



November 6, 2021

Honorable Richard Mostyn  
Minister of Community Services  
Government of Yukon  
Box 2703  
Whitehorse, Yukon Y1A 2C6

Dear Minister Mostyn,

**Re: Better Buildings Loan Program**

Thank you for sharing information about the proposed Better Buildings Loan Program.

The components of this program we see as positive for the business community include:

1. **Reduced Impact/Requirements on Existing Financing.** Financed as a Local Improvement Charge (LIC) means a business is not required to deal with other debt commitments/lenders to access the funding.
2. **Potential Tax Shield.** Example – A business gets a 100K loan. It gets a 100K asset it can write off for tax purposes. It will also attract a Yukon Carbon Tax Rebate payment.
3. **Energy Efficiency.** With inflation at 4% and electricity and oil prices increasing, converting to biomass or making buildings more efficient is a smart move.
4. **Drive New Business in the Renovation/Conversion Sector.** Builders and those that install alternative energy solutions will be very happy with this expanded market.
5. **No Barrier to Stacking Rebates.** This loan will not stop a borrower from claiming other rebates (i.e., Energy Solutions, Federal programs, etc.).
6. **Return on Investment.** It is probable this will be cash positive to a corporate borrower in the first 1-3 years.

**Other Considerations/Clarification Required**

1. Program is based on assessed value, not FMV. This may be a problem for those that own older buildings.
2. Condo Corporations. Condo Corporations would need to make significant investments in legal and other costs to access this program.

3. These projections may be too conservative. Only six commercial buildings (600K) in the first year?
4. The is mention of the municipality being able to impose a 'management fee', but it is not clear if the fee can be part of the loan and capped?
5. The City of Whitehorse currently builds in an annual interest rate of 6% in its LICs. So, is the interest rate 0.25% or 6%?
6. Is the loan for 100% of the expense or is it a percentage of expenses?
7. Do you get the loan when you buy the improvement or when is available for use?
8. Potential delays caused by lenders and buyers. The program guidelines state:  
*"Because the local improvement tax model could allow the debt to remain with the property on sale (conditional on mortgage lender and buyer approval)"*  
Banks and buyers have no say on other LICs. Propose that Government of Yukon should work out a common means to address the probable queries from the banks so this does not paralyze implementation of program.
9. Assumed co-operation of the municipalities? The City of Whitehorse has expressed concerns with this policy in regard to capacity to administer, building costs, and the potential layering of LICs. Critical to ensure that the concerns of municipalities are resolved to ensure efficient implementation of the program.

Developing targeted, relevant, affordable, and flexible business loan programs is a key initiative in building and maintaining a prosperous and sustainable business sector in Yukon. In particular, investment in building energy efficiency is a strategic initiative that can provide long term benefits beyond the initial energy cost savings.

The Yukon Chamber of Commerce is pleased to support this initiative and we stand ready to provide feedback from the business community and our Board as this program is rolled out. Thank you again for the opportunity to review and comment on this initiative.

Regards,



Denny Kobayashi, MA CAE  
Executive Director

Copy: Board of Directors