



## City of Chico Sewer Connection Assistance Program

The City of Chico is pleased to be able to offer income-qualified residents a program that provides financial assistance to complete your home's hook-up to the City sewer system. This program is funded through the City's Community Development Block Grant (CDBG) program. These funds are awarded to the City by the federal Department of Housing & Urban Development (HUD). Each year, the City Council will review the CDBG award received from HUD and determine an appropriate level of funding for this sewer connection program. Funds are limited each fiscal year.

### Who is eligible?

City residents who own and occupy a single-family home within a Nitrate Compliance Project Area in the City limits; and

Who also meet the maximum annual income guidelines:

<u>Household Size</u>	<u>Maximum Annual Income*</u>
1	\$33,000
2	\$37,700
3	\$42,400
4	\$47,100
5	\$50,900
6	\$54,650
7	\$58,450
8	\$62,200

\*HUD limits as of 03/28/16

### What is covered?

Sewer application and sewer connection fees, as well as the costs of a licensed contractor of your choice to connect your property to the constructed sewer system (including costs of abandonment of the septic tank and any required permits).

### How is assistance provided?

If your total costs are less than \$10,000, a grant may be available, which means you do not have to repay the City. For those properties requiring \$10,000 or more in assistance, you will be offered a loan at 3% simple interest which does

require repayment to the City. However, you may qualify for a deferred payment loan which does not require payment until such time that you transfer, sell, or rent the property.

**What is the general process to obtain this assistance?** The general process is as follows:

The homeowner will complete a program income application and sewer application and submit documentation to certify annual income (tax returns, W-2's, benefit letters, statements verifying interest or dividend income) and home ownership (copy of most recent property tax bill).

**Following confirmation of income eligibility for the program by the City, the homeowner will obtain three bids for the work.**

The homeowner will review the submitted bids and submit copies of the bids to the City, and notify the City of the selected contractor by signing the designated bid proposal.

The City will prepare the grant or loan agreement with the homeowner and, following signature by all parties, will notify the homeowner that the contractor may proceed.

When the contractor has satisfactorily completed the work, the invoice to the homeowner will be presented to the City. The City will pay the contractor directly and transfer funds to cover the homeowner's connection fees. There should be no out-of-pocket costs for the homeowner.

***NOTE: Grants or loans generally will not be awarded until the sewer main and laterals have been constructed in your neighborhood.***

For additional information or to request an application, call 879-6300.