

HOUSING

This resource provides an overview of some legal issues individuals may face after a disaster. This material was drafted in 2024 and we cannot guarantee that all information is current. This resource will not answer all of your questions. It is designed to set out some of the issues you may have to consider, to help you understand the basics about each issue, and to point you in the right direction for help. Much of the information is general, and you may need to contact legal aid organizations or federal, state, city, or county officials to obtain more specific information and advice. This resource was prepared by various law firms, legal aid organizations, and other nonprofit organizations as a free resource. Although the authors hope that it will be helpful by providing background material, we cannot warrant that it is accurate or complete, particularly since circumstances may change. It is not intended to constitute legal advice and should not be relied on as legal advice. Readers should seek tailored advice from their own legal counsel. If you cannot afford to hire a lawyer, you can contact (888) 382-3406 for referral to a nonprofit legal aid organization.

TEMPORARY HOUSING

My primary residence (house, condominium, or apartment) was destroyed by the recent disaster. Although I have been able to stay in shelters or with friends and family, I need temporary housing of my own. Can anyone help me find temporary housing or help pay for it?

One or more of the following should be able to help you in these circumstances. First, various charitable organizations, such as the American Red Cross, may be able to provide assistance. You should conduct an online search for a local chapter, or dial 2-1-1 for local resources. Second, if you have homeowners' or renters' insurance, temporary housing may be covered by your policy. Contact your insurance agent. Third, as discussed below, the Federal Emergency Management Agency (FEMA) has several programs that may be able to assist you if FEMA's Individual Assistance program is available for the current disaster.

Transitional Shelter Assistance (TSA) Program

FEMA's TSA Program may provide short-term lodging assistance for federally-declared disaster evacuees who have a continuing need for shelter because they are unable to return home for an extended period of time after the other shelters closed. Under the TSA Program, you may be eligible to stay in a hotel or motel for a limited amount of time and have the cost of the room and taxes covered by FEMA. FEMA does not cover the cost of incidental room charges or amenities, such as telephone use, room service, and food. FEMA does not provide this service in every disaster.

If FEMA initiates this program, for those who are eligible, FEMA will authorize and fund the use of participating hotels and motels (through direct payments to the hotel or motel) as transitional shelters. The initial period of assistance is typically five to 14 days from the date of TSA implementation. If needed, FEMA, along with the state, may extend the period of assistance. If you are interested in this program, register with FEMA. You can determine eligibility online at <https://www.disasterassistance.gov> or by calling (800) 621-3362. If FEMA offers the TSA program, and if FEMA determines you are eligible for this assistance, you can visit <https://www.disasterassistance.gov> and click on the "Transitional Sheltering Assistance" link to locate hotels or contact FEMA for help.

Rental Assistance Through Individuals and Households Program (IHP)

IHP provides tax-free grants (Rental Assistance) to households who are displaced from their primary residence by a federally declared disaster. These need-based grants enable homeowners and renters to secure temporary housing while repairs are made to their pre-disaster primary residence or while transitioning to new permanent housing. Rental Assistance may be used to rent a house, apartment, manufactured home, recreational vehicle, or other readily fabricated dwelling. To be eligible for Rental Assistance, the following conditions must be met:

Only one application will be accepted from each household (generally, all people living in one apartment or house). (See additional information about IHP resources for rebuilding your residence below in the **Repair and Rebuilding** section of this chapter.) Apply for assistance at <https://www.disasterassistance.gov> or call the FEMA helpline at (800) 621-3362.

Government-Provided Temporary Housing

If FEMA determines there is no rental housing available in the local community due to the federally declared disasters, it may provide Government-Provided Temporary Housing (e.g., modular or mobile homes) to disaster victims.

Separate from FEMA assistance, the Department of Housing and Urban Development (HUD) may offer Section 8 rental assistance and relocation plans for tenants in subsidized public housing. Aid also may be provided through California's State Supplemental Grant Program (SSGP).

