



## THE REGIONAL MUNICIPALITY OF NIAGARA

**REPORT TO:** Chair and Members of Regional Council

**SUBJECT:** Federation of Canadian Municipalities  
Quality of Life Reporting System

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### RECOMMENDATION

That these Committees recommend to Regional Council:

1. That this report be received for information.

### PURPOSE

This report is designed to complement the recent release of the Federation of Canadian Municipalities Quality of Life Issues Report on Incomes, Shelter, and Necessities. Council was provided with a summary of the national report through a memo dated November 15, 2004 and subsequent media release on November 17, 2004 (attached). This report places the findings in a local context and links the content to ongoing local efforts to address affordable housing and homelessness in Niagara. When the initial highlights report was released in April, Council received Report CAO 8-2004 that provided a summary of some of the national trends.

### BACKGROUND

The Federation of Canadian Municipalities' Quality of Life Reporting System involves 20 large Canadian municipalities from coast to coast. It involves studying a wide variety of local indicators that collectively develop a picture of quality of life. Indicators cover a number of broad categories including community safety, clean environment, social welfare, and community health. The results provide trend and comparative information that leads to greater appreciation of where policy and resource attention needs to be placed. It is an important tool for community organizations, research institutes, and other orders of government, allowing them to:

- Identify and promote awareness of issues affecting quality of life in Canadian municipalities;
- Better target policies and resources aimed at improving quality of life;
- Support collaborative efforts to improve quality of life; and
- Inform and influence decision-makers across Canada.

The analysis relies on a Quality of Life framework defined by FCM, based on the understanding that quality of life is enhanced and reinforced in municipalities that:

1. Develop and maintain a vibrant local economy;
2. Protect and enhance the natural and built environment;
3. Offer opportunities for the attainment of personal goals, hopes and aspirations;
4. Promote a fair and equitable sharing of common resources;
5. Enable residents to meet their basic needs; and
6. Support rich social interactions and the inclusion of all residents in community life.

Quality of life in any given municipality is influenced by interrelated issues related to the state of: affordable, appropriate housing; civic engagement; community and social infrastructure; education; employment; the local economy; the natural environment; personal and community health; personal financial security; and personal safety.<sup>1</sup>

This most recent report focuses on a narrower set of trends occurring during the same ten-year period related to personal incomes, shelter and the affordability of basic needs – building upon the highlights report released in April 2004. Particular emphasis is placed on two of the six factors contributing to quality of life: Promoting a fair and equitable sharing of common resources (Factor 4); and enabling residents to meet their basic needs (Factor 5). In addition, the report provides an in-depth analysis of demographic groups more vulnerable to the effects of falling incomes, high rates of poverty and more severe housing affordability challenges. These include singles, single parent families, recent immigrants and the Aboriginal population.

## **REPORT**

### **Where Does FCM fit in the mix of Niagara Initiatives?**

The FCM Quality of Life Reporting system is one of a number of measurement systems employed by the Region to gauge progress on selected community or organizational objectives. Our participation in such measurement systems is in keeping with the Melbourne Principle 10 calling us to, “Enable continual improvement, based on accountability, transparency and good governance.” Council recently adopted report CAO 24-2004 which outlined the importance of our measurement systems to the sustainability of our community.

The assessment of the quality of life in a community will almost certainly produce discussion among community stakeholders of where we want to be. The Quality of Life indicators will highlight areas of strength and weakness both over time and relative to other jurisdictions. The participation in this study and collection and analysis of these indicators will not, in and of itself, improve the quality of life in Niagara. These indicators will assist in developing targets with respect to priority areas for Niagara. They will permit Council and senior management, in consultation with community stakeholders, to evolve the strategic plan to include specific targets for the community to work towards achieving.

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<sup>1</sup> This definition was developed and endorsed by the QOLRS Technical Team, which includes representatives of FCM and each of the 20 QOLRS municipalities.

Once the community has set some priorities, and the organization has identified the contributions required of it to assist in achieving the objectives the focus can then turn to the more specific outcomes that need to be pursued within the limited resources of the organization. This is done through our internal processes of strategic planning, service planning, budgeting, and assessments of the services we provide.

### **National Findings on Incomes, Shelter and Necessities**

Nationally the analysis suggests that despite overall prosperity for most, there has been a period of deepening poverty for some. The issue of poverty is further exacerbated by rising costs for shelter consuming a growing percentage of incomes needed for other necessities. Even though the overall percentage of the population living in poverty did not change significantly over the 10-year period the data indicate that several already marginalized groups continued to experience a deterioration of their situation.

