



Social Development, Finance & Administration
Chris Brillinger, Executive Director

City Hall
100 Queen Street West
14th Floor, East Tower
Toronto, Ontario M5H 2N2

Eleanor McAteer
Project Director, Tower Renewal

Tel: 416-392-9716
Fax: 416-392-4976
emcatee@toronto.ca
www.toronto.ca

EB-2008-0150

July 14, 2014

Ontario Energy Board,
P.O. Box 2319
2300 Yonge Street
Toronto, Ontario M4P 1E4

P 22/7/14

RECEIVED

JUL 22 2014

ONTARIO ENERGY BOARD

Attention: Ms. Kirsten Walli
Board Secretary

Dear Ms. Walli:

Re: Enbridge Gas Distribution's Low Income Program

The City of Toronto Social Development, Finance and Administration division through the Tower Renewal Office offers a number of services for older apartment buildings that focus on helping to improve to these buildings and their surrounding communities. We support the Ontario Energy Board's efforts to advance energy conservation actions and through our programs, encourage building owners to achieve greater energy conservation. The Tower Renewal Office has been working collaboratively in the implementation of the Enbridge Gas designed demonstration program to improve privately owned multi-residential buildings in United Way sponsored project areas. We welcome Enbridge's work and encourage the Board to approve a full program derived from the demonstration program for privately owned multi-residential buildings that predominately house residents with low incomes.

Through our work in apartment communities across Toronto over the past 5 years, the Tower Renewal Office has found that there is a need for a program to support privately owned multi-residential buildings in low-income areas in making energy efficiency improvements. The discussion in the categories below provides details to support this need.

Energy Efficiency Improvements in the Apartment Sector

The existing rental apartment stock in Toronto consists primarily of older buildings, many built in the 1960s and 1970s of which approximately 1200 are buildings of 8 storeys or more. These older buildings require significant reinvestment for maintenance and improvement and a substantial number of buildings are candidates for comprehensive renewal. Technical studies undertaken for the Tower Renewal Office at apartment buildings found that significant reductions to building energy and water consumption, utility costs and greenhouse gas (GHG) emissions can be achieved through retrofits at a typical apartment building.

In spite of the benefits of energy conservation actions, owners of private rental buildings in low income areas face particular constraints in undertaking energy conservation investments. Unlike other private building owners, owners in low income areas are often not able to pass through the costs of capital improvements or increased costs of utilities to residents because residents have a limited ability to pay. If improvements are undertaken, in the absence of incentives and other supports these cost constraints may lead owners to implement only lower cost options which provide lesser energy conservation benefits.

Evidence of Low Income Need in Privately Owned Apartment Buildings

In the City of Toronto, older apartment buildings of 5 or more storeys provide housing for 549,000 people, over 20% of the City's population, of which 26% are newcomers and 32% have low-incomes. Of the low-income residents, 72% are families. Over 30% of residents have income levels that do not meet Statistics Canada's low income measure¹, twice as many as in the rest of the city.

Reports such as the United Way Toronto's *Poverty by Postal Code 2: Vertical Poverty*, David Hulchanski's *Three Cities Within Toronto* and University of Toronto Neighbourhood Change Research Partnership's recent study *Nowhere Else to Go: Inadequate Housing & Risk of Homelessness Among Families in Toronto's Aging Rental Buildings* have shown that low-income populations are concentrated in particular areas and in high-rise apartment buildings. As part of the work supporting communities, the City has undertaken research to identify areas where there is a prevalence of low-income populations in apartment buildings.

Establishing Program Eligibility Criteria

Currently, eligibility criteria for the demonstration program requires that each participating building provide evidence to support its low-income status. Complying with this requirement is not feasible in privately owned buildings due to privacy regulations. In lieu of this approach, we recommend that the program eligibility move from a site-specific approach to one that relies on evidence that is accurate and more readily accessible: area-based resident income information. To facilitate this type of analysis, the City has acquired data for 2011 from Statistics Canada. With this data, it is possible to analyze information related to residents of apartment buildings at a census tract level.

The analysis provides strong support of the value of a methodology for determining eligibility for the low income program based on geographic location in the City. Program eligibility could be determined based on confirmation that a building is located in a census tract where the percentage of apartment building residents with low-incomes exceeds a pre-determined threshold.

The map attached as Appendix A shows the percentage of apartment residents with incomes that do not meet the Statistics Canada Low Income Measure (LIM) on a census tract basis. The map is based on Statistics Canada's Low Income Measure (LIM) however the low income threshold permitted by the Board is approximately 135% greater than the

¹ The low income measure (after-tax) shows the number of Canadians with an after-tax income that is less than 50% of the adjusted median income for all Canadian economic families in a given year. Median income is adjusted for household size. Statistics Canada now uses the Low Income Measure instead of a Low Income Cut-off.

Statistics Canada LIM threshold. With additional data, a similar analysis could be undertaken using the Board approved low income threshold currently used by Enbridge.

Focus on Energy Conservation Information and Education

A strong feature of the demonstration program is its inclusion of a resident education component. Studies conducted for the Tower Renewal Office have shown that savings of up to 5% can be achieved through the implementation of awareness and education programs. Such programs can also target holistic conservation awareness which can help to reduce building costs for other utilities including water and solid waste. A full program should continue the support for education and could be enhanced by integrating a training component for building staff focusing on operations and maintenance.

Another positive feature of the demonstration program is the provision of an energy audit for participating buildings. This is a significant driver for the uptake of energy conservation actions. Although there is support for energy efficiency in the apartment sector, building owners are often delayed in taking action because of a lack of awareness of which opportunities are most suitable for their buildings, concerns about the veracity of the costs and projected savings of improvement projects and because they do not know who to contact to provide that information. With an energy audit in hand, owners are able to make decisions and pursue improvements more readily.

Alignment with Existing Programs and Supportive Actions

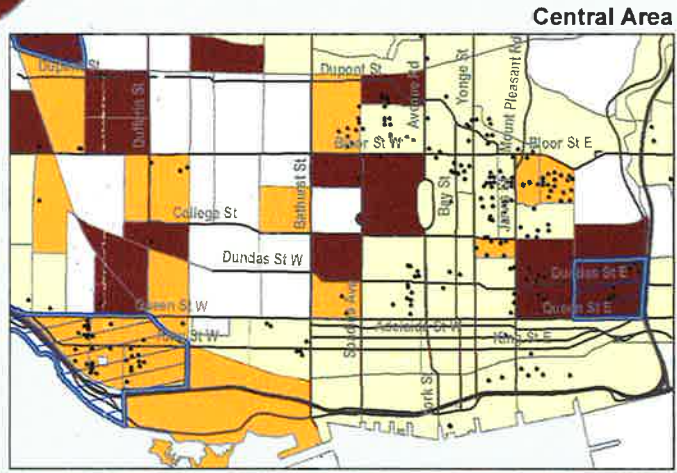
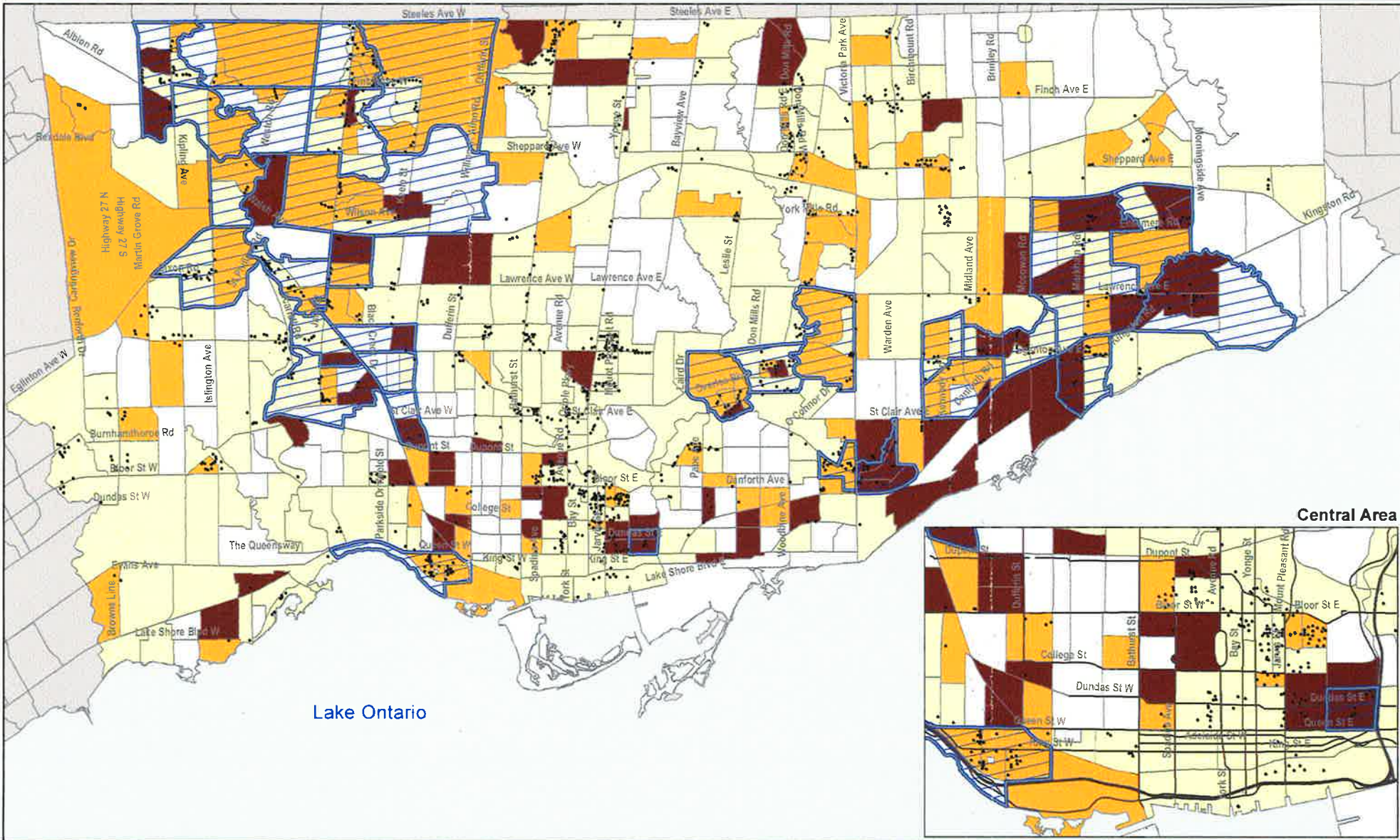
The Enbridge program complements and is supported by a number of other programs focusing on apartment buildings and communities in low income areas. These include United Way Toronto's Tower Neighbourhood Renewal Program which is active in the communities where the Enbridge Program is now based.

In addition, the City offers a number of programs and strategies that support the work of the Enbridge Program. The Toronto Strong Neighbourhood Strategy provides City supports and services in identified areas of need referred to as Neighbourhood Improvement Areas. The Tower Renewal Office offers building benchmarking, site assessments and action planning to support improvements in older apartment buildings. A new financing program called Hi-RIS under the Tower Renewal Office provides low cost financing for energy conservation improvements. The Tower Renewal Office has worked with Enbridge as part of the implementation of its programs and will continue this relationship as a full program for privately owned buildings is undertaken. The combined efforts supporting low income communities will help Enbridge in the implementation of a full program.

Other Supportive Actions

We believe that the Enbridge Program will benefit from the integration between the conservation programs offered by natural gas and electrical utilities. The ability to streamline the offering for incentives will support greater uptake for energy conservation actions in the multi-residential buildings sector by reducing barriers such as multiple application requirements and scheduling issues. The demonstration program provided an example of how a more integrated approach from natural gas and electrical utilities can instigate owner action.

Low-Income Persons Living in Mid-Century Apartment Towers (Percentage)



Legend

% Low Income Persons Living in Mid-Century Towers

- No Data
- 0% - 31.7%
- 31.8% - 44.9%
- 45.0% - 100%

- Residential Towers 8 or more Storeys Constructed 1945-1984 (mid-century)
- 2014 Neighbourhood Improvement Areas

31.7% is the average incidence of low income (LIM-AT) for residents of mid-century apartment towers.

Notes: Data is by population of those living in apartments 5 storeys or higher, built between 1946 and 1985 prepared by Statistics Canada by census tract (CT). Areas of no data are indicative of CTs where there are no older apartment towers or total population in towers is less than or equal to 20. These are shown as No Data. Statistics Canada's category for taller buildings is 5 storeys or more, whereas Tower Renewal minimum building height is 8 storeys. A small number of buildings connected with Tower Renewal have less than 8 storeys.



Source: Social Development Finance and Administration; Statistics Canada 2011 National Household Survey (NHS)

Note: For more information, contact the source provider.

Copyright (c) 2014 City of Toronto. All Rights Reserved.
Published: May 2014
Prepared by: Social Research and Analysis Unit
Contact: tower@toronto.ca

