



CLIMATE INVESTMENT PLAN

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

March 2023



THE BUREAU OF
**PLANNING &
SUSTAINABILITY**



PORTLAND
**CLEAN ENERGY
COMMUNITY BENEFITS
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Portland Clean Energy Community Benefits Fund: Climate Investment Plan Preliminary Draft

The preliminary draft of the Portland Clean Energy Community Benefits Fund's (PCEF) inaugural Climate Investment Plan (CIP) outlines proposed funding allocations, strategies, and outcomes for program investments 2023 through 2028. It is a launching point for public review, discussion, and intended to solicit initial feedback. The next draft plan will evolve from input received and will be available for public comment in May 2023.

About the CIP

Approved by voters in 2018, 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 East Portland neighborhoods.

The CIP includes feedback from a diverse group of Portlanders, especially those most impacted by climate change; input from a range of technical experts; and information from scientific studies, community sharing, and technical reports.

The CIP is a comprehensive plan outlining PCEF's commitment to climate justice. 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.

Background

PCEF was the first climate fund measure created and led by communities on the frontlines of climate change. The success of the measure was reliant upon the leadership of communities of color, deep relationship building, and a diverse coalition of supporters. As the PCEF program evolves, it is guided by a deep commitment to community engagement, accountability, and prioritizing those most impacted by a changing climate.

At the direction of Portland City Council, PCEF is developing the five-year CIP to guide the investment of PCEF funds to achieve major carbon-emissions reductions and build resilience in ways that benefit those most impacted by the climate crisis.

Programs and projects in the CIP must fall within one of the following categories defined in PCEF's governing code ([Portland City Code Chapter 7.07](#)):

- Renewable energy and energy efficiency projects.
- Transportation decarbonization projects.
- Green infrastructure projects.
- Regenerative agriculture projects.
- Climate jobs training, apprenticeships, and contractor development projects.
- Organizational capacity building projects.
- Other projects that reduce or sequester greenhouse gases (GHGs).

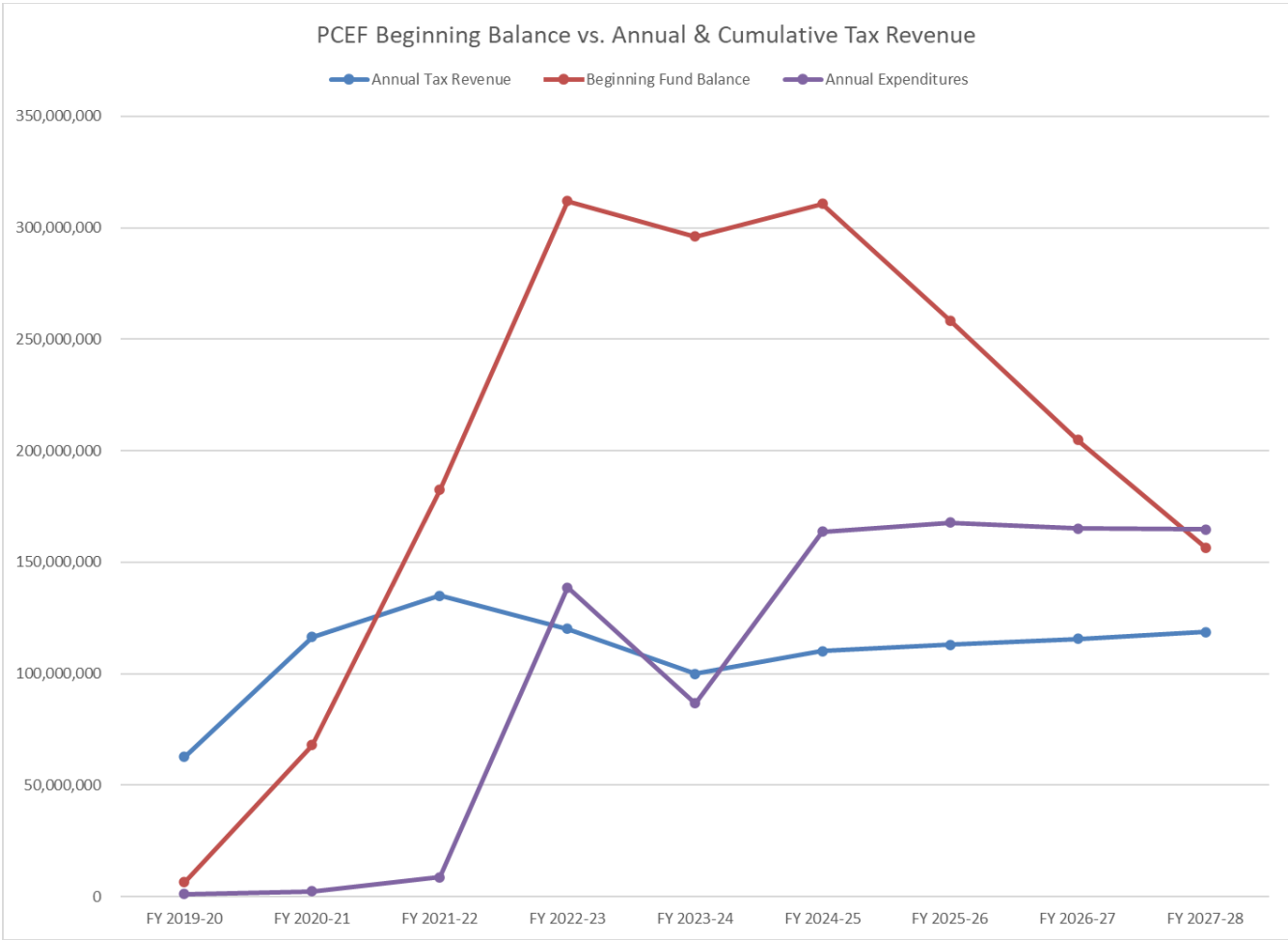
In October 2022, City Council provided additional direction that the inaugural CIP allocate funding for the following priorities aligned with the code. The dollar amount associated with each of these priorities is intended to represent the minimum amount of funding over five years that will be allocated for each priority area.