If you were living in a Rural Development-financed apartment and have been displaced, you may be eligible for additional priority assistance from the USDA Rural Development Agency. For further information about this benefit, call (800) 414-1226.

My primary residence was damaged during the recent disasters. If I move out while repairs are being made, can I get any assistance in finding and paying for temporary housing?

Depending on the amount of damage, you may be eligible for assistance. Potential sources include charitable organizations, your insurance, and FEMA's IHP, as discussed above. You can call your local 2-1-1 program to assess current available resources.

During a recent disaster, I was ordered to evacuate my primary residence. Instead of going to one of the local shelters, I rented a room in a motel. Can I obtain reimbursement for the money I spent on the motel room? What if my primary residence was neither damaged nor destroyed as a result of the disasters?

You may be eligible for assistance from charitable organizations, your insurance, or FEMA. FEMA may provide lodging expense reimbursement for hotels, motels, or other short-term lodging while an applicant is displaced from his or her primary residence as the result of an ordered evacuation. You should save your receipts and document your expenses in case you are eligible for reimbursement. The same disaster assistance process described above for FEMA's TSA Program and FEMA's IHP program will apply to determine your eligibility for potential FEMA reimbursement of displacement costs.

Please note: FEMA assistance is available only to individuals if their primary residence has been destroyed, is uninhabitable, or is inaccessible. If you were ordered to be evacuated and are now able to return to your undamaged residence, check with your insurer to see if short-term lodging expenses can be reimbursed.

HOUSING PAYMENTS

My primary residence, which I own, was destroyed by a recent disaster. Am I obligated to continue paying my mortgage, homeowners' association fees, insurance, etc., on that residence? Does it make a difference if my residence was only damaged, rather than destroyed?

Unless you obtain a forbearance agreement from your lender, you should continue to pay your mortgage regardless of whether your residence was destroyed or damaged. You should contact your mortgage servicer (the company to which you send your monthly payments) to discuss possible mortgage relief options. If you are having trouble contacting your mortgage servicer, contact the Homeowner's HOPE Hotline at (888) 995-4673 for assistance.

If your loan is owned by Fannie Mae or Freddie Mac, you may be eligible to temporarily stop making your monthly mortgage payments for three-month intervals for up to 12 months. You can check to see if Fannie Mae owns your loan at <https://yourhome.fanniemae.com/calculators-tools/loan-lookup> or by calling (800) 232-6643; you can check to see if Freddie Mac owns your loan at <https://myhome.freddie.mac.com/resources/loanlookup> or by calling (800) 373-3343 and selecting option #2. Do not stop making payments until Fannie Mae or Freddie Mac confirms your eligibility to do so.

If (i) your residence has suffered substantial uncompensated disaster damage (40% or more of the original property value), (ii) you intend to repair the damage or rebuild, and (iii) you do not have sufficient credit available elsewhere to cover your mortgage payments, the U.S. Small Business Administration (SBA) may be able to refinance all or part of your outstanding mortgage, which could result in a reduced monthly mortgage payment.

If your home loan is through the U.S. Department of Veterans Affairs (VA), you might be able to have it adjusted. Call the VA regional office where the property is located. The proper regional office should be identified on the loan papers. If the papers are not available, call the VA at (877) 827-3702 for the number of the correct regional office. You can also use this phone number to speak with a VA loan specialist about your options.

With regard to homeowners' association fees or insurance premiums, you should review the language of your association's bylaws and the insurance policy. It is likely in your best interest to pay the amounts owed unless you obtain written confirmation that you do not have to pay or may defer payment for a specific time and save all written correspondence and confirmation for your records.

RENTERS

The following is general information for tenants regarding premises damaged by the disasters. Individual circumstances will vary. For many of these questions, you may want to contact an attorney.

If my rental unit has been damaged or destroyed by the recent disaster, what issues should I consider?

- Do you have a written lease?
- What is the level of damage?
- Do you want to remain in the unit, move out temporarily while the landlord makes repairs, or move out permanently?
- Is the unit rent-controlled or subsidized?

Under California law, unless you have a specific lease provision expressly providing otherwise, if your unit was entirely destroyed, then the lease terminated automatically.

What if I have a written lease?

Your rights will be determined by the lease's provisions to the extent they are not superseded by California law. Although "form" leases are commonly used, the provisions covering disasters may vary significantly even for different leases in the same building. You should ask a lawyer to check the provisions of your lease to answer these questions.

How do I assess the damage to my rental unit?

Under California law, landlords must maintain rental units in habitable condition. A residential tenant cannot be forced to waive his or her right to habitable housing. Unless you have a unique lease that you negotiated with your landlord, this information about habitability most likely applies to your rental unit. To be considered habitable, the rental units must substantially satisfy *all* of the following conditions:

- roof and exterior walls must be waterproof;
- windows and doors must be unbroken;
- plumbing and gas systems must be in good working order;
- hot and cold running water must be provided;
- sewage disposal systems must be operational;
- heating equipment must be in good working order;
- electrical lighting and wiring must be maintained in good working order; and
- floors, stairways, and railings must be kept in good repair.

If my rental unit is damaged, what can I do if I have a month-to-month rental agreement and want to move permanently?

You can give one month's notice to your landlord and then move. If the unit is substantially damaged (damaged to the extent the premises can no longer be used as a residence), you may not need to pay all or some of the last month's rent. If that is the case, see the guidelines below.

If my rental unit is damaged, do I have to pay rent if I have a one-year lease and I want to move out permanently?

Under California law, you may terminate your tenancy and not pay further rent if the unit is substantially damaged. If you want to terminate your tenancy, you should:

- check your lease for applicable provisions;
- make a list of the unit's impaired and damaged conditions;
- obtain FEMA or other inspection reports;
- request a local city building inspection and obtain a certified copy of the inspection report;
- photograph the damage and record the date the picture was taken, who took the picture, and the subject of the picture; and
- have the unit and building viewed by reliable witnesses and record their names and addresses, the date of the viewing, and what the witnesses saw.

Assuming that your unit is likely to be considered substantially damaged by the recent disaster, write a letter to your landlord, enclose copies of the documentation listed above, state that the rental unit is not habitable, and state that you consider the lease terminated. Sign and date the letter and keep a copy for your records. You then will be in a position to proceed as if the unit had been destroyed. If your landlord disputes your position and you have not done so already, you should promptly consult an attorney or seek the services of a legal aid organization.

Can I terminate my lease if my rental unit is materially damaged?

You must first notify the landlord about the needed repairs and give the landlord a reasonable amount of time to make the repairs. If the landlord does not make the repairs within a reasonable time, then you may be able to not pay some or all of your rent or even terminate the lease. The landlord may dispute whether the repairs are necessary and whether they had a reasonable time to make the repairs, in which case you may need to consult with an attorney.

Can my landlord use my security deposit to pay for damage from the disaster? What happens to my security deposit if the unit was entirely destroyed?

With respect to damage, the landlord can only use a security deposit for damage caused by tenants or their guests. Your landlord should not use your security deposit for damage caused by a disaster. If your unit was entirely destroyed, or your lease is otherwise terminated as a result of the disasters, your landlord has 21 days to return your security deposit.

My residence in a rural community was damaged or destroyed, and I am looking for a new residence to lease. Are any programs available to assist with obtaining a new residence?

If you live in a rural community that is in a federally declared disaster area and your home was damaged or destroyed, United States Department of Agriculture (USDA) Rural Development may be able to help. You may be eligible to receive a Letter of Priority Entitlement (LOPE), which allows you to apply for housing in properties financed by USDA Rural Development or by HUD, even if you might not have been eligible to apply to those properties before the disaster. If you receive a LOPE, you will be given priority placement for a vacant unit. If no units are available, you will be placed at the top of the waitlist, though you are not guaranteed placement in one of the properties. A list of USDA Rural Development properties is available online at

https://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_county.jsp?st=ca2&state_name=Southern%20California&st_cd=06, and a list of HUD properties is available online at <https://resources.hud.gov>.

