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ORDINANCE

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3 AN ORDINANCE relating to acceptance of energy efficiency funds for the Office of Housing;
4 authorizing acceptance of grant funds from the State of Washington allocated by the U.S.
5 Department of Energy through the American Recovery and Reinvestment Act of 2009,
6 accepting funds from Puget Sound Energy, authorizing the Mayor and Director of
7 Housing or their designees to execute related agreements, increasing an appropriation in
8 the 2011 Adopted Budget for the Office of Housing, and ratifying and confirming prior
9 acts; all by a three-fourths vote of the City Council.

7 WHEREAS, the United States Congress has authorized \$90 million for the U.S. Department of
8 Energy Sustainable Energy Resources for Consumers ("SERC") Grant Program as part of
9 the American Recovery and Reinvestment Act of 2009 ("ARRA"); and

10 WHEREAS, the City submitted an application to the U.S. Department of Energy on June 17,
11 2010, to request SERC Grant Program funds; and

12 WHEREAS, the Washington State Department of Commerce, the grant administrator for federal
13 weatherization program funds, has awarded \$2,156,491 to the City of Seattle from these
14 SERC Grant Program funds, based on the City's successful application; and

14 WHEREAS, the ARRA grant funding constitutes one-time funding for installation of energy
15 efficiency improvements in residential buildings; and

16 WHEREAS, the City is not obligated to continue or maintain ARRA grant funding levels for the
17 U.S. Department of Energy SERC Grant Program once ARRA grant funds have lapsed;
18 and

18 WHEREAS, Puget Sound Energy awarded the City of Seattle HomeWise Program \$317,045 to
19 provide funding for low-income weatherization services, which Puget Sound Energy
20 requires the City to disburse by no later than December 31, 2011; and

21 WHEREAS, the City Council wishes to increase appropriations in the 2011 Adopted Budget for
22 the Office of Housing to reflect the anticipated receipt and authorize the expenditure of
23 these SERC Grant Program funds and Puget Sound Energy low-income weatherization
24 funds; NOW, THEREFORE,



1 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

2 **Section 1.** The Mayor or his designee is authorized, for and on behalf of The City of
3 Seattle, to accept non-City funding from the Washington State Department of Commerce
4 pursuant to the U.S. Department of Energy Sustainable Energy Resources for Consumers
5 ("SERC") Grant Program under the American Recovery and Reinvestment Act of 2009
6 ("ARRA") in the amount of up to \$2,156,491 for the purpose of installing energy efficient
7 technologies in residential buildings. The Mayor or his designee is authorized to execute, deliver
8 and perform for and on behalf of The City of Seattle agreements and certifications he reasonably
9 deems necessary to accept these funds and to expend them for the purposes of the SERC Grant
10 Program. SERC Grant Program funds, when received, shall be deposited into the Weatherization
11 Program Subfund (16460) of the Low-Income Housing Fund to support, or as reimbursement for,
12 the corresponding appropriation as set forth in Section 3 below. The Mayor or his designee is
13 further authorized to execute and deliver other documents relating to the agreements if required
14 by federal guidelines.

15 **Section 2.** The Director of Housing or his/her designee ("Director") is hereby
16 authorized, for and on behalf of The City of Seattle, to accept non-City funding from Puget
17 Sound Energy in the amount of up to \$317,045 for the purposes of program administration and
18 delivery of weatherization services for residential buildings with low-income occupants. The
19 Director is authorized to execute, deliver, and perform for and on behalf of The City of Seattle
20 agreements and certifications he or she reasonably deems necessary to accept the Puget Sound
21 Energy funds and to expend them for the authorized purposes. The funds, when received, shall
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1 be deposited into the Weatherization Program Subfund (16460) of the Low-Income Housing
2 Fund (16400) to support, or as reimbursement for, the corresponding appropriation as set forth in
3 Section 3 below. The Director is further authorized to execute and deliver documents relating to
4 the agreements as required by Puget Sound Energy.

5
6 **Section 3.** Contingent upon the execution of the grant or other funding agreements
7 authorized in Sections 1 and 2 and in order to meet actual necessary expenditures of the City for
8 which insufficient appropriations have been made due to causes that could not reasonably have
9 been foreseen at the time of the making of the 2011 Budget, the appropriation for the following
10 item in the 2011 Budget is increased from the fund shown, as follows:

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Fund Name and Number	Department	Budget Control Level	Amount
Weatherization Program Subfund (16460)	Executive – Office of Housing	Low-Income Housing Fund BCL	\$ 2,473,536
Total			\$ 2,473,536

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16 Unspent funds shall carry forward to subsequent years until they are exhausted or abandoned by ordinance.

17 **Section 4.** Any act consistent with the authority of this ordinance taken after its passage
18 and prior to its effective date is hereby ratified and confirmed.
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FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Office of Housing	Miriam Roskin/4.0354	Amanda Allen/4.8894

Legislation Title:

AN ORDINANCE relating to acceptance of energy efficiency funds for the Office of Housing; authorizing acceptance of grant funds from the State of Washington allocated by the U.S. Department of Energy through the American Recovery and Reinvestment Act of 2009, accepting funds from Puget Sound Energy, authorizing the Mayor and Director of Housing or their designees to execute related agreements, increasing an appropriation in the 2011 Adopted Budget for the Office of Housing, and ratifying and confirming prior acts; all by a three-fourths vote of the City Council.

