




CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 5, 2023
SUBJECT/REPORT NO:	Green and Inclusive Community Buildings Program Intake 2 (FCS21055(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tran Trang (905) 546-2424 Ext. 6151
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the General Manager, Finance and Corporate Services, and the General Manager, Public Works, be authorized to delegate the appropriate person to be duly authorized to submit all necessary documentation to support the City of Hamilton's application, attached as Appendix "A" to Report FCS21055(a), for the Green and Inclusive Community Buildings Program Intake 2;
- (b) That the Mayor and City Clerk be authorized to execute all necessary documentation, including Funding Agreements, to receive funding under the Green and inclusive Community Buildings Program Intake 2 with content satisfactory to the General Manager, Finance and Corporate Services, and in a form satisfactory to the City Solicitor;
- (c) That the City Solicitor be authorized and directed to prepare any necessary by-laws for Council approval, for the purpose of giving effect to the City's acceptance of funding from the Green and Inclusive Community Buildings Program Intake 2;
- (d) That the City's contribution to the Green and Inclusive Community Buildings Program Intake 2 funded from the City's Unallocated Capital Levy Reserve (108020), Library Reserves (106008) and Development Charge Reserves (110322, 110323), as identified in Appendix "A" to Report FCS21055(a), be approved;

- (e) That, should the project submission for the Green and Inclusive Community Buildings Program Intake 2 be unsuccessful, the remaining funds be requested through the budget process or in year approval process;
- (f) That the General Manager, Public Works, be authorized to negotiate, enter into and execute a contract and any ancillary documents required to begin the detailed design of the Mount Hope Library Renovation / Expansion (7502141101) in a form satisfactory to the City Solicitor;
- (g) That copies of Report FCS21055(a) be forwarded to local Members of Parliament;
- (h) That the City Manager, General Manager of Finance and Corporate Services, General Manager of Public Works, General Manager of Planning and Economic Development and General Manager of Healthy and Safe Communities be authorized to delegate the appropriate person to be duly authorized to submit all necessary documentation to support the City of Hamilton's application in Federal Government and Provincial Government grant funding programs.

EXECUTIVE SUMMARY

On December 5, 2022, the Honourable Dominic LeBlanc, Minister of Intergovernmental Affairs, Infrastructure and Communities, announced the launch of a second application intake for the Green and Inclusive Community Buildings program (GICB).

GICB funding is dispersed through two streams:

1. Small and Medium Retrofits – Budgets ranging from \$100,000 to \$2,999,999. The selection of projects for funding is based on eligibility criteria and the achievement of a minimum merit threshold, as well as, the availability of funding. Applications are accepted on a continuous basis until February 28, 2023.
2. Large Retrofits and New Buildings – Budgets ranging from \$3,000,000 to \$25,000,000. The selection of projects for funding is based on eligibility criteria and the competitive evaluation of all applications using merit criteria. Applications are accepted through a scheduled, competitive intake process until February 28, 2023.

The maximum amount allocated to any retrofit project is \$250,000 in grant funding and \$25 M in contribution funding.

Larger retrofits and new build projects (above \$25 M in total eligible costs) may also be considered in cases where the federal investment can be effectively delivered by March 31, 2026, either to complete the project or bring the project to a next phase of funding for completion where the investments are secured.

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To qualify, projects must meet a prescribed threshold for energy performance (25% improvement over baseline energy use is expected). Retrofit projects must be completed during the period between April 1, 2021 and March 31, 2026.

Refer to the Analysis and Rationale for Recommendation(s) section of Report FCS21055(a) for more details on the assessment criteria.

There are no limits to the number of applications that can be submitted by an eligible applicant. Eligible applicants may submit a separate application for each project they wish to have considered for funding. In the case of multiple applications from a single applicant, applicants are asked to provide ranking information regarding the priority of each project.

