

Portland Just Energy Transition

Initiative Summary

Overview

November 2018 Portland ballot Initiative to generate \$30 million annually to:

- 1) Weatherize and solarize Portland homes and businesses.
- 2) Provides job training, apprenticeships, and minority contractor support.
- 3) Energy efficiency upgrades for low income housing.
- 4) Builds green infrastructure and local food production.

A 1% Business License Surcharge on billion dollar retail corporations operating in Portland.

Background

Cities all over the world are now taking the lead on responding to climate change. Unfortunately in the US there is a lack of funding at the local level to implement the types of projects that could meaningfully reduce greenhouse gas emissions. The lack of substantial action on climate issues in many ways mirrors the limited governmental action in addressing chronic economic and health inequities.

Corporations Paying Their Fair Share

Most retailers have the longest supply chains and don't account for greenhouse gases in the production and distribution of their products. In addition they pay the lowest wages and generally don't invest in our community. For every dollar spent at a national retail store, only 58 cents gets recirculated back into the community as opposed to 73 cents of every dollar spent at a locally owned store. Of the approximately 120 companies that will be affected, 45 have overseas tax havens, some with as many as 40 or 50 of these havens.

How Will the Money Be Distributed

A Citizen's Commission patterned after the successful Portland Children's Levy will oversee competitive proposals for use of the funds. This Commission, comprised of nine people appointed by and accountable to the City Council, will reflect Portland's diversity and provide expertise in reducing greenhouse gas emissions and/or advancing racial and economic justice.

Positive Impact on Affordable Housing

For many current residents below or near the poverty line, staying in their existing housing is more and more challenging. That is especially true for people living in houses or apartments without any energy efficiency or renewable infrastructure. This measure will put money into upgrading both residential and multifamily housing in Portland's most vulnerable neighborhoods. For renters it will mean less money spent on utilities and warmer homes. According to the Department of Energy for every \$1 invested in weatherization \$1.72 is generated in energy benefits and \$2.78 is generated in non-energy benefits such as fewer medical bills and less work time lost. Landlords who upgrade their properties will be required to limit any rent increases.

Winning at the Ballot

The Collaborative that has been developing the Initiative for two years includes NAACP, APANO, NAYA, Verde, Coalition of Communities of Color, Sierra Club, and 350PDX. Polling by a national firm has support solidly in the mid-seventies. We are in the early stages of gathering support and already have endorsements from 69 community organizations and 50 Portland faith leaders have added their moral voice of support. In an era when many of us will be saying no far too often, it is an opportunity for Portland to say YES in a big way to being a national model in responding to climate change and economic inequities.

Frequently Asked Questions

How will it be funded?

Our measure authorizes a 1% supplemental business license fee on retail corporations, such as Apple, Starbucks, and Bank of America that generate over \$ 1 billion a year in revenue. The fee would be calculated based on their annual Portland revenue. Many of these large corporations are enjoying record revenues and all are paying a record low effective tax rate.

How will the money be distributed?

A Commission comprised of seven citizens, appointed by the City Council, will oversee competitive proposals for use of the funds. All members of the Commission will reflect the racial, ethnic, and economic diversity of experience and backgrounds important for successful implementation of the measure. Each member must have strong interest and experience in reducing greenhouse gas emissions, acting on climate change, and advancing racial and economic justice.

Will it positively affect Housing

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Sounds like Measure 97, is it?

Portlander's know that large corporations need to pay their fair share to support our communities. They can't just take our money and run. That's why Measure 97 passed in Portland with 60.6% of the vote, even though it lost state wide.

Our measure differs from Measure 97 in the following ways:

- JET exempts groceries and medicine
- JET only applies to large retail corporations with \$1Billion or more in annual national sales and \$500k or more locally
- JET applies to the city of Portland only
- JET has specific instructions for the distribution and administration of the funds that include citizen oversight.

Who helped to write the initiative?

The Portland Just Energy Transition initiative was conceived and written by leaders of respected local groups who advocate for economic, social, racial and climate justice. These leaders understand that these issues are often tied together and present Portland with an incredible opportunity to make a great leap forward on all fronts.

APANO - <http://www.apano.org/>

Coalition of Communities of Color - <http://www.coalitioncommunitiescolor.org/>

NAACP - <http://www.portlandnaacp1120.org/>

NAYA - <http://nayapdx.org/>

Sierra Club - <http://oregon2.sierraclub.org/chapter>

350PDX - <https://350pdx.org/>

Verde - <http://www.verdenw.org/>

Can we attract additional investment because of this new revenue stream?

It is well-established in the renewable energy and energy efficiency fields that governmental funding and cash incentives can be used strategically with loan capital to greatly increase the overall impact of the governmental funds. Conservative estimates in Oregon assume a 2:1 leveraging ratio for energy efficiency and renewable projects. This means that \$30 million in new annual fee revenue can be leveraged to create annual project spending of \$60 million or more.

Why target retail corporations?

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overseas tax havens, some with as many as 40 or 50 of these havens.

How will this affect consumer prices?

Many national retailers have standard pricing irrespective of local fees, enabling them to advertise sales nationally. There is no research that shows this would meaningfully affect demand or hurt consumers. Since the increased business license fee would only be 1% of gross receipts, any impact on the price of goods would be extremely small and well within the range of normal price variations. Even assuming a business such as McDonalds passed on the entire amount of a 1% license fee, the price of a \$4.00 hamburger would be increased by just \$.04.

How can I be sure the dollars will be spent wisely?

Administrative costs are limited to 5%. A Citizen's Commission patterned after the successful Portland Children's Levy will decide on which projects get funded and assure accountability. Members of the Commission are required to have extensive experience in the fields pertaining to the initiative targets and goals.

Don't we already have programs to do this work?

Yes, but only for property owners with the means to make significant contributions to the projects and/or the ability to utilize tax credits.

Further, in 2014, Oregon Public Utilities Commission cut residential energy efficiency incentives available via the Energy Trust of Oregon. And current solar funding and solar tax credits are also on the chopping block at the federal and state level.

What's needed is a stable source of long-term funding that is aligned with the scale of our challenges related to climate change and economic equity.

Haven't most homes in Portland already received energy efficiency upgrades?

Of the 249,000 single family and multiple family housing units in Portland, approximately 50% don't have any weatherization and many others with only partial weatherization. Funds from this initiative will help stop the boom-and-bust cycle of insufficient support for energy efficiency and solar by utilities and public agencies as well as provide much needed support for our most under-resourced citizen's and neighborhoods.

Doesn't the Energy Trust do this? Isn't this a duplication of efforts?

Energy Trust provides support and incentives for residential energy efficiency and solar to the level governed by the Oregon Public Utilities Commission, whose mission does not include climate change and social justice. This effort is merely adding community-funded rebate dollars on top of Energy Trust incentives. The entire customer service and contractor network capabilities of Energy Trust will be leveraged.

What is the Number of People in Poverty in Portland?

Approximately one-third of Multnomah County's households fall below the Self-sufficiency Standard, meaning they are unable to meet their basic needs.

Growth in Poverty: The number of people in poverty in Multnomah County has increased over the past two decades at a rate much higher than the growth of the county's population as a whole. The growth in poverty can be attributed to a decline in family-wage jobs, increasing economic inequality, the impact of the recession, and the erosion of the social safety net and the increasing cost of living in Portland.

What are the Demographics of Poverty?

In Portland women, communities of color, and children are disproportionately affected by poverty.

53% of the county's population in poverty are female

44% of the county's population in poverty are people of color

28% of the county's population in poverty are children under 18