

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
LEG	Yolanda Ho / x6-5989	N/A

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to Seattle’s construction codes; relating to Seattle’s construction codes; amending Sections C404.2.3, C404.2.3.1, C406.8, C406.8.1, C503.4.6, and C503.5 and Table 406.1 of the 2018 Seattle Energy Code, adopted by Ordinance 126279.

**Summary and background of the Legislation:** This legislation would amend the 2018 Seattle Energy Code, adopted by Ordinance 126279 on February 1, 2021. As adopted, the 2018 Seattle Energy Code requires that central water heating in multi-family and hotel uses be performed by heat pump water heaters (HPWH), rather than gas or electric resistance water heaters. Commercial buildings are exempted from this requirement, allowing them to continue to use systems that rely on fossil fuels.

This legislation would extend the HPWH requirement to include new commercial buildings that incorporate more than minimal water heating capacity. There are several exceptions, most notably that this does not apply to upgrades of existing commercial buildings. Additionally, the legislation includes several technical changes to make the code provisions more coordinated and enforceable.

**2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**      \_\_\_ Yes X No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**      \_\_\_ Yes X No

**Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**  
New City facilities and existing City buildings that need to replace their current water heating systems will need to comply with the higher-performance requirements of the code as part of the permitting process. Energy bills are anticipated to be unchanged.

**Is there financial cost or other impacts of *not* implementing the legislation?**  
Future conversion of building systems to higher-efficiency, lower-carbon equipment would be expensive and disruptive.

#### 4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**  
New facilities from any department will need to comply with the higher-performance requirements of the code as part of the permitting process. Installing HPHW could result in higher capital costs as compared to a gas water heating system.
- b. Is a public hearing required for this legislation?**  
No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
No.
- d. Does this legislation affect a piece of property?**  
No.
- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**  
This amendment would eliminate the use of fossil fuels for water heating in most new commercial buildings, helping to decrease Seattle’s greenhouse gas emissions. Climate change disproportionately impacts low-income people and people of color, and efforts to decrease emissions are intended to avoid the worst impacts of climate change over the long term.
- f. Climate Change Implications**
- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**  
This legislation would decrease carbon emissions from new buildings in Seattle.
  - 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**  
This legislation will increase resiliency by reducing dependence on fossil fuels.
- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)?**  
This legislation is a continuation of a long-term strategy of the Seattle Climate Action Plan to reduce carbon pollution from buildings and supports implementation of Executive Order 2021-09, which calls for “all municipal buildings to operate without fossil fuel systems and appliances no later than 2035.”

**List attachments/exhibits below:**

None.