

**Boulder
Housing
Partners**



SPECIAL
BOARD MEETING

August 17, 2020

Strategic Framework

BOULDER HOUSING PARTNERS



VISION To help create a **diverse, inclusive, & sustainable** Boulder.

MISSION To provide quality, affordable homes and foster thriving Boulder communities.

CORE BELIEFS

- We believe in the **power of having a home**.
- We believe in **opportunity for all**.
- We celebrate our **diversity**.
- We believe our work is **one part of a broader solution** to a thriving community.
- We believe in keeping our **impact on the environment small**.
- We believe in working as **one team**.

STRATEGIES

Support Residents & Strengthen Communities

We provide high-quality customer service, treating all people with kindness, respect, and dignity. We foster partnerships with residents, participants, and local organizations to increase opportunities and strengthen the broader community.

Increase Affordable Housing Opportunities

We seek to meet the changing housing needs of our community. Our expertise is affordable and attainable rental housing. We work in collaboration with the City of Boulder to address community housing goals and provide opportunities that would not otherwise be available in the local market. We are agile and responsive to opportunities, providing permanently affordable homes through development, acquisition, and vouchers.

Steward our Resources Effectively

We are diligent stewards of public resources and champions for those who need them. We manage our resources through effective business practices, strategic asset management, community collaborations, environmental stewardship, and innovative systems that bring clarity and focus to our work.

Cultivate an Outstanding Workplace

We create a positive workplace culture, striving to attract and retain the best employees. We support wellness and balance in employees' lives and we cultivate the creativity, passions, and unique skills of our team members.

FRAMEWORK FOR DECISION MAKING

When evaluating decisions or determining what matters BHP should spend time on, in accordance with our fiduciary duties to always act in the best interest of the organization, we consider the following questions:

1. Does this idea/action item further the goals of the organization?
2. Is this relevant and helpful for our constituents/customers?
3. What is the impact on staff?
4. What is the impact on budgets?
5. Is it strategic or operational?
6. Is this within our span of control?



Special Board of Commissioners Meeting

Location: <https://zoom.us/j/98364994698>
August 17, 2020 ▪ 10:30 a.m. – 12:00 p.m.

AGENDA

- 10:30 **1. Call to Order and Determination of a Quorum**
- 2. Public Participation**
- 3. Executive Session - Real Estate Matters Pursuant to C.R.S. 24-6-402(4)(a)***
 *Distributed Under Separate Cover
- 4. Land Lease with Grid Alternatives for Solar Garden**
- 12:00 **Adjournment**

MEMO

To: Board of Commissioners
From: Tim Beal
Date: August 17, 2020
Re: Land Lease with Grid Alternatives for Solar Garden

