

PROGRAM GUIDE

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OVERVIEW

Prosper Portland, Multnomah County and Energy Trust of Oregon (Energy Trust) have partnered to create **PROPERTYFIT**, a property assessed financing program, to provide Multnomah County commercial property owners with access to a new form of financing for the installation of clean energy, renewable energy, water conservation and seismic resiliency improvements (collectively “Building Resiliency Improvements”). This Program Guide documents the statutory and program requirements to which program participants must adhere. It is intended to be used as a reference document outlining key **PROPERTYFIT** provisions and the relationship between Property Owner, Program Administrator, Capital Provider and others.

PROGRAM OVERVIEW – STATUTORY AUTHORITY

PROPERTYFIT is an innovative financing structure that enables owners (including nonprofit owners) of commercial, industrial and multifamily residential properties (with five or more units) to obtain long-term financing for Building Resiliency Improvements to their property. These improvements provide public benefits that conserve energy and water, reduce greenhouse gas emissions, improve air quality, reduce energy costs and reduce life and safety risk in the event of an earth quake. They also have the added benefit of fostering economic growth, creating jobs and improving property values.

The Oregon Statutes ([ORS 223.680](#) and [ORS 223.685](#)) authorize local governments to establish property assessed financing programs that help property owners finance Building Resiliency Improvements to qualifying real property. The financing is secured with a lien on the benefitted property ([Benefit Assessment Lien](#)) with the same priority as a lien for the assessment for local improvements. The local improvement lien is an established mechanism used by municipalities for decades to finance projects that provide a public benefit such as street improvements, water, sewer and street lighting.

PROPERTYFIT’s structure addresses the principal market barriers to investment in building resiliency projects. It offers building owners up-front financing for up to 100 percent of the cost of building upgrades, secured by a Benefit Assessment Lien and repaid in periodic assessment payments. The maximum term is set at the average weighted useful life of the proposed improvements. In some cases, the energy and water cost savings that result from the improvements will cover all or a portion of the benefit assessment payment, potentially improving the buildings net operating income.

The Benefit Assessment Lien is attached to and follows title to the property. If the property is sold before the **PROPERTYFIT** Financing is fully repaid, the benefit assessment remains in place and the repayment obligation is automatically transferred to the next owner. The senior lien status of the benefit assessment substantially reduces risk, making **PROPERTYFIT** financing very secure and

attractive to investors. For more information about the benefits of **PROPERTYFIT** financing visit www.propertyfitoregon.com.

POLICY LINKAGES

PROPERTYFIT supports a number of carbon reduction, redevelopment, and economic development goals. The program is designed to:

- Support City of Portland and Multnomah County Climate Action Plan and other community goals to reduce carbon emissions, conserve water and improve seismic resiliency.
- Provide building owners with a cost-effective financing tool to encourage comprehensive building resiliency that improve the overall building performance.
- Stabilize the region's economic infrastructure through building improvements that reduce resource consumption; improve seismic resiliency; and increase property value, performance, and marketability of commercial, industrial, and multifamily real estate within the county.
- Stimulate new business development, job creation and the creation of new family wage jobs for county residents through increased number of building improvement projects.
- Develop a platform to launch new technology and leverage the region's thought leadership in the sustainable building industries.

SOCIAL EQUITY COMMITMENT

PROPERTYFIT has a strong commitment to advancing social equity by increasing economic opportunity for historically disadvantaged populations and creating equitable access to living wage jobs and wealth creation opportunities. We seek to support a marketplace that is inclusive and supportive of certified disadvantaged, minority and women (DMW) owned firms' participation the energy efficiency, renewable energy and sustainable building industries.

One of our goals is to support the growth and diversity of the Portland region's design, engineering, and construction sectors by encouraging long-term business-to-business relationships between majority- and DMW-owned firms. We are seeking property owners, contractors and capital providers that share these values and will commit to participating in activities designed to further their end.

ADMINISTRATIVE GUIDELINES

This section outlines the **PROPERTYFIT** guidelines that govern all participants in the program. All participants agree to adhere to the terms and conditions of the Administrative Guidelines, as amended from time-to-time by Program Administrator to reflect changes in market conditions. The Program Administrator reserves the right, at its sole discretion, to make exceptions to these guidelines on a case-by-case basis.

KEY DEFINITIONS

<u>BENEFIT ASSESSMENT LIEN</u>	The lien that is recorded against the property that establishes the benefit assessment and secures repayment of the PROPERTYFIT Financing.
BUILDING RESILIENCY IMPROVEMENTS	Utility and Seismic Rehabilitation Improvements made to Qualified Real Property authorized by ORS 223.680 and ORS 223.685 .
CAPITAL PROVIDER	The entity that will provide financing for the Building Resiliency Improvements to complete the project.
QUALIFIED REAL PROPERTY	Commercial, industrial or multifamily residential (of five or more units) buildings located in Multnomah County that can benefit from Building Resiliency Improvements.
PROGRAM ADMINISTRATOR	Prosper Portland
PROPERTYFIT PROJECT	Building Resiliency Improvements made to Qualified Real Property, whether financed directly with PROPERTYFIT financing.
PROPERTY OWNER	The legal owner(s) of the “fee simple” interest in the Qualified Real Property
SEISMIC REHABILITATION IMPROVEMENTS	Improvements to Qualified Real Property Intended to reduce or prevent harm to persons and property due to the effects of seismic activity on the qualifying real property
UTILITY IMPROVEMENTS	Improvements to Qualified Real Property that: <ul style="list-style-type: none">▪ Increase energy efficiency▪ Generate renewable energy on-site,▪ Store energy on-site,▪ Charge electric vehicle, and▪ Increases water efficiency.

MINIMUM STATUTORY AND PROGRAM REQUIREMENTS

SERVICE AREA	Multnomah County, Oregon
ELIGIBLE PROPERTY	Qualified Real Property (see definitions)
ELIGIBLE APPLICANT	A Property Owner as defined above.
SECURITY	The financing is evidenced by a Financing Agreement and secured by Benefit Assessment Lien recorded against the Qualified Real Property. By statute the Benefit Assessment Lien has priority over all other liens recorded against the property, junior only to property taxes.
MINIMUM CREDIT STANDARDS	<p>The Property Owner (and its controlling entity) must meet the following minimum credit standards:</p> <ul style="list-style-type: none"> ▪ Be current and in good standing on all debt owed to Multnomah County; ▪ Be current on all real property taxes; ▪ Not have outstanding involuntary liens, collections or charge-offs; ▪ Be current on all existing mortgages; and ▪ May not be in, or have filed for, bankruptcy in the past three years.
ELIGIBLE USES	<p>Eligible uses include payment of:</p> <ul style="list-style-type: none"> ▪ The cost of building performance audits; ▪ The cost of Building Resiliency Improvements to Qualified Real Property; ▪ The cost of non-Building Resiliency Improvements that are directly related to the installation of Building Resiliency Improvements (e.g. roof upgrades to support a roof-mounted solar PV installation); ▪ Commissioning; and ▪ Fees, reserves and other PROPERTYFIT program costs.
LIEN-TO-VALUE (LiTV)	Maximum of 30 percent of the “after completed” value of the Qualified Real Property.
APPRAISAL REQUIREMENTS	The property value for LiTV purposes will be first evaluated by reviewing the real market value as determined by the tax assessor. If the project performs within the LiTV limitations, this value will be adequate for administrative review purposes. If the LiTV limit is

exceeded using the tax assessor’s real market value, a current appraisal may be required. This requirement will be influenced by the needs of existing mortgage holders that must consent to the filing of the [Benefit Assessment Lien](#) and the underwriting requirements of the [Capital Provider](#). In the case of new construction, where a tax assessor established real market value is not available, a current appraisal will be required. You can access current tax assessor data from [Portland Maps](#).

MAXIMUM TERM	The weighted average useful life of all approved Building Resiliency Improvements as determined by Program Administrator.
AMORTIZATION	The PROPERTYFIT financing must be fully amortized over its term. Balloon payments are not allowed.
TYPE OF FINANCING (including look-back)	PROPERTYFIT financing can be used as either construction/permanent or take-out financing as negotiated with the Capital Provider. Look-back projects are also eligible for PROPERTYFIT financing. A look-back project is one for which the Property Owner is seeking PROPERTYFIT financing within 24-months of completing the eligible Building Resiliency Improvements. In either case (take-out or look-back), all projects must meet the technical standards specified in this Program Guide.
PAYMENT AND SERVICING	The program requires a minimum of annual Benefit Assessment installments and may be more frequently as agreed to between Capital Provider and Property Owner. Payments will be made directly to the Capital Provider so long as Property Owner is adhering to the payment schedule. Should the Property Owner (or succeeding owners) default on the PROPERTYFIT collection will be enforced through the Local Improvement District collection process outlined in ORS 223.505 to 223.650.
EVIDENCE OF OWNERSHIP AND ENCUMBRANCES	A preliminary title report is required prior to closing to show evidence of ownership and all encumbrances recorded against the property.
MORTGAGEE CONSENT	Where there is an existing mortgage or deed of trust recorded against the property, the mortgagee must: <ul style="list-style-type: none">▪ Be given written notification (Lender Notice) that the Property Owner intends to enter into a Financing Agreement;

- Provide its written consent ([Lender Consent](#)) for the Property Owner to enter into the Financing Agreement; and
- Confirm in writing that the proposed **PROPERTYFIT** financing does not constitute an event of default under the terms of existing agreements between Property Owner and mortgagee.

PROGRAM ADMINISTRATION FEES

ADMINISTRATIVE PROCESSING FEE

Projects originated under the **PROPERTYFIT** program are subject to a one percent (1.00%) program administration fee due at closing of the transaction. In addition, the Property Owner is responsible for all third-party fees including cost of the building performance audit report(s), title reports, recording fees, legal fees and appraisal costs. Each of which is considered an Eligible Cost and can be included in the **PROPERTYFIT** financing and reimbursed at closing.

sed upon closing.

ON-GOING PROPERTYFIT SERVICING FEE

The [Financing Agreement](#) must also include an annual **PROPERTYFIT** Servicing Fee equal to a quarter percent (0.25%) of outstanding balance of the **PROPERTYFIT** financing. The On-going servicing fee will be specifically detailed in the payment schedule and will be collected by Capital Provider as part of the periodic installments collected from the Property Owner. Capital Provider will remit the **PROPERTYFIT** Servicing Fee to Program Administrator annually per the terms of the [Capital Provider Agreement](#).

PARTICIPATION IN REBATE/INCENTIVE PROGRAMS

Although not required, **PROPERTYFIT** strongly encourages Property Owners to participate in all rebate and incentive programs available to the project based upon the proposed Building Resiliency Improvements. Rebates and incentive programs provide participants with cash payments or tax credits for implementing Building Resiliency Improvements, thus reducing overall project costs. This can lower the amount a Property Owner will need to finance. Rebate and incentive programs can also act as a third-party check on the validity of the proposed Building Resiliency Improvements and their likely cost savings, thus reducing additional third-party project review costs that would otherwise be passed on to the Property Owners. To learn more about incentives and rebates visit:

[Energy Trust of Oregon](#)
[Northwest Natural Gas](#)
[Portland Water Bureau](#)

[Portland General Electric](#)
[Oregon Department of Energy](#)

[Pacific Power](#)
[US Dept. of Energy](#)

TECHNICAL STANDARDS AND REVIEW – UTILITY IMPROVEMENTS (ORS 223.680)

These Technical Standards describe the requirements to which all Utility Improvement projects under ORS 223.680 must comply. The methodology is designed to provide a flexible framework within which to qualify and manage the multiple and varied Utility Improvement projects applying to **PROPERTYFIT**.

Project must follow one of two approaches to meet the technical standards of the program – *Existing Buildings* or *Major Renovation/New Construction*. An existing buildings project is one in which no change of use is planned; is often an occupied building; and the scope of work is primarily focused on energy or seismic renovations. A major renovation/new construction project is one in which the existing building is being completely renovated; likely includes a change in use; or is ground up construction. Existing building projects must use the existing buildings approach, which evaluates the individual measures being installed/implemented. Property Owners of major renovation/new construction projects may select which approach they wish to use and then must meet the technical standards specific to the selected approach.

ELIGIBLE/INELIGIBLE UTILITY IMPROVEMENTS

ELIGIBLE UTILITY IMPROVEMENTS

Utility Improvements eligible for **PROPERTYFIT** financing must:

- Lower a building’s energy consumption;
- Lower a building’s water consumption;
- Enable on-site renewable energy;
- Enable on-site energy storage; or
- Create or improve a property’s capacity to charge electric vehicles;
- and
- Be permanently affixed to the property and taxed as “real” vs. “personal” property by the tax assessor.

A few examples of proven energy efficiency, renewable energy and water conservation technologies include:

- | | |
|---|----------------------------------|
| ▪ HVAC upgrades | ▪ Combustion and burner upgrades |
| ▪ Automated building controls | ▪ Heat recovery |
| ▪ Variable speed drives on motors, fans and pumps | ▪ Steam trap monitoring |
| ▪ Electric vehicle charging stations | ▪ Building envelope improvements |
| | ▪ Energy management systems |
| | ▪ Automatic faucet sensors |
| | ▪ Low-flow plumbing |

- On-site energy storage systems
- GeoExchange
- High efficiency:
 - Lighting
 - Chillers
 - Boilers
 - Furnaces
 - Water heating systems
- Grey water irrigation systems
- Rain water harvesting systems
- Irrigation rain sensors
- Renewable energy systems:
 - Solar
 - Fuel Cells
 - Wind

In addition, the costs of non-utility improvements that are directly related to the installation of eligible Utility Improvements are eligible (e.g. roof upgrades to support a roof-mounted solar PV installation, drywall replacement.)

INELIGIBLE UTILITY IMPROVEMENTS

Utility improvements ineligible for the **PROPERTYFIT** Financing include:

- Appliances (e.g. refrigerators, dishwashers);
- Plug load devices;
- Vending machine controls; or
- Any measure that is easily removed or not permanently installed.

EXISTING BUILDINGS

EXISTING BUILDING – UTILITY AUDIT REQUIREMENTS

Property Owners, with the assistance of qualified building performance experts, are required to submit an energy and/or water audit and a scope of work that defines the proposed Utility Improvements. This scope can range from installation of a single Utility Improvement to a project involving multiple Utility Improvement measures.

TECHNICAL METHODOLOGY

PROPERTYFIT is designed to leverage the energy audit capacity of Energy Trust. When Energy Trust is funding an energy audit **PROPERTYFIT** will defer to its technical methodology in the performance of the audit. Building performance audits conducted outside of Energy Trust must be based upon protocols described below. The level of audit will be influenced by many factors, including the number and complexity of the Utility Improvements, and the project's anticipated total capital investment.

- American Society for Testing and Materials (ASTM) E2797-15, Building Energy Performance Assessment (BEPA) Standard

	<p>directed at data collection and baseline calculations for the building energy audit; and</p> <ul style="list-style-type: none"> American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) Level I, Level II, and Level III Energy Audit Guidelines; or Water audit criteria described below.
ENERGY AUDIT CRITERIA	<p>An energy audit or renewable energy feasibility analysis conducted by a Qualified Individual is required. The audit report must provide:</p> <ul style="list-style-type: none"> A representative, weather normalized baseline; Historical electrical and/or fuel use costs, consistent with ASTM E2797-15; A description of the proposed energy measure(s); The estimated effective useful life (EUL) for each energy measure; The estimated total installed cost of each energy measure; The estimated incremental cost of each measure, where applicable The estimated total project cost; The source used to establish energy measure costs; The uncertainty (+/-) associated with the methodology used to establish energy measure costs; The estimated energy savings and/or energy generation that can confidently be achieved; The estimated energy cost savings that will result from the energy measures; and The uncertainty (+/-) associated with the methodology used to estimate the energy savings.
WATER AUDIT CRITERIA	<p>A water audit conducted by a Qualified Individual is required for projects that include significant water efficiency measures. The audit report must provide:</p> <ul style="list-style-type: none"> A representative, weather normalized baseline; Historical water use costs; A description of the proposed water measure(s); The estimated effective useful life (EUL) for each water measure; The estimated total installed cost of each water measure; The estimated total project cost; The source used to establish water measure costs;

	<ul style="list-style-type: none"> ▪ The uncertainty (+/-) associated with the methodology used to establish water measure costs; ▪ The estimated reduction in the building's water consumption that can confidently be achieved; ▪ The estimated water cost savings that will result from the water measures; and ▪ The uncertainty (+/-) associated with the methodology used to estimate the water savings.
QUALIFIED INDIVIDUAL	<p>All energy audits must be prepared by an energy engineer or by a team with an energy engineer. An energy engineer is defined as a professional holding:</p> <ul style="list-style-type: none"> ▪ An engineer with relevant demonstrated experience in evaluating a buildings water consumption and impact of various water conservation measures; ▪ A Certified Energy Manager (CEM); ▪ A Certified Energy Auditor accreditation (CEA); ▪ A Professional Engineer (PE) with demonstrated relevant energy experience; or ▪ A contractor with relevant demonstrated experience as determined by Program Administrator.
AUDIT ELIGIBILITY	<p>The Property Owner is responsible for the cost of the energy/water audit which may be incorporated into the PROPERTYFIT financing and reimbursed at closing. Audits previously conducted for the building may be eligible at the Program Administrator's discretion. Factors such as scope and age of the audit and whether existing conditions have changed since the audit was completed will be considered.</p> <p>Energy audits may be obtained through the Energy Trust or an independent entity. Energy Trust may cover all or a portion of the energy audit cost if it is conducted under an Energy Trust program.</p>
AUDIT PROCESS	<p>The level of audit will depend upon several factors, including but not limited to: the number and complexity of the Utility Improvements, size (cost) of the project, property type, and the Property Owner's desired level of certainty about utility cost savings. It will generally consist of:</p> <ul style="list-style-type: none"> ▪ An on-site survey of the building to assess a building's utility cost and potential Utility Improvements (single or multiple); ▪ A utility bill analysis to assess its efficiency; and

- A report summarizing a building's utility use, recommended eligible Utility Improvements, projected cost savings, and payback period.

The on-site survey may target a specific building component that is intended to be replaced, upgraded or added, or could include checking all major utility-using systems. If the latter, a more rigorous technical analysis study is warranted.

EXISTING BUILDING UTILITY USE BASELINE

The ASTM Building Energy Performance Assessment (BEPA) protocol established a standardized methodology for baseline building energy use data collection, compilation and analysis. The methodology is intended to fill data collection and analysis gaps in the ASHRAE audit guidelines and establish a sound, representative building energy use baseline. The ASTM BEPA methodology standardizes a number of major variables associated with data collection and analysis. AASTM BEPA methodology principles should also be applied in developing baseline building water use. This overarching methodology dictates the data and history that should be collected at each site. Preferably, baseline period over which the building's utility consumption data is collected should be three years, or back to the last major renovation if completed in less than three years, with a minimum of one year of data collection.

For buildings where it is impossible or prohibitively difficult to obtain the required historical utility consumption data, the following methodologies may be used to establish baseline building utility use. A building utility use simulation model can be used to project utility use after the Utility Improvements are complete and compare it to a modeled baseline which may be determined using equipment as specified in the building code, or a modeled baseline determined based upon existing equipment (that may no longer be operating.) Ultimately, the Program Administrator has responsibility and sole discretion to approve the appropriate utility use baseline for a project.

UTILITY USE BASELINE TABLE

BUILDING DESCRIPTION			
BUILDING TYPE	Existing	Existing	Existing
EQUIPMENT/ SYSTEMS	Existing	Existing	Existing
PROPOSED USE	No change	No change	New
OCCUPANCY	Fully Occupied	Partially Occupied or Vacant	Vacant

BASELINE REQUIREMENT			
UTILITY USE DATA	Existing utility data	Supplement existing utility data with utility use simulation model to achieve full occupancy estimates	Utility use simulation model based upon full occupancy under new use
UTILITY MODELING BASED UPON	Existing equipment, regardless of estimated remaining life	Existing equipment, regardless of estimated remaining life	Existing equipment, regardless of estimated remaining life

ENERGY IMPROVEMENTS IN NEW CONSTRUCTION/MAJOR RENOVATION

PROPERTYFIT has established the following requirements for new construction and major renovation projects. All program requirements outlined elsewhere in this Program Guide apply unless specifically modified below. Given the complexity of new construction and major renovation projects and new code transitions, project developers are ***strongly*** encouraged to engage with the **PROPERTYFIT** team early in the project development process.

STANDARDS FOR ‘AS DESIGNED MODELED ENERGY PERFORMANCE’

The State of Oregon adopted ASHRAE 90.1 – 2016 for new construction and major renovation projects effective January 1, 2020. Projects with permits issued on or after this date must demonstrate ‘*As Designed Modeled Energy Performance (EUI)*’ that exceeds ASHRAE 90.1 – 2016 baseline by at least five percent (5.00%.) These projects can qualify for **PROPERTYFIT** financing in an amount up to twenty percent (20.00%) of Total Construction Costs (as defined below.) Please contact the **PROPERTYFIT** team for information about technical requirements for projects that were permitted before January 1, 2020.

DEFINITION OF NEW CONSTRUCTION	The construction of an entirely new structure(s).
DEFINITION OF MAJOR RENOVATION	A major renovation involves major electrical and mechanical renovation, significant envelope modifications, and major interior rehabilitation of an existing building. These projects are often accompanied by a change in use of the building.
APPRAISAL REQUIREMENTS	Copy of the primary construction lender’s appraisal detailing the “as is”, “as completed” and “as stabilized” values.
NEW CONSTRUCTION BASELINE	ASHRAE 90.1 – 2016

ADDITIONAL REQUIREMENTS FOR 'AS DESIGNED MODELED ENERGY PERFORMANCE'	A report demonstrating that the building plans achieve a minimum energy savings of 5 percent above baseline energy use intensity (EUI) (or equivalent metric) is required. The report must use the 'Whole Building Approach' methodology in ASHRAE 90.1 – 2016, Appendix G.
DEFINITION OF TOTAL CONSTRUCTION COSTS	All direct and indirect costs of materials, labor and soft costs related to design, evaluation, installation and construction/reconstruction of the structure. This includes audit costs, architecture and engineering fees, surveys', contractor general conditions, financing, (including interest reserve) legal, title and other reasonable fees.
WEIGHTED AVERAGE LIFE	When multiple Utility Improvements and Seismic Rehabilitation Improvements are part of a project, the weighted average life of the of the building's energy system will be used for purposes of calculating the maximum term of the entire PROPERTYFIT financing.
EXCLUDED COSTS	<ul style="list-style-type: none"> ▪ Land costs ▪ Existing building acquisition cost ▪ Off-site improvements ▪ Environmental remediation ▪ Equipment not permanently installed on the property

RENEWABLE ENERGY FEASIBILITY ANALYSIS REQUIREMENTS

Energy generating projects that use renewable energy sources are eligible for **PROPERTYFIT** financing. A renewable energy feasibility analysis that assesses the energy cost savings over the project's useful life is required. Studies, and the individuals qualified to complete those studies, will differ based upon the type of renewable energy project. At a minimum the report must:

- Be prepared by an appropriately licensed individual with the necessary credentials to perform the study;
- Describe the proposed renewable energy system;
- Describe the permitting requirements and utility design requirements for the specific system being considered;
- Identify and evaluate the suitability of the building/site for the proposed improvement (including determining the structural integrity of the buildings to support a rooftop solar PV installation if roof-mounted solar is part of the planned Utility Improvements);
- Collect historical data on the building's electrical and fuel use and cost;

- Assess the improvements' expected performance, energy production and requirements to maintain optimized operation (including estimated maintenance costs);
- Compare improvements' expected performance (electricity and/or heat production) against total energy consumption of the building;
- Estimate the effective useful life (EUL) of each Utility Improvement;
- Estimate total cost to acquire and install each Utility Improvement; and
- Estimate of the amount and source of all incentive being sought for the renewable energy project

REVIEW OF THE AUDIT/STUDY

The complete audit/study is submitted to the Program Administrator, or its representative, to validate that the scope of work meets the required technical standards, the Utility Improvements meet **PROPERTYFIT** eligibility requirements, the recommended Utility Improvements are technically and financially feasible, and all stakeholder underwriting data needs are satisfied. The Program Administrator will also evaluate the project's key financial metrics (ROI, IRR, NPV, SIR, cash flow and payback period) based on the anticipated term of the **PROPERTYFIT** financing.

COST ESTIMATES

Cost estimates in the building performance audit(s) are estimates only. Prior to closing of the **PROPERTYFIT** financing, cost estimates must be updated with final costs based upon the construction/installation contracts executed between Property Owner and Enrolled Contractor. Although not required, the Property Owners may want to solicit multiple bids in order to ensure a competitive price for the purchase and installation of the Utility Improvements. The Program Administrator will review final contract amounts to determine that the final Utility Improvement scope of work is compliant with the requirements of [ORS 223.680](#) and this guide.

UTILITY IMPROVEMENT INSTALLATION

Property Owner will enter into an agreement with an Enrolled Contractor to perform the installation of the Utility Improvements. Program Administrator or Capital Provider may conduct a site visit(s) during and at the completion of the project to monitor and verify installation.

TECHNICAL STANDARDS AND REVIEW – SEISMIC REHABILITATION IMPROVEMENTS (ORS 223.685)

These Technical Standards describe the requirements to which all Seismic Rehabilitation Improvement projects under ORS 223.685 must comply.

ELIGIBLE SEISMIC REHABILITATION IMPROVEMENTS

ELIGIBLE UTILITY IMPROVEMENTS

Seismic Rehabilitation Improvements eligible for **PROPERTYFIT** financing must:

- Reduce or prevent harm to persons and property because of seismic activity on the qualifying real property;
- Be permanently affixed to the property and taxed as “real” vs. “personal” property by the tax assessor.

A few examples of seismic rehabilitation improvements include:

- Bracing parapets, cornices and chimneys
- Tension anchors
- Wood structural panel shear wall
- Concrete or fiber composite wall overlay
- Horizontal bracing
- Out-of-plane bracing
- Vertical bracing
- Veneer ties to brick masonry
- Shear anchors
- Cross-ties and subdiaphragms
- Supplemental vertical supports
- Steel bracing
- Steel moment frame
- Steel strap or angle
- Wood or steel strap reinforcement
- Wall to diaphragm ties
- Add or enhance crosswalls

In addition, the costs of non-seismic rehabilitation improvements that are directly related to the installation of eligible Seismic Rehabilitation Improvements are eligible.

EARTHQUAKE RISK EVALUATION

Property Owners are required to submit an earthquake risk evaluation and a scope of work that defines the proposed Seismic Rehabilitation Improvements.

EARTHQUAKE RISK ASSESSMENT CRITERIA

A Tier 1 and Tier 2 building performance report that conforms to American Society of Civil Engineers and the Structural Engineering Institute 41 - Basic Performance Objectives for Existing Buildings

	(ASCE 41 – BPOE) (unless a Tier 3 valuation is required by ASCE 41) is required on all Seismic Rehabilitation Improvement projects.
QUALIFIED INDIVIDUAL	All ASCE 41 evaluation must be performed by a State licensed structural engineer.
EARTHQUAKE RISK ASSESSMENT ELIGIBILITY	The Property Owner is responsible for the cost of the earthquake risk assessment which may be incorporated into the PROPERTYFIT financing and reimbursed at closing. Assessments previously conducted for the building may be eligible at the Program Administrator’s discretion. Factors such as scope and age of the assessment and whether existing conditions or code requirements have changed since the assessment was completed will be considered.

SEISMIC IMPROVEMENT COST ESTIMATES

Estimated costs for the Seismic Improvements may be submitted with the initial application. Prior to closing of the **PROPERTYFIT** financing Property Owner must provide a final comprehensive project cost breakdown based upon the construction/installation contracts executed between Property Owner and Enrolled Contractor. This cost breakdown must also include a separate column which indicates the percentage of the total item cost that is associated with the seismic rehabilitation improvements. Additionally, the Licensed Structural Engineer must provide a letter indicating that the total costs associated with the Seismic Improvements is reasonable cost for the required improvements.

SEISMIC REHABILITATION IMPROVEMENT INSTALLATION

Property Owner will enter into an agreement with an Enrolled Contractor to perform the installation of the Seismic Rehabilitation Improvements. Program Administrator or Capital Provider may conduct a site visit(s) during and at the completion of the project to monitor and verify installation.

APPLICATION PROCESS

PARTIES TO THE TRANSACTION

There are multiple parties to a **PROPERTYFIT** transaction and each plays a distinct role in the process. These include:

PROPERTY OWNER	The legal owner of the “fee simple” interest in the Qualified Real Property upon which the Building Resiliency Improvements will be installed/constructed.
PROGRAM ADMINISTRATOR	Prosper Portland is the Program Administrator and manages and promotes the program throughout Multnomah County; enrolls contractors and capital providers; determines eligibility of individual projects; files the Benefit Assessment Lien; issues the annual benefit assessment statement; facilitates foreclosure when necessary; aggregates program data and produces periodic program reports.
CAPITAL PROVIDER	Capital Provider underwrites the PROPERTYFIT financing transaction and determines whether to invest in the project. If so, the Capital Provider will enter into a Financing Agreement with the Property Owner that details the terms and conditions under which that investment will be made. The Capital Provider will control disbursements of the financing to reimburse Property Owner for costs incurred in the installation/construction of the approved Building Resiliency Improvements on the Qualified Real Property. Once the project is complete, Capital Providers will also perform servicing functions and collect assessment payments directly from the Property Owner.
ENROLLED CONTRACTOR	A licensed contractor which has enrolled in PROPERTYFIT and with whom the Property Owner has contracted to complete the Building Resiliency Improvements.
BUILDING PERFORMANCE AUDITOR	The entity/individual that will perform the assessment of the building and the proposed improvements who meet the qualified individual requirements outlined in the Technical Standards section of this Program Guide.
OWNERS REPRESENTATIVE	An individual or entity that represents the owner and acts as the owner’s project manager in the development and execution of the

project's scope of work. This is often the case with large projects or those that are part of a large building renovation.

THE PROCESS

PROPERTYFIT follows a traditional loan origination and closing process with a few additions that evaluate the scope and impact of the Building Resiliency Improvements. In general, projects will progress through the following steps:

PROJECT SCOPING

An interested property owner or their representative makes an inquiry and provides the Program Administrator with basic information about the property and proposed scope of work along with rough estimates of the cost of those improvements and the utility savings that might be achieved. The rough scope and cost estimates will be refined as the project moves through the process, but these very preliminary numbers help the Program Administrator provide direction on how to proceed with the project.

The Program Administrator will review the information and determine whether the Property Owner and project appear eligible for **PROPERTYFIT**. If so, the Program Administrator will encourage the Property Owner to submit a formal [Application](#).

APPLICATION PROCESSING

The Property Owner must submit a complete [Application](#) with the required supporting documents to begin the formal application process. During this phase, the Program Administrator will review the application materials, request any supplemental information needed and provide direction about how to proceed with the building performance audit(s) that will be needed to complete the application package. Please see the [Technical Standards](#) section of this guide for detail on the building performance audit(s) requirements. The building audit(s) will inform the final scope of work for the project which in turn will enable contractors to provide final cost estimates for the installation of the Building Resiliency Improvements.

A critical part of the application is obtaining consent from existing lenders to the filing of the Benefit Assessment Lien as required by Oregon Statute. Once the scope of work and project costs are developed to a point that the financial structure of the transaction can reasonably be projected, existing mortgage holders must be notified ([Lender Notice](#)) of the pending **PROPERTYFIT** transaction and its written consent obtained ([Lender Consent](#)) to the filing of the Benefit Assessment Lien. Both documents are required before the Program Administrator will issue a final determination of eligibility and authorize closing of the transaction.

CAPITAL PROVIDER SOLICITATION/UNDERWRITING (IF NECESSARY)

Within the broad parameters of the [PROPERTYFIT Administrative Guidelines](#), the Capital Provider will establish its own underwriting standards, complete its own due diligence, and make an independent determination about whether it wishes to invest in any particular project and the Property Owner will select and negotiate terms with the Capital Provider with which it wants to do business.

If a Property Owner has identified a Capital Provider that is not enrolled in [PROPERTYFIT](#), the Program Administrator will work with them to complete the process. If a Property Owner has not identified a Capital Provider, the Program Administrator can facilitate solicitation of term sheets from the list of enrolled [Capital Providers](#). This solicitation will include providing the Capital Providers with a copy of the [PROPERTYFIT](#) application and supporting documentation.

COMMITMENT AND FINAL DETERMINATION OF ELIGIBILITY

After the underwriting process is complete the Capital Providers will issue a conditional approval or financing commitment letter outlining the terms of their financing, including any conditions of closing. At that point, a copy of the Capital Provider's approval letter, the final scope of work, construction contracts, [Lender Notice](#) and [Lender Consent](#) letters, and any remaining [PROPERTYFIT](#) application materials must be submitted to the Program Administrator for final review.

The Program Administrator will then determine whether all statutory and program requirements have been met, and if so, will issue a determination of eligibility letter to the applicant with a copy to the Capital Provider. This determination may include a list of any final outstanding conditions that must be met before the [Benefit Assessment Lien](#) will be released for recording.

CLOSING

Once all approval conditions have been met to the Capital Provider and Program Administrator's satisfaction, documents will be prepared for closing the transaction. The Capital Provider will enter into a [Financing Agreement](#) with the Property Owner for implementation of the project. Subject to the terms of the [Capital Provider Agreement](#) and the requirements of this Program Guide, the Capital Provider may use its own forms of agreement in closing the [PROPERTYFIT](#) financing. Links to documents that meet the State of Oregon statutory requirements are provided in the [Sample Documents](#) and Forms section of this Program Guide.

In addition to the [Financing Agreement](#) between the Property Owner and Capital Provider, each must enter into an agreement with the Program Administrator which will outline the terms, conditions and authorities under which the Benefit Assessment Lien will be governed. These agreements include:

- [Capital Provider Agreement](#)
- [Property Owner Agreement](#)

- Notice of [Benefit Assessment Lien](#)

Once the Program Administrator has received the executed documents and confirmed that all closing conditions have been met it will record the Benefit Assessment Lien with the Multnomah County Recorder's office.

CONSTRUCTION/DISBURSEMENT MANAGEMENT

The Capital Provider is responsible for overseeing installation of the Building Resiliency Improvements and managing disbursements of **PROPERTYFIT** financing during construction per the terms of its **PROPERTYFIT** financing agreement. The Property Owner should refer to that agreement to determine the Capital Provider's requirements for periodic inspections, progress payments and change orders.

CONSTRUCTION CLOSE-OUT

The Property Owner should review the financing agreement to determine the process the Capital Provider will require to close-out the construction phase of the project and to move it into the permanent financing stage. Part of this process may be to amend the Benefit Assessment Lien to account for any adjustments to the principal amount of the Benefit Assessment associated with capitalization of construction interest or any other cost adjustments incurred during construction of the project. If so, the Capital Provider will notify the Program Administrator who will prepare an [Amendment to Benefit Assessment Lien](#) and [Restatement of Assessment Payment Schedule](#) for execution and recording with the county recorder. Any adjustments to the payment schedule must fully amortize the amount financed over the remaining terms of the agreement.

SERVICING/REPAYMENT

The Transaction Documents will require a minimum of annual Benefit Assessment installments and may be more frequently as agreed to between Capital Provider and Property Owner. Payments will be made directly to the Capital Provider. Should the Property Owner (or succeeding owner) default on the **PROPERTYFIT** financing the Capital Provider has the option to request that the Program Administrator enforce collection of the delinquency through the Local Improvement District collection process outlined in ORS 223.505 to 223.650.

PROPERTY OWNER REPORTING

Property Owner must comply with the City of Portland's Commercial Building Energy Performance Reporting Policy as amended, regardless of building size or location. This policy requires owners of commercial buildings to track energy use with the ENERGY STAR® Portfolio Manager web-tool, and report energy performance information to the City of Portland annually. In lieu of completing an annual **PROPERTYFIT** energy report, Property Owner must provide **PROPERTYFIT** with read-only access to their ENERGY STAR® Portfolio Manager account. A detailed how-to guide, additional policy

information and resources to improve your building performance are available on the policy website at [City of Portland - Benchmarking](#).

PRIVACY/PUBLIC INFORMATION

Multnomah County and Program Administrator are subject to the Oregon Public Records Law ([ORS 192.410](#) to [ORS 192.505](#)). As such, to the extent any of the documents in a **PROPERTYFIT** Financing transaction constitute “public records” under the public records law, for which the public has the right to inspect, such records shall be made accessible and opened for public inspection in accordance with the public records law and Multnomah County policies. Nothing contained herein shall limit the Program Administrator’s, Capital Provider’s or Property Owner’s right to defend against disclosure of records alleged to be public pursuant to the public records law.

CONTRACTOR ENROLLMENT

ELIGIBILITY

“Contractor” is defined as any agent, employee or subcontractor thereof who performs work required for the installation of the Building Resiliency Improvements. Contractors can also be individuals or companies performing commission or other forms of project verification. Building Resiliency Improvements must be installed by a licensed contractor. The Property Owner is free to select a contractor of their choice so long as they meet the following minimum requirements. By establishing contractor enrollment criteria, **PROPERTYFIT** is not recommending a particular contractor or warranting the reliability of any such installer. Eligibility requirements include:

CCB LICENSE(S)	An active license in good standing with the Oregon Construction Contractors Board (CCB) . Contractors may only install Building Resiliency Improvements for which they have an appropriate CCB license. All solar PV and solar thermal systems installers must have the proper certifications and hold the appropriate contractor’s license.
BUSINESS LICENSE(S)	A valid business license for any jurisdiction where the contractor will be performing work.
INSURANCE REQUIREMENTS	Meet the CCB’s bonding and workers compensation insurance requirements and carry general liability coverage with limits no less than \$1,000,000 per occurrence.
TIME IN BUSINESS	Provide evidence that they have operated the business for a minimum of one year, installing the equipment, products, or materials indicated on their contractor’s license or provide evidence of equivalent experience.
COMMITMENT TO SOCIAL EQUITY	Contractor must describe how it will contribute to advancing PROPERTYFIT’S Social Equity Commitment .

ENROLLMENT

Contractors are an integral part of **PROPERTYFIT’S** success. Contractors may enroll in **PROPERTYFIT** by completing and submitting the [Contractor Enrollment form](#) which is accepted on a rolling basis. In the event that a non-enrolled contractor brings a project to **PROPERTYFIT**, the program will work with the contractor to become enrolled to prevent delays of the financing application. Enrolled contractors will be listed on the **PROPERTYFIT** website.

PROPERTYFIT has the discretion to approve and deny contractor applications based upon its assessment of the contractors ability to meet the eligibility criteria above and a review of the information in the application. **PROPERTYFIT** reserves the right to disqualify contractors if they are found to be in violation of any of the standards set forth in this Program Guide or for any other reason that **PROPERTYFIT** finds to be in violation of good business practices.

PARTICIPATION AND REPORTING

All enrolled contractors are expected to periodically participate in **PROPERTYFIT** sponsored trainings and networking activities. Additionally, Prime contractors are required to provide the names of the top five sub-contractors, their scopes of work, and the contract amount upon completion of each project to help track participation of State or Federal certified minority, women owned or disadvantaged firms (certified firms) in the **PROPERTYFIT** program.

