



MEMO

Tribal Participation Barriers

AN INITIAL ASSESSMENT

About SOMAH

The Solar on Multifamily Affordable Housing (SOMAH) Program provides financial incentives to install at least 300 megawatts of solar energy systems benefiting both low-income tenants and property owners throughout California through 2030. SOMAH's unique, community-based approach ensures long-term financial benefits for low-income households and property owners, helps accelerate the market for solar on multifamily housing, and creates jobs in disadvantaged and low-income communities. The SOMAH Program is funded by greenhouse gas auction revenues via California's Cap-and-Trade Program and is overseen by the California Public Utilities Commission (CPUC).

Learn more about SOMAH:

- CalSOMAH.org
- [The CPUC's SOMAH webpage](#)

About SOMAH's Advisory Bodies

The SOMAH Advisory Council (AC) ensures that community voices and interests remain at the center of the SOMAH Program. Through the SOMAH Advisory Council, key stakeholders contribute to program development and implementation, monitor the progress of the program, and provide advice to ensure that the program maximizes benefits to low-income housing tenants and disadvantaged communities.

The SOMAH Job Training Organization Task Force (JTO TF) is composed of representatives from job training organizations and workforce development programs across California. The JTO Task Force provides insight, feedback, and advice to the SOMAH PA on strategies and resources to engage job trainees and maximize benefits from paid job training opportunities on SOMAH installation projects. Members are selected through an independent selection committee.



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Learn more about the SOMAH Advisory Council:

- CalSOMAH.org/Advisory-Council
- CalSOMAH.org/Job-Training-Organizations

Background & Overview

A core objective of SOMAH is to expand the benefits of solar energy to low-income tenants of multifamily affordable housing, especially those in California's Disadvantaged Communities (DACs), which now include lands held by federally-recognized tribes.¹

This memo, a living document co-created by the SOMAH AC and the SOMAH Program Administrator (PA) team, provides a summary of some key barriers to the participation of tribes, tribal entities, and tribal communities that have been identified to date.

Noting very low tribal participation levels since program launch in July 2019 and respecting that tribal communities have unique barriers to participating in state programs, the SOMAH PA created two seats on the AC to help identify and proactively address barriers through actions within the SOMAH PA's existing discretion as well as formal program changes over the long term. An independent selection committee appointed Nicole Lim, Executive Director of the California Indian Museum and Cultural Center, and Elizabeth Elliot, Executive Director of the Northern Circle Indian Housing Authority, to the AC, and the AC subsequently selected Elizabeth as its Co-Chair for the AC's second cohort.

¹ To raise awareness about CalEPA's updated "FINAL DESIGNATION OF DISADVANTAGED COMMUNITIES PURSUANT TO SENATE BILL 535" ([PDF](#)) published in May 2022, which now includes areas under the control of federally recognized tribes, the SOMAH PA released a press release ([PDF](#)) in July 2022.



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The SOMAH PA, on the advice of the SOMAH AC, also formed a tribal access working group and initiated a training process, starting with Indian history, cultural competency, and landownership models via a third-party, the National Indian Justice Center.

Whereas some early solutions addressable under the PA's current discretion are actively under development, key solutions will require additional research, stakeholder engagement, planning, and development, and may likely require regulatory and/or legislative changes. To inform further potential changes, this memo provides an initial summary of the barriers identified to date.

Housing Stock

While the quality and availability of housing stock differs across tribes, tribal land at large has a shortage of housing stock and resources supporting the development of additional housing. A majority of the existing housing stock on tribal land includes single-family and mobile homes that are often overcrowded and in need of significant rehabilitation and infrastructure development. Many reservations are experiencing long housing waitlists caused by limited state and federal resources that have resulted in members moving in with relatives, moving off lands held by their tribe, or finding other means of shelter.

According to data comprised of potentially eligible properties leveraging financing from the California Tax Credit Allocation Committee (TCAC), the California Department of Housing and Community Development (HCD), the California Housing Finance Agency (CalHFA), and the Department of Housing and Urban Development (HUD), the SOMAH PA has identified roughly 14 multifamily tribal properties throughout California. While the PA has identified at least 14 multifamily tribal properties, this number is not exhaustive due to the limited availability of public data. Historically, tribes have faced barriers to participation in major multifamily affordable housing programs due to limited and competitive financing sources, incompatible program requirements, and limited



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suitable land on which to develop. While agencies such as HCD are increasing efforts to include tribal housing funding carve-outs in all programs as well as support a Tribal Housing Grant Program, available tribal multifamily housing stock remains limited.

