

Request for Expression of Interest

Green Investment Fund – Social Housing Apartment Retrofit Program (SHARP)

1. Introduction

Under the provincial Climate Change Strategy, the government has set out a bold vision for combating climate change and reducing greenhouse gas emissions.

On November 26, 2015, the province announced the establishment of a Green Investment Fund (GIF) in 2015-16, *“as a down payment of \$325 million...that will be targeted at reducing greenhouse gas emissions while strengthening the economy. Through this initial investment, the fund will support energy retrofits in homes (including affordable housing), energy-efficiency investments in small and medium-sized businesses and industry, support for Aboriginal communities, and new investments in electric vehicle infrastructure.”*

Through the Social Housing Apartment Retrofit Program (SHARP), \$82 million is available to Service Managers (this includes Consolidated Municipal Service Managers and District Social Services Administration Boards) who administer social housing high-rise apartment buildings with 150 units or more. Built at a time when less attention was paid to energy efficiency, these buildings account for a significant proportion of greenhouse gasses emitted by the residential sector.

Program funds are intended to cover 100% of eligible work and will be administered by the Ministry of Municipal Affairs and Housing (MMAH). Selected Service Managers will use their established program delivery framework to hold their own competitive process to identify proponents that will be funded for retrofits. Program funding will include administration costs.

Eligible Service Managers are invited to respond to this Request for Expression of Interest (REOI) by submitting a Business Case to MMAH by **Friday, March 11, 2016, 5:00 P.M.**

2. Social Housing Apartment Retrofit Program (SHARP)

The Social Housing Apartment Retrofit Program (SHARP) will allocate \$82 million to retrofit social housing high-rise apartment buildings with 150 units or more. These buildings can use up to 25% more energy per square meter than other dwelling types

Older high-rise apartment buildings can benefit from investments in energy efficiency improvements including major building systems (boilers and chillers), increased insulation, newer more efficient windows, and LED lighting.

3. Process

Eligible Service Managers are invited to respond to this Request for Expression of Interest by submitting a Business Case to MMAH, to be received no later than **Friday, March 11, 2016, 5:00 P.M.**

Business cases will be evaluated based on how well submissions meet the program parameters and the proposed goals of the program. Based on the completed review, MMAH at its sole discretion will select Service Managers to participate in the program and allocate funding. Selected Service Managers must sign Transfer Payment Agreements with MMAH (which will include, among other things, the terms for funding and monitoring, energy audit and reporting requirements) prior to receiving funding.

Service Managers who are selected to receive funding will then hold their own competitive selection process to identify suitable buildings that will be funded under the program.

Due to the program budget the ministry cannot guarantee funding to all Service Managers that submit business cases.

4. Key Milestones

Item / Milestone	Deadline
Deadline for REOI submissions to MMAH	March 11, 2016, 5:00 P.M.
MMAH funding announcements and Letters of Commitment to selected Service Managers	No later than March 31, 2016
MMAH and Service Managers execute Transfer Payment Agreements	No later than June 30, 2016
Funded retrofit activities complete	March 31, 2018

4.1 Program Funding Milestones

Service Managers selected to receive a funding allocation will be notified through a Letter of Commitment by no later than March 31, 2016.

In order to receive funding, selected Service Managers are required to sign a Transfer Payment Agreement with the Province (which will include, among other things, the terms for funding and monitoring, energy audit and reporting requirements).

Funding will flow to the selected Service Managers using the following breakdown:

- 85% of funds will be flowed upon full execution of the Transfer Payment Agreement (TPA) with MMAH.
- 15% of the funds will be flowed, per project, upon the completion of work and the post-retrofit energy audit.

Selected Service Managers would need to determine how they will flow program funds to providers identified through their competitive selection process.

Service Managers are strongly encouraged to provide additional funding to complement the SHARP funding.

5. Program Parameters

The Green Investment Fund is designed to assist Ontario in reducing greenhouse gas emissions, and the goal of SHARP is to fund social housing retrofits to maximize energy efficiency and reduce emissions.

5.1 Eligibility Criteria

To be eligible to receive funding under SHARP, housing providers, housing projects and funding must meet the following minimum criteria:

Providers:

- Must be a social housing provider under the *Housing Services Act, 2011*(HSA);
- Must be a Local Housing Corporation, a non-profit housing corporation or a co-operative housing corporation; and,
- Must be selected by the Service Manager through a competitive process.

