



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: February 19, 2019

AGENDA TITLE: Consideration of a motion to authorize the city manager to enter into the 2019 intergovernmental agreement between the City of Boulder and Boulder County for the Sustainability Matching Grant funding.

PRESENTERS

Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Steve Catanach, Director of Climate Initiatives Department
Kendra Tupper Chief Sustainability and Resilience Officer
Carolyn Elam, Energy Manager
Elizabeth Vasatka, Sustainability Coordinator

EXECUTIVE SUMMARY

The purpose of this item is to seek City Council approval of an intergovernmental agreement (IGA) with Boulder County (county) to secure funding from its Community Sustainability Matching Grant Program for 2019 (**Attachment A**).

The IGA with the county will provide funding to the city in 2019 through its Environmental Sustainability Matching Grant Program (Program). The Program is made available to all communities in the county to help further sustainability objectives. The City of Boulder has been awarded \$15,000 towards developing a strategy to increase accessibility to solar and electrification technology in households of people with low-incomes. The main deliverable will be the publication of Boulder's Equitable Electrification Strategy that will support the goals of the city's Climate Commitment. In partnership with other organizations and local governments, the benefits will be transferable as the city works on electrification efforts and offsetting it with renewable energy sources to provide clean energy, economic benefits and focus on populations with low-income.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to authorize the city manager to enter into this 2019 intergovernmental agreement between City of Boulder and Boulder County for the Sustainability Matching Grant funding per Attachment A.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- **Economic** – The attached IGA is crafted to create equity with reducing greenhouse gas (GHG) emissions for underserved populations. The project will pilot efficiencies and leverage intergovernmental resources in a way that benefits underserved community members while showing progress towards the community's Climate Commitment goal.
- **Environmental** – The primary purpose of the IGA is to promote environmental sustainability in a way that leverages regional resources, by developing a net zero energy house design that will template transferability to other communities and assist with contributing to the community's Climate Commitment goals.
- **Social** – Within Boulder County, many people work in one community and live in another. By expanding the reach of the City of Boulder's Climate Commitment's innovation pilots, the entire Boulder County community benefits. The city and county work together to leverage the learnings and provide continuous improvements and expansions to existing programs that can better allow all members of society to contribute and participate.

OTHER IMPACTS

- **Fiscal** – The grant IGA will accelerate development and implementation of the city electrification strategy by increased funding that will be available for this effort. In addition to the \$15,000 grant from the county, \$10,000 of the Department of Climate Initiatives' (DCI) Climate Action Plan (CAP) Tax funded staff will be allocated to the project.
- **Staff time** – A committed 200 hours of staff time is allocated to this project over the year. Two staff members from the DCI staff team will be working collaboratively on this pilot project with other organizations and local government entities. This time is allocated in staff's 2019 work plan.

BACKGROUND

In May 2013, to continue to foster collaboration and transferability of sustainability initiatives, the county introduced its first Community Environmental Sustainability Matching Grant program. This program is available to all communities in Boulder County to help further sustainability objectives. This year, the city's Sustainability Matching Grant project will focus on developing an equity strategy for the design and process to electrify residential homes within the city.

City of Boulder's previous Sustainability Grant Projects and results are in the below table.

Table 1.

Year	Topic	Description	Results
2015	EnergySmart	Updated rebate methods and developed rebate calculator to align with city and county climate goals.	Developed a new rebate structure, rebate calculator and custom rebate process that better aligned the city's EnergySmart program offerings with the city's climate and energy goals, including to encourage building electrification and whole systems retrofits.
2016	Solar	Developed strategy to achieve Climate Commitment target of 50 MW of distributed solar by 2020 and 100 MW by 2030.	The solar strategy continues to inform tactics used to increase accessibility of local solar for the community, including recent efforts to add up to 6 MW of additional solar for city-owned facilities.
2017	Electric Vehicles	Develop strategy to accelerate vehicle electrification	In progress. Grant funds will be used to develop a fleet electrification roadmap that addresses vehicles and infrastructure requirements. Funds will also be used to identify charging solutions for drivers without access to home charging and opportunities to prepare for autonomous vehicles.
2018	Ecosystems	Developed an ecological assessment and implementation plan to support a more integrated municipal ecosystem management strategy and help prepare the community to adapt to climate change impacts on ecosystems.	A draft report was completed identifying the critical ecological issue areas for the community. The resultant framework will be used to guide ongoing ecological assessments and monitoring, and for establishing a process for updating the city's ecological design and management principles and guidelines.