- Energy efficiency, renewable energy, and embodied carbon in housing and small commercial buildings — \$300 million.
- Building upgrades for community severe weather response — \$30 million.
- Transportation decarbonization or efforts to reduce GHGs in transportation — \$100 million.
- Low-cost access to capital for carbon emission-reducing projects — \$100 million.
- Building community-based organization operational capacity for organizations that have a meaningful connection to advancing climate and racial justice goals — \$8 million.
- 82nd Avenue planning and early investment for low carbon equitable communities — \$10 million.

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.

Graph 1. PCEF beginning balance vs. annual and cumulative tax revenue



Program purpose

The CIP aligns with PCEF’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 also 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 carbon 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 available for public review and comment. The preliminary draft contains proposed funding allocations, strategies, and goals.

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 makes a decision 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 strategic programs begin the planning and implementation process. A townhall is held to discuss how decisions were made during the CIP process and collects 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 green infrastructure 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 outlined 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.

- *Green infrastructure maintenance reserve* is funding for the long-term maintenance of green infrastructure 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.

Equity + climate framework

From its days as a ballot measure to becoming a full-fledged City program, equity and climate action have been central tenants 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?

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 and contractor development suballocation
Climate jobs, workforce and contractor development (Page 12)	Community responsive grants - youth climate careers exposure	\$4,000,000	-
	Community responsive grants – job training and contractor support initiatives	\$26,000,000	-
Renewable energy and energy efficiency (Page 14)	Community responsive grants - renewable energy and energy efficiency	\$92,000,000	-
	SP1: Clean energy in regulated multifamily affordable housing	\$60,000,000	\$2,400,000
	SP2: Clean energy in unregulated multifamily housing	\$50,000,000	\$2,000,000
	SP3: Clean energy improvements in single family homes	\$140,000,000	\$3,500,000
	SP4: Clean energy in small commercial buildings	\$25,000,000	-
	SP5: Building upgrades for community severe weather response	\$30,000,000	-
Transportation decarbonization (Page 21)	Community responsive grants - transportation decarbonization	\$35,500,000	-
	SP6: Comprehensive e-bike access and support	\$20,000,000	\$600,000
	SP7: Equitable clean transportation access	\$25,000,000	-
Green infrastructure (Page 26)	Community responsive grants - green infrastructure	\$5,000,000	-
	Green infrastructure maintenance reserve	\$5,000,000	\$250,000
	SP8: Equitable tree canopy	\$40,000,000	\$2,000,000
Regenerative agriculture (Page 28)	Community responsive grants - regenerative agriculture	\$15,000,000	-
	SP9: Increasing urban farming opportunities - planning and land acquisition	\$4,000,000	-
Organizational capacity building (Page 30)	Community responsive grants - mini grants	\$1,000,000	-
	SP10: CBO capacity building program	\$10,000,000	-
Multiple funding categories/other carbon emissions reducing projects (Page 32)	Community responsive grants - other carbon emissions reduction/sequestration projects	\$2,500,000	-
	SP11 & SP12: Low-carbon, equitable 82nd Avenue corridor	\$10,000,000	-
	SP13: Access to fair and flexible capital	\$100,000,000	\$5,000,000
	SP14: Climate-friendly public schools	\$50,000,000	-
	Total	\$750,000,000	\$15,650,000

Table 1 organizes strategic programs based on how each program’s primary funding category. However, most programs, including community responsive grants and strategic programs, will invest in one or more other 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).

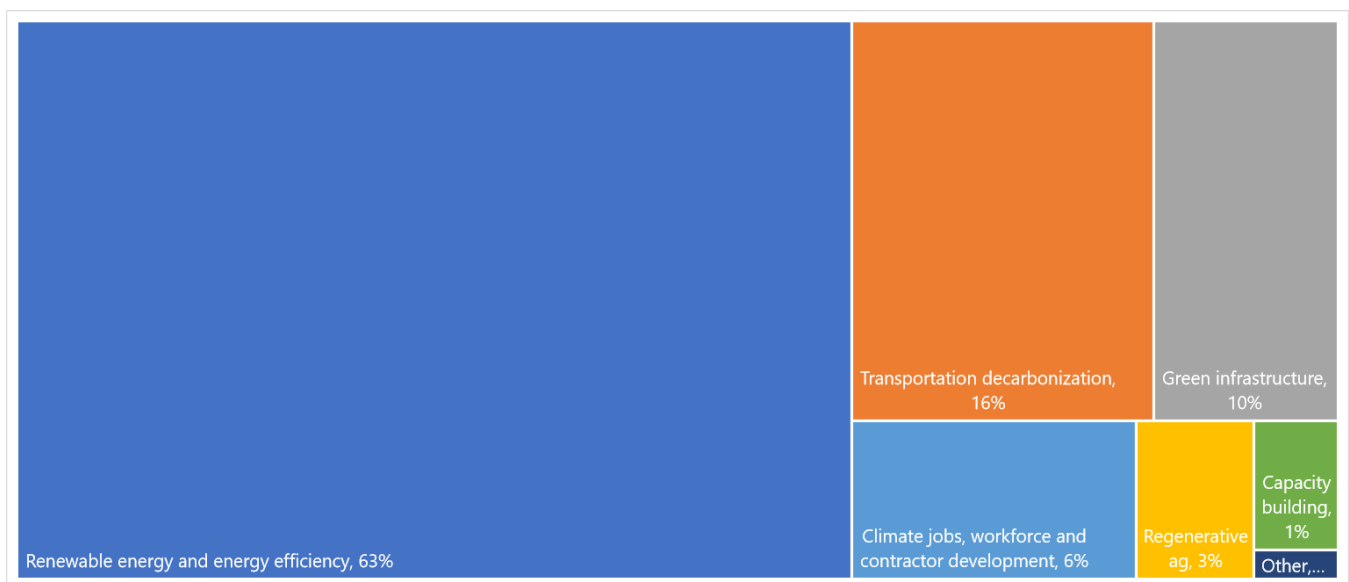
Table 2. Strategic program 2: Example of multiple funding categories