Housing Projects:

- Must be a housing project governed by the HSA;
- Must have 150 units or more per building;
- Must remain as social housing for at least 5 years after the completion of the retrofit regardless of the end dates of any operating agreements; and,

- Must be selected by the Service Manager through a competitive process.

Funding:

- Must supplement, not replace, funding for current or existing capital repair and maintenance obligations or planned investments by Service Managers and social housing providers.

Service Managers may add other eligibility criteria as part of their competitive selection process in order to prioritize recipients of the funding.

5.2 Eligible Retrofits

Funding under SHARP is aimed at measures that will reduce greenhouse gas emissions. The program will fund selected retrofits that must demonstrate decreased greenhouse gas emissions and increased energy efficiency in older high-rise apartment buildings.

SHARP will **only** fund the following types of retrofits/upgrades, in order of importance:

1. High-efficiency building heating and/or cooling equipment (e.g. boilers, furnaces, and chillers);
2. Energy efficient windows and/or exterior doors;
3. Increased/additional interior and exterior insulation; and,
4. LED lighting or other lighting upgrades (e.g. lighting controls, and sensors).

Subject to limitations contained in the Transfer Payment Agreement, the funding allocated under the program will cover the full cost (100%) of eligible retrofit work, including applicable building energy audits.

Service Managers are encouraged to further maximize the impact of the funding under SHARP by providing additional funds for retrofit work or by allowing funded proponents to also leverage other retrofit subsidy programs, where applicable.

When planning their competitive selection process, Service Managers should prioritize the following retrofit activities:

- Retrofits such as boilers and chillers that have demonstrated greater efficiency and emission reduction outcomes; and,
- Funding applications that combine several retrofits to achieve cumulative higher efficiency and emission reduction outcomes (e.g., proposed upgraded windows or insulation to increase the efficiency of a recently installed high-efficiency boiler).

Each Service Manager would approve eligible work for eligible housing projects based on need (taking into consideration the above priorities) and in accordance with policies it has adopted respecting the procurement of goods and services.

5.3 Responsibilities

5.3.1 Ministry of Municipal Affairs and Housing

The Ministry of Municipal Affairs and Housing will:

- Administer and allocate funding to selected Service Managers based on submitted business cases.
- Administer Transfer Payment Agreements signed with selected Service Managers that receive funding.
- Ensure overall program objectives are met by working with the selected Service Managers to collect performance measurement data.
- Ensure financial accountability for use of funds.
- Oversee and monitor Service Managers during program implementation.
- Carry out program evaluation and analysis.

5.3.2 Service Manager

Service Managers selected to receive funding will:

- Enter into the Transfer Payment Agreement with the ministry prior to receiving funding.
- In accordance with any relevant municipal procurement requirements, administer a competitive process to identify participants from eligible social housing buildings and retrofit opportunities.
- Collect required performance measurement data from social housing proponents in accordance with the Transfer Payment Agreement requirements.
- Provide required performance measurement data to the ministry.
- Develop and execute their own funding agreements with social housing proponents selected for funding.
- Leverage program spending by taking advantage of other available environmental and energy efficiency and funding programs, where possible.
- Monitor and provide ongoing oversight of project retrofit work.
- Act as first point of contact for any programmatic issues identified by providers.
- Ensure that only eligible retrofits are funded and carried out by proponents.

- Ensure that providers mitigate any disruption to existing tenants while the retrofit work is undertaken.
- Provide services to the public under the Program in English and French in accordance with the Transfer Payment Agreement.

5.3.3 Social Housing Provider

Social housing providers or proponents that receive funding under the program will be required to:

- Discuss proposed building retrofits with the Service Manager to assess eligibility.
- Execute any applicable funding agreements with the Service Manager.
- Ensure that only eligible retrofit work is undertaken.
- Collect required performance measurement data and provide to the Service Manager.
- Ensure that vendors carrying out eligible retrofits are selected in accordance with any applicable procurement requirements.
- Ensure that the project will remain as social housing for at least 5 years after the completion of the retrofit regardless of the end dates of any operating agreements.

5.4 Accountability and Transparency Requirements

Funding allocations to selected Service Managers will be confirmed through Letters of Commitment, no later than March 31, 2016.

Selected Service Managers will be required to sign a Transfer Payment Agreement with MMAH prior to receiving any funding (which will include, among other things, the terms for funding and monitoring, energy audit and reporting requirements). A draft Transfer Payment Agreement will be made available in April, 2016.

