

**PORTLAND CLEAN ENERGY COMMUNITY BENEFITS FUND (PCEF) COMMITTEE**

**MEETING SUMMARY DRAFT**

**January 31, 2024 • 6:00 PM – 8:30 PM**

**Zoom Call**

<b>Committee Members</b>	<b>Position</b>	<b>Affiliation</b>	<b>Present</b>
Dr. Megan Horst	Co-Chair	Associate Professor, School of Urban Studies & Planning at Portland State University	Yes
Ranfis Giannettino Villatoro	Co-Chair	Oregon State Policy Manager, BlueGreen Alliance	Yes
Alicia Chapman	Member-at-Large	Willamette Technical Fabricators	Yes
DeAngelo Moaning	Member-at-Large	Raimore Construction	Yes
Faith Graham	Member-at-Large	Elevate Energy	Yes
Maria Gabrielle Sipin	Member-at-Large	Community Member	Yes
Paul Lumley	Member-at-Large	Cascade AIDS Project	Yes
Robin Wang	Member-at-Large	Vibrant Future LLC	Yes
Michael Edden Hill	Member-at-Large	Community Member	Yes
Sam Baraso	Program Manager	PCEF	Yes
Cady Lister	Deputy Program Manager	PCEF	Yes
Jaimes Valdez	Org. Development & Policy Manager	PCEF	No
Kris Grube	Project Manager	PCEF	No
Wendy Koelfgen	Project Manager	PCEF	No
Rachel Gilmore	Administrative Specialist	PCEF	Yes
Elizabeth Stover	Senior Communications Strategist	PCEF	Yes
Tracy M. Smith	Facilitator	Inhance LLC	Yes
Camerina Galván	Notetaker	Galvan Consulting LLC	Yes
Ciara Pressler	Consultant	Pregame	Yes

**Others:** Mika Barrett, Bureau of Planning and Sustainability and PCEF; Heather Keisler Fornes; Jay Richmond, PCEF; Jeni Hall, Energy Trust of Oregon; Mercedes Elizalde, Latino Network; Micah Meskel, Portland Audubon; Paul Hawkins; Yashar Vasef, Executive Director, Friends of Trees; Eli Spevak, Portland Planning Commission; Dawn Dunlap; Christina Dirks, Director of Policy, Home Forward; Brenna Bell,

Forest Climate Manager, 350 PDX and co-facilitator, Portland Shade Equity Coalition; J'reyesha Brannon; Mirabai Collins, Black Futures Farm and Black Food Sovereignty Coalition; Heather Keisler Fornes, Portland Fruit Tree Project; Donnie Oliveira, City of Portland; Eli Spevak, Portland Planning Commission; Micah Meskel, Assistant Director of Conversation; Bird Alliance of Oregon (Formerly Portland Audubon).

## **INTRODUCTIONS**

- Tracy M. Smith called the meeting to order at 6:05 PM.
- The quorum was met.

