

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Derek Smith	2. Telephone No. 503.823.3932	3. Bureau/Office/Dept. Bureau of Planning and Sustainability
4a. To be filed (date) July 8, 2009	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>	5. Date Submitted to FPD Budget Analyst: June 23, 2009

1) Legislation Title:

Authorize an Intergovernmental Agreement with Multnomah County to partner on the Clean Energy Works Portland program. (Ordinance)

2) Purpose of the Proposed Legislation:

Authorize an IGA with Multnomah County that will enable the County to contribute funding to the Clean Energy Works Portland pilot program, should the County secure federal American Recovery and Reinvestment Act (ARRA) dollars for this purpose.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

The IGA will potentially bring as much as \$1.6 million to the City, if the County is successful in its application for ARRA funding. The City, in turn, will use those dollars as additional capital for the Clean Energy Works Portland program. The program provides financing to homeowners to cover the initial costs of insulating and otherwise reducing energy use in their homes, with the loan repaid over time on the homeowner's energy bill.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense?

The costs to the City are minimal: We are already developing the Clean Energy Works Portland program, and the additional capital from the County will simply enable the program to serve more households, with the new funding covering all associated costs.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?

No positions will be created, eliminated or re-classified.

6) Will positions be created or eliminated in *future years* as a result of this legislation?

No.

Complete the following section only if an amendment to the budget is proposed.

7) Change in Appropriations

None at this time.

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

Susan Anderson, Director

APPROPRIATION UNIT HEAD (Typed name and signature)



City of Portland
Bureau of
**Planning and
Sustainability**

Sam Adams, Mayor
Susan Anderson, Director

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STAFF REPORT:

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1. **Ordinance Title:** Authorize an Intergovernmental Agreement with Multnomah County to partner on the Clean Energy Works Portland program.
2. **Contact Name, Department, & Phone Number:** Derek Smith, Bureau of Planning and Sustainability, 503.823.3932
3. **Requested Council Date:** July 8, 2009

Consent Agenda Item: _____ **or** **Regular Agenda Item:** XX

Explain why this does or does not require a presentation or Council discussion:

This is an IGA that authorizes a partnership with Multnomah County to establish the Clean Energy Works Portland program, a significant new effort that is being created with federal stimulus funding to achieve the simultaneous goals of reducing carbon emissions and creating local jobs. In addition to the County, it represents a major partnership between the City, Energy Trust of Oregon, utilities, Shorebank Enterprise Cascadia, and other labor, community-based organizations, and employers.

Emergency Item (answer below): _____ **or** **Non- Emergency Item:** X

If emergency, why does this need to take effect immediately:

4. History of Agenda Item/Background:

Since fall 2008, Portland has been working with utilities, Shorebank Enterprise Cascadia, the Energy Trust of Oregon, and Multnomah County to develop a program that will provide homeowners with easy access to low-interest financing for energy improvements to their homes. The program responds to the immediate need both to create local jobs and to respond to the rising urgency of climate change.

Clean Energy Works Portland will establish a loan fund that pays for the upfront cost of installing energy-efficiency improvements to homes, with the loan repaid over time on the homeowners' utility bill. Because the home will use less energy, the projected savings partly or wholly cover the cost of repaying the loan. Once the loan is paid off, the homeowner keeps all of the savings, while enjoying the benefits of a more comfortable, healthier home. The local economy as a whole benefits as well, since spending dollars on anything other than energy keeps dollars recirculating in the local economy to a greater extent, supporting local jobs. Finally, the reduction in energy use results in lower carbon emissions, moving the City toward its climate-protection goals.

The City has proposed to the U.S. Department of Energy to fund the Clean Energy Works Portland program using part of its formula allocation from the Energy Efficiency and Conservation Block Grant. That application is pending, with notification expected later this summer.

Multnomah County has applied for federal stimulus funding to contribute to the capitalization of the loan fund as well. The IGA that this ordinance would authorize formalizes the arrangement whereby the County would provide the funding to the City for the Clean Energy Works Portland program.

5. Purpose of Agenda Item:

Authorize an IGA through which Multnomah County would provide funding (if it secures federal stimulus funding) to capitalize the Clean Energy Works Portland program.

6. Legal Issues:

None.

7. What individuals or groups are or would be opposed to this ordinance? Supportive?

Opposed: None.

Supportive: Broad cross-section of environmental, labor, and green job organizations, including:

- Energy Trust of Oregon
- Shorebank Enterprise Cascadia
- NW Natural, Pacific Power, Portland General Electric
- Multnomah County
- Worksystems, Inc.
- Approximately 5-6 labor and community organizations

8 How Does This Relate to Current City Policies?

The City has adopted a goal of reducing carbon emissions by 80% by 2050 (Resolution No. 36548), and buildings account for more than 40% of local carbon emissions.

9. Community Participation:

This program was first proposed locally in the stakeholder meetings around the City's proposed High Performance Green Building Policy, and it was also identified in the technical working groups that developed the action items for the current draft Climate Action Plan.

The detailed program proposal has been developed with broad participation from partner organizations, including those identified above as supporters.

10. Other Government Participation:

Multnomah County has been involved in developing the program and may become a full capital partner if it secures federal stimulus funding for this project.

11. Financial Impact:

The IGA would bring additional funding to the City for the Clean Energy Works program.