

Canada-Ontario Affordable Housing Initiative

Renewable Energy Initiative

SHRRP and AHP New Rental Housing Extension 2009



Canada

 Ontario

Information Package
February 2010

Ministry of Municipal Affairs and Housing

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Introduction

On March 20, 2009 Ontario announced that it was matching the federal government in a joint \$1.2 billion investment to renovate and repair existing social housing and develop new affordable housing. This funding is being delivered through the Social Housing Renovation and Retrofit Program (SHRRP) and the Canada-Ontario Affordable Housing Program (AHP).

An important objective for this funding is to improve the energy efficiency of this affordable housing. Inefficient housing is more costly to operate, produces poor quality living environments and is a significant contributor of green house gases.

Improving energy efficiency in affordable housing projects can range from simple measures to reduce drafts and improve insulation to the installation of complex renewable energy systems that are capable of generating energy and selling surplus energy back into the electrical grid.

To support the development and implementation of renewable energy technologies in affordable housing the Ministry of Municipal Affairs and Housing (MMAH) is introducing the Renewable Energy Initiative (REI), which is a \$70 million fund to be used for the implementation of renewable energy technologies in social and affordable housing.

This housing funding will be combined with a \$50 million investment from the Ministry of Education for renewable energy projects in schools. The combined funding of \$120 million will help to generate investment and accelerate the development of the renewable energy industry in Ontario.

The REI has two main components:

1. Vendor List - a list of qualified vendors of renewable energy technologies will be established in order to implement renewable energy projects in schools, social and affordable housing using the funding of \$120 million.
2. The AHP and SHRRP Housing Programs - funding through housing programs to support the installation of renewable energy technologies.

Renewable Energy Vendor List

In February 2009, the government introduced its Green Energy and Green Economy Act, 2009, which is a comprehensive energy policy that is intended to lead the transition to a cleaner, greener economy and support the creation of an estimated 50,000 jobs over three years. An objective of the Green Energy Act is to support the development and implementation of renewable energy technologies in Ontario. For more information about the Green Energy Act, see the information at the Ministry of Energy and Infrastructure website at:

www.mei.gov.on.ca/en/energy/gea/

To support the implementation of the Renewable Energy Initiative, there will be a list of vendors of renewable energy technologies and the supporting service providers. This qualification process will assist housing providers to access qualified vendors who will supply high quality products, benefit from large volume purchasing power while supporting the development of the green economy in Ontario.

Vendors of the following renewable energy technologies will be included in the Vendor List:

- Solar Photovoltaic (roof top system)
- Solar Water Heating
- Solar Air Heating
- Geo-thermal
- Micro-sized Wind Technology.

The Vendor List will be administered by the Ontario Power Authority following the release of a Request for Qualifications. The Vendor List is expected to be available March 2010. In order to be eligible to receive funding for a renewable energy project, it will be mandatory for housing providers to use a Vendor off the Vendor List. We will provide information on how to access the Vendor List once it is made available.

Also, the economic viability of REI projects will be enhanced with the ability to sell surplus power back into the electrical grid through the 'Feed In Tariff' being developed by the Ontario Power Authority. More information can be found at:

www.powerauthority.on.ca/FIT/

MMAH Housing Programs

The two major housing capital programs eligible for the Renewable Energy Initiative are:

- The Social Housing Renovation and Retrofit Program (SHRRP) which is funding the repair and regeneration of eligible social housing projects
- Construction of new low-income seniors and disabled rental housing under the Affordable Housing Program 2009 (AHP).

REI Project proposals must be eligible and apply for funding under either of these programs, see the appropriate program guidelines for further details. These can be obtained online at: www.mah.gov.on.ca/Page127.aspx

Critical REI program requirements include:

- Project approval under either SHRRP or AHP
- The use of a Vendor(s) from the Vendor List
- Providers must ensure that the housing units remain affordable for a minimum of 10 years as required by SHRRP or 20 years as required by the new Rental Housing Component Guidelines (See appropriate program guidelines for details).

REI Eligible Project Expenditures

REI Approved costs will include:

- Purchase and installation of Renewable Energy products from the approved Vendor List
- Professional services to provide building condition assessments and energy efficiency audits to guide the purchase of the most appropriate technology
- Project design fees (e.g. architect, engineers), preparation of tender documents, charges and fees required for municipal approvals (e.g. building permit fees)
- Fees paid to installers of the approved technologies
- Additional service warranties if available.

Ineligible Expenditures

Costs that will not be approved include:

- Completed Renewable Energy work that did not use suppliers or service providers from the approved Vendor List
- Any costs associated with preparing for the installation of the renewable technology, repairing a leaky roof
- Repairs or maintenance to existing renewable energy equipment.

