



REPORT

Report Date: October 5, 2021
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VanRIMS No.: 08-2000-20
Meeting Date: November 3, 2021
[Submit comments to Council](#)

TO: Standing Committee on City Finance and Services
FROM: General Manager, Planning Urban Design and Sustainability
SUBJECT: Renewal of the Heritage Energy Retrofit Grant Program

RECOMMENDATION

- A. THAT pursuant to section 206(1)(j) of the *Vancouver Charter*, Council approve a money grant of \$526,000 (the "Grant") to the Vancouver Heritage Foundation to renew the Heritage Energy Retrofit Grant program. The source of funding is the Building Energy Retrofit Fund approved by Council in 2016 (RTS No. 11239), with additional funds from the Sustainability Reserve.
- B. THAT, pursuant to and for the purposes of section 206(1)(j) of the *Vancouver Charter*, Council deems the Vancouver Heritage Foundation to be contributing to the welfare of Vancouver.
- C. THAT the Grant made to the Vancouver Heritage Foundation be subject to the Vancouver Heritage Foundation executing and delivering to the City of Vancouver a grant letter agreement received from the City of Vancouver.
- D. THAT the grant letter agreement executed by the Vancouver Heritage Foundation be on the terms generally outlined in this Report and otherwise satisfactory to the City of Vancouver's General Manager of Planning, Urban Design and Sustainability, and the Director of Legal Services.
- E. THAT, on behalf of the City of Vancouver, the General Manager of Planning, Urban Design and Sustainability, be authorized to execute any grant letter agreement governing the terms of the Grant.
- F. THAT no legal rights or obligations are created by the approval of Recommendations A and B above unless and until an actual grant letter

agreement is executed and delivered by the City and the Vancouver Heritage Foundation.

Approval of Recommendations A and B constitutes a money grant and therefore requires a resolution passed by not less than two-thirds of all Council members pursuant to section 206(1)(j) of the *Vancouver Charter*.

REPORT SUMMARY

This report proposes renewing a successful and well-utilized grant program for the third time. The Heritage Energy Retrofit Grant (HERG) program is operated in collaboration with the Vancouver Heritage Foundation, and provides owners of heritage and character homes funding and support to complete energy efficiency upgrades. The source of funding proposed is the Building Energy Retrofit Fund approved by Council in 2016 (RTS No. 11239), with additional funds from the Sustainability Reserve within the 2021 Planning, Urban Design and Sustainability operating budget. The focus of energy efficiency upgrades for the proposed fourth cycle of the grant program is tackling de-carbonization with heat pumps, and will help put heritage and character homes on the path to zero emissions.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

June 2015: Council approved a motion to approve a grant of \$60,000 for the first Vancouver Heritage Foundation energy retrofit pilot program to provide grants to owners of character homes to complete energy efficiency upgrades.

November 2016: Council approved a motion to approve a grant of \$132,000 to the Vancouver Heritage Foundation to renew the Heritage Energy Retrofit Grant program

April 2019: Council approved a motion to approve a grant of \$200,000 to the Vancouver Heritage Foundation to renew the Heritage Energy Retrofit Grant program for the second time

November 2020: Council approved the Climate Emergency Action Plan, which included Big Move 4 which focuses on reducing emissions from existing buildings

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

There are approximately 17,000 homes in Vancouver that were constructed prior to 1940 and are considered character or heritage homes. The HERG program recognizes the challenges and costs involved in retrofitting these older homes and provides matching funds for upgrades. With the continued assistance of the HERG program, these homes could see significant gains in sustainability made through energy efficiency upgrades. As well, this work supports retention of

character homes – homes that have received investment and upgrades are less likely to be demolished and replaced. Additionally, this program offers the City an opportunity to test and research, and to apply lessons learned in future policy and regulation.

The Heritage Energy Retrofit Grant has completed two successful and fully subscribed cycles, and the third cycle is fully subscribed and well underway. To date, 114 homes have participated or completed work. Data from the third, still active cycle shows that the average GHG reduction is trending upwards, with a current average annual reduction of 5.3 tons of greenhouse gases, with an average expected life of 29 years. This results in a total reduction per home of 152 tons over the life of the retrofits (29 years). There is substantial and sustained interest in the program, with an average of 2 homeowners applying per month, with minimal advertisement of the program.

The HERG program aligns with Clean BC (Provincial funding focused on clean energy) and allows character home owners to leverage that additional grant money. The relationship between HERG and provincial rebates for heat pumps is intentionally layered - it is expected that one home could receive both Provincial rebates and City grants, in order to increase uptake for this form of housing that is more complex to upgrade.

Strategic Analysis

Previous cycles of the HERG program have highlighted that:

- 1) Individualized guidance is valuable to help heritage home owners navigate the work of energy upgrades. It can be a complex process, and having experienced and specialized support available via our partners at the Vancouver Heritage Foundation, as well as financial support through the grant program, has proven to be important.
- 2) To date, large GHG reductions have been made possible using a building envelope focus, but there is great potential in sensitive heat pump location. Therefore, this iteration of the program proposes greater funding and focus on the installation of heat pumps.

This proposed renewal of the program would:

- continue the well-developed individualized support offered by the Vancouver Heritage Foundation
- focus on carbon reduction as well as energy efficiency through the use of heat pumps and envelope upgrades
- augment existing rebates for the highest priority upgrades
- expand support for window restoration to increase energy efficiency while enhancing the character of eligible homes
- encourage measures that are heritage and character sensitive, and
- offer a limited number of homes a full financial offset of the incremental cost of upgrading to a heat pump and transitioning off of fossil fuel combustion in the home.

By providing a greater focus on heat pumps, the City will be able to gain a better understanding of the unique challenges presented by heritage and character homes in terms of making significant GHG reductions, which will better inform future policy and programs.

It is important to note that the City offers other retrofit programs to support a variety of people and tenures to transition off fossil fuels, such as the soon to be launched Landlord BC Rental Retrofit program. This program is a pilot to do building retrofits to rental apartments utilizing low carbon electrification technologies, in order to significantly reduce their GHG emissions while ensuring no displacement and minimal impact on existing tenants. The findings from the project will inform future work and partnerships to further support reinvestment in Vancouver's aging existing rental stock and lowering of its carbon pollution while protecting affordability and security of tenure for existing tenants.

Implications/Related Issues/Risk

Financial

The recommended renewal of the grant program will draw from remaining funds in the Building Energy Retrofit Fund approved by Council in 2016 (RTS No. 11239), with additional funds from the Sustainability reserve within the 2021 Planning, Urban Design and Sustainability operating budget.

Environmental

This grant program supports Big Move 4: Zero Emissions Space and Water Heating in the Climate Emergency Action Plan.

Legal

This grant is authorized by section 206(1)(j) of the *Vancouver Charter*.

CONCLUSION

Renewing the successful Heritage Energy Retrofit Grant program for the third time maintains the momentum of a successful program that supports a number of Vancouverites that live in heritage or character homes, as well as augments the carbon reduction work of the Climate Emergency Action Plan. It continues a successful collaboration with the Vancouver Heritage Foundation and helps to build industry capacity.

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