

Chapleau Economic Development Corporation Housing Needs Analysis Business Plan

Prepared By: Harriman & Associates

Date: December 01 , 2015



Table of Contents

INTRODUCTION.....	3
OVERVIEW	4
PROJECT GOALS & OBJECTIVES.....	5
KEY FACTORS FOR SUCCESS.....	5
LAND.....	6
THE DEVELOPMENT TEAM	7
DEMOGRAPHICS.....	9
SENIORS HOUSING TRENDS.....	11
RATIONALE.....	12
THE MAISON BOREAL HOME.....	15
PROJECT SUSTAINABILITY.....	17
STRATEGIC PARTNERS.....	21
PRIVATE SECTOR PARTNERSHIP.....	22
FINANCIAL PLAN	22
RECOMMENDATIONS.....	26

Organization	The Chapleau Economic Development Corporation
Experience	The development team is qualified with professional backgrounds.
Site	21 Pine Street Former school site Algoma District School Board
Development	47 one and two bedroom units with commercial properties on the main floor.
Features	Transitional style accommodations for seniors.
Proposed funding	
Estimated costs	\$11.4 million
Total cost	
Land, grants and waivers	\$250,000
Net cost to be financed	\$11.15 million
Viability	
Annual cost	\$522,022.00
Revenue	\$715,452.00
Annual cash flow first year	\$193,430.00

Introduction

The supply and delivery of appropriate and affordable housing is a responsibility we all need to share. It has become abundantly clear that affordable housing can no longer be just a local government responsibility and that the current system of funding and delivering of housing programs is not sustainable. The housing situation in Chapleau is similar to every community in the North. The growing demand for appropriate senior housing in Chapleau and area has become increasingly impossible to supply due to the above average aging population in the district. Several recent reports and studies commissioned by the Township of Chapleau, Manitoulin-Sudbury District Services Board and by Maison Boreal demonstrate the need for senior housing.

This report commissioned by the Chapleau Economic Development Corporation is a needs analysis with the purpose of attempting to address the housing demand and provide solutions. This report concludes the relatively high demand for senior housing in the Township of Chapleau and district is exacerbated by the fact that no new

affordable housing initiatives have come on board in the last few decades. In addition the existing appropriate housing supply is under great pressure and in need of assistance.

Project Overview

The mission of the proposed mixed use residential complex is primarily targeting senior population aimed at providing an alternative housing option to the increasing population of individual's 65 years of age and older in the Township of Chapleau and the surrounding area. The target market is for seniors and will be designed to accommodate alternate age cohorts with minimal modifications. This study shows there is approximately 350 seniors residing in Chapleau now and approximately 530 more individuals turning 65 within ten years. These numbers are for the Town of Chapleau and not the surrounding area which will drive the numbers much higher based on these existing reports.

The site selected for this proposal is the former school site on Pine Street. While there are site limitations due to the proximity of the river and elevation, a rezoning of the property with appropriate site preparation will be addressed. Initial discussions have shown the existing Cedar Groves senior building is a financial challenge and in need of repairs. It is anticipated the tenants of Cedar Grove will move into the new building allowing the opportunity to repurpose and refurbish the existing facility. With the existing 23 units of Cedar Grove, this project will provide an opportunity to accommodate an additional 24 units of mixed occupancy.

The building is envisioned to be three stories with commercial on the main floor. The residential component will be a mixed transitional style accommodation with one and two bedroom units. The main floor commercial may contain medical offices and support services ancillary to the residential uses. The complex will allow for senior residents to remain in Chapleau instead of relocating to cities where their needs can be met, with waitlists at the hospital for long term care units and Cedar Grove units, current options for individual's capable of living independently is very limited.

As "baby boomers" are now beginning to reach the age of 65 and over, Chapleau along with the rest of Ontario will have a significant percentage of their population in this age cohort and higher.

This proposal recognizes the importance of meeting the needs of the shifting population in Northern Ontario. The senior residents of Chapleau are important to the community and deserve the opportunity to remain a part of the township for as long as possible, with their family and friends.

Project Goals and Objectives

The development of this seniors' housing complex is to provide senior residents of Chapleau with an additional housing option. A transitional style that allows them to continue to live independently and remain within their community. The hope is that this housing complex will be an affordable alternative that seniors' can choose to potentially free up resources at nursing homes and the hospital.

The goals of the project are:

- To provide the necessary facilities and services to all residents, as maintaining their well-being is key to allowing the individuals to live independently.
- To focus on providing a living environment that fosters physical, mental, emotional and psycho-social aspects of residents' well-being.
- The seniors' complex will be a residence where all individual's feel safe. Where they feel accepted and have their family and friends able to visit freely.
- This complex will allow residents to remain a part of their community and continue to take part in activities within Chapleau with family and friends.
- It will promote awareness to the needs of the growing population of seniors' for the needs of residents, families, and the community as a whole.
- To provide Chapleau with a sustainable housing unit for the senior population.

Tenant Group

The project is designed to create an affordable alternative to nursing homes and hospitals to meet the needs of the senior residents in the Township of Chapleau and area. The demographics indicate a large population of seniors currently residing in Chapleau and within the next ten years the next wave of seniors will be equally requiring appropriate housing.

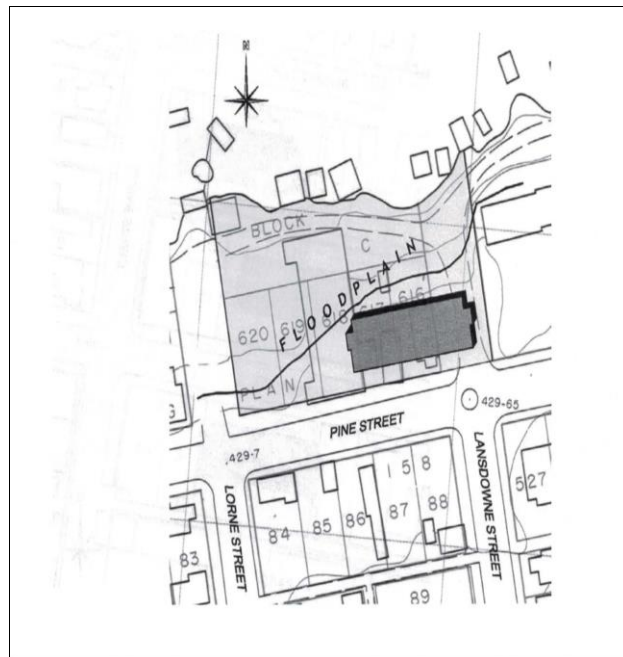
Key Factors for Success

The success of this project is based on the following principles:

- That the Township of Chapleau recognizes the importance and impact of seniors' within their community and surrounding area.
- That the community is committed to assisting the older population with maintaining their mental, emotional, physical, and social well-being.
- That the key stakeholders and community leaders support this development through their direct participation in planning and implementation of the seniors' complex.

