

Grants and Program Allocation Recommendations

Date: April 12, 2021
To: Board of Directors of the Toronto Atmospheric Fund
From: Grants Manager

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains financial information supplied in confidence to the Toronto Atmospheric Fund, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

At its April 7, 2021 meeting, the TAF Grants and Programs Committee recommended that the Board approve seven grants with a combined value of \$722,925 and three internal program allocations with a total value of \$324,000. This report provides recommendations from the Committee meeting.

RECOMMENDATIONS

The Grants Manager recommends that the Toronto Atmospheric Fund Board of Directors:

1. Approve the following grant requests to be funded jointly from the Canada, Ontario and Toronto endowments except where otherwise indicated:
 - a. \$35,000 over 12 months to the City of Brampton to update the sustainability score thresholds that support the Sustainability Metrics Program in Brampton, Vaughn, Markham, and Richmond Hill, and to create resources that will enable municipal staff to implement the program (*funded from the Canada and Ontario endowments only*). Approval to be subject to the following conditions:
 - Submit for TAF approval a stakeholder engagement strategy outlining how and when building industry stakeholders, including home builders, designers, and trades associations, will be consulted throughout the process.
 - Submit for TAF approval an analysis of the feasibility of completing this project before 2023, including a revised project timeline (if feasible) or an explanation for maintaining the initial timeline (if not feasible).
 - Prioritize carbon emissions reductions in the updates to the sustainability score thresholds, and report back on the estimated emission reductions that will be achieved once the updated Sustainability Metrics Program is implemented.

- Demonstrate, in the form of a signed letter, support from at least one Councillor in each of the four municipalities for adopting updates to the Sustainability Metrics Program, including their commitment to participating in a project advisory committee and/or other relevant mechanisms for engaging stakeholders and advancing the updates.
- b. \$86,000 over 12 months to the City of Pickering to consult with internal and external stakeholders to inform updates to their Sustainable Development Guidelines, and to develop staff training tools and building industry resources to support implementation (*funded from the Canada and Ontario endowments only*). Approval to be subject to the following conditions:
- Submit a stakeholder engagement strategy for TAF approval outlining how and when building industry stakeholders, including home builders, designers, and trades associations, will be consulted throughout the process.
 - Submit a revised workplan for TAF approval clarifying the project timeline and scheduled completion dates of project activities and deliverables.
 - The City of Pickering will provide funding for the Project Manager position and will eliminate the associated salary from the TAF funding request.
 - Prioritize carbon emissions reductions in the updates to the Sustainable Development Guidelines, and report back on the estimated emission reductions that will be achieved once the updated Sustainable Development Guidelines are implemented.
- c. \$150,320 to the City of Toronto over 12 months to benchmark embodied carbon emissions for the construction of Part 3 buildings in the GTHA, and to use the results to inform updates to the Toronto Green Standard. Approval to be subject to the following conditions:
- Submit a detailed knowledge transfer strategy for TAF approval outlining how lessons and project outcomes will be shared with building industry and municipal stakeholders in the GTHA.
 - Submit a stakeholder engagement strategy for TAF approval outlining how industry stakeholders representing building materials manufacturers and the development community will be consulted throughout the project.
- d. \$30,040 to Pollution Probe over 8 months to convene and coordinate GTHA municipalities in advancing their interests to inform the Ontario Energy Board's review of the next multi-year natural gas demand side management plan (*funded from the Canada and Toronto endowments only*). Approval to be subject to the following condition:
- Various approaches to municipal representation are explored.
- e. \$141,565 to QUEST over 20 months to complete feasibility studies to conduct deep energy retrofits on two municipally-owned seniors centres using prefabricated exterior panels and new mechanical systems, and to share lessons learned with municipal and building industry stakeholders across the GTHA. Approval to be subject to the following conditions:
- Funding requested from Natural Resources Canada is confirmed.
 - The City of Burlington and Town of Oakville each contribute \$10,000 to offset costs associated with the feasibility studies exploring deep energy retrofit options in the two municipally-owned seniors centres.

- f. \$30,000 to the Town of Caledon over 16 months to develop sustainability metrics and an implementation framework for a local Green Development Standard in consultation with internal and external stakeholders (*funded from the Canada and Ontario endowments only*).
 - g. \$250,000 to the Town of Whitby over 36 months to measure the costs and benefits of integrating the three voluntary tiers of the recently adopted Whitby Green Standard at the design, construction, and occupancy stages, and to share the methodology and results with municipal and industry stakeholders across the GTHA (*funded from the Canada and Ontario endowments only*). Approval to be subject to the following condition:
 - Submit a revised project budget for TAF approval which requires no more than \$250,000 in funding from TAF over the three-year project timeline, and reduces TAF's contribution to project costs associated with equipment, materials, building performance evaluation, and homeowner incentives.
 - Funding for project materials and equipment is contingent on a qualified professional's written and signed assessment showing the estimated incremental costs of constructing to the Whitby Green Standard, and on the Town of Whitby demonstrating that total material and equipment funding from all funders is no more than 75% of the total incremental costs incurred by the builders.
 - Submit memoranda of understanding, signed by authorized representatives from the Town of Whitby and the home builder project partner(s), outlining the home builder's commitment to making all relevant costing information publicly available and to allowing Town of Whitby staff oversight during the design process to ensure compliance with the Whitby Green Standard tiers.
2. Decline one grant request with a total value of \$243,714, as set out in Confidential Attachment 1.
 3. Approve the following project allocation requests to be funded jointly from the Canada, Ontario and City of Toronto endowments:
 - a. \$24,000 over 24 months to support TAF's policy activities through the engagement of subject matter experts as consultants on key policy files, through adequate internal resourcing and the hiring of a Policy Analyst, and through relevant travel, communications, and events.
 - b. \$300,000 over 36 months to provide TAF with the resources to hire a full-time program manager to oversee the day-to-day operations of TAF's planned program which will facilitate the implementation of EV charging infrastructure. Funding will also support the hiring of expert consultants to support the outreach and engagement effort and development of a 'turnkey' option for this program. The allocation for this program is conditional on Natural Resources Canada's approval of TAF's funding application to the Zero Emission Vehicle Infrastructure Program.
 - c. \$0 over 24 months for TAF to hire a Communications Coordinator who is responsible for managing the TAF social media communities; tracking and reporting communications metrics; and coordinating website and other content updates. In addition to these core responsibilities, the Coordinator will support the Communications Manager in new content production, project management, liaising with internal teams, event coordination and other special projects.

4. Direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as contains financial information supplied in confidence to the Toronto Atmospheric Fund, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

FINANCIAL IMPACT

If the recommended grant program allocations are approved, \$505,100 would come out of TAF's 2021 grants program budget, \$177,825 would come out of the 2022 budget, and \$40,000 would come out of the 2023 budget.

Grants Program Budget	2021
Total available funding	\$1,566,356
Grant allocations committed to date	\$678,125
Funding currently available	\$888,231
Recommended allocations from the April 2021 intake round	<u>\$505,100</u>
Remaining balance	\$383,131

If the recommended internal program allocations are approved, \$140,333 would come out of TAF's 2021 budget, \$142,000 would come out of the 2022 budget, and \$41,667 would come out of the 2023 budget.

Internal Program Budget	2021
Total available funding	\$1,120,000
Internal program allocations committed to date	\$500,205
Recommended allocations from the April 2021 intake round	<u>\$140,333</u>
Remaining balance	\$479,462

The 2021 internal program allocations budget was updated since the previous grants program report to the board. This update reflects a backing out of TAF's non-core staff salary expenses included in 2021 internal project allocation requests which were already covered in TAF's 2021 organizational budget. This will ensure that such non-core salary expenses are not double-counted. Non-core salary costs were backed out of two allocations that were approved in 2020 and have budget allocations in 2021 (TowerWise: Scaling Deep Energy Retrofits and Enhancing GHG Quantification in the GTHA), which reduced the total value of program allocations committed to date by \$331,706.

Non-core salaries were also backed out of two allocation requests currently being recommended to the Board (Advancing Low Carbon Policy Solutions 2021-22 and TAF communications capacity).

BACKGROUND

The following provides a summary of the grants recommended by the Chair of the Grants & Programs Committee for Board approval.

