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Title: Substitute resolution approving a revised Me2 Request for Proposal for residential financial services and making technical clarifications to Me2 Community Workforce Agreement.

Sponsors: ALD. HINES JR., ALD. MURPHY

Indexes: AGREEMENTS, HOUSING

Attachments: 1. Better Buildings Grant Program- Requests for Proposals, 2. Amendment to Community Workforce Agreement, 3. Draft- Loan Loss Reserve Agreement, 4. FAQ Regarding Energy Efficiency and Conservation Block Grant, 5. Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
10/12/2010	0	COMMON COUNCIL	ASSIGNED TO		
11/8/2010	0	STEERING & RULES COMMITTEE	HEARING NOTICES SENT		
11/10/2010	1	CITY CLERK	DRAFT SUBMITTED		
11/11/2010	0	STEERING & RULES COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	7:0
11/23/2010	1	COMMON COUNCIL	ADOPTED	Pass	15:0
12/6/2010	1	MAYOR	SIGNED		

100769

SUBSTITUTE 1

100007

ALD. HINES AND MURPHY

Substitute resolution approving a revised Me2 Request for Proposal for residential financial services and making technical clarifications to Me2 Community Workforce Agreement.

Common Council Resolution File Number 100007, adopted on July 27, 2010, authorized the Department of Administration - Office of Environmental Sustainability to accept and fund an Energy Efficiency and Conservation Block Grant BetterBuildings grant in the amount of up to \$20,000,000, with a minimum funding of \$12,051,372 to be applied to projects in the City of Milwaukee. The Wisconsin Energy Conservation Corporation (WECC) is administering the program as the Milwaukee Energy Efficiency (ME2) Project. This resolution approves the revised financing RFP for residential properties for the Milwaukee Energy Efficiency program. The RFP is being revised to:

1. Focus strictly on owner-occupied residential properties. A separate RFP for commercial loans will be issued later, as the U.S. Department of Energy (DOE) advised that financial institutions address residential and commercial loans differently.

2. State that the loan loss reserve will be held by the financial institution under contract. A sample loan loss reserve agreement from DOE is attached to this file.

3. Clarify that the loan loss reserve is not a loan guarantee. The loan loss reserve will not cover 100% of a defaulted loan, only 80-90%. This ensures that the financial institution bears some risk on the loans it makes.
4. Change the proposal format to allow a better comparison between responses.
5. Add \$150,000 from a We Energies grant that had been intended for the now-defunct Solar PACE program. This will leverage \$1.5 million in solar loans through the same financial institution that will issue the energy efficiency loans. The City reserves the right to not go forward with the solar element if responses are not favorable.

This resolution also approves the revised Community Workforce Agreement with WECC. The attached CWA stipulates that retrofits on owner-occupied residential work of 1-3 units, contractors will utilize a \$17/hr. wage floor instead of Davis-Bacon wages. Per the attached DOE guidance, Davis-Bacon is not required on residential jobs under the Me2 program. The \$17/hr. wage floor reflects residential market rates and provides a family-supporting wage.

Whereas, On July 27, 2010, the Common Council adopted Resolution File Number 100007, authorizing the Department of Administration - Office of Environmental Sustainability to enter into a cooperation agreement with the Wisconsin Energy Conservation Corporation (WECC) to implement the Me2 program; and

Whereas, While supporting the project's overall objectives as outlined in the grant Statement of Project Objectives, the City reserves the right to revise the Me2 program strategies and tasks within DOE parameters, particularly as it relates to financing and workforce development; and

Whereas, The attached Me2 Request for Proposal for financial services has been revised to apply solely to owner-occupied residential properties, with a separate RFP for commercial loans to be considered at a later date; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council approves the attached revised financing RFP, and directs the Department of Administration - Office of Environmental Sustainability to execute the attached financing RFP; and, be it

Further Resolved, That, consistent with guidance from the federal Office of Management and Budget, the Department of Administration is authorized to enter into the revised Community Workforce Agreement with WECC, a copy of which is attached to this file, ensuring compliance with equal opportunity laws and principles, promoting local hiring, providing practicable opportunities for small businesses and emerging business enterprises, encouraging sound labor practices, and engaging with community-based organizations.

Department of Administration
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11/8/10