



## City Council

# Approval of a Resolution Ratifying and Confirming Authorization of Acceptance of Phase 1 of the American-Made Buildings Upgrade Prize

**Agenda Date:** 11/14/2023  
**Agenda Item Number:** 4.B  
**File Number:**23-0975

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**Type:** resolution **Version:** 1 **Status:** Passed

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### Title

Approval of a Resolution Ratifying and Confirming Authorization of Acceptance of Phase 1 of the American-Made Buildings Upgrade Prize

### Recommended Action

#### Committee Recommendation:

Not referred to a committee.

#### City Manager Recommendation:

Move to approve a Resolution ratifying and confirming authorization and signature by the City Manager of a cash prize acceptance for Phase 1 of the American-Made Buildings Upgrade Prize.

### Report

#### Issue:

Whether to approve a Resolution ratifying and confirming authorization and signature by the City Manager of a cash prize acceptance for Phase 1 of the American-Made Buildings Upgrade Prize.

#### Staff Contact:

Pamela Braff, PhD, Director of Climate Programs, Office of Community Vitality, 360.753.8249

#### Presenter(s):

None - Consent Calendar Item

### Background and Analysis:

#### Buildings Upgrade Prize

The U.S. Department of Energy (DOE) Buildings Upgrade Prize (Buildings UP) is a capacity-building prize focused on reducing greenhouse gas emissions in existing buildings through energy efficiency and efficient electrification. In Phase 1, Buildings UP awarded over \$22 million in cash prizes and technical assistance to winning teams that developed innovative initiative models to accelerate building upgrades and achieve greenhouse gas reduction, equity, economic development, and health goals.

The Buildings Up Prize is not a grant. The prize is a one-time disbursement of cash awarded by the U.S. Department of Energy (DOE) on the merit of work already completed.

In Phase 1, Buildings UP teams submitted innovative concepts to leverage the billions of dollars available through the Bipartisan Infrastructure Law (BIL), the Inflation Reduction Act (IRA), utility rebate programs, and many other funding sources, capitalizing on this once-in-a-generation opportunity to equitably decarbonize buildings. Buildings Up proposals were required to describe an innovate energy efficiency and efficient electrification buildings upgrade initiative, including electrifying heating and cooling.

In October 2023, DOE announced 45 teams as Buildings UP Phase 1 winners. Phase 1 winners were invited to advance to Phase 2; and will receive up to \$400,000 in cash prizes and 140 hours of technical assistance to develop their Phase 1 concept proposals into pilot implementation plans.

The City of Olympia, along with project partner Olympia Community Solar, was selected as an Equity-Centered Innovation Pathway winner. The City of Olympia will receive a \$350,000 cash award (87.5% of the total team award) and Olympia Community Solar will receive a \$50,000 cash award (12.5% of the total team award). As a Phase 1 winner, the City of Olympia team will also have the opportunity to compete for future Buildings Up awards and prizes.

#### Buildings Upgrade Phase 1 Concept Proposal

The proposed Energize Olympia Rental Navigator will provide guidance, outreach, and technical support to catalyze widespread building electrification retrofits for affordable rental housing in Olympia. The Navigator will work directly with landlords and tenants to develop actionable building decarbonization and resilience upgrade plans, and then provide ongoing support to increase the likelihood of implementation.

The Energize Navigator will combine several strategies to streamline building upgrades for affordable rental housing, including:

- Conducting targeted outreach and coordination with housing partners and programs to identify affordable rental housing most in need of energy efficiency improvements.
- Providing free energy audits to evaluate baseline energy performance.
- Providing free technical assistance to develop custom building upgrade plans, including weatherization and electrification.
- Identifying innovative funding and financing combinations to reduce upfront costs.
- Providing at least 3 years of continued implementation support to ensure high-quality installations and upgrades.
- Providing funding for unexpected costs that may otherwise prevent upgrades.

During the pilot, the Energize Navigator expects to provide support for 5 multifamily and 20 single family buildings within the upgrade zone. Full scale implementation of this concept would include comprehensive building upgrade support for all affordable rental housing units in Olympia over the next 20 years.

Implementation of the recommended upgrades will have multiple benefits for building occupants:

- Reduced energy bills through weatherization, efficiency, and envelope improvements.

- Improved indoor air quality, comfort, and cooling through efficient, electric heat pump space and water heating.
- Increased energy independence and resilience to electric grid disruptions through solar and battery energy storage.

**Climate Analysis:**

The Energize Olympia Rental Navigator program would provide a long-term reduction in greenhouse gas emissions by providing guidance, outreach, and technical support to decarbonize affordable rental housing in Olympia. The Navigator would support the following greenhouse gas reduction strategies identified in the Thurston Climate Mitigation Plan: reduce energy use in existing buildings, increase the production of local renewable energy, and electrify buildings to phase out natural gas.

**Equity Analysis:**

In Fall 2022, the City conducted a fair housing survey to better understand local housing conditions and discrimination. Outreach was targeted to organizations representing people of color, immigrants, people with disabilities, the LGBTQIA community, seniors, and low-income households. Of the 600+ total respondents, approximately 300 were renters and 80 were Housing Choice Voucher participants. The top three environmental health concerns identified by renters were high heating costs or insufficient heat, high cooling costs or insufficient cooling, and mold.

The proposed concept for the Energize Olympia Rental Navigator would help address these concerns. The Navigator would also include protections to ensure that the costs of building upgrades are not passed on to tenants and that upgrades do not result in increased energy costs for tenants.

**Neighborhood/Community Interests (if known):**

The proposed Energize Olympia Rental Navigator supports the City's climate and affordable housing goals, both of which are top community concerns.

**Financial Impact:**

The City has been awarded a \$350,000 cash prize for the development of the Phase 1 Concept Proposal. A prize is not a grant. There are no reporting or match requirements associated with this award.

**Options:**

1. Approve the Resolution ratifying and confirming authorization and signature by the City Manager to accept a \$350,000 cash prize awarded for Phase 1 of the American-Made Buildings Upgrade Prize.
2. Approve the Resolution ratifying and confirming authorization and signature by the City Manager to accept the Buildings Upgrade Prize with amendments.
3. Do not approve the Resolution ratifying and confirming authorization and signature by the City Manager to accept the Buildings Upgrade Prize.

**Attachments:**

Resolution