

MEMORANDUM

Economic Development Commission



To: City Council
From: Economic Development Commission
Subject: Housing Market Study
Date: June 9, 2008

In response to the City Council direction on March 4, 2008, the Economic Development Commission reviewed the Housing Market Study (HMS). Principal Housing Manager Felix Reliford and HMS consultant, Miriam Wolfe, of Vernazza Wolfe and Associates, Inc., presented an overview of the HMS at the Commission’s meeting on April 14, 2008.

The Citywide Economic Development Strategy includes as Goal 3 “Balance Housing Supply with Demand for Housing by Local Workers” and two Implementation Strategies – “Enhance the range of housing choices and neighborhoods including executive market-rate housing, through the implementation of the Housing Element and the Midtown Plan” and “Build upon existing City –led programs to increase all types of housing as well as affordable, owner-occupied housing”.

Items of interest to the Commission are the need for a variety of housing types, especially the need for more high-end housing that will strengthen the local business community. In particular, the Commission requests that the City explore the opportunity sites identified in the Housing Market Study to provide a broader range of housing for executives and CEO’s.

In their discussion of the HMS, the Commission also heard a request of Richard Ruth to ask the City Council to initiate a ballot measure to allow housing development at pre-Measure Z densities, up to the Urban Growth Boundary. Commissioners decided that another focus for executive style housing could be the Midtown area, as it holds the potential of creating other accoutrements that go along with executive housing decisions, such as lifestyle oriented shopping and entertainment. This is consistent with the vision of the Midtown Specific Plan.

The Commission appreciates the opportunity to review the Housing Market Study and finds its recommendations consistent with the Goals and Implementation Strategies of the Economic Strategic Action Plan.

Getting Started

Simple Steps Down the Road to Being a Solar-Friendly City

Step One: Self-Assessment

The first step is to assess your City's solar situation – what programs and policies are in place already, what resources are available, and what options you have for new initiatives.

- **Inventory Existing Solar Programs.** Many cities are doing a lot already, but have not yet put all their solar efforts together for everyone to see.
- **Evaluate Staff and Community Resources.** Any good effort needs people – both inside and outside of government. What resources are available to you to help develop, push, and implement a solar-friendly agenda?
- **Analyze Adopted Plans and Goals.** A number of cities have “green” plans and goals that are closely related to solar – from greenhouse gas emissions inventories and climate action plans to sustainability components of their general plans. Building on existing adopted policy is often easier than starting from scratch.
- **City Governance Structure.** Charter cities have greater latitude to adopt and implement new programs. General Law cities sometimes must wait for State enabling legislation. Know your limits.

Step Two: Find a Solar Program Champion and Engage the Community

- **Find a Leader.** There needs to be someone within the government who has the role of being a solar champion and pushing a solar agenda. This person should see solar as part of their responsibility on a daily basis.
- **Engage the Community.** Get community leaders engaged in goal setting and policy. Create a task force, hold community meetings, and/or use the web or email. Success requires the community be engaged and excited about going solar.

Step Three: Set Measurable Objectives

As the old adage says, you can't manage what you can't measure. Take some time to evaluate your city's potential for solar and set some short and long-term targets or goals.

- **Find a Starting Point.** The Northern California Solar Energy Association (www.norcal solar.org) has a report on its website with the number of solar installations in each city from 1996-2006. This can be your baseline.
- **Determine What is Possible.** For example: you can use PG&E data to analyze how many residents are in the highest energy rate tiers, use GIS mapping to understand roof potential, or work backwards from a greenhouse gas reduction target.
- **Announce a Goal.** Decide on a target and announce it. This is something your entire community can embrace.

Step Four: Design a Program and Get it on the City Council Agenda

Politics is the art of the possible. Most cities probably can't hand out cash rebates for solar, but every city can be bold and creative in its own way. Start where you can. Examine the program options in your “Solar Summit 1.0 Tool Kit,” develop a realistic budget, and get it to the City Council for approval.

April 24, 2008

The Honorable []

Re: Residential Solar Investment Tax Credits

Dear [],

We are writing you to ask that Congress create a long-term extension of the residential solar ITC for photovoltaic (PV) solar systems and remove the current cap of \$2,000. The residential solar industry needs the extension of the ITC and elimination of the \$2,000 residential monetary cap to create market forces that sufficiently support the residential solar industry nationwide.

The unique benefits of residential solar energy generation warrant Congress' immediate extension and improvement of the residential solar ITC. Residential solar is directly related to the housing market since it provides both immediate and long-term savings for homeowners. By installing solar, homeowners lower their energy costs for at least 30 years; increase their property values; relieve the electrical grid by providing energy output at peak times; provide energy independence and security at the local level; and can keep the power on in their homes, even after major emergencies. Yet still, companies that provide residential solar significantly benefit the U.S. economy. A study by Navigant Consulting found that nearly \$20 billion in investment would be lost in a year's time if Congress fails to adequately incentivize solar. Additionally, most residential solar jobs are disbursed across states in local industries because that is where homes are located – these jobs cannot be moved offshore. These industries include the electrical, roofing, construction, and PV design and installation industries.

Further, the companies that provide residential solar need and deserve the same degree of federal support as commercial solar. While both the residential and commercial ITC are currently at 30%, the residential has a further monetary cap of \$2,000. The lack of a monetary cap on commercial caused the explosion of growth the U.S. now sees in the commercial solar industry. With the cost of even small-scale residential solar PV systems exceeding \$20,000, the current policy of "30% with a \$2,000 cap" is \$2,000 in every instance. This is stifling industry growth. If Congress were to make this a true 30% ITC, the U.S. would see exponential growth in the residential solar industry and a reduction in the disparity between the residential and commercial solar industries. Moreover, approximately 20% more local jobs are created by residential than commercial solar because residential solar requires a higher proportion of labor per MW spread across local contractor industries on a statewide basis.

We are at a crossroads in United States history that warrants looking at how our energy policy fosters national security, and residential solar offers a solution. Residential solar power is ready with neither transmission, technological, nor timing issues still needing to be resolved. Every state has enough sun to provide the resources for a thriving residential solar industry base. Residential solar fosters our nation's security by lowering the need for overseas energy sources and allows individual Americans to become energy patriots by installing solar panels on their rooftops to generate their own electricity. It also ensures uninterrupted power generation should transmission facilities or major generating stations fail due to terrorism, accident, or natural disaster. In fact, every satellite launched by our military in the last 40 years has been powered by solar, demonstrating solar's reliability. Additionally, the Air Force is now saving a million dollars a year with the largest PV solar

