

1 [Accept and Expend Grant - Retroactive - United States Department of Energy - Building  
2 Performance Standard: Adoption, Enforcement and Equitable Support, and Preparation for  
3 Regional Adoption - \$19,994,217]

4 **Resolution retroactively authorizing the Department of the Environment (“Environment**  
5 **Department”) to accept and expend a grant award of \$19,994,217 for the period from**  
6 **January 1, 2025, through December 31, 2033, from the United States Department of**  
7 **Energy, Office of State and Community Energy Programs (SCEP) for the development,**  
8 **adoption, and enforcement of standards to reduce energy use and carbon emissions**  
9 **from large existing buildings in San Francisco and Berkeley, provide supporting**  
10 **outreach in partnership with community-based organizations, and target and deliver**  
11 **technical assistance to disadvantaged communities; retroactively approving the grant**  
12 **agreement pursuant to Charter, Section 9.118(a); and retroactively authorizing the**  
13 **Director of the Environment Department to enter into amendments or modifications to**  
14 **the grant agreement that are necessary to effectuate the purposes of the grant**  
15 **agreement or this Resolution.**

16  
17 WHEREAS, The City and County of San Francisco (“San Francisco” or “City”) is a  
18 long-standing local and regional leader in the development and implementation of energy and  
19 green building codes that reduce energy cost burdens, pollution, and greenhouse gas  
20 emissions; and

21 WHEREAS, In 2011 San Francisco was the first city in California to require annual  
22 tracking and public disclosure of energy use in large existing buildings through the adoption of  
23 Environment Code, Chapter 20, the Existing Buildings Energy Performance Ordinance (EBO);  
24 and

1           WHEREAS, San Francisco’s Existing Buildings Energy Performance Ordinance was a  
2 model for similar programs later adopted by Berkeley, San Jose, the State of California, and  
3 others; and

4           WHEREAS, Environment Code, Chapter 9 established a goal of reducing greenhouse  
5 gas emissions from within San Francisco by at least 61% by 2030 compared to 1990 levels,  
6 and achieving net zero emissions by 2040; and

7           WHEREAS, Greenhouse gas emissions from the operation of buildings in San  
8 Francisco have been reduced 60% by 2022 in comparison to 1990, and 95% of such  
9 emissions in 2022 were due to the transmission and combustion of natural gas; and

10          WHEREAS, In 2022 the operation of existing buildings remained the second-largest  
11 sector-based source of greenhouse gas emissions in San Francisco, accounting for 44% of  
12 citywide emissions; and

13          WHEREAS, On December 18, 2023, the U.S. Department of Energy (DOE) Office of  
14 State and Community Energy Programs (SCEP) requested proposals for funding under the  
15 Inflation Reduction Act of 2022 to adopt innovative building codes (building performance  
16 standards or “BPS”) that help contribute to the health, safety, efficiency, and long-term  
17 resilience of buildings and lower emissions; and

18          WHEREAS, The Environment Department on February 9, 2024, submitted its  
19 application titled, “Building Performance Standard: Adoption, Enforcement and Equitable  
20 Support, and Preparation for Regional Adoption;” and

21          WHEREAS, The application sought sustained funding for nine years to enable San  
22 Francisco and Berkeley to broadly engage local communities, tenants, owners, labor, and  
23 design professionals in the co-creation of a BPS proposal to mandate investment in building  
24 improvements over an extended period, consistent with San Francisco’s goal of net zero  
25 carbon emissions by 2040; and

1           WHEREAS, San Francisco has a history of policy and land use decisions that have  
2 adversely impacted low-income and communities of color and subjected them to elevated  
3 levels of environmental pollutants, including toxic byproducts from combustion of natural gas  
4 in existing buildings; and

5           WHEREAS, On August 27, 2024, the U.S. Department of Energy (DOE) Office of State  
6 and Community Energy Programs (SCEP) issued a notice that San Francisco, in partnership  
7 with the City of Berkeley, was selected to receive \$19.9 million in funding over a period of nine  
8 years for the adoption, implementation, enforcement of BPS, as well as equitable support for  
9 compliance (the “Grant”); and

