

# Green New Deal Oversight Board (GNDOB) Meeting Minutes

<b>MEETING SUMMARY</b>	<b>Date:</b> 05/15/2023 <b>Time:</b> 5:00pm – 7:00pm <b>Location:</b> ZOOM
<b>MEMBERS PRESENT:</b>	Debolina Banerjee, Peter Hasegawa, Nina Olivier, Steve Gelb, Tomás Madrigal, Jess Wallach, Emily Myers, Andrea Ornelas, Kristina Chu, Eunice How
<b>MEMBERS ABSENT:</b>	Maria Batayola, Matt Remle, Ken Workman, Keith Weir, Dennis Comer, Rachel Heaton
<b>GUESTS:</b>	Lia (member of the public), David Ramsay (public comment), Robin Briggs (public comment), Akshay Iyengar (CBO), Sandra Mallory (OSE), Kristin Brown (OSE), Jessyn Farrell (OSE), Jonathan Derkacht (OSE), Ximena Fonseca-Morales (OSE), Elise Rasmussen (OSE)

<b>DECISIONS MADE</b>	<ul style="list-style-type: none"><li>• Meeting Minutes approved for April 17, 2023 meeting.</li><li>• Building Emissions Performance Standards Letter of Support approved.</li></ul>
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FOLLOW-UP ACTION ITEMS			
#	ITEM	RESPONSIBLE PERSON(S)	TARGET DATE
1	Transmit Building Emissions Performance Standards Letter of Support to the Mayor and City Council.	Elise (OSE)	ASAP
2	Follow up with Maria on GND Systemic Implementation	Peter, Debolina, Elise	As capacity allows
3	Provide feedback on draft budget recommendations	All Board members	June 29

## MEETING NOTES

*P. Hasegawa, N. Olivier, & D. Banerjee GNDOB Executive Committee and Elise Rasmussen, OSE Climate and Environmental Justice Associate facilitated the meeting. Notes taken by Ximena Fonseca Morales (OSE).*

## WELCOMES AND INTRODUCTIONS

Nina started the meeting, facilitated introductions of members, and said the land acknowledgement. Nina also shared that Hibo Sahal has stepped down from the Board due to limited capacity. The Executive Committee anticipates filling her seat this summer when Board recruitment takes place.

## APPROVING PREVIOUS MEETING'S MINUTES

- **BOARD ACTION Motion:** Steve moved to approve the minutes from the April 17 meeting. Jess seconded the motion. Motion to Approve the April Minutes.
- **Motion to Approve the Minutes:** Unanimously approved.

## BUILDING EMISSIONS PERFORMANCE STANDARDS (BEPS)

**Sandra Mallory (OSE) provided an update on BEPS to the Board.** The revised BEPS legislation is undergoing legal review after some proposed revisions to the legislation. The anticipated timeline for the State Environmental Policy Act (SEPA) review is early June, which will include a public comment period. The proposed revisions include:

- Deferring the first compliance deadline to 2031. From 2027-2030, building owners need to submit their benchmarking data and a greenhouse gas (GHG) emissions report that includes how they are going to meet BEPS requirements.
- Increasing the penalty fees from \$2.50 per square foot to \$3.33 per square foot due to the deferred deadlines so the penalties still equate to about \$10 per square foot for the overall time that it would take to get to net zero emissions.
- Increasing the alternative compliance payment amount which was \$100/metric ton of CO<sub>2</sub> per year to \$190/metric ton of CO<sub>2</sub> to match the latest EPA standards on the social cost of carbon. This alternative compliance payment is only an option from 2031-2035.
- Including a preliminary evaluation.
- Including a deferral for affordable housing and shelters.
- Including alternative compliance plan for building owners for whom this law would pose a significant financial hardship, which will be further defined in rulemaking.

### BEPS-related questions from the Board:

- Tomás stated his concerns business lobbyists and asked Sandra to share the number of these business agents who informed this legislation. Sandra replied that building owners and managers are providing input through associations/coalitions. Additional input came from real estate entities, mechanical engineers, hospitals, and environmental organizations.
- Steve asked Sandra to summarize concerns from building owners to meet decarbonization needs by 2030. Sandra said the initial goal was for this legislation to align with state's mandate, which would go into effect in 2026. Part of the feedback has been that building owners are still working to understand the state requirements, and this local BEPS ordinance becomes an additional burden because it takes time and money to make building upgrades. There has also been a conversation about financial hardship.
- Steve asked if there has been independent follow-up with building owners who are claiming that they cannot make these upgrades and wanted more information on the challenges of making these upgrades. Sandra replied that upgrades would need to be completed 18-24 months in advance of the compliance deadline in order to capture the required 12 months of reporting data. Realistically, it could take 3-5 years to make necessary improvements with the initial assessment, design work, permitting, etc. Sandra also shared that her team has done their own cost estimates for these upgrades and compared them to building owners' costs estimates—some costs align, and other estimates are higher. Some retrofits are costly and there are also unknown costs of electrical and structural updates.

- Peter asked Sandra to share more about how this legislation would affect affordable housing developments. Sandra shared that affordable housing developers have said they are concerned about costs, and that there might not be enough funding to make upgrades. Sandra has mostly been working with the Housing Development Consortium who studied what it would take for affordable housing developers to upgrade affordable housing buildings. Steve noted that BEPS doesn't come with any earmarked funding for affordable housing providers, so that might be something the Board could consider as a recommendation for Payroll Expense Tax funds to go toward. Sandra added that starting in 2024, there will be \$4.5 million for engineering and capital support to implement BEPS for affordable housing providers and other under-resourced developers.

