



CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Housing Services Division

TO:	Chair and Members Healthy and Safe Communities Committee
COMMITTEE DATE:	June 11, 2018
SUBJECT/REPORT NO:	GreenON Capital Funding for Social Housing (HSC18032) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Joshua Van Kampen (905) 546-2424 Ext. 4592
SUBMITTED BY:	Vicki Woodcox Acting Director, Housing Services Division Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION

- (a) That the General Manager of Healthy and Safe Communities, or his designate, be authorized and directed to enter into a Transfer Payment Agreement to deliver the GreenON Funding Program, with the Housing Services Corporation, in a form satisfactory to the City Solicitor; and,
- (b) That the General Manager of Healthy and Safe Communities, or his delegate, be authorized and directed to approve and execute funding agreements with eligible housing providers for funding allocated through the GreenON Program, in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

On February 9, 2018, the Province announced the GreenON Social Housing program (GreenON) for eligible social housing apartment buildings across Ontario. GreenON is targeting a \$25 million investment across the province to assist social housing buildings with fewer than 100 units implement energy efficient retrofits. GreenON complements other similar energy-retrofit programs that have been directed at buildings of 150 units or more. Through GreenON, the City of Hamilton has been awarded funding of \$541,219.

Key outcomes expected from the program include:

- Reduced Greenhouse Gas (GHG) emissions
- Increased comfort and quality of life for Ontario's low-income and vulnerable tenants

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- 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.

This program is being administered by the Housing Services Corporation on behalf the Province. Participation in GreenON requires the City to enter into a Transfer Payment Agreement (TPA) with Housing Services Corporation and submit a Program Delivery and Fiscal Plan (PDFP) no later than June 29, 2018.

Municipalities are responsible for planning and delivering the program funding. Up to 5% of a municipality's funding allocation may be used for program administration costs. As has been the past practice for similar funding programs, staff will allocate 5% (\$27,000) to administer funding initially. Administrative funding may be used to offset staffing costs, consultant fees (if needed) or other costs required to deliver the program. Unused administrative funding may be later reallocated to program funding but unused program funding cannot be subsequently reallocated to offset administration costs.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: All projects and administration funding under GreenON are 100% provincially funded. There are no additional City levy dollars required to deliver GreenON.

Staffing: Until the specific projects are approved, additional staffing requirements of this program are unknown. Should additional staff be required to support these programs, a report will be prepared for committee approval on the recommended staffing requirements.

Legal: The Transfer Payment Agreement is a standardized provincial form of funding agreement reviewed by Legal Services. Funding agreements between the City and housing providers will be prepared in a form satisfactory to the City Solicitor.

HISTORICAL BACKGROUND

The Province, through the Green Ontario Fund, announced the GreenON Social Housing Program (GreenON) on February 9, 2018. GreenON targets \$25 million of funding generated from the Province's carbon market proceeds to help Ontario social housing buildings undertake energy efficient retrofits.

Low and mid-rise apartment buildings with fewer than 100 units that are mandated under the *Housing Service Act, 2011* are eligible for funding through GreenON. There are 37 buildings that meet this criteria in Hamilton, operated by 16 housing providers. Housing projects such as townhouses, detached or semi-detached homes are not eligible.

On April 24, 2018, staff were advised that the City of Hamilton will receive \$541,219 from GreenON for eligible retrofit projects in buildings that meet the criteria.

The GreenON program complements two previous funding allocations targeting the reduction of greenhouse gases in social housing:

- “SHARP” (Social Housing Apartment Retrofit Program) – In 2016, Hamilton was allocated \$7.17M to invest in social housing buildings with 150 units or more; and,
- “SHAIP” (Social Housing Apartment Improvement Program) – In 2018, Hamilton was allocated \$14.1M to invest in social housing buildings with 150 units or more. Subsequent allocations for 2019/2020, which are conditional on the carbon market sale proceeds, may be up to \$16.9M for Hamilton and will be invested in social housing buildings with 100 units or more.

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.

Capital Funding Proportional Allocation Policy for Social Housing

On August 14, 2016, Council approved the Capital Funding Proportional Allocation Policy for social housing (CES16030) through which provincial and federal capital funding is notionally allocated proportionate to the number of units within the eligible housing projects. Proportional allocations may be adjusted to ensure projects align with specific program guidelines and requirements.

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RELEVANT CONSULTATION

Social Housing Providers

All social housing providers operating eligible buildings under the *Housing Services Act, 2011* were asked to determine projects that will meet the requirements and timelines of the GreenON funding requirements.

Corporate Services, Financial Planning, Administration and Policy Division

Staff from the Financial Planning, Administration and Policy Division were consulted and those recommendations were incorporated into Report HSC18032.

City Manager's Office, Legal Services Division

Staff from Legal Services was involved in reviewing and providing advice on the Transfer Payment Agreement the City and Housing Services Corporation and the funding agreements with housing providers.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The GreenON funding program represents an opportunity for some housing providers in the City of Hamilton to fund and complete energy related social housing capital retrofits that can achieve both operational savings.

Housing Services will issue a call for applications to housing providers that operate buildings that meet the criteria to determine and prioritize eligible retrofit projects, subject to the program guidelines and the proportional allocation policy.

The key outcomes for the GreenON program include:

- Reduced greenhouse gas emissions;
- Enhanced living accommodations for Ontario's low-income and vulnerable tenants to modern standards;
- Reduced operating costs for social housing providers through savings derived from retrofits activities, thereby strengthening the viability and sustainability of the current social housing stock; and
- Support the greenhouse gas retrofit sector and create local jobs in communities across Ontario.

Social housing apartment buildings which are eligible to receive funding need to meet the following eligibility criteria:

- Must be a single low or mid-rise social housing apartment building;
- Must contain 100 or less units;
- Must be elevator-serviced;

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- Must not be receiving or have received funding through other energy-retrofit related funding; and
- Must be social housing (i.e. must have been a housing program transferred from the Province and subject to the *Housing Services Act, 2011*).

Housing providers with projects approved for GreenON funding will be required to enter into funding agreements that include, among other things, a commitment to a 10-year affordability period. GreenON guidelines required housing projects to remain affordable for at least a ten-year period after the completion of the funded retrofit, including a minimum of five years during which the project must continue to operate as social housing under the *Housing Services Act, 2011*.

ALTERNATIVES FOR CONSIDERATION

None.

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.