• **Summary of the Legislation:**

This legislation authorizes the acceptance of grant funds made available through the American Recovery and Reinvestment Act of 2009 ("ARRA") and funds from Puget Sound Energy, and increases the 2011 Adopted Budget to authorize new expenditures.

• **Background:**

The American Recovery and Reinvestment Act of 2009 has allocated \$90 million to eligible recipients to install energy efficient technologies in residential buildings through the U.S. Department of Energy Sustainable Energy Resources for Consumers (SERC) Grant Program. The City of Seattle was recently awarded \$2,156,491 through a competitive application process.

The award will route through the Office of Housing's HomeWise Program, which was previously awarded ARRA funding of \$4,829,369 for low-income weatherization services; that term of that grant contract ends June 30, 2011. The HomeWise Program provides weatherization and other energy efficiency services to low-income households, including both owners and tenants, from a variety of fund sources. In so doing, the Program assists owners and tenants to save energy and simultaneously provides employment opportunities to small construction contractors who complete energy-saving improvement measures under contract with the City.

Puget Sound Energy has awarded the City of Seattle through its HomeWise Program \$317,045 for delivery of low-income weatherization services for eligible residential buildings in fiscal year 2011. This legislation authorizes the acceptance by the Office of Housing of the funds and authorizes the Director of Housing to enter into a community agency service agreement with Puget Sound Energy.

Notice of both awards were received by the City after the passage of the 2011 Budget, necessitating supplemental appropriation authority to ensure sufficient time to contract for and deliver services, and to expend the funds.



X This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2011 Appropriation	2012 Anticipated Appropriation
Weatherization Program Subfund (16460)	Office of Housing	Low Income Housing Fund BCL	\$ 2,473,536	\$0
TOTAL			\$ 2,473,536	\$0

Notes to Appropriations Table: Unspent funds shall carry forward to subsequent years until they are exhausted or abandoned by ordinance.

Anticipated Revenue/Reimbursement Resulting From This Legislation:

Fund Name and Number	Department	Revenue Source	2011 Revenue	2012 Revenue
Weatherization Program Subfund (16460)	Office of Housing	Washington State Department of Commerce, administering U.S. Department of Energy SERC Grant	\$2,156,491	\$0*
Weatherization Program Subfund (16460)	Office of Housing	Puget Sound Energy Low-Income Weatherization Funds	\$ 317,045	\$0*
TOTAL			\$ 2,473,536	\$0

Notes: * The 2011 Revenue amount represents the total awarded funds from each source. The term of the SERC Grant agreement is January 1, 2011 through March 31, 2012. The term of the Puget Sound Energy agreement is January 1, 2011 through December 31, 2011. Residual appropriation authority shall carry forward into 2012 consistent with the terms of the respective agreements, as amended. Actual revenues received will be based on monthly billings by the City to the state Department of Commerce and Puget Sound Energy for services provided and expenditures incurred by the City under the terms of the respective agreements.

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2011 Expenditures	2012 Anticipated Expenditures
Weatherization Program Subfund (16460)	Office of Housing	Low Income Housing Fund BCL	\$ 1,700,000	\$ 773,536
TOTAL			\$ 1,700,000	\$ 773,536



Notes: The expenditures listed above are approximate. Actual expenditures between the two years depend on numerous variables, including ramp-up costs, specific program delivery, and funders' contract administration.

- **What is the financial cost of not implementing the legislation?** Without this legislation, the City will not receive \$ 2,473,536 in additional revenues to support weatherization services and energy efficiency improvements in residential buildings owned or occupied by low-income residents.
- **Does this legislation affect any departments besides the originating department?** No.
- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** Acceptance of the awards is a prerequisite for the receipt of these federal economic stimulus funds and the Puget Sound Energy funds. There are no alternatives that could achieve the same or similar objectives.
- **Is the legislation subject to public hearing requirements?** No.
- **Other Issues** None.

Please list attachments to the fiscal note below: None.



City of Seattle
Office of the Mayor

March 8, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill, which accepts \$2,156,491 in federal stimulus Sustainable Energy Resources for Consumers (SERC) Grant Program funds through the U.S. Department of Energy. The legislation also accepts \$317,045 of weatherization services funding from Puget Sound Energy. The Council Bill increases appropriations to reflect the anticipated receipt and expenditure of the funds from these two grants.

The American Recovery and Reinvestment Act of 2009 has allocated \$90 million to eligible recipients through a competitive application process to install energy efficient technologies in residential buildings. The City's allocation of SERC Grant Program funds and the Puget Sound Energy funds will be managed through the Office of Housing HomeWise Program, which provides residential weatherization services to low-income homeowners and to the owners of multi-family housing which serves low-income residents.

Thank you for your consideration of this legislation. Should you have questions, please contact Miriam Roskin at 684-0354.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
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