



Building Communities. Changing Lives.

April 10, 2024

The Honorable Susan Talamantes Eggman
1021 O Street, Suite 8530
Sacramento, CA 95814

RE: Support for SOMAH New Construction in SB 1118

Dear Senator Eggman:

On behalf of MidPen Housing, I am writing in support of your ongoing efforts to support the Solar On Multifamily Affordable Housing (SOMAH) program. By using cap-and-trade revenue from big polluters to incentivize the construction of solar power on affordable housing, SOMAH promotes equitable access to clean renewable power, provides direct economic benefits to low-income households, increases the supply of zero-carbon electricity, and supports much-needed affordable housing by reducing and stabilizing runaway utility costs so our properties can preserve our resources to serve the residents.

MidPen Housing is one of the nation's leading nonprofit developers, owners, and managers of high-quality, affordable housing and onsite resident services. Since MidPen was founded in 1970, we have developed over 130 communities and 9,400 homes for low-income families, seniors, and those with supportive housing needs throughout Northern California.

We greatly appreciate your long-standing efforts to create the SOMAH program by authoring AB 693 in 2015, as well as your efforts to expand it through SB 355 in 2023. However, the increasing solar requirements of the building and energy codes have the unintended effect of neutralizing this SOMAH expansion, because the two sets of requirements are in conflict. This is because SB 355 referenced the energy code minimum requirements as a proxy rather than directly stating that solar allocated to residents could participate in SOMAH while solar serving common areas cannot. The problem is that the new code requirements cover not just common-area solar, but also a large portion of the resident usage. Without further clarification, SOMAH rebates would only cover a smaller increment of the solar – yet we as developers would be forced to build it all, and give it all away for free. In many cases, our only economically feasible choice would be to decline to participate in SOMAH, build a smaller system, and use available tools to recapture a significant portion of tenant solar savings to help pay for the solar. The result: smaller systems, and much less tenant benefit.

If it is possible to fix the problem by regulation, we would appreciate your support. However, a more clear path would be to ensure that clarifying language is placed in your pending SOMAH bill, SB 1118, and fight for its passage this year. We stand ready to help you in that fight.



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Thank you for your consideration and please feel free to contact Nevada V. Merriman, Vice President of Policy & Advocacy, at 650-477-6195 or nmerriman@midpen-housing.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew O. Franklin".

Matthew O. Franklin
President and CEO

CC: Nevada Merriman, Vice President of Policy & Advocacy