## **PUBLIC COMMENTS: TRACY M. SMITH, FACILITATOR**

- Mirabai Collins represents 20 organizations representing Portlanders and advocated for greater investments in community-based organizations and grassroots initiatives and a 10% investment of \$540 million for the regenerative agriculture sector.
- Eli Spevak recommended that programs less aligned with the PCEF priorities are given less funding or are funded for two years instead of five years.
- Christina Dirks appreciated the community engagement for the Climate Investment Plan (CIP). Home Forward supports the Housing Bureau's ask of \$440 million for the preservation and energy improvements of existing affordable housing and asks the committee to consider deeper investment in Portland Housing Bureau for new developments and an allocation for Home Forward in the future.
- Brenna Bell appreciated the \$40 million allocated in the CIP for tree planting and asked for greater investment for street tree maintenance. Brenna Bell supports Portland Parks and Recreation's ask for \$100 million for at least five years for tree maintenance and asked for funding in perpetuity.
- Micah Meskel shared the committee's concerns at the last meeting regarding the process and alignment or misalignment of projects with PCEF values and appreciates Commissioner Rubio and the bureau director's pragmatic approach. Micah Meskel supports an equitable tree canopy, watershed and stormwater infrastructure, revegetation projects, and greater investments in the grants program.
- Yashar Vasef supports the proposed \$100 million allocation for Portland Parks and Recreation's tree maintenance program for climate resilience. He advocates the engagement of Black, Indigenous, and People of Color-led organizations.
- Heather Keisler Fornes advocated for additional investments in regenerative agriculture and funding for general operations for regenerative agriculture projects.
- Mercedes Elizalde asked that bureaus meet the same criteria as nonprofits, shift funding from five years to two years, provide additional time for bureaus to present information, set aside funds for pivoting with the new government, capacity building for organizations, and the CIP, and extra time for vetting proposals. Mercedes Elizalde is concerned the bureaus get to decide how the funds are used, and it sets the precedent that communities and bureaus will compete for funds if there is an economic recession.

## **ADDRESSING THE PUBLIC: MEGAN HORST, CO-CHAIR, AND RANFIS GIANNETTINO VILLATORO, CO-CHAIR**

- Megan Horst thanked the public for their participation and public comments. She is happy to see advocacy for regenerative agriculture, affordable housing, and tree canopy. She urged regenerative

agriculture organizations to submit quality applications to the Request for Proposals 3 and urged PCEF to streamline the grants program. She calls the committee to think about the precedent they are setting and calls for a slower, more deliberate process in the future.

- Ranfis Giannettino Villatoro thanked the public for providing public testimony. He acknowledges the harm experienced by groups when engaging with the city. He affirms this is a challenging process. The committee will use its best judgment to make balanced decisions that support the city and community.

#### **BACKGROUND AND CONTEXT: SAM BARASO, PCEF, AND DONNIE OLIVEIRA, CITY OF PORTLAND**

- **The Climate Investment Plan (CIP):** Sam Baraso acknowledged this is an imperfect process and gave an overview of the CIP and Community Responsive Grants (CRG) program. The majority of staff is actively implementing the CIP and CRG. The influx of additional resources is a benefit and a challenge. The climate investment need surpasses PCEF funds. PCEF's commitment has not changed.
- **Climate Emergency Workplan:** The City of Portland was the first to create a climate action plan. The city developed a Climate Emergency Workplan (CEW) in 2022 to reduce carbon, sequester carbon, and build Portland's resilience to impact climate change, focusing on the most vulnerable. The Climate Emergency Workplan is centered on the city, and the proposed allocations are based on decades of work and action items laid out in the CEW. Projects were selected based on the capacity to start the work, as imperfect as it is.
- **Committee Meeting Schedule:** Sam Baraso acknowledged the committee could have spent three hours on each proposal shared at the January 25, 2023 Public Meeting. The timing for the discussion for the second proposed allocations and the dates for the following PCEF Committee Meetings were reviewed.
- The committee members' comments and questions:
  - When will the committee need to make a decision?
    - Response: The committee will decide on the first set of proposed allocations on February 2, 2024, from 3:00-5:00 PM. Additional information from bureaus will be provided ahead of time.
  - A committee member asked to conduct a temperature check to know how committee members feel about each proposal.
    - Response: This is a great idea. As we discuss each proposal, the committee can indicate their feelings about each.
  - A committee member agrees that a temperature check is a suitable method. She is worried that the CIP will not be able to do well if they keep adding more.
    - Response: It has been a fundamental concern that the scale of the CIP is large. If people are seeking opportunities, PCEF will be recruiting. With an influx of additional resources, as much as we want to move funding into smaller community organizations, we need to balance the amount of funding and staff capacity. The city infrastructure can carry some of the load.
  - A committee member is concerned about allocating funding for five years. He recommends funding the first set of allocations for two years. What are the implications if the committee does not agree to fund some of the projects? How will the city respond?

