

# CITY OF FLAGSTAFF

## STAFF SUMMARY REPORT

**To:** The Honorable Mayor and Council  
**From:** Jenny Niemann, Climate Program Manager

**Co-Submitter:**

**Date:** 3/7/23

**Meeting Date:** 3/21/23

**TITLE:**

Consideration and Approval of Agreement: Grant agreement between the U.S. Department of Housing and Urban Development and the City of Flagstaff for the Flagstaff Home Energy Retrofit Program for low-income and vulnerable families.

**STAFF RECOMMENDED ACTION:**

Approve the U.S. Department of Housing and Urban Development grant for FY2022 Economic Development Initiative, Community Project Funding Grant (B-22-CP-AZ-0018), in the amount of \$750,000 for the Flagstaff Home Energy Retrofit Program for low-income and vulnerable families.

**EXECUTIVE SUMMARY:**

The U.S. Department of Housing and Urban Development (HUD) has approved Community Project Funding for the FY2022 Economic Development Initiative, Community Project Funding (CPF) /congressionally directed spending grant, as funded by the Congress in the Consolidated Appropriations Act, 2022 (PL 117-103) (the Act) and as described in the Explanatory Statement accompanying the Act.

This CPF grant funding will be used to provide home energy retrofits to residents through the Flagstaff Home Energy Retrofit Program. The program aims to help low-income and vulnerable households make home investments that will save energy, lower utility bills, improve health, and reduce greenhouse gas emissions.

This program will build on a former energy retrofit program run by the City of Flagstaff from 2011 – 2014, funded partly by the Energy Efficiency Conservation Block Grant program. The City will use the framework from the past award-winning program to rapidly develop a revamped program that focuses specifically on low-income and vulnerable households and home electrification.

The program will be managed by City of Flagstaff staff in collaboration with local contractors and other regional partners. Administrative tasks include application intake, verifying requested repairs, procurement, verifying completion, contractor payment, and file documentation. The City will contract with local contractors to make the repairs. Retrofits will be subsidized at a sliding scale based on income, with subsidies covering most or all of the cost of retrofits for most families.

The program will provide up to 80 home retrofits, serving low-income and vulnerable households in Flagstaff. This program targets low-income and vulnerable households due to the persistent high energy burdens faced by these groups.

- Low-income is defined using the HUD low-income limits. They are defined as households with incomes less than 80% of the Flagstaff area median income (AMI) in the past year.
- Vulnerable families are defined as those families that face additional risk of housing insecurity and climate change. Examples include having a family member with a disability or health condition, a history of housing insecurity, or children in the household. This is a broad definition that will be refined as the program is developed.

The program will be available for both owner- and renter-occupied units and will seek to serve all housing types (single-family and multi-family housing).

#### **FINANCIAL IMPACT:**

Total cost to implement this program is estimated at \$763,936.00.

- The City of Flagstaff will receive \$750,000 in funding from the U.S. Department of Housing and Urban Development.
- The City will contribute staff time to manage the program, totalling approximately \$13,936.00.

In the future, the City may wish to further supplement this program in order to reach more residents and/or accelerate the implementation of this program. Any supplemental program funding will be requested via the fiscal year budget process.

#### **POLICY IMPACT:**

Implementation of the Flagstaff Home Retrofit Program, primarily funded through this grant, will:

- Directly support Flagstaff residents in making energy-efficient improvements to their home, resulting in improvements to comfort, healthier indoor air quality, and lower utility expenses.
- Enable low-income and vulnerable Flagstaff households to more actively participate in energy efficiency programs and better distribute the benefits of City climate action across the community.
- Reduce greenhouse gas emissions from participating homes, contributing to the City's Carbon Neutrality Goals.

#### **CONNECTION TO COUNCIL GOAL AND REGIONAL PLAN:**

Priority Based Budget Key Community Priorities and Objectives:

- Inclusive & engaged community: Promote environmental justice and the fair distribution of environmental benefits.
- Environmental Stewardship: implement sustainable building practices, enhance waste diversion programs, alternative energy programs & multi-modal transportation options.

#### Carbon Neutrality Plan

- ES-3: Design targeted climate policies and programs to serve disproportionately impacted communities first.
- RS-3: Support fuel switching in existing residential and commercial buildings.
- BE-3: Reduce energy use in existing buildings.

#### Regional Plan Goal:

- E&C.2: Achieve carbon neutrality for the Flagstaff community by 2030.
- Policy E&C.2.1. Encourage the reduction of all energy consumption, especially fossil-fuel generated energy, in public, commercial, industrial, and residential sectors.

#### **Has There Been Previous Council Decision on This:**

There has not been a previous council decision on this specific grant. The Council adopted the Carbon Neutrality Plan in June 2021 and adopted revisions in December 2022.

#### **Attachments:**