

By-law Number 2026-001
of The Regional Municipality of Durham

Being a by-law to authorize the undertaking of works on private residential property as local improvements under the Durham Greener Homes Retrofit Financing Program.

Whereas Part III of *Ontario Regulation 586/06* under the *Municipal Act, S.O. 2001, c. 25* authorizes a municipal 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 such a by-law may authorize the undertaking of works which satisfy the requirements of a municipal program;

And whereas Section 107 of the *Municipal Act, 2001* provides that a municipality may make grants, including grants by way of loan, on such terms as council considers appropriate for any purpose that council considers to be in the interests of the municipality;

And whereas in order to participate in the Durham Greener Homes Retrofit Financing Program, the homeowner will be required to enter into a Property Owner Agreement;

And whereas the Council of the Regional Municipality of Durham now deems it necessary to pass this by-law in accordance with O. Reg. 586/06 relating to Local Improvement Charges, and in accordance with Section 107 of the *Municipal Act, 2001*, to authorize the Durham Greener Homes Retrofit Financing Program;

And whereas section 23.1 of the *Municipal Act, 2001* provides that a municipality may delegate its powers and duties under the Act, subject to certain restrictions;

And whereas on April 9, 2025, the Council of the Regional Municipality of Durham adopted Report No. 2025-COW-17, dated April 9, 2025, in which certain recommendations were made relating to the Durham Greener Homes Retrofit Financing Program;

Now therefore, the Council of the Regional Municipality of Durham hereby enacts as follows:

1. That the Regional Municipality of Durham is hereby authorized to undertake works on private residential property as local improvements under the Durham Greener Homes Retrofit Financing Program, 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, as generally set out in Schedule A attached hereto and forming part of this By-law.
2. That the Commissioner of Community Growth and Economic Development, or their designate, in consultation with the Commissioner of Finance and Treasurer, or their designate, is hereby authorized to issue loans using Property Owner Agreements under the Durham Greener Homes Retrofit Financing Program.

3. That the Regional Municipality of Durham is hereby authorized to adopt the form and content of the Property Owner Agreement which shall be to the satisfaction of the Commissioner of Community Growth and Economic Development, or their designate.

This By-law Read and Passed on the 28th day of January, 2026.

J. Henry, Regional Chair and CEO

A. Harras, Regional Clerk

Schedule A

Durham Greener Homes Retrofit Financing Program Description

1. Overview

The Durham Greener Homes Retrofit Financing Program (the Program) is a municipal low-interest loan program administered by the Regional Municipality of Durham (the Region) for qualifying energy and water improvements. It is designed to extend municipal funding to consenting property owners for undertaking energy and water conservation improvements 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 Region in conjunction with a third-party program administrator and lower-tier municipalities.

2. Program Eligibility

Residential low-rise dwellings (3 storeys or less with a building area less than 600m²) located within the Region of Durham are eligible.

Further, the dwelling must have a property tax account with a lower-tier municipality within the Region.

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, water bills and all other payment obligations to the Region and lower-tier municipality over the past 5 years have been paid promptly. Participants that have had past arrears on their payment obligations to the Region or lower-tier municipality may be eligible for the program at the sole discretion of the Region.
- Properties with mortgages that are subject to default insurance are not eligible for the program (i.e. high-ratio mortgages).

While mortgage lender consent (if the property is subject to one or more mortgages) is not required, properties that are subject to a mortgage(s) are encouraged to notify their mortgage lender of the local improvement charge.

3. Home Assessments

The Durham Greener Homes Financing Program will utilize the EnerGuide Rating System ("ERS") that provides a standard measure of a home's energy and water efficiency. The property owner must hire a Certified Energy Advisor ("CEA") working with a licensed Service Organization in Canada, to perform pre- and post-retrofit assessments in accordance with the ERS. The cost of the EnerGuide assessments is paid by the property owner to the CEA. The Region will not engage or procure a CEA on behalf of the property owner.

Upon completion of the pre-retrofit home assessment, a report is provided to the property owner with the Natural Resources Canada (NRCan) EnerGuide rating for the home and recommendations for improvements that could potentially increase that rating. This report is to be provided to the Region in order to access local improvement charge (LIC) funding.

After the retrofit is complete, a second and final home assessment is performed by the CEA to obtain a second EnerGuide rating and to verify the completion of work. Provided that the second assessment the property owner submits to the Region indicates that the EnerGuide rating has increased, and the improvements have been completed, then the utility incentives (described in Section 8 – Access to Utility Rebates & Incentives) and final cost of the improvements can be determined.

4. Qualifying Measures

The assessment must demonstrate the potential to achieve cost-effective energy and water reductions to qualify for LIC funding. Funding is designated for capital costs (not maintenance costs) for qualifying measures that are permanently affixed to the property over a term that is not to exceed the estimated useful life of the measures installed. The non-exhaustive list of the categories of measures eligible under the Program includes:

- Thermal envelope upgrades: attic, wall and basement insulation, windows, doors, air sealing.
- Mechanical systems: furnace and boiler replacement, water heater replacement, thermostats and controllers, drain water heat recovery systems.
- Upgrades to a home's electrical service to accommodate increased electrical demand
- Renewable energy and energy storage: geothermal heat pumps, solar photovoltaics, solar water heating, battery electric storage systems.
- Water conservation measures: low-flow toilets and fixtures.

The Program can also address, in a limited capacity, other non-energy and water conservation related improvements. Non-energy/water improvements are subject to a cap of 30 percent of the total cost of an individual home upgrade project. Categories of qualifying non-energy and water improvements include:

- Climate resiliency measures, including:
 - Backup energy systems connected directly to the electrical panel for power outages
 - Flood prevention measures through on-site stormwater management (e.g. sump pumps and back flow valves, basement waterproofing, exterior landscaping to redirect water away from the home, and/or increase permeability, eavestrough/downspout repairs/extensions)

Ineligible measures include equipment or products which are not permanently affixed to the property, were previously installed in another home, or are deemed general maintenance. By recommending categories of retrofit improvements and associated measures, the Region makes no guarantees of the materials, performance, cost-effectiveness, or any warranty of the measures supported by the Financing Program. Only the costs associated with retrofits of up to the lesser of \$125,000 or 10 percent of the Current Value Assessment of the property are eligible for the Program.

5. Property Owner Responsibility For Contractor Engagement

The Region will provide funding to property owners for eligible measures covered by the Program that have been recommended by the EA, verified by the Region, and installed by contractors hired by the property owner. The Region will not pre-qualify contractors or procure contractors to perform assessments or install retrofit improvements on behalf of property owners in connection with this Program. The property owner will use the funds disbursed by the Region to pay contractors directly.

The Region 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. The property owner 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 measures, for example, should be dealt with by the property owner and contractor.

6. Application Process

Step 1 – Pre-qualification

Property owners submit an on-line application form through the Durham Greener Homes website that includes, but is not limited to, the following information:

- Property address to confirm location is within eligible area (Durham Region);
- Property assessment roll number, and water bill account number, to confirm no outstanding payments owed to the respective local area municipality and/or the Region (minimum 12 months payment history is required); and
- Declaration that if a property is subject to a mortgage, the mortgage is not insured

Once the property owner has been prequalified by Durham Region staff, based on the above criteria, the Region will provide a Notice of Eligibility to the property owner.

Step 2: Home Assessment and Funding Request Form

The property owner completes the pre-retrofit home assessment in accordance with Section 3 and submits the resulting reports to the Region. The Assessment Reports 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);
- Estimated utility cost savings that may be realized after installing the recommended improvements; and
- Potential eligibility for utility rebates and incentives.