To request a LOPE, you should register with FEMA and then contact USDA Rural Development, using the contact information here:

<https://www.rd.usda.gov/ca>.

If you lived in other subsidized housing or had a Housing Choice Voucher (Section 8), you should contact your local housing authority and assess any priority assistance they may have available due to the disaster.

REPLACEMENT OF POSSESSIONS

When the recent disaster destroyed my residence, I lost almost all of my personal possessions. Is there help for replacement clothes and necessities or other destroyed items?

You may be able to replace personal property that was destroyed with insurance proceeds and/or with grants or loans from several federal or state programs.

First, if you have homeowners' insurance or renters' insurance, the policies typically include provisions for the replacement of personal property, subject to various conditions, deductibles, and policy limitations. If you were renting your primary residence, check with your landlord to confirm whether your landlord named you as an additional insured on the landlord's policy, in which event it may provide benefits for you.

Second, the SBA may provide a Home and Personal Property Loan for possessions to both homeowners and renters. The amount of an SBA loan is limited and depends on the actual cost of repairing or replacing the damaged items less insurance recovery, grants, etc. The loan can be used to repair or replace personal property, such as clothes, furniture, automobiles, and consumer electronics, but an SBA loan cannot be used to replace luxury or extraordinarily expensive items, such as personal pleasure boats, airplanes, RVs, and fur coats or to pay for upgrades or make additions to the home unless required by building codes. Property, such as an antique or a collection of rare goods that may have market values in excess of its functional value, is covered only for the amount of its functional value. (For example, reimbursement for a collection of four rare quarters would be \$1.00, not the potential price at a coin show.)

Third, to the extent your personal property losses exceed the amount of your insurance coverage and SBA loans, and assuming other conditions are met, FEMA will sometimes provide assistance in replacing furniture lost when their primary residence was destroyed. If needed, you should specifically request assistance for furniture costs from FEMA and demonstrate your need.

DEMOLITION AND CLEAN UP

Do I need a permit to demolish a partially destroyed residence or to clean up debris caused by the recent disaster?

Homeowners are advised **not** to conduct their own demolition of partially burned structures or perform debris or ash removal. These activities may present serious health risks due to the presence of asbestos, lead, and other hazardous materials and subject you to liability. Homeowners may be eligible for programs sponsored by CalRecycle or other agencies to complete demolition and debris removal at no cost. If you move or spread the debris, you may lose your eligibility or become liable to others. We recommend that you wait until state assistance is in place and sign up for these programs. You will then be required to sign a "Right of Entry" form granting permission to the responsible agency to access and clean up the property.

Additionally, if you have homeowners' insurance that covers debris removal, you should inform the agency in charge of the cleanup, and you likely will be required to pass that specific portion of the insurance proceeds through to state or federal agencies. Contact your county to determine the appropriate process or visit <https://wildfirerecovery.caloes.ca.gov/> for updates.

If you nevertheless undertake demolition, note that, in general, demolition permits are required from the city or (for unincorporated areas) county government before removing major structures. These permitting requirements may be relaxed or expedited for structures affected by the disasters. Check with your local permitting jurisdiction for requirements before conducting any structural demolition work.

Also, if you undertake debris removal yourself (which is not recommended), be sure to wear appropriate protective clothing, including face masks, gloves, and eye protection. You may be required to submit plans and obtain a permit from your local permitting jurisdiction for removal and disposal of building debris and ash, and soil sampling may be required to test for hazardous substances. You should check with the California Department of Toxic Substances Control (DTSC) for more information and advice regarding your specific situation. You can find more information on DTSC's website, <https://dtsc.ca.gov>, or call DTSC at (916) 255-6504.

Am I required to send any debris I clean up to a special collection facility?

