

CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 DEC -3 PM 6:21

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Public Works Agency
DATE: December 8, 2009

RE: **Supplemental Report And Resolution Authorizing The City Administrator To Apply For Grant Funds Of Up To Ten Million Dollars (\$10,000,000) From The U.S. Department Of Energy's Competitive Energy Efficiency And Conservation Block Grant (Competitive EECBG) Under The American Recovery And Reinvestment Act Of 2009 (Federal "Stimulus Package") To Fund Energy Retrofit Projects Of Public And Affordable Housing Buildings**

SUMMARY

This report provides an update to the report heard at Public Works Committee on December 1, 2009, and recommends that City Council 1) endorse a collaborative proposal, and 2) adopt a resolution authorizing an Oakland-specific proposal to the United States Department of Energy's (DOE) Energy Efficiency and Conservation Block Grant (EECBG) competitive funding opportunity - the Retrofit Ramp-up Program. This opportunity is funded by the American Recovery and Reinvestment Act of 2009 (ARRA), the Federal Government's "Stimulus Package".

FISCAL IMPACT

There is no anticipated fiscal impact on the City associated with the collaborative proposal. If, in final form, this proposal would result in funds being awarded or otherwise directed to the City, a resolution will be prepared to accept and appropriate funds.

As the prime applicant on the Oakland-specific proposal of up to ten million dollars (\$10,000,000.00), the City would be responsible for accepting, sub-awarding and reporting on use of funds.

BACKGROUND

The DOE released the Retrofit Ramp-up Program competitive solicitation in October 2009, with proposals due December 14, 2009.¹ DOE anticipates making eight to 20 awards nationwide under the Retrofit Ramp-up Program, with award sizes of \$5 million to \$75 million.

The Retrofit Ramp-up Program will provide funds for large-scale programs driving ongoing energy efficiency retrofits in residential, commercial, industrial and public buildings in

¹ Links to this FOA can be found at http://www.eecbg.energy.gov/about/competitive_grants.html.

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geographically focused areas. DOE seeks proposals for programs that are highly leveraged (i.e., secure at least five dollars for every dollar awarded by DOE), serve as examples that could be replicated across the country, and sustain themselves beyond the grant monies and grant period.

KEY ISSUES AND IMPACTS

Multi-Regional Collaborative Proposal Opportunity

A collaborative proposal is being developed on behalf of jurisdictions in the Bay Area, Los Angeles, San Diego and Sacramento regions. The County of Los Angeles will be the lead applicant on this proposal, and if successful, will sub-award funds to the Association of Bay Area Governments, San Diego Association of Governments, and Sacramento County. These regional agencies will individually administer funds within their respective regions. In the Bay Area, it is anticipated that only the counties of Alameda, San Francisco and Sonoma will participate in and directly benefit from activities funded by this proposal. StopWaste.Org plans to lead all associated work in Alameda County.

The collaborative proposal is currently planned to foster energy efficiency retrofits through four distinct components:

1. Multi-channel outreach and engagement to spur single-family residential energy retrofits, including:
 - a. Partnering with a retail company (e.g., Lowes) to promote energy retrofit information to customers
 - b. Training heating, ventilation and air conditioning contractors to provide higher quality work and offer new services to improve building energy efficiency, and offering new incentives to encourage contractors to successfully sell these services to local property owners
 - c. Partnering with schools, faith-based organizations, and large employers to promote energy efficiency retrofits through their networks, including offering collaborative purchasing opportunities
2. Multi-family housing rebates for partial coverage of green retrofits in 1% of Alameda County multi-family housing stock
3. Multi-family affordable housing top-loss reserves to launch a revolving loan fund and related technical assistance to support energy retrofits in approximately 1,000 units throughout the counties of San Francisco and Alameda.
4. Additional outreach and engagement to spur multi-family housing energy retrofits through partnerships with district-scale associations such as Business Improvement Districts, Merchants Associations, Redevelopment Areas, and Enterprise Zones that include a substantial proportion of multifamily and mixed-used building stock. Energy retrofits would be promoted to the public and through the membership networks of these district-scale associations.

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Staff has successfully lobbied for the inclusion of the multi-family affordable housing revolving loan fund component of this proposal, with an expectation that multiple Oakland projects will be eligible to compete for these funds, potentially benefiting hundreds of Oakland residents. Final budget allocations for this and other proposal components have not been finalized at this time.

Staff has also engaged members of the lead proposal team in a discussion regarding how to ensure that Oakland's local hire goals are met in association with any Oakland projects resulting from this proposal. No decisions have been made regarding how this issue will be handled within the collaborative proposal, and staff is continuing to work with the proposal team to identify a mutually agreeable solution.

Oakland-Specific Proposal Opportunity

The City of Oakland also has an opportunity to submit an Oakland-specific proposal with local partners aimed at addressing key Oakland needs in response to this solicitation.