Along with the Assessment Reports, the property owner also will need to submit a Funding Request Form that identifies the:

- Improvements that the property owner intends to install based on the Assessment Reports;
- Estimated cost for each improvement (including equipment, materials, and labour), based on contractor quotations (work completed by home-owner is not eligible); and
- Amount of pre-payment (up to a maximum of 50% of the estimated cost of the work) being requested from the Region.

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

- Confirm the eligibility of the works (e.g., items affixed to property);
- Verify the reasonableness of retrofit costs and labor costs by consulting manufacturer pricing and prevailing labor rates;

The above steps will enable the Region to derive the funding amount, up to the lesser of \$125,000 or ten percent of the property's assessed value, to include in the Property Owner Agreement.

Step 3 – Property Owner Agreement (“Agreement”)

After the Region has confirmed the acceptability of the Assessment Reports and the Funding Request Form, the Region will prepare an agreement for the property owner(s) to review and sign.

Step 4 – Completing Improvements

A) Initial Funding Disbursement

Following execution of the agreement, the Region will, if requested, provide the property with the initial disbursement agreed upon in the agreement to a maximum of fifty percent of the estimated cost of the work that will be used by the property owner to pay contractors or suppliers (i.e., security deposit). The property owner will be contractually obligated to repay this initial disbursement to the Region if the property owner does not complete the improvements. On default of the agreement, the Region's initial funding disbursement will be added to the tax roll with an immediate due date.

The property owner can then proceed with hiring contractor(s) and performing the approved improvements to the property. The improvements must be completed within a reasonable timeframe, as stipulated in the agreement, to be determined by the Region 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).

B) Final Funding Disbursement

As will be detailed in the agreement, the Region will provide the final disbursement only after the property owner provides a copy of the post-retrofit assessment report from the CEA, and a post-retrofit completion report (in a form to be provided by the Region) that:

- Includes a Certificate of Completion that attests 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 EA; and
- Provides proof of the actual costs for all the works and their expected useful life.

Step 5 LIC Repayment

Following the final disbursement, Regional staff will submit a corresponding by-law for Council adoption pursuant to Section 30(1) of O. Reg. 586/06 to impose the special charges on the participating properties. For each property included in the by-law, the Regional Treasurer will then work with the respective local area municipality to add to the 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 is added to the tax roll and will ensure that any subsequent property owner who was not a party to the agreement is bound to pay that amount.

To facilitate repayment of the annual special charge, the agreement 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 property owner can make advance payments, 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.

7. LIC Disclosure

As indicated above, the subsequent owner of a property on which the Region has imposed a special charge is required to pay the annual LIC amount even though that subsequent owner was not a party to the original agreement. In addition to notice that the Region will be giving in accordance with the provisions of O. Reg. 586/06, the Region also will take the following steps to ensure even greater transparency of the LIC to interested parties by:

- posting on the Region's website notice of the special charge by-law to impose the charge on the property in advance of its introduction and after its adoption; and
- updating the Tax Certificate to include the annual LIC amount payable in the current year, the expiry year of the LIC, and a note to reference the by-law pursuant to which the special charge was imposed.

8. 3rd Party Rebates and Incentives

The Region intends to work with Enbridge Gas, the Independent Electricity System Operator, and local electricity distribution companies in the delivery of the Durham Greener Homes Financing Program to streamline property owner's access to incentives and promotions that the utilities are making available, in part, pursuant to certain Provincial directives. Incentives are subject to change and availability. Other available rebates and incentives, such as those under federal government programs, will also be promoted to property owners. The funding advances by the Region will be net of any external rebates or incentives received by the property owner.

9. Quality Control

As a means of additional oversight to confirm that the funded improvements were completed, the agreement will indicate that the Region reserves the right to have a Region 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 must be prepared to disclose this information to the Region upon request.

10. Measurement and Verification

Via the agreement, the property owner(s) must consent to providing the Region with access to the property's utility 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 Region evaluate and improve the Program.