

CITY COUNCIL/REDEVELOPMENT AGENCY

TUESDAY, FEBRUARY 16, 2010
AGENDA ITEM No.11

CONSENT CALENDAR

Resolution

Bay Area Residential Building Retrofit Program

Recommendation:

- A. That the City Council authorize the Association of Bay Area Governments (ABAG), as the lead agency in submitting an application, to request funding from the California Energy Commission (CEC) to provide funding for the Bay Area Regional Residential Building Retrofit Program.
- B. If funded, the City Council authorize ABAG to accept a grant award on its behalf and enter into all necessary contracts and agreements, and amendments thereto, on its behalf to implement and carry out the program described in the remainder of this report.
- C. That the City Council recognize the County of San Mateo as the lead local implementer for the programs described in Exhibit A of this report for all of the local governments in San Mateo County, and that ABAG as the fiscal agent, be authorized to disburse the City's portion of funds to San Mateo County to implement and carry out the program described in (Exhibit A)



**City of East Palo Alto
Housing Services Department
2277 University Avenue
East Palo Alto, CA 94303**

Telephone: 650-853-3109 Facsimile: 650-853-5928

TO: Mayor David Woods and Members of the City Council
FROM: Wilbert Lee, Housing Services Director
DATE: February 16, 2010
SUBJECT: Bay Area Residential Building Retrofit Program

Recommendation:

1. That the City Council authorize the Association of Bay Area Governments (ABAG), as the lead agency in submitting an application, to request funding from the California Energy Commission (CEC) to provide funding for the Bay Area Regional Residential Building Retrofit Program.
2. If funded, the City Council authorize ABAG to accept a grant award on its behalf and enter into all necessary contracts and agreements, and amendments thereto, on its behalf to implement and carry out the program described in the remainder of this report.
3. That the City Council recognize the County of San Mateo as the lead local implementer for the programs described in Exhibit A of this report for all of the local governments in San Mateo County, and that ABAG as the fiscal agent, be authorized to disburse the City's portion of funds to San Mateo County to implement and carry out the program described in (Exhibit A)

Background:

The California Energy Commission's (CEC) \$95 million in State Energy Program (SEP) funds and Department of Energy's (DOE) \$390 million in Retrofit Ramp-Up funds provide an unprecedented opportunity to develop and implement a regional community-scale building retrofit program. The Association of Bay Area Governments (ABAG) in partnership with the eight counties and a total of 104 local governments in the San Francisco Bay Area are working together to present an innovative proposal - *Retrofit Bay Area* - to establish the infrastructure for a market-driven residential retrofit program. This self sustaining program will stimulate the economy and create jobs while transforming energy markets in California. Designed for scalability and transferability this program will create a model that can be replicated statewide and nationally.

Regional Scope of Work:

ABAG is applying for a \$10.75 million grant to fund *Retrofit Bay Area*, a region-wide energy efficiency program that will retrofit 17,000 homes (single family and multifamily) to achieve reduction in home energy consumption, while creating 1,739 home energy retrofit jobs. The grant, if awarded, would include regional program development, local program development and implementation, evaluation, measurement and implementation and administration and reporting.

Local Scope of Work:

ABAG and the grant Steering Committee have agreed to a population based allocation for each county-specific program, if the grant is awarded. In addition, StopWaste.Org and Sonoma County Transportation Authority will be tasked to carry out some regional deliverables, since the two agencies have a substantial head start in planning and developing components of green retrofit programs. San Mateo County's proposed budget allocation is \$785,595. See attached summary description of *Retrofit Bay Area*.

CEC Requirements:

All participating counties and cities in the ABAG proposal must provide an authorizing resolution. The Resolution must be approved by the city's/county's Governing Authority. If funding is awarded, an agreement between the California Energy Commission and ABAG must be signed and will include the project description, work statement tasks and milestones, budget, and schedule. Prior to the agreement being executed all cities in each county will have to sign a memorandum of understanding (MOU) to actively coordinate the program with ABAG, but will not receive ARRA SEP funds. Funds will be released by ABAG to San Mateo County as the program implementer for all County jurisdictions.

RESOLUTION NO _____

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO AUTHORIZING THE ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG), AS THE LEAD AGENCY IN SUBMITTING AN APPLICATION TO REQUEST FUNDING FROM THE CALIFORNIA ENERGY COMMISSION STATE ENERGY PROGRAM (CEC) TO PROVIDE FUNDING FOR THE BAY AREA REGIONAL RESIDENTIAL BUILDING RETROFIT PROGRAM

WHEREAS, the City Council of the City of East Palo Alto recognizes that it is in the interest of the local, regional, state, and federal agencies to stimulate the economy; create and retain jobs; reduce fossil fuel emissions; and reduce total energy usage and improve energy efficiency; and

WHEREAS, the City Council of the City of East Palo Alto has committed to an ongoing, coordinated effort to reduce the emissions that cause global warming, improve air quality, reduce waste, cut energy use and save money. The City Council of the City of East Palo Alto is committed to reducing community-wide greenhouse gas emissions by 30% below our baseline 2005 by 2020; and

WHEREAS, State Energy Program (SEP) funds are available through the California Energy Commission's SEP Funding Opportunities for grants to eligible local governments for cost-effective energy efficiency projects; and

WHEREAS, the SEP allows for public agencies or non-profit entities to apply for funds on behalf of eligible local governments; and

WHEREAS, the City Council of the City of East Palo Alto is eligible for SEP funding under the California Energy Commission's SEP Program; and

WHEREAS, the City Council of the City of East Palo Alto has collaborated with the Association of Bay Area Governments (ABAG) to submit a regional application to implement the energy efficiency project/s described in Exhibit A for the purpose of qualifying for SEP funds from the California Energy Commission; and

WHEREAS, the City Council of the City of East Palo Alto has considered the application of the California Environmental Quality Act (CEQA) to the approval of the energy efficiency project/s described in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED, that in compliance with the California Environmental Quality Act (CEQA), the City Council of the City of East Palo Alto finds that the approval of the energy efficiency project/s described in Exhibit A is:

- (a) not a "project" under CEQA, or
- (b) a "project" under CEQA that is categorically exempt under one or more of California Code of Regulations, Title 14, sections 15301 through 15333, inclusive, or
- (c) a combination of the (a) and (b).

BE IT FURTHER RESOLVED, that if recommended for funding by the California Energy Commission, the City Council of the City of East Palo Alto authorizes ABAG to accept a grant award on its behalf and to enter into all necessary contracts and agreements, and amendments thereto, on its behalf to implement and carry out the project/s described in Exhibit A; and

BE IT FURTHER RESOLVED, that City Council of the City of East Palo Alto recognizes the County of San Mateo as the lead local implementer for the project/s described in Exhibit A for all of the local governments in San Mateo County, and that ABAG as the fiscal agent, will disburse the funds to San Mateo County to implement and carry out the project/s described in (Exhibit A)

PASSED AND APPROVED this 16th day of February, 2010 by the following votes:

AYES:

NYES:

ABSTAIN:

ABSENT:

Signed:

David Woods, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Vincent Ewing, City Attorney

Exhibit A

Retrofit Bay Area Comprehensive Residential Building Retrofit Program

Summary of grant proposal submitted to the California Energy Commission on Dec. 21, 2009

Description of Proposed Program

The Association of Bay Area Governments (ABAG) is collaborating with eight Bay Area counties to establish a comprehensive residential single-family and multifamily building retrofit program that leverages regional cooperation and funding while enabling autonomy at the local level. The proposed ABAG program aligns with local, regional and national goals of promoting economic vitality through an increase in green jobs, reducing U.S. oil dependency through increases in energy efficiency and deployment of renewable energy technologies, and reducing greenhouse gas emissions.

On behalf of Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, Solano and Sonoma Counties, ABAG has submitted a proposal to the California Energy Commission's State Energy Program (SEP) to receive \$10.7 million in American Recovery and Reinvestment Act (ARRA) grant funds administered by the U.S. Department of Energy. This grant program, known informally as SEP 2 to distinguish it from three other elements of California's SEP program, runs from February 1, 2010 to March 31, 2012. The ARRA/SEP 2 grant funds would be used by ABAG program participants to carry out local and Bay Area-wide consumer outreach and education campaigns and workforce development activities that will accelerate demand for home energy retrofits and expand the regional building industry's capacity to delivery high quality, cost-effective retrofit services.

The ABAG program will complement existing and planned local retrofit activities, including the Property Assessed Clean Energy (PACE) financing districts that enable homeowners to finance energy efficiency retrofits and renewable energy improvements through assessments paid via their property taxes. This ABAG program will leverage and complement other local, regional and federal funding sources for energy retrofits, including anticipated grant funds from the State Energy Program's Municipal Financing Program (known as SEP 1).

Program Participants and Roles

Participant	Role
Association of Bay Area Governments	Fiscal agent and contract administrator
Alameda County (StopWaste.Org) and Sonoma County (Sonoma County Transportation Authority)	Regional tasks and local retrofit program implementation
Contra Costa, Marin, San Francisco, San Mateo, Santa Clara and Solano Counties	Local retrofit program implementation
Bevilacqua Knight, Inc., Build It Green and California Building Performance Contractors Assn.	Regional and local implementation assistance, quality assurance and reporting

Exhibit A

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Summary of Grant Funds

Regional Program Development:	Approx. \$2,070,000
Local Program Implementation:	Approx. \$7,750,000
Administration and Reporting:	Approx. \$600,000
Evaluation, Measurement, Verification:	Approx. \$320,000
Total:	<hr/> \$10.75 Million
San Mateo County Allocation:	\$785,595