

The Baltimore City Department of
HOUSING & COMMUNITY
DEVELOPMENT

MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Michael Braverman, Acting Housing Commissioner 

Date: August 29, 2017

Re: **City Council Bill 17-0112 – Assignment of Qualified Energy Conservation Bond Allocation**

The Department of Housing and Community Development (HCD) has reviewed City Council Bill 17-0112, for the purpose of assigning the Mayor and City Council of Baltimore's allocation of the national bond volume cap for qualified energy conservation bonds to the Maryland Clean Energy Center to finance solar electric projects for low-income residences located in the City; and setting a special effective date.

If enacted, this bill would allow the City to transfer a portion of their share of funds received from Federal Qualified Energy Conservation Bonds (QCEBs) to the Maryland Clean Energy Center (MCEC). One benefit of having the ability to transfer the city allocation to MCEC would be preventing the city from taking on additional bond debt. Baltimore City received over \$6.6 million from the \$58.4 million allocated to the State of Maryland. Federal guidelines stipulate that funds be used to fund projects that meet the requirements of "Qualified Conservation Purposes" (QCPs), such as subsidizing financing costs associated with energy efficiency and water conservation measures and researching alternative transportation modalities and fuels and associated infrastructure.

The MCEC has been working diligently to advance the renewable energy market in Maryland by leveraging private capital and private sector capabilities. One on-going partnership effort with MCEC and the City is the exploration of options on further assisting low-income residents in the City to save money through solar installations. In addition, the MCEC developed the Maryland Saves Green Community Program specifically to assist local jurisdictions in using the QCEBs so they are already very familiar with the Federal requirements, and will be the issuer of the bond debt.

The City Department of Housing and Community Development initiated the Baltimore Shines Program, a new low-income solar program. The goal of the program is to demonstrate a replicable and scalable model that combines solar workforce training and deployment of low-income residential rooftop solar installations. It will also attract community-focused private investment to assist with the installation of rooftop solar units for low-income owner-occupied single-family residences in the City. The Baltimore Shines program would not only increase access to solar for low-income residents, but also increase job training and job placement for low-income residents as well. The program lowers bills, and increases wages for some of the City's most vulnerable residents, which supports a growing, sustainable and resilient Baltimore.

A key component of the Baltimore Shines program is the ability to use the QECBs as a funding source, which qualifies as a Green Community Program that meets energy efficiency measures, to advance the goals of the program. This bill would provide a partnership that would result in the use of funds that have been available for over five years to assist with the installation of rooftop solar panels for low incomes residents to reduce their energy bills by over 30%.

The Department of Housing and Community Development strongly encourages the passage of City Council Bill 17-0112.

MB:sd

cc: Ms. Karen Stokes, *Mayor's Office of Government Relations*
Mr. Kyron Banks, *Mayor's Office of Government Relations*