- Overall prosperity improved over the ten-year study period as evidenced by falling unemployment rates, significant increases in the rate of home ownership. These trends were seen across all household types and demographic groups.
- Targeted social programs resulted in significant improvements in two demographic groups that traditionally have high rates of poverty – single parent families and seniors
- Traditional two parent families make up only one-third of the total in 2001. Instead, non-family households (singles and couples without children) continued to grow placing increased demand on dwelling types other than traditional single-family homes.
- In response to demographic shifts and historically low mortgage rates there has been a major shift to various forms of homeownership. In 2001 single family, semi-detached, condominiums and townhouses accounted for over 90% of all housing starts.
- The shift to homeownership resulted in inadequate new supplies of private and non-market rental housing which contributes to low vacancy rates, rising rents and longer social housing waiting lists
- Single parent families, single seniors, recent immigrants and Aboriginals feel the impact of low vacancy rates and rising rents most significantly. These groups were growing substantially in number, but were increasingly unable to afford homeownership or most rental housing
- While the numbers of people dependent on social assistance and other government transfers declined over the decade, there was not a corresponding reduction in levels of poverty suggesting a growing number of working poor.
- Those who did continue to rely on social assistance for income fell deeper into poverty as the value of social assistance benefits fell over the 10-year period. The role previously played by the social safety net was increasingly being played by emergency shelters and food banks or not at all.
- Declining incomes and rising costs place a significant minority of families and singles dangerously close to being unable to afford basic needs. This marginalization was particularly evident for Aboriginal people and recent immigrants.

- Five of the seven indicators used to measure the risk of homelessness showed signs of deterioration. (The seven indicators are; households spending more than 50% of income on rent, rental housing starts, Social housing waiting lists, vacancy rates, incidence of low incomes, unemployment rates, change in number of lone parent families)
- The income gap was marginally lower in the 20 municipalities in the study than the rest of Canada, however, the gap was growing at as much as twice the rate of the rest of Canada
- Even though there are wide variations in overall levels of poverty, unemployment and housing affordability across the 20 municipalities, no single municipality was immune from all of the overall trends of increasing child poverty, high rates of poverty among lone parent families and seniors, increasing rates and size of income inequality, housing affordability problems and homelessness.

### **What does this mean for Niagara?**

Despite years of sustained economic growth, prosperity continues to elude many in Canada's cities. Although the boom of the late 1990's saw some improvement, the gap between those with the most and those with the least has widened and continues to grow. For those left behind, this growing gap has serious consequences for securing food, clothing, and shelter, for maintaining health and security and forming a base from which they can participate in their community.

It is important to note that the FCM Report was never intended to become a comparison between very different Municipalities across Canada. The FCM report is a demonstration of how decisions made at the Local, Provincial and Federal Level have affects that can be far reaching, in geography and in time.

#### *Home Ownership*

During the past ten years there has been a trend towards increased urban home ownership. This growth in ownership was considerably faster than in the rest of Canada, which experienced a 19 per cent increase during the 10-year period and saw the proportion of owners rise by two percentage points to 68 per cent.

In Niagara, this trend was also evident. The number of private dwellings being owned increased in Niagara from 72% in 1991 to 74% in 2001, while the number of rented dwelling decreased from almost 28% in 1991 to 26% in 2001 (see Chart 1). On the surface, this would appear to be a positive trend, but the cost of rental properties and the availability of rental properties must also be considered.

The average cost of rental units has been steadily increasing, while the number of new rental units being built has almost become non-existent in Niagara. This issue is compounded by the decline in new rental units being built, which has declined from almost 31% in 1991 to just below 2% in 2001 (see Chart 2).

Chart 1

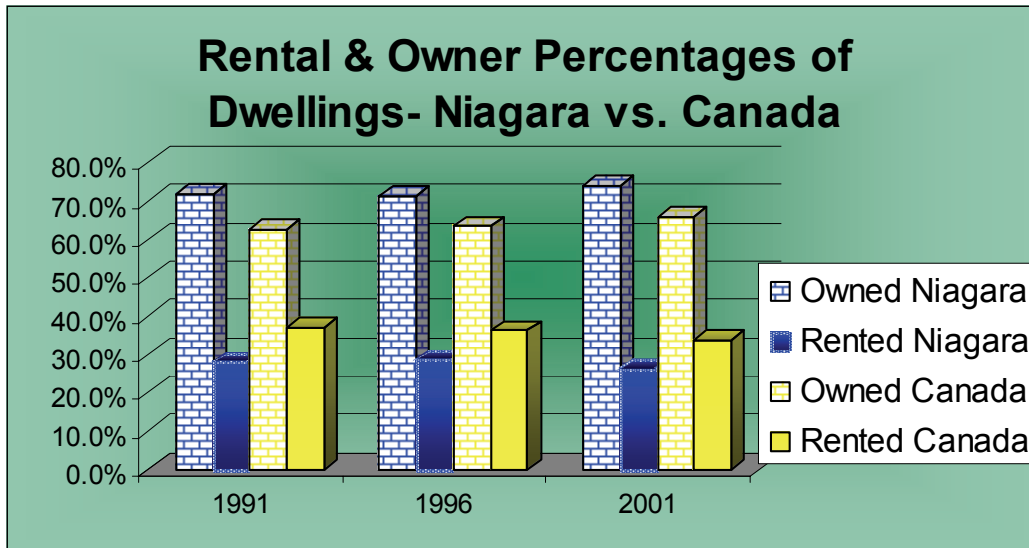


Chart 2

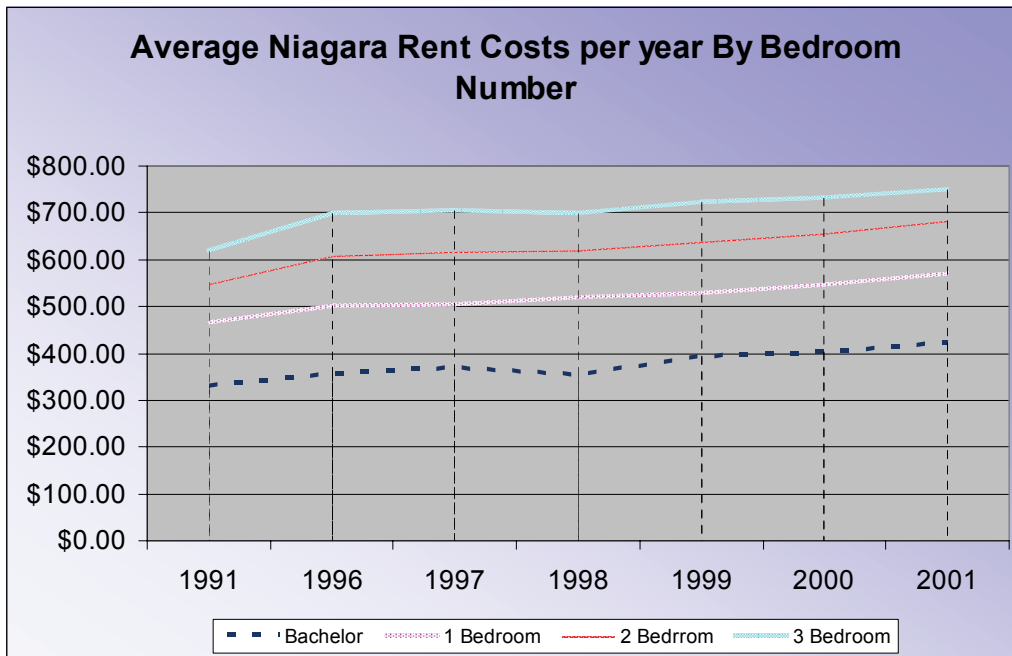
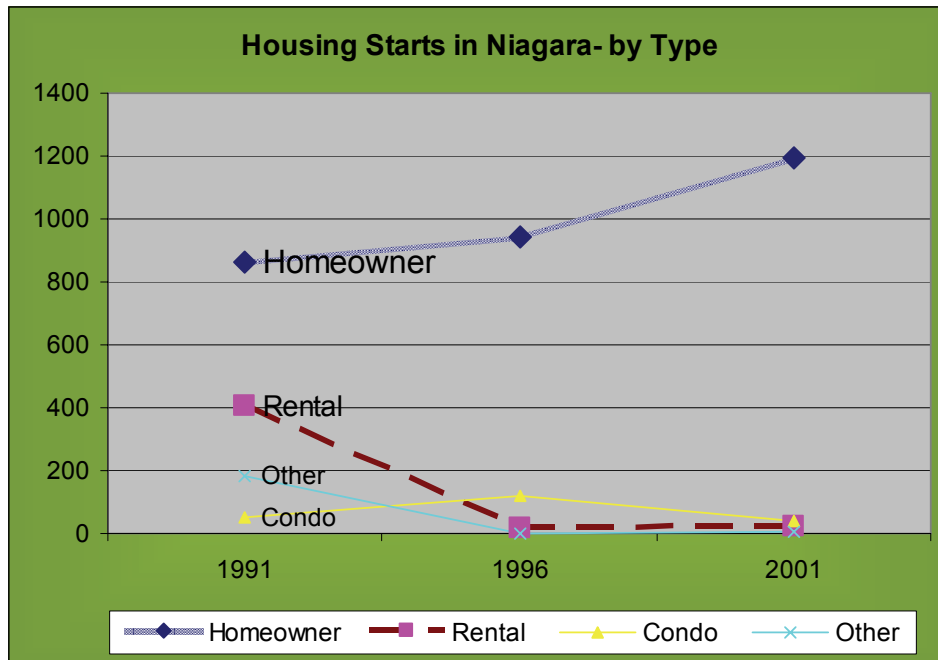


