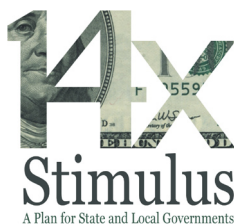


**Guide to Implementation**  
of the 14x Stimulus Plan





## Guide to Implementation

---

### Multiply Jobs 14x

For those states and local governments looking to create **jobs**, the 14x Stimulus plan is the most cost-effective strategy. The plan is able to leverage each \$1 of government money spent on the program to generate \$14 of private spending, create 14 times the number of jobs, generate \$3 in new taxes for the federal government, and return \$1 in new tax revenues back to state and local government coffers.

To use Seattle, WA as an example, if the city were to **invest \$3 million** of its \$6.2 million Energy Efficiency and Conservation Block Grant (EECBG) funding in the 14x plan, the plan would generate \$42 million in local private spending and **create 654 new jobs**. The federal government would receive **\$9 million** in new taxes, **and \$3 million in new tax revenue** would go into city, county and state coffers. An incredible return on investment.

The more money invested, the greater the return. So, if the \$3 million invested by Seattle is matched by state stimulus funds for a total amount of \$6 million, the plan would generate \$84 million in local private spending and create 1309 new jobs. The federal government would receive \$18 million in new taxes while \$6 million in new tax revenue would go into city, county and state coffers.

In addition, the 14x Stimulus plan is well aligned with the desired outcomes of the EECBG Program provided under the American Recovery and Reinvestment Act of 2009 (ARRA), including:

- increased energy efficiency, reduced energy consumption, and reduced energy costs through efficiency improvements in the Building Sector;
- new jobs and increased productivity to spur economic growth and community development;
- accelerated deployment of market-ready distributed renewable energy technologies, including wind, solar, geothermal, hydropower, biomass and hydrogen technologies;
- improved air quality and related environmental and health indicators associated with the reduction of fossil fuel emissions;
- improved coordination of energy-related policies and programs across jurisdictional levels of governance and with other local and community level programs in order to maximize the impact of this program on long-term local priorities;
- leveraging of the resources of federal, state, and local governments, utilities and utility regulators, and private sector and non-profit organizations to maximize the resulting energy, economic, and environmental benefits; and
- widespread use of innovative financial mechanisms that transform markets.

### Plan Summary

The 14x Stimulus plan proposes using government funding (such as ARRA funds) to create a local mortgage buy-down program that offers reduced mortgage interest rates contingent upon renovating or building new to meet specific energy reduction targets. To qualify for the program, a homeowner is required to invest a minimum amount in efficiency and energy reduction measures, creating demand for construction jobs and generating much-needed private spending. The cost of the efficiency upgrades is added into the mortgage, but, because of the lower interest rate, the homeowner's monthly mortgage payments are significantly lower. The homeowner also benefits from lower monthly energy costs.

## Steps for Implementation

Any local government can implement the plan. However, the more government entities that work together, the greater the benefits. We encourage local governments to work together and with their state whenever feasible to multiply their resources and the resultant benefits.

At the ICLEI Summit on May 18, 2009, Architecture 2030 will be providing template language for the Energy Efficiency Conservation Strategy (EECS) required by the EECBG. In the interim, government entities are encouraged to begin taking the following steps to begin taking action:

- 1. Present the 14x Stimulus plan** to governors, mayors, county commissioners and other leaders, including at city and county council meetings to generate interest and get buy-in. [NOTE: 2030 can provide presentation slides and estimated numbers, such as private spending generated, jobs created, and state local/federal tax revenue collected for governments who wish to include this information in their presentations.]
- 2. Meet with banks** to determine which ones will participate and:
  - what they will need in order to be able to offer the 14x mortgage interest rates,
  - who will qualify (qualifying criteria),
  - and other relevant issues.
- 3. Determine other major players**, such as:
  - appraisers,
  - energy auditors (Contact: Steve Baden, President of RESNET, at 760-806-3448 or sbaden@resnet.us),
  - regional planning and/or NGO entities (existing entities that help cities and the county work on joint efforts),
  - energy task force entity,
  - State Energy Office contact, and
  - existing energy programs that can be leveraged, such as programs offered through utility companies.
- 4. Determine funding level** by:
  - determining the number of local government entities that will participate and the amount of funding that each will contribute to the 14x plan and
  - determining if the state will contribute matching funds for the plan.
- 5. Hold a meeting of all key leaders and major players** to determine roles and an implementation plan, including:
  - creating an Oversight Committee and other relevant leadership,
  - determining if other state, local and regional programs can be leveraged,
  - if necessary, drafting a county or city ordinance/resolution detailing the rules of conduct, such as:
    - requiring contractors to complete the job on time and within budget,
    - determining who will inspect and certify the work (ex. inspector, HERS rater, etc.),
    - requiring 14x participants to provide their utility bills, so that energy reductions can be tracked,
    - requiring installation of a Smart Meter (real-time energy-use reader) in the homes of participants,
    - limiting the amount of bank fees charged on 14x loans,
    - and other relevant issues.
  - determining how many 14x existing and new building mortgages will be offered (based on funding level), [NOTE: To leverage the government funding 14 times, 70% of the stimulus dollars must be allocated to buying down existing home mortgage rates, 20% must be allocated for new home mortgages (HERS 70), and 10% must be allocated for new home mortgages (HERS 50).]
  - determining the appraisal process for participating homes,
  - creating a list of qualifying contractors, auditors, and appraisers, and
  - determining who will track the benefits of the plan as required by the Fed and how they will be tracked, including:
    - the number of jobs created and retained,
    - energy savings on a per-dollar-invested basis,
    - renewable energy capacity installed,
    - GHG emissions reduced,
    - funds leveraged,
    - and other relevant data.
- 6. Submit the 14x Stimulus template language** as your EECS.
- 7. Explore state and federal tax credits** to leverage the large tax revenues generated from the plan.