

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

BY-LAW NO. 25-011

WHEREAS Part III of Ontario Regulation 586/06 authorizes Council to pass a by-law to undertake works on private residential property as local improvements for the purpose of raising all or part of the cost of the work by imposing special charges on lots upon which all or some part of the local improvement is or will be located;

AND WHEREAS Section 36.5(2) of O. Reg. 586/06 states that the by-law may authorize the undertaking of works which satisfy the requirements of a municipal program for which the municipality has given notice under Section 36.6(2)(b) of O. Reg. 586/06;

AND WHEREAS, the Council of the County of Lanark adopted the Better Homes Lanark Program with the intent that a further by-law be passed by participating lower-tier municipalities pursuant to the authority of Ontario Regulation 586/06 to implement the recovery of costs incurred by the County;

NOW THEREFORE BE IT RESOLVED THAT, the Council of the Corporation of Municipality of Mississippi Mills enacts as follows:

1. GENERAL REGULATIONS

- a. **THAT**, Council authorizes the undertaking of energy efficiency and water conservation works on private residential property as local improvements under the Better Homes Lanark Program as set out in Schedule A to this By-law, subject to amendments made by the CAO from time to time, for the purpose of raising all or any part of the cost of the work by imposing special charges on lots upon which all or some part of the local improvement is or will be located; and
- b. **THAT**, Council authorizes the Head of Council and Clerk, with the County of Lanark, to execute agreements with qualified property owners to consent to the local improvement charges imposed for the purpose of raising all or part of the cost of the work on lots upon which all or some part of the local improvement is or will be located, substantially in the form attached to this By-Law as Schedule B.

2. ULTRA VIRES

Should any sections of this by-law, including any section or part of any schedules attached hereto, be declared by a court of competent jurisdiction to be ultra vires, the remaining sections shall nevertheless remain valid and binding.

BY-LAW read, passed, signed, and sealed in open Council this 25th day of February 2025.

Christa Lowry, Mayor

Jeanne Harfield, Clerk

Bylaw No. 25-011 Schedule "A"

Better Homes Lanark Program Design

1.0. Overview

Better Homes Lanark is a municipal low-interest loan program administered by the Corporation of the County of Lanark (the County) for qualifying electricity and water conservation improvements. It is designed to extend municipal funding to consenting homeowners for undertaking home energy efficiency retrofits and related energy assessments and then to secure payment by imposing a local improvement charge (LIC) on the private residential property, as authorized by the Regulation. This program will be administered by the County in conjunction with a third-party retrofit coach and lower-tier municipalities.

2.0. Interpretation

"Municipality" Means the lower tier municipality where the subject property is located.

"County" refers to the County of Lanark.

"EnerGuide Rating System (ERS)" refers to the current published system developed by Natural Resources Canada to measure a home's energy performance.

"Incentive/Rebate" means any money received or to be received from a utility company, Governmental Authority, or Crown or municipal corporation (including the Canadian Mortgage and Housing Corporation) in respect of one or more of the Actual Improvements, but excluding any money intended to cover any portion of the cost of an energy assessment.

3.0. Program Eligibility

Residential single-family homes (SFH) located within the County of the following forms are eligible: detached, semi-detached, townhomes, or row housing.

The property must have a property tax account with a municipality within the County with a local improvement charge bylaw for electricity and water conservation improvements.

Participation is voluntary, owner-initiated and subject to the following conditions:

- All registered owner(s) of the property must consent to participating in the Program.
- Property tax, [utility bills] and all other payment obligations to the municipality for the past five years must be in good standing.

To access Better Homes Lanark loans and grants, eligible homes must demonstrate the ability to achieve a minimum 30% reduction in greenhouse gas emissions or energy consumption, indicated through the results and recommendations of a pre-retrofit audit completed by a Certified Energy Advisor (“CEA”) - certified by Natural Resources Canada (“NRCan”).

4.0. Home Energy Assessments

Similar to the ecoENERGY Home Retrofit Program designed by the Federal Government, the Program will utilize the EnerGuide Rating System to provide a standard measure of a home's energy performance. It provides a standardized tool and process to assess home energy efficiency and can model energy savings projects.

