



## EAST PALO ALTO CITY COUNCIL STAFF REPORT

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**DATE:** March 3, 2026

**TO:** Honorable Mayor and Members of the City Council

**VIA:** Melvin Gaines, City Manager

**BY:** John D. Lê, City Attorney  
Donald Zhao, Interim Chief Building Official

**SUBJECT:** Ordinance Adopting 2026 California Building Standards Code, Adopting Reach Codes for Existing Buildings, and Ratifying Ordinance No. 59-2025 of the 2025 District Fire Prevention Code

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### **Recommendation**

1. Waive the first reading and introduce an ordinance to amend various sections and provisions of the East Palo Alto Municipal Code, including:
  - a. Chapters 15.04, 15.08, 15.10, 15.11, 15.12, 15.15, 15.16, 15.20, 15.25, 15.32, 15.58 to adopt by reference the 2025 California Building Standards Code, including the following 2025 California Codes and specified appendices: Administrative Code; Building Code volumes 1 and 11; Residential Code; Electrical Code; Mechanical Code; Plumbing Code; Energy Code; Historical Building Code; Existing Building Code; Green Building Standards Code; and Fire Code;
  - b. Chapter 15.58 to adopt and ratify local amendments set forth in Menlo Park Fire Protection District Ordinance No. 59-2025;
  - c. Chapter 15.32 pertaining to dangerous buildings;
  - d. Chapter 15.25 (Energy Code) of the East Palo Alto Municipal Code to incorporate local amendments herein referred to as Reach Codes, which mandate cost-effective building requirements, including increasing building efficiency and requiring electric readiness, with findings demonstrating local amendments are reasonably necessary; and
  - e. Make any necessary conforming amendments, as the Council deems necessary.



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2. Find that the proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15061(b)(3), 15308, and 15183.

### **Alignment with City Council Strategic Plan**

This recommendation is primarily aligned with:

Priority: Promote Housing, Economic and Workforce Development

Priority: Promote Health & Public Safety

### **Executive Summary**

Each local government is required to adopt new changes proposed by the State to the California Building Standards Code (the “Building Code”) every three years (known as code cycles). Adopting the current code cycle ensures the legal enforceability of updated safety, energy, fire, accessibility, and sustainability standards, and allows jurisdictions to implement state and local updates.

Additionally, the City is ratifying the Menlo Park Fire Protection District Ordinance, which includes significant updates in several areas:

- Requirements for battery energy storage systems including lithium-ion and lithium-metal batteries (EV charging/parking areas);
- Fire detection and alarm system standards (UL certification for new fire alarm systems);
- Updated wildfire safety provisions with the creation of a new California Wildland-Urban Interface Code (Part 7 of Title 24); and
- Revised occupancy-specific requirements for evacuation, emergency lighting, and two-way communication systems (in-building two-way emergency responder communication coverage systems (ERCES)).
- Other miscellaneous fire safety and hazardous materials requirements.

This update includes Reach Codes which are proposed for existing single-family and non-residential buildings. Most buildings that will exist in the coming decades are already built. By focusing on natural intervention points for adding efficiency or electrification, greenhouse gas emissions reductions can be ensured where residents and owners are already investing in their buildings. Reach codes are required to be both energy-saving and cost-effective, helping improve building quality, efficiency, and occupant comfort. In addition, these reach codes help residents prepare for future regulations by reducing long-term costs and burden. The reach codes are associated with work that is already being done and would not require the initiation of work solely for the purpose of implementing the reach codes. Table 1 provides a summary of the reach codes, where they apply, when they are triggered, and what the requirements are if triggered.



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**Table 1 Summary Table of Reach Codes**

| # | Reach Code         | Applicable Buildings    | Trigger                                                                  | Requirements                                                                       |
|---|--------------------|-------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 1 | Two-Way AC         | Existing Single Family  | When air conditioning is added or replaced.                              | Install a heat pump, or a like-for-like replacement with efficiency measures.      |
| 2 | Two-Way AC         | Existing Nonresidential | When single zone air conditioning is added or replaced.                  | Install a heat pump, or a like-for-like replacement with efficiency measures.      |
| 3 | FlexPath           | Existing Single Family  | During additions and/or alterations impacting 1,000 square feet or more. | Install selected energy efficiency measures, electrification measures or Solar PV. |
| 4 | Electric Readiness | Existing Single Family  | When permit applicants are completing a relevant alteration.             | Install electric readiness (e.g. outlets, circuits or conduit).                    |

\*New construction and existing multifamily buildings are not included at this time, although reach codes for these building types are expected to be available in Q3 2026.

### **Background**

#### **California Building Standards Code and Reach Codes**

Each local government is required by law to adopt new changes proposed by the State to the California Building Standards Code (the “Building Code”) every three years (known as code cycles). The last triennial Building Code amendment was on December 6, 2022<sup>1</sup> and that new code took effect January 1, 2023.

Consistent with the City’s climate goals, on March 21, 2023, the City Council unanimously adopted an ordinance amending Chapter 15.11 of the East Palo Alto Municipal Code to adopt local amendments to the 2022 edition of the California Green Building Code to adopt a “Reach” Code. This Reach Code was tied to the 2022 California Building Standards Code that was adopted in December 2022 by the City Council. The City Council had previously adopted Reach Codes on October 20, 2020<sup>2</sup> that were tied to the 2019 California Building Standards Code.

<sup>1</sup> December 6, 2022 City Council Meeting (Item 8.1):  
[https://eastpalalto.igm2.com/Citizens/Detail\\_Meeting.aspx?ID=1825](https://eastpalalto.igm2.com/Citizens/Detail_Meeting.aspx?ID=1825)

<sup>2</sup> October 20, 2020 City Council Meeting (Item 11.2):  
[https://eastpalalto.igm2.com/Citizens/Detail\\_Meeting.aspx?ID=1285](https://eastpalalto.igm2.com/Citizens/Detail_Meeting.aspx?ID=1285)



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Subsequently EPA amended the Reach Codes on March 21, 2023<sup>3</sup> and June 18, 2024<sup>4</sup>.

The most recent reach code adopted on June 18, 2024 was needed to bridge a gap and expired at the end of the current code cycle on December 31, 2025. The Bay Area Reach Codes partnership developed four existing building model reach code options for the 2025 code cycle, which is the cycle for the next three years. None of the reach codes prohibit the installation of gas infrastructure or gas equipment to ensure EPCA conformance.

In the intervening period, the California Legislature adopted and the governor signed Assembly Bill 130 (AB 130), which in part, restricts cities and counties from adopting local amendments to the California Building Standards Code applicable to residential units until June 1, 2031, with certain exceptions. The reach codes discussed in this report are within the exceptions provided in AB 130 and California Health and Safety Code Sections 17958.5, and 17958.7. Specifically, these reach codes are excepted from AB 130 because they “align with a general plan approved on or before June 10, 2025, and that permits mixed-fuel residential construction consistent with federal law while also incentivizing all-electric construction as part of an adopted greenhouse gas emissions reduction strategy.”

The modifications to the Energy Code included in this ordinance align with the City's General Plan, which was adopted on October 4, 2016. Specifically, the Plan calls for the implementation and regular updating of the City's Climate Action Plan (Policy POC-8.1), which in turn calls for the following subgoals:

- Setting a targeted decrease of GHG emissions by 15% from the 2005 baseline of 140,500 metric tons of CO<sub>2</sub>.
- Demands a greenhouse gas emissions reduction strategy (“reduce per capita greenhouse gas emissions by 55% below 2005 levels by 2030, with a goal of achieving carbon neutrality by 2045.”).
- Coordinate with BAAQMD proceeding on rules 9-4 and 9-6 (EW.2).
- Prioritize the selection of green building design features that enhance the reduction of greenhouse gas emissions.

Thus, the purpose of this staff report is to initiate the public hearing process on February 24, 2026, and to introduce and waive the first reading of the draft ordinance adopting the code revisions. Staff have provided notice of the public hearing and if approved, the City Council will consider the second reading and adoption of the ordinance during the next available meeting in March. The 2025 California Building Standards Code took effect on January 1, 2026. Upon adoption, this ordinance – which incorporates the State codes by reference along with local Reach Code amendments and Fire Code ratification – will take effect upon the filing of the CEC-approved code amendments with the Building Standards Commission.

