



# CLIMATE INVESTMENT PLAN

## Portland Clean Energy Community Benefits Fund (PCEF) Climate Investment Plan

### Full Draft

May 2023



THE BUREAU OF  
**PLANNING &  
SUSTAINABILITY**



PORTLAND  
**CLEAN ENERGY  
COMMUNITY BENEFITS  
FUND**

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# Portland's Climate Investment Plan

## Executive Summary - Full Draft

### May 2023

Change happens when we come together.

Approved by voters in 2018, the [Portland Clean Energy Community Benefits Fund](#) (PCEF) invests in community-led projects that reduce carbon emissions, create economic opportunity, and help make our city more resilient as we face a changing climate.

In the next five years, PCEF will invest \$750 million in community-led clean energy projects and climate solutions like energy-efficient upgrades to make apartment buildings safer and more comfortable during extreme heat and tree planting to increase shade in neighborhoods that lack tree canopy coverage. These investments help ensure our most impacted residents are prepared for a changing climate as we support the City's goal of net-zero carbon emissions by 2050.

**Led by those who live it.** PCEF is the first climate-fund measure created and led by communities on the frontlines of climate change. Broad support for the measure was built through the leadership of communities of color, trust and relationship building, and a diverse coalition of supporters.

**A collaborative approach.** As PCEF evolves, the program is guided by a deep commitment to community engagement, accountability, and prioritization of those most impacted by a changing climate. Community responsive grants are awarded for projects designed and implemented by community-based nonprofit organizations.

**Opportunity through innovation.** PCEF is designing and evaluating climate solutions and partnering with grantees and frontline communities in culturally informed and responsive ways. This unique combination of climate expertise and public engagement makes PCEF a world leader in climate action that is rooted in economic opportunity and racial justice.

# Climate Investment Plan: Portland’s commitment to climate justice

PCEF has already awarded more than \$145 million in grants that support communities most impacted by climate change and make Portland more resilient to a changing climate. In response to direction from Portland City Council in fall 2022, this Climate Investment Plan (CIP) was developed as a five-year road map to fund additional community-led clean energy projects and climate solutions.

The CIP is grounded in climate research, deep community engagement, and multiple rounds of input from residents, subject matter experts, and community organizations to ensure the proposed solutions address the needs of Portland residents most impacted by a rapidly changing climate. All programs are evaluated within PCEF’s equity and climate framework, which considers benefits to frontline communities, implementation feasibility, greenhouse gas (GHG) emissions reductions, and accountability.

## From 2023 to 2028, PCEF will distribute an estimated \$750 million across seven funding categories:

**Energy efficiency and renewable energy:** \$473.9 million. Residential and commercial buildings account for 41% of carbon emissions in Multnomah County. By reducing these emissions, funded projects can support a healthier climate, improve air quality, boost household and business utility savings, and create more resilient community infrastructure.

**Transportation decarbonization:** \$122.55 million. Transportation accounts for 42% of Multnomah County’s carbon emissions, making community-driven efforts to transition to an equitable, clean transportation system an essential part of the strategy to meet the City’s climate goals.

### PCEF priority populations

The PCEF legislative code identifies two “priority populations” whom are the focus of PCEF’s programs:

**People with low incomes and people of color** are priority populations for clean energy, transportation decarbonization, green infrastructure, regenerative agriculture, and capacity building projects. Historically, these populations have had less access to the benefits of environmental investments, and at the same time, they are more vulnerable to the negative impacts of extreme climate-related impacts such as extreme heat, wildfire smoke, vector borne diseases and flooding.

**People of color, women, people experiencing gender or sex-based discrimination in the workplace, and people with disabilities** are priority populations for workforce and contractor development projects (workforce priority population).



**Green infrastructure:** \$74.8 million.

Portland's urban tree canopy is a powerful tool for removing carbon from the atmosphere and working toward the City's 2050 climate goals. Planting and maintaining street trees in Portland's most heat-vulnerable neighborhoods can also increase shade, improve air quality, and protect wildlife habitat.

**Climate jobs, workforce, and contractor development:** \$45.75 million.

PCEF invests in training and apprenticeships to support a diverse and fairly-paid workforce and contracting community for jobs related to clean energy, transportation decarbonization, green infrastructure and regenerative agriculture.

**Regenerative agriculture:** \$20 million.

Regenerative agriculture increases soil's ability to store carbon, naturally enhancing Portland's climate resilience while supporting community-based food systems and providing fresh, locally-grown produce.

**Capacity building:** \$11 million.

Nonprofit organizations focused on climate justice will access trainings and staff support to more effectively meet community needs and build more climate-resilient neighborhoods. This increased capacity is essential for grant recipients to advance PCEF and the City's climate goals.

**Other carbon reducing projects:** \$2 million.

This includes projects that do not fall under the other six funding categories but provide meaningful and measurable carbon reduction and benefit communities that experience disproportionate climate impacts.

The CIP includes greater detail of PCEF's funding framework for community responsive grants and each strategic program that is included in the funding categories above. This plan is one of the core strategies for reducing carbon emissions in the City of Portland, along with policy actions that improve our transportation system, energy sources, and the built environment.

Together, we are showing the world what it looks like for climate action to be rooted in economic opportunity and racial justice. When we invest in our communities, we invest in our future.

# Revenue Forecast

PCEF is funded through a 1% surcharge on the Portland sales of large retailers with \$1 billion in national revenue and \$500,000 in local revenue. Based on projections from the City of Portland’s Revenue Division, PCEF estimates \$750 million in funding available for 2023-2028. Actual collections will vary year-to-year based on economic conditions, the proportion of sales that are classified by taxable businesses entities as retail or wholesale, and the definition of taxable business entities and their tax liability.

**Figure 1. PCEF beginning balance vs. annual and cumulative tax revenue**

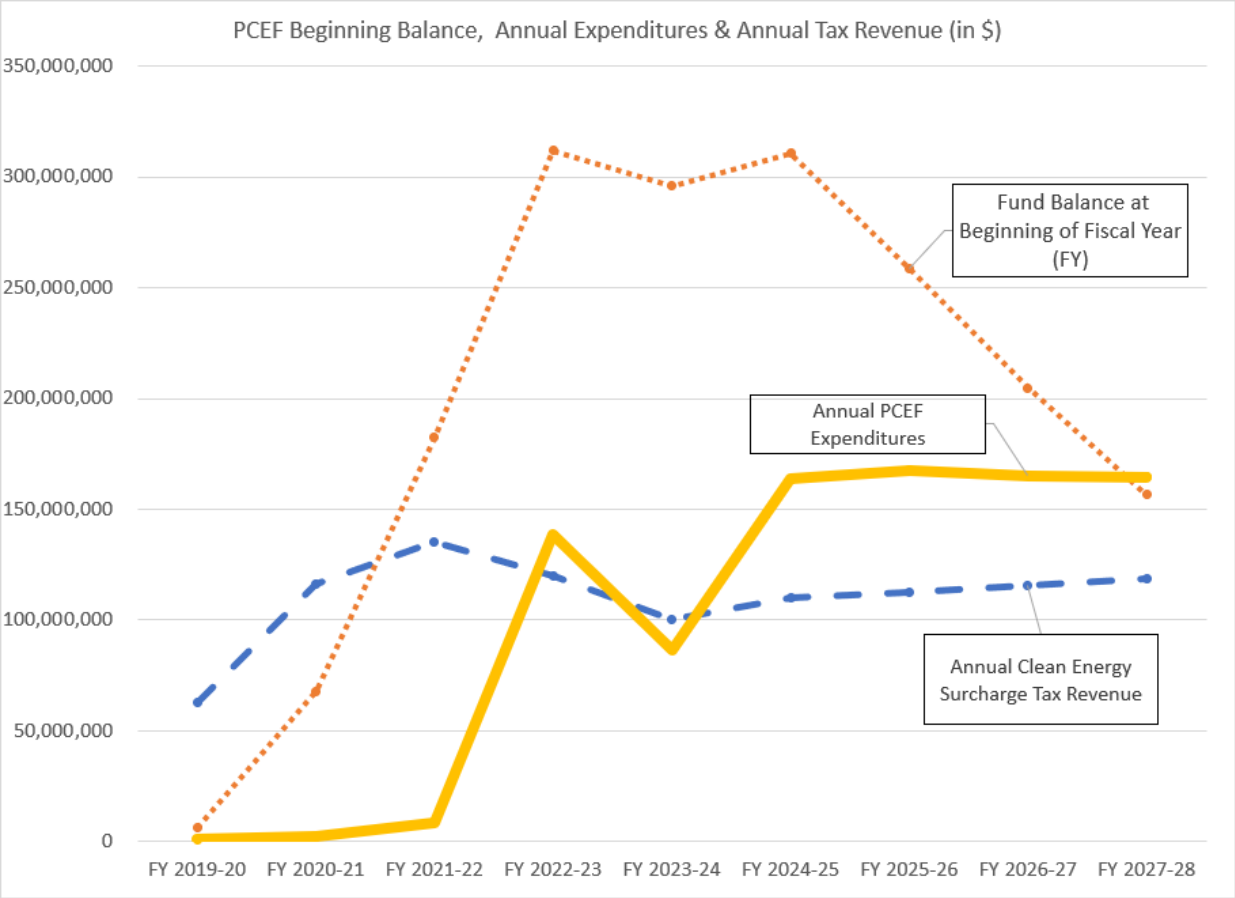


Figure 1 illustrates information on PCEF’s annual revenues, fund balance, and annual expenditures looking back to the start of the program and projected out for the duration of this CIP.

## Program purpose

The CIP was developed based on the PCEF Committee’s [guiding principles](#): to prioritize and allocate funding for community-led and informed climate action projects that benefit Portlanders most impacted by a rapidly changing climate. Climate-action projects funded by PCEF must provide racial, social, and/or economic justice benefits.

# CIP development approach

The following steps broadly outline the community engagement process informing the development of this CIP.

**Step 0:** *Leverage program history and experience to date.* Leverage deep community engagement and lessons learned from developing and implementing two requests for proposals (RFP) soliciting over 300 applications and awarding and managing over 110 grants totaling over \$145 million.

**Step 1:** *Project overview and accessibility survey, January 2023.* Before launching efforts to write a plan, an accessibility survey assesses community participation barriers. [Responses to the survey](#) inform the design of the engagement and outreach process.

**Step 2:** *Community visioning and priorities, January to February 2023.* Residents, nonprofits, and subject matter experts share their ideas on achieving major GHG emissions reductions that advance racial, social, and climate justice at open houses and workshops.

**Step 3.** *Preliminary draft, March to April 2023.* Using information collected from workshops, surveys, subject-matter roundtable discussions, community studies, research, and best practices, a preliminary draft of the CIP is made available for public review and comment. The preliminary draft contains proposed funding allocations, strategies, and goals. Public comments on the preliminary draft can be found [here](#).

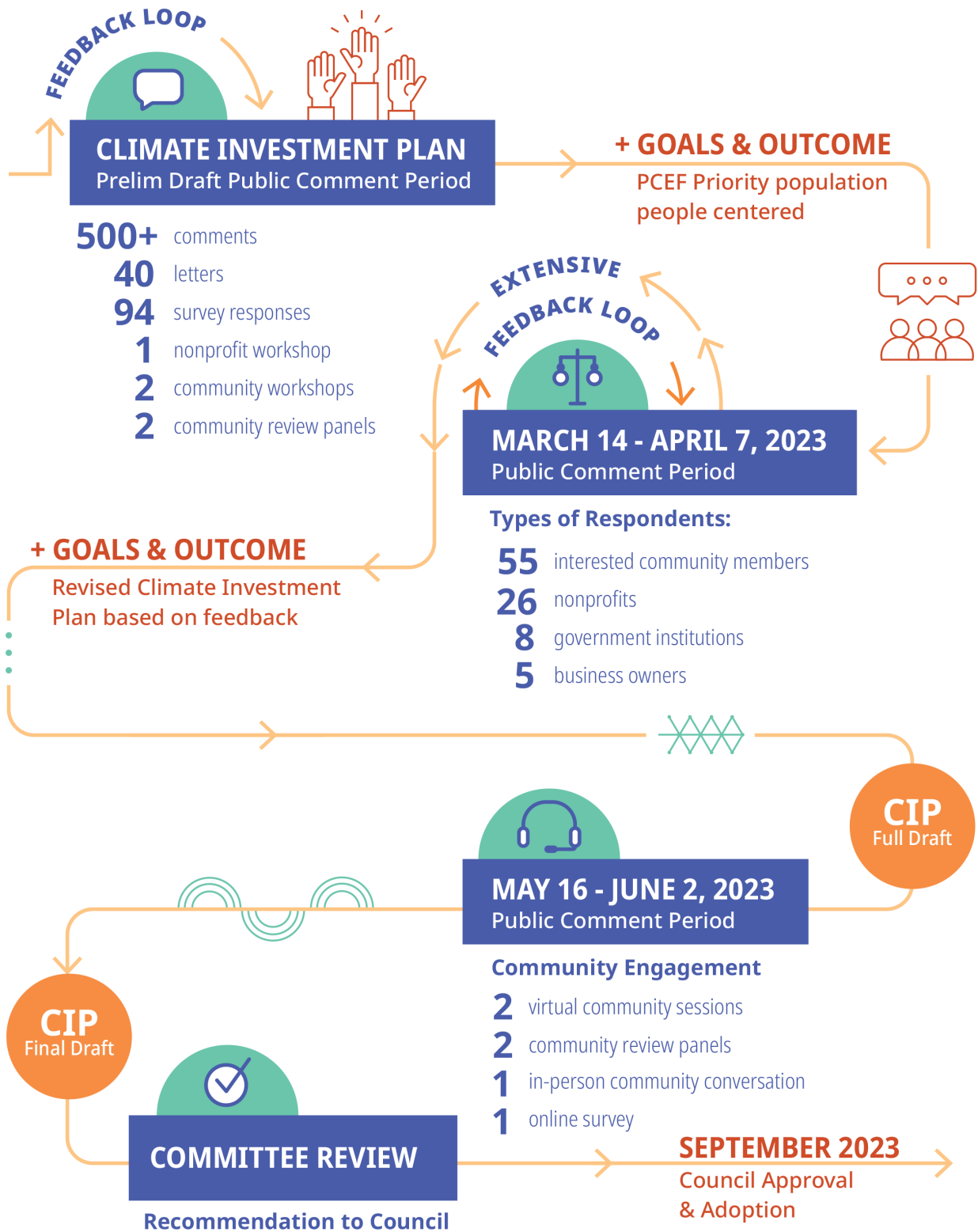
**Step 4.** *Full CIP draft, May 2023.* After considering comments from the preliminary draft, PCEF staff refines a full draft of the CIP and circulates it for public review and comment. The full draft contains more detail on program elements, including goals such as target carbon emissions reductions.

**Step 5.** *Committee deliberation, June and July 2023.* The PCEF Committee deliberates, make changes to, and recommends a final CIP to City Council.

**Step 6.** *City Council deliberation and approval, September 2023.* City Council deliberates and decides on the inaugural CIP.

**Step 7.** *Implementation of the CIP and reflection and evaluation townhall, fall 2023.* Following City Council approval, PCEF staff releases a community responsive grant solicitation and begins implementation of strategic programs. A townhall is held to discuss how decisions were made during the CIP process and to collect recommendations for the next update of the plan.





## Three funding pathways

PCEF funds projects and programs through three different pathways: community responsive grants, strategic programs, and the tree canopy maintenance reserve.

- *Community responsive grants* are awarded for projects designed and implemented by community-based nonprofit organizations. These grants prioritize carbon emissions reduction and climate workforce training projects that are led by, and serve, communities living on the frontlines of climate change (see definitions [PCEF priority populations and workforce priority populations](#)). PCEF has successfully launched two grant funding cycles under the community responsive grants program, which have been publicly referred to as RFP #1 and RFP #2.
- *Strategic programs* are targeted programs designed with input from community members and subject matter experts. These programs are detailed in the CIP and may be implemented through partnerships with nonprofit organizations, government entities, or businesses. These programs are selected based on shared City and community priorities, carbon emissions reduction opportunity, timeliness, need, and social impacts.
- *Tree canopy maintenance reserve* is funding for the targeted long-term maintenance of tree canopy to ensure the sequestration of carbon emissions in a manner that aligns with PCEF's purpose.

The CIP defines the funding allocation for each pathway, which emphasize equity and climate in its framework. In selecting implementation partners, PCEF will prioritize organizations that reflect the communities the program serves and those with a successful track record of working with PCEF priority populations.

## Equity + climate framework

From its days as a ballot measure to becoming a full-fledged City program, equity and climate action have been central tenets in PCEF's design and implementation. With the recent addition of strategic programs as a new pathway for funding PCEF projects and programs, an equity + climate framework is used to evaluate any strategic program for inclusion in the CIP. The four prompts below outline key elements of PCEF's equity + climate framework. A strategic program concept must answer all four prompts affirmatively to be considered for inclusion in the CIP. Exceptions include capacity building and workforce development which do not have direct GHG reductions.

- *Benefits to frontline communities.* Will the program create clear, significant, and measurable benefit to frontline communities?
- *Implementation feasibility.* Can the program be realistically implemented at scale with existing City staff, partners, or contractors over five years?
- *Climate impact: GHG reductions.* Will the program result in meaningful and measurable GHG reductions/sequestration?

- *Accountability.* Do accountability mechanisms exist to ensure that communities of color, low-income populations, people with disabilities, and other vulnerable communities benefit from the strategic program? Is this program additional to existing or planned efforts?

## Building community in partnership

Our goal in creating a more climate resilient Portland is not only to address the immediate needs of those most impacted by climate change, but also to empower those most impacted by climate change to take leadership roles in designing and implementing solutions. PCEF recognizes the crucial role of communities of color and low-income people as frontline leaders in effecting change.

This approach has required PCEF to balance strategic program offerings that are designed to respond to immediate community needs with the long-term goal of growing community capacity. That's why community engagement and capacity building goals are woven throughout this plan and why they will be tracked during implementation.

Evaluation metrics that will be gathered for strategic programs and community responsive grant programs include:

1. Number of organizations: the number of community organizations and businesses working on PCEF projects or programs that reflect and serve priority populations.
2. Funding: the amount of funding being allocated to community organizations, businesses, and government institutions. This will help us determine how financial resources are being distributed including which organizations are securing the financial resources necessary to build their capacity and implement programs.
3. Training and development: the number of training and development opportunities offered. This can help determine if organizations and individuals have access to gaining skills and knowledge necessary to effectively address the climate crisis.
4. Partnerships: the number of partnerships nonprofits are forming with government, the private sector, and with each other to implement PCEF-funded projects and programs. This can help determine if community organizations, businesses, and government institutions are building the necessary relationships to effectively implement climate change programs.
5. Community engagement: the level of involvement of community members and organizations through planning processes including the CIP development process. This helps determine if community is building the necessary engagement and leadership capacity to sustain their efforts for the long-term.

# Accountability: transparency, measurement, reporting, and evaluation

Accountability is a bedrock value for PCEF and an imperative given the need to address climate change urgently and equitably. As a first-of-its-kind program in the nation, it is critical that the CIP has the appropriate systems to transparently share its process and progress. While performance measures are critical towards tracking PCEF's progress towards its goals, program evaluations are equally important to assess its impact or improve results. Collectively, we refer to the systems that support and reinforce the achievement of PCEF's goals as our measurement, reporting, and evaluation systems.

All PCEF investments, whether community responsive grants or strategic programs, will have defined measures or metrics, reporting requirements, and evaluation. A publicly accessible dashboard will provide information on the program's progress toward the goals laid out in the CIP. Additionally, a report will be issued annually to share:

- How funds have been spent to date.
- Progress on funded projects and programs.
- The CIP's impact on addressing climate change.
- How CIP investments support other City climate efforts, including the Climate Emergency Workplan.
- Demographics that show who has directly benefited from PCEF CIP investments.

## Program-wide contractor and workforce equity approach and goals

There is a significant opportunity to ensure that climate action drives the creation of quality jobs and increases access to those jobs for people who have been historically marginalized in the workforce.

PCEF promotes the growth of diverse climate action-focused contractors (i.e., businesses) and workers to better reflect the diversity of our city. PCEF will support diverse contractors and workers through community-based organizations, culturally-specific chambers of commerce, apprenticeship programs, labor unions, and other community resources, both union-affiliated and non-union-affiliated.

PCEF invests and supports the diversification of contractors and workers focused on climate action in four ways.

### 1. Contractor and workforce utilization goals.

Utilization goals are an important tool for PCEF grantees and contractors to advance equity in professional and construction services contracts. It sets percentage thresholds for the participation of businesses certified by the Certification Office for Business Inclusion and

Diversity (COBID) (or a defined alternative) as: Disadvantaged (D), Minority (M), Women (W), Emerging Small Business (ESB), or Service-Disabled Veteran-Owned Business Enterprises (SDVBE). Draft diverse contractor and worker utilization goals for this CIP are in [Appendix 1](#).

**2. Contractor and workforce diversification grants and contracts.**

Direct investment into organizations for climate-action related contractor and workforce development is an equally important means to growing and diversifying our workforce. This may include investing in pre-apprenticeship programs, green-building related training and certifications, or contractor training and support to increase clean energy service offerings. Direct investments also include upstream efforts that encourage youth to explore climate careers.

**3. Reporting and wage requirements.**

Reporting on contractor and workforce utilization is critical to providing the data and information on those who work on PCEF projects. Reporting additionally provides information on wages to ensure that workers on PCEF projects are paid at least 180% of minimum wage, or prevailing wages, where applicable.

**4. Worksite anti-harassment and culture change.**

The fourth element to PCEF's contractor and workforce equity approach is a strategy for worksite anti-harassment and positive culture change to ensure that workers on PCEF projects, regardless of race, gender, or creed, are guaranteed a safe and respectful working environment. The strategy includes policies and trainings for workers on PCEF projects to provide safe and respectful worksites.

**Table 1. Summary of draft funding allocations by code funding categories**

Primary code category	Community responsive grant or strategic program (SP) name	Total five-year funding allocation	Workforce & contractor development suballocation	<a href="#">Climate Emergency Workplan</a> * actions that are directly or indirectly supported by the CIP
Climate jobs, workforce and contractor development ( <a href="#">Page 18</a> )	Community responsive grants - youth climate careers exposure	\$4,000,000	-	E-2, B-1, B-3, T-6, T-7, T-1**, T-2**, T-3**
	Community responsive grants – job training and contractor support initiatives	\$26,000,000	-	E-2, B-1, B-3, T-6, T-7, T-1**, T-2**, T-3**
Energy efficiency and renewable energy ( <a href="#">Page 20</a> )	Community responsive grants - energy efficiency and renewable energy	\$92,000,000	-	E-2, B-1, B-3, B-4, RH-2
	SP1: Clean energy in regulated multifamily affordable housing	\$60,000,000	\$2,400,000	B-3, B-4, T-6, T-7, H-1
	SP2: Clean energy in unregulated multifamily housing	\$50,000,000	\$2,000,000	B-1, B-3, T-7, H-1
	SP3: Clean energy improvements in single-family homes	\$140,000,000	\$3,500,000	B-3, T-7, H-1
	SP4: Clean energy in small commercial buildings	\$25,000,000	-	B-1, T-7
	SP5: Building upgrades for community severe weather response	\$30,000,000	-	B-2, T-7, H-1, RH-1, RH-2, E-4
Transportation decarbonization ( <a href="#">Page 33</a> )	Community responsive grants - transportation decarbonization	\$35,000,000	-	T-1*, T-4, T-7
	SP6: Comprehensive e-bike access and support	\$20,000,000	\$600,000	T-1*, T-4
	SP7: Equitable clean transportation access	\$25,000,000	-	T-1*, T-4
Green infrastructure ( <a href="#">Page 41</a> )	Community responsive grants - green infrastructure	\$5,000,000	-	NR-2, NR-4
	Tree canopy maintenance reserve	\$5,000,000	\$250,000	T-2**, T-3**, NR-4
	SP8: Equitable tree canopy	\$40,000,000	\$2,000,000	T-2**, T-3**, NR-4
Regenerative agriculture ( <a href="#">Page 45</a> )	Community responsive grants - regenerative agriculture	\$14,000,000	-	LU-2
	SP9: Increasing urban farming opportunities - planning and land acquisition	\$6,000,000	-	LU-2



Primary code category	Community responsive grant or strategic program (SP) name	Total five-year funding allocation	Workforce & contractor development suballocation	<a href="#">Climate Emergency Workplan</a> * actions that are directly or indirectly supported by the CIP
Organizational capacity building ( <a href="#">Page 47</a> )	Community responsive grants - mini grants	\$1,000,000	-	E-2, B-1, B-3, T-1*, T-4, T-7, NR-2
	SP10: Community-Based Organization (CBO) capacity building program	\$10,000,000	-	E-2, B-1, B-3, T-1*, T-4, T-7, NR-2
Multiple funding categories/other carbon emissions reducing projects ( <a href="#">Page 51</a> )	Community responsive grants - other carbon emissions reduction/sequestration projects	\$2,000,000	-	S-1, S-2, S-3
	SP11: 82nd Avenue climate infrastructure and community resilience grant program	\$5,000,000	-	B-1, T-7, LU-1, LU-2, T-2**, T-3**
	SP12: 82nd Avenue street tree expansion	\$5,000,000	-	LU-1, T-2**, T-3**, NR-4
	SP13: Targeted Electric Vehicle Financing Tools	\$35,000,000		T-1*, T-8
	SP14: Access to fair and flexible capital	\$65,000,000	\$5,000,000	B-1, B-3, B-4, T-6, T-7, I-1
	SP15: Climate-friendly public schools	\$50,000,000	-	E-2, T-1*, T-2**, T-3**, T-7, NR-4, H-1, IP-1, E-4
<b>Total</b>		<b>\$750,000,000</b>	\$15,750,000	

T-1\*, T-2\*, and T-3\* refer to actions in the CEW listed under Transportation in Decarbonization Priorities.

T-1\*\*, T-2\*\*, and T-3\*\* refer to actions in the CEW listed under Trees (Canopy) in Resilience Priorities.

Table 1 summarizes the CIP’s five-year funding allocations by funding category and includes actions from the City’s [Climate Emergency Workplan](#) that are either directly or indirectly supported by the CIP. While the table is organized based on each program’s *primary* funding category, most programs, including community responsive grants and strategic programs, will invest in one or more PCEF funding categories. For example, Strategic program 2: *Clean energy in unregulated multifamily housing* primarily invests in energy efficiency and renewable energy but also has spending for transportation decarbonization (e.g., electric vehicle charging) and for workforce and contractor development (see Table 2 below).