The property owner must hire a CEA to perform pre- and post-retrofit assessments in accordance with the ERS. CEAs are experts in the field of energy efficiency and well-versed in the 'whole home' approach to home energy systems, technologies and products. The cost of the energy assessments is paid by the homeowner to the CEA. The homeowner can include the cost of the assessments in the funding request if they proceed with a retrofit project. The County will not engage or procure a CEA on behalf of the homeowner.

5.0. Qualifying Energy Efficiency and Water Conservation Measures

Eligible retrofit measures must include recommendations identified by the CEA during the pre-retrofit energy audit that collectively could meet the minimum 30% reduction in greenhouse gas emissions or energy consumption. Financing is designated for capital costs (not maintenance costs) with an expected useful life of 5 years or greater and for measures that are permanently affixed to a property. The expected useful life of the retrofit measures is to be linked with the LIC term. The Program will only fund eligible retrofit costs of up to a maximum of \$40,000 and a minimum of \$10,000.

The non-exhaustive list of the categories of measures eligible under the Program, subject to any permitting and regulations, includes:

- Thermal envelope upgrades: attic, wall and basement insulation, air-sealing.
- Mechanical system upgrades (space heating and cooling): high efficiency furnace, boiler and air conditioner replacement, thermostats and controllers, air source heat pumps, ground source heat pumps.
- Mechanical system upgrades (water heating): high-efficiency water heaters (e.g., hybrid heat pump, tankless, etc.), drain water heat recovery systems, solar hot water systems.
- Windows, doors, and skylight improvements: exterior doors, window shading devices, windows, skylights and tubular daylight devices.
- Upgrades to a home's electric panel (e.g., from 100 to 200 AMP) to accommodate increased demand to the electrical load of the home from fuel switching or installing EV charging equipment, etc.
- Renewable energy installations, such as solar rooftop photovoltaics.

- Other: new energy efficient (certified) products as they become available will be considered as additional eligible technologies.

Better Homes Lanark can also address, in a limited capacity, other non-energy improvements. Non-energy improvements are subject to a cap of 30 percent of the total cost of an individual home upgrade project. Non-energy improvements can only be applied for in addition to qualifying energy efficiency projects. The program will not accept applications that are solely for non-energy related improvements. Categories of qualifying non-energy improvements include:

- Water efficiency improvements: low-flow toilets, hot water circulation pump and system, greywater treatment system, closed-loop shower water recovery system, rainwater harvesting system (subject to eligibility criteria).
- Climate resiliency measures, including:
 - Air source heat pumps for cooling when no air conditioning exists.
 - Back up generators connected directly to the electric panel for power outages
 - Storm damage prevention measures for roofs (e.g., rafter ties).
 - Flood prevention measures through on-site stormwater management (e.g., back flow prevention valves, exterior landscaping to redirect water away from the home, eaves trough/downspout repairs/extensions, rain barrels, etc.
- Alternative energy improvement such as electric vehicle charging stations (Level 2) and battery storage systems.

The cost of an EnerGuide home energy assessment is eligible to include in the LIC financing.

Ineligible measures include equipment or products not permanently affixed to the property, previously installed in another home, or deemed general maintenance. By recommending categories of retrofit improvements and associated measures, the County makes no guarantees of the materials, performance, cost-effectiveness or any warranty of the measures supported by the Program.

6.0. Grant Programs

Grants will be available to participating homeowners to encourage a higher than minimum performance improvement as a result of the retrofit, to encourage the inclusion of climate resiliency measures where appropriate, and to provide additional support to households experiencing a high energy cost burden in relation to their household after-tax income.

Grants are available to participating homeowners to offset any approved loans through this program. Funding through combined grants and loans cannot exceed \$40,000.

Better Homes Lanark grant opportunities are as follows:

- \$1,000 for retrofit projects exceeding a 40% reduction in household greenhouse gas emissions or energy consumption.
- \$1,500 for incorporating climate resiliency measures, not exceeding the total cost of the measure. See above for examples of resiliency measures. Other resiliency measures can qualify for grant funding dependant on approval.
- Up to a total of \$5,000 in grants for households with a verified high energy cost burden of equal to or greater than 6%. Energy cost burden is reported as the percentage of total after-tax household income that is spent on home heating and electricity. To access this additional optional grant, the homeowner will need to provide the County with their previous year's Canadian Revenue Agency tax assessment and utility bills to confirm the household's energy cost burden. Alternative documents to assess energy cost burden could include pay stubs and fuel invoices.

Participating homeowners are only eligible to receive up to a total of \$5,000 in grants under this section.

7.0. . Completing the Retrofit through Contractor Engagement

The County will provide financing to homeowners for eligible measures covered by the Program that have been:

- Recommended by the CEA.
- Installed by contractors hired by the property owner.

The County will not pre-qualify contractors or procure contractors or install retrofit improvements on behalf of homeowners in connection with this Program. The homeowner will use the funds disbursed by the County to pay contractors directly.

The County will provide a list of contractors who have received mandatory contractor orientation on the Program webpage. However, the County is not responsible for the work quality of any contractors hired in connection with this Program and assumes no liability for the works undertaken. All retrofit improvements and renovations must adhere to local codes and by-laws and building permits must be obtained as necessary. The homeowner is responsible for ensuring that hired contractors are licensed, bonded, and insured. Any issues that may arise relating to the quality of workmanship or post-installation performance of energy measures, for example, should be dealt with by the property owner and contractor.

8.0. Application Process

The steps below outline the process and requirements homeowners need to follow as part of the Program. County staff will periodically review this process to ensure effective Program implementation and, where deemed appropriate, the County may make changes in its sole discretion.

Step 1: Pre-application

Homeowners submit an on-line application form that includes, but is not limited to, the following information:

- Property address to confirm location is within an eligible Municipality.
- Property assessment roll number to confirm no outstanding payments owed to the Municipality in the last five years.
- Evidence of mortgage lender notification (where applicable).

Once the property owner has been prequalified by the County, based on the above criteria, the County will provide Notice of Eligibility to the homeowner.

Step 2: Energy Assessment and Funding Request Form

1. Energy Assessment

The homeowner hires a CEA to complete the pre-retrofit home energy assessment in accordance with Section 4 Home Energy Assessments and submits to the County the resulting Energy Assessment Report that the CEA provides to the homeowner. The homeowner can work with County staff or County appointed consultants, in addition to the CEA, to help decide the scope of work to be completed.

The Energy Assessment Report must include:

- The current NRCan EnerGuide rating for the home.
- Recommended improvements that have been customized for the home based on existing conditions which could potentially increase the NRCan EnerGuide rating of the home.
- The estimated useful life of the proposed improvement(s).
- The estimated energy cost savings and greenhouse gas emissions or energy consumption reductions that may be realized after installing the recommended improvements.

Any estimated cost of the works can be included in the Energy Assessment Report but will require contractor quotes to verify the costs for inclusion in the Funding Request Form.

2. Funding Request Form

Along with the Energy Assessment Report, the homeowner will need to submit a Funding Request Form that:

- Identifies the improvements that the property owner intends to install based on the Energy Assessment Report to achieve the minimum 30% reduction in greenhouse gas emissions or energy consumption for electrically heated homes.
- Identifies the cost for each improvement (including equipment, materials and labour costs) with quotes from contractors and any additional third-party incentives/rebates that they are eligible and expected to receive (e.g., Enbridge's Home Efficiency Rebate or other incentive program).
- The amount of disbursement being requested from the County upon signing the Property Owner Agreement (up to 30% of the funding request can be provided for contractor deposits). Eligible homeowners with larger projects or high energy cost burdens (whereas 6% or more of their after-tax income is spent on home energy bills) may be disbursed up to 50% of the funding request in advance.

Following receipt of the Funding Request Form, the County, will:

- Confirm the eligibility of the works (e.g., achieves the minimum 30% reduction in greenhouse gas emissions or energy consumption for electrically heated homes, items affixed to property).
- Verify the reasonability of retrofit costs and labour costs by consulting manufacturer pricing and prevailing labour rates.

The above steps will enable the County to derive the funding amount up to the maximum of \$40,000 and a minimum of \$10,000 to include in the Property Owner Agreement.

