

To request translation or disability-related accommodations, please contact us at bcc@clackamas.us | 503-655-8581.

Si quiere solicitar servicios de traducción o adaptaciones para la discapacidad, contáctenos en/al bcc@clackamas.us | 503-655-8581.

Чтобы запросить перевод или приспособления, связанные с инвалидностью, пожалуйста, свяжитесь с нами по: bcc@clackamas.us | 503-655-8581.

Щоб попросити переклад або спеціальні послуги для осіб з особливими потребами, зверніться до нас, скориставшись такими контактними даними: bcc@clackamas.us | 503-655-8581.

如需翻译服务或残障相关的协助，请与我们联系：bcc@clackamas.us | 503-655-8581

。

Để yêu cầu dịch vụ dịch thuật hoặc điều chỉnh liên quan đến tình trạng khuyết tật, vui lòng liên hệ với chúng tôi qua bcc@clackamas.us | 503-655-8581.



Clackamas County
www.clackamas.us

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: March 17, 2026 **Approx. Start Time:** 1:30pm **Approx. Length:** 30 minutes

Presentation Title: Commercial Property Assessed Clean Energy (CPACE) Program

Department: Department of Transportation & Development (DTD) / Office of Economic Development (OED)

Presenters: Dan Johnson, DTD Director; Laura Edmonds, OED Manager

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Board approval to amend County Code to implement a Commercial Property Assessed Clean Energy program.

EXECUTIVE SUMMARY:

On January 13, 2026, at the Board's direction, DTD & OED provided an overview of the CPACE program. At that time, the Board directed staff to return with a refined CPACE program concept and recommendation. After further evaluation of other CPACE programs in the state, and conversations with County Counsel and Assessment and Taxation, staff are returning with a recommended program concept.

[ORS 223.680](#) and [ORS 223.685](#) authorize local governments to establish programs to assist owners of qualifying real property in financing cost-effective efficiency improvements and seismic rehabilitation, known as Commercial Property Assessed Clean Energy (CPACE) programs. In addition to helping property owners, the program provides a broadened opportunity for capital providers meeting Oregon requirements to do business.

CPACE program specifics are determined by the establishing jurisdiction, in this case the County. Oregon jurisdictions with CPACE programs vary in fees collected, deadlines for application review, stringency of improvement efficiency required, and lien enforcement methodology. The Board can determine the program specifics in these areas and be compliant with Oregon Revised Statutes authorizing the CPACE program.

Recommended Clackamas CPACE program concept:

- Designate the DTD OED program the administrator of the CPACE program.
- Adopt an ordinance amending County Code to include CPACE; hold required public hearings.
- Direct OED to send advance notices, required by statute, to all utilities in the county providing electricity, natural gas, and water *before* the program and ordinance are adopted.
- Direct OED staff to finalize the County process for collection/foreclosure as if a Local Improvement District.
- Memorialize the CPACE *distinct business terms* award parameters in the aforementioned materials:
 - 1% fee (capped at \$75,000) due to OED upon funding of improvements by capital provider.
 - Lien collection as if a Local Improvement District (only taxes are superior to the lien).
 - Foreclosure fee: time and materials
 - No County deadline for application approval.
 - No conditional approval. All required application documents must be complete upon submittal.
 - Owner and Capital Provider to self-attest improvements covered by capital comply with Oregon law.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? Estimated \$75,000 per year on average Service.

What is the funding source? Fee for

STRATEGIC PLAN ALIGNMENT:

- How does this item align with the County's Performance Clackamas goals? Vibrant Economy

LEGAL/POLICY REQUIREMENTS:

In coordination with the department, County Counsel drafted the required documentation for the CPACE program and advised on the public hearings process. All CPACE program elements will comply with ORS.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Governmental: Assessment and Taxation; County Treasurer

Public: The public will be able to comment during the required public hearing process before adoption.

OPTIONS:

Option 1: Direct staff to schedule a public hearing for adoption of an ordinance amending County Code to implement the CPACE program as proposed.

Option 2: Direct staff to schedule a public hearing for adoption of an ordinance amending County Code to implement the CPACE program with the Board's modifications.

Option 3: Take no action at this time.

RECOMMENDATION:

Staff recommends Option 1: Direct staff to schedule a public hearing for adoption of an ordinance amending County Code to implement the CPACE program as proposed.