LAND

The preferred location is the former school site owned by the Algoma District School Board. The Board has listed the property with a local real estate office and is selling as is. A rezoning of the property is required from Institutional and Hazard Lands to Commercial to accommodate the proposed development. As mentioned there are some site limitations due to the hazard land adjacent the river. The determining factor to be located in the Hazard Land Zone is based on an elevation of 428.42m. which means that no openings to buildings can be located below that elevation. Some further investigation is required for this site to better understand that requirement. As seen in the sketch below, the site was previously impacted by the floodplain.



The lot area and frontage would allow for a seniors' complex with approximately forty seven units with commercial opportunities on the main floor. The building will be a total of three stories high with two elevators.

This location of this property is ideal and in close proximity to the public library, restaurants, the Royal Canadian Legion, and the grocery store. This proximity will allow for residents to have access to necessary amenities and public areas that allow them to interact socially, as well as be involved within their community.

THE DEVELOPMENT TEAM

The Professional Team

HARRIMAN & ASSOCIATES, DEVELOPMENT CONSULTANT

Keith Harriman has been working in the field of land use planning and development since 1970. After 31 years of experience as Senior Planner for the City of North Bay, Mr. Harriman established Harriman & Associates in 2001. Harriman & Associates has extensive experience working with communities and organizations with similar geographic profiles and demographics as Chapleau. Harriman & Associates specializes in providing planning services related to the development of business plans and project management.

Harriman & Associates has worked with an extensive list of clients, including Municipality of Temagami, Nipissing Mental Health Housing & Supportive Services, Temagami Culture and Heritage Corporation, Town of Cobalt, Magnetawan Seniors and Mattawa Community Development Inc.

CGV Builders

CGV Builders was established in 1975. The company has experienced workers in the construction of industrial, commercial, institutional, recreational, and residential projects. The directors, Daniel Vezeau and Michel Vezeau, run a company that completes projects that are cost-efficient and are finished in a timely-manner. Previous projects done by CGV builders include the Haileybury Arena, Ministry of Natural Resources, and College Boreal. They also have experience with seniors' complex buildings similar to seniors' complex being planned for development in Chapleau. The senior citizen apartment in Timmins and Cochrane are two examples of their previous work.

The professional team will develop strategic partnerships with community support and housing experience to facilitate the operational plan.

The Community

History of the Township of Chapleau, Ontario

The Hudson's Bay Trading Post originally settled in the area near Chapleau in 1777, on Big Missinabi Lake. It was not until 1885 when the Canadian Pacific Railway was built to provide the Hudson's Bay Trading Post greater access to goods that the township of Chapleau was established.

During the 1920's it was common for lots of hunting to occur in the area and the animal population began to deplete, causing concern for locals. Due to the ongoing concern for

wildlife preservation the world's largest Crown Game Preserve was developed at 700,000 hectares in 1925. In 1948, a fire passed through the area leading a road being build on request of the government to ensure that loggers could gain access to the trees before they began to rot. At this given time, Highway 129 was developed to offer ease of access to the area. This highway was completed during the depression and is now known as one of the most scenic highways in Ontario. In the years to follow Highway 101 and Highway 17 were constructed, offering another option for travelling the surrounding areas as an alternative to taking the train or an airplane.

In the 1950's, Chapleau was a logging town and at its prime had 5000 residents. Given the decrease in natural resources the population of Chapleau is no longer as large, yet it still has much to offer today for its community and tourists.

The Township of Chapleau is located in Northeastern Ontario at the centre of the Canadian Shield. Chapleau's location offers a wide range of outdoor activities such as camping, ATVing, hunting, boating and much more. This northern community is bilingual with several First Nations Communities- Chapleau Cree, Chapleau Ojibwe, Brunswick House, and Metis, which offers a vast range of culture to the area.

Growth Plan for Northern Ontario, 2011

The Growth Plan for Northern Ontario 2011 is a provincial plan that will guide decision-making and investment strategies over the next 25 years. The plan was developed in March 2011 and aims to strengthen Northern Ontario's economy by diversifying the region's traditional resource-based industries, stimulating new investment and entrepreneurship, and nurturing new and emerging sectors with high growth potential.

Through six different themes (economy, people, communities, aboriginal peoples, infrastructure and environment) the plan reflects a vision of empowering residents, businesses, institutions and communities to build a strong Northern Ontario as visualized by the Government of Ontario but also the residents of these northern areas. This plan intends to build stronger communities through long-term goals, promoting education, career, and lifestyle opportunities that encourage young individuals to remain in Northern Ontario, as well as promoting collaboration between rural, urban, aboriginal communities alongside the government. This Plan is intended to complement other provincial and regional initiatives that also contribute to the long-term sustainability and prosperity of Northern Ontario.

One of the key themes of focus in the Growth Plan for Northern Ontario is on the *people* of Northern Ontario. The plan encourages municipalities to support and promote healthy living through a diverse mix of land uses, a range of employment and housing types, high-quality public open spaces, and easy access to local stores and services.

In summary, the proposed senior housing initiative has similar goals and objectives that reflect the strong community effort to establish appropriate housing allowing the aging population to remain in the area.

Demographics and Market Analysis

Currently, it is estimated that Northeastern Ontario has a population of approximately 565,000 people. The percent of people aged 65 and older make up 19% of that number today. Over the next 25 years, the number of people 65 and older is expected to grow to make up 30% of the total population in Ontario showing a significant amount of growth in the next two decades. With a population of approximately 2083 the Town of Chapleau is the largest in the catchment area.

