



CITY OF HAMILTON
COMMUNITY & EMERGENCY SERVICES DEPARTMENT
Housing Services Division

TO:	Chair and Members Emergency & Community Services Committee
COMMITTEE DATE:	January 23, 2017
SUBJECT/REPORT NO:	Social Housing Apartment Retrofit Program (CES17003) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Adam Sweedland 905-546-2424 ext. 1782
SUBMITTED BY:	Julie Western Set Director, Housing Services Division Community & Emergency Services Department
SIGNATURE:	

RECOMMENDATION

That the Social Housing Apartment Retrofit Program (SHARP) funding be deposited into Account # 000100-23194 "Prov Funding SHARP" and allocated in accordance with the SHARP guidelines and Transfer Payment Agreement.

EXECUTIVE SUMMARY

In March, 2016, the City of Hamilton submitted an Expression of Interest for funding from the Social Housing Apartment Retrofit Program (SHARP) which resulted in funding of approximately \$7.17M for allocation to social housing providers with eligible housing projects in Hamilton.

Participation in SHARP required the City and the Province to execute a Transfer Payment Agreement by July 1, 2016. Accordingly, the General Manager of Community and Emergency Services executed the Transfer Payment Agreement, as reviewed by Legal Services, under the authority delegated to her through the annual budget process. It is necessary to obtain Council's approval to establish the reserve account and allocate funding before funding can be advanced to CityHousing Hamilton, as the successful applicant.

Eligible housing projects are buildings with 150 units or more that will be maintained as social housing pursuant to the *Housing Services Act, 2011* (HSA) for an affordability period of at least 10 years from the last date of funding under SHARP. There are 15 eligible social housing buildings in Hamilton, of which 13 are owned and operated by CityHousing Hamilton and two are owned and operated by Victoria Park Community Homes.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

The primary program objective of SHARP, as established by the Province, is achieving reductions in greenhouse gas emissions. In October 2016, staff issued a call for applications to the social housing providers with eligible social housing buildings for projects which demonstrated the greatest reduction in greenhouse gas emissions. Eligible retrofits include installing energy-efficient boilers, insulating outer walls and mechanical systems and installing more energy efficient windows and lighting.

Applications were received from both social housing providers for projects relating to all 15 buildings. A key requirement of the application process was to provide estimates of the projected reduction in greenhouse gas emissions include information that substantiated those estimates. Only CityHousing Hamilton provided this information and, accordingly, CityHousing Hamilton is being awarded funding for the following projects:

Approved Project	Address	Ward	Estimated GHG Reduction (CO₂e kg/yr)	Funding
Building Automation System (BAS), LED Lighting upgrade, Energy Audit	155 Park Street South	2	55,591	\$694,181
BAS, LED Lighting upgrade, Energy Audit	30 Sanford Avenue South	3	51,737	\$646,550
BAS, LED Lighting upgrade, Ventilation, Energy Audit	120 Strathcona Avenue North	1	38,395	\$481,672
BAS, LED Lighting upgrade, Energy Audit	200 Jackson Street West	2	36,023	\$452,360
BAS, LED Lighting upgrade, Ventilation, Energy Audit	801 Upper Gage Avenue	6	105,811	\$709,610
BAS, LED Lighting upgrade, Energy Audit	191 Main Street West	2	32,910	\$413,889
BAS, LED Lighting upgrade, Energy Audit	555 Queenston Road	5	29,649	\$373,586
BAS, LED Lighting upgrade, Energy Audit	395 Mohawk Road East	7	25,053	\$316,794
BAS, LED Lighting upgrade, Energy Audit	350/360 King Street East (First Place)	2	300,720	\$977,297
BAS, LED Lighting upgrade, Energy Audit	95 Hess Street South	2	168,875	\$535,843
BAS, LED Lighting	181 Jackson	2	149,234	\$488,610

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upgrade, Energy Audit	Street West			
BAS, LED Lighting upgrade, Energy Audit	226 Rebecca Street	2	211,764	\$736,209
BAS, LED Lighting upgrade, Energy Audit	430 Cumberland Avenue	3	85,598	\$283,325
Totals			1,291,360	\$7,109,926

In addition to meeting the SHARP guidelines and objectives in terms of reducing greenhouse gas emissions, the 13 approved projects for CityHousing Hamilton will result in reduced utility costs of approximately \$1M annually which can be reinvested by CityHousing Hamilton towards capital repairs and maintenance.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There are no financial implications associated with Report CES17003.

Staffing: There are no staffing implications associated with Report CES17003.

