



AGENDA REPORT SUMMARY

Meeting Date: September 6, 2022

Subject Environmental Commission Reach Code Recommendations

Prepared by: Los Altos Environmental Commission-Reach Code Subcommittee

Reviewed by: Jolie Houston, City Attorney
Gabriel Engeland, City Manager

Attachments:

1. Council Presentation from Environmental Commission-Reach Code Subcommittee
2. Code Details for Recommended Reach Code(s)
3. Reach Codes Survey Results
4. City of Los Altos Climate Action and Adaptation Plan

Initiated by:
City Council

Previous Council Consideration:

Reach Codes:

July 12, 2022, Study Session

November 10, 2020, Council adopted Current reach codes

Climate Action and Adaptation Plan (CAAP)

March 08, 2022, Council adopted current CAAP

Fiscal Impact:

There is no fiscal impact to the City for the creation of this report.

The City may incur costs if the City Council chooses to complete a cost analysis (recommended) to determine the financial impacts that will occur for residents, businesses, or property owners required to comply with new adopted ordinance(s).

Additional costs could be incurred during the building plan check process as city specific building code regulations will require specialized review from either in-house staff or third-party consultants. Should in-house building division staff be required to facilitate additional plan check

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Interim Finance Director

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review this could necessitate additional staffing resources to conduct the plan review or provide inspection services.

Environmental Review:

The adoption of an Ordinance that amends the California Green Building Standards Code is a project pursuant to the California Environmental Quality Act (Cal. Pub. Res. Code, § 21000 et seq.) (“CEQA”) and the State CEQA Guidelines (14 Cal. Code Regs. § 15000 et seq.) but is categorically exempt from CEQA under CEQA Guidelines, § 15061(b)(3), which exempts from CEQA any project where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Adoption of the proposed Ordinance would not be an activity with potential to cause significant adverse effect on the environment because the changes made to the California Green Building Standards Code within are enacted to provide more protection to the environment, and therefore is exempt from CEQA. It is also exempt from CEQA pursuant to CEQA Guidelines, § 15308 which exempts actions taken by regulatory agencies for the enhancement and protection of the environment. As such, the Ordinance is categorically exempt from CEQA, and none of the circumstances in CEQA Guidelines Section 15300.2 applies.

Policy Questions for Council Consideration:

- Does the City Council wish to direct staff to bring back Reach Code ordinance(s), and other relevant items, to adopt the model building and electric vehicle reach codes as recommended? If Council answers affirmatively,
 - Does the City Council also wish to complete a cost analysis based on the Reach Codes recommendations of the Environmental Commission to determine or quantify any fiscal impacts associated with Code Compliance?
 - Does the City Council also wish to refer the recommended Codes to the California Energy Commission (CEC) for comment?
 - Does the City Council also wish to affirm or re-adopt the current Reach Codes to continue after 12/31/2022? The State Codes will pre-empt local ordinances that are not adopted again after this date.

Summary:

On March 08, 2022 the City Council adopted the Climate Action and Adaptation Plan (CAAP). Among other goals, the CAAP aims to achieve an 85% reduction in GHG emissions from 2005 levels by 2030 and achieve Carbon Neutrality by 2035. These are bold but achievable objectives. The implementation of all proposed CAAP strategies and actions by each sector will allow us to meet these objectives. The Transportation and Energy sectors are the two largest sectors in which the greatest reductions are needed in order to achieve these goals.



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With regards to the energy sector, the CAAP notes: Los Altos is comprised of mostly residential buildings, therefore community and energy use reduction and use of renewable energy is especially important to reduce GHG emissions in this sector. Joining Silicon Valley Clean Energy in 2017 greatly reduced emissions from the energy sector, GHG emissions from non-SVCE customers and from the burning of methane gas in buildings remains a major problem. The strategies in this area address opportunities for residents and businesses to switch from non-renewable energy sources to renewable ones, accelerate electrification of buildings, conserve energy, and maximize energy efficiency.

The CAAP set goals around greenhouse gas reductions as follows:

- Switch from fossil fuels to clean renewable electrical energy in our buildings and residences (page 42, page 44-49)
- Reduce vehicle miles traveled (page 39)
- Electrify transportation (page 41)
- Increase walking, bicycling and shared transportation in our lives and work (page 38)

Additionally, the CAAP set goals for Electric Vehicle infrastructure as follows:

- Page 41: Goal 1.4 Reach 80% community-wide electric vehicle adoption by 2035
- Page 41: Goal 1.5 Accelerate community-wide electric vehicle supply equipment sufficient to support 80% EVs

The Environmental Commission Recommendations include the items listed below.