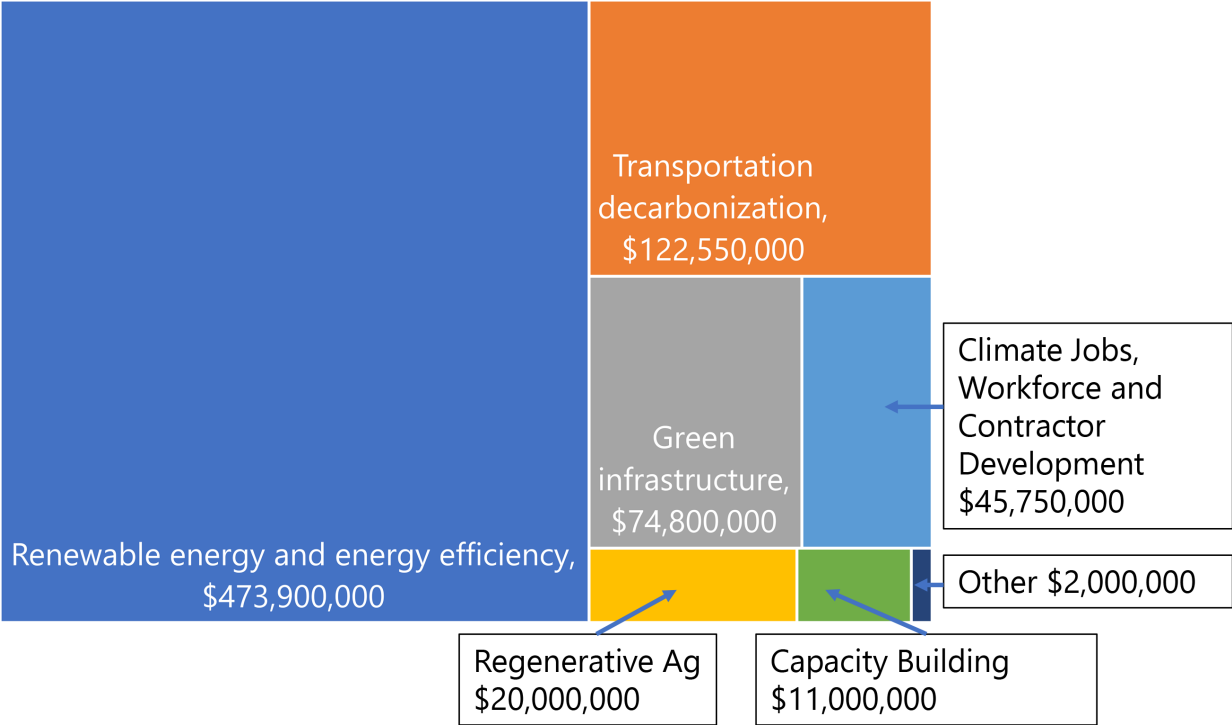
**Table 2. Example of multiple funding categories within strategic programs, *Strategic Program 2: Clean energy in unregulated multifamily housing***

Total five-year funding allocation	\$50,000,000	% of total
Energy efficiency and renewable energy	\$45,500,000	91%
Transportation decarbonization	\$2,500,000	5%
Workforce and contractor development	\$2,000,000	4%

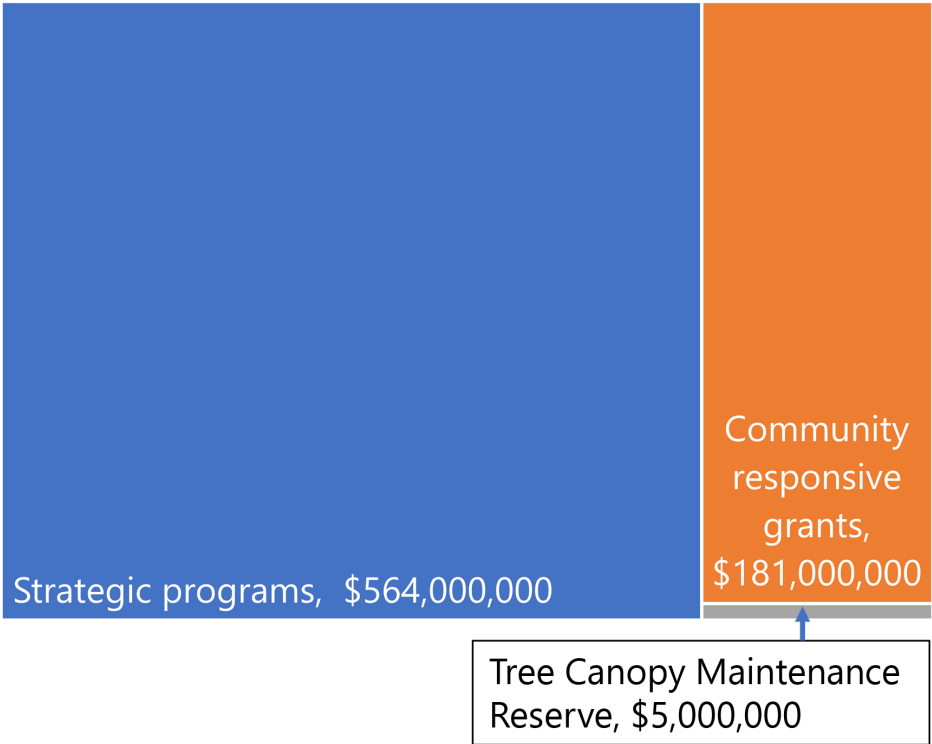
Spending aggregated across programs for the total amount invested in each of the funding categories:

- Energy efficiency and renewable energy - \$473,900,000.
- Transportation decarbonization - \$122,550,000.
- Green infrastructure - \$74,800,000.
- Regenerative agriculture - \$20,000,000.
- Workforce and contractor development - \$45,750,000.
- Capacity building - \$11,000,000.
- Other carbon reducing projects - \$2,000,000.

**Figure 2. Total projected investment across PCEF’s code funding categories.**



**Figure 3. Projected allocation of funds between the three funding pathways: community responsive grants, strategic programs, and tree canopy maintenance reserve.**



# PCEF code funding categories

## Climate jobs, workforce, and contractor development

Climate-action related workforce and contractor development presents a significant opportunity to increase access to green jobs for people historically marginalized in the workforce. With increases in funding for climate action driven by PCEF and the Inflation Reduction Act, there is substantial opportunity for climate action-focused workforce and contractor development. PCEF funding of climate projects and our investments in workforce and contractor development will create career pathways and opportunities for workers and contractors to support a more climate-friendly and resilient Portland.

Funding for climate-action related workforce development and contractor support is woven throughout multiple programs within the CIP.

### Community responsive grants – workforce and contractor development

#### **TOTAL FIVE-YEAR FUNDING ALLOCATION: \$30,000,000**

Workforce and contractor development focused community responsive grants are intended to support investments in:

- BOLI-registered pre-apprenticeship programs: for HVAC technicians, weatherization service providers, electricians, plumbers, and other trades that work on climate action.
- Certifications, such as those for arborists, solar panel installers, wind technicians, HVAC technicians, weatherization service providers, and energy auditors.
- Youth climate career exposure initiatives including job shadowing programs in fields like renewable energy, sustainable agriculture, or transportation planning; and internships with companies that are at the forefront of the sustainable economy.
- Contractor development including mentorship and training, access to capital, and business and technical assistance to increase climate action related service offerings.

#### **GOAL MEASURES FOR COMMUNITY RESPONSIVE GRANTS**

- 1,000 of low-income and youth of color provided with climate career exposure and education.
- 700-900 of workers trained for work in clean energy, transportation decarbonization, green infrastructure, or regenerative agriculture.
- 75-125 of contractors supported in pivoting to, or expanding work, in clean energy, transportation decarbonization, green infrastructure, or regenerative agriculture.

The following table summarizes proposed investments through community responsive grants and strategic programs.

**Table 3. Funding allocations – climate jobs, workforce development, and contractor support.**

Climate jobs, workforce development, and contractor support investments		Five-year funding allocation
Community responsive grants	Youth climate career exposure	\$4,000,000
Community responsive grants	Job training and contractor support	\$26,000,000
Strategic program	SP1: Clean energy in regulated multifamily affordable housing	\$2,400,000
Strategic program	SP2: Clean energy in unregulated multifamily housing	\$2,000,000
Strategic program	SP3: Clean energy improvements in single-family homes	\$3,500,000
Strategic program	SP6: Comprehensive e-bike access and support	\$600,000
Strategic program	Tree canopy maintenance reserve	\$250,000
Strategic program	SP8: Equitable tree canopy	\$2,000,000
Strategic program	SP14: Access to fair and flexible capital	\$5,000,000

## Energy efficiency and renewable energy

Investments in energy efficiency and renewable energy will be made through community responsive grants and through five strategic programs. Each of the strategic programs serves a distinct group of buildings and/or owners that have different barriers and opportunities for reducing greenhouse gas emissions and benefiting PCEF priority populations.

As residential and commercial buildings account for 41% of carbon emissions in Multnomah County, the primary focus of PCEF clean energy funding is investments in buildings. Reducing building emissions supports a healthier climate and improves air quality, boosts household and business utility savings, and creates more resilient community infrastructure.

In all areas of energy efficiency and renewable energy, we aim to assure high quality work that reduces GHG emissions and benefits frontline communities. To that end:

- None of the clean energy programs except for *SP5: Building upgrades for community severe weather response* allows PCEF funding to be invested in equipment or appliances that use fossil fuels;
- All clean energy programs include third party quality assurance; and
- Many strategic programs have integrated funding to support targeted workforce and contractor training, pathways for career advancement, contractor capacity building, and mentorship for implementation partners.

### Community responsive grants - renewable energy and energy efficiency

#### **FIVE-YEAR FUNDING ALLOCATION: \$92,000,000**

Energy efficiency and renewable energy focused community responsive grants are intended to capture investments in:

- Community solar.
- Targeted/culturally responsive single-family home clean energy upgrades performed by organizations improving less than 50 units per year.
- Clean energy upgrades in existing regulated multifamily homes.
- Clean energy improvements on nonprofit owned/occupied commercial buildings.
- Other renewable energy and energy efficiency investments that do not fall within one of the strategic programs defined below.



## GOAL MEASURES

- 47,000 - 60,000 metric tons (MT) lifetime CO<sub>2</sub>e emissions reduced.<sup>1,2</sup>

**Table 4. Strategic programs – renewable energy and energy efficiency.**

Strategic program name	Five-year funding allocation
SP1: Clean energy in regulated multifamily affordable housing	\$60,000,000
SP2: Clean energy in unregulated multifamily housing	\$50,000,000
SP3: Clean energy improvements in single-family homes	\$140,000,000
SP4: Clean energy in small commercial buildings	\$25,000,000
SP5: Building upgrades for community severe weather response	\$30,000,000

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<sup>1</sup> Estimated number of projects of each type outlined in the program description. Calculations are aligned with strategic programs when possible.

<sup>2</sup> Weighted emissions factor for Portland developed with 2021 utility data from the Department of Environmental Quality and annual sales reporting, then scaled up to account for line losses. Assumed emission factors linearly reduce to zero in 2040 as a result of HB 2021.

## Strategic program 1: Clean energy in regulated multifamily affordable housing

### FIVE-YEAR FUNDING ALLOCATION: \$60,000,000

This is one of [two fast tracked programs](#) and was released for public comment from February 16 through March 10, 2023. The public comment period on this strategic program is closed. The description below is presented for context and informational purposes.

### DESCRIPTION

The City of Portland is adding more than 1,700 multifamily affordable housing units in the next five years. This housing will remain affordable for 30 to 99 years, and the buildings are likely to be in use for even longer. It is imperative that these buildings are built and operated in a way that reduces carbon emissions, reduces operating costs, and improves resilience and health for tenants. Carbon-reducing measures are assured in project budgets by having a dedicated source of funding.

The program is divided into two phases. Phase I are projects with financial close in the near term. Because Phase I projects are far along in their development process, there are fewer opportunities to impact design and contracting decisions. Requirements for these projects align with standard requirements for Portland Housing Bureau (PHB)-funded projects with the addition of energy usage modeling and reporting for PCEF funded measures.

PCEF is working with PHB and other community partners to define Phase II program parameters to see greater carbon reduction, benefit to tenants, and additional or different workforce contractor equity requirements. Phase II projects will include those that have financial closing 12 months or more from the date when this design is complete.

Greenhouse gas emissions reductions are only calculated for Phase II projects since Phase I project scopes have already been approved. An estimated range of 3,400 - 5,700 MT lifetime CO<sub>2</sub>e emissions reduced in Phase II projects is based on energy savings data to code from Energy Trust of Oregon's New Buildings Program Evaluation (2017) and modelled savings from Phase I projects and assumes an 80% attribution of above-code savings to PCEF.

## Strategic program 2: Clean energy in unregulated multifamily affordable housing

**FIVE-YEAR FUNDING ALLOCATION: \$50,000,000**

### DESCRIPTION

There are roughly 58,000 households in Portland earning less than 80% Area Median Income (AMI) *and* living in multi-family housing. Around a quarter of these households can access regulated affordable housing; the remainder live in unregulated multi-family rentals (sometimes called naturally occurring affordable housing). Black and Indigenous households have the highest rate of rentership by race in Portland and lower than average median income.

This strategic program's goal is to provide clean energy improvements in 2,600 existing unregulated multifamily rental units. The program is intended to accelerate climate projects in this sector of the housing market, generating carbon emissions reduction and financial and health benefits for renters with low income.

Multifamily rentals have been historically difficult to access for clean energy programs. Property owners may be reluctant to participate because of barriers related to complexity and insufficient incentives.

The program is designed to address four key barriers:

- Property owners don't usually pay the utility bills. When they do, they can pass on costs to tenants, resulting in a lack of financial incentive to reduce energy use.
- Property owners have limited time and/or may not understand the benefits of energy improvements.
- Property owners have found existing programs complex to navigate and with requirements they are unwilling to accept.
- Tenant income verification is difficult and can create privacy issues.

