

## Office of Sustainability and Environment

Staff: Yolanda Ho

### Budget Summary (\$ in 000s)

	2020 Adopted	2021 Proposed	% Change
<b>Appropriations by BSL</b>			
<b>Operating</b>			
Office of Sustainability and Environment	\$12,479	\$14,593	16.9%
<b>Total Appropriations<sup>1</sup></b>	<b>\$12,479</b>	<b>\$14,593</b>	<b>16.9%</b>
<b>Total FTEs</b>	<b>29.5</b>	<b>29.5</b>	<b>0%</b>
<b>Revenues</b>			
General Fund	\$5,760	\$8,663	50.4%
Other Sources	\$6,719	\$5,930	(11.7%)
<b>Total Revenues</b>	<b>\$12,479</b>	<b>\$14,593</b>	<b>16.9%</b>

<sup>1</sup> Numbers may not add up due to rounding.

### I. Background

The Office of Sustainability and Environment (OSE) develops and implements citywide environmental policies and programs that propel Seattle toward a sustainable, equitable, and carbon neutral future. OSE supports coordination of the City’s environmental initiatives; conducts research and develops program and policies focusing on environmental equity, building energy, food policy, and transportation electrification; and coordinates implementation of Seattle’s [Climate Action Plan](#).

In response to the COVID-19 emergency, OSE focused on providing food assistance. This includes launching the new [Emergency Grocery Voucher](#) program<sup>1</sup> in March 2020, initially funded by a one-time appropriation of \$5 million in Sweetened Beverage Tax (SBT) revenues, and co-leading the City’s COVID-19 Emergency Feeding Task Force with the Human Services Department (HSD).

The 2021 Proposed Budget would continue OSE’s efforts to increase food security for vulnerable Seattle residents by adding \$3.4 million General Fund (GF) in one-time reserves for the Emergency Grocery Voucher program, funded by the joint JumpStart COVID-19 Relief plan. This amount would allow the program to extend until April 2021. The COVID-19 Relief plan provides a total of \$9 million for this purpose, with \$5.6 million of this amount to fund vouchers until the end of 2020. The proposed addition of these funds entirely accounts for the nearly 17 percent increase in appropriations to OSE.

<sup>1</sup> See Central Staff [memorandum](#) from the May 30, 2020 City Council meeting for more details about the Emergency Grocery Voucher Program.

Excluding the additional GF support for the Emergency Grocery Voucher program, the 2021 Proposed Budget would reduce OSE's budget by \$1.3 million (10 percent), compared to the 2020 Adopted Budget. This would be accomplished by reducing other GF appropriations by about \$466,000 and decreasing SBT appropriations by \$820,000. Notable proposed reductions in GF appropriations include:

- Vacancy savings of \$272,000 GF by delaying hire of the Green New Deal Advisor (1.0 FTE Strategic Advisor 1) and the Climate Policy Advisor (1.0 FTE Strategic Advisor 2) until 2022. Both positions will be retained and can be filled in 2021 if additional funds are appropriated for them;
- One-time reduction of \$150,000 GF to suspend enforcement and compliance activities related to the Energy Benchmarking and Building Tune-Ups programs;
- One-time cut of \$25,000 GF to eliminate community member compensation and professional services related to the [Drive Clean Seattle](#) program, which seeks to accelerate transportation electrification in Seattle; and
- One-time reduction of \$35,500 GF to cut funding for travel, training, communications, and community programs.

The reductions in SBT appropriations are associated with \$765,000 of one-time SBT additions in the 2020 Adopted Budget ([Council Budget Action OSE-2-D-1](#)) that were not intended to continue in 2021. These include funding for water bottle filling stations in schools, consultant services for the SBT Community Advisory Board, and a scratch-cooking assessment for Seattle Public Schools. The proposed decrease also includes a transfer of \$55,000 SBT to HSD for the [Good Food Bag](#) program contracts to simplify program administration.

