

October 2, 2025

Sent via email to [minister.mah@ontario.ca](mailto:minister.mah@ontario.ca)

**The Honorable Rob Flack**

Minister of Municipal Affairs and Housing  
College Park, 17th Flr,  
777 Bay St Toronto, ON, M7A 2J3

**RE: Additional measures to support affordable rental property tax discounts**

Dear Minister Flack,

As you are aware, this past May your Ministry introduced new property tax subclasses for affordable rental multi-residential properties under *O.Reg. 282/98*. This initiative allows municipalities to apply property tax discounts of up to 35 per cent for affordable rental properties, in order to promote new affordable housing stock, and preserve affordability for existing rentals.

I am proud to say that at its meeting held on September 16, 2025, Guelph City Council voted unanimously to prepare a by-law which would adopt these property tax subclasses starting as early as January 1, 2026. Furthermore, Council voted to set the property tax discount at the maximum rate of 35 per cent as part of the 2026 Tax Policy in the spring of 2026, recognizing the urgent need to reduce financial pressures on affordable housing providers. While there is some work ahead of us to implement this new tax structure, Guelph's Council and staff are united in a shared goal to make it easier to build and maintain affordable rental housing.

As part of our discussion, we recognized that there is more to be done to support housing affordability through property tax relief. Municipal leadership on this issue is essential, however, with hundreds of municipalities all facing their own unique fiscal challenges, centralized provincial support is needed to maximize impacts on housing affordability. As such, Guelph City Council has requested that the province consider the following additional property tax relief measures:

**1. Matching discounts for education property taxes:**

The new property tax discounts only apply to the municipal portion of the property tax, as the education portion is not set by municipalities. In Guelph, the education property tax for multi-residential properties makes up anywhere from 6 to 11 per cent of the total tax burden, which can represent a substantial amount of funds for affordable housing operators.

By providing a matching discount to education property taxes in municipalities which adopt the subclass discount, the province can help reduce pressures on housing operators and renters, and work in tandem with municipalities for maximum effect.



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**2. Grant funding to support municipal property tax discounts:**

The reality of any tax discount is that the foregone revenue must be made up elsewhere if we want to continue delivering the same level of municipal services. If this tax discount is effective at incentivizing more affordable developments, there will be a growing revenue gap which risks shifting the tax burden onto other property tax payers.

Recognizing this funding gap, and the ongoing substantial costs of affordable housing and homelessness support borne by municipalities, we request that the province provide grant funding to municipalities adopting this tax subclass discount. This financial support will ensure that all municipalities are able to sustainably offer property tax relief measures without exacerbating ongoing affordability concerns.


**3. Property tax relief for homeowners on income supports:**

Affordable rental housing providers are not the only ones impacted by property tax rates. Across the province, there are many low-income homeowners receiving income supports through the Ontario Disability Support Program (ODSP) and Ontario Works (OW), for whom property taxes can represent one of their most significant expenses. Providing property tax relief for these individuals could substantially improve affordability, and ensure that these individuals can remain in their homes and communities.

Similar supports already exist for low-income seniors in Ontario through the Senior Homeowners' Property Tax Grant. Given that ODSP and OW are ultimately administered by the province, extending further universal property tax relief to these individuals is an easy way for the province to support affordability across all municipalities.

On behalf of Guelph City Council, I would like to thank you for your consideration. The City of Guelph looks forward to continuing to work with your Ministry to improve housing affordability, and I would be happy to continue this conversation - please do not hesitate to contact me at [mayor@guelph.ca](mailto:mayor@guelph.ca).

Sincerely,



**Mayor Cam Guthrie**  
City of Guelph

CC:

The Honourable Peter Bethlenfalvy, Minister of Finance  
The Honourable Michael Parsa, Minister of Children, Community and Social Services  
Association of Municipalities of Ontario  
Ontario Big City Mayors  
Guelph-Wellington Joint Social Services and Land Ambulance Committee