

City Council

Notice of Motion

MM23.7	ACTION			Ward: All
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Commercial Property Assessed Clean Energy (C-PACE) Financing Tools - by Councillor Jennifer McKelvie, seconded by Councillor Shelley Carroll

**Notice of this Motion has been given.*

**This motion is subject to referral to the Infrastructure and Environment Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Jennifer McKelvie, seconded by Councillor Shelley Carroll, recommends that:

1. City Council request the Executive Director, Environment and Climate, to consider the use of Commercial Property Assessed Clean Energy as a voluntary financing tool to enable housing supply, spur construction and economic development and help Toronto meet our sustainability goals outlined in TransformTO without use of public funds and to provide a report back to City Council on feasibility as part the upcoming report on building emission performance standards in the third quarter of 2025, such report to:

- a. identify any required changes to Ontario Regulation 586/06: Local Improvement Charges to enable Commercial Property Assessed Clean Energy programming, including, if recommended, any changes that leverage private capital to make investments in energy efficiency, water efficiency, and resilience related qualifying improvements.

Summary

Municipalities in Ontario are considering how to support members of their communities most effectively in actions that will help mitigate climate change, especially regarding Greenhouse Gas emissions from buildings.

Many commercial building owners and operators encounter financial barriers to energy and water retrofits and new construction components due to high debt loads, competing needs for other capital improvements, split incentives between building operators who must invest in energy efficiency improvements and their tenants who benefit from the lower energy and water bills, as well as by the longer payback periods that deep energy and emissions retrofits often require to be profitable.

Many private building owners are looking for ways to improve the resilience of their property to significant weather events, while at the same time there is a growing interest by investors to put their capital to work solving society's challenges, such as climate change.

Commercial Property Assessed Clean Energy financing is a voluntary financing tool that enables commercial property owners and developers to access lower-cost capital to invest specifically in sustainability-related qualifying improvements that serve a public benefit. In the United States, in the last decade there has been over \$7 billion dollars of third-party private investment through Commercial Property Assessed Clean Energy. The lower cost of capital achieved through Commercial Property Assessed Clean Energy financing can serve as an economic development driver, enabling projects that may not otherwise have access to long-term financial solutions and improving the economic stability of projects and the associated cost of operations

Background Information (City Council)

Member Motion MM23.7