

Sewer / Traffic Fee Deferral Program

Submission Guidelines

- Obtain a reliable sewer and traffic impact fee estimate from the Department of Public Works
 - The total of the combined fees must be greater than \$10,000.
 - If the loan request is more than \$50,000, City Council approval will be required.
 - Plan four weeks for this step.
- Eligibility information is required from applicant
 - New employees to be hired because of new / additional facilities
 - Estimated sales (increase) resulting from the new / additional facilities
 - Anticipated level of occupancy (for hotels)
 - The value of the improvements
 - Other as requested
- Ownership verification required
 - Recent title report
 - Recent property appraisal
 - Articles of Incorporation
 - Bylaws
 - Partnership agreement
 - Others as applicable
- The City will require one or more of the following types of security for the loan. Applicant may indicate a preference.
 - A deposit of money with a responsible escrow or trust company, bank, or local agency
 - An instrument or letter of credit from one or more financial institutions regulated by the State or Federal government, pledging the necessary funds and guaranteeing payment
 - A note, secured by a deed of trust in real property where the existing loan-to-value does not exceed 85%. (A personal guaranty may also be required with this form of security)

Additional Information

- All program participants will be required to enter into an agreement with the City of Morgan Hill.
- The City Manager may impose other conditions to minimize risk to the City, and shall reject any deferral / loan where there is inadequate security or the potential for payback appears to be in jeopardy.
- The City Manager shall suspend this program when he determines that the sewer or traffic impact fund is negatively affected by its continuation.

For more information, please call (408) 776-7373.