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## 192017

Emergency Ordinance

### \*Authorize grants from the Portland Clean Energy Community Benefits Fund for a total amount not to exceed \$300 million

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. In 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.
3. 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").
4. In 2022, City Council adopted the Climate Emergency Workplan to implement its Climate Emergency Declaration (Resolution No. 37585).
5. Later in 2022, Council amended the PCEF code to strengthen and streamline the PCEF program based on insight from early program implementation and audit recommendations. The amendment broadened eligible funding recipients and funding areas and required the development of a 5-year Climate Investment Plan (CIP) to direct PCEF's investments (Ordinance No. 191046, the CIP is defined in PCC 7.07.030(D)).
6. In 2023, the PCEF Committee unanimously recommended City Council adopt the CIP, and Council unanimously adopted the CIP, authorizing BPS to implement the CIP's investment of \$750 million between 2023 and 2028 (Ordinance No. 191463).
7. In December 2023, the City Budget Office (CBO) released a memo projecting over \$500 million in additional revenue for PCEF over the next 5 years. In response, during January and February 2024, the PCEF Committee heard public testimony and deliberated on funding proposals submitted by City Bureaus. Ultimately, the Committee

Introduced by

[Mayor Ted Wheeler](#)

City department

[Planning and Sustainability \(BPS\)](#); [Portland Clean Energy Community Benefits Fund \(PCEF\)](#)

Contact

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Requested Agenda Type

Time Certain

Date and Time Information

**Requested Council Date**

December 18, 2024

**Requested Start Time**

2:00 pm

**Time Requested**

1 hour

recommended allocating \$382.8 million to City Bureaus for climate-related projects and approved a framework for directing additional resources toward high-impact, multi-stakeholder collaborative projects. This framework is known as the Collaborating for Climate Action funding opportunity.

8. In April 2024, the PCEF program released a request for Letters of Interest (LOI) for the Collaborating for Climate Action funding opportunity for \$158 million in anticipated funding. At the close of the LOI submission period, PCEF had received over 50 proposals totaling \$2.4 billion in requested funding.
9. In September 2024, after a multi-step review process that assessed project eligibility, viability, and scoring panel evaluations, the PCEF Committee invited ten proposals to advance to the full application stage.
10. In October 2024, the ten invited proposers submitted full applications. Three scoring panels –comprising City staff, PCEF Committee members, PCEF High Roads Advisory Council members, and external community representatives – evaluated the applications based on a comprehensive set of criteria including climate impact, direct benefits, budget reasonableness, collaborative approach, community and economic benefits, workforce and contractor equity benefits and more. Additionally, PCEF staff engaged an external consultant to validate or assess the project’s claimed energy use reduction figures.
11. In November 2024, recognizing the significant volume of high-quality proposals, the PCEF Committee recommended increasing the funding allocation for the Collaborating for Climate Action initiative from \$158 million to \$300 million. The \$300 million funding allocation for the Collaborating for Climate Action funding opportunity was incorporated through an amendment into the Climate Investment Plan that was adopted by City Council on December 11, 2024 (Ordinance No. 192005).
12. On December 11, 2024, the PCEF Committee unanimously recommended City Council allocate \$300 million in grants according to the table attached as Exhibit A.

NOW, THEREFORE, the Council directs:

- A. The BPS Director is authorized to execute grants or interagency agreements with the organizations recommended for funding, listed in the “Table 1: List of proposals recommended for funding” of Exhibit A, for a total not to exceed amount of \$300 million.
- B. Amendments to the grants or interagency 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.
- C. The BPS Director, in the Director’s sole discretion, may decline to execute a grant or interagency agreement with a grantee listed in Exhibit A.

Section 2. The Council declares that an emergency exists because it is in the public interest for these climate investments to be enacted as soon as possible; therefore, this Ordinance shall be effective immediately upon its passage by Council.

## Exhibits and Attachments

 [Exhibit A](#) 338.41 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  
December 18, 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 fund generates over \$200 million annually to support projects that reduce contribute to green jobs, GHG emissions reductions or sequestration, and community benefits.

The PCEF Committee has recommended a portfolio of that consists of eight grants totaling \$300,000,000 in funding requests. Each grant proposal meets the PCEF program's objective of equitably addressing climate change. Exhibit A, "2024 PCEF Collaborating for Climate Action Funding Recommendations," includes summaries of grant proposals that the PCEF Committee is recommending for funding.

### Financial and Budgetary Impacts

\$300,000,000 is allocated from the PCEF fund for the purpose of funding recommended grant proposals in response to the Collaborating for Climate Action funding opportunity. 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 are already covered by existing authorized staffing levels.

### Economic and Real Estate Development Impacts

The portfolio of projects recommended for the Collaborating for Climate Action grant award include a number of projects that significantly improve public infrastructure and create opportunities for local businesses involved in energy efficiency, renewables and construction.

In particular, the investment of \$36 million in the Prosper Portland Broadway Corridor Phase 1 project will catalyze significant additional funding in projects to redevelop the former US Postal Service site. Commitments of PCEF funding for net-zero energy middle income housing will allow additional investment in affordable housing and serve as a critical first step in the transformation of that district. The workforce development efforts in this project will create a qualified cohort of diverse, credentialed workers to continue the construction activities in the Broadway corridor and beyond.

An investment of \$20 million to the Portland Bureau of Planning and Sustainability – Clean Industry Community Program will provide resources for large facilities and industrial businesses to make investments in decarbonization, energy efficiency and renewable energy for their operations. The industrial and large institutional sector has unique challenges in removing fossil fuels from manufacturing process and facilities. The technical analysis resources coupled with targeted project funding will allow transformative changes in Portland's industrial sector, making them more competitive and helping to meet shared climate goals.

The scale of \$300 million in funding for transformative climate projects, coupled with the workforce development elements in this portfolio of grants will help stimulate local investments well into the future. In total, due to leveraged funding from partners, state and federal incentives, the portfolio of recommended awards is anticipated to result in over \$750 million of total investment in Portland.

## **Community Impacts and Community Involvement**

The recommended grants provide much-needed climate action resources throughout the community through partnerships between nonprofit community-based organizations and government entities. As a requirement of consideration for funding, project teams were required to have at least one organization with minimum 8 years of experience serving priority populations. Many of the recommended grants' project beneficiaries are either low-income Portlanders, or living in underserved communities who are 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.

A number of the projects in the recommended portfolio were developed directly through community input and have a broad coalition of supporters beyond the direct partners.

The Portland Bureau of Transportation – Sidewalks to Schools project was developed through public processes responsive to the needs of students and parents in East Portland with little access to walkable infrastructure near public schools. Oregon Walks has been deeply engaged in the opportunities for needed infrastructure investments allowing students to walk or bike to school. These sidewalk, street tree, and safe crossing improvements will bring critical infrastructure to people living near the nine major segments of school connectivity that are part of the project.

The PCEF investments in the TriMet – 82<sup>nd</sup> Avenue Transit Project will play a key role in securing additional Federal match funding that is part of a larger community vision for the future of the 82<sup>nd</sup> Avenue Corridor. Community advocates and nonprofits have been active for many years in shaping the plans for the corridor, including the transit improvements necessary for a high frequency bus service. Community partners in this project include the 82nd Ave Coalition, Asian Pacific American Network of Oregon (APANO), Constructing Hope, Oregon Tradeswomen, Portland Opportunities and Industrialization Center (POIC), and Portland YouthBuilders.

Across the portfolio of projects there are considerable direct and indirect community benefits associated with these investments. At a high level, the following benefits are expected as part of the implementation of these projects, subject to negotiation on the final project scopes for each project.

- Over 3,200 households directly benefiting from solar or energy efficiency improvements for low and moderate-income families.
- 7,700 students (69% BIPOC) benefiting from safer and more efficient school facilities and green infrastructure.
- 11,000 riders daily benefiting from better transit infrastructure on 82<sup>nd</sup> Avenue.
- 17,000 people in the walksheds of sidewalk improvements near schools

In addition to these benefits, the majority of projects have workforce development investments as part of their project budgets. Project partners will train thousands of people from PCEF priority populations into pathways for good paying careers in a variety of green construction, vehicle electrification, HVAC installation, building operations and maintenance, and renewable energy installation fields. The total direct investment in workforce development across the portfolio is over \$14 million, through partnership with over a dozen community partners, training entities, and job placement organizations.

Please see “2024 PCEF Collaborating for Climate Action Funding Recommendations” attached as Exhibit A for additional details on community involvement and benefits.

## **100% Renewable Goal**

These grants will help nonprofit, commercial, and government organizations implement significant projects focused on clean energy, transportation decarbonization, 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 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.

The two projects focused primarily on solar energy deployment will add approximately 15 megawatts total of new renewable energy on the grid, directly helping to meet the City's 2035 goal that 2% of energy needs be met

by community-based renewable energy. Bonneville Environmental Foundation's Empowering PDX project will construct approximately 8.5 MW of community solar capacity at four sites, allowing over 1,200 low-income households to directly benefit from the energy savings associated with solar generation, and supporting the development of renewable energy at public properties. Energy Trust of Oregon's Portland Solar for All project will support the installation of solar energy systems at over 700 single family homes and 25 multifamily properties, with opportunity for battery storage systems at some of the buildings.

## Financial and Budget Analysis

This ordinance allocates \$300 million over five years across eight grant requests. This includes recommended funding for government organizations, including the City of Portland. Prosper Portland has an application called "Broadway Corridor - Phase 1" for \$36m, BPS has an application called "Clean Industry Community Program" for \$20m, the Bureau of Fleet and Facilities has an application called "Collaborating for Climate Action on Workforce Development and Capital Improvements" for \$41m, and PBOT has an application called "Sidewalks to Schools" for \$20.6m. PCEF has the fund balance and projected revenue to fund these requests.

## Document History

Agenda	Council action
<a href="#">December 18, 2024</a> Time Certain <span>City Council</span>	<b>Passed</b>  <b>Aye (5):</b> Mingus Mapps, Carmen Rubio, Dan Ryan, Rene Gonzalez, Ted Wheeler