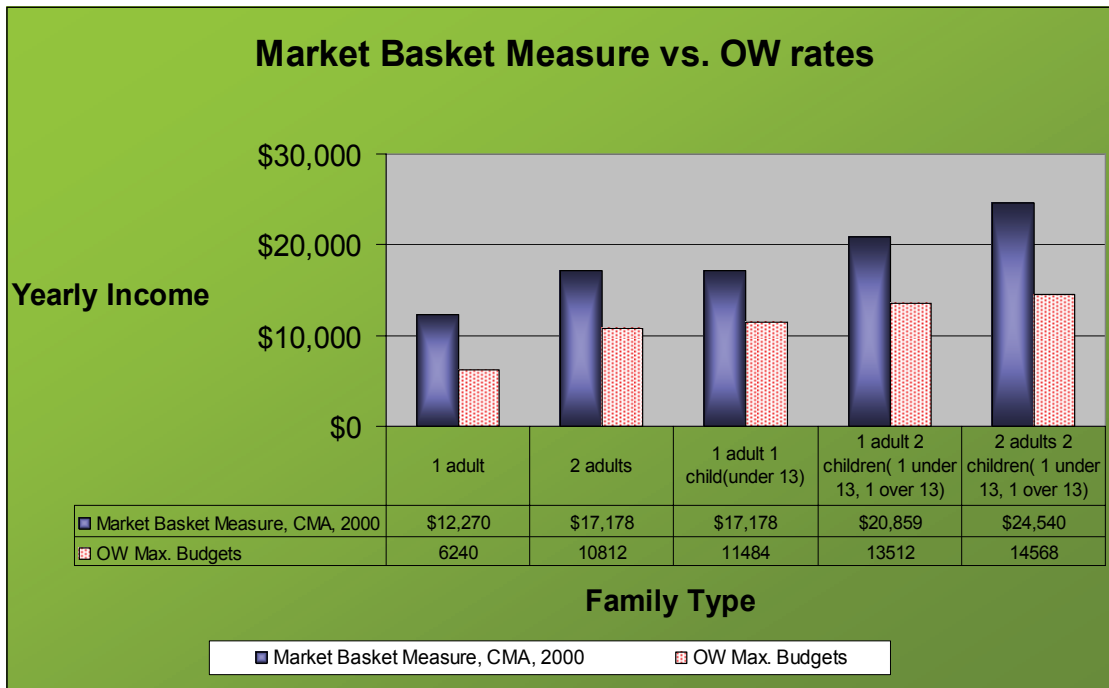
Chart 3



### Basic Needs

In Niagara, individuals and families receiving Ontario Works Assistance were only able to meet between 51% and 65% of their families' basics needs, when compared to the Market Basket Measure for those similar sized families (See Chart 4 below). This, when compiled with the lack of rental properties, the lack of new rental property starts, and the question as to whether the higher paid/skilled employment is available in Niagara, raises significant issues for study and action in Niagara.

**Chart 4**



The Market Basket Measure (MBM), developed by Human Resources Development Canada, includes estimates of the cost of food, clothing and footwear, shelter, transportation, and other goods and services related more to actual local costs of living. Using the MBM, households are considered to be living in poverty when they do not have sufficient income to purchase the goods and services that make up the MBM basket.

Another factor affecting those living in poverty was changes to social assistance rates established by provincial governments. In 2000, 11 per cent of all QOLRS households received Social Assistance benefits. A family on social assistance in 2000 was able to afford only 72 per cent of their basic needs, as defined by the Low Income Measure (LIM).