The cohort distribution for the Township of Chapleau is shown in Table 1. This cohort, often referred to as the “baby boomers” will reach the age cohort of 65 and over within the next twenty years which will call for a significant shift in necessary care expectations.

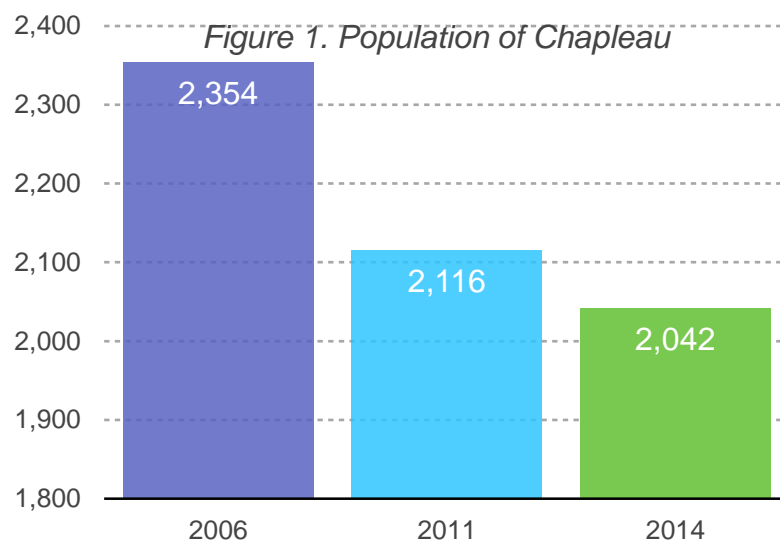
Age range	Chapleau in 2014	Chapleau in 2014 (%)	Ontario (%)
30-34	100	4.9	6.3
35-39	103	5.0	6.3
40-44	125	6.1	6.8
45-49	154	7.5	7.4
50-54	196	9.6	8.1
55-59	190	9.3	7.3
60-64	149	7.3	6.1
65-69	111	5.4	5.2
70-74	82	4.0	3.8
75-79	69	3.4	2.9
80-84	47	2.3	2.2
85 or higher	42	2.1	2.1

Source: Community Profile- McSweeney and Associates from Manifold Data Mining Inc. Super demographics 2014

As indicated above from ages 50-69 Chapleau has a higher percentage of their population within the upper age ranges in comparison to Ontario in 2014. There is a

large number of residents sitting within the 30-64 age cohort currently and within the next two decades, those numbers will shift and create an older adult category much larger than the upper age population currently living in the Chapleau area.

With the Township of Chapleau's population size sitting at approximately 2083 people in 2014, a total of 886 individual's make up the population and are 50 years or older. Showing that 43% of Chapleau's population is in this upper age range and over the next two decades will create stronger demands for necessary changes made for housing as the shift in demographics continues.



Source: Community Profile- McSweeney and Associates from Manifold Data Mining Inc. Super demographics 2014

Based on Statistics Canada, there has been a population decline estimated to be about 10.1% from 2006 to 2014 (see *Figure 1*). The primary decrease with the loss of over 300 jobs was due to a downturn in the forestry sector between 2000 and 2009 but more importantly it is linked to seniors having to relocate to surrounding areas as their current needs are not being met in Chapleau. Older residents do not want to have to give up their homes, but they also do not feel as though nursing homes are the right place for them, however, some regular assistance is necessary. Ultimately, these residents are not all leaving because they want to, but they have to for their well-being.

Seniors' Residence Housing Trends

As individual's begin to reach the age of 65 and older there is an expectation that they can still live independently in a place of their choice, as long as they have the capabilities to care for themselves. With that in mind there is a growing demand for one bedroom units within senior residences, as often times people at this stage in their life are living alone but still want to be comfortable, in a large unit, while having more amenities and services available.

In 2015, the number of vacant seniors' housing residences has decreased from 8.7 percent in 2014 to 8.1 percent in 2015. This decrease in available housing is due to an increase in the number of residents which has filled up the potential vacancies in 2015. The increase in the population aged 75 and older has driven up the demand for seniors' housing in Central, Eastern, Southern, and Northern Ontario. With one bedroom suites decreasing in availability from 14.9% in 2014 to 12% in 2015, even though they are currently in the highest demand. Table 2. shows the number of available rooms for Northern Ontario.

Table 2. Available Rooms in Northern Ontario (%)

	2014	2015
Semi private/ Ward	10.4	**
Private/ Studio	7	6.2
One Bedroom	9.2	8.9
Two Bedroom	**	4.0
Total	7.8	7.1

** means the numbers were suppressed for confidentiality reasons given that the numbers were small for the area of Northern Ontario.

The above table indicates that while there are vacancies depending on the room type in Northern Ontario, the availability has decreased since 2014. This number is predicted to decrease in Northern Ontario as new facilities are not being built to meet the growing demand based on the population aged 65 years and older.

The actual population over 75 years of age in Northern Ontario in 2015 is 66,264. This large number of people in Ontario over the age of 75 significantly outnumbers the number of units available in Northern Ontario.

Table 3. Available Units by Rental Cost

	\$2000 or less	\$2001-2500	\$2501-3000	\$3001-3500	\$3500 or more
2014	6.4	8.7	7.2	13.9	3.7
2015	6.6	12.1	6.1	7.2	7.7

The low availability of units in Northern Ontario has led to an increase in rental costs. Since 2009, the cost has increased by 28%, which is significantly higher than the 19% increase for Ontario as a whole.

The ability to predict with accuracy the level of demand is an imperfect science. Influencing factors are the number in need of more affordable housing and their ability to afford available units. Other extenuating circumstances are preference for location and existing accommodation commitments. A review of waiting lists along with income levels and those individuals in housing affordability need with existing stock also demonstrates a level of demand.

Rationale

The Township of Chapleau describes seniors as “the heart of the community” and as the older population begins to increase it becomes clear that changes must be made to offer appropriate seniors’ housing so that these individuals can stay within their community. The senior population will continue to decline if their housing needs are not met forcing them to relocate to surrounding communities that provide the services they need.

As a shift in population occurs it becomes imperative to ensure that the needs are being met for individuals within Ontario and within smaller communities such as Chapleau. There are statistics clearly outlining the age distribution of Chapleau is changing to an older adult population, therefore, like a majority of communities in Ontario it is necessary to begin making adjustments to housing opportunities.

The Township of Chapleau is a smaller northern community that currently only has one seniors’ housing residence. Cedar Grove which is owned by the hospital is a geared-to-income apartment building for seniors with a total of 23 units and currently has a waiting list of approximately 26. The hospital Long Term Care units are at capacity and recognize that some residents would be better served in the new complex. The waiting list is always a floating target as individuals take their names off the list due to the long wait.

Given the waiting list for a unit at Cedar Grove and the Long-Term Care units at the hospital, this proposal will set out to assist with developing an assisted living residence that allows seniors to continue to live independently. This shows that there is a need in the community and that the older population of Chapleau stands behind solving the housing need in Chapleau.

It is imperative that agencies, stakeholders, regions, and municipalities create and foster supportive communities for the aging population.

Ontario Seniors Action Plan

With the population of people in Ontario shifting each year to an older age cohort of 65 years and above, the provincial government has set out to ensure that Ontario becomes the best place not only to grow up in but also to grow old in. By 2017, Ontario will have more people over 65 than children under the age of 15 making up the population. Therefore, the Ontario Seniors Action Plan was developed to ensure that senior residents are living their life the way they want.

A key component to living life the way they would like is to be able to live where they want, if possible, and if not have alternatives that are appealing enough to choose from. The plan has three main goals: assisting seniors with access to health care services so they can be healthier, promoting senior-friendly communities so ensure their well-being is not ignored, and lastly, provide programs that help them live safe, independent lives.

In 2006, there were 164,115 senior-led households that were unable to afford adequate, suitable, and affordable shelter, making up 17.1% of all senior households within the province of Ontario.

The Aging at Home Strategy was announced in 2007 to assist seniors with providing community based-services so that seniors can maintain a healthy lifestyle and live independently rather than being admitted to long-term care facilities or hospitals before it is necessary. Based on a study done by Dr, Samir Sinha, the focus for assisting seniors goes beyond health care. It also involves focusing on transportation, safety, and housing.

The World Health Organization's age-friendly communities as also been included in the Senior's Action Plan. Whereby, structures and services are to be accessible and inclusive for older individuals with every community. The World Health Organization discusses 8 dimensions that must be attended to including: outdoor spaces and buildings, transportation, housing, social participation, respect and social inclusion, civic participation and employment, communication, and community support and health services. At the local level, jurisdictions have already begun embracing this plan to support their senior residents.

Integrated Health Service Plan 2013-2016 - North East Local Health Integration Network

The North East LHIN is a crown agency of the Ministry of Health and Long-Term Care that works to provide access to health care services and programs for individual's living in Northeastern Ontario.

A primary concern that influenced the development of this plan was the growing cost of health care in Ontario. At this time if no changes are made to how care is being delivered in Ontario, in two decades the cost of the health care system will cost \$24 billion more than it currently costs. To ensure that the appropriate resources are available and sustainable for the next two decades, the LHIN reviewed current the health care system in Northeastern Ontario to see what needs to change.

The plan was developed with the assistance of 4000 individuals from Northeastern Ontario. Based on the input from the northern population more community-base care and home services for seniors stood out as a key concept to be implemented as part of the Integrated Health Service Plan. Chapleau is part of the Cochrane Hub which has a total population of 76,856 people, making up 13.9% of the North East LHIN.

The population of the NE LHIN within the 65 and over age range is predicted to increase from 18% to 30% over the next two decades. Therefore, the number of seniors will increase from 100,000 to over 172,000. Meanwhile, the overall population for this area is only expected to increase by 1% within the next twenty years.

In 2012, NE LHIN had 108 long-term care beds for every 1000 people over the age of 75. Which was higher than the number of beds per 1000 in Ontario overall, however, as the population continues to change the number of housing options and living options will need to increase significantly. A key recommendation was for the Ministry of Health and Long-Term Care with the Ministry of Municipal Affairs and Housing and the Ministry of Community and Social Services to encourage the development of most assisted living and supportive housing units as alternative options to long-term care homes.

The North East LHIN hosted a housing symposium in October 2015 that included approximately 150 participants from the private and public sector to discuss housing issues and possible solutions. The clear message that was unanimous amongst the various stakeholders is that affordable housing can no longer be just a local government responsibility and that the current system of funding and delivering housing programs is not sustainable.

LHIN Goals

The North East Local Health Integration Network has developed three goals to match the Ontario Action Plan priorities for 2013-2016. These goals are said to be more patient centered in nature. The action plan has therefore prioritized the following goals: support to become healthier, faster access and stronger links to family health care, and right care, right time, right place. Based on these three priorities the Local Health Integration Network has developed a set of priorities with communities in Northern Ontario in mind. The goals set out for 2013-2016 are enhancing access to primary care, enabling coordination and transitions of care for targeted populations, and implementing evidence-based practice to drive quality and safety.

First, enhancing primary care in part is focusing on the appropriate use of hospital and clinical resources. Currently in Chapleau both the hospital that offers long term care units and the geared to income seniors home Cedar Grove both have waitlists. There are no alternative housing options for seniors in Chapleau, which is leading to individuals leaving the community. The seniors' complex offers an alternative housing option that may assist with the waitlists for seniors who do not require long-term care and open up units at the hospital for those requiring more intensive long term care.

Secondly, aging at home and community services are two topics found under priority number two: enabling coordination and transitions of care for targeted populations. The aging at home initiative supports the idea of limiting institutional care and allowing seniors to remain in their communities for a longer period. Along with more community services that would allow for individuals 65 and older to live safely at home for as long as possible. The development of the seniors' complex would allow for seniors in Chapleau to remain in their community surrounded by their family and friends. It would also allow for a more affordable alternative to nursing homes and long-term care facilities.

Maison Boreal Home Inc.

Due to an increasing demand for senior housing in Chapleau, a group of concerned citizens formed the "Transitional Living in Chapleau Committee" in January 2008. The focus of this group was to pursue the development of a residence for seniors who are able to live independently, but do not require chronic medical care.

This group of individuals established goals and objectives in pursuit of this complex that are reflected in this report.

The TLCC became a committee of Municipal Council and undertook a feasibility study and needs analysis in 2009. The outcome of the study is further supported by the current demographics for demand.

