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CITY OF SACRAMENTO  
CALIFORNIA

OFFICE OF THE  
CITY MANAGER

February 13, 1980

CITY HALL  
915 I STREET - 95814  
(916) 449-5704

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Community Development Block Grant (CDBG) Home Insulation/  
Weatherization Program

SUMMARY

This report regards the proposed CDBG funded Home Insulation/Weatherization Program and agreement with the Sacramento Municipal Utility District (SMUD) for administration of such program.

BACKGROUND

The City's 1978-79 and 1979-80 CDBG programs (as adopted by the City Council) included a total of \$50,000 for a home insulation program. The program description is to provide grants to low and moderate income homeowners for home insulation services.

Attached as Exhibit I are the draft Home Insulation/Weatherization Program guidelines as prepared by the staff. The program was designed to complement existing home insulation programs available through SMUD and Sacramento Area Economic Opportunity Council (SAEOC). The attached guidelines describe the eligibility criteria, benefits to program recipients, eligible program expenses, high risk loan fund and City role.

SMUD presently provides low interest loans, quality control and related services to homeowners for insulation under an 8% loan program. SAEOC provides home insulation and weatherization grants to homeowners whose incomes are below the Federal poverty level.

The City's proposed program is intended to provide assistance to those homeowners above the Federal poverty level, below the HUD low and moderate income limits, and unable to afford SMUD's loan program.

In the course of preparing the program guidelines the City staff was approached by SMUD regarding administration of the subject program. SMUD has offered to administer the proposed program including marketing, coordination, inspection, contractor selection, services, etc. There would be no cost to the City for these administrative services. SMUD would administer the program as part of their overall insulation program.

A- 79197

SMUD would subcontract with private contractors and/or SAEOC to provide the insulation and weatherization improvements. The private contractors are selected by SMUD through a public bid selection process. SMUD will attempt to utilize SAEOC to the greatest extent possible for the City's program. One of the major reasons is that the City provides SAEOC with 12 CETA positions for insulation and weatherization services, thus the two programs would compliment each other.

#### FINANCIAL DATA

The budget amount for the Home Insulation/Weatherization Program is \$50,000. This amount is sufficient to insulate approximately 125 homes at a maximum \$400 per home. There is no cost to the City for the administrative services that would be provided by SMUD.

SMUD reimbursement rates to private contractors and SAEOC for insulation is \$.15 per square foot for level R-19 and \$.09 per square foot for level R-11. SAEOC has approached the City regarding an additional reimbursement from the City (see Exhibit I). SAEOC indicated analysis of actual program costs from the County's CDBG insulation/weatherization program were such that the SMUD reimbursement rate is marginal and insufficient to meet actual incurred costs. The City staff response (see Exhibit III) to SAEOC indicated an intent on the part of the City to evaluate actual program costs for insulation and weatherization services as documented by SAEOC during the first 90 days of the program operation. At the end of that time the City and SAEOC staff's would jointly review and analyze the data to determine if an additional reimbursement for insulation and weatherization services should be provided.

#### RECOMMENDATION

The staff recommends the City Council approve the proposed CDBG Home Insulation/Weatherization Program guidelines and adopt the attached resolution authorizing the City Manager to execute on behalf of the City an agreement with SMUD for undertaking and completion of the Home Insulation/Weatherization Program.

Respectfully submitted,

  
Andy Plescia  
Senior Management Analyst

Recommendation Approved:

  
Walter J. Slupe  
City Manager

February 26, 1980  
All Districts

# SACRAMENTO AREA ECONOMIC OPPORTUNITY COUNCIL

Samuel C. Pannell  
PRESIDENT

OFFICE OF THE EXECUTIVE DIRECTRESS

January 25, 1980

Andy Plescia  
City Planning Department  
City Hall, Room 308  
915 I Street  
Sacramento, Ca. 95814

Dear Andy:

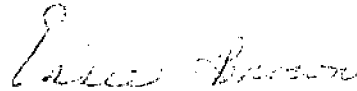
SAEOC has signed and returned a contract to SMUD to provide weatherization and insulation services to SMUD customers in County CDBG target areas.

