



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 6

Section Name: PUBLIC HEARING

Account Number: 10-1311

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TO: City Council
FROM: Alex Khojikian, City Manager
PREPARED BY: City Manager's Office
MEETING DATE: March 2, 2026
SUBJECT:
Reach Codes for the 2025 Code Cycle — Ordinance Introduction

RECOMMENDATION:

Introduce an Ordinance to amend San Mateo Municipal Code Chapter 23.24 "Energy Code" to require energy conservation measures for air conditioner alterations, replacements and installations in single family homes, duplexes and townhomes; energy conservation measures for heating, ventilation and air conditioner replacements and installations in nonresidential buildings; and increased efficiency and electric readiness requirements for additions and alterations to single family homes, duplexes, and townhomes; and adopt a Resolution making findings that the proposed changes or modifications are reasonably necessary due to local climatic, geographical, or topographical conditions.

BACKGROUND:

Every three years, California updates its Building Standards Code, known as Title 24, to incorporate the latest technology, best practices, and policy goals for safe, efficient, and sustainable buildings. Title 24 includes requirements for building safety, energy efficiency, and green building practices. The California Energy Code establishes minimum energy efficiency standards, such as for insulation, heating and cooling systems, lighting, and solar. The City of San Mateo updates its building codes every three years in alignment with the state's code cycle and often adopts local amendments that exceed the state's minimum requirements, particularly as related to energy efficiency and green building ("reach code" or "reach codes"). In 2015, San Mateo established its first reach code, and since then has regularly explored and adopted reach codes to meet the City's Climate Action Plan greenhouse gas emission reduction targets.

Peninsula Clean Energy (PCE) is a joint powers agency established in 2016 to provide clean electricity in San Mateo County. PCE supports jurisdictions in the adoption of reach codes to advance local and regional climate goals. Through the Bay Area Reach Codes effort, PCE, in partnership with Silicon Valley Clean Energy (SVCE), provides model Ordinances and technical support to city staff. The Bay Area Reach Codes team developed model Ordinances for the following four reach code options:

- 1) Cooling upgrade requirements for single family homes, duplexes and townhomes
- 2) Cooling upgrade requirements for non-residential buildings
- 3) FlexPath for single family homes, duplexes and townhomes
- 4) Electric-readiness requirements for single family homes, duplexes and townhomes

At the November 3, 2025 City Council meeting, staff reviewed these four reach code options in detail including cost-effectiveness analysis, estimated greenhouse gas emission reductions, potential impacted number of permits per year, and other cities with similar reach codes. The report also summarized the broad outreach and engagement conducted, which included community and contractor meetings, and posting flyers in the libraries and recreation centers as well as through the City's online social media channels and eNews. Staff also shared feedback from the October 8, 2025 Sustainability and Infrastructure Commission meeting. At the November 3, 2025 City Council meeting, City Council directed staff to develop

an Ordinance that includes all four reach code options. For Reach Code Option 3 FlexPath, City Council specified that the projects covered should be defined as additions and alterations of 1,000 square feet or more and that the target score should be 12.

PROPOSED ORDINANCE

The Ordinance does not require whole home electrification, nor does the Ordinance necessitate a property owner to initiate a project for the sole purpose of meeting the reach code requirements. In contrast to the Electrify San Mateo Sustainable Building Strategy effort that reviewed broad policy areas to electrify existing buildings and whole home electrification costs, the Ordinance requirements hone in on specific project opportunities to encourage building electrification and energy efficiency when work is already voluntarily being completed. The following summarizes key components of the Ordinance:

- **Cooling upgrade requirements for single family homes, duplexes and townhomes:** When a property owner opts to install a new or replacement air conditioner unit in a single family home, duplex or townhome, the proposed Ordinance requires more stringent energy standards for the new and replacement air conditioning installations and maintains state minimum requirements for new heat pump installations. The more stringent energy standards are related to attic insulation, duct insulation, air sealing, fan efficacy, and refrigerant charge verification. Ordinance requirements do not apply to gas furnace replacements or repairs.
- **Cooling upgrade requirements for non-residential buildings:** When a property owner opts to install a new or replacement air conditioner unit between 5 and 20 tons in a nonresidential building, the proposed Ordinance requires more stringent energy standards for the air conditioner system installation and maintains state minimum requirements for heat pump installations. 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.
- **FlexPath for single family homes, duplexes and townhomes:** When a property opts to do an addition or alteration of 1,000 square feet or more in a single family home, duplex or townhome, the proposed Ordinance requires the project to incorporate energy efficiency measures or electrification upgrades selected from a menu to achieve a target score of 12. The types of projects that would be applicable to the FlexPath are elective major residential addition/renovation projects that may include plumbing, electrical and mechanical 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 includes economic hardship and technical infeasibility exceptions.
- **Electric-readiness requirements for single family homes, duplexes and townhomes:** The proposed Ordinance requires specific additions and alterations to include electric readiness as part of their project, such as when conducting electrical work within three feet of an existing appliance. The requirements are focused on pre-wiring for gas cooking, water heating, clothes drying and outdoor appliances to reduce future retrofit costs.

