



Public Works Department
Engineering Division

PSL LOAN PROGRAM SUMMARY

Private Sewer Lateral Loan Program

The Private Sewer Lateral Loan Program (PSL Loan Program) assists Berkeley low-income property owners to comply with Berkeley Municipal Code Chapter (BMC) 17.24¹ requirements for private sewer laterals. For more information on the City's Private Sewer Lateral Program, go to the PSL webpage: www.cityofberkeley.info/psl/.

The eligible work funded through the PSL Loan Program is *limited to repair or replacement of a private sewer lateral with defects or improper connections that were identified by the City's smoke testing program (www.cityofberkeley.info/pw/smoketesting/) or came to the City's attention, resulting from private sewer lateral enforcement or citations issued, **excluding compliance triggers stated in the PSL Program (BMC 17.24) resulting from transfer of property deed or property renovation of \$60,000 or more.***

Eligibility

- ✓ The PSL must be associated with property located within the City of Berkeley.
- ✓ Applicant/s must hold title to the property (or the title must be held in a trust whose sole beneficiary is/are the Applicant/s), and the property must be the principal residence of the Applicant/s. **If persons other than the Applicant/s are listed on the property title and are not part of and do not contribute to the household**, the PSL Low Income Supplemental Information form must be completed and submitted.
- ✓ Household means all persons who occupy a housing unit, and may be one person living alone, a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements.
- ✓ Applicant household's income must not exceed 80% of the Area Median Income (AMI) for Alameda County, as determined by the most recently published U.S. Department of Housing and Urban Development (HUD) information.² Verification of income is required by submission of a supporting document, including:
 - If the **only source of income** was from SSI, Social Security, Retirement, or Pension Fund, include a statement from that agency specifying total gross income for the year
 - If the **income was from any of the sources identified above, along with any other source of income** (rental income, interest bearing accounts, dividends, business income, etc.), the taxpayer must **attach a complete income tax return** or a copy of the statement with the amount earned for the year.
 - If the Applicant **did not file an income tax return**, submit **IRS Form 4506-T** to verify non-filing status for the year. **The current version of this form is not available until after April 15th of each year.** See the IRS website³ or call (800) 829-1040.

¹ Chapter 17.24 Abatement of Nonconforming/Substandard Sewer Laterals on Private Property: <http://codepublishing.com/ca/berkeley/html/berkeley17/Berkeley1724/Berkeley1724.html#17.24>

² See HUD Income Limits Summary and link to website on page 2.

³ IRS website – Forms & Publications: www.irs.gov/Forms-&-Pubs

1947 Center Street, 4th floor, Berkeley, California 94704

Loan Execution

For property owned by more than one person, all legal owners must execute the loan documents.

Loan Amount and Contract Award

The loan amount will be based on the lowest of 3 qualified bids the property owner submits to the City, and all quotes must be from licensed sewer contractors. The contract must be awarded to a California C36 or C42 licensed sewer contractor, with a City of Berkeley Business License.

Loan Terms

The City's PSL Loan Program is administered by the Engineering Division of the Public Works Department, and is offered on a "first-come, first-served" basis to the extent of available funding each fiscal year.

The loan is a no-interest deferred payment loan, secured by a Promissory Note, and due upon sale or transfer of property title, or if property ceases to be principal residence of Borrower for more than 6 months. The applicant has the option to pay off the full amount prior to the sale or transfer of the property by submitting a request to the Loan Program Coordinator.

Schedule of Work for Compliance and Loan Servicing

Permitting and Work

The contractor must obtain a PSL Permit from Permit Service Counter at 2120 Milvia Street, perform the PSL repair or replacement and conduct a Verification Test that will be witnessed by a City inspector, and receive a PSL Certificate within 60 days of loan approval.

Loan Recordation and Disbursement

The loan is recorded when it is awarded to the owner, and closed after repayment, when the loan is due upon sale/transfer of property or change of occupancy, or paid in full at a prior time.

Upon receipt of invoice and PSL Certificate, the City shall make payment to the property owner for amount of invoice within 30 days of work being completed.

Assistance Provided for Loan Application and Implementation Process

City staff will meet with prospective applicants, and assist in preparation of loan applications and related documents; and preparation and recordation of documents necessary to commit, close, and secure loans. See REQUIRED DOCUMENTATION list.

City staff will assist applicant in securing bids from contractors holding a California C36 or C42 license for eligible work to repair or replace the upper sewer lateral after they assess the lateral condition; and review quotes generated by the 3 plumbing/sewer contractors that the owner selected. While it is the homeowner's responsibility to select the contractor, the City strives to ensure that homeowners choose a cost efficient, capable and responsible contractor who will produce quality work on time.

FY 2015 Low (80%) Income Limits Summary: www.huduser.org/portal/datasets/il/il2015/2015summary.odn

Area	# of Persons in Household							
	1	2	3	4	5	6	7	8
Oakland-Fremont	\$50,150	\$57,300	\$64,450	\$71,600	\$77,350	\$83,100	\$88,800	\$94,550

