REPORT TO COUNCIL

TO: Bert Meunier, Chief Administrative Officer
FROM: Lance Thurston, Commissioner, Department of Community Services
PREPARED BY: Harold Tulk, Fire Chief, Kingston Fire & Rescue Services
John Cross, Manager, Policy & Support Services, Community Services

DATE OF MEETING: 2004-07-13
SUBJECT: Kingston Fire & Rescue Services – Step 3 Service Review

RECOMMENDATION to Committee of the Whole:

WHEREAS in 2002 Council authorized a comprehensive four step review of Kingston Fire and Rescue Services and established community fire response time standards for the urban, suburban, and rural areas of the City;

AND WHEREAS at Step 1 of the review process (governance) Council adopted an integrated urban/rural service delivery model and confirmed the organizational structure for fire and rescue services;

AND WHEREAS Step 2 of the review process (service levels) concluded that Kingston Fire and Rescue is significantly under-resourced and not able to meet stated community response expectations or accepted industry response standards on a consistent basis;

AND WHEREAS staff has now concluded Step 3 of the review process (financial analysis);

NOW THEREFORE IT IS RECOMMENDED THAT Council receives the findings of Step 3 as detailed in Report No. 04-220 and hereby adopts and directs staff to implement the following recommendations as Step 4 of the review process:

1. Prepare the necessary Establishing and Regulating By-Law to formalize Kingston Fire and Rescue Services as a single urban/rural composite fire service.

2. Implement the recommended Base Response Plan immediately.

3. Prepare a proposal for Council’s further consideration to establish, as a matter of priority, a municipal fire training and education centre in 2005.
4. As part of the 2005 budget deliberations consideration be given to the addition of sixteen career and thirty volunteer fire suppression staff so that Kingston Fire and Rescue is able to consistently meet all applicable minimum community and fire industry response standards.

5. Adopt financial Model D1 as outlined in Appendix “E” to Report No. 04-220 as the basis for preparing the 2005 budget for Fire and Rescue Services.

6. Authorize the consolidation of the three distinct area fire capital reserve funds, which is consistent with the 2004 approved budget and which enables financing of the capital program as documented in Report No. 04-220 and supported by financial model D1.

7. Authorize staff to prepare, for Council’s consideration as part of the 2005 budget deliberations, the terms of reference and project scope for the development of a comprehensive Master Fire Plan for the City of Kingston.

ORIGIN/PURPOSE:
In 2002, City Council directed staff to initiate a four-step organizational and service review of Kingston Fire & Rescue Services (KFR). Council has received reports previously on the first two steps of the review process, authorizing staff in each instance to proceed to the next step of the process.

The purpose of this report is to provide Council with the results from Step 3 of the process, Financial Impact Analysis. A detailed analysis of the projected financial implications of realigning fire services and resources to meet the fire industry performance standards and stated expectations of the community is included.

OPTIONS/DISCUSSION:
Background
Although the new City of Kingston was formed in 1998, the Fire Services were not amalgamated and continued to operate as three separate and quite distinct organizations until mid 2002. Significant operational and administrative challenges that had been identified by Council, staff, and external agencies up to that time prompted the then new Fire Chief, Harold Tulk, to embark on a formal organizational/service review process. This comprehensive process has afforded internal and external stakeholders opportunities to properly evaluate current resource and service gaps as well as the stresses emerging issues are placing on public fire protection.

Major concerns about fire response times, training, equipment, and resource capacity have been recurring themes in staff reports, consultant’s reports and correspondence from external agencies monitoring the status of the KFR. In 2000, the extensive M.M. Dillon Report commissioned by Council noted significant shortfalls in staffing and resources. Notable among its many conclusions were the following:

- Career staff in Central (former City) are spread too thin to fully perform all tasks and functions; on a regular basis there is an insufficient number of firefighters on duty to handle simultaneous alarms or one large incident and still have sufficient staff in the stations to deal with even minor emergencies
- Response coverage needs attention in the west and east
- Improvements in levels of service could be attained through continued integration of operations across former municipal boundaries and the sharing of resources
- Uniform standard operating procedures (SOP) are needed
Integration of training and prevention functions across boundaries is required
It is important to preserve the volunteer service culture
Steps should be taken to create a single, fully integrated organizational structure
Dispatch function must be updated and consolidated

In recent months, the Office of the Fire Marshal (OFM) and the Insurance Underwriters placed the City on notice of the need to improve fire response times and capabilities to a consistently acceptable level, to address the significant shortcomings in our aging fleet of vehicles and inventory of equipment, and to stabilize the reliability and capacity of the rural water shuttle program for fire protection purposes. For the four years prior to serving the City with its notice, the OFM had been actively monitoring the City as a result of concerns arising from the conclusions identified in the Dillon report.

The Fire Chief has been working with the Insurance Underwriters for the past two years in developing strategies to ensure an acceptable fire rating for the City. A community’s fire rating, as will be explained later in this report, is a critical factor considered by the insurance industry in setting rates and policy terms for private residential, commercial, industrial and institutional insurance coverage.

Formal notification from these overseeing and regulating agencies is not a common occurrence, which demonstrates the gravity with which they view the Kingston situation. Copies of these notice letters are attached as Appendix “A”.

Important initial steps have been taken over the past two years and improvements continue to be made to mitigate the notable challenges facing Kingston Fire and Rescue, as budget and circumstances permit. For example, in 2002 Council authorized a significant increase in firefighting and fire prevention staffing (25 positions). In 2003 the support operations of administration, fire prevention, training, and communications were centralized at the new KFR headquarters at 500 O’Connor Drive. And in 2003/2004, adjustments were made in the area-rated funding model to bring more equity and financial stability across the former municipal jurisdictions.

A number of significant issues remain unaddressed and others have emerged subsequent to the initial Dillon report. Stakeholders such as the OFM and the Insurance Underwriters recognize and support the remedial steps underway to mitigate the historical anomalies within the fire service and continue to urge Council to address the remaining staffing and resource issues.

We must not lose sight of the fact that Kingston Fire and Rescue is still in its formative post-amalgamation stages. Despite the substantial improvements made in the last two years, it is not able to consistently meet performance standards and community expectations. There is considerable work to be done to respond to long-standing resourcing issues as well as emerging challenges, and to facilitate the ongoing transformation of KFR into one truly unified urban/rural fire service.

Service Review Process
Ultimately, it is Council that responds to community expectations, establishes community response time standards and determines the resources that will be provided to its fire service. In turn, the fire service has an obligation to utilize those resources in providing the highest possible level of service that can be safely and effectively delivered to meet Council-prescribed community standards. In order to meet expectations and properly address the issues identified by Council, staff, and external fire service agencies, KFR has been undergoing an extensive review of organizational structure, processes, services and programs. The process, as approved by Council, has four steps:
Step 1 - Governance Framework and Policy Development
Step 2 - Review of Operational Procedures and Services
Step 3 – Financial Impact Analysis
Step 4 – Implementation

The outcomes from each step in the process are endorsed before moving forward to the next step. City Council approved the outcomes from Step 1 and Step 2 on March 19, 2002 and March 4, 2003 respectively. Previous reports to Council describe the review methodology and contain comprehensive analyses of the Step 1 and Step 2 results (See Appendix “B” and “C” respectively). Brief summaries of the approved outcomes are included below.

(a) Step 1 - Governance Framework and Policy Development
The purpose of Step 1 was to review the current state of fire protection and recommend a governance framework. Many factors had to be taken into consideration including the proposed growth and make-up of the new city and the tentative steps that had been made to move the three former departments into a single force in recent years.

The Step 1 outcomes approved by Council were:
- A new organizational structure for the new Kingston Fire & Rescue Services.
- A comprehensive list of services to be provided by KFR, which would serve as a benchmark for the development of a base response plan.
- Recognition that given the existence of both career and volunteer forces, that Kingston should embrace the composite delivery model of fire protection.
- A “community standard” for desired response time performance for reported structural fires in the urban/rural delivery model (which is to be achieved ninety per cent of the time):
  - 5 minutes – Urban
  - 10 minutes – Suburban (single storey residential)
  - 15 minutes – Rural (agricultural and single storey residential)

(b) Step 2 – Services and Service Levels
In Step 2, practitioners were given the opportunity to affirm, modify, or revoke the new organizational structure and the list of fire services so that a base (first alarm) response plan could be developed to meet the fire protection needs of the new City of Kingston within its current budget limits.

Fire service personnel confirmed and rated the services the community receives and where within the organization the services should reside to provide for more effective and efficient delivery of service. This internal identification and realignment of functions and duties was essential to gaining common understanding among all the stakeholders and improving overall service delivery.

A number of gaps and inefficiencies were identified in the Step 2 review. This then led to the identification of a series of service and service level adjustments that are considered by staff and industry stakeholders as necessary to resolve the identified issues and achieve the stated response standards on a consistent basis. The Table below summarizes the identified needs, and the recommended service adjustments that would be required in 2004 and 2005 to meet these needs properly.
### SERVICE LEVEL ADJUSTMENTS ARISING FROM STEP 2 ANALYSIS

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<tr>
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<tbody>
<tr>
<td><strong>Communications</strong></td>
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<tr>
<td>CAD/911 system</td>
<td>2004 Capital: $334K (report pending)</td>
<td></td>
<td>▪ Meets current budget allocations;</td>
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<td>Communications Supervisor</td>
<td>Approved</td>
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<td>▪ Enhances safety of the service provider;</td>
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<td>▪ Increases efficiency &amp; effectiveness of services to the public;</td>
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<td>▪ Improves performance in grading for insurance evaluation purposes;</td>
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<td>▪ Consistent with the provisions in the MOU with KFPPA;</td>
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<td><strong>Training &amp; Education (Firefighters, industrial, community and municipal staff)</strong></td>
<td></td>
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<tr>
<td>New training site</td>
<td>2005 capital: $2.1 M</td>
<td></td>
<td>▪ 2005 budget allocations;</td>
</tr>
<tr>
<td>Specialized Training</td>
<td>$50 K/year est. to maintain the training site</td>
<td>$50-100 K/year in potential revenues</td>
<td>▪ Current training areas are unsuitable for active use;</td>
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<td></td>
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<td>▪ Ten acres are required to provide sufficient space in a suitable environment within the needs and circumstances of municipal services and industry within the City of Kingston</td>
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<td>▪ Meet the mandatory firefighting, health &amp; safety training and certification requirements;</td>
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<td>▪ Enhances professional development across the broader municipal base;</td>
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<td>▪ Partnerships with industry and outside fire departments which will generate substantial operating revenues;</td>
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<td>▪ Increases our ability to retain highly skilled firefighters in a composite fire service environment;</td>
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<td>▪ Master Fire Plan (MFP) to determine appropriate resources &amp; certification for the specialized services i.e. CBRN, medical assist, marine firefighting &amp; rescue, etc.</td>
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<td></td>
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<td>▪ Meet recommendations flowing out of</td>
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Coroner’s Inquests involving Fire Service fatalities; Juries have recommended regional live fire training centres.

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<tr>
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<tr>
<td>Fire Prevention &amp; Public Education</td>
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</table>
| Fire Prevention Staffing | Approved | Pending Master Fire Plan | - Prevention & education now available in urban and rural areas.  
- Meet the mandatory requirements of the FFPA.  
- Meet the inspection requirements of specialized occupancies i.e. industry institutions, schools, commercial, mercantile, etc.  
- Proper records & education programs will enhance the City’s standing in insurance grading. |
| Firefighting Equipment & Vehicles | | | |
| 2 Firefighting Tankers | 2004 Capital $675 K | $46K/yr over 10 years | - To meet tanker shuttle requirements & response time standards for insurance grading purposes;  
- To meet recommended practices/guidelines published by the Office of the Fire Marshal and the NFPA;  
- Establishes the required replacement of rolling stock within prescribed replacement schedules for firefighting equipment as set out by the insurance industry and the regulating agencies;  
- Improves firefighter health & safety in service delivery;  
- Assists in providing adequate rural firefighting water supplies;  
- Provides KFR with the capacity to reload fire vehicles at least once after major events; |
| 2 Firefighting Pumpers | $700K | | |
| Firefighting hose | $46,000 | | |
| Firefighting Personnel | | | |
| 16 Career | $ 1 M est. /yr. | | - To meet NFPA 1710 for urban and suburban fire protection |
| 30 Volunteer | $ 300 K est./yr. | | - To meet NFPA 1720 for rural and remote fire protection |

Of the items noted above, the following are worthy of special comment here:
Training Centre

Ongoing training and education are at the heart of the fire and rescue service; peoples’ lives and property depend on well trained, practiced and properly resourced fire and rescue staff. Central to any training and education program within the fire service are specially-designed training facilities. Kingston’s training facilities are not adequate to meet the needs of our fire service. Career and volunteer firefighting staff identified this in the Step 2 Review as the most important issue facing the Kingston fire service.

A new municipal training facility for an integrated fire service is required to provide appropriate and standardized training to meet fire service requirements in occupational health and safety and emergency response practices. At present there is no training facility in the west; the site in the Cataraqui Industrial Estates, was sold two years ago and not replaced. The facility in city central (Railway Street) is inadequate both in terms of size and location. In addition, the fire training tower is not fully useable due to structural problems. The facility in the east (Joyceville), while adequate for the training needs of the east staff, is of limited use to west and central staff due primarily to its remote location.

