



Bureau of Planning and Sustainability

# 2026 Community Grants Draft Funding Allocations and Eligibility

Thank you for your interest in the [Portland Clean Energy Community Benefits Fund](#) (PCEF) 2026 Community Grants program. The 2026 funding cycle is the third offered under the inaugural [Climate Investment Plan](#) and supports planning and implementation projects that reduce emissions and improve climate resiliency in ways that advance economic, social, and climate justice for our under-resourced communities. This packet provides important details about the proposed funding levels and eligibility details.

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## Community Grant Eligibility

### Who can apply for a PCEF Community Grant?

Qualified nonprofit organizations **who meet all the following requirements** are eligible to apply for PCEF grant funds:

1. Designated by the Federal government as a 501(c) or 521(a) nonprofit entity.
2. Registered and certified with the Oregon Secretary of State as a nonprofit organization.
3. NOT on the Oregon Department of Justice list of Disqualified Charities.

Qualified nonprofit organizations do not need to be located within the City of Portland but all projects with physical improvements must be located within the City of Portland. Workforce and contractor development projects must serve residents located within the Portland Metropolitan Area.

Newly established or emerging groups who do not meet the 501(c) or 521(a) designation requirement, or eligible nonprofits seeking additional administrative capacity, may apply for a PCEF grant with a fiscal sponsor. A [fiscal sponsor](#) is an eligible nonprofit organization that provides necessary infrastructure and administrative support for managing a grant.

### Eligibility Limitations and Compliance Requirements

**Number of eligible applications:** Organizations may submit up to two grant applications as the primary applicant. If submitting more than one application, the second must either: Fall under a different primary funding category or be a different type of grant application (e.g., one planning grant and one implementation grant). Implementation grant applications may include activities spanning multiple funding categories. However, each application must designate a primary funding category, based on where the largest share of the proposed budget will be spent. Each application must focus on a single, cohesive project or program with interrelated milestones. Proposals may include components from different funding areas, but all elements must be clearly connected within a unified project. Applications that combine multiple unrelated projects or programs into one proposal will be considered an attempt to bypass application limits and will not be eligible. Important note: If an organization submits more than two applications as the primary applicant, only the first two complete submissions will be considered. Additional submissions will be deemed ineligible.

**Compliance requirements for current grantees:** Current grantees may submit grant applications for new scopes of work. Current grantees must be in good standing with their active PCEF grant to be eligible to apply in a new funding cycle. Organizations that are significantly underspent or delayed in their current grant implementation or have been notified that they are at risk of grant cancellation at the time of applying for a new grant, may be deemed ineligible until their current grant concerns are resolved.

## Types of Grant Applications

A combination of planning grants, and both small and large implementation grants will be awarded from the 2026 Community Grants funding cycle. The application, review process and grant terms for small and large implementation grants is identical. Planning grants have a similar application and review process but a shorter grant term.

**Grant sizes** – We use small and large grant caps to help ensure a mix of projects within each portfolio, creating opportunities for smaller organizations with more modest budget needs. We strongly encourage organizations to assess their capacity to manage grant funds and scale their requests accordingly. Organizations should request the amount needed to successfully deliver a project with strong climate and community benefits, without requesting more than they can effectively manage. The distinction between small and large grants will also support staff in balancing the grant portfolio to achieve a diverse range of project sizes.

**Planning grants** support organizations in conducting assessments, planning activities, and other preparatory work needed to develop a full project proposal and lay the foundation for future implementation. These grants cannot be used for project implementation costs, and receiving a planning grant does not guarantee future funding. Applications must align with PCEF's goals of addressing climate change while advancing social, economic, and climate justice. Planning grants may range from one to two years in duration. Funding is available at two levels, validated by PCEF staff based on the scope of work: up to \$100,000 for planning activities such as community engagement, general research, or curriculum development, and up to \$200,000 for highly technical planning activities such as construction feasibility studies, energy modeling, or fleet assessments, which typically require additional expertise and resources.

**Implementation grants** can be used for projects that address climate change and advance economic, social, and climate justice for our under-resourced communities. Projects can include physical improvements (e.g., weatherization, solar installations, tree planting, or regenerative agriculture) and/or non-physical activities (e.g., workforce training). Grant funds can be used to pay for staff time, contracted work, purchase of equipment, materials and supplies, costs associated with fulfilling program requirements (e.g., additional insurance, reporting), and other items needed to complete the project. Some planning can be a part of an implementation grant application, but implementation must be the primary focus of the application. Implementation grants must be completed within five years, unless otherwise stipulated in funding area specific requirements below.

## Funding area grant caps and total expected funding

The 2026 Community Grants funding cycle will offer up to \$60 million in grant funds across all grant types and funding areas. There are different funding limits (grant caps) and total funding levels depending on the type of project being proposed.

Energy efficiency and renewable energy: Includes renewable energy, battery storage, and energy efficiency projects on/in residential buildings, nonprofit occupied commercial buildings (can be privately owned), and community solar that benefits low-income Portland residents. All energy efficiency and renewable energy projects must reduce GHGs.

- Total expected funding is up to \$31 million.
- Large grant cap: \$5 million
- Small grant cap: \$2 million

Green infrastructure: Includes planting, establishment, and maintenance of trees; restoration, depaving, planting, and establishing native plants and shrubs. All green infrastructure projects must reduce GHGs.

- Total expected funding is up to \$1.7 million.
- Large grant cap: \$1 million
- Small grant cap: \$200,000

Regenerative agriculture: Includes projects that improve access to local food, fibers, and materials using practices that sequester carbon in the soil and support a healthier urban environment.

- Total expected funding is up to \$5.3 million.
- Large grant cap: \$1 million
- Small grant cap: \$200,000
- General operations grants: Up to 25% of the organization's annual operating budget or \$200,000, whichever is lower.

Transportation decarbonization: Includes projects that support transportation electrification and those that support active transportation programs. All transportation decarbonization projects must reduce GHGs.

- Total expected funding is up to \$12 million.
- Large grant cap: \$4 million
- Small grant cap: \$500,000

Climate jobs, workforce and contractor development: There are three categories of work within the workforce and contractor development funding area.

- Total expected funding is up to \$8.7 million.
- Workforce training or contractor development:
  - **Workforce training** includes pre-apprenticeship, apprenticeship, and other job training programs that help to diversify the climate workforce with a focus on programs with direct job placement and workers in the construction trades.
  - **Contractor development** includes technical assistance and other support, such as business development to help support and grow diverse contractors and businesses that provide climate-focused goods and services.
    - Total expected funding is up to \$7.9 million
    - Large grant cap: \$1.5 million
    - Small grant cap: \$500,000
- Youth education and exposure: Includes youth education and engagement that increases knowledge of, and interest in, careers in climate work.
  - Total expected funding is up to \$800,000
  - Grant cap: \$400,000

Other: Includes projects that do not fall into one of the above categories but supports program goals of addressing climate change while advancing economic, social, and climate justice for our under-resourced communities.

- Total expected funding is up to \$700,000

Planning grants (all areas of work): Planning grants support the development of projects related to one of the funding areas outlined above. PCEF aims to award 1–2 planning grants per funding area. Funding requests for planning grants should align with the scope of the project and its anticipated outcomes.

Note - Planning projects primarily focused on community engagement, general research, or curriculum development should limit their grant requests to no more than \$100,000.

- Total expected funding is up to \$600,000.
- Grant cap: \$200,000

## Uses of PCEF funds

This section highlights how PCEF dollars can and cannot be used, and other things to be aware of when it comes to PCEF funding. This is not a comprehensive list of funding uses or requirements. It provides information about common questions regarding funding limits and uses of funds, including information on allowable expenses that often are not allowed by other funders, but may be critical to addressing climate issues in a way that advances economic, social, and climate justice for our under-resourced communities. We encourage applicants to think creatively when designing projects that meet climate justice goals. If you have any additional questions about how PCEF funds can or can't be used, please contact [cleanenergyfund@portlandoregon.gov](mailto:cleanenergyfund@portlandoregon.gov).

