City of Menlo Park
Below Market Rate (BMR) Housing Program
Introduction and Eligibility Requirements

*Please Read This BEFORE Filling Out an Application*

The City of Menlo Park’s BMR Housing Program is intended to create a permanent supply of housing in Menlo Park that is affordable to low and moderate-income households. BMR housing units are located throughout the city and include detached single-family homes, townhomes, condominiums as well as apartments. Due to high demand, the City maintains a ranked waiting list of persons/households who would like to purchase Menlo Park BMR homes and an unranked interest list of persons/households who would like to rent Menlo Park BMR homes.

**If you are interested in purchasing a Menlo Park BMR home, you must place your name on the BMR Purchase Waiting List.** Only persons whose names are on the Purchase Waiting List are invited to apply for available homes for sale. **If you are interested in renting a BMR apartment, you must place your name on the BMR Rental Interest List.** Persons whose names are on the rental interest list will be notified about available upcoming rental opportunities. Please Note: you may apply to be on both the BMR Purchase Waiting List and the BMR Rental Interest List.

The City maintains only one BMR Waiting List for purchase opportunities and one BMR Rental Interest List for rental opportunities. The City does not maintain separate waiting lists for individual BMR homes and/or developments.

At this time, all existing BMR purchase units and BMR apartments are occupied. However, the City could acquire additional BMR units in the future. Please note: if you are in need of housing now or in the immediate future, this program may not be for you. Applicants may be on the waiting list for several months to several years before receiving opportunities to purchase or rent BMR homes.

**Eligibility Requirements for the BMR Purchase Waiting List and Rental Interest List -** To place your name on the Purchase Waiting List and/or rental interest list, you must complete a BMR Purchase Waiting List and Rental Interest List Application and return it to the Hello Housing, the City’s BMR Administrator at the address noted on the following pages. If you meet all four eligibility requirements listed below based on the stated information you provide, your name will be placed on the Purchase Waiting List and/or Rental Interest List. For the Purchase Waiting List, your household will be ranked based on the order in which your application was received. The Rental Interest List is not ranked.

**To be eligible for the BMR Purchase Waiting List and/or Rental Interest List, you must meet the following FOUR eligibility requirements:**

- **REQUIREMENT #1** - All members of the household (who intend to reside in the BMR home) must currently live together in a residence that is their primary home.

  NOTE: A household is defined as a single person, or two or more persons sharing residency whose income resources are available to meet the household’s needs. To be considered part of the household and included in household size, children under the age of 18 must reside in the home at least part-time or parents must have at least partial (50%) custody of the child/children.

- **REQUIREMENT #2** - The household must currently live in Menlo Park OR a member of the household must currently work in Menlo Park.

  - To qualify as LIVING in Menlo Park: The household must currently reside within incorporated city of Menlo Park. This must be the household’s primary residence.
To qualify as WORKING in Menlo Park: A member of the household must currently work within incorporated city of Menlo Park. Work hours must be at least 20 hours per week (or must average a minimum of 20 hours per week over the course of the one year prior to application to the waiting list). Volunteer work hours do not qualify. 

WORK is defined as any of the following: (1) employment for wages or salary by an employer located in Menlo Park AND the employment/actual work is performed in Menlo Park; (2) owning and operating a business located in Menlo Park (this does NOT include owning a residential or commercial property for investment purposes only); (3) contract employment where the actual work is conducted at a Menlo Park location; or (4) commission work, up to and including a 100% commission arrangement, conducted in Menlo Park.

The following are EXCEPTIONS to this requirement: (1) a person residing in Menlo Park in 2008 who was subsequently displaced from such housing, provided they can show their displacement was due to economic conditions beyond their control (including but not limited to job loss, rent increase, eviction, foreclosure or other form of economic hardship resulting in loss of housing)*; and (2) unhoused persons who provide evidence that their last permanent residence was located in Menlo Park and/or documentation from a case manager or homeless service provider demonstrating current residency in Menlo Park, including places or structures other than a bona fide dwelling unit (i.e. vehicle or tent).

