

Clean Energy Improvement Program Bylaw Amendment

RECOMMENDATION(S):

That Council direct Administration to:

1. Publicly advertise Proposed Bylaw 16M2023; and
2. Bring Proposed Bylaw 16M2023 to Council for Public Hearing and three readings no later than 2023 Q3.

HIGHLIGHTS

- This report brings forward an amendment to the Clean Energy Improvement Program Bylaw 53M2021 (the “Bylaw”). The amendment removes a minor technical inaccuracy in the type of security required to support the borrowing of money for the purpose of financing clean energy improvements and clarifies the language in the Bylaw with respect to The City of Calgary’s authority for such financing pursuant to Section 390.3(1) of the *Municipal Government Act*, R.S.A. 2000, c. M-26 (the “MGA”).
- **What does this mean to Calgarians?** The amendment does not impact the Program process to date or the applications currently in the queue. The clarifying language in the amendment will allow The City to finalize its loan and grant arrangements with the Federation of Canadian Municipalities (“FCM”), which will enable The City to offer residential property owners the maximum amount of Clean Energy Improvement Program (“Program”) financing contemplated in the Bylaw.
- **Why does this matter?** Calgarians have shown their enthusiasm for the Program and this minor amendment will enable The City to maximize available funding for the Program.
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

The Bylaw requires the amendment to clarify the language with respect to The City of Calgary’s authority to borrow money for the purpose of financing clean energy improvements and to remove a technical inaccuracy in the type of security required to support the financing. The proposed amendment does not materially affect the Bylaw in principle or substance as a borrowing was always contemplated. Despite the language in the Bylaw, the provision of a debenture to support the FCM financing is not required and therefore is being amended. The remaining terms of the proposed borrowing as stated in the Bylaw have not changed. The proposed amendment is required to finalize and draw upon The City’s loan and grant arrangements with FCM.

This Bylaw amendment does not impact the applications currently in the queue, as The City has allocated \$5 million from the Fiscal Stability Reserve which can be used until the loan and grant arrangements with FCM can be finalized and drawn upon. The need for this amendment was only identified after the Program launch. Finalizing this Bylaw amendment will enable The City to reopen the Program to additional participants.

The sections of the MGA pertaining to the Program were introduced in 2018 and did not include detailed direction, templates, or guidance on the required clean energy improvement tax bylaw. Municipalities across Alberta have used the first bylaws that were passed in 2019 (Town of Devon and Town of Rocky Mountain House) as templates and adjusted based on their internal

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interpretation of the legislation. Other municipalities have had to make minor amendments since the initial passing of their Program bylaw due to differences in interpretations of the legislative requirements (e.g., City of Leduc and Town of Rocky Mountain House).

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

The proposed amendment to the Bylaw will be advertised and a public hearing will be held pursuant to the requirements in the MGA.

IMPLICATIONS

Social

The amendment to the Bylaw will allow The City to access \$10 million in financing from FCM - for a total fund of \$15 million - for clean energy improvements. The FCM allocation to the fund allows more Calgarians to experience the benefits of upgraded homes, including better air quality within the property (reducing cardiovascular and respiratory issues), better indoor temperature regulation and thermal quality, and more comfortable spaces.

Environmental

Residential buildings contribute 32 percent of Calgary's community GHG emissions, and a significant portion of the buildings that will exist in Calgary in 2050 have already been built today. The amendment to the Bylaw will allow The City to allocate the planned maximum of \$15 million for residential homeowners to reach the energy saving and emission reduction goals of the Program.

Economic

The borrowing authorized by the amendment to the Bylaw will be invested by residential homeowners into their properties to generate energy and cost savings. It will lead to increased job opportunities for local energy efficiency and renewable energy contractors. The investments will also generate jobs throughout the supply chain (e.g., manufacturing), through additional spending in the economy due to increased income of workers, and through increased energy savings for participants.

Service and Financial Implications

Other: Authority to borrow

\$15,000,000

The proposed amendment is required to finalize and draw upon The City's financing arrangements with FCM. This includes a \$10 million loan to be used to finance clean energy improvement projects and a \$5 million grant to support Program operations. The City must draw down on the loan to access the grant funds.

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RISK

- The Program launched on January 31, 2023, and the intake of new applications was paused on February 1, 2023, due to the high volume of applications received in such a short period of time.
 - The City has allocated \$5 million from the Fiscal Stability Reserve to finance a portion of the Program, which can support the initial projects in the queue. This allocation from the Fiscal Stability Reserve is the municipal contribution to the Program, which contribution is required under the terms of FCM's loan and grant.
- Without the proposed amendment to the Bylaw, The City will not be able to access the \$10 million in financing and the accompanying grant through FCM.
- Calgarians have shown immense enthusiasm for the Program and the reopening of the Program would be impacted if the amendment is not approved and The City is not authorized to make the contemplated borrowing pursuant to the Bylaw.

ATTACHMENT(S)

1. Previous Council Direction and Background
2. Proposed Bylaw 16M2023

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Stuart Dalglish	Planning and Development Services	Approve
Carla Male	Corporate Planning & Financial Services	Approve
Carolyn Bowen	Planning and Development Services	Approve
Les Tochor	Corporate Planning & Financial Services	Approve