Grant

City of Brampton | Sustainable Buildings Score Threshold Update and Training Video Project

\$35,000 over 12 months

Applicant's address: 2 Wellington St. West, 3rd Floor, Brampton, ON L6Y 4R2

Location of proposed activities: Brampton, Richmond Hill, Vaughan, Markham

This project will enable the municipalities of Brampton, Vaughn, Markham, and Richmond Hill to collaborate to update the sustainability score thresholds and metrics that support their Sustainability Metrics Program (the local version of Green Development Standards). In 2014, Brampton, Vaughan and Richmond Hill launched the Sustainability Metrics Program to evaluate and score the sustainability performance of development proposals, and to encourage builders to achieve a minimum level of performance. This ongoing update will bring Markham into this collaborative program, and ensure that the thresholds and metrics reflect changes in legislation, municipal policy and plans, and best practices to reduce carbon emissions in new development. TAF grant funds will be used to facilitate a series of internal and external stakeholder outreach activities, which will inform the updated sustainability score thresholds and metrics. Recommendations will be presented to each municipal council for adoption in September 2021. Funds will also be used to hire a consultant to develop a series of training videos for municipal staff and industry stakeholders to support compliance with the new program.

City of Pickering | Integrated Sustainable Building and Development Standards

\$86,000 over 12 months

Applicant's address: One The Esplanade, Pickering, ON L1V 6K7

Location of proposed activities: Pickering

The objective of this project is to update and expand the City of Pickering's Sustainable Development Guidelines (the local version of Green Development Standards) using a tiered framework, similar to the methodology used in Toronto and Whitby. They will achieve this by undertaking an engagement strategy with development industry and other key stakeholders to identify concerns, and developing staff training tools and developer resources to ensure compliance. The primary objective of this project is to support an industry shift towards more sustainable development practices that significantly reduce carbon emissions associated with the construction of new buildings. The City of Pickering will achieve this by:

- Updating and expand Pickering's Sustainable Development Guidelines and convert to a tiered approach that addresses already identified gaps;
- Undertaking a comprehensive engagement strategy with the development community, stakeholders, Members of Council, municipal staff and general public to ensure buy-in and support among internal and external stakeholders, and;
- Developing training tools and resources for municipal staff and the development community to ensure compliance with the updated Guidelines.

City of Toronto | Benchmarking Construction Materials Upfront Embodied Emissions for Part 3 Buildings in the GTHA

\$150,320 over 12 months

Applicant's address: Metro Hall, 55 John St., 22nd Fl., Toronto, ON, M5V 3C6

Location of proposed activities: Toronto

The purpose of this project is to create a study which will benchmark embodied carbon emissions for materials used in the construction of Part 3 buildings (those 600 m² or greater in floor area) in the GTHA. The results will be used to inform the next version of the Toronto Green Standard (the local version of green development standards) set to launch in 2022. The City's Zero Emissions Buildings Framework sets out stepped operational energy and emissions performance targets to near zero by 2030. However, the City does not yet have targets related to upfront emissions for new buildings, which is estimated to represent half the carbon associated with new construction between now and 2050. Knowing that large projects often take years to develop from concept through to construction, setting targets early this decade is instrumental in achieving the City's reduction targets for 2030 which are 65% below 1990 levels. The City of Toronto and project partners will achieve this by:

- Establishing targets and reporting methodologies – in collaboration with a broad range of industry stakeholders, and tested / validated through working with in-progress city projects – for embodied emissions in construction materials;
- Facilitating a series of workshops and training events to build industry capacity to comply with future embodied carbon submission requirements, and;
- Producing a report to support decision makers and relevant stakeholders to incorporate embodied carbon metrics into green development standards and procurement documents.

Pollution Probe | Municipal Consultation on 2021-2026 Natural Gas Demand Side Management (DSM)

\$30,040 over 12 months

Applicant's address: 150 Ferrand Drive, Suite 208, Toronto, ON, M3C 3E5

Location of proposed activities: GTHA

The objective of this project is to support GTHA municipalities in advancing their interests to inform the Ontario Energy Board's (OEB) review of the natural gas demand side management (DSM) plan for 2021-26. Pollution Probe will do this by educating municipal stakeholders about regulatory processes, leveraging Pollution Probe's intervenor status to coordinate a submission to the OEB outlining municipal interests, and keeping municipalities informed as the regulatory process advances. Starting in May 2021, the OEB will review and evaluate the next multi-year DSM portfolio which will lock in DSM funding, programs and results for the next 3-6 years. Municipalities have identified that it is difficult to understand and engage in OEB proceedings, despite the impact on their energy and emissions plans. If the OEB does not adopt increased DSM measures, then GTHA municipalities will lose the opportunity to realize significant emissions reductions. This project aims to break down barriers for municipalities to provide valuable input and coordinate leading municipalities to advance their common interests with the goal of ensuring that enhanced natural gas DSM will help the Province and the municipalities in meeting their targets. The primary deliverables of this project include:

