



Administrative Report

Discussion Item

TO: HONORABLE CITY COUNCIL

FROM: Lucas Seibert, Community Development Director
Maura Macaluso, Principal Planner

MEETING DATE: August 5, 2025

SUBJECT: Community Workshop | Proposed Single-Family Flexpath Energy Efficiency Measures

Recommendation

Conduct a community workshop regarding the proposed single-family flexpath energy efficiency approach; receive input from the community; ask clarifying questions, and provide input to staff.

Discussion

Community Workshop Approach

The workshop is intended to provide a platform for the community and City Council members to ask questions associated with the proposed ordinance, and receive a presentation on how the flexpath program would function.

At the conclusion of this workshop a frequently asked questions (FAQ) document will be generated based on the questions received. The FAQ document, together with the presentation materials, agenda reports, and other flexpath energy efficiency materials would be provided on a forthcoming City landing page accessed on the City's website. The forthcoming landing page would also list upcoming meetings, and provide the public with information about the proposed flexpath approach.

The workshop is not meant to provide a decision on this proposed process, but instead to provide an opportunity for the community and City Council to listen and learn, and based on the information provided/presented, ask clarifying questions.

The next step moving forward in a public hearing before the City Council on August 12 to further discussion and consider a draft ordinance.

Background

In 2024, the City registered for the existing building efficiency and electrification code pilot program through the Clean Power Alliance (CPA). As part of the pilot program, CPA helped the City identify opportunities to require homeowners to implement energy efficiency measures when renovating or adding to existing single-family homes to reduce greenhouse gas emissions.

The standards and process would live within building code standards and more specifically modify the California Energy Code. The California Energy Commission requires any local energy standards that exceed the California Energy Code to be (1) cost-effective and (2) use less energy than the state's requirements. CPA's consultant, TRC Companies, created recommendations tailored to Ojai by using a State tool illustrating the most cost-effective ways for the City to require energy efficient upgrades that use less energy than the state minimum requirements.

Adopting a local energy code for renovations to existing buildings is one way for the City to continue its efforts to increase energy efficiency and reduce emissions. The majority of the City of Ojai building stock is residential, with single-family homes making up approximately 80% of all residential buildings. Medium to large renovations to existing single-family properties were identified as an effective opportunity to make improvements that can result in reduced energy use and reduced greenhouse gas emissions.

The City Council has adopted a goal of Climate Resiliency, to which the proposed flexpath ordinance could be a supporting tactic towards achievement of the goal.

Recent Assembly Bills

California Assembly Bill 306 (AB 306), enacted in 2025, imposes a moratorium on changes to state and local building standards for residential units until June 1, 2031, with limited exceptions. The bill aims to stabilize the construction industry, potentially reduce costs, and encourage housing production by creating regulatory stability. The bill allows for exceptions related to emergency standards, home hardening, and modifications previously in effect as of January 1, 2025.

California Assembly Bill 130 (AB 130), signed into law in June 2025, aims to streamline housing development by exempting certain projects from the California Environmental Quality Act (CEQA). Specifically, it allows for "infill" housing projects on sites up to 20 acres in size to be built without CEQA review, provided they meet specific criteria. Additionally, AB 130 makes permanent several key housing laws, including those related to the Permit Streamlining Act and the Housing Accountability Act. Furthermore, the bill imposes a moratorium on the adoption of new or more restrictive residential building standards at both the state level and local level between October 1, 2025 to June 1, 2031.

The changes to AB 306 adopted by AB 130 allow the City to adopt the proposed ordinance notwithstanding the moratorium if both of the following occur on or before September 30, 2025:

- The proposed ordinance becomes effective; and
- The City files the changes and modifications to the California Energy Code set forth in the proposed ordinance with the California Building Standards Commission.

What this means is that the first and second readings of the ordinance must occur at the August 12, 2025 and August 26, 2025 meetings, respectively, and the ordinance must be submitted to the California Building Standards Commission before September 30, 2025 to meet the deadline

imposed by AB 130. The provisions in both bills provide a narrow opportunity to further the City Council's Climate Resiliency goal.

Flexpath Approach

The standards and process identified within the flexible compliance framework are designed to meet energy performance goals through a variety of energy efficiency strategies, rather than following one method, as was the case with the previous reach code provisions. The provisions under the previous ordinance included replacing gas appliances with electric appliances; the trigger being only to new single-family residential construction. The proposed ordinance does not apply to commercial construction.

The flexpath approach provides a softer approach to the Climate Resiliency goal efforts by enabling homeowners to meet specific requirements by selecting from a range, or menu, of cost-effective energy efficiency options best suited to the specific circumstances, without the requirement to fully electrify their homes. Allowing homeowners to select energy efficiency measures from a menu of options, local jurisdictions can adopt local energy efficiency policies (e.g., duct replacements, duct sealing, added insulation).

The flexpath approach would not apply to small projects, repairs (e.g., plumbing and electrical repairs, re-roof), cosmetics changes, (e.g., carpet, paint), appliance replacements (e.g., kitchen appliances or gas stoves), window projects, roof projects, and work that does not require a permit. The flexpath approach also includes exemptions for pre-compliance, incompatibility with historical building status, seismic retrofits, fire hardening, temporary structures, ADU/JADU's, Tiny Houses, and when upgrades present a significant cost burden.

The flexpath approach has been adopted by several other jurisdictions towards achieving energy efficiency goals and climate resiliency commitments including Santa Cruz, San Luis Obispo, County of Marin, Santa Monica, West Hollywood and Piedmont. The city of West Hollywood includes a home rebate program for high efficiency homes.

Proposed Policy Applicability

Based on a review of Ojai's building stock, the CEC cost-effectiveness tool, and examples from other cities energy codes, the flexpath approach would include the following situations:

- **Major Addition** | Any change to an existing building that increases conditioned floor area by 300 or more square feet in a one-year period.
- **Major Alteration** | Any construction or renovation to an existing structure other than a repair whose altered floor area covers 300 or more square feet in a one-year period.
- **Major Addition and Alteration** | Any project whose combined addition and alteration has a floor area equal to or greater than 300 square feet in a one-year period.

Projects that meet the above definitions would be required to choose from a list of measures for increasing energy performance. The total points would need to meet or exceed an established target for the project prior to being issued a building permit to move forward with construction. As

required by the California Energy Commission, there must be at least one cost-effective, non-electrification pathway to achieve the established target.

Homeowners would have the option of installing from a list of efficiency and electrification measure(s) and will not be prohibited from using appliances covered by EPCA. Each measure is assigned a point value based on its associated energy savings, as determined by the California Energy Commission. Strategies with higher values are projected to have a greater energy efficiency benefit. The proposed target for Ojai is anticipated to be eight-points for projects that are between 300 square feet and 999 square feet, and 19-points for projects 1,000 square feet and larger. The table below illustrates proposed energy efficiency strategies and associated points value:

Climate Zone 9		
Measures	Table ID	Points
Water Heating Package	E1	1
Induction Cooktop	E2	1
Heat Pump Clothes Dryer	E3	1
Air Sealing	E4	1
Duct Sealing	E5	3
R-49 Attic Insulation	E6	5
Windows	E7	5
R-13 Wall Insulation	E8	3
New Ducts + Duct Sealing	E9	6
R-19 Floor Insulation	E10	1
R-30 Floor Insulation	E11	2
Heat Pump Water Heater (HPWH)	E12	12
Solar PV + Electric Ready Pre-Wire	E13	17
Heat Pump Space Heater	E14	7
Utility Room, Kitchen & Laundry-Related Electric Ready Pre-Wire	M1	Mandatory
Panel-Related Electric Ready Pre-Wire	M2	Mandatory

Anticipated Flexpath Exemptions

To accommodate the wide variability in existing buildings, the proposal being discussed and considered by City Council at a future meeting includes these exceptions for single-family residences:

1. Repairs are expressly exempt in the ordinance.
2. Projects with a hardship, meaning either that (a) compliance costs are more than 20 percent of total project valuation, or (b) building-specific conditions make compliance technically infeasible. In these cases, homeowners may request a hardship exemption. Approvals and denials of a hardship exemption request will be made by the Building Official, in consultation with the Director of Community Development. As with all building code determinations and interpretations, decisions are appealable to the Building Appeals Board.
3. Projects that can demonstrate that they have previously installed compliance measures will be given credit for those measures.
4. Historic buildings that could not comply without impairing its historic integrity.
5. Alterations completed solely for seismic and fire hardening safety upgrades.
6. Temporary buildings, such as construction trailers.
7. Alterations that consist solely of roof and/or window projects.
8. Mobile, manufactured, or factory-built housing as defined in Division 13 of the California Health and Safety Code.
9. Properties located outside of climate zone 9. Climate zone 9 captures the overwhelming majority of Ojai properties, and this was done to simplify the ordinance.
10. Statewide exempt ADUs/JADUs.
11. In instances where the installation of an Energy Policy and Conservation Act covered appliance is prohibited, portions of the ordinance may be waived.

Next Steps/Timing

The first and second readings of the ordinance must occur at the August 12, 2025 and August 26, 2025 meetings, and the ordinance must be submitted to the California Building Standards Commission before September 30, 2025 to meet the deadline imposed by AB 130.

If adopted at the August 26, 2025 Council meeting, the ordinance would take effect on September 26, 2025. However, the ordinance would apply to applications submitted to the City on or after January 31, 2025 to allow for staff and CPA/TRC to launch an education campaign to the community and contractors about these changes.

Fiscal Impact

There is no fiscal impact in convening this workshop discussion on the proposed flexpath approach. Details regarding long-term fiscal impacts associated with anticipated ordinance adoption will be outlined within forthcoming staff reports provided at the August 12 and 26 City Council meetings.

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Attachment: None