



SOMAH

SOLAR ON MULTIFAMILY AFFORDABLE HOUSING

Property Owner Series: Funding for LIHTC Major Rehabilitation Projects



Presenters

SOMAH Program Administration (SOMAH PA)

- **Sarah Hill**, Program Manager
- **Karinna Gonzalez**, Program Coordinator

California Housing Partnership, Authorized SOMAH PA Representative

- **Blanca de la Cruz**, Sustainable Housing Program Director
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Agenda

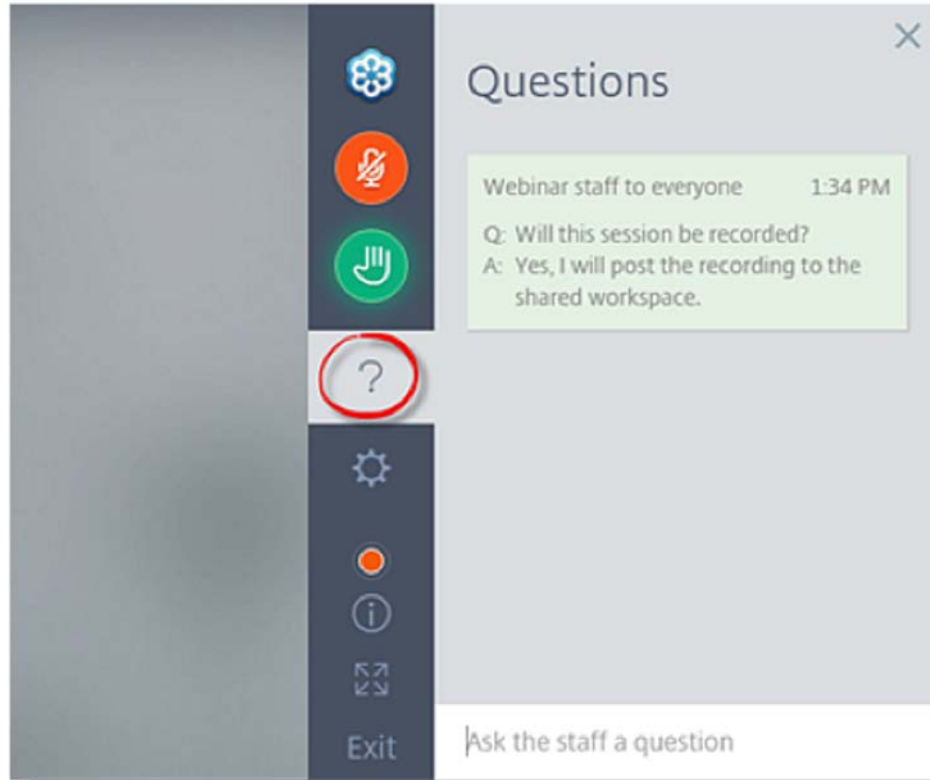
- SOMAH program snapshot
- Overview of SOMAH's technical assistance options
- Leveraging SOMAH for LIHTC projects
- Design considerations
- Q&A

Housekeeping

Here are some things to note about today's webinar:

- Live polls throughout the training
- Q&A portion at the end of the presentation

Submitting Questions



Poll 1: Which option best describes your role?

Poll 2: Do you have an upcoming LIHTC resyndication or acquisition-rehabilitation project?

Program Snapshot

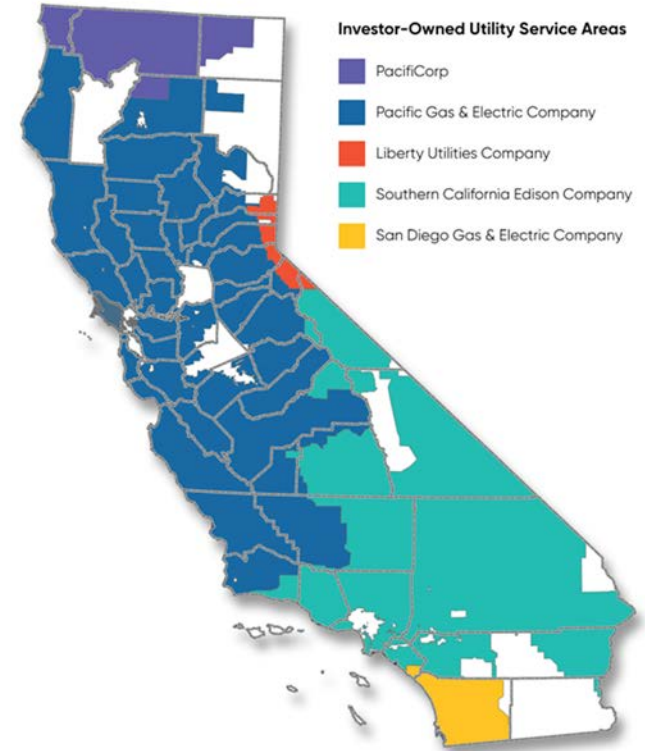


Program Goal Snapshot

- Primary goal to provide **solar financial benefits to tenants** of qualified affordable housing:
 - installing a single solar system that serves all tenant units and common areas
 - delivered through their utility bill
 - \$1 Billion through 2030
- \$100 Million annual budget allocated by IOU from shared greenhouse gas (GHG) auction proceeds

Funding & Applications Snapshot

Utility Territory	No. of Applications	Funding Available
Pacific Gas & Electric	194	\$48,319,805
Southern California Edison	124	\$90,796,507
San Diego Gas & Electric	69	\$2,577,960
PacifiCorp	1	\$3,806,819
Liberty Utilities	2	\$948,545
Totals	390	\$146,449,636



Current Participation Snapshot

Total # of projects in the pipeline

- **390 total applications**

of Property Owners Participating

- **63 unique host customer companies** (plus 10 host customers not reporting as being part of an umbrella company)

of Households Benefiting

- **32,064 households (units)**

Average Owner/Tenant Allocation Split

- **11% common area/ 89% tenant**

Average System Size

- Small properties (1-40 units)
= **72.5 kW**
- Medium properties (40-100 units)
= **161.2 kW**
- Large properties (100+ units)
= **335.2 kW**

Current Participation Snapshot



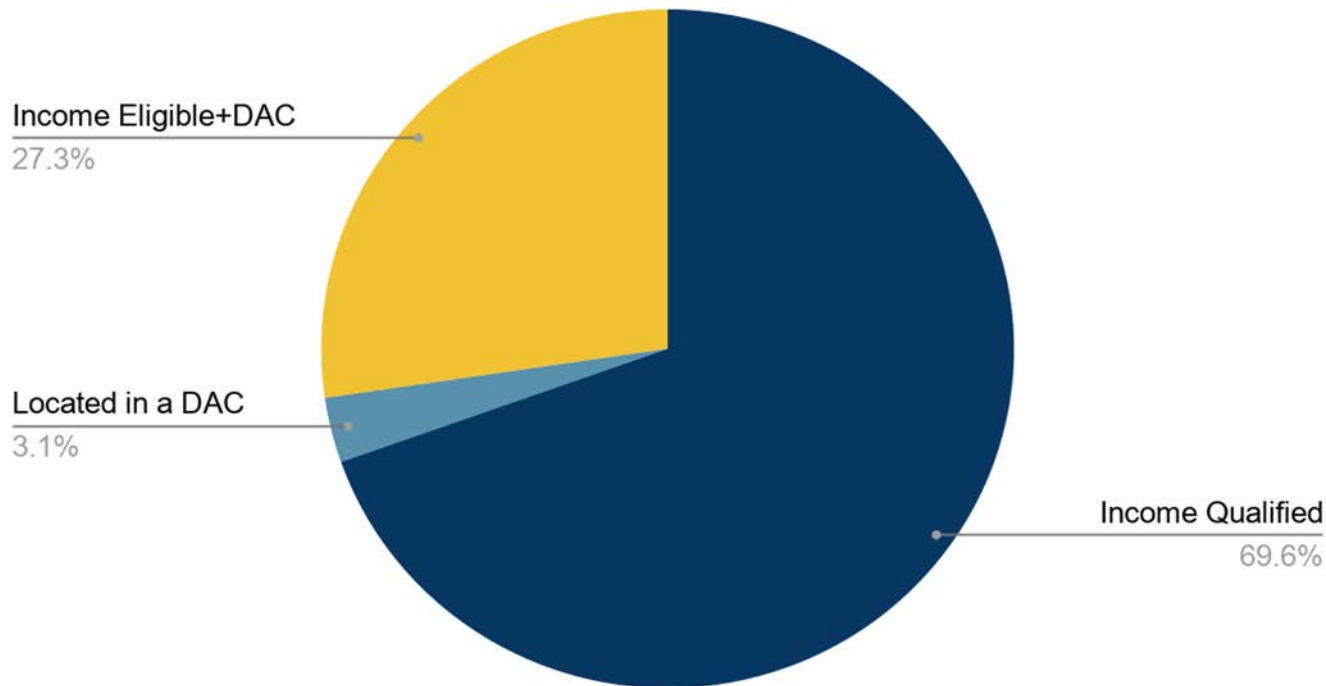
Properties in a
Disadvantaged
Community (DAC)
per [CalEnviroScreen](#)

