



Bureau of Planning and Sustainability

Date: April 12, 2022
To: Portland City Council
From: PCEF Staff
Subject: PCEF heat response program, Community Distribution Partner amendment

Background:

Over the course of several days in June 2021, over 100 Oregonians lost their lives to extreme temperatures, with over 60 lives lost in Multnomah County. This heat wave was one of the deadliest documented natural disasters in Multnomah County's history¹.

The extreme heat events of June 2021 are consistent with the worst-case climate modeling for the Pacific Northwest. In response, the Portland Clean Energy Fund (PCEF) Committee approved the creation of the Heat Response Program, a 5-year effort to distribute 15,000 portable heat pump/cooling units to [PCEF priority populations](#), prioritizing those with the greatest heat related risk. The program solicited proposals from nonprofit partners to play one of two roles:

1. A single Equipment Purchasing Partner (EPP) to coordinate the centralized purchase 15,000 portable heat pump/cooling units, coordinate equipment delivery to contracted community distribution partners, and provide logistics and technical assistance.
2. A number of nonprofit Community Distribution Partners (CDP) to distribute and install portable heat pump/cooling equipment, provide information about how to use the devices, and potentially install basic weatherization kits.

Equipment Purchasing Partner selection:

The selection of the EPP through a request for proposals (RFP), advanced on an accelerated timeline due to the need to begin sourcing portable heat pump/cooling units in time for initial distribution beginning in spring 2022.

On January 5, 2022, City Council passed Ordinance No. 190670, authorizing the Portland Clean Energy Community Benefits Fund Heat Response, Equipment Purchasing Partner Grant with Earth Advantage Inc., for a total allocation not to exceed \$10,020,289. This Council Ordinance also repealed Ordinance No. 190618, which had initially awarded the Equipment Purchasing Partner role to another non-profit organization. That award was repealed due to an inability to conclusively verify work experience listed in their application.

¹ For additional context, review [Multnomah County's Preliminary Review on Excessive Heat Deaths](#).

Following City Council action, PCEF executed Grant Agreement No. 32002637 with Earth Advantage for their role in servicing as the program's EPP. Earth Advantage has since begun building up the Heat Response program infrastructure, placing orders for energy efficient cooling equipment, and staffing up to serve the EPP role.

On January 19, 2022, the PCEF Committee approved additional steps in the grant review process in order to address potential risks related to project implementation and financial management. The revised grant review process improves the likelihood that selected projects are completed successfully while offering more structured support for new, emerging and growing organizations².

Community Distribution Partner selection:

The CDP RFP was open for approximately 6 weeks from October 19 to November 30, 2021. Leading up to the deadline for CDP applications, PCEF staff hosted two virtual workshops, fielded questions from potential applicants and provided information about the roles and expectations in the Heat Response Program. PCEF staff received 11 applications for the CDP role.

Following application intake, PCEF staff conducted eligibility screening, asked applicants additional clarifying details regarding costs and implementation, and applied the additional grant review process steps approved by the PCEF Committee in late January 2022 (please see [1/26/2022 PCEF news release for additional details](#)). One applicant was deemed ineligible based on the eligibility screening.

The CDP application process sorted applicants into two types of organizations based on services provided: housing providers, and non-housing community-based organizations (CBOs). PCEF staff reviewed the cost information provided by CDP applicants and defined a fixed cost structure for the compensation of CDP services related to the delivery and installation of heat pump/ cooling units. This structure acknowledges the different staffing, ease of installation, logistics and travel required to provide the services between the two types of CDPs. The CDPs will be required to transport the units from warehouses to people's homes, and most propose employing two technicians per installation. The rates are as follows:

	Per-Unit Install Cost
Housing Providers	\$250
Non-Housing CBOS	\$400

This cost structure was communicated to CDP applicants and applicants were given the opportunity to decline participation. Two applicants declined to participate based on the rates provided.

² For additional context, review the PCEF news article on the additional review process.
<<https://www.portland.gov/bps/cleanenergy/grant-committee/news/2022/1/26/portland-clean-energy-fund-committee-approves>>

A three-person review panel consisting of staff from Bureau of Planning and Sustainability, the Portland Housing Bureau, and Multnomah County's Office of Emergency Management evaluated the eligible, participating CDP applicants based on the scoring criteria that were provided in the CDP RFP. Seven out of eight CDPs were recommended to serve in the initial cohort of CDPs in the Heat Response Program. All these organizations have a track record of successfully providing services to vulnerable populations in Portland. The seven recommended organizations, their service approach, and the number of units they requested are itemized in the table below.

