



Date: April 8, 2025

Honorable Mayor and Council Members:

Author and title: Carmen Lopez, Sustainability Program Analyst I; Erin Brewster, Sustainability Program Manager

Title: **Contract and Budget Approval for Truckee Weatherization Program Implementation**

Jen Callaway, Town Manager

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**Recommended Action:**

- (1) Approve program eligible measures and not-to-exceed costs for the Truckee Weatherization Program and authorize use of up to \$700,000 in funds from CIP C1510 through FY 26/27 for implementation of eligible measures.
- (2) Authorize the Town Manager to amend the contract with Cinder Garden Designs for a total not-to-exceed cost of \$1,003,000, which includes the \$700,000 in pass-through funding for implementation of eligible upgrade measures and \$303,000 already authorized by the Town Council for program administration costs, with a contract expiration of June 30, 2027.

**Discussion:**

**I. Background**

Weatherization is the best first step in decarbonizing homes, particularly in Truckee's cold climate, as it decreases energy costs and allows for right-sizing of heating and cooling equipment. By improving building efficiency through insulation, air sealing, and other efficiency upgrades, weatherized homes are also more comfortable and resilient to extreme temperatures. The Town's Climate Action Plan highlights the importance of energy efficiency, including weatherization, as a foundation for the broader building decarbonization needed to meet the Town's adopted greenhouse gas (GHG) emissions reduction goals. This includes action CAP-7.A, Building Energy Retrofit Program, which calls for development of a comprehensive retrofit program that includes building envelope improvements.



On May 23, 2023, the Town Council approved an extension of a weatherization rebate partnership with the Truckee Donner Public Utility District to address gaps in rebate eligibility for Truckee residents. As part of the reauthorization of these supplemental rebates, Town staff highlighted broader program changes necessary to facilitate greater implementation of weatherization measures, particularly among lower-income households. Staff recommended development of a turnkey, no-cost weatherization service for lower-income households to address specific barriers faced by these households that could not be addressed by existing rebate and incentive programs. Unlike a rebate program where homeowners are responsible for finding and hiring contractors, paying for the upfront cost of building upgrades, and applying for reimbursement afterward, this type of program would coordinate all aspects of weatherization upgrades at no cost to the participant. This includes assessing applicant eligibility, conducting a preliminary home assessment, evaluating weatherization and critical repair needs, and hiring contractors to complete the upgrades.

On November 14, 2023, Town Council authorized the use of up to \$310,000 in funds from the CIP C1510 to fund a low-income weatherization pilot program in Truckee (see Attachment 1). Funding for the Truckee Weatherization Program pilot is divided into two categories: (1) program administration costs, which cover design and development of the program as well as project management for upgrades, and (2) reimbursement to subcontractors for the labor and material costs of implementation of eligible weatherization upgrades and critical repairs (“pass-through” costs).

Staff issued a Request for Proposals for a qualified program administrator to design and implement this pilot program on January 8, 2024, but did not receive any proposals. Feedback from potential proposers indicated that the original proposed budget in the RFP was too low to support both costs for program administration and pass-through costs for implementation of eligible measures. Staff revised the RFP to (1) remove the pass-through costs for implementation of weatherization measures and other upgrades and budget these separately from costs for program administration, (2) remove the proposed total not-to-exceed cost and allow proposers to submit a budget for a target number of participating homes, and (3) clarify the role of the program administrator with regard to coordination with existing weatherization programs.

The RFP was re-issued on February 26, 2024, and the Town received one proposal, which was evaluated by Town staff and determined to be reasonable in both scope and budget. On June 11, 2024, Town Council approved the contract award for program administration of the Truckee Weatherization Program and authorized the Town Manager to execute a contract with Cinder Garden Designs for \$303,000 to design and administer a two-year pilot program (see Attachment 2). Cinder Gardens Designs is a local business based in Kings Beach that specializes in the design of high-performance, environmentally sensitive homes in alpine environments. They have provided building design, planning, and construction management services to projects in California and Oregon. This initial contract covered only the costs for program development, administration, and project management. As part of the authorization for this contract, staff noted that once the eligible measures and not-to-exceed costs had been jointly defined by Cinder Garden Designs and the Town, staff would return to Council with a consent item to recommend allocating funding for pass-through costs from CIP C1510, and to execute a contract amendment to administer these funds for implementation of eligible measures.

After working with Cinder Garden Designs to identify the eligible measures and not-to-exceed costs, staff are returning to the Town Council to approve the proposed program criteria, authorize up to \$700,000 in funding for the pass-through costs that will be paid by Cinder Garden Designs to subcontractors for implementation of eligible measures as part of the Truckee Weatherization Program, and to authorize the Town Manager to amend and extend the contract with Cinder Garden Designs for a total not-to-exceed cost of \$1,003,000. The amended contract cost includes the \$303,000 originally approved by Council for program administration as well as the \$700,000 in pass-through funding for implementation. The contract extension will provide for program implementation through June 30, 2027.

## **II. Program purpose and goals**

The Truckee Weatherization Program is just one component of the Town’s broader approach to supporting building decarbonization upgrades. There are other existing programs that higher-income households in Truckee can more readily take advantage of, such as the rebates from Truckee Donner Public Utility District that offer thousands of dollars per home for weatherization measures. The Truckee Weatherization Program is intended to fill in gaps in existing programs and address barriers faced by low-income households that prevent broader implementation of weatherization measures in the Truckee community. The lowest-income households in Truckee spend the highest percentage of their income on energy related costs, meaning that they could benefit the most from weatherization measures that reduce energy use. However, these households are often unable to afford the up-front costs of these upgrades, even if some of these costs will ultimately be reimbursed by rebates, or have critical repair needs that are not covered by existing programs, making them ineligible to receive weatherization support. The Truckee Weatherization Program is an opportunity to address some of these barriers and allow low-income households to experience the comfort and energy efficiency that are often only accessible to those with

a higher income. Because the proposed pilot program will only upgrade 20 homes, it is focused on the households that need the most assistance. **The purpose of the Truckee Weatherization Program is not necessarily to reduce the most greenhouse gas emissions, nor to weatherize the greatest number of homes, but to provide weatherization for those most in need.**

Specifically, Town Council approved the contract for designing the Truckee Weatherization pilot program with the following goals:

- Provide supplemental repair funds for 20 homes to enable participation in existing weatherization programs
- Upgrade 20 homes not eligible for existing weatherization assistance through the Truckee Weatherization Program
- Reduce household energy use by 20-30% in participating homes
- Protect vulnerable and sensitive communities from the impacts of wildfire smoke
- Reduce indoor air pollutants by 75% or more
- 99% reduction of radon

### III. Program Approach

To meet the above-described purpose and goals, the Truckee Weatherization Program is designed to provide a centralized, turnkey, no-cost weatherization program for Truckee households making up to 80% Area Median Income. Eligibility would include Income-qualified owner-occupied households, and income-qualified renters, with permission from the property owner, as long as the tenant directly pays energy bills (this ensures that cost savings from reduced energy bills go to the income-qualified party). There are three types of projects supported by the program, based on the original criteria approved by the Town Council: (1) supporting applications for existing utility and federal weatherization programs for eligible households, (2) providing supplemental repair funds for homes otherwise eligible for existing programs but with critical repairs in excess of existing program cost limits that prevent them from receiving weatherization upgrades, and (3) full, no-cost weatherization upgrades for households not eligible for existing programs.

The program would provide qualified applicants with:

- A home assessment to document existing conditions and determine program eligibility.
- A proposed scope of work for each eligible home that outlines recommended weatherization measures and identifies available programs or incentives to complement Town-funded programs.
- Assistance in applying for existing utility and federal weatherization programs, if eligible.
- Supplemental funding for critical repairs and upgrades required to enable participation in existing utility-funded or federal weatherization measures, if applicable.
- No-cost weatherization services, including critical home repairs, to households who are not eligible for existing utility or federal programs.

Lower-income households may also need more support with the logistical aspects of completing upgrades, applying for assistance and rebate programs, finding contractors, and navigating the permitting process. Similar to other income-qualified weatherization programs, the “turnkey” approach of the Truckee Weatherization Program means that minimal effort is required of an applicant. The program administrator, Cinder Gardens Design, will handle all components such as determining what upgrades are needed, determining the program budget, applying for existing incentive programs, hiring contractors, applying for permits, and overseeing implementation of upgrades.

A more detailed description of the program approach can be found in the Scope of Work approved by Council in June 2024, included in Attachment 2.

