



Date of Meeting July 25, 2023

Subject Bylaw 6407 – Amendment to Bylaw 6296 – Clean Energy Improvement Tax Bylaw

Submitted By Larry Lavery, Assessment & Taxation Manager

Presented By Larry Lavery, Assessment & Taxation Manager

Purpose

To amend Bylaw 6296 the Clean Energy Improvement Tax Bylaw to remove the annual cap amounts, allowing for an expedited service delivery of the Clean Energy Improvement Program, and therefore more homeowners timely access to funding.

Recommendation(s)

2nd Reading:

BE IT RESOLVED THAT Bylaw 6407 – Amendment to Bylaw 6296 – Clean Energy Improvement Tax Bylaw be given second reading.

3rd Reading:

BE IT RESOLVED THAT Bylaw 6407 – Amendment to Bylaw 6296 – Clean Energy Improvement Tax Bylaw be given third reading and the Mayor and City Clerk be authorized to sign and seal the same.

Summary

Bylaw 6296 authorizes Council to impose a clean energy improvement tax on an eligible property if the owner has entered into an agreement with the City for an eligible clean energy improvement. Currently the program restricts funding to \$800,000 in 2023, \$900,000 in 2024, \$1,000,000 in 2025 and \$1,100,000 in 2026; for a total of \$3,800,000 over the four years.

Due to overwhelming demand, the Clean Energy Improvement Program is full for 2023 plus has a waitlist that would fill 2024 as well. In order to facilitate more

immediate access for homeowners to the program, changes to the funding structure would be required.

The Federation of Canadian Municipalities has indicated that they are flexible on loan terms for the program and could facilitate early payments.

What is proposed is to eliminate the yearly restriction while keeping the overall funding the same. This would allow the program to move forward more quickly than originally estimated and would allow citizens to be served in a more timely manner.

Strategic Alignment

The Clean Energy Improvement Program helps to lower the City's carbon footprint and provides jobs for local contractors. This aligns with Council's Strategic Goals: Environmentally Responsible & Economic Prosperity.

Background and Prior Decisions

- On August 24, 2021, Council approved the Clean Energy Improvement Tax Bylaw that would enable the City of Lethbridge to create a low interest loan program to residential property owners to upgrade their properties to be more energy efficient or that would generate energy.
- In the fall of 2021 Lethbridge submitted preliminary application to the Federation of Canadian Municipalities for funding.
- Once approved a second, and final application package was completed and sent in February 2022 for final approval.
- On June 23, 2022, FCM Council met regarding our application and on July 11, 2022, the City was notified of the successful application.
- On October 3, 2022, a public funding announcement was made through the Federation of Canadian Municipalities.
- On February 28, 2023, the Clean Energy Improvement Program went live to the public and applications reached capacity on March 6. There were 40 applications accepted and another 47 homeowners on the waitlist.

Analysis and Options

Currently the Clean Energy Improvement Program restricts funding to \$800,000 in 2023, \$900,000 in 2024, \$1,000,000 in 2025 and \$1,100,000 in 2026; for a total of \$3,800,000 over the four years. By removing the annual cap amounts from the Bylaw, the overall length of the program could be shortened allowing more homeowner's timely access to funding. The program would still max out at \$3,800,000.

Total annual approvals could shift based on internal capacity to process applications. It is likely that the term of the program would lessen to two or three years rather than four years based on the number of applications currently received.

Recommendation:

That Council approves the Bylaw 6407 - Amendment to Bylaw 6296, the Clean Energy Improvement Tax Bylaw.

Implications An amendment to Bylaw 6296 allows the Clean Energy Improvement Program to accelerate funding to homeowners in a more timely manner.

Community/Citizen

- Social – N/A
- Economic – By passing this amending bylaw, more opportunities for local contractors to increase workloads will occur sooner.
- Environmental – By passing amending Bylaw 6407, residents could access funding sooner to upgrade their homes.

Financial

The Clean Energy Improvement Program is funded through a loan from the Federation of Canadian Municipalities and through the Municipal Revenue Stabilization Reserve and which is repayable in full by the homeowner.

Risk

Lending money always carries with it the risk of default. However, since the Clean Energy Improvement Program is tied to the tax account and the property, remedies are available through the tax recovery process.

Corporate

Moving timelines forward will place more pressure on staff to complete the necessary contracts; however, the grant funding portion of the program would cover temporary part-time staff to assist, if needed.

Engagement

N/A

Implementation and Communication Plan

People on the waitlist will be contacted by Alberta Municipalities, our provincial administrator, indicating additional funding is available sooner than originally anticipated, to approve more projects.

For the second year, and possible additional years of the program, a public service announce will go out to the public as well as other stakeholder groups indicating the program is open for applications. Our website will be updated accordingly.

Attachment(s)

1. Attachment 1: Bylaw 6407, the Clean Energy Improvement Tax Bylaw

<u>Approvals</u>	
A/Department	Darrell Mathews
Director:	
City Manager:	Lloyd Brierley