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<sup>3</sup> March 21, 2023 City Council Meeting (Item 3.3):

[https://eastpalalto.igmp2.com/Citizens/Detail\\_Meeting.aspx?ID=1962](https://eastpalalto.igmp2.com/Citizens/Detail_Meeting.aspx?ID=1962)

<sup>4</sup> June 18, 2024 City Council Meeting (Item 3.3):

<https://d3n9y02raazwpg.cloudfront.net/cityofepa/483462f6-d802-11ee-98bb-0050569183fa-3408cd31-ecd7-4429-9d91-65986d552499-1718238341.pdf>



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### **Analysis**

During this code cycle, City staff recommend local amendments to the codes, as follows:

- 1) adopting the 2025 California Building Standards Code without local amendments, except as noted below;
- 2) adopting new existing building Reach Code amendments;
- 3) carrying forward provisions for streamlined review of small residential rooftop solar energy systems without modifications (see below discussion of EVCS and Solar Permitting).

As part of this code adoption process, staff also proposes revision of the previously adopted Uniform Code for the Abatement of Dangerous Buildings to reflect the correct year of the most recent adoption of that code.

### **Small Residential Rooftop Solar Review Process**

The City previously adopted provisions for a streamlined review process for small residential rooftop solar energy systems under Section 15.12.020 of the Municipal Code, in compliance with state law (e.g., AB 970 and AB 1414). Staff recommends carrying forward this section without modifications as part of the 2025 Electrical Code adoption to continue promoting renewable energy adoption.

### **Highlights of Significant Changes to 2025 Building Standards Code**

Notable amendments to the Building Standards Code required due to State mandates (not Reach Codes) include:

- **Building Code Update.** 2025 California Building Code, based on the 2024 International Building Code, includes revised seismic design criteria aligned with ASCE 7-22 standards, enhanced accessibility provisions for multifamily and public buildings, updated energy efficiency requirements integrating electrification and renewable energy systems, and new mechanical ventilation and air quality standards.
- **Fire Code Update.** The 2025 California Fire Code, based on the 2024 International Fire Code, includes significant updates in several areas: comprehensive requirements for battery energy storage systems including lithium-ion and lithium-metal batteries; enhanced fire detection and alarm system standards; updated wildfire safety provisions with the creation of a new California Wildland-Urban Interface Code (Part 7 of Title 24); and revised occupancy-specific requirements for evacuation, emergency lighting, and two-way communication systems.

### **Reach Codes Update**

As mentioned, the City adopted Reach Codes in 2020, amended them in 2023 and 2024 to maintain higher standards over the State's CALGreen and Energy Code for building's energy



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performance and reducing emissions. The 2025 State Codes have further elevated minimum requirements for building electrification and efficiency to support the State's decarbonization pathway.

To maintain the City's leadership in promoting clean energy and decarbonization while complying with AB 130 restrictions on new local amendments after October 1, 2025, new reach codes for existing single family and nonresidential buildings are proposed below.

These reach codes do not require whole home electrification, nor do they necessitate a property owner to initiate a project for the sole purpose of meeting the reach code requirements. The reach codes piggyback off of specific project opportunities to encourage building electrification and energy efficiency when work is already voluntarily being completed. Planning for major renovations and cooling upgrades involves planning for the financing and assembling a contractor team prepared to go through this change. These are major investments and are the ideal time to consider additional measures that benefit the environment and living spaces through improved comfort, health, and safety.

This section of the report includes an overview of proposed reach code requirements and cost impacts. State law requires that local amendments to the Energy Code be both energy-saving and cost-effective relative to the base codes. To make these findings, the City relies on cost-effectiveness studies provided by the California Energy Codes and Standards Statewide Utility Program working group, which include the technical basis to justify higher standards. The cost-effectiveness studies are lengthy technical documents that include energy modeling and utility rate analysis to demonstrate life cycle system cost-effectiveness. Cost impacts are briefly summarized below and a link to the cost-effectiveness analysis is also provided. It should be noted that all the reach codes associated with work that is already being done on existing buildings and would not require the initiation of work solely for the purpose of implementing the reach codes.

