



Takoma Park City Council Meeting – October 30, 2024

Agenda Item 6

Voting Session

Single Reading Ordinance Awarding Multifamily Building Improvement Grants (MFBIG)

Recommended Council Action

Adopt the ordinance.

Context with Key Issues

On January 16, 2024, staff issued a public notice soliciting multifamily buildings of 3 to 30 units to apply for funding for the Multifamily Building Improvement Grant. The program is aimed to help building owners to make improvements that reduced reliance on fossil fuels and encourage the installation of electric systems and energy efficiency. The Department of Housing and Community Development (HCD) and Public Works collaborated on developing materials and reviewing applications.

After closing applications in March 2024, staff reviewed 13 applications. Seven buildings were selected to move forward. Six applications were not moved forward because the owners were not able to produce a Use & Occupancy Certificate which is critical in securing permits. This was a new requirement that staff added after learning from our experience with 2023 awardees. One building had compliance issues which resulted in them being removed from the program.

Initially, the City hoped to partner with a local agency to conduct building assessments, but delays resulted in staff electing to hire a contractor to conduct the assessments instead of working with the agency to conduct the assessments. The selected contractor, ZeroDraft, conducted building assessments in August and September and provided recommendations to building owners. The owners were then asked to obtain bids from contractors for the suggested improvements.

Owners submitted several projects for consideration. Staff aimed to fund one or two key projects that move the building towards decarbonization and energy efficiency. As part of the contract, buildings will be required to apply for additional funds through the State's Multifamily Energy Efficiency and Housing Affordability Program (MEEHA). Given that many buildings have limited funding (as all of the buildings are either owner-occupied buildings or rent stabilized buildings), staff set a goal of awarding 95% of the project cost (with a maximum of \$120,000 for each project awarded). Buildings could have multiple projects awarded, however, a building maximum of \$200,000 was set to allow all buildings participating to receive an award. A table of proposed awards is below. In some cases, a full bid has not been completed and so a placeholder bid (based on similar costs for previous awardees) was used with a 10% contingency.

<i>Building</i>	<i># of Units</i>	<i>Project(s) Proposed to Be Funded</i>	<i>Project(s) Costs</i>	<i>Award Amount</i>
8315 Roanoke Avenue	5 (Condominium)	Heat Pumps	\$45,500	\$43,225
112 Lee Avenue	12 (Co-op)	Electric Panels and Electric Meters	\$124,900	\$118,650
702 Chaney Drive	22	Mini Splits; Electrical Panels	\$547,480	\$200,000
8308 Roanoke Avenue	4	Electrical Panels and Rewiring	\$15,000	\$46,500
7905 Lockney Avenue	4	Replacement of Gas Boiler with Electric Boiler; Replacement of Gas Stoves with Electric Stoves	\$76,000*	\$72,200*
8202 Houston Court	6	Mini Splits; Electric Panels	\$100,500	\$95,475
TOTAL			\$893,160	\$576,050

If approved, staff will move forward with executing grant agreements with the buildings with the goal of completing all the work by December 2025.

Council Priorities

Environmentally Sustainable Community

Community Development for an Improved & Equitable Quality of Life

Environmental Considerations

The proposed projects are aimed at improving energy efficiency and replacing gas appliances and systems. A high-level analysis of the improvements estimates that these upgrades will reduce the emissions by these buildings by the following amount per project:

<i>Building</i>	<i># of Units</i>	<i>Current system(s)</i>	<i>Project(s) Proposed to Be Funded</i>	<i>Metrics & Assumptions</i>	<i>Expected GHG Reduction (MTC02e/year)</i>
8315 Roanoke Avenue	5	Electric heating, electric cooling, gas cooking, gas water heating	Replace electric split-system heat pumps (1 ground-mount unit + 1 horizontal ceiling-mounted air handler) with new high-efficiency mini-split heat pumps	Current system has a SEER (Seasonal Energy Efficiency Ratio (SEER) rating) of 10, new system will be 20 or above (twice as efficient) Avg. use of 26,200/unit/yr; new system should be approximately 13,100 kwh/unit/yr	9.2
112 Lee Avenue	12 (Co-op)	Gas heating, electric cooling, gas	Upgrade electric panels and	Upgrade from outdated 60 amp panels to min.	N/A- project is an enabler of future

		cooking, gas water heating	electric meters (heavy-up)	100 amp panels or higher	electrification of appliances
702 Chaney Drive	22	Gas heating, electric cooling, gas cooking, gas water heating	Replace gas-fired water condensing boiler / window air conditioners with new ductless mini-split heat pumps	Heating: Currently a 1,000 kBTU boiler. Avg.1-bedroom apartment uses approx. 100 therms of natural gas per month X 5 months X 22 units	58.2
8308 Roanoke Avenue	4	Electrical Panels and Rewiring	Upgrade electric panels and electric meters (heavy-up)		N/A- project is an enabler of future electrification of appliances
7905 Lockney Avenue	4	Gas heating, electric cooling, gas cooking, gas water heating	Replace old, inefficient atmospheric gas boiler with a high-efficiency condensing electric boiler	Heating: Currently a 300 kBTU boiler. Avg.1-bedroom apartment uses approx. 100 therms of natural gas per month X 5 months X 4 units	10.6
8202 Houston Court	6	Gas heating, electric cooling, gas cooking, gas water heating	Upgrade electric panels and electric meters (heavy-up); Replace gas-fired water condensing boiler / window air conditioners with new ductless mini-split heat pumps	Upgrade from outdated 60 amp panels to min. 100 amp panels or higher. Heating: Currently a 42 kBTU boiler. Avg.1-bedroom apartment uses approx. 100 therms of natural gas per month X 5 months X 6 units	15.9 Project is also an enabler of future electrification of appliances
TOTAL					93.9 MT CO2e/Year

Using averages and calculation assumptions based on the U.S. EPA's Greenhouse Gas Equivalencies Calculator, it is estimated that approximately 93.9 MT CO2e would be avoided per year based on these projects. Please note that these calculations are based on averages only, and actual emissions data should be assessed on a case by case basis.

Fiscal Considerations

This program is funded through the American Rescue Plan Act (ARPA), as well as a NED Grant for the State of Maryland, and will not use General Fund Dollars. The total amount for all the awards is \$528,450.

Racial Equity Considerations

A total of 50% of city residents are renters, and non-Hispanic white households make up less than 20% of renter households. Roughly half of the city's renters qualify as low income. 89% of the city's housing stock was building over 40 years ago.

Of the six properties selected in this cycle of the program, only one (112 Lee Ave.) falls outside of Equity Emphasis Areas (EEAs) as designated by the Metropolitan Washington Council of Governments (MWCOG). EEAs are a regional planning concept adopted by the MWCOG Board of Directors to elevate equity and inform future growth and investment decisions. EEAs are 364 of the region's more than 1,300 census tracts with high concentrations of low-income individuals and/or traditionally disadvantaged racial and ethnic population groups.

More information is available here: <https://www.mwco.org/transportation/planning-areas/fairness-and-accessibility/environmental-justice/equity-emphasis-areas/>

Attachments and Links

Draft Ordinance

Introduced by:

**CITY OF TAKOMA PARK, MARYLAND
ORDINANCE 2024-**

**AUTHORIZING AWARD OF
FY25 MULTIFAMILY BUILDING IMPROVEMENT PROGRAM AWARDEES**

WHEREAS, the City Council allocated American Rescue Plan Act (ARPA) funds for the purpose of assisting small scale multifamily buildings in decarbonization and energy efficiency efforts; and

WHEREAS, the City is the recipient of a grant from the National Capital Strategic Economic Development (NCSEDF) program for the purpose of assisting small scale multifamily buildings in decarbonization and energy efficiency efforts; and

WHEREAS, Staff opened an application period in January 2024, conducted building assessments, and identified projects that move the selected buildings towards sustainability; and

WHEREAS, a total of \$700,000 has been budgeted for the FY25 Multifamily Building Improvement Program;

WHEREAS, the Council concurs with the staff’s funding recommendations.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. FY25 Multifamily Building Improvement Program funds are awarded for the following projects:

Multifamily Building Improvement Grant Program Awards

<i>Building</i>	<i># of Units</i>	<i>Project(s) Proposed to Be Funded</i>	<i>Project(s) Costs</i>	<i>Award Amount</i>
8315 Roanoke Avenue	5 (Condominium)	Heat Pumps	\$45,500	\$43,225
112 Lee Avenue	12 (Co-op)	Electric Panels and Electric Meters	\$124,900	\$118,650
702 Chaney Drive	22	Mini Splits; Electrical Panels	\$547,480	\$200,000

8308 Roanoke Avenue	4	Electrical Panels and rewiring	\$15,000	\$46,500
7905 Lockney Avenue	4	Replacement of Gas Boiler with Electric Boiler; Replacement of Gas Stoves with Electric Stoves	\$76,000	\$72,200
8202 Houston Court	6	Mini Splits; Electric Panels	\$100,500	\$95,475
TOTAL			\$909,380	\$576,050

SECTION 2. The City Manager is further authorized to execute any documents and take any action necessary to carry out the intent of this Ordinance.

SECTION 3. This Ordinance shall become effective upon adoption.

ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK THIS ___ DAY OF OCTOBER, 2024 BY ROLL-CALL VOTE AS FOLLOWS:

AYE:

NAY:

ABSENT:

ABSTAIN: