

Staff Report for Decision

DATE OF MEETING November 15, 2023

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SUBJECT BC HYDRO SUSTAINABLE COMMUNITIES FUND – MOBILE HOME PARK ENERGY CONSERVATION AND EMISSIONS REDUCTION STRATEGY

OVERVIEW

Purpose of Report

To obtain the Finance and Audit Committee's recommendation for Council approval of a cash contribution to participate in a joint funding application with the Regional District of Nanaimo for a project to support homeowners in mobile home parks to reduce their dwellings' energy consumption and greenhouse gas emissions.

Recommendation

That the Finance and Audit Committee recommend that Council approve using \$15,000 from the Climate Action Reserve Fund to support a joint application to BC Hydro with the Regional District of Nanaimo for a "Mobile Home Park Energy Conservation and Emissions Reduction Strategy".

BACKGROUND

The BC Hydro Sustainable Communities program co-funds projects and programs to support action on reducing greenhouse gas emissions, which is open to local governments (municipalities and regional districts). Their Sustainable Communities Project Implementation Fund will pay up to 50% of eligible costs to a maximum of \$30,000 for an individual applicant, or up to 50% of eligible project costs to a maximum of \$75,000 for projects that bring together multiple resource partners.

Last year, the City of Nanaimo submitted a successful application for the Sustainable Communities Grant. The grant funding was used to support the Step Code Implementation Strategy.

This year, Staff are proposing to collaborate with the Regional District of Nanaimo (RDN) and develop a strategy that supports homeowners in mobile home parks to lower their energy consumption and emissions. The proposed strategy will help Staff identify specific barriers to mobile homeowners and find potential solutions with partners such as mobile home park owners, energy service providers, and BC Hydro.

DISCUSSION

Supporting the upgrade of existing buildings so that all buildings achieve net-zero emissions by 2050 is included as an important policy within City Plan (City Plan C1.1.5) and is reflected in a number of high-priority actions within the Integrated Action Plan. While a number of programs

already exist to support single-family homeowners to overcome both financial and non-financial barriers, they don't always take into account challenges specific to mobile home owners.

Due to their tenancy and ownership arrangement, mobile homes represent a unique building type with building retrofit challenges and opportunities that may not be present in other low density residential housing forms. Mobile home owners own their own buildings but lease a pad rental space from the mobile park owners. The mobile home park operator provides the necessary infrastructure for homes within the park. Mobile home owners can choose their own home heating, cooling, and hot water systems, but those systems may be limited by overall park capacity. This is particularly true for electricity, where overall electrical capacity could be limited by the electrical transformer for the mobile home park. The cost of the electrical upgrade could be prohibitive for homeowners to choose highly-efficient low-carbon technologies such as electric heat pumps for both heating and cooling. On the other hand, there could be an opportunity to coordinate multiple home retrofits within a mobile home park to gain time efficiency and cost benefits.

There are 3,025 mobile and manufactured homes in the RDN excluding Parksville and Qualicum Beach. Of those, 1,652 mobile home lots and 20 mobile home parks are within the City of Nanaimo. Mobile and manufactured homes represent approximately four percent of the low-density housing stock in the region.

Based on energy source data of homes within the RDN, Staff estimate approximately 10% of existing mobile homes are heated with oil, 33% with natural gas, and 53% with electricity. This represents the largest proportion of fossil fuel-heated homes of any low-density housing types in the RDN. A BC Hydro study in 2021 noted that mobile home owners on average pay 50% more for electricity per square foot than the average single-family home¹. This is partially due to thinner walls and less insulation available in many mobile homes, particularly older models. There are often severe temperature swings in mobile homes. The report noted that mobile home residents are more likely than others to use air conditioners. These air conditioners are typically portable units that use 10 times more electricity than a central cooling system.

The purpose of the strategy is to build on BC Hydro's recent study and ongoing effort to support homes in mobile home parks currently on oil and gas systems to eventually transition to high-efficiency, low-carbon energy systems. The strategy will identify barriers for mobile home owners to lower their energy consumption and emissions and recommend cost effective solutions appropriate for our region.

