



Eastern Ontario Wardens' Caucus

EOWC Advocacy Briefing Package

ROMA Conference 2023

January 22-24, 2023





What's inside?

EOWC Background: Who We are	3
Affordable and Attainable Housing – '7 in 7' Plan	4
Municipal Long-Term Care Human Health Care Resources, Support and Funding	8
Continued Advocacy Items	12
Contact Us	14



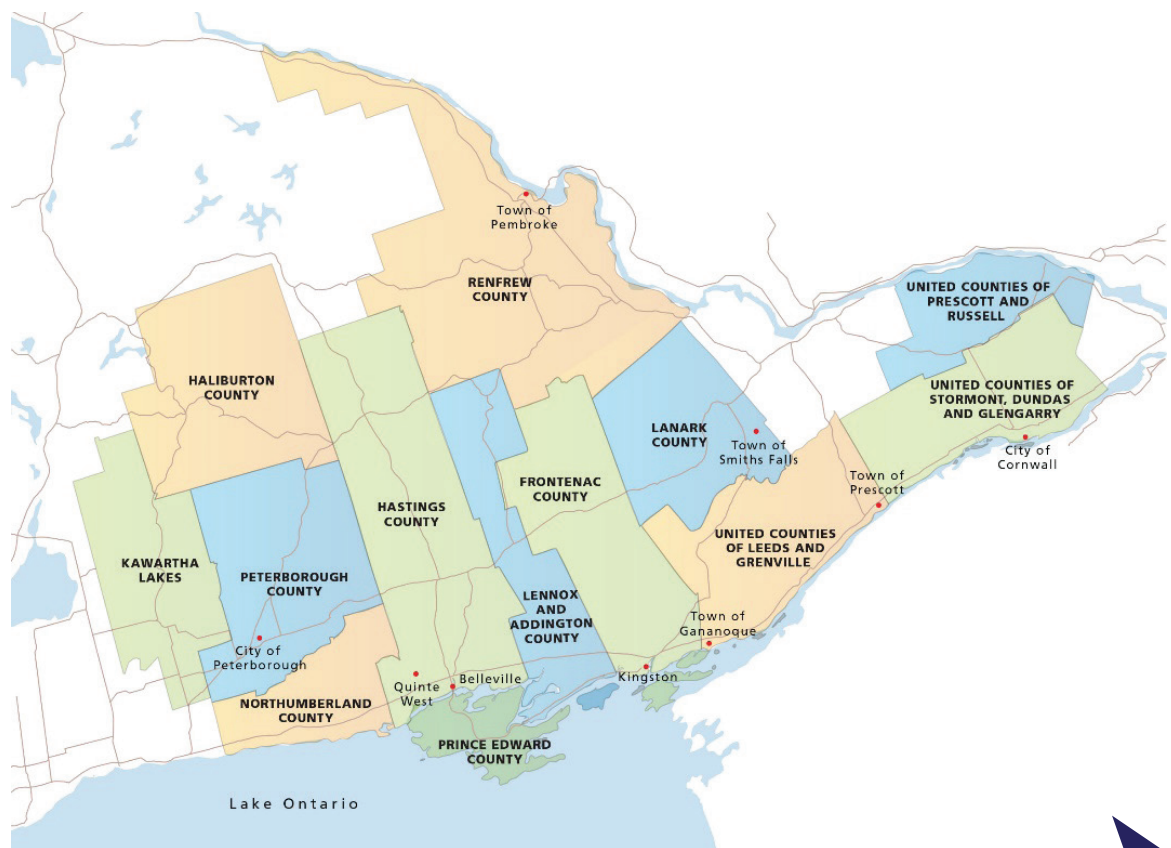
About the EOWC

The Eastern Ontario Wardens' Caucus (EOWC) Inc. is an incorporated non-profit organization comprised of the Heads of Council of 13 municipalities (11 upper-tier counties and two single-tier municipalities). The EOWC covers an area of approximately 50,000 square kilometres from Northumberland County east to the Québec border. The EOWC supports and advocates on behalf of its 90 lower-tier municipalities and their residents across the region. The EOWC has gained support and momentum by speaking with a united voice to champion regional municipal priorities and work with government, business leaders, the media, and the public.

