Green Ontario Fund (GreenON) Benefitting Social Housing

Date: May 29, 2018
To: Community Development and Recreation Committee
From: General Manager, Shelter, Support and Housing Administration
Wards: All

SUMMARY

The Province of Ontario, through the Green Ontario Fund (GreenON) has made $25 million available to social housing providers across the province to complete retrofit projects that would reduce greenhouse gas (GHGs) emissions. This program is funded from the proceeds of Ontario's carbon market and is administered by the Housing Services Corporation (HSC).

While past funding from the carbon market has supported large social housing buildings through the Social Housing Apartment Improvement Program (SHAIP), GreenON represents much-needed investment in improved efficiency and reduced carbon footprint of smaller social housing buildings with fewer than 100 units.

The City's Shelter, Support and Housing Administration division (SSHA) submitted an application for GreenON funding and was advised of a confirmed funding allocation of $2,387,100 on April 24, 2018.

This report recommends that City Council approve the acceptance of $2,387,100 in GreenON funding and authorize City staff to enter into a Transfer Payment Agreement with HSC, funding agreements with select social housing providers, and other related actions necessary to deliver the program.

RECOMMENDATIONS

The General Manager, Shelter, Support and Housing Administration (SSHA), recommends that:

1. City Council approve the acceptance of $2,387,100 from the Housing Services Corporation (HSC) as a one-time funding allocation through the Green Ontario Fund (GreenON) for the renovation and retrofit of eligible social housing buildings with fewer than 100 units;
2. City Council authorize the General Manager, SSHA, to approve the acceptance of additional and future program funding allocations from HSC or the Government of Ontario as funding allocations through GreenON for renovation and retrofit of eligible social housing buildings with fewer than 100 units;

3. City Council authorize the General Manager, SSHA, in consultation with the City Solicitor, to enter into Transfer Payment or similar agreements with HSC for the funding of social housing building retrofit projects on terms and conditions addressing funding, energy audits, monitoring and reporting requirements satisfactory to the General Manager and in a form satisfactory to the City Solicitor;

4. City Council amend the 2018 Operating Budget for Shelter, Support and Housing Administration by $120,000 gross and $0 net, to fund required energy audits for proposed retrofit projects fully funded from the City's allocation under the Green Ontario Program (GreenON);

5. City Council authorize the General Manager, SSHA, to enter into agreements with social housing providers, and/or private sector organizations to carry out the necessary energy audits and evaluations required by GreenON;

6. City Council authorize the General Manager, SSHA, to enter into agreements with social housing providers on terms and conditions addressing funding, energy audits and reporting requirements satisfactory to the General Manager and in a form satisfactory to the City Solicitor to utilize all allocated funding for GreenON.

FINANCIAL IMPACT

The City has been awarded a funding allocation of $2,387,100 from the Green Ontario Fund (GreenON). This funding allocation will be cash flowed to the City over four calendar years; 2018 through to the first quarter of 2021. Funded activities are required to be completed by March 31, 2021.

For 2018, there is an in-year budget impact of up to $120,000 gross, $0 net, being one-time costs of required energy audits for eligible projects under the program. The balance of the City's allocation will be allocated to social housing providers to complete eligible projects and incorporated in the 2019 and future year budget processes.

The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on February 12, 2018, City Council approved the acceptance of up to $299.8 million in funding through the Province of Ontario's Social Housing Apartment
Improvement Program (SHAIP) aimed at reducing greenhouse gas (GHG) emissions, and improving the quality and sustainability of social housing stock.  

At its meeting on June 7, 8, and 9, 2016, City Council approved the acceptance of $42.9 million in funding through the Province of Ontario’s Social Housing Apartment Retrofit Program (SHARP) aimed at improving the energy efficiency and reducing the carbon footprint of high-rise social housing buildings.  

COMMENTS

On February 9, 2018, the Green Ontario Fund announced the GreenON Social Housing Program for eligible apartment buildings across Ontario. The program will invest $25 million to support GHG-reducing retrofits in social housing buildings with less than 100 units. The program is being administered by the Housing Services Corporation (HSC).

As Service Manager, the City was invited to submit business cases to HSC for GreenON funding. City staff conducted an application process among all eligible housing providers to determine potential projects and their associated cost estimates. Forty six potential projects were submitted for consideration, representing over $33 million in funding requests.

The City received notification from HSC on April 24, 2018 that it has been awarded a funding allocation of $2,387,100. The City is required to execute a Transfer Payment Agreement with HSC no later than June 29, 2018. GreenON funds will be distributed between June 2018 and March 31, 2021.

The GreenON investment will allow Toronto to realize energy efficiencies and further reductions in greenhouse gas emissions from its portfolio of smaller social housing buildings. The program’s requirements to utilize comprehensive energy assessment and monitoring will ensure that impactful changes are achieved.

GreenON funded improvements will reduce overall energy costs and will have a direct and significant impact on quality of life for residents. Building retrofits will increase resident comfort and their control of the indoor environments and improve indoor air quality.

GreenON Program Criteria

GreenON funding is intended to fund repairs and retrofits that have the greatest impact on GHG reductions in social housing buildings with fewer than 100 units.

Social housing providers are eligible to receive GreenON funding if their proposed project(s) meet the following criteria:
• Must be single social housing apartment buildings with fewer than 100 units;
• Must be social housing under the Housing Services Act, 2011; and
• Must not have previously received or be receiving funding under existing greenhouse gas reduction programs.

All GreenON funded projects must demonstrate decreased greenhouse gas emissions. Only the following project types are eligible:

• The costs of required building energy audits (pre and post retrofit);
• Replacing building heating and/or cooling systems and associated sub-components of these systems including mechanical insulation;
• Upgrading exterior or interior insulation;
• Solar walls;
• Upgrading building windows and/or exterior doors;
• Upgrading building lighting systems including converting to light-emitting diode (LED) lighting systems, lighting controls or sensors;
• Re-cladding or upgrading building envelopes; and
• Proposed retrofits that utilize latest low-carbon and carbon-free energy technologies/systems, subject to review and approval by the Green Ontario Fund.

**GreenON Funding Allocations**

GreenON funding will be allocated for retrofit projects in non-profit and co-operative social buildings. Further investigation will be conducted to determine the opportunities within the other social housing administered by SSHA for potential additional funding that may be made available through GreenON in future years.

Staff have worked with eligible social housing providers to determine potential projects to be submitted for consideration of GreenON funding. The City's Business Case, including potential projects and cost estimates was submitted in March, 2018. The City was notified in late April 2018 of its GreenON funding allocation of $2,387,100.

The selection of housing provider projects for funding through GreenON will be based on an evaluation process which will consider urgency of the proposed repair, whether it addresses health and safety issues, compliance with the program requirements and overall quality of the submission.

Once approved projects have been determined, Funding Agreements will be executed between the City and applicable social housing providers. Payment schedules will be outlined in Funding Agreements as will program requirements related to post-project measurements and verification.
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SIGNATURE

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