

March 18th, 2017

Re: Testimony on HB 3116

From: Sam Baraso, Senior Policy Advisor, Office of Sustainability, Multnomah County

Chair Keny-Guyer, Vice Chairs Noble and Sanchez, members of the committee,

My name is Sam Baraso and I work in Multnomah County's Office of Sustainability.

I am responsible for the development of Oregon's first Commercial Property Assessed Clean Energy (CPACE) Program under ORS 223.680 and ORS 223.685. This program supports building owners in accessing long-term financing for energy efficiency, renewable energy, water efficiency, and seismic upgrades to commercial buildings.

CPACE programs were designed to leverage public and private resources to increase the resiliency of our building stock by improving upon a century-old system that cities and counties have used for decades, called local improvement districts. These financing districts have been used for sidewalk and street lighting upgrades, and for water infrastructure upgrades in irrigation districts.

Multnomah County's CPACE Program has been developed in collaboration with the Prosper Portland, which plays a key role as administrator, and the Energy Trust of Oregon, which provides technical resources.

We are here today seeking your support for HB 3116 which would amend ORS 275.275(1)(d) to allow local improvement liens filed under ORS 223.680 and ORS 223.685 a right to access a portion of proceeds from the sale of a tax foreclosed property. This had been allowed prior to 2015, when a bill was passed that required all proceeds from a tax foreclosure sales to go to a housing-related fund in counties with a population greater than 650,000 in population.

In our review of properties deeded to the County after a tax foreclosure over the past 10 years, there were zero commercial properties deeded that had material improvements. We therefore have little reason to believe this amendment would impact the underlying reason for the 2015 legislation which was intended to increase funding for housing related purposes in Multnomah County. It would, however, alleviate concerns for capital providers lending into our CPACE program.

While HB 3116 captured our intent to amend ORS 275.275, we ask that you make a few amendments to the bill in order to address concerns raised by our legal team:

1. Return lines 7 through 20 to their original language. The proposed language may have unintended negative consequences for how our assessors account for their time in processing tax foreclosures.
2. In line 22, instead of referencing a city or county, reference local government as defined in ORS 174.116.

Numerous other jurisdictions are looking to our leadership in advancing and proving the viability and potential of such property-assessed clean energy programs. Your support of this bill will advance our collective work in ensuring the health of the state's building stock, while conserving natural resources and meeting the state's greenhouse gas emissions goals.

I want to thank the committee for its time today.