

DATE: September 3, 2020**FILE:** 5280-02**TO:** Chair and Directors
Regional District Board**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: Climate Action Community Granting Program**

Purpose

To recommend the Comox Valley Regional District (CVRD) Board direct staff to establish a Climate Action Community Granting Program to support the CVRD Board's strategic priority to reduce our impact on the environment and accelerate our actions to adapt and respond to climate change impacts.

Recommendation from the Chief Administrative Officer:

THAT staff be authorized to negotiate and finalize a one-year agreement with GHG Accounting/ Local Carbon Fund to establish a Climate Action Community Granting Program at a cost of up to \$4,000 drawn from the \$31,170 granting program budget.

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Executive Summary

- To offset 2019 corporate emissions, the CVRD Board directed staff to purchase verified carbon offsets to maintain carbon neutrality and explore using the remainder of the carbon offset budget to develop a Community Climate Action Granting Program ("granting program"). The goal of the granting program is to catalyze community-led climate action and greenhouse gas (GHG) emission reductions.
- Staff determined external expertise would be required to establish and administer a granting program of this type. A Request for Expressions of Interest (EOI) was issued in May 2020 to gauge interest from the marketplace. The CVRD received one submission from GHG Accounting in partnership with Local Carbon Fund. They had a number of ideas for development of the granting program such as offering a free capacity building workshop, running the grant program as a competition, offering virtual Q&A sessions and creating a selection jury.
- Staff recommend proceeding with the establishment of the granting program and negotiating and finalizing an agreement with GHG Accounting /Local Carbon Fund based on their response to the EOI as well as the absence of other responses from the marketplace.
- Approximately \$31,170 is available for a granting program with opportunity for additional funding from the carbon offset budget in subsequent years depending on CVRD Board direction. A majority of the budget will be allocated to community grants with a small portion (estimated 10 per cent) allocated for obtaining external expertise to support staff in developing and administering the grant program.

Prepared by:

Concurrence:

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Trevor Kushner, Interim CAO, City of Courtenay	✓
Jordan Wall CAO, Town of Comox	✓
Clayton Postings CAO, Village of Cumberland	✓

Background/Current Situation

To offset 2019 corporate emissions, the Board directed staff to purchase verified carbon offsets from CarbonZero (Canada-wide Thermal Residential Heating Aggregation Project) to maintain carbon neutrality and explore using the remainder of the carbon offset budget to develop a community granting program. In light of the current COVID-19 pandemic, supporting community projects could boost declining financial supports for organizations while meeting the goals of the Regional Growth Strategy (RGS), being the “Comox Valley Regional District Regional Growth Strategy Bylaw No. 120, 2010”, to reduce community GHG emissions.

Climate Action Community Granting Program

The goal of the granting program is to support the objectives of the RGS and to catalyze community-led climate action and GHG emission reductions. The granting program could support community projects that are unlikely to have the scale or capacity to participate in the traditional carbon offset market. Ideally, the grant program would support projects that can quantify GHG emission reductions; however, the granting program would aim to be flexible and open minded to all types of proposals related to climate action.

Staff determined external expertise would be required to establish and administer the granting program. In May 2020, staff issued a call for EOI to gauge interest from the marketplace. Staff envision the vendor would take a lead role in designing and implementing the granting program with guidance from CVRD staff. On the design side, the vendor would be responsible for creating a Terms of Reference, eligibility criteria, evaluation matrix (that supports the RGS objectives and strategic priorities) and communications to advertise the grant opportunity. On the administrative side, the vendor would create a system to evaluate and award grants, administer funds, monitor projects and report to the CVRD on a regular basis.

Proposal from GHG Accounting /Local Carbon Fund

In response to the EOI, the CVRD received one submission from GHG Accounting in partnership with the Local Carbon Fund. The Local Carbon Fund is a community contribution company based in Vancouver, British Columbia, founded to meet the increasing need for accessible funding opportunities for community-led climate actions and provide financial leverage to realize local emission reduction projects. The organization is an independent entity established by GHG Accounting and emerged from the commitment to support clients and the community towards a resilient and low-carbon future.

The submission proposed running the grant program as a competition. A key component of the competition would be hosting an ideation workshop. The ideation workshop would serve as a free

capacity building opportunity to encourage the participants to develop emission reduction projects that are community-driven and centred around topics such as reforestation, renewable energy generation, climate change adaptation as well as transportation and solid waste management. The ideation workshop aims to improve the quality of the grant applications and ensures community engagement at a very early stage. The competition design would also include elements such as virtual Q&As, creation of a selection jury and targeted public engagement throughout.

The Local Carbon Fund offers a Local Carbon Registry (localcarbonregistry.org), which helps profile and track emissions projects across the Province and adds an additional level of transparency. In addition, the Local Carbon Fund has expertise in matching local projects to additional funding opportunities through grants or private contributions to the Local Carbon Fund.

Policy Analysis

Each year, the CVRD reports on corporate emissions as part of our participation in the Climate Action Revenue Incentive Program (CARIP). In June 2020, we completed our 2019 emissions reporting and purchased the required number of carbon offsets to meet our commitment to the *British Columbia Climate Action Charter* to be climate neutral. The proposed granting program is an initiative to spend the remainder of the budgeted carbon offset funds to reduce local emissions without the restrictions of the CARIP program or *Climate Action Charter*.

Options

Option 1: Direct staff to establish a community granting program and work with financial services to negotiate and finalize an agreement with GHG Accounting /Local Carbon Fund.

Option 2: Direct staff to explore other options for the remaining carbon offset funds.

Based on the analysis above and the Board's strategic priority to reduce our impact on the environment and accelerating our actions to adapt and respond to climate change impact, staff recommend proceeding with Option 1.

Financial Factors

Beginning in 2012, the CVRD included in its financial planning process budget line items to meet its carbon neutral objectives. A cost of \$25/MT of estimated emissions is included in budgets for CVRD functions. \$19,930 of the \$51,099 allocated to offset 2019 emissions was used to purchase verified carbon offset offsets. \$31,170 remains for the granting program. A majority of the budget will be allocated towards providing grants to the community with a small portion (estimated 10 per cent) allocated for obtaining external expertise to develop and administer the program.

Legal Factors

There are no legal factors to consider for the granting program as the CVRD has already met its commitment under the *British Columbia Climate Action Charter* and has completed the CARIP reporting for 2019.

Regional Growth Strategy Implications

The RGS recognizes a response to climate change is required. The RGS has adopted a long-term target of 80 per cent reduction of GHG emissions from 2007 levels by 2050, with a mid-term target of 50 per cent reduction by 2030. The granting program will aim to reduce community GHG emissions working towards the following objectives of the RGS:

- Reduce GHG emissions from the building sector, on-road transportation sector and solid waste sector;

- Reduce GHG emissions created by deforestation;
- Plan for renewable energy generation; and
- Plan for climate change adaptation.

Intergovernmental Factors

The granting program would be accepting applications from within the CVRD including Electoral Areas A, B and C; the Town of Comox; Village of Cumberland; and, City of Courtenay.

Interdepartmental Involvement

Planning staff will work with financial services to finalize an agreement with a vendor to support the CVRD in the development and administration of the program.

Citizen/Public Relations

As part of the development of the granting program, an engagement plan would be created. Public engagement would include raising awareness about the granting program, announcing grant recipients and updating the public about the local projects that received funding.