

CITY OF PACIFIC GROVE PRIVATE LATERAL SEWER REPLACEMENT PROGRAM SEWER LATERAL LOAN PROGRAM GUIDELINES

This program begins on _____. Loan funding is limited and is available on a first come first serve basis to qualified applicants. Loans are NOT available to those required to replace sewer laterals as a result of mandatory inspections pursuant to the City's municipal code, Chapter 9.20. Chapter 9.20 of the Pacific Grove Municipal Code is available for review at City Hall, the Pacific Grove Library, and on the internet at: www.ci.pg.ca.us

A. APPLICATION BY PROPERTY OWNER

1. Fill out information on the attached application form.
2. If available, provide any history of problems with the sewer lateral line (if you have already obtained a written or video assessment of your lateral submit it with your application).
3. Return completed application to the Pacific Grove Community Development Department at City Hall, 300 Forest Avenue, Pacific Grove, California 93950.

B. CITY REVIEW PROCEDURE

The following procedure is to be followed when the city receives your application:

1. City will verify ownership of property.
2. Property owner will obtain a written or video assessment of their sewer lateral from a licensed plumbing contractor.
3. The completed assessment documentation and receipt should be submitted to the city for review as soon as possible. In most cases, the assessment will disclose whether there is a break in the sewer lateral line. The cost of the assessment inspection is eligible for reimbursement from the loan only if the property owner receives a city loan.
4. Upon review of the assessment, the city will determine eligibility for the Private Lateral Sewer Replacement Loan Program (PLSRLP) and notify the property owner of their eligibility status.
5. The property owner will then obtain at least two written estimates from plumbing contractors or drain layer licensed to perform such work and submit them to the city for review. City maintains a list of contractors with sufficient experience and qualification to perform such work. City cannot recommend any particular contractor. Bids for work shall be fixed bids, without allowance for extra costs.

C. LOAN PROCEDURE

1. The city shall determine the loan amount and terms based on consideration of:
 - The selected bid contractual amount
 - Cost of lateral inspection
 - Loan recordation fee
 - Building and encroachment permit fees
 - Availability of funding from City
 - Prioritization of projects based on financial need and condition of lateral
 - Other factors deemed appropriate by City staff to fully carry out the

intent and purpose of the PSLRP.

2. The city shall provide the property owner with loan disclosure information.
3. Once the property owner has approved the disclosure, the city shall process the loan and prepare loan documents.
4. The property owner will sign the following:
 - Loan Program Agreement
 - Promissory Note
 - Deed of Trust
 - Disclosure Statement
 - Rescission Notice
5. If after the 3-day rescission period the property owner does not rescind the loan, the Deed of Trust shall be recorded at the Monterey County Recorder's Office and the property owner will be given notice to have their contractor proceed with the work. All necessary city permits must be obtained prior to commencement of the work. The work shall not be backfilled until inspected and approved by City.
6. Once the work is completed and has received final inspections by the appropriate city departments, the contractor will be paid directly by the city and the property owner will be reimbursed for the video inspection of the sewer lateral (if applicable). City fees mentioned above will be deducted from the loan amount. If there are any funds remaining a loan reduction will be processed.

D. LOAN TERMS

1. The maximum loan amount is \$10,000.
2. This loan program provides a deferred payment loan at 3% simple interest.
3. The loan including any interest is due and payable upon voluntary or involuntary transfer of title, contract to sell or transfer, or sale of the secured property, subordination of the city's loan, whichever is earlier.
4. There are no pre-payment penalties if you want to pay this loan off. No partial payments of monthly payments will be accepted.
5. Actual loan terms may vary from borrower to borrower depending on special circumstances.

Sewer Lateral Repair/Replacement Loan Program Application



NOTICE

Loans are available to property owners that are seeking to repair/replace their private sewer lateral. Loan funds are not available to property owners that are required to repair or replace their private sewer lateral in accordance with the Chapter 9.20 (see general description of reverse side) of the Pacific Grove Municipal Code. Additional information is available in the Inspections and Repairs of Sewer Laterals guide. Chapter 9.20 of the Pacific Grove Municipal Code is available for review at City Hall, the Pacific Grove Library, and on the internet at: www.ci.pg.ca.us.

*Submit this loan application to: Community Development Department, 2nd Floor
300 Forest Avenue, Pacific Grove, CA 93950 / Tel: (831) 648-3199*

SECTION I: General Information *Please print clearly.*

Current Property Owner(s):

Property Address:

Assessor's Parcel No.:

Mailing Address (if different from above):

City:

State:

ZIP Code:

Home Number:

Work Number:

Mobile Number:

SECTION II: Site Information

1. State the nature of problem(s):

Tree Roots Collapsed Pipe Grease/Fat Build-up Other: _____

2. How many times have you had sewer backups in the last 12 months? _____

3. Has your private sewer lateral been inspected by a license plumber? No Yes *Provide a copy of all documentation from your plumber regarding the condition of the sewer lateral.*

4. Is there an insurance claim for this work? No Yes *Please provide a copy of any claim information.*

5 Please indicate which describes the property?

Owner occupied Tenant occupied

 Single-family dwelling Multi-family dwelling Other _____

SECTION III: Certification

I certify by signing this application that I am the legal owner of the property described herein. I am aware the submission of this document does not constitute that a loan has been approved by the City of Pacific Grove. I have read the information discussing the requirements of the Sewer Lateral Repair/Replacement Loan Program and am aware that a letter will be issued advising if funds have been approved. Work performed prior to receiving a loan authorization letter is performed at my own risk.

Signature of Applicant

Date:

Signature of Co-Applicant