Lastly, tribal housing is oftentimes located in rural and remote areas throughout California. The rural component places additional challenges on potential SOMAH projects, such as limited access to a qualified workforce to complete the SOMAH installations and increased project costs due to longer transportation and contractor commutes.

Eligibility & Program Requirements

To be eligible for a SOMAH incentive, a property must:

- Have at least five tenant units
- Be deed-restricted low-income residential housing with at least 10 years remaining on affordability restrictions
- Satisfy one of the following:
 - 80% of the property residents have incomes at or below 60% of the area median income (AMI)
 - OR
 - Property is in a defined disadvantaged community (DAC) that scores in the top 25% of census tracts statewide in CalEnviroScreen including property that is located on federally-recognized tribal land
- Be an existing building or retrofit (with Certificate of Occupancy)
- Have separately metered units
- Be a utility or community choice aggregator (CCA) customer (with VNEM) in the following utility territories:
 - Pacific Gas and Electric (PG&E)
 - Southern California Edison (SCE)
 - San Diego Gas & Electric (SDG&E)



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- PacifiCorp
- Liberty Utilities

Several of these requirements pose direct and indirect barriers to tribal participation, summarized in the table below:

Requirement	Description of barrier(s)
Have at least five tenant units	A significant share of tribal housing stock doesn't look like typical multifamily housing (apartments). Housing stock may be more distributed and may have fewer than five units.
Be deed-restricted low-income residential housing with at least 10 years remaining on affordability restrictions	Deed restriction documentation for multifamily affordable tribal housing differs from program requirements to a degree such that the ability to collect documentation evidencing program eligibility becomes a barrier. Furthermore, even where a property is serving low-income tribal members in or outside of a DAC, the property may not have a formal deed restriction. This requirement precludes the participation of "naturally-occurring" affordable housing, which serves low-income residents, but without the explicit documentation and requirement of being deed-restricted. One relevant precedent for the participation of non-deed restricted properties is Decision 21-06-015, which covers large investor-owned utilities'



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	<p>application of Energy Savings Assistance (ESA) Programs through 2026.</p> <p>Second, the requirement of having at least 10 years of affordability restrictions remaining excludes properties with fewer years remaining that will continue to serve low-income residents after that period with or without a formal extension of the term of affordability restrictions.</p>
<p>80% of the property residents have incomes at or below 60% of the area median income (AMI)</p>	<p>Documentation related to income may pose a barrier. The specific threshold of 80% of residents at or below 60% AMI may exclude certain properties. For example, the income limits under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) require residents to meet 80% AMI or 100% AMI.²</p>
<p>Property is in a defined disadvantaged community (DAC) that scores in the top 25% of census tracts statewide in CalEnviroScreen including property that is located on federally-recognized tribal land</p>	<p>Potentially excludes tribes that are not federally recognized. Does not explicitly address properties owned by tribes not on federally-recognized tribal land. CalEPA also concedes that the National Indian Geodatabase is not comprehensive of lands held by federally recognized tribes, and where applicable, tribes must seek EPA designation through a process of indeterminate length with few public details around requirements</p>

² https://www.hud.gov/sites/dfiles/PIH/documents/2020-01_FY20_Income_Limits_Guidance.pdf (to be validated)



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	and process.
Be an existing building or retrofit (with Certificate of Occupancy)	Misses the opportunity to serve new construction from the outset.
Have separately-metered units	Misses the opportunity to serve master-metered properties although benefits may provide tenant economic benefit, the aim of the requirement.

Marketing, Education, & Outreach

- Tribes are sovereign entities. As it relates to government programs and respecting their status, government-to-government engagement is a best practice. Also, because tribal groups' internal networks can be extensive, making connections with advocates from several departments (Environmental Departments, Housing Authorities, City Planning & Development, etc.) can promote SOMAH project momentum and completion.
- Cultural competency and other training. Outreach requires 1-on-1 consultations with tribal entities to inform them about the program, its benefits, and how to successfully navigate the application process, starting with Upfront Technical Assistance. The SOMAH PA has received initial cultural competency training from the National Indian Justice Center, but training may be an ongoing process for new staff onboarding and on any subsequent topics, such as landholding structures.
- Outreach channels, strategies, tactics, and materials. Outreach to tribes can warrant tailored approaches. The SOMAH PA is currently building outreach efforts to appropriately and effectively connect with tribal groups and their internal networks via collaborative phone calls, emails, and in-person outreach. Plans for rollout will commence in 2023.



