



CSI Thermal Low-Income Requirements & Information

The purpose of this Low-Income Guide is to highlight the requirements for the low-income component of the CSI-Thermal Program. Further details are provided in the CSI-Thermal Handbook located at:
<http://www.gosolarcalifornia.ca.gov/documents/csi.php>

Low-Income Participants

The low-income component of the CSI-Thermal Program offers increased incentives to qualifying single-family and multi-family low-income customers. To be eligible for low-income solar water heating (SWH) incentives, the following requirements must be met:

- The project site must be within the service territory of, and receive natural gas service from PG&E, SCG, or SDG&E; and
- The SWH system must displace the use of natural gas and meet the equipment eligibility requirements of the CSI-Thermal Program, listed in section 2.2 of the CSI-Thermal Handbook.

Single-Family Low-Income Participants

To qualify for low-income SWH incentives for a single-family residential property, the additional requirements must be met:

- The host site must be occupied by the homeowner and/or applicant;
- The SWH system must be owned by the homeowner;
- The property must meet one of the following conditions:
 - 1) Low-Income housing:
 - If the property is occupied by renters, then the property must meet the definition of low-income residential housing in Public Utilities Code (PUC) Section 2861(e)¹²; or
 - 2) ESAP Participation:
 - The household must currently be participating, or have previously participated, in a Commission-approved and supervised gas corporation Energy Savings Assistance Program (ESAP) administered by PG&E, SCG, or SDG&E
 - The property will be required to remain low-income for at least 10 years from the time of the SWH system installation.
 - The property at which the system will be installed must meet one of the following conditions:
 1. a resale restriction between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
 2. an equity sharing agreement for which the homeowner does not receive a greater share of equity than described in paragraph (2) of subdivision (c) of Section 65915 of

¹ All Statutory References are to the Public Utilities Code.

² Definition for 2861 (e) is referenced in Appendix A



Center for
Sustainable Energy
CALIFORNIA



Pacific Gas and
Electric Company
Self-Generation Incentive Program



Sempra Energy utility

the Government Code, between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;

3. a presumed resale restriction that exists because the residence is located in an enterprise zone, including Targeted Employment Areas (TEAs), as determined by the California Department of Housing and Community Development; or
4. a presumed resale restriction that exists because the property is located in an area that was included in a neighborhood revitalization strategy as part of the local municipality's consolidated community development plan filed with the federal Department of Housing and Urban Development.

Multi-Family Low-Income Participants

To qualify for low-income SWH incentives for a multi-family residential property, the following additional requirements must be met:

- The benefits of the SWH system must be passed to the low-income residents through reduced energy costs.
- The property must meet one of the following conditions:
 - 1) Low-Income housing:
 - The property must meet the definition of low-income residential housing in Public Utilities Code (PUC) Section 2861(e)³⁴; or
 - 2) ESAP Participation:
 - At least 50 percent of all units in the multi-family housing structure are occupied by ratepayers that are participating in a Commission approved and supervised gas corporation ESAP administered by PG&E, SCG or SDG&E, as set forth in PUC Section 2866(c)⁵.
 - The property will be required to remain low-income for at least 10 years from the time of the SWH system installation.
 - System owners must meet one of the following conditions:
 1. a resale restriction between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
 2. an equity sharing agreement for which the homeowner does not receive a greater share of equity than described in paragraph (2) of subdivision (c) of Section 65915 of the Government Code, between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
 3. a presumed resale restriction that exists because the residence is located in an enterprise zone, including Targeted Employment Areas (TEAs), as determined by the California Department of Housing and Community Development; or
 4. a presumed resale restriction that exists because the property is located in an area that was included in a neighborhood revitalization strategy as part of the local municipality's consolidated community development plan filed with the federal Department of Housing and Urban Development.

Single-Family Low-Income Incentives

Single-family low-income incentive levels and incentive caps are set at 200% of the applicable levels and caps of the gas-displacing CSI-Thermal Program as shown in Table 1. Incentives are calculated in the same manner as Section 3.4.1 of the CSI-Thermal Handbook, using the SRCC or IAPMO OG-300 Incentive Calculator.

Single-family low-income incentives are paid in one lump sum after the project is completed and approved.

³ All Statutory References are to the Public Utilities Code

⁴ Definition for 2861 (e) is referenced in Appendix A

⁵ Definition for 2866 (c) is referenced in Appendix B

**Table 1
Single-Family Low-income
Natural Gas-Displacing System Incentive Steps**

Step	Single-Family Low-income Incentive per therm displaced	Maximum Incentive Single-Family Low-income Projects
1	\$25.64	\$3,750
2	\$20.52	\$3,000
3	\$15.38	\$2,250
4	\$9.40	\$1,376

Multi-Family Low-Income Incentives

Multi-family low-income incentive levels are set at 150% of the applicable levels of the gas-displacing CSI-Thermal Program, and use the same incentive caps as Shown in Table 2. Incentives are calculated in the same manner as Section 3.4.2 of the CSI-Thermal Handbook using the SRCC or IAPMO OG-100 Incentive Calculator.

