



Date: April 22, 2025

Honorable Mayor and Council Members:

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Title: **Existing Building Decarbonization Roadmap**

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**Recommended Action:** Adopt the Existing Building Decarbonization Roadmap.

**Discussion:** In May 2023, the Town Council adopted the Town's first Climate Action Plan (CAP) as part of the 2040 General Plan Update. One of the actions included in the CAP is CAP-7.H: Roadmap to Decarbonization. This calls for the Town to develop a policy roadmap to decarbonize existing buildings while supplementing costs and other burdens for vulnerable populations. This Existing Building Decarbonization Roadmap outlines strategies that the Town can implement to support the decarbonization of existing residential and commercial buildings.

On February 25, 2025, the Town held a Study Session on a draft of the Roadmap (see Attachment 1). The intent was to receive Council and community input, primarily on the following:

- The overall proposed approach to achieving building decarbonization
- The strategies included (or not included) in the Roadmap
- The general prioritization and phasing of the strategies
- Equity guidelines and other Roadmap components
- Any additional recommended steps before finalizing the Roadmap



Council provided feedback on the draft Roadmap and directed staff to develop a final Existing Building Decarbonization Roadmap for Town Council consideration, which is included as Attachment 2 to this report. Staff did not seek direction from Council at this stage on specific criteria to be included in any policy or program recommended in the Roadmap, as those would be determined if and when the Town Council directs staff to begin work on a given measure.

#### **Additional Stakeholder Engagement**

During the Study Session, Council recommended additional stakeholder engagement, particularly with the Contractors Association of Truckee Tahoe (CATT) and Visit Truckee Tahoe (VTT). Staff met with the Executive Director of CATT to review the draft Roadmap, hear any initial concerns or other feedback, and identify opportunities for the Town and CATT to collaborate on development of measures. Staff also attended a meeting of CATT's Local Government Affairs Committee (LGAC) to present the draft Roadmap, answer questions, and gather feedback on the proposed measures. CATT members reiterated a strong preference for voluntary building decarbonization and opposition to a regulatory approach, as well as a concern that some proposed measures could increase construction costs or inadvertently encourage unpermitted work. The discussion also highlighted many opportunities

for mutually beneficial collaboration on building decarbonization program development and the importance of leveraging the expertise of CATT members related to this topic.

Staff also met with VTT to discuss the Roadmap measures related to short-term rentals (STRs): the Building Decarbonization “Token” Program and Minimum Energy Performance Standards for STRs. Staff provided some additional detail about how these measures could be implemented and the anticipated timeline for implementation. VTT also discussed their experience in incentivizing sustainability measures for STRs through their EcoGreen STR Lodging Standards and provided some key takeaways and lessons learned that could help inform the Town’s approach to an incentive-based program. VTT recommends working with their stakeholder group to get feedback on proposed criteria for incentive-based measures such as the Building Decarbonization “Token” Program, to help ensure that any proposed requirements are achievable so that the program will receive sufficient participation.

VTT also outlined their current efforts to gather feedback from STR operators on the Town’s STR Ordinance, which could provide relevant information for the Town to consider if the ordinance is amended in the future to include minimum energy performance standards. VTT expressed some concern about the logistical challenges to adopting minimum energy performance requirements for STRs and emphasized the importance of addressing these constraints if these requirements are considered for STRs. Town staff will also be conducting assessments of the Town’s STR Ordinance every two years and expect that this process will provide valuable insight into the challenges and opportunities that could arise if the Town adopts building decarbonization requirements for STRs.

### Revisions to the Roadmap

Based on feedback from the Town Council study session, public comment, and additional stakeholder engagement, staff made several revisions to the Roadmap. These include the following general revisions:

- Added “Leading by example” as one of the key impact areas of the Town in the “Role of the Town” section on page 6.
- The Renewable and Zero-Carbon Energy section was updated with the recently released Power Content Label data for Liberty Utilities in 2023, which was not available at the time the draft Roadmap was presented to Council. This change can be found on pages 8-9 of the Roadmap.
- In the “Strategy Roadmap” section on page 59, added clarification about the building types each measure may apply to, particularly condos and mobile homes, and when those determinations would be made.
- Condensed the “Implementing the Roadmap” section on page 81 to focus on how the Roadmap measures will be incorporated into future workplans and how the Roadmap will be revised and updated.

Staff added two new measures to the Roadmap, which are both in the draft proposed FY 25/26-26/27 Council Priorities Workplan:

- **Home Hardening and Decarbonization Deed Restriction Program:** Develop a new local resident and workforce housing support program that will provide financial incentives to homeowners to place a deed restriction on their property and complete home hardening and/or building decarbonization measures.
- **Town Facility Decarbonization Retrofits:** To lead by example and support GHG emissions reduction in municipal operations, evaluate opportunities for building decarbonization retrofits of Town facilities.

