

SUMMARY OF RECOMMENDATIONS BY STAKEHOLDER – ILEO RETROFIT ADVISORY GROUP

The ILEO Retrofit Advisory Process has led to a key action: **Developing a Combined Retrofit Remortgage Tool and Grant Program to directly fund deep retrofit projects and stabilize housing affordability, specifically by avoiding dependency on tenant rent increases.**

The Primer report recommends: **Establishing a comprehensive program and testing its effectiveness through immediate financial pilots.**

Furthermore, the Retrofit Advisory has proposed these additional recommendations to support the broader retrofit ecosystem, grouped by key organization:

Federal Government, Crown Corporations, and Federal Agencies	POLICY AND PROGRAMS <ul style="list-style-type: none">• Set a National Retrofit Strategy, and ramping annual targets to meet 2030 and 2050 decarbonization goals, and 2030+ housing security goals;• Support targeted pilots that advance Canadian retrofit capabilities;• Collaborate with Provinces and Territories to development retrofit tax credit• Develop the Combined Retrofit Remortgage Tool and Grant Program (The Retrofit Advisory Group Core recommendation)
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Additionally:

CMHC:

With its target of repair and renewal of 240,000 units across the country, CMHC has a unique opportunity to facilitate communication, provide supports for early adopters, and assist owners undertaking retrofits through guidance, review, and data-collection.

- Communicate growth areas by quantifying the size of the low carbon market and by working with Provinces and Territories to attract labour market toward the skilled trades.
- Enable Not-for-Profits (NFPs) to purchase housing assets via an acquisition program (funds to NFP, tax credits to owner). NFPs will then have access to NFP-specific funding to do retrofits.
- Support and develop demonstration centres for proof-of-concept, product testing and cross-industry education and training.
- Provide financial project support to encourage early adopter demonstrations that tackle identified market gaps with potential to scale;
- Provide guidance documents and other knowledge dissemination to owners undertaking retrofits with residents in place;
- Build requirements for tenant engagement and mitigation of disruption to sitting tenants into retrofit program eligibility criteria, and assign budgets to these activities;
- Enhance existing retrofit programs to remove barriers to uptake as well as encourage more holistic projects, incorporating GHG emission reduction targets towards Net Zero Carbon, resilience and wellbeing improvements, and accessibility upgrades retooled to mitigate negative impacts on sitting tenants;
- Provide clear technical and best practice guidelines for retrofits for owners, contractors, and design professionals, including guidance on phased retrofit approaches to avoid 'locking in' carbon;
- Support cross-Canada high-performance building forums and networks whose mandate is to: compile evidence base for early-adopter outcomes through central database; advise on targets and incentive/regulatory frameworks to meet targets; identify barriers and opportunities nation-wide;
- Provide publicly-funded design assist and review services for complex retrofits;
- Incentivize early adoption country-wide by requiring publicly-owned asset retrofits to meet the highest targets;
- Require owners of rental MURB buildings to develop 'decarbonization' plans to meet 2030/2050 targets, encouraging stepped but 'stackable' retrofits.

INNOVATION, SCIENCE AND ECONOMIC DEVELOPMENT CANADA, NATURAL RESOURCE CANADA (NRCAN) AND NATIONAL RESEARCH COUNCIL (NRC):

These ministries and agencies have an opportunity to catalyze tremendous economic growth through the decarbonization of the building sector, stimulating labour markets, international trade, and supporting the growth of robust Canadian knowledge networks.

- Encourage Canadian manufacturers to compete to address enhanced performance goals through new product development (ie: higher performance windows; low-cost cladding assemblies; balcony enclosure window systems);
- Streamline process and provide funding to support the certification of international off-the- shelf retrofit solutions (ventilation solutions for retrofit; retrofit-ready ductwork etc);
- Encourage technical partnerships between proven international manufacturers and capable Canadian partners to fill product gaps (external roller blinds; trickle vents; structural thermal breaks);
- Provide targeted research and development funding for products and assemblies required to fill market gaps;
- Establish centralized repository of product and technology gaps, and establish concierge service at federal level to streamline CSA testing and certification for international manufacturers ready to fill those gap areas; and support for international-Canadian manufacturing partnerships;
- Support and develop demonstration centres for proof-of-concept, product testing and cross-industry education and training.
- Provide specialized training and certification for retrofit and high-performance builders to allow them to distinguish themselves in the market;
- Support colleges and universities to develop high-performance building labs that offer ongoing training for tradespeople, architects and engineers;

- Communicate growth areas by quantifying the size of the low carbon market and by working with Provinces and Territories to attract labour market toward the skilled trades.
- Provide clear technical and best practice guidelines for retrofits for owners, contractors, and design professionals, including guidance on phased retrofit approaches to avoid 'locking in' carbon;
- Support cross-Canada high-performance building forums and networks whose mandate is to: compile evidence base for early-adopter outcomes through central database; advise on targets and incentive/regulatory frameworks to meet targets; identify barriers and opportunities nation-wide;
- Create demonstration centres as knowledge-dissemination hubs for information, training, product and methodology showrooms, and other supports for high-performance new-builds and retrofits.

NRCAN, NRC AND THE CANADIAN COMMISSION ON BUILDING AND FIRE CODES:

These agencies and ministries have an opportunity to catalyze industry shifts through introduction of model national step codes and overseeing their implementation throughout the country.

- Support direct retrofit grant programs, that
 - Ensure that incentives to support retrofits are stackable with other tools, easy to access, provide greater incentives for deeper retrofits, and consider social impact metrics, affordability, and tenant security.
 - Incorporate grant dollars within pro forma/underwriting processes.
 - Ensure that grants cover pre-development costs, base state of repair, and tenant engagement strategies.
 - Encourage applicants for financial assistance to take a portfolio approach.
- Support cross-Canada high-performance building forums and networks whose mandate is to: compile evidence base for early-adopter outcomes through central database; advise on targets and incentive/regulatory frameworks to meet targets; identify barriers and opportunities nation-wide;
- Create demonstration centres as knowledge-dissemination hubs for information,
- training, product and methodology showrooms, and other supports for high-performance new-builds and retrofits;
- Develop a federal model step code, like those implemented in Germany and British Columbia, providing a trajectory and guidance on future code requirements to spur industry readiness, and work with Provinces and Territories to plan for their adoption;
- Disseminate knowledge and require training to encourage step code readiness, allowing industry to up-skill and decision-makers to plan on that basis.

Provinces/Territories	<p>POLICY AND PROGRAMS</p> <ul style="list-style-type: none"> • Collaborate with the Federal Government to enact retrofit tax credits • Support retrofit industry develop through targeting education and training at colleges and universities, including the development of specific retrofit certified trades; • When a building that needs to be retrofitted is (or is about to be) on the market, enable NFPs to purchase via an acquisition program (funds to NFP, tax credits to owner). NFPs will then have access to NFP specific funding to do retrofits. • Enable alternative capital to support deep retrofits from public health funds, recognizing the health benefits associated with deep retrofits particularly in terms of thermal comfort, air quality, and noise control. • Provide support for district energy centres to reduce the costs of emissions reductions to individual owners via economies of scale. • Increase funding available for direct grants and/or low-interest financing, and adhere to tool recommendations, such as: <ul style="list-style-type: none"> • Ensure that incentives to support retrofits are stackable with other tools, easy to access, provide greater incentives for deeper retrofits, and consider social impact metrics, affordability, and tenant security. • Ensure that grants cover pre-development costs, base state of repair, and tenant engagement strategies. • Encourage applicants for financial assistance to take a portfolio approach. <p>ENABLING READINESS FOR A REGULATED ENVIRONMENT</p> <ul style="list-style-type: none"> • Provide support with energy benchmarking to take stock of building components and systems, assess condition, and recommend energy conservation measures. • Embed retrofit pathways and decarbonisation guidance in the future updates to the Ontario Building Code; • Elevate information about incentives and cost/benefits of retrofit, as well as providing technical support like roadmaps with technology-specific archetypes with expected savings, cost, and return on investment. Create and/or mobilize educational materials for different audiences. • Collect and disseminate retrofit project results using consistent metrics. • Develop a comprehensive framework to support deep retrofits that maintain tenant security via a variety of regulatory mechanisms such as energy disclosure, low-income energy programming, energy benchmarking, and rental law.
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Municipalities	<p>POLICY AND PROGRAMS</p> <ul style="list-style-type: none"> • Embed preservation of rental housing stock and housing renewal into official plans, secondary plans and zoning by-laws to prevent stock erosions. • Embed retrofit and affordability planning when undergoing significant community/neighbourhood (re)development, such as when planning for transit-oriented development; • Employ intensification allowances in conjunction with deep retrofits. In doing so, set up carbon budgeting such should a developer wish to add infill, they may need to retrofit existing buildings/units to keep within their carbon budget. • Enhance municipal licensing and standards bodies to evaluate building resilience, health and carbon impacts of aging buildings; • When a building that needs to be retrofitted is (or is about to be) on the market, enable Not for Profits (NFPs)NFPs to purchase via an acquisition program (funds to NFP, tax credits to owner). NFPs will then have access to NFP specific funding to do retrofit. • Provide support for district energy centres to reduce the costs of emissions reductions to individual owners via economies of scale. • Create a local market that monetizes the tax or carbon credits in a manner that allows owners/buildings to trade both affordability and credits amongst themselves • Increase funding available for direct grants and/or low-interest financing, and adhere to tool recommendations, such as: <ul style="list-style-type: none"> • Ensure that incentives to support retrofits are stackable with other tools, easy to access, provide greater incentives for deeper retrofits, and consider social impact metrics, affordability, and tenant security. • Ensure that grants cover pre-development costs, base state of repair, and tenant engagement strategies. • Encourage applicants for financial assistance to take a portfolio approach. • Enabling readiness for a regulated environment • Set greenhouse gas and energy regulations related to meeting 2030 and 2050 decarbonization goals with clear information symmetry and dissemination regarding penalties for non-compliance in terms of both energy performance and reporting processes; • Require owners of rental MURB buildings to develop ‘decarbonization’ plans to meet 2030/2050 targets, encouraging stepped but ‘stackable’ retrofits. • Provide support with energy benchmarking to take stock of building components and systems, assess condition, and recommend energy conservation measures. • Develop retrofit best practice guidelines and train building code reviewers and site inspectors;
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	<ul style="list-style-type: none"> • Elevate information about incentives and cost/benefits of retrofit, as well as providing technical support like roadmaps with technology-specific archetypes with expected savings, cost, and return on investment. Create and/or mobilize educational materials for different audiences. • Collect and disseminate retrofit project results using consistent metrics. • Develop a comprehensive framework to support deep retrofits that maintain tenant security via a variety of regulatory mechanisms such as energy disclosure, low-income energy programming, energy benchmarking, and rental law. • Target early adopters for a deep retrofit program by approaching action ready NFPs; owners with ESG targets and deep roots in the community who are already planning on spending money on other upgrades and connect with architecture and engineering firms, market development teams, concierges, and aggregators who have connections to owners in place and can influence deeper retrofits. • Act as aggregator.
Utility Companies	<ul style="list-style-type: none"> • Enable on-bill financing to enable owners to fund retrofits via utility savings. • Consider providing grants for design and enabling works • Increase funding available for direct grants and/or low-interest financing, and adhere to tool recommendations, such as: <ul style="list-style-type: none"> • Ensure that incentives to support retrofits are stackable with other tools, easy to access, provide greater incentives for deeper retrofits, and consider social impact metrics, affordability, and tenant security. • Ensure that grants cover pre-development costs, base state of repair, and tenant engagement strategies. • Encourage applicants for financial assistance to take a portfolio approach. • Act as aggregator.
Financial Institutions	<ul style="list-style-type: none"> • Collaborate with the Federal Government on a Retrofit Remortgage product; the commercial lender may do the initial screening and underwriting and then go to the government for loan financing/grant contribution. • Incorporate grant dollars within pro forma/underwriting processes. • Enable incremental payments from energy savings to installation and/or construction, allowing for distribution of risk. • Consider either supporting aggregation to access reduced rates at your institution or acting as an aggregator to access these rates from another institution.
Insurers	<ul style="list-style-type: none"> • Recognize the beneficial insurance implications of deep retrofits on risk and reflect implications in premium pricing.

Foundations & Impact Investors	<ul style="list-style-type: none">• Provide alternative capital either to directly support deep retrofit projects, and/or towards supporting aggregation, market development, and/or the concierge approach.• Create a revolving pool of capital to lubricate the market to get to aggregation.
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