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THE FEDERATION OF CANADIAN MUNICIPALITIES QUALITY OF LIFE REPORTING SYSTEM HIGHLIGHTS REPORT 2004

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, April 30, 2004, from the Commissioner of Community Services and Housing:

1. RECOMMENDATION

It is recommended that:

1. This report and the Federation of Canadian Municipalities Quality of Life Reporting System Highlights Report 2004 *(see Attachment 1)* be sent by the Office of the Regional Clerk to the nine local municipalities and the Human Services Planning Coalition for their information.

2. PURPOSE

The purpose of this report is to provide Committee and Council with information regarding the Federation of Canadian Municipalities Quality of Life Reporting System Highlights Report 2004 *(Attachment 1)* and its implications for York Region. This report was released by the Federation of Canadian Municipalities on April 14, 2004.

3. BACKGROUND

The Federation of Canadian Municipalities (FCM) Quality of Life Reporting System (QOLRS) measures changes in social, economic and environmental factors to assess the quality of life in 20 Canadian municipalities. The first report was prepared in 1999 and a second report was released in 2001. This third report provides highlights of analysis of the state and trends in quality of life in 20 Canadian municipalities over the period of 1991 – 2001 using a number of data sources including Statistics Canada census data.

FCM defines quality of life in Canadian communities as follows: "Quality of life is enhanced and reinforced in municipalities that:

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

Incorporated in FCM's definition is the fact that the quality of life in any given municipality is influenced by interrelated factors such as: affordable, appropriate housing; civic engagement; community and social infrastructure; education; employment; the local economy; the natural environment; personal and community health; personal financial security; and personal safety.

Together, the 20 communities included in this report represent nearly 40% of the total Canadian population and more than 40% of national income. Participating communities include Calgary, Edmonton, Halifax (Regional Municipality), Halton (Regional Municipality), Hamilton, Kingston, London, Niagara (Regional Municipality), Ottawa, Peel (Regional Municipality), Quebec (Regional Municipality), Regina, Saskatoon, Sudbury, Toronto, Vancouver, Waterloo (Regional Municipality), Windsor, Winnipeg, and York (Regional Municipality).

On behalf of York Region, Community Services and Housing staff participate on FCM's Quality of Life technical team. As part of this role, staff co-ordinate the collection of York Region service data from Regional departments, school boards, area municipalities and other community organizations for inclusion in the report. The Technical Team determines project priorities and assists in the research and development of new indicators.

4. ANALYSIS AND OPTIONS

The FCM Quality of Life Reporting System Highlights Report 2004 provides an important look at the changing make-up of Canadian cities over the last ten years. A significant finding within the report is that although income levels and other measures of wealth have increased for some, a considerable number of people have not shared in these results.

The report concludes that the "…**quality of life in the 20 municipalities is at risk, as pressures continue to mount on income, the environment and people living on the margins"**. The report goes on to say that, "improvements in income and poverty rates since 1996 have been offset by a growing income gap, housing affordability problems and changes to social programs". As such, while improvements have been made in the rates of post-secondary education, employment growth and home-ownership, quality of life has deteriorated for a growing number of people.

The report findings indicate that communities and municipalities are being strained. The strain on municipalities refers to the increasing and changing demands of a growing population on municipal services and programs to continue to meet residents' needs. The quality of life is in jeopardy even in municipalities like York Region that rank high on many indicators. This emphasizes the need for a new deal that would properly resource municipalities to address human service and infrastructure needs – this is critical to maintaining a high quality of life.

York Region's ranking among the municipalities included in the report is consistent with the findings of reports to Planning and Economic Development Committee and

Community Services and Housing Committee that examine recent census data. Key findings included in the FCM report were presented previously to the Region's Planning and Economic Development Committee as part of an analysis of the 2001 Census results.

The FCM report provides a valuable comparison between York Region's 2001 Census results and those of other major Canadian municipalities. An analysis of some of the specific findings in the Quality of Life Reporting System (QOLRS) Highlights Report 2004 is provided below. Information specific to York Region was developed using the Technical Annexes and supplementary charts available in the Quality of Life Reporting System section of FCM's web site.

4.1 Demographic Profile

GTA municipalities such as York, Peel and Halton grew about four times faster that the rest of Canada between 1991 and 2001. York Region's growth rate has consistently been the highest of the municipalities included over the last ten years.

Overall, the demographic profile shows York Region as having a growing, young, affluent population that is quickly becoming one of the most ethnically and culturally diverse of the 20 communities included in the report. In a report presented to the Community Services and Housing Committee in March 2003, similar findings regarding the growing cultural diversity in the three southern most municipalities of York Region were highlighted.

Population growth of new Canadians – immigrants arriving within the past 10 years – is a major demographic force within the 20 municipalities included in FCM's report. York Region is ranked fourth for the proportion of the population born outside of Canada yet the growth rate for this segment of the population is the highest of the 20 communities. Thirty-three percent of immigrants living in York Region immigrated to Canada between 1991 and 2001.

York Region along with the City of Toronto and the Regions of Halton and Peel accounted for 43% of all new recent immigrants to Canada. The report concluded that immigration is in the process of altering the ethnic, linguistic and cultural personality of larger Canadian municipalities. York Region's proportion of the population which are visible minorities is ranked fourth.

York Region has the lowest proportion of Aboriginal population of those communities included in the report.

Long-term changes in family structure are also clearly evident. York Region has had the lowest proportion of lone parent families of all the 20 municipalities since 1991. The proportion of lone parent families in the Region has increased from 8.2% or 11,215 in 1991 to 10.9% or 22,275 lone parent families in 2001.

The report also concluded that these demographic changes are having a profound influence on many aspects of quality of life in Canadian municipalities. As stated in the report, “Communities are benefiting from the talents and cultural richness that comes with diversity. However, the concentration of newcomers in specific areas has resulted in sustained pressure on urban services to keep pace with the rapidly changing needs of the population and growing stress on the natural environment”.

4.2 Local Economy

York Region’s increase in median family income exceeds both the QOLRS and national averages and is the second highest in the communities included in this report. However, the report also concluded that, “while average inflation-adjusted incomes have grown in most QOLRS communities, a closer look confirms that middle and lower-income households have lost ground and that households from “minority” or “vulnerable” populations have not shared in the benefits of economic growth”.

General findings in this area related to York Region are:

- Average unemployment rate between 1991-2001 among all 20 municipalities fell from just under 9% to 6.1%, a full two percentage points lower than unemployment in the rest of Canada.
- York Region has the second lowest unemployment rate for 2001.
- York Region and Vancouver had the highest proportion of self-employed people of the total employed.
- York Region and Peel also have the second lowest proportion of temporary employees (7%) of the total number of people employed.
- The 20 QOLRS local economies experienced strong growth in the number of new business establishments, combined with decreasing numbers of bankruptcies between 1998 and 2002.
- In 2002, York Region had the lowest bankruptcy rate and since 1996, York Region has also had the lowest consumer bankruptcy rate.

4.3 Fairness and Equity

Within this section, the FCM report concludes that, “while average inflation-adjusted incomes have grown in most QOLRS municipalities, a closer look confirms that middle and lower income households have lost ground over the past decade. Furthermore, households from “minority” or “vulnerable” populations have not shared in the benefits of economic growth”.

York Region has the third lowest proportion of low income families among the 20 municipalities included in the FCM report at 8.9%. When low income families are combined with low income individuals, the total number is 10% or over 71,000 people with low incomes in York Region.

Although the proportion of low income families, individuals and households in QOLRS municipalities has decreased since 1996, the numbers are still higher than they were in 1991. In other words, there has been an increase in all three groups when the last 10 years are examined.

In fact according to the report, "only the wealthiest 30 per cent of families and 20% of individuals in the 20 QOLRS municipalities enjoyed any increase in before-tax, inflation-adjusted income between 1990 and 2000". For those unattached individuals whose before-tax income falls at the bottom 30%, their income decreased by 10%or more. Median-income families saw their before-tax, inflation-adjusted income decrease by 6.2%.

Media articles that appeared following the release of the FCM report highlighted the widening gap between rich and poor and drew linkages to the weakened social support system and the pressure on municipalities to find new ways to serve a growing population of vulnerable people within strained resources.

4.4 Enabling Residents to Meet Their Basic Needs

Within the basic needs profile the majority of families and individuals living in the 20 municipalities having sufficient incomes to meet their basic needs, consisting of shelter, food and clothing.

Yet for those individuals whose incomes have not kept pace, the report concluded that, "many individuals and families, however, face a combination of stagnant or declining incomes, rapidly growing costs for shelter and reductions in social assistance. The result is vulnerability, pushing these individuals and families to the margins of society and to homelessness".

