



STAFF REPORT

SAUSALITO CITY COUNCIL

MEETING DATE: April 7, 2026

AGENDA TITLE: Introduction and Waiver of First Reading of Ordinance No. 05-2026, an Ordinance of the Sausalito City Council Amending Sausalito Municipal Code Section 8.02.070 to Adopt Energy Reach Code Requirements for Single Family Building Remodels, Amending Sausalito Municipal Code Section 8.02.120 to Adopt CALGreen Tier 1 Voluntary Measures, and Enacting Sausalito Municipal Code Chapter 8.04 (Low Carbon Concrete Standards)

LEAD DEPARTMENT: Administration and City Attorney

RECOMMENDED MOTION: Introduce and waive the first reading of Ordinance No. 05-2026, an Ordinance of the Sausalito City Council Amending Sausalito Municipal Code Section 8.02.070 to Adopt Energy Reach Code Requirements for Single Family Building Remodels, Amending Sausalito Municipal Code Section 8.02.120 to Adopt CALGreen Tier 1 Voluntary Measures, and Enacting Sausalito Municipal Code Chapter 8.04 (Low Carbon Concrete Standards)

BACKGROUND

Every three years, the State of California updates its building codes, and the California jurisdictions must in turn adopt them. State law (Health & Safety Code, §§ 17958 & 17958.7) authorizes jurisdictions to adopt local amendments to the state codes that are more restrictive, provided required findings are made, called Tier 1 Voluntary Measures. Amendments to the State Code must be reasonably necessary to address local climatic, geologic, or topographic conditions. Additionally, more restrictive energy conservation or energy-insulation standards (often referred to as "reach codes") can be adopted under Public Resources section 25402.1(h)(2), which allows those kinds of local amendments as long as they are determined to be cost-effective by both the local jurisdiction and the California Energy Commission. Amendments related to administrative procedures do not require explicit findings.

At the October 25, 2022, City Council hearing of the 2022 building codes, the Sausalito Sustainability Commission advocated for the adoption of the 2022 CALGreen Tier 1 Voluntary Measures, to reduce greenhouse gas emissions, fulfill measures identified in the 2021 General Plan and the 2015 Climate Action Plan, and mimic Tier 1 Voluntary Measures adopted by six other Marin County jurisdictions. At the time, the City Council chose not to adopt Tier 1 voluntary measures. Since then, the Sausalito Sustainability

Commission has advocated for the adoption of the 2025 CALGreen Tier 1 voluntary measures, as well as a flexible compliance pathway for single family remodel compliance, and Marin County's Low Carbon Concrete standards.

On October 21, 2025, the Sausalito City Council introduced Ordinance No. 09-2025 repealing the 2022 California Building Standards Code and Penalty Provisions (Sausalito Municipal Code Chapters 8.02, 8.04, 8.08, 8.10, 8.12, 8.16, 8.18, 8.22, 8.28) and enacted the 2025 California Building Standards Code and local amendments thereto into the Sausalito Municipal Code Chapter 8.02 (Building Standards Code).

This ordinance is a follow-up which would adopt the CALGreen Tier 1 voluntary measures as mandatory measures for both residential and non-residential projects over a specified size, require covered single family remodel projects also include energy efficiency measures over based on a flexible menu of options, and adopt low carbon concrete standards for all projects subject to CALGreen.

At the November 4, 2025 City Council meeting, the City Council introduced and waived the first reading of Ordinance No. 11-2025 in a vote 3-1. Following this meeting, City staff became aware that an additional cost effectiveness study was required to adopt the Energy Efficiency Measures in CALGreen Tier 1 (Division A4.2). Consequently, the City could not have a second reading of Ordinance No. 11-2025. Since then, City staff have been advised that multiple Marin County jurisdictions (Marin County, Fairfax and Tiburon) have modified CALGreen Tier 1 to exclude the Energy Efficiency Measures (Division A4.2) as they do not offer significant greenhouse gas emission reductions. The proposed ordinance tonight remains the same ordinance that was introduced on November 4, 2025, however excludes the Energy Efficiency Measures (Division A4.2).

DISCUSSION

In early 2025 the State passed AB 130 which implements a freeze on state and local building code updates for nearly six years, subject to limited exceptions. Effective October 1, 2025, through June 1, 2031, cities can no longer make changes to building codes that affect residential units, unless one of the following also applies:

1. The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025.
2. The commission deems those changes or modifications necessary as emergency standards to protect health and safety.
3. The changes or modifications relate to home hardening.
4. The building standards relate to home hardening and are proposed for adoption by a fire protection district pursuant to Section 13869.7.
5. The changes or modifications are necessary to implement a local code amendment that is adopted to 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.

Importantly, these new restrictions under AB 130 do not restrict an agency's ability to adopt local amendments that solely affect non-residential construction. Note that all electric construction was effectively prohibited by the Ninth Circuit decision in *California Restaurant Assn v. City of Berkeley* finding that such requirements effectively violate the federal Energy Policy and Conservation Act.

The City of Sausalito's adoption of CALGreen Tier 1 Voluntary Measures is allowed under exemption for "local code amendment[s]... adopted to 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." Our Sustainability Element of the General Plan adopted on February 9, 2021, calls out the need for further reduction of greenhouse gases through the adoption of voluntary measures while also incentivizing all-electric construction as part of an adopted greenhouse gas reduction strategy. The 2025 Tier 1 Voluntary Measures include: EV-ready wiring for single-family homes, electric vehicle supply equipment requirements for multifamily and non-residential buildings, embodied carbon compliance for large projects, bicycle parking at multifamily and non-residential properties, and heat pump and photovoltaic baselines in the energy code.

Single Family Remodel Code

The Single Family Remodel Code, sometimes called "Flex Path", requires projects to achieve a target score by selecting from a menu of energy efficiency and electrification measures, giving builders and homeowners flexibility to implement measures that best suit their project.

This proposed energy reach code would require that additions and alterations which equal or exceed 500 square feet of floor area in single family homes satisfy the following items as part of the proposed project:

1. Illustrate that the home includes energy and electrification measures by achieving a target energy score of 6 points based on Climate Zone 3 in which Sausalito is a part of. The code provides a list of energy efficiency and electrification measures that homeowners may select from to meet the target energy score. The measure options include improvements such as increasing attic and water heater insulation, replacing gas appliances with electric heat pump appliances, and solar plus electric readiness measures. Measures that already exist in the home may be counted towards meeting the target score if they meet the requirements specified in the ordinance. Projects that include a laundry room or kitchen remodel, or an electrical service panel upgrade, must also install electric readiness measures to prepare for future installation of electric appliances.
2. Install LED lightbulbs, if not already present, and photocell controls on exterior lights.
3. Include exceptions for:
 - New Junior and Accessory Dwelling Units

- Mobile Homes or Manufactured Homes
- Resident owners enrolled in the California Alternative Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs are exempt from the target energy savings score but must still install lighting and water heater insulation measures.
- If the applicant demonstrates that the Energy Budget of the proposed building would be less than or equal to the Energy Budget of the building if it otherwise complied with the Flex Path
- If due to conditions specific to the project, it is technically or economically infeasible to achieve compliance, the building official may reduce the Target Score and/or waive some or all of the mandatory requirements.

The threshold of 500 square feet is in alignment with nearby jurisdictions that have adopted or are in the process of adopting the same reach code, including the County of Marin, Mill Valley, Tiburon, Corte Madera, and San Rafael.

For financial impacts to residents, the State of California requires that any reach code be cost effective over the lifetime of the measure. The Statewide Reach Codes Team has completed studies demonstrating the code's cost effectiveness (see Attachments). The upfront cost of compliance varies depending on the home features and which energy efficiency and/or electrification measures are selected by the homeowner. However, the cost of compliance with this reach code is expected to comprise a small percentage of overall project cost for more renovation projects.

For single family homes, duplexes, and town homes most energy measures are relatively inexpensive as part of the overall cost of renovation and show on-bill cost savings over time. Electrification of appliances has less on-bill savings but are not required measures under the Single Family Remodel Code. There are numerous incentives to help offset initial costs of installation for many measures through the Inflation Reduction Act, utility programs, the Bay Area Regional Energy Network, and the State of California.

Feedback from the building community indicates that the Single Family Remodel Code is reasonable to comply with and to enforce. In a recent meeting, Marin Builders Association expressed appreciation for the flexibility the policy offers, valuing that it lets homeowners and builders choose what measures make the most sense for the home, as opposed to prescriptive requirements that may not make sense within the project scope. The Single Family Remodel Code offers cost-effective options that contribute to Sausalito's City Council adopted climate goals.