- Two workshops to inform municipalities about the OEB's regulatory procedures;

- One report summarizing GTHA municipalities' positions with respect to DSM funding and programs;
- A coordinated submission to the OEB outlining municipal interests, and;
- One workshop to update municipalities on the outcomes of the DSM planning process.

QUEST | ReCover Initiative in Burlington and Oakville

\$141,565 over 20 months

Applicant's address: 8 King Street E, Toronto, Ontario, M5C 1B6

Location of proposed activities: Burlington and Oakville

The ReCover Initiative is a multi-year program that seeks to scale-up and accelerate the implementation of deep energy retrofits by developing and refining a new approach that prioritizes materials with low embodied carbon emissions, and involves prefabricated exterior panels. The objectives of this project are to conduct feasibility studies on two municipally-owned senior centres, document lessons learned, and develop on-the-ground capacity to implement municipal retrofit strategies. The resulting designs will demonstrate a path for each building to become at least Net Zero Energy Ready. QUEST will achieve this by:

- Creating a working group of municipal staff interested in knowledge sharing and creating solutions for deep energy retrofits;
- Writing a report about working on deep energy retrofits with municipalities, based on the project's lessons learned and interviews with the participating municipalities, and;
- Sharing project outcomes on a recorded webinar and disseminating the final report to relevant stakeholders across the GTHA.

Town of Caledon | Green Development Standard for the Town of Caledon

\$30,000 over 16 months

Applicant's address: 6311 Old Church Road, Caledon, ON L7C1J6

Location of proposed activities: Caledon

The purpose of this project is to develop sustainability metrics and an implementation framework for a community-wide Green Development Standard (GDS) in Caledon. TAF grant funds will be used to hire a professional consultant, who will lead stakeholder outreach activities and develop staff resources to support implementation of the GDS. The GDS will be designed to ensure that all new residential and commercial buildings in Caledon are constructed to net zero emissions standards, meet compact design principles that enable transit and active transportation, and enable widespread use of electric vehicles. Town of Caledon staff will achieve this by:

- Establishing a Steering Committee made up of relevant internal staff and external stakeholders to guide project implementation and maintain consistent engagement throughout the project;
- Reviewing all relevant Town planning policies, guidelines and standards to identify gaps and opportunities to maximize GHG emissions reduction;
- Evaluating which structure of GDS will be best suited to work in the Caledon context (i.e. menu versus tiered approach), with a key consideration of resource capacity between the two approaches;
- Evaluating the business case associated with implementing the GDS and determining potential incentives that can be offered to guide compliance, and;
- Developing marketing and education materials to ensure Town staff are adequately trained on the Green Development Standard.

Town of Whitby | Whitby Green Standard Demonstration Project

\$250,000 over 36 months

Applicant's address: 575 Rossland Rd, Whitby, ON

Location of proposed activities: Whitby

The objective of this project is to measure the costs and benefits of integrating the three voluntary tiers of the recently-adopted Whitby Green Standard (the local version of green development standards) at the design, construction, and occupancy stages. During the development process of the Whitby Green Standard (WGS), the development community raised concerns about the impacts that the WGS would have on construction costs, and cited challenges related to the availability of skilled trades, effective technology, and reliability. To help address these concerns Town of Whitby staff will:

- Work with a real development application (approved plan), and model the requirements for three low-rise residential homes to meet the Whitby Green Standard voluntary tiers (Tier 2, Tier 3 and Tier 4);
- Construct at least three low-rise residential homes that meet the Whitby Green Standard voluntary tiers; measure actual costs and payback for each of the tiers;
- Calculate the actual real costs, GHG emission reductions and other relevant metrics associated with each of the three buildings for 12 months of homeowner occupancy, and;
Report on and share project findings with surrounding GTHA municipalities through the Clean Air Council Network.