### ***REACH CODE #1: TWO-WAY AC FOR SINGLE FAMILY HOMES***

When a property owner opts to install a new or replacement air conditioner unit in a single-family home, they may choose between a conventional air conditioner or a heat pump. If the property owner chooses the former, this reach code would require additional requirements to ensure the City meets its energy goals as set forth in its Climate Action Plan and General Plan, including new energy standards for the new and replacement air conditioning installations. New heat pump installations for space cooling would need to maintain state minimum requirements. The more stringent energy standards are related to attic insulation, duct insulation, air sealing, fan efficacy, and refrigerant charge verification. This reach code would not apply to gas furnace replacements or repairs.

The reach code policy would ensure that property owners consider a heat pump at the time of air conditioning installation. This is an important future proofing opportunity because in 2029 the Bay Area Air District Rule 9-4 will require zero NOx equipment for all furnace replacements. If property owners miss the opportunity to install a heat pump now, it may be more costly and burdensome to transition to a heat pump when Air District rules are in effect.



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Heat pumps and electric equipment significantly reduce greenhouse gas emissions as compared to gas equipment. Heat pumps are far more efficient than gas furnaces (and electric resistance heat). Additionally, East Palo Alto residents receive electricity from Peninsula Clean Energy (PCE), which provides 100% clean energy, meaning electricity usage contributes very little to greenhouse gas emissions.

Detailed life cycle system cost analysis can be found in the [2025 Cost-Effectiveness Study: Single Family AC to Heat Pump Replacement](#)<sup>5</sup>. To summarize, there is an upfront cost difference between heat pump and air conditioner installation. The cost-effectiveness study, review of California TECH rebate data, and PCE's recent research shows that the installation of a heat pump on average costs between \$12,400 and \$14,700 and the installation of an air conditioner on average costs between \$10,400 to \$12,500. Note, East Palo Alto homeowners are eligible for a \$1,500 rebate for heat pump systems and \$10,000 zero percent interest loan from PCE. While there could be a small up-front installation cost difference, the heat pump saves over \$10,000 over 30 years due to on-bill savings compared to an air conditioner.

If a homeowner is a CARE or FERA customer, then they are eligible for additional PCE rebate of \$1,000 for a heat pump. If a homeowner is below 80% median income, they are eligible for [Peninsula Clean Energy's Full Service Program](#)<sup>6</sup>, which offers no-cost electrification upgrades; including heat pump space heaters, heat pump water heaters, and whole-home electrification. This reach code has been adopted by Palo Alto, Menlo Park, Mountain View and Sunnyvale and more Bay Area cities are currently exploring adoption of this reach code approach.

### **REACH CODE #2: TWO-WAY AC FOR NONRESIDENTIAL BUILDINGS**

When a property owner opts to install a new or replacement air conditioner unit between 5 and 20 tons in a nonresidential building, this reach code would require more stringent energy standards for the air conditioner system installation and maintain state minimum requirements for heat pump installations for space cooling. Property owners can either install a single zone heat pump or a single zone air conditioner system with a furnace plus a heat recovery ventilator.

Detailed life cycle system cost analysis can be found in the [2025 Nonresidential Alterations: Reach Code Study](#)<sup>7</sup>. Considering a range of building types of different ages, the single zone air conditioner pathway costs an average of \$86,600. The single zone heat pump pathway costs an average of \$85,500. Santa Cruz has adopted this reach code with more cities expected to follow, as the model reach code and cost-effectiveness study for this reach code was recently made available.

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<sup>5</sup> 2025 Cost-Effectiveness Study: Single Family AC to Heat Pump Replacement:

[https://localenergycodes.com/download/2034/file\\_path/fieldList/2025%20Single%20Family%20AC%20to%20HP%20Cost-eff%20Study.pdf](https://localenergycodes.com/download/2034/file_path/fieldList/2025%20Single%20Family%20AC%20to%20HP%20Cost-eff%20Study.pdf)

<sup>6</sup> Peninsula Clean Energy's Full Service Program:

<https://www.peninsulacleanenergy.com/residential/home-upgrade-services/full-service-home-electrification/>