The proposed project, Mount Hope Library Renovation / Expansion - Transition to Zero Carbon Ready Building Design and Accessibility improvements, as noted in Table 1 and Appendix “A” of Report FCS21055(a), reflects the City’s request for GICB Program Intake 2 funding of \$2.9 M or 60% toward eligible projects costs of \$4.9 M of the total project cost of \$5.2 M. Staff have submitted the application in order to meet the February 28, 2023 deadline. This report seeks approval for the financing strategy for the City’s portion of the project and authority to enter into required agreements should our application be successful.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The gross project cost for Mount Hope Library Renovation / Expansion submitted under the GICB Program Intake 2 of \$5,239.0 K is funded as shown in Table 1. A breakdown of municipal funding sources is provided in Appendix “A” to Report FCS21055(a).

Table 1 - Project Costs and Revenues	
	(000's)
Gross Project Cost	\$ 5,239.0
Eligible Costs	\$ 4,855.5
Federal Government Shar of Eligible costs (60%)	\$ 2,913.3
City Share of Eligible Costs (40%)	\$ 1,942.2
City Ineligible Costs	\$ 383.5
Total City Funding Required	\$ 2,325.7
City Funding Sources	
Unallocated Capital Levy Reserve (108020)	\$ 767.5
Library Reserve (106008)	\$ 1,000.0
Development Charge Reserves (110322/110323)	\$ 558.2
Total City Funding	\$ 2,325.7

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Staff will consider external debt for all or a portion of the City share of funding of \$2,325.7 K

Any incremental operating costs will be included in future operating budgets submitted to the Hamilton Public Library Board.

Staffing: N/A

Legal: It is anticipated that the City will be required to enter into a funding agreement to receive GICB Program Intake 2 grants and may need to enter into other ancillary agreements or pass by-laws to receive funding.

HISTORICAL BACKGROUND

On April 14, 2021, the Government of Canada announced the launch of a program across Canada to support green and inclusive community buildings through retrofits, repairs, upgrades and new builds. The Green and Inclusive Community Buildings program (GICB) will deliver \$1.5 B in funding over the next five years to projects that retrofit or build new publicly-accessible buildings while saving energy and cutting pollution. The GICB Program will invest in projects that meet a minimum threshold for energy efficiency improvements and that increase social inclusion in under-served and high-needs communities across Canada.

The program aims to build more community buildings and improve existing ones, particularly in areas with populations experiencing higher needs while making the buildings more energy efficient, lower carbon, more resilient and higher performing.

Eligible applicants include:

- Municipal, regional, provincial or territorial governments and local service districts;
- Municipally and provincially owned corporations;
- Federally or provincially incorporated not-for-profit organizations; and
- Indigenous governing bodies, not for profits and development corporations.

Commercial, for-profit organizations, individuals, private citizens and Federal entities are NOT eligible applicants.

Funding will be provided as a non-repayable contribution as follows:

PROJECT COST SHARE, BY PROJECT TYPE AND SIZE		
Total Eligible Project Cost	General Program (up to % max from program)	In the Territories and for Indigenous Communities* (up to % max from program)
Retrofits up to \$9,999,999	80%	100%
Retrofits costs \$10,000,000 +	60%	100%
New builds up to first \$9,999,999 of costs	60%	100%
New build costs \$10,000,000 +	50%	100%

A minimum of \$150 M will be allocated on a distinctions basis to Indigenous projects being led by and for Indigenous populations and communities.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

All City departments were consulted in determining the list of projects that would meet the eligibility requirements of the GICB Program Intake 2. The Public Works Department, in consultation with the Hamilton Public Library, provided a project proposal for submission under the GICB Program Intake 2. Projects considered by other City departments and divisions were deemed to not meet the eligibility requirements of the GICB Program.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The Mount Hope Library Renovation / Expansion project (7502141101), as noted in Appendix “A” of Report FCS21055(a), was identified as the only project in the City’s 10-year capital plan which could meet the strict and detailed eligibility criteria for the GICB Intake 2. This includes meeting the timeline that would allow for construction to be completed by the grant deadline of March 2026. With Council approval of Report FCS21055(a), the City of Hamilton will meet the GICB Program endorsement requirement that states: “In order for Infrastructure Canada to provide funding, projects must be duly authorized or endorsed by a resolution of Council, Band or Board of Directors, as applicable. The resolution must be received before a grant or contribution agreement can be executed.”

The Mount Hope Library Renovation / Expansion project does not increase the building's existing footprint and, therefore, would not require Site Plan Control (approval), which is one factor that would assist in meeting the required timeline. In addition, the project is just completing the concept, design and feasibility which provides opportunity to pivot on the design to meet the GICB Program criteria and make the facility a green building design. This project will also help the Government of Canada in achieving net-zero emissions by 2050.

Eligible projects for the GICB Program can be for either building retrofits or new builds.

The GICB Program provides funding towards retrofits, repairs and upgrades to the space of a community building that is accessible to the public and provides a community service.

The expansion or addition of 30% or greater of an existing building's footprint (the outline of a building drawn along the exterior walls, with a description of the exact size, shape and location of its foundation) is considered a new build project. Projects involving the demolition of over 30% of an existing building's footprint are also considered new build projects. Projects involving the demolition and / or rebuilding of under 30% of an existing building's floor space (the surface area of the floor(s) in a building) and reconstruct / renovate / rebuild up to 30% of the building's baseline footprint are considered retrofit projects.

The following community buildings / assets are eligible for retrofit projects:

- Community, culture and recreation facilities (e.g. community centres; public sports and recreation facilities; cultural buildings; child and youth centres; community adult learning centres; seniors activity centres)
- Community health and wellness facilities (e.g. food safety and security, community food storage facilities, greenhouses and food banks; community health centres; addiction and mental health centres; rehabilitation centres, etc.)
- Indigenous health and social infrastructure facilities (e.g. short-term medical recovery facilities, long-term care facilities / elders' lodges, family violence and homeless shelters)
- Indigenous education facilities (e.g. schools, universities and colleges, adult learning centres, early childhood and daycares)

Eligible new buildings construction projects must be facilities that are accessible to the public and that provide a community service. All new building projects must be planned to be completed within the timeframe between April 1, 2021 and March 31, 2026.

The following community buildings / assets are eligible for new construction:

- Community, culture and recreation facilities (e.g. community centres; libraries, public sports and recreation facilities; cultural buildings; child and youth centres; community adult learning centres; seniors' activity centres)

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- Indigenous health and social infrastructure facilities (e.g. community health centres, long-term care facilities/elders' lodges, family violence and homeless shelters)
- Indigenous education facilities (e.g. schools, universities and colleges, early childhood and daycares)

Selection of projects for funding will be based on eligibility criteria and the achievement of a minimum merit threshold.

The following minimum requirements are required for projects of all types, sizes and streams:

- The building / asset must be a non-commercial community-oriented structure or space that provides open, available, and publicly-accessible community services.
- The building / asset must be located in an area with underserved populations experiencing higher needs and be the site of the publicly-accessible programming and / or activities that demonstrably serve these populations.
- The building / asset must be an eligible asset type.
- At least two-thirds of the building / asset's floor space must be used for publicly open and accessible services.
- The applicant must have authority over the building / asset either as the owner or have secured an agreement with the asset owner for a minimum of six years, to carry out the project. (Note: Asset ownership will be confirmed for all approved projects through the provision of a signed proof of ownership, a declaration or written authority that the applicant has permission from the owner to undertake the project.)
- Applicants must award contracts in a way that is fair, transparent and competitive. If you have or are planning to award non-competitive contracts (sole source) as part of your project, you must receive authorization from the Government of Canada for these costs to be deemed eligible for federal reimbursement.
- The project must be implemented no earlier than April 1st, 2021 and completed no later than March 31st, 2026.
- Applications for completed projects will not be considered for funding.
- The applicant must submit their building's structural information, energy profile and GHG emissions using the RETScreen® Expert software (retrofits only).
- The project must not lead to an increase in the building's operational GHG emissions (retrofits only).
- Applicants for new construction projects must demonstrate that a climate risk assessment was conducted and mitigation measures are identified for the project. For retrofit projects, applicants must demonstrate that climate data was examined to identify the risks and associated mitigation measures for the project.
- The applicant must commit to securing the necessary capital to proceed if approved for federal funding.