**Market Basket Measure, CMA, 2000**

Family Type	Cost to meet needs in Niagara	Ontario Works Yearly Maximum Budget	% Ability to meet needs
1 Adult	\$12,270	\$6,240	50.9%
2 Adults	\$17,178	\$10,812	62.9%
1 Adult, 1 Child	\$17,178	\$11,484	66.9%
1 Adult, 2 Children	\$20,859	\$13,512	64.8%
2 Adults, 2 Children	\$24,540	\$14,568	59.4%

## Homelessness

Earlier this year Niagara Regional housing released highlights of an ongoing study intended to assist in the development of housing strategy for the Niagara Community. The statistics indicate that, while homelessness may not be as visible as found in Canada's largest metropolitan areas, there is ample evidence that the seven risk factors used by FCM to assess the risks of homelessness are significantly present in Niagara.

- Tenants in rental units are paying well beyond their means in rent. In 2001 more than 20% of tenants were paying more than 50% of income on rent
- The stock of new housing being built is generally not affordable to a large segment of the population (average price for a single detached home in 2003 was \$231,000)
- Projections indicate that the region requires an additional 1,955 units annually. Of these 25% or close to 490 units should be rentals with rents under \$750/month. Between 1997 and 2002 only 160 rental units were built in Niagara.
- As of April 2004 there were 4,287 households on the waiting list for assisted housing. This waiting list included 1,876 families, 1,495 singles, and 916 seniors.
- One in three Niagara households has an income of less than \$30,000 and our median household income is significantly lower than the Provincial average.

Other issues related homelessness and housing in Niagara include the higher proportion of seniors and the associated need for varying types of accommodation and support services. In addition Niagara has one of the highest levels of immigration in Canada, including refugees. Over the last three years the number of refugees arriving in Niagara has totaled 5,000-7,000 annually, placing pressure on our temporary/emergency shelter system. This is coupled with the lack of affordable housing noted previously and results in regularly full emergency shelters.

## CONCLUSION

This report presents in summary form results of the FCM Quality of Life Reporting System Theme report on Incomes, Shelter, and Necessities released on November 17, 2004. The report summarizes trends in 20 large Canadian municipalities related to housing, affordability and homelessness. This report also provides highlights of results specific to Niagara. The FCM report is part of a series produced since 1999. The 2004 reporting is the first time Niagara has participated. FCM plans to release several issue specific reports similar to this report over the next few months. Council can expect further Niagara specific reporting on those issues in conjunction with the release of FCM reports. In addition, the data collected for this reporting system is available to staff and may be used by members of the study for their own needs in addressing quality of life issues specific to our municipality.

Submitted by:

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*This report was prepared by Kirk Weaver, Corporate Effectiveness Manager, supported by input from numerous departmental staff and Niagara Regional Housing.*

## Media Release

### National Report Echoes Niagara's Housing Concerns

NIAGARA REGION – November 17, 2004 – A Federation of Canadian Municipalities' (FCM) Quality of Life study report on incomes, shelter and necessities confirms the results of a recent study on the housing situation in Niagara. The FCM report found that rising shelter costs in large urban areas are too expensive for low-income earners and that the risk of homelessness is increasing.

Last June, a Niagara Regional Housing (NRH) draft report revealed that home ownership is out of reach for a significant number of Niagara households, as one in three has an annual income of less than \$30,000. Compounding the housing problem in Niagara is the fact that the number of rental units being constructed falls far below the projected need. In addition, about 4,300 households are on a waiting list for subsidized housing. An FCM report released last week calls for development of a national housing strategy.

NRH's General Manager Lora Beckwith said, "Niagara has already identified key gaps and is creating a local strategy. A five-year plan and framework for action will allow government, housing providers, agencies and the private market to work collaboratively towards common goals for Niagara." She sees some relief for Niagara with 150 units of affordable housing, pending Provincial approval, under the Affordable Housing Program: Community Rental Housing Component. "However, affordable rental housing is only one of the challenges facing Niagara with respect to housing."

Niagara Region's Chairman Peter Partington said Niagara has unique concerns related to housing related to refugees and seniors. "We have a significant number of refugees entering Canada who need temporary shelter. This places great pressure on our existing shelter system, which is regularly filled and sometimes turns people away."

The FCM report said that 60% of seniors found it difficult to find affordable shelter in 2001. In Niagara, the proportion of seniors is much higher than other communities, which creates a need for a range of affordable accommodation options.

FCM's Quality of Life Research System Report can be accessed at [www.fcm.ca](http://www.fcm.ca).

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