



COUNTY OF WELLINGTON

Committee Report

To: Chair and Members of the Joint Social Services and Land Ambulance Committee
From: Shauna Calder, Manager of Finance
Date: Wednesday, September 11, 2024
Subject: **Property Tax Exemption for Clifford Non-Profit Housing Corporation**

Background:

In May 2020, the County passed a by-law allowing the partial exemption of non-profit and co-operative housing providers based on the percentage of rent-geared-to-income units. This exemption became effective January 1, 2021, for the 8 housing providers (out of a possible 16) that opted to sign the municipal capital facility agreement. A partial exemption for non-profit and cooperative providers from property tax results in Wellington and Guelph saving the education portion of the taxes which may be invested in future capital repairs of housing stock.

Update:

In May 2024, following the expiry of their mortgage, Clifford Non-Profit Housing Corporation and housing services staff were successful in reaching a new funding agreement to continue to support the operation of the housing provider. As part of the new agreement, Clifford has signed a municipal capital facility agreement that now allows for a property tax exemption for all units within the building. Municipal incentives like property tax exemptions enhance viability and support the financial sustainability of affordable and community housing through lower operating costs, allowing these community partners to continue offering rents at a lower than market rate for low to moderate income tenants. Total property tax savings, effective January 1, 2025, will be approximately \$31,339 with \$1,877 of this being education tax savings that can be reinvested into future housing needs.

Strategic Action Plan:

This report relates to the following objectives and priorities in the County's Strategic Action Plan:

- Making the Best Decisions for the Betterment of the Community

Recommendation:

That the County of Wellington pass a by-law pursuant to Section 110 of the Municipal Act, 2001 authorizing a municipal capital facilities agreement; and

That the County of Wellington pass a by-law pursuant to Section 110 of the Municipal Act, 2001, authorizing the exemption of the Clifford Non-Profit Housing Corporation premises from municipal and education property taxes effective January 1, 2025; and

That written notice of the by-law be provided to the Ministers of Finance, Education and Housing, the Municipal Property Assessment Corporation, the Town of Minto, the Upper Grand District School Board, and the Wellington Catholic District School Board; and

That the 2025 Housing Services budget and ten-year plan be adjusted to reflect the cost reduction resulting from the property tax exemption; and

That the savings resulting from the education portion of the property tax exemption be reinvested in future capital repairs of housing stock through the Housing Capital Reserve.

Respectfully submitted,



Shauna Calder, CPA, CGA
Manager of Finance