

## FREQUENTLY ASKED QUESTIONS

### **Can someone assess the feasibility of a rental space in my home before I sign up for the program?**

Yes. Lilypad Homes has partnered with CLAM and has grant funding to offer free feasibility visits.

### **Where does the money come from for the loans?**

A revolving loan fund. Paybacks and interest has allowed the fund to build up.

### **If I convert a space that is not a bedroom into a rental space will my septic need to be upgraded?**

If the room is not already a bedroom the septic will need to be assessed to determine capacity and it might need to be upgraded. Conversion of an existing bedroom does not require a septic upgrade.

### **Can the loans be used for septic upgrades?**

Yes!

### **If I already have an accessory dwelling unit on my property can I also create a junior accessory dwelling unit in my house?**

Yes! Note that in the coastal zone we refer to junior accessory dwelling units as “room rental with wet bar”.

### **If I was willing to exchange rent for care-taking will CLAM match me with someone skilled?**

Yes, we will do our best to match you with the right tenant to meet your needs.

### **If the tenant’s income increases over 60% of Area Median Income (AMI) can they stay?**

As long as the tenants’ income stays under 80% AMI they can stay. When their income exceeds 80% AMI they can afford market rate rents and should be encouraged to find another rental and make theirs available to someone else who really needs an affordable rental. If you wish tenants to stay even though they exceed 80% AMI you can opt out of the program and start repaying the loan.

### **Should the rent charged include utilities?**

You can include utilities or make them additional. If you include utilities you can charge up to 35% of tenants’ income for rent. Making utilities additional encourages people to be responsible for their consumption and conserve energy.

### **What if someone uses the Real Community Rentals program to create a rental unit and then rents the unit on Air BnB?**

They would have to repay the loan within three years at 3%.

**Don’t see your question here? Call CLAM at (415) 664-1005.**