The current training facilities are inadequately sized, designed and located to serve the needs of today’s fire service; thereby compromising the preparedness of our service and the level of service we can offer to the community. It is recommended therefore that a new training facility be built in a suitable, central location that not only will serve the needs of Fire and Rescue, but also other City divisions (such as parks, operations, police, and utilities) and community agencies. A properly designed training facility could be marketed successfully to other public sector organizations and private industry in need of training facilities. Experience in other municipalities suggests that such a venture would be expected to generate considerable revenue for the City.

It is being recommended that Council authorize staff to develop a business case and facility location analysis in the third quarter of 2004 for consideration by Council at budget time, for 2005 construction. This item has been incorporated into the 10-year capital projection for Fire and Rescue and appears as a 2005 expenditure.

Staffing Needs

The community response standards adopted by the City require no less than 10 firefighters (including supervisors) and two vehicles to be assembled on the fire ground (the scene of the fire) within 10 minutes for 90% of the reported structural fires in fire hydrant protected areas. In areas not protected by fire hydrants, 10 fire fighters are required to be assembled before effective fire ground or rescue operations are undertaken (See Appendix “D”). Overall, the City is only meeting this minimum acceptable standard 75% of the time according to the four-year monitoring program recently completed by the Ontario Fire Marshal’s Office.

While some improvement to our overall response times can be achieved through improvements to systems and processes, it is clear from the analysis that without additional staffing, Kingston Fire and Rescue will not be able to achieve the 90% response standard. The need varies across the City.

Urban Area - Analysis of current fire service standards and our existing staffing patterns lead us to conclude that additional fire suppression staff support is required. This validates the recommendations of the 2000 Dillon report. The immediate need in the urban core is eight staff members (two additional people per shift) in order to meet accepted industry performance standards.
for urban fire protection (NFPA Standard 1710). Meeting this minimum staffing standard in the central core of the City is critically vital to providing an appropriate and consistent level of service in this area. The characteristics of Kingston’s urban core place heightened demands on the fire service, due to the concentration of many large institutions (universities, college, penitentiaries, hospitals, and government offices), high rise apartments, churches and cathedrals, and a vast inventory of old and heritage residential and commercial buildings. The City core has been short-staffed since the mid-1990’s.

Suburban Areas – The unrelenting growth in the suburban areas to the east and west of the central core (the former townships) is placing continued demands on the fire and rescue service; demands we are challenged to meet. Council recognized this growing demand by adding 19 new firefighters in the West end in 2002. Demands on the system however, continue to mount.

In the West end new response standards prescribed by Transport Canada require the addition of eight (8) new firefighter positions (two additional staff per shift) to be assigned to the Woodbine Fire station. The air crash rescue vehicle (supplied by Transport Canada) must be available at the centre of the runway within five minutes of notification of an occurrence. This standard has been set by Transport Canada based on the annual flight activity at the airport.

In the East, the Department of National Defence has prescribed new standards that require us to have at least five firefighters in a firefighting unit on the fire ground at Canadian Forces Base Kingston within 10 minutes of a reported structural fire. Volunteer forces available out of the Gore Road Fire station are challenged at times to meet DND and community response time requirements for this rapidly urbanizing area of the City. With careful resource allocation and deployment planning through a recommended Base Response Plan, our analysis suggests that the current volunteer complement at Gore Road Station should suffice for a good number of years, provided that we can sustain and build on the current volunteer commitment in this area. In the event that the volunteer forces are not able to maintain their current acceptable level of response, for whatever reason (continued urban growth, inability to attract volunteers, etc), consideration would have to be given to staffing the Gore Road station with career firefighters.

Rural Area - The rural area of the City of Kingston will continue to be served by volunteer firefighters with support from career firefighters for the foreseeable future. In order to sustain a reliable rural response for structural firefighting as set out in NFPA Standard 1720, it is essential to engage in a rigorous volunteer recruitment program. This program had been allowed to atrophy following amalgamation and only last year the City took a significant stride forward by recruiting and training over 40 new volunteer firefighters. Never-the-less, to meet standard on a consistent basis and to relieve the pressure on the current complement of volunteer firefighters, there is an immediate need for at least thirty additional volunteer firefighters (twenty in the East and ten in the West). This of course will assist in easing the above-noted pressures in the suburban areas of the East and West as well.

Base Response Plan
Significant changes have been made to policies and protocols in Kingston Fire and Rescue over the last two or three years to begin the process of bringing the three former fire departments together as one, properly functioning service. In spite of these initial changes, KFR still remains constrained in its resource deployment strategies by the legacy of the former municipal fire departments. The Service Review has validated the need (first identified by Dillon in 2000) to integrate the three
former services into one truly integrated service serving the entire City. Ultimately this goal will be achieved by the development and implementation of a Master Fire Plan for Kingston Fire and Rescue, but until that work is complete Council is being asked, as an interim measure, to consider the adoption of a Base Response Plan.

Appendix “D” contains a copy of the recommended Base Response Plan. A Base Response Plan outlines the protocols that will be used to deploy staff, vehicles and equipment from our 10 fire stations as efficiently as possible in response to a call for service, given known limitations and constraints such as the collective agreement, geography, location of fire stations, availability of water, etc. This Plan is based on the urban/rural service delivery model adopted by Council and relies on the continued deployment of volunteer forces in their traditional roles as required in addition to career forces. It involves a much more integrated system of response than has been practiced in the past, and depends on the coordination of the various fire stations and resources across the City in responding to calls for service.

This plan is a critical step toward stabilizing the fire service delivery system as one composite, integrated service, rather than three separate and distinct fire departments. By relying on a more strategic and integrated approach to deploying and sharing resources across the City, the Base Response Plan will be an essential tool in our efforts to contain costs within the fire service and provide maximum value for tax payers’ money. Once the Master Fire Planning exercise is completed over the next two or three years, the Base Response Plan will be reviewed and modified as required.

**Rural Water Shuttle Program**

The fire service relies on a readily available supply of water in order to fight fires. In the urban area this need is fulfilled through the City’s piped water system and use of hydrants. In the rural areas not served by a municipal water system, this means that protocols, staffing and equipment must be in place to get a sufficient supply of water to the scene of a fire in a timely manner. The former Townships of Pittsburgh and Kingston secured the necessary rural tanker and pumper truck capacity, developed a series of “dry hydrants” in strategic locations adjoining water bodies or creeks, and developed and practiced specific protocols for ensuring that a sufficient and dependable supply of water was available at a given fire scene.

The townships had their rural water shuttle program certified as “Superior” in 1996 by the Fire Underwriters’ Survey, which meant that the program had attained prescribed standards of volume, speed and dependability. This along with other considerations are used by the Insurance Underwriters in setting the fire rating of a community, which in turn is a major factor in determining premiums charged for property insurance by private insurers, as will be explained in the Financial Considerations section of this report. The certification at that time was premised on the municipalities addressing identified equipment shortcomings and developing required operating procedures and policies to support the shuttle program on an ongoing basis.

In a letter dated April 24, 2002 the Fire Underwriters’ Survey service advised that upon review the City’s Rural Shuttle Program no longer warranted a “Superior” rating, as the vehicle inventory available to the program was not sufficient, a number of previously identified equipment shortcomings had not been addressed and standard operating procedures and policies had yet to be either established or updated as required. These shortcomings included the radio system, lack of computer assisted dispatch, the need to consolidate communications, lack of equipment for vehicles, and the absence of a base response plan to support the shuttle program.
Upon his arrival in 2002 and learning of the challenges that lay before the division, Chief Tulk took immediate steps to meet with the Underwriters and the Ontario Fire Marshal’s Office to determine how best to address the known concerns. Both the Underwriters and the OFM supported the Chief’s plan to undertake a service review to develop strategies for addressing the issues. The needs were validated and strategies developed in Stage 2 of the review process as cited in the Appendix “C”. These strategies include; the purchase of two additional tanker trucks in 2004, installation of a new radio system in 2004, installation of a computer-assisted dispatch system in 2004/05, consolidating and updating communications in 2004, developing a base response plan, developing an equipment replacement program, and developing operating procedures and policies to govern how the Fire and Rescue Service will conduct its business. Once all of the capital and operating pieces are in place, Kingston will be in a position to reapply for certification of its rural shuttle program.

EXISTING POLICY/BY-LAW:
Current by-laws are out-dated and need to be repealed and replaced. New recommended by-laws will be included for Council’s consideration as part of Step 4 outcomes.

LINK TO THE STRATEGIC PLAN:
While not specifically linked with a strategic priority area, this is very much a matter of “getting our house in order”. The comprehensive process used to perform the organizational review is based on fire industry and municipal service review best practices.

FINANCIAL CONSIDERATIONS:
Council directed staff to undertake a financial impact analysis of Fire and Rescue Services in light of the recommended service adjustments arising from Step 2 of the review process. The intent was to recommend a financial model that will sustain the reasonable needs of the fire service in an equitable manner across the three former municipal jurisdictions. A number of alternative models were reviewed and are discussed below.

The financial models developed as part of the Step 3 analysis are based on 2004 cost amounts. Each model has been restated to reflect the costs of fire services in each of the three areas, by removing the deficit from 2003 operations. This restatement provides an ability to compare the budgetary impact in each of the models arising from recommended service level adjustments. The information in all tables is reported in 2004 dollars. Inflationary pressures in future years are not considered.

Kingston Fire and Rescue is funded using an area rating model, which in simple terms allocates the costs of the service to the geographic area of the former municipalities in which the service is provided. At the time of amalgamation in 1998 there were three separate fire services for each of the former municipalities and each was funded from the taxpayers within the former municipalities. Over the intervening years it has been necessary to make some adjustments to this model in recognition of the fact that some services and programs provided by Kingston Fire and Rescue benefit all residents equally, regardless of geography. These are referred to as common costs that are allocated across all former municipal jurisdictions.

The methodology for allocating common costs became an issue for consideration during the 2004 budget deliberations. Council determined at that time that the method being used was not equitable and on April 13, 2004 Council adjusted the fire funding model on an interim basis, pending this review, to allocate the
total costs for Fire Administration and Fire Prevention to the three former municipal areas based on each area’s proportionate share of total direct firefighting costs.

Appendix ‘E’ to this report outlines the various funding models considered by staff as part of the Step 3 financial analysis. Staff is recommending that Council consider adopting Option D1. All options considered are based on the approved 2004 budget figures less the accumulated 2003 fire deficit (as noted earlier). Four models, labeled “A” through “D” were considered, and are described below. In addition, staff applied the costs of recommended staffing changes to these models to provide Council with a sense of the financial impact such changes would have on the different models. These adjustments are shown in Options A1 through D1.

Option A reflects the status quo. Options B, C, and D offer an increasingly broader definition of common costs to be shared across the former municipal jurisdictions. None of these Options suggests abandoning area rating entirely. The table below compares the distribution of costs across the three areas in Option A (status quo) and Option D (recommended). It is notable that this would shift the costs slightly towards City Central away from the East, with the West remaining the same.

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<thead>
<tr>
<th>Area</th>
<th>Status Quo</th>
<th>Option D</th>
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<tbody>
<tr>
<td>East</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>West</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Central</td>
<td>65%</td>
<td>67%</td>
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Financial Models

Option A: Status Quo
The Status Quo model (Option A) is based on the cost allocation methodology for fire administration and fire prevention costs that Council endorsed in the 2004 budget. This method allocates administration and fire prevention costs to each former municipal area on a basis consistent with direct fire fighting costs. In addition, the historical methods of allocating costs for fire halls, equipment and communications, volunteer & career firefighting, and training across the East, West and Central are maintained. Using this methodology, total costs are apportioned as follows:

This approach is administratively cumbersome and heavily bureaucratic. It is very difficult to consistently determine and apply the appropriate cost factors and distributions. When processing invoices, KFR staff needs to consider whether the items or services purchased are used by volunteers and/or career firefighters in the East, and/or volunteers and/or career in the West, and/or volunteers and/or career in the Central, or any combination thereof.

Option B:
In Option B, administration, prevention, training, and the operational costs associated with fire halls, equipment, and firefighting are treated as common costs. The remainder of costs from fire halls, equipment, and firefighting, primarily fire suppression wages and benefits and contributions to the capital budget from the operating budget, are specific to the appropriate geographic area. The common costs are distributed to the East, West, and Central based on the corresponding percentage of area specific costs. This option captures common costs yet still requires staff to reconcile and administer some costs by area.
Option C:
In this Option, costs are allocated in the same manner as in Option B with the exception that all contributions to capital from the operating budget are treated as common costs. This provides greater municipal service value by sharing the costs of the capital program across the entire community in contrast, for example, to area-specific procurement. It still requires distribution of fire suppression wages and benefits and other related costs by area as opposed to one single organization.

Option D:
This option is the same as Option C except that the equipment program is treated as a common cost shared across the entire organization. This provides even greater municipal service value since the equipment costs are no longer area specific but shared across the entire City. There are considerable opportunities to be had by sharing equipment across the former jurisdictions, rather than try to maintain each as a self-sufficient entity.

