

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 11, 2011
	Agenda Item No.	28
	Roll Call No.	<u>11-600</u>
	Communication No.	<u>11-202</u>
	Submitted by:	Phillip M. Delafield, Community Department Director

AGENDA HEADING:

Authorizing the City Manager to submit a Proposal to the Iowa Office of Energy Independence (OEI) Under the American Reinvestment and Recovery Act State Energy Program (ARRASEP) on behalf of the Metropolitan Coalition.

SYNOPSIS:

The Iowa OEI is accepting proposals from public entities and non- profit organizations for education and outreach programs focused on energy efficiency and renewable energy. Working in collaboration with the nine Iowa cities over 50,000 in population, the City of Des Moines has assembled a variety of meaningful and uniquely demonstrable projects. This process is intended to result in increased access to sustainability resources within each participating community and will also enhance the statewide network of energy efficiency knowledge, increasing the capacity of municipalities, businesses, and residents.

FISCAL IMPACT:

Amount: \$1,008,820 grant proposal; 1:1 match required, City of Des Moines would receive \$150,000.

Funding Source: City Match \$100,000: FY2010-11 Operating Budget, Fund, CDBG 2011 014, CDD049900 SPO20, page 106. Polk County Housing Trust Fund \$250,000.

ADDITIONAL INFORMATION:

Seven of the nine member cities have agreed to participate: Ames, Cedar Rapids, Council Bluffs, Davenport, Des Moines, Dubuque, and Iowa City. The proposed projects build on existing community capacity and sustainability efforts, from green business certification programs to commercial revolving loan funds to creating sustainable neighborhoods. In some cases, funds will be used to create comprehensive sustainability plans to guide Coalition members’ future efforts while in others, they will be used to support targeted projects that have been identified as priorities through community involvement. These combined projects will provide local leadership to create more sustainable communities and demonstrate commitment to making Iowa the most sustainable state in the nation.

The Metropolitan Coalition does not have the capacity to manage grant contracts and funding on its own, therefore it will be requested that any contractual agreements be made directly between the individual communities and OEI. This will also allow each city to manage its own fiscal needs and be able to act flexibly and autonomously during the grant period.

City of Des Moines Proposal

The City of Des Moines' project proposal is to leverage existing funds that have been committed to a pilot program in the Drake Neighborhood. The primary goals of this pilot program will be to:

1. Facilitate the reduction in energy consumption in 40 low/moderate income homes within the Drake neighborhood.
2. Facilitate community outreach programming and demonstration projects that will inform the public on energy efficiency and lead to increased implementation of these technologies.

This demonstration program will reduce energy consumption and costs in low-income homes while demonstrating the effectiveness and economic benefits of making energy improvements. Individual projects will serve as workshops and service learning opportunities and data will be collected on the costs and benefits of energy efficiency repairs. These real-life demonstrations will serve as a platform for further education and community outreach efforts. Additionally, the City of Des Moines Neighborhood Conservation Services Division hopes to incorporate the most effective repairs into existing and future home repair programs.

This project was originally designed to make energy efficiency improvements to 20 owner-occupied homes. The grant request will allocate \$100,000 to increase the number of improvements from 20 homes to 40; the remaining \$50,000 will be allocated to community outreach and education, leveraging the \$250,000 the Polk County Housing Trust fund recently received from the Wells Fargo Foundation to focus on the target area.

Project Structure

1. Homeowners seeking assistance in investing in energy efficient home improvements apply to the program to receive an energy audit
2. Cost of energy audit is supplemented by the program. Homeowner will pay a portion of the cost of the audit--\$100
3. Assistance for the cost of energy improvements will be provided through a 3-year receding forgivable loan secured as a lien against the property. The forgivable loan amount will not exceed \$5,000 per household
4. Energy audit will recommend the most cost effective improvements that fit within the program scope. The City Inspector and the homeowner would review the energy audit report with the rating firm and see what would be best within the budget and the needs of the household
5. Bids sought from pre-qualified contractors
6. Work completed and second energy audit completed
7. Ongoing monitoring of homeowner's utility bills for three years

Procurement of Energy Auditor and Contractors

1. A Request for Proposals will be issued to secure an energy rating firm to work with the program. Certified HERS rater will be the minimum standard.
 - a. Rater would conduct before and after energy audits and conduct workshops and community outreach efforts.
2. A Request for Qualifications will be issued to select 3-5 contractors with expertise in installing energy efficient improvements.

It has been determined that the average size of houses in this area is 2,000 square feet and were built around 1900. Based on this information along with average energy costs for this zip code, the

Department of Energy’s Home Energy Calculator* for a family of four that a \$5,000 investment will yield the following annual savings:

Potential Annual Savings		
	One Home	40 Homes
Money	\$968	\$38,720
Energy: kWh	1,237	49,480
Energy: Therms	712	28,480
Emissions	10,569 lb. CO₂	422,760 lb. CO₂

*The Home Energy Calculator has been used to create an estimation of potential cost and energy savings. The actual savings will be calculated through the use of an energy audit and will be specific to the property.

PREVIOUS COUNCIL ACTION(S):

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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