



Legislation Text

File #: 23-0419, Version: 1

Finance Item/Grant Request Template

Date Submitted: 4-17-2023

**Requesting Agency: Finance
Division:**

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A bill for an ordinance establishing a new Fund in the Capital Improvements and Capital Maintenance Fund Series for the "Climate Federal Capital Projects" program.

Establishes the Climate Federal Capital Projects Fund (34805) in the Capital Improvements and Capital Maintenance Fund Series. The Committee approved filing this item at its meeting on 4-18-2023.

Affected Council District(s) or citywide? Citywide

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

Prior to the Inflation Reduction Act of 2022 (IRA), Public Sector and non-profit organizations were excluded from the ability to directly monetize clean energy investment tax credits. The Federal legislation updates § 6417 of the Internal Revenue Code to allow applicable entities, including the City and County of Denver, to elect to receive certain tax credits, including but not limited to the clean electricity investment credit determined under § 48E as a "direct payment". Denver's Office of Climate Action, Sustainability, and Resiliency is actively implementing, or in the planning phase, for nearly \$46 million of eligible clean energy investments, which could generate approximately \$18 million in IRA direct payments from 2023 to 2025.

Due to Federal accounting, reporting, and auditing purposes, the City must create a separate Climate Federal Revenue Fund to receive non-grant revenues originating from the Federal Government. This bill request establishes the "Climate Federal Capital Projects Program Fund", Fund number 34805, a Capital Projects Fund for the purpose of administering revenues reinvested in building electrification, energy efficiency, solar, battery storage, and electric vehicle charging infrastructure. Revenue to this fund will be transfers from the Climate Federal Revenue Special Revenue Fund (SRF 11889), and a separate, companion

ordinance request has been submitted to create that SRF.

Type (choose one: Grant; Supplemental; Fund Creation; Fund Rescission; Fund Transfer; Appropriation; Other): Fund creation

Amount: approximately \$18 million in IRA direct payments from 2023 to 2025.

Budget Year: 2023 to 2025

Fund and Funding Source (Fund/Org/Grant Number, if applicable):

Grantor (if applicable):

Fund Matching Requirements (if applicable):

Fiscal Impact: