

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 \$1,200,000 to an amount not to exceed \$9,478,810, plus all applicable taxes and extending the end date from December 31, 2026 to December 31, 2027.

Emil A. King AICP, Director
Thara Johnson, Planning Director
Jennifer Ewing, Sustainability Manager
Emily Korn, Energy Smart Eastside Program Coordinator
Community Development Department

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 \$1,200,000 for a total not to exceed amount of \$9,478,810, plus all applicable taxes, and extends the end date by one year. Funding for this increase is sourced from grants awarded to ESE and Community Development departmental funds allocated to ESE.

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 authorize the execution of an agreement with Puget Sound Energy (PSE) to accept grant funding to implement heat pump incentives for income-qualified households and to amend the 2025-2026 budget of the Operating Grants, Donations, and Special Reserves Fund to increase the appropriation by \$700,000.

RECOMMENDATION

More to adopt Resolution No. 10616

BACKGROUND/ANALYSIS

ESE is a heat pump incentive program funded as a joint initiative of the Eastside Climate Partnership (comprised of the cities of Bellevue, Issaquah, Kirkland, Mercer Island, Redmond, and Sammamish) and managed by the City of Bellevue. 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 ESE are identified. This amendment increases the Hopelink heat pump reimbursement account by \$1,200,000, for a total contract value of \$9,478,810 to reflect \$700,000 in new funding from Puget Sound Energy Decarbonization Grant and \$500,000 from Community Development departmental funds reallocated to the ESE Boost program. The amendment also includes extending the end date from December 31, 2026 to December 2027 as laid out in the following table:

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 – proposed</i>	<i>\$1,200,000</i>	<i>This action</i>	<i>12/31/2027</i>
Total	\$9,478,810		

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 \$1,200,000 for a total not to exceed amount of \$9,478,810, plus all applicable taxes, to Hopelink for heat pump reimbursements.

This amendment is funded through a new grant agreement with PSE for \$700,000 and \$500,000 of budgeted 2026 Community Development departmental funds being reallocated to the ESE low-income heat pump incentive program. These expenditures were anticipated and sufficient funding exists within the amended 2025-2026 budget in the Operating Grants, Donation and Special Reserve Fund and the Restricted Special Purpose Fund.

OPTIONS

1. Adopt the Resolution authorizing execution of amendment to the Energy Smart Eastside Boost Heat Pump Reimbursement Contract with Hopelink, increasing the contract by \$1,200,000 to an amount not to exceed \$9,478,810, plus all applicable taxes and extending the end date from December 31, 2026 to December 31, 2027.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

Proposed Resolution No. 10616

AVAILABLE IN COUNCIL LIBRARY

Hopelink – Energy Smart Eastside Boost Heat Pump Reimbursement Contract
Hopelink –Contract Amendment #3
Hopelink – Proposed Contract Amendment #4
Eastside Climate Partnership Interlocal Agreement
PSE Decarbonization Grant Agreement
2026-30 Sustainable Bellevue Plan
2026-30 Sustainable Bellevue Action Plan
Energy Smart Eastside (ESE) 2025 Annual Report