

Tue Mar 28, 2023

RE: IE2.3 Home Energy Loan Program - Review of Eligibility Requirements

Toronto Environmental Alliance (TEA) is writing to support the proposed changes to the eligibility requirements for the Home Energy Loan Program (HELP).

HELP is part of a group of retrofit incentive programs targeted toward smaller, typically single-family homes. However, since its inception, the program has encountered challenges with uptake due in part to eligibility requirements regarding late property tax payments, mortgage lender consent, and other issues. The changes to HELP proposed in Item IE2.3 will open up the number of eligible households while posing minimal financial risk to the city.

TEA suggests going farther to address eligibility barriers within the City's control. To reach the 2040 TransformTO goals, Toronto must dramatically accelerate retrofits of all kinds. To do that, more eligibility barriers must be removed. In order to meet Toronto's 2040 TransformTO Net Zero plan, an average of 29,000 residences and buildings must be retrofitted every year. This is important because 60% of the City of Toronto's emissions originate from buildings.

The changes suggested below will help make the program more accessible. They are relatively minor in scope, and should be accompanied by a deeper staff review of how the program can better serve lower-income households who would not qualify for existing loans without more substantial changes to the program and new external funding sources.

Suggested Changes to Original Wording below from staff report:

<https://www.toronto.ca/legdocs/mmis/2023/ie/bgrd/backgroundfile-234810.pdf>

Recognizing issues have been limited and potential risks (e.g., potential mortgage lender concerns, equity considerations, administrative burden) can be managed, changes will be made to the existing Residential Retrofit Program Design, including the following:

- *Applicants with up to two (2) late payments will be eligible to participate in the Program;*
- **Late payments of under \$10, or late payments paid within 5 business days of due date, will not count towards the two (2) late payments permitted for Program eligibility;**
- *The period over which an applicant cannot have had any late payments on property taxes, utility bills, or other City fees or charges will be formally reduced from five (5) years to three (3) years;*
- *The period for applicants to re-apply will also be reduced from five (5) years to (3) years from the date of the last late payment. As an example, an applicant whose last late payment was in November 2020 would be eligible to apply in November 2023*
- *Properties subject to a mortgage will continue to be required to receive lender consent, if applicable.*

*City of Toronto By-law 1105-2013 Appendix A - Residential Retrofit Program Design will be updated to reflect the changes above. These changes will not be applied retroactively but will take effect on a go-forward basis. **Applicants who were previously denied participation in the program, but fit the new eligibility criteria will be permitted to reapply as soon as the changes take effect.***

Sincerely,

How-Sen Chong
Climate Campaigner
Toronto Environmental Alliance