ANALYSIS

Reducing the use of natural gas in the city's residential housing is on the critical path for achieving the Climate Commitment goal of an 80 percent reduction in GHG. Beyond achieving the GHG goals, reducing household use of natural gas has other significant health and air quality benefits. This is highlighted by recent studies showing increased occurrences of asthma and cancer in households that are exposed to higher concentrations of natural gas. This is particularly a concern for disadvantaged households given typical ages and condition of the housing stock and heating equipment. Achieving this goal, however, will require a substantial retrofit of existing housing stock, presenting significant financial and technical challenges.

The City of Boulder proposes to undertake a strategy development effort to inform how city programs can be designed to help overcome the financial and technical challenges facing residential electrification, with a focus on equity. As part of the development effort, city staff will design a pilot program, for future implementation, that targets a specific low-income community.

In doing this project, the city will leverage partnerships made through other electrification projects with the Urban Sustainability Director's Network (USDN), Cadmus, Energy Outreach Colorado, Boulder Housing Partners, the University of Colorado and the American Solar Energy Society to develop a city-specific strategy addressing equitable electrification based on the existing USDN framework. This effort will also leverage funding and staff time through the city's Housing and Human Services Department for the annexation and redevelopment of the Ponderosa mobile home park.

NEXT STEPS

After council consideration of the IGA approval, staff will;

- inform partner organizations of the project status;
- start drafting with partners a pilot project plan and timeline;
- clearly explain the goal, outcomes and objectives to fulfill the pilot's intent of creating a low-income housing electrification and renewable energy strategy;
- draft a transferable model for affordable housing across the county, state and possibly the nation.

ATTACHMENTS

- A:** Draft IGA between Boulder County and City of Boulder for the 2019 Environmental Sustainability Grant Funds

**Intergovernmental Agreement
Between Boulder County and City of Boulder
Concerning Boulder County's Environmental
Sustainability Matching Grant Program**

This Intergovernmental Agreement (the "Agreement") is entered into by the County of Boulder, a body corporate and politic of the State of Colorado, acting by and through its Board of County Commissioners ("Boulder County" or "County"), and the City of Boulder, a Colorado home-rule municipality (the "Recipient") (each, a "Party" or, collectively, the "Parties")

RECITALS

A. The Colorado Constitution Article XIV, Section 18(2)(a) and C.R.S. §29-1-201 et. seq provide that political subdivisions of the State may contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating units; and

B. In 2013, Boulder County created and implemented the Sustainability Matching Grant Program (the "Program"), which provides an opportunity for governmental organizations within Boulder County to undertake environmental sustainability priorities within their communities and helps the county leverage community resources for a coordinated, regional approach to environmental sustainability; and

C. In December 2018, Boulder County selected recipients of the sustainability grant awards under the Program, including this award to the Recipient for the development of an equitable electrification strategy, roadmap, and pilot program to increase accessibility of solar and electrification technology to low-income households (the "Project").

D. The interests of the public are best served by the County and the City entering into this Agreement.

AGREEMENT

In consideration of the covenants set forth herein and the mutual benefits to be derived by the Parties hereto, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

1. The Recipient's Obligations. The Recipient shall complete the Project, expending no less than \$10,000.00 of its own funds on such Project (the "Matching Funds") and the Recipient shall report to the County as described under Item 3 below.

2. Grant Award. Boulder County hereby awards the Recipient \$15,000.00 (the "Award") in support of the Project. The Award shall be paid to the Recipient upon execution of the Agreement.

3. Reporting. In accordance with the scope of work as set forth in Exhibit B, attached, the Recipient shall report to the County on the progress of the Project and on the expenditure of Award funds and Matching Funds for the project, on the fourteenth day following

each quarter (April 14, July 14 and October 14, 2019 and January 14, 2020) using the format of the reporting template attached hereto as Exhibit A.

4. Term of Agreement. This term of this Agreement shall be as the date of its execution as set forth on the signature page attached to this Agreement. Subject to the annual appropriations, this Agreement shall remain in effect until the completion of the Project, as indicated in Exhibit B, or March 31, 2020, whichever is sooner.

5. Modification. This Agreement may be altered, amended, or repealed only on the mutual agreement of the County and the Recipient by a duly executed written instrument. The financial obligations contained in this Agreement may be adjusted from time to time, subject to annual appropriations of the governing Party.

6. Assignment. This Agreement shall not be assigned or subcontracted by either Party without the express prior written consent of the other Party.

7. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Parties.

8. Choice of Laws. The laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement. Any litigation that may arise between the Parties involving the interpretation or enforcement of the terms of this Agreement, shall be initiated and pursued by the Parties in the Boulder Courts of the 20th Judicial District of the State of Colorado and the applicable Colorado Appellate Courts.

9. Waiver of Breach. Any waiver of a breach of this Agreement shall not be held to be a waiver of any other or subsequent breach of this Agreement. All remedies afforded in this Agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided herein or by law.

10. Integration. This Agreement cancels and terminates, as of its effective date, all prior agreements between the Parties relating to the services covered by this Agreement, whether written, oral, or partly written and partly oral.

11. No Indemnification. Neither Party indemnifies the other Party. The County and the Recipient each assume responsibility for the actions and omissions of its own agents and employees in the performance or failure to perform work under this Agreement. It is agreed that such liability for actions or omissions of their own agents and employees is not intended to increase the amounts set forth in the Colorado Governmental Immunity Act, now existing, or as the same may be later amended. By agreeing to this provision, the Parties do not waive nor intend to waive the limitations on liability which are provided to the Parties under the Colorado Governmental Immunity Act § 24-10-101 et seq., C.R.S., as amended.

12. Severability. If any provision of this Agreement is found to be invalid, illegal, or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

13. No Third Party Beneficiaries. The enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement shall be strictly reserved to the County and the Recipient, and nothing contained in this Agreement shall give or allow any claim or right of action whatsoever by any other or third person. It is the express intent of the Parties to this Agreement that any person receiving services or benefits under this Agreement shall be deemed an incidental beneficiary only.

14. Not Agent or Representative. Neither Party is an agent or representative of the other Party and shall have no authority under this Agreement or otherwise to make representations or commitments, verbal or written, on behalf of the other Party without that Party's express prior consent.

15. No Multiple-Fiscal Year Obligation. All of the Party's financial obligations under this Agreement are contingent upon appropriation, budgeting, and availability of specific funds to discharge those obligations. Nothing in this Agreement constitutes a debt, a direct or indirect multiple fiscal year financial obligation, a pledge of either Party's credit, or a payment guarantee by either Party to the other.

16. Counterparts. This Agreement may be executed by facsimile and in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the latter day and year indicated below.

Executed by Boulder County on _____.
(date)

BOULDER COUNTY

Michelle Krezek, Commissioners Deputy
Boulder County

Executed by Recipient on _____.
(date)

RECIPIENT

Mayor

ATTEST:

APPROVED AS TO FORM:

Exhibit A – Quarterly Reporting

**Boulder County Sustainability Matching Grant Program
Local Funding and Cash Match Reporting**

Grantee:			Grant Year: 2018	
Project Title:			Project Duration:	
Prepared by:			Start:	End:
Date:			Which Calendar Quarter does this Report cover?	
Phone:			Q1 (Jan - Mar)	Q3 (Jul - Sep)
Type of Report (Circle one)	Quarterly Progress Report	Final Report	Q2 (Apr - Jun)	Q4 (Oct - Dec)

EXPENDITURES

	Fund Source	Approved Budget (Adjust According to Your Approved Budget)	A Expenditures beginning of quarter (C on previous report)	B Expenditures This Quarter	C Total Expenditures to Date (A + B)
Project A	Grant	\$ 15,000.00	\$ -	\$ -	\$ -
	Cash Match	\$ 15,000.00	\$ -	\$ -	\$ -
	Other Contribution	\$ 5,000.00	\$ -	\$ -	\$ -
	Project Total	\$ 35,000.00	\$ -	\$ -	\$ -

****REQUIRED GRANTEE SIGNATURES:** I certify that, to the best of my knowledge and belief, this report is correct and complete, and that all expenditures and unpaid obligations are for the purposes set forth in the grant award documents. I, hereby, also certify that the content of this form, other than the data entry required, has not been altered.

