

County of Santa Clara Office of the County Executive



CE07 030210

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Climate Change/Sustainability Program
Manager

Reviewed by: Sally Logothetti
Administrative Services Manager

Submitted by: Emily Harrison
Deputy County Executive

DATE: March 2, 2010

TO: Board of Supervisors

FROM:

A handwritten signature in black ink, appearing to read "Jeffrey V. Smith".

Jeffrey V. Smith
County Executive

SUBJECT: Resolution to Accept Grant Funding as Part of the ABAG Bay Area Retrofit Project

RECOMMENDED ACTION

Adopt Resolution of the Board of Supervisors of the County of Santa Clara making CEQA findings; authorizing ABAG to accept a grant on the County's behalf; recognizing the County's role as the lead local implementer for the cities and County of Santa Clara for the Bay Area Retrofit Project; and delegating certain authority to the County Executive. (Roll Call Vote)

FISCAL IMPLICATIONS

None. Adoption of the resolution is necessary to authorize ABAG to contract with the State Energy Program for grant funding. Administration will return to the Board with a subsequent action to budget the County's portion of the grant award and the associated expenditures.

CONTRACT HISTORY

None.

REASONS FOR RECOMMENDATION

Santa Clara County participated in a successful regional State Energy Program grant application submitted by the Association of Bay Area Governments (ABAG). The grant will help launch a Community Energy Program for the cities and County of Santa Clara.

ABAG has been awarded \$10.75 million to administer a regionally-developed Residential Retrofit Program. Of this total, the County will receive \$1.9 million to manage the local aspects of the program. A cities advisory group is assisting with the local development and implementation.

All eight counties participating in the ABAG grant proposal must provide an authorizing resolution by March 3. The resolution makes the finding that approval of energy efficiency projects is categorically exempt pursuant to Title 14, section 15301 of CEQA, recognizes that the County is the local lead for project implementation, and authorizes ABAG to contract with the State Energy Commission and accept grant funds on the County's behalf. The resolution must be approved by each county's Governing Authority.

BACKGROUND

The California Energy Commission's (CEC) \$95 million in State Energy Program (SEP) funds provide an unprecedented opportunity to develop and implement a regional community-scale building retrofit program. The Association of Bay Area Governments partnered with eight Bay Area counties and a total of 104 local governments in the San Francisco Bay Area 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.

ABAG was awarded 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 includes regional program development, local program development and implementation, evaluation, measurement and verification, and administration and reporting.

Santa Clara County's budget allocation is \$1.9 million. Exhibit A, attached to the resolution, provides a summary description of the *Retrofit Bay Area* program and Santa Clara County's local role. The grant will fund staffing to implement the program. The salary ordinance amendment and appropriation modification for the positions and grant funding will be brought to the Board at a subsequent meeting.

The CEC and ABAG are working on their grant agreement, which includes the project description, work statement tasks and milestones, budget, and schedule. After completion of their agreement, ABAG will work with the counties to form agreements for the local implementation funding to be distributed.

CONSEQUENCES OF NEGATIVE ACTION

If the resolution is not adopted ABAG will be unable to complete its agreement with the SEC for grant funding for the retrofit project.

STEPS FOLLOWING APPROVAL

The Clerk of the Board will send an executed copy of the resolution to Jerry Lahr [JerryL@abag.ca.gov], and a copy to Jill Boone [jill.boone@ceo.sccgov.org].

ATTACHMENTS

- Authorizing Resolution

BE IT FURTHER RESOLVED, that if recommended for funding by the California Energy Commission, the County authorizes ABAG to execute a contract accepting a grant award on the County's behalf; and

BE IT FURTHER RESOLVED, that the County recognizes that it is the lead local implementer for the project/s described in Exhibit A for all of the local governments in the County, and that ABAG as the fiscal agent will disburse the funds to the County to implement and carry out the project/s described in Exhibit A, including subsequent disbursements to eligible cities within the County as shown in Exhibit A.

BE IT FURTHER RESOLVED, following the Board of Supervisors' acceptance of a proposal or bid, if any, that the County Executive, or designee, is hereby delegated the authority to execute any and all documents necessary to implement and carry out the program described in Exhibit A, including any necessary contracts, renewals, or extensions consistent with the terms of this Resolution, following approval of County Counsel as to form and legality. This delegation of authority will expire on March 31, 2012; and

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Clara, State of California, on _____, 2010, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Ken Yeager, President
Board of Supervisors

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors.

ATTEST:

Maria Marinos, Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:



Annie Decker, Deputy County Counsel

Exhibits to this Resolution:
A – Program Description

Resolution Authorizing Actions Related to the Bay Area Retrofit Program

Exhibit A: Program Description

Retrofit Bay Area Comprehensive Residential Building Retrofit Program

*Summary of grant proposal submitted by ABAG to the California Energy Commission on
December 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 submitted a proposal to the California Energy Commission's State Energy Program (SEP) to receive \$10.8 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 11, 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.

To achieve these goals, Retrofit Bay Area has identified a set of three core program objectives:

1. Provide Property Assessed Clean Energy (PACE) financing to address the high upfront cost of retrofits, which enables homeowners to finance energy efficiency retrofits and renewable energy improvements through assessments paid via their property taxes.
2. Demonstrate more effective marketing and outreach methods to inform and motivate property owner participation.
3. Streamline participant, contractor, and administration processes to reduce the high transaction costs and build a quality "green" workforce.

The ABAG program thereby will complement existing and planned local retrofit activities.

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 Association	Regional and local implementation assistance, quality assurance and reporting

The County of Santa Clara's Role

The County of Santa Clara has represented the interests of the County and its cities in working with ABAG to develop a regional energy program and is working with the cities to develop a countywide element that will become the Santa Clara County Residential Retrofit Program (SCRRP). If grant funding is awarded to ABAG, Santa Clara County will receive more than \$1,950,000 for the SCRRP to implement local efforts to promote energy audits and retrofits for the residential sector in all the cities and unincorporated areas of the County.

The County is providing a grant process for nonprofits, businesses, housing agencies, utilities and consulting firms to provide energy audits to the residential community. The SCRRP will consist of a suite of environmental programs and information, including PACE financing options, that will be uniformly packaged, marketed and presented to County constituents. The energy audits are expected to stimulate interest in comprehensive home retrofits such as added insulation, weatherization, heating, ventilation and air conditioning upgrades, new windows and energy efficient appliances, resulting in significant reductions in energy and water consumption.

The nearly \$2 million that will be available for the SCRRP will fund two County staff positions and various programs. ABAG is seeking to facilitate 17,000 retrofits in the Bay Area during the grant cycle, with an average of 20% energy reduction. Based on the County having 26% of the population of the eight participating counties, the SCRRP will aim for 4,359 retrofits. It is projected that this work will result in 446 new jobs, \$1.7 million saved in energy costs for homeowners, 100 billion reduction of BTU, and \$43.8 million spent in the County.

The SCRRP will not change the permitting or building inspection processes within the County, and will seek to inform and educate residents on steps that they can take to reduce their energy consumption and water usage. Residents who participate in the program and have energy audits performed on their homes will be encouraged to implement the steps recommended by the energy audit and upgrade their home to be more energy efficient and to consume less water.

Resolution Authorizing Actions Related to the Bay Area Retrofit Program