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191705

Ordinance

Authorize Intergovernmental Agreements for the Portland Clean Energy Fund Climate Investment Plan Strategic Program 16 – Climate Friendly Public Schools not to exceed \$50,075,000 over five years

Passed

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 protection for a more prosperous, healthy, equitable, and resilient city now and for future generations.
2. To meet Portland's climate action goals there is an urgent need to fund and accelerate greenhouse gas emissions reductions and sequestration, especially within low-income communities and communities of color.
3. In November 2018, Portland voters created the Portland Clean Energy Community Benefits Fund (PCEF) program, which invests in community-originated climate action projects that advance racial and social justice (Ballot Measure 26-201). City Council codified non-taxation elements of Ballot Measure 26-201 in Portland City Code Chapter 7.07.
4. The purpose of PCEF is to provide a consistent, long-term funding source and oversight structure to invest in climate action projects that align with Portland's climate action goals and that support environmental justice and environmental, social, and economic benefits for all Portlanders, including the development of a diverse and well-trained workforce and contractor pool to perform work that reduces or sequesters greenhouse gases.
5. In 2020, City Council declared that a human-made climate emergency threatens our city, our region, our state, our nation, humanity, and the natural world, and that such an emergency calls for an immediate mobilization effort initiating greater action, resources, and collaboration that prioritizes frontline communities to restore a safe climate (Resolution No. 37494, as amended "Climate Emergency Declaration").
6. In its Climate Emergency Declaration, City Council also resolved to advance climate justice and climate action initiatives that are led by the community, especially frontline communities and youth from frontline communities, and accelerate investments in projects that benefit these

Introduced by

[Commissioner Carmen Rubio](#)

Bureau

[Planning and Sustainability \(BPS\)](#)

Contact

Cady Lister

PCEF Grants Management

✉ cady.lister@portlandoregon.gov

Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date

May 8, 2024

Requested Start Time

10:05 am

Time Requested

10 minutes

communities in ways that are restorative, reparative, and build present and future well-being and wealth.

7. In July 2022, City Council adopted the Climate Emergency Workplan to implement its Climate Emergency Declaration (Resolution No. 37585).
8. In October 2022, City Council amended the PCEF code to strengthen and streamline the PCEF program. The amendment broadened eligible funding recipients and funding areas and required the development of a [5-year Climate Investment Plan \(CIP\)](https://www.portland.gov/bps/cleanenergy/climate-investment/documents/pcef-climate-investment-plan/download) (<https://www.portland.gov/bps/cleanenergy/climate-investment/documents/pcef-climate-investment-plan/download>) to direct PCEF's investments (Ordinance No. 191046, the CIP is defined in PCC 7.07.030(D)).
9. The CIP outlines PCEF's planned investments to ensure funding decisions will have a lasting impact on Portland's greenhouse gas emissions and frontline communities.
10. From December 2022 through July 2023, BPS staff worked with the PCEF Committee to develop the inaugural CIP. Development involved extensive community outreach, public workshops, and focused roundtable sessions to gather input from subject matter experts and community members. BPS staff received over 1,000 unique comments across the community visioning and public comment periods.
11. The CIP guides investment of \$750 million between 2023 and 2028. The CIP serves to outline performance measures and goals, educate community members, and provide certainty to businesses, nonprofit organizations, government, and residents who are critical to PCEF's success. It includes 16 strategic programs, the Tree Canopy Maintenance Reserve, and allocations for community responsive grants in accordance with PCC Chapter 7.07. The CIP supports actions identified in the Climate Emergency Workplan.
12. An ECONorthwest study commissioned by PCEF found that completing all clean energy and green infrastructure projects benefiting PCEF priority populations would require approximately \$18 billion and take over 120 years. ECONorthwest concluded it would cost approximately \$49 billion to complete all clean energy and green infrastructure projects identified in the study.
13. On July 20, 2023, the PCEF Committee unanimously recommended the CIP to City Council for adoption. On September 27, 2023, City Council adopted the CIP, Ordinance No. 191463, to fund 16 strategic programs and the Community Responsive Grant program.
14. Strategic Program 16 – Climate Friendly Public Schools, will: 1) fund up to \$46,175,000 in physical improvements in qualifying public schools in the city of Portland, and 2) fund up to \$3,900,000 in student-led climate initiatives in all middle and high schools in the city of Portland.
15. There are more than 70,000 students attending K-12 public schools in the city of Portland. These school are operated by seven school districts which control significant assets in the form of buildings, vehicles and school yards (land). Within these assets there are substantial opportunities to reduce greenhouse gas emissions and improve resiliency by implementing energy, green infrastructure and transportation decarbonization projects.

