

November 15, 2023

To: Mayor and Members of City Council

From: Sheryl M. M. Long, City Manager



202302403

Subject: **Emergency Ordinance – OES: Revolving Energy Loan Fund Purpose Expansion and Transfer**

Attached is an Emergency Ordinance captioned:

**AMENDING** Ordinance No. 301-2018, which established Fund No. 883, “Revolving Energy Loan,” to expand the purpose of the fund to enable the City to receive, disburse, and reinvest resources including federal Elective Pay resources, for permanent energy efficiency improvements, renewable energy, energy storage, clean vehicles and equipment, and other City projects intended to reduce carbon emissions; **AUTHORIZING** the transfer and return to source Fund 050, “General Fund,” of \$2,000,000 from capital improvement program project account no. 980x104x231029, “Green Cincinnati Sustainability Initiatives – GF”; and **AUTHORIZING** the transfer of \$2,000,000 from the unappropriated surplus of Fund 050, “General Fund,” to Fund 883, “Revolving Energy Loan,” to provide resources for City projects that will be eligible for the Elective Pay benefit available through the Inflation Reduction Act.

Approval of this Emergency Ordinance accomplishes the following:

1. Amends Ordinance No. 0301-2018, which established Fund No. 883, “Revolving Energy Loan,” to expand the purpose of the fund to enable the City to receive, disburse, and reinvest federal Elective Pay resources and other resources for permanent energy efficiency improvements, renewable energy, energy storage, clean vehicles and equipment, and other City projects intended to reduce carbon emissions;
2. Authorizes the transfer and return to source Fund No. 050, “General Fund,” the sum of \$2,000,000 from capital improvement program project account no. 980x104x231029, “Green Cincinnati Sustainability Initiatives – GF”; and
3. Authorizes the transfer of the sum of \$2,000,000 from the unappropriated surplus of Fund No. 050, “General Fund,” to Fund No. 883, “Revolving Energy Loan,” to provide resources for City projects that will be eligible for the Elective Pay benefit available through the Inflation Reduction Act (“IRA”).

Expanding the scope of Fund No. 883, “Revolving Energy Loan,” is intended to help fund projects consistent with Green Cincinnati Plan goals and projects that will be eligible for the Elective Pay benefit available through the IRA.

On June 23, 2022, the City Council approved Ordinance No. 0191-2022 to approve and adopt a Capital Improvement Program and Budget for Fiscal Year 2023, which

included \$4,000,000 for capital improvement program project account no. 980x104x231029, "Green Cincinnati Sustainability Initiatives – GF," to provide resources for the implementation of permanent improvements that advance the goals of the Green Cincinnati Plan.

The sum of \$2,000,000 will be returned to source, Fund No. 050, "General Fund," from capital improvement program project account no. 980x104x231029, "Green Cincinnati Sustainability Initiatives – GF," and then transferred to Fund No. 883, "Revolving Energy Loan." These resources will then be used for City projects that will be eligible for the Elective Pay benefit available through the IRA.

The IRA provides tax credits for clean energy technologies and includes Elective Pay provisions that enable governmental entities to receive federal payments equal to the value of tax credits for eligible clean energy projects.

Amending Ordinance No. 0301-2018 to expand the purpose of the Revolving Energy Loan Fund and providing resources for projects that will be eligible for the Elective Pay benefit is in accordance with various goals of the Green Cincinnati Plan (2023) as well as the "Sustain" goal to "[m]anage our financial resources" as described on page 199 of Plan Cincinnati (2012).

The reason for the emergency the immediate need to expand the scope of Fund 883 to account for anticipated uses of the fund and to provide resources for City projects that will be eligible for the Elective Pay benefit available through the Inflation Reduction Act.

The Administration recommends passage of this Emergency Ordinance.

cc: Andrew M. Dudas, Budget Director  
Karen Alder, Finance Director

Attachment