It is acknowledged that there maybe some areas of the province that may have service readily available from suppliers not on the approved list. In special circumstances, an exemption to the mandatory Vendor List may be granted. These exemptions will be granted on a case by case basis, based on requests submitted by the Service Managers (SM).

The OPA will be issuing a Request for Qualifications (RFQ) which will be used to establish the Vendor List. Service Managers should be strongly encouraging reputable vendors of the identified renewable energy technologies to respond to the RFQ in order to be considered for inclusion on the Vendor List. We will provide further details on when the RFQ will be released once they become available.

Funding

REI projects must be delivered within the relevant program funding limits. For repair and retrofit under SHRRP, the aggregate SHRRP funding together with REI funding cannot exceed a maximum of \$28,000 per unit (\$32,000 north of the CN line). As an incentive for SHRRP projects the eligible REI costs including the acquisition of products from the approved Vendor List and related support services for assessment and installation will not be counted as part of the Service Manager's notional allocation.

For new low-income seniors and disabled rental construction projects funded under AHP, the aggregate AHP funding together with REI funding cannot exceed \$150,000 per unit. For new construction under the AHP the REI eligible costs will be included as project costs, but will not be included in the Service Manager area average.

Additional Funding Sources

REI projects may also be eligible for other incentive programs offered by other agencies such as the Ontario Power Authority and Natural Resources Canada. Project proponents are encouraged to lever REI funding with other incentives. A helpful inventory of available programs is available from the Ministry of Energy and Infrastructure:

www.mei.gov.on.ca/en/pdf/conservation/energy_efficiency_funding.pdf

Program Timing

The ministry sent out Expression of Interest letters in summer 2009 to gauge interest from Service Managers in Renewable Energy projects. This information has been used in the development of this program.

We anticipate the Vendor List will be available in March 2010. Service Managers should prepare their REI proposals as soon as possible. The ministry will receive applications from Service Managers and the assignment of allocations will begin as soon as possible after the Vendor List has been released.

Projects would have a Contribution Agreement (CA) for new construction or a Funding Agreement (FA) for SHRRP projects in place by September 30, 2010. Projects which have not been approved by that date will be reviewed and considered for reallocation if it appears the funding cannot be approved by March 31, 2011.

Similar to other SHRRP and AHP projects, construction or installation of the Renewable Energy products must commence within three months of signing the FA or CA. Since there could be some lead time required to order renewable energy components, ordering and paying the required deposit could be considered the start of construction.

Project Approvals

REI proposals must be submitted as either SHRRP or AHP New Rental, whichever program is appropriate. Individual projects will be reviewed and recommended for approval by the Service Manager.

When reviewing and approving the individual projects, it is expected that the SM will exercise the same due diligence employed in SHRRP and New Rental project selection, using normal criteria such as:

- Project scope and technology chosen based on the recommendation of a qualified consultant
- Estimated project costs
- Impact on operating costs, and where available expected financial criteria (payback, ROI)
- Modifications required to existing building
- Plan to mitigate impact on tenants.

We reinforce that the effectiveness and efficiency of renewable energy projects are based on the circumstance of individual sites. It is important that REI projects are based on recommendations from qualified consultants who have done a thorough feasibility study based on a building energy audit appropriate for that particular building.

Note: Service Managers will be able to access GLOBE through the Social Housing Services Corporation (SHSC) for technical support and advice by contacting SHSC Customer Care 1-877-733-SHSC (7472) shscorp.ca.

Service Managers will submit a list to the ministry of recommended projects, ranked in order of highest priority commencing March 1, 2010. The Ministry will review the applications for program compliance based on the following criteria:

- The proposal can meet respective program timelines
- Respective program funding limits will not be exceeded - \$28,000 (\$32,000 north of CN line) per unit for SHRRP or \$150,000 per unit for new low-income seniors and disabled rental construction under AHP
- Confirmation that the REI project costs are eligible.

Conditional approval of the successful projects will be given starting approximately one month after the Vendor List has been published. The ministry's approval will be based on achieving a balance of technologies and regional distribution. This approval will be communicated via a letter to the SM.

Successful projects will then be advised to proceed to procure the renewable technologies from the approved Vendor List, finalize the project budget, submit a Project Information Form and proceed to implementation.

Since REI project approvals do not line up with New Rental construction submission deadlines of February 1, 2010, it is expected that any new rental construction that is

interested in pursuing REI will already have a Conditional Letter of Commitment (CLC) or be in the process of receiving one.

Project information will be submitted into an Affordable Housing Information Management System (AIMS) under either SHRRP or AHP, depending on what program the Renewable project is being funded under. An REI supplement screen will contain the mandatory information required.

If AIMS is not yet available at the time of project application, a REI PIF Supplement Form will be issued. Attached is a REI PIF Supplement Form (see Appendix A).

Renewable Energy Approvals

The types of approvals and permits required for renewable energy projects will vary depending on the project and you will be required to identify this information to the ministry. You can obtain further information to assist you at the following link:

www.mei.gov.on.ca/en/energy/renewable/index.php?page=refo_faq#q4

The Ministry of the Environment has a FAQ regarding renewable energy approvals that can be found at:

www.ene.gov.on.ca/en/business/green-energy/docs/FAQs%20-final.pdf

Funding Agreements

The installation of renewable technologies under SHRRP will be noted in the Funding Agreement (FA) with the SM by way of a schedule. If the proposed project includes the installation of Renewable technologies under the New Rental Housing Component it will be noted in the CLC and the CA by way of a schedule.

Ministerial Consents

REI proposals are capital projects and some work may require Ministerial Consents if there is change to certain elements of the housing project. For example, installation of a geo-thermal system may require changes to the site, or installation of a solar wall may change the configuration of the exterior walls.

Please consult the SHRRP or AHP New Rental Component guidelines and the applicable Q's and A's for more information on when Ministerial Consents may be required and how to prepare an application to request Ministerial Consent.

Payments for Projects

Project payments will be flowed to SMs based on meeting milestones set out in the SHRRP and AHP New Rental Guidelines.


Reporting

SMs are required to report to the ministry on the status of each project during the development and installation of the Renewable Energy Technology. SMs already reporting on other SHRRP projects can provide an update on the REI component. For new low-income seniors and disabled rental housing projects, SMs are required to report to the Province on the status of each project during every financial quarter of the development and construction phase. Any new projects that include an REI component will also report on that specific component.

Additional Information

Maintaining the quality of the Vendor List will be beneficial for all users of the list. Service Managers are strongly encouraged to report any concerns about the performance of the Vendors on the Vendor List to their local Municipal Services Office (MSO). The MSO's will provide this information to MMAH for further action by the OPA.

For more information about the REI see Appendix B with the contact information for the local MSO offices.

		Ministry of Municipal Affairs and Housing	Appendix A Renewable Energy Initiative (REI) - for SHRRP and AHP 2009 extension Project Information Form - Supplement	
Office Use <i>Project Reference No.</i>				
Date Submitted by (yyyy-mm-dd)			CMSM / DSSAB:	
CMHC Reference Number:				
Project Name:				
1.0 Contact Information <i>Housing Provider</i>				
Legal Name <Select>		Position		
Organization Name (if different from Legal Name):				
<i>Project Address</i>				Main Address: <input type="checkbox"/>
Street #	Street Name	City:		
Service Manager				
Contact Name:		Position:		
2.0 Project Information				
Base Project Funding: <Select> (SHRRP, AHP)		AIMS #		
Eligibility				
Technologies and services from the approved Vendor list <input type="checkbox"/>		Name of Vendor:		
Project selection based on competitive procurement <input type="checkbox"/>		Funding within appropriate program guidelines <input type="checkbox"/>		
Do you have SHRRP or AHP funding for this project? Yes NO				
Project Details				

Renewable Energy Initiative - SHRRP and AHP New Rental Housing Extension 2009

Renewable technology	Type of Repair	Units	Cost (\$)
<Select>	<Select>		
<Select>	<Select>		
<Select>	<Select>		
	TOTAL	0	0

Attach additional page(s) if required.

APPENDIX B - Municipal Services Offices (MSO) - Contacts

Service Managers are encouraged to contact their regional Municipal Services Offices if they require clarification or have questions regarding the Social Housing Renovation and Retrofit Program Guidelines.

**Canada-Ontario
Affordable Housing Program
Housing Programs Branch**
777 Bay Street, 2nd Floor
Toronto ON M5G 2E5
General Inquiry: (416) 585-5013
Fax: (416) 585-7003
www.mah.gov.on.ca

Community Partnerships and Projects Branch - Toronto Unit
777 Bay St., 2nd Floor
Toronto, ON M5G 2E5
Tel: (416) 585-6711
Fax: (416) 585-6588

Contact: Chris Ryter, Manager, Community Partnerships and
Projects Branch
Tel: 416-585-6711
Email: chris.ryter@ontario.ca

Serving: Toronto

Central Municipal Services Office
777 Bay Street, 2nd Floor
2nd Floor Toronto ON M5G 2E5
General Inquiry: (416) 585-6226
Toll Free: 1-800-668-0230
Fax: (416) 585-6882

Contact: Ian Russell, Team Lead, Regional Housing
Services

Tel: 416-585-6965

Email: ian.russell@ontario.ca

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Muskoka

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8 Estate Lane
Rockwood House
Kingston ON K7M 9A8
General Inquiry: (613) 548-4304
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Fax: (613) 548-6822

Contact: Mila Kolokolnikova, Team Lead, Regional Housing
Services
Tel: 613-545-2123
Email: mila.kolokolnikova@ontario.ca

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London ON N6E 1L3
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