

Commissioner Jules Bailey

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Dear Chair Boquist and Members of the Committee,

I am pleased to submit to you today this letter in support of SB 85 to add seismic retrofits to allowable activities under Property Assessed Clean Energy (PACE) statutes.

PACE is a tool for local governments to be able to facilitate private loans for building upgrades. Because PACE in Oregon is only being used for commercial buildings, you will sometimes see it called "CPACE." Multnomah County is currently building a CPACE program with the Portland Development Commission, which we hope to implement later this year. Under this program, Multnomah County will use our property tax system to provide additional security to private loans, lowering the cost of financing. It is a voluntary program.

The Legislature first created PACE statutes in 2009 in HB 2626, the Energy Efficiency and Sustainable Technology Act (EEAST), a bill that passed with near unanimity, and for which I was one of the Chief Sponsors. At that time, PACE was in its infancy, and we learned a lot in the intervening years. In 2014, I worked to pass an update to PACE, HB 4041, which clarified the statutes and updated the program. That bill passed both chambers with strong bipartisan support.

Under current statute, the CPACE program will only be available for energy efficiency upgrades to commercial buildings. With the passage of this bill, we will be able to use the same tools to facilitate low-cost loans to building owners for seismic upgrades. This is a natural evolution of the CPACE concept, and will help Multnomah County and the Portland Development Commission offer to owners more tools to improve their buildings.

Your committee is no doubt aware of the potential for a Cascadia Subduction Zone earthquake of enormous magnitude. Such an event would cause catastrophic loss of life and economic damage across the state, and especially in dense, urban areas. There is a strong public interest in helping building owners access every available tool to prepare their properties, and adding seismic to PACE statutes would help accomplish this goal.

I wish I could join you in person to give my testimony today, but I am happy to answer any questions that arise. This bill is a smart step for Oregon, and a natural improvement on the PACE program.

Yours,

A handwritten signature in black ink, appearing to read "Jules Bailey".

Jules Bailey
Multnomah County Commissioner, District 1