- **30% of projects**

≥80% of tenants at
60% AMI or below

- **70% of projects**

SOMAH Eligibility



LIHTC Opportunity Snapshot



Increase participation by rehab & acquisition/rehab projects going through LIHTC program:

- Eligible rehabs (4/9%) are missing out on solar dollars for owner/tenant bill savings
- 2020 rehab projects can still apply for incentives
- Access free technical assistance for PV and clean energy strategies at any stage of rehab
- Multi-year budget allows for portfolio planning
- Apply now or design next project with SOMAH

Property Eligibility Snapshot



- Affordable housing with at least 5 units
- Individually metered buildings
- Existing regulatory agreement with at least 10 years remaining on term, and
 - **$\geq 80\%$ of residents must have income $\geq 60\%$ AMI, or**
 - **Located in DAC**
- In PG&E, SDG&E, SCE, Liberty Utilities Co., or PacifiCorp service area or customers of Community Choice Aggregators (CCA) participating in VNEM
- New construction developments must have Certificate of Occupancy at time of application

Property Owner Benefits Snapshot



- Cash incentive for common area share of costs
- Lower annual electricity costs
- Leverage more debt based on common area savings
- Improved tenant likeliness to pay full rent on time when their electric bills are reduced
- Lower turnover costs
- Job training for residents optional



SOMAH Solar Incentives



2020-2021 Incentive Levels



The SOMAH incentive levels for the July 1, 2020 to June 30, 2021 program years are as follows:

Tax Credits		\$ per AC Watt Incentive			
ITC	LIHTC	Tenant		Common	
		2019-2020	2020-2021	2019-2020	2020-2021
No	No	\$3.20	\$3.04	\$1.10	\$1.04
Yes	No	\$2.25	\$2.14	\$0.80	\$0.76
No	Yes	\$2.25	\$2.14	\$0.80	\$0.76
Yes	Yes	\$1.60	\$1.52	\$0.60	\$0.57

Solar project examples



(NO TAX CREDITS APPLIED)

EXAMPLE 1:

Tenant share: **55%**
Common area: 45%
System size: 27.3 kW

Tenant load: 15 kW
Incentive: **\$45,600**
(15,000 watts x \$3.04)

Common area load: 12.3 kW
Incentive: **\$12,792**
(12,300 watts x \$1.04)
Total incentive: \$58,392

EXAMPLE 2:

Tenant share: **85%**
Common area: 15%
System size: 27.3 kW

Tenant load: 23,2 kW
Incentive: **\$70,543**
(23,205 watts x \$3.04)

Common area load: 4.1 kW
Incentive: **\$4,259**
(4,095 watts x \$1.04)
Total incentive: \$74,802

Tax Credits		\$ per AC Watt Incentive	
ITC	LIHTC	Tenant	Common
No	No	\$3.04	\$1.04

Solar project examples



(LIHTC & ITC APPLIED)

EXAMPLE 3:

Tenant share: **55%**
Common area: 45%
System size: 27.3 kW

Tenant load: 15 kW
Incentive: **\$22,800**
(15,000 watts x \$1.52)

Common area load: 12.3 kW
Incentive: **\$7,011**
(12,300 watts x \$0.57)
Total incentive: \$29,811

EXAMPLE 4:

Tenant share: **85%**
Common area: 15%
System size: 27.3 kW

Tenant load: 23.2 kW
Incentive: **\$35,272**
(23,205 watts x \$1.52)

Common area load: 4.1 kW
Incentive: **\$2,334**
(4,095 watts x \$0.57)
Total incentive: \$37,606

Tax Credits		\$ per AC Watt Incentive	
ITC	LIHTC	Tenant	Common
Yes	Yes	\$1.52	\$0.57

SOMAH Technical Assistance Options



SOMAH technical assistance

The program offers two options to receive Technical Assistance:

- **Upfront Technical Assistance (Track A)** is for property owners who are trying to understand the solar potential for their site, and the associated costs and benefits of moving forward with a SOMAH project.
- **Standard Technical Assistance (Track A & B)** is for property owners and contractors who need assistance with energy efficiency, general project management and construction support.