The debris likely includes materials that must be properly disposed of to avoid soil or water contamination. Solid waste landfill operators may be granted special emergency waivers to accept debris they would not otherwise be allowed to accept. To the extent hazardous materials cannot be separated from other burned materials (as is likely in a burned residential structure), depending on whether DTSC grants a special disaster-related exemption, the materials may or may not be accepted along with other debris at municipal landfills. Household hazardous materials (e.g., paints, fertilizers, automotive fluids, batteries, and electronic waste) that can be separated from other burned materials should be taken to a local household hazardous waste collector. The following website features a tool to look up a Household Hazardous Waste Facility near you: <https://dtsc.ca.gov/managing-hazardous-waste>.

REPAIR AND REBUILDING

My primary residence, which I own, was destroyed by the recent disaster. Who can help me rebuild? If my residence was not insured, or the insurance is insufficient, are there any programs that might help me rebuild?

As with other types of assistance, you should first look to insurance proceeds and charitable donations to cover the costs of rebuilding and repair. To the extent you were uninsured or underinsured, the SBA, FEMA, or other programs may be able to help. If FEMA was available, you should connect with a disaster case manager, you should also dial 2-1-1 to assess local disaster resources.

My primary residence, which I own, was destroyed by the recent disaster. Will I need a permit to rebuild it?

As a general rule, yes – a building permit is required whenever structural work is involved or when the basic living area of a home is to be changed. This could include separate permits for roofing, electrical, heating, and plumbing. Typically, the contractor overseeing the rebuilding or repair will obtain the necessary building permits from the city or county building or planning department. (See rebuilding and repair contact information for disaster-affected areas below.) In addition to building permits, depending on the zoning requirements in place for your residence, you may need to obtain zoning approval, as well.

Following natural disasters, various cities and counties often enact special treatment for building permit and zoning applications submitted by disaster victims (for instance, providing plan review and issuing building permits on an expedited basis and at no cost for anyone whose home has been destroyed by a natural disaster). Make sure to ask or

have your contractor ask about any special building permit programs available for natural disaster victims. Contact your county's building department for permitting information.

What happens if I do not get a building permit?

If the authorities learn you have undertaken repairs or rebuilding without obtaining the necessary permit, you will generally pay a fine and may be ordered to tear down any construction that was done without authorization. The amount of the fine varies by jurisdiction. If you sell your property, you are required by law to disclose work that has been done without the required permits and that could lower the sale price or jeopardize the sale of your property altogether.

My house was built before the current building codes were in place. When rebuilding, do I have to conform to the new building codes?

Yes, houses must generally be constructed according to the codes in effect at the time the reconstruction permit is issued. Some cities and counties may not require conformance to new building codes for repairs that are considered "minor." You should check your insurance policy or call your insurance carrier to determine whether your homeowner's policy provides for upgrades to the current building code. (Some policies do not pay for building code upgrades.)

If the local government's zoning requirements have changed for your property since the house was built, you will generally be required to conform to the new zoning rules. This could affect the size or design of the house, and, in some cases, it may affect the allowable use of the property. Be sure to check with your local planning department.

Is it a good idea to be my own general contractor?

No, unless you are very experienced in the construction business. As an owner/builder, you assume responsibility for the overall job, which may include responsibility for state and federal taxes, workers' compensation insurance for the workers you hire, and other requirements and liabilities.

If I'm not my own contractor, how will I know which contractor to hire?

If possible, use only contractors referred to you by someone you know and trust. Unscrupulous contractors may try to solicit work from you, offering to repair or rebuild your home for a low price. Remember, if something seems "too good to be true," it probably is. Although you may be eager to rebuild and get things back to normal as soon as possible, avoid acting too quickly. Take time to determine exactly what you want done, and make sure the contractor is licensed and reputable and can address all your concerns. If possible, get at least three competitive bids based on the same set of specifications before making your decision. Beware of door-to-door offers of repair services and never provide the contractor with a cash deposit on a handshake. You should always get a written contract that details every aspect of the work to be done and a performance and payment schedule. Before signing a contract with a contractor, be sure to check his or her license status and review resources on consumer tips and fraud prevention, like the following:
<https://www.cslb.ca.gov/Resources/GuidesAndPublications/AfterADisasterGuide.pdf>.