- Response: There is nuance. There is an opportunity to discuss which projects may work under a two or five-year scenario.
- **Funding Bureau Projects Process:** Sam Baraso reviewed the steps and the methodology used to select the bureau projects. The committee can approve, modify, and reject proposals. The council can accept, amend, or reject the committee recommendations.
- **City Budget Context:** Donnie Oliveira shared that the staff and the committee did not set this timeline. On the heels of the CIP approval, PCEF learned that the forecasting was incorrect and that there would be a surplus of funds. At the same time, the city has significant budget challenges. PCEF will not fund the cost burden experienced by the city; instead, PCEF has the opportunity to preserve and expand the City's existing climate-related programming. The bureaus welcome feedback from the committee to strengthen programs. The process is moving quickly because the recommendation will influence the bureau budgets for 2024 and 2025.

Many of the projects have room to evolve. Funding is set at five years because launching a program takes time. We have been explicit that the funding will be, at most, five years consistent with the CIP. A second and third tranche of funding is coming, so there is an opportunity to improve the process.

- The committee members' comments and questions:
  - Have the staff identify which projects are new and which are existing. He highlighted points raised by Latino Network in the public comments. He has concerns about the city controlling the third tranche of funding; this is the first he has heard about it.
    - Response: Many of the projects presented exist or can be expanded. The Tree Maintenance Project would need ramping up. Staff can do a better job of communicating projects that would have challenges with two-year funding, those that can have two-year funding, and those that are one-time investments or short-term funding. Many projects have been gestating in the city for a long time and lacked funding.
    - Response continued: We don't know the amount of the third tranche. A forecast will be completed in April 2024, and we should plan to hear that the forecast will be short of the projection. PCEF is growing because corporations are making unprecedented revenue. If they were to have financial troubles, the funds would shift to small businesses and still benefit the community.
  - Because there is more funding, it is unfair for the city to carve out funding when the community hasn't been allowed to weigh in.
    - Response: The committee hopes to set clear directives for the second and third tranches. Commissioner Rubio has recommendations for the second tranche, and the committee can provide her feedback.
  - A committee member says it's hard not to recognize the role of government in this process. Many proposals will create union and trade jobs impacting the whole state. He wonders what the training will look like to transition to an electric fleet and whether it will set a precedent for worker training. This is an opportunity to establish parameters. How can we ensure more diversity in the workforce, especially for a transition into clean energy? He hopes labor is a part of the conversation and there is good collaboration with the community. We can't do business as usual. How do we allow for community groups to have multi-year funding? We'll need staff

capacity to roll out programs and the community to be involved. He hopes the February 2, 2024, meeting is an opportunity to set parameters and support regenerative agriculture.