- The applicant must attest to the manner in which the project conforms to relevant building and construction laws and regulations. This includes the completion (or planned completion) of an environmental assessment, as well as, public and Indigenous consultation as may be required by federal and provincial / territorial governments.
- The applicant must attest to the manner in which the project aligns with building standards and codes that apply to the jurisdiction of the existing building and, as applicable, those set out in the section entitled “What are the required construction standards for new buildings?”
- All new build project applicants must attest that the project will, at a minimum, meet the highest published accessibility standard(s) – as defined in the Canadian Standards Association's Technical Standard Accessible Design for the Built Environment (CAN/CSA B651-18) (or its most recent version) or relevant provincial or territorial building codes, or municipal by-laws.

Retrofit Projects

Projects must include green retrofit measures and will be evaluated on the following criteria:

Located in and demonstrates the ability to serve one or more communities with high needs: Projects that provide greater benefits to high need communities will receive a higher score.

Increased accessibility: Projects that increase accessibility and projects that commit to including accessibility elements that meet the highest standards for accessibility will receive a higher score.

GHG Reductions: Projects that demonstrate the ability to achieve greater GHG emission reductions relative to the buildings baseline will receive a higher score.

Energy Savings: Projects that will achieve at least 25% in energy efficiency improvements compared to the building's baseline energy consumption, as calculated with the RETScreen® Expert software, will receive a higher score.

Climate resiliency and adoption of best practices: Projects that demonstrate strong climate resiliency considerations and measures will receive a higher score. Applicants must consult climate data to identify climate risks relevant to their project / building location. Projects that provide clear, reasonable and accurate detail for why climate resiliency is already addressed or not within the scope of the project will not be subject to this criterion and will be assessed relative to other project merits.

Confidence in delivery / risk: Applicants who can demonstrate strong project risk identification and propose practical mitigation measures will receive a higher score. Other factors considered under this criterion include: outcomes of community consultation(s) undertaken, permits identified / obtained, phase of the project's design.

New Build Projects

The construction of new community buildings is eligible under the GICB program in cases where construction will fill a missing or distinct gap in a service requirement of high-needs communities where critical community infrastructure is lacking.

All new build projects will be evaluated on a competitive basis, with projects being scored and ranked against one another.

New building projects will be evaluated on the following criteria:

Located in and demonstrates the ability to serve one or more communities with high needs: Projects that provide greater benefits to high needs communities will receive a higher score.

Accessibility: All new build projects must meet the highest published accessibility standard(s) – as defined in the Canadian Standards Association's Technical Standard Accessible Design for the Built Environment (CAN/CSA B651-18) (or its most recent version) – or relevant provincial or territorial building codes, or municipal by-laws.

Zero carbon design standard: Projects that are designed to meet net-zero carbon performance without the need for a transition plan will receive a higher score. Applicants may seek an exemption from this requirement, however, the project will receive a lower score.

Climate resiliency and best practices adoption: Projects that demonstrate strong climate resiliency considerations and mitigation measures will be scored higher. Applicants that consult and cite climate data sources to identify climate risks relevant to their building / location will receive a higher score.

Confidence in delivery / risk: Projects that demonstrate a strong risk assessment and mitigation measures will receive a higher score. Factors considered under this criterion include the amount of information provided in the budget, outcomes of any community consultation(s) undertaken, whether permits have been identified / obtained and the internal capacity to manage and deliver the project.

Staff will review legislation on the requirements for external debt and the City's debt policy to determine if debt funding is appropriate. If it is determined that debt funding would be an appropriate approach staff would report back seeking the necessary authority from Council.

Recommendation (h) of Report FCS21055(a) seeks authority for General Managers to designate appropriate staff in their departments to be the duly authorized representative for submission of required documentation related to current and future Federal and Provincial grant funding programs. This will assist in meeting the often short deadline requirements for submission of materials for these programs.

ALTERNATIVES FOR CONSIDERATION

None.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

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.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS21055(a) – Green and Inclusive Community Buildings (GICB)
Program Intake 2 Project Submissions

TT/dt