

HOMEOWNER COST SHARE

Cost Share Determination

To better assist low- to moderate-income homeowners, the CWMP has implemented a Cost Share Determination, which uses a tiered approach to structure homeowner contributions based on income level.

When reviewing a CWMP homeowner application, a local team staff member examines the applicant's household income and compares it to the latest [California Department of Housing and Community Development \(HCD\) income limits document](#), which is typically released annually in late spring. The HCD income limits are categorized by county and account for Area Median Income (AMI) based on household size, with the default AMI set for a household of four.

Below is the current CWMP cost share brackets

Income	Bracket	Cost Share
Lower Income	Less than 80% AMI	0% of total project cost
Moderate Income	80% to 120% AMI	0% of total project cost
Greater than Moderate Income to less than 2x Median Income	120% to 200% AMI	10% of total project cost
Greater than 2x Median Income	Greater than 200% AMI	25% of total project cost

Below is a sample AMI income limit table for Shasta County

Number of Persons in Household:		1	2	3	4	5	6	7	8
Shasta County Area Median Income: \$89,800	Acutely Low	9400	10750	12100	13450	14550	15600	16700	17750
	Extremely Low	18750	21400	25820	31200	36580	41960	47340	52720
	Very Low Income	31200	35650	40100	44550	48150	51700	55250	58850
	Low Income	49950	57050	64200	71300	77050	82750	88450	94150
	Median Income	62850	71850	80800	89800	97000	104150	111350	118550
	Moderate Income	75450	86200	97000	107750	116350	125000	133600	142250

(Per HCD, Moderate tier = 120% of Median tier rounded to the nearest \$50.)
(For households greater than 8, refer to the HCD income limits document)

1. If a CWMP Homeowner application in Shasta County states that the total income for a household of three was \$95,000 then they would fall into the category of "Moderate Income" because the income is greater than \$80,800 and less than \$97,000. On a \$50,000 total project cost, this would result in a cost share of \$0.
2. If a CWMP Homeowner application in Shasta County states that the total income for a household of three was \$115,000 then they would fall into the category of "Greater than Moderate income to less than 2x Median income". On a \$50,000 total project cost, this would result in a cost share of \$5000.
3. If a CWMP Homeowner application in Shasta County states that the total income for a household of three was \$145,000 then they would fall into the category of "Greater than 2x Median Income" because the income is greater 2x the Median Income for a household of three. On a \$50,000 total project cost, this would result in a cost share of \$12,500.

Financing Process

For homeowners with income exceeding 120% AMI in which the homeowner is contributing funds, the following process should be considered:

- a) Contractor quotes are received for both home hardening and defensible space activities as applicable.
- b) Contractor quotes are evaluated by the Local Jurisdiction (LJ)
- c) Contract(s) / tri-party agreement is drafted that list includes the scope of work and captures the dollar amount for the total work to be performed.
- d) Homeowners sign the contract.
- e) Homeowner provides a check to the LJ for their share of the costs.
- f) The LJ deposits the check into a non-interest bearing (or escrow) account.
 - The LJ should have a process in place to manage change orders.
 - A Project Manager (PM) / Construction Manager (CM) should be involved in the evaluation and approval process of change orders as eligibility/scope may come into play.
 - If a change order is approved by the PM/CM, the homeowner should be contacted immediately.
 - The vendor(s) should not begin implementing the change order scope until all parties have approved the change order.

- The homeowner should be briefed on the change order, the costs, eligibility, and if it is required to complete the project.
 - Once the change order is fully approved and accepted, the homeowner will provide the LJ an additional check for the homeowner's portion of the change order.
 - The LJ will deposit the payment in the same manner the original check was handled.
- g) The LJ should code this deposit to the property address and homeowner name.
- h) Once the work is completed, the LJ will pay the contractor for the work and materials provided according to the contract / tri-party agreement.
- If the LJ can provide one payment, but code it to separate accounts (homeowner, Federal, State, as applicable), this will help from a tracking perspective.
 - Another approach would be to provide multiple payments with the exact amounts from the homeowner, the Federal and the State portions. By tracking the funding source for each property, it may help from a reimbursement perspective (if applicable).