

Implementing ARRA Design Snapshot

Seattle's Green Building Capital Initiative: Partnering for Citywide Retrofits

July 2009

Seattle is using a portion of its ARRA formula allocation for [Energy Efficiency and Conservation Block Grants \(EECBGs\)](#) to pilot new efforts to increase building energy efficiency. As a part of its [Green Building Capital Initiative](#) for the residential and commercial sectors, Seattle's [Office of Sustainability and Environment](#) will put ARRA funds to work providing home energy efficiency audits and retrofit financing, in partnership with regional utilities and area nonprofits.

Although launched as a part of stimulus implementation in April 2009, Seattle's Green Building Capital Initiative is actually grounded in much earlier city plans initiated by Mayor Greg Nickels in early 2008 to improve building energy efficiency by 20 percent by 2020 and reduce energy costs for residents. A diverse 50-member [Green Building Taskforce](#) met pre-stimulus between July 2008 and January 2009 to discuss options for a citywide retrofit program.

Seattle's Green Building Capital Initiative	
Purpose:	Provide residential energy efficiency audits and retrofit financing citywide
Lead entity:	City
Partners:	Utilities, environmental and finance nonprofits
ARRA focus:	Energy Efficiency and Conservation Block Grants
Scale:	Citywide
Strategies:	Reflects a long-term regional vision; adopts multi-sectoral approaches; catalyzes market and private investment; employs information management, data, and benchmarking
Point of Contact: Michael Mann Director, Office of Sustainability and Environment City of Seattle Mike.Mann@Seattle.Gov 206-684-7395	

ARRA resources provided Seattle with a ready opportunity to advance the residential component of these plans, and the city intends to invest \$2 million of its total \$6 million formula allocation of EECBG funding into this initiative, with the bulk of funding going towards energy performance audits, direct installation of the most cost-effective energy efficiency measures (e.g., duct sealing, lighting upgrades, and low flow showerheads), and retrofits of existing, single-family and small multi-family residential buildings.

In its Green Building Capital Initiative, Seattle leverages the resources of key private sector partners to maximize the benefits for any public sector investments. Namely, to jumpstart the residential component of this initiative, the City of Seattle has partnered with regional utilities, [Puget Sound Energy \(PSE\)](#) and [Seattle City](#)

[Light](#), to provide 5,000 home energy audits in 18 months. Valued at \$600 each, audits through this pilot program will cost Seattle homeowners only \$95, with the utilities subsidizing the rest—a total private sector investment of about \$2.5 million.

A city waitlist for these home audits is already open and the first audits are expected to occur in September 2009. All the auditors will be certified, with some drawn from PSE's existing auditing program, and others brought in through Seattle City Light or partnerships with third party entities (perhaps, a nonprofit) in the interest of trying out different delivery mechanisms for this service. The audits will provide homeowners with numerical energy performance scores and lists of cost-effective improvement options.

The Green Building Capital Initiative also hopes to partner with nonprofit intermediaries to deliver important services. To design an energy performance rating tool providing easy-to-read analysis of home energy use and carbon emissions, the City of Seattle will work with an area nonprofit experienced in green building assessment. The city has allocated \$400,000 in stimulus funds to support development of software that can take the data produced by the energy audit and translate it into a consumer-friendly report card.

The majority of Seattle's initial investment of EECBG dollars—\$1.2 million—will go directly to a community development finance institution (CDFI) for seeding a revolving loan fund to catalyze residential energy efficiency retrofits. Loans from this fund will be available to homeowners for upgrades to lighting, furnaces, water heaters, and windows, among other items. Loan amounts will vary from \$8,000 to \$20,000, based on the projects undertaken, come with flexible amortization schedules (up to 15 years), and tiered interest rates that allow for greater subsidies to the lowest income borrowers. The CDFI will not only manage the loan fund but will also connect residents with other energy efficiency financial incentives provided by federal, state, and city agencies, in order to present borrowers a complete package of resources that they can take advantage of to make their home retrofit as affordable as possible. The city expects to partner with a CDFI that has the ability to leverage the city's initial investment for other matching funds.

The stimulus-funded pilot of this citywide retrofit program will inform future Seattle programming. Once the Green Building Capital Initiative is up and running, the city will closely monitor it for 18 months to determine how well the provision of energy performance information and accessible financing tools facilitates demand for, and investment in, energy efficiency retrofits in the residential sector. Similarly, the participating utilities will evaluate whether their fixed level of investment generates enough kilowatts of energy savings to meet their state-mandated conservation plans, and they may adjust the size of their offered subsidies accordingly for future energy efficiency efforts after this pilot program concludes.

The Implementing ARRA Series

America's current economic crisis is not only a national crisis. It is also a metropolitan crisis. Therefore, it is critical to monitor the progress of creative metropolitan leaders who are leveraging the myriad resources provided by the \$787 billion American Recovery and Reinvestment Act of 2009 (ARRA). To that end, the Metropolitan Policy Program's Implementing ARRA Series is tracking the implementation work of metropolitan leaders, assessing their progress and struggles, and extracting from the innovators' experiences ideas for short- and long-term federal policy reforms. Ultimately it is hoped the series will serve as a resource for best-practice exchange among regions and a source of ideas for designing the next generation of metro-friendly federal policies.

For More Information

Mark Muro
Fellow and Policy Director
Metropolitan Policy Program at Brookings
mmuro@brookings.edu

Sarah Rahman
Policy Analyst
Metropolitan Policy Program at Brookings
srahman@brookings.edu