Adding Staff
As noted previously, an increase in both volunteer and career staffing levels is required if Council wishes to meet its adopted performance standards. Adding 16 career firefighters and 30 volunteer firefighters would add $1.7 million to the overall fire budget, in 2004 dollars. Factoring these additional staff into the four Options presented causes a 2% shift in costs from Central to the West, with the East remaining unchanged (refer to Appendix “F” for more detail).

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<tr>
<th>Area</th>
<th>Status Quo</th>
<th>Option D1 (recommended)</th>
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<tbody>
<tr>
<td>East</td>
<td>8%</td>
<td>8%</td>
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<tr>
<td>West</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Central</td>
<td>65%</td>
<td>63%</td>
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Recommended Financial Model:
It was clear from our discussions with Council during the 2005 budget deliberations that there is no appetite at this time to consider the elimination of area rating. Staff has therefore focused on solutions within the general area rating structure.

Staff is recommending that Council approve the recommended financial models outlined in Option D (no new staffing) and Option D1 (recommended new staffing). Option “D” uses the broadest definition for common costs to be shared across former municipal boundaries and limits direct area rated costs to those specifically related to fire suppression labour costs. The analysis to date indicates that this model optimizes the efficient and effective use of fire protection services across the City. It identifies area specific costs and common costs while sharing the burden of contributions to capital and the procurement of equipment across the entire City of Kingston. Option D1 addresses the service level adjustments required to meet industry standards and community expectations.

Average Residential Tax Impacts
Appendix “F” outlines the projected residential tax impacts for each model under consideration. For comparison purposes we have included the figures from the approved 2004 budget, which included a deficit from 2003, as well as restated figures with the deficit removed. The impact on the residential fire tax bill of each Option is provided.

In simple terms, if Council was to approve the service adjustments being recommended in Step 3 of this organizational/service review (Option D1), the impact on the average residential tax bill, compared to 2004, would be as follows:

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<tr>
<th>Impact</th>
<th>Central</th>
<th>West</th>
<th>East</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase Over 2004 Approved budget</td>
<td>$15</td>
<td>$32</td>
<td>$12</td>
</tr>
<tr>
<td>Average residential tax bill (municipal)</td>
<td>$2,216</td>
<td>$2,040</td>
<td>$2,092</td>
</tr>
<tr>
<td>% Increase</td>
<td>0.7%</td>
<td>1.6%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Staff well appreciates that such a notable budget increase at this time is not palatable. Never-the-less, staff is obligated to bring the findings of the service review to Council, provide Council with advice as to what is required to meet accepted response standards, and recommend a financial model that addresses the recommended service level adjustments. It is anticipated that through the Master Fire Planning process the long-term financial needs of Kingston Fire and Rescue will be fully articulated and validated, as the future service needs of the community will be assessed fully in that process and service options examined. Such information will better serve Council in determining long-range investment decisions in its fire and rescue service.

Return on Investment
There is no question that when viewed from purely a municipal budgetary perspective providing fire and rescue services to the community is expensive. The service is labour intensive and involves the use and maintenance of expensive buildings, vehicles and equipment. Investment in the fire service has a measurable return on investment, however, if viewed from a value for money perspective; not only through saving lives and reducing property losses, but through its influence on property insurance rates within the community.

Each Canadian city is rated by the insurance industry on a graded scale. These grades help insurers calculate the building and property insurance premiums to be charged in the community. The Fire Underwriter Survey (FUS) evaluation process references NFPA 1710 and 1720 fire service standards as a base for evaluating a community’s fire protection delivery model. A change in the fire protection grading (FUS Rating) can create significant financial savings or losses to the community by reducing or increasing the insurance premiums to the municipality, homeowners, businesses and institutions.

Prior to amalgamation the former municipalities each had a fire protection grading on a scale of 1 (best) to 10 (worst). The commercial/industrial rating in the former City is Grade 4 and the former Kingston Township and former Pittsburgh Township are rated Grade 5 and Grade 6 respectively. These ratings, while considered reasonably good under the circumstances, reflected the notable service challenges faced by each former municipality.

The post-amalgamation City has not been rated yet, and the ratings of the former municipalities continue to apply. The Insurance Underwriters has indicated that it will be rating the City imminently. In view of known resourcing and staffing issues and the fact that the City has been monitored and served notice by the Ontario Fire Marshal’s Office does not bode well for a favourable rating at this time. Fire and rescue
staff has been working with the Underwriters to delay rating the City until our reorganization process is completed and further service level adjustments implemented.

The potential savings in insurance premiums resulting in large part from the level of fire protection provided in the community can be illustrated by examining the basic insurance costs for a typical residential home valued at $180,000. If this home is located within an unprotected area with no fire protection, insurance costs may be in the range of $1,600 annually. If the same home is located in an area with basic fire protection the cost may be in the range of $1,200 annually. There is the opportunity for additional efficiencies of approximately $800 annually if the fire service secures tanker shuttle accreditation in an area that is not protected by fire hydrants (This is the service that Kingston Township enjoyed in the early 1990’s, the certification of which has lapsed). Finally, this same home in an urban/suburban core area that has a full fire protection package available in a hydrant protected area may experience annual insurance costs of approximately $400.

The source of the insurance data quoted above is the Fire Underwriters and are intended to illustrate the order of magnitude in insurance premiums in areas with different levels of fire protection. Figures for specific households may well vary by circumstance and jurisdiction. These figures demonstrate however, that an investment in fire services has an appreciable return on investment for residents and business owners through reduced insurance premiums. Efforts to derive greater efficiencies and enhanced delivery system effectiveness in the fire service through organizational change, implementation of a Base Response Plan and the forward-looking Master Fire Plan, lead to an increased return on the municipal investment in the service.

As we undertake the Master Fire Planning process it will be important to have the return on investment and expected performance outcomes validated by an insurance actuary. This will ensure that we are not overstating or understating outcomes or implications.

**Master Fire Plan: 2005-2007**

The Fire & Rescue service carries life safety and property conservation measures from the provincial level of accountability to the City through various areas of legislation and published practices that are recognized in the fire service industry. It is traditional to develop long range plans, more aptly known as *Master Fire Plans*, to set out a critical path of development for a local fire service into the future. Such plans are developed in consultation with the Office of the Fire Marshall, Insurance Underwriters, KFR staff and Council. Typically such an initiative takes approximately two years to complete.

A master fire planning process has three levels of analysis:

- Tactical – immediate needs of the fire service, pre-fire planning, budget, etc.
- Operational – day to day operations, staffing, apparatus availability, etc
- Strategic – envisions the future of the fire department and sets out strategies to achieve that vision

This process will provide the City the time and the structure to properly evaluate the stresses of the emerging issues within public fire protection. Council will be able to ascertain to what degree all aspects of the fire service are above or below fire industry standard. Other demonstrated benefits of a Master Fire Plan are:

- It is a proven and accepted methodology for affecting positive changes in service delivery;
It is timely given the requirements for the municipality to achieve the comprehensive level emergency management verification standards in the new Emergency Management Act by no later than December 31, 2006;

- It provides Council with a greater understanding of the risks in the community; i.e. risks to life, property, and essential services and the community impacts and environmental damages resulting from fires, explosions, CBRN incidents, accidents, natural disasters, etc.;
- It ensures that senior fire staff do not overstate or understate service level requirements as it relates to local community needs and circumstances;
- It produces a recommended long range plan for the Fire Service;
- It ensures that all members of KFR understand the service requirements within the community due to their participation in the development of the plan;
- It identifies and addresses unfunded mandates;
- It improves the community’s fire protection grading;

CONTACTS:
Mr. H.A. Tulk, Fire Chief, Kingston Fire & Rescue, 548-4001

DEPARTMENTS/OThERS CONSULTED AND AFFECTED:
The following parties were involved in Step 3 of the process and/or the drafting of this report:

Deputy Fire Chiefs Bullock, Murphy and Young,
CAO and Executive Management Team
Gerard Hunt, Manager of Finance, Corporate Services Department
Brad Finch, Airport Manager, Operations Department,
Ontario Fire Marshal’s Office
Insurance Advisory Organization/Underwriters Survey Division
National Fire Protection Association
Department of National Defence-Command Fire Marshal
Kingston Fire & Rescue personnel (full-time and volunteer)
Kingston Professional Firefighters Association
Kingston Volunteer Firefighters Association

NOTICE PROVISIONS: N/A

APPENDICES:

A) Performance Reporting Correspondence from the Office of the Fire Marshall and Performance Reporting Correspondence from the Fire Underwriters Survey Division of the Underwriters Adjustment Bureau Limited

B) *Report to Council #C068, KFR Organizational Structure and Services - Step 1

C) *Report to Council #03-052, KFR Reorganization - Step 2

D) *Kingston Fire & Rescue Base Response Plan

E) Financial Models
F) Residential Tax Implications

* Appendices B, C, and D have been distributed to Council under separate cover

Lance Thurston, Commissioner  
Department of Community Services

Bert Meunier  
Chief Administrative Officer
TO: Bert Meunier, Chief Administrative Officer
FROM: Lance Thurston, Commissioner Department of Community Services
PREPARED BY: Tanie Steacy, Manager of Program Delivery
Adele Lafrance, Manager of Administrative Services
DATE OF MEETING: July 13, 2004
SUBJECT: Allocation of Municipal Homelessness Funds

RECOMMENDATION TO Committee of the Whole:

WHEREAS Council approved a new municipal Homelessness allocation of $50,000 in the 2004 Social Services Operating Budget;

AND WHEREAS the Community Homelessness & Housing Advisory Committee’s (CHHAC) recently updated Community Plan for Homelessness and Housing Issues In Kingston & Area confirms an increased incidence and complexity of homelessness and determined local priorities to address this issue (May 2004);

AND WHEREAS community stakeholders and the updated Community Plan have identified an urgent need for more emergency hostel beds since the April 30, 2004 closing of the In From the Cold winter overflow hostel;

AND WHEREAS community stakeholders and the updated Community Plan also recognize the need to identify and build strategies which will assist hostel users to find permanent accommodation and exit emergency hostels;

THEREFORE BE IT RECOMMENDED TO COUNCIL to approve funding to a maximum value of $71,340 as outlined in Report 04-263, for the immediate reopening of the In From the Cold Overflow Hostel, operated by Home Base Not For Profit Housing to provide immediate shelter to homeless individuals within our Community

AND FURTHERMORE THAT COUNCIL approves the allocation of a further $10,000 from the municipal Homelessness allocation as a contribution to the Door Ways Fund operated by Home Base Not for Profit Housing, to be used as loan funding to assist homeless people (including those in emergency hostels) with expenses associated with securing permanent accommodations;

AND FURTHERMORE THAT COUNCIL authorize staff, on behalf of the City of Kingston, to enter into service agreements with Home Base Not for Profit Housing for the reopening of the In from the Cold overflow hostel (July 15 – November 15, 2004) and the Door Ways Fund program, in a form that is satisfactory to the city’s Legal Services Division.
ORIGIN/PURPOSE:
The purpose of this report is to gain Council’s approval for the allocation of money from the new municipal Homelessness allocation approved as part of the 2004 Social Services Operating budget.

OPTIONS/DISCUSSION:
As the Consolidated Municipal Service Manager for Social Services, Housing and Homelessness, the City of Kingston administers funding for a number of programs and initiatives which address Homelessness. These initiatives may be either 100% provincially funded, cost shared with the Province, usually on an 80/20 basis or occasionally funded at 100% municipal. Funding examples include:

- Ontario Works Funding for Emergency Hostel per diems
- Provincial Homelessness Initiatives Funding (PHIF) including contributions to a Housing Help Centre, a Homeless Voice Mail service and Rent Bank programs
- Social Service Stabilization reserve contribution toward an eviction avoidance worker

In addition to these municipally cash flowed or administered initiatives, numerous other homeless focused programs exist in our community, either funded by the federal government (such as the Supporting Community Partnerships Initiatives funding) and/or sponsored by non-government community agencies.

In February 2004, a delegation representing “A Room of One’s Own”, a social inclusion initiative sponsored by the Social Planning Council, requested Council assist with several service gaps faced by homeless persons within this community. In response to Council’s direction on this matter, a staff report was prepared with a recommendation that Council receive the report and defer consideration of the issues to 2004 budget deliberations. An allocation of $50,000 in 100% municipal funds for Homelessness purposes was included and approved as part of the 2004 Social Services Operating Budget.

Homelessness Funding Proposal #1: Reopening of the In from the Cold Overflow Hostel
On June 1st, 2004 representatives from A Room of One’s Own, met with the Commissioner of Community Services and other Community Services staff (including Housing and Social Services) to discuss the shelter bed shortage caused by the closure of the city funded, In from the Cold, emergency winter overflow hostel. These representatives of the homeless requested that the City fund the immediate reopening of the In From the Cold hostel. (see Appendices “A”, “B” & “C” in support of the urgent need for reopening the In From the Cold overflow hostel)

Management representatives from Home Base Not for Profit Housing were also present at the meeting and advised that a reopening would be considered at the City’s request. As the In from the Cold is operated as an overflow hostel during the winter season, Home Base Housing representatives clarified that the first service avenue for homeless people should remain the regular year round hostel beds available in the city (Ryandale, Harbour Light, Dawn House and Kingston Youth Shelter Project) and that if the In From the Cold were to reopen, it should continue to operate for overflow purposes only.