<sup>7</sup> 2025 Nonresidential Alterations: Reach Code Study:

[https://localenergycodes.com/download/2049/file\\_path/fieldList/2025%20NR%20Alterations%20CostEff%20Report.pdf](https://localenergycodes.com/download/2049/file_path/fieldList/2025%20NR%20Alterations%20CostEff%20Report.pdf)



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### **REACH CODE #3: FLEXPATH FOR SINGLE FAMILY HOMES**

When a property opts to do a major single family home renovation impacting 1,000 square feet or more, this reach code would require the project to incorporate energy efficiency measures or electrification upgrades selected from a menu to achieve a target score. This reach code is named “FlexPath” because of the flexible nature of the policy. The types of projects that would be applicable to the FlexPath would be elective major residential addition/renovation projects that may include plumbing, electrical and appliance or fixture upgrades. Applicants of these types of projects typically already have an architect, engineer, and energy code compliance expert on their design team who could help facilitate compliance with the FlexPath reach code. This reach code would not apply to routine repairs and maintenance, hazard mitigation, roof or windows projects, or ADUs. The ordinance language would also include economic hardship and technical infeasibility exceptions. Project applicants would receive points for measures that were already installed prior to the project.

Qualifying projects would be required to complete any combination of energy-related measures from the menu of measures, to reach a point value of 12 or higher. Point values reflect energy savings, determined by the Single-Family Cost-Effectiveness Study analysis:

#### ***FlexPath Menu of Measures***

| Measure                       | Point Value |
|-------------------------------|-------------|
| Induction Cooktop             | 1           |
| Heat Pump Clothes Dryer       | 1           |
| Water Heating Package         | 2           |
| Air Sealing                   | 2           |
| Duct Sealing                  | 3           |
| R-49 Attic Insulation         | 4           |
| Windows                       | 4           |
| R-15 Wall Insulation          | 5           |
| New Ducts + Duct Sealing      | 6           |
| R-19 Floor Insulation         | 9           |
| R-30 Floor Insulation         | 10          |
| Heat Pump Water Heater        | 12          |
| Solar PV + Electric Readiness | 13          |
| Heat Pump Space Conditioner   | 18          |

A threshold of 1,000 square feet is selected to align with Palo Alto’s FlexPath ordinance, which applies to renovations of 1,000 square feet and greater and projects are required to achieve a target score of 12 points. The City of San Mateo is also bringing a FlexPath ordinance to Council in February 2026 with these parameters. Permit data review shows that setting the threshold at 1,000 square feet and greater would capture approximately 2-5 permits per year. Lowering the square footage threshold results in capturing a greater number of projects.



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The following describes an example project:

- A property owner is adding a second story to their home, adding 1,000 square feet of living space with two bedrooms and a bathroom.
- Construction is estimated to at ~\$500,000 (At \$500/square foot, this is a conservative estimate).
- To meet a target score of 12, the project includes a heat pump water heater (12 points), which costs an estimated \$8,200 or roughly 2% of total project costs.

There is a parallel efficiency pathway that can be met using different combinations of insulation, air sealing, and window measures. The costs of the efficiency measures range from 4-7% of the project cost. Some of these measures may already be included in the project scope due to the scale of projects impacted by this reach code. Detailed cost information can be found in the [2022 Cost-Effectiveness Existing Study: Single Family Building Upgrades](#)<sup>8</sup> and the [Application of the 2022 Studies to 2025 Energy Code](#)<sup>9</sup>. More than 10 jurisdictions in California have adopted similar reach codes, including Palo Alto and Menlo Park.

### **REACH CODE #4: ELECTRIC-READINESS FOR SINGLE FAMILY HOMES**

The 2025 California Energy Code requires the construction of new mixed-fuel single family buildings to include “electric ready” components, including electric outlets near natural gas appliances (clothes dryers, cooktops, furnaces, and water heaters) and reserved and labeled breakers in the electrical panel for future electric appliances. However, the current code does not require electric-ready components for renovations, remodels, and additions. The proposed policy would require installation of electric-ready components when electrical work that requires a permit is performed near existing gas equipment. These requirements include:

- **Gas Range and Gas Clothes Dryer** - Installing wiring capable of serving an electric appliance and reserving electrical breaker space for future electric appliance(s).
- **Gas Water Heater** - Installing wiring capable of serving an electric appliance, a pathway for a condensate drain, and reserving physical space reserved for a future heat pump water heater.
- **Gas Line Extensions for Outdoor Gas Appliances** - Installing electrical conduit in trenches and reserving physical space and electrical breaker space for future electric appliance(s).