As a result of this study the group became incorporated in April of 2011 as Maison Boreal Inc. The study highlighted a number of facts that are mostly still valid in the current report.

1. Maison Boreal is legally incorporated with stated goals and objectives and a Board with representation from various parts of the community,
2. Demographic and market analysis support development of an assisted living complex of 32+/- suites to serve a rapidly growing, aging population from a large catchment area,
3. The six siting options were considered and it was determined that the best location is in the heart of the downtown area of Chapleau, central to shopping, churches, and other integrated community and social activities,
4. The Township is offering a brownfields site for the development of the building at no cost to the organization including site remediation,(This point was valid at the time of the study but has expired and is no longer a consideration.)
5. The development will provide a much needed catalyst for other redevelopment of the urban core and reinforce more efficient and effective use of the serviced land in the town,
6. The building will be a 24,000 square foot, 3 story , sprinklered , combustibile/non-combustible masonry clad high efficiency envelope structure,
7. Accommodations will be based on private bed/sitting suites with ensuite bath. There will be some double suites as well,
8. The facility will offer all meals and snacks for residents, hotel laundry and linen service, nursing assistance with managing medications and coordinating further support, recreational and spa services for residents,
9. The business model is based on residents paying the equivalent of private accommodation rates in long term care facilities.

The ten points above are still relevant in the current study and should provide guidance for the delivery of the new project. They saw the need for more housing options in Chapleau as there were waiting lists for Cedar Grove and the hospitals Long-Term Care units. This housing plan also took into account the growing number of senior residents that Chapleau will see over the next decade and that with the limits number of services being offered, these individual's would be required to move.

The feasibility study in 2009 laid out a very detailed plan with a breakdown of demographic need, site selections, number of units, mortgage, fundraising, and grant requirements, and overall costs. The report showed that the cost of living as a full-service resident in their proposed facility would be a fraction of the cost of current options at a hospital and nursing home. The report also indicated that if residents are required to leave Chapleau to seek assisted living facilities the local economy would experience a loss of approximately \$1,000,000.00 each year.

The study also reported the monthly rates of assisted living suites to range from \$2000-\$6000. The cost was different depending on the location in Ontario, with central Ontario costing \$2000- \$4500, for southern Ontario suites cost \$2500 - \$6000 and northern Ontario costing \$2000- 2200. In comparison to the nation average of \$2969 as reported in the MetLife Survey of Nursing Home and Assisted Living Costs (2007).

They also made note of the differences between rental properties and owned dwellings as 32% of the population rent instead of own their dwellings in Chapleau. This was found to be significantly higher than the provincial average. The committee expressed that this information can mean either people do not have strong ties to the community and they are willing to relocate for housing, or that older individual's may be more inclined to rent a unit in an assist senior's facility.

In summary, the study supported the idea that as the number of seniors' increases in Chapleau supportive housing becomes desirable as an alternative when no longer being able to live at home. This housing would allow for more supports for health, psychosocial needs, and more.

Maison Boreal group are an integral part of the success of this project and continue to represent the rights of seniors in the community for appropriate housing.

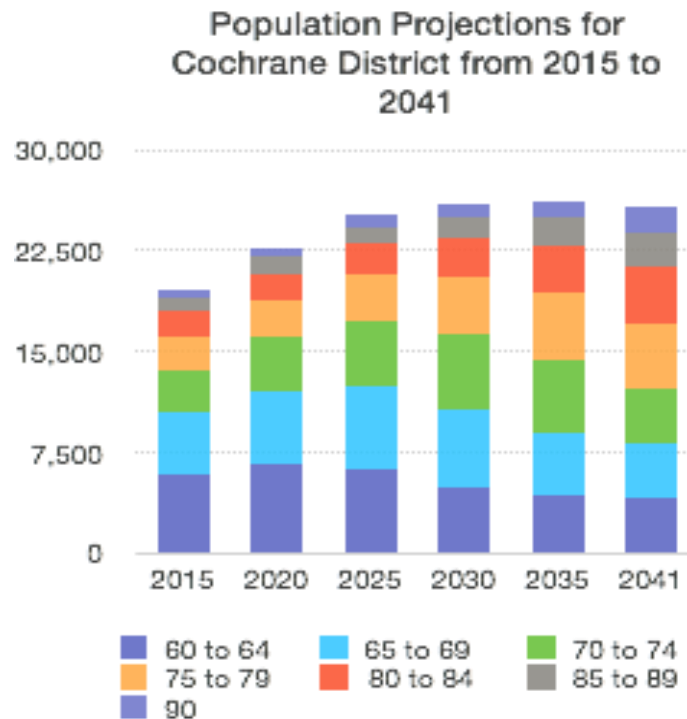
Project Sustainability

The Ministry of Finance has projected that seniors over the age of 65 in Ontario will grow 25.5% percent by the year 2041, to approximately 4.5 million individuals. People aged 75 and older are projected to go from 923,000 in 2013 to 2.7 million in 2041. With population rates expected to remain relatively stable. Based on the Ministry of Finance: Ontario Population Projections for 2014 report, Chapleau is considered part of the Cochrane District.

Age Cohort	2015	2020	2025	2030	2035	2041
60 to 64	5,788	6,627	6,247	4,858	4,374	4,129
65 to 69	4,689	5,351	6,169	5,870	4,602	4,032
70 to 74	3,196	4,143	4,774	5,554	5,343	4,160
75 to 79	2,487	2,759	3,637	4,243	4,990	4,705
80 to 84	1,858	1,938	2,202	2,968	3,526	4,251
85 to 89	1,032	1,196	1,294	1,507	2,089	2,653
90	554	743	919	1,067	1,279	1,864

Total	1,960	22,757	25,242	26,067	26,203	25,794
-------	-------	--------	--------	--------	--------	--------

Data gathered from Ministry of Finance: Ontario Population Projections, Fall 2014, Based on 2011 Census



While the projected population for seniors shows an increase from 2015-2041, the younger age cohort is also relatively large and will eventually require housing accommodations once they reach the age of 65 and over. By 2041, all of the “baby boomers” will be 65 or older and there will again be a large population of older individuals within the Cochrane district who will require necessary housing accommodations. For instance, based on the projected population estimates approximately 4000 individuals who are currently in the 30 to 34 age cohort in 2015 will be within the 65 and older age cohort in 2041. This projection indicates that the growth of the older population will occur in waves. Therefore, when one group filters through the seniors’ residence complex, updates can be made as necessary to suit the next group of seniors looking for a unit within the complex.

