

Clause 18 in Report No. 10 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 23, 2016.

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Social Housing Electricity Efficiency Program Participation

Committee of the Whole recommends adoption of the following recommendations contained in the report dated May 26, 2016 from the Commissioner of Community and Health Services:

1. The Region be authorized to enter into a Transfer Payment Agreement with the Ministry of Municipal Affairs and Housing with respect to the provincial Social Housing Electricity Efficiency Program and that the Commissioner of Community and Health Services be authorized to execute the Agreement on the Region's behalf, subject to the prior review of Legal Services.
2. Funds be advanced to housing providers in the form of grants, in accordance with the Social Housing Electricity Efficiency Program requirements described in this report and that the Commissioner of Community and Health Services be authorized to approve, execute and adjust on behalf of the Region, agreements with housing providers with respect to Program funding, subject to prior review by Legal Services.
3. Council approve a 2016 budget adjustment to increase operating expenditures in the Housing Services budget by \$652,900 offset by 100% funding, resulting in no tax levy impact to the approved budget.
4. The Commissioner of Community and Health Services be authorized to receive and allocate additional funds, in accordance with program rules, in the event additional funds are allocated by the Province.
5. Staff report back to Council by June 2017 regarding final funding expenditures and project details.

Report dated May 26, 2016 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. The Region be authorized to enter into a Transfer Payment Agreement with the Ministry of Municipal Affairs and Housing with respect to the provincial Social Housing Electricity Efficiency Program and that the Commissioner of Community and Health Services be authorized to execute the Agreement on the Region's behalf, subject to the prior review of Legal Services.
2. Funds be advanced to housing providers in the form of grants, in accordance with the Social Housing Electricity Efficiency Program requirements described in this report and that the Commissioner of Community and Health Services be authorized to approve, execute and adjust on behalf of the Region, agreements with housing providers with respect to Program funding, subject to prior review by Legal Services.
3. Council approve a 2016 budget adjustment to increase operating expenditures in the Housing Services budget by \$652,900 offset by 100% funding, resulting in no tax levy impact to the approved budget.
4. The Commissioner of Community and Health Services be authorized to receive and allocate additional funds, in accordance with program rules, in the event additional funds are allocated by the Province.
5. Staff report back to Council by June 2017 regarding final funding expenditures and project details.

2. Purpose

This report provides information about the Social Housing Electricity Efficiency Program (SHEEP) funding and seeks approval for the Commissioner of Community and Health Services to enter into a Transfer Payment Agreement with the Ministry of Municipal Affairs and Housing to receive \$768,123 in funding. It also seeks approval for the Commissioner to issue grants to Non-Profit Housing Providers within the \$768,123 funding received from the Ministry of Municipal Affairs and Housing and allocate additional funds should they become available by the Ministry.

3. Background

The Ontario Government announced an investment for energy retrofit for social housing to meet the challenges of climate change

On February 12, 2016, The Ontario Government announced a \$92 million investment to support green energy retrofits for social housing. Of this amount, \$82 million is dedicated to the Social Housing Apartment Retrofit Program (SHARP), for buildings exceeding 150 units and \$10 million is dedicated to the Social Housing Electricity Efficiency Program (SHEEP) for electrically-heated single family dwellings which include townhouses. The purpose of these programs is to improve energy efficiency and reduce greenhouse gas emissions.

These programs are funded from the Green Investment Fund targeting \$325 million to reducing greenhouse gas emissions as part of its Climate Change Strategy.

SHARP and SHEEP program funds are intended to cover 100 per cent of eligible cost and will be administered by the Ministry of Municipal Affairs and Housing.

Expression of Interest was due by March 11, 2016

On March 11, 2016, Expressions of Interests from providers were submitted by staff to the Province. York Region's Expression of Interest submission included \$3.4 million for SHARP and \$2 million for SHEEP and also included approximately \$4.4 million in additional projects available for quick implementation.

As there are not many Non-Profit Social Housing Developments with over 150 units in the Region, the SHARP submission was limited to two non-profit housing providers, with a total of four buildings. The total number of apartment units included in the submission is 650. A total of 36 projects were submitted, projects such as window and door replacement, lighting retrofit and thermostat replacements.

The SHEEP program submission included five housing providers, including Housing York Inc. (Housing York). The total number of townhouse units included in the submission is 136 which includes, 10 units owned by Housing York. A total of 23 projects were submitted that featured additional attic insulation, new electric baseboard heaters, lighting retrofit, thermostat upgrades in units, and new solar photovoltaic panels. Some of the Housing York projects submitted included projects on the five year capital plan, such as replacement of lighting with LED bulbs.

\$768,123 allocated to York Region by the Province for SHEEP

On March 30, 2016, the Ministry of Municipal Affairs and Housing announced that York Region has been selected to receive a funding allocation of \$768,123 under SHEEP. The announcement indicated that due to limited availability of funds, allocations were given under one of the two Ministry programs, SHEEP or SHARP, but not both.