The experience of Home Base staff, Social Services staff and the homeless representatives has been that a significant portion of the users of the In from the Cold hostel, represent the “chronic homeless individuals” who, in addition to being unsuccessful at acquiring permanent accommodation, are often, due to behavioural reasons, not eligible to stay at the regular emergency hostels (where sleeping facilities are in more traditional bedroom settings and supervision is more challenging). (see Appendix “D” for description of patterns of homelessness)

A second service challenge encountered with this population (the chronic homeless) is that due to their chronic hostel use, many of them are not eligible for Ontario Works emergency hostel service funding as they have already exhausted the 45 nights of consecutive stay under the current local OW policy.
In response to this “urgent need” identified by community stakeholder and the representatives of “A Room of One’s Own”, Council is asked to approve funding for the reopening of the In from the Cold Overflow Hostel effective July 15 to November 14, 2004 at which time the regular service agreement for In from the Cold under Ontario Works Emergency Hostel per diem funding will resume. It is understood this “urgent” funding would be provided on a one time basis only and that the ongoing need will be reassessed as a component of the overall emergency hostel services.

It is proposed that this funding be made up of two sources (further details on the rational for this split funding can be found in Appendix “E”):

- Regular Ontario Works Emergency Hostel per diem funding
- An allocation from the municipal Homelessness allocation of the 2004 Social Services operating budget

Since the meeting of June 1, 2004, Home Base Housing has subsequently advised city staff, that they will submit a request to the United Way for a small amount of funding to permit the earlier re-opening of the In from the Cold prior to July 15, (tentatively July 5th) in recognition of the urgency of the request.

Alternate Strategies and Longer Term Solutions:
It is the consensus of all parties involved that in addition to ensuring there are adequate emergency beds available in our community, ensuring optimum bed utilization and reviewing the local OW policy regarding funded length of stay, a variety of other strategies are needed to address homelessness.

Working in partnership with the Community Homelessness & Housing Advisory Committee, the City will strive to find longer term solutions to issue of homelessness. Initiatives to develop transitional housing, day programs, improved discharge planning, and more coordinated and consistent service delivery will be encouraged. Funding for these initiatives will be sought from all levels of government, the private sector and other local funding bodies.

Homelessness Funding Proposal #2: Contribution to the Door Ways Fund
The Door Ways Fund is another strategy Home Base has piloted to assist with addressing homelessness. It is a financial assistance program which was initiated by Home Base in June 2001. This program provides interest free loans to individuals and families in order to assist them to move to permanent accommodations. Since its inception, the Door Ways Fund has provided 86 loans of which, 44 were to people who were staying in Emergency Hostels and 50 were to applicants who had children. Some 91 children have been affected by the loans and according to Home Base’s data collection and analysis, applicants residing in hostels who are granted loans, depart 5 days earlier than when no assistance is provided. Home Base further estimates that based on family composition this represented an estimated savings of 930 emergency hostel bed nights stays over the 32 month history of the initiative. To date, the program has been funded solely by individual and private corporate donations.

In April of 2004, Home Base Housing made a presentation to the Emergency Hostel Service Providers who concurred that this initiative was an excellent means of assisting hostel users to secure suitable permanent housing more quickly. Shortly thereafter, a report describing the initiative and profiling its success to date was forwarded to the Commissioner of Community Services along with a letter requesting financial assistance from the City to assist in the stabilization of the Door Ways Fund. While it is Home Base's intention to continue to seek out individual and private corporation sponsors, it is recognized that as recipient repayment rates have been set at realistic levels, more funds will be required than the initial fundraising efforts have been able to generate. (see Appendix “F” Home Base’s Door Ways Fund Report) The recommendation is for initial funding in the amount of $10,000 on a one time basis at this time, with future consideration, based on performance reporting and other emerging homelessness needs.
EXISTING POLICY/BY-LAW:
The funding policy and business practices associated with the Ontario Works Emergency Hostel Services were last reviewed and approved by Council at their regular meeting of December 3, 2002 as Clause 2, Report No. 03.

LINK TO STRATEGIC PLAN:
Affordable Housing

FINANCIAL CONSIDERATIONS:
All funding required for these two initiatives as identified in this report has already been approved by Council in the 2004 Social Services Operating budget in either the cost shared Ontario Works Allowance program or the new municipal $50,000 Homelessness allocation. Therefore, no additional funding is required. For details on the funding strategies please see Appendix “E”.

CONTACTS:
Adele Lafrance, Manager of Administrative Services, Social Services (x 4801)
Tanie Steacy, Manager of Program Delivery, Social Services (x 4802)
Cheryl Mastantuono, Manager of Policy and Support Services, (x1253)
Greg Grange, Manager, Housing Division (x1265)

DEPARTMENTS/OTHERS CONSULTED AND AFFECTED:
Gerard Hunt, Manager, Finance Division
Alan Mcleod, Senior Legal Counsel, Corporate Legal Services
Tom Greening, Executive Director, Home Base Not for Profit Housing
Bhavana Varma, Executive Director, United Way
Matt Silburn, Community Facilitator, Social Planning Council of Kingston & Area and contact for “A Room of One’s Own”

NOTICE PROVISIONS:
N/A

APPENDICES:
Appendix “A” Letter from Bhavana Varma, United Way
Appendix “B” Letter from A Room of One’s Own
Appendix “C” Letter from the Kingston Health and Housing Coalition
Appendix “D” Description of Patterns of Homelessness
Appendix “E” Proposed Funding Detail
Appendix “F” Report from Home Base Not for Profit Housing regarding the Door Ways Fund
Lance Thurston
Commissioner, Department of Community Services

Ber Meunier
Chief Administrative Officer
TO: Bert Meunier, Chief Administrative Officer

FROM: Lance Thurston, Commissioner of Community Services

PREPARED BY: Adèle Lafrance, Manager of Administration, Social Services
Laura Austin, Supervisor of Children’s Services

DATE OF MEETING: 2004-07-13

SUBJECT: Homemaking Program

RECOMMENDATION to Committee of the Whole:

WHEREAS the current hourly rates for the purchase of homemaking services as approved by the Province do not adequately compensate current service providers;

THEREFORE IT IS RECOMMENDED THAT Council approve an hourly rate increase to homemaking service providers of $1.25, as a 100% municipal expense for the period of June 1, 2004 to December 31, 2004.

PURPOSE:
The purpose of this report is to bring to Council’s attention the immediate service pressures that this program is experiencing and recommend a modest increase in the hourly rate paid to service providers.

ORIGIN:
Allowable costs of the Homemaking program are cost shared between the City of Kingston (20%) and the Ministry of Health and Long Term Care (80%). This program is governed by the Homemakers and Nurses Services Act, which states:

“A municipality… may employ homemakers or nurses or both for the purpose of the Act or may enter into an agreement with any person or organization for the furnishings of any services that may be provided under this Act”.

Homemaking services include such activities as laundry, meal preparation, vacuuming and dusting, bed changing, cleaning the bathroom and kitchen and grocery shopping. Generally speaking, the services of a homemaker are purchased by or on behalf of a person who is elderly, handicapped, ill or convalescent in order that the individual may remain in his or her home; or for households in which the standard of
housekeeping requires improvement to avoid familial or financial difficulties. Under the present program
description, recipients may be self-referred, referred by a service provider, or referred by a physician.

The Community Care Access Centre (CCAC) offers homemaking services through community service
providers to residents in Kingston, Frontenac and Lennox and Addington on a fee for service basis. Since
1991 the City of Kingston has supplemented or complemented the program offered through the CCAC by
offering homemaking services to City residents of limited financial means. Like the CCAC, the City
contracts with local service providers. Unlike the CCAC, a financial needs test is completed by City staff
through a home visit interview and includes both available income and asset level examination.

DISCUSSION:

Background
The City of Kingston entered into Purchase of Service Agreements for homemaking in 1991 with 3
agencies. At that time the base rate to be paid to the agencies per hour per client was $15.00. In 1992, the
City entered into a Purchase of Service Agreement with a 4th agency and the base rates for all agencies
was increased by 1% to total $15.15 per hour.

In 2002, it was brought to the attention of City staff by the Homemaking agencies that the base rate was
inadequate and that an increase was required. Most of the agencies were requesting an increase averaging
an extra $2.00 an hour. The City consulted with the Ministry of Health and Long Term Care, which cost-
shares the program with the City and was advised by the Ministry that no additional provincial funds
would be allocated to this program at that time.

In 2003, the Ministry of Health and Long Term Care again advised that the hourly rate for service
providers remained capped by the Province. Effective September 2003, one Homemaking agency
terminated its Purchase of Service Agreement with the City due to the low base rate. The other 3 agencies
continued to advocate for an increase in the base rate.

Through consultation with service providers as part of the 2004 city operating budget preparation, the
under-funded hourly rate for homemaking services was again identified. City staff once again contacted
the local Ministry office and was informed that while several programs under its purview had been
audited, the Regional local office has not received any reports relating anticipated program changes to the
Homemaking Program. Based on this status quo position by the Ministry, City staff determined an
interim measure was required to address the funding shortfall currently being experienced by the
remaining homemaking service providers.

Utilization
In 2003, program utilization and related costs were under budget. Some 106 clients were served by this
program providing 7,172.58 hours of care at a net cost to the City of $35,961 (including both purchase of
service and needs testing administration costs).

As of March 2004, the City of Kingston is subsidizing 87 clients for homemaking services; 63% of these
clients are over 60 years of age. Many of these clients have multiple illnesses that prevent them from
undertaking many of these activities on their own.
With no further communication from the Ministry of Health and Long Term Care on this matter, City staff is of the opinion that there is an urgency to respond to the funding pressures being faced by our service providers. Staff is concerned that:

- The 3 remaining service providers contracted with the City may not be able to continue to support the current program much longer, which would have a detrimental affect on the current 87 clients, possibly forcing several from their homes.

- The Ministry program review is not likely to materialize in the foreseeable future

- This program has not been reviewed since 1991 and both the associated contracts and service descriptions need to be updated to reflect current City and Service Provider standards

OPTIONS:
Council has some options to consider in this matter.

1) Status Quo - Maintain the program funding as is, and await direction from the Ministry about enhanced funding.

2) Review the Program- Undertake a service review to determine whether or not the City ought to continue to make homemaking services available to those with limited incomes, and if so, determine if the service can be delivered more cost effectively

3) Increase Provider Rates- As an interim measure until the service is reviewed, increase the hourly rate paid to service providers by $1.25 as a 100% municipal expense for the period of June 1, 2004 to December 31, 2004.

Staff is not in a position to conduct a service review at this time. It is suggested that this program may be part of the Corporate Service Review program in 2005. Until then, it would be our recommendation to Council that a modest increase in the rates paid to providers is in order, as a means of stabilizing the program until it can be reviewed. Failure to increase the rates as suggested may well mean that we will be unable to attract agencies to provide the service to our clients. Without the means to obtain homemaking services, some individuals on limited incomes may be forced from their homes. In most instances it is preferable from a quality of life perspective to maintain a person in their home. In addition, homecare is more cost effective than care provided in an institutional setting.

EXISTING POLICY/BY-LAW:
N/A

LINK TO THE STRATEGIC PLAN:
This program is linked to the Focus Kingston: “Our Elders” community strategic priority.
FINANCIAL CONSIDERATIONS:
Increasing the hourly purchase of service rate by $1.25 for all current service providers, from June 1, 2004 to December 31, 2004, will bring the base rate to $16.40 (15.15 to be cost shared with MOHLC at 80/20 and the City funding the $1.25 at 100%). It is anticipated this increase will apply to 4,750 hours of purchased services on behalf of as many as 110 service recipients.

This proposed rate increase was included in the Children’s Services 2004 operating budget approved by Council.

The 2004 approved budget for this program is comprised of the following:

<table>
<thead>
<tr>
<th>Homemaking Program Costs</th>
<th>2004 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Staff Salaries &amp; Benefits (Needs Testing &amp; Homemaking Teaching Activities)</td>
<td>$ 27,827</td>
</tr>
<tr>
<td>Other Admin Costs: transportation, supplies,</td>
<td>$ 4,550</td>
</tr>
<tr>
<td>Purchased Services (including Service Provider Pay Equity Costs)</td>
<td>$ 158,200</td>
</tr>
<tr>
<td><strong>Gross Cost Total</strong></td>
<td><strong>$ 190,577</strong></td>
</tr>
<tr>
<td>Provincial Subsidy (including 100% subsidy for Pay Equity Costs)</td>
<td>$ 149,102</td>
</tr>
<tr>
<td><strong>Net Municipal Costs</strong></td>
<td><strong>$ 41,475</strong></td>
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</table>

Of the $41,475 net municipal costs depicted in the above table, $7,200 represents the proposed 100% rate increase for June 1 to December 31, 2004.