EOWC Members

County of Frontenac
County of Haliburton
County of Hastings
City of Kawartha Lakes
County of Lanark United
Counties of Leeds and Grenville
County of Lennox and Addington

County of Northumberland
County of Peterborough
United Counties of Prescott and Russell
County of Prince Edward
County of Renfrew
United Counties of Stormont, Dundas and Glengarry



Affordable and Attainable Housing

ROMA 2023 Delegation Briefing Note

Issue

Eastern Ontario endorses the urgent need for more housing across the region and the province. More housing of all types including affordable rental units is a critical component to eastern Ontario's future prosperity. The Eastern Ontario Wardens' Caucus (EOWC) has developed and is committed to delivering a bold, innovative '7 in 7' regional housing plan. This plan will deliver seven thousand (7,000) affordable community housing rental units while incenting an additional twenty-one thousand (21,000) attainable market rate units over seven (7) years, totalling twenty-eight thousand (28,000) units.



Asks

The EOWC is looking for the Ontario Government to partner with the EOWC, along with the private sector and non-profit sector, to build 7,000 new community rental housing units over the next seven years.

The EOWC is looking to the Federal Government to join as full project partners. A strategic partnership with the Ontario Government to leverage and support federal advocacy is most desirable.

The EOWC will also be looking to the Ontario Government to ensure that community housing authorities receive the required subsidies for affordable rental housing operations as well as continued rent supplement programs.

Key Messages

Eastern Ontario has a serious shortage of rental accommodations. Too many households are inadequately or under-housed and are waiting too long to get access to rental housing that is affordable and meets their needs. As a result, safe, attainable and affordable housing is the top priority for the EOWC and its member municipalities. We are doing our part to increase housing supply by proposing a regional project to close a large share of the rental housing demand-supply gap and tackle our municipal community housing wait lists. The Caucus is proposing a regional housing project which aims to address this housing gap by building 7,000 new affordable community rental housing units over seven years.

The EOWC can get the job done. We have a history of bringing sectors, communities and people together to solve large-scale problems. The '7 in 7' plan will require the coordinated participation of all orders of government across ministries and the private sector (public-private partnership), and the non-profit sector. Based on this mixed model approach, government investment into 7,000 community housing rental units could **stimulate the construction of three units of market housing for every rental unit** built through the '7 in 7' plan. This is approximately an additional 21,000 attainable market rate units for a total of 28,000 units. During the first year of the pandemic (2020-2021), in-migration into rural eastern Ontario rose by roughly a third, putting upward pressure on housing prices and rental costs. These proposed additions to the housing supply will dramatically **reduce the wait lists for community housing and reduce the pressure on market rate** housing at the same time.

We will leverage local expertise and capabilities. The '7 in 7' project leverages expertise and capitalizes on an efficient, rural, local procurement approach. The Caucus' approach includes funding, land use planning, engineering, inspection, and servicing. By using economies of scale, the EOWC would be able to deliver, once again, on **time and on budget**, reducing overall costs to build housing faster.

We have the regional leadership to make this happen. The '7 in 7' is locally made. The project has the technical support and evidence gathered from municipal staff across Ontario. In June 2022, the EOWC hosted a regional housing summit that included municipal staff from multiple departments across eastern Ontario. The '7 in 7' project is a product of the summit's regional collaboration.

The project has the potential to drive the regional economy forward for years to come. Building new residential housing is very good business for the local, regional and provincial economies. For every job created directly in residential construction, two more jobs created as housing investments ripple through the economy. For every dollar spent on wages, two more dollars (in wages) go into the pockets of regional residents. On a project of this size, the **total stimulus to the economy will likely be \$4 to \$6 billion.**

We will help the Ontario Government meet its target. The EOWC is committed to helping Ontario meet its goal of building 1.5 million homes by 2031. While the private sector can respond to a large share of the need for market rate housing units (new homes or renovations), the EOWC is focused on addressing the constrained rental market.

Building more rental accommodation would better meet the housing needs of many rural residents. The EOWC urges the Province to partner with us to ensure that **rental units for all income levels are included in the government's plan.** Only 15% of eastern Ontario's rural residents (55,970) were renting in 2021, half the rate for the province as a whole. Nearly 8,000 rural households in the region are living in homes deemed unsuitable on a persons/rooms basis and more than 23,000 units are in need of major repair. A quarter of rural households (83,499) are one-person households.

The EOWC is ready to work with government to make this proposed solution a reality. The EOWC invites the Ontario Government to commit to being part of the '7 in 7' project and join the call to action to the Federal Government.

Background

The most recent Statistics Canada housing data for rural eastern Ontario demonstrates the major challenge eastern Ontario faces in which too many households are inadequately or under-housed and are waiting too long to get access to rental housing. Across the region, community housing wait lists are an average of 4.73 years, and in some cases, people are waiting up to ten years to access community housing.

EOWC's Commitment

The project has the endorsement of the EOWC's elected officials. On October 13, 2022, the EOWC passed a motion endorsing the '7 in 7' vision statement to move forward.

The EOWC will commit to increase our share of rental supply by 7,000 units across eastern Ontario within seven years, and work in partnership with the federal and provincial governments, local municipalities, private sector, and non-profit sector.

This will include a regional model that accounts for cost savings, local flexibility and sustainability. This goal will be accomplished through joint procurement and design, incentivization, municipal coordination, land use planning, long-term operational models, and leveraging partnerships.

An innovative approach to funding, land use planning, engineering, inspection, and servicing will be required.

On October 27, 2022, the EOWC issued a request for an expression of interest to consultants to develop a business case for the '7 in 7' project. The EOWC had a number of applications and has chosen to work with KWM Consulting Services Inc. on the development of a regional business case which will cover the project's full scope.

Government and Stakeholder Engagement

Between August 2022 and January 2023, EOWC staff met with provincial and federal elected officials and staff to share the idea and refine the proposal based on feedback. EOWC staff have also met with the Association of Municipalities of Ontario (AMO) staff to share the plan. Additionally, EOWC staff have met with the Ontario Home Builders' Association to discuss how the EOWC and private sector developers may work together in the future. The EOWC looks forward to continuing to meet with government and stakeholders.

Data Confirming the Sense of Urgency

Following the onset of the pandemic and given the current economic environment, the EOWC continues to want to attract, grow and support people, businesses and communities across the region. At its core, this includes having the right type of housing available. The below data demonstrates the need for housing units, especially for renters, low-income earners, newcomers, seniors, and others who cannot afford to buy a home at market prices. These residents are crucial to maintain the labour force necessary to sustain and grow our regional economy.

- Housing pressure has increased across rural eastern Ontario. Demand for housing of all kinds is greater than the supply of housing.
 - Migration from other parts of Ontario increased by 34% in 2020-2021.
- The population in rural municipalities continues to rise just as fast as the province as a whole (both at 5.8% between 2016 and 2021).
- Elevated housing prices, combined with higher interest rates and inflation, are driving up costs and reducing attainability of housing.
- The recent dramatic upward pressure on housing prices across rural eastern Ontario has not subsided significantly.
 - A third of real estate boards in eastern Ontario continued to show increasing prices for home purchases and none of the remaining boards saw prices decline by as much as for Ontario as a whole (-10% drop November 2022/year over year)
- 48,260 rural eastern Ontario households are spending 30% or more of their income on shelter costs.
- There is a desperate need for all types of rental housing.
 - Only 15% of rural residents (55,970) were renting in 2021, half the rate for the province as a whole.
- Eastern Ontario can deliver.
 - EOWC has the collaborative capability to bring together people, sectors and government.
 - EOWC is made up of 103 member municipalities and has ongoing successful partnerships with the region's separated cities.
 - Between 2016 to 2021, rural eastern Ontario added new housing units at a faster pace than the province as a whole: 39 units/1000 population compared to 24 units/1000 population respectively.
 - Eastern Ontario as a whole (urban and rural) has more than 3,000 residential construction-related businesses.
 - Over the last five years, rural eastern Ontario has added housing units at a faster rate than Ontario as a whole. Rural eastern Ontario: at an average of 38 units/1000 population compared to 30/1000 over the same timeframe. This is ahead of the City of Toronto (18/100), and nearly double the rate of increase in the City of Hamilton at 21. In fact, when rural and urban eastern Ontario housing units are considered, the total increase in housing units (39,195) exceeds that of the City of Ottawa, (33,495) between 2016 and 2021.
- When it comes to the right type of housing that needs to be built, apartments in rural eastern Ontario comprise only 8.4% of total housing units, compared to 19.5% in urban eastern Ontario. The EOWC's regional average is 12.3% which is far below the representation of apartments in the City of Ottawa at 29.4%, the City of Hamilton at 24.9%, or the province as a whole at 27.9% (excluding the City of Toronto) or 19.1% (including the City of Toronto).



