

The following draft was produced as part of the consultant contract for Evaluation of I/I Program Concepts Phase 2, Task 8000 Private Side Sewer Inspection Program Development.

## Existing Financial Assistance Programs

Any private side sewer inspection program implemented in the future may impact customers within the WTD service area due to the cost to complete side sewer inspection and repair. This section reviews existing financial assistance programs and lays the foundation for understanding where gaps may exist.

### 1. King County Housing Repair

King County has its own Housing Repair Program targeted at providing repair services to low-income homeowners and special needs renters in most parts of King County. The County program provides for a variety of repair services (e.g., roof replacement, septic system installation), as well as for emergency repairs that may mitigate health and safety hazards or support major building preservation issues within a single family owner occupied home. The Program provides financial aid on an income and needs basis. Program information, including eligibility requirements, is described in the brochure linked below.

<https://kingcounty.gov/~media/depts/community-human-services/housing-homelessness-community-development/documents/housing-repair/2021%20Documents/English/HousingRepairPamphlet20210.ashx?la=en>

It seems unlikely that this program would approve funds for side sewer repairs that remove I/I from private side sewers.

### 2. Sewer Agency Programs

Many of the MWPAAC agencies have access to grants or loans that can help their low-income senior, disabled and low income customers who need financial assistance with emergency health and safety related home repairs. The definition of emergency health and safety related home repairs will be different for each of the 34 agencies. A health and safety side sewer emergency repair example is if a single family home was experiencing a clogged side sewer, and sewage is coming into the house. Sewage in a home is an emergency health and safety issue and must be repaired immediately. Other emergent conditions may include roof repairs, or construction to build access to a disabled customer's home.

Funding for these loans and grants is primarily from federal monies that are administered by state and local agencies. This funding is dispersed by the federal government to states, cities, and municipalities. The funding must be used per Federal guidelines, in addition to any local guidelines. Two examples of these Federal programs currently being utilized within the MWPAAC agencies include:

- Community Development Block Grant (CDBG) Program
- United States Department of Agriculture (USDA) Single Family Housing Repair Loans and Grants. Also known as the Section 504 Home Repair program, it provides loans to very-low-income homeowners to repair, improve, or modernize their homes. The program also provides grants to senior citizens and low-income homeowners to remove health and safety hazards.

In addition, some of the agencies along with the County, have their own home repair assistance programs through loans and some grants. **Table 1** describes existing financial assistance programs within the MWPAAC agencies, whether they are grants or loans, and if these monies are eligible to be used for sewer repairs.

To prepare this table, the consultant team reviewed the websites of each of the 34 MWPAAC agencies for any information regarding existing financial assistance that might be already available. Some of the MWPAAC agencies do not have websites and had to be called to verify any financial assistance programs. Some of the agencies eligibility descriptions were vague or needed further

clarification in order to include their programs; these agencies were also called for verification. Much of this work was completed during Phase 1. Due to budget restrictions, the consultant team did not reverify all of the information.

**Table 1. MWPAAC Agency Existing Grant and Loan Programs**

Agency and Program Name	Grant or Loan (G, L)	Funding Source	Customer Eligibility	Sewer Repair Eligible
King County King County Home Repair Loan	G, L		Residents may be eligible for a King County Home Repair loan	YES
Alderwood Water and Wastewater District	N/A			
City of Algona	N/A			
City of Auburn City of Auburn Home Repair Program	G	General Fund, CDBG	Applicants must: - Live within the city limits of Auburn - Must be at or below 50% of the Area Median Income - Live in an owner-occupied housing unit - Have lived in their home for at least one year	YES
City of Bellevue City of Bellevue Home Repair Program	G, L		Existing loans provide assistance for health- and safety-related repairs. Low to moderate income.	YES
Black Diamond	G, L	USDA	Some addresses in Black Diamond may be eligible for USDA Single Family Housing Repair Loans and Grants. Income and location dependent. Health & Safety hazards only.	If the side sewer condition is a health and safety hazard, then yes, otherwise no
Bothell	N/A			
Brier	N/A			
Carnation	N/A			
Cedar River Water and Sewer District	N/A			
Coal Creek Utility District	N/A			
Cross Valley Water District	N/A			
Highlands Sewer District	N/A			
City of Issaquah	N/A		Residents may be eligible for a King County Home Repair loan <a href="http://www.kingcounty.gov/depts/community-human-services/housing/services/housing-repair.aspx">http://www.kingcounty.gov/depts/community-human-services/housing/services/housing-repair.aspx</a>	YES
City of Kent City of Kent Home Repair Assistance Program	G	CDBG	Income based qualifications for loan	YES
City of Kirkland	N/A			
City of Lake Forest Park	N/A			
Lakehaven Water and Sewer District	N/A			
City of Mercer Island	N/A			
Midway Sewer District	N/A			
Muckleshoot Indian Tribe Tribal Housing Program	G	Tribe	Tribal Housing Program provides owner occupant Tribal members with housing rehabilitation grants up to \$45,000.	YES
Northeast Sammamish Sewer District	N/A			
Northshore Utility District	N/A			
Olympic View Water and Sewer District	N/A			
City of Pacific	N/A			
City of Redmond	N/A			
City of Renton City of Renton Housing Repair Assistance Program	G	CDBG	Low-income Renton residents are eligible. Housing Repair Assistance Program, "limited funded home repairs to eligible Renton resident's homes in a manner that supports the health and safety of the occupants.	NO
Ronald Wastewater District	N/A			