- Develop Reach Codes that Modify the 2022 CA Building Code for
 - Newly Constructed Buildings
 - And Changing the Definition of what is determined to be New Construction
 - Electric Vehicle Infrastructure
- Adopt Reach Codes for 1/1/2023 Effective Date

Purpose:

The Environmental Commission to provide a presentation to City Council with their recommendations for Reach Codes and to report on the feedback received from the public.

Background:

In November 2020, the City Council adopted four ordinances providing amendments to State Energy Code regulations collectively known as Reach Codes. These Reach Codes required newly



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constructed buildings to be all-electric (with certain exceptions) and contain infrastructure for electric vehicle charging.

In April 2022, the Environmental Commission formed the Reach Code Subcommittee with the intent of exploring additional Reach Codes. On June 6 and 8, 2022, the Environmental Commission conducted community workshops regarding potential new reach codes. The Environmental Commission further discussed Reach Codes at their June, July and August 2022 Commission meetings.

On July 12, 2022, the Reach Code Subcommittee provided an informational presentation to the City Council. At the conclusion of the meeting the Subcommittee was instructed to obtain public feedback and then provide a formal recommendation to the City Council for consideration.

On August 8, 2022, the Environmental Commission voted to recommend the City Council adopt new Reach Codes to be effective January 1, 2023.

On August 10, 2022, the Public Engagement Survey was released to obtain feedback regarding Reach Codes. Results of the survey were provided to the Reach Code Subcommittee on August 31, 2022.

Discussion/Analysis:

The Environmental Commission recommends that the City of Los Altos pursue adoption of the Bay Area Model Reach Code. The Model Reach Code effectively creates an all-electric requirement for all “Newly Constructed Buildings”. It is important to note that the Model Reach Code amends the definition of new construction by creation of a 50% modification threshold to foundation or framing. In practical terms this means that any building which proposes modification of 50% or more of the home would require the conversion to all electric.

At the July 12, 2022 City Council Study Session, the Environmental Commission-Reach Code Subcommittee provided an information presentation on Reach Codes. At that same meeting the City Council provided direction to seek meaningful engagement from the community by conducting outreach, and then return with a recommendation. The Environmental Commission considered Reach Code options at the August 8, 2022 meeting where it then voted on the recommendation before the council tonight. The community engagement survey (attachment 3) was released on August 10, 2022, and closed on August 30, 2022. Community input from the survey is available for the City Council to consider this evening.

In previous years the California Energy Commission (CEC) mandated the review of any Reach Codes that go above or beyond the California Energy Codes which had to be supported by a Cost



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Effectiveness Analysis. Recently the CEC has taken the position that Reach Codes are not energy conservation standards that require their approval. Throughout the industry it has been discussed that some jurisdictions are taking the safe approach to adopting local Reach Codes by following the previous standard process of preparation of a Cost Effectiveness Study, and submission to the CEC for review; this is previously what the City of Los Altos has done.

At the time of this report City Staff and the City Attorney have not been provided information regarding the cost effectiveness of the Bay Area Model Reach Codes.

Environmental Commission Recommendation:

The Environmental Commission recommends adoption of the model building and EV reach codes as outlined in the attached PowerPoint slides and detailed in the excel spreadsheet.

Staff Recommendation:

The recommendation of the Environmental Commission furthers key goals and benchmarks as identified in the City of Los Altos Climate Action and Adaptation Plan (Attachment 4).

If the City Council accepts the recommendation from the Environmental Commission:

Staff recommends the completion of a cost effectiveness study based on the recommendations of the Environmental Commission on Reach Codes to determine or quantify any fiscal impacts associated with Code Compliance.

Staff recommends the City Council refer the recommended Codes to the California Energy Commission (CEC) for comment.

Staff recommends the City Council affirm or re-adopt the current Reach Codes to continue after 12/31/2022, should the CEC review or cost effectiveness study not be completed by this date. The State Codes will pre-empt local ordinances that are not adopted again after this date.

Staff recommends the City Council direct staff to review what other peer and local agencies have adopted with regards to Reach Codes after the new State Codes take effect on 1/1/2023.