



READY TO HELP

CalHome RECONSTRUCTION PROGRAM FOR LAKE COUNTY

TOWN HALL MEETING DETAILS

WHAT: LAKE COUNTY REBUILDS: A community meeting on State housing funds for survivors of the Valley and Clayton fires

WHEN: Thursday, February 16, 6:30 to 8:30 p.m.

WHERE: Middletown Middle School Gymnasium, 20932 Big Canyon Road, Middletown

TO RSVP: Contact Karlene Rebich at (707) 576-2771 or Karlene.Rebich@sen.ca.gov

INTRODUCTION

Hammers for Hope, a local non-profit, thanks to the efforts of Senator McGuire, anticipates receiving \$4.6 million in funds from the State of California, Department of Housing and Community Development (HCD) to assist homeowners whose homes were damaged or destroyed by wildfires in Lake County.

The program supports low-income homeowners with loans to rebuild homes damaged or destroyed by the September 2015 Valley Fire or the August 2016 Clayton Fire through the volunteer work of partnering non-profit organizations. As the loans are repaid to the non-profit, the money will be available for more of the same kinds of loans, which means it will be recirculated to continually help rebuild Lake County.

The program also provides loans to rebuild homes for low-income households who were formerly renters by partnering with the local non-profit.

Loan repayment plans will be determined based on the homeowner's income and expenses, and may be structured as a deferred-payment loan. These loans are due at the end of the 30-year term and must be paid off if the property sells.

ELIGIBILITY

To be eligible for home loans, the applicant must:

- Have owned and occupied a home within the areas impacted by the Valley Wildfire in September 2015 or subsequent fires including the Clayton Wildfire in August 2016; and,
- Currently be a low-income household (household size and income limits below)

THE PROCESS

Applicants interested in the program will be served on a first-come, first-served basis.

Step 1: Sign up for the waiting list! The FASTEST way to join the waitlist is to sign up at our web site: www.hammersforhope.org. Other ways to sign up: Send an email to waitlistme@hammersforhope.org or write to us at Hammers for Hope, P.O. Box 1612, Middletown, CA 95461

Step 2: Complete the Loan Application and Submit Documentation. When your name comes up on the waiting list, you will be contacted to complete the loan application. You will have thirty (30) days to complete and return the loan application and to provide all necessary supporting documentation. Should you fail to respond within the 30-day timeframe, you will, unfortunately need to be removed from the waiting list to allow Hammers for Hope to take the next person on the waiting list. Applications will be taken in groups of 10 to facilitate the process.

Step 3: Loan Application Complete with All Required Documentation. As soon as a completed loan application with all requisite supporting documentation has been received, an interview will be scheduled with the applicant. The program will be fully explained and the loan application and documentation will be thoroughly reviewed.

Step 4: Verifications and Income Determination. Verification will be required for income, assets, employment, benefits, and mortgage. Title report and appraisals also will be obtained. Hammers for Hope will determine if the applicant meets the



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income requirements of the program. Income limits are updated each July by the State of California. As of July 1, 2016, the following income limits are in effect:

| Current Annual Household Income Level | Household Size (number of residents living in the home at the time of the fire) | | | | | | | |
|---------------------------------------|------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | \$33,000 | \$37,700 | \$42,400 | \$47,100 | \$50,900 | \$54,650 | \$58,450 | \$62,220 |

Income determination will be completed per the guidelines found in Exhibits A and B of the Program Guidelines provided to all applicants. Program Guidelines also can be viewed at our web site, www.hammersforhope.org. Due to the extensive determination that must be made about income levels, all applicants will be required to submit adequate supporting documentation to justify the income determination. Income is generally defined as all income from all household members for a period of the last 12 months. The Exhibits A and B provide additional detail as to how to determine what is income and what is not counted.

Step 5: Getting the Approval for Replacement Home Construction.

After the applicant has been determined to income qualify for the program, the building project will be reviewed to determine that it qualifies for the program. The next step is to determine the size of the original home as the program only allows like-for-like replacement of the destroyed or damaged home. For example, if the original structure was a two-bedroom home with a kitchen, dining room, living room, and one bathroom, the program would replace it with a new home that has the same number and types of rooms. The only exceptions are those required by building codes and to rectify any overcrowding. The types of finish materials also must be either the same as the original structure or a standard grade. For example, the program would not provide for stone countertops. The maximum amount of each loan is \$60,000 with a provision to allow a limited number up to \$80,000.

Step 6: Constructing the Replacement Home. It is expected that the insurance monies, if any, and the volunteer labor programs, like Hope City,

will assist in providing sufficient funding and labor to allow complete replacement of the original structure. Other options can be considered to provide for completion of the home. This includes self-help and general contractors.

The applicant will be making the selection of the builder that will be used to construct the home and will be the responsible party for any contracts for construction. Once the builder is selected, loan documents will be prepared, contractor licenses will be verified, and construction contracts will be reviewed for compliance with applicable CalHome requirements. Once the documents are signed, a Notice to Proceed will be given to the homeowner and the builder. Partial payments are allowable during construction as work progresses. Inspections to verify work progress will be made before any payments are made. There is a 10% withholding on any partial payments that will be reimbursed along with the final payment once work is completed, any liens are released, and all code inspections are completed. Upon completion of the project, revised loan documents will be executed if there is any adjustment in the final cost of construction covered by the program.

Step 7: Repayment of Loan. The Program Guidelines provide the criteria for determining if repayments can be made based on the applicant's expenses and income. A repayment plan will include a determination if the homeowner's income allows for payments during the term of the loan, which is typically 30 years. If it is determined that the homeowner will not be able to make payments, the loan will be structured as a deferred-payment loan, which is due at the end of the 30-year term. Such deferred payment loans will have a five-year review cycle where the homeowner's income and expenses will be reevaluated to determine if payments can begin.

These loans are not transferrable and must be paid off if the property sells, is rented, or is transferred to another person. The applicant must maintain the property and be current on all taxes, insurances, and any other requirements of the loan documents.