

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning & Building		(2) MEETING DATE August 23, 2011		(3) CONTACT/PHONE Matt Janssen / 781-5104 mjanssen@co.slo.ca.us	
(4) SUBJECT Hearing to consider a request by Grid Alternatives to waive permit processing fees.					
(5) SUMMARY OF REQUEST Grid Alternatives is a nonprofit organization and licensed photovoltaic (PV) system installer with a mission of providing renewable energy to communities in need. Grid operates with a California Public Utilities Commission taxpayer's rebate and installs PV systems on affordable housing. They are requesting the Board consider waiving a portion of the building permit processing fees for the next five years (2011-2016).					
(6) RECOMMENDED ACTION Adopt the resolution approving a 5-year phased fee waiver for up to \$100,000 (not to exceed \$20,000 each year - 2011 to 2016).					
(7) FUNDING SOURCE(S) N/A		(8) CURRENT YEAR FINANCIAL IMPACT \$20,000		(9) ANNUAL FINANCIAL IMPACT N/A	
(10) BUDGETED? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> N/A					
(11) OTHER AGENCY INVOLVEMENT/IMPACT (LIST): Not applicable					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? ____ <input type="checkbox"/> Permanent ____ <input type="checkbox"/> Limited Term ____ <input type="checkbox"/> Contract ____ <input type="checkbox"/> Temporary Help ____					
(13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input checked="" type="checkbox"/> All			(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		(15) MADDY ACT APPOINTMENTS Signed-off by Clerk of the Board: <input checked="" type="checkbox"/> N/A
(16) AGENDA PLACEMENT <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Hearing (Time Est. 60 minutes) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(17) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions (Orig) <input type="checkbox"/> Contracts (Orig + 3 Copies) <input type="checkbox"/> Ordinances (Orig) <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Email Resolution and Ordinance to CR_Board_Clerk (in MS Word)		
(18) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(19) BUDGET ADJUSTMENT REQUIRED? <input type="checkbox"/> BAR ID Number: _____ <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) _____			(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		(22) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____
(23) ADMINISTRATIVE OFFICE REVIEW <p align="center">OK Leslie Brown</p>					



SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING

TO: BOARD OF SUPERVISORS

FROM: MATT JANSSEN, DIVISION MANAGER, COMMUNITY RELATIONS

VIA: KAMI GRIFFIN, ASSISTANT PLANNING DIRECTOR 

DATE: AUGUST 23, 2011

SUBJECT: CONSIDER A REQUEST FROM GRID ALTERNATIVES TO WAIVE PERMIT PROCESSING FEES

RECOMMENDATION

Adopt the resolution approving a 5-year phased fee waiver for up to \$100,000 (not to exceed \$20,000 each year - 2011 to 2016).

DISCUSSION

Grid Alternatives is a nonprofit organization and licensed photovoltaic (PV) system installer whose mission is to empower communities by providing renewable energy and energy efficiency services, equipment and training to affordable housing projects. Grid Alternatives has been installing PV systems on individual affordable housing residences in San Luis Obispo County for three years and has funding to continue their program through 2016. To date, staff has not granted any fee waiver for Grid Alternatives. However, the Department supports their mission and recommends a portion of their permitting costs over the next five years be waived.

Grid Alternatives receives their funding through a \$108 million California Public Utility Commission taxpayer's rebate. Specifically the program they implement is known as the Single-family Affordable Home Program (SASH). SASH money is divided up into percentages for the various state energy providers (e.g. PG&E – 44%, Southern California Edison – 46%, etc.).

The Planning and Building Department is currently working on an E-permit to reduce the time and cost of getting a PV permit, however, this permit will not be available for another twelve to eighteen months. From January to June 2011, Grid Alternatives installed 13 PV systems in the unincorporated areas of the county (22 additional PV systems were installed on affordable housing in the Cities of San Luis Obispo and Arroyo Grande during the same time period for significantly less in permit fees). For the 13 systems installed in the county during that time period, each cost Grid approximately \$535 in permit fees (as of July 1, 2011, each individual building permit for residential PV systems costs approximately \$600). If they did not have to pay those permitting fees, Grid could have installed another 7 PV systems on affordable houses in the county.

Each PV system installed saves each landowner an average of \$35/month in energy costs, eliminates 100,000 tons of carbon dioxide from entering the atmosphere, and results in numerous volunteers trained (and some ending up with a job).

Fee Waiver Criteria

The fee waiver criteria are adopted as part of the County Fee Schedule by the Board of Supervisors. Any applicant can apply for a fee waiver, but projects must meet the following specific criteria to be eligible for a fee waiver: 1) be available for use by the public at large and is likely that the project will be used or will benefit more than the residents of the immediate vicinity, and 2) will be of obvious public benefit (including, but not limited to the following examples):

- meets a need previously identified or recognized by the Board of Supervisors,
- replaces a facility that previously provided a public benefit,
- provide a facility not presently available in the community,
- has generated substantial, obvious community support, or
- would reduce other County costs or increase other County revenues.

The Planning Director has determined the project meets the two primary criteria of being available for use by the public at large and is likely that the project will be used or will benefit more than the residents of the immediate vicinity, and of obvious public benefit. This determination is not based solely on immediate community benefits (although those will occur), but rather more on indirect and cumulative beneficial impacts over a longer than normal timeframe. In other words, since this fee waiver request is not typical (e.g. permit costs for a new community center), it requires a more creative analysis taking into consideration long term benefits rather than obvious immediate benefits to the community.

First, the community "at-large" will benefit from the reduction in air quality impacts that result from hundreds of residences in the county using alternative forms of energy because each PV system reduces approximately 100,000 tons of carbon dioxide and this is a long term benefit to the community. Second, Grid Alternatives provides for PV installation training opportunities and jobs for anyone that wants to volunteer. Volunteers are supervised by Grid team leaders during a PV installation, and if a volunteer/trainee is involved in five installations and passes a general test they are eligible to become a Grid PV team leader themselves which could lead to a job. Third, each PV installation by Grid Alternatives results in decreased energy bills which provides for more money in landowner's pockets which ultimately allows for more money to be spent on other things in our county (e.g. the purchase of more groceries, critical home repairs, etc.). Average savings per household are \$35/month. There's no guarantee the newly available funds will be spent in our county, but it is highly likely that at least a portion of it will be.

Finally, Grid PV systems add value to the county. This is not to say that property taxes will increase because PV systems are exempt from increased property taxes, but they ultimately add property value. In the three years Grid Alternatives has been installing systems in SLO County, Grid estimates that approximately one million dollars of value has been added to property countywide.

Fee Waiver Request

Grid Alternatives estimates they will install approximately 250 residential PV systems on affordable houses in the next five years in the unincorporated areas. If their estimates are correct, building permit fees will be in the neighborhood of \$150,000. This fee estimate does take into account any savings that may come from the implementation of the E-Permit for PV systems, but subtracting a number from this estimated total at this point would be speculative. In these difficult economic times, it becomes more challenging to recommend a full waiver of fees over the next five years. At the same time, the Department supports the mission of Grid and has therefore recommended the Board consider waiving up to \$100,000 over a five year period (with no more than \$20,000 waived in any one single year).

OTHER AGENCY INVOLVEMENT/IMPACTS

N/A

FINANCIAL CONSIDERATIONS

If the Board of Supervisors approves the fee waiver request (up to \$20,000 per year for five years - a maximum of \$100,000; 2011 – 2016) the Planning and Building budget would need to be subsidized from the County General Fund each of those five years in that amount. If the Board does not approve the fee waiver, Grid Alternatives will be responsible for paying all building permit processing fees.

RESULTS

Grid Alternatives will save up to \$100,000 over a five year period. These funds could be used to install an additional 100 PV systems on affordable housing in the unincorporated areas of the county.

ATTACHMENTS

1. Letter from Grid Alternatives



GRID Alternatives

Sandra Knapp, Outreach Coordinator
 2900 El Camino Real | Atascadero, CA 93422
 (805) 351-3344, ext. 1002 | email: sknapp@gridalternatives.org

FEE WAIVER APPLICATION SUPPORTING DOCUMENT

1) Description of GRID Alternatives

GRID Alternatives is a non-profit organization whose mission is to empower communities in need by providing renewable energy and energy efficiency services, equipment and training. We are both a mission-based nonprofit and a licensed solar installer. We install solar electric systems exclusively for low-income families earning less than 80% of the area median income, in partnership with local affordable housing agencies, workforce development groups, community volunteers, and the homeowners themselves.

GRID Alternatives piloted our Solar Affordable Housing Program in 2004, with two solar installations, and has grown rapidly since then. We have now installed over 889 solar electric systems for low-income homeowners throughout California which represents 2.1 MW of power. These solar electric systems will generate over \$20 million worth of clean, renewable energy for low-income families over the systems' lifespans - over \$21,000 per family. We have also provided hands-on training to over 5,600 community members on the theory and practice of solar installation.

Recently, GRID Alternatives' work has received a tremendous boost by an unprecedented commitment to low-income solar by the California Public Utilities Commission (CPUC). In 2008, the CPUC launched the SASH (Single-Family Affordable Solar Homes) incentive program under the California Solar Initiative, an 8-year, effort to provide substantially higher solar incentives for qualifying low-income homeowners. The CPUC selected GRID Alternatives to serve as the statewide Program Manager for SASH, on behalf of the state's three investor-owned utilities – PG&E, Southern California Edison, and San Diego Gas & Electric Company.

GRID Alternatives implements our low-income solar projects through regional offices throughout California. The San Luis Obispo County - Solar Affordable Housing Program will be implemented by GRID Alternatives' Central Coast Regional Office in Atascadero. This office is supported by a headquarters office in Oakland and led by GRID Alternatives' co-founders, Tim Sears, P.E., and Erica Mackie, P.E. Both are professional engineers with extensive backgrounds in large-scale energy efficiency and renewable energy projects. (Mr. Sears is the qualifying employee for GRID Alternatives' C-10 Electrical Contractor and C-46 Solar Contractor licenses.)

GRID Alternatives handles each project from start to finish, in conjunction with local partner agencies that provide referrals and support as needed. Our local Outreach Coordinators identify, educate, and enroll the homeowners in the Solar Affordable Housing Program, including ensuring that the family meets our income and affordable housing requirements. We are currently working with Tyler Corey at the City of San Luis Obispo, Kelly Heffernon at the City of Arroyo Grande, Sheryl Flores of People's Self Help Housing, and others to identify homes that meet our affordable housing criteria. At that point, our experienced local construction staff designs and installs each system, including system design and engineering, obtaining building permits, procuring equipment, preparing and submitting rebate and utility interconnection paperwork, and providing an industry-standard 10-year labor warranty for each system. For the actual installation, GRID Alternatives' experienced solar installers train and lead a team of 10-15 volunteers and job trainees to install the system for a low-income homeowner over a period of two days. Local partners include Cal Poly's Power and Energy Society and the Cuesta College Clean Energy Workforce Training Program to bring solar training and hands-on experience to former CalWorks Students.



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The installation of these solar electric systems provide a long-term reduction of families' monthly electricity bills. Homeowners and their families will save an average of 75% on their monthly electricity bills while contributing to reducing greenhouse gas emissions countywide. GRID Alternatives also further reduces energy demand at the source by helping our clients obtain free energy efficiency and weatherization services before they go solar. Their homes undergo an energy audit conducted by GRID Alternatives' staff and by our PG&E Energy Partners. Locally our Energy Efficiency Partner is Community Action Partnership of San Luis Obispo County. The energy audit is provided at no cost to the homeowners. The energy audits are both an educational tool and an opportunity for homeowners to save money on their energy costs by having an energy efficient home.

2) Meeting the Fee Waiver Criteria

We believe we qualify for a program-wide fee waiver because GRID Alternatives meets the following four criteria. Your enthusiasm and support of our efforts directly helps the local low-income housing community in a variety of ways. We greatly appreciate any assistance you can provide.

a. The project provides a facility not presently available in the community.

Currently, no other local organization is exclusively working to empower the local low-income housing community by providing renewable energy *and* energy efficiency services, equipment and training. GRID Alternatives is the only local, non-profit organization that is retrofitting single-family homes, which are uniquely defined as affordable or inclusionary housing, and in need of financial assistance with renewable energy.

b. The project meets a need previously identified or recognized by the Board of Supervisors

GRID Alternatives contributes to the green house gas (GHG) reduction goals set forth by the San Luis Obispo County Climate Action Plan. For example two systems that GRID Alternatives installed in the city San Luis Obispo will reduce 114,123 pounds of CO₂ and (at 1598 Eto Circle) and 127,731 pounds of CO₂ (1596 Eto Circle) over the life time of the solar electric systems. There are 12 families in San Miguel that have applied and qualify for the SASH program. Each system will represent an average of 100,000 lbs of CO₂ emission reduction during the life of the system.



Figure 1 Solar electric system installation at 1596 Eto Circle, San Luis Obispo, CA.



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FEE WAIVER APPLICATION SUPPORTING DOCUMENT

100,000 lbs. of CO2 emission reductions x 12 projects = 1,200,000 lbs. of CO2 emissions reductions.

1.2 million lbs. of CO2 emissions reduction has the potential to benefit an entire community.

Our efforts are helping the County meet its GHG reduction goals, while also providing the local green workforce with a valuable hands-on experience. We

c. The fees to be waived will not exceed a total of \$5,000

Each permit we pull for an individual homeowner, whom would otherwise not be able to afford the solar electric system without the help of GRID Alternatives, will not exceed a total of \$5,000.

d. The project has generated substantial, obvious community support

The community is behind our efforts. We are thrilled with the interest the volunteer community has displayed in the short time that we have been here. Locally we have already trained 178 volunteers. Some have been part of the Cuesta College Clean Energy Workforce Training program and some have been part of CalPoly's Power and Energy Society. It has been an amazing opportunity to engage the community in a training experience that will benefit more than just one homeowner.



Figure 2 Solar electric installation completed by GRID Alternatives staff (in orange T-shirts) and volunteers (white T-shirts) at 1596 Eto Circle. Greg Shearer, the homeowner, is 4th from the right in the white T-shirt.

IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

_____ day _____, 2011

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. _____

RESOLUTION APPROVING A REQUEST BY GRID ALTERNATIVES TO WAIVE UP TO \$100,000 IN PERMIT PROCESSING FEES OVER A FIVE YEAR PERIOD (\$20,000/YEAR FOR FIVE YEARS: 2011 TO 2016) FOR INDIVIDUAL AFFORDABLE RESIDENTIAL PHOTOVOLTAIC SYSTEM INSTALLATIONS COUNTYWIDE

The following resolution is now offered and read:

WHEREAS, Grid Alternatives is a 501(c)(3) nonprofit organization and licensed solar installer whose mission is to empower communities by installing photovoltaic systems on affordable housing residences and providing photovoltaic training opportunities; and

WHEREAS, the adopted County Fee Schedule allows for fee waivers when one or more of specific criteria are met of which Grid Alternatives meets at least two criteria (see findings below);

WHEREAS, a public hearing was duly noticed and conducted by the Board of Supervisors of the County of San Luis Obispo ("Board of Supervisors") on August 23, 2011, and a determination and decision was made on August 23, 2011; and

WHEREAS, at said hearing, the Board of Supervisors heard and received all oral and written protests, objections, and evidence, which were made, presented, or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to said request; and

WHEREAS, the Board of Supervisors has duly considered the request and finds that the request should be approved subject to the findings set forth below.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct and valid.
2. The Board of Supervisors finds that Grid Alternatives qualifies for a fee waiver because its projects will be available for use by the public at-large and will benefit more than the residents in the immediate vicinity by reducing air quality impacts, providing training opportunities and jobs, and increasing property value.
3. The Board of Supervisors finds that Grid Alternatives qualifies for a fee waiver because its projects have generated obvious community support.
4. The Board of Supervisors finds that Grid Alternatives qualifies for a fee waiver because the waiver is equitable and in the public interest.
5. The Board of Supervisors, therefore, approves the request of Grid Alternatives for a waiver of up to \$100,000 in permit processing fees over a five year period, to be allocated \$20,000 per year during the years 2011 through 2016, and for use on individual affordable

residential photovoltaic system installations countywide.

Upon motion of Supervisor _____, seconded by Supervisor _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted:

Chairman of the Board of Supervisors

ATTEST:

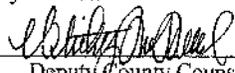
Clerk of the Board of Supervisors

BY: _____ Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT

Warren Jensen

County Counsel

By: 
Deputy County Counsel

Date: 8/9/11