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190941

Ordinance

Authorize grants from the Portland Clean Energy Community Benefits Fund for total amount not to exceed \$121,964,895

Passed

Amended by Council

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Planning and Sustainability (BPS) shapes Portland's future and advances climate justice for a more equitable, healthy, prosperous, and resilient city.
2. In November 2018, Portland voters created the Portland Clean Energy Community Benefits Fund (PCEF) program, which invests in community-originated climate action solutions that advance racial and social justice.
3. The PCEF program is projected to generate \$80 to \$90 million annually in new revenue to provide grants to qualified nonprofit organizations for projects that reduce carbon emissions, advance resiliency, and promote equity for all Portlanders, with a focus on low-income communities and communities of color.
4. A nine-member PCEF Committee makes funding recommendations to Council and measures and evaluates the effectiveness of the PCEF program.
5. On September 28, 2021, PCEF staff released a Request for Proposal (RFP) for the second major round of grant funding for \$60 million in anticipated funding. The grant application evaluation rubrics and criteria guidance were updated over the preceding four months based on an evaluation of the inaugural RFP. The scoring criteria for each project type was published with the RFP.
6. From September 28 to November 30, 2021, PCEF staff hosted three virtual information sessions and 17 office hour sessions during regular work hours, evenings, and weekends to answer questions

Introduced by

[Commissioner Carmen Rubio](#)

Bureau

[Planning and Sustainability](#)

Contact

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PCEF Manager

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Requested Agenda Type

Regular

from prospective applicants. Staff and subject matter experts also provided six trainings on grant writing and budget development, and seven trainings total on topics of energy efficiency, solar energy and project permitting.

7. 162 applications were submitted by the close of the RFP on November 30, 2021. Of the proposals submitted for consideration 15 were found to be ineligible for funding or not technically viable. Three applicants also withdrew their applications at some point during the process.
8. On January 19, 2021, the PCEF Committee approved an additional application evaluation process to address potential risk related to project implementation and financial management. The vetting process was also designed to support successful projects, offer structured support for new, emerging, and growing organizations, and protect the long-term viability of the PCEF program. Applications requesting more than \$100,000 were flagged for additional review if they were new, requesting a large amount of funding relative to the organization's prior budgets, proposing a project in a line of work new to the organization, or if there were concerns regarding the project budget. Staff collected board documentation, performed reference checks, and gathered additional information/clarification from applicants.
9. Preliminary scoring of the 144 applications that passed eligibility and technical review resulted in low scoring applications being removed from consideration and the remainder being subject to financial review and the additional vetting process.
10. Scoring panels were comprised of three people and include a staff person, a PCEF Committee member, and subject matter expert. For planning grants, panels also included an additional community member. Five of the six scoring panels were majority BIPOC/non-white identifying people and all included more than one gender. All panel members received grant scoring and anti-bias training. Scoring panel members evaluated applications using published scoring criteria. More than 60% of applicants also took advantage of the opportunity to respond to their preliminary score prior to the final scoring panel meeting.
11. Scored applications were ranked within the four PCEF funding areas (clean energy, workforce and contractor development, regenerative agriculture/green infrastructure, and innovation/other) plus planning in the creation of proposed portfolio.
12. On April 7, 2022, the PCEF Committee recommended Council authorize an annual allocation of \$200,000 to the Mini grant program. The Mini grant program funds low-risk projects and activities including but not limited to attendance costs for climate change-related educational events and capacity-building trainings,

materials and supplies, and resources to support emerging organizations that represent priority populations as the organizations prepare PCEF grant proposals.

13. On May 26, 2022, and June 2, 2022, the PCEF Committee deliberated on the portfolio of projects, and had the opportunity to request additional information about the portfolio attributes.
14. On June 2, 2022, the PCEF Committee approved the RFP #2 funding recommendations, totaling \$110,695,441, to City Council, set forth in the "2022 RFP #2 PCEF funding recommendations and progress report", attached as Exhibit A.
15. In the months since grant applications were submitted in November 2021, the United States economy has experienced significant inflation and price increases in key sectors that impact construction and clean energy related materials, manufactured goods, labor, fuel, transportation, and other cost elements related to PCEF grant applications.
16. After Council authorizes the grant funding allocation, PCEF staff will work with grantees to finalize grant agreements. PCEF staff may identify additional project needs related to inflationary pressures, grant reporting, administration, or technical assistance. As a result, PCEF staff may recommend an increase in the grant award up to 10% above the grantee's requested funding.

NOW, THEREFORE, the Council directs:

- A. The BPS Director is authorized to execute grant agreements with the nonprofit organizations recommended for funding listed in the "Summary of grant applications recommended for funding" table of Exhibit A, for a total not to exceed amount of \$121,964,895.
- B. The BPS Director is authorized to execute grant agreements, with individual grants capped at \$5,000 and for a total amount not to exceed \$200,000, for grants that meet the objectives of the Mini grant program described in Exhibit A.
- C. Notwithstanding PCC Subsection 7.07.060 C., small, limited-purpose grant agreements equal to \$5,000 or less do not have to include terms related to renewable energy products, workforce equity agreements and family wage standards.
- D. Amendments to the grant agreements, including scope of work, budget and grant amount, may be executed by the BPS Director, provided those amendments do not increase the fiscal risk to the City or increase funding more than 10% above the grantee's requested funding as authorized above.
- E. The BPS Director, in the Director's sole discretion, is authorized to revoke any grant award before the grant agreement is executed. For any grant award equal to \$5,000 or less, the BPS Director may then award the grant to another RFP applicant if: (i) funding for

the new grant is equal to or less than the revoked grant; and (ii) the scope of the work for the new grant is substantially similar to the scope of work for the revoked grant.

