

# STAFF REPORT

## *City Council Consent Item*

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**DATE:** February 6, 2023

**TO:** Honorable Mayor and Council Members

**FROM:** Katey Schmidt, Senior Administrative Assistant

**THROUGH:** Merritt Perry, City Manager

**SUBJECT:** **Supplemental Budget Request to Recognize and Utilize Grant Funds for Solar Permitting Software**

### **STAFF RECOMMENDATION:**

Approve a Supplemental Budget Request (SBR) to use California Automated Permit Processing Program Funds up to the amount of \$40,000 to implement SolarAPP+, an online automated permitting platform and authorize City Manager to execute all necessary applications and agreements for implementation of the program.

### **EXECUTIVE SUMMARY:**

Senate Bill 379, the Solar Access Act, became law on September 16, 2022. The SAA requires cities with more than 5,000 residents, counties with more than 150,000 residents, and all cities within those counties, to implement instant online permitting for solar and solar + storage systems. The requirement will go into effect starting September 30, 2024, for cities under 50,000 residents. The bill would require the city to report to the Energy Commission when it is in compliance with specified requirements and would require the city to self-certify their compliance with the bill's provisions when applying for specified funds from the Energy Commission

SB 129, the Budget Act of 2021 allocated \$19,000,000 to support a grant program (CalAPP) for California cities, counties, or cities and counties to establish online solar permitting. Funding through CalAPP is available to all incorporated cities, counties, or cities and counties to implement an online, automated permitting platform that verifies code compliance and issues permits in real time for a solar energy system. CalAPP funding is intended to encourage cities and counties to further enhance permitting processes and accelerate processing and turnaround time, particularly regarding plan review.

Funding levels vary based on population size of the applicant's jurisdiction, from a minimum of \$40,000 to a maximum of \$100,000 per awarded applicant. The City of Fortuna was awarded \$40,000 as jurisdiction with a population less than 50,000.

| Applicant Population | Maximum Funding Award Amount |
|----------------------|------------------------------|
| Less Than 50,000     | \$40,000                     |
| 50,000 to 99,999     | \$60,000                     |
| 100,000 to 200,000   | \$80,000                     |
| Greater Than 200,000 | \$100,000                    |

The National Renewable Energy Laboratory (NREL), a project within the U.S. Department of Energy, has created a free-to-use program, SolarAPP+, to support local governments with residential solar and solar + storage system permitting. SolarAPP+ provides a web-based portal that streamlines and automates project plan review and produces code-compliant approvals to support building departments in quickly issuing permits for residential solar energy system installations. National data shows that local governments with instant online permitting for rooftop solar process 5-14x more volume than jurisdictions with traditional permit processing. The SolarAPP+ portal uses standardized compliance checks to catch typos, and errors; returning corrections to the applicant instantly. Eligible “cookie-cutter” rooftop solar applications get approved permits to build instantly, while ineligible projects flow through a typical permitting review.

While SolarAPP+ is “free-to-use”, CalAPP funding will be used for staff training and to off-set subscription costs for and the platform’s integration with OpenGov, the City’s existing permitting software.

**FINANCIAL IMPACT:**

The City of Fortuna is expected to receive \$40,000 in funding from the CalAPP grant program and will spend the same amount for implementation of the solar permitting program.

**RECOMMENDED COUNCIL ACTION:**

Approve an SBR to use California Automated Permit Processing Program Funds up to the amount of \$40,000 to implement SolarAPP+, an online automated permitting platform, and authorize City Manager to execute all necessary applications and agreements for implementation of the program. Consent agenda vote.

**ATTACHMENTS:**

- CEC Grant Agreement
- Supplemental Budget Request