



Finance and Corporate Services

Edmonton

Affordable Housing Exemptions

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Assessment and Taxation

Council Motion

That Administration provide a report to Executive Committee with:

- a. an analysis of the impact that exempting some or all forms of affordable housing from municipal taxation would have,
- b. options for implementing such an exemption, and
- c. any other options that may be feasible to assist affordable housing providers, including the possibility of legislative change.

Agenda

- Current Legislative State
- Council Options and Impacts
- Exemptions vs. Grants
- Provincial Advocacy

Current Legislative State

- Affordable Housing is not contemplated within the legislation
 - No provision within the MGA specifically mentions the exemption of affordable housing
 - The exemption of non-profits must comply with criteria as set out in the regulations
 - Rent represents a fee for use and leased units are not publicly accessible (private use)
- Exceptions include:
 - Some forms of seniors housing, Alberta Social Housing, private members bills, and City owned property run by management bodies under the *Alberta Housing Act*

Council Options and Impact

- Section 364 of the Municipal Government Act grants Council the authority to exempt any non-profit organization from municipal property tax
 - Would not include Provincial education tax amounts
- The estimated impact of such an exemption would be in the range of \$5 million annually
 - This is an estimate based on available data
- Alternatively, Council can pursue a grant-based approach that offsets property tax amounts. This approach is preferred:
 - It is not subject to board review
 - It can cap the potential cost
 - It can be better leveraged for future provincial advocacy
 - It is more flexible and can be structured to respond to future needs or provide additional support as desired

Municipal Tax Exemptions vs. Grants (illustration)

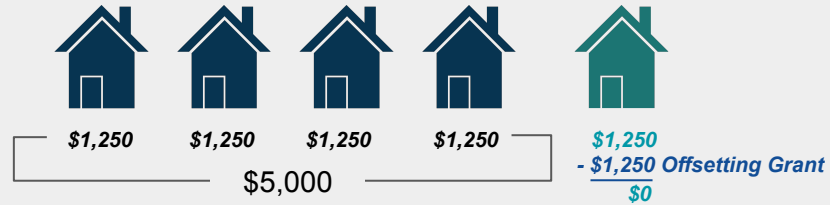
CURRENT STATUS

Affordable housing taxable



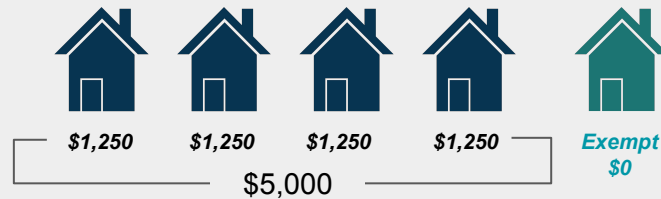
GRANT PROGRAM

Support identified transparently in budget



MUNICIPAL EXEMPTION

Same tax impact, less transparent



Provincial Tax Exemptions vs Municipal (illustration)

CURRENT STATE

MUNICIPAL TAXES (\$3,000)



PROVINCIAL TAXES (\$900)



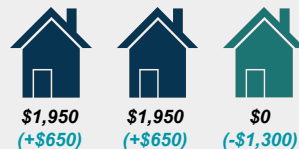
OVERALL TAXES



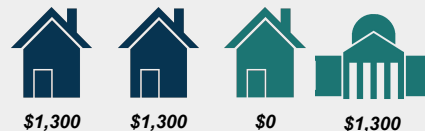
MUNICIPAL S.364 EXEMPTION



PROVINCIAL LEGISLATED EXEMPTION



PROVINCIAL GIL/GIPOT



Provincial Advocacy

- The Government of Alberta is seeking input on the implementation of their Affordable Housing Strategy
- Opportunity to advocate for additional operating support
- Further discussion in private

Questions?