Historical Government Involvement

Both the provincial and federal governments compensate municipalities annually for certain types of exempt properties. In Alberta, provincial grants are known as “Grants in Place of Taxes” and federal grants are known as “Payment in Lieu of Taxes”. These grants are intended to offset revenue that would otherwise have to be generated through property tax.

Until 2017, the affordable housing run under the Alberta Social Housing Corporation was considered taxable and the Government of Alberta paid Grants in Place of Taxes on properties operated by this organization. In 2017, the Province passed a regulation specifically making properties owned by Alberta Social Housing Corp. exempt from taxes. This decision resulted in a revenue shortfall for the City of Edmonton of $3.8 million as the Province no longer paid grants in lieu of taxes on those properties.

The government chose not to exempt all affordable housing providers, but only those owned by the Government of Alberta. Beyond creating inconsistency, this further corroborated the Province’s direction to keep other affordable housing properties taxable.

Cross-Jurisdictional Scan

Administration undertook an initial scan of relevant tax exemption policies across Canada, which resulted in identification of ten municipal policies and one provincial policy. Key findings included:

- all programs and policies scanned are application based, in most cases requiring annual submission of application or renewal documents;
- the period of tax exemption for approved properties can vary across programs and policies, typically on an annual basis, but also including five year and 25 year exemptions, and in New Brunswick once a property becomes exempt, no further applications are required;
- while housing providers and properties were eligible for application in all of the policies scanned, six out of the 10 municipal policies and the lone provincial policy also explicitly make tax exemption provisions for some forms of affordable and/ or supportive housing properties. These policies are found in Vancouver, Victoria, Saskatoon, Regina, Toronto, Halifax, and New Brunswick.

- City Administration in Calgary is similarly exploring options to support affordable housing properties, but Calgary's administration confirms that they share Edmonton's interpretation of the legislation.