

Staff Report



To	Committee of the Whole
Service Area	Infrastructure, Development and Enterprise Services
Date	Tuesday, February 7, 2023
Subject	Guelph Greener Homes Program Update

Recommendation

1. That delegated authority be provided to staff to enter into agreements with property owners under the Guelph Greener Homes Program.
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Executive Summary

Purpose of Report

The purpose of this report is to provide an update on the Guelph Greener Homes Program and present the draft Guelph Greener Homes Program by-law that details the program framework and includes the template property owner agreement.

Key Findings

The Guelph Greener Homes Program is designed to support Guelph residents to reduce Green House Gas (GHG) emissions and is aligned with Cities Race-To-Zero and the community net zero carbon target.

Guelph Greener Homes has been approved for funding by the Federation of Canadian Municipalities (FCM). FCM funding will support Guelph Greener Homes program development and four years of Guelph Greener Homes program operation. The FCM funding includes:

- Up to \$10 million interest free FCM loan
- Up to \$5 million FCM grant
- Requires up to \$3.75 million City of Guelph contribution

With the FCM funding, the Guelph Greener Homes residential loans will be offered at 0 per cent interest for a 10-year term. For program cost recovery, annual user fees (estimated at \$50/project/year) will be applied to cover the administrative costs not covered by the FCM grant. Rebates will be offered to financially support heat pump installations for eligible low-income households.

Target launch for the GGH program is Q2 2023.

Strategic Plan Alignment

The Guelph Greener Homes Program directly aligns with the Strategic Plan and enables progress on a number of strategic initiatives, as follows:

- Sustaining our Future – Mitigating climate change and aligning to the Race-to-Zero initiative by supporting the reduction of the community of Guelph's carbon footprint.
- Working Together for our Future – Exploring new funding options, service-delivery models, and partnerships to improve affordability of residential energy upgrades.

Financial Implications

Guelph Greener Homes has been approved for funding by FCM under the Community Efficiency Financing (CEF) initiative. The CEF offers 80% of the program funding consisting of an interest free loan to the City in the amount of up to \$10 million combined with a grant to the City in the amount of up to \$5 million. This is to be matched with the 20% City contribution of up to \$3.75 million.

With the FCM funding and the City contribution, the Guelph Greener Homes residential loans will be offered at 0 per cent interest for a 10-year term.

The FCM grant will cover the program development costs and four years of program operating costs. Annual user fees (estimated at \$50/project/year) will be applied to cover the administrative costs after the FCM grant expires.

Report

Program overview

[Staff report 2022-27](#) provided initial information on the Property Assessed Clean Energy (PACE) program. The PACE program has since been labelled as the Guelph Greener Homes program. The Guelph Greener Homes Program is designed to provide loans to Guelph property owners to undertake greenhouse gas (GHG) emissions reduction and energy efficiency improvements on their private households. A local improvement charge (LIC) is applied to the property and loan repayments collected as property taxes. Guelph Greener Homes has been approved for funding by the Federation of Canadian Municipalities (FCM) under the Community Efficiency Financing (CEF) initiative. The CEF offers 80% of the program funding consisting of an interest free loan to the City in the amount of up to \$10,000,000 combined with a grant to the City in the amount of up to \$5,000,000. This is to be matched with the 20% City contribution of up to \$3.75 million.

Program Framework

Program development work is currently underway. The Guelph Greener Homes Program By-law (Attachment-1) has been drafted and details the program framework and includes the template property owner agreement. The program framework is generally aligned with existing household energy efficiency grant and loan programs offered by other municipalities, the federal government and utility companies. Key highlights of the program framework include:

- Applicant eligibility
- Home energy audit requirements
- Qualifying home improvements that reduce GHG emissions
- Application and project close-out procedures
- Local improvement charge repayment and disclosure

Other Program Considerations

No Interest Loan

With the FCM funding, the Guelph Greener Homes residential loans will be offered at 0 per cent interest for a 10-year term.

Program Cost Recovery

Council directed staff to review and implement the appropriate competitive user fee to be applied to recover City administrative costs not funded through the FCM grant. The FCM grant will cover the program development costs and four years of program operating costs. Annual user fees (estimated at \$50/project/year) will be applied to cover the administrative costs not covered by the FCM grant.

Guelph Greener Homes Grant

After covering Guelph Greener Homes program development and 4 years of Guelph Greener Homes program operating costs, it is estimated that \$1.3 million of the \$5 million FCM grant will be available and is proposed to be used as rebates to financially support heat pump installations for eligible low-income households.

Next Steps

The following key activities are to take place in preparation for the program launch:

- Presentation of the Guelph Greener Homes program by-law to Council for approval
- Contingent on by-law approval, finalize and execute the FCM loan and grant agreement
- Complete detailed development of the Guelph Greener Homes Program
- Target launch in Q2 2023

Financial Implications

Guelph Greener Homes has been approved for funding by FCM under the CEF initiative. The CEF offers 80% of the program funding consisting of an interest free loan to the City in the amount of up to \$10 million combined with a grant to the City in the amount of up to \$5 million. This is to be matched with the 20% City contribution of up to \$3.75 million.

With the FCM funding and the City contribution, the Guelph Greener Homes residential loans will be offered at 0 per cent interest for a 10-year term.

The FCM grant will cover the program development costs and four years of program operating costs. Annual user fees (estimated at \$50/project/year) will be applied to cover the administrative costs after the FCM grant period expires.

Consultations

The Guelph Greener Home Program working group consists of staff members from Finance, Legal and Corporate Energy and Climate Change.

Other staff have advised on the program, including input and support from Community Investment, Information Technology, Corporate Communications, Customer Experience, Cultural Heritage, Building Services, Information Privacy and Accessibility.

The program will be broadcasted to Guelph residents to encourage uptake of the program while providing straightforward information on program details, how to apply and what to consider for energy retrofit projects.

Attachments

Attachment-1 Draft Guelph Greener Homes Program bylaw

Attachment-2 Guelph Greener Homes Program Update Staff Presentation

Departmental Approval

None

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