Typical electric infrastructure costs include reserving breaker space (\$0-\$50), and running a new dedicated circuit, or conduit (up to \$1,000 per appliance). Intervening at this point, when electric work is already happening at or near the appliance, saves residents time and money as compared to needing to add that electric infrastructure separately in the future. The policy will prepare homes for compliance with Bay Area Air District’s Rules 9-4 and 9-6, which limit

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<sup>8</sup> 2022 Cost-Effectiveness Existing Study: Single Family Building Upgrades:

[https://localenergycodes.com/download/1222/file\\_path/fieldList/Single%20Family%20Retrofits%20CostEff%20Report.pdf](https://localenergycodes.com/download/1222/file_path/fieldList/Single%20Family%20Retrofits%20CostEff%20Report.pdf)

<sup>9</sup> 2022 Cost-Effectiveness Existing Study: Single Family Building Upgrades and the Application of the 2022 Studies to 2025 Energy Code:

[https://localenergycodes.com/download/2081/file\\_path/fieldList/2022+to+2025+FlexPath+Memo.pdf](https://localenergycodes.com/download/2081/file_path/fieldList/2022+to+2025+FlexPath+Memo.pdf)



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the sale of natural gas-fueled building appliances. Menlo Park, Mountain View, Sunnyvale, and others have adopted similar electric-readiness reach codes.

### **Summary: Applicability and Next Steps**

If adopted tonight, staff will return to the City Council on March 3, 2026 for the second reading and final adoption. In general ordinances ordinarily will become effective 30 days after adoption, but this ordinance approving local amendments are effective upon Building Standards Commission and CEC approval and filing with the Secretary of State. In particular there are next steps for each part of the code:

- **For the Building Code:** The 2025 California Building Standards Code took effect statewide on January 1, 2026. The City is adopting the state codes by reference with local amendments to adopt the Reach Codes and other local amendments.
- **For the Fire Code:** The City is ratifying Menlo Park Fire Protection District Ordinance No. 59-2025 for the Fire Code. No additional steps are required beyond the second reading.
- **For the Reach Codes:** The proposed reach code ordinance applies to existing single-family and nonresidential (commercial) buildings. Local amendments to efficiency or conservation standards require approval by the California Energy Commission (CEC). Staff will file the required documentation with the CEC following adoption.

### **Fiscal Impact**

There is no fiscal impact with the items described in this staff report.

### **Public Notice**

The public was provided notice of this agenda item by posting the City Council agenda on the City's official bulletin board outside City Hall and making the agenda and report available at the City's website and at the San Mateo County Library located at 2415 University Avenue, East Palo Alto. The public also was provided notice of this agenda item by notice published in the San Mateo Daily Journal on February 14, 2026.

### **Environmental**

This action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) in that the standards set forth in the ordinance are more protective of the environment than the California Energy Code standards, and there is no possibility that the activity in question may have a significant effect on the environment. As a separate and independent basis, this action is exempt from CEQA pursuant to CEQA Guidelines section 15308 in that the standards set forth in the ordinance assure the maintenance, restoration, enhancement or protection of natural resources and the environment. In addition, CEQA Guidelines section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning) applies to the project in that the standards set forth in the Ordinance are consistent with the General Plan and the Climate Action Plan.



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### **Government Code § 84308**

**Applicability of Levine Act:** No, as the proposed action does not entail an entitlement.

**Analysis of Levine Act Compliance:** Not applicable.

### **Attachments**

- A. Ordinance - East Palo Alto 2025 Building Code Update (Amendments noted in Blue)
- B. Ordinance - Menlo Park Fire District Fire Prevention Code 56-2025 (Amendments noted in Red)
- C. Ordinance – Reach Code Local Amendments (Amendments noted in Purple)