



Report

Subject: Local Improvement Charge By-law

Department: Corporate Services

Division: Finance

Report #: CPS-2025-048

Meeting Date: 2025-05-12

Recommendations

That report CPS-2025-048, Local Improvement Charge By-law, be received; and

That the Corporation of the Town of Orangeville enact a by-law to authorize the undertaking of energy efficiency and climate resilience works on private residential property as local improvements under the BetterHomes Dufferin Program.

Overview

In 2024, Dufferin County submitted a funding application to the Federation of Canadian Municipalities (FCM) Green Municipal Fund (GMF) Community Efficiency Program (CEF) for the purposes of establishing a residential home energy retrofit program. FCM has approved funding for the program and the County will manage the CEF program reporting and consolidate CEF loan repayments to FCM.

The program operates as a loan program whereby residents receive low interest loans to complete energy retrofits on their homes, and the loans are paid back through a charge on the property tax bill. This ensures that the loan obligation is tied to the property, not the property owner and allows for the transfer of the obligation to a new property owner if the property is sold.

The responsibility to collect property taxes rests with the local level in a two-tier municipal structure. As such, the County has requested that the Town of Orangeville council enact a LIC by-law. The proposed by-law attached to this report (Attachment 1) authorizes LICs for Town residents.

Background

On February 27, 2025 Dufferin County staff presented an update to their council on their BetterHomes Dufferin program. The County staff report has been attached to this report (Attachment 2) for information.

Analysis/Current Situation

The BetterHomes Dufferin program operates as a loan program whereby residents receive low interest loans to complete energy retrofits on their homes, and the loans are paid back through a charge on the property tax bill. This ensures that the loan obligation is tied to the property, not the property owner and allows for the transfer of the obligation to a new property owner if the property is sold. The authority to collect taxes rests with the local tier in a two-tier municipal structure. As such, the County has requested that the Town of Orangeville council enact a LIC by-law authorizing LICs for Town properties.

The program operates such that homeowners can access loans of up to \$40,000 at a fixed interest rate of 2.5% for up to 20 years (low-income residents will qualify for a 0% interest rate). There will be some minor administrative responsibilities of Town staff that involve confirming, upon request, that property taxes are in good standing for participating homeowners. Additionally, once a retrofit is complete, the Town will need to pass a Participating Property LIC by-law which allows the loan to be added to the property tax account of a property and repayments to be collected through property taxes. These property specific by-laws can be done as a batch annually to reduce administrative burden.

As the loan repayments are collected, they are remitted back to Dufferin County to track and administer loan obligations. It is important to note that in the unlikely event of a loan default, the Dufferin County program will cover the cost to register a lien on the property. Dufferin County is required to hold a loan loss reserve as part of their funding agreement with FCM.

Corporate Implications

The administrative requirement of Town staff is anticipated to be small, will be absorbed within current workflows, and at this point in time, it is not anticipated that this program will result in the need for additional staffing resources. This understanding will be confirmed once the administrative framework has been developed. If future actions related to this report will have a corporate impact, a report will be presented to Council for approval, if required.

Conclusion

Once local municipalities adopt the bylaw, County staff and the Clean Air Partnership will finalize the program's administrative processes, including stakeholder engagement, financial structuring, and the creation of online portals for application management.

With all elements in place, the program will launch homeowner outreach and application intake. The County has indicated that the goal is to officially launch in January 2026, with the program running until 2029.

Strategic Alignment

Strategic Plan

Strategic Goal: Community Vitality

Objective: Due Diligence – Confirm applicable governance and policy regimes

Sustainable Neighbourhood Action Plan

Theme: Corporate and Fiscal

Strategy: Encourage and support collaboration to implement sustainability initiatives between municipal and community organizations, local Indigenous groups, conservation authority, colleges, and adjacent municipalities and the County

Notice Provisions

Not Applicable

Respectfully submitted,

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Prepared and Reviewed by:

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Attachment(s): 1. Proposed Local Improvement Charge By-law
2. Dufferin County staff report: BetterHomes Dufferin Update – February 2025