<u>04-24-2019 Town Council Meeting</u> Responses to Council Questions

<u>ITEM #7:</u> Consider Staff Response to Environmental Stewardship Advisory Board Rooftop Solar Petition

<u>Council Question</u>: P. 165 makes mention of "other options." What are the other options? Would staff be able to list equivalents, for instance, Option A would be an even exchange with Option B, but the developer would need to select both Options C & D to be equivalent to Option A. That way, we might be able to offer a menu of options that the developer could choose from, rather than negotiating with council in real-time at a council meeting.

Likewise, the two options in the legal opinion on P. 155: Which would result in the least amount of negotiating from the dais and would result in uniform application, so that the end result does not depend on the negotiating skill of the developer?

<u>Staff Response</u>: The staff views this report as a preliminary response. We are asking the Council to provide feedback and confirm its interest in moving forward. More detailed options and analysis would be developed once the Council has confirmed its interests.

If the Council wants to create a menu of options to achieve sustainable design in private development, we would recommend setting a goal and then writing the policy in a way that establishes preferred options (e.g., energy efficient design, rooftop solar) and also allows for equivalent alternatives. We would also suggest that all options be evaluated through energy modeling and analysis by a licensed professional. This approach would create a policy that can adjust accordingly as technologies continue to evolve and pricing structures change over time.

It is difficult for us to say which of the two options discussed on page 155 would result in less Council discussion with the applicant. Here are some thoughts on how both could play out:

If rooftop solar were achieved through an ordinance change (LUMO option), the mechanism for getting it would be a development incentive (e.g., density bonus). Under that scenario, if the applicant elects to install rooftop solar in exchange for a development incentive, the extent to which any Council discussion would be required seems dependent upon whether there is flexibility in the standard. For instance, if the standard allows for varying degrees of implementation (e.g., cover half of the roof in exchange for half of the density bonus), this may drive the need for more discussion. If the standard has no flexibility and is just a "take it or leave it" incentive, this should reduce the need for any further discussion between the Council and the applicant.

If rooftop solar were achieved through an applicant's voluntary compliance with the Council's Energy Policy as part of a conditional use rezoning, solar could be delivered through a standard stipulation for an Energy Management Plan (as it is today). However, if the applicant elects to implement the 20% energy performance improvement (today's policy expectation) but only pursues 40% rooftop solar (1/2 of the petition target), this would be noted in the staff report

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and could become a point of discussion for the Council as it considers the application in its entirety.

Council Question: It looks like we are looking at 3 options?

- 1. Amend/expand current Energy Policy for rezonings
- 2. Amend conditional zoning sections of LUMO to establish incentives
- 3. Some combination of the 2?

Could you please provide a policy analysis of these three options, showing criteria used for evaluation (for example, timeliness, fiscal impact, flexibility, etc) and then a recommendation? A chart with options on the y Axis and criteria on the x Axis would be such an easy and effective way to convey/present this information. As it currently stands, it's not particularly easy for me, a lay person, to understand why we would go in any particular direction without reading and rereading the text multiple times.

<u>Staff Response</u>: The staff views this report as a preliminary response. We are asking the Council to provide feedback and confirm its interest in moving forward. More detailed options and analysis would be developed once the Council has confirmed its interests.

In terms of whether there is a 3rd option, it would be possible to look at a combination of the two that were described in the memo. The LUMO option will require some additional research to see what kind of additional incentives would be effective in order to meet the state statute and create an attractive path for solar installation. The Energy Policy option could help staff learn more from developers about what it costs to implement rooftop solar, whether there are other tradeoffs to consider, and what incentives might ultimately work best through the LUMO option. In other words, the Energy Policy option could be a good way to learn more.

Regarding the note about policy analysis, we will provide more information as part of the presentation.