

DATE OF MEETING JULY 07, 2025

AUTHORED BY TING PAN, MANAGER, SUSTAINABILITY

SUBJECT AMENDMENT TO HOME ENERGY RETROFIT FINANCING PROGRAM BYLAW

OVERVIEW

Purpose of Report

To bring forward a housekeeping amendment to the Home Energy Retrofit Financing Program Bylaw to clarify the terminology associated with the cost recovery method for the service.

Recommendation

That:

1. "Home Energy Retrofit Financing Program Amendment Bylaw 2025 No. 7393.01" (a bylaw to address housekeeping amendments) pass first reading.
2. "Home Energy Retrofit Financing Program Amendment Bylaw 2025 No. 7393.01" pass second reading.
3. "Home Energy Retrofit Financing Program Amendment Bylaw 2025 No. 7393.01" pass third reading.

BACKGROUND

At the Council Meeting held on 2025-APR-17, "Home Energy Retrofit Financing Program Bylaw 2025 No. 7393" was adopted. The adoption of the bylaw enabled the launch of a Property Assessed Clean Energy (PACE) style Home Energy Retrofit Financing Program for Nanaimo residents in accordance with Council's earlier direction. The first application intake of the Program was completed on 2025-MAY-15. Staff are currently preparing Local Area Service (LAS) bylaws for property owners to fund the costs of their home retrofits through a parcel tax.

DISCUSSION

Staff received conflicting information regarding the need to publish a notice of intent to lend money as per Section 24 [Publication of intention to provide certain kinds of assistance] of the *Community Charter* before LAS bylaws are brought forward. PACE is considered a form of assistance being provided to homeowners. However, there is a supportable argument this program does not constitute "lending money".

At no point in the process does an applicant receive "money". The City pays the contractors directly for qualified improvements to real property to obtain the community benefit of reducing greenhouse gas emissions and promoting climate resiliency. Other than the fact that the improvements are on private property, instead of public property, there is little to distinguish this from any other LAS which is not characterized as "loans" or "lending money". Other jurisdictions in BC that have established PACE style home retrofit financing programs took a similar position.

The current program establishing bylaw includes definitions that contain the terms 'loan' and 'repay'. For example:

“Financing Amount” means a *loan* to the Applicant to finance a qualified improvement as part of the Program. “Charge” means an annual liability to *repay* the financing amount under the Program, as authorized by a local area service bylaw.

Given the factors that weigh against charactering this program as providing “loans” or “lending money”, these terms could be perceived as being inconsistent with the actual mechanism that is used to enable the program.

Upon further consultation with legal consultants, Staff was advised to revise these terms through a housekeeping amendment to the bylaw to provide clarity and alignment with the position that the program does not constitute “lending money” (see Attachment A). For convenience, the proposed amendments are also highlighted within the redlined version of the consolidated bylaw (see Attachment B).

The City is required to publish a notice later at the Parcel Tax Bylaw stage.

OPTIONS

1. That:

1. “Home Energy Retrofit Financing Program Amendment Bylaw 2025 No. 7393.01” (a bylaw to address housekeeping amendments) pass first reading.
2. “Home Energy Retrofit Financing Program Amendment Bylaw 2025 No. 7393.01” pass second reading.
3. “Home Energy Retrofit Financing Program Amendment Bylaw 2025 No. 7393.01” pass third reading.

- The advantages of this option: The updated terms would be more consistent with the cost recovery method to be used for the program relying on LAS. The amendment would allow Staff to proceed with bringing forward LAS bylaws and strengthen the legal position that the program does not constitute “lending money”. The process of administering the PACE style program would be more streamlined.
- The disadvantages of this option: None.
- Financial Implications: The resource and staff time associated with preparing a notice of intent to lend money could be avoided each time the PACE style program is delivered.

2. That Council provide alternative direction.

SUMMARY POINTS

- Staff are bringing forward a housekeeping amendment to the Home Energy Retrofit Financing Program Bylaw to clarify the terminology associated with the cost recovery method for the service.
- The amendment is intended to provide clarity and help streamline the program administration.

ATTACHMENTS

ATTACHMENT A: Amendment Bylaw No. 7393.01

ATTACHMENT B: Home Energy Retrofit Financing Program Amendment Bylaw 2025 No. 7393
– redlined version

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