Energy retrofits help meet Regional targets for greenhouse gas emissions reduction

SHEEP supports the Region moving toward zero greenhouse gas emissions by 2051 as identified in the Energy conservation and Demand Management Plan Update. This is another example of collaborative efforts through the Corporation.

4. Analysis and Options

Program and funding details have not been issued

The Ministry has indicated that the Region may decide how to allocate funding to Housing Providers, provided it is in line with the Ministry's program requirements. The prioritized list of proposed projects to be funded is included in Attachment 1.

Although the Province has announced the allocations, details about the Transfer Payment Agreement have not been received. The Province has indicated that a Transfer Payment Agreement is required to be executed between the Province and York Region by June 30, 2016. The Transfer Payment Agreement will include, the terms for funding along with monitoring and reporting requirements.

Subject to limitations contained in the Transfer Payment Agreement, the funding allocated under the Program will cover the full cost (100 per cent) of eligible retrofit work including administration cost such as staff time. Existing staffing will be utilized to deliver the program with temporary consulting/staff used to supplement, where necessary.

The Ministry has indicated that projects must be completed by March 31, 2017. In order to ensure full spending of allocated funds, it will be helpful for the Commissioner to have authority to adjust project funding to Housing Providers.

Framework for advancing funds to housing providers

The Province will flow the funds in multiple phases; 85 per cent of the funds will be flowed upon full execution of the Transfer Payment Agreement with the Ministry of Municipal Affairs and Housing. The remaining 15 per cent of the funds

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will be flowed, per project, upon the completion of work and submission of post-retrofits/upgrades electrical energy consumption data and subject to the Ministry of Municipal Affairs and Housing's direction. It is anticipated that funding not spent by end of fiscal year may be recalled.

Link to key Council-approved plans

Funding social housing assets to lower electricity consumption and reducing greenhouse gas emissions aligns with the Region's Official Plan, Corporate Strategic Plan and the Department's multi-year plan.

This also supports key priority areas such as sustaining critical infrastructure, effectively managing municipal resources, supporting community health and managing the Region's finances prudently.

5. Financial Implications

No Impact to Tax Levy

The operating budget should be adjusted by a total of \$768,123 over the 2016 and 2017 budget years offset by 100% provincial funding resulting in no net tax levy impact. It is estimated that costs of approximately \$652,900 will occur in 2016 and the remaining \$115,223 in 2017.

Lower tenant electricity bills

In addition, this program addresses energy efficiency in townhouse properties where tenants pay the utility bills. These energy retrofits will reduce the cost to the tenants in these social housing properties.

6. Local Municipal Impact

Social housing buildings are located in all nine local municipalities. Over 6,800 households live in York Region's social housing communities and over 12,000 thousand more are on the waiting list. Well-maintained buildings in a healthy environment are an important community asset.

7. Conclusion

Implementation of the SHEEP program supports the objectives of the Energy Conservation and Demand Management Plan Update and Vision 2051. In addition, providing housing providers access to funding to reduce electricity

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consumption will reduce energy cost as well as work toward meeting the challenge of climate change.

For more information on this report, please contact Rick Farrell, General Manager, Housing Services at ext. 72091.

The Senior Management Group has reviewed this report.

May 26, 2016

Attachment (1)

#6787294

Accessible formats or communication supports are available upon request

Table 1
Proposed Social Housing Electricity Efficiency Program (SHEEP) Projects

Municipality/ Housing Provider	Number of Units	Proposed Improvements	Estimated Cost by Facility (\$)
City of Markham			
HYI – Trinity Square	10	<ul style="list-style-type: none"> • Additional Attic Insulation • Electric Baseboard Replacement • LED Bulb Replacement • Programmable Thermostats Installation 	43,020
Town of Newmarket			
Trinity Glen	91	<ul style="list-style-type: none"> • Electric Baseboard Replacement • LED Bulb Replacement • Programmable Thermostats Installation 	502,329
Town of Richmond Hill			
Landsberg/Lewis Housing Co-operative	8	<ul style="list-style-type: none"> • Additional Attic Insulation • Electric Baseboard Replacement • LED Bulb Replacement • Programmable Thermostats Installation 	35,838
Oakwil Non-Profit Homes Corporation	24	<ul style="list-style-type: none"> • Additional Attic Insulation • Electric Baseboard Replacement • LED Bulb Replacement • Programmable Thermostats Installation 	97,614
Richmond Hill Co-operative Homes	3	<ul style="list-style-type: none"> • Additional Attic Insulation • Electric Baseboard Replacement • LED Bulb Replacement • Programmable Thermostats Installation 	12,510
Project Cost			\$691,311
Project Administration			\$76,812
Total Cost			\$768,123