### Allowable expenses: What PCEF funding can be used for

**Materials, supplies, and equipment** purchases must be in service of implementing the proposed project. PCEF does not require lowest cost budgeting; applicants should consider the social, economic, and environmental impacts of purchasing choices.

**Items necessary for businesses starting or scaling up** in the energy efficiency and renewable energy sector may be eligible under contractor support grants, including expenses related to capitalizing business loans when in line with PCEF goals and requirements.

**Insurance costs** that are additional and a direct result of requirements associated with the PCEF grant are an allowable expense for the first grant year. Grantees would be expected to pay for all insurance costs through their "overhead" funding for subsequent years.

**Items necessary to support recruitment, retention, and success of participants.** PCEF funds may be used to support recruitment, retention, and success of workforce program participants. This includes payments made to or on behalf of participants for costs such as housing, transportation, childcare, tools, union dues, or participation stipends. The need for such payments should be clearly established (e.g., through income eligibility) and must be proportional to the level of program participation. For example, a participant attending one day per week should receive support appropriate to that level of engagement.

**Project reporting.** Reports, plans, and other material developed using grant funds are an allowable expense and considered public information. In addition to standard reporting that is required of all PCEF grantees, PCEF applicants are encouraged to integrate culturally appropriate and meaningful ways of communicating and reporting about their project. Examples could include works of performance or visual art, etc.

## Allowable expenses, with specific limits and/or restrictions

**Initial maintenance expenses.** PCEF can only pay for maintenance costs incurred during the active grant period. Grant agreements will not be extended solely to cover unanticipated maintenance expenses, and PCEF does not provide upfront funding for future maintenance needs. However, grantees are encouraged to include initial maintenance-related expenses as part of their project budget, such as prepayment of a service warranty, HVAC maintenance contracts, contracted tree establishment care, staff time to develop a maintenance plan, or maintenance training for staff.

**Fiscal sponsors.** Organizations that apply for PCEF funds with a fiscal sponsor may allocate up to 10% of their grant application budget for fiscal sponsor fees.

**Overhead costs** (also sometimes called administrative costs) refer to general costs of operations such as rent, utilities, administrative staff, insurance, legal, website, and telecommunications. Overhead costs are auto calculated for all applicants.

The overhead amount is determined by a calculation of specific line items:

- 10% of the for travel, materials, and contracts line items, plus
- 20% of the personnel line items
- All other budget line items are not included in the overhead calculation.
- Note that applications with a fiscal sponsor may have a combined overhead rate up to 25%.

**General operating costs** are only an eligible expense for organizations whose primary purpose is regenerative agriculture and local food production in Portland, Oregon. The amount covered is capped at 25% of operating costs or \$200,000 annually, whichever is less. General operating support grants are for three-year terms and apply only to organizations that pay their entire organization's staff wages at or above the PCEF minimum wage.

**Construction Timeline** – For all multi-unit housing and commercial projects, construction must be completed within three years of the grant agreement's effective date. For grants that include multiple project sites, the total project must complete construction within three years. Budgets must reflect no more than three years of expenses.

**Embodied carbon** – If your project includes embodied carbon as a GHG reduction measure please email [cleanenergyfund@portlandoregon.gov](mailto:cleanenergyfund@portlandoregon.gov) to confirm whether it qualifies as an allowable expense before submitting your application.

**Life, Health, and Safety Improvements and the 70/30 Budget Split** For retrofits in existing buildings and homes, PCEF can fund a portion of construction cost for life, health, and safety improvements. PCEF will not fund life, health, and safety measures in new construction projects. Below are additional guidelines for this requirement.

