

HOMEOWNER

FLOOD RESTORATION LOAN



Housing

Program Purpose

The **Flood Restoration Loan** offers single family homeowners affected by the Coyote Creek flood financial and technical assistance to restore their homes back to a safe and healthy condition. The City’s loan is offered at zero (0%) interest rate with deferred payments for the full 30-year loan period. Income eligible applicants may qualify for up to \$150,000 with no application fee.

Eligible Applicants

Owner-occupants, whose gross annual income does not exceed 120% of the Santa Clara County Area Median Income (AMI), adjusted for family size. Please refer to the Eligibility Criteria below for eligible income levels.

Income restricted to 120% of AMI per household size as stated below

1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
\$89,950	\$102,800	\$115,650	\$128,500	\$138,800	\$149,050	\$159,350	\$169,600

Income Limits are subject to change based on the Santa Clara County Median Income

Eligible Properties

Owner-Occupied single-family properties located within the areas directly impacted by the 2017 Coyote Creek flood. Properties are subject to a maximum home value limit of **\$875,000**. Applications will be prioritized based on need. Yellow tagged properties, or properties with immediate health or safety deficiencies caused by the flood will be prioritized over homes designated with green tags.

Loan Limits

The maximum loan amount for this program is up to \$150,000. However, the final loan amount will be based on the actual cost of repairs or improvements.

Loan Terms

- Loan payments will be deferred for the full term of the loan (see Security for City Loan);
- The City’s loan is limited to 95% of the Combined Loan to Value (CLTV);
- The structure must be brought up to current housing code and health and safety standards (see Eligible Repairs and Improvements);
- The owner must maintain flood insurance on the property for the life of the loan;
- Subject property must have been owned by the applicant prior to the flood event;
- The repairs and improvements will be prioritized by the Program Inspector based on the health and safety needs of the property;
- Permits must be obtained for all repairs as required (eligible cost under the loan);
- Loan approval is subject to the City and funding source guidelines in effect at the time of application; and
- Work will be limited to the primary residence. Detached accessory buildings or second units are not eligible under the program.

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Security of the City's Loan

The borrower will be required to execute a Promissory Note and Deed of Trust. The loan will be recorded as a lien against the property and will be due upon maturity, sale, refinance or transfer of the property. Owners will only be responsible to repay the amount used to complete the repairs and restoration. Any additional fund balances will be credited to pay down the secure loan amount.

Eligible Repairs and Improvements

The primary objective of the City's Flood Restoration Program is to assist owners in restoring their homes to a safe and healthy condition. Flood related repairs will be prioritized ahead of all other improvements. The properties must be brought up to current housing code and health and safety standards. Improvements required to address housing code or health and safety needs will be included in the project scope and are eligible costs under this program.

Example of Eligible Repairs or improvements include:

- Heating System
- Water heater replacement
- Electrical
- Permit costs associated with repair work
- Removal & replacement of water damaged walls and siding
- Removal & replacement of water damaged flooring

Application Process

Property owners may request an application in person or over the phone. At initial inquiry, Housing Department staff will pre-screen applicants to verify initial program eligibility. Homeowners that meet the initial eligibility criteria will be provided a loan application. City staff will work with the owner to secure documentation to complete the application and obtain funding approval. Once approved, project funding will be reserved.

A City rehabilitation inspector will be assigned to work with the owner to determine the project scope of work and ensure licensed and insured contractors are selected to complete the restoration. Owners may select the contractor of their choice provided the contractors meet the City's licensing and insurance requirements. Invoices for the work will be paid directly to the contractor based on approval by the owner and the City. After the work is complete, City staff will work with the owner and contractor to close out the project and ensure all subcontractors and material suppliers have been paid, and all permits are finalized.