



## CORPORATE SERVICES

### *Staff Report*

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REPORT NO: COR-2025-25

TO: Council

SUBMITTED BY: Greg Clark, Director of Corporate Services/CFO

PREPARED BY: Greg Clark, Director of Corporate Services/CFO

REVIEWED BY: Harold O’Krafka, Acting Chief Administrative Officer

DATE: June 2, 2025

SUBJECT: Property Tax Exemption for Affordable Housing Program

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#### RECOMMENDATION:

THAT Report COR-2025-25 Property Tax Exemption for Affordable Housing be received for information, and

THAT Council support participation in the Region’s property tax exemption program as outlined in staff report COR-2025-25 by providing a property tax exemption for the Township's portion of the levy to non-profit and co-operative affordable housing service providers for a period of 20 years starting in 2025.

THAT Council direct staff to report back to Council following the first full year of implementation of the program to assess:

- The outcomes of the exemption in the first year of the program;
- The potential tax shifts/increases an exemption may create for other tax-paying properties;
- The level of interest from for-profit developers for this affordable housing incentive and potential to include them in the program; and,
- The appropriate duration of a property tax exemption program and potential sunset provisions.

THAT Council consider By-law 2025-34 Being a By-law to provide a property tax exemption for certain affordable housing pursuant to Section 110(9) of the Municipal Act, 2001.

### SUMMARY:

- The Region of Waterloo implemented a Property Tax Exemption for Affordable Housing Program in March of 2024.
- They have entered into agreements with seven applicants from across the region, one of which is in Wilmot.
- The Program only exempts the Regional and Educational portion of taxes unless the lower-tier Council approves participation.
- The impact to budget during the first year is the amount of tax from the date of the agreement to the end of the year, future years are impacted via a lower assessment base.

### BACKGROUND:

On March 20, 2024 the Region of Waterloo Council approved the Property Tax Exemption for Affordable Housing Program (the Program) as a policy incentive to create new and preserve existing affordable housing, report CSD-HOU-24-004. Since then they have made amendments to the program in April 2025 (Attachment 1 - Report CSD-HOU-25-004) to ensure that it is effective and responsive while upholding the programs goals and objectives. The update program is included with this report as Attachment 2.

### REPORT:

Through the Inter-Municipal Working Group and the Waterloo Area Municipal Treasurers the Region and the area municipalities have collaborated on issues surrounding affordable housing, including the implementation of the regional program at the lower-tier level. Currently the program only allows for the exemption of the Regional and Educational portion of affordable housing providers' property taxes. The Cities of Cambridge, Kitchener and Waterloo have passed by-law enabling the exemption of their portion of property taxes under the program.

The regional program has received nine applications, one was rejected, one opted out of the process and seven have been approved (Attachment 3 - Overview of Approved Proponents(Regional)). One of the approved applicants is Maple Heights Non-Profit Housing Corporation which is in the Township of Wilmot, they have signed an agreement with the region to exempt 24 units.

As noted above, only the Regional and Educational property taxes are exempted under the regional program, to exempt the township portion Council must approve exemption via by-law (Attachment 4 - Draft By-law).

### **Next Steps**

If Council approves the draft by-law, staff will work with regional staff to coordinate the application process when it is applicable to the Township.

For the existing approved applicant noted above, the exemption would be effective the date of approval of the by-law and staff would work with them to update their taxes payable for 2025.

#### ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

Healthy Community

#### FINANCIAL CONSIDERATIONS:

As noted in report CSD-HOU-24-004, tax exemptions provided through a municipal housing facilities agreement have an in-year tax adjustment from the effective date until the year they are reclassified, and no impact on the Regional or Area Municipal property tax levy in the year following the reclassification. Moving a property from a taxable status to an exempt status on the assessment roll impacts the overall amount of assessment upon which municipal taxes are levied, resulting in a slightly lower level of net assessment growth in the year following the reclassification.

#### ATTACHMENTS:

- Attachment 1 – CSD-HOU-25-004, Property Tax Exemption for Affordable Housing Update
- Attachment 2 – Property Tax Exemption for Affordable Housing Program
- Attachment 3 – Overview of Approved Proponents (Regional)
- Attachment 4 – Draft By-law