Low Carbon Concrete

In addition to the CALGreen Tier 1 Voluntary Measures and the Single Family Remodel Code, staff are proposing adoption of the Marin County Low Carbon Concrete Code to adopt standards for low embodied emissions in concrete enacted in Municipal Code Chapter 8.04. While most of Marin County's energy efficiency programs have focused on reducing operational energy use through increased energy efficiency requirements

and emphasis on low-emission fuel sources, these policies are critical to achieving local greenhouse gas reduction targets. However, standards to date have focused little on reducing the embodied carbon emissions generated by the processes associated with the production of a building, including material extraction, transportation and manufacturing.

Concrete is the most widely used construction material in the world and is responsible for an estimated six to ten percent of global carbon dioxide emissions from human activity. Most of these emissions come from Portland cement, the “glue” that binds aggregate like sand and gravel into concrete, creating artificial rock. The emissions associated with concrete can be reduced by minimizing cement use to the extent possible while still achieving necessary strength, or by using cement alternatives, called “supplementary cementitious materials,” or SCMs. SCMs can include but are not limited to fly ash, slag, and glass pozzolans. The proposed ordinance introduces innovative yet practical measures to begin addressing embodied emissions in concrete through modifications to the Building Code.

Based on conversations with local ready-mix suppliers, staff understand these cement alternatives are locally available and can be incorporated into projects without significant cost increases in many cases. However, without clear standards, their use is not consistently implemented. The proposed ordinance establishes a framework to ensure these lower-emission practices are applied more broadly and reliably.

The proposed standards modify the Building Standards Code (Title 24 Cal. Code of Regulations) to establish a sliding scale of requirements for the maximum amount of cement used for different strength concrete mixes. The standards also include an alternate pathway for compliance using limits on embodied emissions within concrete mixes, which provides flexibility for SCMs and innovations in cement alternatives. These standards are innovative by setting limits on the high emissions potential in conventional, Portland cement based concrete mixes, something that has not previously been done in the City's local building code.

While CALGreen Tier 1 contains measures for low carbon concrete, these only apply to foundation mix designs, resulting in low carbon concrete only being used for construction of an entirely new building. The proposed enactment of Sausalito Municipal Code Chapter 8.04 would apply to all concrete poured in Sausalito including but not limited to driveways, sidewalks, slabs and retaining walls. Marin County adopted these low carbon concrete standards in 2019, followed by other jurisdictions such as the City of Palo Alto and the City of Santa Monica.

STRATEGIC GOAL

Goal D - Continually improve and maintain infrastructure while addressing climate change and ensuring resiliency.

CEQA

Adoption of local amendments to the California Building Standards Code and amendments to the Sausalito Municipal Code are not a project under the California Environmental Quality Act (CEQA) and the CEQA Guidelines, pursuant to Public Resources Codes Section 21065 and CEQA Guidelines Section 15378, because it does not approve a project or result in a direct physical impact on the environment, or contemplate known future projects, and as such, there are no known environmental impacts at this time. As a separate and independent basis, adoption of the local amendments is exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3), because it can be shown with certainty that there is no possibility that the activity in question will have a significant effect on the environment.

FISCAL IMPACT

There is no direct fiscal impact associated with this adoption.

ATTACHMENTS

Attachment 1 - Ordinance No. 05-2026

Attachment 2 - Ordinance No. 05-2026 Redline Version

Attachment 3 - 2022 Cost Effectiveness Study: Existing Single-Family Building Upgrades

Attachment 4 - Sausalito Existing and New Building Cost Effectiveness Explorer Tool

Attachment 5 - Letter from the Sustainability Commission

Attachment 6 - Supplementary memo, Application of 2022 Studies to 2025 Energy Code: Existing Single Family Building Upgrades

Attachment 7 - Presentation

PREPARED BY: Catie Thow Garcia, Resiliency & Sustainability Manager

PREPARED BY: Alexandra Anderson, Interim Resiliency & Sustainability Manager

REVIEWED BY: Lauro Vasquez, Chief Building Official

REVIEWED BY: Brandon Phipps, Assistant City Manager

REVIEWED BY: Sergio Rudin, City Attorney

SUBMITTED BY: Chris Zapata, City Manager