#### Income Eligibility

As part of the original program approval and contract authorization, Council approved an income qualification threshold of 80% AMI. AMI is determined by the California Department of Housing and Community Development at the county level. Existing no-cost weatherization programs such as the Energy Savings Assistance (ESA) program offered by Southwest Gas and Liberty Utilities have income qualification levels of up to 250% of federal poverty guidelines (approximately 48% of Nevada County AMI for single-person households). The intent of setting an 80% AMI income threshold for the Truckee Weatherization Program was to expand eligibility to additional households in Truckee that do not have incomes low enough to qualify for existing programs but still face financial barriers to implementing weatherization upgrades, even with available rebates.

At the time staff originally proposed the 80% AMI threshold, this was higher than 250% of the federal poverty guidelines for all household sizes. However, since that time, the federal poverty guidelines were revised and are now greater than 80% of Nevada County AMI for households of five or more. Staff recommend adjusting the income qualification threshold to be 80% AMI or 250% of the federal poverty level, whichever is higher for each household size. While applicants eligible for existing weatherization programs would continue to be referred to those programs for completion of upgrades, this would ensure that supplemental repair funds offered through the Truckee Weatherization Program are still available to all households eligible for local ESA programs. Based on the current AMI and federal poverty level values, that would result in the household income limits shown in Table 1. These values would be adjusted annually if the AMI or federal poverty level values are revised. The revised income limits still significantly expand income-based eligibility for households of up to 4 people, which includes over 80% of households in Truckee.

*Table 1: Income Eligibility for Truckee Weatherization Program*

Household Size	ESA Program Income Limits (250% of federal poverty guideline)	80% of Nevada County AMI	Truckee Weatherization Program Income Limits
<b>1</b>	\$37,650	\$58,350	<b>\$58,350</b>
<b>2</b>	\$51,100	\$66,700	<b>\$66,700</b>
<b>3</b>	\$64,550	\$75,050	<b>\$75,050</b>
<b>4</b>	\$78,000	\$83,350	<b>\$83,350</b>
<b>5</b>	\$91,450	\$90,050	<b>\$91,450</b>
<b>6</b>	\$104,900	\$96,700	<b>\$104,900</b>

Because this is a pilot program with very limited scope, funding only 20 full upgrades and providing up to 20 additional homes with supplemental repair funds, it is likely that the program may be fully subscribed with these income limits. To ensure that low-income households have a chance to access the program, staff do not recommend further expanding the income threshold for the program at this time. If the program does not receive enough applications that meet the eligibility requirements, staff will return to Council to consider adjusting the income qualification threshold.

Low-income households can often be harder to reach due to factors such as language barriers and limited accessibility to the internet. In addition to using the standard outreach channels used by the Town (social media, email newsletters, etc.), Cinder Garden Designs and the Town plan to conduct directed outreach through organizations and programs that work with low-income households in Truckee, including Sierra Community House. Cinder Garden Designs also plans to ensure that all application materials would be accessible to households without easy access to a computer and available in both English and Spanish and provide Spanish-language support to program applicants and participants to the greatest extent feasible.

### **III. Proposed Eligible Measures and Not-to-Exceed Costs**

The Truckee Weatherization program would be open to eligible Truckee households in single-family homes, which includes both detached and attached single-family homes such as townhouses, as well as

mobile homes. These types of homes comprise over 80% of occupied housing units in Truckee and house the majority of both homeowners and renters in Truckee, making this program broadly applicable. As previously noted, income-qualified renters would be eligible to participate in the Truckee Weatherization Program with property owner approval if they directly pay energy bills (to ensure that cost savings benefit the income-qualified party).

Applications will be reviewed on a rolling basis, evaluated for eligibility for existing weatherization programs, and scheduled for an initial home assessment if they are determined to be eligible for Town-funded upgrades. If the program receives more eligible applications than can be funded through this pilot program, potential projects still in review will be prioritized based on the level of energy burden a home experiences in combination with the potential of energy savings based on the initial home assessment. This approach will prioritize those who may be struggling the most to pay their energy bills and stand the most likely to benefit from the greater energy efficiency and comfort that come with improved weatherization in a location with large changes in seasonal temperatures such as Truckee.

To participate in the Truckee Weatherization Program, homes would need to be evaluated to assess their weatherization and critical repair needs and determine if they could benefit from the eligible measures included in this program. This allows for direct evaluation of the potential for energy efficiency improvements in a home, rather than trying to anticipate relative efficiency potential through factors like building age. Site assessments will be conducted by Cinder Garden Designs in partnership with a local contractor. This process will gather the necessary data to identify appropriate measures and their implementation costs. The process may also reveal conditions that exempt the home from participation, but the program administrator will endeavor to collect data collected in advance of the site visit to help avoid expending funds on ineligible homes. Cinder Garden Designs has been working with the Contractors Association of Truckee Tahoe to select local contractors to subcontract with for implementation of eligible measures.