Must a contractor be licensed?

Yes. State law requires that contractors working on any job requiring \$500 or more of work be licensed by the California Contractors State License Board (CSLB). Ask to see the contractor's license (called a "pocket license") that has the CSLB's license number on it (state contractors' licenses are solely numeric; no alphabetic characters are included in them), as well as an additional form of identification for verification (the contractor's license should be in the contractor's own name). You can verify a contractor's license status at the CSLB website, <https://www.cslb.ca.gov/OnlineServices/CheckLicense/CheckLicense.aspx>, or by calling CSLB's toll-free automated telephone system at (800) 321-2752. The CSLB has a hotline for disaster victims, (800) 962-1125 (weekdays only), and additional information is available on CSLB's website at https://www.cslb.ca.gov/Media_Room/Disaster_Help_Center.

Do I need a written contract?

Yes. State law requires that home improvement contracts for \$500 or more in labor or materials must be in writing. Anything you sign, no matter what the form, can be considered a contract or otherwise used by a contractor as authorization to go forward with a project, so do not sign anything until you completely understand the terms of what the contractor is agreeing to do, the timeline for the work, the cost, and when payment will be due.

Can I change my mind after I sign the contract?

If your residence is within a federally, state, or locally declared emergency area, California law allows you to cancel a contract for repair of a residence damaged by the disaster within seven business days of signing the contract. For other contracts, you may cancel within three business days of signing, provided the contract was solicited at a place other than the contractor's place of business (such as in your own home). By law, the contractor must give you written notice of this

right to cancel. The State of California Department of Consumer Affairs' website provides additional details about these rights, see https://www.dca.ca.gov/publications/legal_guides/k_10.shtml.

How much can a contractor require as a down payment?

California law limits the amount of the down payment for any home improvement contract (including debris removal) to the lesser of \$1,000 or 10% of the contract price, excluding finance charges. Except for this down payment, California law prohibits a contractor from collecting payment for work that has not been performed or materials that have not been delivered. As a general rule, you should not make cash payments to contractors, and, instead, you should pay by check.

How can I make sure the work progresses as scheduled in the contract?

The contract should provide a description of the work to be done, the time period within which it is to be done (including the date on which "substantial commencement of work" should occur), the materials to be used, and the equipment to be used or installed. Contractors often ask for progress payments as the work progresses. California law requires that the contract must specify all of the work that is to be completed before a progress payment is due and that the progress payment cannot exceed the value of the work performed and materials purchased up to that point. It is customary for contractors and their customers to schedule the last payment (often called a "retention" payment), ordinarily representing 10% of the total job price, after the job is completed and the city and county (if required) have approved all work.

What happens when the contractor uses subcontractors or suppliers?

As explained in this section, you should protect yourself from liens against your property in the event the contractor does not pay the subcontractors or suppliers. California's Mechanics' Lien Law allows those who furnish labor or materials to your home to record a lien against your property if they are not paid even if you have paid your general contractor in accordance with the contract. At its most extreme, a lien may result in the forced sale of your property if you are unable to pay the amount of the lien. At the very least, a lien will make your property more difficult to finance or sell.

California law requires the contractor to provide you with a "Mechanics' Lien Warning." That warning suggests measures you can take to prevent liens against your home, such as:

- getting a list from your contractor of all subcontractors and material suppliers and monitoring when they start work or deliver materials;
- paying close attention to any "Preliminary Notice" received from a subcontractor, which provides notice that the person has a right to record a lien if not paid; and
- if permitted by your contract with the general contractor, paying with a joint check, payable to both the contractor and the subcontractor or material supplier.

The law provides that contractors, on request, must furnish an unconditional release of potential mechanics' lien claims by the subcontractor once you have made payment to the subcontractor for that specific work or materials. Note that the general contractor can also place a lien on your house if you fail to pay for his or her services.

What if my contractor doesn't perform the work I contracted for or does a poor job?

