



The Corporation of the District of Saanich

Report

To: Mayor and Council

From: Sheila Allen, Director of Corporate Services
Paul Arslan, Director of Finance

Date: December 18, 2024

Subject: Heat Pump Financing Program - 2025 Parcel Tax Bylaw for Completed Projects

File: 2560-50 • 100% Renewable Energy

RECOMMENDATIONS

That Council give three readings to the Heat Pump Financing Parcel Tax Bylaw, 2025, No. 10131.

PURPOSE

The purpose of this Report is to bring forward the Heat Pump Financing Parcel Tax Bylaw to impose and levy a parcel tax on the Heat Pump Financing Program participants that have completed their projects, and to provide direction to the collector to update the Heat Pump Financing Parcel Tax Roll for these properties.

BACKGROUND

At their March 28, 2022, meeting, Council adopted Heat Pump Financing Service Bylaw, 2022, No. 9761 to establish the Saanich Heat Pump Financing Program. Each participating property has a Local Area Service Bylaw enacted for the provision of interest-free financing up to \$12,000 to replace participants' fossil fuel heating systems with electric air source heat pumps.

Following the establishment of the Local Area Service Bylaws, participating properties submit their EnerGuide energy evaluations and preferred contractor quote and enter into a Financing Agreement with the District of Saanich. Contractors then complete the work, and work completion documentation is signed off by both contractors and homeowners and submitted. Upon receiving and approving all required documentation, contractors are paid directly through the program.

In 2024, 22 properties completed their heat pump installation and submitted work completion documentation for their project. These 22 properties will be added to the Heat Pump Financing Parcel Tax Roll to initiate repayment over 10 years.

COUNCIL OPTIONS

1. That Council approve the recommendation as outlined in the staff Report.
2. That Council approve the recommendation as outlined in the staff Report with amendments.
3. That Council provide alternate direction to staff.

FINANCIAL IMPLICATIONS

The Parcel Tax Bylaw directs the update of the Heat Pump Financing Parcel Tax Roll and defines the properties, total tax amount, term, and annual repayment schedule, as well as requirements for waiving the parcel tax through lump sum payments. It is the tool with which the District of Saanich will recoup the funds provided to finance fossil fuel to heat pump conversions under the local area service for the Heat Pump Financing Program. Other than forgoing interest income on the funding for this program, there are no impacts to property taxes.

STRATEGIC PLAN IMPLICATIONS

Implementation of the Heat Pump Financing Program is helping to achieve Council's 2023-2027 Strategic Plan: Climate Action and Environmental Leadership goal, namely:

- Take steps to ensure building stocks address our environmental and climate impact; and
- Implement innovative solutions and practices to reduce emissions, to mitigate and adapt to the effects of climate change, and to protect the environment.

It contributes to Strategy B2 of the Climate Plan: Accelerate efficiency and renewable energy upgrades in existing buildings; and Action IN2 of the Building Retrofit Strategy: Scale up the Heat Pump Financing (PACE) Program for Part 9 homes.

CONCLUSION

The establishment of the Heat Pump Financing Program in the District of Saanich is helping residents in the District of Saanich to overcome the capital cost barrier of replacing their fossil fuel heating system with a heat pump, improve affordability, and help the District of Saanich achieve its climate action goals.

The attached Heat Pump Financing Parcel Tax Bylaw as appended to this Report will impose and levy a parcel tax, the means with which to recoup the financing provided through the local area service for participating properties.

Prepared by: Maggie Baynham, Sustainability Project Manager

Reviewed by: Rebecca Newlove, Manager of Sustainability

Approved by: Sheila Allen, Director of Corporate Services

Approved by: Paul Arslan, Director of Finance

Attachments:

1. Heat Pump Financing Parcel Tax Bylaw, 2025, No. 10131
2. Heat Pump Financing Parcel Tax Bylaw, 2025, No. 10131 Schedule A & B

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Director of Corporate Services.

Brent Reems, Chief Administrative Officer