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Contact: Kristina Kershner or Peter Chapman
kershner@architecture2030.org
chapman@architecture2030.org



Obama Asked For It: Here It Is 2030 Challenge Stimulus Plan Gains Momentum

SANTA FE, NM – Garnering the support of a large and diverse number of organizations and businesses, the 2030 Challenge Stimulus Plan is quietly gaining momentum both on and off the Hill. Impressed with the Plan’s ability to create over 9 million new jobs and \$1 trillion in direct non-federal spending in just two years while opening up a brand new \$1.8 trillion renovation market, many agree that this Plan can turn the economy around with far-reaching, positive impacts for every U.S. sector and industry.

Architecture 2030, the non-profit research organization that developed and issued the 2030 Challenge, developed the Stimulus Plan. Edward Mazria, Executive Director of Architecture 2030, said, “As important as these areas are, focusing on investment in public building and infrastructure is a mistake. If you want to revive the economy, including public building and infrastructure, you must do so through the private building sector.”

He bases his argument on two facts. First, the public building sector represents only 7% of total U.S. building stock, while the private building sector represents the remaining 93% with approximately \$1.2 trillion in annual expenditures. Building construction alone accounts for approximately 10% of the U.S. GDP. Secondly, public building and infrastructure is dependent on strong tax revenues. According to Mazria, “If the administration does not focus its stimulus plan on the private building sector, it will not only miss out on the substantial tax base created by the 9 million new jobs, \$1 trillion dollars in new spending and new \$1.8 trillion renovation market, it will have to continuously pour money into infrastructure projects because the tax base will not be there to support these projects on their own.”

The reach of the private building sector extends throughout the U.S. economy. Construction of residential buildings in 2008 was down a staggering 39%, and construction of commercial buildings was down 17%, with no bottom in sight. One in ten home mortgages in America are either delinquent or in foreclosure. Over one million construction workers are now unemployed, and every sector of the U.S. economy (from wholesale, retail, distribution, manufacturing and construction to professional services, banking and development) and every industry (from steel, rubber, insulation and caulking to mechanical and electrical equipment, glass, wood, metals, tile, fabrics and paint) is reeling from the effects.

Because the private building sector is at the center of the economic meltdown, and because investing in energy efficiency in buildings has been shown to be the most effective way to create jobs, Architecture 2030 believes that combining focused, strategic investments in energy efficient buildings is key to reviving the job market and economy. Their Plan, described as a simple, low-risk, equitable approach, will accomplish both objectives by providing a ‘housing mortgage interest rate buy-down’ and a ‘commercial building accelerated-depreciation program’ for buildings that meet the energy reduction targets of the widely adopted 2030 Challenge. The Challenge calls for new and existing buildings to meet energy consumption reduction targets, below an established benchmark, of 30%, 50%, 75% and carbon neutral.

The mortgage buy-down would allow a homeowner to reduce their mortgage rate if they renovate and improve the energy efficiency of their home to meet one of the 2030 Challenge targets. Greater energy

reductions would earn lower interest rates. The investment in efficiency is low-risk since, with the cost of improvements factored in, the homeowner would save hundreds of dollars on a typical monthly mortgage, plus hundreds more in reduced energy bills.

In addition, the value of the home rises, the homeowner has more disposable income, the risk of mortgage failure has been reduced, the work for the upgrades has provided jobs to those who will pay federal taxes, material and product manufacturers have a new market, and the homeowner has dramatically reduced their energy consumption and carbon footprint.

The Plan calls for a total federal investment of \$192.47 billion over two years. While the \$192.47 billion federal investment will stimulate \$1 trillion in non-federal building spending and investments, the actual total non-federal investment has the potential to be much higher since homeowners considering additional renovations (kitchen upgrade, new roof, building addition, etc.) will be more likely to renovate to take advantage of the reduced, one-time mortgage rates afforded under the Plan.

The cost of the federal investment is paid back each year through the new tax base created by the 9 million new jobs, as well as the increased economic activity. In addition, the Plan will save consumers \$132 billion to \$208 billion in energy costs and mortgage payments over a five-year period. The Plan addresses energy independence and climate change as well, reducing CO2 emissions by 504 Million Metric Tons and energy consumption by 6.47 Quadrillion Btu, including 1.95 trillion cu. ft. of natural gas and 90 million barrels of oil, over the same five-year period.

The federal investment called for in the Plan complements the Weatherization Assistance Program and builds upon the Energy Efficiency and Conservation Block Grants program authorized by Congress last year. These grants will allocate funding for training local officials, auditors and consultants, a revolving low-interest loan fund, conducting free (or reduced-fee) audits based on income levels, developing education and outreach programs, fast-track permitting, incentives for efficiency products made locally and conducting upgrades to local government buildings.

According to Mazria, the power of the Plan lies in its ability to impact the entire U.S. economy. Because of the vast number of products and services involved in the U.S. Building Sector, rather than benefiting just one industry or sector, the 2030 Challenge Stimulus Plan would benefit all industries and sectors. Just as impressive, whereas many leaders are calling for separate plans to address the three major crises facing America today: the economy, energy independence and climate change, the 2030 Plan provides an economically efficient and effective way to address all three simultaneously.

About Architecture 2030

By galvanizing and collaborating with the key players in the Building Sector, including the US Conference of Mayors (USCM), Department of Energy (DOE), Environmental Protection Agency (EPA), US Green Building Council (USGBC), Leadership in Energy and Environmental Design (LEED), American Institute of Architects (AIA), American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE), International Council for Local Environmental Initiatives (ICLEI), and many others, Architecture 2030 is working to achieve a dramatic reduction in the global-warming-causing greenhouse gas emissions of buildings by changing the way they are designed and constructed. In addition to issuing the highly successful 2030 Challenge, Architecture 2030 has also published several key works, including 'Nation Under Siege', a seminal study revealing the devastating effects on the US of just one meter of sea level rise.

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