



COCO – CENTRAL OREGON CITIES ORGANIZATION



Regarding: HB 3090

We support restarting the State of Oregon's affordable loan program that helps families replace failing septic systems or connect to municipal sewer. We respectfully urge you to appropriate \$2MM for the program during the 2021 session.

The Affordable Septic System Replacement Loan Program Worked for Oregonians

- While the program was operating, nearly **\$3.7 million was invested** in **186 septic systems** (or sewer hook-ups) in **91 communities** across the state. Customers live in **28 Oregon counties**. See reverse for a list of projects organized by Oregon county.
- Program administrator Craft3 secured \$1.9 million in additional funds to support this program, more than doubling the state's \$1.6 million contribution.
- Over **24 million gallons of wastewater are treated annually** because of these new systems.
- **Nearly one out of three families served by this program fall below 80 percent of county area median income.**
- DEQ has responsibly administered the program. **Only 4 percent of the funds appropriated by the State Legislature have been used by DEQ to oversee the program.**

The Septic Program is More Important Now than Ever Before

- DEQ and the U.S. Environmental Protection Agency estimate that, of the over 450,000 septic systems currently in-use across the state, **10 percent (45,000) of septic systems fail each year.** Recognizing these failures as a

problem for water quality, public health, and family resilience, the State Legislature established an affordable septic loan program in 2016.

- COVID-19 has increased the need for septic repairs; as designed, this program helps people and families in emergency situations, promoting community resilience, housing stabilization, and water quality.
- Due to a lack of state support, in July 2020, the program was suspended by Craft3 (the program administrator).
- The total amount of funding needed for the program to operate during the 2021-22 biennium is estimated at \$4 million; a \$2 million dollar grant from the state would restart the program while the third-party administrator works with DEQ to access additional loan capital.

Affordable Septic System Replacement Loan Program

Performance from September 2016 through August 2020

County	Number of Loans
BENTON	1
CLACKAMAS	12
CLATSOP	11
COLUMBIA	5
COOS	9
CROOK	1
CURRY	2
DESCHUTES	18
DOUGLAS	10
HOOD RIVER	1
JACKSON	14
JEFFERSON	4
JOSEPHINE	9
KLAMATH	7
LAKE	4
LANE	19
LINCOLN	16
LINN	11
MALHEUR	2
MARION	4
MULTNOMAH	9
POLK	4
TILLAMOOK	1
UMATILLA	2
UNION	2
WASCO	2
WASHINGTON	2
YAMHILL	4
	186