
Measure D Summary for Below Market Rate (BMR) Housing

Definitions

Affordable Housing Cost/Rent:

- BMR units may be rented for monthly amounts not exceeding thirty percent (30%) of the income limit for extremely low-, very low-, and low-income households adjusted for occupancy, as released annually by the California Department of Housing and Community Development (HCD) for San Mateo County (based on metrics from the U.S. Department of Housing and Urban Development).
- Affordable rent should be inclusive of unit-specific expenses such as utilities so as to not exceed the 30% maximum rent threshold, recognized as utility allowance (estimates should align with the Utility Allowance Schedule released by the Housing Authority of the County of San Mateo).
- City staff may assist with verifying affordable rent to ensure qualified tenants pay rent that is affordable to their income category.

Below Market Rate Housing: This means that there is at least one unit deed-restricted affordable for extremely low, very low, or low-income households for a minimum of 55 years.

Qualified Buyer or Renter: A potential purchaser/renter whose gross annual income meets the applicable affordable annual income standards (see categories below).

Affordable Housing Income Categories (applicable to Measure D standards)

The Affordable Housing shall be designated to one or more of the following income categories:

- Low-Income (51-80% AMI)
- Very Low-Income (31-50 AMI)
- Extremely Low-Income (15-30%)

Recorded Documents & Agreements

- *Affordable Housing Agreement (AHA)*: An Affordable Housing Agreement shall be recorded against the property.
 - The AHA will include requirements such as an annual re-certification of tenant income for all BMR rental units to ensure a tenant qualifies year-to-year.
- *Deed Restriction*: The property shall be deed-restricted affordable housing for a minimum term of 55 years, which shall be recorded against the property.
- *Additional Documents*: Additional documentation and agreements may be required but are not limited to: Rent Regulatory Agreement, a Request for Notice of Default or Sale, Disclosure to Homebuyers

The Affordable Housing Agreement and Deed Restriction shall establish standards and criteria for the Below Market Rate Units and be required to follow all applicable City and HUD guidelines for BMR program administration. This may include but is not limited to:

- Required Record Keeping
- Income Certification
- Policy for Over-Income Tenants
- Level of Affordability & Calculation of Affordable Rents
- Lease Terms

Owner/Tenant Eligibility

- BMR dwelling units may be sold on the open market at any time but must be sold to a qualified buyer based on the affordability designation and the terms of the deed restriction and affordable housing agreement.
- A BMR unit may only be occupied by a qualified buyer or renter based on the affordability designation.
 - A qualified buyer's income will be evaluated for certification at the time of purchase
 - A qualified renter's income will be evaluated for certification on an annual basis.
 - If the renter's income were to increase beyond the designated limits, they may no longer be eligible to live in that unit.

For questions, please contact the Community Development Department at 650-726-8270.