An analysis of actual program costs based on previous SAEOC operations suggests that the current SMUD reimbursement rate of \$.15 per square foot is a marginal charge and is insufficient to meet real incurred costs.

I am enclosing a copy of the County's "EXHIBIT A" which is part of a contract providing for up to 5¢ per square foot for demonstrated additional costs for insulation and weatherization for your review and consideration.

We are anxious to proceed with the City portion of the SMUD weatherization and insulation project and would greatly appreciate any comments you may have regarding this matter.

Sincerely,



Essie Brown  
Executive Directress



CITY OF SACRAMENTO  
CALIFORNIA

OFFICE OF THE  
CITY MANAGER

February 7, 1980

CITY HALL  
915 I STREET - 95814  
(916) 449-5704

Ms. Essie Brown  
Executive Directress  
SAEOC  
4170 Florin Road  
Sacramento, CA 95823

Dear Ms. Brown:

SUBJECT: City of Sacramento Home Insulation/Weatherization Program

This is in response to your letter dated January 25, 1980 regarding the current SMUD reimbursement rate of \$.15 per square foot and actual program costs associated with insulation and weatherization services.

On February 4, 1980, Larry Stenzel, John Whitehead, and Andy Plescia met to discuss this matter. Based on this meeting an agreement was reached regarding program costs by SAEOC in providing insulation and weatherization services.

This letter is to serve as an intent by the City to evaluate actual program costs for insulation and weatherization services as documented by SAEOC during the first 90 days of the program operation. At the end of that time the City and SAEOC staffs will jointly review and analyze the data to determine if an additional reimbursement for insulation and weatherization services be provided SAEOC by the City. This would be in addition to the reimbursement rates provided by SMUD. Any additional reimbursement would be based on actual expenditures over and above the reimbursement rate of SMUD.

Please contact Andy Plescia in our office should you have any questions or require further information. The City is looking forward to working with SMUD and SAEOC in providing insulation and weatherization services in City CDBG target areas.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Slipe".

Walter J. Slipe  
City Manager

cc: Andy Plescia, John Whitehead, Larry Stenzel, Ron Barrow

**RESOLUTION NO. 80-113**

Adopted by The Sacramento City Council on date of

A RESOLUTION AUTHORIZING THE CITY MANAGER  
TO EXECUTE AN AGREEMENT WITH THE SACRAMENTO  
MUNICIPAL UTILITY DISTRICT TO PROVIDE FOR  
IMPLEMENTATION OF THE CDBG HOME INSULATION  
PROGRAM

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

That the City Manager is hereby authorized to execute on behalf of the City of Sacramento an agreement with the Sacramento Municipal Utility District to provide for the undertaking and completion of the Home Insulation Program for which the City of Sacramento has received Federal funds pursuant to the Community Block Grant Program under Title 1 of the Housing and Community Development Act of 1977.

\_\_\_\_\_  
MAYOR

ATTEST

\_\_\_\_\_  
CITY CLERK

APPROVED  
BY THE CITY COUNCIL

FEB 26 1980

OFFICE OF THE  
CITY CLERK



# CITY OF SACRAMENTO

## OFFICE OF THE CITY CLERK

915 I STREET

CITY HALL ROOM 203

SACRAMENTO, CALIFORNIA 95814

TELEPHONE (916) 449-5428

LORRAINE MAGANA  
CITY CLERK

February 27, 1980

Sacramento Municipal Utilities District (SMUD)  
Attention: Pete Hollick  
6201 "S" Street  
Sacramento, CA 95817

Dear Mr. Hollick:

On February 26, 1980, the City Council adopted a resolution authorizing execution of an agreement to provide for implementation of the CDBG Home Insulation Program.

Enclosed are four (4) copies of agreement executed by the City as authorized by the attached certificate resolution.

Upon final execution, please return three (3) copies of said agreement for the City's distribution.

Sincerely,

  
Jaci Pappas  
Acting City Clerk

JP:HO'

Encl.

Item No. 42