ATTACHMENTS:

Attachment A: State ORS 223.680 and ORS 223.685

Attachment B: Draft Ordinance with Exhibit A (with process flow)

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval Dan Johnson

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Laura Edmonds 503-742-4366

LOCAL GOVERNMENT PROGRAMS TO FINANCE CERTAIN IMPROVEMENTS

223.680 Local government programs to finance utilities improvements to real property. (1) As used in this section:

(a) “Local government” means cities and counties.

(b) “Qualifying real property” means multifamily residential dwellings or commercial or industrial buildings that the local government has determined can be benefited by utilities improvements.

(c) “Utilities improvements” means improvements to qualifying real property for any of the following purposes:

(A) Energy efficiency.

(B) Renewable energy.

(C) Energy storage.

(D) Smart electric vehicle charging stations.

(E) Water efficiency.

(2)(a) Subject to subsection (3) of this section, a local government may establish a program to assist owners of record of qualifying real property in financing cost-effective utilities improvements to the qualifying real property.

(b) The utilities improvements must be authorized by:

(A) A local government implementing a program established under this section; or

(B) The State Department of Energy for a loan issued under subsection (10) of this section to a local government that establishes a program in cooperation with a local government described in subparagraph (A) of this paragraph.

(c) A program established pursuant to this subsection may provide for the local government to:

(A) Make loans to owners financed with the net proceeds and interest earnings of revenue bonds authorized by subsection (9) of this section;

(B) Facilitate private financing by the owners; or

(C) Make loans under subparagraph (A) of this paragraph and facilitate private financing under subparagraph (B) of this paragraph.

(3) Before establishing a program under this section, the local government shall provide notice to utilities that distribute electric energy, natural gas or water within the areas in which the local government will operate the program.

(4) A local government that establishes a program under this section may:

(a) Require performance of an energy or water audit on the qualifying real property before the local government approves a loan for utilities improvements to the property;

(b) Impose requirements intended to ensure that the costs of the improvements financed under this section do not exceed the cumulative cost savings of the improvements over the useful life of the improvements; and

(c) Impose requirements and conditions on loans or financing agreements that are designed to ensure timely repayment.

(5)(a) If the owner of record of qualifying real property requests financing pursuant to a program established under this section, subject to subsection (6) of this section, the local government implementing the program may:

(A) Enter into a loan agreement with the owner, and any other person benefited by the loan; or

(B) Facilitate a financing agreement for the owner, and any other person benefited by the financing.

(b) A loan agreement or financing agreement entered into pursuant to paragraph (a) of this subsection must be in a principal amount sufficient to pay:

(A) The costs of utilities improvements the local government determines will benefit the qualifying real property and the borrowers;

(B) The costs of the energy or water audit; and

(C) The costs and reserves of the program.

(c) A local government acting pursuant to paragraph (a) of this subsection may:

(A) If the local government makes a loan, charge the borrower an interest rate on the principal amount that is sufficient to pay the financing costs of the loan program, including loan delinquencies; and

(B) Charge periodic fees to pay for program costs.

(6) A local government may not enter into a loan agreement, or facilitate a financing agreement, under subsection (5) of this section unless the owner has:

(a) Provided written notice to all mortgagees of the qualifying real property that the owner intends to enter into a loan agreement or financing agreement under this section; and

(b) Received written consent from the mortgagees stating that the loan agreement or financing agreement entered into under this section does not constitute an event of default or give rise to any remedies under the terms of the mortgage loan agreements.

(7) The local government implementing a program established under this section may:

(a) Secure a loan or financing with a lien on the benefited qualifying real property with the same priority, as determined under ORS 223.230 (3), as a lien for assessments for local improvements arising under ORS 223.393.

(b) Assess the benefited qualifying real property for the amounts due under a loan agreement or financing agreement.

(c) Enforce a lien and collect an assessment authorized by this section as provided in ORS 223.505 to 223.650.

(d) Secure a loan or financing in any other manner that the local government determines is reasonable.

(8)(a) In lieu of enforcing liens and collecting assessments as provided in subsection (7)(c) of this section, a local government may certify the assessment, in the manner provided in ORS 310.060, to the county assessor of each county in which benefited qualifying real property is located.

(b) If the assessments are certified as provided in this subsection, the county assessor shall:

(A) Enter the assessment upon the county assessment roll against the property described in the certificate, in the manner that other local government assessments are entered;

(B) Collect, account for and enforce the assessments in the manner that local government property taxes are collected, accounted for and enforced; and

(C) Transfer, as provided by law, the assessments collected to the local government that imposed the assessment.

(9) A local government may issue revenue bonds pursuant to ORS 287A.150 to finance the costs of a program established under this section, including the costs of making loans for utilities improvements.