Multi-family low-income systems with a capacity of 250 kWth or less will receive one-time lump-sum incentives. The payment is based on their estimated first year therm displacement and paid after the project is completed, approved, and has passed the inspection (if applicable).

Multi-family low-income systems with a capacity over 250 kWth will be paid in two parts using the “70/30 true-up method” explained in Section 3.3.4 of the CSI-Thermal Handbook.

**Table 2
Multi-family Low-income
Natural Gas-Displacing System Incentive Steps**

Step	Multi-family Low-Income Incentive per therm displaced	Maximum Incentive Multi-family Low-Income Projects
1	\$19.23	\$500,000
2	\$15.39	\$500,000
3	\$11.53	\$500,000
4	\$7.05	\$500,000

Single-Family Residential Low-Income Project Application Process

A single-family residential project will follow the one-step application process outlined in section 4.1 of the CSI-Thermal Program Handbook and will be held to the same requirements as that section with the addition of the following items:

1. If participating in the ESAP (not required if property is occupied by renters and meets PUC 2861(e)) :
 - a) An affidavit that shows the property will remain low-income for at least 10 years (see Appendix I of the Handbook); and
 - b) Documentation proving that property owners must meet one of the following conditions:

- 1) a documented resale restriction between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
- 2) a documented equity sharing agreement for which the homeowner does not receive a greater share of equity than described in paragraph (2) of subdivision (c) of Section 65915 of the Government Code, between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
- 3) a presumed resale restriction that exists because the residence is located in an enterprise zone, including Targeted Employment Areas (TEAs), as determined by the California Department of Housing and Community Development; or
- 4) a presumed resale restriction that exists because the property is located in an area that was included in a neighborhood revitalization strategy as part of the local municipality's consolidated community development plan filed with the federal Department of Housing and Urban Development.

Or

2. If proving low-income status through PUC 2861(e) (not required if household is currently participating, or have previously participated in the ESAP),
 - a) Documentation will be required to prove renter low-income status.

Multi-Family Low-Income Project Application Process (capacity of 30 kW_{th} or less)

Two-Step Application Process

All multi-family SWH projects with capacity of 30 kW_{th} or less will follow the two-step application process outlined in Section 4.2 of the CSI- Thermal Program Handbook and will be held to the same requirements as that section with the addition of the following items:

1. An affidavit from the property owner (see Appendix J of the Handbook) explaining how the benefits of the SWH system will be passed to the low-income residents through reduced energy costs
2. If participating in the ESAP (2866) (not required if property meets PUC 2861(e)) :
 - a) An affidavit that shows the property will remain low-income for at least 10 years (see Appendix I of the handbook); and
 - b) Documentation proving that property owners must meet one of the following conditions:
 - 1) a documented resale restriction between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
 - 2) a documented equity sharing agreement for which the homeowner does not receive a greater share of equity than described in paragraph (2) of subdivision (c) of Section 65915 of the Government Code, between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
 - 3) a presumed resale restriction that exists because the residence is located in an enterprise zone, including Targeted Employment Areas (TEAs), as determined by the California Department of Housing and Community Development; or
 - 4) a presumed resale restriction that exists because the property is located in an area that was included in a neighborhood revitalization strategy as part of the local municipality's consolidated community development plan filed with the federal Department of Housing and Urban Development.

Or

3. If proving low-income status through PUC 2861(e) (not required if 50% of units participate in ESAP),
 - a) Documentation will be required proving 20% of the total units in the residential complex are sold or rented to lower income households for a period of not less than 30 years.

Multi-Family Low-Income Project Application Process (capacity over 30 kW_{th})

Three-Step Application Processes

All multi-family SWH projects with capacity over 30 kW_{th} will follow the three-step application process outlined in Section 4.3 of the CSI- Thermal Program Handbook and will be held to the same requirements as that section with the addition of the following items:

1. An affidavit from the property owner (see Appendix J in the handbook) explaining how the benefits of the SWH system will be passed to the low-income residents through reduced energy costs
2. If participating in the ESAP (2866) (not required if property meets PUC 2861(e):
 - a) An affidavit must show the property will remain low-income for at least 10 years (see Appendix I in the handbook and
 - b) Documentation proving that property owners must meet one of the following conditions:
 - 1) a documented resale restriction between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
 - 2) a documented equity sharing agreement for which the homeowner does not receive a greater share of equity than described in paragraph (2) of subdivision (c) of Section 65915 of the Government Code, between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
 - 3) a presumed resale restriction that exists because the residence is located in an enterprise zone, including Targeted Employment Areas (TEAs), as determined by the California Department of Housing and Community Development; or
 - 4) a presumed resale restriction that exists because the property is located in an area that was included in a neighborhood revitalization strategy as part of the local municipality's consolidated community development plan filed with the federal Department of Housing and Urban Development.

Or

3. if proving low-income status through PUC 2861(e) (not required if 50% of units participate in ESAP),
 - a) Documentation will be required proving 20% of the total units in the residential complex are sold or rented to lower income households for a period of not less than 30 years.