Legal: CityHousing Hamilton will be required to enter into funding/contribution agreements with the City of Hamilton for each approved project. Legal Services has drafted these agreements in accordance with the program guidelines and the program administration agreement with the Province.

HISTORICAL BACKGROUND

On February 12, 2016, the Minister of Municipal Affairs and Housing announced an \$82M investment towards energy related retrofits in social housing buildings with 150 units or more through the Social Housing Apartment Retrofit Program (“SHARP”). Service Managers were invited to submit an Expression of Interest for funding which could then be allocated to housing providers with eligible housing projects.

The Housing Services Division submitted an expression of interest which resulted in funding of approximately \$7.17M for allocation in Hamilton.

Eligible housing projects are buildings with 150 units or more that will be maintained as social housing pursuant to the *Housing Services Act, 2011* (HSA) for an affordability period of at least 10 years from the last date of funding under SHARP.

In October 2016, staff issued a call for applications to the social housing providers with eligible social housing buildings for projects which demonstrated the greatest reduction in greenhouse gas emissions. Eligible retrofits include installing energy-efficient boilers,

insulating outer walls and mechanical systems and installing more energy efficient windows and lighting.

CityHousing Hamilton was the successful applicant for thirteen projects totalling a funding allocation of \$7,109,926 and reducing greenhouse gas emissions by an estimated total of 1,291,360 kilograms of carbon dioxide equivalent per year (the same amount produced annually by roughly 6,000 passenger vehicles each year).

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

City of Hamilton By-law 16-070 (Procurement Policy)

The City delivers the legislated services required under the *Housing Services Act, 2011* through non-profit and cooperative social housing providers. Funding allocated to social housing providers generally meets the criteria set out in “Policy 22, Schedule B – Exemptions” under subsection (1)(d) Grants, loans and levies; subsection (3)(a) Providers of community services; and subsection (3)(b) Accommodations provided as part of City-approved programs and projects for the homeless and other living in poverty. As such, capital funding allocations to social housing providers are exempt from the requirements of the Procurement Policy. Social housing providers are, in turn, required to maintain and adhere to a competitive, fair and transparent procurement process approved by its Board of Directors.

City of Hamilton’s Corporate Energy Policy

The City of Hamilton’s Corporate Energy Policy was originally passed by Council on November 14, 2007 (Report PW07127) and currently includes a target for reducing greenhouse gas emissions of 45% by 2030 and 80% by 2050 in City-owned facilities and operations. CityHousing Hamilton is a non-profit corporation solely owned by the City of Hamilton that operates over 7,000 units of social housing to meet the needs of the community in terms of affordability, safety, quality and sustainability. The SHARP objectives support the targets set out in the Corporate Energy Policy.

RELEVANT CONSULTATION

Social Housing Providers

CityHousing Hamilton and Victoria Park Community Homes Inc. were the only two social housing providers with buildings eligible for funding under SHARP. To inform the business case submitted to the Province, both were invited to provide data or other relevant information to aid in demonstrating the impact that energy related funding would make on reducing greenhouse gas emissions.

Public Works Department, Corporate Assets & Strategic Initiatives Division

The Office of Energy Initiatives was consulted on the business case submitted to the Province.

Corporate Services, Finance, Administration and Revenue Generation Division

Staff from the Finance, Administration and Revenue Generation Division were consulted and those recommendations were incorporated into Report CES17003.

City Manager's Office, Legal Services Division

Staff from Legal Services was involved in drafting, reviewing and providing advice on the program administration agreement between the City and the Province and the funding agreement between the City and CityHousing Hamilton.

Ministry of Housing

The Ministry of Housing was consulted on program guidelines and the process for allocating funding to the social housing providers.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The SHARP funding represents an opportunity for the City of Hamilton to complete energy related social housing capital repairs that can achieve operational savings and contribute to the furtherance of the targets established in the City's Corporate Energy Policy. It is necessary to obtain Council's approval to establish the reserve account and allocate funding before funding can be advanced to CityHousing Hamilton, as the successful applicant.

As part of its Climate Change Action Plan, the Province of Ontario has indicated it will be investing up to \$500M over four years to retrofit social housing apartment buildings with energy efficiency and renewable energy technologies targeted at reducing greenhouse gas emissions. Participation in SHARP will help to demonstrate practices and projects for future funding programs that have the greatest impact in achieving reductions in greenhouse gas emissions and creating operational savings that can potentially be reinvested into other capital repairs.

ALTERNATIVES FOR CONSIDERATION

There are no alternatives for consideration with Report CES17003.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

None.