- At least 70% of the construction budget must go toward eligible energy efficiency and/or renewable energy (EE/RE) measures.
  - Measures must appear on the eligible measures list or be approved by PCEF
- Up to 30% of the construction budget may support life, health, and safety improvements that:

- Enable or are required for the EE/RE measures (e.g., asbestos or mold mitigation, electrical upgrades)
- Address other critical building upgrades, including ADA upgrades if life, health and safety funds remain after energy upgrade enabling repair needs have been met.
- If additional non-PCEF funding (leverage) is confirmed for clean energy measures that PCEF is funding, up to 50% of PCEF hard construction funds may be used for life, health, and safety improvements, if the total hard construction budget maintains the required 70% clean energy investment. For this approach, PCEF does not include leverage for measures outside of the PCEF funded scope. Examples:
  - \$50,000 PCEF grant → Up to \$15,000 (30%) for life, health, and safety improvements
  - \$84,000 total project cost with \$34,000 in other funds contributing to the measures in the PCEF grant request → Up to \$25,000 (50%) of PCEF funds for life, health, and safety improvements

**New construction or building improvements** that will result in a new or renovated building that does not use more energy than it generates on an annual basis (sometimes called net-zero) may apply for up to 25% of total project cost, including, if applicable, land acquisition and design, to a PCEF grant. For multi-unit projects following this approach, a maximum cost per unit eligible for PCEF funding will apply, with the limit currently under evaluation.

**Grant funds invested in commercial properties** that are privately owned by individuals or for-profit organizations may be allowed in limited circumstances (e.g., if a nonprofit holds a long-term lease or as part of a contractor training program). If you are exploring potential project that includes investment in privately held commercial property with PCEF funds, please email [cleanenergyfund@portlandoregon.gov](mailto:cleanenergyfund@portlandoregon.gov) for consultation on whether it would be considered an allowable expense.

**Projects in the Right-Of-Way (ROW)** must include a letter of support from the relevant permitting agency (e.g., PBOT, BES, Portland Parks). ROW projects are eligible only if the proposed improvement follows a prescriptive process, or the applicant proposes a complementary non-prescriptive improvement with separate PBOT coordination. Planning grants for ROW projects must include clear engagement with PBOT to ensure the effort results in viable implementation. Funding may not be used for PBOT-led capital improvements; PCEF-funded projects must stand alone.

**Electric vehicles (EV)** are eligible grant expenditures, subject to the following limitations:

- EV purchases must replace an existing gas-powered vehicle currently in use or include a clear justification for fleet expansion that explains how the additional vehicle supports PCEF's climate and justice goals. PCEF will not fund EVs for private individuals or any vehicle or infrastructure powered by carbon-based fuels.
- For for-profit businesses, EV incentives require a 75% cost share unless the vehicle is for specialized climate related work, which must be clearly justified in the application narrative.
- If purchasing up to three EVs, they must be acquired within 18 months of grant execution.
- All EV funding requests must include a charging plan and a long-term maintenance plan for vehicles and chargers beyond the grant term. Initial maintenance costs may be included, but

grant agreement terms will not be extended solely to cover future maintenance or insurance costs.

- EVs and chargers must be operational within one year of grant execution, or up to two years for smaller scale projects, with longer timelines allowed for large scale projects with clear phasing.
- All EV related physical improvements must occur within the Portland city limits.

**Transportation projects** related to public transportation and active transit access may be required to engage and coordinate with the relevant public agencies, such as Trimet and PBOT, if selected for funding. Projects must focus on non–single occupancy modes, such as walking, biking, rolling, e-bikes/scooters, or transit. Projects can focus on behavioral change and community engagement, even if they do not include physical infrastructure.

**Land and/or building acquisition** may be an allowable project expense in very limited circumstances where it is strategic and necessary to project success. For example, land may be acquired for a community solar project or as part of a net-zero project. If deemed eligible, acquisition expenses must occur within grant agreement period. Land acquisition for regenerative agriculture will not be considered as it is supported in Strategic Program 9 outlined in the CIP. If you are exploring potential land or building acquisition with PCEF funds, please email [cleanenergyfund@portlandoregon.gov](mailto:cleanenergyfund@portlandoregon.gov) for consultation on whether it would be considered an allowable expense.