CONTACTS:
Laura Austin, Children’s Service Supervisor, Social Services, 546-4291 ext 4812
Adèle Lafrance, Manager of Administration, Social Services, 435-4291 ext 4801

DEPARTMENTS/OTHERS CONSULTED AND AFFECTED:
Gerard Hunt, Manager, Finance
Alan McLeod, Senior Legal Counsel, Legal Services
Ray Rennie, Ministry of Health and Long Term Care

APPENDICES:
N/A
TO: Bert Meunier, Chief Administrative Officer
FROM: Lance Thurston, Commissioner of Community Services
PREPARED BY: Adele Lafiance, Manager of Administrative Services
DATE OF MEETING: 2004-07-13
SUBJECT: Ontario Works Pay Direct Policy Update

RECOMMENDATION TO COMMITTEE OF THE WHOLE:

WHEREAS many Ontario Works participants face ongoing challenges to maintain permanent accommodation and avoid eviction and/or utility cut offs due to non-payment of rent or accounts due;

AND WHEREAS the current Ontario Works Pay Direct service for rent and utility payments has proved to be well received and successful in maintaining permanent accommodations and reducing outstanding rent and utility arrears;

THEREFORE IT IS RECOMMENDED TO COUNCIL THAT the local Ontario Works Pay Direct service be expanded to include for-profit landlords as recommended by the Commissioner of Community Services in Report No. 04-238.

ORIGIN/PURPOSE:
The purpose of this report is to gain Council approval for the expansion of the current Ontario Works Pay Direct Policy to include “For Profit Landlords”. This policy revision is presented to Council in recognition of its benefits as:

- a valuable customer service to OW participants; and
- a strategy to reduce the incidence of OW participant accommodation evictions and utility cut offs.

OPTIONS/DISCUSSION:

Current Policy & Program Delivery:
In June 2001, Council approved the original Local Ontario Works Pay Direct Policy. In approving the initial Pay Direct Policy, several key considerations were identified. As the Consolidated Municipal
Council recognized the City’s OW Pay Direct Policy must be compliant with the intent of the legislation, sensitive to both the rights of recipients and the associated financial burden to taxpayers, and be accountable to all parties. Council recognized the policy must balance complex, and at times, competing issues associated with the matter:

- The fundamental principle of Ontario Works is to foster self-reliance for recipients. The shelter allowance is included in the monthly benefit. It is viewed that independent management of the shelter allocation by the individual receiving assistance is an inherent component of self-reliance.

- Notwithstanding the principle of promoting self-reliance of Ontario Works participants, it must be recognized that failure to pay rent will often result in insurmountable arrears and eventual eviction. The impact of eviction may result in grave trauma to some members of the benefit unit, particularly those more vulnerable members (e.g. children). The welfare of each member of the benefit unit must remain the foremost priority.

- The goal of Ontario Works is to support participants in the shortest route to paid employment. It is recognized that shelter instability and lack of secure accommodation are significant barriers to obtaining and maintaining paid employment.

- Ontario Works financial assistance is not a “guaranteed income” and as such the Ontario Works office cannot enter into any third party agreement which guarantees regular and/or ongoing payment for services on behalf of a recipient, since the recipient’s entitlement to any Ontario Works assistance is not guaranteed.

- The payment of rent is a component of the landlord/tenant relationship. As such it is governed by the Tenant Protection Act. The Ontario Works office is not a rent administration agency nor is the payment of rent to landlords on behalf of Ontario Works participants mandated in the Ontario Works Act.

- The payment of rent to landlords is a valuable customer service for clients which may assist them in meeting their rent payment obligation and may assist them in managing competing financial pressures and/or permit them to focus on other activities which will enable them to reach the OW program-participant mutual goal of self-reliance.

Council approved an initial policy that included four principal components:

- Introduction of a voluntary pay direct for rent service for any OW participant living in a not for profit rental property
- Confirmation of the OW administrator’s authority to “impose” mandatory third party payments on behalf of participants who have used or will likely use their assistance in a way that is not beneficial to them or the benefit unit, as in the case of repeated incidence of rent or utility arrears or eviction. (It should be noted that the mandatory pay directs are rarely imposed and that case managers make every effort to work with clients to develop rent and utility strategies that are voluntary)
- Consultation with Utilities Kingston and piloting of OW pay direct for utilities as determined feasible by both parties
Pay direct of “pre paid” last month rent to private landlords to assist OW participants in securing private sector accommodation and mitigating landlord loss for potential non payment of rent.

Assessment of Current Policy:

“Pay directs” were initially implemented with the Kingston & Frontenac Housing Corporation in 2001 and then expanded to other not for profit service providers in the years to follow. In May 2004, 10 not for profit landlords had pay direct agreements with the local OW office. Likewise, after some initial consultation with Utilities Kingston, pay direct for utilities was implemented as an adjunct service to rent pay direct.

The initial OW Pay Direct policy has been determined to be beneficial to OW recipients, not for profit landlords and Utilities Kingston alike. Very few client complaints have been received and over time, the administrative processes have been mastered by the OW case management staff. In May 2004 there were 262 OW pay directs in place for rent and 174 pay direct for utilities. In terms of the OW benefit unit service, in May 2004 155 OW benefit units were provided with pay direct services for both Utilities & Rent and 126 OW benefit Units were accessing one of either Utility or Rent pay direct.

In the case of the Kingston & Frontenac Housing Corporation, as of May 2004, some 213 tenants who are OW recipients were participating in rent pay direct. Although the amount for rent arrears exclusively representing OW clients is not available, the Kingston & Frontenac Housing Corporation's overall current rent arrears experienced a reduction from as high as $58,321 in 2000 to as low as $36,794 in 2003.

In the case of Utilities Kingston, hook up deposits are waived to many OW clients who elect to pay by OW Pay Direct. This can be a savings to both the client and ultimately the tax payer as mandatory Community Start Up benefits were previously issued to pay for Utility hook up deposits for OW recipients. More recently, in March of 2003 as the legislated moratorium on utility cut offs came to an end, utility pay direct for OW recipients were an important component of several repayment agreements negotiated in partnership with other community agencies (Salvation Army, Share the Warmth, Neighbourhood Sharing, the Social Issues Network Group’s Utility Worker and others).

Subsequent to the initiation of the original Pay Direct Rent service, the local Ontario Works office was approached by a number of stakeholders, including clients, community agencies, for profit landlords and city councilors requesting an expansion of the service to “for profit landlords”.

Policy Review Process & Findings:

In addition to reviewing utilization and arrear reduction statistics at the Kingston & Frontenac Housing Corporation, OW management undertook the following surveys in order to review and update this policy matter:

Survey of Ontario Works Case Management Staff (see appendix B)
Survey of Neighbouring OW Consolidated Municipal Service Managers (see appendix C)
Survey of Community Agencies (see appendix D)
In addition to these surveys, OW management staff attended meetings with the Kingston Not for Profit Landlord Association and the “A Room of One’s Own” social inclusion initiative sponsored by the Social Planning Council.

There is a majority opinion among all stakeholders that increasing OW Shelter Allowance entitlement is the most effective means by which Ontario Works participants can improve the quality of their life, afford and retain suitable accommodation, and avoid arrears and evictions. This however, is not a remedy within the control of the City, since OW assistance rates are prescribed by the Province. Moreover, while the recent 3% increase to OW shelter allowance rates as of July 1, 2004 is a positive step, it is doubtful that this increase (which represents $9.75 per month for a single OW recipient receiving the previous maximum OW shelter allowance of $325 per month) will solve the financial challenges that OW recipients face, particularly related to retention of accommodation and payment of increasing utility costs.

Both the OW Case Manager survey and the Community Agency survey confirmed the value of current Rent and Utility direct payments as effective tools in assisting OW recipients in retaining permanent rental accommodation. While some difficulties related to fluctuating utility rates were identified, most survey respondents reported no OW client complaints and identified benefits of the policy. See appendices B & C for survey response details.

The survey of neighbouring OW Consolidated Municipal Service Managers revealed a variety of local policies and program deliveries. While some CMSMs did not undertake any voluntary pay direct services, others extended the survey to include “upon landlord request” services.; the current Kingston OW Pay Direct level of service falls somewhere in the middle of this range of services. See appendix D for survey response details of this survey.

Finally, at the meetings attended by staff with members of the Kingston Not for Profit Landlords’ Association and A Room of One’s Own, stakeholder representatives confirmed the benefit of pay direct both as a client customer service and as an accommodation retention/ eviction avoidance strategy. Opinions voiced by individual stakeholders of each of these groups were diverse and in some cases oppositional.

A private landlord representative at the “A Room of One’s Own” consultation meeting provided the following opinions”

- Pay direct is not an infringement of rights, if mortgage companies can demand preauthorized payments from your bank account so can landlords
- Pay direct should be mandatory for anyone who defaults on rent more than 3 times
- OW should pay the full rent amount to landlords by pay direct, even if it takes a portion of the monthly OW “basic” allowance, clients want it because they want to be able to live in better accommodations (an OW client present at the meeting concurred with this comment)
- If risk to the landlord is reduced then more housing will be available; let the client be the occupant and OW be the tenant
- Shelter must be the number “one” priority, deal with it first and let other community services help with food and other needs
- OW should be responsible for payment of rent when OW tenants do not give adequate notice; City should not expect private landlord to incur costs because of OW clients
Landlord members of the Kingston Not for Profit Housing Association provided the following comments:

- Pay Direct has been effective in reducing arrears and evictions and should continue to be provided and marketed more in the Not for Profit Sector
- For profit Landlords may withhold tenancy if OW clients do not agree to pay directs and this will defeat the voluntary spirit of the current policy
- A screening process of “for profit” landlords must be implemented if pay direct is to be expanded to the for profit sector

The above comments and suggestions by the “for profit” landlord representative of the A Room of One’s Own initiative are in some instances contrary to the requirements of the OW legislation or the intent of the OW Directives. Likewise, the suggestion that the OW office become the tenant or record of landlords whorent to OW recipients is far beyond the scope of services and liabilities that any OW Pay Direct Policy should address.

None the less, the important contribution of the “for profit” property rental sector toward the provision of accommodation services for OW participants must be recognized, as it is estimated that there are currently more than 2000 OW benefit units housed by “for profit” landlords in the Kingston CMSM. In many cases, these private landlords assist their tenants in a number of ways beyond the requirements of their rental agreements. This extended landlord assistance may include: deferral of rent due, forgiving of arrear debts and release from lease obligations without proper notice.

Based on these considerations, it is reasonable to conclude that the expansion of the OW Pay Direct to include “for profit” landlords will be beneficial to clients, landlords, the municipality and the taxpayer.

Proposed Policy

Expanding the policy to include the for profit sector must address the following three factors:

The ongoing need to safeguard against any potential Human Rights violation (particularly related to “equal treatment with respect to the occupancy of accommodation” and “right to freedom from harassment by the landlord or agent of the landlord”, on the basis of receipt of public assistance (Part 1, section 2(1) (2) of the Human Rights Code, 1981)

The ability of the local OW office to manage increase pay direct services within the current human resource capacity and approved operating budget

The ability of the client to pay for profit market value rent rates within the OW shelter entitlement

(a) Human Rights Safeguard

The original debate related to implementation of OW Pay Direct Rents in 2001 included discussion, media reporting and some written correspondence denouncing the policy as a Human Rights infraction. These concerns have been addressed through a strong implementation emphasis by City staff in providing this service to OW clients as a voluntary customer service. None the less, the original concerns remain valid and staff recognizes that safeguards must be built into the policy expansion that will prevent for-profit landlords from making Pay Direct a condition of a lease or rental agreement and thus nullifying the voluntary customer service intent of the policy.
The City can support potential interests under the Human Rights Code by taking steps including:

- Inclusion of a signed agreement by the landlord before any pay direct plan is set up that confirms that the landlord may not make direct pay a condition of leasing or continuing a lease with an OW recipient, thus supporting the customer service principle of the program expansion.
- Landlords objecting to the terms would be ruled out before participation in the program and tenants could be assured that landlord participation is on a principled basis.
- This agreement can also confirm that the tenant has the sole discretion to discontinue the direct pay and that the landlord warrants that he/she will take no steps against a tenant based on the tenant exercising that discretion.
- The tenant signing up for the program should also sign a confirmation that they are doing so voluntarily, that they have the option of discontinuing at any time and that if they have any concerns that they may contact the Human Rights Commission at any time.

(b) Cost Benefit and OW Administrative Capacity

There are potential savings to the City from pay direct service provision to the for profit sector. If evictions and arrears are avoided, the issuance of the mandatory Community Start Up allowance and the discretionary Rent and Utility Arrear & Deposit benefits may be reduced. The value of the saving is difficult to estimate as there is no way of determining the number of arrear and eviction incidents that have been and can be avoided. As OW allowances and Benefits are cost shared with the Province on an 80/20 basis, the City will realize 20% of whatever allowance savings are incurred.

Beyond the financial impact in the OW office, some clients may realize savings where they are now incurring expenses associated with the payment of rent (bank charges for cheque writing or transportation costs). Likewise, landlords will benefit from the service expansion as they will receive more of the rent revenues due to them from OW tenants.

Assessing the administrative cost of this proposed service expansion is also difficult. Obviously, there are additional staff workload requirements both in initiating the pay direct (gathering information from client, data entry, reviewing the arrangements from time to time and altering the payment details as required), and in processing the additional monthly payment transactions thereafter.

There are also additional direct office supply and service costs associated with the service. As OW administrative costs are cost shared with the Province on a 50/50 basis, the City will incur 50% of the additional expenses associated with this service. The following table denotes the office supply and service costs (in gross dollars) associated with the monthly production of a regular client direct bank deposit payment (DBD), a regular client cheque payment, and a third party pay direct payment. It should be noted that all clients regardless of whether they subscribe to any pay direct arrangement will receive either a direct bank deposit payment statement or a monthly client cheque payment. Pay direct payments are in addition to these client payments and where provided for both utility and rent payments, these represent two additional payments:
Payment Description | Tender Blank (cheque/DBD) | Envelope | Stamp | Total Monthly Payment Cost | Total Yearly Payment Cost
--- | --- | --- | --- | --- | ---
Regular Monthly Direct Bank Deposit | $0.074 | $0.070 | $0.490 | $0.634 | $7.608
Regular Monthly Cheque Payment | $0.108 | $0.070 | $0.490 | $0.668 | $8.016
Additional 3rd Party Payment (Pay Direct or Vendor cheque) | $0.108 | $0.070 | $0.490 | $0.668 | $8.016

Note: In the case of pay directs for a number of clients to the same third party, for example, Kingston & Frontenac Housing Corporation or Utilities Kingston, more cost effective delivery service (ie: bulk mailing or in person pick up) are sought to contain costs associated with this service.

(c) Compatibility with OW Shelter Allowances

It is recognized that many for-profit accommodation rent rates exceed the maximum shelter allowances in OW. While some stakeholders support encroaching on the basic allowance component of the OW monthly assistance for rent pay direct, City staff does not view this as being compatible with OW directives that recognize the “benefit of the benefit unit” and the “fostering of self reliance”. While the availability of affordable accommodations in the for-profit property rental sector may be limited, the provision of Pay Direct Rent for rental properties that do not exceed the OW participant’s maximum shelter entitlement and usual monthly OW assistance may encourage for-profit landlords to accept a lower monthly rental rate if the risk of non payment is reduced.

A further concern with expansion to the for-profit property sector is the matter of “notice requirements” and the frequent disruption, suspension and termination of OW benefits (including the shelter allowance component). Because of these concerns, some private landlords had suggested that the City become the tenant of record in such arrangements and thereby guarantee rent payments. As noted previously, the City is not in a position to guarantee social assistance and it would not be in the City’s interest to assume this role. The City’s interests in this matter can be supported by including a statement in the landlord agreement that waives any claim the landlord might have in relation to the lack of notice or general designation of the City as tenant.

**Summary of Proposed Policy Expansion:**

As a result of our broad consultations with internal and community stakeholders, the proposed expansion of OW Pay Direct to the for-profit sector may be summarized as follows:

- Pay direct to for-profit landlords will be undertaken at the OW participant’s request only, after the participant has been a tenant in the landlord’s rental property for a minimum of 4 current
consecutive months and is satisfied that the tenant-landlord relationship is in the benefit unit’s best interest

**Rationale:** This requirement will safeguard against coercive landlord requirements which might undermine the voluntary spirit of the policy and be a violation of the OW participant’s/tenant’s Human Rights. It will also permit the development of a tenant-landlord relationship prior to the initiation of the rent pay direct which may reduce wasted administrative effort as it will avoid pay direct requests that will be short lived due to landlord/tenant incompatibility.

- Rent payments will be made directly to the property owner or his/her legally recognized property management agent.

**Rationale:** This will prevent OW participants from being at risk of paying rent direct to a roommate who is the lessee and then facing eviction for non-payment of rent due to the pay direct funds not having been forwarded by the lessee to the property owner.

- Pay direct for rent will be provided only where the monthly shelter cost (rent cost plus utility costs whether they are included in the rent or paid directly to a utility provider) is equal to or less than the OW participant’s maximum shelter allowance AND the net OW monthly entitlement, after income deductions have been considered, is greater than the monthly rent rate.

**Rationale:** This will safeguard against encroachment on the OW Basic Allowance component of the monthly financial assistance and will prevent interrupted rent payments due to fluctuation in OW participants’ monthly entitlement as a result of irregular other “income” (earnings, support, etc) reported by the OW participant.

- The OW Administrator reserves the right to decline any client request for pay direct rent service to any landlord (either property owner or his/her legally recognized property management agent) who has not abided by the terms and conditions of the City – Landlord Pay Direct agreement; this agreement to be in a form determined by the Legal Services Division.

**Rationale:** Notwithstanding the terms and conditions of any lease or rental agreement that the OW participant may enter into as a tenant, City staff must ensure that OW funds are issued in accordance with the OW Regulation and Directives. Furthermore, the City-Landlord Pay Direct agreement in no way transfers any responsibilities of the OW participant as a tenant to the OW office through the rent pay direct service.

- Where voluntary client request for pay direct exceeds the administrative capacity of the OW office, priority will be given to clients who are at the greatest risk of eviction or need for intensive case management support.

**Rationale:** In the event that the volume of requests for voluntary pay direct exceeds the human resource capacity or supply & postage budget of the office, that the prioritization emphasis be on the well being of the benefit unit and need for intensive case management support rather than the customer service objective.

**EXISTING POLICY/BY-LAW:**

Initial local OW Pay Direct Policy approved by Council, June 19, 2001 as clause 1 of report no 63.

**LINK TO STRATEGIC PLAN:** N/A
FINANCIAL CONSIDERATIONS:
Beyond the administration cost per payment issuance detailed in this report it is not possible to forecast the exact costs associated with this proposed service expansion. As previously mentioned, expansion of pay direct may in fact reduce the cost of overall Community Start Up benefits and discretionary non-health benefits issued for arrears.

OW administrative costs are cost shared 50/50 with the Province while OW allowances (including the basic allowance, shelter allowance, community start up allowance and discretionary benefit for rent and utility arrears and deposits) are cost shared 80/20

CONTACTS:
Adele Lafrance, Manager of Administrative Services, Social Services 546-2695 ext 2070
Tanie Steacy, Manager of Program Delivery, Social Services, 546-2695 ext 2072

DEPARTMENTS/OTHERS CONSULTED AND AFFECTED:
The following were consulted and their input factored into this report:
Greg Grange, Manager, Housing Division
Alan Mcleod: Senior Legal Council
Gerard Hunt, Manager of Finance Division
Cheryl Mastantuono, Manager, Policy and Support Services, Community Services
Francyne Givogue, Manager, Kingston & Frontenac Housing Corporation
Participants of surveys and consultation meetings including OW Case Managers, Community Agencies and neighbouring CMSMs

NOTICE PROVISIONS: N/A

APPENDICES:
Appendix “A”: Comments from Joint Management and RULAC (Under separate cover)
Appendix “B”: Survey Summary: Ontario Works Case Managers ct Survey Summary
Appendix “C”: Survey Summary: Neighbouring OW Consolidated Municipal Service Managers
Appendix “D”: Survey Summary: Community Agencies
Lance Thurston,  
Commissioner of Community Services

Bert Meunier  
Chief Administrative Officer
APPENDIX “B”

Survey Summary: OW Case managers

A survey of the 36 Ontario Works case managers was undertaken by e-mail (March 2003) to gather information on their views and experience related to our local office Rent and Utility pay direct policy and practices. Ten responses were received. Of these 10 responses, one was incomplete with only the first question answered. The following table summarizes the responses received.

<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>RATINGS/RESPONSES</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1: Rate Pay Direct as a favourable / effective CM tool?</td>
<td>Usually: 9</td>
<td>• is challenging to manage due to income and rent rate changes</td>
</tr>
<tr>
<td></td>
<td>Sometimes: 0</td>
<td>• ensures rent is paid regularly (3)</td>
</tr>
<tr>
<td></td>
<td>Rarely: 0</td>
<td>• removes responsibility from client (2), like direct mortgage payment service, mitigates disadvantage OW clients have securing rentals</td>
</tr>
<tr>
<td></td>
<td>Never: 1</td>
<td>• prevents eviction (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• technologically challenging as no automated notification to worker that pay direct transaction end date has occurred</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• challenging for Utilities since deregulation and clients electing to transfer to private suppliers who do not provide average monthly billing options.</td>
</tr>
<tr>
<td>Q2: Estimate frequency of utilization of pay direct for caseload</td>
<td>Average figures for 9 responses received:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Caseload: 96</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Voluntary Rent: 9.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Voluntary Utility: 8.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mandatory Rent: 0.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mandatory Utility: 0.3</td>
<td></td>
</tr>
<tr>
<td>Q3: Describe frequency and type of contact with “not for profit” landlords</td>
<td>Frequency: Majority of workers indicated they received 1-2 calls/week from housing providers. 1-5 calls/week to housing providers</td>
<td>Nature of Contacts:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• housing providers calls were initiated primarily to notify of rent rate change, notify of an arrear and/or investigate a missing pay direct or notify of rent not paid where no pay direct is in place</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• case managers initiated calls were primarily to confirm rental address, effective date and accommodation details or pay direct information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• several casemanagers noted that they receive requests for information from housing providers which they deem as inappropriate and which would constitute a breach of confidentiality if responded to; these questions relate to reasons OW client cases have been terminated, who is the clients employer, addresses client have moved to etc</td>
</tr>
<tr>
<td>QUESTIONS</td>
<td>RATINGS/RESPONSES</td>
<td>COMMENTS</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Q4: Describe frequency and type of contact with “private for profit” landlords | Responses indicated a wider frequency range: Worker initiated contact was 1-10 /week while Landlord initiated contact was 1/1-4 weeks | Nature of Contacts:  
  - landlords initiated calls were primarily to complain of rent non payment  
  - case manager initiated calls were primarily to confirm rental agreement, rent rate, address and effective date; case managers also called to confirm approval of pay direct for last month rent  
  - case managers also reported they continue to receive inquiries from private landlord for pay direct  |
| Q5: Case manager recommendation on potential expansion of Mandatory Pay Direct | 9 casemanagers responded &/or commented  
Yes: 7  
No: 2 |  
- but limited to not for profit landlords only  
- need very detailed guidelines which must be adhered to  
- important for case managers to have discretion  
- especially where some history of non payment is demonstrated (3)  
- and allow pay direct to equal full rent due and exceed OW shelter maximum to ensure arrears do not occur  |
| Q6: Case manager recommendation on potential expansion of Voluntary Pay Direct to private, for profit landlords | 9 casemanagers responded &/or commented  
Yes: 5  
No: 3  
Caution if expanded: 1 |  
- exercise caution, do not allow for subletting  
- will result in private landlords demanding pay direct by making it a condition of renting  
- only for client with a history of rent non payment and evictions (3)  
- vital service to ensure accommodation is secured over winter or where children are involved  
- only with clear written request from client |
### APPENDIX “C”

**Survey Summary: Neighbouring OW Consolidated Municipal Service Managers**

<table>
<thead>
<tr>
<th>Question</th>
<th>Leeds &amp; Grenville</th>
<th>Hastings</th>
<th>Prince Edward – Lennox and Addington</th>
<th>Cornwall</th>
</tr>
</thead>
</table>
| Does your municipality pay Rent Direct to Landlords? If so, specify scope: | - There are very few pay directs to either the Housing Corporation or Not-for-Profit Housing providers  
- There are a few pay directs to Commercial Landlords, but there must be a significant reason | - There are two utilities – Meridian and Hydro One  
- Pay Directs are available for the Housing Corporation, Private and other not-for-profit organizations | - Pay Directs to the Housing Corporation, Not-for-Profit housing providers and commercial landlords, and utilities  
- The Pay Direct policy is “wide open” usually by landlord request on “Intent to Rent” form. | - Don’t do Pay Directs  
- Have an agreement with the Family Counseling Centre (FCC) who acts as a trustee and pays landlords of mutual clients having problems with rent arrears. The FCC pays client rent to the Landlord, but charge $20.00 fee/mo to Landlord |
| What is the basis of the policy?                                          | - Not usually done on voluntary or customer service basis  
- Usually voluntary for money management assistance to avoid eviction  
- Most often mandatory for health and welfare of the Benefit Unit with history of arrears/evictions | - client request or if they demonstrate that a problem exists, i.e. facing eviction | - Pay Direct is done on a voluntary/customer service basis as well as landlord requirement to secure tenancy.  
- It may be deemed as mandatory if the participant displays mismanagement. | - Pay Direct is never provided for convenience or customer service.  
- The majority of participants agree to having a trustee when faced with arrears or eviction.  
- Strictly for those who haven’t paid rent |
| Details of current policy:                                                | - Pay Directs are not usually undertaken if the benefit unit is over housed. If they are, would also want a longer term plan to relocate  
- Pay Direct for Utilities is only done for arrears to avoid cut off and client must agree to budget counseling.  
- There are no “ongoing” Pay Directs for utilities | - Pay Directs may be undertaken if the benefit unit is over housed. It depends on the circumstances  
- Try to avoid Pay Directs for utility costs for those clients who are over housed.  
- There is no formal policy regarding notice needed to terminate a Pay Direct, but clients do endeavour to notify. | - If the client is over housed, can encroach on basic allowance for Pay direct if client agrees  
- No established limit.  
- No retro adjustments to Utilities  
- The participant is suppose to give 30 days notice of canceling a Pay Direct, but rarely happens. | - FCC will allow Pay Directs even if the client is over housed  
- Pay Directs are not undertaken for utilities  
- The notice required to terminate a Pay Direct is at the Worker’s discretion. |
### Survey Summary: Community Agencies

<table>
<thead>
<tr>
<th>Agency</th>
<th>Familiar with OW Pay Direct</th>
<th>View OW Pay Direct as Beneficial</th>
<th>Support Expansion of Voluntary Pay Direct</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Kingston Youth Shelter                      | Yes                         | Yes                             | Yes                                      | - Present OW Shelter Allowance is unrealistic  
- Pay Direct favorable as long as clients' rights are respected  
- Landlords like direct payment as rent is guaranteed even if tenant agreement does not work out                                                                                                  |
| Home Base Housing                           | Yes                         | Yes                             | No                                       | - Known instances of tenants with rent pay direct being evicted due to Utility cut offs  
- Tenants express positive opinions about pay direct  
- Has likely avoided some evictions  
- Pay Direct must cover total rent cost or evictions will still occur                                                                                                                             |
| Kingston Community Counseling Centre (OW appointed Trustee for Youth cases) | Yes                         | Yes                             | Yes                                      | - OW income is so little that rent is easily not paid  
- Not limiting Pay Direct to “not for profit” housing would be helpful  
- Valuable asset to OW clients                                                                                                                |
| Salvation Army: Community & Family Services | Yes                         | Yes                             | Yes                                      | - Low disposable income is difficulty, pay direct helps  
- Pay direct requirement is part of rent bank loan approval requirement  
- Most clients appreciate this type of payment  
- Believe expansion would help with cut off and evictions                                                                                     |
| Dawn House Women's Shelter                  | Yes                         | Yes                             | Yes                                      | - People see pay direct as a safety net, they're aware of the issues they face  
- Expanded Pay Direct might increase access to housing by landlords “taking a change on low earners, poor credit history and young people  
- People have concerns related to fluctuation of Utilities as they are paid as a fixed amount then reviewed                                                                                      |
<table>
<thead>
<tr>
<th>Agency</th>
<th>Familiar with OW Pay Direct</th>
<th>View OW Pay Direct as Beneficial</th>
<th>Support Expansion of Voluntary Pay Direct</th>
<th>Comments</th>
</tr>
</thead>
</table>
| St Vincent de Paul Society            | Yes                         | Yes                             | Yes                                       | • Very helpful for rent to be paid upfront, especially if utilities are included  
                                                                 |                                                                 | • Recipient must be part of decision, have control over lives              
                                                                 |                                                                 | • May help landlord attitudes, make more units available                  
                                                                 |                                                                 | • Incomes are too low and rents to high                                  |
| North Frontenac Community Services    | Yes                         | Yes                             | Yes                                       | • OW shelter allowance does not cover rent & utilities                     
                                                                 |                                                                 | • Pay direct to Hydro One is not possible, unfortunate                    |
| Kingston Frontenac Housing Corporation| Yes                         | Yes                             | Yes With some caution                     | • Evictions not often seen due to high pay direct rate                     
<pre><code>                                                             |                                                                 | • Pay Direct required as a condition of arrears repayment agreements where evictions may occur |
                                                             |                                                                 | • Tenants without have cars appreciate the convenience                    |
                                                             |                                                                 | • Some problems when Pay Directs self terminate after 12 months           |
                                                             |                                                                 | • Support expansion to “private” landlords with some caution              |
</code></pre>
<p>| Social Planning Council               | Yes                         | Yes                             | Yes                                       | • Support pay direct as long as voluntary for people and not coerced into participating |
|                                                                 | • Landlords state that pay direct would make them more likely to rent to low income people |
|                                                                 | • Personal needs and shelter allowances must be raised to reflect current rates for rent utilities etc |
| Town Homes Kingston                   | Yes                         | Yes                             | Yes                                       | • Some problem with tenants on pay direct for rent but in utility arrears    |
|                                                                 | • Many tenants request the service at time of leasing                      |
|                                                                 | • More pay directs to Utilities would save more tenancies                  |
| North Frontenac Non Profit Housing    | Yes                         | Yes                             | Yes                                       | No comments provided                                                     |</p>
<table>
<thead>
<tr>
<th>North Kingston Community Health Centre</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>As long as client choose the service</th>
</tr>
</thead>
</table>

- Experience some problems with Utility arrears occurring even with utility pay direct when consumption exceeds the monthly payment
- Not all (OW) caseworkers explore all possibilities when dealing with arrears
- Clients are satisfied with pay direct as long as they are not “subtly” coerced into using it
- Need safeguard against coercion
- Some housing corporations have policies that discriminate against OW recipients by requiring payment of last month rent
- Suggest that clients be informed in advance when next month OW assistance will not be enough to cover their rent/utilities
RECOMMENDATION TO COMMITTEE OF THE WHOLE:
WHEREAS the Grand Theatre is a property owned by the City of Kingston and will be undergoing a large capital restoration and renovation in the next two years;

AND WHEREAS community leaders wish to fundraise for this capital project within the legal framework of a charitable trust;

AND WHEREAS it is anticipated that the Foundation will not be incorporated and registered as a charitable foundation before work begins toward the charitable purposes;

THEREFORE BE IT RESOLVED THAT:
1. Council approves the Grand Theatre Restoration Foundation Support Agreement which defines the relationship between the Corporation of the City of Kingston and the chairpersons of the Committee as outlined in Appendix A; and

2. Council approves of the list of potential naming right locations as one part of the Grand Theatre’s community’s fundraising plan as outlined in Appendix B: Naming Recognition Opportunities; and

3. Council authorizes our Legal Department to prepare and execute all required documentation to proceed.

ORIGIN/PURPOSE:
The origin of this report is the Council meeting of February 10, 2004, at which Council directed city staff to work with community representatives ‘to develop and report back to Council on the legal, financial and consultative framework that:
A. Links a proposed Grand Theatre Foundation to the City of Kingston in a manner that is compatible with the limitations as per the new Municipal Act, and;
B. Ensures that the fundraising effort of the Grand Theatre Foundation is appropriately supported in a manner that achieves its target fundraising goal towards the capital restoration and redevelopment of the Grand Theatre.’” (Report No: 04-058)
OPTIONS/DISCUSSION:

The Fundraising Feasibility Study and Strategy for the Grand Theatre acknowledges that the Grand Theatre’s community of interest is committed to moving forward with a fundraising campaign under the leadership of an independent charitable trust. A great deal of momentum for the project has been attained and all recognize the time sensitive nature of this fundraising opportunity.

Appendix A: Grand Theatre Restoration Foundation Support Agreement (known in this report as “the Agreement”) outlines in detail the expectations of the City related to the Committee, the Foundation and its board, identification with the City, donor and rights of City approval, financial transactions, reporting and communications and representation on the project committee, and assignment and adoption.

Included within Appendix A are the incorporation documents of the Grand Theatre Restoration Foundation and a copy of the Agreement between the current Committee members and the Community Foundation of Greater Kingston. The proponents of this Agreement between the Committee members and the Community Foundation of Greater Kingston have committed to providing legal counsel for the City of Kingston with a signed copy.

Structure Highlights: It requires several months to establish a charitable foundation and we do not anticipate that incorporation will occur before work begins towards the aims of the trust. The Agreement partners the City with individuals otherwise known as the “Committee,” jointly and severally bound by the Agreement for and on behalf of the Foundation. It anticipates the creation of the foundation in the near future. Once the charitable foundation is legally established, the Committee will be rolled into the structure of the charitable foundation.

Financial Highlights: As outlined and included in the Agreement, the Committee has established a formal relationship with the Community Foundation of Greater Kingston to deposit funds into a separate account and to act on their behalf in the transfer, deposit and management of funds received on behalf of this project. Once the foundation is established, the Community Foundation of Greater Kingston will transfer all funds to the trust.

Donors and Naming Rights Highlights: Sections 6-8 of the Agreement addresses the recently approved Corporate Sponsorship policy (04-066). It is timely that the Committee has approval from the City to pursue naming rights linked specific locations in the Grand Theatre. Appendix B: Naming Recognition Opportunities provides a list of options that will increase the possibility of the success for this venture. These options satisfy the Corporate Sponsorship policy.

Further, this Agreement clearly identifies a methodology of protocols to ensure that the consent of the City is obtained.

Representation of the Fundraising Committee on the project: It is the intention to create a capital project committee specific to this project to provide public input on the Grand Theatre restoration project as it proceeds. The Committee has indicated its desire to have two (2) representatives on the project committee.

Summary: Civic staff and the community fundraising representatives have reached consensus on terms of the attached agreement. It provides efficiency in protocols and processes while safeguarding the interests of the City.

EXISTING POLICY/BY-LAW:
The Grand Theatre is a municipally owned and operated facility under the stewardship of the Cultural Services Division, Department of Community Services.
LINK TO STRATEGIC PLAN:
The Grand Theatre is an important cultural facility in this community and adds tremendous social and economic value to the Corporation of the City of Kingston. Culture is identified by City Council as a priority area in its Strategic Plan - Focus Kingston.

FINANCIAL CONSIDERATIONS:
The goal of the Committee and Grand Theatre Restoration Foundation is to gather funds for the support of any renovations to restore of the Grand Theatre. They are seeking $2.6M in donations. As per Appendix A, the Committee will bear the costs of their activities including:

a. the incorporation of the Charitable Trust including all related costs, expenses, fees and taxes;
b. the obtaining of independent legal, accounting and other consulting advice in relation to such incorporation;
c. the planning and structuring of the Charitable Trust; and
d. the operation of the Charitable Trust including all related costs, expenses, fees and taxes.

Once the goal is achieved, the charitable trust could continue to provide further support to Grand Theatre opportunities related to future capital and operating objectives.

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Alan McLeod, Senior Legal Advisor, Legal Services 546-4291 ext. 1237
Cliff Edwards, Manager, Grand Theatre 546-4465 ext. 307

DEPARTMENTS/OTHERS CONSULTED AND AFFECTED:
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Alan McLeod, Senior Legal Advisor, Legal Services (concurs) 546-4291 ext. 1237
Cheryl Mastantuono, Manager, Policy & Support Services (concurs) 546-4291 ext. 1253

NOTICE PROVISIONS:
N/A

APPENDICES:
Appendix A: Grand Theatre Restoration Foundation Support Agreement
Appendix B: Naming Recognition Opportunities
Lance Thurston, Commissioner
Department of Community Services

Bert Meunier
Chief Administrative Officer
RECOMMENDATION TO COMMITTEE OF THE WHOLE:
This is an information report only.

ORIGIN/PURPOSE:
The purpose of this report is intended as a general overview of land banking as a land management tool that will assist future affordable housing development and is intended to outline the steps and components necessary for undertaking the preparation of the municipal land banking policy.

Specific development of land banking policy will be formulated under the approved Focus Kingston Affordable Housing projects for Council consideration upon completion.

OPTIONS/DISCUSSION:
What is land banking?
Land banking refers to the process of public acquisition of undeveloped or underdeveloped land for future development purposes.

Land banks, land banking companies, and land banking authorities are typically set up as separate and distinct entities. These entities are enabled through legislative documents, municipal policies and by-laws to manage lands either by the way of surplus acquisition, transfer, or tax foreclosure for future use and marketing options.

General goals of land banking:
Land banking as a land management tool with a wide spectrum of planning and development applications, has three major goals:
(1) Managing urban growth patterns  
(2) Ensuring land availability for specific uses  
(3) Capturing capital gains due to increases in land value created by government investments

The first goal is associated with land use control and shaping regional and community growth, ensuring an orderly land development of certain types of public and private uses (open space, residential/housing), and protecting land with notable environmental attributes.

The second goal is to ensure a supply of land and provide opportunities to retain land for future development in highly competitive real estate markets. This approach allows municipal authorities to acquire land to be reserved for specific purposes, for example for subsidized housing.

The third goal is closely related to the strategic acquisition of undeveloped land and further increase in its value due to services provided.

To a limited extent public land banking is currently applied in many urban centers through the advanced purchase of land for specific public uses such as roads, schools sites and industrial parks.

**Historical background**

Land banking as a planning control and plan implementation tool is not a new concept in land management. Saskatoon and Edmonton are two municipalities who are frequently cited for their land banking activities in the 1930s. Tax delinquent land was acquired and held as a reserve for future development. As a result, today 80 to 90% of the development is on municipally owned land.

Although the National Housing Act has had provisions for financing land banks since 1954, these provisions were widely used by municipalities until the 1970’s. Under section 42 Loan Program for Acquisition of Land for housing approximately 30 loans per year were granted in early 1970s (the program allowed provinces, municipalities and housing authorities to receive 90% federal loans with term up to 50 years for sites to be leased and 25 years for sites to be sold).

One of the first major reports at the national level to recommend large scale public land banks was the Hellyer Report in 1969, prepared by the Task Force on Housing and Urban Development. In 1970, Land Banking was proposed in the CMHC report with respect to new satellite communities. Later, in 1972, land banking was included in the Dennis Report on low income housing.

At the municipal level, land banking for housing purposes has been primarily applied for project specific site development. The former City of Toronto land banking policies were adopted in 1973 under the Living Room Report and the first land banking scheme was applied to residential development at the St. Lawrence site in the downtown area.

In the City of Kingston, land banking was originally recommended in a 1976 housing study and later in the 1990 Municipal Housing Statement but never acted upon. As a tool for affordable housing provision, it was recommended over two decades ago to maintain an inventory of municipal, provincial and federally owned lands and with any land disposal by governmental agencies give the priority to housing in land utilization.
The City of Kingston 1984 housing study noted that senior government subsidy programs for land banking were no longer available, and it was not considered financially feasible for municipalities to undertake land banking on a significant scale on their own. It was recommended that the City maintain and monitor an inventory of municipal, provincial and federal land locally, and that whenever land owned by any level of government was disposed of, it should be considered for housing. As noted in the 1990 Housing Statement, this approach would be worthwhile, particularly in the City where there is a relative shortage of land for affordable housing. The current Urban Growth Strategy examined available lands within the serviced areas and there are fairly substantial areas designated for future residential development. These lands however, are held largely by local developers.

**Legislative framework and local policies**

The following legislative framework enables municipalities to support major functions of a land bank with respect to land acquisition, holding, transfers, and disposal.

- **The Planning Act, 1990**

Under s. 25 of the Planning Act, acquisition of lands must comply with provisions of the Official Plan. If there is an official plan with provisions relating to the acquisition of land, the municipality may acquire and hold land within the municipality for the purpose of developing any feature of the official plan, and any land so acquired or held may be sold, leased or otherwise disposed of when no longer required.

For the purpose of land holding, the council of a local municipality may impose a holding provision in a zoning by-law passed under Section 36. The holding symbol may be used for designation of lands, buildings or structures that may be reserved until the holding symbol is removed by amendment to the by-law.

Land banking is directly related to implementing the land use plan and depends on characteristics of the local planning process. The Official Plans for the three former municipalities in Kingston area contain holding provisions in compliance with the Planning Act and identify local policies that were prepared by the three former municipalities within the boundaries of their individual jurisdictions. It is anticipated that a new Official Plan will harmonize the existing land acquisition and land holding provisions under one document and consider recommendations of the Urban Growth Strategy and the Transportation Master Plan.

- **The Housing Development Act, 1990**

Under s.17 if there is an official plan in effect in a municipality that includes provisions relating to the provision of housing, which provisions have been approved by the Minister subsequent to the coming into force of this section, or if the council of a municipality has adopted a policy statement containing provisions relating to the provision of housing which statement has been approved by the Minister, the council of the municipality may,

(a) acquire and hold land, with or without buildings thereon, within the municipality for the purpose of a housing project;
(b) survey, clear, grade, subdivide, service and otherwise prepare such land for the purpose of the project; and
(c) sell, lease or otherwise dispose of such land for a nominal or other consideration for housing purposes.

- **The Municipal Act, 2001**

Under s. 268 every municipality and local board with authority to sell land, shall pass a by-law establishing procedures, including the giving of notice to the public, governing the sale of land. Before selling any land, every municipality and local board shall pass a by-law or resolution to declare the land to be surplus; obtain at least one appraisal of the fair market value of the land; and give notice to the public of the proposed sale.

As prescribed by s. 268(5) municipality and local board shall establish and maintain a public register listing and describing the land owned or leased by the municipality or local board.

Certain classes of land are excluded from land sales and from the register, including land less than 0.3 m, highways and land formerly used for railway lines.

Part XI of the Municipal Act empowers municipalities to sell land for tax arrears. In February 2004, the City of Kingston endorsed a failed tax sale property policy that allows dealing with properties that have gone through the tax sale process and have not been sold. The policy enabled the City of Kingston to vest lands and dispose the surplus lands through a public sale/public tender process.

- **The Social Housing Reform Act, 2000**

This new legislative framework has changed the roles and accountability of the municipality in housing provision and housing programs delivery. This Act empowers the City of Kingston as the Service Manager to lead and shape a comprehensive, community-driven housing provision to meet local needs in subsidized housing.

Under section 5 of the SHRA, the City of Kingston has the following powers:

- purchase or acquire a housing project in its service area for the purpose of operating it as a housing project;
- purchase or otherwise acquire land in its service area for the purpose of operating a housing project on it;
- construct a housing project on land that it has acquired in its service area;
- make alterations or additions to a housing project that it has acquired or constructed in its service area;
- operate and maintain a housing project that it has acquired or constructed in its service area;
- sell or otherwise dispose of land and housing projects that it has acquired or constructed in its service area.

**Examples of existing land banking programs**

Over the years project specific land banking programs, industrial banking and advanced land acquisition for public facilities have proved that land banking can be successful. Land bank authorities often play a key role in the success of redevelopment projects. This approach is widely used in the United States, where municipal authorities acquire privately owned land to be reserved for housing purposes. The land is then leased to non-profit or community housing providers for an extended period, enabling the development of long-term accommodation. For example:
The City of Cleveland founded a land bank program during its Mid-Town Corridor project with a primary role to manage marketing and development, complete land acquisitions, cover holding costs of vacant parcels, and raise revenues.

A land bank in Genesee County, Michigan, is envisioned as a legally independent, public, nonprofit corporation created and controlled by its government sponsors.

The 2003 Texas Urban Land Bank Demonstration Act provides an opportunity for the City of Dallas to address the dual needs of insufficient affordable housing and older neighborhoods at risk through establishing a municipal urban land bank demonstration program.

In Anchorage, Alaska, a general land bank was established for municipal purposes and benefits, to promote orderly development and to achieve goals of its comprehensive land use and development plan.

In the City of Toronto land banking policies were adopted in 1973 and the St. Lawrence site in the downtown area (former industrial site) was chosen for the City’s first land banking scheme. These lands were developed for housing through the cooperation of the federal, provincial and municipal governments, together with the private sector.

Land banking has been adopted in some jurisdictions to retain opportunities for the development of affordable housing in highly competitive real estate markets. Under O. Reg 168/03 made under the Municipal Act 2001, the Regional Municipality of York may incorporate one or more corporations under the Business Corporations Act/or Corporations Act for the purposes of developing sites for and construct, operate and maintain one or more housing projects for residential accommodation on those sites, to sell, lease or otherwise dispose of or encumber all or any part of a site or housing project to support or benefit a system or facility of the corporation for public transportation.

**Organizational structure for a land bank**

Structural development of a land bank has two basic phases: land inventory and operational procedures for the decision-making process on land acquisition, holding, and disposition.

Project specific land banks are established for specific types of land uses: industrial, housing, public facilities, open space, and urban renewal. Analysis of land banking practices over several decades shows that there are various types of organizational structures: federal, state government, metropolitan, councils of governments and local jurisdictions, public corporations. Determination of the appropriate type of entity for administering a land bank depends on the purposes to be achieved (general land bank, land bank for housing development, redevelopment), scale (regional, municipal, project specific) and the ability of the entity to carry out activities with respect to legal, financial, and planning considerations. Special purpose public corporations are corporate bodies authorized by legislative action to function outside of the regular structure of state or local governments in order to finance, construct, and operate revenue producing enterprise.
Land banking and brownfields

There has been a growing interest among municipalities to find ways to redevelop brownfield sites for new uses including residential development. As stated in the City of Kingston Brownfields Project (Report to Council PC039), although the Brownfields Statute Law Amendment Act was passed in November 2001, not all of the additional provincial legislation required to implement the proposed changes has been proclaimed yet. It is anticipated that the remaining legislation will be proclaimed in the fall of 2004, and is required for the City to be able to offer a full Brownfields program with respect to financial waivers, environmental registration systems, and appropriate environmental standards.

Currently in the United States, the Louisville/Jefferson County Landbank of Kentucky has specifically been initiated to address the issues accompanying brownfield properties and thus ensure that all such lands are properly handled and prepared for development.

Land Banks by Governmental level

<table>
<thead>
<tr>
<th>Governmental level</th>
<th>Primary purpose</th>
<th>Land Bank Type</th>
<th>Policy Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>Oversee federal lands, possible involvement in project specific land bank</td>
<td>General land holding</td>
<td>NHA</td>
</tr>
<tr>
<td>Provincial</td>
<td>Environmental protection, large scale public facilities</td>
<td>Provincial land holding Area and Project Specific</td>
<td>PPS, NHA, s.79 Joint projects with provinces, municipalities and public housing agencies</td>
</tr>
<tr>
<td>Regional</td>
<td>Growth control, land price, capital gains, land use, new facilities</td>
<td>Project specific</td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>Advanced land acquisition, public facilities, Low-moderate income housing Industrial Urban renewal</td>
<td>Project specific</td>
<td>Local Planning Under the Official plans. NHA, s.80 Loans to provinces, municipalities and public housing agencies</td>
</tr>
</tbody>
</table>

Land Banking in Western Europe

Being associated with rapid urban growth, land banking in the Netherlands started in 1896 in Amsterdam. It has been seen as a means of promoting the public interest in adequate housing and decent living environment. In 1971 approximately 83% of land offered for development was acquired from municipal land development enterprises; of these lands approximately 31% was leased rather than sold to private interests. Land banking is largely the responsibility of land development enterprises which exist in the majority of municipalities, including 115 out 118 municipalities with population of at least 20,000 people. Of the total stock of municipal land 50% is ready for development and 59% is in preparation.
Stockholm is renowned for its land bank program, started in 1904. It was one of the first Swedish municipalities to begin buying land for a land bank and continues to be one of the most active cities in responding to and managing urban growth.

In France, land banking was not initiated until 1958. It started at the national level to respond to the government’s commitment to a higher rate of housing construction. The land banking program did not advance in terms of control of land acquisition or widespread realization of land use planning objectives due to the lack of political and financial commitment.

Financial implications

Land banking practice indicates numerous challenges associated with the financing of large scale land operations. The most common concerns are related to:

- availability of sufficient funds during the initial start-up phase
- need to balance objectives and financial resources
- need for large scale funding resource.

One of the options to finance a land bank is governmental funds in the form of grants or loans. Under the National Housing Act, section 80 (1) Canada Mortgage and Housing Corporation may make loans and contributions to a province, municipality or public housing agency for the purpose of assisting that province, municipality or agency to acquire or service land for housing purposes or for any incidental purpose and make loans to refinance debt that the Corporation is of the opinion relates to the acquisition or servicing of land for those purposes, and may forgive amounts owing on those loans.

In addition, potential sources of revenue may be counted on:

- transfer fees on real estate transactions
- allocation of capital gains taxes in connection with land transactions
- allocation of incremental increases in property taxes resulting from increased assessments in land values.

Next steps:

Further planning and implementation steps in developing a local land banking program for affordable housing will include three major components: consultation, policy development, and formalization of the land banking policy:

**Phase I Report to City Council - fall 2004:**
- Define local role and functions of the land bank for affordable housing development
- Analyze local federal, provincial, and municipal land resources
- Consider the use of private not-for-profit land trusts to assist with land banking and development
- Clarify the use of all or part of some of the brownfields sites under consideration for redevelopment that may be mandated for affordable housing development
- Define land banking policy framework
- Define organizational structure of the land banking authority.

**Phase II Proposed Land Banking By-Law - 2005:**
- Land banking authority
- Procedural provisions.

This work is being undertaken as part of the Affordable Housing strategic initiative under FOCUS Kingston.

EXISTING POLICY/BY-LAW:
Failed Tax Sale Properties Policy

LINK TO STRATEGIC PLAN:
Kingston Community Strategic Plan identified the need to develop affordable housing strategy and find the solutions to accommodate housing needs of the community specifically targeted to youth, seniors, persons with special needs and low income families.

FINANCIAL CONSIDERATIONS:
No financial implications are to be considered in this report.

CONTACTS:
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DEPARTMENTS/OTHERS CONSULTED AND AFFECTED:
Liz Fulton/Marianne VanBruinessen, County of Frontenac
Terry Willing, Commissioner, Department of Planning and Development Services
*Bianca Bielski, Manager, Department of Planning and Development Services
*Shirley Bailey, Senior Policy Planner, Department of Planning and Development Services
*Alan McLeod, Senior Legal Counsel, Legal Services, Department of Corporate Services
*Jay Abramsky, Community Champion
*Dave Jackson, Community Champion
Mark Segsworth, Commissioner, Department of Operations
*Comments received have been incorporated and/or revised in the report.

NOTICE PROVISIONS:
There are no existing notice requirements under the Municipal Act concerning this subject, on record, to date.

APPENDICES:
N/A
Lance Thurston,
Commissioner, Department of Community Services

Bert Meunier
Chief Administrative Officer
Comments from County of Frontenac staff

At the Joint Management meeting of __________________, the following comments were made by County of Frontenac staff:

(There were no notable comments made by County of Frontenac staff at the JM meeting)

Report No.: 04 – 259 - Landbanking

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Comments from RULAC

At the RULAC meeting of ------------, the following comments were made by County of Frontenac representatives:

(There were no notable comments made by County of Frontenac staff at the RULAC meeting)

Report No.: 04-259 - Landbanking