Age Cohort	2015	2020	2025	2030	2035	2041
30 to 34	4,841	4,560	4,595	4,073	3,647	3,752
35 to 39	4,688	4,643	4,445	4,505	4,016	3,611
40 to 44	4,970	4,546	4,535	4,397	4,475	3,902

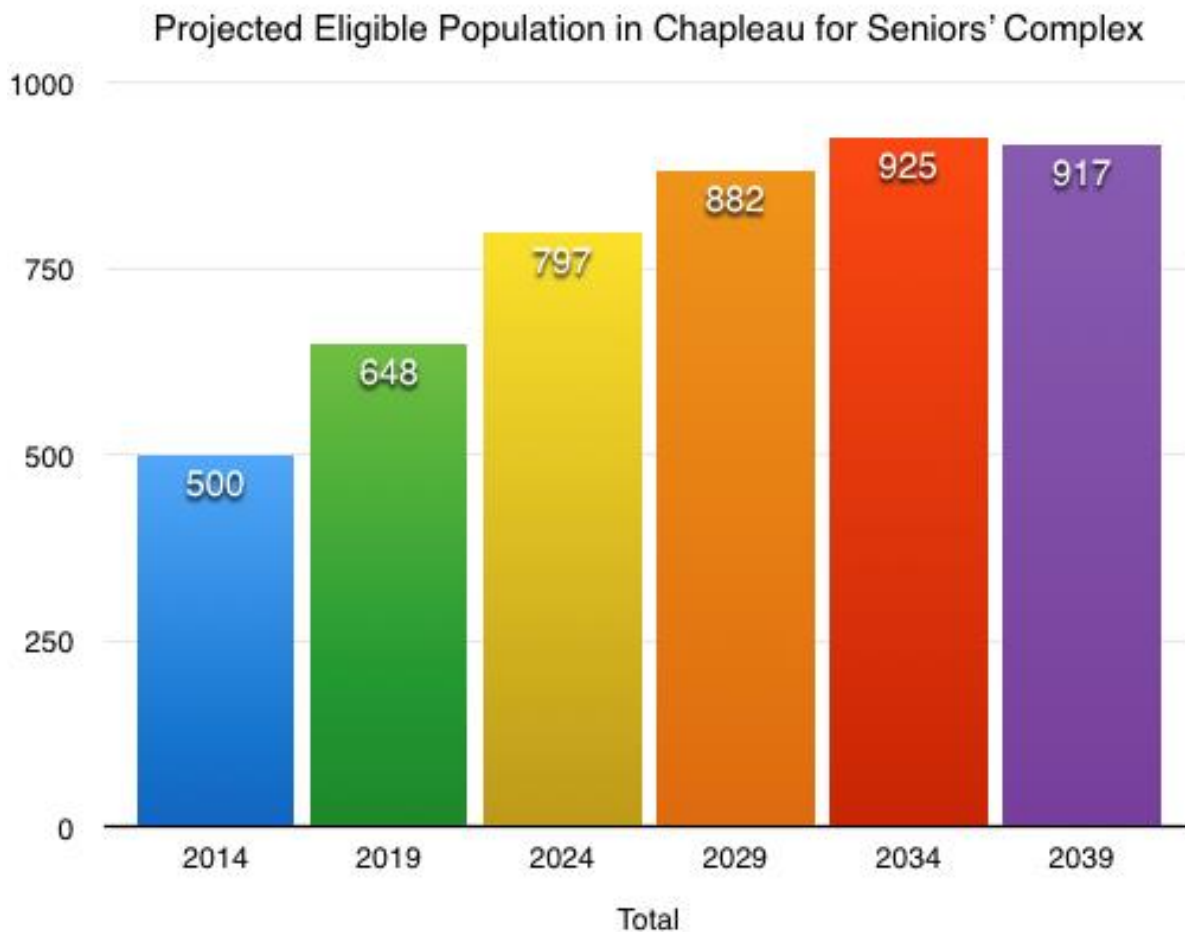
45 to 49	5,456	4,832	4,447	4,465	4,369	4,413
50 to 54	6,835	5,247	4,670	4,320	4,360	4,307
55 to 55	6,954	6,503	5,024	4,495	4,177	4,220
Total	33,744	30,331	27,716	26,255	25,044	24,205

Data gathered from Ministry of Finance: Ontario Population Projections, Fall 2014, Based on 2011 Census

More specifically, based on the age distribution of Chapleau in 2014, the population shows a rather even range of individuals in each age cohort. Therefore, in 2041 while the baby boomers will all be 65 years of age and older, the previously younger groups will transition into the older population of Chapleau. Even with a smaller population, Chapleau is showing a relatively steady rate of shares in Ontario's population. Even with be a slight decrease in the population size by 2041 the age demographics of Chapleau in 2014 indicate that even as the larger group of seniors has transitioned out of requiring independent living a new group of individuals will require housing accommodations to fill vacant spots. A trend like this indicates that a seniors housing complex will remain beneficial to the community long after 2041.

Age Cohort	Chapleau
15 to 19	142
20 to 24	129
25 to 29	96
30 to 34	100
35 to 39	103
40 to 44	125
45 to 49	154
50 to 54	196
55 to 59	190

Based on the age distribution of Chapleau in 2014, the chart below is a projection of residents that are currently eligible to reside in the seniors' complex, as well as the projections for how the population will transition into the 65 and over age cohort. As shown below, the population of Chapleau with individuals 65 years and over will continue to grow for the next 25 years.



An alternative option for sustainability of the seniors' complex is updating the complex to meet the needs of the next generation. With the focus being on mental illness as one out of five people in Canada have a mental illness. Currently, it is estimated that over 6.7 million Canadians are living with a mental illness. By 2041, the number of people with a mental illness is expected to increase 1.3 times the current amount, to 8.9 million individuals. Over the next thirty years, these numbers are predicted to increase by 30%.

More specifically, a common issue for individual's dealing with mental illness in Northern Ontario is that mental health services and supports are not as comprehensive, available

or accessible to those individuals in need. Studies have shown that people living in rural and northern areas are more at risk for Major Depressive Disorder. The rates in depression are not only higher, but there is an elevated use of medication, and hospitalized is two times the provincial rate.

