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ORDINANCE NO. 1360

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILL VALLEY TO AMEND TITLE 14 ("BUILDINGS AND CONSTRUCTION" CODE) OF THE MILL VALLEY MUNICIPAL CODE (MVMC) TO ADD A NEW SECTION 14.05.021.1 TO CHAPTER 14.05 ("CONSTRUCTION CODES") AMENDING THE 2022 CALIFORNIA ENERGY CODE TO REQUIRE HIGHER ENERGY PERFORMANCE FOR CERTAIN SINGLE-FAMILY PROJECTS THROUGH VARIOUS OPTIONS; AMEND TABLE 1 OF SECTION 14.48.040 OF CHAPTER 14.48 ("GREEN BUILDING STANDARDS") TO CLARIFY ENERGY REQUIREMENTS FOR SINGLE-FAMILY RESIDENTIAL PROJECTS; AND FIND THAT THE ADOPTION OF THE ORDINANCE IS EXEMPT FROM ENVIRONMENTAL REVIEW PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES SECTION 15061(B)(3), 15307 AND 15308.

THE CITY COUNCIL OF THE CITY OF MILL VALLEY does ordain as follows:

SECTION 1. Recitals.

- 1. On December 5, 2022, the Mill Valley City Council adopted the 2022 California Building Standards Code with local amendments as set forth in Ordinance 1340, including increased requirements for electric vehicle charging infrastructure in newly constructed buildings; and
- 2. An inventory of 2020 greenhouse gas emission for the City found that the use of energy in residential and non-residential buildings within Mill Valley generates 25,863 Metric Tons, or 38% of the total annual greenhouse gas emissions; and
- 3. The City of Mill Valley Climate Action Plan identifies reducing building energy use as a key strategy to meet the adopted goal reducing the emission of greenhouse gases to 47% below 1990 levels by the year 2040; and
- 4. The City Council adopted a resolution on September 6, 2022 declaring a climate emergency and reaffirming the City's commitment to reducing greenhouse gas emissions; and
- 5. The California Global Warming Solutions Act of 2006, known as AB 32, established a statewide goal of reducing greenhouse gas emissions to 1990 levels by 2020 and to a level 80% below 1990 levels by 2050, and Senate Bill 32, passed in 2016, set a target to reduce statewide emissions to 40% below 1990 levels by 2030; and
- 6. The State of California Air Resource Board 2022 Scoping Plan states that greenhouse gas reductions from local efforts are important to support state-level

7. measures and highlights building decarbonization as a priority strategy for greenhouse gas reduction; and

- 8. The City is now proposing to adopt further local amendments to the 2022 California Building Standards Code that would apply to certain new and renovation projects and are reasonably necessary to address local climatic, topographic, and geologic conditions in accordance with the findings included in this ordinance; and
- 9. The Public Resources Code Section 25402.1(h)(2) states that a local enforcement agency may adopt more restrictive energy standards when they are cost-effective and approved by the California Energy Commission; and
- 10. The City of Mill Valley City Council hereby determines that the revised energy standards contained herein are cost-effective, based upon the findings of the 2022 Cost-Effectiveness Study: Existing Single-Family Building Upgrades published on April 25, 2024 by Frontier Energy, Inc. and Misti Bruceri & Associates LLC on behalf of the California Energy Codes and Standards Statewide Utility Program, hereby incorporated and referred to as "Attachment 4" of the August 11, 2025 City Council Staff Report; and
- 11. Nothing in this ordinance is intended to amend or conflict with any provisions of the National Appliance Energy Conservation Act of 1975 or to impose requirements to use or install any appliance or appliance system; and
- 12. The Climate Action Plan Task Force, Planning Commission and City Council approved and adopted the Climate Action Element Update of the Mill Valley General Plan in 2024, which includes General Plan programs for implementation that expressly indicate the City's intent to adopt reach codes as part of Green Building Ordinance updates.
- 13. The City Council discussed reach code options at its public retreat held in January 2025 and City Council meeting on July 21, 2025, then held a public meeting on August 11, 2025 to consider the Draft Ordinance, contained herein and referred to as "Attachment 1" to the staff report.

SECTION 2. Reach Code (Energy Efficiency and Electrification). A new section 14.05.021.1 is hereby added to Chapter 14.05 ("Construction Codes") of the Mill Valley Municipal Code to read as follows:

"14.05.021.1 Amendments to the California Energy Code

Notwithstanding the provisions of Section 14.05.020 of this Code, the following sections of the 2022 California Energy Code, known as Part 6, Title 24 of the California Code of Regulations, are adopted and amended as set forth below.

Section 100.0 – SCOPE – of Subchapter 1 – ALL OCCUPANCIES–GENERAL PROVISIONS – of the 2022 California Energy Code is hereby amended to add new section (i) as follows:

(i) Single-Family Building Remodel Energy Reach Code. In addition to all requirements of the California Energy Code applicable to Existing Single-Family Building additions and alterations, the energy efficiency and renewable energy measures specified in Section 150.0(w) shall be required for Covered Projects.

Section 100.1(b) – Definitions – of Subchapter 1 of the 2022 California Energy Code is hereby amended by adding the following definition:

"Covered Project(s)" means additions or alterations, as described below, to a single-family residential building originally permitted for construction on or before December 31, 2010, which equal or exceed 500 square feet of interior conditioned space. Any addition or alteration to the same structure in the preceding 36 months shall be counted towards the 500 square feet threshold, except those additions or alterations made prior to the initial adoption of this ordinance. When any changes are made in the building, such as walls, columns, beams or girders, floor or ceiling joists and coverings (subfloor and drywall), roof rafters, roof diaphragms, foundations, piles or retaining walls or similar components, the floor area of all rooms affected by such changes shall be included in computing floor areas for the purpose of applying this definition.

This definition does not apply to project scopes that are solely limited to any of the following: the replacement and upgrading of residential roof coverings, exterior wall finishes and/or floor finishes; alterations that add no more than 75 square feet of fenestration; alterations that add no more than 16 square feet of skylight area with a maximum U-factor of 0.55 and a maximum SHGC of 0.30; or alterations that are limited to providing access for persons with disabilities. A Covered Project shall not include a project that is considered to be a newly constructed building under the California Energy Code, Title 24, Part 6. The final determination of whether a project meets the definition of a Covered Project shall be made by the Building Official or designee.

The first two paragraphs of Section 150.0 of Subchapter 7 – SINGLE-FAMILY RESIDENTIAL BUILDINGS - MANDATORY FEATURES AND DEVICES – are hereby amended to read as follows:

Single-family residential buildings shall comply with the applicable requirements of Sections 150(a) through 150.0(v). In addition, Covered Projects shall comply with the applicable requirements of Section 150.0(w).

NOTE: The requirements of Sections 150.0(a) through 150.0(v) apply to newly constructed buildings. Sections 150.2(a) and 150.2(b) specify which requirements of Sections 150.0(a) through 150.0(v) also apply to additions or alterations, except that Covered Projects shall also be required to comply with Section 150.0(w).

Paragraph (w) is added to Section 150.0 as follows:

(w) A Covered Project shall install a set of measures based the "Energy and Electrification Measures" Menu in Table 1 to achieve a total Measure Point Score that is equal to or greater than the Target Score in Table 1. In addition, all mandatory measures listed in Table 1 shall be installed. Installed measures shall meet the specifications in Table 2, List of Measure Specifications.

Building vintage is the year in which the original construction permit for the building was submitted, as documented by building department records, or the permit issue date of an addition or alteration that satisfied the Performance Standards (California Energy Code, Title 24, Part 6, Section 150.1(b)) that were in effect at that time, whichever is later.

Exceptions to 150.0(w):

- (i) Residential buildings originally permitted for construction on or after January 1, 2011.
- (ii) If a project is limited solely to a newly created Accessory Dwelling Unit (ADU) or Junior Accessory Dwelling Unit (JADU) as defined in Mill Valley Municipal Code Section 20.08.070(E) and (F), the project shall be exempt from complying with this Section. A newly created ADU and JADU shall include either additions or conversions of existing space. This exception DOES NOT apply to a Covered Project of an existing ADU or JADU.
- (iiI) If a project occurs in a Mobile Home, Manufactured Housing, or Factory-built Housing as defined in Division 13 of the California Health and Safety Code (commencing with Section 17000), the project shall be exempt from complying with this Section.
- (iv) 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 the mandatory requirements based on written documentation and evidence submitted at the time of building permit application.
- (v) If the applicant demonstrates that the Energy Budget of the Proposed Building Design would be less than or equal to the Energy Budget of the building under the project if it included any set of measures that would achieve compliance under this Section, the project shall be exempt from complying with this Section.
- (vi) If the applicant resides in the dwelling unit and demonstrates that they qualify for the California Alternative Rates for Energy (CARE), or Family Electric Rate Assistance (FERA) program, or if the applicant is the owner of the dwelling unit which is occupied by a dependent who demonstrates that they qualify for the California Alternative Rates for Energy (CARE), or Family Electric Rate Assistance (FERA) program is exempt from complying with Table 1 but must install the following measures, as further specified and defined in Table 2:

(a) E1: Lighting Measures; and(b) E2: Water Heating Package

Table 1. Energy and Electrification Menu of Measures, Climate Zone 3			
Measures	Points		
Description	Specification ID (See Table 2)	Target Score = 6 Points	
Mandatory Measures			
Electric Readiness, Service Upgrade	ER1	Mandatory for certain scopes, see Table 2.	
Electric Readiness, End Uses	ER2	Mandatory for certain scopes, see Table 2.	
Lighting Measures	E1	Mandatory	
Optional Measures (6 points required)			
Water Heating Package	E2	1	
Air Sealing	E3	1	
Attic Insulation	E4	1	
New Ducts + Duct Sealing	E6	2	
Windows	E7	3	
Wall Insulation	E8	5	
Solar PV + Electric Ready Pre-Wire	PV1	12	
Heat Pump Water Heater (HPWH), Replacing Gas	FS1	12	
High Efficiency HPWH, Replacing Gas	FS2	13	
Heat Pump Space Heater	FS5	10	
High Efficiency Heat Pump Space Heater	FS6	11	
Heat Pump Clothes Dryer	FS8	1	
Induction Cooktop	FS9	1	

The following also apply to Covered Projects under Table 1:

(a) Unless otherwise specified, the requirements shall apply to the entire dwelling unit, not just the additional or altered portion.

(b) Measures from the Measure Menu in Table 1 and specified in Table 2, that already exist in the home, may be counted towards compliance with these requirements, unless otherwise specified in Table 2.

(c) Measures from the Measure Menu in Table 1 that are to be installed to satisfy requirements under the California Energy Code, Title 24, Part 6, may not be counted towards compliance with these requirements. Where these requirements conflict with other Energy Code requirements, the stricter requirements shall prevail.

Table 2. List of Measure Specifications		
ID	Measure Specification	
Energy (E) M	leasures	
E1	<u>Lighting Measures</u> : Mandatory measure. Replace all interior and exterior screw-in incandescent, halogen, and compact fluorescent lamps with LED lamps. Install photocell controls on all exterior lighting luminaires.	
E2	 Water Heating Package: Water Heating Package: Insulate all accessible hot water pipes with pipe insulation a minimum of ¾ inch thick. This includes insulating the supply pipe leaving the water heater, piping to faucets underneath sinks, and accessible pipes in attic spaces or crawlspaces. Upgrade fittings in sinks and showers to meet current California Green Building Standards Code (Title 24, Part 11) Section 4.303 water efficiency requirements. Exception 1: Water heater blanket is not required on water heaters less than 20 gallons. Exception 2: Water heater blanket not required if application of a water heater blanket voids the warranty on the water heater. Exception 3: Upgraded fixtures are not required if existing fixtures have rated or measured flow rates of no more than ten percent greater than 2022 California Green Building Standards Code (Title 24, Part 11) Section 4.303 water efficiency requirements. Exception 4: Water heaters with factory installed insulation of R-24 or greater. 	
E3	Air Sealing: Seal all accessible cracks, holes, and gaps in the building envelope at walls, floors, and ceilings. Pay special attention to penetrations including plumbing, electrical, and mechanical vents, recessed can light luminaires, and windows. Weather-strip doors if not already present. Verification shall be conducted following a prescriptive checklist that outlines which building aspects need to be addressed by the permit applicant and verified by an inspector. Compliance can also be demonstrated with blower door testing conducted by a certified HERS Rater no more than three years prior to the permit application date that either: a) shows at least a 30 percent reduction from preretrofit conditions; or b) shows that the number of air changes per hour at 50 Pascals pressure difference (ACH50) does not exceed ten for Pre-1978 vintage buildings, seven for 1978 to 1991 vintage buildings and five for 1992-2010 vintage buildings. If combustion appliances are located within the pressure boundary of the building, conduct a combustion safety test by a professional certified by the Building Performance Institute in accordance with the ANSI/BPI-1200-S-2017	

	Standard Practice for Basic Analysis of Buildings, the Whole House Combustion Appliance Safety Test Procedure for the Comfortable Home Rebates Program 2020 or the California Community Services and Development Combustion Appliance Safety Testing Protocol.
E4	Attic Insulation: Attic insulation shall be installed to achieve a weighted assembly U-factor of 0.025 or insulation installed at the ceiling level shall have a thermal resistance of R-38 or greater for the insulation alone. Recessed downlight luminaires in the ceiling shall be covered with insulation to the same depth as the rest of the ceiling. Luminaires not rated for insulation contact must be replaced or fitted with a fire-proof cover that allows for insulation to be installed directly over the cover.
	 Exception: In buildings where existing R-30 is present and existing recessed downlight luminaires are not rated for insulation contact, insulation is not required to be installed over the luminaires.
E5	<u>Duct Sealing</u> : Air seal all space conditioning ductwork to meet the requirements of Section 150.2(b)1E. The duct system must be tested by a HERS Rater no more than three years prior to the Covered Project permit application date to verify the duct sealing and confirm that the requirements have been met. This measure may not be combined with the New Ducts and Duct Sealing measure in this Table.
	Exception: Buildings without ductwork or where the ducts are in conditioned space.
E6	New Ducts + Duct Sealing: Replace existing space conditioning ductwork with new R-6 ducts that meet the requirements of Section 150.0(m)11. This measure may not be combined with the Duct Sealing measure in this Table. To qualify, a preexisting measure must have been installed no more than three years before the Covered Project permit application date.
E7	Windows: Replace at least 50% of existing windows with high performance windows with an area-weighted average U-factor no greater than 0.30.
E8	Wall Insulation: Install wall insulation in all exterior walls to achieve a weighted U-factor of 0.102 or install wall insulation in all exterior wall cavities that shall result in an installed thermal resistance of R-13 or greater for the insulation alone.
Fuel Substitu	ition (FS) Measures
FS1	Heat Pump Water Heater (HPWH) Replacing Gas: Replace all existing electric resistance and natural gas storage water heaters with heat pump water heaters.
FS2	High Efficiency Heat Pump Water Heater (HPWH) Replacing Gas: Replace all existing natural gas water heaters with heat pump water heaters with a Northwest Energy Efficiency Alliance (NEEA) Tier 3 or higher rating.
FS3	Heat Pump Water Heater (HPWH) Replacing Electric: Replace existing electric resistance water heater with a heat pump water heater.

FS4	High Efficiency Heat Pump Water Heater (HPWH) Replacing Electric: Replace existing electric resistance water heater with heat pump water heater with a Northwest Energy Efficiency Alliance (NEEA) Tier 3 or higher rating.
FS5	<u>Heat Pump Space Heater</u> : Replace all existing gas and electric resistance primary space heating systems with an electric-only heat pump system.
FS6	High Efficiency Heat Pump Space Heater: Replace all existing gas and electric resistance primary space heating systems with one of the following: A. A ducted electric-only heat pump system with a SEER2 rating of 16.5 or greater, an EER2 rating of 12.48 or greater and an HSPF2 rating of 9.5 or greater; or B. A ductless mini-split heat pump system with a SEER2 rating of 14.3 or greater, an EER2 rating of 11.7 or greater and an HSPF2 rating of 7.5 or greater
FS8	Heat Pump Clothes Dryer: Replace all existing gas and electric resistance clothes dryers with heat pump dryers with no resistance element and cap the gas lines.
FS9	Induction Cooktop: Replace all existing gas and electric resistance stove tops with inductive stove tops and cap the gas lines.
Solar Photov	oltaics (PV) and Electric-Readiness (ER) Measures
Solar Photov	oltaics (PV) and Electric-Readiness (ER) Measures Solar PV+ Electric Ready Pre-Wire:
	Solar PV+ Electric Ready Pre-Wire: Installation of New Solar PV Systems: Install a new solar PV system that meets the requirements of Section 150.1(c)(14). In addition, upgrade the panelboard to meet the requirements of ER1 and install any two of the other measures from

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<u>Electric Readiness Measures - End Uses</u>: Mandatory measure for scopes of work identified below.

For any covered project, if the service panel is being upgraded or to claim the Solar PV + Electric Ready Pre-Wire credit, satisfy any two of the electric-readiness measures below.

- If the kitchen is being remodeled, make the range electric ready as specified in ER2, Item C below and upgrade the panelboard as specified under ER1.
- If the laundry room is being remodeled, make the dryer electric ready as specified in Item D below and upgrade the panelboard as specified under ER1.

Meet the requirements below, that otherwise apply to newly constructed buildings:

- A. Heat Pump Water Heater Ready, as specified in Section 150.0(n)1.
- B. Heat Pump Space Heater Ready, as specified in Section 150.0(t).
- C. Electric Cooktop Ready, as specified in Section 150.0(u).
- D. Electric Clothes Dryer Ready, as specified in Section 150.0(v).
- E. Energy Storage Systems (ESS) Ready, as specified in Section 150.0(s).
- F. EV Charger Ready. Install a dedicated 208/240-volt branch circuit as specified in the California Green Building Code, Title 24, Part 11, Section A4.106.8.1, which otherwise applies to new construction.
- Exception: If an electrical permit is not otherwise required for the project other than compliance with the laundry room and kitchen remodel requirements of this Item, ER2.

SECTION 3. Modifications to Table 1, Section 14.48.040 to reflect energy requirements for Single-Family Renovations. The rows for "Single-and Two-Family Additions and Alterations less than 1,200 square feet" and "Single-and Two-Family Additions and Alterations 1,200 square feet or greater" in Table 1 of Section 14.48.040 (Green Building Requirements by Project Type) of Chapter 14.48 (Green Building Standards) of the Mill Valley Municipal Code are hereby amended to read as follows:

Single-and Two-Family Additions and Alterations less than 1,200 square feet	CALGreen Mandatory	Meet the standards outlined for the project in the 2022 Building Energy Efficiency Standards. Those projects that are 500 square feet or greater must also satisfy requirements identified in Section 14.05.021.1	If the project is upgrading the main electrical service panel, comply with CALGreen Measure A4.106.8.1
Single-and Two-Family Additions and Alterations 1,200 square feet or greater	CALGreen Tier 1 less Section A4.2 (Energy Efficiency)	Meet the standards outlined for the project in the 2022 Building Energy Efficiency Standards and satisfy requirements identified in Section 14.05.021.1	

SECTION 4. Findings Pursuant to Health and Safety Code. California Health and Safety Code Sections 17958.5, 17958.7, and 18941.5 require that findings be made in order to change or modify the requirements contained in the California Building Standards Code and the other regulations adopted pursuant to California Health and Safety Code section 17922, including the California Green Building Standards Code and the California Energy Code, based on local climatic, geological or topographical conditions. Therefore, the Mill Valley City Council hereby finds that these changes or modifications to the California Energy Code and California Green Building Standards Code, as set forth in this ordinance, are reasonably necessary because of the following local climatic, geological, and topographical conditions:

- A. The City of Mill Valley has within its borders and along its boundaries, significant areas of grass, brush and heavily forested lands. These hazardous conditions present an exceptional and continuing fire danger to the residents of the community due to the difficulty of the terrain and topography of the area, much of it consisting of boxed canyons with steep, brush-covered slopes; narrow winding streets used by residents of the area and the Fire Department for ingress and egress, steep hills which hinder Fire Department response time; older and inadequate water systems in certain areas of the community; and the location of buildings and structures with relation to these dangerous areas. (Topography)
- B. A great number of structures located within the City of Mill Valley were built in the late 1800's and early 1900's, thus lacking the built-in protection of modern construction. Many of the residential structures had been built on steep slopes with boxed canyons and large percentages are located in areas of heavy natural growth. Many structures (new and old) are constructed of highly combustible material, which offer little resistance to fire and could contribute to the spread of fire. (Topography)
- C. Most of the City's street and pathway system was laid out in the late 1800's and early 1900's. Many of the City's streets have less than 20 feet of unobstructed width and turning radius. Roadways with less than 20 feet of unobstructed paved surface are considered hazardous in terms of fire access and protection. In the event that the Fire Department is called to respond to a fire emergency in any of these areas, its response time to an emergency is increased by these topographic conditions. (Topography)
- D. The City was plagued many times in the late 1800's and early 1900's by brush and forest fires, which not only threaten destruction, but on a number of occasions devastated large portions of the town. The desire of the community to preserve natural vegetation has resulted in the encroachment of brush and grass on fire roads, trails, breaks and streets within the City, thus rendering such separations ineffective against the spread of fires. Natural growth, which is highly flammable during the summer and fall months, encroaches upon many properties, thus posing a potential fire threat to many structures and creating a substantial hindrance to the control of such fires. (Climate, Topography)
- E. The City's precipitation ranges from 15 to 42 inches per year with an average of approximately 25 inches per year. Approximately 90% of the precipitation falls during the months of November through April and 10% from May through October. Times of little or no rainfall, of low humidity, and high temperatures create extremely hazardous fire conditions. (Climate)

F. The City's natural topographic and geological features create an increased risk from flooding, hillside runoff, landslides, and debris flows due to a combination of factors including periodic heavy winter rainfalls, soil conditions, proximity to Richardson Bay, and other related factors. Low lying areas can also be subject to tidal fluctuations and liquefaction following an earthquake. (Topography, Geology)

- G. Seismically, the City sits between two active earthquake faults (San Andreas and Hayward) and numerous potentially active faults. Fire following an earthquake has the potential of causing greater loss of life and damage than the earthquake itself. Should a significant seismic event occur, public safety resources would have to be prioritized to mitigate the greatest threat and may not be available for every structural fire. In such event, individual structures should be equipped to help in mitigating the risk of damage. (Geology)
- H. The United Nations Intergovernmental Panel on Climate Change (IPCC) has warned that failure to address the causes of global climate change within the next few years will result in significant sea level increases and frequency of wildland fires and reduced freshwater resources, which will significantly increase the cost of providing local governmental services and protecting public infrastructure. (Climate)
- I. Sea levels could rise from as little as 2 to 3 feet if emissions trend downward to as much as 8.5 to 35 feet by the end of the century if emissions continue to rise in a "business as usual" scenario. Sea level rise will expand the areas subject to flooding and will directly impact low-lying areas of Mill Valley from both in Marsh to Sycamore Park. (Climate, Topography)

SECTION 5. Findings, continued. Pursuant to Health and Safety Code Section 17958, 17958.5, and 17958.7, the Mill Valley City Council hereby expressly finds that the local amendments to the building standards within the 2022 editions of the California Energy Code and California Green Building Standards Code, as set forth in this Ordinance, are necessary for the protection of public health, safety, and welfare, due to the following local climatic, geologic, or topographical conditions:

Cal. Energy Code	Title/Subject	Findings
100.0	Scope	Climate
100.1	Definitions	Climate
150.0	Single-family residential building mandatory features and devices	Climate

SECTION 6. Findings Pursuant to Health and Safety Code Section 17958.5(c). Pursuant to Health and Safety Code Section 17958.5(c)(5), the Mill Valley City Council hereby expressly finds that this Ordinance is necessary to implement a local code amendment that is adopted to align with the Mill Valley General Plan, adopted prior to June 10, 2025, permits mixed-fuel residential construction consistent with federal law, and incentivizes all-electric construction as part of the City's adopted greenhouse gas emissions (GHG) reduction strategy as set forth below:

A. On October 7, 2013, the City Council of the City of Mill Valley approved the Mill Valley 2040 General Plan ("General Plan"). On May 6, 2024, the City Council

updated the Climate Element of the MV2040 General Plan and approved the Mill Valley 2030 Climate Action Plan ("CAP"). The adopted 2030 CAP and Climate Element update the City's emission reduction strategy, with a goal to reduce emissions 47% below 1990 levels by the year 2030. The Climate Element also contains policy guidance directing the City to "utilize the City's CAP to identify and implement strategies to reduce community-wide and municipal emissions" (Climate Element, Policy CL.6). Under this policy direction, the General Plan's Climate Element directs the City to establish greenhouse gas reductions that meet or exceed statewide goals (CL.1-1); implement measures in the City's CAP to achieve GHG emissions that exceed statewide targets and support the State's goals to achieve zero net energy by 2045 (CL.1-2) and update the CAP to incorporate new reduction targets, as needed (CL.1-3).

- B. This Ordinance aligns with the City's General Plan. In particular, the Ordinance requires certain single-family residential projects to incorporate, from a list of menu options, various measures that promote electric readiness, energy efficient building, and permits mixed-fuel residential construction consistent with federal law. These regulations align with CAP goals EE-C4 ("Green Building Reach Code") and RE-C4 ("Electrification Incentives, Assistance, Education and Outreach").
- C. This Ordinance promotes the use of mixed-fuel residential construction consistent with federal law and incentivizes all-electric construction as part of the City's adopted GHG reduction strategy memorialized in the General Plan by encouraging the electrification of certain single-family residential projects through a flexible menu of options weighted in accordance with a measure's impact on overall electrification, and requiring certain residential projects install infrastructure to allow for greater electrical capacity.

SECTION 7. Local Energy Standards Findings. The Mill Valley City Council hereby expressly finds that this Ordinance will require certain single-family residential buildings to be designed to consume less energy than permitted by the California Energy Code. Because the majority of Mill Valley's land use consists of single-family homes (approximately 5,400 existing single-family units with almost 87% of these homes built before 1978), creating flexible options to increase energy efficiency and readiness of these single-family homes is the most impactful means for the Mill Valley community to achieve its emissions reduction targets. The CAP indicates that emissions would be reduced by 2,651 MTCO₂E, representing approximately 15% of the total share of emissions reductions strategy for Mill Valley. Additional detailed analysis of the reduced energy consumption anticipated from those regulations proposed in the ordinance is referenced in the cost-effectiveness analysis hereby incorporated and referred to as "Attachment 4" of the August 11, 2025 City Council Staff Report.

SECTION 8. Environmental. This Ordinance was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City.

The City Council hereby finds that adoption of this Ordinance is exempt from the requirements of CEQA under the common sense exemption in CEQA Guidelines section 15061(b)(3) on the grounds that these standards are more stringent than the State energy standards, there are no

reasonably foreseeable adverse impacts and there is no possibility that the activity in question may have a significant effect on the environment. Further, it also finds the Ordinance is exempt from the requirements of CEQA pursuant to CEQA Guidelines sections 15307 and 15308 as an action by a regulatory agency taken to protect the environment and natural resources. The City Clerk is directed to prepare and file a Notice of Exemption within seven days following adoption of this Ordinance with the Marin County Clerk.

SECTION 9. Cost-Effective Findings. The City of Mill Valley City Council hereby determines that the revised energy standards contained herein are cost-effective, based upon the findings of the 2022 Cost-Effectiveness Study: Existing Single-Family Building Upgrades published on April 25, 2024 by Frontier Energy, Inc. and Misti Bruceri & Associates LLC on behalf of the California Energy Codes and Standards Statewide Utility Program, hereby incorporated and referred to as "Attachment 4" of the August 11, 2025 City Council Staff Report

SECTION 10. <u>Severability</u>. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, the remainder of this Ordinance shall be and remain in full force and effect.

SECTION 11. Ongoing Actions for Violations. The adoption of this ordinance shall not in any manner affect any action or prosecution for violation of ordinances, which violations were committed prior to the effective date hereof, be construed as a waiver of any license, fee, or penalty required by or resulting from any such ordinance, or affect the validity of any bond (or cash deposit in lieu thereof) required to be posted, filed, or deposited pursuant to such ordinance.

SECTION 12. Effective Date and Certification of Publication. This Ordinance shall be effective on September 17, 2025. A summary of this Ordinance shall, within fifteen (15) days after passage, be published in accordance with Section 36933 of the Government Code of the State of California with the names of the City Council members voting for and against it.

SECTION 13. <u>California Energy Commission and California Building Standards Commission.</u> The City Clerk is directed to file a copy of this Ordinance, together with the documentation required by the California Energy Commission with the California Energy Commission and the California Building Standards Commission. The City Manager may make minor amendments to the same as required by the California Energy Commission and approved by the City Attorney.

INTRODUCED at a regular meeting of the City Council of the City of Mill Valley on the 11th day of August 2025, and

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Mill Valley on the **18th** day of **August 2025**, by the following vote:

AYES: Councilmembers: Jones, Urban, Joachim, Perrey.

NOES: Councilmembers: None.

ABSENT: Councilmembers: Burke.

ABSTAIN: Councilmembers: None.

Stephen Burke, Mayor

ATTEST:

Risa De Ferrari, City Clerk