

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

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 1st 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.