Given that there is a predicted increase in mental illness over the next generation, the limited access, and availability of social services and supports and access to affordable housing is an issue that can be addressed in Chapleau by shifting the seniors' complex into affordable housing for those dealing with mental illness.

This opportunity would allow for individuals living in Chapleau and the surrounding area to stay within their community and not move to more urban areas to seek out more adequate assistance away from their social supports. With active waitlists for social housing being around, a five-year wait people are living with family and friends or are becoming homeless.

Based on the challenges seen in Northern Ontario regarding mental illness, it has been suggested that customized solutions need to be developed to assist community members who are in need of help, as what works in urban areas is not effective for smaller communities. The transition of this building would offer a solution to one of the key detriments reports on health for Northern Ontario, which is housing.

Strategic Partners

The new model for delivering affordable housing units is based on a collaboration of public and private strategic partners. Not all partners are equal in contribution but all are important. Each Township is unique by their own characteristics but have the ability to recognize and support affordable housing initiatives.

The Manitoulin-Sudbury District Services Board is a well-organized and managed housing provider. This organization has experience and is supported by the Federal and Provincial government in the task of delivering affordable housing. This report supports that ownership and management of this project will be that of the MSDSB.

Maison Boreal who are credited with vision of this project and represent the needs of the seniors in the community will continue to be an integral part of the design and construction.

CGV Builders has vast experience in the construction and financing of large and small housing projects. Assuming substantial risk CGV Builders will provide the construction and final delivery of this project.

It is anticipated this project will be supported by all the strategic partners to varying degrees and will be reflected in the proposed operating and capital budget.

Private Sector Partnership

The success of this project is dependent upon engaging the private sector developers and builders. The financial reality of developing projects of this size is that without the support from the private sector, the project would not happen. CGV builders has the capacity to develop projects and is prepared to spend approximately \$11 million dollars in the community that will create many jobs as well as provide much needed senior housing. This is an opportunity the Township cannot afford to lose. Much has been said from the various stakeholders about the importance of providing senior housing in the community but the solutions are limited without the private sector.

Financial Plan

As stated earlier the financial reality of delivering affordable housing is a new housing model with various levels of contribution. No one organization has the ability and capacity to undertake expensive capital projects. Municipalities and housing service managers and providers have a vested interest in securing affordable housing initiatives in their communities.

Funding Sources

Financial assistance for capital and operating budgets will be generated through the supporting partners. Those partners are MSDSSAB, NELHIN, Township of Chapleau and private sector.

Potential Commercial Partnership


The capital and operating budget does not include the revenue source of relocating the medical facility that currently is located in the hospital. Preliminary discussions have identified the need to relocate the existing facility into the Cedar Grove facility. There

has been some consideration and discussions about the Cedar Grove building and the need to refurbish and repurpose the use of this building and thereby eliminating a financial burden to the hospital and community. This plan if accepted would provide an opportunity for the medical centre to be relocated to the new building and providing support services to the residents. The revenue from the rent for this facility would add to an existing surplus operating budget.

Capital/Operating Budget

The capital and operating budget reflects municipal support in the form of tax relief for ten years. Should the medical centre be relocated to the main floor of this building, the revenue from that operation would provide substantial positive cash flow. The plan recognizes the subject property is not currently paying taxes and unless it becomes developed it will be a major tax loss to the Township.

This budget is similar to housing models used in other districts whereby the Township shares the ongoing operating expenses. This is not a capital infusion by the Township but a deferred investment to incent a much needed development. This model is the preferred option as it demonstrates strong municipal support and a commitment to the senior population in the community.

Items												
Roll Out Assessment	Phase 1											
	Add 47 Units - Commercial											
	Jan, 2017	Feb, 2017	Mar, 2017	Apr, 2017	May, 2017	June, 2017	July, 2017	Aug, 2017	Sept, 2017	Oct, 2017	Nov, 2017	Dec, 2017
Capital Cost \$11,400,000												
Building 36,300 SqFt												
MSDSB to Develop Occupancy Levels	MSDSB obtains building occupancy and continues to improve vacancy levels											
Building Occupancy Permit and Open House	Dec, 2016											
Occupancy in Terms of # of All Units	37.8	37.8	37.8	37.8	37.8	40.0	40.0	42.3	44.7	44.7	46.8	46.8
Occupancy Percent Rate of All Units	80%	80%	80%	80%	80%	85%	85%	90%	95%	95%	97%	97%
Quantity of <u>Affordable Suites</u>	24	24	24	24	24	24	24	24	24	24	24	24
Quantity of <u>Market Suites</u>	23	23	23	23	23	23	23	23	23	23	23	23
Total Units	47	47	47	47	47	47	47	47	47	47	47	47
Number of Available Rental Parking Spaces	47	47	47	47	47	47	47	47	47	47	47	47
Income Analysis - Cash In												
Revenue - Affordable Suites (@ Average from Matrix Attached)	12,976	12,976	12,976	12,976	12,976	13,787	13,787	14,598	15,409	15,409	15,733	15,733
Revenue - Market Suites (@ Average from Matrix Attached)	19,336	19,336	19,336	19,336	19,336	20,545	20,545	21,753	22,962	22,962	23,445	23,445
Revenue - Rental of Common Area	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Revenue - Indexed Rental Increases (@1.5% per year)	0	0	0	0	0	0	0	0	0	0	0	0
Revenue - Hydro Charged to Residents (@ \$85/mth average)	3,995	3,995	3,995	3,995	3,995	3,995	3,995	3,995	3,995	3,995	3,995	3,995
Revenue - Rental of Parking Spaces (@ \$15 /mthly)	564	564	564	564	564	599	599	635	670	670	684	684
Rental of Commercial Space, (5 units x \$1,600 mthly)	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600
Revenue from Laundry - Non Supported Clients	1,600	1,600	1,600	1,600	1,600	1,700	1,700	1,800	1,900	1,900	1,940	1,940
MSDSSAB General Subsidy to Project	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
MSDSSAB Subsidy Transferred from Cedar Grove	2,400	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Total Income	55,871	56,671	56,671	56,671	56,671	58,826	58,826	60,981	63,135	63,135	63,997	63,997
Expense Analysis - Cash Out												
Accounting & Professional Fees	100	100	100	100	100	100	100	100	100	100	100	1,800
Building Maintenance, (Landscaping, Snow Removal etc...)	666	666	666	666	666	666	666	666	666	666	666	666
Business Liability & Facility Insurance	750	750	750	750	750	750	750	750	750	750	750	750
Labor Cost - Off-Site Management	800	816	832	849	866	883	901	919	937	956	975	995
Long Term Finance of Facility - interest only - first 12 months	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Propane Heating	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Hydro Electric	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750
Municipal Utilities, water & sewer	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Total Cost of Overhead	43,266	43,282	43,298	43,315	43,332	43,349	43,367	43,385	43,403	43,422	43,441	45,161
Note: This plan assumes municipal tax exempt for 10 years												
Prepared for:	Total All Expense Items											
	43,266	43,282	43,298	43,315	43,332	43,349	43,367	43,385	43,403	43,422	43,441	45,161
Surplus or (Deficit)	12,605	13,389	13,373	13,356	13,339	15,478	15,459	17,596	19,732	19,713	20,556	18,836
Opening Balance	0	12,605	25,994	39,367	52,723	66,062	81,538	96,997	114,593	134,325	154,038	174,594
Closing Balance	12,605	25,994	39,367	52,723	66,062	81,538	96,997	114,593	134,325	154,038	174,594	193,430

