[Amendment to Solar Energy Incentive Program]

Ordinance amending San Francisco Environment Code Sections 18.2, 18.4, 18.7-2, and 18.7-4 to: (1) require all systems receiving City incentives to 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.

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

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

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

SEC. 18.2. INCENTIVE PAYMENTS.

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

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

(c) To be eligible for the incentive, a system must be installed by an individual, firm or organization qualified as a workforce development installer by the Office of Economic and Workforce Development, unless subsection (d) applies.

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directs the City's overall workforce development efforts, will be responsible for developing and ensuring compliance with workforce criteria for the incentive payments.

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

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

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

SEC 18.4. LIMITS ON AMOUNTS OF ASSISTANCE.

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

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

(i) Except as further provided in this clause (b), no residential applicant may receive assistance in excess of three thousand dollars ($3,000.00) toward the cost to design, purchase and install photovoltaic panels. If the property is a multifamily residential project, the applicant may apply for and receive an incentive payment corresponding to each electricity meter served by the system, so long as the system provides each such electricity meter with a generating capacity of at least one $\frac{1}{2}$-kilowatt or financial credits that result from a generating capacity of at least one $\frac{1}{2}$-kilowatt from the energy generation system.

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

(iii) CARE and CalHome participants or participants in the CPUC Low Income
program under CSI, as well as households with incomes that are certified by the Mayor's
Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional $5,000 if the
application for the low income incentive is received before February 1, 2009.

(iv) CARE and CalHome participants or participants in the CPUC Low Income
program under the CSI, as well as households with incomes that are certified by the Mayor's
Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional $7,000 if the
application for the low income incentive is received by the Program Administrator on or after
February 1, 2009.

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

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

(vi) An incentive applicant whose system is installed by an individual, firm or organization whose principal office or offices are located within the City shall be eligible for an additional incentive up to $1,000,000, subject to the limitations of Section 18.3. If in implementing the program the Program Administrator determines that the incentive identified in this paragraph does not provide the intended stimulus for the in-City installation industry, then the Program Administrator may amend the terms of this incentive to make it more effective in achieving the in-City job creation and installation market objectives of the program.

(c) Limits for photovoltaic panel systems for commercial, industrial or manufacturing property. No applicant may receive assistance in excess of $1,500,000 per kilowatt of electric power a photovoltaic panel system is designed to generate. Regardless of system generating capacity, no applicant may receive assistance in excess of ten thousand dollars ($10,000.00). In order to receive assistance, an applicant must use installers trained through the City's workforce development system.

(d) Adjustments in limits.

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

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

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

SEC. 18.7-2. INCENTIVE PAYMENTS.

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

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

(c) To be eligible for the incentive, a system must be installed by an individual, firm or organization qualified as a workforce development installer by the Office of Economic and Workforce Development, unless subsection (d) applies.

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

(i) is a non-profit installer of solar generation systems; or
(ii) employs a total of three employees or less, is a state-licensed contractor and has its principal office or offices located within the boundaries of the City and County of San Francisco.

SEC. 18.7-4. LIMITS ON AMOUNTS OF ASSISTANCE.

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

(b) Limits for photovoltaic panel systems.

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

(ii) The limit of assistance shall be $5,000.00 for applicants residing in an Environmental Justice District, as such district or districts are determined by the Program Administrator, or for applicants that are recipients of the California Public Utilities Commission's CARE (California Alternative Rates for Energy) rates that provide rate discounts for qualified low or fixed income households, or for building owners that are recipients of the California Department of Housing and Community Development's CalHome loan program, which provides low-interest, deferred rehabilitation loans to low-income homeowners.
(iii) CARE and CalHome participants or participants in the CPUC Low Income program under CSI, as well as households with incomes that are certified by the Mayor's Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional $5,000 if the application for the low income incentive is received before February 1, 2009, subject to the limitations of Section 18.7-4(a) above.

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

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

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(ii) An incentive applicant whose system is installed by an individual, firm or organization whose principal office or offices are located within the City shall be eligible for an additional incentive up to $1,000,000, subject to the limitations of Section 18.3. If in implementing the program the Program Administrator determines that the incentive identified in this paragraph does not provide the intended stimulus for the in-City installation industry, then the Program Administrator may amend the terms of this incentive to make it more effective in achieving the in-City job creation and installation market objectives of the program.

(c) Limits for photovoltaic panel systems for non-residential buildings owned by non-profits and non-residential buildings occupied by non-profits and owned by governmental entities. No applicant may receive assistance in excess of $1,500,000 per kilowatt of electric power a photovoltaic panel system is designed to generate.

(d) Limits for photovoltaic panel systems for multi-unit residential buildings that are owned and operated by non-profit organizations. No applicant may receive assistance in excess of $4,500,000 per kilowatt of electric power a photovoltaic panel system is designed to generate, up to a total of $150,000,000. An applicant may receive up to an additional $100,000 per kilowatt in matching funds on a dollar per dollar basis, subject to a maximum of $4,500,000 per kilowatt. Regardless of system generating capacity or matching funds, no applicant may receive assistance in excess of two hundred fifty thousand ($250,000). Buildings owned by for-profit entities may be eligible for the incentive designated in this paragraph if at least 75% of the residential units, excluding a manager's unit, are designated as affordable housing units under a Federal, State, or local government restriction recorded against the property on which the building is located in a manner that maintains affordability for a term no less than 30 years.

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

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

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

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

By:
Jeanne M. Solé
Deputy City Attorney

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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