



A community that grows together

Report To: Chair Taylor and Members of the Infrastructure and Environmental Services Committee

Meeting Date: February 27, 2025

Subject: BetterHomes Dufferin Update – February 2025

From: Scott Burns, Director of Public Works/County Engineer

Recommendation

THAT the report from the Director of Public Works/County Engineer, Report Public Works-2025-004, BetterHomes Dufferin Update – February 2025, dated February 27, 2025, be received.

Executive Summary

This report updates Council on progress in advancing the BetterHomes Dufferin program, highlighting its climate priorities, financial model, and implementation process. It emphasizes the importance of municipal collaboration and covers:

- **Program Description:** BetterHomes Dufferin is a residential energy retrofit program designed to support homeowners in making energy-efficient upgrades, reducing energy costs, and lowering greenhouse gas (GHG) emissions.
- **Financing Model:** The program is designed to use the Property-Assessed Clean Energy (PACE) model, leveraging the Local Improvement Charge (LIC) mechanism for accessible financing.
- **County's Role:** Dufferin County serves as the financial lead, securing funding through the Federation of Canadian Municipalities' (FCM) Green Municipal Fund (GMF) Community Efficiency Financing (CEF) program.
- **Local Municipal Collaboration:** Local municipalities must pass an LIC bylaw to enable resident participation. County staff will provide a bylaw template for consideration over the next month.

Background & Discussion

In March 2021, Dufferin County adopted the Dufferin Climate Action Plan, committing to a net-zero GHG emissions target by 2050 while enhancing climate resilience. A key priority within this plan is reducing residential energy consumption through deep energy retrofits and improved financing options.

To advance this priority, Dufferin partnered with seven of the eight local municipalities and the Clean Air Partnership—an environmental charity that helps Ontario municipalities achieve climate goals—to conduct a feasibility and program design study in 2022. The study revealed that many residents face higher-than-average energy costs, with five out of seven identified residential archetypes experiencing significant energy poverty. Additionally, 21% of residential GHG emissions come from homes relying on expensive heating sources, including furnace oil (14%) and propane (7%).

In 2024, the County submitted a funding application to FCM's Green Municipal Fund's (GMF) Community Efficiency Financing (CEF) program. This application was supported by letters from local municipalities, committing to passing an LIC bylaw should the application be successful. BetterHomes Dufferin offers a strategic opportunity to reduce both high energy costs and emissions through an accessible energy efficiency program delivered in collaboration with local municipalities and the Clean Air Partnership.

Program Overview

BetterHomes Dufferin is a residential energy retrofit program that helps homeowners implement energy-saving upgrades. It uses the Property-Assessed Clean Energy (PACE) model, leveraging the Local Improvement Charge (LIC) mechanism to offer accessible financing. Eligible upgrades include insulation, high-efficiency heating systems, windows, and renewable energy installations. Elements that increase resilience to climate impacts will also qualify under this program, including sump pumps, backflow valves, and basement waterproofing. Repayment is structured through property tax bills from local municipalities, ensuring a stable and low-risk approach for both participants and municipalities. Beyond contributing to County-wide GHG reduction targets, the program also:

- Lowers energy costs for residents
- Supports seniors in aging comfortably in place
- Stimulates local economic development
- Promotes equity by tailoring rebates and upgrades for low-income households

Affordability and Accessibility

A key advantage of BetterHomes Dufferin is its affordability. By eliminating upfront costs, the PACE model makes energy retrofits accessible to homeowners regardless of income. The LIC mechanism ensures repayment is tied to the property rather than the homeowner, allowing financial obligation transfer to new owners if a property is sold.

FCM has approved the BetterHomes Dufferin program in which homeowners can access loans of up to \$40,000 at a fixed interest rate of 2.5% for up to 20 years. Low-income residents will qualify for a 0% interest rate, reducing financial barriers for participation while addressing energy poverty. Retrofits can also be combined with other provincial and federal rebate programs for maximum savings.

To assist homeowners in navigating the program, the County will be working with the Clean Air Partnership to provide project management services and the Windfall Ecology Centre to provide energy coaching services. The Windfall Ecology Centre, an Ontario-based non-profit social enterprise with over 25 years of experience in sustainability programming, will offer personalized advice and expertise to help homeowners optimize a retrofit pathway paired with available rebates and incentives.

County's Role and Local Municipal Partnership

As the financial lead, the County has secured funding through the Federation of Canadian Municipalities' (FCM) Green Municipal Fund (GMF). However, for the program to proceed and be implemented, local municipalities must pass an LIC bylaw within their jurisdiction. Since the County does not directly collect property taxes, this municipal collaboration is essential. The County will manage the Community Energy Financing (CEF) reporting and consolidate CEF loan repayments to FCM. Over the next month, County staff will work closely with local municipal staff and councils, providing a bylaw template (see attached) for their consideration.

Next Steps

1. **Municipal Engagement:** Staff will engage with local municipalities to discuss program benefits and requirements.
2. **Bylaw Adoption:** Local municipal councils will be asked to pass the LIC bylaw, enabling homeowners to participate and the program to move forward.
3. **Administrative Design:** Once municipalities adopt the bylaw, County staff and the Clean Air Partnership will finalize the program's administrative processes, including stakeholder engagement, financial structuring, and the creation of online portals for application management.

4. **Project Launch:** With all elements in place, the program will launch homeowner outreach and application intake. The goal is to officially launch in January 2026, with the program running until 2029.

Updates will be provided as the project progresses.

Financial, Staffing, Legal, or IT Considerations

The total project value is \$11.25 million, with \$8.75 million in recoverable loans available to homeowners. FCM will provide \$7.5 million which includes \$5 million towards loans and \$2.5 million in a grant for administrative costs and incentives. The County will also contribute \$3.75 million towards the loans. The \$8.75 million will be recuperated over 20 years by the homeowner (see report [Financing the BetterHomes Dufferin Program, March 23, 2023](#)). It should be noted that this project has no impact on tax levy, but it will reduce available cash on hand. Cash management will become an important aspect of this project for the Finance team. Finance will monitor cash balances, pulling from investments if required to ensure sufficient cash is on hand for regular operations.

The BetterHomes Dufferin program requires collaboration between local municipal staff and County staff. While the detailed administrative process is still under development, the team is designing the program to minimize staff workload. The grant portion of the FCM funding can cover administrative costs where required, to prevent the burden of additional financial burden on municipalities.

In Support of Strategic Plan Priorities and Objectives

Climate & Environment – establish the County as a leader in Climate Action

Community - increase affordable and attainable housing options

Equity – align programs, services and infrastructure with changing community needs

Respectfully Submitted By:

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Attachment: Municipal LIC Bylaw for BHD - DRAFT

Reviewed by: Sonya Pritchard, Chief Administrative Officer