

## Step by Step Loan Checklist

### Concept Planning:

- Complete Concept Plan Grant Application
- Submit Application to the Stormwater Management Division
- Wait for Approval
- Once Approved, Hire A Registered Professional Engineer
- Tell The Stormwater Management Division Who You Hired
- Be Sure The Stormwater Management Division Gets A Copy Of The Concept Plan And Cost Estimates From Your Engineer

### Loan Application:

- Decide If You Want To Proceed With Your Project
- Complete Implementation Loan Application
- Submit Loan Application And Supporting Documentation To The Stormwater Management Division. Some Or All Of The Following May Be Required:
  - a. Copy Of Your Recorded Deed With Attachments
  - b. Marriage Certificate (If Applicable)
  - c. Death Certificate (If Applicable)
  - d. Grant Eligibility Documents (If Applicable)
- Wait for Loan Or Grant Approval

### Implementation:

- Once Approved, Hire Contractors
- When Job Is Completed Submit Engineer's Certification Of Completion Along With Expenditure Report To The Stormwater Management Division.
- After All Documents Are Received And Accepted, The City Will Release The Check(s)

# Stormwater On-Site Loan Mitigation Program

## Loan Handbook

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**STORMWATER MANAGEMENT DIVISION**

FEBRUARY 2007

## What is the Stormwater On-Site Mitigation Loan Program?

The Stormwater On-Site Mitigation Loan Program is designed to provide assistance to residents making on-site improvements to prevent or reduce future interior flooding due to neighborhood overland flow and shallow yard pooling. The program does *not* fund repair of existing flood damage. The primary objective is to assist citizens with private drainage problems in addressing their stormwater problem, using City-provided low-interest financing. The property must be an ***owner occupied residence***

### The Stormwater On-Site Mitigation Loan Program In Four Easy Steps

- 1) Concept plan (ideas to mitigate stormwater) and cost estimates done by a registered professional engineer.
- 2) Loan or Grant
- 3) Implementation of plan.
- 4) Repayment of the loan.

#### Concept Plan:

- 1) Call the Stormwater Management Division at 891-6860, and request the Concept Planning Grant Application.
- 2) Fill out the Application in its entirety.
- 3) Return the Application to the Stormwater Management Division.
- 4) The Stormwater Management Division reviews your application for eligibility. In order to be eligible for Concept Plan Application approval, applicant must meet minimum credit history score on city utility payments.
- 5) If the drainage problem is of the type eligible for this program, your application will be approved, and the City will provide a grant to cover 75% of the cost up to a maximum of \$750.00 for you to hire a registered professional engineer to develop a concept plan and cost estimate to help you mitigate flooding conditions on your property.
- 6) The applicant hires an engineer to prepare your concept plan.
- 7) Upon retaining your engineer, you must notify the Stormwater Management Division of the engineer's name.
- 8) The engineer should discuss the problem and this program with the City before starting any work for his services to be eligible for funding.

## Summary of Loan Terms and Policies

- 1) Applicants must be City residents, and loans are not available for measures installed/constructed before the Promissory Note is signed.
- 2) The applicant chooses his or her Engineer and contractor(s). Getting multiple contractor bids is a good general practice, but you are not required to get competing bids or take the lowest bid. The City's Loan Program does not recommend, endorse or certify Engineers, designers or contractors or warrant or otherwise guarantee their work. Selection and management of those involved in the work is the responsibility of the applicant.
- 3) The loan is recorded and secured with a property lien.
- 4) All owners named on the Deed must sign the loan Note. In some cases marriage or death certificates may be required for the loan to be recorded.
- 5) Loan payments will be billed to the property owner's home City of Tallahassee utility account. The name on the account must appear on the Deed. The account Billing Address must be within the City's electric (or gas) territory.
- 6) The Loan is due upon sale of the property or account cancellation or name change, and loans are not transferable.
- 7) History of delinquent status of utility payments makes owner/property ineligible for loan/grant approval.
- 8) The City will be held harmless from any liability in connection with its approval or disapproval of any loan application or design or construction of any stormwater mitigation measure.
- 9) The applicant proposes the improvements; not the City of Tallahassee. The applicant will hire an engineer for this purpose, and the applicant is solely responsible for the adequacy and effectiveness of the improvements.
- 10) Interest charged for the loan is 5% per annum with a maximum term of 10 years.