(10) The State Department of Energy may lend money under the provisions of ORS 470.060 to 470.080 and 470.090 to a local government that establishes a program under this section in cooperation with a local government implementing a program under this section. [Formerly 223.396; 2017 c.283 §1]

223.685 Local government programs to finance seismic rehabilitation of real property. (1) As used in this section:

(a) “Local government” means cities and counties.

(b) “Qualifying real property” means multifamily residential dwellings or commercial or industrial buildings that the local government has determined can be benefited by seismic rehabilitation.

(c) “Seismic rehabilitation” means improvements to qualifying real property that are:

(A) Intended to reduce or prevent harm to persons and property due to the effects of seismic activity on the qualifying real property; and

(B) Authorized by a local government implementing a program established under this section.

(2)(a) A local government may establish a program to assist owners of record of qualifying real property in financing cost-effective seismic rehabilitation of the qualifying real property.

(b) A program established pursuant to this subsection may provide for the local government to:

(A) Make loans to owners financed with the net proceeds and interest earnings of revenue bonds authorized by subsection (8) of this section;

(B) Facilitate private financing by the owners; or

(C) Make loans under subparagraph (A) of this paragraph and facilitate private financing under subparagraph (B) of this paragraph.

(3) A local government that establishes a program under this section may:

(a) Impose requirements intended to ensure that the loan or financing is consistent with the purposes of the program; and

(b) Impose requirements and conditions on loans or financing agreements that are designed to ensure timely repayment.

(4)(a) If the owner of record of qualifying real property requests financing pursuant to a program established under this section, subject to subsection (5) of this section, the local government implementing the program may:

(A) Enter into a loan agreement with the owner and any other person benefited by the loan; or

(B) Facilitate a financing agreement for the owner and any other person benefited by the financing agreement.

(b) A local government acting pursuant to paragraph (a) of this subsection may:

(A) If the local government makes a loan, charge the borrower an interest rate on the principal amount that is sufficient to pay the financing costs of the loan program, including loan delinquencies; and

(B) Charge periodic fees to pay for program costs.

(5) A local government may not enter into a loan agreement, or facilitate a financing agreement, under subsection (4) of this section unless the owner has:

(a) Provided written notice to all mortgagees of the qualifying real property that the owner intends to enter into a loan agreement or financing agreement under this section; and

(b) Received written consent from the mortgagees stating that the loan agreement or financing agreement entered into under this section does not constitute an event of default or give rise to any remedies under the terms of the mortgage loan agreements.

(6) The local government implementing a program established under this section may:

(a) Secure a loan or financing with a lien on the benefited qualifying real property with the same priority, as determined under ORS 223.230 (3), as a lien for assessments for local improvements arising under ORS 223.393.

(b) Assess the benefited qualifying real property for the amounts due under a loan agreement or financing agreement.

(c) Enforce a lien and collect an assessment authorized under this section as provided in ORS 223.505 to 223.650.

(d) Secure a loan or financing in any other manner that the local government determines is reasonable.

(7)(a) In lieu of enforcing liens and collecting assessments as provided in subsection (6)(c) of this section, a local government may certify the assessment, in the manner provided in ORS 310.060, to the county assessor of each county in which benefited qualifying real property is located.

(b) If the assessments are certified as provided in this subsection, the county assessor shall:

(A) Enter the assessment upon the county assessment roll against the property described in the certificate, in the manner that other local government assessments are entered;

(B) Collect, account for and enforce the assessments in the manner that local government property taxes are collected, accounted for and enforced; and

(C) Transfer, as provided by law, the assessments collected to the local government that imposed the assessment.

(8) A local government may issue revenue bonds pursuant to ORS 287A.150 to finance the costs of a program established under this section, including the costs of making loans for seismic rehabilitation. [2015 c.48 §1; 2017 c.283 §2]

Note: 223.685 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 223 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

Ordinance No. __-2026

**An Ordinance Adopting Clackamas County Code Chapter 8.11,
Commercial Property Assessed Clean Energy (CPACE) Program**

WHEREAS, ORS 223.680 and ORS 223.685 authorize local governments to establish programs to assist owners of qualifying real property in financing cost-effective utilities improvements and seismic rehabilitation, known as Commercial Property Assessed Clean Energy (CPACE) programs; and

WHEREAS, such utilities improvements and seismic rehabilitation will strengthen the County's economic infrastructure by improving property values, building performance, and the marketability of qualifying real property within Clackamas County; and

WHEREAS, a CPACE program can be successfully implemented by the Office of Economic Development, in consultation with County Counsel, the County Treasurer and the County Clerk, so as to minimize local administrative burden and cost while ensuring that the County is protected financially and legally; and

WHEREAS, notice to utilities that distribute electric energy, natural gas, or water within Clackamas County has been provided in accordance with ORS 223.680(3);

Now, therefore, the Board of Commissioners of Clackamas County ordains as follows:

Section 1: Clackamas County Code Chapter 8.11, Commercial Property Assessed Clean Energy (CPACE) Program, as shown on Exhibit "A," attached hereto and by this reference incorporated herein, is hereby adopted.

