



CalHome Disaster Assistance Loan Program

Frequently Asked Questions

Updated February 19, 2020

Q: What is the CalHome Disaster Assistance Loan Program?

A: Funded by a grant from the State of California, the Loan Program provides up to \$100,000 in gap funding to rebuild or rehabilitate single-family homes and rebuild, rehabilitate, or replace mobilehomes located within the city limits of Santa Rosa. The Housing Authority may have preference for applications in the Coffey Park area, however, if there are no applications or funding commitments in Coffey Park, the funds will be made available to assist any qualified applicant within the Santa Rosa city limits.

Q: Who can apply for a Disaster Assistance Loan?

A: To be eligible, applicants must meet *all* the following criteria:

- Households whose income doesn't exceed 120% of the Area Median Income, adjusted for household size;
- Households who owned and occupied their homes, including condominiums and mobilehomes located within a mobilehome park in the Santa Rosa City Limits, damaged or destroyed in the October 2017 wildfire disaster; and
- Households who have all other rebuild or rehabilitation funds in place at the time of application.

Q: I own a mobilehome that was damaged in the fire. May I apply for a CalHome Disaster Assistance Loan?

A: On December 16, 2019, the Housing Authority approved modifications to the CalHome Disaster Assistance Loan Program to permit loan funds to be used as gap financing for owner-occupied single-family homes *and* for manufactured/mobilehomes, including replacement of a manufactured/mobilehome located in a mobilehome park in the Santa Rosa City Limits. HCD approved the Program modifications on February 19, 2020.

Q: What is the Area Median Income (AMI) for our area, how is it calculated, and who calculates it?

A: Income limits are set by the State Department of Housing & Community Development (HCD) based on federal limits set by the U.S. Department of Housing & Urban Development (HUD) for the Section 8 Housing Choice Voucher Program. The limits are based on surveys of local median income with adjustments for family size and for areas that have unusually high or low income-to-housing relationships. For the CalHome Disaster Assistance Loan Program, qualifying households cannot exceed 120% of AMI.

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The current income limits for this program, effective May 6, 2019 are as follows.

<i>Household Size</i>	<i>120% of Median</i>
1	\$78,350
2	\$89,550
3	\$100,750
4	\$111,950
5	\$120,900
6	\$129,850
7	\$138,800
8	\$147,750

Q: Do all rebuilds qualify?

A: To qualify, the value of the residence following rehabilitation/reconstruction may not exceed the most recent median sales price for Sonoma County provided by the California Association of Realtors at <https://www.car.org/en/marketdata/data/countysalesactivity>.

Q: Is the program still limited to the Coffey Park Resilient City Zone?

A: The program is now available to qualified residents within the City of Santa Rosa.

Q: Where can I get an application form?

A: Applications are available at www.srcity.org/rebuildingfinancialassistance.

Q: When does the application period start?

A: The application period began March 18, 2019.

Q: When does the application period end?

A: Applications will be accepted until program funds are exhausted.

Q: Where do I submit my application?

A: You can submit your application by mail or in person to:
 Department of Housing and Community Services
 90 Santa Rosa Avenue
 Santa Rosa, CA 95404
 Attention: CalHome Disaster Assistance Loan Program

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Q: In what order are applications processed?

A: They're processed first come, first-served based on the date order the application was received combined with the order in which it was deemed complete.

Q: What is a complete application?

A: An application is complete when all required information has been provided to us by the applicant and confirmed by staff. Confirmation of completeness will be provided in writing. A list of all required documentation is included with the application.

Q: What are the loan terms?

A: Loans are 30-years, deferred payment, 3% simple interest.

Q: What costs are eligible under the loan?

A: The following costs are eligible:

- Rehabilitation or reconstruction of a single-family home;
- Rehabilitation, reconstruction, or replacement of a mobilehome located in a mobilehome park within the Santa Rosa City Limits;
- Building permits or other related government fees;
- Cost of architectural, engineering, and other consultant services directly related to the rehabilitation or reconstruction of the property and related to eligible work done using the CalHome funds;
- Non-recurring loan closing costs such as escrow or title fees (Authority loan fees will not be charged to the homeowner for the Loan);
- Relocation costs during the project if required for health and safety and if made part of the loan. These costs are considered secondary costs and allowed only when absolutely necessary for health and safety. We encourage you to utilize insurance proceeds for relocation purposes so that Loan funds are used only for rebuilding/rehabilitation costs.

