

FUNDING FOR COMMUNITY BUILDING ENERGY EFFICIENCY UPGRADES

Leverage the Community Buildings Retrofit initiative to boost energy efficiency and cost savings.

Applying for funding for a sustainability project and maximizing its impact can feel overwhelming. Here we outline how to get started, create an effective application and make the most of your funding—including stacking multiple sources—to help you launch meaningful projects while respecting limited and valuable staff time.





INTRODUCTION

Energy efficiency upgrades and deep energy retrofits are essential in improving the operation, performance and resilience of community buildings. Communities rely heavily on these facilities, making it critical to extend their lifespan while minimizing operational and maintenance costs. Starting such projects may seem daunting and expensive, but the Green Municipal Fund (GMF)'s Community Buildings Retrofit (CBR) initiative equips municipalities with tools, resources and funding to take on these kinds of transformative projects. The initiative's flexibility in combining or "stacking" funding from multiple sources makes it even easier to preserve the essential services and community value these buildings provide.

The CBR initiative supports municipalities in reducing energy use and costs. It includes three funding streams aimed at supporting projects throughout their phases, from performing feasibility studies to implementing greenhouse gas reduction retrofit projects. While the initiative focuses on community buildings such as recreation centres and halls, it also accommodates other municipal facilities including town halls and public works buildings, addressing funding gaps for municipal operations and administration buildings, when included in a portfolio of at least one community building. Its stacking feature allows local governments to combine funding streams, making large-scale retrofit projects more financially feasible.

STACKING FUNDS AND PROGRAM OPPORTUNITIES

Many funding streams, including the CBR initiative, do not cover full project costs. That's why it's important to combine multiple funding sources to maximize grant and loan amounts, minimizing the financial burden on municipal budgets.

Fund stacking involves combining multiple funding programs or initiatives to cover a greater percentage of the project costs, typically capped at 100 percent.



Stacking can be crucial in making a project possible, and many GMF-funded initiatives do allow stacking with other funding sources, although its not always applicable.

For instance, a municipality might be able to cover up to 80 percent of a project's costs via the <u>CBR initiative's capital project: GHG impact retrofit</u> stream through a combination of grants and loans. This would leave them responsible for the remaining 20 percent. However, thanks to stacking, the municipality might be able to secure this 20 percent from other eligible sources such as provincial programs. In Nova Scotia, for example, municipalities can apply for funding through the Mitigation Stream of the provincial

government's Sustainable Communities Challenge Fund. Other programs are mentioned below.

When it comes to completing projects like these, cost isn't the only barrier. Municipalities often face additional challenges such as limited staffing expertise and capacity to identify, plan and manage these projects. Collaborating with public, private and not-for-profit organizations can help overcome these obstacles. Many organizations are specifically designed to provide support and resources to alleviate these kinds of challenges, ensuring that local governments can successfully pursue retrofit projects.

GETTING STARTED WITH RETROFIT PROJECTS

Embarking on a retrofit project may seem daunting, but there are clear steps municipalities can take to navigate the process and secure funding.

STEP 1: UNDERSTAND THE FUNDING LANDSCAPE

The first step is to understand the resources, programs and funding opportunities available.

Connect with funding organizations: Do not underestimate the importance of engaging with funding organizations—their staff can provide access to resources, essential tips and relevant case studies. Begin by signing up to receive GMF news and updates through FCM Connect and doing some research on other funding and program delivery organizations, which can vary from province to province. There are several options to explore, including:

- Canada-wide
 - <u>Green Municipal Fund (Federation of Canadian Municipalities)</u>
 - <u>Building Retrofits Initiative (Canada</u> Infrastructure Bank)
- Alberta
 - <u>Municipal Climate Change Action</u>
 <u>Centre Community Energy</u>
 <u>Conservation Program</u>

- Manitoba
 - Efficiency Manitoba Community Programs
- Nova Scotia
 - Low Carbon Communities
 (Government of Nova Scotia)
 - Sustainable Communities Challenge
 Fund (Nova Scotia Federation of Municipalities)
- Prince Edward Island
 - Community Energy Solutions (efficiencyPEI)

Connect with other municipalities:

Communities that have successfully completed retrofit projects can provide valuable insights into the process, including lessons learned and potential challenges as well as realistic expectations for timelines, costs and funding. Identify communities who have worked on projects similar to yours by browsing the <u>GMF Project Database</u> or connecting through local energy cohorts and municipal associations.

Connect with GMF: Many GMF initiatives, including CBR, offer coaching and <u>advisory</u> <u>services</u> to support municipal teams through the funding and application process. Connect with GMF's outreach staff <u>via this online</u> <u>booking form</u>.



STEP 2: IDENTIFY THE PROJECT'S SCOPE AND SCALE

While at least one community building must be included in the scope of work for the CBR initiative, municipalities can submit a portfolio of buildings for consideration. This portfolio can include other municipally owned facilities such as town halls, police stations and fire halls.

Prioritizing building retrofit projects can be challenging, particularly for municipalities with limited staff expertise or capacity. However, by leveraging available resources and following practical guidance, even municipalities new to the process can effectively identify and prioritize projects.

Leverage existing knowledge to prioritize buildings: Municipal staff who use, maintain and operate buildings possess invaluable knowledge about their facilities. This expertise is an excellent starting point for prioritizing retrofit projects. Identify buildings with a high potential to use energy-efficient upgrades to lower operating or maintenance costs to quickly establish a priority list for targeted efforts. Include maintenance staff, building operators and asset managers in early project development to effectively maximize efficiency and cost savings.

Creating a priority list for buildings and energy retrofit projects involves several key considerations, including:

 conducting energy audits and assessments to identify inefficiencies

- evaluating the age and condition of buildings
- analyzing the level of public use and occupancy
- assessing the cost-benefits of energy-efficient upgrades, such as reducing maintenance and operating costs

Utilize free or low-cost services:

Communities can take advantage of free or low-cost services—such as energy audit programs and technical assessments offered by utility providers—to evaluate building energy performance and efficiency. While these programs are often geared toward privately owned buildings, some may also assist municipalities in identifying and prioritizing retrofit projects.

STEP 3: BEGIN YOUR FUNDING APPLICATION

Once you have identified the stackable funding programs you plan to apply for and the buildings you wish to prioritize, the next step is to apply. Start by connecting with a CBR outreach advisor (select "Municipal and Community Buildings" on the <u>FCM booking form</u>). Outreach advisors work with you to determine whether your project is eligible and, if so, will formally invite you to submit a pre-application. This initial application is designed to be straightforward and provide a basic initial assessment of the project for eligibility. Once it is reviewed and approved, you will be invited to complete the formal funding application.

The formal application process requires numerous details including funding sources, proof of completed feasibility studies (for capital project funding) and project scope and budget. Municipal staff often know their buildings and community needs best, allowing them to craft tailored, locally focused applications. However, limited capacity, expertise or experience in grant writing can be barriers. Municipalities can complete the process on their own or enlist external help.

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Consultants: Consultants offer specialized knowledge about funding programs and can save municipalities time by managing complex application requirements. While this option may come with additional costs, it can help address common barriers such as limited staff capacity and time while also providing valuable experience.

Navigators: Free and low-cost navigator services offered by funding providers, organizations and municipal programs can help guide the application process. Available services vary by region. Check with local non-profits, participate in regional cohorts such as those offered by QUEST Canada and reach out directly to funding providers to overcome time and expertise constraints.

KEY TAKEAWAYS AND NEXT STEPS

Investing in energy efficiency and sustainability for community buildings is an opportunity to create lasting benefits for your municipality. Whether you're considering the CBR initiative to help you retrofit community buildings or exploring other GMF funding options for a wider range of projects, stacking funding from multiple sources can help turn big ideas into a budget-conscious reality, ensuring that your municipal buildings remain central to your community's well-being while maximizing efficiency and resilience.

Start with these three first steps:

- **1.** Sign up for the <u>FCM Connect newsletter</u> to stay up to date on available programming and funding.
- **2.** Reach out to nearby municipalities or funding organizations to share insights, build partnerships and pool resources.
- **3.** Connect with a CBR outreach advisor to explore eligibility and start your application.