- Response: The committee has been asked to help the bureaus define how the resources are utilized, and all of the directors want feedback to meet PCEF standards. The committee can hold the bureaus accountable. The committee can make recommendations on the subsequent two tranches of money.
- A committee member in the public sector is worried that the city will use the money to do business as usual, such as hiring the same contractors. He hopes there will be significant shifts in five years when the committee evaluates the projects.
- A committee member shared that when talking about community, it is vague. Who is going to be engaged? Who is doing the outreach? What are the targeted approaches? He continues to worry about workforce goals. The data proves that the projects continue to go to disadvantaged business enterprises in name and from the same “old boy’s club.” He doesn’t want to see business as usual.
  - Responses: The last two comments are consistent with how we have been viewing the projects. Historically, the government has been a difficult ship to turn. Donnie Oliveira shared examples of when community and PCEF have influenced how bureaus rethink their projects. If we see business as usual, the funding will be eliminated, and the bureaus have agreed. They know that their funding will be eliminated unless they can deliver. Since the process has been so fast, there hasn’t been an opportunity to discuss the impact the projects will have across the region and the climate movement.
- How does the committee feel about funding projects most aligned with PCEF for five years and projects they like for two years?
  - Committee member response: It would be helpful for us to have a conversation to organize the components to see which projects most align with PCEF priorities and to consider the funding periods based on alignment.
  - Committee member response: Committing to a five-year project through a process everyone has stated is rushed doesn’t make sense to him. He would like to hold agencies to the same standards as nonprofits if there is a potential for five-year funding.
  - Committee member response: A random five-year allocation versus a little informed two-year allocation is not less responsible. She doesn’t have enough information to know if two or five-year allocations would be better or what the implications would be to the programs. She is not comfortable with any blanket adjustment without understanding the impacts.
  - Committee Member Response: The parallel to five years is because it is an amendment to the CIP, a five-year plan. Cities create annual budgets, so this is unusual. She worries about setting a precedent. PCEF is not going to be the permanent funder for the programs. She would like to ask bureaus to provide milestones and reporting requirements similar to those of grantees. She hopes staff can flag issues and conduct audits and reports.
  - Committee Member Response: He feels five years makes sense. Many of these programs will take a year or more to ramp up and down, lessening the pressure on staff. He is concerned about giving the impression this is an ongoing perpetuity fund for the bureaus.
- Sam Baraso said that PCEF staff will follow up before the February 2, 2024, meeting regarding which proposals will work in a two-year window and which will not. There are projects that the city will

only take on if the funding is for at least five years. Programs will have reporting, performance measures, and expectations.

- The committee members' comments and questions:
  - A committee member would like additional context for the February 2, 2024, meeting on how the city will track spending, projects, and workforce outcomes.
    - Response: Donnie Oliveira told the committee members that they would set standards and mechanisms for reporting, workforce, and community engagement. The code requires PCEF to conduct performance audits. Investments across sectors need to start now.

#### **DISCUSSION ON PROJECTS PROPOSED FOR THE FIRST SET OF ALLOCATIONS: SAM BARASO, PCEF**

- Community members were asked to voice their concerns about the following projects:
- **Portland Water Bureau Projects:**
  - Do they have more projects?
    - The hydroelectric entity is run separately.
  - What is the climate impact of the low-income home Water Leak Repair Assistance program? I'd like to see the math.
    - Response: PCEF staff has additional information and will follow up.
  - Water waste has a carbon footprint. Efficiency reduces greenhouse gas (GHG) emissions. He wants community members to get a road trip or hear directly from bureau directors.
- **Bureau of Environmental Services:**
  - What is the GHG math?
    - Response: PCEF staff has additional information and will follow up.
  - How will trees be kept healthy after the planting, and what would the benefits be?
  - What is the carbon footprint affected by all programs?
- **Portland Housing Bureau:**
  - The CIP has allocations for new development. Is this proposal for existing affordable housing units?
    - Response: Correct. This project is for existing housing units that are thirty years or older to preserve their affordability and increase energy efficiency.
  - Are we missing community input in this approach?
    - A committee member responded that the public comment supports this project. Preservation of affordable housing is a big need.
  - What does the last sentence on the slide mean?
    - Response: We proposed some of the resources on a pilot basis. In 2023, the Portland Housing Bureau went out with a preservation request for interest, and as part of that, seven applications were received, all requesting PCEF funding. PCEF supported part of those projects under Strategic Program 1. Staff identified the need and discussed creating a program. More thinking is needed on how to pair it with other work.