Municipal Long-Term Care Human Health Care Resources, Support and Funding

ROMA 2023 Delegation Briefing Note

Issue

The Eastern Ontario Wardens' Caucus (EOWC) wants to work in partnership with the Ontario Government to ensure municipal long-term care facilities and related health care services are provided in the most effective and efficient manner. As leading long-term care operators and health-care service providers, the EOWC's member municipalities share escalating concerns regarding staffing agencies, differences in capital funding formulas between rural and urban communities, borrowing capacity limitations, the case mix index, and mitigation funding.

Recommendations

- **Agencies:** The EOWC asks that the Province address the negative effects and rising costs due to uncontrolled staffing agencies that place an unnecessary burden on the public health care system and taxpayer.
- **Human Resources:** The EOWC asks that the Province explore innovative opportunities to support rural communities' municipal long-term care homes in the recruitment and retention of health care staff to continue to provide quality care for residents.
- **Capital funding formula:** The EOWC believes that municipalities must have provincial support that reflects the full cost of building new long-term care facilities. This will ensure seniors have safe, modern, and comfortable homes while protecting rural taxpayers. Additionally, while the EOWC thanks the Province for the recent enhanced funding, the program needs to be formalized and extended in order to allow municipalities to plan for new beds in a predictable and stable environment.
- **Rural and urban:** The EOWC asks that the Province reform the long-term care home capital funding formula between urban and rural communities as a rural long-term care homes must compete for contractors and trades from neighbouring urban areas, and often pay increased cost for labour, travel and accommodation

- **Annual Repayment Limits (ARLs):** Municipalities are limited by their borrowing capacity as per ARLs established by the Province. Large capital investments such as expansion and replacement of long-term care homes erode borrowing capacity that could be used for other priority infrastructure projects such as roads, bridges, and affordable housing. Interest costs for municipalities for borrowing, particularly smaller rural communities, place an extreme burden on local capital financing.
- **Case Mix Index (CMI):** The EOWC recommends that the Ontario Government review and remove CMI data reporting requirements as it diverts front line resources.
- **Mitigation Funding:** Following the onset of the pandemic, long-term care operators still face increased pressures and added costs due to providing personal protection equipment. Continual provincial support and funding is needed and appreciated.
- **EOWC's reports and recommendations:** The EOWC encourages the Honourable Minister Calandra to review and use EOWC's long-term care reports and their key recommendations (see below) as an evidence-based resource for decisions moving forward. The EOWC is pleased to continue to act as a sounding board for rural eastern Ontario and be included in consultations regarding municipal long-term care facilities.

Key Messages

The EOWC applauds the Ontario government for prioritizing long-term care during and post-pandemic. The EOWC appreciates the government's commitment to strengthening the long-term care sector, including the implementation of the four-hour model of care. The EOWC looks forward to continuing to work together with the Ontario Government to ensure a high standard of care across the region.

Staffing Agencies

The cost of staffing/nursing agencies to municipalities is of huge concern to the EOWC. Agencies are taking advantage of an arbitrary opportunity created by a lack of supply of health care workers.

Agencies pay their staff roughly the same amount as a municipality, but the agency charges the operator (municipality) a rate that includes staff wage, plus an additional fee including overhead and profit. As a result, the municipal employer is losing staff directly to the agency employer and paying more to get the same level of service. Agencies are therefore making high profits on the backs of taxpayers supporting the public health care system.