The large decline in housing affordability from the first part of the decade is still evident. The report states that, "in addition to placing a burden on individuals and families, the affordability gap threatens the labour supply of the growing urban service industries that depend on low-wage workers.

4.4.1 Findings Specific to York Region

Findings in this area specific to York Region included:

- The rent affordability measure (Vacancy rate as a ratio of Average Vacancy Rate) shows that York Region has gone from the most affordable in 1991 to the least affordable in 2001.

- York Region has the lowest proportion of rental housing starts of the QOLRS communities. The proportion of rental housing starts in York Region dropped dramatically from 1991 – 2001 from 21% to 0% as is true for most municipalities.

- At the same time the demand in York Region for rental accommodations has dropped by 28% - the largest drop in the proportion of residents renting accommodations of the QOLRS communities.

- York Region also has the largest growth in homeownership of the 20 QOLRS communities with over 80% of York Region residents owning their dwellings. This is also higher than the average for the rest of Canada at 68% (excluding the QOLRS communities).

- Yet the 2001 Census data suggests that many homeowners are highly leveraged as the proportion of owner households spending 30% of their income on shelter has increased from 22.6% to 24.1%. York Region ranks the second highest amongst the QOLRS communities for the proportion of owners who spend 50%+ of their income on shelter but has a much lower than average number of renters in that category.

- Although the Region is shown as having the highest average rents for multiple unit dwellings from 1991 to 2001, the percentage increase over that time ranks the Region 14 out of 20.

- Incomes have not kept up with increases in rent. York Region had the second highest gap, only Toronto was higher.

- The proportion of renter households in all 20 municipalities spending 30% or more of their income on shelter grew from 35% to 41%.

4.5 Relationship to Vision 2026

The FCM report provides an important look into how cities across Canada are changing and what some of the factors behind those changes are. As York Region continues to work toward the goals expressed in Vision 2026, these results (and the trends identified in other reports) will need to be carefully considered in the long-term planning of Regional services and programs. In order to meet the goals set in Vision 2026, York Region will need to respond strategically to continue to meet the changing needs of residents. York Region also incorporates key performance indicators in Vision 2026 and the business plan to track the progress of Regional initiatives that support a high quality of life. Direct similarities can be seen between the indicators used by FCM and those included in Vision 2026. This match reaffirms the importance of tracking these areas in building healthy communities over the long term.

5. FINANCIAL IMPLICATIONS

Membership in FCM's Quality of Life Reporting System is $5,000 and is paid for annually from the Community Services and Housing Department's budget. As the contact for York Region, the Community Services and Housing Department co-ordinates the collection of York Region service data from Regional departments, school boards, area municipalities and other community organizations for inclusion in the report on behalf of York Region. Membership also gives us access to all the data purchased by FCM from the various sources used in the report, including Statistics Canada and CMHC.

There is no additional cost in preparing this report. York Region's continuing leadership in this initiative is beginning to provide us with important, comparative statistical data about the changing state and trends in York Region's population that can be used in long-term strategic planning.

6. LOCAL MUNICIPAL IMPACT

This report and the FCM Quality of Life Reporting System Highlights Report 2004 will be shared with each of the nine local municipalities in York Region for their information.

7. CONCLUSION

The FCM report presents a series of finding that are similar to those outlined in other reports analyzing comparable data. The findings in the FCM report are significant because they highlight areas where we must be proactive and use indicators to understand how these challenges impact on our communities.

Staff have noted that the report includes little health data and will recommend to FCM that future reports recognize the significance of Health to quality of life.

Overall York Region continues to benefit from a young and affluent population, there are a growing number of people in our communities who are not sharing in these benefits and who are vulnerable. As York Region’s population continues to grow and diversify, it is essential that all of the services and programs provided by Regional government incorporate strategic and long-term planning in keeping with Vision 2026. By using these findings to take a comprehensive approach, the Region will be able to better address the needs of our most vulnerable residents and mitigate the risks to our quality of life identified in this report. Municipalities need a new deal that resources them adequately to provide the programs and services that maintain a high quality of life for residents in the face of the challenges raised in this report.

The Senior Management Group has reviewed this report.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the May 12, 2004 Community Services and Housing Committee agenda and a copy thereof is on file in the Office of the Regional Clerk)