10           WHEREAS, The Grant will provide \$14,264,274 in funding for expenditure by San  
11 Francisco, consisting of \$5,644,040 in support of Environment Department staff and expenses  
12 in the development, adoption and enforcement of BPS, and administration of supporting  
13 services; \$690,075 in support of outreach and engagement by community-based  
14 organizations that will be chosen through a competitive RFP process; \$5,575,000 for delivery  
15 of programs supporting compliance for equity priority buildings; \$500,000 in incentives for  
16 early compliance in commercial buildings; \$810,510 in administrative & outreach software;  
17 \$50,000 in translation support; \$425,213 in engineering support; and provisions of \$569,435  
18 for indirect costs; and

19           WHEREAS, The City of Berkeley will receive \$5,729,943 under this Grant for adoption,  
20 enforcement, and equitable support with compliance of BPS; and

21           WHEREAS, The term of the Grant is from January 1, 2025, through December 31,  
22 2033; and

23           WHEREAS, The Grant does not require an amendment to the Annual Salary  
24 Ordinance, and partially reimburses the Environment Department for several existing  
25 positions; and

1           WHEREAS, Retroactive approval is being requested because the Department signed  
2 the conditional agreement on December 31, 2024, to facilitate expeditious processing and  
3 finalization of the grant award; and

4           WHEREAS, The Environment Department has submitted all of the documents  
5 applicable to this Grant that are required in an Accept and Expend package submitted to the  
6 Board of Supervisors, and those documents are on file with the Clerk of the Board of  
7 Supervisors in File No. 250025; and

8           WHEREAS, Administrative Code, Section 2.6-3, requires the Budget Analyst to review  
9 legislation and report on matters that are deemed to have fiscal impact; and

10          WHEREAS, The grant budget includes provision for indirect costs of \$569,435; now,  
11 therefore, be it

12          RESOLVED, Due to the lack of a fiscal impact determination, as required by  
13 Administrative Code, Section 2.6-3, and possible fiscal impact report, the funds accepted for  
14 this grant shall be placed into the Board of Supervisors' reserve until released; and, be it

15          FURTHER RESOLVED, That the Director of the Environment Department is hereby  
16 authorized under Administrative Code, Section 10.170-1, to accept the United States  
17 Department of Energy, Office of State and Community Energy Programs Grant award of  
18 \$19,994,217 on behalf of the City, in accordance with the purposes and goals for the funding;  
19 and, be it

20          FURTHER RESOLVED, Once the fiscal impact requirements of Administrative Code,  
21 Section 2.6-3, have been resolved, the Board of Supervisors delegates their authority to  
22 release these funds to the Budget and Finance Committee and the Clerk of the Board is  
23 directed to schedule a hearing at the Budget and Finance Committee to duly review the  
24 submitted documents and consider the release of the funds to the Department of the  
25 Environment; and, be it

1 FURTHER RESOLVED, That the Department of the Environment shall be hereby  
2 authorized to expend the grant award of \$19,994,217 upon the release of funds from the  
3 Board of Supervisors' Reserve; and, be it

4 FURTHER RESOLVED, That under Charter, Section 9.118(a), the Board of  
5 Supervisors retroactively approves the Grant agreement; and, be it

6 FURTHER RESOLVED, That the Director of the Environment Department is hereby  
7 retroactively authorized to enter into and execute the Grant agreement, and amendments  
8 thereto, and to execute agreements between the City and various agencies consistent with  
9 the aforementioned proposal and necessary to carry out the purpose of the Grant.

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Recommended:

Approved: \_\_\_\_\_/s/\_\_\_\_\_

Benjamin McCloskey,  
Interim Mayor's Budget Director

\_\_\_\_\_/s/\_\_\_\_\_

Tyrone Jue  
Director  
Environment Department

Approved: /s/Jocelyn Quintos for Greg Wagner  
Greg Wagner, Controller