Background



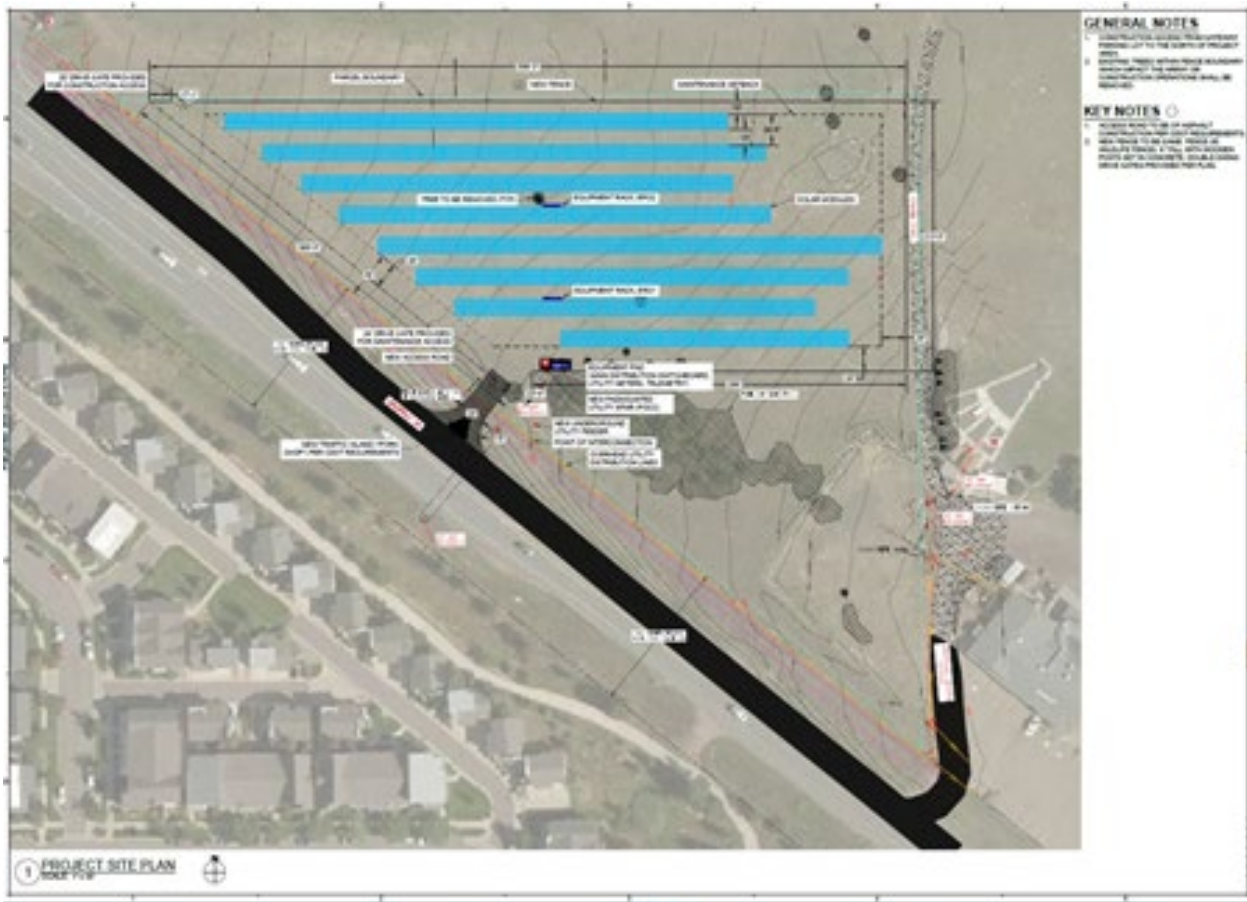
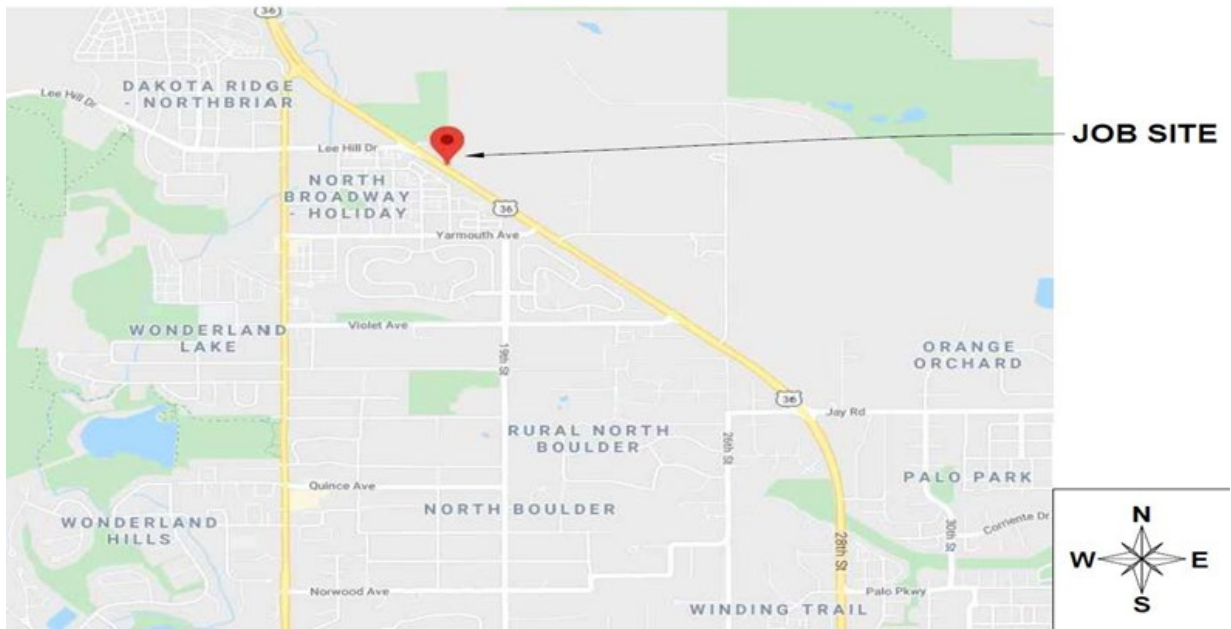
We are pleased to present to the Board an opportunity to enter into a land lease and solar power subscription agreement to build a solar garden at an underutilized parcel of land owned by Boulder Housing Partners that will generate energy that will then be credited to BHP's 100% low income properties and residents. The land lease is for our "triangle site" located at 4772 N 28th St., Boulder.