Year 1 - 2017	Year 2 - 2018	Year 3 - 2018	Year 4 - 2020	Year 6 - 2021	Year 8 - 2022	Year 7 - 2023	Year 8 - 2024	Year 9 - 2025	Year 10 - 2026
Building Occupancy 12 Months	Normal Operation 12 Months	Normal Operation 12 Months	Normal Operation 12 Months	Normal Operation 12 Months	Normal Operation 12 Months	Normal Operation 12 Months	Normal Operation 12 Months	Normal Operation 12 Months	Normal Operation 12 Months
Stable Occupancy									
Average 37.4	45.8	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0
80%	97%	100%	100%	100%	100%	100%	100%	100%	100%
24	24	24	24	24	24	24	24	24	24
23	23	23	23	23	23	23	23	23	23
47	47	47	47	47	47	47	47	47	47
47	47	47	47	47	47	47	47	47	47
169,337	188,801	194,640	194,640	194,640	194,640	194,640	194,640	194,640	194,640
252,335	281,339	290,040	290,040	290,040	290,040	290,040	290,040	290,040	290,040
14,400	16,000	17,000	17,400	17,800	18,000	18,200	18,400	18,800	19,000
0	6,977	7,778	8,027	8,033	8,040	8,043	8,046	8,049	8,056
47,940	48,899	49,139	49,162	49,378	49,618	49,858	50,337	50,816	51,296
7,360	8,206	8,460	8,460	11,280	11,280	11,280	11,280	11,280	11,280
115,200	117,504	119,854	122,251	124,696	127,190	129,734	132,329	134,975	137,675
20,880	23,280	24,000	24,500	24,700	24,800	24,900	25,000	25,500	25,900
50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400
37,600	37,600	37,600	37,600	37,600	37,600	37,600	37,600	37,600	37,600
715,452	779,006	798,911	802,481	808,568	811,608	814,694	818,072	822,101	825,886
2,900	3,000	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
7,992	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
9,000	9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756
10,730	10,800	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
396,000	680,000	680,000	680,000	680,000	680,000	680,000	680,000	680,000	680,000
20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	24,380
57,000	57,570	58,146	58,727	59,314	59,908	60,507	61,112	61,723	62,340
18,000	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	21,512
522,022	807,718	809,661	811,228	812,822	814,441	816,087	817,759	819,459	821,187
522,022	807,718	809,661	811,228	812,822	814,441	816,087	817,759	819,459	821,187
193,430	-28,712	-10,750	-8,748	-4,254	-2,833	-1,392	312	2,641	4,699
0	193,430	164,718	153,968	145,220	140,966	138,133	136,740	137,053	139,694
193,430	164,718	153,968	145,220	140,966	138,133	136,740	137,053	139,694	144,393

As shown in the budget there is a positive cash flow at the beginning and should the medical clinic become a tenant, it will produce a stronger positive cash flow.

Recommendations

This report identifies a number of steps and action plan required. The following recommendations require consideration and appropriate approval;

1. This report be received by the Chapleau Economic Development Corporation as per the terms of reference of the study.
2. The Development company be invited to present the business plan along with the stakeholders to resolve outstanding issues related to moving the project forward to the next level of approval.

References

Chapleau Economic Development Corporation. (2014) "Chapleau Community Profile." 1.2, 1-42.

Independence, Activity and Good Health: Ontario's Action Plan for Seniors. (2013). The Ontario Seniors' Secretariat. Queen's Printer Ontario. ISBN 978-1-4606-0730-5

Ivey, B., Bernier, M., Byham, A., Pellow., Pilon, R., Bourgeault, D., Cachagee, D., Morrison, J., O'Neill, M., Sajah, E., Edwards, J., Rochon, D., & Fry, T. (2009). A Transitional Living Centre for Chapleau, Ontario: Feasibility Study.

Making the Case for Investing in Mental Health in Canada. (2013). Mental Health Commission for Canada.

North East Local Health Integration Network. (2013). Integrated Health Service Plan 2013-2016.

North East Local Health Integration Network.(2014). People Focused Care: Report to Fellow Northerners and Northeastern Ontario Committees.

North East Local Health Integration Network (2014). Community Hospitals and Health Care In Northeastern Ontario: Transforming the Patient Experience. ISBN 978-1-4606-4294-8.

Ontario Population Projections Update (2010). The Ministry of Finance. ISBN 978-1-4435-3249-5.

Sinha, S. Living Long, Living Well: Highlights and Key Recommendations.

Seniors' Housing Report, Ontario. (2015) Housing Market Information. Canada Mortgage and Housing Corporation.

Smetanin, P., Stiff, D., Briante, C., Adair, C.E., Ahmad, S. and Khan, M. The Life and Economic Impact of Major Mental Illnesses in Canada: 2011 to 2041. RiskAnalytica, on behalf of the Mental Health Commission of Canada 2011.