Focusing on homes in mobile home parks, which is one of the more affordable housing options in our community, presents an important opportunity to reduce existing building stock's energy consumption and emissions, lower energy costs to homeowners, improve their comfort while reducing environmental risks associated with oil heating and protecting the affordability of this type of housing.

¹ BC Hydro Power Smart report "Mobiles and megawatts: why mobile homes use the most electricity"
<https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/news-and-features/mobiles-and-megawatts-bchydro-report.pdf>

Financial Considerations

To support the project, Staff are recommending that Council commit \$15,000 from the Climate Action Reserve Fund in cash contribution and a minimum of \$3,750 equivalence of City Staff time as an in-kind contribution.

The total project cost will be \$75,000. The RDN has agreed to contribute a matching \$15,000 in cash contribution and \$3,750 in-kind staff time. Staff anticipates more City and RDN staff time will be spent on this project than included in the budget. However, the in-kind commitment is only allowed to represent up to 10% of the total project budget. Staff intend to apply for the remaining \$37,500 from the BC Hydro Sustainable Communities grant.

Should Council approve funding this project, the revised projected 2023 closing balance for the Climate Action Reserve Fund will be \$272,519.

Proposed Project Contribution Breakdown

Source	Amount
Funding Requested from BC Hydro	\$37,500
Regional District of Nanaimo	
Cash	\$15,000
In-kind	\$3,750
City of Nanaimo	
Cash	\$15,000
In-Kind	\$3,750
Total	\$75,000

OPTIONS

1. That the Finance and Audit Committee recommend that Council approve using \$15,000 from the Climate Action Reserve Fund to support a joint application to BC Hydro with the Regional District of Nanaimo to develop a “Mobile Home Park Energy Conservation and Emissions Reduction Strategy”.
 - The advantages of this option: The strategy will allow the City to support homeowners in mobile home parks to reduce their energy consumption and emissions. This will not only help reduce community greenhouse gas emissions, but also lower energy costs and improve comfort for mobile home owners while reducing environmental risks associated with oil heating and protecting the affordability of this type of housing.
 - The disadvantages of this option: The project commits the City’s resources that could potentially be used to directly support home retrofits in the form of financial incentive.
 - Financial implications: The recommendation allocates \$15,000 from the Climate Action Reserve Fund. By applying for the BC Hydro grant and partnering with the RDN, Council’s investment of \$15,000 will be leveraged to support a \$75,000 project. The 2023 – 2027 Financial Plan will be amended to reflect this allocation.

2. That the Finance and Audit Committee not recommend that Council approves using \$15,000 from the Climate Action Reserve Fund to support a joint application to BC Hydro with the Regional District of Nanaimo to develop a “Mobile Home Park Energy Conservation and Emissions Reduction Strategy”.
 - The advantages of this option: \$15,000 could be used to pursue other projects or programs that meet the intent of the Climate Action Reserve Fund in future.
 - The disadvantages of this option: Without providing matching funding, the City will miss an opportunity to apply for the BC Hydro Sustainable Communities grant and the proposed project will not proceed.
 - Financial implications: The proposed project will not proceed and the requested \$15,000 will remain in the Climate Action Reserve Fund for other purposes.
3. That the Finance and Audit Committee provide alternative funding recommendations. |

SUMMARY POINTS

- Staff are proposing to collaborate with the Regional District of Nanaimo to apply for a BC Hydro Sustainable Communities grant in order to develop a “Mobile Home Park Energy Conservation and Emissions Reduction Strategy”.
- The project has a total budget of \$75,000. Proposed funding includes \$15,000 of cash contributions from the City, a matching contribution from the RDN and \$37,000 requested through the BC Sustainable Communities grant with the remainder being in-kind.
- Supporting homeowners in mobile home parks to reduce their energy consumption and emissions will not only help reduce community greenhouse gas emissions, but also lower energy costs to homeowners and improve their comfort while reducing environmental risks associated with oil heating and protecting the affordability of this type of housing.

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