### Weatherization Measures

The proposed weatherization measures focus on sealing and insulating attics and crawl spaces. Additional proposed mechanical, electrical, and plumbing measures provide support for insulating hot water pipes, installation of a smart thermostat, and servicing of existing heating equipment. These measures were chosen after extensive discussion with local contractors and other experts because they are broadly applicable, are less disruptive to living spaces (i.e. not anticipated to require resident displacement), and provide a cost-effective way to measurably reduce energy use and provide cost savings to occupants. While these measures are not inclusive of all potential weatherization upgrades, focusing on a narrower set of eligible measures was determined to be more appropriate for the small scale of this pilot program. A full list of eligible measures and not-to-exceed costs can be found in Attachment 3. As part of the home assessment for each participating home, the program administrator and contractors will also document any weatherization, and efficiency needs not covered by the Truckee Weatherization Program to help Town staff identify unmet needs and potentially inform future program design.

### Other Upgrades

In addition to the proposed weatherization measures, additional eligible measures for the program include indoor air quality measures to prioritize health and safety for participants. This includes testing for radon, which can be common in the Truckee-Tahoe area. Radon testing is inexpensive and easy to do and is very important when conducting home-sealing measures. The proposed eligible measures also include mitigation measures if radon is detected. Participating homes will also be provided with air purifier units and filters to ensure any air within the home is clean and to mitigate health impacts from wildfire smoke.

Cinder Garden Designs has also proposed including replacement of exterior light fixtures with Dark Sky compliant fixtures as an eligible measure for homes receiving full weatherization upgrades through this program. While these measures do not provide weatherization benefits, they support another Town goal

of reducing light pollution. Replacing these fixtures adds very little cost and takes minimal additional effort on behalf of contractors and would be easy to incorporate into the retrofit process.

### Critical Repairs

The proposed eligible measures would also include critical repairs that prevent the implementation of weatherization upgrades. This can include addressing minor leaks in roofs or walls, minor mold or water damage remediation, or addition of paint or other sealants needed to protect materials installed as part of weatherization retrofits. The proposed eligible measures in Attachment 3 do not list all critical repairs that would be eligible to allow for some level of flexibility, as it is difficult to anticipate the full range of critical repairs that might be needed. Repair needs for each home will be determined as part of the initial home assessment, and the program administrator will make a recommendation as to which repairs should be considered necessary to support weatherization upgrades, to be approved by Town staff. As part of the pilot program, the program administrator will compile information on repair needs observed during home assessments, both those covered by this program and those outside the scope of eligible measures, to better understand unmet needs in the community.

## **IV. Proposed Program Budget**

Pass-through funding for implementation of eligible measures under this program falls into two categories: (1) full upgrades, including both weatherization upgrades and critical repairs, for homes not eligible for other weatherization assistance programs but meeting the criteria of the Truckee Weatherization Program, and (2) supplemental funding for critical repairs for homes that are otherwise eligible for existing weatherization assistance programs but have repair needs in excess of program limits.

The proposed program budget is detailed in Table 2, based on the RFP and contract criteria of 40 total homes participating in the program, 20 of which will completing the full weatherization upgrades and critical repairs through the Truckee Weatherization Program, and 20 homes that are only receiving supplemental repair funds to enable participation in other weatherization programs.

*Table 2: Proposed Truckee Weatherization Program Budget for Implementation Funds*

Program Participation Category	Not-to-Exceed Cost per Home	Budget
<b>1. Full Weatherization Upgrades Plus Critical Repairs (20 homes)</b>	\$25,000	\$500,000
<b>2. Supplemental Repair Funds Only (20 homes)</b>	\$10,000	\$200,000
<b>TOTAL</b>		<b>\$700,000</b>

### 1. Full Weatherization Upgrades Plus Critical Repairs

For the 20 homes receiving full upgrades through the Truckee Weatherization Program, each eligible measure listed in Attachment 3 has an associated not-to-exceed cost, which was determined by the program administrator after research into similar programs and discussions with local contractors. Costs above the not-to exceed limit per measure may be considered on a case-by-case basis with approval of Town staff as long as the total cost per home remains within program limits. This will allow for flexibility in the pilot program to accommodate unforeseen circumstances and support implementation of eligible measures to the greatest extent possible.

