



HOUSE OF REPRESENTATIVES

Testimony: House Bill 4121
Rep. Pam Marsh, House District 5
Economic Development and Trade Committee: 2/7/2018

Good morning. Chair Gomberg, Vice Chair Brock Smith, and members of the committee. For the record, I am Pam Marsh, representative from House District 5.

Thank you for the opportunity to present HB 4121, also known as Home WRAP – Weatherization, Retrofit, Affordability Program.

As you will hear in this morning's testimony, Home WRAP has dual objectives. First, the bill will maintain the energy and renewable sectors as robust business partners in our state's economy. Second, the bill will address the state's housing crisis through targeted investments to upgrade our existing housing stock, producing energy efficient, affordable homes that will last for years to come.

Here are the details:

WRAP provides a direct financial incentive to homeowners and nonprofit landlords who install energy efficiency and/or renewable projects. The incentive, to be administered by the construction contractor, is calculated based on the energy saved or produced by the project. Low and moderate income individuals or families will receive a higher incentive to make those projects more attractive. The bottom line will be more comfortable homes and reduced utility costs for homeowners and tenants.

Projects that qualify for the incentive include ductless heat pumps, high efficiency water heaters and furnaces, wood stove replacements, solar installations, and community solar projects. The maximum incentive available will be \$4500, or 20% of project costs.

I want to highlight a few components of the Home WRAP that are particularly innovative.

First, the program's two-tier incentive structure will make upgrades and installations more accessible to lower income individuals and those without a significant tax liability.

Second, WRAP provides an opportunity for nonprofit or affordable project landlords to participate. Tenants will benefit when their apartments or homes are upgraded to reduce energy costs and create a healthier, more comfortable environment. Over time, as we gain experience with the program, we hope to expand that benefit to qualifying private landlords, as well.

Third, the bill directs 25% of program funds to Oregon Housing & Community Services for projects that braid energy upgrades with critical repairs. These funding streams are typically siloed, making whole home renovation difficult or impossible. Ten percent of that fund will be used for grants to replace or upgrade manufactured housing occupied by low or very low-income families.

We are requesting \$18 million for the program. Certainly, we understand that the state is facing revenue constraints that may impact that request. If members of the Economic Development committee affirm the program's structure and goals, we will be prepared to talk about the specific allocation in the ways and means process.

Thank you so much for the opportunity to present.