16. School buildings represent millions of square feet of conditioned space, many in older, inefficient buildings with deferred maintenance. Improvements to school buildings are almost exclusively funded through voter-approved bonds. There is an opportunity to layer PCEF funding onto major improvements and maintenance funding to create higher efficiency, lower carbon schools and resilient buildings.
17. School transportation presents a significant carbon emissions and cost reduction opportunity. School busses in Portland are contracted or owned by the district and run primarily on diesel or propane with only a handful of EVs. Electrifying school busses has multiple benefits including reduced carbon emissions, improved air quality, and reduced operating and maintenance costs.
18. 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.
19. There are close to 40,000 middle and high school students attending public schools in Portland. These young people inherit a world in which the climate crisis cannot be ignored; it is imperative they feel empowered to conceive of, design and implement climate action.

NOW, THEREFORE, the Council directs:

- A. The Bureau of Planning and Sustainability Director is authorized to negotiate and execute seven Intergovernmental Agreements (IGAs), one with each public school district with schools operating within the city of Portland, in substantially the same form as Exhibit A. Total funding for each IGA shall not exceed the amount provided in the table below, for a cumulative amount not to exceed \$50 million for services to be rendered within five years of execution of an IGA.


School district	Allocation - physical improvements	Allocation – student led initiatives	Total allocation
Centennial	\$4,617,500	\$75,000	\$4,692,500
David Douglas	\$11,736,146	\$300,000	\$12,036,146
Multnomah ESD	\$3,270,729	\$150,000	\$3,420,729
Parkrose	\$5,579,479	\$150,000	\$5,729,479
Portland Public Schools	\$16,930,833	\$3,000,000	\$19,930,833
Reynolds	\$4,040,313	\$150,000	\$4,190,313
Riverdale	\$0	\$75,000	\$75,000
Totals	\$46,175,000	\$3,900,000	\$50,075,000

- B. The Mayor and Auditor are hereby authorized to pay for the Intergovernmental Agreements from revenue generated by PCEF's

Clean Energy Surcharge.

Section 2. This ordinance shall be in full force and effect on June 7, 2024.

Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2024/exhibita_pcefschoolsiga_final.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2024/exhibita_pcefschoolsiga_final.pdf) 295.66 KB

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 by Council
May 8, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

Portland voters passed the Portland Clean Energy Community Benefits Fund (PCEF) in November 2018.

The purpose of PCEF is to provide a consistent, long-term funding source and oversight structure to invest in climate action projects, in alignment with the City's climate action goals, that support environmental justice and environmental, social, and economic benefits for all Portlanders, including the development of a diverse and well-trained workforce and contractor pool to perform work that reduces or sequesters greenhouse gases (GHGs).

In October 2022, City Council amended the PCEF code to strengthen and streamline the PCEF program. The amendment required the development of a 5-year Climate Investment Plan (CIP) to direct PCEF's investments. Council adopted the inaugural CIP on September 27, 2023, allocating \$750 million through Ordinance No. 19143 to fund 16 strategic programs and the Community Responsive Grant program.

All programs in the CIP are evaluated with PCEF's equity + climate framework, which considers benefits to frontline communities, community leadership, implementation feasibility, GHG emissions reductions, and accountability.

Strategic Program 16 – Climate Friendly Public Schools is one of 16 strategic programs in the CIP. The program will provide funding for two types of projects.

1. **Physical improvements to qualifying school infrastructure:** must result in greenhouse gas emissions reduction; must be a project that falls within one of the PCEF funding areas of energy efficiency,

renewable energy, green infrastructure, transportation decarbonization, and/or regenerative agriculture; must be at a qualifying school within the city of Portland.

2. **Student-led climate initiatives:** annual funding of \$15,000 per school for each public middle and high school in the city of Portland to support student-led climate initiatives; must include decision-making process that clearly demonstrates student empowerment and leadership; must demonstrate connection to GHG reduction or sequestration; must demonstrate connection to one of the PCEF funding areas – clean energy, transportation, green infrastructure, regenerative agriculture, or workforce and contractor development; and must be implemented in middle and high schools within the city of Portland.