These barriers will be addressed through:

- Robust investment in targeted marketing and outreach.
- Project management.
- Offering opportunities for significant investment in properties with limited match requirement.
- Allowing 30% of PCEF funds to be used for life, health, and safety upgrades which are likely known to the property owners.
- Determining eligibility based on a range of rents charged.

Program requirements will be designed to reduce energy consumption and minimize potential for tenant displacement.

### Core program elements:

- Projected \$15,000 PCEF investment per unit. For example, a fourplex could receive \$60,000 in energy improvements.
- 25% match and a minimum three-year rent-stability agreement will be required.
- Investments will be scaled based on the length of the agreement up to nine years.
- Property owner match can be from any source including utility, state, and federal programs as well as PCEF supported or other finance products.
- Eligible clean energy measures will be informed by an energy assessment and will target systems with high GHG and utility bill savings including heat pumps, hot water heating systems, and the building envelope.
- Renewable energy will be considered when accompanied by a comprehensive energy efficiency scope.

### OUTCOMES

- Tenants see utility cost reductions along with increased comfort and livability in their homes.
- Rent stabilized in all participating units for three to nine years.

### GOAL MEASURES

- 4,000 – 5,000 MT lifetime CO<sub>2</sub>e emissions reduced.<sup>3</sup>
- 20% tenant energy bill reduction.

### INVESTMENT STRATEGY

Over five years, PCEF will invest \$50 million in clean energy measures in unregulated rentals. Year one will target 30% of annual volume and will ramp up to full capacity by year three. Scaled investment will depend on length of rent-stability agreements, with an average PCEF investment of \$15,000 per unit.

### ELIGIBILITY FOR ADMINISTRATION

#### Who may apply

- Nonprofit organizations.
- For-profit organizations.

#### Must provide the following program needs:

- Coordinating administrator.
- Tenant outreach and engagement.
- Property owner outreach and engagement.

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<sup>3</sup> Savings based on Energy Trust of Oregon deemed savings and calibrated to savings from similar programs in other jurisdictions such as California's Low Income Weatherization Program.

- Program sales and marketing.
- Technical assessment.
- Energy project management.

Partnerships will be encouraged. PCEF will select 1-3 coordinating administrators and may consider additional contracts for tenant engagement and education.

#### **PROGRAM-SPECIFIC WORKFORCE AND CONTRACTOR EQUITY CONSIDERATIONS**

In addition to program-wide workforce and contractor goals and requirements, this strategic program has additional program-specific investment described below.

#### **Allocation: \$2,000,000**

Workforce and contractor development investment goals include:

- 350-400 workers trained on green building and equipment installation.
- 5,000 hours of building science technical mentorship for contractors.
- Retention awards to support employment for up to 50 new workers.

**“Residential and commercial buildings account for 41% of carbon emissions in Multnomah County.”**

## Strategic program 3: Clean energy improvements in single-family homes

**FIVE-YEAR FUNDING ALLOCATION: \$140,000,000**

### DESCRIPTION

Invests \$140 million over five years in 3,250 single-family homes to reduce greenhouse gas emissions, decrease energy usage and utilities bills, and improve homeowner stability while increasing comfort, health, and resiliency.

In Portland, there are roughly 42,000 homeowners with income below 80% of AMI, this accounts for 29% of all homeowner households. Many of these homes are older, inefficient, and uncomfortable. This program will fund energy efficiency and renewable energy improvements in low-income, owner-occupied, single-family homes with options for renters and moderate-income homeowners. Homes owned and occupied by low-income households will be eligible for deep home energy retrofits and the highest level of program investment. Eligible improvements for rentals and moderate-income owner-occupied units will be limited to high-impact measures and are funded at a lower level.

All improvements will focus on the highest GHG emission and energy-use reduction potential and will include measures that also provide health, safety, and accessibility benefits. Each home will receive a test-in assessment that follows building science principles and generates estimated energy-saving projections, and test-out quality assurance verification.

**Table 5. Single-family energy investments.**

Single-family energy investments				
Eligible households	Eligible activity	Number of homes five-year total	PCEF investment per home*	Target reduction in energy use per home
Homeowners <80% AMI	Deep energy retrofits	1,500	Up to \$50K	30%
Renters <80% AMI	Limited high-impact energy efficiency measures	500	Up to \$15K	15%
Homeowners 81%-120% AMI	Limited high-impact energy efficiency measures	750	Up to \$30K	20%
Homeowners 121%-150% AMI	Limited high-impact energy efficiency measures	500	Up to \$15K (50% match required)	20%

\*Up to 30% of construction budget for each home can be used for life, health, safety, accessibility, or enabling repairs (e.g., electrical panel upgrade). The remaining 70% must be used for energy improvements.



## OUTCOMES

- Deep energy retrofits in owner-occupied, low-income homes.
- Limited high-impact retrofits in owner-occupied, moderate-income homes.
- Limited high-impact retrofits in renter-occupied, low-income homes.

## GOAL MEASURES

- 120,000 - 150,000 MT lifetime CO<sub>2</sub>e emission reduced.<sup>4</sup>
- 30% average energy usage reduction in low-income, owner-occupied homes.
- 20% average energy usage reduction in moderate-income, owner-occupied homes.
- 15% average energy usage reduction in low-income, renter-occupied homes.
- Homes will have improved comfort, safety, and climate resiliency.
- Improved housing stability for low-income homeowners.

## INVESTMENT STRATEGY

Over five years, PCEF will invest \$140 million in single-family home energy retrofits and \$3.5 million in workforce and contractor development. The program will invest in:

- 1,500 deep energy retrofits in owner-occupied, low-income homes.
- 750 limited high-impact energy upgrades for homeowners with incomes of 81-120% AMI.
- 500 limited high-impact energy upgrades for homeowners with incomes of 121-150% AMI with a 50% match requirement and low-cost financing options.
- 500 limited high-impact energy upgrades for single-family home renters with incomes less than 80% AMI. To reduce the risk of displacement, allowable measures will have high energy savings value and low rental market value.

## ELIGIBILITY FOR ADMINISTRATION

Who may apply

- Nonprofit organizations.
- For-profit organizations.
- Government organizations.

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<sup>4</sup> Energy savings are estimated using a mix of deemed measure-level savings and whole building evaluations from Energy Trust of Oregon, as well as modelled savings from National Renewable Energy Laboratory (NREL)'s ResStock tool.

Eligible applicants may apply to fulfill one or more program roles

- Central administrator.
- Implementor - must commit to a minimum of 50 deep home energy retrofits or 150 limited measure installations per year for at least two years.
- Outreach and engagement.

## **PROGRAM-SPECIFIC WORKFORCE AND CONTRACTOR EQUITY CONSIDERATIONS**

In addition to program-wide workforce and contractor goals and requirements this strategic program has additional program-specific investment described below.

**Allocation: \$3,500,000**

## **WORKFORCE AND CONTRACTOR DEVELOPMENT INVESTMENT GOALS**

- 350-400 workers trained on green building and equipment installation.
- 5,000 hours of building science technical mentorship for contractors.
- Equipment provided for 15-25 contractors entering or expanding in building clean energy work.
- Retention grants for up to 80 new workers and 50 contractors.

## Strategic program 4: Clean energy in small commercial buildings

**FIVE-YEAR FUNDING ALLOCATION: \$25,000,000**

### DESCRIPTION

Small businesses often operate on tight margins and may be more vulnerable to the impacts of climate change. For example, small businesses often have limited cash reserves and may suffer significant impact from having to shut down during a major climate-related weather event. Many small businesses are also still emerging from financial hardships caused by the pandemic. The small commercial spaces in which many small businesses operate have been historically difficult for climate programs to serve.

This program is intended to reduce energy usage and cost, create health benefits, and increase resilience for small businesses in Portland, with a focus on BIPOC (Black, Indigenous, and People of Color)-owned businesses. Small businesses will be eligible for appliance and equipment efficiency upgrades. Additionally, small commercial buildings (up to 40,000 sq. ft. with a priority for those less than 20,000 sq. ft.) would be eligible for clean energy building improvements if they are occupied or will be occupied by a qualifying small business. In addition to building efficiency improvements, electric vehicle charging stations may be included with a comprehensive energy efficiency scope. These investments will result in energy and carbon emissions savings and improved indoor air quality for small businesses and small business spaces.

Program design is informed by two main sector challenges:

- Split-incentive. Tenant businesses who pay the utility bills in small commercial buildings are the direct beneficiaries of efficiency and renewable energy upgrades, but the building owner makes decisions about and funds building upgrades.
- Displacement risk. Major improvements to small business spaces can have the unintended consequence of increasing rent to a level which may not be affordable for the current tenants.

To mitigate these barriers, the program will take a two-pronged approach: (1) investing in turn-key clean energy building upgrades which lower utility bills and improve comfort and air quality for occupants, and (2) investing in clean-energy upgrades for business-owned appliances and equipment which lower energy use and contribute to business resiliency.

### OUTCOMES

- Business owners receive high efficiency appliances/equipment.
- Small commercial buildings receive clean energy improvements.
- Property owners/managers receive building system management training to maximize efficiency outcomes.
- Improve health for workers and patrons and lower utility cost for business owners.
- Increase small business stability and resilience.

## GOAL MEASURES

- 12,000 -14,000 MT lifetime CO<sub>2</sub>e emissions reduced.<sup>5</sup>
- 20% energy savings for small business owners.
- 50% of businesses receiving energy upgrades identify as BIPOC-owned businesses.

## INVESTMENT STRATEGY

Over five years, PCEF will invest \$25 million in appliance replacements for 75 businesses with a maximum PCEF investment of \$100,000 per business, and clean energy upgrades in 65 small commercial buildings with a maximum PCEF investment of \$200,000 per building. This program will prioritize investment in businesses in high energy use sectors with high energy savings opportunities such as food service, food sales, small manufacturing, lodging, and laundromats. Outreach will also be designed to reach businesses providing services including serving vulnerable populations such as children, seniors, and people living with disabilities.

Building owners will be required to provide 25% match for building upgrades. Property owner match can be from any source including utility, state, and federal programs, as well as PCEF-supported or other finance products. Energy assessments to determine the highest efficiency solution will be required and provided by the program for both building improvements and high efficiency appliances.

## ELIGIBILITY FOR ADMINISTRATION

Who may apply

- Nonprofit organizations.
- For-profit organizations.

Applicants must provide the following program needs

- Marketing and targeted outreach.
- Project development and management.
- Energy assessment and analysis.
- Develop vendor relationships.
- Collaborate with other funding and financing resources.
- Deliver low burden, turnkey projects to businesses and building owners.

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<sup>5</sup> Electricity savings from whole building retrofits are estimated based on similar small commercial programs in the region such as Puget Sound Energy's Small Business Direct Install program and PacifiCorp's PacifiCorp Small Business Enhanced Incentive program. Natural gas savings from retrofits and dual fuel savings from appliance upgrades are estimated by assuming a portion of program participants will electrify or upgrade space heating, cooking, and refrigeration and incorporating data from the Commercial Buildings Energy Consumption Survey (CBECS) and a Department of Energy's Energy Savings Potential and RD&D Opportunities for Commercial Building Appliances (2015 Update).

## Strategic program 5: Building upgrades for community severe weather response

**FIVE-YEAR FUNDING ALLOCATION: \$30,000,000**

### DESCRIPTION

This program will fund building energy upgrades for sites owned and/or managed by eligible government entities and nonprofit organizations that make a long-term commitment to provide critical services during severe weather-related disaster events. These may include high heat events, snowstorms, and wildfire smoke events. Types of upgrades may include solar installations, battery backup, high-efficiency heating, cooling, and air filtration systems. Grant funding will primarily pay for physical improvements to buildings. Additional eligible expenses will include program planning; system design; coordination and outreach activities; and life, health, and safety improvements, including seismic upgrades and improvements to increase disability accessibility. By investing in these building energy upgrades, Portland community members will have improved access to resilient spaces for severe weather-related events.

### OUTCOMES

- Expand total number of buildings in Portland that provide critical services to the public during severe weather-related events.
- Carbon emissions reductions for selected buildings, both during severe weather-related events and throughout the year.
- Improve building efficiency, access to heating/cooling, continuity of service during power outages, and air quality.
- Improve geographic distribution of locations providing critical services during severe weather-related events.
- Increase community and culturally specific accessibility for people seeking critical services during severe weather-related events.
- Increase number of buildings with disability accessibility that provide critical services during severe weather-related events.

### GOAL MEASURES

- Increase percent of Portland community members with neighborhood access to shelter and services during severe weather events.
- Net zero CO<sub>2</sub>e emissions.

The primary goal of this program to increase resilience for facilities used in climate emergencies. In many instances, this will involve upgrades that increase the overall energy consumption of the building including improved ventilation, cooling and other measures that have limited GHG reductions like battery systems. Setting a goal for net zero carbon emissions increases will enable maximum investment in resilience measures. In all instances, these will be paired with energy efficiency and/or renewable

energy measures to ensure, at a minimum, that the program does not result in increased GHG emissions.

## **INVESTMENT STRATEGY**

Over five years, this program will invest \$30 million into government and nonprofit building upgrades. This grant opportunity will primarily be managed by PCEF staff. At least \$200,000 of this funding will be dedicated to technical assistance for applicants. Technical assistance will primarily consist of feasibility studies that will inform building selection and improvements. Up to 30% of the construction budget can be used for eligible life, health, and safety upgrades, and an additional 20% of the construction budget can be used for eligible disability accessibility upgrades, for a total maximum cap of 50% of the construction budget going to non-energy related measures. While most of the funding will be invested in physical improvements, a small portion of funds will be allocated for climate resilience-related planning and coordination expenses.

## **ELIGIBLE SITES**

Sites under control by the following entities may apply for funding

- Nonprofit organizations.
- Government organizations.

Must provide the following program needs

- Own the site or hold an eligible long-term lease agreement.
- Have publicly accessible spaces within the building that could be used during climate-related disaster events.
- Willing to commit to providing certain critical services, including overnight sheltering when required, during climate-related disaster events.

Additional priority will be given to

- Organizations with a demonstrated history of serving people with disabilities.
- Organizations that can leverage staff resources for programming activities during severe weather-related events.
- Buildings that are suitable for solar PV upgrades.
- Locations that improve the geographic distribution of buildings that provide critical services during severe weather-related events.



## Transportation decarbonization

Transportation accounts for 42% of Multnomah County's carbon emissions making community-driven efforts to transition to an equitable, clean transportation system an essential part of the strategy to meet the City's climate goals.

To guide the new transportation decarbonization funding category, a PCEF-managed transportation workgroup will advise on community responsive grants and strategic programs for 24 months. The workgroup will use PCEF's equity + climate framework to provide input on RFPs and community engagement. The workgroup is advisory to Bureau of Planning and Sustainability (BPS) and Portland Bureau of Transportation (PBOT) program decisionmakers and is intended to foster more equitable outcomes as the program is being delivered. The workgroup will be supported by a Strategy Team, which is comprised of staff from BPS/PCEF, PBOT, and at least one community-based organization representative. The Strategy Team will help facilitate discussions and create meeting agendas. PCEF will solicit workgroup member applications after the Climate Investment Plan is adopted. Early program evaluation will be conducted ahead of the larger PCEF program to quickly identify and address issues in program implementation for continuous improvement.

The transportation decarbonization funding category also prioritizes youth and disability inclusion to promote equitable access to transportation benefits, particularly for those with mobility challenges, and leverages the potential for sustainable carbon reductions through education and behavior change among youth.

### Community responsive grants – transportation decarbonization

#### **TOTAL FIVE-YEAR FUNDING ALLOCATION: \$35,000,000**

Transportation decarbonization is a new funding category for PCEF. There is an emphasis on planning grants in transportation decarbonization community responsive grants during the first two years to support future project development. Planning grants will help nonprofit organizations identify community transportation needs and solutions and prepare them to implement sustainable transportation projects.

Transportation decarbonization-focused community responsive grants are intended to support investments in:

- Programming, including education and outreach, that expands access to and promotes sustainable transportation modes. These include walking, biking, public transportation, carpooling, and electric vehicle usage.
- Community-driven transportation projects that reduce vehicle miles traveled.
- Activities that build the capacity of organizations to implement clean transportation projects.

- Switching to electric vehicles for an organization’s transportation needs, including shared vehicles for school programs managed by community organizations and electric bikes (e.g., e-bike libraries, e-cargo bikes).
- Charging infrastructure that is equitable, convenient, reliable, affordable, safe, and accessible.
- Workforce development and training programs that provide economic opportunities in the clean transportation sector.
- Community-centered transportation planning processes that focus on the needs of priority communities.

Grant proposals that demonstrate the following characteristics will receive strong consideration and priority in the application scoring process:

- Increase the use of alternative transportation modes such as public transit, biking, walking, and carpooling and reduce the usage of single occupancy vehicles.
- Have clear plans and strategies for actively engaging intersecting identities of disability and/or youth especially in leadership and decision-making roles.
- Have clear plans and strategies for people with disabilities and mobility challenges to access project benefits.
- Have a track record for successfully including intersecting identities of disability and/or youth.

Grant proposals may allocate up to 40% of their budget toward eligible life, health, safety, and accessibility upgrades (e.g., traffic calming planters, walking paths) necessary for the project.

For any projects impacting the public right-of-way, consultation with PBOT staff will be required prior to grant submittal to ensure feasibility and compatibility with plans, safety standards, and other factors related to the public right-of-way.

## GOAL MEASURES

- 25,000 MT lifetime CO2e emissions reduced.<sup>6</sup>
- Increase number of PCEF priority population members with increased access to clean transportation options.

**Table 6. Strategic programs – transportation decarbonization.**

Strategic program name	Five-year funding allocation
SP6: Comprehensive e-bike access and support	\$20,000,000
SP7: Equitable clean transportation access	\$25,000,000

<sup>6</sup> Emissions savings estimated based on the expected number of electric vehicles replacing gas-powered Class 2 and 3 commercial vehicles and light-duty passenger vehicles used for commercial purposes. Fuel efficiency and annual vehicle miles travelled data were sourced from the Alternative Fuels Data Center (AFDC) and International Council on Clean Transportation (ICCT). While planning projects are not associated with direct CO2 savings, other implementation projects will generate additional CO2 savings, but insufficient project details are available to generate useful estimates at this time.

## Strategic program 6: Comprehensive e-bike access and support

### FIVE-YEAR FUNDING ALLOCATION: \$20,000,000

#### DESCRIPTION

Electric bicycles or “e-bikes” remove significant barriers to cycling by providing electric motor assistance to the rider. They can provide enhanced transportation options for people to commute to work, run errands, or engage in delivery services. E-bikes provide an efficient way to get around Portland, are not subject to vehicle congestion, do not require much physical exertion, offer trip flexibility, and offer dramatic cost savings with similar or faster times than driving or other modes. Use of e-bikes as an alternative to driving vehicles reduces transportation related carbon emissions and improves air quality. Women and BIPOC community members have stated through surveys that they feel less vulnerable on e-bikes than on pedal-only bicycles. There are different styles and models of e-bikes on the market, including cargo and adaptive mobility versions for people with disabilities. Lessons have been incorporated from other municipalities around the country that have successfully launched e-bike rebate programs.

The high initial cost of e-bikes (typically starting at \$1,500) puts them out of reach for many low-income households. Community education and incentives are needed to provide equitable access to e-bikes, as well as access to safety equipment, lighting, weatherproof gear, charging infrastructure, secure storage areas, and locks.

#### OUTCOMES

- Significantly higher utilization of e-bikes by PCEF priority populations.
- Improved access and awareness about e-bike mobility options.
- Reduced GHG emissions from single-occupant vehicle use.
- Increased mental and physical well-being due to greater outdoor physical activity.
- Increased workforce opportunities in the sales and service of e-bikes at bike retailers throughout Portland.

#### GOAL MEASURES

- 6,000 – 17,000 MT lifetime CO<sub>2</sub>e emissions reduced.<sup>7</sup>
- An additional 6,000 e-bikes and e-cargo bikes in use over the five-year period by PCEF priority population members.

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<sup>7</sup> Emissions savings based on Portland State University study on e-bikes “The E-Bike Potential: Estimating the Effect of E-Bikes on Person Miles Travelled and Greenhouse Gas Emissions”. This study produced low, mid and high range estimates for CO<sub>2</sub> reduction per e-bike user. PCEF goal range for the program are based on the mid and high range estimates.

## INVESTMENT STRATEGY

Income-qualified households will receive rebates for new e-bike and cargo e-bike purchases to be redeemed at local bike retailers. Participating bike retailers will need to meet defined criteria to be registered and eligible to accept rebates. Eligible retailers will need to be physically located within Portland and provide both sales and repair services.

Cargo e-bikes and adaptive electric bikes will receive a higher incentive. People receiving rebates will also be able to use a fixed amount of funds for bike safety equipment, locks, and gear. There are bills at the Oregon state legislature and Federal level that seek to create rebate or tax credit mechanisms, though the future of those efforts is currently not known.

The exact rebate amounts will be determined through market research, evaluation of needs, and interaction with other potential programs. Estimates for the purpose of initial CIP development do not account for presence of other incentive programs. At least 6,000 e-bikes are targeted for distribution as part of this program.

The rebate program will be implemented in parallel with education and outreach by community-based organizations to PCEF priority populations about the e-bike opportunity, including information about safe riding, route-finding, charging, and storage. Surveys and data will be collected about e-bike use, storage, and charging. An early program evaluation will include recommendations for a pilot program for allocating funds for safe e-bike storage and charging needs for existing multifamily properties.

Retail bike shops in Portland will participate in the e-bike rebate program through an application process that requires reporting of the redemption of rebates, tracking of e-bike models and volume sold, and commitments to provide maintenance and repair services for e-bikes sold.

## ELIGIBILITY FOR ADMINISTRATION

Who may apply

- Nonprofit organizations.
- For-profit organizations.
- Government organizations.

Eligible applicants may apply to fulfill one or more of the following program roles

- Program administrator, responsibilities include:
  - Program development and contract management.
  - Marketing.
  - Income qualification and rebate issuance to qualified Portlanders.
  - Rebate tracking and analysis.
  - Vendor relationship management.

- Culturally responsive outreach and education.
- Workforce development.

Further clarity of roles and eligibility for this program will be informed by the transportation decarbonization workgroup.

#### **PROGRAM-SPECIFIC WORKFORCE AND CONTRACTOR EQUITY CONSIDERATIONS**

In addition to program-wide workforce and contractor goals and requirements, this strategic program has additional program-specific investment described below.

**Allocation: \$600,000**

#### **WORKFORCE AND CONTRACTOR DEVELOPMENT INVESTMENT GOALS**

- Training and retention grants for up to 50 new e-bike mechanics.

**“Women and BIPOC community members have stated through surveys that they feel less vulnerable on e-bikes.”**

## Strategic program 7: Equitable clean transportation access

**FIVE-YEAR FUNDING ALLOCATION: \$25,000,000**

### DESCRIPTION

Accessible and affordable transportation is vital for fulfilling basic needs such as medical care, food, shelter, job opportunities, and social activities. Transportation costs are often a significant expense, especially for low-income households residing in areas with limited access to transportation options. To tackle this issue and provide PCEF priority populations with more transportation options, transportation incentive programs like the PBOT Transportation Wallet Access for All (AFA) program have been implemented across the nation. These programs have shown to reduce transportation costs, promote sustainable modes of transportation, decrease carbon emissions, and increase access to opportunities that improve an individual's overall well-being.

This program expands PBOT's Transportation Wallet AFA program by offering qualifying participants a package of free transportation options such as public transit passes, bike share (BIKETOWN), e-scooter ride credit, and ride-hailing (Uber/Lyft) or taxi credit. The program allows participants to choose transportation options that meet their individual needs with an emphasis on low-carbon transportation modes. Ride-hailing and taxi services are included based on user feedback. These serve as a valuable mode of getting around for one-off trips due to unexpected or essential travel needs and/or the lack of other transportation options. Limited usage of these services is expected. An early evaluation shows that of the 52% of participants opting to using ride-hail services, most participants were taking only between 1 - 5 of these types of trips while still using public transportation as their daily mode of travel. Incorporation of ride-hailing credits allows individuals to access a range of transportation options that works best for their needs, while still promoting overall increased use of sustainable modes of transportation.

To increase accessibility of this program for individuals experiencing mobility challenges, the program includes options for using transportation credits for TriMet Lift (paratransit program), adaptive BIKETOWN rides, and on-demand rides for people using mobility devices through Taxi, Uber, and Lyft. Additionally, information on how to access adaptive BIKETOWN and on-demand rides through the PDX WAV program will be made available.

Community-based organizations play a crucial role in promoting accessibility and equity by enrolling income-qualified participants. Community engagement and education on the benefits of clean transportation for both equity and the climate will be provided to encourage use of sustainable transportation modes. The wallet value varies, but it typically averages around \$300 annually.

The formal evaluation of this program will seek to understand transportation challenges faced by program participants, the percentage of participants using different types of transportation modes, and program effectiveness related to carbon reduction, to inform the next CIP's transportation decarbonization-related investments.

This program builds on the success of past iterations, including two phases of the Transportation Wallet for Affordable Housing pilot program managed by PBOT in partnership with affordable housing sites. An early evaluation of the Transportation Wallet AFA program showed that participants had increased usage of sustainable modes of transportation, including public transit and biking, an improved sense of safety through the accessibility of increased travel modes, and reduced travel-related stress. Similar programs operating in Oakland and south Los Angeles have shown comparable outcomes including a reduction of drive-alone trips.

## **OUTCOMES**

- Reduction in fossil fuel based single-occupancy trips through increased usage of shared mobility services (bikeshare, electric scooters, etc.).
- Reduction in carbon emissions.
- Increased travel options and services to connect people to jobs, healthcare, education, and social opportunities.
- Increased resilience in climate-impacted neighborhoods.
- Reduced financial barriers to accessing jobs, food, and healthcare.

## **GOAL MEASURES**

- 15,000 - 21,000 MT CO<sub>2</sub>e reduced over 5-year program.<sup>8</sup>
- 15,000 – 20,000 PCEF priority population members with increased access to clean transportation options.
- Increased percentage of use of low or zero-carbon transportation options.

## **PROGRAM ADMINISTRATION**

PBOT, the current program administrator, will continue to manage the Transportation Wallet AFA program as they are well-positioned to expand the program and improve its systems with their knowledge and expertise. The funding expansion will allow them to extend the benefits to more PCEF priority populations. Partnership with community-based nonprofit organizations with deep roots and a proven track record in the community will be critical for effective enrollment and engagement of participants.

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<sup>8</sup> Emissions savings estimated based on reduction in car usage from a similar program in Oakland (Universal Basic Mobility Pilot), average daily vehicle miles travelled from Oregon Metro reporting, and average fuel economy from the Alternative Fuels Data Center (AFDC).

**“An early evaluation of the Transportation Wallet program showed that participants had increased usage of sustainable modes of transportation including public transit and biking, improved sense of safety through the accessibility of increased travel modes, and reduced travel-related stress.”**



# Green infrastructure

Green infrastructure presents a unique opportunity for carbon sequestration (i.e., removing carbon from the atmosphere). To reach the City’s 2050 climate goals, carbon sequestration is critical. Green infrastructure also provides an array of climate co-benefits, including increased shade, improved air quality, stormwater mitigation, and wildlife habitat.

