



# Sustainability Task Force Agenda

A Committee of the Chico City Council  
Mayor Ann Schwab, Chair

**Meeting of March 1, 2010 – 3:00 p.m. to 5:00 p.m.**  
Council Chamber Building, 421 Main Street, Conference Room No. 1

1. **CONSIDERATION OF AD-HOC COMMITTEE RECOMMENDATIONS REGARDING THE PROPOSED REVISIONS TO THE CHICO MUNICIPAL CODE REQUIRING RESIDENTIAL ENERGY CONSERVATION MEASURES UPON RESALE (RECO ORDINANCE).**

The Ad-Hoc Committee presented the proposed municipal code revisions (RECO ordinance) to the Board of the Chico Association of Realtors on February 11, 2010. The Committee will provide a report on the outcome of the meeting. A report from the Committee outlining the provisions and the suggestions from the meeting is attached as Exhibit A.

2. **CONSIDERATION OF FORMING AN AD-HOC EDUCATION/OUTREACH COMMITTEE**

Chair Schwab is requesting that the Task Force consider forming an Ad-hoc Committee, which may include interested members from the community, to develop public education and outreach activities to provide information and increase awareness on climate change and sustainability.

3. **REPORTS AND COMMUNICATIONS**

a. **Update on the Climate Action Plan**

Staff will update the Task Force on the development of the Climate Action Plan (CAP) and introduce a new intern who will be assisting in the process.

b. **Report on the State Energy Program Grant Applications**

Staff will update the Task Force on the status applications for State Energy Program funds from the Comprehensive Residential Building Retrofit and the Municipal and Commercial Building Targeted Measure Retrofit Programs.

4. **BUSINESS FROM THE FLOOR**

Members of the public may address the Committee at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.

4. **ADJOURNMENT** – The meeting will adjourn no later than 5:00 p.m. to its next regular meeting scheduled for Monday, April 5, 2010.

**ATTACHMENTS:**

Exhibit "A" - RECO Committee Report

Distribution available in the office of the City Clerk:

Prepared: 2/24/10  
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**Members:**

Lindsay Buckley  
Chris Giampaoli  
Jim Pushnik  
Julian Zener

BT Chapman  
Ken Grossman  
Ann Schwab, Chair

Tom DiGiovanni  
Nathan Kinsey  
Jon Stallman

Tim Dobbs  
Jon Luvaas  
Jim Stevens

Trudy Duisenberg  
Scott McNall  
Scott Wolf



DATE: February 23, 2010

TO: SUSTAINABILITY TASK FORCE

FROM: AD-HOC COMMITTEE (STF members Buckley, DiGiovanni, Schwab, Stallman and Wolf)

RE: CONSIDERATION OF COMMITTEE RECOMMENDATIONS REGARDING THE PROPOSED REVISIONS TO THE RESIDENTIAL ENERGY CONSERVATION MEASURES REQUIRED UPON RESALE MUNICIPAL CODE PROVISIONS (RECO ORDINANCE).

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## RECOMMENDATION:

The Ad-Hoc Committee recommends proceeding with seeking City Council approval of the proposed Chico Municipal Code (CMC) revisions using the current implementation method, and that staff track compliance to ascertain whether additional enforcement measures will be needed in the future.

## BACKGROUND:

The Ad-Hoc Committee, which consists of STF members Buckley, DiGiovanni, Stallman and Wolf and staff worked with the Executive Director and other officers of the Chico Association of Realtors to update the Chico Municipal Code (CMC) section requiring the installation of certain energy conservation measures upon the sale, transfer, or exchange of existing residential housing. As a reminder, the proposed revisions to CMC Section 16.60 (an annotated copy is attached) include:

1. Changing the applicability of these requirements to single-family and multifamily dwellings constructed before 1991.
2. Prioritizing the conservation measures to be installed, as costs allow, as follows:
  - a. Upgrading the Ceiling Insulation to R-30.
  - b. Weather stripping, caulking and sealing all cracks, doors, window etc.
  - c. Installing low-flow (1.6 gallon/flush) toilets
  - d. Installing low-flow (3 gallon per minute) shower heads or flow restrictors, where feasible.
  - e. Installing low-flow ( 2.75 gallons per minute flow) fixtures and/or aerators on all sink faucets, where feasible.
  - f. Installing R-3 insulation to exposed hot and cold water lines to water heaters that are within 5 feet of a water heater.
  - g. Installing insulation blankets with a thermal resistance of R-6 for all water heaters.
  - h. Requiring a visual inspection of ducts to ensure they are intact and functioning properly.
3. Adjusting the maximum single-family cost limitation from \$500 to \$800, from \$350 to \$560/unit for multifamily dwelling, which represents the 60% increase in Construction Cost Index since 1990. These costs limitations include the cost of ceiling insulation, so if the insulation costs more than the limit, than no further conservation measures would be required.
4. Requiring energy conservation inspections every ten years.
5. Requiring that title companies not close escrow until the energy conservation certification is approved by the City.

The City Manager requested that these proposed revisions be presented to the Board members of the Association of Realtors and the North Valley Property Owners Association for review and consideration.

**DISCUSSION:**

The Ad-Hoc Committee met with the Chico Association of Realtors Board on February 11, 2010. The Board members expressed concerns about using the escrow process to enforce the ordinance and possible delays in closing escrow. The Board also believed that the City should do a better job in educating buyers, sellers and real estate agents on the benefits of the ordinance and in tracking compliance. Although the increase in the cost limitation was discussed, most believed that upgrading the requirements to reflect more current energy conservation standards is the right thing to do.

The Ad-Hoc Committee is recommending proceeding with the proposed CMC revisions using the current method of implementation and not enforcing compliance through the escrow process at this time. The Committee is also recommending an education/awareness campaign be implemented, and that City staff begin tracking home sales and submission of energy conservation certificates to ascertain compliance levels. The Ad-Hoc Committee will also be meeting with the North Valley Property Association to discuss these revisions at its Board meeting in March.

**ATTACHMENTS:**

Annotated copy of CMC 16.60

**Chapter 16.60**

**ENERGY CONSERVATION MEASURES REQUIRED INCIDENT  
TO TRANSFERS OF RESIDENTIAL HOUSING**

**Section:**

- 16.60.010 Purpose.**
- 16.60.020 Administration by building official.**
- 16.60.030 Administrative review of a determination or an action of the building official by the ~~community development~~ director.**
- 16.60.040 Appeal from decision of the ~~community development~~ director.**
- 16.60.050 Administrative review and appeals - Aggrieved person.**
- 16.60.060 Residential housing defined.**
- 16.60.070 Sales, exchanges, and other transfers of residential housing subject to chapter.**
- 16.60.080 Sales, exchanges, and other transfers of residential housing subject to chapter - Exceptions.**
- 16.60.090 Agreements providing for the sale, exchange, or other transfer of residential housing.**
- 16.60.100 Energy conservation standards to be complied with incident to the sale, exchange or other transfer of residential housing.**
- 16.60.110 Cost limitations on compliance with energy conservation standards.**
- 16.60.120 Certification of compliance with energy conservation standards.**
- 16.60.130 Energy conservation inspections conducted by building official.**
- 16.60.140 Authorization of other persons to conduct energy conservation inspections.**
- 16.60.150 Transferee's assumption of obligation to correct noncomplying conditions.**
- 16.60.160 Violations.**

**16.60.010 Purpose.**

This chapter is adopted pursuant to the municipal affairs provisions of Section 201 of the city Charter for the purpose of requiring residential housing sold, exchanged, or otherwise transferred within the city to be provided with ceiling insulation and other energy conservation measures necessary to meet minimum energy conservation standards.

(Ord. 1843 §1 (part))

**16.60.020 Administration by building official.**

The building official shall be primarily responsible for administration of the provisions of this chapter subject to the overall direction and control of the director. In carrying out such responsibilities, the building official, or an authorized representative, shall issue the energy conservation compliance certificates required by this chapter incident to a transfer of residential housing, conduct the inspections of residential housing necessary to issue such compliance certificates, grant authorization to make such

inspections to persons qualified to do so, and enforce all other provisions of this chapter as hereinafter provided for.

(Ord. 1843 §1 (part), Ord. 2012 §3 (part), Ord. 2268, Ord. 2364 §332)

**16.60.030 Administrative review of a determination or an action of the building official by the director.**

- A. Right to Administrative Review. Any person aggrieved by a determination made or action taken by the building official pursuant to this chapter may apply to the director for administrative review of such determination or action.
- B. Applications for Administrative Review. Applications for administrative review of a determination made or action taken by the building official shall be made in writing and shall be filed in the office of the director no later than 15 days following the date such determination or action was made or taken, or where a written report is required to be served, the date such report is served; provided that the director may extend the time for filing an application for good cause shown. In addition to setting forth a request for administrative review of a determination made or action taken by the building official, such application shall contain a brief statement of the reasons why the applicant believes that such determination or action does not comply with the provisions of this chapter and the relief requested by the applicant from such determination or action.
- C. Decision on an Application for Administrative Review. Upon the filing of an application for administrative review of a determination made or action taken by the building official, the director shall consider the application and render a decision either affirming the determination or action of the building official, or reversing or modifying such determination or action. Prior to rendering a decision, the director may, with sole discretion, convene an informal hearing for the purpose of reviewing evidence or hearing arguments bearing on such decision, provided notice of the date, time, and place of such hearing is served a reasonable time prior to such hearing on the applicant and on any other person who would be aggrieved by a decision reversing or modifying the determination or action of the building official and who has filed with the director a written request for notice of such decision. After rendering a decision, the director shall promptly inform the building official of the decision and cause a notice of the decision to be served on the applicant and any other person who would be aggrieved by a decision reversing or modifying the determination or action of the building official and who has filed with the director a written request for notice of such decision.

(Ord. 1843 §1 (part), Ord. 2012 §3 (part), Ord. 2268, Ord. 2364 §333)

**16.60.040 Appeal from decision of the director.**

Any person aggrieved by a decision of the director following the filing of an application for the administrative review of a determination made or action taken by the building official, may appeal such decision to the city council within the time and in the manner provided for by Title 2 of this code.

(Ord. 1843 §1 (part), Ord. 2004 §23, Ord. 2012 §3 (part), Ord. 2364 §334)

**16.60.050 Administrative review and appeals - Aggrieved person.**

A person shall be deemed “aggrieved” for purposes of the administrative review of a

determination made or action taken by the building official pursuant to this chapter, or for purposes of the appeal of a decision of the director following the filing of an application for administrative review of such determination or action, if such a person is an owner, transferee or occupant of the building or structure which is the subject of such determination, action or decision.

(Ord. 1843 §1 (part), Ord. 2012 §3 (part), Ord. 2364 §335)

#### **16.60.060 Residential housing defined.**

The term “residential housing,” as used in this chapter, shall mean any building or structure designed or used as a residence, provided, however, that the term “residential housing” shall not include “mobile homes,” “manufactured housing,” or “factory-built housing” as defined in Division 13 of the California Health and Safety Code (commencing with Section 17000 of the Health and Safety Code).

(Ord. 1843 §1 (part))

#### **16.60.070 Sales, exchanges, and other transfers of residential housing subject to chapter.**

Except as otherwise provided for herein, this chapter shall apply to any sale, exchange, or other transfer of a legal or equitable interest in and to the fee simple title to real property containing residential housing which entitles the transferee to possession of such housing, or any sale, exchange or other transfer of a separate interest in a “community apartment project,” a “condominium project,” or a “stock cooperative” as defined in Division 2 of the California Civil Code (commencing with Section 761 of the Civil Code), which entitles the transferee to possession of a residential dwelling unit located within such project or cooperative.

(Ord. 1843 §1 (part))

#### **16.60.080 Sales, exchanges, and other transfers of residential housing subject to chapter - Exceptions.**

This chapter shall not apply to the following transfers of residential housing:

- A. The sale, exchange, or other transfer of residential housing ~~which contains no more than two dwelling units and was constructed pursuant to a building permit issued on or after June July 1, 19831991, or residential housing containing three or more dwelling units which was constructed on or after June 1, 1984;~~
- B. The sale, exchange, or other transfer of residential housing **built prior to 1991 and which was previously inspected and certified within ten years from the proposed sale, exchange or transfer** as being in compliance with the energy conservation standards adopted by this chapter ~~or included in Ordinance No. 1480 adopted by the city council on October 5, 1982;~~
- C. Sales, exchanges, or other transfers of residential housing pursuant to a court order, including, but not limited to sales, exchanges, or other transfers ordered by a probate court incident to the administration of an estate, sales or other transfers made pursuant to a writ of execution, sales in any judicial foreclosure sale, sales, exchanges, or other transfers by a trustee in bankruptcy, and sales, exchanges, or other transfers resulting from a decree for specific performance;
- D. Sales or other transfers of residential housing to a mortgagee by a mortgagor in default, sales or other transfers to a beneficiary of a deed of trust by a trustor who is

- in default, and sales in any nonjudicial foreclosure sale after a default in the obligations secured by a mortgage, deed of trust, or other instrument containing such power of sale;
- E. ~~Sales or other transfers of residential housing from one co-owner to one or more other co-owners;~~
- F. Sales or other transfers of residential housing made to a spouse, or to a person or persons in the lineal line of consanguinity of one or more of the transferor;
- G. Sales or other transfers of residential housing between spouses resulting from a decree of dissolution of marriage or a decree of legal separation, or from a property settlement agreement incident to such a decree; and
- H. ~~Sales, exchanges, or other transfers of residential housing to or from any governmental entity.~~
- (Ord. 1843 §1 (part))

**16.60.090 Agreements providing for the sale, exchange, or other transfer of residential housing.**

Any agreement providing for the sale, exchange, or other transfer of residential housing subject to the provisions of this chapter, including any agreement granting an option to acquire such housing, shall include a provision which states as follows:

“This agreement and the sale, exchange or other transfer of residential housing provided for by this agreement may be subject to the provisions of Title 16 of the Chico Municipal Code which prohibits the sale, exchange or other transfer of residential housing unless and until the city building official has certified that such housing is in compliance with the energy conservation standards adopted in Title 16 of the Chico Municipal Code.”

(Ord. 1843 §1 (part))

**16.60.100 Energy conservation standards to be complied with incident to the sale, exchange or other transfer of residential housing.**

No person shall sell, exchange, or otherwise transfer residential housing subject to the provisions of this chapter unless and until the building official has certified that such housing is in compliance with the following energy conservation standards **in order of priority**:

- A. The ceilings of all inhabitable portions of such residential housing shall be overlaid with insulation which has a minimum thermal resistance rating of at least ~~R-19~~ **R-30** except **where the attic of such buildings has a headroom of less than 30 inches at the attic peak.**
- ~~1. Where such ceilings are overlaid with insulation having a thermal resistance rating of not less than R-13 which was installed prior to March 23, 1978; or~~
  - ~~2. Where the attic of such buildings has a headroom of less than 30 inches at the attic peak.~~
- B All major cracks, joints, and other openings in building exteriors or portions of a building exposed to unheated or uncooled areas, and all openings from heated or air conditioned spaces into an attic or under floors, including but not limited to openings around doors, windows, plumbing vents, pipes, electrical wiring, or furnace flues, shall be caulked, weather stripped, or otherwise sealed to limit air infiltration.**

**C. All sink and lavatory faucets shall be fitted with a low-flow faucet with a maximum flow rate of 2.75 gallons per minute or an aerator where feasible.**

- C.D.** All shower fixtures shall be fitted with in-line shower restrictors or low flow shower heads which restrict the maximum flow of water to not more than three gallons per minute except:
1. Where the shower head has an existing flow rate of less than three gallons per minute as a result of reduced water pressure behind the shower head; or
  2. Where the shower head and shower arm are of a ball joint type which is connected within a wall.