Step 3: Property Owner Agreement

After the County has confirmed the acceptability of the Energy Assessment Report and the Funding Request Form, the County and municipality in which the property is located will prepare a property owner agreement ("POA"), in accordance with Appendix B for the homeowner(s) to review and sign.

Step 4: Completing Improvements

1. Initial Funding Disbursement

Following execution of the POA, the County will provide the homeowner with the initial disbursement agreed upon in the POA to a maximum of 30% of the funding request that shall be used by the homeowner to pay contractors or suppliers (i.e., security deposit). Eligible homeowners with larger projects or high energy cost burdens (whereas 6% or more of their after-tax income is spent on home energy bills) may be disbursed up to 50% of the funding request in advance.

The property owner will be contractually obligated to repay this initial disbursement to the municipality via the property tax bill if the property owner does not complete the improvements.

The property owner can then proceed with hiring contractor(s) and performing the approved energy improvements to the property. The improvements must be completed within a reasonable timeframe, as stipulated in the POA, to be determined by the County in its sole discretion. Only work completed pursuant to a valid building permit – where applicable – will be eligible for reimbursement, and only after a final inspection is completed and receives approval from the applicable Building Official (if required).

2. Final Funding Disbursement

As will be detailed in the POA, the County will provide the final disbursement only after the homeowner provides a copy of the post-retrofit assessment report from the CEA that:

- Includes a Certificate of Completion that attests to the approved retrofit measures having been installed.

- Provides an EnerGuide rating of the home after the retrofit measures have been completed which is greater than the original EnerGuide rating noted on the pre-retrofit assessment report from the CEA.
- Provides proof of the actual costs and for all the works and an assessment of the expected useful life of the works. The POA will establish the specific requirements necessary to be eligible for further disbursement.

Step 5: LIC Repayment

Following the municipality's Treasurer periodic certification of the local improvement roll, (which occurs after the improvements on a given set of properties are complete and the final amounts of funding are confirmed), the municipalities' staff will submit to Council a by-law pursuant to Section 36.14 of O.Reg 586/06 to impose the special charges on the participating properties. For each property included in the by-law, the Treasurer will then add to the municipalities' tax roll for that property each year that portion of the imposed special charge that is due in that year. 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 who was not a party to the POA is bound to pay that amount.

To facilitate repayment of the annual special charge, the POA will require homeowners to sign up for the pre-authorized payment plan option for property tax payments, if applicable at the municipality. At any time, a homeowner can make advance payments, without penalty, including a one-time payment of the total outstanding amount owing to clear the property of the LIC charge. Failure to make payments is treated with the same remedy as uncollected property taxes which may include penalties and interest charges.

9.0. LIC Disclosure

As stated in the Regulation, the special charge imposed on the homeowner(s) property constitutes a special lien that is binding on all future owners. As such, the subsequent owner of a property on which the municipality has imposed a special charge is required to pay the municipality the annual LIC amount even though that subsequent owner was not a party to the original POA. In addition to notice that the Municipality will be providing in accordance with the provisions of O. Reg. 586/06, the Municipality also will take the following steps to ensure even greater transparency of the LIC to interested parties by:

- i) The County will maintain a registry of all property addresses in the County who have received funding under this program, along with the enabling local bylaw number, on the County website.
- ii) The municipality will update the Tax Certificate to include the full LIC amount, amount payable in the current year, outstanding amounts owing and a note to reference the by-law pursuant to which the special charge was imposed.

The steps will be completed as a courtesy only, and the County may, in its sole discretion, elect to discontinue any or all such steps.

10.0. Quality Control

As a means of additional oversight to confirm that the funded improvements were completed, the POA will indicate that the County and/or municipality reserves the right to have a County and/or Municipality official or third-party contractor arrange with the property owner for an inspection. The property owner(s) is also responsible for keeping original copies of contractor invoices and photos of installed measures, especially for harder to verify measures like insulation, and be prepared to disclose this information to the County and/or Municipality upon request.

11.0. Measurement and Verification

Pursuant to the POA, the property owner(s) must consent to providing the County and/or municipality with access to the property's energy usage data in order to monitor results and evaluate the Program's effectiveness for a period of five years after completion of the retrofit. Also, the property owner(s) agrees to participate in surveys and other follow-up activities to help the County evaluate the Program