CONSTRUCTION/INSTALLATION STANDARDS

SELECTING A CONTRACTOR

Although not required, **PROPERTYFIT** encourages Property Owners to do research and seek bids from multiple contractors before signing a contract. **PROPERTYFIT** is a financing program only and does not endorse contractors who enroll in the program. Neither **PROPERTYFIT** nor the Program Administrator is responsible for determining the appropriate equipment, price or contractor for the **PROPERTYFIT** Project. Similarly, **PROPERTYFIT** is not responsible for the installed Building Resiliency Improvements or their performance. Should there be any unsatisfactory performance or other system-related issues that arise during or after installation, the Property Owner must address those directly with the responsible contractor according to the terms of the contract between the two parties.

PERMITTING

All work must be performed in accordance with all applicable federal, state, and local codes and standards. Property Owners and Enrolled Contractors are required to obtain all necessary building, electrical, plumbing and other permits, pass all required local inspections, and fully comply with applicable codes and standards. Copies of all permits and inspections must be provided to the Program Administrator before construction begins (permits) and upon completion of the Building Resiliency Improvements (inspection sign-offs).

SUBCONTRACTORS

The prime contractor must ensure that all subcontractors comply with the eligibility, terms, and conditions of **PROPERTYFIT**; have a current license in the specialty for the work being done; and

are limited to performing only work for which they are licensed. The Primary Enrolled Contractor is responsible for all work performed by any subcontractor.

WARRANTY

Contractor must warrant to Property Owner that all materials and equipment installed as part of the **PROPERTYFIT** project are free from original defects in material, workmanship, design and installations for a minimum of one (1) year from the date of completion of the work. Contractor shall remedy any such defect, at its sole expense and cost, during the warranty period.

ENROLLED CONTRACTORS

Click here for a list of [Enrolled Contractors](#).

CAPITAL PROVIDER PARTICIPATION

PROPERTYFIT is an open market program. Enrolled [Capital Providers](#) have the opportunity to offer terms sheets on projects originated by **PROPERTYFIT** or to originate projects directly. Additionally, Property Owners may bring a Capital Provider to **PROPERTYFIT** to fund their project.

The Property Owner is free to select a Capital Provider of their choice so long as the Capital Provider meets these minimum requirements. By establishing enrollment criteria, **PROPERTYFIT** is not recommending any particular Capital Provider. Eligibility requirements include:

ELIGIBILITY

TYPE OF ENTITY

- Federally insured depository institution;
- Insurance company authorized to do business in Oregon;
- Registered investment company, business development company or a Small Business Administration small business investment company;
- A US Treasury certified Community Development Financial Institution;
- Any publicly traded entity; or
- Any accredited investor.

COMMITMENT TO SOCIAL EQUITY

Capital Provider must describe how it will contribute to advancing **PROPERTYFIT'S** [Social Equity Commitment](#), including how it will support and encourage prime contractor's reporting requirements.

ENROLLMENT

To participate in **PROPERTYFIT** all Capital Providers must complete the required [Capital Provider Application](#) and Participation Agreement, and agree to only provide **PROPERTYFIT** financing for projects which adhere to the requirements of this **PROPERTYFIT** Program Guide (as amended from time-to-time by Program Administrator.) The Program Administrator reserves the right to approve, reject or rescind approval of the Capital Provider's participation in **PROPERTYFIT**. Additionally, the Capital Provider is responsible for all expenses it may incur in preparing its submission.

Upon approval by the Program Administrator, the Capital Provider will be considered an Enrolled [Capital Provider](#). As such, Capital Provider will be listed on the **PROPERTYFIT'S** website, will receive information from **PROPERTYFIT** regarding financing opportunities and other pertinent program information. This status also authorizes the Capital Provider to directly originate

PROPERTYFIT financing transactions, subject to the terms and conditions of this Program Guide and the resulting [Capital Provider Agreement](#) which must be signed at closing of each transaction. Ultimately, Property Owners are responsible for selecting a Capital Provider to fund their project and negotiating specific financing terms.

FINANCING TERMS

UNDERWRITING

The [Administrative Guidelines](#) and [Technical Standards](#) sections of this Program Guide outline the minimum standards that all **PROPERTYFIT** projects must achieve. Capital Providers are free to establish its own financial underwriting standards within these administrative parameters. At closing of each **PROPERTYFIT** transaction, the Capital Provider must enter into a [Capital Provider Agreement](#) that outlines the agreement between the Program Administrator and Capital Provider about the minimum financing terms and servicing requirements for that transaction.

INTEREST RATE, FEES AND FINANCING TERMS

The interest rate, fees and financing terms are negotiable between the Capital Provider and Property Owner which must be incorporated in the [Financing Agreement](#). The term of the financing may be any length but cannot exceed the weighted average useful life of the Building Resiliency Improvements (as reviewed and approved by Program Administrator) and must be fully amortized by the scheduled maturity date.

CONSTRUCTION ADVANCES

PROPERTYFIT may provide financing for construction of a qualified project or may be used to finance a project upon completion of construction. However, in either case, the Program Administrator must issue a determination of eligibility before construction begins. When construction financing is provided, the [Financing Agreement](#) (and addendums thereto) between Property Owner and Capital Provider must include provisions relating to the timing of and requirements for construction advances/disbursements.

SERVICING AND REPORTING

PROPERTYFIT uses a hybrid servicing model wherein the Capital Provider retains a more traditional borrower/lender loan servicing relationship. So long as the credit is performing, the periodic assessments are made directly to the Capital Provider and the Capital Provider provides the Program Administrator with an annual report on activities and remits the on-going administrative fee. At the Capital Provider's discretion, a delinquent account can be referred to the Program Administrator for enforcement through the Local Improvement District collection process outlined in ORS 223.505 to 223.650. These requirements are described in more detail in the [Capital Provider Agreement](#) which must be executed as a part of each **PROPERTYFIT** financing transaction.

ENROLLED CAPITAL PROVIDERS

Click here for a current list of enrolled [Capital Provider](#).

RESOURCES, SAMPLE DOCUMENTS AND FORMS

COUNTY RESOLUTIONS

- [Authorizing Resolution 2015-19](#) established Utility Improvement program under ORS 223.680.
- [Authorizing Resolution 2016-118](#) established Seismic Rehabilitation program under ORS 223.685.

TOOLS

- [Capital Source Comparison Calculator](#)

APPLICATION FORMS

PROPERTY OWNER

- [Application](#) – 2.01
- Schedule of Mortgages ([Application Addendum](#), tab 1)
- Schedule of Leases ([Application Addendum](#), tab 2)
- Proposed Improvements ([Application Addendum](#), tab 3)
- Sources and Uses schedule
- 10-year Project Proforma

CONTRACTOR

- [Contractor Enrollment form](#)

CAPITAL PROVIDER

- [Capital Provider Application](#) – 2.01

PROPERTYFIT CLOSING DOCUMENTS

The following documents are required on each **PROPERTYFIT** transaction; the original executed documents must be in the Program Administrator's possession before the transaction will be authorized for closing and the Benefit Assessment Lien recorded.