Housing Provider CDPs

Organization name	Organizational profile	Organization's geographic or demographic focus for Heat Response	# of units requested (5 -year)
Central City Concern	Serves low-income individuals and households with housing and social services, below 60% AMI. Org has been in existence since 1970s.	8 low-income multifamily properties located in all quadrants of Portland. Mix of people living in permanent supportive housing, recovery housing, and workforce affordable housing.	676
Northwest Housing Alternatives	Serves low-income individuals and households with housing and wraparound services. 80% of tenants are below 50% AMI. Org has been in existence since mid-1980s. 33% of people served are BIPOC, 35% identity as having a disability, and 50% are over 55 years old.	12 multifamily buildings throughout Portland. Prioritization for health vulnerability, age, and disability status.	400
Portland Community Reinvestment Initiatives (PCRI)	Provides low-income families with housing, homeownership education and resident services. Org has been in existence since early 1990s and 75% of people served are BIPOC.	Single family and multifamily housing rental properties, located primarily in North and Northeast Portland.	1,000
REACH CDC	Serves low-income families with rental housing and provides home repairs for elders. 35% of people served identify as BIPOC. Org has been active since early 1980s.	Focus on serving low-income senior and disabled homeowners throughout Portland.	250
		Total estimated units	2,326

Non-housing Community Based Organizations (CBOs)

Organization name	Organizational profile	Organization's geographic or demographic focus for Heat Response	# of units requested (5 -year)
African American Alliance for Homeownership	Provides energy efficiency, home repair, and community education to low-income households. Org has been operating since mid-2000s and 75% of people served are BIPOC.	Service to households in their network throughout Portland, ability to serve additional new households after 1 st year	800
Asian Pacific American Network of Oregon (APANO)	Serves culturally specific population with housing assistance, tenant advocacy, energy efficiency improvements and food distribution. Org has been active since late 2000s.	Focus on serving elderly, people with disabilities, and immigrant populations, largely in East Portland.	1,250
Verde	Provides energy efficiency, community education, and tenant advocacy for vulnerable Portlanders, including BIPOC renters, mobile home residents, and low-income people. Org has been active since mid-2000s	Focus on low-income NE Portland households, and also mobile homes throughout Portland.	3,450
		Total estimated units	5,500

Total initial cohort distribution capacity = 7,826

The total number of units anticipated for distribution by this initial cohort is less than the 15,000 total units planned for the program. There will be a need for additional partners or approaches to deliver and install about 7,000 units in the coming years. PCEF Staff and Earth Advantage intend to engage with additional housing providers and CBOs to provide the opportunity to distribute units. The PCEF Committee recommends that the distribution gap is met by enabling alternative prioritized approaches to distribution. This approach recognizes that there were additional organizations that expressed interest in the CDP opportunity but did not apply in the window of application due to time or staff constraints.

- Priority 1: Additional nonprofit affordable housing providers
- Priority 2: Additional nonprofit community-based organizations
- Priority 3: Community health organizations
- Priority 4: For-profit direct installation contractors

In developing the program budget, staff projected an allocation of 5,000 units to housing providers, and 10,000 units to community-based organizations. The allocation reflects the approximate ratio of interest from the initial CDP cohort, with twice the initial demand from CBOs than housing providers. This approach also provides some flexibility to adjust for demand between the two types of CDPs in future years.

Simplified budget tables:

The following table reflects the allocation of equipment and installation costs over a 5-year period for the installation services required of the CDPs, additional energy efficiency or support services, and a project contingency budget. These additional service allows targeted resources for the CDPs to improve home energy efficiency during the installation of units through weatherization upgrades, and/or provide services such as maintenance or wellness checks that lead to improved long-term outcomes.

	Per unit install cost			
	\$250	\$400		
Type of CDP	HPs	CBOs	Additional CDP Services Budget	10% project contingency set aside
CDP Split Allocation %	33%	67%		
Number of units	5,000	10,000		
Allocated Cost	\$1,250,000	\$4,000,000	\$500,000	\$575,000
Total proposed costs for CDP installation and implementation: \$6,325,000				

The following table reflects the total costs of the EPP role and equipment acquisition, and the budget allocation to CDPs for their services over a 5-year period.

Equipment Purchasing Partner Role (existing grant)	\$ 10,020,289
Community Distribution Partner Roles (amendment)	\$ 6,325,000
Total Heat Response Program Budget	\$ 16,345,289