If you have a dispute with a contractor that you are not able to resolve on your own, in addition to consider consulting with an attorney, you may contact CSLB to file a complaint against the contractor. You can find more information at <https://www.cslb.ca.gov> or by calling (800) 321-2752. Depending on the nature and severity of the complaint, and whether the contractor is licensed or unlicensed, CSLB may direct the parties to a dispute resolution program, investigate potential violations of law, or pursue legal action against the contractor.

My contract has an arbitration clause. What does that mean?

By agreeing to arbitrate, you agree that a dispute with your contractor will be decided by a neutral third party (known as an arbitrator) rather than by a judge or jury (unless the arbitration is non-binding). Some people prefer arbitration to court proceedings because arbitration is often less expensive and often faster than a lawsuit. If your contract requires binding arbitration, it means you have waived almost all grounds for seeking judicial review of the arbitrator's decision; in almost all such circumstances, the arbitrator's decision will be the final decision, even if you think the arbitrator made a mistake.

What is the effect of a clause allowing the contractor to recover attorney's fees and costs from me if there is a dispute?

In California, in a legal dispute about a contract, each side pays its own attorney's fees and costs unless their written contract provides otherwise. An attorney's fees' clause written for the contractor means that, if the contractor prevails in a dispute in arbitration or in court, you will have to pay the contractor's attorney's fees and costs (as well as your own if you had an attorney represent you in the proceedings). California law provides a reciprocal benefit with regard to attorney's

fee clauses—meaning that if you are the prevailing party and the contractor had an attorney’s fee clause in their contract, you may recover your attorney’s fees and costs from the contractor even if the clause does not specifically provide that you are entitled to do so.

A man who said he was a contractor offered to clean up my property, assess the damage to it for the purpose of obtaining grants and loans, and rebuild my house for \$50,000, with just \$5,000 down. Fortunately, I have the money available. Should I hire him?

You should pause and proceed only with caution. Before hiring anyone as a contractor or other service provider in connection with damage to or destruction of your property, you should be sure you are an “aware consumer.” As discussed above, if a person represents himself as a contractor, you should ask for references from prior jobs and obtain his contractor’s license number and check that it is valid, including checking for valid photo identification. Most entities and programs that will provide property owners with funds to rebuild or replace damaged property have their own inspection and assessment programs. As a result, unless the funding entity instructs you otherwise, you need not hire a private person or firm to perform an inspection of your property as part of the application process.

Although my primary residence, which I own, was not destroyed during the recent disaster, it was damaged and is no longer habitable. Can I get any assistance to repair my house or mobile home?

Yes. In addition to charitable grants, loans, or insurance proceeds, if you reside in a federally declared disaster area, FEMA and an SBA loan may be available.

FEMA, through its IHP, provides grants to homeowners to repair damage from the disaster that is not covered by insurance. The goal is to repair the home so it is in a safe and sanitary condition, which may not return a home to its condition before the disaster. These grants are available only when a disaster has been declared for the area by the president, and individual assistance has been authorized. Check with FEMA directly for the amount of the maximum assistance available to an individual or household under the IHP.

If you apply for IHP, FEMA will inspect your home and base the amount of its grant on the reasonable cost of repairs to the damaged property. Repairs covered by IHP include:

- structural parts of a home (foundation, outside walls, and roof);
- windows, doors, floors, walls, ceilings, and cabinetry;
- septic or sewage system;
- well or other water system;
- heating, ventilating, and air-conditioning systems;
- utilities (electrical, plumbing, and gas systems); and
- home entrances and exits, including privately owned access roads.

If you own a mobile home and it is your primary residence, IHP will cover repair costs related to blocking, leveling, and anchoring the mobile home.

If your home needs more extensive repairs than FEMA will fund, the SBA may be able to help with a Home and Personal Property Loan.

PURCHASE AND SALE OF DAMAGED PROPERTY

Before the recent disaster I had agreed to purchase a house that was subsequently destroyed by the disasters. Must I complete the purchase?

