

EXTRACT OF DRAFT MINUTES 38  
FINANCE AND ECONOMIC  
DEVELOPMENT COMMITTEE  
3 MAY 2022

EXTRAIT DE L'ÉBAUCHE DU  
PROCÈS-VERBAL 38  
COMITÉ DES FINANCES ET DU  
DÉVELOPPEMENT ÉCONOMIQUE  
LE 3 MAI 2022

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OTHER BUSINESS

Recapitalize Better Homes Ottawa Loan Program

Councillor Moffatt read the following motion:

**FEDC MOTION No. 2022 1/38**

Moved by: Councillor Moffatt

*WHEREAS to secure recapitalization funding prior to the June 1<sup>st</sup> 2022 interest rate increase and to ensure program continuity throughout the recess period;*

*BE IT RESOLVED that the Finance and Economic Development Committee add the following motion for consideration at today's meeting.*

WHEREAS in January 2020, Council approved the Climate Change Master Plan ([ACS2019-PIE-EDP-0053](#)) which set a target to reduce community greenhouse gas (GHG) emissions 100 per cent by 2050; and

WHEREAS in October 2020, Council approved Energy Evolution: Ottawa's Community Energy Transition Strategy ([ACS2020-PIE-EDP-0036](#)) which identified that deep energy retrofits of 98 per cent of all residential buildings would be needed to meet this GHG target; and

WHEREAS in July 2021, Council approved the launch of the Better Homes Ottawa Loan Program ([ACS2021-PIE-EDP-0029](#)) with a \$4.1 million grant along with an \$8.1 million loan at 0% interest from FCM, and a \$3.8 million loan from VanCity Investment Bank at 3.25% interest; and

WHEREAS the program uptake has been successful and much higher than expected since it launched in November 2021, with over 600 applications from homeowners, totalling an estimated \$25 million in loan requests, and approximately 10 new applications per week; and

**WHEREAS** under the current service agreement with EnviroCentre, the program can be extended if the additional loan capital to meet the demands of the program is able to be secured; and

**WHEREAS** the Government of Canada bond rates are expected to increase again on June 1, 2022, which would increase the borrowing rates for new loans; and

**WHEREAS** obtaining the next tranche of loan capital prior to June 1, 2022 would ensure lower interest rates can be offered to homeowners; and

**WHEREAS** there are several options for recapitalization of the program through the various financing tools available to the City, primarily cash, debenture, and private lenders; and

**WHEREAS** staff aim to employ the most cost-effective financing tool based on market conditions at the time of borrowing in order to meet the projected demand of the program; and

**WHEREAS** staff reports back to Council annually on all borrowings and rates achieved; and

**WHEREAS** loans through this program are secured by a cost recovery mechanism through priority liens on properties via the local improvement charge mechanism, thereby minimizing potential financial risks to the City; and

**WHEREAS** staff will continue to report back to Council with a program evaluation report;

**THEREFORE BE IT RESOLVED** that the Finance and Economic Development Committee recommend that Council direct staff to implement up to an additional \$30 million in loan capital for the Better Homes Ottawa Loan Program by way of debentures, capital financing, or other allowable financing options pursuant to the *Municipal Act, 2001* based on whichever option represents the most cost-effective method available at the time of borrowing, to be repaid by property owners and that the Chief Financial Officer/Treasurer be authorized to execute any agreements to implement the additional program capital.

Councillor Menard thanked staff for unveiling this program. In response to a question from Councillor Harder, Janice Ashworth confirmed that there is adequate staff assigned to this project. After discussion, the Committee CARRIED MOTION No. 2022 1/38, as presented.