



Ottawa, CANADA

December 14, 2022

Better Homes Ottawa – Loan Program

BACKGROUND

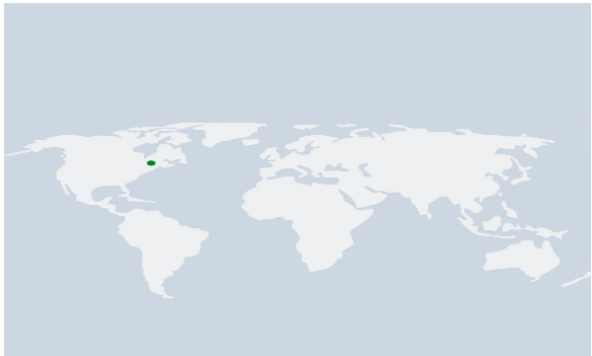
To meet Ottawa's GHG targets, 98% of its residential homes must be retrofitted to reduce energy consumption by 70% by 2040. The Better Homes Ottawa - Loan Program is designed to help accomplish such goals. This initiative hopes to accelerate deep energy retrofits via a financing and retrofit coaching program. **Better Homes Ottawa** is a one-stop for Ottawa residents to help them make their homes more energy-efficient and climate-friendly.

Project Description

The Better Homes Ottawa – Loan Program is a local loan program for home energy efficiency retrofits. It aims to support residents in reducing energy consumption and greenhouse gas emissions. The program offers low-interest, 20-year loans of up to \$125,000 to cover the cost of home energy improvements like thermal envelope upgrades, mechanical systems, EV chargers, climate adaptation measures and the addition of rental suites (up to a maximum of 30% of the value of the loan). With low-interest, 20-year loans tied to a property instead of the individual, the Program makes it easier and more affordable for homeowners to pay for these home improvements over time.

Relevant data

- Population: 1,017,449
- GCoM Join date: 2016
- Name of the Project: Better Homes Ottawa - Loan Program
- Project Category: Mitigation and Adaptation
- Year of application: 2021
- Financing: Federation of Canadian Municipalities & VanCity Community Investment Bank



SOLUTIONS

Implementation and finance

An energy efficient home reduces energy consumption and GHG emissions, while also lowering costs. In Ottawa, existing homes and other buildings produce almost half of the city's emissions. The Better Homes Ottawa Loan Program is aimed at helping Ottawa residents reduce their homes' carbon emissions with loans of up to \$125,000 (or 10% of the property value). The program also aims to support the refurbishment of Ottawa's aging residential building stock and supporting the growth of the low carbon trades and skilled labour sector through training opportunities and direct rebate programs.

The pilot project was launched in November 2021 with funding from the Federation of Canadian Municipalities. An initial \$8 million of zero interest loan capital was available and quickly spoken for. An additional \$4 million in loan capital, with an interest rate of 3.25%, was secured by the City of Ottawa from VanCity Community Investment Bank, Canada's first values-based bank.

In June 2022, a further \$15 million was secured through a loan agreement between the City of Ottawa VanCity Community Investment Bank), allowing an estimated 500 property owners to access a fixed rate 20-year loan at 4.33% to retrofit their homes.

The City of Ottawa is working with EnviroCentre, Ottawa-based non-profit organization, to deliver this program. Envirocentre's mission is to help people and communities lighten their environmental impacts in lasting ways. Envirocentre offers retrofit coaching support to those who require it, and the City of Ottawa is actively looking for more ways to support homeowners who apply to the Loan Program.



Mark Sutcliffe, Mayor of Ottawa



RESULTS AND LESSONS

- There is more demand for this kind of program than was first expected.
 - The 0% loan capital was spoken for within the first two weeks of launching the program.
- Homeowners benefit from having access to energy coaches.
- Income matters: homeowners with the most means are the ones to apply first, while attracting low-income participants is difficult.
- To date, an average of 45% greenhouse gas emissions reductions have been achieved in retrofit projects.
- The most popular retrofit measures include installation of solar photovoltaic panels and air source heat pumps, new windows and doors, attic insulation, and air sealing.
- Having a service delivery partner is very valuable, especially one like Envirocentre with considerable experience in home energy efficiency programs.
- Collaboration with various municipal departments, in particular finance and revenue services, is critical to program success.



"The first year of the Better Homes Ottawa Loan Program has been a tremendous success. The residents of Ottawa have demonstrated a firm commitment to reducing the greenhouse gas emissions from their homes. We look forward to expanding the uptake of this program in years to come."

Mark Sutcliffe, Mayor of Ottawa

Acknowledgments

We would like to thank the City of Ottawa for sharing this case study

The GCoM encourages local government signatories to share their climate action. If you have a case study or successful project, please contact us by email or other channels.

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