Documents and Exhibits

 [Exhibit A - As Amended](#) (1.79 Mb)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed as amended by Council
July 20, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

Purpose of Proposed Legislation and Background Information

Portland voters passed the Portland Clean Energy Community Benefits Fund (PCEF) in November 2018. Exactly one year later, City Council seated the PCEF Committee. In April 2021, City Council approved the inaugural round of PCEF funding from the first Request for Proposals (RFP), totaling \$8,635,400 in funding requests.

In September 2021, PCEF released a second RFP for both planning grants and project implementation grants. This ordinance contains the Committee's second RFP funding recommendations and serves as a significant step forward in fulfilling the vision put forth by the communities who worked to put the PCEF program on the ballot. The PCEF Committee, a cohort of nine volunteers that reflect the racial, ethnic and economic diversity of our City, makes funding recommendations to the Mayor and City Council. These recommendations are the result of an iterative process with hundreds of hours listening to community members, dozens of public Committee work sessions, many working nights and weekends and an enthusiastic community response.

The PCEF program invests in community-originated climate action solutions that advance racial and social justice. The current funding cycle reflects a significant ramp up of PCEF's funding capacity and is in line with program goals to manage the PCEF fund balance responsibly and in alignment with the City Code and the PCEF Guiding Principles. On an ongoing basis, PCEF anticipates investment of \$80 – 90 million annually in green jobs, healthy homes, resilient neighborhoods and a climate-friendly, equitable Portland.

The PCEF Committee has recommended a portfolio that consists of 66 grants to fund 16 planning and 50 implementation projects that total \$110,695,441 in funding requests. Each grant proposal meets the PCEF program's objective of addressing climate change and advancing racial and social justice. Exhibit A, "2022 RFP #2 PCEF funding recommendations and progress report", includes grant proposals that the Committee is recommending for funding and grant proposals that were not recommended in this funding cycle.

The PCEF Committee also recommends that City Council authorize a \$200,000 allocation for an annual Mini grant program – capped at \$5,000 per grant and dispersing up to \$50,000 quarterly – as described in Exhibit A.

RFP #2 Grant funds	\$110,695,441
10% grant project contingency set-aside	\$ 11,069,544
Mini-grants program	\$ 200,000
Total requested authorization	\$121,964,985

Financial and Budgetary Impacts

\$121,964,985 is allocated from the PCEF Fund for the purpose of: (1) funding recommended grant proposals in response to the PCEF RFP #2, (2) funding a 10% project contingency set-aside, and (3) funding the Mini grant program in the amount of \$200,000. This funding is already secured as the Clean Energy Surcharge that is part of Portland City Code Chapter 7.07.035.

PCEF staff will administer the grants with positions that are already covered by existing authorized staffing levels.

Community Impacts and Community Involvement

The recommended grants provide much-needed climate action resources for the community through nonprofit community-based organizations. More than 71% of funds will go to organizations that reflect and serve priority populations identified in the PCEF program. Many of the recommended grants' project beneficiaries are in culturally specific populations hit hardest by climate change, face disparities in income and education, have disproportionate negative health outcomes and have largely been left out of past programs building the clean energy economy.

The clean energy related grant projects will collectively serve 2,350 residential housing units, as well as an additional 240+ residents at congregate housing facilities. Projects with physical improvements are

located throughout all quadrants of Portland, with \$62.6 million of projects that are geographically focused and \$13 million of projects that have citywide deployment.

Please see “2022 RFP#2 PCEF funding recommendations and progress report” attached as Exhibit A for additional details on community involvement.

100% Renewable Goal

These grants will help nonprofit organizations develop plans and implement significant projects focused on clean energy, green infrastructure, regenerative agriculture, workforce/contractor development, and other carbon reduction projects, in direct support of the City’s 100% renewable energy goal. The energy efficiency related grants in the clean energy portfolio will decrease the City’s total energy use and peak energy loads and the solar energy projects will increase the generation of renewable energy within the City.

Agenda Items

628 Time Certain in [July 13, 2022 Council Agenda](#)

Passed to second reading as amended

Motion to remove application #2758 from Exhibit A and reduce the total funding request to \$118,136,985: Moved by Rubio and seconded by Hardesty. (Y-5)

Passed to second reading July 20, 2022 at 9:30 a.m. As Amended.

655 Regular Agenda in [July 20-21, 2022 Council Agenda](#)

Rescheduled

Rescheduled to July 20, 2022 at 2:00 p.m.

656-1 Regular Agenda in [July 20-21, 2022 Council Agenda](#)

Passed As Amended

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea