



City of Kenora

Committee of the Whole Agenda

Tuesday, January 9, 2018

9:00 a.m.

City Hall Council Chambers

A. Public Information Notices

As required under Notice By-law #144 -2007, the public is advised of Council's intention to adopt the following at its January 16, 2018 meeting:-

- Establish Council remuneration rates for 2018

B. Declaration of Pecuniary Interest & the General Nature Thereof

1) On Today's Agenda

2) From a Meeting at which a Member was not in Attendance.

C. Confirmation of Previous Committee Minutes

Motion #1:

That the Minutes from the last regular Committee of the Whole Meeting held December 7, 2017 be confirmed as written and filed.

D. Deputations/Presentations

- Penny Beal, Improvements to Keewatin Beach Road
- Megan Derouard/Heather Kasprick - Kenora SportsPlex Development

E. Reports:

1. Finance & Administration

Item Subject

- 1.1. November 2017 Financial Statements
- 1.2. Council Remuneration
- 1.3. Keewatin Non Profit Housing Corporation Disbandment

2. Fire & Emergency Services

Item Subject

- 2.1 No Reports

3. Operations & Infrastructure

Item Subject

3.1 No Reports

4. Community & Development Services

Item Subject

4.1 Enabling Affordable Housing Progress Report

4.2 Coney Island Music Festival Funding Application Support

Other:

Next Meeting

- Tuesday, February 13, 2018

Motion #2 - Adjourn to Closed Meeting:

That this meeting now be adjourned to a closed session at _____ a.m.; and further

That pursuant to Section 239 of the Municipal Act, 2001, as amended, authorization is hereby given for Committee to move into a Closed Session to discuss items pertaining to the following: -

- i) Education & Training Members of Council (1 matter)
- ii) Receiving advice subject to solicitor-client privilege (1 matter)

Adjournment.

Followed by:

*Public Zoning Bylaw Amendment Meetings:

12:00 p.m. – D14-17-07, Property located adjacent to Dowcett Street, Veterans Drive and Sultana Avenue

12:30 p.m. – D-14-17-06, 116 Fifth Avenue South (Knox Church)



December 29, 2017

City Council Committee Report

To: Mayor and Council

Fr: Jon Ranger, Budget/Special Projects Officer

Re: November 2017 Financial Statements

Recommendation:

That Council hereby accepts the monthly Financial Statements of the Corporation of the City of Kenora at November 30, 2017.

Background:

Attached for your information, please find the November 2017 summary expense and user fee statements for the City of Kenora and the Council department. Please note that as per discussions at the previous council meeting, expenses & user fees for Water & Wastewater and Solid Waste have been separated. At the end of November, the year is 92% complete, there should be 8% of the budget remaining.

Overall:

- Expenses at the end of November 2017 were better than budget with 13% remaining to be spent. Water & Wastewater 23% remaining to be spent and Solid Waste 16% remaining to be spent.
- User fee revenues to the end of November 2017 are below budget with 14% left to collect. Water & Wastewater 15% left to collect and Solid Waste by the end of November had collected 1.5% more than budgeted.

Expenditures:

- **General Government** - The General Government expenses to date are below budget with 17% of the expense budget unspent.
 - **Mayor & Council** – Promotional items under budget, this is reconciled at year end to promotional inventory. Travel expenses also below budget at the end of November.
 - **Human Resources** – Legal, Training, and Travel expenses all under budget in November.
 - **Finance and Administration** - Audit expenses will not be set up until the end of the year.
- **Protection** – The Protection Department expenses to date are close to budget at 12% remaining to be spent.
 - **Facilities Vehicles & Equipment** – Underspent due to recoveries from use of vehicles in other departments.
 - **Facilities & Property Management** – Wages under budget due to allocations for electricians and carpenter. More work completed during the year in other departments.

- **Police Building** – Repairs, Utilities and Cleaning expenses are under budget.
- **Health and Safety Committee** – Training over budget, this has been offset by an appropriation from reserves.
- **911 Emergency Access** – Has been completely spent for the year.
- **Transportation** – The Transportation Department expenses to date are close to budget with 12% remaining to be spent.
 - **Surface Treated Roads** – Underspend on wages to date which is offset by the overspend on wages in Loosetop Roads Maintenance.
 - **Winter Control Maintenance** – Wages under budget, however this will increase with the number of snowfalls in December.
 - **Streetlighting** – Repairs & Maintenance under budget. This can be expected with the new street lights.
 - **Parking Rentals** – Over budget due to an insurance claim deductible.
 - **Paved Roads Maintenance** – Over budget due to wages allocation, more budget allocation may be required in this department.
 - **Docks** – Wages under budget as actual staff time was recorded to other departments.
 - **Warehouse** – Utilities, maintenance and supplies all below budget at the end of November.
 - **Safety Devices Maintenance** – Over budget as line painting contract was completed for the year. Also over budget in signs materials & supplies due to additional bus stop signs, parking lot signs & recreational signs in the current year.
 - **Garage & Shop** – Wages over budget because more of the mechanics wages were allocated to 392 than anticipated. Budget to be adjusted for 2018.
 - **Engineering** – Wages and computer maintenance under budget. Civil engineer in training budgeted for 2017 but not yet hired.
- **Environmental** – The Environmental Department expenditures are below budget with 31% remaining to be spent. 23% remaining to be spent in Water & Wastewater and 16% remaining to be spent in Solid Waste.
 - **Storm Sewers** – Department is under budget - Between 5% and 10% of roads maintenance employee time is budgeted to storm sewers. As of October 2017 actual wages are under budget for this department. This may require a budget allocation adjustment in the future. Note that the materials and supplies budget has not been used to date however I would note that there has been a large number of capital projects completed towards the end of the year related to Storm sewers with a portion of this being funded through the Clean Water & Wastewater Fund(CWWF).

Water & Wastewater

- **General Sewer Lift Stations** – Over budget due to wage allocation. Water & Sewer employees not budgeted in this department however significant time allocated to this department. Adjustment to be made in 2018 operating budget. Sanitary system shows significantly under budget due to this wage allocation.
- **Waterworks** – Under budget due to wages. Some budgeted positions were filled part way through the year.

Solid Waste

- **Garbage Collection** – Materials under budget at the end of Novmeber.

- **Hazardous Waste Day** – Note that contracted services are under budget with 57% still remaining to be spent for the year.
 - **Kenora Area Landfill** – Wages budgeted include 100% of employees time to Kenora area landfill, however wages are under budget as a portion of their time was spent on other departments. Adjustment to be made in the 2018 budget.
- **Health Services** – Health expenditures are right on budget with 9.5% remaining to be spent.
- **Social and Family Services** – Social and Family Expenditures are over budget with only 5% remaining to be spent in the year.
 - This is because Pinecrest Home for the Aged has now been paid for the full year.
- **Community Services** – Overall Community Services expenses are under budget with 16% remaining to be spent. This is in part due to the following:
 - **KRC Complex** – Utilities are under budget with 28% remaining in the budget.
 - **Thistle Arena** – Over the yearly budget due to repairs and maintenance being over budget, expenses in October included costs associated with the Ice plant start up, a brine leak issue, and replacing an ammonia detector.
 - **MSFC Pool** expenses are under budget currently as repairs and maintenance are lower than budgeted, likely due to the significant capital work at the pool in 2017.
 - **Keewatin Memorial Arena** – Part time wages, utilities and repairs and maintenance are below budget.
 - **JM Arena and Complex** – Utilities and materials under budget to the end of November.
 - **Community Events** – Well below budget with the only large expense being the 2017 Christmas tree removal.
 - **Heritage Kenora** – Two heritage designations were budgeted for in 2017 with no expenses in this department other than a subscription to Community Heritage Ontario.
- **Planning & Development** – Planning & Development expenses are under budget with 22% remaining to be spent. This is in part due to the following:
 - The **Starter Company** program is under budget due to \$32,500 remaining in Grants budget.
 - **Economic Development** wages under budget as the economic development intern was budgeted for the full year but only started part way through the year.
 - **Tourism Strategy** – Budget was to continue the LOW Documentary series, and for a potential boating related exhibit at the Discovery Centre. The only expenses to the end of November included the 2017 Lakesmart Docking and another installment of the LOTW History by Water Documentary.

User Fees:

- Overall, user fees are close to budget projections with 14.5% of the budget still to be collected. 15% of Water & Wastewater User fees are also still to be collected and Solid Waste has already collected more than the yearly budget.
- **General Government**
General Government is below budget with 13% remaining to be collected.

- **City Clerk** – While Business Licenses are right on budget, Lottery Licensing fees lag behind budget with 35% still to be collected.
- **Finance & Administration** – Revenue over budget due to Canada Games merchandise sales exceeding expectations.
- **Protection to Persons and Property**
Protection to Persons and Property is below budget with 42% still remaining to be collected.
 - **Provincial Offences** revenue is dependent on the fines assessed in this area. Only two quarters have been posted in 2017 by the end of November 2017, fine revenue is significantly down from the previous year.
 - **Fire Department** – Has exceeded its yearly budget and has collected \$6,300 more than budgeted. Highway Rescue call revenue has exceeded yearly budget by more than \$18k.
 - **Building Inspection** – Exceeded yearly budget by over \$4,000 with still one month remaining in the year.
- **Transportation Services**
Transportation user fees are close to budget with only 7% remaining to be collected.
 - **Metered Parking** user fees have exceeded the yearly budget to date in both Police court fines and metered parking revenue. At the end of November user fee revenue is almost \$17,000 over budget.
 - **Docks** revenue was very close to meeting its yearly budget with only 3.53% remaining to be collected. Also note that **Wharfs** has exceeded its yearly budget.
 - **Conventional transit** – User fees are down this year from last year by approximately \$20,500 by the end of November.
 - **Garage and Shop** – Work order billings are below budget and below last year to date as work for OPG is down in the current year.
 - **Parking Rentals** are right on budget with 10% remaining to be collected for the year.
- **Environmental Services**
Environmental services user fees are below budget with 30% remaining to be collected. 15% of Water & Wastewater User fees are also still to be collected and Solid Waste has already collected more than the yearly budget.
 - **Blue Box Collection** – Currently below budget, however, these are billed on a quarterly basis therefore actual will be better represented in December.

Water & Wastewater

- **Water and Sewer** user fees are below budget at 15% and 16% remaining to be collected respectively.

Solid Waste

- **Kenora Area Landfill** user fees has exceeded its yearly budget by approximately 149k. A large contaminated waste invoice was issued in October.
- **Garbage collection & Transfer Facility** – User fees are exceeding budget with only 7% and 8% remaining to be collected respectively.

- **Community Services**

Community Services user fees are slightly below budget with 12% remaining to be collected.

- **KRC Complex** – User fees are right on budget with only 9% remaining to be collected. This includes daily drop in fees, passes and memberships, as well as instructional courses, room rentals, parking and long term lease rentals.
- **Thistle Arena** has exceeded budget with only 5% remaining to be collected in 2017.
- **MSFC Pool** – Has almost met its yearly budget with only 1% remaining to be collected.
- **Keewatin Memorial Arena** is below budget, and user fees should increase coming into December.

- **Planning and Development**

Planning and Development user fees are currently better than budget with 6% remaining to be collected.

- **Planning Advisory Committee** – User fees have exceeded budgets with Consent Application fees exceeding budget by almost \$5,000.

Please let me know if you have any questions, or would like to see any of the department statements in further detail.

Strategic Plan or other Guiding Document:

Fiscal Responsibility: We manage the municipal finances in a responsible, prudent and transparent manner.

ERM Assessment: Monitoring financial statements on a monthly basis mitigates some of the uncertainty related to projected costs vs actual expenditures.



November 13, 2017

City Council Committee Report

TO: Mayor and Council

FR: Karen Brown

RE: Council Remuneration

Recommendation:

That Council hereby approves Council Remuneration to be set at the following rates effective 1 January 2018:

	Annual Remuneration	Per Diems
Mayor	\$ 33,420	\$ 184
Council	\$ 16,710	\$ 184

; and

That in accordance with Notice By-law #144-2007, notice is hereby given that Council intends to pass a by-law setting out Council remuneration rates for 2018 at its January 16th, 2018 meeting; and further

That the appropriate by-law be passed for this purpose.

Background:

The following is an excerpt from the City Council Annual Remuneration Policy (#CC-15-1):

1. Annual Remuneration:

Annual economic adjustment to Council remuneration will be based on the actual annual percentage adjustment approved for the City's Non-Union Group.

2. Remuneration approved by By-law

All annual remuneration increases will be ratified by adoption of the required by-law and provision of any applicable notice in accordance with Council's Notice By-law.

Council approved an economic adjustment of 1.5% to the City's non-union pay grid for 2018. A corresponding incremental adjustment of 1.5% to Council remuneration represents the following:

	Annual Remuneration	Per Diems
Mayor	\$ 33,420	\$ 184
Council	\$ 16,710	\$ 184

Budget:

The 2018 cost for the economic adjustment (\$2,123) has been included in the City's draft 2018 operating budgets currently being developed.

Communication Plan/Notice By-law Requirements:

A by-law amending Council remuneration is required. In addition, Council needs to provide notice of its intention to pass a by-law to amend Council remuneration in accordance with Notice By-law #144-2007.

Strategic Plan or other Guiding Document:

City Policy #CC-13-1

ERM Assessment:

Moderate risk in relation to the City's ability to attract a strong pool of candidates to future elections. This is considered a positive risk and should be pursued.



January 4, 2018

City Council Committee Report

To: Mayor and Council

**Fr: Henry Wall, KDSB CAO
Karen Brown, CAO**

Re: Keewatin Non Profit Housing Board

Recommendation:

That Council supports the Kenora District Services Board in moving forward with divesting the Keewatin Non Profit Housing Corporation.

Background:

The Keewatin Municipal Non-Profit Housing Corporation (Keewatin MNPHC) is committed to providing affordable housing to the residents of the community. As a Non-Profit Corporation established in 1983, Keewatin MNPHC has been an instrumental partner in the Social Housing sector for over 34 years. Keewatin MNPHC manages a portfolio of 34 units in two separate seniors' buildings; Park Place, located at 809 Superior Street, with a total of 14 units and Bay Terrace, located at 301 Bay Street, with 20 units.

Through a series of Provincial Reform and downloading exercises, the Kenora District Services Board (KDSB) assumed responsibility for social housing administration and management as the Service Manager for the District of Kenora. The Housing Services Act, 2011 defines the role of the Service Manager as: "A service manager shall, in accordance with its housing and homelessness plan, carry out measures to meet the objectives and targets relating to housing needs within the service area." In its role as Service Manager, KDSB completes operational and capital plan reviews to ensure all housing providers are in compliance with the legislation, operating agreements and local rules. Housing provider operating funding calculations are completed based on provincially mandated and approved formulas, benchmarks and indices over which KDSB has no control.

Keewatin MNPHC has been contracting KDSB as its Property Manager for the past four years. The Board of Keewatin MNPHC has been responsible for ensuring that the overall governance of the buildings has been in line with the organizations mandate. They have been charged with general oversight responsibilities. KDSB has been responsible for the day-to-day operations of the units.

In 2016, the Housing Services Corporation (HSC) was contracted by KDSB to complete an in-depth analysis on the financial viability of all projects within the KDSB's service manager obligation. It is important for Service Managers to assess housing providers, projects and buildings to determine future costs. The HSC tool measures the financial viability of housing projects before, at and after the end of operating agreements, mortgages and debentures. The tool is designed to look at each project separately to allow Service Managers and housing providers to determine which projects are financially stable, and which projects will need the greatest amount of subsidy.

There are two considerations examined: capital needs and operating income. When looking at capital needs the capital reserves are compared to the future capital needs. If a project has enough capital funds to cover capital costs then they are considered to have adequate capital reserves. With operating income, all of the expenses are compared to the revenue. If the project has enough money to pay all expenses and has some leftover then that is considered positive net operating income (NOI) position. If there is not enough money to cover all costs then this is negative NOI.

A housing project can receive one of four scores:

	Adequately Funded Capital Reserve		Under-Funded Capital Reserve	
Positive NOI	1	Project is viable, can maintain the current rental mix and has the capacity to maintain building in	2	Project is generating a cash flow surplus, but asset/capital reserve is underfunded.
Negative NOI	3	Project is not viable and cannot sustain the current rental mix; the asset/capital reserve, however, is	4	Project is at risk and unable to undertake the necessary capital renewal or replacement activities to maintain the

HSC has reviewed two critical End of Operating Agreement (EOA) timelines: the Base Year (current year) and EOA Year. This report provides the Viability Summary for each project currently held by Keewatin MNPHC. A summary of each projects viability rating is provided in the following chart.

Program Type	Project Name	EOA Year	Total Units	Current VR	EOA VR
Prov Reformed	Park Place Apartment	2025	14	3	3
Section 95 - MNP	Bay Terrace	2020	20	3	3

This analysis is based on the existing revenue and expenses whereby KDSB follows current legislation, operating agreements, and subsidy calculations as they are now. This highlights the fact that Keewatin Non-Profit cannot continue operations without making changes to their rental mix.

Proposal

Due to various changes within the existing environment, both locally and provincially, the KDSB has had discussions with Keewatin MNPHC on next steps. After several discussions, and reviewing their options, the Board of Directors of Keewatin MNPHC believe that transitioning ownership of the Housing Portfolio to KDSB would be in the best interests of the organization and its tenants.

This transition would be seamless from a tenant perspective. KDSB currently provides Property Management services and has extensive knowledge of the Tenant and Maintenance requirements of the units. The final transfer of all assets and liabilities would be achieved through a collaborative process involving KDSB, the current Board of Directors, tenants and the Municipality. During this transition, the KDSB and Keewatin MNPHC Board will establish a Tenant Advisory Committee to ensure tenants are not

adversely affected. This Committee will remain in place until it is agreed that this is no longer required.

Financial Overview

Appendix A attached details three sets of financial information. The 2013 Audited figures represent historical financial results prior to KDSB providing Property Management services. The 2016 Audited figures represent the historical financial results reported by Keewatin MNPHC for the fiscal year ended December 31, 2016. The 2018 Projected data represents estimated costs and revenues subsequent to the transfer of ownership to the KDSB. The forecasted numbers are based on historical averages, subsidy benchmark data, and changes to specific operations.

Specific forecast changes include:

- Maintenance wages and benefits based on KDSB wage grid for PT employee.
- Removal of property management fee.
- Removal of separate Board expenses.
- Reduced audit fee as programs are incorporated into organization wide audit process

There are several benefits to transferring ownership from Keewatin MNPHC to KDSB which all move to ensuring the long term sustainability of the projects.

- Increased access to capital financing.
The larger asset pool held by KDSB allows for increased access to financing when large capital projects are required. This enables for more capital projects to be completed as they are required without creating pressure on the debt position of the organization.
- Reduction of administration and governance costs.
Incorporating the project into a larger organization allows for more purchasing discounts. Savings through the consolidation of audit requirements, the elimination of separate meeting expenses, and possible economies of scale discounts in elevator and other contracts are all cost saving measures that would increase the operational viability of the projects
- Increased flexibility in adjusting asset mix based on Community Needs.
As the Service Manager for the district, the KDSB is able to adjust the asset mixture on a larger scale than the Keewatin MNPHC. This means that as the demand for Rent Geared to Income Apartments change within the community, we are able to respond immediately to those changes by re-designating units.

The ultimate goal of the transition is to ensure that the long term sustainability of the Keewatin units. The KDSB and Keewatin MNPHC both believe that this transition is in the best interest of the tenants and the community as a whole.

		2013	2016	2018	Variance
		Audited	Audited	Projected	2013 VS
REVENUES:					
Rental Revenues:					
A4-501	total geared to income rental revenue	156,021	145,954	144,477	
A4-502	market rental revenue	68,411	83,673	79,337	
		<u>224,432</u>	<u>229,627</u>	<u>223,814</u>	
A4	total non-rental revenue	7,052	7,594	7,547	
A4-525	Operating subsidy	143,404	151,397		
TOTAL REVENUES:		<u>374,888</u>	<u>388,618</u>	<u>231,361</u>	<u>-143,528</u>
EXPENDITURES:					
Administrative costs:					
A4-541A	maintenance, salaries, wages & benefit	24,376	21,198	53,153	
A4-541B	building and equipment	24,687	29,096	29,297	
A4-541C	elevators	7,415	4,509	4,540	
A4-541D	electrical systems	9,266	2,439	2,456	
A4-541E	heating, air, ventilation and plumbing	11,121	1,002	1,009	
A4-541F	grounds	15,986	15,584	15,692	
A4-541H	waste removal	3,135	4,325	4,355	
A4-541R	management fee	25,766	22,001	0	
A4-541S	materials and services	13,280	6,651	6,697	
A4-541T	other administrative operating costs	14,578	7,549	0	
A4-543	insurance	11,208	10,755	0	
	Total Administrative Costs	<u>160,818</u>	<u>125,109</u>	<u>117,198</u>	<u>-43,620</u>
Utility costs:					
A4-542A	electricity	34,067	52,493	49,648	
A4-542B	fuel	16,390	17,449	18,464	
	Total Utility Costs	<u>50,457</u>	<u>69,942</u>	<u>68,112</u>	<u>17,655</u>
Property taxes:					
A4-549	municipal taxes, shelter	27,951	29,982	30,582	2,631
Mortgage costs:					
A4-550	Total Mortgage Costs	<u>153,626</u>	<u>147,664</u>	<u>143,000</u>	<u>-10,626</u>
Reserve contribution:					
A4-547	transfer to capital reserve fund	23,720	26,050	27,169	3,449
TOTAL EXPENDITURES:		<u>416,572</u>	<u>398,747</u>	<u>386,061</u>	<u>-30,511</u>
ANNUAL SURPLUS/(DEFICIT)		<u>-41,684</u>	<u>-10,129</u>	<u>-154,700</u>	<u>-113,016</u>
2018 KDSB Subsidy based on Benchmarks				<u>168,461</u>	<u>168,461</u>
Forecasted surplus - based on 2018 Subsidy Calculation				13,761	55,445



December 20, 2017

City Council Committee Report

To: Mayor and Council

Fr: Adam Smith, Special Projects and Research Officer

Re: Enabling Affordable Housing – 2017 Progress Report

Information Report:

This report provides no recommendation to Council, rather the intent of the report is to update Council on housing developments in 2017 and initiatives by staff to address this priority area in the City of Kenora Strategic Plan: 2015 to 2020.

Background:

This report is intended to provide information on new developments in Kenora's housing market for 2017. Most of the highlighted housing starts and completions focused on seniors which given demographic trends, is a positive sign of a responsive market. Furthermore, the recent announcement of additional supportive housing units in Kenora is indicative of the fact that there is recognition from government partners that a significant share of the population is in core housing need.

However, in defining affordability by spending less than 30% of before-tax income into housing, there still exists a substantial shortfall in affordable housing for many residents in Kenora. The developments listed below will likely be affordable for those seniors with incomes beyond the 60th percentile (\$46,800). To enhance the market for all income earners, staff intend on providing Council with listing of potential tools available to municipalities in incentivizing housing development.

Completed Housing Developments:

Norman Heights Condominiums

The redevelopment of the former Norman School to nine two-bedroom condominium units was completed in 2017 and is targeted towards seniors. As the signature completion of 2017, the Norman Heights project represents a novel approach to addressing the housing shortfall through conversion of existing facilities.

Housing Starts in 2017:

Data provided by the City's Building Division indicate that in 2017, 17 single family dwellings valued at \$5,855,240 and 2 semi-detached units valued at \$600,000 received permits. A stage 1 foundation permit was also issued for an apartment/condominium. In terms of secondary dwellings, 2 permits were issued, one included a garage addition valued at \$321,000 and another was valued at \$40,000. Provided below is an example of a significant housing project that commenced in 2017.

Bridgeroad Developments

Phase 1 of the Fairway apartment complex will include 24 suites with another 24 planned as part of Phase 2 of the project. With a focus on seniors, the suites are expected to range between just over 1,000 sq. ft. to just over 1,300 sq. ft. with rents from \$1,800 to \$2,100 (utilities included).

Future Developments:

In addition to the announced projects below, the City's Planning Division has approved four R3 rezoning applications to permit higher density development. While this does not suggest the land-use changes will immediately result in rental stock, it nonetheless presents an opportunity to do so. Housing projects that have been announced in 2017, include the following:

King's Landing

This multi-phase seniors' housing development will be located on Railway Street in Kenora. The first two phases are currently being advertised for sale and will consist of 22 townhouse units. There are 70 total units. The development will also include community space and walking trails.

Supportive Housing

Through the Ministry of Housing's Home for Good program, the KDSB has received \$6,535,164 for the construction and improvement of 150 supportive housing units in the District. Of these 150 units, 65 are planned for Kenora.

Corporate Initiatives:

To help facilitate housing development in the community staff have proceeded with a number of initiatives in 2017.

2017 State of Housing Report

Approved by Council in February, the 2017 State of Housing report served as an update of the 2014 Affordable Housing Study as well as offered a new lens to perceive housing issues within the community. To assess core housing need in Kenora, the report used the latest statistical data available to measure adequacy, affordability and suitability in the housing market. To reflect the release of the 2016 Census and new information from Statistics Canada, an update is attached to this report.

Sale and Other Disposition of Land Policy

This policy was approved by Council in December 2017. Staff referenced several other Municipal policies and presentations, and received a recommendation by a well-recognized planning professional, who advised, that the policy should be straightforward to facilitate the sale of surplus land in an expeditious manner. Despite not being specific to housing, a consistent process can reduce the costs borne by developers and improve administrative efficiency. Staff intend to review the policy in the first quarter of 2018 to see where amendments can be made to improve it in relation to the results of the Investment Readiness Assessment exercise slated for January, 2018.

Housing Information Postcards

In 2017, the Economic Development department commissioned a marketing piece that communicates the prioritization of housing development within the City of Kenora Strategic Plan. The postcards include information on the housing incentives contained within the three Community Improvement Plans.

Affordable Housing Incentives in CIPs

The City of Kenora undertook expansions to its three Community Improvement Plans, which were adopted by Council in March 2017. A component of the work included the incorporation of housing incentives in the Harbourn Centre and Former Mill Site project area plans similar to those in place for Keewatin. Housing grants and incentives are available for both planning and implementation projects.

Next Steps:

As referenced in the State of Housing report, staff intend on proceeding with a subsequent report to Council on municipal tools that can enhance the housing stock within the community. In doing so, a cost-benefit analysis will be conducted that can allow Council to make informed policy decisions moving forward.

Budget: N/A

Risk Analysis:

There is a low risk to governance as this report is only for informational purposes. Even so, it is an opportunity to improve understanding of the challenges facing housing in Kenora and the developments that have occurred in 2017.

Communication Plan/Notice By-law Requirements:

Updated State of Housing Report will be uploaded to the City website

Strategic Plan or other Guiding Document:

Strategic Plan:

2-5 The City will encourage new housing partnerships leveraging the skills and expertise of public sector, private sector and community-based agencies within Kenora and beyond

2-6 The City will support the development of a diverse range of housing types with an emphasis on affordable options for families, seniors and individuals in need of transitional and emergency housing

2-7 The City will encourage and support the development of vacant and transitional lands for uses that support our vision



2018 State of Housing Report

January 9, 2018

Table of Contents

INTRODUCTION	2
KENORA'S HOUSING ACTION PLAN BACKGROUND	4
DEMOGRAPHIC AND ECONOMIC FACTORS INFLUENCING HOUSING DEMAND	6
HOUSING AFFORDABILITY, ADEQUACY AND SUITABILITY	10
FINDINGS	17
FUTURE POTENTIAL	18
NEXT STEPS	19

Introduction

Housing is widely recognized as foundational to a person's ability to lead a healthy and productive life. Benefits to the health of individuals and families produce positive outcomes for the broader community as evidence suggests that communities with a range of housing choices for all income earners, are more liveable, economically competitive and resilient. Using the latest available data for Ontario, the Mowat Centre estimates that for each \$1 increase in residential construction investment generates an increase in overall GDP by \$1.52 as the investment continues to cycle through the economy.¹ However, when you scale down the economic effects to an individual level they become even more significant. Since housing is a major barrier to employment, individuals with a core housing need in Ontario could conceivably earn an additional \$9500 in income.² If education is used as a measure, affordable housing for those children in need could lead to 48 percent of them achieving better performance in school.³ Finally, there are significant cost savings for the justice system as housing reduces recidivism and as a result even a small reduction of one correctional stay can save the government an average of \$9500.⁴

Despite the positive outcomes from building affordable housing stock, municipalities across Ontario are faced with immense challenges in facilitating these developments. This is particularly true in Northern Ontario with the climate shortening the construction season and increasing the cost of utilities and transporting goods in and out of the region.⁵ Furthermore, unlike in Southern Ontario where municipalities act as Service Managers and provide social housing for their respective areas, District Social Services Administration Boards (DSSABs) have this responsibility in the North. DSSABs were originally created to administer social services in northern communities before the administration and delivery of housing services were downloaded to the local level. DSSABs do not have powers or resources fully equivalent to municipalities and are particularly disadvantaged due to limitations on their ability to raise funds through debentures to create or improve social housing. They can only raise funds based on the borrowing ability of individual municipalities within their service areas. As most

¹ Noah Zon, Melissa Molson and Matthias Oschinski, "Building Blocks: The Case for Federal Investment in Social and Affordable Housing in Ontario" *Mowat Centre* (2014) pg. 27

² *Ibid*, pg. 33

³ *Ibid*, pg. 35

⁴ *Ibid*, pg. 37

⁵ Greg Suttor, "Affordable Housing as Economic Development: New Housing Can Spark Growth in Northern and Southwestern Ontario" *Ontario Non-Profit Housing Association* (2016) pg. 11

municipalities in DSSAB service areas are small in terms of volume of debentures, even with a good credit rating rates for debt may be higher.⁶

However, the far more significant barrier has been the downloading of social housing stock without any accompanying financial reserves. In Kenora, the majority of this stock was transferred to the Kenora District Services Board (KDSB). The remainder was transferred to various Indigenous Housing providers or left with the Ministry of Health and Long Term Care and other Ministries but operated by various health service providers in the City. The KDSB vis-à-vis the District of Kenora, became responsible for a housing stock that had been constructed between the 1960s and 1990s without any financial means to plan for their replacement. In some cases, at the time of the transfer, the housing assets were nearing the halfway point in their overall useful life and were transferred with no accompanying replacement reserves.

Further, the operational funding provided to the KDSB for the housing stock in its direct portfolios and that of the Non-Profit Housing Providers has been indexed to a methodology scale that is nearly 20 years old. This has translated to the local communities carrying an ever increasing responsibility for the costs of operating the existing housing stock while the Federal and Provincial government responsibilities decreased.⁷

Under this reality, the City of Kenora is confronted with the challenge of addressing the gap in housing for a variety of demographics and income earners, while at the same time, doing so within its legislated authority. The *State of Housing Report* builds off of the gap analysis completed in the *2014 Affordable Housing Study* by providing the latest information surrounding affordability and the current potential in the community.

This report presents a compilation of available demographic, socio-economic and housing market data about Kenora. The primary sources of data for this report include: Canada Mortgage and Housing Corporation (CMHC), City of Kenora, Kenora District Services Board (KDSB), Government of Ontario, Municipal Property Assessment Corporation (MPAC), and Statistics Canada's Census of the Population and National Household Survey (NHS).

It is important to note that data from the 2011 NHS is of lower quality than the mandatory long-form Census it replaced, and is used when higher quality data is not available. In some cases, it was only possible to use District-level data to assess trends.

⁶ Focus ON, "Local Housing and Homelessness Plans" *Ontario Non-Profit Housing Association* (2012) pg. 15

⁷ Kenora District Services Board, "e-mail to author on 2017 State of Housing Report," December 5, 2016

Kenora’s Housing Action Plan

Background

The City of Kenora’s *Housing Action Plan* can potentially drive change in the affordable housing market for low and moderate income earners through advocacy, policies and procedures, regulation, financial incentives and communication and education. The Plan will recognize and respect roles and responsibilities as it pertains to the administration and delivery of housing types in the community (Figure 1).⁸

Figure 1: MMAH Municipal Tools for Affordable Housing

Province	Service Managers (Housing Role)	Municipalities (Land Use Planning Role)
<ul style="list-style-type: none"> • Establish legislative and policy framework • Set out provincial interests for housing • Partner with Service Managers to ensure financial accountability through service agreements • Provide annual reports on province-wide progress • Contribute to funding for affordable housing and homelessness programs • Engage the federal government to establish a long-term national housing strategy including sustainable funding for affordable housing 	<ul style="list-style-type: none"> • Engage the local community in determining housing needs, establish a housing vision and determine priorities for helping people in need • Develop and implement local housing and homelessness plans that address provincial interests and are consistent with Ontario’s Housing Policy Statement • Contribute to, coordinate and administer housing funding • Monitor and report on progress 	<ul style="list-style-type: none"> • Use local housing and homelessness plans as the basis for housing needs assessment to guide development of municipal planning policies and approaches • Identify range of planning and financial tools that are available and create enabling frameworks for their use • Develop and implement official plan policies and zoning to direct development and promote the availability of a full range of housing types to meet range of identified needs. This includes implementing policies to permit second units, as well as enabling policies needed to use planning and financial tools

It will serve to complement the KDSB’s *Ten Year Housing and Homelessness Plan* by bridging in the private market to create an integrated and systemic approach to supporting affordable housing needs within Kenora (Figure 2).⁹ To be effective, the City of Kenora, KDSB and community partners will have to co-ordinate efforts in leveraging funding and developing policy.

⁸ Ministry of Municipal Affairs and Housing, “Municipal Tools for Affordable Housing” Government of Ontario (2011) pg. 4

⁹ Kenora District Services Board, “City of Kenora: Emergency Shelter,” *Open House Presentation April 14, 2016*

Figure 2: Housing Spectrum

Kenora District Services Board				City of Kenora		
Emergency Shelter	Transitional Housing	Social Housing	Non-Market Rental	Market Rental	High Market Rental Ownership	Market Home Ownership
<ul style="list-style-type: none"> •Overnight shelters •EWP mats •Safe Houses 	<ul style="list-style-type: none"> •Low-barrier Housing •Housing with Supports •Transition Houses 	<ul style="list-style-type: none"> •Subsidized Rental Housing for seniors, people with disabilities and families 	<ul style="list-style-type: none"> •Rental Assistance Program (RAP) •Rent Supplements •Affordable Rental 	<ul style="list-style-type: none"> •Rental Housing at Market Prices •Secondary Suites 	<ul style="list-style-type: none"> •Rental Condos •Small Unit Ownership 	<ul style="list-style-type: none"> •Single Detached Homes •Semi-Detached Homes •Row Houses

Despite the pivotal role of the KDSB as a service manager for housing between the Emergency Shelter to Non-Market Rental Housing side of the spectrum, it should be noted that it is not the only housing provider. If the City is to be successful in enhancing the housing market for all residents, collaboration should not be limited to the KDSB but include a wide range of agencies such as:

- Amikkowiish Non-Profit Housing
- Canadian Mental Health Association – Kenora
- Changes Recovery Homes
- District of Kenora Home for the Aged
- Keewatin Non-Profit Housing Corp.
- Kenora Association for Community Living
- Kenora Fellowship Centre (Transitional Housing)
- Kenora Non-Profit Housing Corp.
- Lake of the Woods District Hospital – Morning Star Detox Centre
- Northlands
- Ontario Aboriginal Housing Services
- Women’s Shelter Saakaate House

Economic and Demographic Factors Influencing Housing Demand

The *2015 Official Plan* establishes a land use policy framework in which the City has committed to supporting “the location of affordable housing in an integrated manner within new or existing development” and further, that it will “provide a mix and range of housing types that shall meet the physical and financial needs of all current and future residents.”¹⁰ Under its General Development Policies, the City can use a range of different planning measures and direct supports to incentivize affordable housing. They include but are not limited to density bonusing, deferral or waiving of fees and charges, alternative development standards, land, and more flexible zoning. Secondary suites are also encouraged while priority is given to development applications for affordable housing from non-profit housing corporations and housing cooperatives.

Importantly, the *2015 Official Plan* defines affordable housing as not spending more than 30 percent of gross income on shelter. Alongside the broad guidelines, this definition will lay the foundation by which Kenora’s *Housing Action Plan* can implement tools that are specific, measurable, actionable, realistic and timely.¹¹

The economic and demographic disposition of a community are among the most important factors in driving the housing market. This section of the report helps understand past trends and their impact on present conditions. Along with future forecasts, this information can help determine policies to move forward. To illustrate these factors, the data used includes population size, growth and composition; employment and working conditions; and household income levels.

Population Size, Growth and Composition

Based on the latest census data, the population of Kenora is estimated to be at 15,096 which represents a decrease of 1.6 percent since 2011. The fastest-growing demographic is people 65 years old and older. Currently, 19% of Kenora’s population is within this age group. In comparison, the provincial average is 16 percent. While both of these figures are in an upward trend, the gap between the two will continue to grow over the next fifteen years because

¹⁰ City of Kenora “Official Plan” (2015) pg. 2-2

¹¹ Ibid, pg. 3-1

nearly one quarter (24%) of Kenora's population is between the ages of 50 and 64.¹² As the population ages, there is an increasing desire among seniors to "age in place". The increase in the proportion of seniors in the community will increase the demand for adaptable and accessible, multiple-unit housing. Affordability for seniors living on fixed incomes will also be a factor.¹³

Indigenous people, including First Nations and Metis, make up a significant percentage of Kenora's population. According to the 2016 Census, 21% of Kenora's population is either Metis (1,495 people) or First Nations (1,610 people). This represented an increase of 3% since the 2011 NHS and outpaced growth in the community as a whole.¹⁴

The 2016 Census also provides information for Kenora's census division, which includes all of the land between Kenora and Hudson's Bay. In this area, 31,800 out of 64,615 people identify as Aboriginal, the majority of whom are First Nations (27,785). The census division incurred the highest population growth in Ontario between 2011 and 2016, with a 13.8% increase.¹⁵ While outside of city limits, many people in this catchment area use Kenora as a service hub and require access to housing supports.