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

Spending was aggregated within programs by funding category, or project type, and shows how much is invested in each of the funding categories:

- Energy efficiency and renewable energy - \$473,900,000.
- Transportation decarbonization - \$123,050,000.
- Green infrastructure - \$74,800,000.
- Regenerative agriculture - \$19,000,000.
- Workforce and contractor development - \$45,750,000.
- Capacity building - \$11,000,000.
- Other carbon reducing projects - \$2,500,000.

Graph 3. Total projected investment across PCEF’s code funding categories



Graph 4. Projected allocation of funds between the three funding pathways: community responsive grants, strategic programs, and green infrastructure maintenance reserve



The following pages show allocations by PCEF code funding categories, beginning with a summary of climate jobs, workforce, and contractor development across all programs, including strategic programs and community responsive grants.

PCEF Code Funding Categories

Climate jobs, workforce, and contractor development in the CIP

PCEF invests and supports greater equity in climate action jobs, workforce, and contractor development in three primary ways:

- Project-related workforce and contractor equity agreements that address wage requirements, diverse worker and contractor utilization goals, reporting, and requirements to participate in safe and respectful worksite training efforts. This is particularly relevant for physical infrastructure investments such as renewable energy and energy efficiency, and green infrastructure projects.
- The adoption of measurable and ambitious goals for the utilization of diverse workers and contractors (i.e., from PCEF workforce priority populations). PCEF is nearing the final review of its climate workforce/contractor supply and demand study that is being written by ECONorthwest, Cadeo, Worksystems, and Portland State University assistant professor Dr. Roberta Hunte. This study, in collaboration with the PCEF High Roads Advisory Council, will be used to inform diverse worker and contractor utilization goals for community responsive grants and each strategic program in the next public comment draft of the CIP.
- Direct grant or contract investment into organizations for climate-action related workforce development or contractor support services. This may include investing in apprenticeship programs, green-building related training and certifications, or contractor training and support to increase clean energy service offerings. Direct grants also include upstream investments in pre-apprenticeship programs and programs that encourage youth to explore climate careers.

Funding for climate-action related workforce development and contractor support is woven throughout multiple programs within this CIP. The table below summarizes those 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	Comprehensive e-bike access and support	\$600,000
Strategic program	Clean energy in regulated multifamily affordable housing	\$2,400,000
Strategic program	Clean energy in unregulated multifamily rentals	\$2,000,000
Strategic program	Clean energy in single family homes	\$3,500,000
Strategic program	Access to fair and flexible capital	\$5,000,000
Strategic program	Green infrastructure maintenance reserve	\$250,000
Strategic program	Equitable tree canopy	\$2,000,000

GOAL MEASURES

- Number of low-income and youth of color provided with climate career exposure and education.
- Number of workers trained for work in clean energy, transportation decarbonization, green infrastructure, or regenerative agriculture.
- Number of contractors supported in pivoting to, or expanding work, in clean energy, transportation decarbonization, green infrastructure, or regenerative agriculture.
- Utilization of workers from PCEF workforce priority populations.
- Utilization of contractors owned by PCEF workforce priority populations.

Renewable energy and energy efficiency

Investments in energy efficiency and renewable energy will be made through community responsive grant and five strategic programs. Each of the strategic programs serves a distinct group of buildings that have different barriers and opportunities for reduced energy usage and benefit to PCEF priority populations.

Residential and commercial buildings account for 41% of carbon emissions in Multnomah County. Reducing these emissions not only support a healthier climate, but also improves air quality, boosts household and business utility savings, and creates more resilient community infrastructure.

The total lifetime carbon dioxide equivalent (CO₂e) emissions reduction goal will be included in the next draft of the CIP.

Community responsive grants - renewable energy and energy efficiency

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

- Renewable energy and energy efficiency focused community responsive grants are intended to capture investments in community solar, targeted/culturally responsive single family home energy upgrades, clean energy upgrades in existing regulated multifamily homes, and clean energy improvements on nonprofit owned/occupied commercial buildings, and other renewable energy and energy efficiency investments that do not fall within a strategic program defined below.

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

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.

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 operating well beyond that timeframe. 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. PCEF funding will ensure that these measures are preserved and deepened in project budgets by providing a dedicated source of funding.

