

NON-PROFIT AFFORDABLE HOUSING TAX EXEMPTIONS

Issue

The impacts on taxpayers of the Province having expanded property tax exemptions to non-profit affordable housing providers are provided for information.

Motion Proposed by Administration

That the Non-Profit Affordable Housing Tax Exemptions report be received as information.

Report, Analysis and Financial Implications

In May 2024, the Government of Alberta passed Bill 20, the *Municipal Affairs Statutes Amendment Act* which amends section 363 of the *Municipal Government Act* to provide property tax exemptions for affordable housing accommodations as defined by the *Alberta Housing Act*. Ministerial Order No. 2024-011 (Attachment 1) clarifies the definition of an affordable housing accommodation as a unit that must:

- Be subject to an agreement between the owner and operator of the housing accommodation and the Government of Canada, Province of Alberta, or a municipality;
- Have rental rates which are below market rates, pursuant to the agreement with an order of government; and
- Be owned and operated by a not-for-profit organization.

These additional tax exemptions will come into effect on January 1, 2025. Municipalities do have the ability to remove these additional exemptions by bylaw, but the education property tax portion would remain exempt.

These expanded property tax exemptions will mean that an additional 19 near market properties in Okotoks will qualify for a property tax exemption in 2025. Using the 2024 taxation year, the value of these exemptions is \$27,991 in municipal taxes, and \$13,061 in education taxes. As more not-for-profit affordable housing units are added in Okotoks it is expected that this figure will increase; however, as affordable housing agreements expire, over time, some properties will no longer be eligible for exemption. Attachment 2 is a report from the July 15, 2024 Regular Council Meeting which includes a broader discussion on the implications of these additional expanded exemptions for not-for-profit affordable housing.

In addition to these new exemptions, lodge accommodations and property owned by the Alberta Social Housing Corporation are already exempt. The estimated value (based on 2024 taxation year) of these longstanding tax exemptions is \$54,300 in municipal taxes and \$23,400 in education taxes.

Strategic Plan Goals

<input checked="" type="checkbox"/>	Responsibly Managed Growth	<input type="checkbox"/>	Demonstrated Environmental Leadership
<input type="checkbox"/>	Strong Local Economy	<input type="checkbox"/>	Enhanced Culture & Community Health
<input type="checkbox"/>	Organizational Excellence		

Equity/Diversity/Inclusivity Impacts and Strategy

n/a

Environmental Impacts

n/a

Community Engagement Strategy

n/a

Alternatives for Consideration

Council could choose to direct Administration to prepare a bylaw to remove the additional property tax exemptions that have been enabled by the *Municipal Affairs Statutes Amendment Act*.

CAO Comments

This report highlights the impacts of this decision. This decision will be tracked in a new document which will capture the impacts of provincial decisions on taxpayers, as ultimately these decisions are paid for by all ratepayers.

Attachment(s)

1. Ministerial Order No. 2024-011
2. Council Report – July 15, 2024

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