Technical Assistance Options

- Track A: Upfront Technical Assistance



- Track B: Standard TA Available



Track A: Upfront Technical Assistance

Upfront technical assistance (Upfront TA) is offered to provide:

- Solar technical support at no cost to the property owner
- Equal access to SOMAH for all eligible property owners, regardless of previous knowledge related to solar
- A dedicated Energy Project Manager as a single point of contact
- Education and access to resources to help with decision making

Upfront Technical Assistance

Upfront TA services may include:

- Solar feasibility report
- Bidding support
- Establishing common vs. tenant system size split
- PPA or purchase options
- Coordination with energy efficiency and other complementary programs in your area
- Assistance integrating solar in LIHTC scope development
- Assistance with questions related to utility allowance decision making and SOMAH Program rules

Solar Feasibility Report

The SOMAH PA can provide owners with a free, comprehensive report that includes:

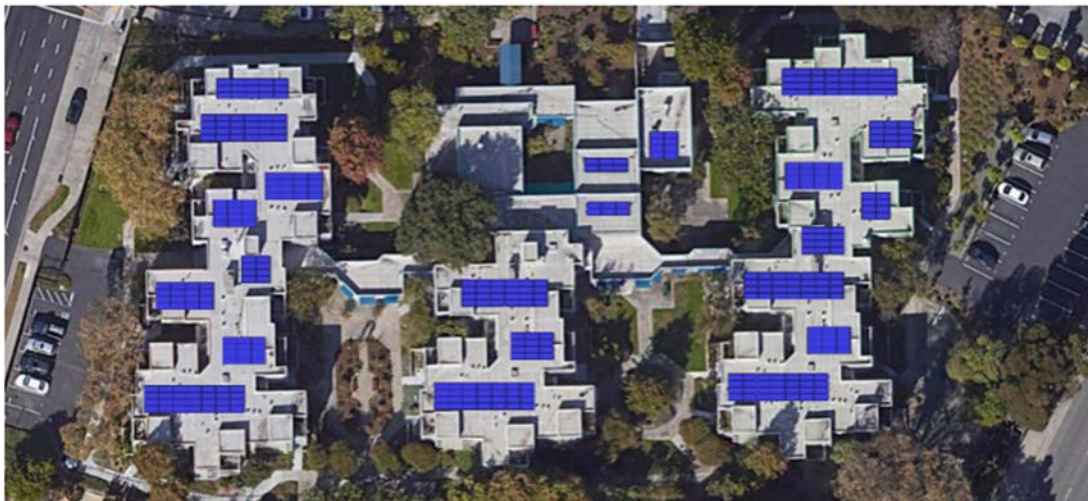
- Property characteristics and electricity usage data
- Photovoltaic (PV) system sizing and sample design
- Financing analysis
- Estimated costs and savings
- Estimated SOMAH incentive amount
- Utility rate analysis

Solar Feasibility Report: Sample Design



System Design Details

Potential PV system size	145.2 kW-DC
	132.1 kW CEC-AC
Annual potential PV generation	223,651 kWh



Solar Feasibility Report: Sample Financial Analysis



Proposed System – Financial Details

Proposed system size	132.147 kW CEC-AC
Common area system size	37.132 kW CEC-AC
Tenant system size	95.015 kW CEC-AC
Estimated total system cost	\$422,870
Common area cost	\$118,823
Common area incentive	\$38,962
Tenant area cost	\$304,047
Tenant area incentive	\$290,030
Net out of pocket purchase cost (after SOMAH Incentives)	\$93,877
Estimated annual system production	223,651 kWh
Common area (A)	62,844 kWh
Tenant area (B)	160,807 kWh
Current electric rate assumptions	
Common area electric rate	\$0.26/kWh
Year 1 value of common area production (Common area electric rate x Common area system size)* (C)	\$16,088
Estimated common area production value (C) x 10	\$160,880

