Report to Infrastructure and Corporate Services Committee

To: **Chair and Members**
Infrastructure and Corporate Services Committee

From: **Kelly Scherr, P.Eng., MBA, FEC**
Deputy City Manager, Environment & Infrastructure

Subject: **Local Improvement Charge By-law Process for BetterHomes London**

Date: **October 5, 2026**

Recommendation

That on the recommendation of the Deputy City Manager, Environment & Infrastructure, the proposed approach for establishing Local Improvement Charges for the repayment of loans given to BetterHomes London participants **BE RECEIVED** for information at the Municipal Council meeting on October 14, 2026.

Executive Summary

The BetterHomes London program was approved by Council on July 22, 2025 and launched in April 2026. The program provides low interest loans to London homeowners who wish to conduct energy efficient upgrades or retrofits. The loans are offered at an interest rate of 2.5 per cent at 10-Year, 15-Year, or 20-Year terms. The program is at the point where early participants are starting to complete projects at their homes.

BetterHomes London program participants repay the loans through a Local Improvement Charge (LIC) using the Local Improvement Charge By-law template that was approved by the Municipal Council on March 31, 2026.

The report outlines the approach for registering the LIC loan on the property which involves adding Local Improvement Charges By-laws directly to the by-law list on the Council agenda for approval. The program currently has funding for approximately 150 participants. As of August 20, 2026, the program has completed 75 initial consultations and issued 13 Property Owner Agreements for funding. As such, there will be several by-laws added to the agenda; therefore, the purpose of this report is to inform Council on the basis for these by-law additions. This report also identifies a funding opportunity to expand the list of eligible measures in the program to include adaptation and resiliency measures to protect homes from flooding or other volatile weather conditions.

Linkage to the Corporate Strategic Plan

Municipal Council recognizes the importance of climate change mitigation, sustainable energy use, related environmental issues and the need for a more sustainable and resilient city in its 2023-2027 Strategic Plan for the City of London. Specifically, London’s efforts in both climate change mitigation and adaptation address these areas of the Strategic Plan, at one level or another:

- Reconciliation, Equity, Accessibility and Inclusion
- Economic Growth, Culture, and Prosperity
- Climate Action and Sustainable Growth

Analysis

1.0 Background Information

1.1 Previous Reports Pertinent to this Matter

Relevant reports that can be found at www.london.ca under Council meetings include:

- March 23, 2026, Final Program Design for BetterHomes London, Report to the Infrastructure and Corporate Services Committee, Item 2.9

1.2 Council Direction

On March 31, 2026, the Municipal Council provided the following resolution:

> *APPROVE the Template for a by-law, attached as 'Schedule 2', to authorize the issue of a Local Improvement Charge for energy efficiency and water conservation works on a private residential property.*

1.3 Purpose

The purpose of this report is to outline the approach for establishing Local Improvement Charges for the repayment of loans given to BetterHomes London participants.

2.0 Discussions and Considerations

Local Improvement By-laws
The BetterHomes London program was approved by Council on July 22, 2025 and launched in April 2026. The program currently has funding for approximately 150 participants. As of August 20, 2026, the program has completed 75 initial consultations and issued 13 Property Owner Agreements for funding. The program is at the point where some of the early participants are completing their energy retrofit projects.

As noted in the March 2026 staff report, upon completion of the retrofit work, the BetterHomes London program administrator (Climate Action Partnership) provides the participant with a Local Improvement Charge Information Letter that will provide a summary of the final total loan amount and the terms of the Local Improvement Charge (LIC) repayment. The participant then countersigns the Local Improvement Charge Information Letter and sends it back to the BetterHomes London program administrator. Once approved by the program administrator, Civic Administration releases the final disbursement of loan funds and incentives (if applicable).

Civic Administration then issues the LIC using the Local Improvement Charge By-Law template that was approved by Municipal Council on March 31, 2026. These by-laws are administrative in nature and all decision making regarding the process was conducted by the Municipal Council on March 31, 2026. As such, these LIC by-laws will be added directly into the by-law list on the Council agenda for approval. Each by-law will be repetitive in nature, including the following information for each program participant:

- Special Charge amount for the lot as set out in the certified local improvement roll, and,
- Annual Payments as set out in the certified local improvement roll.

The LICs would be added to the property tax at the same time as the existing property tax processing cycle.

After completion by the property owner of the Annual Payments, the by-law for that property's LIC will be repealed, with the repealing by-law brought to Council in the same manner as the original LIC by-laws.

Option for Expansion of the Program – Adaptation Measures
The current suite of options within the BetterHomes program primarily pertain to climate mitigation measures to promote electrification (e.g., heat pumps) or natural power generation (e.g. solar panels). The City of London is partnering with the Climate Action Partnership (CAP), who is currently working with the City to deliver the BetterHomes London program, to submit a joint application with Dufferin County to the FCM for their new Residential Resilience Financing program. This FCM program is designed to work

with those municipalities who have existing energy retrofit financing programs to augment these programs with climate adaptation and resilience measures to flooding or other weather events. Some of these measures are already included within the BetterHomes London program (up to 20% of eligible costs for the participant), but a successful application would allow us to offer expanded coverage for additional items such as emergency power, lot grading improvements, basement/foundation waterproofing, hurricane clips or more robust roofing materials.

The first step to expand the FCM funding program is to apply for funding to support overall program design to consider a new list of items, which will involve working with both internal partners (e.g., other City service areas such as Sewer Engineering) as well as community partners (e.g., London Hydro, Middlesex London Health Unit, etc.) to determine what London's resilience measures should be based on our climate risks. The City of London would contribute in-kind staff time as well as $7,000 from existing budget towards this joint study should the application be successful.

Subject to the program design application being awarded by FCM, any financial impacts associated with conducting the study or expanding the BetterHomes program would be presented to Council for consideration.

3.0 Financial Impact/Considerations

The priority lien status of LIC loans provided by the City of London reduces the financial risk by ensuring the municipality can recover the costs of local improvement projects from property owners before other creditors. This priority status means that the municipality has a first claim on the property value for repayment of the LICs.

The opportunity for program design expansion to include adaptation and resiliency retrofits is planned to be evaluated through a program design review within current available budget.

Conclusion

Civic Administration propose to issue LICs via Local Improvement Charge By-laws added directly to the by-law list on the Council agenda for approval. The opportunity for program expansion to include adaptation and resiliency retrofits is planned to be evaluated through a program design review within current available budget.

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