



COUNCIL REPORT

Report Date: June 27, 2023
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VanRIMS No.: 08-2000-20
Meeting Date: July 11, 2023
[Submit comments to Council](#)

TO: Vancouver City Council
FROM: General Manager, Planning Urban Design and Sustainability
SUBJECT: Renewal of the Heritage Energy Retrofit Grant Program

Recommendations

- A. THAT pursuant to section 206(1)(j) of the *Vancouver Charter*, Council approve a money grant of \$300,000 (the "Grant") to the Vancouver Heritage Foundation to renew the Heritage Energy Retrofit Grant program. The source of funding is the 2023-2026 Energy Retrofits for Non-City Buildings funding approved by Council in the 2023 Capital Budget (RTS 15280).
- 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.

Purpose and Executive Summary

This report proposes funding the successful and well-utilized grant program (program details in Appendix A) for the fifth time. The Heritage Energy Retrofit Grant (HERG, “the program”) 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 is the 2023-2026 Energy Retrofits for Non-City Buildings funding approved by Council in the 2023 Capital Budget (RTS 15280). The focus of energy efficiency upgrades for the proposed fifth 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.

May 2021: Council approved a motion to approve a grant of \$526,000 to the Vancouver Heritage Foundation to renew the Heritage Energy Retrofit Grant program for the third time.

City Manager’s Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

The program recognizes the challenges and costs involved in retrofitting older homes and provides matching funds for upgrades. With the continued assistance of the program, these homes could see significant gains in sustainability made through energy efficiency upgrades. As well, this work supports retention of character homes as 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, research, and apply lessons learned to future policy and regulation.

The program has completed three successful and fully subscribed cycles, and currently has a wait list. To date, 61 homes have participated. Data from the fourth, still active cycle shows that

the average greenhouse gas (GHG) reduction per retrofit is improving, with a current average annual reduction of 4.8 tonnes of greenhouse gas, with an average retrofit expected life of 22 years. This results in with a total average reduction per home of 105 tonnes over the life of the retrofits, or 6300 tonnes for the program to date. This is the equivalent of taking 1312 cars off of road for one year. There is substantial and sustained interest in the program, with an average of two homeowners applying per month, with minimal advertisement of the program.

The program aligns with the CleanBC Better Homes Program (Provincial funding focused on clean energy), the Greener Homes Program (Federal funding focused on heat pumps and home retrofits) and allows character home owners to leverage that additional rebates. 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. The program provides funds to support heritage and character appropriate retrofits including storm windows to preserve original wood windows, high performance cellulose insulation and replacing furnaces, boilers, hot water heaters and installing heat recovery ventilators.

Discussion

This program provides financial support to retrofit pre-1940 homes which are among the most challenging to retrofit. No other granting program provides an incentive for storm windows, which are often the most appropriate solution for an older home. Heritage and Character homes often have wood windows and lathe and plaster finishes inside. These homes need additional consideration when retrofitting to ensure the fabric of the building is not damaged during the energy upgrades. The \$300,000 grant allows the program to accept waitlisted applications and target 25-30 homes to support. This proposed round of the program will target a 7 tonne annual reduction from each home retrofitted, or 154 tonne's per home over a 22 year estimated retrofit lifecycle, with 30 homes we have a total in the 4620 tonne range for this round of grants.

Previous cycles of the HERG program have highlighted with feedback from participating homeowners 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 the Vancouver Heritage Foundation, as well as financial support through the grant program, has proven to be important to catalyze action.
- 2) To date, large GHG reductions have been made possible using a building envelope focus, with mechanical improvements

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 required use of heat pumps and envelope upgrades

- Require electrification of space heat
- Offer an incentive for induction cooking
- Lower the maximum grant for a heat pump from HERG to \$1000 from \$6000
- Augment existing rebates for the highest priority upgrades
- Expand support for window restoration to increase energy efficiency while enhancing the character of eligible homes
- Cap the maximum HERG incentive at \$8,000 from the previous \$18,000
- Encourage measures that are heritage and character sensitive

By providing a greater focus on home electrification, 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 residents to transition off fossil fuels and more details can be found here: [Energy resources and programs for existing detached homes | City of Vancouver](#).

Financial Implications

The recommended renewal of the grant program will draw from the existing 2023-2026 Energy Retrofits for Non-City Buildings funding approved by Council in the 2023 Capital Budget (RTS 15280).

Legal Implications

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

Equity Implications

Currently this program is open to homes of any value and individuals of any wealth level. The next phase of this program will be considered through City's Equity Framework and staff will consider income testing and other means to best administer this program equitably.

CONCLUSION

Funding the successful Heritage Energy Retrofit Grant program for the fifth time maintains the momentum of a successful program that supports a number of Vancouverites that live in heritage or character homes, provides critical learning for staff, improves experience for the trades and 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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APPENDIX A

Heritage Energy Retrofit Grant Program Details

How the program works

Step 1

Homeowners of houses constructed before 1940 or that are listed on the Vancouver Heritage Register are eligible to apply by completing the online application form.

Step 2

If accepted into the program, VHF will coordinate an EnerGuide Rating System (ERS) Home Evaluation of your home with a certified energy advisor from our partner organization City Green Solutions. The incentive amount will cover a portion of the evaluation cost and the applicant can apply to provincial rebate programs to have the other portion reimbursed.

The energy advisor will provide the homeowner with two reports:

EnerGuide Rating System (ERS) Home Energy Evaluation Report

Vancouver GHG Reduction Opportunities Report.

These reports and supplementary materials provided will help the homeowner select the best upgrades for their older home through an educated process.

We cannot accept evaluations or reports prepared by other energy advisors to generate the reports required for this program.

Step 3

The homeowner will select which energy upgrades to undertake during an 18-month period that will be most beneficial for the overall energy efficiency of the building as well as the retention of the original fabric of the house with an emphasis on its character-defining elements.

Step 4

Homeowners complete selected energy upgrades from the energy advisor's recommendations. If the owner chooses to complete window restoration, the installation of storm windows or high-efficiency toilets they will apply directly to VHF for the direct incentive.

Step 5

The homeowner will be responsible to apply to provincial rebate programs including those offered by Fortis BC and BC Hydro. It is the responsibility of the homeowner to ensure they meet the requirements for specific rebates.

Step 6

VHF will coordinate a post-retrofit EnerGuide Rating System home energy evaluation for the house. Based on the reduction in GHG established through the energy evaluations, City Green Solutions will calculate the eligible provincial rebates available to the homeowner, and the grant amount outside of VHF's direct incentives that the homeowner will receive.

Step 7

VHF will provide the final calculated grant amount to the homeowner.

Home Eligibility

1. Located in Vancouver.
2. Rental homes require the owner of the home to apply.
3. Constructed prior to 1940 or be listed on the Vancouver Heritage Register (VHR).
4. The primary heat type is natural gas or oil.
5. Eligible house types are (see guidelines for full details):
 - single family dwellings
 - duplexes
 - row homes or townhomes.
6. Submission of 24 months of energy consumption data, 12 months before retrofits and 12 months after retrofits are completed.

Funding Available Per Home (May 2021-May 2022)

	Grant For	Grant Funding (up to) \$
Heritage Energy Retrofit Grant	Pre-Retrofit Evaluation & Reports	\$345*
	GHG Reduction Retrofits	Up to \$12,000** (includes: window Restoration incentive, pre-retrofit and post-retrofit evaluations and reports)
	Storm windows/ Window Restoration (with a minimum of one other retrofit)	Up to \$6,000
	Post-Retrofit Evaluation	\$445
	Air-source heat pump incentive when switching fuel sources	Up to \$6,000 (in addition to GHG Reduction Retrofits)
	Up to 2 high-efficiency toilets of 4.8 liters per flush or less	Up to \$200 (in addition to GHG Reduction Retrofits)
	Energy Consumption data sharing	\$250 bonus gift card
	Other Available Rebates	For current incentives from other sources please refer to betterhomesbc.ca