Description of Documents:

10-year Low-Income Property Affidavit

For all low-income single-family projects and multi-family projects proving low-income status through ESAP, property owners must sign a commitment that the property will remain low-income for at least 10 years. This affidavit will be included in the ICF for single-family residential projects and RRF for multi-family projects.

Ensuring Benefits to Lower Income Households Affidavit

All multi-family low-income participants will be required to submit an affidavit from the property owner explaining how the benefits of the SWH system will be passed to the low-income residents through reduced energy costs. Please see Appendix J for affidavit.

Proof of Low-Income Status Documentation: ESAP

For all low-income single-family projects and multi-family projects proving low-income status through ESAP, applicants must provide documentation that meets one of the following conditions:

1. documented resale restriction between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
2. a documented equity sharing agreement for which the homeowner does not receive a greater share of equity than described in paragraph (2) of subdivision (c) of Section 65915 of the Government Code, between the homeowner and a public entity or a qualifying nonprofit affordable housing provider;
3. a document indicating a presumed resale restriction that exists because the residence is located in an enterprise zone, including Targeted Employment Areas (TEAs), as determined by the California Department of Housing and Community Development⁶; or
4. a document indicating a presumed resale restriction that exists because the property is located in an area that was included in a neighborhood revitalization strategy as part of the local municipality's consolidated community development plan filed with the federal Department of Housing and Urban Development.⁷

Supporting documents can be in the form of a Deed Restriction, an Affordability Covenant, or a Regulatory Agreement.

Multi-Family Proof of Low-Income Status Documentation: PUC 2861 (e)

All low-income multi-family projects proving low-income status through PUC 2861 (e), will require documentation, such as a Regulatory Agreement, proving 20% of the total units in the residential complex are sold or rented to lower income households for a period of not less than 30 years.

Single-family Proof of Low-Income Status Documentation: PUC 2861 (e)

All low-income single-family projects proving low-income status through PUC 2861 (e), will require documentation, such as a Regulatory Agreement,

⁶ This documentation can be provided by going to <http://www.hcd.ca.gov/> and printing the resale restriction with the property address on the document.

⁷ Documentation can be provided through the site address' local municipality's consolidated community development plan filed with the federal Department of Housing and Urban Development

Appendices:

A. PUC 2861: Public Utility Code 2861(e) defines "Low-income residential housing" meaning either of the following:

(1) Residential housing financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants, and for which the rents of the occupants who are lower income households, as defined in Section 50079.5 of the Health and Safety Code, do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

(2) A residential complex in which at least 20 percent of the total units are sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, and the housing units targeted for lower income households are subject to a deed restriction or affordability covenant with a public entity that ensures that the units will be available at an affordable housing cost meeting the requirements of Section 50052.5 of the Health and Safety Code, or at an affordable rent meeting the requirements of Section 50053 of the Health and Safety Code, for a period of not less than 30 years.

B. PUC 2866(c):

(a) The commission shall provide not less than 10 percent of the overall funds for installation of solar water heating systems on low-income residential housing.

(b) The commission may establish a grant program or a revolving loan or loan guarantee program for low-income residential housing consistent with the requirements of Chapter 5.3 (commencing with Section 25425) of Division 15 of the Public Resources Code. All loans outstanding as of August 1, 2018, shall continue to be repaid in a manner that is consistent with the terms and conditions of the program adopted and implemented by the commission pursuant to this subdivision, until repaid in full.

(c) The commission may extend eligibility for funding pursuant to this section to include residential housing occupied by ratepayers participating in a commission approved and supervised gas corporation Low-Income Energy Efficiency (LIEE) program and who either:

(1) Occupy a single-family home.

(2) Occupy at least 50 percent of all units in a multifamily dwelling structure.

(d) The commission shall ensure that lower income households, as defined in Section 50079.5 of the Health and Safety Code, and, if the commission expands the program pursuant to subdivision (c), ratepayers participating in a LIEE program, that receive gas service at residential housing with a solar water heating system receiving incentives pursuant to subdivision (a), benefit from the installation of the solar water heating systems through reduced or lowered energy costs.

(e) No later than January 1, 2010, the commission shall do all of the following to implement the requirements of this section:

(1) Maximize incentives to properties that are committed to continuously serving the needs of lower income households, as defined in Section 50079.5 of the Health and Safety Code, and, if the commission expands the program pursuant to subdivision (c), ratepayers participating in a LIEE program.

(2) Establish conditions on the installation of solar water heating systems that ensure properties on which solar water heating systems are installed under subdivision (a) remain low-income residential properties for at least 10 years from the time of installation, including property ownership restrictions and income rental protections, and appropriate enforcement of these conditions.

(f) All moneys set aside for the purpose of funding the installation of solar water heating systems on low-income residential housing that are unexpended and unencumbered on August 1, 2018, and all moneys thereafter repaid pursuant to subdivision (b), except to the extent that those moneys are encumbered pursuant to this section, shall be utilized to augment cost-effective energy efficiency measures in low-income residential housing that benefit ratepayers.