

## CLERMONT COUNTY SEPTIC SYSTEM REHABILITATION FINANCING PROGRAM PLAN

### I. PURPOSE

The purpose of the Septic System Rehabilitation Financing Program (SSRFP) is to assist low-income households throughout Clermont County in addressing malfunctioning or incomplete on-site sewage disposal systems in order to prevent or abate public health nuisances by providing funds and technical assistance to qualifying applicants.

### II. PROGRAM ELEMENTS OF THE PLAN

#### A. Goals

The goals of the Septic System Rehabilitation Financing Program are:

- 1) To protect the public health and prevent the spread of communicable diseases, and
- 2) To prevent water quality degradation while maintaining and improving the quality of water in the streams and lakes of Clermont County.

#### B. Services Area and Targeting Criteria

The SSRFP will apply to all areas of Clermont County. Only owner occupied, single family dwellings are eligible for assistance.

#### C. Eligibility

The household income of all applicants shall meet the stated requirements for the specific funding source being utilized. Applicants using CDBG funding shall meet the low, very low, or extremely low-income standards as specified by current Section 8 income guidelines and asset limitations as set forth in the 2015 Clermont County Community Housing Improvement Strategy. Applicants using WPCLF funding shall meet 100% of the 2017 US Dept. of Health & Human Services poverty guidelines to receive 100% funding, 200% of the poverty guidelines to receive 85% funding or 300% of the poverty guidelines to receive 50% funding.

The funds can be used for costs of components and installation necessary for the repair or replacement of a malfunctioning or incomplete on-site sewage disposal system or to connect to public sewer where accessible.

Ineligible uses of the funds include payments to property owners for obtaining required easements, all operation and maintenance costs such as electrical usage, etc., and all other indirect cost as construed by the administering agency.

#### D. Financing Policy

The usual maximum amount available to a single applicant under the Septic Rehab Program will be \$22,000. Any greater amount available to a single applicant will require prior approval by the entity governing funding for the program.

- 1.) Funds will be dispersed as deferred, forgivable, five-year interest free loans. The principal will be forgiven at a rate of 20% per year.
- 2.) Upon the happening of any of the following, the entire unpaid, remaining, principal will be due and payable at the option of the holder.
  - a.) Default on the terms and conditions of the mortgage resulting in foreclosure proceedings by the mortgage holder.

- b.) The sale or transfer of title of all or part of the real property.
  - c.) The bankruptcy, insolvency, appointment of a receiver or assignment for the benefit or creditors of the maker.
  - d.) Any transfer of the possession of the premises.
  - e.) The lease of the real property to other occupants.
- 3) All loans will be secured by the appropriate collateral through legally binding documents.

### **III. ADMINISTRATIVE ELEMENTS OF THE PLAN**

#### **A. Septic System Rehabilitation Financing Committee (SSRFC)**

The County Commissioners shall select and make appointments to the SSRFC. One representative from each of the following areas shall be appointed: Board of Health, Financial Institution and Board of County Commissioners.

The SSRFC will meet as necessary to review applications presented by the program administrator. The SSRFC will review each application to determine:

- 1) Severity of public health nuisance and hazard
- 2) Financing arrangements
- 3) Collateral or security arrangements

The SSRFC will be responsible for periodic review of the Septic System Rehabilitation Financing Program Plan and will be responsible for recommending amendments to the Board of County Commissioners. All amendments to the plan must be reviewed and certified by the SSRFC prior to becoming effective.

#### **B. Staff**

The staff of the Board of Health of Clermont County Public Health will serve as the program administrator. The program administrator will be responsible for the intake of applications, determination of eligibility, preliminary analysis of the public health problems, technical/economic feasibility of eliminating the public health nuisance, presentations of pending applications, program status reports and other related work.

The assistance of legal counsel may be required in the preparation of appropriate documents including, but not limited to, promissory notes, securing collateral, loan closing documents and defaults.

#### **C. Review Procedures**

All applicants shall complete and submit an application form. All applications shall be brought before the SSRFC. The SSRFC will be responsible for the review and disposition of all applications.

Once a commitment has been approved by all parties, the program administrator will take action to ensure all necessary closing documents are prepared, executed and distributed to the appropriate parties. Any project approved by the SSRFC must commence physical construction in a diligent manner to ensure it is completed by the contractual end date. The program administrator will establish a project servicing file to contain: all closing documents, a log of conversations and other documentation pertaining to the project.

D. Application

All applicants shall complete an application form as prescribed by the administering agency.

E. Recapitalization Policy

Sources of recapitalization for the Septic System Rehabilitation Financing Program will include the following when available:

- 1) Community Development Block Grant funds
- 2) Water Pollution Control Fund – Household Sewage Treatment System Replacement Project
- 3) Grants and donations from area foundations, corporations, government agencies and individuals
- 4) Program income
- 5) Sewage nuisance fines collected

F. Program Income

All program income earned through the Septic System Rehabilitation Financing Program will be spent in accordance with this plan. Program income, when expended for administrative expenses related to managing the program, will not exceed \$15,000 or 20% of the program income received each calendar year, whichever is less.

G. State of Authority

All of the above operating rules can be appealed or otherwise changed with the assent thereto by two-thirds of the membership present at a regularly scheduled meeting of the SSRFC and with concurrence of the Board of County Commissioners. At least two members of the SSRFC, which constitutes a quorum, must be present to act on any official business related to the Septic System Rehabilitation Financing Program.

H. Conflict of Interest

Funds shall not be made available to any individual or organization which is a principal in the following entities: an elected official of Clermont County or any city or village therein, a member of the SSFRC, any member of the administrative staff of Clermont County Public Health or any member of the Board of Health. This prohibition shall extend for one year from the last day of active service of any person in any of the aforementioned positions.

I. Certification - County of Clermont.

The County of Clermont certifies that it will comply with all the provisions of this SSRFC plan. The County of Clermont fully understands that if the County of Clermont delegates any responsibility for the administering the County of Clermont's SSRFP, which the County of Clermont ultimately retains full responsibility for ensuring that all SSRFP requirements are observed.