**Grant funds for Community Supported Agriculture (CSA)** or other food shares that are sourced from operations within the city of Portland that employ regenerative agriculture practices are eligible. Sourcing for shares purchased from farming operations outside of Portland, including Sauvie (Wapato) Island, is not eligible for PCEF funding.

### Not allowable use of funds

The following is a list of activities that are not allowable within 2026 Community Grants. Some activities not allowed within Community Grants are funded through one of the strategic programs in the [CIP](#). When activities are ineligible for funding due to their inclusion in a strategic program, the program number is specified. You can find more details on all strategic programs in the [CIP](#). In addition, throughout all PCEF programs, expenses for technology that is not commercially available are not allowed.

#### **Energy efficiency and renewable energy, not allowable through Community Grants**

- Energy efficiency improvements for more than 50 homes (e.g., single family, single unit housing, duplexes, triplexes, quadplexes) per year (see Strategic Program 3)
- Energy upgrades in new construction or redevelopment of regulated multi-unit housing with 20+ units (see Strategic Program 1)
- For-profit commercial buildings (see Strategic Program 4)
- Energy upgrades at public schools (see Strategic Program 16)
- Improvements to government-owned facilities used for severe weather response.
- Standalone climate resiliency measures that increase energy use without reducing GHGs.

- Windows, doors, lighting, or appliances installed without other qualifying energy measures (Visit Energy Efficiency and Renewable Energy Resources for more information on eligible measures).
- Non-electric mechanical systems or appliances.
- Land acquisition costs (See net-zero and community solar sections below for exceptions).
- Projects that have active applications for PCEF funding for the same project, through a different PCEF program or funding opportunity.

**Green infrastructure, not allowable**

- Street tree planting in the public right of way (see Strategic Program 8).

**Regenerative agriculture, not allowable**

- Land acquisition (see Strategic Program 9).
- Hydroponics and aquaponics.

**Transportation decarbonization, not allowable**

- Projects duplicating PCEF Strategic Programs in the [CIP](#) are not eligible, including:
  - SP 6: E-bike rebates
  - SP 7: Equitable clean transportation access
  - SP 13: EV Financing
- Projects that complement or add to these strategic programs may be eligible if they clearly demonstrate how they build on or contribute to those efforts.

**Workforce and contractor development, not allowable**

- Post-secondary education scholarships are limited to certification programs with direct climate work connection (e.g., Limited Renewable Energy Technician (LTR) license or arborist license). Scholarships for more general education and for four-year degrees will not be considered.
- Workforce training programs that do not have a fully developed curriculum are not eligible for implementation grants but can apply for a planning grant to develop curriculum.

[PCEF funding rules you should be aware of before you decide to apply](#)

**Transfer of property.** Some types of property (e.g., real property and personal property valued above a certain threshold) obtained with PCEF funds, either in full or in part, may require the grantee to notify the City and receive approval for transfer ownership of the property. The City’s approval to transfer ownership will not be unreasonably withheld.

**Wage requirements.** All workers paid using PCEF funds must be paid at least 180% of [area minimum wage](#). This wage is updated annually on July 1. For the period from July 1, 2025, to June 30, 2026, the minimum wage for workers to be paid using PCEF funds is \$29.34 per hour. Click [here for additional information about PCEF wage requirements](#).

- Note - PCEF will review project personnel wage rates to ensure they are commensurate with the size and scope of the organization and its proposed project. If a requested wage is flagged during financial review as potentially excessive, PCEF may require additional documentation or

justification to support the request. PCEF may deny an employee wage request if the provided justification is deemed insufficient or does not align with the program's standards.

**Rent stability** - PCEF-funded improvements cannot be used as a basis for rent increases.

**Funding only within the grant agreement period.** Reimbursement for items procured or work completed prior to the effective date of the grant agreement are not an allowable expense.

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