

LANARK COUNTY



2025

Public Works Committee

Better Homes Lanark Update

Report PW-01-2025

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Purpose

The purpose of this report is to:

- Provide an update on the Better Homes Lanark program and outline the roles and responsibilities
- Address any remaining questions prior to bringing the program bylaw to Council



Background

Lanark County was awarded funding from the Federation of Canadian Municipalities to launch the \$12.5 million Better Homes Lanark program in 2025, which will:

- Support deep energy retrofits in 400 single family homes over 4 years
- Offer low-interest financing (2.75%) for homeowners to implement eligible electricity and water conservation retrofits

Overall BHL Goal: Support deep retrofits in 4500 of Lanark County's existing single-family homes by 2040, achieving an average GHG reduction impact of at least 30% per home.

Note: No public or media announcements can be made about this program until after the official announcement by FCM (timing TBD).



Program Eligibility

- Residential single-family homes (SFH) (detached, semi-detached, townhomes, row housing) located within a lower-tier municipality with a local improvement charge bylaw
- If multiple property owners, all property owners must consent to participation in the program
- Property tax and all other payments to the municipality for the past five years must be in good standing
- Eligible homes must achieve a minimum 30% reduction in greenhouse gas emissions or energy consumption for electrically heated homes



Available Funding

- A maximum of \$40,000 and a minimum of \$10,000 per property
- Available grants:
 - \$1,000 for retrofit projects exceeding a 40% GHG or energy consumption reduction
 - \$1,500 for incorporating climate resiliency measures
 - Up to a total of \$5,000 for households with a verified high energy cost burden of equal to or greater than 6%
- Funding through the combined loan and grants cannot exceed \$40,000



Local Improvement Charge Bylaw

- A local improvement charge (LIC) bylaw must be passed by the County and each lower-tier municipality to participate in the program
- A public notice is required prior to passing the LIC bylaw
 - The County will provide notice on behalf of the lower tiers shortly
- Staff have met with municipal treasurers and clerks to address questions and comments relating to the bylaw and program process



Application Process

- Step 1: Pre-application
- Step 2: Energy Assessment and Funding Request Form
- Step 3: Property Owner Agreement
- Step 4: Completing Improvements
- Step 5: Local Improvement Charge Repayment



Step 1: Pre-Application

- Online application that includes:
 - Property address to confirm location is within an eligible municipality
 - Property assessment roll number to confirm payments to the municipality over the last five years are in good standing
 - Evidence of mortgage lender notification where applicable

Roles and responsibilities:

- Lanark County will review the application and contact the municipality to confirm the applicant is in good standing
- Lanark County will provide a Notice of Eligibility to eligible applicants



Step 2: Energy Assessment and Funding Request Form

Energy Assessment

- The homeowner hires a Certified Energy Advisor to complete the pre-retrofit audit and Renovation Upgrade Report
- The Renovation Upgrade Report will include:
 - The current NRCan EnerGuide rating for the home
 - Recommended improvements and estimated useful life of any equipment recommendations
 - Estimated energy cost savings and GHG or energy consumption reductions

Roles and Responsibilities

- The Retrofit Coach (third-party) will work with the applicant to review the Renovation Upgrade Report and decide the scope of work



Step 2: Energy Assessment and Funding Request Form cont.

Funding Request Form

- The homeowner must complete a Funding Request form that includes the:
 - Renovation Upgrade Report from the Certified Energy Advisor
 - Intended improvements to achieve the minimum 30% GHG or energy consumption reduction
 - Estimated costs for each improvement with contractor quotes
 - Any additional eligible third-party incentives/grants
 - The requested initial disbursement from the County upon signing the Property Owner Agreement (typically up to 30% of project costs for contractor deposits)

Roles and Responsibilities

- The applicant will obtain contractor quotes and complete the Funding Request Form, with assistance from the Retrofit Coach if requested
- Lanark County will confirm the eligibility of works and derive the funding amount to include in the Property Owner Agreement



Step 3: Property Owner Agreement

- The County will prepare a Property Owner Agreement (POA) for the municipality and homeowner(s) to review and sign
- The POA will include (not exhaustive):
 - Estimated costs of improvements
 - Estimated special charge
 - Disbursement schedule
 - Timeframe for project completion
 - Property owner responsibilities
- The POA will require homeowners to sign up for a pre-authorized payment plan
- Only once the POA is complete is the homeowner able to complete improvements

Roles and Responsibilities

- Lanark County will prepare the POA
- The County, Municipality, and homeowner(s) will need to sign the POA



Step 4: Completing Improvements

Initial Funding Disbursement

- Upon completion of the POA, the County can provide the initial disbursement for contractor deposits

Project Completion Report

- Following the improvements, the homeowner will be required to submit a Project Completion Report, which includes a copy of a post-retrofit home energy assessment report from a Certified Energy Advisor

Final Funding Disbursement

- The County will provide the final disbursement only after the homeowner submits a Project Completion Report

Roles and Responsibilities

- Lanark County will provide the initial and final funding disbursement directly to the homeowner
- Lanark County will review the Project Completion Report and determine the special charge based on the actual costs of improvements



Step 5: LIC Repayment

Special Charges Bylaw

- The municipality will be required to submit to Council a bylaw to impose the special charge on the participant's property tax roll
- The homeowner will need to be given notice of the Special Charges Bylaw
- Each year, the municipal Treasurer will add that year's portion of the special charge to the participant's property tax roll
- 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 is bound to pay that amount

Roles and Responsibilities

- Lanark County will prepare the Special Charges Bylaw for the municipality and provide notice to the homeowner in accordance with the regulation
- The municipality will pass the Special Charges Bylaw, add the special charge to the tax roll, and update the tax certificate



Step 5: LIC Repayment Cont.

Loan Repayment

- The POA will require homeowners to sign up for a pre-authorized payment plan for property tax payments
- At any time, a homeowner can make advance payments, without penalty
- Failure to make payments is treated with the same remedy as uncollected property taxes
- A loan loss reserve will be established to recover any losses in the event of a homeowner defaulting on their loan payment

Roles and Responsibilities

- The municipality will collect repayments through the property tax bill and send them back to the County annually



County Financial Impact

- No financial impact outside of the previously approved Better Homes Lanark budget
 - \$2.5 million grant from FCM
 - \$5 million loan from FCM
 - \$5 million loan from Lanark County reserves



Local Municipal Impact

- Municipal staff who will be implementing the program have reviewed and provided feedback on the Local Improvement Charge Bylaw and program processes
- Municipal staff are aware of the roles and responsibilities of the program and will be provided with ongoing support throughout the program
- Municipal Councils have had the opportunity to approve the County giving notice of the bylaw on their behalf
- Following the public notice period, each municipality will be required to pass the bylaw



Climate and Sustainability Impact

Better Homes Lanark will:

- Support deep energy retrofits in 400 homes over 4 years
- Reduce greenhouse gas emissions by nearly 10,000 tonnes annually
- Substantially reduce utility bills for residents
- Increase the resiliency of the local housing stock against extreme weather
- Create jobs and training opportunities for local trades and contractors



Next Steps

- Lanark County will provide notice of the Local Improvement Charge Bylaw on behalf of the lower-tier municipalities shortly
- The Local Improvement Charge Bylaw will be brought to Council following the public notice period
- The Bylaws must be passed before receiving funding from the Federation of Canadian Municipalities



Recommendation

THAT, Report #PW-01-2025 Better Homes Lanark Update be received as information.

