

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON JUNE 18, 2018
FROM:	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME
SUBJECT:	GREENON SOCIAL HOUSING PROGRAM

RECOMMENDATION

That, on the recommendation of the Managing Director, Housing, Social Services and Dearness Home, the proposed by-law attached as Appendix "A" **BE INTRODUCED** at the Municipal Council meeting to be held on June 26, 2018 to:

- a) **authorize** and **approve** a Transfer Payment Agreement substantially in the form attached (as Schedule "1") to the by-law between The Corporation of the City of London and the Housing Services Corporation for the GreenON Social Housing Program;
- b) **authorize** the Mayor and the City Clerk to execute the Agreement authorized and approved in part a), above;
- c) **authorize** the Managing Director of Housing, Social Services and Dearness Home, or designate, to execute any documents and reports in furtherance of this Agreement, as required;
- d) **authorize** and **approve** a Housing Provider Contribution Agreement, in a form satisfactory to the City Solicitor, between the Corporation of the City of London and Housing Providers; and
- e) **authorize** the Managing Director of Housing, Social Services and Dearness Home, or designate, to execute the Housing Provider Contribution Agreements authorized and approved in part d), above.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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None

BACKGROUND

Link to Corporate Strategic Plan

Improving our housing infrastructure links to the Corporate Strategic Plan's key area of focus of **Strengthening our Community** and the strategy of providing **Caring and Compassionate Services**, specifically 3C "Reduce and Prevent Homelessness"

Intent of this Report

1. Provide background on GreenON Social Housing Program;
2. Request approval of the Transfer Payment Agreement between the City and the Housing Services Corporation to administer funding for the GreenON Social Housing Program;
3. Request approval for the Managing Director of Housing, Social Services and Dearness Home or his/her designate to execute any documents and reports in furtherance of the Agreement as required; and
4. Request approval for the Managing Director of Housing, Social Services and Dearness Home or his/her designate to execute, on behalf of the City, the GreenON Social Housing Program Contribution Agreements between the City and Housing Providers in a form satisfactory to the City Solicitor.

Background

The Green Ontario Fund Agency is a not-for-profit provincial agency tasked with reducing greenhouse gas pollution in buildings and industry while helping Ontarians save money on energy costs. Through various programs and partnerships, the Green Ontario Fund helps people, communities and businesses take climate action into their own hands.

On February 9, 2018, the Green Ontario Fund announced the GreenON Social Housing Program for eligible social housing apartment buildings across Ontario. The program, which will be administered by the Housing Services Corporation (HSC), will invest \$25 million to support greenhouse gas (GHG) emissions reduction retrofits in social housing apartment buildings with less than 100 units across the province. With buildings generating almost a quarter of Ontario's greenhouse gas emissions, this announcement supports the province's Climate Change Action Plan. The objective of GreenON Social Housing program is to fund eligible retrofits including those that utilize the latest low-carbon or carbon-free energy technologies/systems.

The majority of Ontario's social housing apartment buildings were developed at a time when little attention was paid to energy-efficient design. Many of these buildings are at a stage in their life-cycles when their mechanical systems and building equipment need to be replaced. Investments in energy efficiency upgrades in these apartment buildings will reduce emissions and operating costs, improve the performance of social housing stock in Ontario, and enhance resident comfort.

Existing programs are already supporting GHG emissions reduction retrofits in large buildings with more than 100 units through the Social Housing Apartment Retrofit Program (SHARP) and Social Housing Apartment Improvement Program (SHAIP). The GreenON Social Housing Program will build on the success of these programs to cover smaller buildings. The scope of retrofit activities under GreenON Social Housing Program will be consistent with those of SHAIP and funds will be disbursed between June 2018 and March 31, 2021, when the projects reach completion.

Key outcomes expected from the program include:

- Reduced GHG emissions
- Increased comfort and quality of life for Ontario's low-income and vulnerable tenants
- Decreased operating costs for social housing providers through the energy savings resulting from the retrofit activities, increasing the long-term sustainability of existing social housing stock
- Supporting the GHG retrofit sector and creating local jobs across Ontario

Funding

To support requests for funding allocations, Service Managers were invited to submit a business case to HSC by March 28, 2018. The City of London, designated under the *Housing Services Act, 2011* as the Service Manager for Housing Services for the City of London and the County of Middlesex, submitted a GreenON Business Case for funding.

Submissions were evaluated by an independent panel of stakeholders. Accordingly, the panel determined that all Service Manager applicants would be given the opportunity to undertake at least one project in their region that contributes to the goal of reducing greenhouse gas emissions. To ensure fairness in funding allocations, a model was developed that allocated a percentage of program funding to each service manager area.

As a result, the City of London has been awarded a funding allocation of \$972,546.

Eligibility Criteria

Projects are eligible to receive funding if they meet the following eligibility criteria:

- Must be a single social housing apartment building;
- Must contain less than 100 units;
- Must be social housing (i.e. must be subject to a transferred housing program under the *Housing Services Act, 2011*); and
- Must not have previously received or be receiving funding under existing GHG reduction programs including the Social Housing Apartment Retrofit Program (SHARP), Social Housing Apartment Investment Program (SHAIP), Social Housing Electricity Efficiency Program (SHEEP) or Municipal GHG Challenge Fund.

Eligible Building Retrofits

To support the program objectives, the following retrofit activities are eligible to be funded:

- The costs of required building energy audits (pre-retrofit 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.

To ensure that program funds are able to maximize reductions in GHG emissions, eligible work must be prioritized, where possible, to:

- Focus on retrofits that target building heating and/or cooling equipment; and
- Combine several retrofits – new and/or pre-existing retrofits – in order to achieve higher emission reductions in the buildings.

GreenOn Social Housing Program projects must be completed no later than March 31, 2021.

Project Selection

Local Social Housing Providers were invited to submit expressions of interest for the GreenON Social Housing Program funding. The City's Housing Services is currently reviewing the social housing providers' submissions and prioritizing the submissions received to determine those projects that will be approved for GreenON Social Housing Program funding.

Affordability Period

Eligible Housing Providers approved under this program must commit to keeping their housing units affordable for a three-year period after the completion of the funded retrofit work, including a minimum of three (3) years during which it will operate as social housing under the *Housing Services Act, 2011*. This requirement applies regardless of any mortgage obligations or agreements between a Service Manager and Eligible Housing Provider.

FINANCIAL IMPACT

Funding for the GreenON Social Housing Program is funded 100% by the Province through Housing Services Corporation and is not subject to any cost sharing requirements by the City.

Service Managers may use up to 5% of their total allocation to assist with the administration costs of the program.

PREPARED BY:	RECOMMENDED BY:
DAVE PURDY MANAGER, HOUSING SERVICES HOUSING, SOCIAL SERVICES AND DEARNESS HOME	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME

- C: David Munteer, Solicitor II
- Kyle Murray, Senior Financial Business Administrator
- Jason Wills, Manager III, Risk Management