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- Ensuring tribes see themselves reflected in program resources and materials. The SOMAH PA will begin creating tribal-specific informational resources and will add the necessary changes to the SOMAH website to address tribal program needs. Drafting processes are currently in place.

Availability of Solar Contractors and Workforce in More Remote Areas

- Solar market development. The SOMAH Program has regions with low numbers of eligible contractors or no contractors. Gap regions near federally-recognized tribal lands will lead to decreased possibilities in Track B (contractor-led applications) as well as difficulty identifying contractors for competitive bidding for Track A (owner-led applications).
- Eligible job training organizations. SOMAH has specific criteria for eligible job training organizations (JTOs), and the SOMAH PA has identified a shortage of eligible JTOs in more remote and northern areas of the state, due in part to lesser-developed solar markets. To qualify, job training programs must offer 40+ hours of instructional and/or hands-on training and have one of the following:
 - PV training program offered by California Community Colleges, electrical workers union, local government workforce development, community nonprofit or private enterprise
 - California-approved electrical training program or apprenticeship
 - Career technical education program related to green building or design.Trainees must currently be participating, or within the last 12 months have participated, in an eligible program, unless they are a tenant of multifamily affordable housing.
- SOMAH incentive levels
 - Design factor and Expected Performance Based Buydown (EPBB) impacts on incentive levels: SOMAH incentive amounts are determined in part by



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the [EPBB calculator](#), last updated in November 2014. A system of identical characteristics in Southern California receives a substantially higher incentive than a system with the same exact characteristics in Northern California due to the “Geographic Correction” of the EPBB calculator. These “scores” currently have a 1:1 impact on incentive amounts, perpetuating lower levels of solar development in more northern areas of the state, and may specifically impact the ability of more tribes in northern areas to have financially-viable solar energy systems and benefit from the program. The SOMAH PA brought this issue to the AC in its Q3 2022 meeting and is investigating potential program changes. One alternative tool that could be used for PV design factor calculations is [NREL's PVWatts calculator](#), which is widely used in many other applications, including the SOMAH Program's fleet monitoring software.

Other Potential Barriers

- **Technical assistance:** While the primary purpose of technical assistance is to provide help in understanding SOMAH's benefits and preparing to navigate the program and its requirements, a common flaw of TA in general and the reason for under-utilization is that potential participants lack even the capacity to leverage TA in the first place. Participants are often focused on their core work instead. Evidence for this barrier was indirectly explored in SOMAH's first triennial third-party evaluation where it was found that property owners had varying rates of application pull-through or cancellation depending on the titles of staff responsible for the application, with responsible staff with titles including the word “sustainability”, such as “sustainability manager”, having higher success rates than other titles, like “asset manager.” As such, it appears that the further away one's core job duties are from navigating programs like SOMAH, or the broader their duties in general, the less likely they will be successful in navigating the program because they are more focused on their other duties. This may favor



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larger and more well-resourced organizations and imply that providing smaller or less well-resourced organizations or entities with resources to participate (for example, assigning a program navigator to provide intensive assistance or the equivalent of a planning grant) may increase their likelihood of successfully navigating the program, from Upfront TA to a successful installation.

- **Energy Efficiency Compliance Milestone Requirement:** Due to project location remoteness, energy audits can cost up to three times more for tribal groups. Moreover, tribal properties are often required to get approval via Tribal Councils or other entities, such as Environmental Departments, Housing Authorities, City Planning Departments, etc., before an energy audit can take place. This internal process can often extend well beyond SOMAH project deadlines.
- **Overall Financial Barriers:** Again, due to project location remoteness, tribal properties experience higher installation costs. This paired with a property owner's limited administrative resources may outweigh incentive benefits.

Acknowledgment

The SOMAH PA, AC, and JTO TF acknowledge that this memo is only a starting point. SOMAH's advisory bodies will continue collaborating with the PA and hold the program accountable for continuing to understand and address barriers to tribal participation.