Financial Officer's Signature/Date

Project Director's Signature/Date

Quarterly reports are due 14 days following each calendar quarter.
Reports should be submitted via email to lyancey@bouldercounty.org.

Exhibit A – Continued

**Boulder County Sustainability Matching Grant Program
Programmatic Reporting**

Grantee:		Grant Year: 2018	
Project Title:		Project Duration: Start: End:	
Prepared by:		Which Calendar Quarter does this Report cover?	
Date:	Phone:	Q1 (Jan - Mar)	Q3 (Jul - Sep)
Type of Report (Circle one or Make Bold Font)	Quarterly Progress Report	Final Report	Q2 (Apr - Jun) Q4 (Oct - Dec)

Progress Reporting

**Objective and
expected
outcomes for
your
sustainability
matching grant**

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**Describe
progress made
this quarter**

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**Describe any
challenges or
delays for the
project**

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**Please list the
outcomes of this
project to-date
(quantitative or
qualitative)**

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Other?

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****REQUIRED GRANTEE SIGNATURES:** I certify that, to the best of my knowledge and belief, this report is correct and complete, and that all expenditures and unpaid obligations are for the purposes set forth in the grant award documents. I, hereby, also certify that the content of this form, other than the data entry required, has not been altered.

Project Director's Signature/Date

Quarterly reports are due 14 days following each calendar quarter.
Reports should be submitted via email to lyancey@bouldercounty.org.

Exhibit B – Scope of Work

2019 Sustainability Matching Grant Application

#11


Community Name *	City of Boulder
Tax ID # *	846000566
Project Coordinator Name & Title *	Carolyn Elam, Energy Program Strategy Manager
Mailing Address *	 1101 Arapahoe Ave. Boulder, CO 80302 United States
Project Coordinator Phone Number *	(303) 441-4936
Project Coordinator Email Address *	elamc@bouldercolorado.gov
Proposed Start Date for Project *	<u>Tuesday, January 1, 2019</u>
Does this project meet an environmental priority within the applicant's municipality? *	<ul style="list-style-type: none">• Yes
Will this project be completed within a 12 month time frame? *	<ul style="list-style-type: none">• Yes
Will your team provide acknowledgement that your municipality is receiving funding from Boulder County to support this project? *	<ul style="list-style-type: none">• Yes
What community will this project serve? *	The project will be focused on the City of Boulder's income-qualified community but is intended to provide a replicable model that could serve other Boulder County and Colorado communities.
What are the goals of your community for this project? *	Boulder's Climate Commitment serves as the city's overarching sustainability plan and articulates the near-, mid- and long-term targets and strategies the city will employ to achieve its goal of an 80% reduction in greenhouse gas emissions by 2050. The city supplements this plan with more detailed strategies and roadmaps that detail the specific projects, efforts and milestones that the city will utilize to achieve its higher-level goals. One area where the city is focusing on developing more detailed strategies and roadmaps is the electrification of buildings. Beyond achieving necessary greenhouse gas reductions, eliminating natural gas from buildings is important for the overall health and well-being of the community. Along these lines, the city has set a target of reducing natural gas use in the residential sector 85% by 2050. This is a significantly challenging goal given the technological, infrastructure and financial barriers to retrofitting the existing housing stock, particularly for the city's lower-income households. The city has partnered with other cities through the Urban Sustainability Director's Network (USDN) to develop an overall framework for equitability in electrification, including the accessibility to solar. The city is seeking funding through the County's Environmental Sustainability Matching Grant program to now use this framework to develop a city-specific equitable electrification strategy and roadmap and to design a pilot program to begin implementing this strategy as part of the Ponderosa mobile home park redevelopment effort.
What environmental sustainability benefits will your project provide to the local community? *	The intent of this project is to expand upon existing income-qualified, EnergySmart and solar grant programs to increase accessibility to solar and electrification technology for low-income households, in particular those residing in