- A committee member assumed that all the housing-related projects would meet the agreements for about seven to nine years without raising rent. Will these projects follow suit?
  - Response: These projects will have longer affordability covenants.
- Will everything we do center PCEF priority communities?
  - The staff nodded affirmatively.
- Are we doing an in-depth cost-efficiency analysis?
  - Response: The Housing Bureau projects are a substantial investment. The city council will have a work session regarding the unification of Resource Management. All tree maintenance systems may be co-located in one entity. We'll do a city-wide analysis of Urban Canopy and prioritize communities and neighborhoods lacking investment and maintenance. The cost-effectiveness of the Water Bureau is a legitimate concern. All projects will have key metrics and outcomes.
- A committee member hopes that the priority is quality installation over cost efficiency.
- **Portland Bureau of Transportation:**
  - Is the LED lighting program a new project?
    - Response: It is ongoing. The project will continue to replace streetlights.
  - Is there a cost-benefit that can be offered for the Streetcar Replacement? The burden is reduced if the bureau does not pick up the capital cost. What is the benefit if PCEF covers the cost? Can something be returned to the community? I'm not suggesting free fares.
  - A committee member hopes that bureaus see overlap in the CIP strategic programs and coordinate accordingly.
    - Response: Correct. We are talking about the connections between the roll-out of programming, existing programs, and programs being done with community-based organizations.
  - Will the LED lights be a city-wide effort?
    - Response: Yes, and staff will follow up with additional information.
  - You can no longer buy mercury-based lighting in Oregon as of next year. LEDs need to be retrofitted.
  - The LED StreetLight proposal is five sentences long, and they want \$37 million. I would reject a proposal such as this. More information is needed.
  - Will they add to dark zones?
    - Response: Staff will follow up.
  - Years ago, PBOT had a project about Walking While Black. One of the major priorities was better street lighting. Will this program be responsive to that streetlighting benefit, and will it roll out first in priority neighborhoods?
    - Response: Staff will follow up.
- **Division of Asset Management:**
  - The city fleet project is not community-oriented but does impact climate work.

- Response: Most city fleet consists of medium- and heavy-duty vehicles. Half of our emissions come from the fleet. This will have the largest GHG reductions than other programs.
- A committee member is concerned this will set a precedent for there to be a transition for impacted communities to transition to electric vehicles (EVs) that are not affordable. He doesn't see it impacting the community because they can not use EVs.
- Committee members shared they don't see the community benefit of the Arlene Schnitzer Concert Hall and that it is not a comfortable space for communities of color, even when programming from Black dance companies is offered. The million dollars could be invested in a project with greater community benefit.
- A committee member asked the committee to keep an open mind on the EV fleet. Transitioning to heavy-duty vehicles will reduce GHG emissions. The communities that would benefit most would be those with the highest traffic level. The workforce is being exposed to the diesel emissions. He would like more details about the workforce transition. It would be helpful for the committee to see the fleet.
  - Response: The Division of Asset Management is working on an apprenticeship program for women and Black, Indigenous, and People of Color. Government transitioning to EVs will build a city and community infrastructure and make Portland an EV epicenter.
  - Response: Regarding Arlene Schnitzer Concert Hall, the PCEF money can offset children's programming costs and climate benefits to the building.
- **Bureau of Hydroelectric Power:**
  - What are the GHG outputs? Who is the project affecting?
  - A committee member shared that his most significant concern is that the project is outside Portland. Setting a precedent and the reserve fund is an issue.
  - A committee member has yet to receive financials. He researched newspaper articles and has concerns about how they consistently lose money. If we fund this, PCEF is subsidizing a loss, which was not the intent of PCEF. He would be open to offering them a line of credit. When the loan ends, the money will return to PCEF. It would not be to fund a perpetual loss.
  - According to the city code, is it legal to fund this project?
    - Response: Staff will follow up with more information. It is a city asset.
    - Response: Bull Run is essential for our energy grid and GHG benefit. We may scale back based on your feedback.
  - The fund is meant for the city. The committee member has issues with all three proposals.

**NEXT STEPS:** SAM BARASO, PCEF

- PCEF staff will share information before the February 2, 2024 meeting.

**THE MEETING WAS ADJOURNED AT 8:54 PM**

**NEXT MEETING:** The next virtual meeting will be on Friday, February 2, 2024, from 3:00—5:00 PM.

Submitted by Camerina Galván, Notetaker, Galvan Consulting LLC.