The proposed not-to-exceed total cost per home is \$25,000, with a typical cost per home anticipated to be closer to \$13,300. The cost available for critical repairs for this category will be limited to the cost of eligible weatherization upgrades conducted on each home, up to a maximum of half the \$25,000 not-to-exceed cost per home. Actual costs for completing upgrades on qualifying homes may vary substantially

within the set not-to-exceed costs per measure and home, based on the specific needs of each participating home. While the program administrator has endeavored to estimate likely “typical” costs ahead of the implementation phase of this program, the true typical cost per home can only be determined once detailed home assessments have been conducted. If there are unspent implementation costs in either category after supporting the 20 homes included in the pilot program scope and there are sufficient remaining funds for program administration, Town staff will evaluate the feasibility of supporting additional upgrades upon mutual agreement with the program administrator.

## 2. Supplemental Repair Funds Only

For the 20 projects receiving only supplemental funds for critical repairs to facilitate completion of weatherization upgrades through existing programs, staff propose providing a maximum of \$10,000 per home. This is less than the maximum amount of critical repair funding proposed for homes receiving full upgrades through the Truckee Weatherization Program, because it is meant to supplement the small amount of repair funding that is provided by the Energy Savings Assistance or Department of Energy Weatherization Assistance Programs.

### **Summary and Next Steps:**

Staff are recommending that Town Council approve program eligible measures and not-to-exceed costs for the Truckee Weatherization Pilot Program, authorize use of up to \$700,000 for implementation of eligible measures, and amend the contract with program administrator Cinder Garden Designs to facilitate implementation of this program through June 30, 2027.

If approved by Town Council, staff will work with the program administrator to finalize the application process and outreach materials with an anticipated program launch in summer 2025.

### **Priority:**

☐ Enhanced Communication    ☒ Climate and Greenhouse Gas Reduction    ☐ Housing  
☐ Infrastructure Investment    ☐ Emergency and Wildfire Preparedness    ☐ Core Service

**Fiscal Impact:** If approved, the contract amendment with Cinder Garden Designs would allocate \$700,000 in funding from CIP C1510 through FY 26/27 to the Truckee Weatherization Program, in addition to the \$303,000 already allocated by Council to support program administration, for a total program cost of \$1,003,000.

This funding would come from the \$1.2M included in the FY 24/25 5-year CIP budget approved by Council for a Housing Retrofit Pilot Program. Tables 3 and 4 below show the costs included in the current approved CIP budget for this pilot program and the anticipated allocation of the Truckee Weatherization Program budget across Fiscal Years in CIP C1510.

*Table 3: Current Approved Funding in FY 24/25 5-Year CIP Budget for C1510*

	FY 24/25	FY 25/26	FY 26/27	FY 27/28	TOTAL
<b>Housing Retrofit Pilot Program</b>	\$400,000	\$400,000	\$200,000	\$200,000	<b>\$1,200,000</b>

*Table 4: Proposed Truckee Weatherization Program Budget*

	FY 24/25 (Estimated Actuals)	FY 25/26	FY 26/27	FY 27/28	TOTAL
<b>Program Administration</b>	\$95,000	\$124,800	\$83,200	\$0	<b>\$303,000</b>
<b>Implementation of Measures</b>		\$420,000	\$280,000	\$0	<b>\$700,000</b>
<b>TOTAL:</b>	<b>\$95,000</b>	<b>\$544,800</b>	<b>\$363,200</b>	<b>\$0</b>	<b>\$1,003,000</b>



If this program funding is approved by Council, staff will include the updated 5-year CIP totals in the proposed FY 25/26 budget.

**Public Communication:** Agenda Posting, social media posts, and emails sent to community members who signed up to receive updates about the Town's building decarbonization initiatives. Additionally, Cinder Garden Designs met with members of the Contractors Association of Truckee Tahoe and Sierra Community House to get feedback on the proposed program criteria.

**Attachments:**

1. November 14, 2023, Staff report, available at:  
<https://portal.laserfiche.com/Portal/DocView.aspx?id=59676870&repo=r-6a91ddbc>
2. June 11, 2024, Staff report, available at:  
<https://portal.laserfiche.com/Portal/DocView.aspx?id=59718534&repo=r-6a91ddbc>
3. Proposed Eligible Measures and Not-to-Exceed Costs