COST EFFECTIVENESS

The California Energy Commission (CEC) requires any local amendments to the Energy Code that affect energy use in regulated buildings to be cost effective and use less than the standard requirements. In support of reach code development, the California Energy Codes and Standards Statewide utility Program, which includes the State's Investor Owned Utilities (PG&E, SDG&E, and SCE, under the auspices of the California Public Utilities Commission) developed and published the following studies:

- [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)¹
- [2025 Nonresidential Alterations: Reach Code Study](https://localenergycodes.com/download/2049/file_path/fieldList/2025%20NR%20Alterations%20CostEff%20Report.pdf)²

¹ https://localenergycodes.com/download/2034/file_path/fieldList/2025%20Single%20Family%20AC%20to%20HP%20Cost-eff%20Study.pdf

² https://localenergycodes.com/download/2049/file_path/fieldList/2025%20NR%20Alterations%20CostEff%20Report.pdf

- [2022 Cost-Effectiveness Study: Existing Single Family Building Upgrades](#)⁵
- [Application of the 2022 Studies to 2025 Energy Code: Existing Single Family Building Upgrades](#)⁶

These studies are highly detailed and support the findings required for CEC approval. These studies are available at the referenced weblinks and also attached to this agenda report for convenience.

PROPOSED RESOLUTION

California Health and Safety Code Sections 17922, 17958, 17958.5, 17958.7, and 18941.5 authorizes the City to make local amendments to the California Energy Code based upon express findings that the changes or modifications are reasonably necessary due to local climatic, geographical, or topographical conditions. Furthermore, local jurisdictions have the authority to adopt local reach codes that exceed the minimum standards defined by Title 24 as established by Public Resources Code Section 25402.1(h)2 and Section 10-106 of the Building Energy Efficiency Standards, provided the City Council finds that the requirements of the proposed Ordinance are cost-effective and do not result in buildings consuming more energy than is permitted by Title 24.

The proposed resolution makes the express findings required. Note, California Assembly Bill 130 (AB 130) 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 proposed Ordinance is within an exception provided in AB 130 and California Health and Safety Code Sections 17958.5, and 17958.7. Specifically, the proposed Ordinance is excepted from AB 130 because these proposed requirements align with City's general plan approved on or before June 10, 2025, and 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. On March 18, 2024, the City adopted the City's General Plan as well as an updated Climate Action Plan. The proposed Ordinance requirements align with policies and actions included in the General Plan Land Use Element including, "**Policy LU-10.2 Decarbonized Building Stock.** Eliminate the use of fossil fuels as an energy source in all new building construction and reduce the use of fossil fuels as an energy source in the existing building stock at the time of building alteration through requirements for all-electric construction." and "**Action LU 10.8 Building Decarbonization.** Evaluate and adopt reach codes and other policies to decarbonize the building stock." The City's Climate Action Plan serves as the City's qualified greenhouse gas emissions reduction strategy which also identifies building decarbonization, energy performance and reach codes as a key actions to achieving climate goals.

NEXT STEPS

After Ordinance introduction and adoption, reach codes need to be filed and approved by the California Energy Commission (CEC) and filed and accepted by the Building Standards Commission (BSC) before they can be enforced. CEC approval can take roughly four months. Once the reach codes are in effect, staff will monitor and evaluate reach code implementation and provide a report during the annual Climate Action Plan progress report to City Council which typically occurs in May or June of each year. To educate the community about these new regulations, reach code information will be available on the City's reach codes web page, posted on the City's Customer Self-Service Online Permit Portal, and included in various checklists, guidelines and forms that help contractors and community members navigate the City's permitting process.

Reach codes for new construction cannot be evaluated at this time because cost-effectiveness studies are not yet available. Cost-effective studies are anticipated for Spring 2026. Staff will return to the Sustainability and Infrastructure Commission and City Council when these studies and model reach codes are made available.

Staff recommends City Council introduction of the proposed Ordinance and adoption of the proposed Resolution.

BUDGET IMPACT:

There is no budget impact.

⁵ https://localenergycodes.com/download/1222/file_path/fieldList/Single%20Family%20Retrofits%20CostEff%20Report.pdf

⁶ https://localenergycodes.com/download/2081/file_path/fieldList/2022+to+2025+FlexPath+Memo.pdf

ENVIRONMENTAL DETERMINATION:

This action to adopt reach codes and amend the Energy Code is categorically exempt from CEQA as an action by a regulatory agency for the protection of the environment, because reach codes are intended to reduce greenhouse gas emissions. (CEQA Guidelines Section 15308.)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 – Proposed Ordinance

Att 2 – Proposed Ordinance - Tracked Changes

Att 3 – Proposed Resolution

Att 4 – 2025 Cost-Effectiveness Study: Single Family AC to Heat Pump Replacement

Att 5 – 2025 Nonresidential Alterations: Reach Code Study

Att 6 – 2022 Cost-Effectiveness Study: Existing Single Family Building Upgrades

Att 7 – Application of the 2022 Studies to 2025 Energy Code

Att 8 – Public Comment

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