

Potential Sources of Financial Assistance to Connect to the New Sewer



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The Players

- 1) The County of San Luis Obispo constructed and will manage the sewer system.
- 2) Peoples' Self-Help Housing Corporation was hired by the county to a) inform the community about the potential financial assistance programs and b) to gather information from community members to assess the need for assistance so that the county can seek funding to provide more assistance.
- 3) The Homeowners that will be using the Sewer.



Three Types of Sewer Costs

1) Fees to cover the on-going cost of operations and maintenance will be paid with your semi-annual property taxes. The amount of the fee will be partially based upon your winter water consumption. The average fee is estimated to be about \$900 per year (equates to \$75 per month).

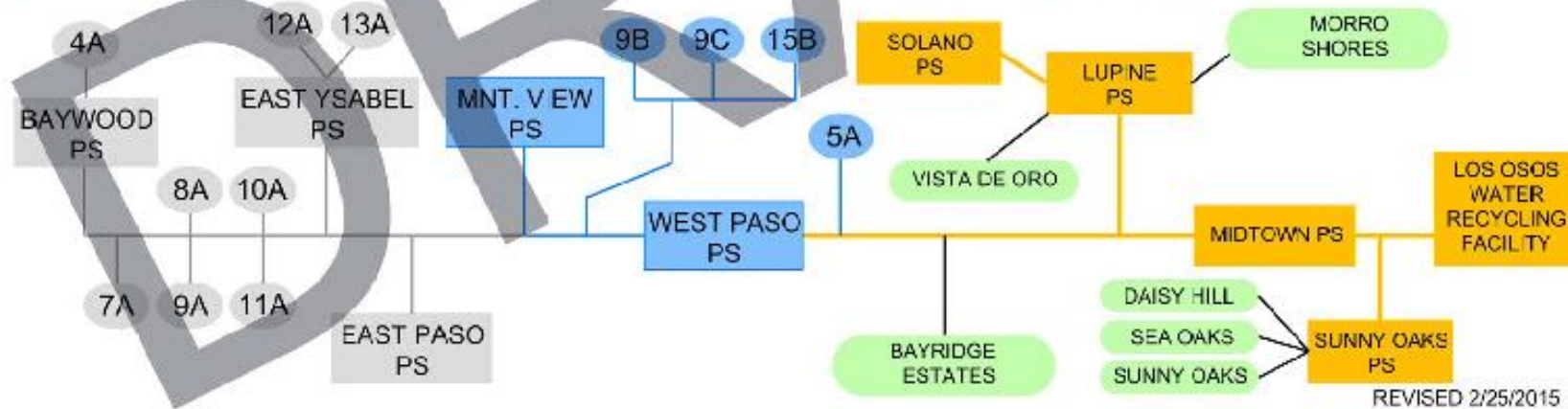
The county is working on a “CARE” program similar to PG&E’s CARE Program which would offer reduced fees (estimated savings \$15/ mo.) for owner occupants who qualify for PG&E’s CARE program.

2) Assessment to reimburse the county of the cost of constructing the Sewer Plant and infrastructure. This assessment will also be paid with your property taxes over 30 - 40 years (\$710 to \$1,088 per year) unless you opt to pay the full assessment (\$24,941) to avoid interest costs.

3) The cost to physically connect your sewage lines to the lines in the street and to decommission your septic tank. You will likely hire and pay a licensed contractor to do this work. The cost may range from \$2,000 to more than \$10,000 depending on how your home is situated on your property. Starting in March 2016, various segments of the community will connect to the sewer in three phases.

Tonight we are talking about financial assistance for #3, the sewer connection and septic tank decommission costs.

LOWRF SEWER LATERAL CONNECTION - PHASING PLAN



USDA 504 Loan Program

- Home must be owner occupied
- Household income must be at or below 50% of Area Median Income
- Maximum loan amount \$20,000
- 1% fixed interest rate
- Term up to 20 years depending on ability to repay

USDA 504 Grant Program

- Home must be owner occupied
- Household income must be at or below 50% of Area Median Income
- Home owner must be a senior citizen (age 62 or older)
- Maximum grant amount \$7,500
- Must demonstrate inability to repay loan. May receive a combination of loan and grant.
- Asset limitations apply

Area Median Income Limits

Income Limits		2015				
Source:		SLO County				
San Luis Obispo		1	2	3	4	5
Very Low	50%	27,000	30,850	34,700	38,550	41,650
Low	80%	43,200	49,350	55,550	61,700	66,650

Income Limits will be revised in about March 2016 and may be slightly higher.

Potential County Program

- Assist low-income homeowners that will not qualify for the USDA 504 Programs
- Need to gather information from home owners seeking financial assistance to determine:
 - 1) # of households
 - 2) Range of household incomes
 - 3) Approximate amount of assistance needed

Process to be considered for Financial Assistance

- Complete Income Certification Application and mail to PSHH by December 5, 2015.
- PSHH to review and determine preliminary eligibility for the USDA 504 Loan or Grant Program, or potential eligibility for other county assistance. PSHH will notify applicants which programs they may qualify for. Your specific information will be kept confidential and not shared with USDA or the county.
- PSHH will prepare a matrix for the county which shows how many households fall into which income categories. The county intends to use this information to develop a financial assistance program for low-income owner occupied households which will not qualify for the USDA programs. The amount of 504 funding needed will also be shared with USDA, so that they can attempt to reserve funds for this purpose.
- In 2016 you can formally apply to USDA or to the county for the financial assistance program for which you qualify.

What if Household Income is over 80%

- If your household income is over 80%, or if you are a landlord, there is not likely to be a subsidized program to assist you.
- If you do not have sufficient cash, you may be able to obtain an unsecured loan or a loan secured by your home.

Questions?????

- Why do tenants not qualify for these programs? The one-time connection fee will benefit all future residents, not just the current tenants. It is expected that the property owner will pay the connection fee.
- Why do landlords who currently rent to low-income households not qualify? It is assumed that the property may not always be rented to low-income households. Properties with recorded deed restrictions that limit occupancy to low-income households may be eligible for assistance.
- What if a homeowner does not connect to the sewer when scheduled? The Regional Water Quality Control Board may impose fines and the on-going operational fees will be assessed on your tax bill.
- ???

Contact Information

SLO Co website with the Financial Assistance Survey and other information: <http://www.slocounty.ca.gov/PW/LOWWP.htm>

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