Section 2: This ordinance shall take effect ninety (90) days after adoption.

ADOPTED this ____ day of _____ 2026.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

EXHIBIT A

Chapter 8.11

COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (CPACE) PROGRAM

8.11.010 Definitions

As used in this chapter, unless the context requires otherwise, the following terms and their derivations shall have the following meanings:

- A. “Qualifying Real Property” means multifamily residential dwellings or commercial or industrial buildings that the County has determined can be benefited by Utilities Improvements or Seismic Rehabilitation.
- B. “Seismic Rehabilitation” means improvements to Qualifying Real Property that are authorized by the County and that are intended to reduce or prevent harm to persons and property due to the effects of seismic activity on the Qualifying Real Property.
- C. “Utilities Improvements” means improvements to Qualifying Real Property that are authorized by the County and that are for any of the following purposes:
 - a. Energy efficiency.
 - b. Renewable energy.
 - c. Energy storage.
 - d. Smart electric vehicle charging stations.
 - e. Water efficiency.

[Codified by Ord. __-2026, __/__/2026]

8.11.020 CPACE Program

- A. There is established a Commercial Property Assessed Clean Energy (CPACE) Program to assist owners of record of Qualifying Real Property in financing cost-effective Utilities Improvements to and Seismic Rehabilitation of the Qualifying Real Property.
- B. If the owner of record of Qualifying Real Property requests financing pursuant to the CPACE Program, the County may facilitate a financing agreement for the owner of the Qualifying Real Property and any other person benefited by the financing.
- C. In facilitating a financing agreement, the County may:
 - a. Impose requirements intended to ensure that the costs of any Utilities Improvements do not exceed the cumulative cost savings of the Utilities Improvements over the useful life of the Utilities Improvements;
 - b. Impose requirements intended to ensure that the financing is consistent with the purposes of the CPACE Program;
 - c. Impose requirements and conditions on financing agreements that are designed to ensure timely repayment.
 - d. Charge periodic fees to pay for CPACE Program costs.
- D. The County may not facilitate a financing agreement unless the owner of the Qualifying Real Property has:

- a. Provided written notice to all mortgagees of the Qualifying Real Property that the owner intends to enter into a financing agreement; and
- b. Received written consent from the mortgagees stating that the financing agreement does not constitute an event of default or give rise to any remedies under the terms of the mortgage loan agreements.

[Codified by Ord. __-2026, __/__/2026]

8.11.030 CPACE Liens

- A. The County may secure financing facilitated under the CPACE Program or amounts due under a financing agreement with a lien on the benefited Qualifying Real Property (CPACE Lien).
- B. CPACE Liens shall be recorded in the County Clerk Lien Record.
- C. CPACE Liens shall have the same priority, as determined under ORS 223.230(3), as a lien for assessments for local improvements arising under ORS 223.393.

[Codified by Ord. __-2026, __/__/2026]

8.11.040 Enforcement

- A. If any CPACE Lien is delinquent at any time after 60 days from the time it became due and payable, the County Clerk may thereafter prepare and transmit to the County Treasurer a list in tabular form, made up from the County Clerk Lien Record, describing each CPACE Lien that is so delinquent. The list shall also contain the name of the person to whom assessed, a particular description of the property, the amount of the CPACE Lien due, and any other facts necessary to be given.
- B. Upon receipt of the list, the County Treasurer shall proceed to collect the unpaid CPACE Liens by advertising and selling the Qualifying Real Property in the manner provided in ORS 223.505 to 223.650.
- C. When an individual or entity purchases Qualifying Real Property at a foreclosure sale under ORS 223.505 to 223.590, if, with the written preapproval of the County Treasurer, that purchaser incurs costs for maintaining or improving the Qualifying Real Property during the period allowed for redemption, and if the Qualifying Real Property is subsequently redeemed, the County Treasurer may return all or part of the penalty paid by the person redeeming the Qualifying Real Property to the purchaser.

[Codified by Ord. __-2026, __/__/2026]