The purpose of this legislation is to authorize Intergovernmental Agreements (IGAs) with public school districts operating within the city of Portland to implement Strategic Program 16 – Climate Friendly Public Schools as it was approved in the CIP.

The Climate Friendly Public Schools outcomes and goals are:

- Schools serving PCEF priority populations reduce GHG emissions and are more climate resilient.
- Middle and high school students are engaged in leading climate action.
- 16,000 – 24,000 MT lifetime CO₂e emissions reduced.
- Student-led climate initiatives are active in all middle and high schools in Portland.

The Climate Friendly Public Schools program will leverage existing bond funding for public school infrastructure improvements and other funding within each of the seven public school districts in Portland committed to climate action. The design of the program gives flexibility to school districts to maximize potential to leverage other funding sources and district activities to bring lower emissions and improve climate resilience. The design and framework of this program is in strong alignment with City goals outlined in the Climate Emergency Workplan, the 100% Renewable Energy resolution, Prosper Portland's Advance Portland, as well as State of Oregon goals for 100% Clean Energy.

Financial and Budgetary Impacts

The \$50,075,000 5-year budget for Strategic Program #16 – Climate Friendly Public Schools is a portion of the \$750 million Portland Clean Energy Fund's 2023 Climate Investment Plan approved in September 2023, Ordinance #19143. This funding is secured from the collection of the Clean Energy Surcharge by the Portland Revenue Bureau, as authorized in PCC Chapter 7.07.035. The amount is inclusive of revenue already collected as well as projected revenues generated during the FY 2023-2028 period.

Intergovernmental Agreements with public schools operating in the city of Portland will be coordinated in partnership with the Office of Management

and Finance. BPS staff will administer the implementation of the program with existing authorized and budgeted positions.

This ordinance does not result in any changes in current or future revenues.

Community Impacts and Community Involvement

The Climate Friendly Public Schools program is responsive to community needs and is informed by significant community and stakeholder input. An equity + climate framework was used in evaluating strategic program opportunities, ensuring that the following values were elevated in design and implementation:

- Benefits to frontline communities. Will the program create clear, significant, and measurable benefit to frontline communities?
- Community leadership. Are there meaningful opportunities for community members to participate in decision making and/or provide leadership in program implementation? Does the program invest in building capacity within communities most impacted?
- 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?

PCEF staff are working with each of the seven school districts which were allocated funding in the CIP and with the City Attorney's office to negotiate the IGA template included as Exhibit A to this ordinance.

The IGAs will require school districts to comply with the inclusive contracting and worker goals established that were adopted in the CIP. These goals are intended to grow and diversify the number of workers and businesses that provide goods and services that reduce GHGs with a focus on populations that have been historically marginalized in the workforce.

100% Renewable Goal

The Climate Friendly Public Schools program will help Portland public schools reduce energy use and increase renewable energy generation, in direct support of the City's 100% renewable energy goal. It will provide resources for energy efficiency, renewable energy, transportation decarbonization, green infrastructure and/or regenerative agriculture improvements in schools throughout the city.

Energy efficiency investments will result in lowering community-wide electricity use helping reduce demand on the grid, providing greater systemwide resilience, and lowering peak loads for utilities that are making

their own investments towards a 100% emissions-free system. Investments in renewable generation will directly contribute to the renewable goal. In addition to direct energy use reduction and renewable generation, the program will improve climate resiliency through improved air filtration and ventilation, and green infrastructure heat reduction strategies (shading and depaving). The program can also fund transportation decarbonization, reducing greenhouse gas and other emissions, and also reducing operating costs.

The program goals related to workforce and contractor development are also strongly aligned with the 100% renewable goals related to prioritizing resources to train and hire people historically underrepresented and marginalized in the renewable energy and energy efficiency field, such as people of color and women.

Budget Office Financial Impact Analysis

The resources for this IGA come from the PCEF Climate Investment Plan, priority #16 which is "Climate Friendly public schools." The CIP earmarked the \$50 million being requested in this IGA.

Agenda Items

341 Time Certain in [April 24-25, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/4/24)
(<https://www.portland.gov/council/agenda/2024/4/24>)

Passed to second reading

Passed to second reading May 8, 2024 at 10:05 a.m. Time Certain

351 Time Certain in [May 8, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/5/8)
(<https://www.portland.gov/council/agenda/2024/5/8>)

Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea