

Schedule "1" of By-law Number (2023) - 20764

Overview:

The Guelph Greener Homes Program ("Program") is designed to provide financing to consenting residential property owner(s) for the installation of qualifying energy efficiency works or renewable energy works ("home improvements"), and then to secure payment by imposing a local improvement charge ("LIC") on the private residential property as authorized by Ontario Regulation 586/06 under the *Municipal Act, 2001*, S.O. 2001, c. 25 ("O.Reg. 586/06").

Program Applicant Eligibility:

Residential low-rise buildings located within the City of Guelph of the following housing forms are eligible: detached, semi-detached, townhouses, rowhouses, and similar forms. The Corporation of the City of Guelph ("City") may revise the list of eligible housing forms as part of the Program updates.

Participation is voluntary, owner-initiated, and subject to the following conditions:

- a. The property must have a property tax account with the City;
- b. All registered owner(s) of the property must consent to participating in the Program;
- c. Property tax payment obligations to the City must be up to date with no back taxes at the time of application and at the time of disbursement of funds;
- d. There must be no involuntary liens on the property;
- e. There must be no disputes regarding title to the property;
- f. At the time of application, the year of construction of the building, or the year occupancy was granted by the City, must be more than five (5) years;
- g. The home improvements for which financing under the Program is sought must be on the list of eligible improvements under the Program; and
- h. The home improvements for which financing is sought under the Program have not already started.

The City may revise the list of conditions provided above as part of the Program updates.

The following properties are ineligible to apply:

- Non-residential
- Residential buildings on leased land
- Buildings outside the City of Guelph

Home Energy Assessments:

The Program will utilize the EnerGuide Rating System ("ERS") that provides a standard measure of a home's energy performance. The EnerGuide home evaluation ("home energy assessment") is carried out by an energy advisor who is registered with Natural Resources Canada ("NRCan") and is the owner or representative of the service organization selected by the property owner(s) to book the home energy assessment. The property owner(s) must hire a Certified Energy Advisor ("CEA") who is certified by NRCan to perform a pre-retrofit home energy assessment and a post-retrofit home energy assessment in accordance with ERS. The cost of these assessments is paid by the property owner(s) directly to the CEA, but is eligible to be included in the financing under the Program.

Upon completion of the pre-retrofit home energy assessment, a report ("pre-retrofit Energy Assessment Report") is provided by the CEA to the property owner(s) with the EnerGuide rating for the home and the recommendations for home improvements that could potentially increase that rating. This report is to be provided to the City.

After the home improvements are complete, a second and final home energy assessment is performed by the CEA to obtain a second EnerGuide rating and to verify the completion of the home improvements. Upon completion of the post-retrofit home energy assessment, a report ("post-retrofit Energy Assessment Report") is provided by the CEA to the property owner(s). This report is to be provided to the City. Depending on the completion status of the pre-approved eligible home improvements and confirmation from the post-retrofit Energy Assessment Report that each completed eligible home improvement has increased the EnerGuide rating, the City can determine the final financing and issue the final disbursement of funds.

Qualifying Home Improvements:

The home energy assessment must demonstrate the potential to achieve cost-effective energy reductions to qualify for financing under the Program. Financing is designated for eligible home improvements with an expected useful life of ten (10) years or greater and permanently affixed to a property, and only for capital costs (which is defined as eligible costs associated with the home improvement, including building permit fee, costs of performing the pre-retrofit and post-retrofit home energy assessments, and equipment, material, and labour costs directly related to the home improvement or related to upgrades required to be undertaken to enable implementing the home improvements). The City may make the final determination as to the eligibility of upgrades required to enable implementing the home improvements to qualify under the Program for financing and the amount of financing. The expected useful life of the home improvement measures will be linked to the term of the financing. The non-exhaustive list of home improvement measures, subject to any permitting and regulations, that are eligible under the Program includes:

- a. 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
- b. Mechanical systems:
 - Air source heat pumps and cold climate air source heat pumps
 - Heat pump water heaters
 - Heat recovery systems
- c. Control systems:
 - Smart or programable thermostats (eligible if only combined with any other eligible home improvements)
- d. Renewable energy systems:
 - Solar photovoltaic systems
 - Solar hot water systems

Under the Program, fenestration replacement may or may not qualify as an eligible home improvement measure when applied to properties included in the City's Municipal Register of Cultural Heritage Properties and this determination will be made on a case-by-case basis.

By qualifying the list of eligible home improvements, the City makes no guarantees of the materials, performance, cost-effectiveness, or any warranty of the home improvement measures supported by the Program. The City may revise the list of eligible home improvements as part of the Program updates. The City may revise the definition of capital costs provided above.

Non-Qualifying Home Improvements:

The non-exhaustive list of ineligible home improvement measures under the Program includes:

- a. Measures where equipment or products are not permanently affixed to the property
- b. Measures where the equipment or products were previously installed in another home or other building
- c. Measures that are deemed general maintenance
- d. Leased or rented equipment or products
- e. Installing skylights
- f. Installing roofs (only the thermal insulation component qualifies)
- g. Installing non-renewable energy source-based furnaces
- h. Installing air-conditioners
- i. Installing ground source heat pumps
- j. Installing battery storage
- k. Installing electric vehicle charging stations

The City may revise the list of non-eligible home improvements as part of the Program updates.

Completing the Home Improvements through Contractor Engagement:

The City will provide financing to property owner(s) for eligible home improvements covered by the Program that have been recommended by the CEA, installed by contractors hired by the property owner(s), and verified by the CEA. The City will not pre-qualify contractors or procure the CEA to perform home energy assessments or any contractors to install the home improvements on behalf of the property owner(s). The property owner(s) is responsible for hiring the CEA and the contractors and will pay the CEA and contractors directly. The property owner(s) and the contractors must adhere to all applicable codes and by-laws.

The City is not responsible for the work quality of the CEA or any contractors hired by the property owner(s) in connection with this Program and assumes no liability for the home improvements undertaken. Any issues that may arise relating to the quality of workmanship or post-installation performance of the home improvements must be dealt with by the property owner(s) and the contractors.

Application Process:

The steps below broadly outline the application process and the requirements that the property owner(s) needs to follow as part of the Program. The City will periodically review this process to ensure effective implementation and may make changes to it.

Step 1: Pre-qualification

Property owner(s) submits an on-line application form with information such as:

- Legal names of all property owner(s) listed on the title for the property
- Property address to confirm property location
- Property assessment roll number
- Property type

Once the property owner(s) has been pre-qualified by the City based on the above criteria, the City will provide a Notice to Proceed to the property owner(s).

Step 2: Home Energy Assessment and Funding Request Form

The property owner(s) completes the pre-retrofit home energy assessment as described above under the section 'Home Energy Assessments' and submits to the City the pre-retrofit Energy Assessment Report that the CEA provides to the property owner(s).

That pre-retrofit Energy Assessment Report must include:

- The current EnerGuide rating for the home;
- The recommended home improvements that have been customized for the home based on existing conditions which could potentially increase the EnerGuide rating of the home;
- The expected useful life of each of the proposed home improvements; and
- The estimated energy and cost savings and greenhouse gas reductions against each of the proposed home improvements that may be realized after installing the recommended home improvements.

Along with the pre-retrofit Energy Assessment Report, the property owner(s) must submit a Funding Request Form that:

- identifies the home improvements that the property owner(s) intends to install based on the pre-retrofit Energy Assessment Report;
- identifies the cost (with the cost for equipment, materials, labour, and Harmonized Sales Tax listed as separate line items) for each home improvement that the property owner(s) intends to install (these costs must be supported by corresponding quotes);
- identifies the name and address of the contractor(s) providing the cost for each home improvement that the property owner(s) intends to install;
- identifies applicable financial loans, rebates, and incentives for the home improvements for which the property owner(s) intends to apply or has been approved; and
- identifies the amount of prepayment (up to a maximum of 20% of the estimated cost of the home improvements) being requested from the City upon signing the Property Owner Agreement ("POA").

After receiving the Funding Request Form, the City will confirm the eligibility of the proposed home improvements and calculate the prepayment and total financing

amount for which the property owner(s) qualifies. Property owner(s) will be responsible for administration costs incurred by the City and these costs will be added to the total financing amount as an administration fee.

Property Owner Agreement:

After the City has accepted the pre-retrofit Energy Assessment Report and the Funding Request Form, the City will prepare the POA for the property owner(s) to review and sign.

The City may revise the form of the POA, which is attached as Schedule 2, as a part of the Program updates.

Completing Home Improvements:

Following the signing of the POA, the City will, if applicable, provide the property owner(s) with the initial disbursement agreed upon in the POA to a maximum of 20% of the estimated cost of the home improvements which can be used by the property owner(s) to pay the contractor(s) or supplier(s) involved in installing the home improvements. The property owner(s) will be contractually obligated to repay this initial disbursement to the City if the property owner(s) does not complete the home improvements.

The property owner(s) can then proceed with hiring contractor(s) and performing the approved home improvements to the property. The home improvements must be completed within the timeframe in the POA.

As detailed in the POA, the City will provide the final disbursement of funds only after the property owner(s) provides a Project Completion Form and a copy of the post-retrofit Energy Assessment Report from the CEA.

The Project Completion Form must include:

- the approved home improvements that the property owner(s) has installed;
- the costs incurred (with the cost for equipment, materials, labour, and Harmonized Sales Tax listed as separate line items) for each approved home improvement that the property owner(s) has installed (these costs must be supported by corresponding invoices and receipts);
- the name and address of the contractor(s) who installed the home improvement;
- the expected useful life of each installed home improvement; and
- details of applicable financial loans, rebates, and incentives for the home improvements that the property owner(s) will receive or have received from any other programs.

The post-retrofit Energy Assessment Report from the CEA must include:

- a Certificate of Completion that attests to the approved home improvements having been installed;
- an EnerGuide rating of the home after the home improvements have been completed and which is greater than the first EnerGuide rating in the pre-retrofit Energy Assessment Report from the CEA; and
- the costs and the expected useful life of each installed home improvement.

Based on the Project Completion Form and the post-retrofit Energy Assessment Report, the City will calculate the total financing amount that is remaining to be disbursed to the property owner(s) under the Program.

LIC Repayment:

Following the City Treasurer's periodic certification of the local improvement roll (which occurs after the home improvements on a set of properties are complete and the final amounts of financing are confirmed), a by-law will be brought to Council pursuant to Section 36.14 of O.Reg. 586/06 to impose the special charges on the participating properties. For each property included in the by-law, the Treasurer will then add to the City's tax roll for that property each year that portion of the imposed special charge that is due in that year. These collective steps will provide priority lien status for the annual amount that the Treasurer adds to the tax roll and will ensure that any subsequent property owner(s) who was not a party to the POA is bound to pay that amount.

To facilitate repayment of the special charge, the POA will require property owner(s) to sign-up for pre-authorized twelve-month debit payment plan. At any time, a property owner(s) can make advance payments limited to one (1) time in a year,

including a one-time payment of the total outstanding amount owing to clear the property of the LIC charge. Failure to make payments is treated with the same remedy as uncollected property taxes which may include penalties, interest charges, and tax sales.

LIC Disclosure:

The subsequent property owner(s) on which the City has imposed a special charge is required to pay the City the annual LIC amount even though that subsequent property owner(s) was not a party to the original POA. In addition to notice that the City will be giving in accordance with the provisions of O.Reg. 586/06, the City will take the following steps to ensure even greater transparency of the LIC to interested parties by:

- a. providing public notice of the special charge by-law to impose the charge on the property in advance of its introduction and after its adoption; and
- b. updating the Tax Certificate to include the full LIC amount, amount payable in the current year, outstanding amounts owing, and a note to reference the by-law pursuant to which the special charge was imposed.

Rebates:

As part of the Program, the City may arrange with external organizations to streamline access for property owner(s) to incentives and promotions that are available for home improvements. The City may offer rebates to eligible applicants who are approved for financing under the Program. These rebates are subject to change and availability.

Quality Control:

As a means of additional oversight to confirm that the home improvements were completed, the POA will indicate that the City may ask the property owner(s) for any relevant documentation or information pertaining to the home improvements and/or to have a City official or third-party contractor arrange with the property owner(s) for an inspection. The property owner(s) is also responsible for keeping original copies of contractor's invoices and photos of installed measures, especially for harder to verify measures (e.g., thermal insulation), and being prepared to disclose this information to the City upon request.

Measurement and Verification:

As detailed in the POA, the property owner(s) will have an option to provide the City with access to the property's utility usage data to monitor results and to evaluate the Program's effectiveness for a period of four (4) years after the completion of the home improvements. The property owner(s) who opt to share and exchange data which is collected from existing metering or monitoring systems or from monitoring systems installed in the course of the Program will also consent to the sharing and exchange of the data between the property owner(s)'s utility providers for electricity, oil, propane, and natural gas and the City.

Program Survey and Data Consent:

As detailed in the POA, the property owner(s) who receive financing under the Program will be sent a Program evaluation survey. Survey and other such information or data related to the Program (e.g., measures installed, estimated savings, install costs) may be collected by the City and its agents and consultants for the purposes of assessing the performance of the Program or to fulfil the City's reporting obligations.