Q: Am I allowed to rent my home out after it is completed and live somewhere else?

A: No, you must own and occupy your home for the term of the loan. Annual verification of owner/occupancy will be required.

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Q: Title to my home is held in my revocable or irrevocable trust; can I still apply?

A: Yes; please see the Program Guidelines at <https://srcity.org/DocumentCenter/View/23339/Program-Guidelines---CalHome-Disaster-Assistance-Loan-Program> for more information.

Q: I have a reverse mortgage; am I eligible?

A: No.

Q: When will I know if my application is approved?

A: We will process applications and notify approved applicants as soon as possible. Depending on application volume, we hope to have all loans approved no later than mid-summer.

Q: Who administers the CalHome Disaster Assistance Loan Program?

A: The Housing Authority of the City of Santa Rosa, which is staffed by the Department of Housing & Community Services.

Q: If I decide to sell my home after the work is complete, can the buyer assume my CalHome loan?

A: No. CalHome loans are not assumable and must be paid back with accrued interest at time of sale.

Q: How is this different from Community Development Block Grant Disaster Recovery (CDBG-DR) funds?

A: CDBG-DR is a federal program that will provide approximately \$38.5 million in disaster recovery funds to the City of Santa Rosa via a grant to the State of California. Funding is expected to be available later in 2019. CDBG-DR allowable uses are broader than those permitted under the CalHome Program and are identified in the State's CDBG-DR Action Plan. More information on CDBG-DR is available <http://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr.shtml#draftAP>.

Q: I have bad credit. Am I eligible for a loan?

A: Your loan may be approved based on our analysis of the causes and circumstances of your credit issues.

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Q: Can I apply for a loan to repair, rehabilitate, or replace my mobilehome?

A: Yes; effective February 19, 2020, repair, rehabilitation, or replacement of a mobilehome that was damaged or destroyed in the 2017 fire is allowed.

Q: What does “deferred payment” mean?

A: No payments are due until the 31st year of the loan unless you sell your home or otherwise vacate it.

Q: Is there a prepayment penalty?

A: No. You may make discretionary payments at any time, but keep in mind that any payments you choose to make will be applied first to interest, then principal.

Q: Does the AMI ever get updated?

A: The AMI is updated annually.

Q: The income qualification limit seems very low. What happens if not enough people qualify?

A: We will continue outreach as long as reasonably necessary to locate enough qualified applicants, however, the Housing Authority’s Agreement with HCD expires September 26, 2021. On that date, the Housing Authority must return any uncommitted funds to HCD.

Q: Will the program keep going until all the funds are loaned out?

A: The program will continue until all funds are loaned out or until September 26, 2021, the end date of the Housing Authority’s Agreement with HCD to expend the funds.

Q: How long will it take to review and process my application?

A: Depending on the volume of applications received, we hope to process applications in six to eight weeks.

Q: Does construction have to wait until the loan is final?

A: Yes. Construction may not have begun prior to the loan being finalized.

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Q: What happens if one's insurance runs out during loan processing? / Are additional living expenses included in the loan calculation?

A: The proceeds of the loan may be used for living expenses if required for the health and safety of the borrower. These costs are considered secondary costs and allowed only when absolutely necessary for health and safety. We encourage you to utilize insurance proceeds for relocation purposes so that Loan funds are used only for rebuilding/rehabilitation costs.

Q: How much interest will I pay if I'm approved to borrow the full amount of \$100,000?

A: If you receive the maximum loan amount of \$100,000, 3% simple interest per annum equals \$3,000 per year.

Q: Why do you need a post-construction appraisal? Can the value of my home after it is re-built be more than it was before the fire?

A: The California Department of Housing & Community Development (HCD) requires all assisted units to have after-reconstruction values at or below the current local median sales price of a single-family home using the most recent median sales price for Sonoma County. This information is posted at the California Association of Realtors website:
<https://www.car.org/en/marketdata/data/countysalesactivity>.