Solar Feasibility Report: Sample Utility Bill Analysis



Current Electric Bill

Rate Schedule: PG&E - Default SOMAH Tenant Flat Rate

Time Periods Bill Ranges & Seasons	Energy Use (kWh)	Charges	Charges		
	Total	Other	NBC	Energy	Total
1/1/2020 - 2/1/2020 W	15,999	-	\$400	\$2,080	\$2,480
2/1/2020 - 3/1/2020 W	14,672	-	\$367	\$1,907	\$2,274
3/1/2020 - 4/1/2020 W	15,791	-	\$395	\$2,053	\$2,448
4/1/2020 - 5/1/2020 W	16,472	-	\$412	\$2,141	\$2,553
5/1/2020 - 6/1/2020 S	18,440	-	\$461	\$2,397	\$2,858
6/1/2020 - 7/1/2020 S	25,861	-	\$647	\$3,362	\$4,008
7/1/2019 - 8/1/2019 S	31,262	-	\$782	\$4,064	\$4,846
8/1/2019 - 9/1/2019 S	23,777	-	\$594	\$3,091	\$3,685
9/1/2019 - 10/1/2019 S	22,087	-	\$552	\$2,871	\$3,423
10/1/2019 - 11/1/2019 W	22,357	-	\$559	\$2,906	\$3,465
11/1/2019 - 12/1/2019 W	17,221	-	\$431	\$2,239	\$2,669
12/1/2019 - 1/1/2020 W	17,918	-	\$448	\$2,329	\$2,777
Totals:	241,857	-	\$6,046	\$31,441	\$37,488

New Electric Bill


Rate Schedule: PG&E - Default SOMAH Tenant Flat Rate

Time Periods Bill Ranges & Seasons	Energy Use (kWh)	Charges	Charges		
	Total	Other	NBC	Energy	Total
1/1/2020 - 2/1/2020 W	4,630	-	\$288	\$602	\$890
2/1/2020 - 3/1/2020 W	577	-	\$247	\$75	\$322
3/1/2020 - 4/1/2020 W	-2,020	-	\$251	-\$263	-\$12
4/1/2020 - 5/1/2020 W	-4,514	-	\$240	-\$587	-\$347
5/1/2020 - 6/1/2020 S	-5,477	-	\$254	-\$712	-\$458
6/1/2020 - 7/1/2020 S	1,943	-	\$365	\$253	\$618
7/1/2019 - 8/1/2019 S	5,084	-	\$450	\$661	\$1,111
8/1/2019 - 9/1/2019 S	-67	-	\$353	-\$9	\$344
9/1/2019 - 10/1/2019 S	280	-	\$340	\$36	\$377
10/1/2019 - 11/1/2019 W	4,505	-	\$369	\$586	\$955
11/1/2019 - 12/1/2019 W	5,280	-	\$307	\$686	\$993
12/1/2019 - 1/1/2020 W	7,530	-	\$333	\$979	\$1,312
Totals:	17,751	-	\$3,796	\$2,308	\$6,104

Annual Electricity Savings: \$31,384

Bidding Component

- The SOMAH PA has two resources available to help Property owners to understand project bids:
 - Free, Online Bidding Portal
 - Project Bid Template
- Both resources present bids in an **apples to apples comparison** in terms of the costs and benefits of each bid



Find a SOMAH Contractor

Need a contractor to help with your solar project? Qualified professionals are just a few clicks away:

1. Enter your facility location and choose three contractors from the list below.
2. Provide a few more details about your project on the next screen.
3. Your chosen contractors will provide competitive bids to complete your project. Choose which bid you like best and that contractor will contact you to schedule installation.

It's that easy! If you have any questions, please contact us M-F, 9am-5pm at 858-244-1177 ext. 5 or contact@calsomah.org.

What is the address where the project will be installed?

Address:

City:

Zip Code:

[Find Contractors](#)

Standard Technical Assistance

- Understanding Program Milestone requirements
- General Application Support
- Coordination and referrals to energy efficiency programs
- Assistance with Virtual Net-Energy Metering (VNEM) allocations
- Referrals to IOU resources to better understand post-solar utility bill impacts and post-solar utility bill statements
- Assistance troubleshooting Interconnection issues

Leveraging SOMAH for LIHTC Projects



Eligibility Documents

- Rehabilitation projects existing regulatory agreement or HAP contract with 10 years remaining
- Acquisition & Rehabilitation projects with with eligible regulatory
 - Eligibility based on existing rent restriction, not LIHTC award
 - Purchase Contract required
- Adaptive reuse & existing market rate projects eligible upon securing a regulatory agreement
- New construction eligible upon securing the COO

Tenant Benefits



PROJECT COSTS CANNOT BE PASSED ON TO TENANTS, SUCH AS:

- Utility Allowance & Rent Adjustments
- Operations and Maintenance Costs
- Changes to billing structure resulting in recapture of tenant economic benefits
- Verified through required Affidavit & review of tenant benefit requirements as part of the SOMAH project review.



Utility Allowances Requirements

- Utility Allowance (UA)
 - Net rent + UA = Gross Rent
 - Schedules
- TCAC regs for CUAC for rehab projects
 - Energy Efficiency (EE) improvements over 20%, or
 - Install solar offsetting 50% tenant loads
- SOMAH rules pertaining to UA
 - Must exclude solar credits from annual calculations
 - Scenario when leveraging other EE programs

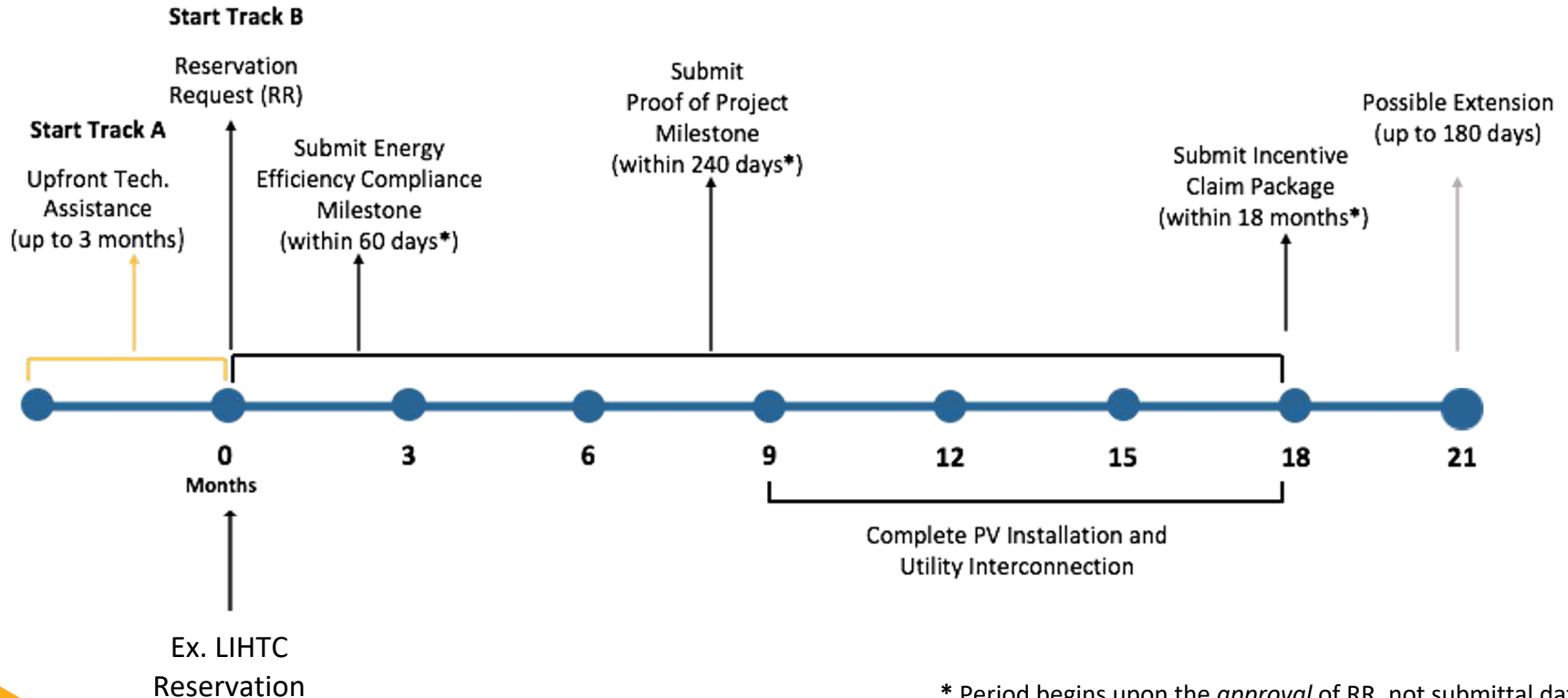
LIHTC Project Strategies

INQUIRE EARLY ABOUT SOLAR AND KEEP OPTIONS OPEN:

- PV at rehab or standalone
- Free Upfront TA for project strategies
- Upon receiving LIHTC award apply to Track A/B
- Contact SOMAH or talk to your contractor
- Consider SOMAH for portfolio



SOMAH Project Timelines



Applying for Upfront TA



PowerClerk

PowerClerk is the online application portal for SOMAH and will be used to

- Create and submit new incentive applications
- Monitor the progress of incentive applications
- Keep incentive documentation in a central location
- Export all project information
- Send notifications about project status and updates

PowerClerk: New Account Registration

Log In

Username:

Password:

[Forgot Password?](#)

[Register a new account](#)

Register

Note: This page is meant for new users to register for PowerClerk. If you already have a PowerClerk account and would like to register for more programs, please log in and visit the Add Programs page under the Settings menu.

User Information

Email Address:

Password:

Confirm:

First Name:

Last Name:

Company (optional):

Program

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PowerClerk: New Account Registration

Register

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Password:

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[Register a new account.](#)

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Last Name:

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Program

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Required Documentation

1. Property regulatory agreement or HAP contract
2. Cover Sheet for Multifamily Low-Income Housing
3. Letter of Authorization to Receive Customer Information or Act on a Customer's Behalf
4. List of tenant addresses

Solar on Multifamily Affordable Housing (SOMAH) Program Multifamily Low-Income Housing Documentation Cover Sheet	
Complete the document and sign below. Submit this form with the SOMAH Reservation Request Package.	
Property Name: _____	
Address: _____	
Number of Units: _____	
Section I	
The property meets the SOMAH eligibility requirement under the following criteria:	
1. The property is financed with one of the following: <ul style="list-style-type: none">• Low-income housing tax credits,• Tax exempt mortgage revenue bonds,• General obligation bonds, or• Local, state or federal loans or grants	
AND rents of the occupants who are lower-income households do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.	
AND for which the following applies:	
<input type="checkbox"/> Option A	80% of property residents have incomes at or below 60% of the area median income as determined by the Department of Housing and Community Development.
<input type="checkbox"/> Option B	The property is located in a disadvantaged community as identified by the California Environmental Protection Agency.
Section II	
Specify which of the following public entities or non-profit housing provider with authority to regulate affordable housing costs and/or rents the documentation comes from.	
<input type="checkbox"/>	California Tax Credit Allocation Committee (TCAC)
<input type="checkbox"/>	California Debt Limit Allocation Committee (CDLAC)
<input type="checkbox"/>	California Department of Housing and Community Development/ The California Housing Finance Agency (HCD/CALHP)

Design Considerations for New and Existing Buildings



Considerations for Existing Buildings SOMAH

- Shading
- Orientation
- Roof vs. carports
- Roof type and age/condition
- Energy Efficiency Upgrades or Electrification

SOMAH Requirements



The SOMAH Program has a few guidelines to keep in mind:

- New construction must have a certificate of occupancy (COO) prior to solar installation.
- An owner may install and interconnect a system up to 12 months before submitting a SOMAH Reservation Request Package
- Solar credits must be excluded from tenants utility allowance calculations.

Considerations for New Construction

Tips for getting solar-ready

- Maximize roof space for a sufficient solar zone
- Minimize shading and equipment obstructions on roof
- Consult a contractor to correctly estimate the future system's capacity and size
- Plan connections for the future system with electrical engineer and provide adequate space for electrical equipment
- Consult local zoning ordinances that may affect future system installation.

Poll 3: Indicate your interest in
applying for the SOMAH
program?

Poll 4: How can SOMAH support
you in prioritizing properties in
disadvantaged communities
(DACs)?

Q&A

Contacts & Resources

Email:

- **Michael Claproth: mclaproth@chpc.net**
- **Rachael Diaz, rdiaz@chpc.net**
- **General: contact@CalSOMAH.org**

CalSOMAH.org:

- **Email signup**
- **SOMAH Program Handbook**