The program is divided into two phases. Phase I are projects with financial close within 12 months of when Phase II program parameters are defined. Because Phase I projects are further 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-funded projects with the addition of energy usage modeling and reporting for PCEF funded measures.

While the public comment period is now closed, additional details about this strategic program can be found [on the PCEF website](#).

Strategic program 2: Clean energy in unregulated multifamily affordable housing

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

DESCRIPTION

This program is intended to accelerate the installation of clean energy measures in unregulated affordable multifamily rental housing, sometimes called naturally occurring affordable housing, generating carbon emissions reduction and financial and health benefits for low-income tenants. This sector of the housing market has been historically difficult to access for clean energy programs due in large part to a lack of property owner interest or willingness to participate.

The program is designed to address three key barriers:

- Property owners don't usually pay the utility bills and when they do, they can pass on costs to tenants, resulting in no financial incentive to reduce energy use,
- Property owners have limited time and may not understand the benefits of energy improvements, and;
- Property owners have found existing programs too complex with requirements they are unwilling to accept.

A 25% match from property owner and a minimum three-year rent-stability agreement will be required, and investments will be scaled based on the length of the agreement up to nine years. Eligible energy measures will be informed by an energy assessment and will target systems with high GHG and utility bill savings potential including heat pumps, hot water heating systems, and attic insulation. The average investment per unit is estimated to be \$15,000, meaning on average, a fourplex could receive \$60,000 in energy improvements.

OUTCOMES

- Tenants see utility cost reductions.
- Rent stabilized in all participating units for three to nine years.

GOAL MEASURES

- Total lifetime CO₂e emissions reduced.
- Target percent 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 rent-stability agreements, with an average cost of \$15,000 per unit.

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

PCEF will release RFPs inviting both nonprofit and for-profit organizations to apply to provide the following program needs: coordinating administrator, tenant outreach and engagement, property owner outreach and engagement, program sales and marketing, technical assessment, and energy project management. Partnerships will be encouraged. From this solicitation, PCEF will provide no more than three awards.

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

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

DESCRIPTION

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 whole-home energy retrofits and the highest level of program investment. Eligible measures for rentals and moderate-income, owner-occupied units will be limited to high-impact efficiency measures and are funded at a lower level.

All improvements will focus on the highest energy use reduction potential and will include measures that also provide health, safety, and accessibility benefits. Each home will receive estimated energy-

saving projections along with a test-in assessment that follows building science principles, and a test-out quality assurance verification.

This strategic program is intended to accelerate investments for frontline communities that lower GHG emissions and utility bills, increase resilience, and improve occupant health and comfort.

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.
- Homes will have improved comfort, safety, and climate resiliency.

GOAL MEASURES

- Total lifetime CO₂e emission reduced.
- Target average energy usage reduction in low-income, owner-occupied homes.
- Target average energy usage reduction in moderate-income, owner-occupied homes.
- Target average energy usage reduction in low-income, renter-occupied homes.

INVESTMENT STRATEGY

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

- Deep energy retrofits in owner-occupied homes with income <80% area median income (AMI).
- Limited high-impact energy upgrades for homeowners with incomes of 81-120% AMI.
- Limited high-impact energy upgrades for homeowners with incomes of 120-140% AMI with a 50% match requirement with low-cost financing options.
- Limited high-impact energy upgrades for single-family home renters with incomes less than 80% AMI with escalating investment level with rent-stability agreement.

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

An RFP solicitation will invite organizations to apply for participation in these strategic programs. Organizations must be able to commit to providing a minimum of 50 whole-home energy retrofits or 150 limited measure installations per year for at least two years to be considered. Applicants may be nonprofit, for-profit, or government organizations.

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 have less resilience to the impacts of climate change. Many small businesses are still emerging from financial hardships caused by the pandemic. This program is intended to reduce energy usage and cost, create health benefits, and increase resilience benefits for small businesses in Portland, with a priority for BIPOC-owned businesses. Small businesses will be eligible for appliance- and equipment-efficiency upgrades. Additionally, small commercial buildings (less than 20,000 square feet) would be eligible for building improvements if they are occupied by a qualifying small business. These investments will result in energy and carbon emissions savings and improved indoor air quality for small businesses and small business spaces.

Small commercial spaces are a sector that has been historically difficult for climate programs to serve. The sector experiences the same split-incentive issues as residential rental properties. Tenant businesses who pay the utility bills are the direct beneficiaries of energy and renewable upgrades, but the building owner makes decisions about building upgrades. This removes the direct financial incentive from the decision maker, the building owners. There is also concern that major rehabilitation of small business spaces can have the unintended consequence of increasing rent to a level which may not be affordable for the current business tenants.

To mitigate these barriers for incoming or current qualifying small-business owners, the program will offer a two-pronged approach: (1) investing in clean-energy upgrades for business-owned appliances and equipment, and (2) investing in durable building upgrades which improve comfort and air quality for occupants.

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 and lower cost for BIPOC business owners, workers, and patrons.
- Contribute to small business stability and resilience.

GOAL MEASURES

- Total lifetime CO₂e emissions reduced.
- Target percent energy savings for BIPOC business owners.

INVESTMENT STRATEGY

Over five years, PCEF will invest \$25 million in business-owned appliance replacement and small business space clean energy upgrades. 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. Building owners will be required to provide 25% match. Low-cost, low-barrier financing will be available. Energy assessments to determine the highest efficiency solution will be required for both building improvements and high efficiency appliances.

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

PCEF will select one or more program administrators through an RFP which will serve the following purposes: marketing and targeted outreach, project development and management, facilitate energy assessments and analysis, develop vendor relationships, collaborate with other funding and financing resources, and deliver low burden, turnkey projects to businesses and building owners.

Eligible RFP applicants will be nonprofit or for-profit businesses with a successful track record of working with PCEF priority population owned businesses and delivering wraparound services to address barriers. Selection criteria will prioritize organizations that reflect the communities the program will serve.

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, such as 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, among others. Grant funding will primarily pay for physical improvements to buildings. Additional eligible expenses will include program planning; 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

- Total lifetime CO₂e emissions reduced.
- Percent of Portland community members with increased neighborhood options for seeking support during severe weather events.
- Total square footage of building spaces that providing services during severe weather events.

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. The technical assistance offerings will primarily consist of feasibility studies that will inform buildings suitable for upgrades process. The remainder of the funding will be invested into physical improvements; program planning and coordination expenses; and life, health, and safety upgrades.

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

- Only nonprofits and government entities may apply. The applicant must own the site and building or be committed to a long-term lease agreement. Organizations must also be willing to commit to providing certain critical services during climate-related disaster events.
- Selection criteria includes demonstrated history serving PCEF priority communities, duration of commitment to provide critical services during extreme weather-related events, leveraged resources such as staffing capacity and programming activities, geographic distribution of buildings, and diversity of types of buildings.

Transportation decarbonization funding category

The total lifetime CO₂e emissions reduction goal will be included in the next draft of the CIP.

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.

As transportation decarbonization is a new funding category for PCEF, a PCEF-managed workgroup will be convened over a 24-month period to advise on transportation decarbonization community responsive grants and strategic programs. The workgroup will provide input on RFPs generated by the programs, community engagement approach, and related topics using PCEF's equity + climate framework. 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 this 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.

Community responsive grants – transportation decarbonization

TOTAL FIVE-YEAR FUNDING ALLOCATION: \$35,500,000

Transportation decarbonization is a new funding category for PCEF. As a result, there is an emphasis on planning grants in transportation decarbonization community responsive grants during the first two years to support planning and capacity building. Planning grants will help nonprofit organizations identify community mobility needs and solutions and prepare them to implement environmentally sustainable transportation projects.

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

- Community-driven transportation projects that reduce vehicle miles traveled.
- Access to clean transportation through the electrification of fleet vehicles including shared vehicles managed by community organizations and electric bikes (e.g., e-bike libraries, e-cargo bikes).
- Charging infrastructure that is equitable, convenient, reliable, affordable, and accessible.
- Overcoming barriers to accessing clean transportation.
- Providing outreach and education for clean transportation including new mobility options.
- Building capacity of organizations to implement clean transportation projects.
- Support workforce development and training programs that provide economic opportunities in the clean transportation sector.

GOAL MEASURES

- Total lifetime CO2e emissions reduced.
- Number of PCEF priority population members with increased access to clean transportation options.

Table 5. 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

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 save money and time with respect to parking. E-bikes reduce transportation related carbon emissions and improve air quality. Women and BIPOC community members have stated through surveys that they feel less vulnerable on e-bikes.

The high initial cost of e-bikes (typically starting at \$1,500) puts them out of reach for many low-income households. There are different styles and models of e-bikes on the market, including cargo and adaptive mobility versions for people with disabilities. Community education and incentives are needed to provide equitable access to e-bikes, as well as 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

- Total lifetime CO2e emissions reduced.
- Additional e-bikes and e-cargo bikes in use over the five-year period by PCEF priority population members.

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. Exact rebate amounts will be determined through market research, evaluation of needs, and interaction with other potential programs.

The program will be conducted 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, including recommendations for a pilot program for allocating funds for safe e-bike storage and charging needs for existing multifamily properties. Workforce training and apprenticeship opportunities will be created through partnership with community organizations and e-bike retailers participating in the program.

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

- The City will select one or more program administrators through an RFP which will detail the following scopes of work: program development and management, marketing and targeted outreach, rebate tracking and analysis, and vendor relationships relationship development. Eligible RFP applicants will be nonprofit or for-profit businesses with a successful track record of serving PCEF priority populations.
- The City will additionally contract for community outreach and education with nonprofit partners. These partners will be selected through an RFP process and provide culturally responsive education and outreach about e-bike rebates, safe operation, and navigation. Nonprofits will also provide workforce development and training opportunities for PCEF priority populations to facilitate future employment in sales and service roles at bike retailers. Preference will be given to organizations that serve and reflect PCEF priority populations.
- 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.

Strategic program 7: Equitable clean transportation access

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

DESCRIPTION

Mobility provides essential access to job opportunities, family and social activities, and serves basic needs for accessing food, shelter, and medical care. Increasing an individual's travel options through transportation incentives can reduce the burden of transportation costs, increase access to opportunities that improve an individual's quality of life, and reduce carbon emissions by increasing access to clean transportation. This program increases access to existing and new mobility options for PCEF priority populations through the expansion of the Transportation Wallet, a PBOT program which offers a package of free transportation options like transit passes, bike or scooter-share ride credit, and rideshare or taxi ride credit. An early evaluation of the Transportation Wallet showed that participants had an increased usage of new mobility services (including bike share, e-scooter, and Uber/Lyft), enhanced accessibility of travel modes, and reduced stress related to travel needs. Similar programs operating in Oakland and South Los Angeles have shown comparable outcomes including a reduction of drive-alone trips. This program will enroll income-qualified participants through partnerships with community-based organizations including PCEF-funded organizations. The program will include community outreach and education on how to use different transportation modes, program evaluation for continuous improvement, and convening of community groups to provide input into the planning and design of the program.

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

- Total lifetime CO₂e emissions reduced.
- Number of PCEF priority population members with increased access to clean transportation options.
- Percentage of use of low or zero-carbon transportation options.

INVESTMENT STRATEGY

Income-qualified households will be enrolled through community-based organizations to receive a package of credits for transportation options like transit passes, bike or scooter-share ride credit, and

rideshare (Uber/Lyft), or taxi ride credit, which is referred to as the Transportation Wallet. Program participants will have flexibility to choose which transportation options offered in the Transportation Wallet fit their needs. This program builds on past iterations of the program including two phases of the Transportation Wallet for Affordable Housing pilot program managed by PBOT in partnership with affordable housing sites.

The program will include community engagement and education on the climate and equity benefits of clean transportation options.

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

PBOT will manage and administer the program, either directly or through contracted services with for-profit businesses or nonprofit partners for administration, which would be selected through an RFP process.

Green infrastructure

The total lifetime CO2e emissions reduction goal will be included in the next draft of the CIP.

Green infrastructure presents a unique opportunity for carbon sequestration (i.e., removing carbon from the atmosphere). In order to reach the City’s 2050 climate goals, carbon sequestration is a critical component. 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, green roofs, bioswales, 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.

Table 6. Strategic programs – green infrastructure

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

Green infrastructure 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. Landscape and arborist service companies will register for eligibility in the program, with a goal of also increasing workforce and contractor opportunities for PCEF priority workforce populations.

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

- Total lifetime CO2e emissions sequestered.
- Number of low-income households receiving critical tree pruning services.
- 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.

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

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

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.

Landscape companies and arborists will have the opportunity to apply to be eligible contractors, based on meeting certain terms for services provided and having necessary certifications. Contracting priority will be given to organizations that commit to hire, retain, and support staff from relevant workforce development programs.

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.

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.

While the public comment period is now closed, additional details about this strategic program can be found [on the PCEF website](#).

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: \$15,000,000

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 7. Strategic programs – regenerative agriculture

Strategic program name	Five-year funding allocation
SP9: Increasing urban farming opportunities - planning and land acquisition	\$4,000,000

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

FIVE-YEAR FUNDING ALLOCATION: \$4,000,000

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 two to three organizations to acquire, develop, and manage urban farming plots of at least 20,000 square feet each, sequestering carbon, increasing the city’s open space and agricultural land base, and fostering greater community-based food production.

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

- Total lifetime CO2e emissions sequestered.
- Acreage dedicated for urban farming.
- Number of PCEF priority population households served by 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 deemed ready will be supported in acquiring, developing, conducting site preparation, and managing urban farming plots of at least 20,000 square feet each.

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

Only nonprofits entities are eligible to apply. Applicants must have demonstrated experience promoting regenerative agriculture, with a focus on PCEF priority populations.

Organizational capacity building

Organizational capacity building is a new funding category intended to support nonprofit organizations focused on climate action obtain resources (e.g., trainings, technical assistance, consultation, staff support, etc.) to support more effective functioning necessary for increased climate program delivery.

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 by offering a quarterly grant opportunity that is responsive to small, time-sensitive funding needs through a simple application.

OUTCOMES

- Grow universe of nonprofits doing work that addresses climate change in City of Portland.
- Provide low-barrier funding opportunity that prioritizes small organizations reflective of PCEF priority populations.
- Provide an accessible on-ramp for small and emerging community-based organizations to access other PCEF funding opportunities.

GOAL MEASURES

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

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

Only nonprofit organizations, including fiscal sponsors, may apply. Grant selection prioritizes small organizations that reflect and serve PCEF’s priority populations.

INVESTMENT STRATEGY

Over five years, the program will distribute \$1,000,000 in grant funding. The mini grants 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.

Table 8. 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. This program will equip organizations with resources and support to help them fulfill their mission, enabling us to achieve ours.

OUTCOMES

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

GOAL MEASURES

- Average increase in capacity – measured through capacity assessment that evaluates capacity changes of participating nonprofits working to address climate change while advancing racial and social justice to increase their impact in the communities they serve.

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 ROLES AND SELECTION CRITERIA

Only nonprofits or organizations partnered with a nonprofit fiscal sponsor may apply. In addition, 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.

Nonprofits that serve and reflect PCEF priority groups will receive priority consideration. 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.

The program will also procure services to support implementation activities. Business and nonprofits may apply to be a contractor to implement activities. Priority will be given to COBID-certified firms and nonprofits reflecting the community they serve.

Multiple funding categories/other carbon emissions reducing projects

The total lifetime CO2e emissions reduction goal will be included in the next draft of the CIP.

Community responsive grants – other carbon reducing projects

FIVE-YEAR FUNDING ALLOCATION: \$2,500,000

DESCRIPTION

Other carbon reducing/sequestering projects focused community responsive grants 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.

GOAL MEASURES

- Total lifetime CO2e emissions sequestered.
- Percent or number of PCEF priority population members benefited.

Table 9. 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	\$4,000,000 to \$8,000,000
SP12: 82nd Avenue street tree expansion	\$2,000,000 to \$6,000,000
SP13: Access to fair and flexible capital	\$100,000,000
SP14: Climate-friendly public schools	\$50,000,000

Low-carbon, equitable 82nd Avenue corridor

The total lifetime CO2e emissions reduction goal will be included in the next draft of the CIP.

With the state’s recent transfer of 82nd Avenue ownership to the City of Portland, there are numerous opportunities for synergies to create a low-carbon and equitable 82nd Avenue corridor. The Low-Carbon Equitable 82nd Avenue Corridor Program is targeted at supporting community stabilization through a climate resilience and justice approach. This program will invest in two strategies: (1) a

climate infrastructure and resilience program that will fund commercial property and small-scale projects that mitigate the effects of climate change and accelerate the corridor's equitable transition to clean energy; and (2) expand the number of street trees planted on public property to mitigate the urban heat island effect. These strategies will complement PBOT investments for near-term critical fixes occurring by 2027 and future investments on the corridor. It will also leverage \$2.5 million in American Rescue Plan Act including \$640,000 of investments in small businesses and residential stabilization by Prosper Portland, Portland Housing Bureau, and PBOT.

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

FIVE-YEAR FUNDING ALLOCATION: \$4,000,000 – \$8,000,000

DESCRIPTION AND INVESTMENT STRATEGY

This program focuses on funding two types of projects:

- Physical improvements for commercial properties through \$50,000-250,000 grants.
- Smaller-scale projects including community gardens and community events that contribute to climate resilience in the corridor.

Physical improvement projects should focus on mitigating the effects of climate change and accelerating the corridor's equitable transition to clean energy. Proposals may include studying, planning, or implementing depaving for green infrastructure; green spaces and community gardens; electric mobility infrastructure; and efficiency upgrades to a building's existing energy systems. Additional expenses may include coordination and outreach activities; life, health, and safety improvements; and improvements to increase disability accessibility.

Funding for smaller-scale projects and events will be made available through existing City of Portland grant programs. Distribution of grant funding for both project types will occur over four years, will be guided by PCEF's guiding principles, and will occur for projects within a half-mile radius of 82nd Avenue, though exceptions may be made for projects outside that radius on a case-by-case basis.

There will be a preference for projects that occur in neighborhoods with greater proportions of PCEF priority populations including areas around Roseway, west of 82nd Avenue in the Jade District, and Lents. The program will include community and business engagement, technical assistance, and capacity building to support successful uptake of the program. Community stakeholders will be involved in establishing grant project criteria and participate in project application review and selection.

OUTCOMES

- Business owners receive high efficiency appliances/equipment.
- Commercial buildings in corridor receive clean energy improvements.
- Decreased paved areas along with increased private property trees.

- Increased electric vehicle charging options along 82nd Avenue corridor.
- Culturally relevant businesses are preserved, stabilized, and/or growing.

GOAL MEASURES

- Total lifetime CO₂e emissions reduced and sequestered.
- Number of BIPOC-owned businesses that are preserved, stabilized, and/or growing.

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

While program grants will be managed and administered by public entities, nonprofit organizations and businesses may apply for project funding. Projects awards will range in size between smaller grants (\$5,000 - \$15,000) and larger grants (\$50,000 – \$250,000), with priority given to projects that:

- Proposed by nonprofit organizations and businesses that serve and reflect PCEF priority populations.
- Using universal design principles to increase accessibility.
- Located in areas with PCEF priority populations.
- With strong, local impact that strengthens and contributes to community.
- Strong connection between work and climate-related activities and goals.
- With site control.

Strategic program 12: Street tree expansion

FIVE-YEAR FUNDING ALLOCATION: \$2,000,000 - \$6,000,000

DESCRIPTION AND INVESTMENT STRATEGY

The second strategy for the 82nd Avenue corridor will include investments to plant street trees within the right-of-way along the corridor – one of the lowest areas for tree canopy coverage in the city. Trees emerged as a top community priority in a 2022 survey that reached 1,900 residents and business owners along 82nd Avenue. The street tree expansion allocation will create a visible, lasting positive impact on communities connected by 82nd Avenue and will promote improved tree survival by providing funding for five years of establishment care for newly planted street trees with community outreach. The street tree expansion allocation will arrive at a pivotal time for 82nd Avenue during PBOT’s roadway paving, safety, and ADA accessibility compliance work. As part of this effort, community stakeholders will be consulted on planning decisions.

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

- Total lifetime CO₂e emissions sequestered.

- Number of trees planted and established
- Percentage of outreach, training and community engagement events focused on PCEF priority populations.

ELIGIBILITY FOR ROLES AND SELECTION CRITERIA

Funding for street tree expansion is expected to be distributed to PBOT in collaboration with Portland Parks and Recreation, Urban Forestry. PBOT will convene and consult community stakeholders and report information on program implementation to PCEF staff.

Strategic Program 13 - Access to fair and flexible capital

FIVE-YEAR FUNDING ALLOCATION: \$100,000,000

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. This will allow households and small businesses in Portland to make improvements to buildings, electrify their transportation needs, and scale up their business operations for climate-related work and employment.

Through partnership with Community Development Financial Institutions (CDFIs), cooperative credit unions and community organizations, PCEF will offer funding to financial institutions and non-profits to provide capital for projects that result in measurable carbon emissions reductions and for business development within PCEF priority workforce populations. 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 needs assessment will be conducted prior to program launch to define the highest priority approaches and funding mechanisms for different sectors.

As a starting point, 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.
- Reduced fossil fuel use through greater adoption and usage of electric vehicles in commercial applications.
- Increased workforce and business opportunities for people working in climate-related businesses.

GOAL MEASURES

- Total lifetime CO₂e emissions reduced.
- Number of electric vehicles in operation for commercial use by BIPOC-owned businesses.
- Percent utilization of capital access opportunities by BIPOC-owned businesses.
- Number of businesses supported by program financial tools and technical assistance.
- Percentage of BIPOC-owned businesses supported by program financial tools and technical assistance.

INVESTMENT STRATEGY

PCEF will solicit applications from CDFIs, cooperative credit unions, 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, purchase electric vehicles, 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 or electric vehicles for commercial use. Partners will make funds available at terms that are flexible, low-cost, culturally responsive and may include conditional forgiveness opportunities for meeting defined benchmarks.
- Provide loans and lines of credit for operating capital to contractors or businesses that provide climate action-related services to scale up their capacity. Partners will make funds available to emerging and existing businesses in Portland that are engaged in energy efficiency, renewables, transportation decarbonization, green infrastructure, and regenerative agriculture. Terms for loans or credit lines will provide flexible, low-cost capital and may include conditional forgiveness, with goals for workforce recruitment and retention.

Collectively, as vehicle electrification is a significant opportunity for carbon reduction, at least \$35 million of the funds will be targeted for programs that help households and small businesses access financing for electric vehicles. 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 AND SELECTION CRITERIA

Entities that are registered as CDFIs, cooperative credit unions, and nonprofit organizations with experience and history of managing consumer and/or business financial transactions will be eligible to receive and manage funds. These entities will be encouraged to partner with community organizations in design, education, and implementation of their funding programs.

Strategic program 14: Climate-friendly public schools

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

DESCRIPTION

There are 149 K-12 public schools in six school districts in the City of Portland; 48 of these schools are Title I schools, which is a school that has high numbers or a high percentage of students from low-income households. School districts control significant assets in three categories relevant for PCEF funding: 1) buildings, 2) transportation, and 3) school yards.

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 tremendous 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 either 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.

PCEF staff are in conversation with public school districts operating within the City of Portland. The purpose of this engagement is to gather information about school needs, plans, and other funding sources to co-create a program that aligns with PCEF goals and can fit within an existing system with a multitude of competing interests, rules, and regulations. This engagement will be complete in April 2023, and a draft strategic program for the school allocation will be included in the next draft of the Climate Investment Plan. PCEF anticipates including an allocation focused on funding youth-driven projects for this strategic program.

About PCEF

Background

PCEF was created by Portlanders demanding intentional funding for Climate Justice initiatives for our most vulnerable community members. An initiative was established and in November 2018, PCEF became a first-of-its-kind program in the nation, and the first environmental initiative in Oregon led by communities of color.

PCEF provides a consistent, long-term funding source by collecting a 1% surcharge on businesses that make **both** \$1 billion nationally and \$500,000 locally. This dedicated funding allowed the City of Portland's Bureau of Planning and Sustainability to establish the PCEF program, providing the structure, oversight, and accountability needed to implement climate justice projects that support racial, social, economic, and environmental benefits for all Portlanders — particularly communities of color and people with low incomes.

Why does Portland need PCEF?

Climate change has a disproportionate impact on our most vulnerable community members. PCEF prioritizes projects serving Portland's frontline communities and neighborhoods, including communities of color and people with low incomes. These communities, identified as priority populations for PCEF, have historically been left out of conversations and solutions for climate justice and resilience.

PCEF invests in projects and programs that meet the following priorities:

- Clean energy projects, including renewable energy and energy efficiency,
- Transportation decarbonizations projects;
- Regenerative agriculture and green infrastructure projects, and;
- Clean energy workforce development and contractor support programs.

By providing funding to priority populations, PCEF is working to ensure our most impacted residents are prepared for a changing climate as we move toward our goal of [net-zero carbon emissions by 2050](#).

What is a priority population?

Providing benefits to specific populations is central to the PCEF program. The PCEF legislative code identifies two "priority populations" whom are the focus of PCEF's grant programs:

Priority populations for clean energy, transportation decarbonization, green infrastructure, and regenerative agriculture projects (priority population): People with low incomes and people of color are priority populations for grants that address clean energy, transportation decarbonization green infrastructure, and regenerative agriculture. Historically, these populations have had less access to the

benefits of green 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.

Priority populations for workforce and contractor development projects (workforce priority population): Women, people of color, people with disabilities, and people who are chronically underemployed are identified as priority populations for grants that address workforce and contractor development

PCEF's guiding principles

The PCEF Committee developed a set of principles to guide the program and its values. These Guiding Principles describe the values by which the PCEF program is administered and complement the legislative code ([PCC 7.07](#)). By following these guiding principles, PCEF ensures that decisions are being made in a way that honors, follows, and aligns with the vision and values of the Committee and Community.

The guiding principles are:

- **Justice driven:** Advance systems change that addresses historic and current discrimination. Center all disadvantaged and marginalized groups — particularly Black and Indigenous people.
- **Accountable:** Implement transparent funding, oversight, and engagement processes that promote continuous learning, programmatic checks and balances, and improvement. Demonstrate achievement of equitable social, economic, and environmental benefit. Remain accountable to target beneficiaries, grantees, and all Portlanders.
- **Community powered:** Trust community knowledge, experience, innovation, and leadership. Honor and build on existing work and partnerships, while supporting capacity building for emerging community groups and diverse coalitions. Engage with and invest in community-driven approaches that foster community power to create meaningful change.
- **Focused on climate action with multiple benefits:** Invest in people, livelihoods, places, and processes that build climate resilience and community wealth, foster healthy communities, and support regenerative systems. Avoid and mitigate displacement, especially resulting from gentrification pressures.

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
& SUSTAINABILITY**

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