

## Appendix A: Better Homes Hamilton Program Overview

### Introduction

The Better Homes Hamilton (BHH) program is being recommended as one solution for the City of Hamilton to support homeowners in improving energy efficiency and reducing greenhouse gas (GHG) emissions from residential buildings across Hamilton. The BHH program intends to utilize provincial Local Improvement Charge (LIC) legislation that allows municipalities, through mutual agreement, to place special charges as liens against a property for the purposes of completed works related to energy efficiency.

### Purpose

- Support the greatest number of homeowners across Hamilton in undertaking upgrades which substantially reduce greenhouse gas (GHG) emissions while improving home energy efficiency;
- Reduce barriers to entry through a combination of access to: competitive financing, an “energy coach” concierge service, and guidance in how to maximize rebates and/or grants from existing energy efficiency and income-qualifying programs;
- Target and prioritize homes within areas identified as experiencing energy poverty as identified through social and energy databases (i.e. Canadian Urban Sustainability Practitioners Energy Poverty Mapping Tool); and
- Work to achieve Hamilton’s Climate Action Strategy Low Carbon Transformation #2: Transforming Our Buildings approved by Council in August 2022.

### Program Elements

The BHH Program is intended to provide access to low-interest, fixed-rate loans to serve as the capital required to complete upgrades which result in a reduction in residential building GHG emissions, as well as increase home comfort and energy efficiency. The key elements of the program include:

#### *Financing*

- Loan Amount: Up to a maximum of \$20,000.00 per property.
- Interest Rate: 0% introductory rate through ‘Incubation Stage’ for the length of the repayment term.
- Repayment Term: 10 to 15 years (dependent on loan amount and agreement) paid through regular property tax payments.

#### *Participant Eligibility*

- Homeowner of a single-detached, semi-detached or townhome within Hamilton (both owner-occupied and landlord eligible).

- Homeowner pays taxes and is current on tax payments (i.e. property taxes not in arrears).
- Homeowner is required to inform mortgage lender of participation if the property is under a mortgage.

Important Note – Any retrofits that require tenant displacement would **not** be eligible for the BHH program.

#### *Eligible Retrofits*

- Assessments and Permits: Including pre and post energy assessments and building permits.
- Building Envelope: Including air-sealing/draft proofing, insulation (attic, basement and walls).
- Mechanical Systems: Air Source Heat Pumps (ASHP) including cold-climate (ccASHP) and hybrid ASHP and supporting smart thermostat/controller.
- Supporting Infrastructure: Including breaker panel upgrades and ductwork only when required to support installation of ASHP.

#### **Recommended ‘Incubation Stage’ 2 Year Budget**

<b>Target</b>	50 participants from a diverse sampling across various housing types, demographics and income levels
<b>Total Value of Loans</b>	\$1,000,000.00
<b>Interest Rate</b>	0% introductory rate
<b>Loan Term</b>	10 to 15 years (based on loan value, repayment calculation and property owner agreement)
<b>Administrative Costs</b>	\$275,000.00 for fixed administrative costs for such things as: <ul style="list-style-type: none"> <li>• Marketing, promotion, education;</li> <li>• Software applications for tracking and analysis;</li> <li>• Loan loss reserve</li> <li>• Supporting administrative services</li> <li>• Web development</li> </ul>
<b>Estimated Total Cost</b>	<b>\$1,275,000.00</b>

#### **Expected Benefits**

The BHH is anticipated to result in several benefits both to participating homeowners and in the fight against climate change. These benefits include:

- Reducing household greenhouse gas (GHG) emissions on average by 60% or 2.9 tonnes carbon dioxide equivalent (tCO<sub>2e</sub>) per participating household annually, based on most common housing archetype in Hamilton.

- Potential for \$1,804.8 in cumulative savings based on scenario upgrade occurring in 2023 and savings between 2023 and 2030 from avoided carbon pricing.
- Improvement of indoor air quality and home comfort through reduction of fossil fuel burning and improving building envelope performance.
- Providing low barrier access to upfront capital for building and energy efficiency improvements for those that may not otherwise qualify for traditional financing.

### **Equity Considerations**

Through the extensive research and engagement completed tenant’s rights and important equity considerations have been embedded into the BHH program. Unintended consequences such as ‘renovictions’ were discussed and considered. Furthermore, a strategy to help to identify and ensure the BHH program targets those populations and areas that need this type of support the most was completed. Important equity considerations of the BHH program will include:

- Ensuring that any retrofits that lead to the displacement of tenants will not be eligible;
- Additional resources and information through the ‘Energy Concierge’ service of the BHH program include a mail-out to any tenants whereby the landlord has applied for that specific property; and
- Assessment of social and energy databases including the Canadian Urban Sustainability Practitioners (CUSP) Energy Poverty and Equity Explorer Tool and the building archetype and energy assessment using 2021 census and MPAC building data.