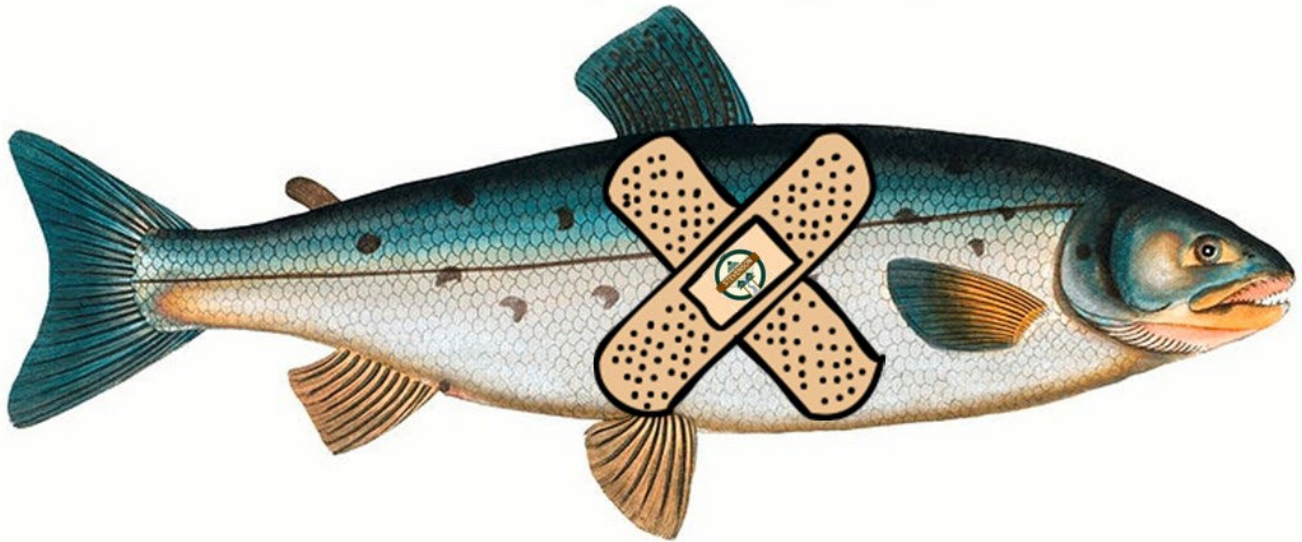


HEALing SCARS in Stevenson

**Helping Encourage Adjacent Landowners
Sewer Connection and Replumbing Stipend**



Policies, Award Procedures and Fund Administration

Approved by Resolution 2022-402

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I. OVERVIEW

The HEALing SCARS in Stevenson is a septic-to-sewer program advancing the public purposes stated herein. The program offers a financial incentive to decommission existing septic systems and connect to the public sewer system. The program's name reflects its intent: Helping Encourage Adjacent Landowners, Sewer Connection & Replumbing Stipend in Stevenson. This document lays out policies and procedures to ensure the incentive program is administered equitably and is not distributed as a gift of public funds.

Purpose

With this program, the City Council seeks to advance the following public purposes:

1. The public sewer system should be used to preserve, protect, and enhance the water quality values of fish-bearing streams (2.2).
2. The public sewer system should be used to correct health and safety hazards (8.4).
3. The public sewer system should guide urban expansion (2.10, 8.9).
4. Infill should occur in areas already served by the public sewer system (2.7, 8.8).
5. Incentives should be available for infill in areas served by the public sewer system (2.13).
6. Incentives should decrease dwelling costs (3.6).
7. The cost of the public sewer system should be shared by more users (3.6, 8.8).

The purposes above advance the goals and objectives of the *Stevenson Comprehensive Plan, April 2013 as Amended through May 2022*. The parenthetical notation provides a more specific reference to their location in the Comprehensive Plan. The restatement of these public purposes is related solely to this program. Their inclusion here does not preclude the City Council's embrace of other programs advancing other purposes.

Controlling Laws

The expenditure of public funds for the **purchase of, and contracting for, goods, services, supplies and materials**, shall comply with all applicable state law requirements as set forth in the Revised Code of Washington (RCW) and the Washington Administrative Code (WAC), in addition to any applicable local and federal laws and regulations.

Monitoring and Compliance

The City Administrator shall implement, monitor, and enforce these policies and procedures.

II. STIPEND

Maximum Amount and Sliding Scale

The HEALing SCARS in Stevenson program provides an incentive up to \$XXXXXXX. Two tiers of incentive stipends are offered:

- **Tier 1 Incentives** shall not to exceed the maximum amount listed above. This incentive tier is available based on an applicant’s need and fund availability. Need is determined at the reasonable discretion of the Administrator. Factors used by the Administrator may include:
 - Whether the applicant qualifies as a low-income senior citizen or low-income disabled citizen under SMC 13.10,
 - The loan-to-value ratio of the applicant’s primary mortgage,
 - Other indicators of the applicants net financial worth showing financial need.
- **Tier 2 Incentives** are offered at an amount equivalent to **33% of the maximum amount, rounded down** [the sum of all amounts City/County Charges which were accrued as a direct result of the connection. Examples include building/plumbing application and inspection fees, system development charges, and document recording fees] [**\$1000**].