## II. Issue Identification

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### 1. Enforcement of Energy Benchmarking and Building Tune-Ups Programs

The 2021 Proposed Budget would cut \$150,000 GF from OSE's budget for compliance and enforcement activities associated with the Building Tune-Ups and Energy Benchmarking programs. According to the [2016 Seattle Community Greenhouse Gas Emission Inventory](#), commercial buildings are responsible for 20 percent of Seattle's core greenhouse gas (GHG) emissions. Seattle's 2013 Climate Action Plan established a goal of reducing GHG emissions 45 percent from commercial buildings by 2030. Both programs were created to make progress towards achieving this target.

The Energy Benchmarking program ([ORD 123226](#), adopted January 2010, and [ORD 123993](#), adopted September 2012) requires building owners of about 3,500 multifamily and commercial properties 20,000 square feet or larger to annually track and report building energy efficiency performance. The Building Tune-Ups program ([ORD 125002](#), adopted March 2016) requires building owners of 900 commercial facilities 50,000 square feet or larger to conduct tune-ups to identify and correct operational and maintenance deficiencies every five years. On average, these measures can reduce building energy use by 10 to 15 percent.

The proposed reduction would eliminate a long-term temporary Tune-Ups Associate position (1.0 FTE Senior Planning and Development Specialist) that provides technical support and would also cut \$50,200 GF in consultant contracts. It would also modify the roles of the Program Manager (1.0 FTE Strategic Advisor 2), Program Coordinator (1.0 FTE Senior Planning and Development Specialist), and Enforcement Coordinator (1.0 FTE Planning and Development Specialist I). The Enforcement Coordinator's work would be most impacted by this proposal, which would remove all enforcement activities and replace them with Building Tune-Ups help desk support duties for all non-technical inquiries.

This reduction in enforcement activities and technical assistance would result in lower compliance rates for both programs, which currently have a 95 percent compliance rate. Additionally, the suspension of enforcement would eliminate \$140,000 GF in projected revenue from Building Tune-Ups program fines. Of this amount, \$110,000 GF would have funded energy efficiency projects in affordable housing. Although OSE anticipates that many building owners will continue with voluntary compliance, compliance rates could drop by as much as 25 percent, resulting in fewer GHG emissions reductions.

Funding would continue for OSE to continue providing more limited technical assistance through a professional services contract (\$45,000 GF), which will allow Building Tune-Ups submissions to continue at a reduced level.

**Options:**

- A. Add \$150,000 GF and position authority for 1.0 FTE Senior Planning and Development Specialist to OSE for enforcement and compliance of Building Tune-Ups and Benchmarking programs. Proposed by Council President González and Councilmember Strauss.
- B. No Action

**2. Green New Deal Advisor Hiring Delay**

The 2020 Adopted Budget authorized \$136,000 GF for a Green New Deal Advisor position and financial hardship stipends for members of the Green New Deal Oversight Board (Board), established by [ORD 125926](#) ([Council Budget Action OSE-1-B-1](#)). The position was not filled in 2020 due to the hiring freeze, and the 2021 Proposed Budget would eliminate all funding for the position (\$132,000 GF). The Council added \$80,000 GF to OSE during the 2020 Revised Budget deliberations this summer to support the position and stipends for the rest of 2020 ([ORD 126148](#)). Given the uncertain funding situation, OSE is waiting to initiate the public hiring process, though it is preparing to do so if Council opts to fund the position in 2021. In addition to providing administrative support to the Board, this position is responsible for coordinating the City's internal strategy to reduce climate pollutants, helping to achieve the goals identified in the Green New Deal for Seattle ([Resolution \(RES\) 31895](#)), adopted in August 2019.

Delaying hire of this position until 2022 would continue to delay appointments to the Board and reduce OSE's capacity to coordinate the interdepartmental Green New Deal City Team. Lacking any members, the Board would not be able to provide the Council or Mayor with

recommendations for how to implement the actions identified in the Green New Deal for Seattle, which are intended to accelerate the transition away from fossil fuels to renewable energy while centering communities that have historically been most harmed by racial, economic, and environmental injustices.

Further, revenues from the new payroll tax, established by [ORD 126108](#), are intended to support Green New Deal priorities beginning in 2022. [RES 31957](#), which identifies spending priorities for payroll expense tax revenues, allocates nine percent (estimated to be about \$20 million) of tax proceeds for strategies that will help eliminate Seattle's dependence on fossil fuels, and ensure a just transition for workers whose jobs depend on the fossil fuel industry. The Board would need to be fully appointed in advance of the 2022 Proposed Budget deliberations to provide the Mayor and Council recommendations for how these funds should be invested.