Kenora's changing demographics are also reflected in the characteristics of households. For example, it is estimated that the Total Lone-Parent Family Households are going to increase by 45% between 2011 and 2020 in the District of Kenora; 73% of this growth is coming from Female Lone-Parent Households who are proportionally much younger than the provincial average. Therefore, in creating affordable housing, there will need to be a combination of increasing supply and supporting families with education and other supports in order for them to make their own housing situation affordable.

Employment and Working Conditions

Kenora has an unemployment rate of 7.1% which is slightly lower than the provincial average. The chart below provides an occupational breakdown of Kenora's labour market (Figure 3). Similar to trends across Ontario, sales and services is the largest employment sector. The community differs from the rest of the province in respect to the large share of employment

¹² Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Kenora, DIS [Census division], Ontario (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

¹³ Age-Friendly Committee "Kenora's Age-Friendly Strategic Plan" (2016), pg. 11

¹⁴ Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Kenora, DIS [Census division], Ontario (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

¹⁵ Ibid.

being in trades, transport and equipment operators and related occupations. Both the services and trade/transport sectors are characterized by low wages relative to the other occupational groups and help explain the comparatively low median household income level in Kenora.¹⁶

Figure 3: Labour market comparison between Kenora and the rest of Ontario¹⁷

Occupation	% of Jobs		Average Hourly Wage Per Job (2017) ¹⁸
	Kenora	Ontario	
Management occupations	10	11	\$46.66
Business, finance and administration occupations	11	16	\$26.56
Natural and applied sciences and related occupations	4	7	\$37.26
Health-Care	8	6	\$29.80
Education, law and social, community and government services	20	12	\$33.26
Art, culture, recreation and sport	2	3	\$23.38
Sales and service occupations	23	23	\$16.47
Trades, transport and equipment operators and related occupations	19	13	\$24.97
Natural resources, agriculture and related production occupations	2	2	\$20.26
Manufacturing and utilities	2	5	\$20.86

Household Size

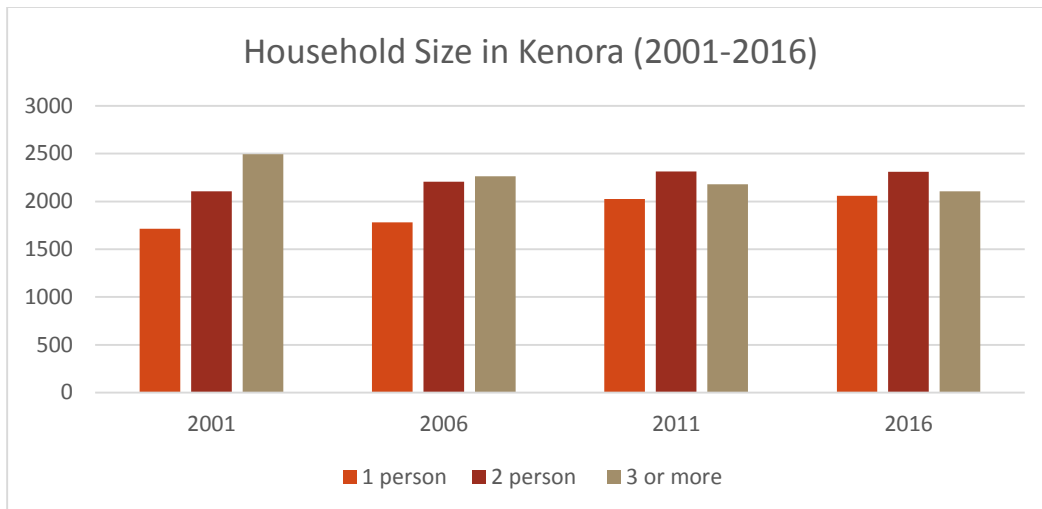
In 2016, the average number of residents per dwelling was 2.3 with 67% of households consisting of 1-2 residents. The growing prevalence of smaller households is not a new occurrence. Between 2001 and 2016, the number of 1 person and 2 person dwellings has increased by 14 percent. This trend is expected to continue in the future given Kenora's ageing population and increasingly prevalent lone-parent households.¹⁹

¹⁶ Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

¹⁷ Ibid.

¹⁸ Statistics Canada. CANSIM tables 282-0151 and 282-0073.

¹⁹ Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.



Household Income Levels

According to the Provincial Policy Statement, 2014, households are considered to have low and moderate incomes when their total household income falls at or below the 60th income percentile for the regional market area.²⁰ Approximately 55% of households in Kenora fall below this threshold as it relates to ownership housing. In the case of rental housing, 38% of households fall below the threshold. While the number of low and moderate income households aligns with the provincial average, the median income of \$73,331 in Kenora is lower than the provincial median of \$74,287.²¹ Kenora performs slightly better than the rest of the province when using the Low-Income Measure (LIM) which is the most commonly used low-income measure. It is a fixed percentage (50%) of median adjusted household income, where "adjusted" indicates that household needs are taken into account.²² Using this measure, the prevalence of low-income dwellings is 10.9% compared to 14.4% for the rest of the province.²³ Overall, Kenora does not appear as an outlier in relation to income distribution in Ontario. But as the subsequent section will demonstrate, there is a lack of multi-residential stock that creates a challenge in improving the standard of living for those with low to moderate incomes and adapting to demographic trends.²⁴

²⁰ Provincial Policy Statement

²¹ Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

²² Statistics Canada "Low income measures," *Government of Canada* (2015)

²³ Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

²⁴ Statistics Canada "Median total income, by family type, by province and territory," *Government of Canada* (2016)

Housing Affordability, Adequacy and Suitability

There are numerous indicators that are often used to measure community well-being but among the most important is that of core housing need. A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards). Suitable housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. Affordable dwellings costs less than 30% of total before-tax household income and adequate housing is reported as not requiring any major repairs.²⁵

In measuring core housing need in Kenora, there existed significant gaps in data that affected the housing portrait. That being said, if a household falls below just one of the standards that defines this indicator, core housing need is evident. Even with existing gaps, the available data on suitability, affordability and adequacy illustrates that a significant share of Kenora's population qualifies as being in core housing need.

Suitability

The NOS outlines the minimum number of bedrooms that a household requires based on its size and composition. For example, a one person household requires as a minimum a bachelor unit (zero bedrooms), a couple requires a one bedroom unit, a couple or lone parent with one child requires a two bedroom unit etc. Despite many households preferring to rent/own a unit with more bedrooms than the NOS, low and moderate income households do not typically have the financial means to do so.²⁶ This reality is what makes smaller unit sizes crucial to a community's housing mix and part of the solution to addressing core housing need.

²⁵ City of Guelph "Affordable Housing Strategy: The Current State of Housing in the City of Guelph," (2015) pg. 83

²⁶ Ibid, pg. 55

Recognizing that housing construction is cyclical in nature and will not be consistent from year-to-year, the chart below illustrates the trend since previous housing study in 2014. Based on the assumption that Kenora will need 460 additional occupied dwelling units by 2031, production does not appear to be aligning with projected growth.²⁷ The market is also dominated by single-detached dwellings despite decreasing household sizes and housing prices outpacing average incomes. (see Figure 4)

Using a suitability perspective, these numbers characterize the market as supplying housing that is unaffordable for many low to moderate income earners and unresponsive to demographic trends. With limited activity in the construction of new rental stock, Kenora's vacancy rate has declined substantially. The benchmark for a balanced and healthy rental market is a vacancy rate of 3 percent. Among privately initiated apartments of three units or more, the vacancy rate has declined from a high of 3.9% in 2014 to 2.8% in 2017.²⁸ Thus, even if a household has sufficient income to pay market rents, they may not be able to find an available unit to lease, particularly households seeking small unit sizes. Increasing demand for bachelor, 1 bedroom and 2 bedroom units as well as the lack of new apartment builds could potentially depress the vacancy rate further and put additional pressure on rental rates.

²⁷ City of Kenora "Official Plan," (2015) pg. 1-4

²⁸ Table 027-0037 - Canada Mortgage and Housing Corporation, vacancy rates, row and apartment structures of three units and over, privately initiated in census agglomerations of 10,000 to 49,999 and cities, weighted average, annual (rate), CANSIM (database) (accessed: December 13, 2017)

Figure 4: Current Housing Developments in Kenora (2014-2017 Q3)²⁹

Housing estimates	Type of unit	2014	2015	2016	2017	Total	Average Production Per Year
Housing starts	Total units	32	31	26	9	98	26.1
	Single-detached units	32	31	26	7	96	25.6
	Semi-detached units	0	0	0	2	0	0.5
	Row units	0	0	0	0	0	0
	Apartment and other units	0	0	0	0	0	0
Housing completions	Total units	21	25	47	7	100	26.7
	Single-detached units	21	25	40	7	93	24.8
	Semi-detached units	0	0	0	0	0	0
	Row units	0	0	0	0	0	0
	Apartment and other units	0	0	7	0	7	1.9

*: CMHC provides statistics up to the third quarter of 2017.

Affordability

Data from the 2016 Census indicates that 27% of households in Kenora were spending more than the 30% threshold of income on shelter costs. This threshold of households spending more than 30% breaks down to the amount of home owners at 12% and the amount of rental tenants at 42 percent. Interestingly, when compared to the rest of Ontario, Kenora has a smaller percentage of households spending more than the 30% threshold but a much higher percentage of tenants living in subsidized housing. In fact, it is about 14% higher than the

²⁹ Table 027-0046 - Canada Mortgage and Housing Corporation, housing starts, under construction and completions in census agglomerations of 10,000 to 49,999, quarterly (units), CANSIM (database). (accessed: December 14, 2017)

provincial average, with 29% relying on some form of subsidy.³⁰ This represents a 10% increase from 2011, highlighting the growing problem of affordability within the community.³¹

Residential property values in Kenora have increased by 5% per year since 2012 with an average assessment of \$187,000 in 2016. When compared to the rest of Ontario, Kenora's assessment values have outpaced the provincial average by 0.5 percent.³²

An increasing assessment base can have many positive benefits for a community but it can also create several challenges. In terms of benefits, it allows people to build equity in their homes and is a source of revenue generation for the municipality as property taxation is based on a percentage of assessment. But rising valuation also makes it increasingly prohibitive for low to moderate income earners to afford a home and for those that already own a home, the heavier tax burden limits their financial flexibility.

As previously mentioned, Kenora's rental market is characterized by a very low vacancy rate which leads to higher rental prices. Between 2014 and 2017, average rent for a one bedroom unit had increased by 10% to \$718/per month. For a two bedroom apartment, the rent increased by 7% to \$875/per month.³³ In general, low income tenant households, with annual incomes at or below the 30th income percentile have very limited housing options in the private market. But based on the current average rental rate, even those residents in the 40th income percentile will have difficulty in finding affordable options.

In Kenora, approximately 17% households living in Kenora are at or below the 30th income percentile (some of whom would be residing in social housing).³⁴ These households would be unable to afford a one bedroom unit with an average market rental rate of \$718 per month. Some of these residents may already be in social housing, but for those who are not and need to make the transition, major barriers exist. The KDSB reported that between 2014 and 2015, the waiting list for rent-geared-to-income housing in the District surged by 121 percent.³⁵

In 2016, the KDSB reported that the waiting list in the City of Kenora for rent-geared-to-income housing was largely shaped by those seeking single non-elderly units (40%) and family units

³⁰ Statistics Canada. 2017. Kenora [Census agglomeration], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017

³¹ City of Kenora. "2014 Affordable Housing Study" pg. 6

³² Municipal Property Assessment Corporation "Kenora Residential Property Values on Average Have Increased Five Per Cent Per Year Since 2012," (2016)

³³ Table 027-0040 - Canada Mortgage and Housing Corporation, average rents for areas with a population of 10,000 and over, annual (dollars), CANSIM (database). (accessed: December 13, 2017)

³⁴ Statistics Canada. 2017. Kenora [Census agglomeration], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

³⁵ Ontario Non-Profit Housing Association "2016 Waiting Lists Survey Report," (2016) pg. 28

(22%). Individuals seeking seniors housing represented 22% of the waiting list.³⁶ The combination of high rental rates in private developments and a long waiting list for social housing, creates a risk of homelessness for low income households.

Challenges also extend to those households with incomes between the 30th and 60th income percentiles. While they may be able to afford to rent units in the private market, they most likely do not have the financial means to rent a “suitable” unit (i.e. a unit that has enough bedrooms for the size and make-up of the household).

Figure 6 illustrates the issue of affordability depending on the type of household and income percentile. It indicates that a significant share of households are paying above which is affordable given the current prices in the housing market.

Figure 6: MMA Affordability Price/Rates versus City of Kenora Household Income (2017)^{37 38}

Income Percentile	Number of Households	Affordable House Price	Income Percentile	Number of Households	Affordable Rental Rate
Total	6,475				
NA			10 th Percentile (\$14,400)	395	\$360
20 th Percentile (\$29,800)	770	\$111,000	20 th Percentile (\$20,000)	575	\$500
30 th Percentile (\$41,500)	475	\$155,000	30 th Percentile (\$24,000)		\$600
40 th Percentile (\$52,700)	525	\$196,500	40 th Percentile (\$30,500)	735	\$760
50 th Percentile (\$65,200)	980	\$243,000	50 th Percentile (\$38,000)		\$950
60 th Percentile and above (\$79,600)	2905	\$297,000	60 th Percentile and above (\$46,800)	4655	\$1,170

³⁶ Kenora District Services Board, “e-mail to author on rent-geared-to-income housing waiting List,” January 30, 2017

³⁷ Ministry of Municipal Affairs and Housing “Provincial Policy Statement: Housing Table,” *Government of Ontario* (2015)

³⁸ Statistics Canada. 2017. Kenora [Census agglomeration], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

Adequacy

Based on the current supply of housing stock in Kenora, there has been 1050 dwelling units constructed since 1990. With an estimated household count of 6,475, this suggests that only 16% of the total stock is under 27 years old. Furthermore, since that time only 23% of new builds consisted of row and apartment units.³⁹ There are two major challenges with having an ageing housing stock. First, older dwellings are relatively drafty and lightly insulated, and this can result in higher heat losses and energy bills — even in those built more recently such as in the 1980s. These dwellings likely use at least 25% more space heating energy than houses built after 2010. In Canada, space heating accounts for over 60% of residential energy use and, therefore, makes up a good proportion of the overall energy bill.⁴⁰ For many, a high energy bill can be the difference in meeting the criteria for core housing need.

Second, the older a dwelling becomes the more maintenance is required to ensure it remains adequate for the resident. Figures 7 and 8 illustrate that in 2016, 65% of homes built prior to 1960 required major repairs representing a 10% increase from 2011. Since these houses represent the vast majority of stock in Kenora, their continued deterioration will impose a significant financial burden on residents and work towards perpetuating core housing need in the community. Adequacy is a key measure in determining core housing need and although current data on dwelling conditions is lacking, there are few signs of improvements.^{41 42}

³⁹ Canada Mortgage and Housing Corporation “housing starts, under construction and completions in census agglomerations of 10,000 to 49,999,” *Statistics Canada* (2016)

⁴⁰ Canada Mortgage and Housing Corporation “Energy Efficiency Building Envelope Retrofits for Your House,” (2012)

⁴¹ Statistics Canada, 2011 National Household Survey, Statistics Canada Catalogue no. 99-014-X2011026.

⁴² Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016221.

FIGURE 7: HISTORICAL PERIOD OF CONSTRUCTION AND NEED FOR MAJOR REPAIRS (2011)

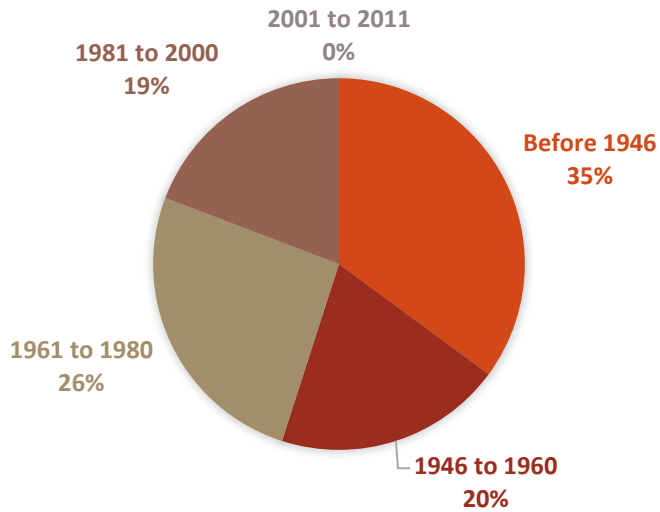
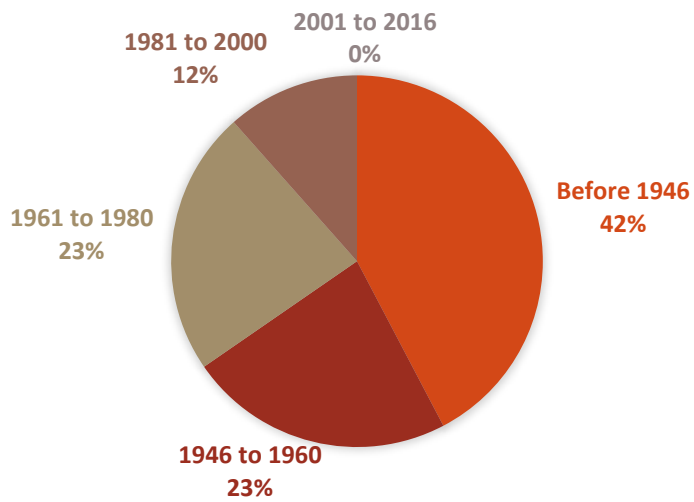


FIGURE 8: HISTORICAL PERIOD OF CONSTRUCTION AND NEED FOR MAJOR REPAIRS (2016)



Findings

As a living document, the *State of Housing Report* has been updated to reflect new statistical data available through the 2016 Census. The trends and issues identified in the previous report submitted in 2017 have largely remained constant. Subsequently, the three problems statements developed in that report are still evident with some minor changes to reflect the changes that have occurred.

Problem Statement #1:

There is a lack of multi-residential stock that creates a challenge in improving the standard of living for those with low to moderate incomes and adapting to the growing prevalence of lone-parent households and ageing demographics.

With the fastest-growing demographic in Kenora being people 65 years old and older and the increasing predominance of households with 1-2 people, multi-residential stock will be crucial in accommodating these interrelated trends. Thus far, housing production has failed to keep up with existing demand, particularly in regards to rental units which tend to be more affordable for those with low to moderate incomes.

Problem Statement #2:

The combination of high rental rates and housing prices in private developments and a long waiting list for subsidized housing, creates a risk of homelessness for low income households.

Both rental rates and housing values have outpaced growth in the rest of Ontario making home ownership and rental units increasingly unaffordable for many households in Kenora. In response, people are forced to either apply for subsidized housing or reside in dwellings that don't meet the National Occupancy Standard.

Problem Statement #3:

Kenora's existing housing stock is ageing resulting in higher energy costs and repairs that affect affordability.

As energy costs increase and the community continues to rely on an ageing housing stock, low to moderate income earners will find it difficult to stay below the 30% income threshold for housing. Dwellings built prior to 2010 can spend 25% more on space heating and with 65% of housing units built prior to 1960, these buildings are increasingly in need of major repairs.

Future Potential

Thus far, the narrative of this report has focused on what has shaped housing demand in Kenora and identifying the problems within the market through the lens of suitability, affordability and adequacy. Future economic and demographic projections in combination with present needs, portray formidable obstacles to creating a sufficient housing mix for residents in the community. However, by utilizing a variety of policy levers at the City's disposal and collaborating with service providers and other orders of government, these obstacles can be overcome.

Effective leadership not only requires the recognition of a problem but the acceptance of responsibility in affecting change. The City of Kenora will be assuming a leadership role in enhancing the supply in the housing market. Prior to moving forward with a comprehensive plan that embodies a long-term approach to addressing core housing need, it is important to assess what is immediately available.

The *2015 Official Plan* is not only the basis for planning future housing development but for making development related decisions in the present. The City's Planning Division administers development applications according to its guidelines and the specific requirements under Zoning By-law 101-2015. Although development must conform to this legislation, they are intended to be living documents subject to review and amendments can proceed upon request.

As a growth strategy, the *2015 Official Plan* noted that in both the Established Area and Residential Development Area, there is "sufficient land to accommodate the projected housing unit demand to the year 2031, while leaving some additional supply if demand increases as a result of new economic development."⁴³ Consisting of both private and municipal holdings, the availability of these vacant lands is the first step in closing Kenora's housing gap. Most of the vacant lands the City owns are parks, held for infrastructure (sewer, water, roads, and old garbage dump) or steep and rock piles. That being said, there are a number of viable properties that could be made available for either affordable housing or housing project development.

⁴³ City of Kenora "Official Plan," (2015) pg. 1-4

Next Steps

This second edition of the *State of Housing Report* is essential to identifying the problems in Kenora's housing market, illustrating development potential and informing the creation of solutions. By using the data to scope out the problems afflicting Kenora's housing market, the City can identify available tools and formulate strategic directions. Examples of tools available to the City of Kenora include:

- Regulatory responses (e.g. Zoning Amendment)
- Policies and procedures (e.g. development approvals process)
- Financial (e.g. Community Improvement Plan grants)
- Communication and Education (e.g. resource pamphlets)
- Advocacy (e.g. engagement with federal and provincial governments)

In developing these tools, community stakeholders are to be consulted to ensure they are most effective in addressing issues related to housing suitability, affordability and adequacy.





December 20th, 2017

City Council Committee Report

To: Mayor and Council

**Fr: Josh Nelson, Tourism Development Officer
Matt Boscariol, Manager of Community and Development Services**

Re: Sponsorship of Coney Island Music Festival

Recommendation:

That Council of the City of Kenora hereby supports the Coney Island Music Festival's request to name the City of Kenora as a sponsor in their application for funds through the Kenora & Lake of the Woods Regional Community Foundation for support of the 2018 festival.

Background:

Under prevailing income tax legislation the Kenora & Lake of the Woods Regional Community Foundation (aka Community Foundation) is restricted to providing grants to organizations that have charitable status. As a result The Coney Island Music Festival must have a sponsor to apply for grants through the Community Foundation since the Festival does not have charitable status.

The City has provided sponsorship to many such organizations in the past.

Ferg Devins, Co-Chair of the Coney Island Music Festival provided the following synopsis of the application to the Community Foundation:

The request will be for \$3000 from the Dream Fund to provide support for overall expenses for the 2018 10th Maybe Annual Coney Island Music Festival.

Budget:

There is no expected budget impact as a result of this report.

Communication Plan/Notice By-law Requirements:

Ferg Devins, The Coney Island Music Festival, is to be informed of Council's decision.

Risk Analysis: *Identify any perceived risk(s) to the recommendation and describe how the City will treat the risk (avoid, mitigate, transfer, accept)*

There is no risk involved with this request.

Strategic Plan or other Guiding Document:

1-9 The City will promote Kenora as a 365-day lifestyle destination.

2-4 - The City will act as the catalyst for continuous improvements to the public realm