

Memo

To: Mayor and Council
From: Trisha Henderson
CC: Executive Leadership Team
Date: October 1, 2024
Subject: City of Guelph Greener Homes Program

Comments

This memo is to report back and address Council's request at the July 11, 2023, Council meeting that staff investigate and "report on the operation and success or progress of the Guelph local improvement charge program" in the City of Guelph.

Overall, staff note the Guelph Greener Homes Program required a significant financial contribution from the City of Guelph of \$3.75 million, with 2 FTE's dedicated to the core elements related to program administration over the 4-year program period (not covering resources required beyond the program period, resources needed during the program development phase, or staff time related to additional activities such as drafting by-laws, general reporting, etc.). Additional details on the program framework (including enabling by-laws, applicant eligibility, structure, and requirements) and initial uptake, as well as the Town of Oakville's progress in this space, is outlined below.

Program Framework

The City launched the [Guelph Greener Homes program](#) (GGH or Program) in late July 2023 with assistance from Federation of Canadian Municipalities (FCM) Green Municipal Fund (GMF) to help reduce greenhouse gas emissions and make homes more energy-efficient, comfortable, and climate-friendly. This FCM funding includes up to \$10 million in the form of an interest free loan from FCM, or up to \$5 million in the form of a grant from FCM, and further required up to \$3.75 million City of Guelph contribution. This funding supported the GGH program development and will support the four years of GGH program operation.

To support the Program, City Council enacted the [Guelph Greener Homes By-law](#) in 2023 pursuant to [Ontario Regulation 586/06](#) under the Ontario Municipal Act, 2001 (O. Reg. 586/06: Local Improvement Charges - Property Lien Status) that authorizes ‘the undertaking of energy efficiency works, renewable energy works or water conservation works on private residential property as local improvements under the [GGH] program.’ The City amended this by-law in 2024 finding ‘adjustments to: (i) respond to applicants’ feedback; (ii) enhance access to financing; (iii) improve efficiencies in program delivery; and (iv) make housekeeping amendments’ that would be beneficial to the program.

The Program by-law includes the program framework that consists of the 5 following key elements:

1. Applicant eligibility

To qualify for the Program, it is important that the home improvements haven’t yet started and that applicants:

- reside in a residential low-rise building in Guelph with a property tax account with the City;
- have all registered owner(s) of the property consent to participating in the Program;
- own properties with no back taxes or liens or title disputes;
- own property that is more than five (5) years old.

The Program offers both a:

- a) zero-interest loan of up to \$50,000 requiring a 20% deposit and a 10-year payback term that is added to the property tax bill, and a
- b) grant program that offers up to \$15,000, with no payback, for eligible low-income households to install air-source heat pumps in homes where the property owner(s) are the primary residents; these grants are limited and subject to availability.

2. Home energy audit requirements

Property owner(s) are required to hire an [NRCan certified energy advisor](#) to perform a pre-project EnerGuide home evaluation and, a post-project EnerGuide Home evaluation. It is also noted that ‘all eligibility and performance criteria for the Canada Greener Homes Grant and Enbridge Home Efficiency Rebate Plus requirements apply to the Guelph Greener Homes program.’

3. Qualifying home improvements that reduce GHG emissions

The non-comprehensive list of eligible projects include:

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Building envelope:

- Installation or upgrading of thermal insulation (insulation areas include basement walls or foundation, exposed floor, crawl space, exterior walls, attic, ceiling or roof)
- Air-sealing (e.g., caulking, sealing, repair of windows and doors)
- Fenestration (e.g., windows, doors, sliding glass doors) replacement

Mechanical systems:

- Air source heat pumps and cold climate air source heat pumps
- Heat pump water heaters
- Heat recovery systems

Control systems:

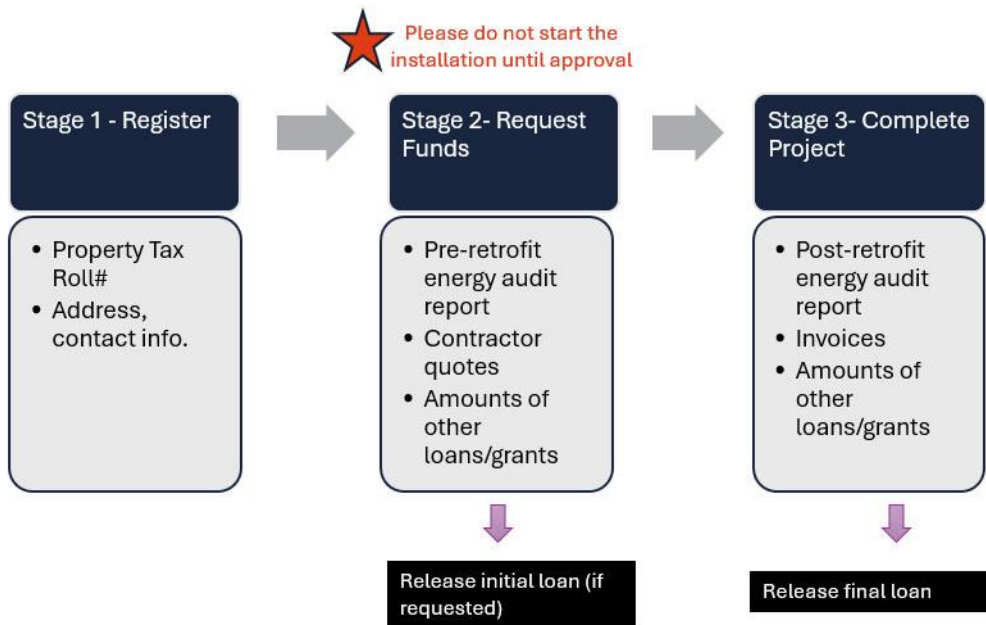
- Smart or programmable thermostats (eligible if only combined with any other eligible home improvements)

Renewable energy systems:

- Solar photovoltaic systems
- Solar hot water systems

4. Application and project close-out procedures

The GGH program has kept applications open since its launch on July 31, 2023, with no anticipating closing date. Applicants register via on-line portal, developed by the City of Guelph, and progress through the following program workflow:



5. Local improvement charge repayment and disclosure

Successful applicants must enter into a Property Owner Agreement that requires consent to a variety of legal clauses to ensure understanding, privacy and confidentiality measures, file retention and that all parties agree to fees and payment structures. Details of local improvement charge repayment and disclosure can be found within the [Guelph Greener Homes By-law](#).

GGH Program Progress

The GGH program was launched on July 31, 2023; within the first 10 months the GGH program received approximately 400 applications of which:

- 300 have been approved, 220 are progressing through various stages of the GGH program workflow and 80 have been fully completed
- of those 80 completed projects, approximately
 - 70%, or 56 of the 80 completed projects include air source heat pump installation, which is currently the most adopted action
 - 13%, or 10 of the 80 completed projects include PV solar panel installation

Applications have been primarily for the loan program with approximately 7%, or two of the 300 projects having a grant component.

Federal Initiatives

As of February 2024, the [Canada Greener Homes Initiative](#) is no longer accepting new applications or completing pre-retrofit energy assessments for the [Ontario Greener Homes Grant](#), delivered by [Enbridge](#). The federal initiative still offers the [Oil to Heat Pump Affordability program](#) and the [Canada Greener Homes Loan](#) to help Canadians make their homes more energy efficient and offers up to \$40,000 in interest-free financing to [eligible homeowners](#) at the pre-retrofit stage.

Town of Oakville's Progress

Town and OEC staff hosted the [Home Energy Retrofit Workshop on April 4, 2023](#), where the discussion focused on homeowner education and working towards establishing an energy coach service, while promoting existing, in-market programs. Since that proposal town staff have:

- Received Natural Resources Canada (NRCan) funding to deliver heat pump accelerator training sessions for contractors within the region of Halton. Town staff collaborated with the city of Burlington, town of Halton Hills and heating and refrigeration, air conditioning institute (HRAI) to setup 6 training sessions, 3 online sessions and 3 in person training sessions in each of the municipalities.
- A Strategic Business Advisor was hired in the Building Services department to consult as an energy coach for new and retrofit building applications.
- Created the [Home Energy Retrofits 101](#) webpage on Oakville.ca that contains information for homeowners on EnerGuide home evaluations, rebates and incentives, qualified contractors and more.
- Launch of an interactive Climate House on Oakville.ca to depict what climate mitigation and adaptation actions residents can take at home.
- Future Energy Oakville (FEO) has been established as the agency to deliver the update to and implementation of the Community Energy Strategy (CES).
- Completed a detailed feasibility study district energy for the Hospital District, with funding from Federation of Canadian municipalities (FCM) and Danish Energy Agency, following the prefeasibility study of district energy in Oakville completed in 2022.
- Town staff are launching a climate mitigation and adaptation educational series for homeowners in 2025.