

Solar Energy Systems in University Hills

A number of University Hills residents have considered installing rooftop solar energy systems on their homes and have questions, particularly about the treatment of solar energy systems upon sale of the home. The following are answers to some common questions about solar installation in University Hills:

Do the Ground Sublease and other governing documents allow solar panels to be installed on University Hills homes?

Yes. The Ground Sublease treats solar energy systems much like other types of home improvements. Detailed plans and specifications for proposed solar energy installations need to be submitted to the Homeowners Representative Board for approval prior to installation. Here are the other requirements that specifically address solar energy systems:

- ***University Hills Property Use and Maintenance Regulations:***

Section 3.25. Solar Systems. Each solar system collector unit shall be integrated into the design of the Structure in which it is installed, and the plans and specifications for each unit shall be subject to review and approval by the HRB.

- ***University Hills Architectural Guidelines:***

III. K. Skylight and Solar Energy Equipment.

1. HRB approval of rooftop skylights or solar energy equipment will be based on the homeowner's ability to design and accommodate the installation of such facilities and equipment with the least amount of exposure to adjacent units consistent with general requirements of state law respecting the efficient placement of collector units. (For these purposes, solar energy equipment includes all panels, collectors, piping, electrical conduit and wiring, attachments, bracing, flashing, mechanical hardware, supporting structure, and any other related elements.)

2. All such installations should conform to the following additional requirements:

(a) Such structures should have as low a profile as functionally practical and efficient;

(b) Piping and electrical wiring and conduit should go through the roof rather than on the face of the roof or dwelling unit when possible;

(c) Long runs of piping or electrical conduit or wiring should be condensed and concealed as much as possible; and

(d) Equipment or equipment enclosures should be painted or stained to match the colors of adjacent surfaces.

Can I lease a solar energy system rather than purchasing it?

Yes. You may prefer to lease a solar energy system rather than purchase one in order to reduce upfront costs of acquisition and installation. Some solar companies also provide an alternate arrangement, generally known as a power purchase agreement, that allows homeowners to obtain electricity from solar panels installed on their roof without purchasing the system.

Please be aware that a homeowner's decision to buy, lease or acquire a solar energy system through a power purchase agreement is much more complex for University Hills homes than for homes outside University Hills, due to the requirements of the Ground Sublease.

Here are some of the issues you should consider when deciding whether to buy or lease a solar energy system, or enter into a power purchase agreement:

- If you purchase a solar energy system, the fair market value of the solar energy system may be included in the Maximum Resale Price of the home under the terms of the Ground Sublease between you and ICHA. As with any other capital improvement to the home, the value will be determined through appraisal of the solar energy system. And like other capital improvements, the value of the solar energy system will decline over time, and may be significantly less than the original purchase price.
- If you lease a solar energy system, the solar lease may allow you to assign your lease to a purchaser of your home. However, there are a number of important issues that University Hills homeowners should consider prior to installation of a leased solar energy system, as agreements vary widely, each offering their own benefits and obligations. **You need to be aware that under the Ground Sublease, a purchaser of your home cannot be required to assume a solar energy system lease.**
 - If the purchaser of your home agrees to assume the solar lease, the amount to be paid for the solar energy system, if any, would be negotiated between buyer and seller. For purposes of the Ground Sublease, any payment made by the purchaser for the solar energy system would not be considered a part of the purchase price of the home, and will not be considered in determining the Maximum Resale Price of the home.
 - If the purchaser of your home does not want to assume the solar lease, or if the purchaser wants to assume the lease but its application for assignment is disapproved by the solar company, you will need to exercise other rights you may have under the solar lease to either purchase the solar energy system or to remove the solar energy system from your home. These provisions are not available in all solar leases, so you will need to carefully review any solar lease you are considering to see what rights you have upon sale of your home before the end of the term of the solar lease. If you elect to purchase the solar energy system, the appraised fair market value of the system may be included in the Maximum Resale Price of the home as discussed above. If you have the solar energy system removed, you may be able to reuse it on another house, but you may also be responsible under your solar lease for the costs of removal and reinstallation.

- When you are ready to sell your home, ICHA sales staff will ask you to declare your plans for the disposition of the leased solar energy system. It is important to make this decision early in the sales process as the actions necessary to address a leased solar energy system can be complex, will take time, and could delay the close of escrow for the sale of the home.
- You may also be able to obtain a solar energy system through a power purchase agreement, which obligates you to purchase the electricity generated from the solar energy system installed on your home at a fixed rate. Under the terms of the Ground Sublease, a purchaser of your home cannot be required to assume a power purchase agreement, so upon sale of your home you may need to take one of the actions described in the paragraphs above discussing solar leases.

What if I have prepaid my solar lease?

The terms of a solar lease agreement may allow you to prepay the rent due under the solar lease. However, even if the rent under the solar lease is prepaid, the purchaser will likely have continuing obligations under the solar lease, and will still be entitled to accept or reject the lease at the purchaser's discretion. If you prepay the solar lease rent, you and the purchaser may agree for the purchaser to reimburse you for some or all of the prepaid rent. For purposes of the Ground Sublease, reimbursement of prepaid solar lease rent will not be considered a part of the purchase price of the home, and will not be considered in determining the Maximum Resale Price of the home.

Which solar company should I use?

When selecting a solar company it is imperative that you do your homework. The Contractors State License Board recommends that you acquire at least three bids from three different contractors. Solar contractors are registered on the Go Solar California website (www.gosolarcalifornia.org). Get recommendations from friends or neighbors that have installed solar, and research solar companies online. Further tips for selecting contractors are available at the Contractors State License Board website at www.cslb.ca.gov and the Go Solar California website.

Is a building permit required from the City of Irvine?

Yes. Contact the Building and Safety Department at the City of Irvine for more information. The Department's telephone number is (949) 724-6470, and information is available at the City's website at <https://irvinepermits.org> and <http://cityofirvine.org/cityhall/cd/buildingsafety/default.asp>.

What benefits should I expect to receive if I install a solar energy system?

The most cost-effective solar installations are in homes with very large electricity bills. These homes often pay for electricity at the higher cost "tiers" established by the utility company. Information about Southern California Edison's electricity pricing tiers for residential customers can be found at <https://www.sce.com/wps/portal/home/residential/rates/residential->

[plan](#). Solar energy system orientation, shading, roof angle and cleanliness and condition of solar energy systems may affect the amount of electricity generated. Many people also install solar for its environmental benefits, such as reducing their carbon footprint, reducing demand for fossil fuels, and reducing demand to the power grid and generation systems.