



City of
Peterborough

To: **Members of the General Committee**

From: **Jasbir Raina, Commissioner of Infrastructure and Planning Services**

Meeting Date: **June 12, 2023**

Subject: **Home Energy Efficiency Program Update and proposed Local Improvement Charges, Report IPSACP23-016**

Purpose

A report to provide an update with respect to the application to the Federation of Canadian Municipalities' Community Efficiency Financing program for capitalization of the Home Energy Efficiency Program.

Recommendations

That Council approve the recommendations outlined in Report IPSACP23-016, dated June 12, 2023 of the Commissioner of Infrastructure and Planning Services as follows:

- a) That the City give notice to the public of its intention to pass a by-law to authorize the undertaking of works as a local improvement pursuant to clause 36.6(2)(b) of O. Reg. 586/06 substantially in the form comprising Appendix A to Report IPSACP23-016; and
- b) That following the giving of notice to the public pursuant to recommendation a), the authorizing by-law substantially in the form comprising Appendix A to Report IPSACP23-016 be placed on a future Council meeting agenda for consideration of approval; and
- c) That Council receives for information, a draft By-Law to authorize the imposition of Special Charges attached as Appendix B to Report IPSACP23-016.

Budget and Financial Implications

There are no budgetary or financial implications associated with the recommendation.

Background

On September 26, 2022, City Council approved the City submitting an application to the Federation of Canadian Municipalities in [Report IPSIM22-022](#) for the Home Energy Efficiency Program:

- a) That the presentation from Dunskey Energy + Climate Advisors (Dunskey) be received for information;
- b) That Council support an application to the Federation of Canadian Municipalities' Community Efficiency Financing program for capitalization of the Home Energy Efficiency Program; and,
- c) That, if the application is successful, a by-law be passed authorizing the Mayor and Clerk to execute the agreement and any subsequent corresponding agreements or amendments between The Corporation of the City of Peterborough and the Federation of Canadian Municipalities for the transfer of the Community Efficiency Financing program funding, in a form acceptable to the Commissioner of Corporate and Legislative Services and the City Solicitor.

The Home Energy Efficiency Program (HEEP) is designed to support homeowners to finance deep energy retrofits to decrease emissions associated with household energy use. In Report IPSACP23-019, the City presented the findings of GHG emissions from community sources with low-rise residential buildings comprising 21 percent or 114,779 tCO₂e of the Peterborough total. Report IPSIM22-022 outlined the HEEP program design which described the two renovation financing streams available to homeowners to select from as their preferred repayment option. The financing options available in the HEEP include accessing capital from a third-party financial institution or through a local improvement charge (LIC) applied on participating residential properties by the City.

The [HEEP Program Design Report is available on the City's website](#) and provides further details related to the program.

On March 10, 2023, the City submitted its application for capitalization funding for the HEEP to the Federation of Canadian Municipalities' (FCM) Community Efficiency Financing Program (CEF). Since submission, the City has been briefed by CEF program staff that to improve the HEEP successfully receiving capitalization funding, providing a Council adopted HEEP LIC By-law would be beneficial during the final application review stage. Passing the By-law in advance of the HEEP being approved by FCM is advantageous to ensure the best chance that the HEEP receives the

requested \$8,625,000 in grant and loan from FCM to establish the program. City staff will inform CEF program staff upon Council passing a notice to authorize the By-law that will be added to the HEEP application package prior to final application review.

The HEEP Local Improvement Charge (LIC) By-law (Appendix A) will permit the City to apply a secured loan to a specific property. An LIC allows homeowners access to long-term financing at a fixed interest rate and repayment through their property tax bill. The Special Charges By-Law (Appendix B) will be passed at the time the actual charges are imposed on a property and will include specific repayment terms in accordance with the terms and conditions of the HEEP.

To ensure program efficiency, the Commissioner of Infrastructure and Planning Services and Director of Asset Management and Capital Planning will be authorized to enter into agreements and pass by-laws necessary to authorize works which satisfy the requirements of the HEEP. This feature will streamline the application process and improve homeowner experience in the program by avoiding delays.

Lastly, if the HEEP is not successful in receiving FCM funding, by-laws related to the HEEP would not be utilized and subsequently repealed.

Submitted by,

Jasbir Raina, CEng., M.Tech, MBA, PMP, MIAM
Commissioner, Infrastructure and Planning Services

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Attachments:

Appendix A – By-Law to authorize the undertaking of Energy Efficiency Improvements.
Appendix B – Draft By-Law to Authorize the Imposition of Special Charges

Appendix A – Report IPSACP23-016



The Corporation of the City of Peterborough

By-Law Number 23-[Clerk's Office will assign the number]

Being a By-law to authorize the undertaking of energy efficiency, energy, climate change adaptation and mitigation, and water conservation works on private residential property as local improvements under the HEEP residential energy retrofit program.