The triangle is a 3.8-acre parcel of land located in the County next to the Gateway Park Fun Center north of Boulder. The land is part of the Area 3- Planning Reserve in the Boulder Valley Comprehensive Plan. This land cannot be annexed into the City or developed as housing currently, and any future development will need to undergo a lengthy process to annex the site for housing development which is not presently contemplated as part of the City's work plan. Because the site cannot be developed as housing in the foreseeable future, BHP's sustainability team has been working for a number of years with City and County staff to install a solar garden on the parcel to benefit the low income properties and residents of BHP.

Community solar gardens produce electricity which is connected to and distributed through the utility grid. A subscriber to the community solar garden receives credit on their utility bill proportional to the amount of solar electricity produced. Subscribers are electricity customers within the utility territory and county. As an Xcel awarded community solar garden, this project would provide bill credit savings to BHP through our Xcel billing statements.

As a 100% low income dedicated solar, this solar garden is limited to income qualified customers and organizations that support those residents. For this community solar project, BHP will partner with GRID to subscribe 100% of the energy produced by the solar garden and enroll our portfolio of properties. BHP will use the estimated energy cost savings of \$647,237 over 20 years to both reduce operating expenses and provide direct utility bill savings to residents. With Board approval, BHP will be the land lessor for a 20-year period and subscriber and beneficiary of the solar garden electricity.

VICINITY MAP



Benefits

This project provides several layers of positive impact to the community including financial, social, and environmental benefits.

- Utility Cost Reduction:
 - The solar garden will generate an estimated \$647,237 in energy savings over the 20-year agreement which can be directed to BHP properties or individual tenants.
- Workforce Development:
 - GRID will include in-depth workforce development opportunities to 5-10 trainees, including a SolarCorps fellow (similar to AmeriCorps)
 - Trainee plan includes opportunity for tenant and local participation
 - Grant provided by Boulder County allows for future workforce development opportunities with BHP residents
- Environmental:
 - 19,277,306 kWh of solar generated electricity over 20 years
 - This solar energy offsets an estimated 13,630 metric tons of CO2 which is the equivalent of 225,000 trees planted
 - Successful development and operation of this project will demonstrate the success of this blended impact investment approach and encourage future capital and market investor to participate in similar projects across the nation.

Deal Structure and Partners:

We now can complete the project in 2020 due to financial incentives provided by the CARES Act for solar tax equity. The project has three unique sources of capital:

1. GRID secured a commitment from the BQUEST Foundation (Go Fund Me Foundation) to provide 30% of the project cost as an ultra-low interest loan (Program Related Investment).
2. GRID secured a unique Tax Equity investor which will be contributing 20% more capital to the project than typical (significantly reducing the need for other funding) due to special provisions in CARES act for 2020.
3. The City of Boulder is providing two grants totaling \$168,400 to the project to provide deeper energy cost savings to BHP and its residents.

The committed financing, particularly Tax Equity, is dependent on reaching construction completion by 2020 due to special provisions in the CARES Act. Losing this tax equity investor would create risk of finding replacement capital in 2021. To complete the project within 2020, GRID must start construction by the end of September. Equipment and subcontractor lead times of 6 weeks require deposits and payments from GRID (in addition to expenses already incurred). Without site lease and subscriber agreement, the project cannot proceed with these necessary next steps. If the project can obtain site and subscriber in August, the project can meet the required development and construction timelines.

The Proposed Deal Partners and Structure is as Follows:

Boulder Housing Partners: With Board approval, BHP would be the land lessor for the project and the subscriber to the solar garden.

GRID: GRID Alternatives Colorado (GRID) is a solar installation, education, and outreach organization. They are a 501c3 non-profit and licensed solar contractor with a mission to make renewable energy technology and job training accessible to underserved communities. GRID was

founded in California in 2001. In 2008, GRID Alternatives was selected by the California Public Utilities Commission to serve as the statewide program manager for its \$162 million affordable solar program incentive program, the country's first dedicated solar rebate for low-income families. GRID launched a national expansion in 2012 and began serving Colorado at that time. BHP has done two projects with GRID to date. They also have a long history of working with affordable housing providers and municipalities including Denver Housing Authority, City of Boulder and Boulder County.

City of Boulder: Long term supporter of the solar garden concept, partner, grant provider and provided solar garden development expertise and grant financing to the project.

Boulder County: Long term project supporter of the solar garden concept, partner and provided solar garden development expertise and funding for workforce development to the project.

Department of Energy: GRID Alternatives received a 3-year grant from the Department of Energy to advance financing for low income dedicated solar project. The grant provides GRID with funding to streamline the process for bringing in Program Related Investments (PRI) from Foundations and Impact investors as a means of lowering the cost of capital for LMI solar projects. The BHP project would be the first project to utilize this process.

Recommendation

Enter into a land lease and solar subscription agreement with GRID.

Request

Motion authorizing the Executive Director to execute a Land Lease with Grid or its affiliated special purpose entities to install a solar garden located at 4772 N 28TH Street, Boulder and to subscribe to the solar garden to provide benefit to BHP properties and residents.

Attachments

- BHP Estimated Energy Savings Table
- GRID one-pager



Boulder Triangle Community Solar Garden August 13, 2020

Load Analysis				Offtaker	% of Capacity	20 year Savings
System Size	628.00			Boulder Housing Partners	100%	\$645,177.73
Kwh/kW	1,609.00					
Total Generation	1,010,452					
Secondary General Bill Credit:	\$0.06423					
PPA charge per kWh	\$0.05000					
PPA Rate Escalation	1.35%					
Solar degradation rate	0.5%					
REC per kWh (paid to subscriber)	\$0.00					
Assumed avg rate increase	3.50%					
Years	Solar Generation	Bill Credit Revenue	REC Revenue	Total Solar Credit	PPA Payments	Net Energy Savings
0						
1	1,010,452	\$64,901	\$0	\$64,901	\$50,523	\$14,379
2	1,005,400	\$66,837	\$0	\$66,837	\$50,949	\$15,888
3	1,000,373	\$68,830	\$0	\$68,830	\$51,378	\$17,452
4	995,371	\$70,883	\$0	\$70,883	\$51,812	\$19,072
5	990,394	\$72,997	\$0	\$72,997	\$52,248	\$20,749
6	985,442	\$75,175	\$0	\$75,175	\$52,689	\$22,486
7	980,515	\$77,417	\$0	\$77,417	\$53,133	\$24,283
8	975,612	\$79,726	\$0	\$79,726	\$53,581	\$26,144
9	970,734	\$82,103	\$0	\$82,103	\$54,033	\$28,070
10	965,881	\$84,552	\$0	\$84,552	\$54,489	\$30,063
11	961,051	\$87,074	\$0	\$87,074	\$54,948	\$32,126
12	956,246	\$89,671	\$0	\$89,671	\$55,412	\$34,259
13	951,465	\$92,345	\$0	\$92,345	\$55,879	\$36,466
14	946,707	\$95,099	\$0	\$95,099	\$56,350	\$38,749
15	941,974	\$97,936	\$0	\$97,936	\$56,825	\$41,111
16	937,264	\$100,857	\$0	\$100,857	\$57,304	\$43,552
17	932,578	\$103,865	\$0	\$103,865	\$57,788	\$46,077
18	927,915	\$106,963	\$0	\$106,963	\$58,275	\$48,688
19	923,275	\$110,153	\$0	\$110,153	\$58,766	\$51,386
20	918,659	\$113,438	\$0	\$113,438	\$59,262	\$54,176
	19,277,306	\$1,740,822	\$0	\$1,740,822	\$1,095,644	\$645,178

GRID Alternatives:

Driving Climate Change Solutions that are Accessible to All



The urgency of global climate change requires engaging *all* communities in solutions that mitigate climate impacts while building a more equitable world. Nearly half of rooftop solar potential in the U.S. is on the homes of low- and moderate-income households, many of whom live on the frontlines of climate change and fossil fuel pollution. **GRID Alternatives is a national leader in making solar power and solar jobs accessible to low-income communities and communities of color.** Our vision: a successful transition to clean, renewable energy that includes everyone.

Who We Serve

The nation's largest nonprofit solar installer, GRID develops and implements solar projects that exclusively serve low-income communities. Through our unique, people-first model, we are putting money back into families' pockets, reducing the energy cost burden for housing providers, and jumpstarting solar careers. We partner with affordable housing organizations, job training groups, government agencies, utilities and local communities to make solar a win for everyone. Key program areas include:

- No-cost solar installations for households qualifying as low-income
- Hands-on solar training to connect people to clean energy jobs
- Technical assistance and solar installation services for multifamily affordable housing providers
- Community/shared solar project development and implementation
- Low-income solar policy and program design and implementation
- Connecting low-income communities with electric vehicle programs

IMPACTS

13,000 Solar PV systems installed

\$384 million Lifetime energy savings

995,000 tons Greenhouse gas emissions prevented

32,000 People trained in solar skills

GRID's Growing Impact

GRID launched in 2004 in California and partners with the state to manage its ground-breaking low-income solar programs. GRID began expanding nationally in 2012, supporting solar adoption for multifamily affordable housing, and directly serving communities in California, Colorado and the mid-Atlantic, as well as Tribal communities nationwide. GRID's International Program provides off-grid solar to communities in Nicaragua, Nepal and Mexico.



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gridalternatives.org

GRID ALTERNATIVES PROGRAMS

Solar Programs

Low-income households spend four times more of their income on energy bills than the average U.S. household. They have also faced the worst impacts of fossil fuel-based pollution and climate change, yet have the least access to clean, renewable energy technologies. GRID provides no-cost solar power to qualifying households and works with affordable housing providers and utilities to develop and implement rooftop and community solar power systems that benefit their low-income tenants and subscribers, putting money back into the pockets of families in frontline communities.

Workforce Development

GRID provides hands-on solar installation experience that prepares job seekers from the communities we serve for careers in renewable energy. We partner with over 150 job training organizations and community colleges to provide field-based experience that complements their classroom curriculum and offer multiple levels of training for individuals, including paid internships and fellowships through our SolarCorps program for emerging energy leaders.

Policy and Program Development

GRID is a leading voice for renewable energy access, driving policies at the state and local level that support solar access for disadvantaged communities and helping design and implement low-income solar programs. In California, GRID helped to develop and acts as the program administrator and implementation partner for the state's low-income solar incentive programs, and we are currently helping to build out new programs in Illinois, Washington, D.C., and Colorado. Visit our Low-Income Solar Policy Guide at lowincomesolar.org.



Tribal and International Energy Access

GRID partners with 40+ Native American tribes across the U.S. to support their renewable energy and economic development goals through solar installations and job training. These communities face some of the highest poverty and unemployment rates in the U.S., and over 14,000 tribal families live with no electricity access. Solar helps to address this energy access gap, while reducing housing costs and providing local employment opportunities for tribal members.

Our International Program also works to provide critical energy access in Nicaragua, Nepal and Mexico by bringing solar power to schools, homes, farms and businesses. We work exclusively in communities that are not well served by the electrical grid, installing solar PV systems and micro-grids that provide basic services and create economic opportunities.

In 2020, GRID anticipates installing 10+ Megawatts of solar power for 1,500 households in communities on the frontlines of climate change. We are seeking strategic partners to support this critical work to ensure everyone can participate in the clean energy economy.

For more information on prospective partnership opportunities, please contact Jess Dykstra, Director of Institutional Partnerships, at jdijkstra@gridalternatives.org or (510) 735-0720.