Exhibit B - Continued

manufactured/mobile homes. Through this project, the city will identify innovative technical, financial and infrastructure solutions to overcome the barriers that face equitable electrification for all Boulder residents and will develop a strategy for deploying these solutions to the often hard-to-reach lower-income community. Equitable electrification will contribute significantly to the city's natural gas reduction goals, which, if achieved equates to an emissions reduction of 115,000 metric tons. This effort will also contribute to the city's goals of having 100 MW of locally-installed renewable electricity. Ancillary benefits include reducing the asthma, cancer and other health-related risks associated with natural gas usage, which are particularly prevalent in low-income households. There is also opportunity to enhance energy resiliency to mitigate the impacts of climate change and associated disasters, such as flooding and fires.

*

The project that will be implemented through this grant funding will be broken into the following tasks:

Task 1 – Equitable Electrification Strategy and Roadmap

The city, in collaboration with its partners, including USDN, Cadmus, Boulder County, Energy Outreach Colorado, Boulder Housing Partners, the University of Colorado and the American Solar Energy Society, will develop a city-specific strategy and roadmap for equitable electrification based on the USDN framework. The roadmap will detail the timeline, targets and tactics that would be employed by the city to transition its low-income housing stock from natural gas to electric. This effort will include identifying technical, regulatory, financial and infrastructure solutions to overcome the barriers that currently limit low-income community access to solar. The effort will consist of one or more roadmapping workshops, collaboration with other USDN cities, literature reviews and outreach to other organizations including financial institutions, developers, state energy offices and technology providers.

Deliverables:

- Publication of the Boulder Equitable Electrification Strategy

Task 2 – Pilot Design

City Climate and Sustainability, Housing and Planning staff, along with contracted architects and site designers will develop a strategy for deploying electrification technology (e.g. heat pumps) and solar at the Ponderosa mobile home park. This site will serve as a pilot of different solutions for equitable electrification. Options that will be evaluated as part of the pilot development effort will include:

- Mobile-Home-Ready Solar – Both structural and interconnection barriers exist that largely prevent mobile home residents from taking advantage of solar. A permanent structure for mounting solar could address both barriers. Different architectural solutions will be evaluated, including carports, storage sheds and pole-mounted systems.
- Behind-the-Meter Solar Garden – A shared solar solution benefiting all residents will be evaluated that would maximize use of available space through a master-metered/sub-metered site solution.
- Heat Pump Solution for Mobile Homes – A heat pump retrofit will be designed based on the mobile homes that will remain at the site.
- Alternative Financial Models – Options will be evaluated to address barriers associated with resident financing of solar, efficiency and electrification projects, including on-bill financing and utilizing tax equity partners.

Deliverables:

- Site requirements for inclusion in annexation plan
- Specifications for technologies to be deployed at site
- Pilot research plan detailing timeline, research objectives and costs

Amount requested from Boulder County (cannot exceed \$15,000) *	15000
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Applicant cash contribution (cash match of 25% is required – see	10000
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Exhibit B - Continued**Additional Information section below) ***

Other community contribution (includes outside funding) *	12000
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Total project budget (add previous three fields) *	37000
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Boulder County funding for this project will assist the city in developing its beneficial electrification strategy and roadmap and will allow the city to increase the amount of investment it can make in deploying actual solutions to the low-income community. The city will match the grant with the following:

- \$12,000 in contract labor (Cadmus) funded through USDN to support the city's implementation of the equitable electrification framework
- \$10,000 for 200 hours of Climate and Sustainability staff time

This effort will also leverage funding and staff time through the city's Housing Department for the annexation and redevelopment of the Ponderosa mobile home park, valued in excess of \$40,000

Attach additional budget or scope of work details here, if needed.

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