Samamish Plateau Water and Sewer District	N/A		
City of Seattle, Public Utilities City of Seattle Home Repair Loan Program	G, L		Seattle Office of Housing's Home Repair Loan Program: low or no interest loans to qualified low and moderate income homeowners. Income limit about \$51,550 for two-person household and \$64,400 for a four-person household. Specifically includes side sewer repairs.  Low-Interest Loans for Sewer and Water Lines: <a href="http://atyoursevice.seattle.gov/2013/07/31/low-interest-loans-for-sewer-and-water-lines/">http://atyoursevice.seattle.gov/2013/07/31/low-interest-loans-for-sewer-and-water-lines/</a>
Skyway Water and Sewer District	N/A		
Soos Creek Water and Sewer District	N/A		
Southwest Suburban Sewer District	N/A		
City of Tukwila Tukwila Minor Housing Repair Program	N/A	CDBG	Low to moderate income, no more than \$3k per year, \$7k lifetime for home repairs that support health and safety. No to sewer repair because it is assumed that repair would be more than \$3000. <a href="https://www.tukwilawa.gov/wp-content/uploads/HS-Minor-Home-Repair-Flyer.pdf">https://www.tukwilawa.gov/wp-content/uploads/HS-Minor-Home-Repair-Flyer.pdf</a>
Valley View Sewer District King County Housing Repair Program	N/A		For private side sewer work, see eligibility KC HRP.
Vashon Sewer District	N/A		
Woodinville Water District	N/A		

Additionally, some of the MWPAAC agencies have financial assistance available to reduce the costs of sewer service to senior citizens, low-income, and disabled homeowners. The discounts result in a reduction of their water and sewer bill. Currently, there is either limited or no financial assistance available to reduce the cost of maintaining a private side sewer.

While financial assistance programs exist at many of the agencies, these programs may not be utilized for side sewer repairs intended to remove I/I from private side sewer laterals. The programs, such as CDBG and USDA, are funded by federal monies that are intended to be used only for health and safety repairs for low-income homeowners who do not have other resources to make repairs. There is a gap in existing financial assistance because none of the sewer agency programs support private side sewer repairs for the purpose of I/I reduction specifically.

### 3. Other Programs

This section presents examples of the types of financial assistance currently available to property owners in Washington State who may need to complete repairs to a side sewer located on their property or to assist with septic system repairs and replacement.

#### Craft3 Clean Water Loan

Craft3 is a regional nonprofit Community Development Financial Institution (CDFI) that makes loans to strengthen the economic, ecological and family resilience in Oregon and Washington. Loans are available to people of all income levels to finance energy upgrades, build accessory dwelling units, and replace failing septic systems and aging manufactured homes. Craft3 does not currently provide loan support for side sewer repairs, however there may be a partnership opportunity to develop a new loan.

A Craft3 Clean Water Loan provides affordable loans to customers of all incomes for repair or replacement of failing septic systems within the Puget Sound area, including lower-income homeowners and borrowers who may not have perfect credit. Starting September 1, 2021, all Washington homeowners will be eligible to borrow up to the full cost of your septic repair or replacement. In addition, one or more of the following must apply:

- The septic system is at least 25 years old
- The septic system is failing

- The property owner has been contacted by local health officials
- The property owner is under orders to fix the septic system

Craft3 loans finance the entire cost of design, permitting, installation, and maintenance of the septic system. These loans are available in King, Pierce, and Snohomish counties, in addition to other counties within Washington State. This existing loan is an example that may have parallels to draw upon when filling the gap in financial assistance for side sewer repair. A potential partnership with Craft3 to develop a new loan for side sewer repair should be investigated during implementation planning.

### **City of Tacoma Residential Sewer Conservation Loan**

The City of Tacoma developed the Residential Sewer Conservation Loan program to assist customers with side sewer repairs and replacement. The Residential Sewer Conservation Loan program covers up to 90 percent of side sewer repair or replacement costs. The loan features an interest rate at two percent below the prime rate (with a minimum of four percent) on loan amounts between \$1,000 and \$10,000. The loan is secured through a security interest (lien) on the project property.

Program eligibility for side sewer repair or replacement is shown below. To qualify for a low-interest sewer conservation loan, the following must apply:

- The home must be located within the City of Tacoma city limits
- Must be served by Tacoma Wastewater Management
- Must have good credit with Tacoma Public Utilities and FICO score.
- Side sewer repair or replacement must be for an existing residential structure. New construction or replacement projects already completed are not eligible.
- Applicants must apply for the loan before the side sewer replacement or repair is completed. Loan disbursement will not take place until project completion is verified by the City of Tacoma's Environmental Services department.

A Commercial Sewer Conservation Loan is also available to commercial and multi-family rentals, located within the City of Tacoma boundaries, with similar requirements.