

2008-2009 Prices for Newly Built BMR Units

Palo Alto has updated its prices for newly constructed housing units for the Below Market Rate (BMR) home ownership program, as shown below. The tables shown below, explain the price calculations. The City updates the BMR prices annually. The new prices for 2008 are effective as of March 31, 2008 and apply to BMR units in projects receiving final planning entitlement approvals (i.e. the date of: the Director's letter for ARB action, Council adoption of a PC zone ordinance or approval of Site & Design) on or after the effective date of the updated prices.

Factors updated annually are: the Area Median Income (AMI) for Santa Clara County, as published by the State Department of Housing & Community Development, interest and mortgage insurance rates for loans typically used by BMR buyers and other home ownership costs (covered by allowances for repairs and maintenance, typical homeowner association dues, and fire insurance).

The developer is required to sell new BMR units at the "BMR Unit Price" shown below. The required BMR price is the midpoint price affordable by assumed households in the target income range for that unit type. **BMR units must also comply with the City's "Standards for BMR Units"**. As described in the BMR Program H-36 of the Housing element, as adopted in December 2002, there are two levels of affordability for BMR ownership units:

Lower Moderate Income 80% to 100% AMI Units	Higher Moderate Income 100% to 120% AMI Units	
Studio Units	\$173,200	\$224,800
1-bedroom units	\$206,200	\$265,400
2-bedroom units	\$239,600	\$305,900
3-bedroom units	\$272,700	\$346,500
4-bedroom units	\$299,300	\$378,900