- [Property Owner Agreement](#) – 2.01
- [PropertyFit Risk Disclosure](#) – 2.01
- [Capital Provider Agreement](#) – 2.01
- [Schedule 1 - Schedule of Definitions](#) – 2.01

- Exhibit A – [Legal Description](#) – 2.01
- Exhibit B – Existing Mortgage Holder/[Lender Notice](#) – 2.01
- Exhibit C – Existing Mortgage Holder/[Lender Consent](#) – 2.01
- Exhibit D – [Building Resiliency Improvements](#) – 2.01
- Exhibit E – Notice of [Benefit Assessment Lien](#) – 2.01
- Attachment 1-E - [Assessment Payment Schedule](#) – 2.01
- Exhibit F – [List of Transaction Documents](#) – 2.01
- Exhibit G – [Amendment to Benefit Assessment Lien](#) – 2.01
- Attachment 1-G – [Restatement of Assessment Payment Schedule](#) – 2.01

SAMPLE FINANCING AGREEMENT

In addition to the **PROPERTYFIT** closing documents, the Property Owners and Capital Providers must enter into a Financing Agreement that details the terms and conditions of the actual financing transaction. Below is a sample of the Financing Agreement Prosper Portland will use when it is acting as Capital Provider as well as Program Administrator. We strongly suggest that Capital Providers use these templates to craft their agreements because they include the appropriate Oregon statutory references and are cross referenced with the terms of the [Capital Provider Agreement](#) and Property Owner Agreement that are independently enter into with the Program Administrator.

- [Financing Agreement](#) – 2.01
- Exhibit H – [Construction Funding and Disbursement Agreement](#) Construction Funding and Disbursement Agreement – 2.01
- Attachment 1-H – [Project Budget](#) – 2.01
- Attachment 2-H – [AIA Certification of Draw](#) – 2.01
- Attachment 3-H – [AIA Continuation Sheet](#) – 2.01
- Attachment 4-H – [Disbursement Request](#) – 2.01
- Attachment 5-H – [Interim Lien Claim Waiver](#) – 2.01
- Attachment 6-H – [Form of Property Owner Certification](#) – 2.01
- Attachment 7-H – [Final Disbursement Checklist](#) – 2.01

GENERAL TERMS AND PROVISIONS

TAXES

Property Owners are solely responsible for any local, state or federal tax consequences of their participation in **PROPERTYFIT**.

CHANGES IN STATE AND FEDERAL LAW

PROPERTYFIT'S ability to provide the [Benefit Assessment Lien](#) security structure is subject to a variety of state and federal laws. If those laws or the judicial interpretation thereof, were to change after the Property Owner has applied (and, thereafter, may have incurred the costs in anticipation of **PROPERTYFIT** financing) but before the funding request is closed, **PROPERTYFIT** may be unable to provide the security mechanism for the **PROPERTYFIT** financing. **PROPERTYFIT** shall have no liability as a result of any such change in law or judicial interpretation.

CHANGES IN THE PROGRAM TERMS; SEVERABILITY

PROPERTYFIT reserves the right to change this Program Guide and terms and provisions set forth within at any time without notice. The [Benefit Assessment Lien](#) and [Property Owner Agreement](#) executed between **PROPERTYFIT** and the Property Owner establishes Property Owner's rights. This Program Guide is only a reference document.

If any provision of this Program Guide is determined to be unlawful, void, or for any reason unenforceable, then that provision shall be deemed severable from this Program Guide and shall not affect the validity and enforceability of any remaining provisions.

DISCLOSURE OF PROPERTY OWNER INFORMATION

All Property Owner information is treated with care in order to protect Property Owner's privacy and security. In addition to disclosure requirements under [Oregon Public Records Law](#), Property Owners must agree to allow **PROPERTYFIT** to disclose personal/corporate information it submits to third parties when such disclosure is essential to the conduct of **PROPERTYFIT** business or to provide services to the Property Owner, including but not limited to where such disclosure is necessary to:

- Comply with the law, legal process or regulators; and
- Enable **PROPERTYFIT** staff or consultants to provide services to the Property Owner or to otherwise perform their duties.

PROPERTYFIT will not provide Property Owner information to third parties for telemarketing, e-mail or direct mail solicitation.

FRAUD

Giving materially false, misleading or inaccurate information or statements to **PROPERTYFIT** or its agents and partners (or failing to provide material information) in connection with a **PROPERTYFIT** application is punishable by law. Material representations include, but are not limited to, representations concerning the project costs, ownership structure and financial information relating to the Qualified Real Property and the Property Owner.

EXCEPTIONS TO THIS PROGRAM GUIDE

PROPERTYFIT may make exception to the terms and provisions detailed in this Program Guide where there is a finding that such exception furthers **PROPERTYFIT'S** goals and objectives.

RELEASES AND INDEMNIFICATION

By submitting an application, Property Owner acknowledges that Multnomah County and Prosper Portland have formed **PROPERTYFIT** solely for the purpose of assisting Property Owners in Multnomah County to finance eligible Building Resiliency Improvements. **PROPERTYFIT** is a financing program only. **PROPERTYFIT** is not responsible for the installed Building Resiliency Improvements or their performance. Should there be any unsatisfactory performance or other system-related issues that arise during or after installation, the Property Owner must address those directly with the responsible contactor according to the terms of the contract between the two parties. Property Owner acknowledges that it is responsible for payment of the Benefit Assessment regardless of whether the products are property installed or operate as expected.

OREGON REVISED STATUTE

LOCAL GOVERNMENT PROGRAMS TO FINANCE IMPROVEMENTS TO REAL PROPERTY.

ORS 223.680 – UTILITY IMPROVEMENT FINANCING

(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 utility improvements.
- (c) “Utility 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 utility improvements to the qualifying real property.
- (b) The utility 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 established 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 (10) of this section;
 - B. Facilitate private financing by the owner; 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 utility 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 energy 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 utility improvements the local government determines will benefit the qualifying real property and the borrowers;
 - B. The costs of the energy and 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 in the manner and with the same priority, as determined under ORS 223.230(3), as a lien for assessments for local improvements arising under by 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) 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 energy 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]

ORS 223.685 – SEISMIC REHABILITATION IMPROVEMENT FINANCING

(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 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 owner; 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 (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 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 in the manner and with the same priority, as determined under ORS 223.230(3), as a lien for assessments for local improvements arising under by 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.
- (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.

