

# Washington State Department of Commerce

## Community Development Block Grant – General Purpose Grant Program Application for Housing Rehabilitation

### Jefferson County Septic System Cost Share Grant Application Narrative

#### PROJECT DESCRIPTION Questions

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##### What is the proposed project?

- Provide a project title
  - Jefferson County Septic System Cost Share Grant
- List all essential project components
  - The project will provide grant funding to low and moderate income (LMI) property owners for either the repair or replacement of failed septic systems, or to install new septic systems where citizens are dwelling on property full time without access to sewer or septic. Property owners will be supported by staff in moving through the process of installing a permitted septic system from design to achieving a final on the permit.
- Who owns or will own the funded facility, improvements or plan
  - The property owners will retain all ownership of the septic system once it has been installed on their private property.
- Identify the service area
  - The grant funds will be available to all financially qualified property owners within Jefferson County who do not have access to sewer infrastructure.
- If, applicable will the project be phased or involve more than one competitive bid/construction process? If so, describe.
  - N/A: The project will not be phased.

**Will there be a subrecipient?** (A subrecipient is another local government or not-for-profit entity to receive CDBG funds from the grantee to implement or own the project.)

N/A: No subrecipient.

- ~~• What is the name of the organization?~~
- ~~• Describe how you have worked together in the past.~~
- ~~• Describe the organization's experience in similar activities.~~

**Who will manage the project?** List all members of the management team and their qualifications/experience with similar projects.

The Environmental Health department at Jefferson County Public Health will manage the grant. This department has responsibility for the On-Site Septic Program code compliance and permitting for the county. The staff in this department are likely the most knowledgeable about septic code and permitting in the public sector. As a function of their regulatory role they are also aware of individual property owners who have septic systems that are currently in "priority violation" status due to

surfacing sewage. This puts them in a strong position to proactively contact owners who may need financial assistance to repair a failing on-site septic system.

Amanda Christofferson will be the program lead. She has proven ability to manage a program such as this. In 2018, Jefferson County Public Health was awarded a \$314,000 grant from the EPA National Estuary Program (NEP) via the Washington State Department of Health to run a Septic System Cost Share program. Amanda Christofferson has run this program since late 2020. This program has as of now expended all of its funding, successfully installing six on-site septic systems for LMI property owners. This program is only accessible to property owners in Jefferson County who are located within close proximity to the shoreline. The demand for assistance within our current program has demonstrated the need our county residents have for financial assistance in making this very expensive and necessary improvement to maintain safety for themselves, their neighbors, and the environment. The addition of these CDBG funds will make support available to all LMI residents county wide.

### ***Upload these documents with the application***

- Map(s) showing the project location and the project service area(s) described in your LMI Benefit Worksheet

### **Housing Rehabilitation**

- Describe the housing rehabilitation activity and if the program will offer grants, loans or some combination to owners.
  - This housing rehabilitation program will be specific to septic system repairs, replacements, and installation. We propose to offer these funds to property owners as a grant. We have found in operating our NEP funded Septic Cost Share program that owners with failed systems commonly need entire replacements, which often cost in excess of \$20,000 to complete a design and installation. Many of our recipients have needed to combine our grant funds with a loan via the DOE funded Clean Water Loan program operated by Craft3. We propose to offer funds on a sliding scale with lesser funds offered to those with higher income still within the LMI table.
  - Property owners will apply to the grant program via the Public Health Department. Applications will be reviewed for financial qualification by a subcontractor with financial expertise, most likely Craft3. Once qualified owners will work with staff to determine next steps; contracting with a designer; additional funding; meeting permit requirements, etc. Staff will support homeowners in achieving the goal of an installed septic system and manage the payment to the contractors directly.
- Will the program focus on owner-occupied or rental housing?
  - This program will focus on owner-occupied housing.

# FINANCIAL NEED Questions

Describe the financial need for the level of grant. (30 pts)

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## **Explain how you built the project budget and developed cost estimates.**

In order to build the budget we used our current NEP Septic Cost Share program as a template for cost estimates for this grant. The administrative time involved in processing applications, Cultural Resource Review, and otherwise supporting property owners to move through the process is based on our actual experience. At this time, we propose to limit the grant to \$20,000 per applicant and estimate serving approximately 20 households with the funds requested.

## **List any resources or funding you (and the subrecipient, if applicable) have applied for to support this proposed project?**

- Is all other financial assistance firmly committed to this project?
  - N/A
- If not, what are your alternative plans to fund the project?
  - N/A

## **How will the community support the on-going services, operations and maintenance for at least ten years?**

- What are the primary sources of operating funds?
  - Property owners will be responsible for maintaining the septic system once it is installed.
- Will there be increased operating costs? If yes, what are they and how will they be funded?
  - N/A
- Identify any revenue-generating activities to be located in the facility, if applicable.
  - N/A: CDBG will not fund the income-generating portion of a facility.

<b><i>Upload these documents with the application</i></b>
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- Table of costs for all systems installed with NEP Septic Cost Share funds
- Internal budget estimate

# PROJECT NEED Questions

Describe the need facing your community and the public prioritization process. (30 pts)

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## **What is the need, problem or opportunity?**

What is the urgency behind the need?

As of March 18, 2022, we have a record of 28 septic systems in priority violation with surfacing sewage in our county. In addition, with our permitting records we can provide data showing that in our county we have nearly 6,000 systems that will be over 30 years old in the next 4 years. That is nearly 50% of the known systems in our county that will have reached the end of their predicted useful life. Jefferson County also has a significant number of open complaint cases of property owners living on land full time without septic systems in violation of Jefferson County code. This concern became so prevalent that in 2018 the county Environmental Health department developed a memo on Basic Sanitation for Non-Permitted Dwellings to manage the progress of these enforcement cases. This data points to a need for support of LMI owners in achieving safe functioning septic systems in order to stabilize them in their existing housing, in addition to maintaining the safety of our surface and ground waters.

## **Who is affected and how?**

Tell us the number of people affected by the problem and how the problem affects low- and moderate-income persons.

It is difficult to determine an exact number of people affected by the problem. Like many rural counties, Jefferson has a very small land area served by central wastewater treatment system or sewer. A majority of our county by land area depends on septic systems for sanitation. Jefferson County, like many others, is experiencing a housing crisis. The cost of housing in the areas with sewer have ballooned in the last several years. The cost of a septic design and installation can range from \$15,000 to over \$40,000 based on the complexity required due to the geologic and hydrologic conditions of the parcel. Jefferson County code requires that a full-time dwelling have a functioning septic system if it is not connected to sewer. According to the US Census Bureau, Jefferson County residents have a median income of \$57,693 and a rate of 10.6% living in poverty. Unknown debt burden and the limited opportunities for financing septic systems add to the problem of LMI property owners achieving the goal of safe sanitation.

## **What official orders or regulatory requirements confirm the extent and level of need?**

Basic Sanitation for Non-Permitted Dwellings

## **What recent plans, studies, reports, or other data document the need?**

- Describe the documents with references to any excerpts.
  - We have produced reports from our permitting database in order to determine number of systems in priority violation and number of properties with septic code violations. These will be submitted as excel spreadsheets.
- Is the project included in an adopted capital improvement plan?
  - No
- How is this project consistent with your comprehensive plan or local economic development strategies?
  - The Washington State Growth Management Act precludes the development of sewer infrastructure in many of our rural communities. In addition, the diffuse nature of properties will always be a barrier to central wastewater treatment as a viable option.

***Upload these documents with the application***

- J.C.C. 8.15 On-site Sewage Code
- Basic Sanitation for Non-Permitted Dwellings
- Reports from our permitting database
- Regulatory orders – (List of NOVs, NOVC)
- Relevant correspondence – (Letters of Support)

## READINESS Questions

Show how the proposal outlined in your Project Description is ready to proceed for a timely and successful completion. (20 pts)

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### **If relevant, have you met with the regulatory agency?**

- If so, with whom and what was the result?
  - We are the regulatory agency for our county. As discussed previously, we are the most knowledgeable about the status of septic systems in our county and their compliance with our code as it relates to sanitation.

### **Describe how your work plan addresses any potential environment review issues or mitigation.**

Cultural Resource Review will be completed for each septic installation project based by staff. Septic permitting requires Endangered Species Act review by Jefferson County Department of Community Development.

### **If applicable, do you have site control or easements for this project?**

- If not, describe how and when you will secure site control or easements.
  - N/A
- In the last 12 months, has this site been occupied by anyone other than the applicant or subrecipient? If so, describe the circumstances of property transfer or relocation.
  - Individual property owners will be expected to own and reside on the property where the septic repair or replacement is taking place.

### **Is the project ready to proceed?**

- What is the status of any required plans, plan amendments or project reports?
  - This project is ready to proceed internally. As described earlier, JCPH has been running a similar Cost Share program and has the standard operating procedures and policies developed. Though there will be some modifications to the guidelines for this program. JCPH has invested in a robust media program with both social media and print media components to advertise its programs. In addition, the staff currently operating the Cost Share program have worked to develop awareness of the grant program and its purpose among professionals in the private sector (professional certified septic designers and installers), and social service providers in our community (Habitat for Humanity, OlyCAP, St. Vincent DePaul, Housing Solutions Network, Cascade Community Connections, Washington State University Extension, Jefferson County Conservation District, etc.). Social service providers can play a crucial role in building program awareness. In addition to providing wrap around assistance to owners who need support managing this type of project.
- What obstacles (other than securing CDBG funding) might affect the timely and successful completion of this project? Describe how you will address these obstacles.
  - The progress from acknowledgement by the property owner that a priority violation/surfacing sewage exists through to installation of a permitted septic system is a lengthy one that requires professionals in the private sector, may include locating additional financing, weather dependent scheduling, and owners' capacity to move through these milestones.
  - The incredible demand on the septic design and installation vendors could slow the project down, but the three-year timeline should provide ample time for all funds to be spent.

***Upload these documents with the application***

- Sample GEO 20-21 submission form for Cultural Resource Review
- Contract with Craft3 for Financial Review

**Housing Rehabilitation**

- Describe how the activity integrates with weatherization funds or other housing rehabilitation funding?
  - JCPH does not operate weatherization programs or other housing rehabilitation programs. We do currently operate a NEP-funded Septic Cost Share Program similar to this one.
- Do you have a waiting list of homes ready to be rehabilitated?
  - Yes
- Do you have rehabilitation program policy manual that includes rehabilitation standards?
  - For septic systems the program rehabilitation standard would follow the septic code permitting requirements.
- Identify your plan methods to ensure all rehabilitated units will be free of lead-based paint hazards (24 CFR Part 35, Subpart J-Rehabilitation).
  - N/A

# RESULTS Questions

Explain how the completed project will address the need, benefit low- and moderate-income persons and how you will measure results. (20 pts)

**To what extent will the proposed project address the specific issues described in your Project Need statement?**

- Will the project take care of all of the need?
  - We estimate that with the funds requested we will be able to support 20 property owners in achieving a repair, replacement, or installation of a septic system. This does not encompass all of the present need in our county.
- Will the project solve the problem for the entire community or a smaller area?
  - LMI property owners throughout our county will be eligible for this grant program. We estimate that we will not have the funds to accept every qualified home owners' application and may apply for additional CDBG General Purpose funds in the future.

**Using the table below, provide specific measurements (tangible) of the current conditions and then the anticipated conditions after project completion.**

<b>REQUIRED Outputs/Outcomes Table</b>	
Examples: <ul style="list-style-type: none"> <li>• Number of leaks, permit violations, accidents, etc.</li> <li>• Utility rates (w/ and w/o CDBG)</li> <li>• Emergency response time</li> <li>• Level of service/capacity</li> </ul> <ul style="list-style-type: none"> <li>• Energy use</li> <li>• Flow measurements</li> <li>• Operation expenses</li> <li>• Jobs created/retained</li> <li>• Debt avoided</li> </ul>	
Before project	After project
28 priority septic violations with surfacing sewage	10 priority septic violations resolved
50* septic code violations in enforcement	10 septic code enforcement cases closed
20* water quality 'hot spots' believed to be attributed to lack of sanitation	Reduction in the number of water quality 'hot spots' believed to be attributed to lack of sanitation
Add additional rows as needed.	



**FY22-23 CDBG - General Purpose Grant Program - Septic Cost Share Program**

**Budget by Object**

<b>Salaries &amp; Benefits</b>	<i>hours</i>	<i>rate</i>	<i>subtotal</i>	<b>Total</b>
Task 1	428	\$38.50	\$ 16,478	
Task 2	820	\$38.50	\$ 31,570	
Task 3	220	\$38.50	\$ 8,470	
<b>total</b>	<b>1,468</b>	<b>subtotal</b>	<b>\$ 56,518</b>	
Indirect costs		29.23%	\$ 16,520	<b>\$ 73,038</b>
<b>Subcontracts</b>				
Craft3 Financial Review services			\$ 7,500	
Photography			\$ 500	
Training			\$ 150	
		<b>subtotal</b>	<b>\$ 8,150</b>	
Indirect costs		29.23%	\$ 2,382	<b>\$ 10,532</b>
<b>Cost Share Funds</b>				
			\$ 400,000	<b>\$ 400,000</b>
<b>Total Project Cost</b>			<b>\$ 24,670</b>	<b>\$ 483,570</b>

**Budget By Task**

<b>Task</b>	<b>Name</b>	Salaries/ Benefits	Subcontracts	Other	<i>Subtotal</i>	Indirect	<b>Total Project Cost</b>
<b>1</b>	Program Administration	\$ 16,478			\$ 16,478	\$ 4,817	<b>\$ 21,295</b>
<b>2</b>	Rehabilitation Management	\$ 31,570	\$ 8,150		\$ 39,720	\$ 11,610	<b>\$ 51,330</b>
<b>3</b>	Communication/ Outreach	\$ 8,470			\$ 8,470	\$ 2,476	<b>\$ 10,946</b>
	Cost Share Funds			400,000	\$ 400,000		<b>\$ 400,000</b>
	<b>Total</b>	<b>\$ 56,518</b>	<b>\$ 8,150</b>	<b>\$ 400,000</b>	<b>\$ 464,668</b>	<b>\$ 18,902</b>	<b>\$ 483,570</b>

	events	hours	subtotal	Total	%	\$
<b>Task 1</b>						
Interagency Agreement development with Dept of Commerce	1	8	8		2%	\$ 308
subcontracting with Craft3	1	4	4		1%	\$ 154
Internal progress meetings	36	2	72		17%	\$ 2,772
Submit monthly invoices	36	8	288		67%	\$ 11,088
Quarterly reports	12	4	48		11%	\$ 1,848
Close out reports	1	8	8		2%	\$ 308
Task 1 total			428	<b>428</b>		\$ 16,478
<b>Task 2 Rehabilitation Management</b>						
Application review	20	4	80		10%	\$ 3,080
Property research	20	4	80		10%	\$ 3,080
Cultural Resource Review and submission	20	4	80		10%	\$ 3,080
Supporting homeowner in locating additional financing as needed	15	4	60		7%	\$ 2,310
Support homeowner in locating contractors	20	2	40			
Coordination with other support services for wrap around with homeowner	10	10	100		12%	\$ 3,850
Owner - County Agreement development	20	4	80		10%	\$ 3,080
Payment of invoices to contractors	25	4	100		12%	\$ 3,850
Support homeowner in permitting process	20	10	200		24%	\$ 7,700
Task 2 total			820	<b>820</b>		\$ 31,570
<b>Task 3</b>						
Public meetings	2	20	40		18%	\$ 1,540
Develop presentations/ outreach materials	3	20	60		27%	\$ 2,310
Newsletter articles, press releases, social media, website updates, articles, Fact Sheets, post cards	8	10	80		36%	\$ 3,080
Research of county records of septic systems in priority violation and complaint cases with surfacing sewage - for development of direct mailing	1	40	40		18%	\$ 1,540
Task 3 total			220	<b>220</b>		\$ 8,470
<b>TOTAL</b>				<b>1,468</b>		<b>\$ 56,518</b>