#### **Board Discussion on BEPS Letter of Support:**

- Jess recapped the Board's process of drafting this letter, including how they have integrated the latest round of feedback into the current version of the letter.
- Steve suggested that the letter be amended to say "hundreds" of green union jobs instead of "thousands". Hundreds of new jobs is a stretch according to the work he's done with OSE and as the workforce representative on the Board. Andrea agrees with keeping "thousands" of jobs.

#### **VOTE: Board votes to approve their BEPS letter of support.**

- Note that Steve voted "yes, with reservations" due to the letter stating that BEPS would create thousands of jobs. All other Board members voted yes without reservations.

### **PAYROLL EXPENSE TAX (PET) BUDGET PRESENTATION**

#### **Akshay Iyengar from the City Budget Office (CBO) provided a PET briefing and update to the Board.**

Akshay reviewed the budget process and a breakdown of both the PET and GND budgets. He also shared April's budget forecast which will continue to be updated throughout 2023. Akshay shared that we are experiencing a PET revenue shortfall and that CBO is working closely with City Departments to avoid program and staffing cuts. Instead, CBO and Departments are focusing on identifying underspent budgets for 2023. There will be another budget adjustment needed as the 2024 Endorsed Budget is made that also take community feedback and key interests into account.

#### **Budget-related questions from the Board:**

- Steve asked about how BEPS funding is to be spent. His assumption was that the majority of this funding was to support under-resourced buildings like affordable housing. Jessyn Ferrell, OSE Director, responded by saying that BEPS funding is for setting up the program which includes a staffing and IT due to reporting/tracking requirements, plus investment in under-resourced buildings.
- Peter asked if the expectation is that some Endorsed Budget areas will be reduced for certain, and if should the GNDOB be concerned. Akshay affirmed that if the revenue forecast comes in where it is at currently, there will be reductions and will look to the GNDOB's priorities to guide discussions around reductions. He also noted that if the forecasts come in higher, the recommendations will be used as well. Jessyn added that PET is a new funding source and there may be some volatility that we experience as factors change, such technology industry layoffs.

- Debolina asked about the Progressive Revenue Taskforce and how they are discussing these budget hits. Akshay said the Taskforce has met, but he will need to gather more information about the direction they are headed in and will share with the Board.
- Peter brought up how different funding streams are connected to different labor standards and asked if this GND funding was connected to fair labor standards. Jessyn and Akshay did not have an answer to this, but shared that they would get back to Peter when they have that information.

#### PUBLIC COMMENT

- **Robin Briggs** is a Seattle resident and part of a group engaged in understanding how Seattle could decarbonize existing buildings. The group Robin is a part of is focused on existing single-family and multi-family buildings for which the City doesn't have a decarbonization plan, including workforce considerations. The group has drafted a letter that has been submitted to the GNDOB, and would like to ask the GNDOB to support getting a public conversation started focused on the decarbonization of these single and multi-family buildings.
- **David Ramsay** encourages the expansion of conversions from oil heat to natural gas as well. David pointed to the City of Portland's decarbonization work as a model, including their Clean Energy Fund and Clean Energy Fund Committee. Portland's Clean Energy Fund Committee issued RFPs in 2021 and 2022 for \$107M for community-led projects. The Committee also recommended funding for clean energy, contractor support, green infrastructure, regenerative agriculture, etc. and recommends the GNDOB considers a similar approach.
- **Ruth Swayer** submitted a letter from the same group that Robin and David represented during public comment.

#### OSE PRESENTATION: GREEN NEW DEAL OVERSIGHT BOARD BUDGET RECOMMENDATIONS & PROCESS

**Elise Rasmussen (OSE) presented draft budget recommendations that came from the 2023 Board Retreat and from the Budget Committee.** This presentation also included an overview of the Board's budget recommendation development process, as well as a longer-term timeline for engaging in the City's budget development process. This presentation was meant to be a starting place as the Board works to develop their 2024 Endorsed Budget Recommendations.

- Debolina asked for Board members to sign up for the Community Engagement Workgroup because the Board should be engaging communities about budget priorities going into the next biennium.
- Debolina also shared a proposal that Maria made focused on GND Systemic Implementation so that the budget and policy items that are connected to the GND and the GNDOB are aligned with the GNDOB's vision and mission. The proposal includes ideas for finance and budgeting, systemic community benefits agreements, structural disinvestment mitigation, and a measurement/evaluating component.

#### DISCUSSION: GREEN NEW DEAL OVERSIGHT BOARD BUDGET RECOMMENDATIONS & PROCESS

- Steve asked if Board members would be open to having non-Board members join working groups to support capacity. Tomás shared that this practice would violate the Board's Bylaws.

Steve and Debolina were trying to be creative about how to integrate others' perspectives into the work. Tomás responded that listening sessions with communities and other practitioners. and thought partnerships can be part of Community Engagement Workgroup's work.

- Eunice offered to join the Community Engagement Workgroup, along with Maria.
- Jess could support the values outlined in Maria's proposal but is wondering if the Board has capacity to operationalize what is included in the proposal. Debolina shared that this is a draft of ideas just to get the conversation started. Debolina wants to know if this is something that the Board wants to work on. Peter is also in agreement with the values in the proposal but would want to think through what this work would actually look like for the Board. Peter and Debolina have offered to work with Maria to think through this proposal more. Tomás would like to limit the number of ongoing committees that exist, as he feels this could disrupt the business of the Board. Debolina shared that this committee would have an end date, and that this proposal is aligned with the Board's work. Kristina is a big proponent of the first point on finance and budgeting in the proposal, but also has concerns about Board capacity to take this on.

#### UPDATES AND ANNOUNCEMENTS

- Tickets still available for Circularity Conference for self or for a community member
- Reminder that a budget meeting will need to happen end of May or beginning of June so be on the lookout for a scheduler.

The Executive Committee adjourned the meeting adjourned at 7:05pm.