

CITY COUNCIL AGENDA TOPIC

Resolution authorizing execution of amendment to the Energy Smart Eastside Boost Heat Pump Reimbursement Contract with Hopelink, increasing the contract by \$1,165,000 to an amount not to exceed \$11,143,810, plus all applicable taxes.

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EXECUTIVE SUMMARY**ACTION**

The City of Bellevue contracts with Hopelink to fully fund the cost of purchase and installation of heat pumps for low-income households accepted into the Energy Smart Eastside (ESE) Boost program. This action authorizes the increase to the contract by \$1,165,000 for a total not to exceed amount of \$11,143,810, plus all applicable taxes. Funding for this increase is sourced from an amendment to a grant awarded to ESE from Washington State Department of Commerce (Commerce).

This is one of two actions on tonight's consent calendar related to the ESE program. The other action under separate cover is an Ordinance to execute an agreement with Commerce to accept \$1,100,000 in grant funding from the HEAR 2024 Grant and amend the budget accordingly.

RECOMMENDATION

Move to adopt Resolution No. 10648

BACKGROUND/ANALYSIS

ESE is a heat pump incentive program jointly funded by the cities of Bellevue, Issaquah, Kirkland, Mercer Island, Redmond, and Sammamish as part of the Eastside Climate Partnership (ECP) and administered by the City of Bellevue with oversight from all participating cities. The ESE Boost program, which is administered by Hopelink under a separate contract, provides full cost coverage of heat pump installations for qualified households with a total income at or below 80% of area median income (AMI). Hopelink provides income verification services, case management, and pays contractors upon completion of heat pump installations. The program also leverages Hopelink's Energy Assistance program and expertise in providing support for the Eastside's most vulnerable residents who struggle to pay their energy bills. Through this partnership, Hopelink's existing Energy Assistance program clients are eligible to apply to receive a heat pump in their home.

The not to exceed amount of the Hopelink reimbursement contract is periodically amended as new funding sources for the ESE are identified. This amendment increases the Hopelink heat pump

reimbursement account by \$1,165,000, for a total contract value of \$11,143,810 to reflect new funding and a reallocation of existing funding from Commerce.

This includes an amendment of \$1,100,000 from the HEAR 2024 Grant to fund heat pump installations at Silver Glen Senior Co-op, and an addition of \$65,000 in unspent funds from the original HEAR 2024 Grant award that is being allocated to the ESE Boost Heat Pump program.

| Contract | Amount | Effective Date | End Date |
|---|---------------------|-----------------------|-------------------|
| <i>Boost Heat Pump Reimbursement Contract</i> | <i>\$1,700,000</i> | <i>04/10/2024</i> | <i>02/01/2025</i> |
| <i>Amendment #1 – executed</i> | <i>\$2,710,090</i> | <i>10/01/2024</i> | <i>12/31/2025</i> |
| <i>Amendment #2 – executed</i> | <i>\$400,000</i> | <i>09/01/2025</i> | <i>12/31/2025</i> |
| <i>Amendment #3 – executed</i> | <i>\$3,468,720</i> | <i>09/16/2025</i> | <i>12/31/2026</i> |
| <i>Amendment #4 – approved by council 4/14/26 - pending execution</i> | <i>\$1,200,000</i> | <i>4/14/2026</i> | <i>12/31/2027</i> |
| <i>Amendment #5 – approved by council 5/5/26 - pending execution</i> | <i>\$500,000</i> | <i>5/5/2026</i> | <i>12/31/2027</i> |
| <i>Amendment #6 – proposed</i> | <i>\$1,165,000</i> | <i>This Action</i> | <i>12/31/2027</i> |
| Total | \$11,143,810 | | |

POLICY & FISCAL IMPACTS

Policy Impact

The Resolution supports the following Sustainable Bellevue Plan actions.

- C.1.2: Develop outreach and education programming to support residents and businesses in taking action to reduce emissions and environmental impact, with a focus on engagement with Bellevue’s most vulnerable communities.
- B.1.2: Accelerate market transformation of residential space heating away from natural gas to heat pumps.
- B.1.3: Support low- and moderate-income households in adoption of heat pumps through loans and financial incentives.
- B.1.4: Support residents accessing existing weatherization programs through Puget Sound Energy and King County Housing Authority and offer bundled weatherization measures with low-income heat pump installs.
- F.3.1: Embed equity in sustainability program design and implementation, including through prioritizing engagement with underrepresented community members and partnering with community-based organizations to co-design engagement and inform decision making.

Fiscal Impact

Approval of this action obligates the city to pay an additional \$1,165,000 for a total not to exceed amount of \$11,143,810, plus all applicable taxes, to Hopelink for heat pump reimbursements.

This amendment is funded through 2024 HEAR Grant Agreement, Amendment B. This includes an amendment of \$1,100,000 from the HEAR 2024 Grant to fund heat pump installations at Silver Glen

Senior Co-op and a reallocation of \$65,000 in unspent funds from the original award to the ESE Boost Heat Pump program.

This is one of two actions on tonight's consent calendar related to the ESE program. The other action under separate cover is an Ordinance to execute an agreement with Commerce to accept \$1,100,000 in grant funding from the HEAR 2024 Grant and amend the budget accordingly. With that Ordinance, sufficient funding for this contract amendment will exist within the amended 2025-2026 budget in the Operating Grants, Donation and Special Reserve Fund.

OPTIONS

1. Move to adopt the Resolution authorizing execution of amendment to the Energy Smart Eastside Boost Heat Pump Reimbursement Contract with Hopelink, increasing the contract by \$1,165,000 to an amount not to exceed \$11,143,810, plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

Proposed Resolution No. 10648

AVAILABLE IN COUNCIL LIBRARY

Hopelink – Energy Smart Eastside Boost Heat Pump Reimbursement Contract

Hopelink –Contract Amendment #5

Hopelink – Proposed Contract Amendment #6

Eastside Climate Partnership Interlocal Agreement

2026-30 Sustainable Bellevue Plan

2026-30 Sustainable Bellevue Action Plan

Energy Smart Eastside (ESE) 2025 Annual Report