## Community responsive grants – green infrastructure

### FIVE-YEAR FUNDING ALLOCATION: \$5,000,000

Green infrastructure focused community responsive grants are intended to capture investments in urban tree canopy expansion efforts, bioswales, depaving, and other projects that use vegetation, soils, and other elements to sequester carbon emissions. These grants are intended to support projects that do not fall within other programs defined below.

As part of SP 11: 82nd Avenue climate infrastructure and community resilience grant program, an additional \$2.2 million will be allocated for community responsive grants for green infrastructure projects located within 0.25 mile west and 0.5 mile east of the 82nd Avenue. This brings the expected available total for community responsive grants in this funding category to \$7.2 million.

### GOAL MEASURES

- 9,000 MT lifetime CO2e emissions sequestered.<sup>9</sup>

**Table 7. Strategic programs – green infrastructure.**

Strategic program name	Five-year funding allocation
Tree canopy maintenance reserve	\$5,000,000
SP8: Equitable tree canopy	\$40,000,000

<sup>9</sup> Projects modelled include rain gardens and bioswales, pervious pavement, green roofs, and urban trees. Sequestered and avoided CO2 values are based on "Economic Benefit Values for Green Infrastructure" (FEMA), "Cost Benefit Evaluation of Ecoroofs 2008" (City of Portland's Bureau of Environmental Services), and "Green Infrastructure Benefits Valuation Tool" (Earth Economics). Establishment care is covered by the program for the first 5 years.

## Tree canopy maintenance reserve

**FIVE-YEAR FUNDING ALLOCATION: \$5,000,000**

### DESCRIPTION

This program area will allow low-income property owners to access funds for the maintenance of existing established street trees. The fund will help reduce cost and responsibility burden associated with tree care for lower-income households and ensure that existing trees throughout the city receive professional health and safety assessment, pruning, and if needed, removal and replanting.

The program will be administered by Portland Parks and Recreation's Urban Forestry division, with input on program design from the stakeholder workgroup that will be convened for the Equitable Tree Canopy strategic program.

### OUTCOMES

- Enhanced carbon sequestration in urban canopy.
- Maintain full ecological benefit of street trees.
- Reduction in barriers to planting trees in under-resourced areas.
- Healthier and more resilient urban canopy that can better withstand the impacts of climate change.

### GOAL MEASURES

- 10,000 - 30,000 MT lifetime CO<sub>2</sub>e emissions sequestered.<sup>10</sup>
- 7,000 to 17,000 low-income households receiving critical tree pruning services.<sup>11</sup>
- \$1.2 - \$3 million in deferred tree removal costs.

### INVESTMENT STRATEGY

Income-qualified households anywhere in Portland will be eligible to request evaluation and pruning of street trees to maintain a healthy urban canopy, based on the following:

- 100% pruning costs covered for owner-occupied homes with income <80% AMI.
- 50% pruning cost coverage for homeowners with incomes of 81-120% AMI.

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<sup>10</sup> Additional carbon sequestration estimated for increase in tree lifespan due to proper maintenance. Lifespan increases range from 15%-100% for street trees based on accepted research and internal subject matter expertise. Note that this 5-year iteration of the tree maintenance reserve will only fund the first instance of maintenance for selected street trees, but the goals assume this maintenance will continue with future funds from the tree maintenance reserve. Estimated cost of tree maintenance may be updated pending future conversations with the Urban Forestry Division.

<sup>11</sup> The range of number of households served is broad to acknowledge wide variations in the cost of different services that will be available through the tree maintenance fund.

The program will prioritize funding availability for households with <80% AMI.

#### **PROGRAM ADMINISTRATION AND ADDITIONAL ROLES**

Portland Parks and Recreation's Urban Forestry division will administer this program. Critical implementation roles that will be subcontracted include arboriculture services by non-profit and/or for-profit entities.

#### **PROGRAM-SPECIFIC WORKFORCE AND CONTRACTOR EQUITY CONSIDERATIONS**

In addition to program-wide workforce and contractor goals and requirements, this strategic program has additional program-specific investment described below.

**Allocation: \$250,000**

#### **WORKFORCE AND CONTRACTOR DEVELOPMENT INVESTMENT GOALS**

- 300 – 400 hours of arboriculture-related technical mentorship for contractors.
- Hiring and retention grants for up to 15 new arboriculturists.

**“In order to reach the City’s 2050 climate goals, carbon sequestration is critical.”**

## Strategic program 8: Equitable tree canopy

### FIVE-YEAR FUNDING ALLOCATION: \$40,000,000

This is one of the two fast-tracked programs and was released for public comment from February 16 through March 10, 2023. The public comment period on this strategic program is closed. The description below is presented for context and informational purposes.

### DESCRIPTION

The equitable tree canopy program will work in Portland's most heat-vulnerable neighborhoods to equitably plant and establish at least 15,000 – 25,000 trees on public and private property. The program will establish trees over a five-year post planting period, track health and wellness of a meaningful sample of planted trees, build lasting relationships with community-based organizations, and offer tree care resources and communication to tree recipients. As part of this effort, the program will also support the development of a diverse, well-trained workforce and contracting community for tree planting and maintenance. Goal measure: 18,000 - 30,000 MT lifetime CO<sub>2</sub>e emissions sequestered.<sup>12</sup>

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<sup>12</sup> Species distribution based on historical planting by Urban Forestry. Carbon sequestration and avoided carbon calculated with iTree Planting for an assumed mix of yard and street trees.

# Regenerative agriculture

Regenerative agriculture supports the City’s carbon sequestration efforts through agricultural practices that increase the capacity of soils to store carbon by rebuilding soil organic matter and restoring degraded soil biodiversity. Regenerative agriculture provides numerous co-benefits including providing greater locally produced, lower carbon-intensive foods, improved accessibility to healthier foods, and greater support of community-based food systems that can reshape our relationship with food.

## Community responsive grants - regenerative agriculture

**FIVE-YEAR FUNDING ALLOCATION: \$14,000,000**

### DESCRIPTION

Regenerative agriculture focused community responsive grants will support community-led projects that expand opportunities for local food production on urban farms, backyard gardens, and community gardens; and increase the use of public and private land for growing food. These grants are intended to support projects that do not fall within the strategic program defined below.

**Table 8. Strategic programs – regenerative agriculture.**

Strategic program name	Five-year funding allocation
SP9: Increasing urban farming opportunities - planning and land acquisition	\$6,000,000

## Strategic program 9: Increasing urban farming opportunities - planning and land acquisition

**FIVE-YEAR FUNDING ALLOCATION: \$6,000,000**

### DESCRIPTION

This program area includes a two-phase investment strategy to help community-based organizations (1) evaluate organizational readiness for urban farming, land stewardship, and land ownership; and (2) support the acquisition, development, and management of two to three community urban farming plots of at least 20,000 sq. ft. each, sequestering carbon, increasing the city's open space and agricultural land base, and fostering greater community-based food production. These investments may utilize a community land trust, cooperative, or other alternative ownership models to provide community-based organizations equitable long-term access to land.

### OUTCOMES

- Healthier soils with greater carbon sequestration capacity.
- Greater locally-produced, lower-carbon intensity foods.
- Increased accessibility to healthy foods for PCEF priority populations.
- Increased opportunities for building relationships with the land for PCEF priority populations.

### GOAL MEASURES

- 40,000 sq. ft. land dedicated for regenerative urban farming.
- Increased number of PCEF priority population households receiving healthy, locally-sourced foods from programs' urban farms.

### INVESTMENT STRATEGY

Through a competitive solicitation, the program will select a small cohort of organizations seeking to further their regenerative agriculture efforts to participate in a two-phase grant investment process that will result in two to three organizations developing new urban farms. In phase one, program participants will be evaluated for organizational readiness for urban farming, land stewardship, and land ownership. Organizations demonstrating readiness will be supported in acquiring, developing, conducting site preparation, and managing urban farming plots of at least 20,000 sq. ft. each.

### ELIGIBILITY FOR PARTICIPATION

Who may apply

- Nonprofit organizations.

Additional priority given to

- Organizations that have demonstrated experience promoting and advancing regenerative agriculture in PCEF priority populations.

# Organizational capacity building

Organizational capacity building is a new funding category intended to support nonprofit organizations focused on climate action to obtain resources (e.g., trainings, technical assistance, consultation, staff support, etc.) to increase climate program delivery. By improving their operational, programmatic, and financial capacities, nonprofit organizations can enhance their ability to manage funding, track data, build a skilled workforce, and ultimately make a greater impact on addressing climate change.

Organizational capacity building resources are offered through a few different avenues – the mini grant program, the Community Based Organization (CBO) Capacity Building Program, and through resources and services that will be available for PCEF grantees of the Community Responsive Grant program with identified capacity needs.

## Community responsive grants - mini grant program

### FIVE-YEAR FUNDING ALLOCATION: \$1,000,000

#### DESCRIPTION

Launched in August 2021, the PCEF mini grant program aims to reduce barriers for organizations engaging in work that addresses climate change while advancing racial and social justice. The program offers a quarterly grant opportunity that is responsive to small, time-sensitive funding needs through a simple application.

#### OUTCOMES

- Increase number of nonprofits doing work that addresses climate change in the city of Portland.
- Provide a low-barrier funding opportunity that prioritizes small organizations reflective of PCEF priority populations.
- Support small and emerging community-based organizations to access other PCEF funding opportunities.

#### GOAL MEASURES

- 200 nonprofit organizations have accessed time-sensitive funding for small projects and activities that address climate change while advancing racial and social justice.

#### INVESTMENT STRATEGY

Over five years, the program will distribute \$1,000,000 in grant funding. The mini grant program has a total annual budget of \$200,000. The grant opportunity is run quarterly with \$50,000 in grant funds available each quarter. Applicants can apply for one grant of up to \$5,000 per quarter. To date, the program has received 230 applications and awarded 97 grants totaling \$472,460.

As part of SP 11: 82nd Avenue climate infrastructure and community resilience grant program, an additional \$300,000 will be allocated for mini grant projects located within 0.25 mile west and 0.5 mile east of the 82nd Avenue. This brings the expected available total for mini grants to \$1,300,000.

**ELIGIBILITY FOR MINI GRANT FUNDING**

Who may apply

- Nonprofit organizations.
- Nonprofit organization fiscal sponsors.

Additional priority given to

- Small organizations that reflect and serve PCEF’s priority populations.

**“The PCEF mini grant program aims to reduce barriers for organizations engaging in work that addresses climate change while advancing racial and social justice.”**

**Table 9. Strategic programs – organizational capacity building.**

Strategic program name	Five-year funding allocation
SP10: Community-Based Organization (CBO) capacity building program	\$10,000,000



## **Strategic program 10: Community-Based Organization (CBO) capacity building program**

**FIVE-YEAR FUNDING ALLOCATION: \$10,000,000**

### **DESCRIPTION**

This program will offer a multi-year cohort program for community-based nonprofit organizations that includes training, technical assistance, consultation, operational funding, staff support, and other resources. The program seeks to enhance organizations' internal operational effectiveness, leading to improved outcomes in their climate-action projects and programs. The Community-Based Organization capacity building program will equip organizations with resources and support to help them fulfill their mission and enabling us to achieve ours.

Organizations must demonstrate meaningful connection to addressing climate change, have a demonstrated history of advancing racial and social justice in its work and programming, and complete a capacity-needs assessment to ensure alignment with the types of support and services offered through the program.

A cohort of organizations will be selected whose composition reflects a diversity of organizations and capacity needs, has a strong connection between current work and climate-related activities and goals, and will receive the greatest benefit from participating.

### **OUTCOMES**

- Increase the number of effective nonprofit organizations advancing climate justice in Portland.
- Improve nonprofit cohort members' ability to address climate change.
- Improve nonprofit cohort members' service delivery for the communities they serve.

### **GOAL MEASURES**

- Increase in capacity – measured through an assessment that evaluates capacity changes of participating nonprofits working to address climate change while advancing racial and social justice.

### **INVESTMENT STRATEGY**

Over five years, a total of \$7.5 million will be awarded to nonprofits participating in the CBO capacity building program. Each cohort will last three years, with a one-year overlap in cohorts. Each cohort will include 8-10 organizations, for a total of 16-20 organizations over five years. A total of \$2,500,000 will be awarded to contractors in support of program implementation activities.

## ELIGIBILITY FOR PARTICIPATION

Who may apply

- Nonprofit organizations focused on climate action.
- Nonprofit organization fiscal sponsors who are supporting community groups focused on climate action.

Additional priority given to

- Organizations whose capacity needs align with PCEF's program offerings.

**“The community-based organization capacity building program will equip organizations with resources and support to help them fulfill their mission and enabling us to achieve ours.”**

# Multiple funding categories/other carbon emissions reducing projects

This section is intended to capture projects and programs that do not clearly fall under an existing funding area or spans multiple funding areas.

## Community responsive grants – other carbon reducing projects

**FIVE-YEAR FUNDING ALLOCATION: \$2,000,000**

### DESCRIPTION

Other carbon reducing/sequestering community responsive grant projects are intended to capture projects that do not fall under other PCEF code funding categories but provide meaningful and measurable carbon reduction or sequestration, prioritizing those that provide benefits to PCEF priority populations. An example may include projects that promote sustainable materials management that results in reduced lifecycle carbon emissions and increased recycled materials.

### METRICS TRACKED

- Total GHG emissions reduced or sequestered.
- Percent or number of PCEF priority population members benefited.

**Table 10. Strategic programs – multiple funding categories/other carbon emissions reducing projects.**

Strategic program name	Five-year funding allocation
SP11: 82nd Avenue climate infrastructure and community resilience grant program	\$5,000,000
SP12: 82nd Avenue street tree expansion	\$5,000,000
SP13: Targeted Electric Vehicle Financing Tools	\$35,000,000
SP14: Access to fair and flexible capital	\$65,000,000
SP15: Climate-friendly public schools	\$50,000,000

## Low-carbon, equitable 82nd Avenue corridor

The 82nd Avenue corridor strategic program is PCEF's first and only geographically-focused investment, leveraging the opportunity presented by the recent jurisdictional transfer of the corridor to the City of Portland. This transfer, which was made possible by years of work by community leaders and elected officials, commits \$185 million to improvements to the corridor providing PCEF with opportunities to enhance ongoing efforts to create a low-carbon and equitable 82nd Avenue corridor.

This program will invest in two strategic programs to support community stabilization through a climate resilience and justice approach: (1) climate resilience initiative, which infuses additional resources to existing grant programs for nonprofits and businesses to support climate efforts, and (2) street tree expansion, which will create spaces for trees and plant trees on the corridor to mitigate the urban heat island effect. These two programs aim to achieve a balance of fulfilling a highly expressed community need for trees in the corridor, while also nurturing and empowering the leadership of community groups and businesses in climate action efforts. Business stabilization was also identified as a priority during community feedback.

The strategies were developed based on valuable insights from community roundtables, public comments, and planning documents. These documents include the 82nd Avenue Corridor Atlas (2023), the 82nd Avenue Study: Understanding Barriers to Development (2019), and the Jade District Visioning Plan (2014). These strategies complement PBOT investments for near-term critical fixes occurring by 2027 and leverage \$2.5 million from the American Rescue Plan Act, including \$640,000 of investments for small business and resident stabilization by Prosper Portland, PHB, and PBOT.

### Strategic program 11: 82nd Avenue climate infrastructure and community resilience grant program

**FIVE-YEAR FUNDING ALLOCATION: \$5,000,000**

#### DESCRIPTION AND INVESTMENT STRATEGY

This program supports and develops existing community and business leadership in the 82nd Avenue corridor to enhance the ability of current residents and business to deal with and alleviate the impacts of climate change. PCEF will allocate funding to grant programs that will reach target beneficiaries through outreach and marketing efforts. By linking community organizations and businesses with existing programs, they will be positioned to continue to utilize these resources and build stronger networks that will last well beyond this investment timeline.

Program objectives:

- Activate residents, nonprofits, and businesses to participate in climate-action efforts.
- Improve the overall climate resilience of existing residents and businesses.
- Increase community engagement and awareness of climate issues and solutions.

Funding will be allocated to existing programs.

1. **\$2.5 million to two PCEF grant programs.** \$2.2 million will be allocated as additional funding for community responsive grants for green infrastructure projects located within 0.25 mile west and 0.5 mile east of the 82nd Avenue corridor. \$300,000 will be set aside as additional funding for PCEF Mini Grants to fund small-scale projects that help build community resilience and address the impacts of climate change in historically underserved communities.
2. **\$2.5 million to Prosper Portland.** \$2.5 million for grants and associated administrative costs as part of Prosper Portland's business stabilization efforts on the 82nd Avenue corridor (\$2.2 million) and community event grants program (\$300,000). Business grants will fund physical improvement projects that mitigate the effects of climate change and accelerate the corridor's transition to clean energy. Proposals may include, but are not limited to, planning, or implementing building energy efficiency upgrades; electric mobility infrastructure, or depaving for green infrastructure. Eligible project expenses may include coordination and outreach activities; life, health, and safety improvements; technical assistance; and improvements to increase accessibility for people with disabilities. Community event grant recipients will promote relevant PCEF programs to attendees.

Preference will be given to projects in neighborhoods with greater proportions of PCEF priority populations including areas around Roseway, Lents, and neighborhoods east of 82nd Avenue.

Outreach and marketing to individuals, nonprofit organizations, and businesses within the 82nd Avenue corridor will be made to promote the availability of this funding, as well as funding from other PCEF programs including:

- SP2: Clean energy in unregulated multifamily housing;
- SP3: Clean energy improvements in single-family homes; and
- SP4: Clean energy in small commercial buildings.

Additional outreach and marketing efforts will be made to encourage individuals, nonprofit organizations, and businesses within the 82nd Avenue corridor to apply.

## OUTCOMES

- Community events featuring climate resiliency.
- Mini grant projects related to climate resiliency.
- Commercial buildings in corridor receive clean energy improvements.
- Business owners receive high efficiency appliances/equipment.
- Decreased paved areas and increased private property trees.
- Increased electric mobility charging options along 82nd Avenue corridor.
- Culturally relevant businesses are preserved, stabilized, and/or growing.

## GOAL MEASURES

- 5,000 MT lifetime CO<sub>2</sub>e emissions reduced and sequestered.<sup>13</sup>
- 12 BIPOC-owned businesses are preserved, stabilized, and/or growing.

## ELIGIBILITY FOR FUNDING

Who may apply

- Nonprofit organizations may apply for PCEF community responsive grant program, PCEF mini grant program, and Prosper Portland’s community event grant program focused on 82<sup>nd</sup> Avenue.
- For-profit organizations may apply for Prosper Portland’s business grants and community event grant program focused on 82<sup>nd</sup> Avenue.

Additional priority given to

- Projects that use universal design principles to increase accessibility.
- Projects located in areas with a higher density of PCEF priority populations, specifically in Roseway, Lents, and neighborhoods east of 82nd Avenue.

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<sup>13</sup> Refer to footnotes for Community Responsive Grants – Green Infrastructure and SP 4: Clean energy in small commercial buildings as similar method was used.

## Strategic program 12: 82nd Avenue street tree expansion

**FIVE-YEAR FUNDING ALLOCATION: \$5,000,000**

### DESCRIPTION AND INVESTMENT STRATEGY

Trees emerged as a top priority through robust community engagement efforts, including a 2022 survey that reached 1,900 residents and business owners along 82nd Avenue. The 82nd Avenue corridor has many areas with high concentrations of communities of color and low-income households and has experienced some of the worst urban heat island effects from a lack of available space for trees in the right-of-way. In response, the second strategic program for the 82nd Avenue corridor will include investments that create space to plant street trees within the right-of-way along the corridor – one of the lowest areas for tree canopy coverage in the city.

The street tree planting program will address a major barrier to increasing tree canopy along the corridor: inadequate planting space. Tree planting in the public right-of-way along 82nd Avenue and on intersecting side streets will often require widening curb-tight sidewalks to create space for planting trees in the furnishing zone. In some areas, trees can be planted in existing furnishing zones or in the curb zone (on-street parking) area next to the curb. This investment will arrive at a pivotal time for 82nd Avenue during PBOT's roadway paving, safety, and ADA accessibility compliance work, and will complement that work by investing in the sidewalk corridor and tree canopy.

PCEF investment in street trees will fund approximately 2,500 linear feet (equivalent to thirteen 200-foot blocks) of sidewalk widening and tree planting along 82nd Avenue. In consultation with Portland Parks & Recreation's Urban Forestry Division, the investment will also strive to prioritize large tree species to maximize shade potential that are suitable for the planting sites.

The street tree expansion allocation creates a visible, lasting, positive impact on communities connected by 82nd Avenue and promotes improved tree survival by providing funding for five years of establishment care for newly planted street trees. It also complements other PCEF investments to increase canopy coverage along the 82nd Avenue corridor including SP8: Equitable tree canopy and SP11: Climate resilience initiative.

A strong equity lens will be applied to prioritize tree canopy investments to benefit communities of color and low-income people. To be responsive to community needs, locations to prioritize street tree investments along the corridor will be determined through work with organizations and representatives from PCEF priority populations. The program will work with community groups organized as part of the city planning effort for 82nd Avenue to develop site selection criteria and confirm community priorities regarding priority locations for tree planting along 82nd Avenue. Engagements will occur through a series of forums including:

1. The [82nd Avenue Community Coalition](#): a broad coalition of community members and representatives from Community Based Organizations (CBOs) with connections to issues of

importance to 82nd Avenue Communities. CBO members in the 82nd Avenue Community Coalition include APANO, Verde, Unite Oregon, and Oregon Walks.

2. [PBOT's Building a Better 82nd Avenue Community Advisory Group](#) (CAG): a group of 18 community members with diverse connections to 82nd Avenue.
3. Summer/Fall 2023 Public Community Workshops jointly convened by PBOT, TriMet, and Metro for the purpose of collecting community feedback on options for future investment in safety, transit, and other community priorities for 82nd Avenue.
4. Portland State University students from the Master of Urban and Regional Planning Workshop program developed a broader tree canopy investment strategy for the corridor as part of their capstone master's project. The project included public involvement and analysis to determine priorities for sidewalk widening and tree planting along 82nd Avenue, including a comparison of alternative scenarios of investment in terms of cost per tree, equity benefits, and business impacts.

This investment will also improve health, safety, and livability for PCEF populations. According to a 2003 study, roadside greenery was found to facilitate relief from stress and fatigue, increasing people's resilience to frustration and mitigate the aggravations of commuting. Also, studies show that street trees can help improve safety for both pedestrians and drivers by providing a clear demarcation of pedestrian zones and creating a visual wall that helps keep drivers on the roadway. In this heavily used pedestrian corridor, street trees will also help people move around more easily, promoting better health outcomes.

## OUTCOMES

- Improved climate resilience infrastructure nearby and on 82nd Avenue.
- Carbon sequestration from street trees planted.
- Reduced urban heat island impact and improved air quality along 82nd Avenue corridor.

## GOAL MEASURES

- 1,000 – 1,300 MT lifetime CO<sub>2</sub>e emissions sequestered.<sup>14</sup>
- 2,500 linear feet of sidewalk with tree canopy.
- 75% of outreach, training and community engagement events focused on PCEF priority populations.

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<sup>14</sup> Species distribution based on historical planting by Urban Forestry. Carbon sequestration and avoided carbon calculated with iTree Planting for street trees.



## ELIGIBILITY FOR ADMINISTRATION

The 82<sup>nd</sup> Avenue street tree expansion will be administered by PBOT in collaboration with Portland Parks and Recreation's Urban Forestry Division. PBOT has both the expertise and jurisdictional oversight in creating space for street trees in the public right-of-way, which will shade pedestrians, reduce the urban heat island effect, and sequester carbon. PBOT will be responsible for convening and consulting community stakeholders and reporting on program implementation.

**“Trees emerged as a top priority through robust community engagement efforts, including a 2022 survey that reached 1,900 residents and business owners along 82nd Avenue.”**

## Strategic Program 13 – Targeted Electric Vehicle Financing Tools

**FIVE-YEAR FUNDING ALLOCATION: \$35,000,000**

### DESCRIPTION

Electric vehicles (EVs) provide a significant opportunity to lower carbon emissions, reduce transportation costs, and reduce harmful pollution for PCEF priority populations, workers, and contractors in Portland. While there are incentives at the state and Federal level for purchase of new and used electric vehicles, there are still significant costs associated with purchase of EVs, and often the most favorable interest rates and loan terms are out of reach for people and business owners of color, and low-income communities.

Working with local lenders to reduce the total cost of purchasing electric vehicles for people and businesses that drive high annual mileage for business, delivery, or commercial use can provide social and environmental benefit. Some financial institutions and credit unions have existing programs that provide a small interest rate reduction for electric vehicles, and some nonprofits in the Portland area are offering small, matched savings accounts for vehicle purchases.

Deploying greater PCEF funds through reduced origination fees or interest rates, credit enhancement mechanisms, matched savings programs, or lending pathways with flexible terms will provide access to electric vehicles for PCEF priority populations. This funding area will target people and small businesses who have significant existing use of fossil-fueled vehicles in their current daily operations that could be replaced by electric vehicle usage. This includes ride-hailing drivers, food delivery services, and residential and commercial construction contractors working on PCEF projects. The financing mechanisms will be available for electric cars, trucks, vans, and commercial vehicles, as well as for e-cargo bikes or other vehicles that are not powered by internal combustion engines.

Through a competitive application process, PCEF will offer funding to financial institutions and nonprofits to provide greater access to electric vehicles at better terms than are commercially available.

Preference will be given to capital deployment and lending approaches that:

- Are developed in collaboration with community organizations and are responsive to culturally-specific needs.
- Deploy increased financial education and business technical support for PCEF priority workforce populations.

### OUTCOMES

- Reduced fossil fuel use through greater adoption and usage of electric vehicles in commercial applications.
- Lower transportation operating costs for priority populations.
- Increased access to safe, clean transportation.

## GOAL MEASURES

- 1,221,000 MT lifetime CO2e emissions reduced.<sup>15</sup>
- 500 electric vehicles in operation for commercial use by BIPOC-owned businesses.
- 50% utilization of electric vehicles opportunities by BIPOC and low-income individuals working in ride-hailing or delivery roles.

## INVESTMENT STRATEGY

PCEF will solicit applications from financial institutions and nonprofit organizations to:

- Provide loans and matched savings tools for low- and moderate-income people, particularly those working in ride-hailing or delivery roles to purchase electric vehicles and leverage Federal and State incentives.
- Provide loans or financing tools for small businesses in Portland to purchase electric vehicles for commercial use.

A market needs assessment, including expertise from eligible financial entities and community input, will be conducted to define additional priorities before the first RFP is released.

## ELIGIBILITY FOR ADMINISTRATION

Who may apply

- Nonprofit organizations with a track record of managing financial transactions.
- Entities registered as Community Development Financial Institutions (CDFIs).
- Cooperative credit unions.
- Banks with a physical branch presence in Portland.

All applicants must provide the following program needs

- Manage consumer and/or business financial transactions.

Applicants will be encouraged to partner with community organizations on design, education, and implementation of lending programs.

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<sup>15</sup> Emissions savings estimated based on the expected number of electric vehicles replacing gas-powered Class 2 and 3 commercial vehicles. Fuel efficiency and annual vehicle miles travelled data were sourced from the Alternative Fuels Data Center (AFDC) and International Council on Clean Transportation (ICCT).

## Strategic Program 14 - Access to fair and flexible capital

**FIVE-YEAR FUNDING ALLOCATION: \$65,000,000**

### DESCRIPTION

Deploying funds through loans, credit line mechanisms, matched savings, or community funding pathways with flexible terms will help grow the number of climate-focused projects and businesses in Portland that serve PCEF priority populations. A legacy of discriminatory and predatory practices by traditional banking institutions have created distrust in many low-income, communities of color, and immigrant communities. Innovative financing tools are needed to address these disparities in ways that are flexible, responsive to the community, accountable, and fair.

Especially in a time when retail banking interest rates are increasing and capital is being constricted, PCEF can create equitable opportunities for lending and capital access in ways that leverage additional financial resources and enable people and businesses to access upcoming Federal and State incentives. These incentives include rebates and tax credits authorized by the Federal 2021 Inflation Reduction Act, Energy Trust of Oregon rebates, and heat pump programs being launched in 2023 by the Oregon Department of Energy. Some of the residential energy efficiency and renewable energy opportunities for homeowners with incomes of 121-150% of AMI in the PCEF CIP require a 50% project cost match that would be integrated with this funding area. Access to capital will allow households and small businesses in Portland to make improvements to buildings and scale up their business operations for climate-related work and employment.

Through partnership with CDFIs, cooperative credit unions, local banks and community organizations, PCEF will offer funding to financial institutions and nonprofits to provide capital for projects that result in measurable carbon emissions reductions. Approaches may include low to zero-interest loans, flexible repayment terms, community lending circles, loan loss reserve mechanisms, conditional loan forgiveness, high-ratio matched savings accounts, credit enhancement mechanisms, culturally specific finance tools, and community-based education and support about financing options. A market needs assessment will be conducted prior to program launch to define the highest priority approaches and funding mechanisms for different sectors.

Preference will be given to capital deployment approaches that:

- Are developed in collaboration with community organizations and are responsive to culturally-specific needs.
- Deploy increased financial education and business technical support for PCEF priority workforce populations.

## OUTCOMES

- Increased investment in home and business energy upgrades.
- Increased workforce and business opportunities for people working in climate-related businesses.

## GOAL MEASURES

- 34,000 - 41,000 MT lifetime CO<sub>2</sub>e emissions reduced.<sup>16</sup>
- 50% of funds available to businesses goes to BIPOC-owned businesses.
- 50% of businesses that access the program's financial tools and technical assistance are BIPOC-owned.
- 50% of funds available to homeowners goes to homes that are BIPOC owned.

## INVESTMENT STRATEGY

PCEF will solicit applications from lending institutions and nonprofit organizations to:

- Provide loans and matched savings tools for low- and moderate-income homeowners to make energy-related improvements, fund critical home repairs, and leverage Federal and State incentives.
- Provide loans and lines of credit for small businesses from PCEF workforce priority populations to make energy-related building improvements, purchase efficient equipment for commercial use, or scale up their business operations. Partners will make funds available at terms that are flexible, low-cost, culturally responsive, and may include conditional forgiveness opportunities for meeting defined benchmarks.

A market needs assessment, including expertise from eligible financial entities and community input, will be conducted to define additional priorities before the first program RFP is released.

## ELIGIBILITY FOR ROLES

Who may apply

- Nonprofit organizations with a track record of managing financial transactions.
- Entities registered as CDFIs.
- Cooperative credit unions.
- Banks with a physical branch presence in Portland.

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<sup>16</sup> Emissions reductions only estimated for the first round of lending. Assumed 70% of loans will support participants in the strategic programs targeting the small commercial, unregulated multifamily, and single-family sectors, and savings from these loans are already captured in the goal measures in the respective programs. Remaining loans are assumed to support projects similar to those described in the small commercial, unregulated multifamily, and single-family strategic programs.

All applicants must provide the following program needs

- Manage consumer and/or business financial transactions.

Applicants will be encouraged to partner with community organizations on design, education, and implementation of lending programs.

**“A legacy of discriminatory and predatory practices by traditional banking institutions have created distrust in many low-income, communities of color, and immigrant communities. Innovative financing tools are needed to address these disparities in ways that are flexible, responsive to the community, accountable, and fair.”**

## Strategic program 15: Climate-friendly public schools

**FIVE-YEAR FUNDING ALLOCATION: \$50,000,000**

### DESCRIPTION

Youth will inherit the legacy of our decisions on climate and are demanding climate justice and government action to mitigate the catastrophic impacts of climate change.

There are 149 K-12 public schools in six school districts in the city of Portland. These school districts control significant assets in three categories relevant for PCEF funding: 1) buildings, 2) transportation, and 3) school yards. Most of this strategic program investment will be allocated amongst the school districts to implement physical infrastructure projects that reduce greenhouse gas emissions and improve climate resiliency. A smaller portion of the funding will be allocated to support student-led initiatives for five years at each middle and high school within the city of Portland.

School **buildings** represent millions of square feet of conditioned space, many in older, inefficient buildings, and many with deferred maintenance. Improvements to school buildings are almost exclusively funded through voter-approved bonds. There is an opportunity to layer PCEF funding onto major improvements and maintenance funding to create higher efficiency, lower carbon schools and resilient buildings. As trusted community-centered places, building upgrades in schools may provide the opportunity to support community members during severe weather events.

School **transportation** also presents a significant carbon emissions and cost reduction opportunity. School busses in Portland are contracted or owned by the district and run primarily on diesel or propane with only a handful of electric vehicles. Electrifying school busses has multiple benefits including reduced carbon emissions, improved air quality, and reduced operating and maintenance costs.

School **yards** present an opportunity for green infrastructure for urban canopy, shade, and water management in a space used by both youth during the school day, and the surrounding community throughout the year.

A funding formula approach was used to determine a specific allocation for each school district. This amount must be used on **qualifying schools**, which are those located within the city of Portland.

The method of allocating funding was informed by input from school districts operating within Portland and the Oregon Department of Education's (ODOE) student funding formula approach, which has been used since 1991 to allocate dollars to school districts to account for increased resources required for specific student needs, including economic disadvantage, special needs, and English language learners. While ODOE calculates funding allocations based on a per-pupil basis, PCEF calculates on a per-school basis recognizing PCEF's investments are place-based.

The funding allocation percent is determined by taking the number of qualifying schools per district (schools with 50% or more of students qualifying for free and reduced lunch and Multnomah Education Service District schools), multiplying each school within the district by its respective weighted factor, and dividing by the total number of points across each school district. Three characteristics make up the weighted factor: geography (east of 82nd and 122nd), free and reduced lunch, and percent of BIPOC students (which are given an additional weight between 1 and 3).

**Table 11. Climate friendly public schools allocation.**

School district	Qualifying schools	Allocation for physical improvements (\$)	Middle and high schools in city (#)	Allocation for student-led initiatives (\$)
Centennial	4	\$4,617,500	1	\$75,000
David Douglas	12	\$11,736,146	4	\$300,000
Multnomah ESD	4	\$3,270,729	2	\$150,000
Parkrose	6	\$5,579,479	2	\$150,000
Portland Public Schools	31	\$16,930,833	40	\$3,000,000
Reynolds	3	\$4,040,313	0	\$150,000
Riverdale	0	\$0	2	\$75,000
<b>TOTAL</b>	60	\$46,175,000	51	\$3,825,000

## OUTCOMES

- Schools serving PCEF priority populations reduce GHG emissions and are more climate resilient.
- Middle and high school students are engaged in leading climate action.

## GOAL MEASURES

- 16,000 – 24,000 MT lifetime CO<sub>2</sub>e emissions reduced.<sup>17</sup>
- Student-led climate initiatives are active in all middle and high schools in Portland.

<sup>17</sup> Building energy savings were estimated using cost per unit savings from energy upgrade data from SB 1149. Transportation emissions reductions were estimated assuming electric buses will replace diesel buses, using fuel efficiency data from the Environmental Protection Agency and Union of Concerned Scientists and average annual mileage of Portland Public School buses.



## INVESTMENT STRATEGY

PCEF will allocate funding to each school district through a one-time award for physical improvements and an annual allocation for student-led initiatives.

**Physical improvement allocation.** After notice of funding amount, each school district will have one year to provide PCEF program staff with a proposal for use of their physical improvement allocation in qualifying schools including:

- Description of proposed clean energy, transportation, green infrastructure and/or regenerative agriculture measures, and estimates of associated GHG reduction.
- Workforce and contractor equity plan.
- Budget and timeline.

PCEF staff will review and approve proposed projects. Up to \$100,000 of each allocation can be used for project planning purposes and can be accessed prior to PCEF approval of the full project.

**Student-led initiative allocation.** Each school district will also receive an annual allocation of \$15,000 per year for schools with middle and high school grade levels including K-8, K-12, 6-8, and 8-12 in their district that fall within the city of Portland. This allocation is to fund student-led climate initiatives (\$10,000) and to provide modest funding for teacher/district support of these initiatives (\$5,000). Student-led initiatives will not require prior PCEF authorization but must be designed to fit the following parameters:

- Must include decision-making process that clearly demonstrates student empowerment and leadership.
- Must demonstrate connection to greenhouse gas reduction or sequestration.
- Must demonstrate connection to one of the PCEF funding areas – clean energy, transportation, green infrastructure, regenerative agriculture, or workforce and contractor development.

Reporting requirements for student-led initiatives will be flexible to allow student participation in the reporting process and to accommodate creativity and variability in projects. At minimum, schools will provide a short (1-2 page) summary of activities and outcomes, and report on the number and demographics of students involved in the project.

## ELIGIBILITY FOR ROLES

Who may receive funding

- Public school districts within the city of Portland.

# Appendix 1: Draft PCEF diverse contractor and workforce utilization goals

PCEF promotes the growth of diverse climate action-focused contractors (i.e., businesses) and workers to better reflect the diversity of our city. PCEF will accomplish this by supporting diverse contractors and workers through community-based organizations, culturally-specific chambers of commerce, apprenticeship programs, labor unions, and other community resources, both union-affiliated and non-union-affiliated.

PCEF invests and supports the diversification of contractors and workers focused on climate action in four primary ways:

- Contractor and workforce utilization goals.
- Contractor and workforce diversification grants and contracts.
- Reporting and wage requirements.
- Worksite anti-harassment and culture change.

**The following describes the Climate Investment Plan's (CIP) draft diverse contractor and workforce utilization goals.**

## **Contractor diversity goal:**

- Applicability
  - Single or multisite contracts with greater than \$350,000 of PCEF resources for hard construction costs.
- A minimum of 30% of the hard total construction costs should be contracted to businesses certified by the Oregon Certification Office for Business Inclusion and Diversity (COBID) as Disadvantaged Business Enterprises (DBE), Minority-Owned Business Enterprises (MBE), Woman-Owned Business Enterprises (WBE), Emerging Small Businesses (ESB), or Service-Disabled Veteran-Owned Business Enterprises (SDVBE). Alternative certifications for MBE, WBE, and DBE will be explored further and considered for eligibility to meet goals.
  - Sub-goal of 20% of hard construction costs contracted to Minority Business Enterprise ("MBE"), Woman-Owned Business Enterprises (WBE), and Disadvantaged Business Enterprise ("DBE").
- 25% of professional services budget contracted with COBID-certified firms.

## Workforce diversity goal:

**Single site** contracts with greater than \$350,000 of PCEF resources for hard construction costs shall commit to the following goal.<sup>18</sup> Excludes subcontracts less than \$100,000.

- Apprentice utilization
  - A minimum of 20% of the hours worked, by trade, must be worked by state registered apprentices throughout the duration of the project.

**Single or multisite** contracts with greater than \$350,000 of PCEF resources for hard construction costs shall commit to the following goals. Excludes subcontracts less than \$100,000.<sup>19</sup>

- Apprentice Level/on-the-job trainee diversity goal.<sup>20</sup>
  - A minimum of 30% of the total apprentice hours, by trade, shall be worked by people of color.
  - A minimum of 15% of the total apprentice hours, by trade, shall be worked by women.
- Journey Level/trades-worker diversity goal.<sup>21</sup>
  - A minimum of 25% of the total journey level hours, by trade, shall be worked by people of color.
  - A minimum of 10% of the total journey level hours, by trade, shall be worked by women.

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<sup>18</sup> This will exclude single-family residential, small multifamily residential, and small commercial projects in most circumstances. While single site projects less than \$350,000 will not have specific requirements for workers that are receiving on-the-job training, strategic programs will have incentives to encourage the hiring and retention of new workers.

<sup>19</sup> For projects with multiple sites (e.g., single-family residential projects), contract value will be cumulative across the given program. For instance, if an insulation installer has 50 subcontracts valued at \$10,000 each, for a total value of \$500,000 in the program, they will be subject to the workforce diversity goals.

<sup>20</sup> On-the-job trainee is intended to represent new workers receiving on-the-job training for trades that do not have a BOLI registered apprenticeship program.

<sup>21</sup> Trades-worker is intended to represent skilled workers that do not have journey-level designation within their trade.

## About City of Portland Bureau of Planning and Sustainability

The Bureau of Planning and Sustainability (BPS) develops creative and practical solutions to enhance Portland's livability, preserve distinctive places, and plan for a resilient future.



THE BUREAU OF **PLANNING  
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