**Options:**

- A. Add \$132,000 GF to fund the Green New Deal Advisor position. Proposed by Councilmember Sawant.
- B. No Action

**3. Climate Policy Advisor Hiring Delay**

The proposed hiring delay of the Climate Policy Advisor, who oversees implementation of the Climate Action Plan and measures progress towards its goals, will limit OSE's ability to advance this climate work. OSE initially intended to hire this position in October 2020, but given continued budget constraints, the 2021 Proposed Budget would delay hire until 2022 for a savings of \$140,000 GF. This position is responsible for developing and implementing a Climate Impact Assessment Toolkit ([Executive Order 2018-01](#)), creating policies to support green jobs as part of the economic recovery, evaluating racial equity impacts of building decarbonization, and establishing Building Performance Standards. While this position is not solely focused on addressing equity issues, some of its duties are intended to promote climate justice.

In September 2020, the Council adopted [RES 31933](#), which will add a required assessment of potential climate impacts and climate resilience to the City's Summary and Fiscal Note that accompanies all legislation beginning on January 1, 2021. This climate-related analysis was intended to be informed by the more thorough quantitative and qualitative GHG emissions evaluation that would be required by the Climate Impact Assessment Toolkit for major capital projects and purchasing decisions. Initial work on the toolkit continued through early 2019, but progress has since been stalled due to staff turnover. Delaying the hire of this position for a year would prevent OSE from further development and implementation of the toolkit.

**Options:**

- A. Add \$140,000 GF for the Climate Policy Advisor position. Proposed by Councilmember Strauss.
- B. No Action

### **III. Budget Actions/SLIs Proposed by Councilmembers as of October 8, 2020**

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- 1. Carbon Excise Tax (Councilmember Lewis)** – This Statement of Legislative Intent would request that OSE, the City Budget Office, and the Department of Finance and Administrative Services collaborate with the Office of Councilmember Lewis to develop legislation to impose a carbon excise tax on commercial buildings. Tax proceeds would be used for investments that would decrease carbon emissions.
- 2. Add funding for the Energy Benchmarking and Building Tune-Ups Programs (Council President González and Councilmember Strauss)** – This proposal would add \$150,000 GF and staff for the Energy Benchmarking and Building Tune-Ups programs, as described under Option A of Issue #1 (Enforcement of Energy Benchmarking and Building Tune-Ups Programs).
- 3. Add Funding for the Climate Policy Advisor Position (Councilmember Strauss)** – This proposal would add \$140,000 GF for the Climate Policy Advisor position, as described under Option A of Issue #3 (Climate Policy Advisor Hiring Delay).
- 4. Add Funding for Fresh Bucks (Councilmember Strauss)** – This proposal would increase funding for the Fresh Bucks program, which provides eligible households with vouchers to purchase fruits and vegetables at a variety of locations, including farmers markets. Amount is still to be determined.
- 5. Add Funding for the Green New Deal Advisor Position (Councilmember Sawant)** – This proposal would add \$132,000 GF for the Green New Deal Advisor position, as described under Option A of Issue #2 (Green New Deal Advisor Hiring Delay).
- 6. Add Funding for Emergency Grocery Vouchers (Councilmember Sawant)** – This proposal would add \$19 million GF to extend the Emergency Grocery Voucher program through December 2021 and would require that vouchers be accepted at Asian grocery stores.
- 7. Consolidate Urban Forestry Functions within OSE (Councilmember Pedersen)** – This proposed Statement of Legislative Intent would request that OSE, in consultation with the Urban Forestry Commission and the Urban Forestry Interdepartmental Team, develop a plan to transfer staff and decision-making authority over tree removal and tree management to OSE, consistent with the recommendations from the City Auditor’s 2009 [Management of City Trees](#) report to improve tree management in Seattle. This plan should: (1) include a timeline for implementation; (2) consider staff involved in policy development, permitting and inspections, maintenance, community engagement, and stewardship; (3) identify code amendments needed to effectuate this change; and (4) provide a cost estimate for implementing the proposed reorganization.