*Please Note: Applicants who are applying under Exception #1 above must submit a Household Displacement Affidavit with evidence of displacement, along with their BMR Purchase Waiting List and Rental Interest List Application.

✓ REQUIREMENT #3 - The household’s current gross (pre-tax) annual income may not exceed program income limits, adjusted for household size (please see the chart below).

HOUSEHOLD INCOME includes stable income from every adult member of the household who intends to reside in the BMR home. DO include all sources of income such as employment, child/spousal support, social security, disability, annuity, pension, or other retirement income. Do NOT include the incomes of children under the age of 18 or full-time students 18 years of age and older.

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Maximum to Rent</th>
<th>Maximum to Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$82,200</td>
<td>$99,450</td>
</tr>
<tr>
<td>2</td>
<td>$93,950</td>
<td>$113,700</td>
</tr>
<tr>
<td>3</td>
<td>$105,700</td>
<td>$127,900</td>
</tr>
<tr>
<td>4</td>
<td>$117,400</td>
<td>$142,100</td>
</tr>
<tr>
<td>5</td>
<td>$126,800</td>
<td>$153,450</td>
</tr>
<tr>
<td>6</td>
<td>$136,200</td>
<td>$164,850</td>
</tr>
<tr>
<td>7</td>
<td>$145,600</td>
<td>$176,200</td>
</tr>
<tr>
<td>8</td>
<td>$155,000</td>
<td>$187,550</td>
</tr>
</tbody>
</table>

Program income limits are based on the 2018 Income Guidelines for San Mateo County.

✓ REQUIREMENT #4 - Members of the household who intend to purchase and reside in a BMR home may not own the home that they currently live in as their primary residence. Note that this requirement only applies to households that want to purchase BMR homes. It does not apply to households that ONLY want to rent.

The following are EXCEPTIONS to this requirement: (1) households that currently own homes as their primary residences more than fifty (50) miles outside Menlo Park city limits, that are otherwise eligible for the BMR Program; and (2) households that currently own mobile homes and reside in them as their primary residences; and (3) households otherwise eligible for the BMR Program that currently own and reside in BMR homes and are in need of smaller or larger homes due to changes in household size or family needs.
✓ For households/applicants on the BMR Purchase Waiting List who are selected to apply to purchase a BMR home, the following is required BEFORE the close of escrow on all BMR homes: all adult applicants/household members must complete a one-time HUD approved homebuyer education workshop, class, or counseling session. If you are selected from the waiting list to enter into a purchase agreement to buy a BMR home, program staff will give you a list of approved local organizations that provide HUD approved homebuyer education and/or counseling. You must choose an approved education provider or program from the approved list and you may choose to attend in either a group or one-on-one setting. This educational requirement must be completed prior to the close of escrow. *This requirement does not apply to households that ONLY want to rent.*

❖ **Household Size Determines Unit/Home Size** - Your household size determines the size of the BMR home for which you are eligible, as follows:

<table>
<thead>
<tr>
<th>BMR Unit/Home Size:</th>
<th>Eligible Household Sizes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td>1-3 persons</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>2-5 persons</td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>3-7 persons</td>
</tr>
<tr>
<td>Four Bedroom</td>
<td>4-9 persons</td>
</tr>
</tbody>
</table>

**BMR Purchase Waiting List and Rental Interest List Management:**

❖ BMR purchase opportunities are offered to eligible households on the waiting list in the order in which waiting list applications were received (that is, starting with households that have the lowest waiting list numbers/have been on the list the longest).

