



Department Source: Housing & Neighborhood Services

To: City Council

From: City Manager & Staff

Council Meeting Date: April 15, 2024

Re: REPORT – American Rescue Plan Act funds for energy efficiency grants to homeowners.

Executive Summary

On October 2, 2023, the City Council approved the allocation of \$1 million in American Rescue Plan Act (ARPA) funds for single family housing repair grants to homeowners. The Housing and Neighborhood Services Department intends to move forward with this funding by launching a new program that offers grants of up to \$5,000 for income-qualified homeowners for insulation-related energy efficiency upgrades.

Discussion

The City of Columbia received \$25.2 million in American Rescue Plan Act (ARPA) funds to address the public health and economic impacts of the COVID-19 pandemic. On October 2, 2023, the City Council approved a resolution stating Council intent to utilize the ARPA funds, which included a City proposal for \$1 million for single family home repair grants. The stated intent of the single family home repair grant proposal was for cash assistance to single-family homeowners to repair, improve or modernize their homes, remove health and safety hazards and correct code enforcement issues. The proposal included energy efficiency improvements as well.

The Housing and Neighborhood Services Department (HNS) intends to move forward with this program by providing grants of up to \$5,000 to low- to moderate-income home-owners that can be used for insulation upgrades thereby producing savings in energy consumption and utility bills and improving the home's health, safety and comfort.

HNS will put out a request for proposals (RFP) for contractor(s) to provide the insulation installation on a term and supply basis (additional weatherization work may be included, such as air sealing, wall and door weather stripping, etc.). After securing the contractor(s) and conducting public outreach, HNS will make applications for the energy efficiency grants available to the public. If an applicant is qualified, the City will notify the applicant and the contractor and give authorization to proceed. When the contractor finishes the insulation energy efficiency project and the applicant signs a certificate of completion to confirm that the project was completed to their satisfaction, the City will pay the contractor directly. There's no waiting for a rebate or reimbursement.

Depending on the interest in the program and the availability of funds, the City could further expand the program to make it available to rental property owners and/or for additional energy efficiency upgrades (e.g., water heaters, air conditioners, furnaces and thermostats). HNS is working with the Office of Sustainability and the Utilities Department to coordinate the



respective departments' continued and planned future programs relating to residential energy efficiency.

Fiscal Impact

Short-Term Impact: None anticipated. American Rescue Plan Act funds have already been appropriated.

Long-Term Impact: None anticipated. At this point, this is a one-time program that will be available until the funds are disbursed.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Resilient Economy, Secondary Impact: Inclusive and Equitable Community, Tertiary Impact: Reliable and Sustainable Infrastructure

Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Environmental Management, Tertiary Impact: Tertiary

Legislative History

| Date | Action |
|------------|--|
| 10/02/2023 | R154-23 - Allocating \$25,284,624.00 in American Rescue Plan Act Funds and authorizing the City Manager to negotiate any agreements or other documents consistent with such allocations. |

Suggested Council Action

Direct staff to move forward with use of the ARPA single family home repair grant funding by offering grants of up to \$5,000 for income-qualified homeowners for insulation-related energy efficiency upgrades.