



## **Staff Report**

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### RESOLUTION AMENDING THE MASTER FEE SCHEDULE REGARDING PHOTOVOLTAIC (SOLAR PANEL) PERMIT FEES

Honorable Mayor and Council Members:

#### **Summary/Background**

At the July 10, 2007 City Council meeting, the Council discussed the opportunity of eliminating City permit fees associated with Photovoltaic (Solar Panel) installations. At the conclusion of discussion, the Council supported the fee waiver but requested a brief fiscal analysis on the permit revenue (or loss of such revenue in this case) for these types of permits/installations. In addition, to complete the action of the fee waiver, the Council is required to adopt a resolution amending the Master Fee Schedule for photovoltaic (PV) permitting; attached is the associated Resolution (see attachment A).

#### **Discussion**

In Fiscal Year 2006/07, fees of approximately \$6,880 were generated for the plan check and permitting of PV installations. In December 2006, the method for calculating fees was changed from a valuation basis to a minimum hourly approach; this resulted in the reduction of fees by 100% or more. A typical PV permit previously ranged in cost from \$900-1100; after December 2006 the typical permit was less than \$400. The justification for such a reduction was the outlining of the submittal requirements, which translated to a streamlined plan check and inspection process.

Since the City lowered the photovoltaic fees in late 2006, the Permit Center processed 10 PV applications; a total of 13 permits were issued during the fiscal year. Obviously, the second half of the year was much busier than the first. The average cost of a current PV permit, not including business licenses, is approximately \$370.00. As such, staff estimates an approximate loss of revenue of \$7,400.00 per fiscal year, should the fee be waived.

#### **Other Considerations**

For all the positive aspects of a photovoltaic installation, they have the potential to create negative and even dangerous consequences for the occupants of the host building, their neighbors and public safety personnel. The roof mounted modules, consisting of silicon chips and known as arrays, have no "on" or "off" switch; as long as the Sun shines, direct current is

created. As a result, photovoltaic installations have their own Article in the California Electrical Code.

Currently, these installations are designed and installed by licensed professionals, which more nearly guarantees code compliance. The future may bring the possibility that owner-builders will want to perform those functions. In that case the impact on staff time would increase exponentially, resulting in a fiscal impact in excess of the above mentioned fee amount.

### **General Plan/Vision Statement**

The action associated with amending the Master Fee Schedule to waive photovoltaic permit fees furthers the City's Vision Statement and General Plan Goals as follows:

#### *Distinctive Community Character*

*"We get involved in town matters because we care about living here."*

#### *General Plan Goal 1015.4*

*"To maintain and enhance the appearance of the City through controlling the location, timing, design and landscaping of new development and encouraging renovation of older areas."*

### **Fiscal Impact**

Based upon staff estimates, the annual revenue loss associated with a waiver of photovoltaic permit fees would be approximately \$7,400. Staff recommends that the associated current business license fee/tax for photovoltaic installation contractors continue to be required as part of the permit process.

### **Public Contact**

This matter was placed on the agenda and posted as required by the California Government Code.

### **Recommendation**

Adopt the attached Resolution Amending the Master Fee Schedule to waive photovoltaic (solar panel) permit fees.

### **Alternatives**

- Disapprove the fee waiver for photovoltaic (solar panel) installations.
- Refer back to staff and request additional background information on the matter.

### **Attachments**

- I. Resolution Amending the Master Fee Schedule to waive photovoltaic (solar panel) permit fees.

Respectfully submitted,

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Carlos de Melo  
Community Development Director

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Jack R. Crist  
City Manager

Staff Contact:

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RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT  
AMENDING THE MASTER FEE SCHEDULE TO WAIVE PERMIT FEES FOR  
PHOTOVOLTAIC (SOLAR PANEL) SYSTEMS**

**WHEREAS**, On July 10, 2007, the City Council reviewed the opportunity for waiver of City permit fees associated with photovoltaic (PV) system installations; and,

**WHEREAS**, the City Council has considered the fiscal impact associated with a photovoltaic (solar panel) system fee waiver and believes environmental, conservation, and resource protection factors outweigh the revenue shortfalls to the City for such photovoltaic permitting; and,

**WHEREAS**, the City Council further believes the associated photovoltaic system fee waiver will serve to incentivize and encourage future photovoltaic system installations throughout the community; and,

**WHEREAS**, the City Council did hear and use their independent judgment and considered all said recommendations herein above set forth.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Belmont does hereby amend the FY 2008 Master Fee Schedule to waive permit fees for photovoltaic system installations.

\* \* \* \* \*

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on August 14, 2007, by the following vote:

AYES, COUNCILMEMBERS: \_\_\_\_\_

NOES, COUNCILMEMBERS: \_\_\_\_\_

ABSTAIN, COUNCILMEMBERS: \_\_\_\_\_

ABSENT, COUNCILMEMBERS: \_\_\_\_\_

\_\_\_\_\_  
CLERK of the City of Belmont

APPROVED:

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MAYOR of the City of Belmont