**E. All toilets shall be fitted with low-flow toilets rated at 1.6 gallons per flush or less.**

**F. Thermostats shall be programmable.**

- ~~D. All hinged doors exposed to the exterior or to unheated or uncooled areas shall be fully weather stripped or gasketed in a manner which effectively and reliably limits air infiltration.~~

- ~~E. All major cracks, joints, and other openings in building exteriors or portions of a building exposed to unheated or uncooled areas, and all openings from heated or air conditioned spaces into an attic, including but not limited to openings around plumbing vents, pipes, electrical wiring, or furnace flues, shall be caulked or otherwise sealed to limit air infiltration.~~

**F. All exposed hot and cold water lines connected to and within five feet of existing water heaters shall be insulated at a minimum thermal resistance rating of R-3**

- B.G.** All electric resistance domestic water heaters, and all natural gas or other fossil fueled domestic water heaters, shall be fitted with external insulation blankets with a minimum thermal resistance rating of R-6 except:
1. Where the thermal resistance rating of insulation within the water heater is at least R-12; or
  2. Where it is impractical to wrap the water heater with an external insulating blanket by reason of the fact that the distance between the heater and an adjoining wall is less than two inches; or
  3. Where the manufacturer's instructions for the water heater would preclude the water heater from being fitted with an external insulation blanket.

**H. All ducts in accessible areas shall be visually inspected to determine if they are intact and functioning property.**

(Ord 1843 §1 (part), Ord 1870)

**16.60.110 Cost limitations on compliance with energy conservation standards.**

In order to comply with the ceiling insulation standards set forth in Subpart A of



Section 16.60.100 of this chapter, the owner of residential housing subject to the provisions of this chapter shall be required to install all of the insulation necessary to comply with such standards without regard to the cost of such compliance. However, in order to comply with the remaining energy conservation standards set forth in Section 16.60.100 of this chapter, the owner of residential housing subject to the provisions of this chapter shall not be required to make an expenditure in excess of the following sums ~~during the 18-month period prior to the date the sale, exchange, or other transfer of such residential housing occurs:~~

- A. In the case of residential housing which consists of a detached single-family dwelling unit, the sum of ~~\$500.00~~ **\$800**, including the cost of installing ceiling insulation, if necessary; and
- B. In the case of residential housing which consists of two or more ~~multifamily~~ dwelling units, the sum of ~~\$350~~ **\$560** per dwelling unit, including the cost of installing ceiling insulation, if necessary.
- C. **If the cost of the installation of the ceiling insulation exceeds \$800 for single-family dwellings or \$560 per dwelling unit for dwellings with two or more units, no further energy conservation measures or expenditures are required at the time of the proposed sale, exchange, or transfer.**

~~Accordingly, if in complying with all of the remaining energy conservation standards set forth in Section 16.60.100, the owner of residential housing subject to the provisions of this chapter would be required to spend a sum in excess of the amounts set forth in this section, the owner of such housing shall comply with those energy conservation standards set forth in Section 16.60.100, in addition to ceiling insulation, which the owner of the residential housing deems to be cost effective and for which the total cost does not exceed the sums set forth in this section.~~

(Ord. 1843 §1 (part))

#### **16.60.120 Certification of compliance with energy conservation standards.**

**Prior to the sale, exchange, or transfer of residential housing subject to the provisions of this chapter**, ~~the building official shall issue a certificate evidencing that residential such housing subject to the provisions of this chapter is in compliance with the energy conservation standards adopted by this chapter if:~~

- A. The building official, **or designee**, has inspected such housing and found it to be in compliance with such standards; or
- B. ~~A person authorized to make energy conservation inspections in the manner hereinafter provided by this chapter has filed a declaration with the building official, in a form prescribed by the building official, stating that such person has inspected such housing and found it to be in compliance with such standards.~~

(Ord. 1843 §1 (part))

- B. **The title or escrow company has provided the building official with a certificate of compliance, in a form prescribed by the building official, completed by a person authorized to make energy conservation inspections in the manner provided by this chapter stating that such person has inspected such housing**

**and found it to be in compliance with these standards.**

**16.60.130 Energy conservation inspections conducted by building official.**

The building official shall conduct inspection of residential housing in order to determine whether such housing is in compliance with the energy conservation standards adopted by this chapter whenever an application for such inspection is filed with the building division by an owner of such housing or such owner's authorized representative. Such application shall be in a form prescribed by the building official and shall be accompanied by an inspection fee in an amount established by resolution of the city council.

If, as a result of such inspection, the building official determines that the residential housing being inspected is in compliance with the energy conservation standards adopted by this chapter, the building official shall promptly issue a certificate evidencing such compliance and cause a copy of such certificate to be served on the owner of such housing or such owner's authorized representative. However, if, as a result of such inspection, the building official determines that the residential housing being inspected is not in compliance with the energy conservation standards adopted by this chapter, the building official shall promptly cause a report to be prepared which identifies, with particularity, all noncomplying conditions and cause a copy of such report to be served on the owner of such housing or such owner's authorized representative.

Any certificate of compliance or inspection report issued or prepared by the building official pursuant to this section shall be deemed to have been served on the owner of residential housing or such owner's authorized representative when a copy of such certificate or report is personally delivered to such owner or representative, or when a copy of such certificate or report is placed in the United States mail, registered and postage prepaid, addressed to such owner or authorized representative at the address appearing on the inspection application.

(Ord. 1843 §1 (part))

**16.60.140 Authorization of other persons to conduct energy conservation inspections.**

The building official shall authorize other persons to conduct the energy conservation inspections which are necessary in order to certify compliance with the energy conservation standards adopted by this chapter if such person is certified as a building inspector ~~by the International Conference of Building Officials~~, holds a license as a general contractor or insulation contractor issued by the Contractors' State License Board, holds a license as a structural pest control operator issued by the Structural Pest Control Board, or is otherwise determined by the building official, on the basis of education and/or experience, to be qualified to conduct such inspections. Applications for such authorization shall be filed with the building division, shall be in a form and contain the information prescribed by the building official, and shall be accompanied by a fee in an amount established by resolution of the council.

If, after authorizing a person to conduct energy conservation inspections necessary in order to certify compliance with the energy conservation standards adopted by this chapter, the building official determines that such person misrepresented such person's qualifications for such authorization, no longer holds the certification or license relied upon by the building official as the basis for granting such authorization, or filed a

declaration certifying that such residential housing is in compliance with such energy conservation standards without having inspected such housing or when it is clear that the housing did not comply with such standards, the building official shall revoke the authorization granted to such person. However, the building official shall not revoke an authorization to conduct energy conservation inspections unless the building official has given reasonable prior notice of the building official's proposed action to the person granted such authorization and given to such person an opportunity to appear before the building official and be heard on the proposed revocation.  
(Ord. 1843 §1 (part), Ord. 2268)

**16.60.150 Transferee's assumption of obligation to correct noncomplying conditions.**

When residential housing has been inspected in the manner provided for by this chapter and been found to be not in compliance with the energy conservation standards adopted by this chapter, the owner of such housing, notwithstanding any provisions of this chapter to the contrary, may nevertheless sell, exchange or otherwise transfer the housing without a certification that the housing complies with such energy conservation standards, if prior to such transfer, the transferee enters into an agreement with the city, in a form approved by the city attorney, by which the transferee acknowledges the existence of the noncomplying conditions and agrees to correct same within 180 days following the date such transfer occurs, or such later date as may be approved by the building official for good cause shown.

(Ord. 1843 §1 (part))

**16.60.160 Violations.**

A violation of the provisions of this chapter shall constitute an infraction which is punishable by a fine in an amount provided for by Section 1505 of the Charter of the City of Chico.

(Ord. 1843 §1 (part), Ord. 2136 §8)