WHEREAS

1. Part III of Ontario Regulation 586/06 – Local Improvement Charges – Priority Lien Status, enacted under the Municipal Act, 2001, S.O. 2001, c. 25 (O. Reg. 586/06) authorizes a municipality to pass a by-law to undertake works on private property as local improvements for the purpose of raising all or part of the cost of the work by imposing special charges on lots of consenting property owners upon which all or some part of the local improvement is or will be located.
2. Subsection 36.5(2) of O. Reg. 586/06 provides that such a by-law may authorize the undertaking of works as a local improvement which satisfy the requirements of a municipal program for which the municipality has given notice under clause 36.6(2)(b) of O. Reg. 586/06.
3. At its meeting on [date], City Council adopted the recommendations in Report [report particulars] regarding the Peterborough Home Energy Efficiency Program (HEEP) including Council's direction to give notice to the public of Council's intention to pass this By-law.
4. On [date], notice to the public of Council's intention to pass this By-law was given in accordance with Council's direction and pursuant to clause 36.6(2)(b) of O. Reg. 586/06.

NOW THEREFORE, The Corporation of the City of Peterborough by the Council thereof hereby enacts as follows:

1. The undertaking of energy efficiency, energy, climate change adaptation and mitigation, and water conservation works on private residential property under the Peterborough Home Energy Efficiency Program (HEEP), as more particularly described in Schedule A to this By-law, is authorized as a local improvement for the purpose of raising all or any part of the cost of the works by imposing special charges on lots upon which all or some part of the works is or will be located.
2. The Commissioner of Infrastructure and Planning Services and the Director of Asset Management and Capital Planning, are each authorized to do such things and to execute on behalf of The Corporation of the City of Peterborough such documents and agreements to give effect to section 1 of this By-law in accordance with O.Reg. 586/06, on terms acceptable to the said Commissioner or the said Director and in forms acceptable to the City Solicitor.
3. Without limiting section 2, the Commissioner of Infrastructure and Planning Services and the Director of Asset Management and Capital Planning, are each authorized to pass by-laws to authorize the undertaking of works which satisfy the requirements of the HEEP for which notice to the public of Council's intention to pass this By-law was given in accordance with Council's direction and pursuant to clause 36.6(2)(b) of O. Reg. 586/06.

By-law passed this ____ day of _____ 2023.

Jeff Leal, Mayor

John Kennedy, City Clerk

Schedule A to By-law 23-[xxx]

Following is a description of the energy efficiency, energy, climate change adaptation and mitigation, and water conservation works on private residential property to be undertaken under the Peterborough Home Energy Efficiency Program (HEEP):

[insert detailed description that will be consistent with the public notice and any related reports]

Appendix B – Report IPSACP23-016



The Corporation of the City of Peterborough

By-Law Number 23-[Clerk's Office will assign the number]

Being a By-law to authorize the imposition of special charges on [insert municipal address].

WHEREAS

1. At its meeting on [date], City Council passed By-law 23-[number], being a by-law to authorize the undertaking of energy efficiency, energy, climate change adaptation and mitigation, and water conservation works on private residential property as local improvements under the Peterborough Home Energy Efficiency Program (HEEP), as more particularly described in Schedule A to that By-law, in accordance with Part III of Ontario Regulation 586/06 – Local Improvement Charges – Priority Lien Status, enacted under the Municipal Act, 2001, S.O. 2001, c. 25 (O. Reg. 586/06).
2. The owner(s) of the property described as [insert legal description], municipally known as [insert municipal address], Peterborough, Ontario (Benefitting Property) and The Corporation of the City of Peterborough (City) have entered into a Property Owner Agreement (the “POA”) pursuant to section 36.2 of O. Reg 586/06 for the City to undertake work as a local improvement (Work) on the Benefitting Property and to raise the cost of the Work (Cost) by imposing a special charge on the Benefitting Property.
3. The City Clerk has certified the POA pursuant to section 36.4 of O. Reg. 586/06.
4. The Work has been completed.
5. A local improvement roll has been prepared in accordance with section 36.10 of O. Reg. 586/06.

6. The City has given notice of the proposed local improvement roll to the owner(s) of the Benefitting Property pursuant to subsection 36.11(1) of O. Reg. 586/06.
7. The City Treasurer has certified the proposed local improvement roll in accordance with subsection 36.11(2) of O. Reg. 586/06.

NOW THEREFORE, The Corporation of the City of Peterborough by the Council thereof hereby enacts as follows:

1. The amount specially charged on the Benefitting Property as set out in the certified local improvement roll attached as Schedule A to this By-law is sufficient to raise the Benefitting Property's share of the Cost by the specified number of annual payments set out in Schedule A.
2. A special charge is imposed in each year on the Benefitting Property equal to the amount of the payment in that year as set out in Schedule A.
3. This by-law is repealed when the Treasurer certifies that the Cost has been paid in full.
4. This by-law is in effect when it is passed.

By-law passed this ____ day of _____ 20__.

[Commissioner or Director]

Schedule A to By-law 23-[xxx]

(Benefitting Property)