

2019 CalHome Disaster Assistance Round 2 Workshop FAQ's



**Note: Questions appear as submitted*

<p>Q. How much of a rent increase constitutes an economically displaced tenant?</p>	<p>A. An increase of 5 percent or more may meet the definition of an economically displaced tenant however the jurisdiction must document their determination of whether or not a tenant is economically displaced as a result of a disaster event.</p>
<p>Q. Can you utilize development subsidy for victims who lost their home in a disaster but want to build in a different lot than where the home was originally?</p>	<p>A. No, you cannot use project development funds for an individual to build a home on another lot. You can use mortgage assistance funds to purchase an existing available home for sale. Example: A renter lost their unit (eviction from rent increase, destroyed in fire etc) Mortgage Assistance will help individuals buy a house on the open market. You cannot buy land and build, it must be an existing structure for purchase.</p>
<p>Q. Is the 25% of funding that may be used to benefit those not affected by disasters (listed in the NOFA) for Mortgage Assistance only?</p>	<p>A. Yes.</p>
<p>Q. If FEMA dollars are available, should it be used first before CalHome funding?</p>	<p>A. Yes, all available funding sources should be used first. CalHome funding is used as gap financing.</p>
<p>Q. What if people don't want to apply for a loan, can they still use funds from CalHome?</p>	<p>A. An applicant will not be denied if they did not obtain other loans available, however we will track this information. Keep in mind the CalHome program is not grant money, it's a loan to be paid back. Current regulations do not allow you to forgive the loan.</p>
<p>Q. For manufactured housing, is assistance only for residents that are/were in a mobile-home park?</p>	<p>A. No, the type of CalHome loan depends on whether or not the home was on a permanent fixture. To be eligible for a loan that has a forgiveness of principle, the home should be (or was at time of disaster) located in a mobilehome park and not on a permanent fixture.</p>
<p>Q. Do you have to apply for a development loan to get Self-Help Technical Assistance?</p>	<p>A. Yes, Self-Help Technical Assistance cannot be a stand-alone activity.</p>
<p>Q. Is the Shared Housing Program for matching rooms for rent to disaster victims only?</p>	<p>A. Yes, as CalHome funding is intended to assist victims of disasters as referenced in the current NOFA.</p>

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<p>Q. Can we use an on-line service or non-HUD-certified local person to teach our homebuyer education classes?</p>	<p>A. Yes as long as they cover the required topics. Completion of the class must be validated by a certificate that shows those requirements were met.</p>
<p>Q. Can we leave it up to the borrower to find a homebuyer education provider?</p>	<p>A. You must approve of the provider they select to ensure the required topics are satisfactorily covered.</p>
<p>Q. Will we enter into a contract with the person(s) providing the homebuyer education classes?</p>	<p>A. That depends on whether you select the provider or the applicant selects the provider. You will need a "bill" showing charge and payment to prove there was an expense.</p>
<p>Q. Can we pay a monthly fee for the homebuyer education service and submit it as our cost receipt?</p>	<p>A. No, CalHome can only cover the cost of the education for the individual borrowers being assisted with CalHome funds.</p>
<p>Q. If the household pays for the homebuyer education class can we reimburse them?</p>	<p>A. Yes through escrow only, not directly. The curriculum must meet the requirements of the CalHome program and you must have evidence such as a copy of the receipt showing the borrower paid the invoice.</p>
<p>Q. When should we prepare and submit our program guidelines?</p>	<p>A. We recommend you get them prepared and in compliance with CalHome Program requirements now as Guidelines must be received <i>prior</i> to disbursement of funds.</p>
<p>Q. Will HCD want to see letters (from borrowers) that prove the primary residence was their home before the home was lost as a result of a disaster event?</p>	<p>A. No, applicants must be able to provide third party documentation (property tax records, phone bills, utility bills etc.) that the address was their primary residence prior to the disaster.</p>
<p>Q. Can we target a specific area for funding?</p>	<p>A. Yes, you can target an area as preference however if you have insufficient applications for that area, you must assist other eligible applicants outside that target area,</p>
<p>Q. Do renters have to be on some type of program such as Section 8 to be eligible to apply?</p>	<p>A. The renter only needs to be income eligible and impacted by the disaster either economically or physically.</p>
<p>Q. Does the activity delivery fee have to be tied to an address?</p>	<p>A. No, but you will need documented receipts for those costs to be covered (up to 10 percent).</p>
<p>Q. Are there environmental requirements?</p>	<p>A. Yes, CEQA compliance may apply to reconstruction projects due to the nature of the disaster and will be reviewed at the local level for compliance.</p>

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<p>Q. Is there any discrepancy between manufactured housing and mobile homes?</p>	<p>A. Generally manufactured housing is situated on real property with an acceptable foundation system and mobilehomes do not have a foundation and are found on spaces in parks.</p>
<p>Q. What happens to CalHome money not spent in round 2?</p>	<p>A. It goes back into the CalHome general fund pot.</p>
<p>Q. Can the funds from Disaster Assistance Round 1 be stacked with this round?</p>	<p>A. No, this would essentially be assisting a single borrower with more than the maximum assistance set in either NOFA at the same time.</p>
<p>Q. If a County applies for funds can they assist a property within a City that is eligible but did not apply?</p>	<p>A. No.</p>
<p>Q. If a resident moves from an affected disaster area to another disaster area and wants to purchase a home would this be an eligible candidate?</p>	<p>A. Yes, as long as they can document that they have been impacted by an eligible disaster.</p>
<p>Q. Can Self-Help Technical Assistance be a stand-alone application or coupled with Mortgage Assistance?</p>	<p>A. No, it can only be coupled with a Project Development Loan.</p>
<p>Q. Is the experience question in the program activity application referring to the organization's experience or a staff member's experience?</p>	<p>A. The organization itself needs to have the experience specific to the activity being applied for.</p>
<p>Q. Is there a prohibition to purchase a new home rather than rebuild if the cost to the borrower is lower?</p>	<p>A. No, it is sometimes less expensive to purchase another residence rather than rebuild one.</p>
<p>Q. Does a property owner have to dissolve ownership in a lot if they decide to purchase another home?</p>	<p>A. No, however the value of the land will be included in their income from assets calculation</p>
<p>Q. How are income limits determined in reference to Underwriting guidelines?</p>	<p>A. Income limits are published annually on the HCD website. Be sure to use the State Income Limits by County and not the Federal Income Limits (they are slightly different).</p>
<p>Q. Many residents in various areas may not qualify as "low-income" so how can this help our communities?</p>	<p>A. Households must be at or below 80 percent of the Area Median Income (AMI) to be eligible to receive funding. This also applies to renters who have been physically or economically displaced.</p>

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<p>Q. How are income limits calculated?</p>	<p>A. Income limits are generally published by the Department of Housing and Urban Development for use in their income restricted programs. The State through HCD makes minor adjustments and then publishes the income limits annually which remain in effect until updated. Applicants should use the State Income limits as opposed to HUD Income limits.</p>
<p>Q. What is Shared Housing?</p>	<p>A. An example of this would be if a property owner who lives in their residence rents a room or auxiliary unit to a low-income individual or couple.</p>
<p>Q. Do potential FTHB Mortgage Assistance Applicants need to have been affected by a 2017-2018 disaster?</p>	<p>A. At least 75 percent of the FTHB Mortgage Assistance program funds must provide assistance to households affected by a FEMA declaration disaster event listed in the NOFA. In the event they cannot disburse the funds to applicants impacted by a disaster 25 percent of the <u>total</u> FTHB program award may be used to assist households that do not meet the disaster assistance eligibility criteria.</p>
<p>Q. Can funds be used for land acquisition?</p>	<p>A. Yes, only in a Project Development loan.</p>
<p>Q. What are the time requirements from purchase of land/lot to sale of said property after construction is completed?</p>	<p>A. Applicants have 36 months from the award date to expend their funds. In the case of a predevelopment loan, that means that escrow has closed and the eligible household has been assisted.</p>
<p>Q. If an applicant applies for \$2 million, but only \$1 million available/remaining does HCD award the remaining \$1 million to an applicant?</p>	<p>A. Yes, these funds will be offered to the applicant. They can decide to accept the reduced award or pass and it will be offered to the next eligible applicant.</p>