

# **RANCHO LA PAZ**

## **Safety Net Rent Subsidy Program**

### **July 9, 2019**

The Safety Net rent subsidy program is offered by the owners of Rancho La Paz Mobile Home Park to assist Park residents who cannot afford to pay some or all of the recent rent increase, for which notices were recently sent. Applications to apply for the subsidy must be requested by July 31, 2019, and a completed application (with supporting documentation attached) must be delivered by August 31, 2019. The safety net subsidy program will last two (2) years. However, it may be offered for additional one year periods and, if it is extended, residents will need to re-apply and re-qualify every year.

There are three levels of subsidy – the Basic Subsidy, the Super Subsidy and the extraordinary circumstances subsidy. These levels are described below.

To qualify, the following guidelines must be met and a completed Rancho La Paz Safety Net Rent Subsidy Application and required attachments must be submitted to RLP Safety Net Program, 24881 Alicia Parkway, Suite E #402, Laguna Hills, CA 92653. For an application or for additional information: call (657) 204-6671 or email [RLPSubsidy@gmail.com](mailto:RLPSubsidy@gmail.com). Applications and attachments may be submitted by email or mailed.

1. Applicant must be a homeowner who has owned and lived in his or her mobile home in the Park uninterrupted for at least the past three (3) years as of March 1, 2019.
2. Applicant's net worth may not exceed \$80,000. (Net worth includes real property, personal property, recreational vehicles, bank accounts, stocks, bonds, insurance, etc., but excluding the applicant's mobile home, non-luxury vehicles, individual retirement account or qualified pension plan.) The applicant's net worth including any IRA, qualified pension plan or similar account may not exceed \$200,000.
3. The current gross annual household income of all persons residing in the mobile home must meet the following very low-income guidelines as established by HUD (and revised annually). The guidelines for the Fiscal Year 2019 for the Santa Ana-Anaheim-Irvine, CA HUD Metro FMR Area as follows:

Number of People in Household	Income Limit	Number of People in Household	Income Limit
1	\$41,550	4	\$59,350
2	\$47,500	5	\$64,100
3	\$53,450	6	\$68,850

4. Applicant must be in good standing with respect to all rent, utilities and other fees and obligations owed to the Park. Applicant must be in compliance with all Park Rules and Regulations and have an adequate history of such compliance and also have no pending disputes with the Park.
5. Applicant must be enrolled in or submit proof of submission of application for the CARE utility program if within income limits and agrees to apply for a Section 8 subsidy if requested to do so by the Park.
6. If approved for the Safety Net Program, the applicant must complete and submit a release, estoppel certificate and special subsidy agreement to the program administrator in a form acceptable to the Park before the applicant may receive a subsidy.

## Overview of Subsidy Levels

- A. For the BASIC SUBSIDY, the monthly space rent and mortgage on the mobile home must exceed forty percent (40 %) of the monthly household income. This allows those who satisfy both the asset and income limits stated in items 2 and 3 above to receive a subsidy if their monthly household income is less than 2 ½ times the rent and mortgage payment. The rent increase for these qualified applicants will not exceed \$67 per month.

### **Example for a Two- Person Household**

- Monthly Household Income \$2,800 (Annual \$33,600) and asset threshold met.
  - Rent \$680 X 19% = \$129 rent increase = New rent of \$809 + \$350 Mortgage = Total of \$1,159 for rent and mortgage.
  - \$1,159 = 41.4% of monthly household income AND more than 2.5x monthly income. This applicant qualifies for the Basic monthly rent subsidy
  - Therefore, while the monthly rent increases by \$129, the applicant will receive a subsidy/credit of \$62, which is applied to the monthly statement. The net increase is \$67 per month.
- B. For the SUPER SUBSIDY, the monthly space rent must exceed fifty percent (50%) of the monthly household income. This allows those who meet this income requirement and asset threshold in provision 2 to receive a subsidy if their monthly household income is less than 2 times the space rent. The rent increase for these qualified applicants will not exceed \$17 per month.

### **Example for a Single Person Household**

- Monthly Household Income is \$1,500 (Annual \$18,000) and asset threshold met.
  - Rent \$680 X 19% = \$129 rent increase = \$809 new rent.
  - \$809 = 53.9% of monthly income AND more than 2x monthly income. This applicant qualifies for the Super monthly rent subsidy.
  - Therefore, while the monthly rent increases by \$129, the applicant will receive a subsidy/credit of \$112, which is applied to the monthly rent statement. The net increase is \$17 per month
- C. For those applicants with EXTRAORDINARY CIRCUMSTANCES, such as anyone facing the choice of spending their money on rental increases or cancer treatments, these factors will be considered by the program administrator and could result in a net increase of as little as \$0.