Agency workers work outside the collective bargaining agreements and therefore have more opportunities to 'pick and choose' shifts at multiple facilities. This exasperates the problems of filling less desirable evening and weekend shifts, peak vacation and holidays shifts. This results in deeper staff shortages as agencies can increase rates of pay to staff and entice workers to leave full-time positions within the sector. There is no ability for municipal homes to stop this. Consequently, as a result this increases expenses and staff shortages for municipalities, and subsequently our taxpayers.

Capital Funding Formula

A key priority for the Caucus is a review of provincial capital funding, as the EOWC believes it is important that municipalities have support that reflects the full cost of building new long-term care facilities. This will ensure seniors have safe, modern, and comfortable homes while protecting rural taxpayers.

Six EOWC long-term care homes are pending re-development and the cost of re-development ranges from \$60 million to \$100 million per facility. The pandemic has seen costs continue to escalate with both staff and material cost pressures. Re-development leaves municipalities with large principle and interest payments which impedes movement towards the four-hour model of care, and adds a significant debt burden on the tax levy to support.

The EOWC is aware that the capital funding formula differs between rural and urban long-term care facilities. The EOWC believes that this methodology is in need of reform as a rural long-term care home must compete for contractors and trades from neighbouring urban areas, and often pays an increased cost for labour, travel and accommodation.

While the recent enhanced funding will certainly be of assistance, the program needs to be formalized and extended in order to allow for municipalities to plan for new beds in a predictable and stable environment.

Annual Repayment Limits

Municipalities are limited by their borrowing capacity as per ARLs established by the Province. Large capital investments such as expansion and replacement of long-term care homes erode borrowing capacity that could be used for other priority infrastructure projects such as roads, bridges, and affordable housing. For example, Northumberland County is in the process of redeveloping its long-term care home and it is anticipated that construction costs will be approximately \$91 million. Northumberland will receive approximately \$37 million over 25 years and \$4.5 million in up-front construction costs, totaling \$41.5 million in provincial funding. However, interest costs over the full-term of the project are estimated to be approximately \$43.2 million.

Municipal interest costs for borrowing, particularly smaller rural communities, place an extreme burden on local capital financing, limit new-bed expansion and are better reinvested back into long-term care capital and operational improvements.

Case Mix Index

The Ontario Government continues to require homes to collect data to support the CMI. While data collection is important, it diverts front line resources from bed side care, with many homes devoting one to two care staff to the exercise. In the face of the health human resources crisis, the EOWC questions the wisdom of this exercise. Additionally, the data is also only relevant at the time of collection and does not always reflect the real need of current residents. The EOWC also suggests that CMI as a meaningful funding formula has become irrelevant as care levels continue to increase.

Mitigation Funding

The EOWC members are extremely appreciative of the funding support received throughout the pandemic. At the same time, we are also still experiencing increased cost for personal protection equipment (PPE), cleaning and isolation that will need to be taken into account as we learn and grow from the pandemic experience.

Background

Rural health care, long-term care funding and human health care resources have been longstanding priorities for the EOWC. Since its inception, the EOWC has worked to support and advocate on behalf of nearly 800,000 residents across rural eastern Ontario. Rural health care and long-term care have been longstanding priorities for the EOWC. The Caucus and its members are vital partners in the delivery of long-term care. EOWC's member municipalities currently own and operate 16 long-term care homes, representing over 2,400 licensed beds with Northumberland County, the United Counties of Leeds and Grenville and the United Counties of Prescott and Russell currently building more.

EOWC's Long-Term Care Capital Construction Report

On January 6, 2022, the EOWC released the [Eastern Ontario Wardens' Caucus Long-Term Care Capital Construction](#) report. The EOWC strives to provide ground level insight and deliver well-researched solutions. As such, the EOWC engaged KPMG to assist in the development of a financial model to test and validate the impacts of the current provincial capital funding formula and to calculate the cost of capital for the construction of a long-term care home. Northumberland County was used as a case study, as the remodel of the Golden Plough Lodge (GPL) long-term care home started in 2016 and is anticipated to be completed in 2023. This report informs and validates the EOWC's above capital construction concerns and recommendations.

EOWC's Review of Long-Term Care Facilities

In January 2021, the EOWC released a comprehensive two-part review of eastern Ontario's long-term care facilities, under the strategic priority of municipal long-term care.

- [Key Takeaways of the Review](#)
- [Phase 1 Report: Review of Eastern Ontario Long-Term Care Facilities](#)
- [Phase 2 Report: Review of Eastern Ontario Long-Term Care Facilities](#)

The Caucus had the opportunity to discuss the findings, impacts and recommendations of the review with the Honourable Merrilee Fullerton, former Minister of Long-Term Care, as part of the 2021 Rural Ontario Municipal Association (ROMA) Conference. The EOWC invites the Honourable Minister Calandra to read the review as many of the details and recommendations are still, if not more, relevant today.

In order to be proactive and better positioned to inform provincial discussions, the EOWC engaged KPMG to develop an independent report that provides a current state analysis for the municipally operated long-term care sector in Eastern Ontario. The EOWC then leveraged this information to develop **five key recommendations** to improve the efficiency and effectiveness of long-term care service delivery including:

1. Increase direct care funding to achieve the provincial benchmark of the four hours of care model;
2. Transition to a per bed funding model to increase clarity, efficiency, and transparency of the funding process;
3. Increase provincial capital funding predictability and provide on-going support for capital maintenance;
4. Promote and support resource sharing between long-term care homes; and
5. Improvement in long-term care processes to increase efficiency and effectiveness.



EOWC's Continued Advocacy Items

ROMA 2023 Delegation Briefing Note

The Eastern Ontario Wardens' Caucus (EOWC) continues to identify issues of ongoing importance that have been advocated for in the past and that the EOWC will continue to support on an as-needed basis. The ROMA 2023 Conference continued priorities include community paramedicine and COVID-19 municipal recovery.

Community Paramedicine

The EOWC has identified community paramedicine as a continued priority item. EOWC members are critical partners in the delivery of health care and endeavor to ensure that rural residents have access to the same care as their urban counterparts.

Paramedic services in eastern Ontario are innovative leaders in community paramedicine and these services have improved overall patient wellness and reduced 9-1-1 calls and repeat hospital admissions. The EOWC is supportive of the [Community Paramedic Policy Framework](#) developed by AMO and the Ontario Association of Paramedic Chiefs (OAPC) and strongly endorses the recommendations outlined in the AMO-OAPC joint paper. Among those recommendations, the EOWC wishes to highlight the necessity of having health care services that are 100 percent provincially funded, and that these costs should not creep onto municipal council budgets. If community paramedicine is to be fully expanded across Ontario to support the health care needs of rural residents, the Ontario Government must fully fund its implementation, as it is primary care in the home and community.

The EOWC continues to call on the Province to ensure permanent, direct and stable funding for community paramedicine programs across eastern Ontario. Additionally, any community paramedic service, should only complement home and community care, not overlap or duplicate, and should not be a substitute for the needed provincial health service or program. The EOWC supports the social determinants of health approach and looks forward to continuing to serve their residents. The EOWC looks forward to work and consult with the Ontario Government on community paramedicine.

COVID-19 Municipal Recovery

The EOWC has identified COVID-19 municipal recovery as a continued priority item. The EOWC would like to thank the Federal and Provincial Governments for their financial supports throughout the pandemic. The funding has enabled municipalities to address extreme revenue losses and cost increases as a result of COVID-19.

The pandemic forced municipalities to respond quickly making financial, service delivery and infrastructure planning adjustments. While the pandemic situation continues to fluctuate, municipalities still require financial assistance from other orders of governments to continue to provide adequate services to residents and address the wide-ranging impacts that COVID-19 has had on communities. The rise of different variants will require additional support in 2023 and beyond to enable municipalities to rebuild and serve their communities. For example, the continuation of the Social Services Relief funding would enable municipalities to continue providing outreach and supports to vulnerable community members. The EOWC is committed to working collaboratively with the Provincial and Federal Governments through municipal pandemic recovery in the long-term.

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