❖ The waiting and interest lists are updated annually, typically starting in the month of March. The BMR Administrator updates the waiting list by mailing and/or emailing eligibility update forms to all households currently on the list. *At such times, please complete and return the update form by the deadline in order to remain on the waiting list and/or interest list.*

❖ When BMR homes become available for rent or purchase, program staff notifies households on the waiting list or interest list that are eligible based on the number of people reported to be in their households. For example, only households of 1-3 persons are notified when one-bedroom units are available. *Eligible households are normally notified of available homes by email (or phone, for those without email addresses).*

❖ If you are notified of a BMR home available for purchase or rent, you will be invited to attend an applicant orientation meeting. Applications to purchase/rent the home will be available at the meeting and program staff will discuss the home and the application process. Typically, completed applications are due approximately two weeks after the meeting. Purchase and rental applications require detailed information and allow program staff to verify a household’s eligibility to participate in the program at that time.

❖ You will NOT be removed from the waiting list or interest list for choosing not to apply for available BMR homes when invited to do so. Similarly, you will NOT be removed from the waiting list or interest list should you apply to purchase or rent homes and are not selected for them (as long as you are otherwise eligible for the program at that time).

**BMR Eligibility Requirements at Time of Purchase:**

❖ **To be eligible to PURCHASE a BMR home when it is available,** a household on the waiting list must meet ALL of the following requirements at the time it applies to purchase: (1) currently lives *or* works within incorporated Menlo Park in accordance with program requirements; (2) has lived *or* worked within incorporated
Menlo Park continuously for at least one year prior to application; (3) is an established household (all persons included as members of the household must currently live together in a location that is their primary residence and must have done so continuously for at least one year prior to application, with certain exceptions); (4) has a gross annual household income that doesn’t exceed the BMR maximum income limits in place at that time; (5) has non-retirement assets that do not exceed the purchase price of the BMR home, with certain exceptions; (6) all members of the applicant household are first-time homebuyers (defined as not having owned a home as your primary residence within the last three years prior to application), with certain exceptions; and (7) is generally “mortgage ready” and able to pay normal and required costs associated with home purchase.

**Important Things to Know About OWNING a Menlo Park BMR Home:**

- BMR homes cannot be appraised, refinanced, or sold at market rate prices/values for a period of 55 years following purchase. BMR owners sign a 55-year deed restrictions document at purchase, meaning the homes remain affordable/below market rate for 55 years. During this time, the appraised values of BMR homes are provided by the City. BMR homes may not be valued at or sold for less than their original purchase prices. Please Note: BMR homes may be refinanced at the BMR value and homeowners must work with the BMR Program Administrator for approval.

- The values of BMR homes, including resale values, are calculated using a standard formula specified in the deed restrictions. The formula is based on the Consumer Price Index – All Urban Consumers for the San Francisco Bay Area. When BMR owners sell their homes the sales prices (resale values) are calculated using this standard formula. BMR resale prices may also be increased by the depreciated values of qualified substantial improvements that the selling owners made to the properties.

- BMR homes do NOT appreciate in value like market rate homes. BMR homes do appreciate in value however appreciation is modest. On average, BMR homes increase in value by about 1% per year of ownership.

- BMR homes are purchased and owned in the same way as market rate homes. YOU own the BMR home, not the City. Like market rate owners, BMR owners are eligible for mortgage interest and property tax deductions when they file their annual income taxes. Property taxes for BMR homes are based on their BMR values/prices (not on corresponding market rate values).

- Only the names of BMR household members aged 18 or older (who plan to reside in the home) may appear on the Grant Deed for a BMR home. A minimum of 50% of the ownership interest in the property must be vested in the applicant(s) who qualifies for the BMR Program, regardless of income.

- BMR homes must be owner-occupied. Certain exceptions may apply with the City’s advance permission.

- BMR owners may sell their BMR homes at any time following purchase. When a BMR owner decides to sell their home, they must notify the City’s BMR Administrator. The City is entitled to resell or purchase the BMR home at a specified BMR price (based on the standard formula identified in the deed restrictions). The City will resell the BMR home to another eligible household on the BMR waiting list.

---

For additional information on the City of Menlo Park’s BMR Program, please contact BMR Administrator at 415-863-3036.

Please mail or deliver your BMR Purchase Waiting List and Rental Interest List Application to:

**Hello Housing**  
1242 Market Street, 3rd Floor  
San Francisco, CA  94102

Updated 10/24/18