As part of the City's vision to energy retrofit public, residential, and commercial buildings, staff identified key areas that are not being addressed by current and pending resources, which include the following energy retrofit priorities: 1) multi-family rental housing; and 2) school district buildings. While the multi-regional collaborative proposal described earlier now includes a programming component for multi-family rental housing, at the time of this report, it is for a relatively small amount of funds and there is no guarantee that Oakland projects would be funded nor that local hire requirements could be imposed. In addition, the multi-regional application does not include funding for the actual retrofit of school district buildings.

In order to provide for the energy retrofit priorities of the City, attach the City's local hire policy, and connect contractors directly with Oakland green job training providers that serve vulnerable residents, it is proposed that the City submit a separate application in partnership with the Oakland Unified School District (OUSD) and the Oakland Housing Authority (OHA) focusing on the following programs:

- Energy retrofit of 18 OUSD buildings that are part of its new Clean Energy Renewable Bond program. This grant would support OUSD's initiative to eventually retrofit all of its buildings. OUSD estimates that it may need about \$150,000 per building from the grant funds with other funding support from its capital improvement funds. PG&E will collaborate to develop classroom curriculum and marketing tools for families.
- Energy retrofit of multi-family affordable rental housing stock through a City operated grants and loan program, beginning with a target of single-metered and larger buildings (at least 40 units) and a goal of achieving approximately 20 percent energy savings. The City's existing Housing Department grants and loan program will help provide leveraged funds. In addition, a new pilot program on financing energy retrofits of affordable housing projects operated by

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Enterprise Community Partners, Inc., a national nonprofit affordable housing development and financing agency, will be leveraged. PG&E will also partner by providing their tax rebate program and social marketing and outreach to the residents.

- Energy retrofit of OHA scattered site rental housing units potentially through an OHA operated grants and loan program, as well as a partnership with PG&E to provide marketing and outreach to targeted residents.

Within the City of Oakland, there are approximately 27 master-metered affordable housing buildings including over 2,300 units of affordable housing. Master metered properties are strong candidates for this pilot program because the nonprofit owners have incentive to reduce costs for hot water, heat and electricity (the owners are responsible for these costs). This funding opportunity would provide options for supporting multi-family retrofits.

The attached resolution would authorize the submission of an Oakland-specific proposal to secure funding for these projects.

SUSTAINABLE OPPORTUNITIES

Economic: Projects that could be funded as a result of these proposals would result in significant long-term energy cost savings to Oakland residents and businesses.

Environmental: These funding opportunities align with the City's ongoing efforts to reduce energy consumption, greenhouse gas emissions and other air pollutants.

Social Equity: Projects that could be funded as a result of these proposals would help to create and retain jobs for Oakland residents and help create new contracting opportunities.

DISABILITY AND SENIOR CITIZEN ACCESS

This report and resolution will not have any direct impact on access for persons with disabilities or senior citizens.

RECOMMENDATION AND RATIONALE

It is recommended that City Council endorse Oakland's participation in the multi-regional collaborative proposal being submitted by the County of Los Angeles and authorize the submission of a separate Oakland-specific application in response to this funding opportunity. The emphasis, scale, scope and content of these two proposals will be sufficiently distinct to avoid direct competition. In addition, given the difficulty associated with inferring which proposal types will be most attractive to DOE, this diversity would increase the chances that at

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least one proposal representing Oakland will be viewed as competitive with the potential to secure funding that would benefit Oakland residents and businesses.

In both cases, proposed programs and projects are being designed to meet grant requirements regarding, for example, innovative approaches to fostering energy retrofits, leveraging of funds, and sustaining program performance past the grant period.

ACTION REQUESTED OF THE CITY COUNCIL

It is recommended that the City Council 1) endorse Oakland's participation in the multi-regional collaborative proposal being submitted by the County of Los Angeles, and 2) adopt the attached resolution authorizing the submission of a separate Oakland-specific application in response to DOE's ARRA-funded Retrofit Ramp-up Program.

Respectfully submitted,



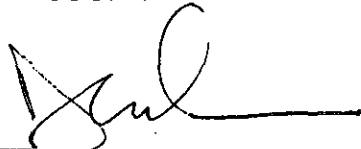
Vitaly B. Troyan
Public Works Agency Interim Director

Reviewed by:
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Prepared by:
Garrett Fitzgerald, Sustainability Coordinator
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APPROVED AND FORWARDED TO THE
CITY COUNCIL



Office of the City Administrator

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projects of public and affordable housing buildings operating in partnership with the Oakland Unified School District and the Oakland Housing Authority; and be it

FURTHER RESOLVED: that the City Council hereby authorizes the City Administrator to conduct negotiations, execute documents, and take any other action with respect to the grant and projects consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: that prior to execution, all contracts and agreements shall be reviewed and approved for form and legality by the Office of the City Attorney and a final copy shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
Of the City of Oakland, California