

**What is a Below Market Rate Home?**

A Below Market Rate (BMR) home is a home that has certain deed restrictions recorded on the property which ensure the home remains affordable for future generations. These BMR homes are a result of a two-year process where Hello Housing partnered with the City of Oakland and the Alameda County Treasurer-Tax Collector's Office to acquire formerly blighted and tax-defaulted properties for affordable housing.

**What restrictions am I signing up for?**

The most important restriction to understand is that your future selling price is restricted to the price you pay for your home plus any percentage increase of the Area Median Income in Alameda County.

**Can I rent out my home after I buy it?**

No. The creation of affordable housing requires significant public investment. These resources come with certain conditions that must be met once the homes are built. These homes were developed to be occupied by homeowners. In contrast, there are affordable developments in Oakland that can only operate as rental housing.

**Can I renovate my home after I buy it?**

Yes. Any improvements you make to your home must meet all local and state building code requirements. However, please be aware that the maximum resale value of your home may not increase significantly with new renovations or improvements. Unlike the traditional housing market, all price adjustments must meet eligibility requirements and are subject to approval by the City of Oakland.

**Are there preferences given to certain applicants?**

Yes, Applicants who live or work in Oakland receive one preference point. Applicants who live and work in Oakland receive two preference points. Priority will be given to applicants based on total preference points (from highest to lowest). More information about preference points can be found at [www.hellohousing.org/oaktownroots](http://www.hellohousing.org/oaktownroots).

**Can I refinance later and get cash out?**

While you can refinance later to benefit from better loan terms, the program does not allow cash out until resale which should be taken into careful consideration when determining your down payment amount. Also, because BMR programs are unique, only certain lenders can lend on these homes.

**Do I have to be a first-time homebuyer to qualify?**

No. Oaktown Roots homes do not have a first-time homebuyer requirement.

**Can a minor child be added to title at time of purchase? Can they be added anytime later?**

Since a minor (under age 18) child cannot enter a legal contract since they are not of legal age, there will be problems if the other 2 owners try to refinance, sell, or enter a purchase contract. This will present legal difficulties. Once the child is age 18, more options are available. A will or

trust may be a better method to convey interest in the property to an heir, it is best to discuss this with your estate planner since there are many considerations to consider.

**Do all titleholders need to be on the promissory note?**

No, there is nothing in the BMR agreement that requires titleholders to be on the note. Buyers should check with their lender to learn if their loan imposes this requirement.

**Do all titleholders need to sign the deed restrictions?**

Yes, all titleholders must agree to the deed restrictions. A titleholder added later will need to agree to assume the responsibility of the deed restrictions, whether they are a spouse, child, family member or any other person. This agreement is what preserves the affordable housing for the time when the owning family no longer occupies the home; once they plan to no longer occupy, they follow the rules in the deed restrictions.

**Estate Planning Resources**

For questions around estate planning, consider consulting with a specialist in this field to seek expert advice and to plan accordingly. HERA is a local resource with attorneys that specialize in estate planning. [www.heraca.org](http://www.heraca.org), [inquires@heraca.org](mailto:inquires@heraca.org) or (510) 271-8443.

**Must all adults be familial relations?**

No.

**What if I am pregnant? Can I count the unborn child as a household member?**

Each household member must be born and documented at time of application per the Deed Restriction. You are welcome to apply for any home for which the family meets requirements at time of application.

**Do I need to keep the home for a particular minimum period before selling?**

no. But it is both costly and time-consuming to buy and sell a home, so ideally buyers make sure the home and the terms are right for you so that you and your family plans to stay there for several years.

**Can I move out any time I wish?**

The home is for owner-occupancy only, if your family moves out, you may not be following the deed restriction terms. Read the deed restrictions carefully to ensure that your plans are in alignment with the terms.

**Can I use down payment assistance to make the home purchase more affordable to me?**

Yes, check with your lender for allowable loans, not all will work with BMRs. The Oaktown Roots homes are priced to be affordable to 120% AMI buyers with households of at least 4 (3-bedroom) people who are putting 10% cash down.