Staff also made the following changes to the measures in the final Roadmap:

- **Building Decarbonization Targets:** added language related to setting additional interim energy consumption targets for 2035 and 2040 as outlined in Climate Action Plan measure CAP-7.A, and clarified that building decarbonization targets would be defined as part of a Climate Action Plan update rather than as a separate process.
- **Energy Resilience Plan:** clarified the different roles of utilities and the Town in supporting energy resilience and why utility-side resilience measures are insufficient to address some types of public safety outages.
- **Workforce Education & Training Program:** proposed expanding the topics covered by this training in addition to extending the existing training program to include Council direction on incorporating heat pump air conditioning into workforce education and training programs, as well as to reflect community and stakeholder input on the draft Roadmap on potential additional topics.
- **Showcase Local Electrification Projects:** changed timeframe from mid-term to short-term, added language about how this program could also be used to showcase the work of local contractors conducting building decarbonization upgrades, and highlighting the opportunity to work with community partners such as CATT to develop this program.
- **Increase Local Contractor Enrollment in State Rebate Programs:** highlighted the opportunity to partner with CATT to explore effective incentives to support contractor participation in state rebate programs.
- **Renewable Energy Mitigation Program:** clarified what types of outdoor energy uses are generally covered or not covered by these types of programs, provided detail about how the Town could determine which outdoor energy uses to include in this type of regulation, and added information about other important considerations such as the impact on construction costs and concerns about unpermitted work.
- **Time-of-Sale Requirements:** added detail about what types of energy use disclosure or assessments could be required and the benefits of this type of requirement for both potential home buyers and sellers.
- **Minimum Energy Performance Standards for STRs:** changed timeframe from long-term to mid-term based on Council and community feedback, provided examples of how energy performance standards could be developed for short-term rentals, and elaborated on the challenges to implementation of this type of policy in Truckee.
- **Flexible Pathway Reach Code:** added detail about the complications inherent in implementing this type of reach code, including concerns raised during community and stakeholder engagement.

Staff received feedback from the Town Council as well as public comment indicating an interest in implementing measures related to short-term rentals sooner than originally proposed. The Building Decarbonization “Token” Program, which would offer short-term rental “Tokens” as an incentive to encourage voluntary building decarbonization, was already identified as a short-term measure in the draft Roadmap and is proposed for inclusion in the FY 25/26-26/27 Council Priorities Workplan. Staff moved the other measure related to short-term rentals (STRs), Minimum Energy Performance Standards for STRs, into the mid-term timeframe, but do not believe it is feasible to implement in the short term due to logistical constraints. The primary constraint is the limited availability of local home energy assessors in the Truckee-Tahoe area, which would make it nearly impossible to complete an assessment for all 1,255 STRs within a reasonable timeframe. Given the challenges already experienced in completing fire safety inspections for STRs, staff do not recommend adopting an energy assessment requirement until these logistical constraints can be addressed, which is unlikely to be feasible in the short-term timeframe of 0-4 years. Staff will continue to evaluate opportunities to increase the number of trained home energy assessors to support the Roadmap measures that would rely on them for implementation.

Another reason staff does not recommend prioritizing development of this regulation is that measures applicable to primary homes are more impactful in reducing community-wide GHG emissions. Short-term rentals are a relatively small percentage of the overall residential housing stock (approximately 9% of residential units) and an even smaller percentage of residential energy use and GHG emissions because they are not occupied full time. Due to lower average occupancy, building decarbonization upgrades have less impact in short-term rentals compared to primary homes. On average, the same efficiency or electrical measure will have twice the GHG emissions reduction and three times the natural gas use reduction if implemented in a primary home instead of a short-term rental. Accordingly, staff recommend prioritizing measures that are applicable to primary homes before focusing on a measure that only applies to STRs, particularly one with high staff time needs.

### Next Steps

If Council approves these recommendations and adopts the Existing Building Decarbonization Roadmap, this will serve as an overall guiding document to prioritize programs and policies for inclusion in future Council Priorities Workplans. Using the Roadmap as a guide, staff will make recommendations about which measures to include as each 2-year Council Priorities Workplan is developed, taking staff capacity and budget impacts into consideration.

The Roadmap is intended to be an evolving document that is updated periodically in response to Climate Action Plan updates, changes in state or federal policy, updated direction from the Town Council, new technologies, or other factors. Two of the measures included in this Roadmap – the Equitable Funding Strategy and the Energy Resilience Plan – are expected to identify additional measures recommended for implementation.

Staff recommend continuing to work closely with community stakeholders including CATT, VTT, Sierra Community House, and local utilities throughout the process of developing and implementing measures included in the Roadmap and whenever the Roadmap is updated. The expertise of these community partners is especially important when specific policy and program criteria are being developed, to ensure that Roadmap measures support Truckee residents, businesses, and the local workforce to the greatest extent possible.

### Priority:

<input type="checkbox"/> Enhanced Communication	<input checked="" type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input type="checkbox"/> Core Service

**Fiscal Impact:** There is no direct fiscal impact from adopting the Existing Building Decarbonization Roadmap, as it does not commit the Town to implementing any or all of the measures recommended for further consideration. If the Town Council decides to move forward with consideration of any measure by including it in a Council Priorities Workplan, the associated costs and staff time for both development and implementation of the measure will be assessed at that time.

**Public Communication:** Agenda posting, social media posts, and emails sent to community members who signed up to receive updates about the Town's building decarbonization initiatives. Additionally, Town staff held meetings with the Contractors Association of Truckee-Tahoe and Visit Truckee Tahoe to discuss the draft Roadmap.

### Attachments:

1. Staff Report for February 25 Study Session, available at:  
<https://portal.laserfiche.com/Portal/DocView.aspx?id=59795979&repo=r-6a91ddbc>
2. Existing Building Decarbonization Roadmap