It depends on the terms of the purchase agreement and whether title to, or possession of, the property passed to you before it was destroyed. If title to the property had already passed and you were the owner at the time of destruction, you may be eligible for assistance from your insurer or from the various sources of aid identified in this resource. Otherwise, unless there is contrary language in your purchase and sale agreement, the Uniform Vendor and Purchaser Risk Act, Civil Code section 1662, allows a purchaser to back out of an agreement for the sale of real property if “all or a material part” of the property was destroyed before the transfer of title or possession. If you face this situation, you should obtain the advice of a real estate attorney.

PROPERTY TAXES

My property was damaged in the recent disaster. Can I obtain a reduction in my property tax assessment?

Depending on your county, if the damage to your property exceeds \$10,000, you may obtain a reduced tax assessment as of the first of the month in which the damage occurred. However, unless you qualify for the tax payment deferral

described below, you must continue to pay your taxes as billed and obtain a refund after the property has been reassessed to reflect the damage. To qualify, you must file an application for an assessment reduction within 12 months after your property experienced damage (unless extended by the county). Some county assessors have the authority to reduce a property's value for damage without a claim. (Note: Upon restoration, your property will be taxed using its original Proposition 13 base year value as adjusted for time and improvements that expand the size or improve the quality of the damaged property.)

If I choose not to rebuild, can I purchase or construct another replacement property and continue to enjoy my original Proposition 13 base year value?

Possibly. You may purchase or construct another replacement property in your same county if your original property suffered a decline in value of more than 50% to either the improvements or the land. The replacement property must be similar in size and function, and it must be purchased within five years of the date of damage. If the value of the replacement property is 120% or less of the value of original property before it was damaged, you will continue to be taxed based on the Proposition 13 base year value of the original property. To the extent the value of the replacement property exceeds 120% of the value of the original property, the excess will be added to your original base year value. In certain limited circumstances, and where specifically authorized by local ordinance, a replacement property also may be able to be located within another California county.

Additionally, pursuant to Proposition 19, for transfers occurring on or after April 1, 2021, an owner of a primary residence that has been substantially damaged as a result of a wildfire or natural disaster that amounts to more than 50% of the improvement value of the primary residence immediately before the damage may transfer the taxable value of their primary residence to a replacement primary residence located anywhere in California, regardless of the location or value of the replacement primary residence. The replacement residence must be purchased or newly constructed as that person's principal residence within two years of the sale of the original primary residence. Additional information, including answers to frequently asked questions, may be found on the California State Board of Equalization website at: <https://www.boe.ca.gov/prop19/#Introduction>.

Do I have to continue to pay my property taxes before receiving a reduced assessment reflecting the damage caused by the disaster?

If your property has been substantially damaged or destroyed and you have either filed a disaster relief claim with the County Assessor or have been granted relief by the County Assessor and you have not yet paid the currently due installment of your property taxes, you may file a claim for tax deferral with your County Assessor to request a deferral of those taxes until you receive a corrected bill. You should confirm this with your County Assessor's office when you file for the deferral. Otherwise, you must continue to pay your property taxes as billed. To qualify for the deferral for property receiving a homeowner's exemption, the damage must be at least 10% of the property's fair market value or \$10,000, whichever is less. For all other property, the damage must be at least 20% of the property's fair market value. (Note: Property taxes that are impounded and paid pursuant to an agreement with your lender do not qualify for deferral.)

Do these provisions also apply to manufactured (mobile) homes?

In general, these provisions apply only to locally assessed manufactured homes. But, for manufactured homes that are replacements for manufactured homes that have been *completely destroyed*, owners who pay a state license fee in lieu of local property taxes may transfer the home to a local property assessment with a value that does not increase the taxes currently paid.

Resources

Additional information, including answers to frequently asked questions, may be found on the California State Board of Equalization website at: <https://www.boe.ca.gov/proptaxes/disaster-relief.htm>.

Applications for assessment reduction and deferral of taxes, as well as additional information, may be obtained by contacting your County's Assessor.