



**City of Kingston**  
**Information Report to Housing and Homelessness Advisory Committee**  
**Report Number HHC-24-010**

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**To:** Chair and Members of the Housing & Homelessness Advisory Committee

**From:** Paige Agnew, Commissioner, Growth & Development Services

**Resource Staff:** Julie Salter-Keane, Manager, Climate Leadership

**Date of Meeting:** June 13, 2024

**Subject:** Update on the Potential to Extend the Better Homes Kingston Program

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**Council Strategic Plan Alignment:**

Theme: 2. Lead Environmental Stewardship and Climate Action

Goal: 2.2 Support climate action and sustainability for residents, businesses and partners.

**Executive Summary:**

[Report EITP-24-001 Potential to Extend the Better Homes Kingston Program](#) was presented to the Environmental, Infrastructure & Transportation Policies Committee on December 12, 2023. The purpose of the report was to provide details on the feasibility to expand the program including options for recapitalizing the program, the creation of a fee for service model for the program to ensure long-term feasibility, and other programmatic changes under consideration, including support for low-income homeowners.

The purpose of this report is to seek input from the Housing and Homelessness Advisory Committee on the equity considerations that are outlined in [Report EITP-24-001 Potential to Extend the Better Homes Kingston Program](#), attached as Exhibit A to this report.

Staff will report back to the Environment, Infrastructure & Transportation Policies Committee in Q3 2024, with the final program changes and financial considerations for phase two of the program, including the required loan financing to be provided by the City, details of the fee-for-service model for program cost recovery, and options for continued incentives.

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**Recommendation:**

This report is for information only.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER

**Paige Agnew, Commissioner,  
Growth & Development Services**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief  
Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required

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### Options/Discussion:

Council's 2023-2026 Strategic Plan 2.2.3 A includes a commitment to evaluate and report on the potential to extend the Better Homes Kingston program beyond the initial four years. Launched on April 11, 2022, the Better Homes Kingston program is intended to operate until September 2025, with funding provided by the Federation of Canadian Municipalities (FCM), Community Efficiency Financing (CEF), and the City. The program offers access to loan financing (i.e. attached as Local Improvement Charges to the participating property and arranged for loan repayment on property tax bills), incentives and free ongoing energy coach support.

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The purpose of this report is to seek input from the Housing and Homelessness Advisory Committee on the equity considerations that are outlined in [Report EITP-24-001 Potential to Extend the Better Homes Kingston Program](#), attached as Exhibit A to this report.

Beyond the pilot, important changes are being considered to retain and enhance Better Homes Kingston's equity considerations, to support low-income homeowners to complete home energy retrofit projects. It is proposed that Energy Coaching Services would remain free to all income qualified candidates, with the upfront cost of the required home energy evaluation being paid directly by the City, to remove this barrier to entry. The Better Homes Kingston program currently follows the same income thresholds as the provincially funded Kingston Frontenac Renovates Program. It is proposed that a more inclusive household income threshold could be established, following best practices from other home energy efficiency programs in Canada, such as two-times the low-income cut-offs (LICOs) used by the Alberta's Home Upgrades Program. Staff are also investigating the option of offering 75%-100% of the total cost of the project in upfront funding as another supplementation for low-income qualified candidates.

Specific marketing will be completed to identify and attract homeowners who have a high home energy cost burden, defined as those households that spend 6% or more of their after-tax income to pay for their home energy consumption (in some cases high home energy cost burden can surpass 10-15% of after-tax income). However, many Kingston residents who experience high home energy cost burden do not own their homes and are therefore limited by the improvements they can make. Support targeting renters will be examined, and Better Homes Kingston will remain open to rental properties, provided they meet the determined eligibility criteria for the program.

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Through the energy coaching services provided by Sustainable Kingston, qualifying homeowners are being supported to receive other third-party funding from existing programs such as The Oil to Heat Pump Affordability Program, offered by the Government of Canada. With the launch of the Canadian Climate Institute's Heat Pump Calculator, it is demonstrated that heat pump systems have crossed the threshold as the most affordable home heating (and cooling) option for most homes in Ontario, and as costing data becomes more reliable, it would be ideal to be able to provide highly accurate cost-savings estimates, and eventually even guaranteeing a 1:1 debt-to-savings ratio, where the total cost of financing, including all program fees and the cost of borrowing, are equal to or less than the achieved energy cost savings, similarly to the Town of Bridgewater's home energy program supported by Clean Energy Financing.

For those very low-income households, who are unable to take on loan financing without guaranteed net savings, the Climate Leadership Division is collaborating with Housing and Social Services staff on a proposed partnership when delivering the Kingston Frontenac Renovates Program. The Kingston Frontenac Renovates Program offers eligible homeowner's forgivable loans and grants for home repairs, with eligibility based on household income and home value assessment. The program currently provides funding for emergency heating system repairs, completing approximately five heating system projects per year. It is proposed that the City could offer subsidization for projects, where a fossil fuel-based heating system is at end of life, to install a heat-pump system, providing low-carbon heating and cooling. This integration could be implemented easily, as the program already has defined criteria and operating procedures, not requiring the Better Homes Kingston process to be undertaken. This partnership with Housing Services would amount to approximately less than \$100,000 per year subsidization and would guarantee the lowest-income households receive support to install the most efficient and low-carbon heating systems, at the appropriate end of life of the fossil fuel-based systems (primarily natural gas furnaces).

### **Existing Policy/By-Law**

By-Law Number 2021-23, "A By-Law to Authorize the Undertaking of Energy Efficiency and Water Conservation Works on Private Residential Property as Local Improvements under the Better Homes Kingston Program.

### **Financial Considerations**

Staff are reviewing options to extend the Better Homes Kingston Program through capital financing, offering competitive interest rate loans, and utilizing the same local improvement charge (LIC) mechanism as the pilot. The estimated impact is projected to be \$5.3 million for 200 projects annually. City financing is the most efficient and equitable option, following the standard capital project financial planning process, and allowing Better Homes Kingston to operate with the lowest possible interest rate for homeowners, and to sustain uptake and impact. A fee-for-service model will be instituted, allowing program cost recovery through an

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upfront fee or interest rate rider charged to participating homeowners. In order to continue incentivising deep energy retrofits, it is proposed that the City could continue to subsidize some level of cash incentives, with a range of options.

**Contacts:**

Julie Salter-Keane, Manager, Climate Leadership, 613-546-4291 extension 1163

Soren Christianson, Project Manager, Climate Leadership, 613-546-4291 extension 1325

**Other City of Kingston Staff Consulted:**

None

**Exhibits Attached:**

None