

City of Peterborough

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DEVELOPING A LOCAL IMPROVEMENT CHARGE

MUNICIPAL PROFILE:

POPULATION: ~81,032

LOCATION: Central Ontario on the Otonabee River

SIZE: 64.25 km²

TOTAL PRIVATE DWELLINGS: 36,785

GREAT LAKES WATERSHED: Lake Ontario

BACKGROUND

In 2016, the City of Peterborough completed its Climate Change Action Plan through participation in the Partners for Climate Protection program (PCP), which aims to reduce GHG emissions from both corporate and community sources. The Plan lays out a baseline inventory of emissions from both the Peterborough community and from municipal operations, sets an emissions reduction target of 30% by 2031, and provides numerous actions for the community and the City to reduce GHG emissions. The development of an LIC is a recommended action in the City of Peterborough's Climate Change Action Plan as it pertains to mitigation. As indicated in the plan, the LIC "would be applied as a specific charge to the participating owner's property tax bill that would be removed once the cost of the deep energy retrofit is recovered by the established entity." Supporting actions under this also include funding adaptive measures at the household level to reduce flood risk.

PROJECT DESCRIPTION

The City of Peterborough is working towards creating a framework for a Local Improvement Charge (LIC) for residents in the City of Peterborough. The LIC will provide a funding mechanism for residents to make adaptive and mitigative changes to their homes and properties. The LIC framework applies the charge to the participating owner's property tax bill and is removed once the cost of the retrofit is recovered by the established entity. Moreover, the LIC is linked to the property and not the homeowner. When a home is sold, the LIC continued with the new homeowner until the full value is recovered.

While traditionally LICs have been used to fund mitigation-related retrofits, the City of Peterborough intends to expand

their LIC to include adaptation-related considerations. The adaptation actions will tie into the City's new Stormwater Quality Master Plan that includes subsidies, and a Stormwater Management credit program based on variable rates for Stormwater Management protection fees. Mitigative actions for the LIC could include energy retrofits, such as window replacements or improving insulation, while adaptive actions could include lot-level flood resiliency actions, such as low impact development, or installing a sump pump.

OBJECTIVES

- Provide a mechanism for Peterborough residents to afford to retrofit their home;
- Create a user-friendly application and LIC process with supporting education and tools;
- Leverage existing grants and incentives to finance residential improvements; and
- Implement Pre- and Post- audits to support the business case for the retrofit.

PROJECT PLANNING AND IMPLEMENTATION

Developing the framework for the Local Improvement Charge (LIC) in the City of Peterborough began in February 2017.



Robert Linsdell



An LIC functions by having the City facilitate a low-interest loan to a homeowner in order to cover the cost of energy retrofitting their home. This loan is then repaid over a set period of time, as an additional charge on the city tax bill. Much of this loan payment is covered by the energy savings, and the house value could increase significantly. If the house is sold, the responsibility for the loan is automatically transferred to the new owner, who again benefits from reduced heating costs and improved house value. With this general framework in mind, it was up to the Project Lead and the established team of corporate and community stakeholders to determine how the LIC would be implemented in the Peterborough context, including funding options, researching local contractors, frameworks for home audits, program parameters, and more.

One of the first steps taken was to hire a Trent University's Masters Student to coordinate the LIC project – they reported directly to the Project Lead and provided consistent support to the project over the course of the year. Another summer student was added later to provide additional support. Having established some of the internal human resources required, the Project Lead recognized it was then important to engage external stakeholders to inform them of the project and gain their inputs and expertise. The Project Lead reached out to the already established Sustainable Peterborough Community Climate Change Working Group, which consists of internal and external stakeholders with expertise in sustainability, energy, greenhouse gas (GHG) emissions reduction, and climate change policy. This group was engaged throughout the course of the LIC project. An LIC Steering Committee was later initiated to provide direction on the LIC and to work through varying options. These included

both internal and external stakeholders in the community, including a Sustainable Contractor.

The next step was to conduct research into other existing LIC frameworks in other municipalities and discuss their implementation and varying degrees of success. The Project Lead reached out to Trent University and students in their Environmental Studies program to report on their LIC research findings to date, including studies on Toronto's Home Energy Loan program. This research continues to be ongoing and will help to shape the parameters, internal logistics, program criteria, and other varying details of the LIC framework.

A meeting was held in June with the LIC Steering Committee to have GreenUP apply to the Ministry of Environment and Climate Change for an external funding grant to provide Peterborough LIC training for new graduates of Fleming College's trade programs. The purpose of the course was to train new graduates on sustainable construction, and how to conduct home audits specifically for the Peterborough LIC framework. The training would explicitly outline what the project is, what is eligible for funding, and what audits will need to take place. The training would go beyond the Natural Resources Canada Energy Audit to include adaptation, mitigation, and GHG metric reporting for the Peterborough area. Unfortunately, the funding application was not successful. However, the Project Lead is currently working with Fleming College through local trades to submit another application, this time to the Natural Sciences and Engineering Research Council of Canada to fund skills training and pilot programs.

The Project Lead held meetings with the City's Director of Finance and Director of Community Services in order to achieve corporate approval of the project. The Project Lead also met with Hydro One, Enbridge, and Peterborough Distribution Inc. to discuss local energy incentives and how these can stack alongside the LIC framework. These stakeholders formed the Local Utility Committee and will be engaged later on in the project to review and comment on the LIC draft.

Currently, the City is reviewing a draft version of the LIC framework and circulating the draft to its various project committees. It is also currently pursuing various funding options for LIC training and pilot programs where possible. Moreover, the City is currently working on developing a one-stop shop location on the Sustainable Peterborough website to include all information pertaining to active utility incentives. This page will hopefully be used as a toolbox for Home Auditors for the LIC.

FUNDING

Funding for the project was supported by the \$7,000 grant from MOECC for participating in the Collaborative Implementation Group project. These funds were

matched by cash or in-kind contributions on behalf of the City. Some funding was leveraged through the City's Sustainable Operating account for the planning and development process. Capital Budget approval will be required in 2018 for any pilot activities. The City will also be applying for several grants in order to support skills training for home audits.

PARTNERSHIPS

The City of Peterborough partnered with many individuals, both within the municipal government and in the community. These included:

- **Internal Partnerships:** Financial Services, Planning, and Sustainability departments
- **External Partnerships:** Sustainable Peterborough Community Climate Change Working Group, GreenUP, Fleming College, Trent University, Hydro One, Peterborough Distribution Inc., and Enbridge Gas

CHALLENGES

The City encountered a few challenges during the development of the LIC framework.

KNOWLEDGE GAP: The City identified that there was a local gap in service delivery agents for home audits that were knowledgeable about both adaptation and mitigation retrofits at the household level. In order to address this issue, the Project Lead is working with Fleming College's trade program to support skill training in this area.

STAFF RESOURCES: Developing an LIC framework that fits within the local context, especially with little precedence, requires a great deal of staff time. Due to the busy nature of municipal governments, there was not enough staff time to dedicate to the project due to competing workloads. This was especially true over the course of the summer months when the Project Lead was attempting to establish the Community Committee. To address this issue, the Project Lead hired a Masters Student who was able to dedicate more time to supporting the project.

POSITIVE OUTCOMES

The City has already experienced several positive outcomes through the initiation and development of the LIC framework.

IMPROVED PARTNERSHIPS: The Project Lead has established several committees to oversee the development and implementation of the LIC framework, that draws on the knowledge and expertise of numerous stakeholders within the community. These include the Local Utility Committee, which consists of Hydro One, Peterborough Distribution Inc., and Enbridge Gas, who will review and comment on the LIC draft once completed.

SUPPORTING PROVINCIAL POLICY: In 2019, the Province of Ontario will be implementing audits before all new or existing single-family homes can be listed for sale. Homes for sale that have utilized the LIC for home energy retrofits are likely to benefit from improved energy performance.

TRAINING AND SKILLS DEVELOPMENT: Having identified a local gap in the sustainable contractor sector, the City of Peterborough is utilizing its partnerships with Fleming College to hopefully implement LIC home audit training to sustainable construction graduates. This training would be specific to the Peterborough LIC framework and will improve local capacity to implement the program.

MEASURING OUTCOMES

While the LIC program has yet to be piloted, the Project Lead has identified several different ways the City will be measuring progress on the implementation of the LIC project.

Once piloted, the City plans to conduct a survey with participants and other relevant stakeholders to evaluate the effectiveness, ease, and the value of the program and service. The survey will also ask participants to provide suggestions or identify areas for improvement.

Staff will also be reporting to Council on the outcomes of the LIC project and its viability, including the number of participants, costs to the municipality, relative reduction in GHG emissions, etc.

More detailed indicators will be developed once the LIC framework is finalized and ready to implement.

LOOKING AHEAD

The City of Peterborough will continue to work with their Advisory Committee for skills training before beginning to pilot the LIC Startup. Currently, the City is exploring several different funding and implementation streams in order to implement the LIC. This includes working with Fleming College through their local trade school to submit an application for skill training and pilot to the Natural Sciences and Engineering Research Council. Moreover, the City is working with GreenUP to explore the possibility of piloting an LIC in the next two years through their Sustainable Urban Neighbourhood program.

Once the pilots have been implemented, the City envisions rolling out similar programs in some of the surrounding Townships and First Nations in the Greater Peterborough Area.

Acknowledgements

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The Great Lakes Adaptation Project Collaborative Implementation Groups

The Collaborative Implementation Groups (CIG) project targeted 12 municipalities throughout the Great Lakes watershed to identify and implement an adaptation initiative in their community over the period of one year (January 2017 – December 2017). The CIGs came together at various stages to share experiences, challenges, and opportunities on such items as measuring progress through indicators, project financing, budgeting, scheduling, evaluation, monitoring, and reporting. Ultimately, the CIGs were an opportunity to bring together practitioners struggling with implementation challenges to create a peer support network that brings these individuals together (both online and in person) to collectively work through the implementation of an identified action and share the resulting experiences.

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