describes the activities that will be performed, on behalf of the Seller, by the Program Administrator during the contract and close of escrow period.

The Program Administrator shall:

1. Coordinate with Sellers to get conditionally approved buyers into contract.
2. Conduct meetings with buyers to ensure understanding of documents and coordinate documents signing with buyers and City.
3. Communicate with Escrow Officer to ensure delivery of City documents.
4. Collect necessary documents from the lender and escrow officer to ensure eligibility prior to close of escrow.
5. Post-closing, collect conformed copies of all City and lender documents and provide them to the City.