



City of Austin

Recommendation for Action

File #: 25-0909, **Agenda Item #:** 34.

6/5/2025

Posting Language

Authorize an amendment to a contract for continuation of the Better Building Energy Efficiency Lending Program for Austin Energy with Velocity Credit Union, to increase the amount by \$5,000,000 and to extend the term by five years for a revised total contract amount not to exceed \$14,400,000. Funding: \$600,000 is available in the Operating Budget of Austin Energy.

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$600,000 is available in the Fiscal Year 2024-2025 Operating Budget of Austin Energy.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

MBE/WBE:

This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.

Prior Council Action:

April 7, 2011 - Council approved a contract for the energy efficiency lending program with Velocity Credit Union.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Council Committee, Boards and Commission Action:

May 12, 2025 - Recommended by the Electric Utility Commission on a 9-0 vote with Commissioners Blackburn and Rhodes absent.

May 20, 2025 - Recommended by the Resource Management Commission on an 8-0-1 vote, with Commissioner Zigon abstaining, Commissioner Luecke absent, and one vacancy.

Additional Backup Information:

This contract amendment will support Austin Energy's (AE) Better Building Energy Efficient Lending Program. Currently, through this program, AE offers loans with low interest rates and a flexible credit score threshold for customers to invest in energy efficiency upgrades. The program is especially beneficial for low-to-moderate income customers and small businesses, making energy efficiency improvements more affordable.

Additionally, the program supports several AE initiatives, including the Home Energy Savings Program, the Weatherization Assistance Program, and Small Business Program. By reducing upfront cost barriers, it helps building owners to complete comprehensive energy efficiency upgrades through AE's other programs. Qualifying low-to-moderate income customers can take advantage of zero percent financing for a new air conditioning system when participating in the Weatherization Assistance Program.

The program was created through the United States Department of Energy's Better Building Program, and supports AE's goal of achieving and increasing energy efficiency savings and renewable energy use. City funds through the Customer Benefits Charge included on customers' utility bill are used to reduce loan interest rates to promote participation and accessibility of the programs. The federal grant dollars are used only to issue customer loans.

The contract amendment is needed to allow AE to continue offering low-interest loans that support customers in making energy efficiency improvements. Additionally, the amendment ensures that AE remains in compliance with grant requirements.