



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: ASSISTANT CITY ADMINISTRATOR

DATE: OCTOBER 20, 2009

SUBJECT: PROPOSED REDUCTION IN SOLAR PERMIT FEES

FINANCIAL
IMPACT: REVENUE REDUCTION: \$14,350

INTRODUCTION:

The City currently has two fees for residential solar panel installation. The combined fee for such installation is \$924 and covers the Planning Department and Building inspection costs. It is proposed to reduce this fee to a total cost of \$350 to encourage the installation of residential solar systems and contribute to reductions in green house gas emissions.

RECOMMENDATION:

It is recommended that the City Council adopt Resolution R-2009-100 modifying the Comprehensive Fee Schedule reducing the permit fee for solar panel review from \$673.00 to \$99.00.

DISCUSSION:

The City's current fee structure is reviewed annually, but was updated and increased after a comprehensive fee study performed by Maximus, Inc. was completed in August 2007. The planning review fee for solar installations prior to this time period was \$100. The Maximus study recommended the Planning fee to be set \$1,456. Maximus performed their fee study to recover the full cost of services to the City. That is, they reviewed the time for conducting the permit review as well as all other administrative, training and meeting times. According to their report, they used a process that identified work related processes, defined specific activities and tasks, developed time estimates for each process, calculated hourly rates and then applied this through a calculation to compute the recommended fee. During the City Council meeting to review and set fees based on the Maximus study, the City Council only increased the fee by half of the recommended level (adding it to the then \$100 fee charged). Accordingly, the fee was set at \$673.

Based on recent state legislation encouraging the use of solar power for alternative energy purposes, as well as to achieve a reduction in green house gas emissions, several initiatives have emerged to remove barriers to residential solar power installations. The Sierra Club recently contacted every city and county in California to encourage that all local governments reduce their fees and make the permitting process for solar power an over-the-counter process.

Agenda Item: **CC 4**

Meeting Date: **October 20, 2009**

The Sierra Club surveyed cities and counties and determined that a fixed fee of \$324.00 was appropriate for solar permits.

The City of Placentia is participating with the County of Orange in their FIRST program - Financing Initiative For Renewable And Solar Technology. This program is a result of Assembly Bill 811 and would provide a financing structure and options for property owners to install solar and other energy efficient systems, which would contribute toward reducing the entire County's carbon footprint. Property owners would have the option to participate in the program on a volunteer basis and may be able to pay off their loan with an increase in their property taxes similar to a volunteer assessment payment structure or through another loan repayment system.

In addition to the FIRST program, there are many rebate and tax incentive programs offered by Southern California Edison, the federal and state government, and other entities to assist property owners cover the cost of solar systems.

Taken altogether, the climate is right for encouraging property owners to make the investment in solar power. The City is not able to financially provide incentives to homeowners at this time. In a review of the process in which a solar power permit is reviewed, staff is confident that the increased frequency of such permits, staff familiarity with reviewing the permits and better internal process followed, the overall time frame can be greatly reduced and, therefore, the current permit fee can be reduced. Although the proposed fee is under the full cost recovery, staff feels that the reduced fee is justifiable and will encourage property owners to consider solar power systems.

Total permits, calendar year to date, are approximately twenty (20). However, staff believes that this number is consistently increasing and is twice as much as any previous year. Programs such as the County's FIRST program will only increase this activity. It is important to note that while the Planning fee is proposed to be decreased, the Building fee, which includes applicable electrical permits and all inspections, will remain the same. Together, the proposed fees will be \$350.00. This is a savings of \$574 to a property owner installing a solar power system.

SUMMARY


Based on review by Planning staff, recent legislation and incentives to encourage the use of solar power energy to achieve green house gas emissions, it is recommended that permit fees for solar installations be lowered to a combined fee of \$350.00.

Submitted by:



Kenneth A. Domer
Assistant City Administrator

Reviewed and approved:


Troy L. Butzlaff, CMA-CM
City Administrator

RESOLUTION NO. R-2009-100

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA,
CALIFORNIA, AMENDING THE COMPREHENSIVE FEE SCHEDULE REGARDING
FEES FOR SOLAR INSTALLATIONS**

WHEREAS, on June 24, 2009 the City Council adopted Resolution R-2009-79 adopting the Comprehensive Fee Schedule which included a Planning Department fee for solar review; and

WHEREAS, the fee amount proposed is a reduction in the current fee charged for the same service and therefore is not subject to proceedings pursuant to Government Code Sections 66014, 66017, and 66018, regarding notice and public hearing; and

WHEREAS, this action reduces the fee through amendment without modification to any other fee, rate or charges; and

WHEREAS, the actions implemented through the adoption of this Resolution are statutorily exempt under the California Environmental Quality Act per Section 21080(b)(8) of the Public Resources Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, DOES FIND, RESOLVE, DECLARE, AND DETERMINE, AS FOLLOWS:

SECTION 1. Exhibit A of Resolution R-2009-79 is hereby amended to reduce the Planning Services Solar Review fee to \$99. Such fee does not exceed the estimated reasonable cost of providing the service for which the fee is levied.

SECTION 2. The amended fee for solar review set forth in Exhibit A shall become effective upon adoption.

PASSED, APPROVED, AND ADOPTED this 20th day of October, 2009.

GREG SOWARDS, MAYOR

ATTEST:

PATRICK J. MELIA, CITY CLERK

STATE OF CALIFORNIA
COUNTY OF ORANGE
CITY OF PLACENTIA _____

I, PATRICK J. MELIA, CITY CLERK of the CITY OF PLACENTIA, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution, was duly passed, approved and adopted by the City Council, approved and signed by the Mayor and attested by the City Clerk, all at the regular meeting of the said City Council held on the 16th day of June, 2009, and that the same was passed and adopted by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

PATRICK J. MELIA, CITY CLERK

APPROVED AS TO FORM:

ANDREW V. ARCZYNSKI, CITY ATTORNEY