## *Frequently Asked Questions*

### *CONCEPT PLAN FAQs*

#### **What is a concept plan?**

- A concept plan is an engineer’s ideas on how to mitigate flooding problems in your property. The engineer diagrams the improvements to your land and home. It’s like a rough blueprint.

#### **Is a concept plan required?**

- Yes. The Stormwater Management Division uses the concept plan in the process of loan determination.

#### **Why do I need to hire a registered professional engineer?**

- A professional engineer with experience on stormwater design has the expertise and license to design stormwater improvements. The engineer’s involvement will help protect your investments. The engineer creates the concept plan first. Then, if a grant or a loan is approved, the engineer creates the final plan to mitigate flooding conditions, and finally the engineer certifies to the City that the job has been completed.

#### **Does the City recommend engineers?**

- No. You choose your own registered professional engineer. The City can tell you how to locate an engineer.

#### **How long does it take to get approved for a concept plan grant?**

- The Stormwater Management Division strives to accomplish the approval process within 1 week from the time the Stormwater Management Division receives your application.

#### **What’s this about a grant?**

- Homeowners in the very low or very, very low-income brackets as defined by the HUD income guidelines would qualify for a 100% grant. That is, they would not have to pay any of the stormwater mitigation money back. Homeowners in the low-income brackets would qualify for a 50% grant. These homeowners would pay back only 50% of the cost to mitigate their problem.

#### **How do I know if I would qualify for a grant or a loan?**

- The Stormwater Management Division uses the HUD guidelines.

Currently the HUD guidelines are:

Income Category	Number of persons in the family			
	1	2	3	4
Very, Very Low <30% Median	12,300	14,050	15,800	17,550
Very Low <50% Median	20,500	23,400	26,350	29,250
Low 50-80% Median	32,750	37,450	42,100	46,800

HUD Income Limits for Tallahassee/Leon County – Effective 3/8/2006

#### **How long does it take to get approved for the implementation loan/grant?**

- The Stormwater Management Division strives to accomplish the approval process within 10 working days from the time the Stormwater Management Division receives your application.

#### **What is the interest rate on the implementation loan?**

- The current interest rate is 5%.

## LOAN FAQs

### I've already filled out an application for the concept plan. Why did I have to fill out another application to get a loan?

- Each application that the Stormwater Management Division requests from you serves a different purpose, and has different information as well as required additional forms.

### How much will my monthly payment be?

- Your payment will depend on the amount of the loan. The following table shows some examples of how much monthly payments would be for various loan amounts.

\$ Borrowed	Monthly Payment
\$500 - \$2,325	\$25 (minimum)
\$5,000	\$53.35
\$10,000	\$106.56
\$15,000	\$159.78
\$20,000	\$213.00
\$25,000	\$266.22
At 5% interest over 10 years	

### When will I get the money for the implementation?

- When your mitigation project has been completed and certified by your engineer, the Stormwater Management Division will authorize the release of the funds made payable to both you and your contractor(s).

- 9) When the engineer has delivered the concept plan and cost estimates, the City will reimburse 75% of the engineer's fee up to a maximum of \$750.00 of City funding.

### Submit Loan/Grant Application:

- 1) Once you have the concept plan and cost estimates, you decide whether or not to continue with the process.
- 2) If you decide to continue with the process, call the Stormwater Management division at 891-6860 and request the Stormwater On-Site Mitigation Loan Application.
- 3) Complete the form in its entirety.
- 4) Mail the application and the required additional forms (as stated on the application).
- 5) Applicant's credit history score on City utility payments is reviewed to see if applicant has maintained the minimum score of 750 to continue the loan/grant process.
- 6) The Stormwater Management Division will verify your income (if applying for a grant), process the loan/grant documentations, and prepare the loan paperwork for you to sign (once you are approved).
- 7) If a loan is approved, the applicant will be required to sign a promissory note and other loan documents.
- 8) If a grant is approved, the City will notify applicant of approval.

### Implementation:

- 1) The applicant's engineer prepares final design plans and documents.
- 2) The applicant hires a contractor to construct the stormwater on-site mitigation measures.
- 3) When your project is complete, submit to the Stormwater Management Division the final expenditure and construction report certified by your engineer
- 4) The Stormwater Management Division will then authorize the release of funds.

### Loan Servicing:

Loan payments are included in the customer's utility bill.