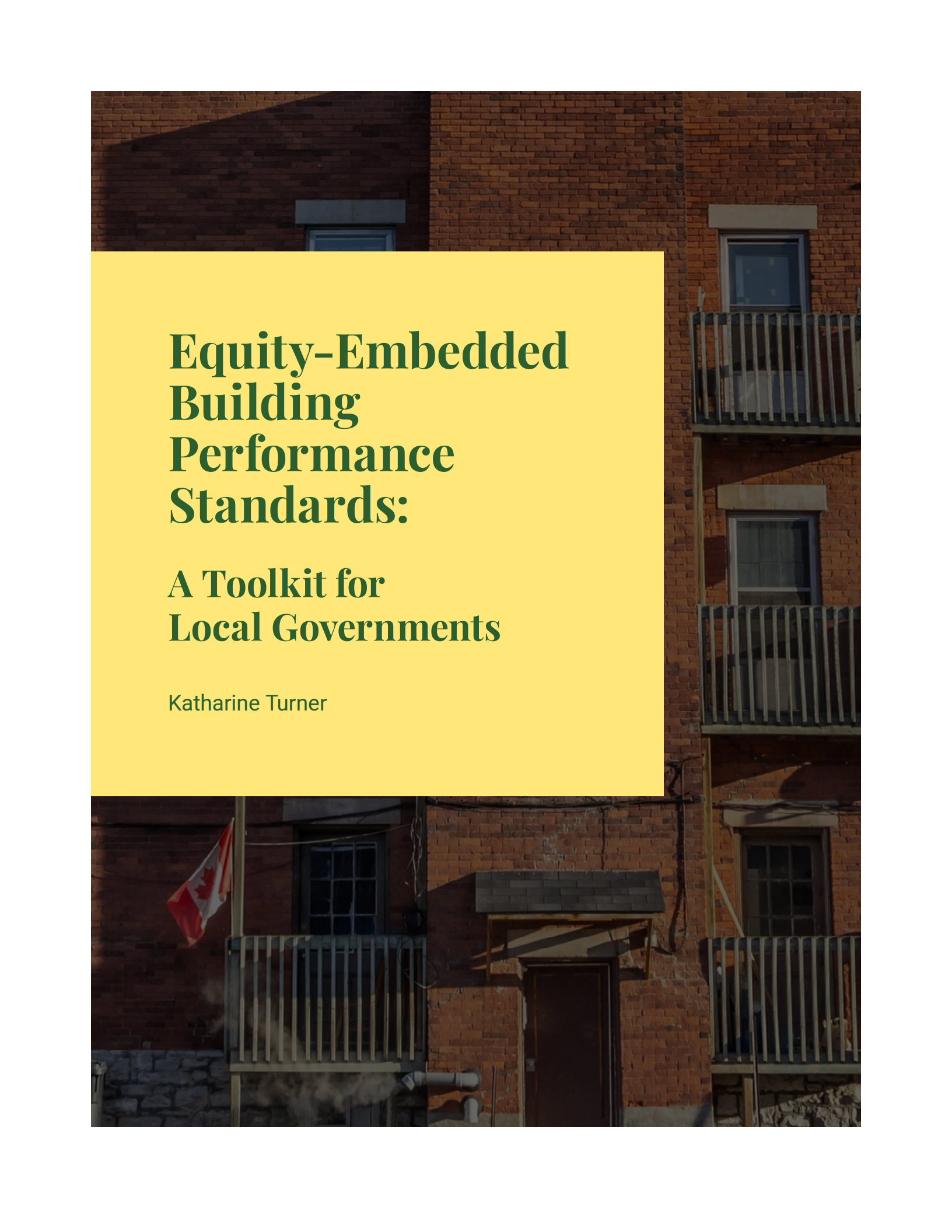




Equity-Embedded Building Performance Standards:

A Toolkit for Local Governments

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Contributing organizations



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Introduction

Building performance standards (BPS) are a widely used policy instrument to reduce energy use and/or emissions from the worst-performing buildings through reduction targets and timelines. BPS foundations have been set in Vancouver, Montreal, and throughout Quebec, and they are being considered by other municipalities and regional governments across Canada.

Existing buildings are among the largest sources of emissions in Canadian cities. Residential buildings account for about 47 per cent of emissions in the buildings sector, excluding electricity¹ BPS creates an opportunity for many buildings to reduce emissions and improve building health, safety, affordability and energy efficiency through retrofits and heating/cooling system upgrades.

¹ Environment and Climate Change Canada, “National Inventory report: greenhouse gas sources and sinks in Canada,” *Environment Canada*, 2023. <https://publications.gc.ca/site/eng/9.506002/publication.html>.

Underserved communities, including low-income and racialized households, are more likely to live in underperforming and high-emitting buildings. Consequences include high energy costs, lack of access to cooling and poor indoor air quality, which can lead to negative health outcomes. These communities have the most to gain from BPS.

However, BPS-related retrofits can pose risks to underserved communities by increasing financial hardship, contributing to displacement and prompting renovictions for renters. To equitably introduce BPS, underserved communities must be centred within the development, implementation and evaluation of the bylaw through several strategies that this toolkit will explore.



About this toolkit

The work presented in this toolkit was initiated in response to the City of Toronto's announcement to begin the process of designing a BPS policy targeting greenhouse gas emissions in October 2023. To inform the equitable development of a BPS for the city, the contributing organizations of this toolkit (Canadian Environmental Law Association, Advocacy Centre for Tenants Ontario, ACORN Canada, Canadian Association of Physicians for the Environment, Efficiency Canada, the Institute for Market Transformation, and the Low-Income Energy Network) assembled alongside other sector partners to explore considerations for embedding equity into all phases of the proposed bylaw and develop locally informed research and recommendations for City staff and Council. This toolkit has been developed based on these organizations' research and recommendations, which can be found in more detail in the companion policy briefs and reports linked throughout the document.

This toolkit primarily explores equity as it pertains to low- to moderate-income (LMI) households and renters, though the suggestions presented include strategies for general, local engagement with underserved groups in Toronto. To fully examine the equity dimensions of BPS for other underserved groups, additional research into strategies for culturally appropriate and/or community-specific engagement is recommended. Further research and engagement with underserved groups, specifically Indigenous and racialized communities, may also address the potential impacts of BPS on concerns such as gentrification, cultural erasure, displacement, and environmental racism that are persistent risks in urban planning and development policy.

Why local governments?

To date, municipal governments have taken the furthest step toward implementing BPS. In many jurisdictions, municipal and regional climate and adaptation planning has driven local policymakers to consider ways to reduce emissions from existing buildings. Municipalities and regional governments, as the governments closest to the people, are well-positioned to enact BPS given their strong local knowledge and ties to stakeholders in the housing, labour, and community sectors. While incentives and support for a BPS can be costly, local governments are uniquely positioned to coordinate a variety of building-related and social supports for their communities.

Audience

The materials in this toolkit were originally developed for a Toronto-based audience. Equitable policy design is not a universal process, but many overarching principles and lessons learned are applicable to municipal and regional governments across Canada.² This toolkit is designed to support municipal staff, councillors, local advocates, and other decision-makers in designing and implementing BPS with equity embedded at its core.

² Legal jurisdiction, specifically, is unique to the City of Toronto and province of Ontario.

Engagement: Making policy community-driven

The most important step a municipality can take to embed equity in policy design is to engage and include underserved communities as early and often as possible. These communities know their own needs best, and policies developed in collaboration will better reflect and serve these needs and interests. A number of engagement strategies and mechanisms should be considered to centre and involve impacted communities, including some examples from jurisdictions across the United States that have already implemented a BPS.



To make community-driven policy, municipalities can:

- 1** Establish advisory bodies and/or community accountability boards (CAB) composed of members and representatives of underserved communities. These boards should be empowered to participate in the policy process, support BPS implementation, or even hold decision-making powers.
- 2** Co-develop an “equity-priority buildings” designation with underserved groups to best identify buildings that house or serve vulnerable populations and should be eligible for an alternative compliance pathway (ACP).
- 3** Conduct targeted engagement within communities to reach members beyond the usual participants. Municipalities can employ engagement strategies like partnering with local, trusted organizations, employing community liaisons, establishing paid advisory boards, and conducting multilingual outreach events.
- 4** Engage a wide variety of service providers in addition to underserved groups. This should include health-care providers, tenant advocates, specialized legal aid clinics, friendship centres, housing support workers and other community-focused professionals.

Equity-priority buildings are a designation for buildings that serve or house climate-vulnerable populations.³ These buildings are identified by community members and may be eligible for ACPs, exemptions, and/or additional resources to support compliance with BPS.



³ City and County of Denver. “What is an Equity Priority Building?,” accessed May 6, 2026, <https://denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-and-Resiliency/Cutting-Denvers-Carbon-Pollution/Efficient-Buildings-and-Homes/Resources-for-Multifamily-Housing-and-Small-Biz/What-is-an-Equity-Priority-Building>.

Protecting renters and low- to moderate-income tenants

LMI renters are among the most vulnerable to the risks of a BPS as they have little to no control over the standards of their building but are the first to be impacted by any changes. Retrofits in rental units can risk renovictions, above-guideline rent increases, or displacement if appropriate protections are not in place. To design an equitable BPS bylaw, municipalities need to mitigate risks to renters and build support for tenants within the bylaw and supporting policies and programs.

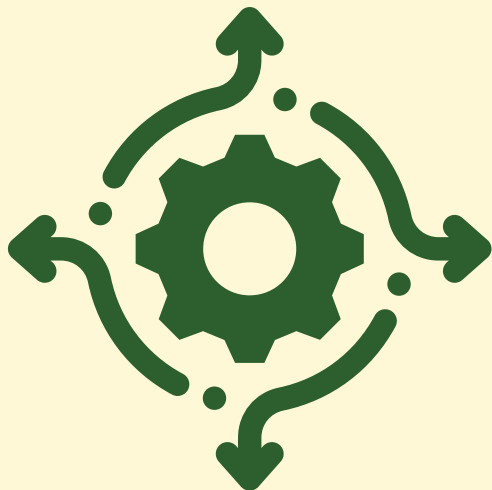


To protect renters, municipalities can:

- 1** Advocate and ensure sufficient renter protections are in place at all levels of government. Municipalities can advocate for stronger renter protections to the provincial government (e.g., stronger rent controls) and may be able to implement their own bylaws (e.g., Mississauga's renovation bylaw).
- 2** Phase in compliance for rental buildings, which may allow the municipality more time to ensure costs of compliance are not passed down to renters. A phased approach may also grant the building owner more time to plan for upgrades and access financing, grants, and other support programs.
- 3** Conduct thorough research of affordable housing buildings in jurisdictions to ensure required upgrades for compliance will not further raise the costs of heating and cooling for tenants who pay their own energy bills. Risks to tenants vary depending on the building's heating type and overall condition.
- 4** Ensure all aspects of BPS are made transparent to tenants and communicated in advance of implementation and compliance. Develop notification and information sharing systems to help tenants to understand risks and receive advance notice.
- 5** Monitor the impact of BPS through non-energy metrics, such as average cost of rent (before and after BPS compliance), sales of multi-unit buildings, or eviction application filings.

Designing for flexibility

Integrating flexibility into a BPS bylaw is the most frequent strategy to encourage compliance from lower-income building owners and affordable housing. Nearly every U.S. jurisdiction that has implemented a BPS has also included an ACP that serves or is suitable for affordable housing.



Municipalities can pursue a number of different strategies to guarantee greater flexibility for equity-priority buildings, including:

- 1** Design ACPs in consultation with underserved communities to develop more realistic timelines and targets for equity-priority buildings that may prioritize a wider variety of energy and non-energy benefits as outcomes. An ACP may offer different flexibility measures, including different performance targets, extended timelines or timeline flexibility, fee waivers, prescriptive options, or portfolio-scale compliance options.
- 2** Establish clear criteria for which buildings are eligible for an ACP. This should be co-developed with underserved communities or CAB members. Jurisdictions in the U.S. often have an ACP reserved or tailored to affordable housing.
- 3** Align compliance requirements for equity-priority buildings with asset management plans. Many building owners may face existing barriers to compliance (e.g., financing restrictions, tenant relocation rules) that can be mitigated through flexible policy design and supportive programs and policies.

Alternative compliance pathways are a widely used tool to grant flexibility to buildings that may struggle to comply with BPS in the near term.⁴ ACPs vary in eligibility criteria, structure, and enforceability but are largely intended to support specific building types in achieving energy use or emissions reduction targets. These pathways may also be a mechanism to drive progress on other non-energy benefits (e.g., cooling, indoor air quality) for building occupants.



⁴ Duer-Balkind, M., Koolbeck, M., and Kelley, C. 2025. "The Landscape of Building Performance Standard Pathway Alternatives", Institute for Market Transformation. <https://imt.org/wp-content/uploads/2025/07/Landscape-of-Building-Performance-Standards-Alternative-Pathways.pdf>.

Building an ecosystem of support

BPS should build upon the existing network of programs, incentives, policies and services that already exist in municipalities across Canada. Harnessing and coordinating these supports to maximize retrofits is a major opportunity for municipalities to ease the compliance process for building owners and ensure tenants are connected with the information and support they need. The municipality can work to make these programs, in addition to their own programs and funds, available to building owners subject to BPS.



To build an ecosystem of support, municipalities can:

- 1** Offer financial incentives for equity-priority building owners. Creating these through partnerships with green banks, utilities, housing finance authorities, or community development institutions would ensure greater compliance from affordable housing or equity-priority buildings and reduce the risk of compliance costs being passed on to occupants. Non-compliance fees from non-equity-priority buildings may also be used to fund upgrades in affordable housing.
- 2** Provide hands-on and wraparound support to equity-priority building owners. This could include, for example, concierge services, retrofit planning, benchmarking or free energy audits.
- 3** Launch an accessible resource hub to connect building owners with available programs, funding streams and resources that support BPS compliance.
- 4** Provide necessary resources and information, including legal guidance, to service providers and frontline workers supporting underserved communities, including specialized legal aid clinics, housing support workers, and other community and cultural organizations.
- 5** Create and equitably distribute employment opportunities in the green buildings economy by making incentives available for building owners that follow contracting standards rooted in sustainability, livable wages, and inclusion.

BPS resource hubs

Visit the following examples of strong, equity-oriented models of BPS resource hubs

Washington D.C.'s [**Affordable Housing Retrofit Accelerator**](#)

Denver, Colorado's [**Compliance Assistance Program**](#)



Co-benefits and evaluation

Energy retrofits provide a key opportunity to not only address the efficiency of a building, but also improve the health, safety, accessibility, and affordability of the building through energy efficiency co-benefits and/or health and safety upgrades. Underserved groups are more likely to live in older, substandard housing that poses risks to their health and well-being. The climate crisis further exacerbates these risks. Underserved groups, therefore, stand to benefit the most from BPS-related building retrofits.



Municipalities can take advantage of the opportunity to improve building performance through a BPS bylaw and secure co-benefits for residents through a number of strategies:

- 1 Include non-energy benefits (e.g., health) as explicit items to be addressed by CABs, and ensure adequate funding and resourcing to carry out CAB recommendations.
- 2 Establish holistic, non-energy metrics to monitor and evaluate the success of BPS and unintended consequences. Non-energy metrics may include:
 - indoor/outdoor air quality levels
 - emergency room asthma cases
 - greenhouse gas emissions by neighbourhood
 - energy costs (in aggregate or through agreement with utilities)
 - job creation and workforce development programs
- 3 Incorporate health cost savings from BPS in the bylaw's cost-benefit analysis.
- 4 Run periodic listening sessions and provide other feedback mechanisms to present outcomes from these metrics and gain further insight into the impact of the bylaw and what gaps may still exist for underserved communities.
- 5 Utilize CABs to provide guidance on resolving conflict between potential outcomes (e.g., increased heating and cooling costs due to fuel switching).

- 6 Require recipients of grants or funding programs for BPS compliance to include plans that measure and address health and equity outcomes in their applications.
- 7 Promote the prioritization of upgrades for compliance that address climate adaptation concerns, including wildfire smoke and flooding (e.g., air purifiers, insulation upgrades).

For more information, visit:

Engagement: Making policy community-driven

Summary of Survey Results - Building Emissions Performance Standards (BEPS) and Equity Impacts,

Low-Income Energy Network (2025)

https://www.energycanada.org/wp-content/uploads/2026/05/LIEN-BEPS_summary-or-survey-results_revised-March-2026.pdf

Equity Considerations in Toronto's Building Emissions Performance Standards,

Efficiency Canada & Institute for Market Transformation (2025)

https://www.energycanada.org/wp-content/uploads/2025/07/Equity_Considerations_in_Torontos_Building_Emissions_Performance_Standards_Final.pdf

Protecting renters and low- to moderate-income tenants

Building Emissions Performance Standards: How to balance housing affordability and sustainability,

Advocacy Centre for Tenants Ontario (2025)

<https://www.acto.ca/building-emissions-performance-standards-how-to-balance-housing-affordability-and-sustainability/>

Building Emissions Performance Standards - Response from ACORN,

ACORN Canada (2025)

<https://acorncanada.org/resources/beps-emissions-performance-standards-response-from-acorn/>

Designing for flexibility

Equity Considerations in Toronto's Building Emissions Performance Standards,

Efficiency Canada & Institute for Market Transformation (2025)

https://www efficiencycanada.org/wp-content/uploads/2025/07/Equity_Considerations_in_Torontos_Building_Emissions_Performance_Standards_Final.pdf

Integrating Equity into Building Performance Standards,

Institute for Market Transformation (2025)

<https://imt.org/wp-content/uploads/2025/08/Integrating-Equity-into-Building-Performance-Standards-2025.pdf>

The Landscape of Building Performance Standards Pathway Alternatives,

Institute for Market Transformation (2025)

<https://imt.org/wp-content/uploads/2025/07/Landscape-of-Building-Performance-Standards-Alternative-Pathways.pdf>

Building an ecosystem of support

Equity Considerations in Toronto's Building Emissions Performance Standards,

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https://www efficiencycanada.org/wp-content/uploads/2025/07/Equity_Considerations_in_Torontos_Building_Emissions_Performance_Standards_Final.pdf

Equity Consideration in Toronto's Building Emissions Performance Standards: Implementation Phase,

Efficiency Canada & Institute for Market Transformation (2026)

https://www efficiencycanada.org/wp-content/uploads/2026/02/Policy-Brief_Equity-considerations-in-Torontos-BEPS-Implementation-Phase.pdf

Summary of Survey Results - Building Emissions Performance Standards (BEPS) and Equity Impacts,

Low-Income Energy Network (2025)

https://www.energycanada.org/wp-content/uploads/2026/05/LIEN-BEPS_summary-or-survey-results_revised-March-2026.pdf

Co-benefits and evaluation

Advancing Health Equity Through Building Emissions Performance Standards in Toronto,

Canadian Association of Physicians for the Environment (2025)

<https://cape.ca/wp-content/uploads/2025/12/CAPE-Policy-Brief-Advancing-Health-Equity-Through-BEPS-in-Toronto.pdf>

Equity Consideration in Toronto's Building Emissions Performance Standards: Implementation Phase,

Efficiency Canada & Institute for Market Transformation (2026)

https://www.energycanada.org/wp-content/uploads/2026/02/Policy-Brief_Equity-considerations-in-Torontos-BEPS-Implementation-Phase.pdf