Determining the Maximum Amount

The stipend amount listed in this section is determined based on the collection of costs in Appendix A. These costs are estimated within 2 broad categories:

- Contractor Costs (ex., plumber, excavator, etc.)
- City/County Charges (ex., system development charges, permit fees, inspection fees, document recording fees, etc.)

The City Council acknowledges that the estimates are not static and the maximum amount may not cover all associated costs. Updates to Appendix A are appropriate and should occur at a frequency determined by the Administrator.

Terms of Stipend

Although typically cities are prohibited from gifting city funds or lending credit under Article XIII Section 7 of the Washington State Constitution. However, the City may gift funds to aid the “poor and infirm”, and RCW 35.67.360 makes a special exception for loans to advance sewer and stormwater connections. Direct grants are awarded based on financial need and loans are awarded on a reimbursement basis for actual costs incurred. Charges payable to the City are an exception to the program’s reimbursement basis; City charges may be paid through an interfund transfer. As a condition of award, recipients of the either a grant or loan will be required to enter into a contract with the City. See Appendix B.

The stipend is not intended to drive housing speculation or increase housing costs. To safeguard against this, stipend recipients must record a “claw-back” lien running with the property. The lien will require full repayment of the stipend awarded, plus a 50% deterrent amount. The length of the repayment period is limited to 5 years from the initial award date, unless a different length is established when the award is issued. Among other factors, the Administrator may rely on the timeline established in RCW 58.17.140(3) when setting repayment periods. See Appendix C. The Administrator may waive the lien requirement related to Tier 1 awards.

III. ELIGIBILITY

This section documents eligibility for receipt of an incentives under the HEALing SCARS program.

Eligible Applicant

Eligible applicants are those city residents owning and occupying the dwelling for which a stipend is sought. Generally, occupancy means the owner resides in the dwelling as the applicant's primary residence and does not rent the dwelling during the applicant's absence.

Eligible Area

Based on the stated purposes, this program is only available to those properties for which sewer is already available. The area is further limited to target specific needs.

2023 through 2025

From January 1st, 2023 through December 31st, 2025, stipends will be available to owners of a property which is:

- Adjacent to an existing sewer main having sufficient capacity to accept the new connection, and
- Within 300' of a fish-bearing stream (Type F) or shoreline of the state (Type S) with demonstrated fecal coliform concerns.

2026 and Beyond

From January 1st, 2023 through December 31st, 2025, stipends will be available to owners of property which is:

- Adjacent to an existing sewer main having sufficient capacity to accept the new connection.
- Within 300' of a fish-bearing stream (Type F) or shoreline of the state (Type S).

Extended Eligibility

Proximity to a stream is not a limiting factor for any eligible applicant who the City Administrator determines is eligible for a Tier 1 award.

Ineligible Systems

This stipend is not intended to encourage poor stewardship of septic systems. To safeguard against this, eligibility for this program excludes applicants required to connect to the public sewer system based on a failure of their on-site system as determined by the environmental health officer.

MAP A – Eligible Areas

Showing 2022 city limits, Type F and Type S Streams plus 300' buffer, streets, street names for reference, **aerial or topographic** base map, septic system points

IV. APPLICATION FOR INCENTIVES

Applications for an incentive under this program must be made on a form provided by the Administrator. Prior to accepting an application as complete, the Administrator may request any additional information the Administrator deems necessary to review the applicant's eligibility for award. Complete applications will be accepted on a continuous basis. Complete applications will be reviewed, and awards will be granted on a first come, first served basis, subject to fund availability.

V. FUND ADMINISTRATION

The HEALing SCARS fund is operated as a reserved fund account. Among any other sources, contributions to this account are anticipated from:

- Transfers from the City's general fund,
- Benefactors, donations, etc.,
- In-lieu payments made to offset water quality or other environmental impacts by project proponents. Examples of this type include the initial seed funding paid as a result of a City stormwater project and include without limitation development projects in Shoreline Jurisdiction or impacting critical areas.

In addition to the award of incentives described herein, funds from this account may be used to demonstrate the impact of the award. Anticipated costs in this category include, without limitation, periodic surface water quality sampling and creation of maps related to the program.

Map B – Completed Projects

Showing 2022 city limits, a legend with a red point showing water quality impacts (1 entry, the Rock Creek Drive stormwater outfall) and a green point for HEALed SCARS (0 entries)

APPENDIX A – Cost Estimate (2022)

The table below collects all costs anticipated by the city for connection of an existing home to an adjacent public sewer system. The estimated costs herein were used to set the maximum award amount for the HEALing SCARS program.

Table A-1 – Estimated Property Owner Costs

Contractor Fees	
Replumbing ("Building Drain")	
Sewer Connection ("Building Sewer"/Cleanout/Lateral to Main)	
Septic Decommissioning	
City/County Charges	
Sewer System Development Charge	
Application for Improvement Fees	
Inspection Fees	
Document Recording Fees	
TOTAL	\$

APPENDIX B – Award Contract Template

A **template** award contract is provided on the following pages.

APPENDIX C – Repayment Lien Template

The **template** lien guaranteeing repayment of the award upon sale is provided on the following pages.