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**Redevelopment
Division**

210 Fox Street
Lemoore • CA 93245
Phone • (559) 924-6701
FAX • (559) 924-6743

Staff Report

ITEM NO. _____

To: Lemoore City Council and
Redevelopment Agency Board

From: Brooke Austin, Housing Specialist
Judy Holwell, Redevelopment Project Manager

Date: August 14, 2007

Subject: Residential Solar Grant Program

Discussion:

Information was presented on June 19th and July 17th at Joint City Council/ Redevelopment Agency meetings regarding offering a solar grant program to homeowners. Staff was advised to create a Residential Solar Grant Program offering grants of \$1,000 per KW with a total grant maximum per household of \$5,000. It was also recommended that \$100,000 be programmed into the Low-Mod Housing Fund to assist low to moderate income homeowners within the Redevelopment Project Areas and \$100,000 be programmed into the City General Fund to assist all others.

The following program guidelines are being proposed:

Overview:

1. Homeowners may qualify for a grant of \$1,000 per KW for the installation of an AC rated solar system.
2. The maximum grant amount per household is \$5,000.
3. The home must be located within the City Limits of Lemoore.
4. Income qualified homeowners within the Redevelopment Project Areas will be assisted with the Low-Mod Housing Fund. All others will be assisted with the City General Fund.

Applicant Eligibility:

1. Applicants must own and reside in the home to be assisted.
2. Applicants must not have received a Residential Solar Grant previously.

How the Program will work:

Applications will be accepted on a first-come, first-served basis. Upon receipt, staff will review the application and determine which source of funding they qualify for. Applicants who meet all program criteria will be sent a Letter of Approval requesting that they obtain three estimates. Once estimates are received and the homeowner has

selected a contractor, the applicant will sign a Residential Solar Grant Program Agreement. Due to the large contribution required by the homeowner, staff does not anticipate homeowners using the program as a means to increase their property value and then resale their home. Therefore, a simple agreement, which does not require a covenant or lien to be recorded against the property, is proposed. Upon completion of installation and approval by the Building Inspector, the check will be released to the contractor.

Staff has contacted three local solar system installers and found that the price per KW installed ranges from \$8,500-\$9,250 prior to any rebates. Rebates are currently available in the amount of \$2,500 per KW. The suppliers install systems of varying sizes with the average being 5 KW. The maximum grant of \$5,000 will allow us to assist 40 households. Staff has invited these solar system installers to attend Tuesday night's meeting.

Budget Impact:

If the Residential Solar Grant Program is approved, budget amendments would be needed to allocate \$100,000 into the Redevelopment Agency Low-Mod Housing Fund and \$100,000 into the City General Fund. The Low-Mod Housing Fund has a fund balance of approximately \$3,533,381. However, the Board has reserved funding in the amount of \$2,100,000 for two affordable multi-family housing projects, leaving the Fund balance at approximately \$1,433,381. The City General Fund as an approximate fund balance of \$7,103,594.

Recommendation:

That the City Council/Agency Board approve the Residential Solar Grant Program as listed above. In addition, budget amendments of \$100,000 each for the Low-Mod Housing Fund and the City General Fund for the 2007-08 Fiscal Year must be approved.