

From: "Mochrie, Paul" <Paul.Mochrie@vancouver.ca>

To: "[Direct to Mayor and Council - DL](#)"

Date: 9/13/2024 10:47:13 AM

Subject: Update on Programs to Support Voluntary Energy Retrofits and Improve Climate Resilience in Existing Multi-Family Buildings

Attachments: Council Memo to Mayor & Council - (RTS 015713) Update on Programs to Support Voluntary Energy Retrofits and Improve Climate Resilience in Existing Multi-Family Buildings.pdf

Dear Mayor and Council,

Please find attached a memo that provides an update on the City's work to support voluntary multi-family building retrofits, including efforts to advance actions related to a Council motion from April, 2023.

Highlights from the memo include:

- City-led rental and non-market housing retrofit pilot programs are fully subscribed with strong interest from owners to reduce GHG emissions and energy costs and add cooling. The pilots have leveraged significant funding from senior governments.
- The relative newness of heat pumps locally means multi-family building owners and contractors need support and coaching to plan and implement retrofits. City staff have gained important learnings through the pilot projects to date.
- Staff are moving forward with the next round of pilot projects, which will include rental and non-market buildings as well as stratas (a new program area). The pilots will focus on innovative, scalable approaches to retrofits including ways to overcome in-building electrical capacity constraints and reduce retrofit costs. The pilots are expected to leverage additional senior funding.

If you have any questions, please feel free to reach out to Josh.White@vancouver.ca.

Best,
Paul

Paul Mochrie (he/him)
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x̱m̱ ḵ y̱ m̱ (Musqueam), S̱ wxw̱ú7mesh (Squamish), and s̱ lilw̱ ta̱ (Tseil-Waututh) Nations.

MEMORANDUM

September 12, 2024

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Sandra Singh, Deputy City Manager
Katrina Leckovic, City Clerk
Maria Pontikis, Chief Communications Officer, CEC
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Chief of Staff, Mayor's Office
Corrie Okell, General Manager, Development, Building, and Licensing
Saul Schwebs, Chief Building Official

FROM: Josh White
General Manager, Planning, Urban Design and Sustainability

SUBJECT: Update on Programs to Support Voluntary Energy Retrofits and Improve Climate Resilience in Existing Multi-Family Buildings

RTS #: 015713

The purpose of the following memo is to provide Council with an update on the City's work to support voluntary energy and emissions retrofits in existing multi-family buildings, including efforts to advance a Council motion from 2023 (RTS #015713)

In 2022, Vancouver launched the Rental Apartment Retrofit Accelerator (RARA) and the Non-market Resilient Retrofit Grant (NRRG) pilot programs to support decarbonization retrofit projects in participating rental and non-market buildings and to daylight barriers and opportunities for scaling these efforts. In April 2023, Council directed staff to work with BC Hydro and the province to expand incentives and explore innovative retrofit solutions ([see here](#)) for all multi-family buildings including stratas.

Key Learnings from City-Led Multi-family Pilots to Date

The City's two active pilot programs provide full-service retrofit support and capital funding for rental and non-profit housing across a range of building types and resident demographics.

Rental Apartment Retrofit Accelerator (RARA)

Funding Sources: City of Vancouver, CleanBC (province) and BC Hydro.

Administration: LandlordBC

Participants: 8 rental buildings.

Services: Energy audits, decarbonization plan, decision support and coaching, capital incentives to conduct low-carbon retrofits, implementation support, commissioning and monitoring of installed equipment, best-practice tenant engagement and protection policies, case studies and dissemination of lessons learned.

Non-Profit Housing Resilient Retrofit Program (NRRG)

Funding: City of Vancouver, FCM, CMHC, BC Hydro and Vancity Credit Union

Administration: BC Non-Profit Housing Association

Participants: 17 non-profit buildings

Services: Same as RARA, with addition of developing and conducting operator training.

Currently, all participating buildings have been selected and implementation of the projects has begun. The program partners have already gained important insights into the challenges and opportunities of low-carbon retrofits in multifamily buildings.

Collectively we have learned that:

- owners are motivated to decarbonize space heat and hot water equipment in rental and non-market buildings because of corporate/organizational climate commitments;
- there's an interest and need for cooling and energy cost savings;
- extensive owner coaching and studies are required to assist with the retrofit process;
- lack of designer and contractor experience means costs are higher than we would see in a more mature market; and
- cost-effective solutions are needed to avoid or minimize electric capacity constraints.

New Provincial Multifamily Rebate and Support Programs

Catalyzed by the City's work, CleanBC and BC Hydro are expected to launch a province-wide multifamily heat pump incentive program on September 17th. These new incentives will help encourage more retrofits in multi-family buildings but based on our experience may be insufficient on their own to overcome cost challenges and/or capacity constraints faced by many multi-family building owners. In addition to the new provincial and BC Hydro incentive program, the Zero Emission Innovation Centre (ZEIC) was recently awarded a grant from Natural Resources Canada and supplementary funding from private foundations and other local governments to provide retrofit studies and coaching support for multifamily buildings in BC. This support will be extremely helpful for owners but also potentially underutilized unless additional capital funding is provided.

Next Steps for City Action

The current RARA and NRRG pilot programs have been successful in supporting multi-family building decarbonization projects, as they work directly with owners and can award flexible top-up incentive amounts to catalyze retrofit action. To enhance and expand this work, City staff will be collaborating with program partners to fund an additional round of retrofit projects for rental, non-market as well as strata buildings via pilot programs. These new (strata) and expanded (rental and non-market) programs will be able to leverage the studies and owner-coaching supports available via ZEIC, as well as funding from the Province and BC Hydro, and will focus incentives on driving innovation to reduce retrofit costs including approaches such as: electrical

load management approaches and technologies; de-risking contracting models; right-sizing heat pumps; identifying and addressing on-site barriers (condensation, heat pump placement, envelope penetrations); and enhancing pre- and post-project monitoring. This approach will enable low-carbon retrofits of an additional 30+ buildings across the three multifamily programs, and support innovation in decarbonization retrofit practices, meeting the original intent of the “innovation design challenge” from the April 2023 Council Motion.

Staff will provide another update on the City’s multi-family retrofit work, including the Council motion from April 2023, in Q1 2025. If you have any questions in the meantime, please feel free to contact me at josh.white@vancouver.ca

A handwritten signature in black ink, appearing to read 'J White', is positioned above the typed name and title.

Josh White
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