Selected Service Managers will need to develop and execute their own funding agreements with eligible social housing providers.

5.5 Performance Measurement

Service Managers are required to provide performance measurement data to the ministry to help evaluate the program's performance and outcomes. Required data will be outlined in the Transfer Payment Agreement.

Service Managers must work with the selected proponents to ensure that data is collected for each social housing building that receives funding to carry out eligible retrofit work.

Once a building has been selected to receive funding and prior to starting work, the provider must at a minimum:

- Perform an energy audit prior to starting any retrofit work; and,
- Provide the ministry, through the Service Manager, with energy usage data on the three previous years of operation, if available.

Once retrofit work has been completed, the proponent must at a minimum:

- Perform an energy audit and/or testing; and,
- Provide the ministry, through the Service Manager, with energy usage data for the subsequent three year period.

The specific requirements to be met with respect to the pre and post retrofit energy audits will be set out in the Transfer Payment Agreement.

6. Business Case Requirements

Eligible Service Managers must submit a business case to be considered for SHARP funding. At a minimum, the business case should include the following information:

6.1 Organization Information

- a. Service Manager name.
- b. Primary contact name, phone number and email.

6.2 Overview of Funding Need

Provide a description of energy efficiency needs in social housing high-rise residential buildings, and the energy-related housing needs and issues that exist. For example,

- a. Information on number of buildings eligible for SHARP funding by building type within the Service Area.
- b. Amount of SHARP funding requested.
- c. Describe the social housing units/buildings you would target for retrofit.
- d. Describe the condition of the social housing buildings that you would target for retrofit.
- e. Provide an estimate of potential costs per project, if possible.
- f. Identify and describe any recent building condition and/or energy audits that could help demonstrate need for retrofit funding.
- g. Have any buildings had recent upgrades, such as heating/cooling system, that could be further enhanced with SHARP funding?

- h. Any other information that you think is relevant to your business case and demonstrates the value of and need for SHARP funding in your communities.

One of the desired outcomes of SHARP is to quickly realize energy efficiency and reduce greenhouse gas emissions. Successful providers will need to demonstrate the capacity to execute the work based on local procurement requirements, monitor progress and ensure data collection in a timely matter as part of the overall program objectives.

6.3 Implementation Plan

How do you propose to implement the funding and meet the program requirements? For example:

- a. What internal resources will be made available to meet the required Service Manager responsibilities?
- b. How will you identify social housing buildings that would best meet the eligibility criteria of SHARP?
- c. How will you monitor SHARP funded retrofits to meet program compliance requirements and timelines?
- d. How will you work with funded proponents to collect the required performance measurement data and information?
- e. Describe any local energy efficiency incentives that could enhance SHARP funding.
- f. Describe any additional funding the Service Manager will provide for retrofit work (other than the normal maintenance and replacement reserve funding).
- g. How will you work with the providers to mitigate any disruption to existing tenants while the retrofit work is underway?
- h. What percentage of total funding would you request to cover the administrative costs to implement SHARP?

7. Submission Documentation and Timelines

Service Managers that respond to this REOI are required to submit four (4) copies of the written responses and one (1) electronic copy (in PDF format) to the attention of Erich Freiler, Manager of Infrastructure and Asset Management and must be received no later than **Friday, March 11, 2016, 5:00 P.M.**

Submissions should be mailed/couriered to:

Erich Freiler, Manager
Infrastructure and Asset Management, Housing Division
Ministry of Municipal Affairs and Housing
777 Bay Street, 14th Floor
Toronto ON, M5G 2E5

Any questions related to this REOI must be submitted in writing by email to erich.freiler@ontario.ca. Clarifications or answers, if required, will be sent out by email to all Service Managers **weekly every Friday**.

8. Summary

Under the Green Investment Fund, the Social Housing Apartment Retrofit Program will allocate a total of \$82 million to reduce greenhouse gas emissions and increase energy efficiency in social housing high-rise apartment buildings in Ontario. Costs for eligible retrofits, including associated building energy audits, under the program will be fully funded.

Funding allocations will be made by the ministry based on the business cases it receives under this invitational Expression of Interest process. Due to the program budget the ministry cannot guarantee funding to all Service Managers that submit business cases.

Service Managers that are selected for a funding allocation under the program are required to implement and lead the delivery of the program in their areas. This includes holding their own competitive selection process to identify eligible buildings, monitoring program compliance, and performance measurement reporting.