

1 [Amendment to Solar Energy Incentive Program]

2
3 Ordinance amending San Francisco Environment Code Sections 18.2,
4 18.4, 18.7-2, and 18.7-4 to: (1) require all systems receiving City incentives to be
5 installed by an individual, firm or organization qualified as a workforce development
6 installer by the Office of Economic & Workforce Development, unless specified
7 exceptions apply, and (2) eliminate increased incentives for residential properties in
8 the case of systems installed by individuals trained under the City workforce
9 development program.

10 NOTE: Additions are *single-underline italics Times New Roman*;
11 deletions are *strike-through italics Times New Roman*.
12 Board amendment additions are double-underlined;
Board amendment deletions are ~~strikethrough-normal~~.

13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. The San Francisco Environment Code Sections 18.2, 18.4, 18.7-2 and
15 18.7-4 are hereby amended to read as follows:

16 **SEC. 18.2. INCENTIVE PAYMENTS.**

17 (a) The Program Administrator shall make incentive payments to applicants in respect
18 of solar systems installed by qualifying applicants on the basis of the provisions of this
19 Chapter, from the funds appropriated to the program from time to time.

20 (b) Applicants must be the owner of the system to be eligible to receive the incentive.

21 (c) To be eligible for the incentive, a system must be installed by an individual, firm or
22 organization qualified as a workforce development installer by the Office of Economic and
23 Workforce Development, unless subsection (d) applies ~~trained under the City workforce~~
24 ~~development program.~~ The Department Office of Economic and Workforce Development, which
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1 directs the City's overall workforce development efforts, will be responsible for developing and
2 ensuring compliance with workforce criteria for the incentive payments.

3 (d) Subsection (c) does not apply if the individual, firm or organization installing the
4 system:

5 (i) is a non-profit installer of solar generation systems; or

6 (ii) employs a total of three employees or less, is a state-licensed contractor and
7 has its principal office or offices located within the boundaries of the City and County of San
8 Francisco.

9
10 **SEC 18.4. LIMITS ON AMOUNTS OF ASSISTANCE.**

11 (a) **Limits for all types of systems.** No applicant may receive assistance in excess of
12 the cost to design, purchase and install the system, net of incentives, rebates, tax credits or
13 other payments received from other governmental entities.

14 (b) **Limits for photovoltaic panel systems for residential property.**

15 (i) Except as further provided in this clause (b), no residential applicant may
16 receive assistance in excess of ~~three thousand dollars (\$3,000.00)~~ toward the cost to design,
17 purchase and install photovoltaic panels. If the property is a multifamily residential project, the
18 applicant may apply for and receive an incentive payment corresponding to each electricity
19 meter served by the system, so long as the system provides each such electricity meter with a
20 generating capacity of at least one ~~(1)~~ kilowatt or financial credits that result from a generating
21 capacity of at least one ~~(1)~~ kilowatt from the energy generation system.

22 (ii) The limit of assistance shall be \$5,000.00 for applicants residing in an
23 Environmental Justice District, as such district or districts are determined by the Program
24 Administrator, or for applicants that are recipients of the California Public Utilities
25 Commission's CARE (California Alternative Rates for Energy) rates that provide rate

1 discounts for qualified low or fixed income households, or for building owners that are
2 recipients of the California Department of Housing and Community Development's CalHome
3 loan program, which provides low-interest, deferred rehabilitation loans to low-income
4 homeowners.

5 (iii) CARE and CalHome participants or participants in the CPUC Low Income
6 program under CSI, as well as households with incomes that are certified by the Mayor's
7 Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional \$5,000.00 if the
8 application for the low income incentive is received before February 1, 2009.

9 (iv) CARE and CalHome participants or participants in the CPUC Low Income
10 program under the CSI, as well as households with incomes that are certified by the Mayor's
11 Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional \$7,000.00 if the
12 application for the low income incentive is received by the Program Administrator on or after
13 February 1, 2009.

14 (v) ~~The limit of assistance shall be \$6,000.00 for systems installed by an individual
15 trained under the City workforce development program. The Department of Economic and Workforce
16 Development, which directs the City's overall workforce development efforts, will be responsible for
17 developing and ensuring compliance with workforce criteria for this incentive program. These criteria
18 may include, but are not limited to: a minimum requirement for hours worked on the solar installation
19 by an individual hired through the City workforce development system; a requirement that individuals
20 hired through the City workforce development system perform skilled work on the installation;
21 workforce training program or system prioritization of San Francisco residents who are low income
22 and/or have barriers to employment; and other standards for workforce system programs. If in
23 implementing the incentive program, the Program Administrator and the Department of Economic and
24 Workforce Development determine that the terms of this clause do not provide the intended stimulus for
25 the successful placement of workers trained under local workforce development programs, then the~~

1 ~~Program Administrator in coordination with the Department of Economic and Workforce Development~~
2 ~~may establish new criteria that it deems more effective in achieving such objectives of the program.~~

3 (vi) An incentive applicant whose system is installed by an individual, firm or
4 organization whose principal office or offices are located within the City shall be eligible for an
5 additional incentive up to \$1,000.00, subject to the limitations of Section 18.3. If in
6 implementing the program the Program Administrator determines that the incentive identified
7 in this paragraph does not provide the intended stimulus for the in-City installation industry,
8 then the Program Administrator may amend the terms of this incentive to make it more
9 effective in achieving the in-City job creation and installation market objectives of the program.

10 (c) **Limits for photovoltaic panel systems for commercial, industrial or**
11 **manufacturing property.** No applicant may receive assistance in excess of \$1,500.00 per
12 kilowatt of electric power a photovoltaic panel system is designed to generate. Regardless of
13 system generating capacity, no applicant may receive assistance in excess of ~~ten thousand~~
14 ~~dollars (\$10,000.00).~~ ~~In order to receive assistance, an applicant must use installers trained through~~
15 ~~the City's workforce development system.~~

16 (d) **Adjustments in limits.**

17 (i) The Program Administrator may adjust limits on the incentives paid for
18 systems installed on commercial, industrial or manufacturing property upon a finding that such
19 an adjustment advances the objectives of the program. Such adjustments may include an
20 increase in the limit on the incentive paid in respect of (A) systems installed within an
21 Environmental Justice District or (B) systems installed by an individual, firm or organization
22 with an office or offices within the City (or bearing some other linkage to the in-City installation
23 market as deemed appropriate by the Program Administrator).

24 (ii) Upon a demonstration of a reduction in average costs of solar
25 improvements, including but not limited to an increase in incentives, rebates, tax credits or

1 other payments provided by other government entities that serve to reduce the system costs
2 borne by the consumer, the SFPUC shall have the discretion to decrease the limits set forth
3 above by an amount reflective of the reduced need for the incentive payments.

4 (iii) With the concurrence of the Board of Supervisors, the Program
5 Administrator may increase any of the limits set forth in this Section in connection with efforts
6 to stimulate the development of a competitive in-City solar market, such as the establishment
7 of an in-City photovoltaic panel production facility.

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9 **SEC. 18.7-2. INCENTIVE PAYMENTS.**

10 (a) A pilot program is established for a period of one-year from the date of this
11 ordinance or until funds allocated under Section 18.7-5 are expended. The incentives paid
12 under this program shall not exceed the amounts set forth in Section 18.7-5 below.

13 (b) Applicants must be the owner of a system installed on or after December 11, 2007,
14 to be eligible to receive the incentive.

15 (c) To be eligible for the incentive, a system must be installed by an individual, firm or
16 organization qualified as a workforce development installer by the Office of Economic and
17 Workforce Development, unless subsection (d) applies ~~trained under the City workforce~~
18 development program. The ~~Department~~Office of Economic and Workforce Development, which
19 directs the City's overall workforce development efforts, will be responsible for developing and
20 ensuring compliance with workforce criteria for the incentive payments.

21 (d) Subsection (c) does not apply if the individual, firm or organization installing the
22 system:

23 (i) is a non-profit installer of solar generation systems; or
24
25

1 (ii) employs a total of three employees or less, is a state-licensed contractor and
2 has its principal office or offices located within the boundaries of the City and County of San
3 Francisco.

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5
6 **SEC. 18.7-4. LIMITS ON AMOUNTS OF ASSISTANCE.**

7 (a) **Limits for all types of systems.** No applicant may receive assistance in excess of
8 the cost to design, purchase and install the system, net of incentives, rebates, tax credits or
9 other payments received from other governmental entities.

10 (b) **Limits for photovoltaic panel systems.**

11 (i) Except as further provided in this clause (b), no residential applicant may
12 receive assistance in excess of ~~three thousand dollars (\$3,000.00)~~ toward the cost to design,
13 purchase and install photovoltaic panels. If the property is a multifamily residential project, the
14 applicant may apply for and receive an incentive payment corresponding to each electricity
15 meter served by the system, so long as the system provides each such electricity meter with a
16 generating capacity of at least one ~~(1)~~ kilowatt or financial credits that result from a generating
17 capacity of at least one ~~(1)~~ kilowatt from the energy generation system.

18 (ii) The limit of assistance shall be \$5,000.00 for applicants residing in an
19 Environmental Justice District, as such district or districts are determined by the Program
20 Administrator, or for applicants that are recipients of the California Public Utilities
21 Commission's CARE (California Alternative Rates for Energy) rates that provide rate
22 discounts for qualified low or fixed income households, or for building owners that are
23 recipients of the California Department of Housing and Community Development's CalHome
24 loan program, which provides low-interest, deferred rehabilitation loans to low-income
25 homeowners.

1 (iii) CARE and CalHome participants or participants in the CPUC Low Income
2 program under CSI, as well as households with incomes that are certified by the Mayor's
3 Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional \$5,000.00 if the
4 application for the low income incentive is received before February 1, 2009, subject to the
5 limitations of Section 18.7-4(a) above.

6 (iv) CARE and CalHome participants or participants in the CPUC Low Income
7 program under the CSI, as well as households with incomes that are certified by the Mayor's
8 Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional \$7000 if the
9 application for the low income incentive is received by the Program Administrator on or after
10 February 1, 2009, subject to the limitations of Section 18.7-4(a) above.

11 (v) ~~The limit of assistance shall be \$6,000.00 for systems installed by individuals~~
12 ~~trained through the City's workforce development system. The Department of Economic and Workforce~~
13 ~~Development, which directs the City's overall workforce development efforts, will be responsible for~~
14 ~~developing and ensuring compliance with workforce criteria for this incentive program. These criteria~~
15 ~~may include, but are not limited to: a minimum requirement for hours worked on the solar installation~~
16 ~~by an individual hired through the City workforce development system; a requirement that individuals~~
17 ~~hired through the City workforce development system perform skilled work on the installation;~~
18 ~~workforce training program or system prioritization of San Francisco residents who are low income~~
19 ~~and/or have barriers to employment; and other standards for workforce system programs. If in~~
20 ~~implementing the incentive program, the Program Administrator and the Department of Economic and~~
21 ~~Workforce Development determine that the terms of this clause do not provide the intended stimulus for~~
22 ~~the successful placement of workers trained under local workforce development programs, then the~~
23 ~~Program Administrator in coordination with the Department of Economic and Workforce Development~~
24 ~~may establish new criteria that it deems more effective in achieving such objectives of the program.~~

1 ~~(vi)~~ An incentive applicant whose system is installed by an individual, firm or
2 organization whose principal office or offices are located within the City shall be eligible for an
3 additional incentive up to \$1,000.00, subject to the limitations of Section 18.3. If in
4 implementing the program the Program Administrator determines that the incentive identified
5 in this paragraph does not provide the intended stimulus for the in-City installation industry,
6 then the Program Administrator may amend the terms of this incentive to make it more
7 effective in achieving the in-City job creation and installation market objectives of the program.

8 **(c) Limits for photovoltaic panel systems for non-residential buildings owned by**
9 **non-profits and non-residential buildings occupied by non-profits and owned by**
10 **governmental entities.** No applicant may receive assistance in excess of \$1,500.00 per
11 kilowatt of electric power a photovoltaic panel system is designed to generate.

12 **(d) Limits for photovoltaic panel systems for multi-unit residential buildings that**
13 **are owned and operated by non-profit organizations.** No applicant may receive assistance
14 in excess of \$4,500.00 per kilowatt of electric power a photovoltaic panel system is designed
15 to generate, up to a total of \$150,000.00. An applicant may receive up to an additional
16 \$100,000.00 in matching funds on a dollar per dollar basis, subject to a maximum of \$4,500.00
17 per kilowatt. Regardless of system generating capacity or matching funds, no applicant may
18 receive assistance in excess of ~~two hundred fifty thousand (\$250,000.00)~~. Buildings owned by
19 for-profit entities may be eligible for the incentive designated in this paragraph if at least 75%
20 of the residential units, excluding a manager's unit, are designated as affordable housing units
21 under a Federal, State, or local government restriction recorded against the property on which
22 the building is located in a manner that maintains affordability for a term no less than 30
23 years.

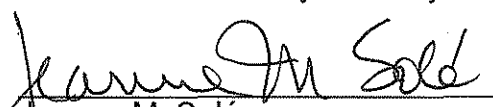
24 **(e) Adjustments in limits.**
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1 (i) If the program is continued after the one-year pilot, the Program
2 Administrator may adjust limits on the incentives paid for systems installed on commercial,
3 industrial or manufacturing property upon a finding that such an adjustment advances the
4 objectives of the program. Such adjustments may include an increase in the limit on the
5 incentive paid in respect of (A) systems installed within an Environmental Justice District or
6 (B) systems installed by an individual, firm or organization with an office or offices within the
7 City (or bearing some other linkage to the in-City installation market as deemed appropriate
8 by the Program Administrator).

9 (ii) Upon a demonstration of a reduction in average costs of solar
10 improvements, including but not limited to an increase in incentives, rebates, tax credits or
11 other payments provided by other government entities that serve to reduce the system costs
12 borne by the consumer, the SFPUC shall have the discretion to decrease the limits set forth
13 above by an amount reflective of the reduced need for the incentive payments.

14 (iii) With the concurrence of the Board of Supervisors, the Program
15 Administrator may increase any of the limits set forth in this Section in connection with efforts
16 to stimulate the development of a competitive in-City solar market, such as the establishment
17 of an in-City photovoltaic panel production facility.

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19 APPROVED AS TO FORM:
20 DENNIS J. HERRERA, City Attorney

21 By: 
22 Jeanne M. Solé
23 Deputy City Attorney
24
25



City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 100048

Date Passed: May 18, 2010

Ordinance amending the San Francisco Environment Code Sections 18.2, 18.4, 18.7-2, and 18.7-4, to: (1) require all systems receiving City incentives be installed by an individual, firm or organization qualified as a workforce development installer by the Office of Economic & Workforce Development, unless specified exceptions apply, and (2) eliminate increased incentives for residential properties in the case of systems installed by individuals trained under the City workforce development program.

May 11, 2010 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

May 18, 2010 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

File No. 100048

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 5/18/2010 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom

5/27/2010

Date Approved