Program Allocations

Advancing Low Carbon Policy Solutions 2021-22 | \$24,000 over 24 months

Low carbon policy solutions are key to driving large scale emissions reductions, and have accounted for the majority of TAF's historic GHG impacts. This program allocation provides the funding required to maintain and enhance TAF's policy research and advocacy. These efforts will advance implementation of low carbon policy solutions for the GTHA at the federal, provincial, and municipal levels. Funding supports the Policy Analyst contract staff position, as well as policy-related travel, events, and subject matter experts as consultants on key policy files. The addition of the junior position, as well as additional resources to bring on experts will support the policy team with:

- Stakeholder engagement: Liaise with key stakeholders Canada-wide, coordinate and support outreach events such as webinars, workshops and conference presentations, and build consensus on key policy issues.
- Low-carbon policy research and analysis: Research and assess key low-carbon policy opportunities at the municipal, provincial, and federal levels. Assist in preparation of policy submissions, background papers, and other communications materials around select policy issues.
- Communicating the multiple benefits of low-carbon policies: Working with TAF staff and external service providers, coordinate the assessment and communication of potential benefits of key policy options, including emissions reductions, economic benefits, and other societal benefits.
- Project management: Coordinate TAF's climate policy work, including meeting management (scheduling, agenda preparation, note-taking), tracking and reporting

against budgets and work plans, and developing and monitoring project timelines and milestones.

EV Charging Fund (ZEVIP) | \$300,000 over 25 months

TAF has submitted a \$2M funding application to Natural Resources Canada's (NRCan's) [Zero Emission Vehicle Infrastructure Program](#) (ZEVIP). Should our proposal succeed, we would serve as a Delivery Organization (i.e., grantmaker) and distribute funding – up to 50% of project cost – to stakeholders throughout the GTHA as an incentive to expand the availability of electric vehicle (EV) charging infrastructure. Our program will prioritize implementation of EV charging in public places, on-street and in multi-unit residential buildings (MURBs) with a priority focus on smaller projects and clients who would otherwise face difficulties securing government funding and/or navigating the process of selecting and installing EV chargers. Our aim will be to support the deployment of at least 300 connected EV chargers, including at least 15 fast chargers, by March 31, 2023.

This allocation will be used to a) hire a full-time program manager, and b) pay for expert consultants to support the outreach and engagement effort and development of a 'turnkey' option for this program. This funding will enable TAF staff to finalize program development and prepare for launch by the time the contribution agreement with NRCan is signed (anticipated in June 2021). Separate from this request, TAF's CEO has approved another internal project allocation request for \$25K which will allow us to procure a consultant to help refine the program design and delivery elements including target markets, barriers and mitigation actions, business case and opportunities for cost-compression, technical details, etc. Should TAF's ZEVIP proposal prove unsuccessful, TAF still intends to initiate a program targeting EV charging in 2021. Under this scenario, we would hire a consultant to advise us on a modified set of research questions to inform the design of this alternate program.

TAF Communications Capacity | \$0 over 24 months

This funding request is to invest in one full time staff person in the role of Communications Coordinator, to ensure continued resourcing for TAF's Communications team and deliverables. The Communications Coordinator is the person responsible for managing the TAF social media communities; tracking and reporting our communications metrics; and coordinating website and other content updates. In addition to these core responsibilities, the Coordinator also supports the Communications Manager in new content production, project management, liaising with internal teams, event coordination and other special projects.

Outcomes for this current contract period specifically include:

- Supporting content development and distribution, including supporting brand transition as TowerWise evolves to a broader emphasis on retrofit acceleration at TAF;
- Supporting strategies and tactics to advance interest in local Green Development Standards through municipal stakeholder engagement, production of key materials, including social media content, presentations and other outreach;
- Ensuring continuity, proactivity and responsiveness in day-to-day communications activities, including among internal teams at TAF, via social media monitoring and community management, as well as news and media monitoring, and other activities;
- Providing project management for major communications deliverables including events, key publications, website, and video;
- Support implementation of new tools and capacity initiatives including CRM, internal briefing, key messages development and coaching and training for blog-writing and media;

- Providing ongoing tracking and reporting to ensure strong communications performance against our targets

CONTACT

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SIGNATURE

Ryan O'Connor
Grants Manager

ATTACHMENTS

Confidential Attachment 1 – Summary of declined grant requests