

Summary – BES Loan Programs and the S2HC Project

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This provides information about two BES loan programs that may be options for homeowners who want to locate an RV or tiny house on their property but lack the funds to pay for the required sewer connection.

The S2HC provisions require that an occupied RV or tiny house with plumbing located on a residential property must be connected to the property's existing sanitary line via a campground-style dump station. The provisions allow that connection to be permitted through a plumbing permit, to assure a speedy and low-cost permit process.

BES has two existing loan programs to assist property owners in making required connections to the sanitary system. These programs were originally developed for the Mid-County sewer projects, then expanded to be more broadly available to homeowners required to connect to sewer. The loan programs are guided by administrative rule: [ENB-4.28 - BES Financial Assistance Programs | Portland.gov](#). These programs could potentially be expanded to be available to homeowners wishing to locate an RV or tiny house on their property.

Currently, the loan programs can be used for all the relevant costs for connecting to the sanitary system – both the costs charged by BES (line, branch and sewer connection fees, plus SDCs) and the private plumbing costs. (For RVs/tiny houses making connections per the S2HC provisions, the public costs would be minimal or none.) Loans are taken out by the homeowner and are secured against the property.

There are two types of loans that are potentially applicable to the RV/tiny house provisions:

- The Safety Net Loan Program is for income-qualified homeowners. It allows property owners to borrow up to \$50,000 at 1.5% interest. Borrowers under 62 years of age can defer repayment for 5 years, based on their financial situation; renewal of the deferral is possible. Loan holders age 62+ years old can defer repayment until the sale of the property.
- The Private Plumbing Loan Program a conventional loan at 6.1% interest with a set repayment schedule. It is well suited to property owners with more income but who lack access to funds needed to pay for a required sewer connection.

Currently BES budgets \$200,000-300,000 a year for these programs. BES staff administer the programs and assist property owners in applying for loans. More information is provided in the attached info sheets.

Prior to S2HC and the pandemic, BES considered the potential to expand financing eligibility for these loans to all properties required to connect to the sanitary system. (Currently the program is limited to owner-occupied, single family residential properties.) BES also identified the potential to expand Safety Net eligibility beyond the current limitations to support others needing assistance; this could potentially include affordable housing and women- and BIPOC-owned small businesses.

Based on the intention of the S2HC provisions, BES supports expanding these loan programs to apply to RVs and tiny houses on residential properties. This would require an administrative rule change, which is a public process that engages the Portland Utility Board (PUB), Development Review Advisory Committee (DRAC), and the public -. If the loan programs are expanded, we would recommend that information about the loan programs be included with materials provided to the public about siting RVs and tiny houses on residential properties.