

INVENTORY OF TAX AND UTILITY ASSISTANCE PROGRAMS

EXECUTIVE SUMMARY

This report provides an inventory of existing programs that offer assistance for property taxes, business taxes and utility charges for Calgarians or Calgary small businesses. A scan of available government and community programs was conducted in consultation with both internal and external stakeholders. Descriptive information for each program is included in Attachment 1. The inventory presents Council with information on programs that offer assistance to low-income Calgarians who are struggling with property tax and utility payments. The inventory also provides information on the availability of programs for small businesses to help them flourish and succeed in Calgary.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommends that Council receive this report for information.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2014 OCTOBER 28:

That Council receive Report PFC2014-0831 for information.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 July 28, Council adopted, as amended, the first resolution of NM2014-36, *Effects of Combined Tax and Utility Rate Increases for Low-Income Households and Small Businesses*, which directed Administration to provide an inventory of existing programs that provide relief for Calgarians or Calgary businesses in respect of property taxes, business taxes and utility charges; and report back to Council through the Priorities and Finance Committee prior to the 2015-2018 Budget deliberations, on the inventory.

BACKGROUND

In 2014 May 5, Council directed Administration to include, as part of *Action Plan 2015-18*, indicative tax rate increases (C2014-0401), utility rates (C2014-0103), drainage charges (C2014-0342) and waste and recycling services rates and fees (C2014-0102). Following this, NM2014-36 raised concerns that these increases may create challenges for low-income households and small businesses operating in Calgary. As a result, Council directed Administration to compile an inventory of existing programs that provide property tax, business tax, and/or utility assistance.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration undertook a broad scan of programs and services currently available to Calgarians and small businesses that provide assistance with property tax, business tax and utilities charges. Provincial, municipal, and federal government programs, as well as community programs, were considered in the scan.

Community & Neighbourhood Services (CNS), in consultation with Water Resources and Finance & Supply, identified existing City of Calgary programs and consulted key staff from within these business units on other programs provided by external agencies. This information,

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augmented by information from publicly available program and service directories; program brochures and information sheets; and consultation with external community stakeholders, was considered for inclusion in the inventory. Specific sources of information for the scan, including internal and external stakeholders, service directories, fact sheets, and reports, are detailed in Attachment 2.

Through the course of the scan, a number of Calgary non-government organizations were identified to have funds available for clients with emergency needs, which may include utility arrears. However, these funds are generally small, available only to the clients of the particular organizations, and assistance is assessed on a case-by-case basis. Though these funds provide important support to vulnerable Calgarians with emergency needs, they were not included in the inventory as they are narrow in scope and not specifically aimed at tax and/or utility assistance. In addition, there were some City programs that provide incentives or assistance to Calgarians to decrease utility usage, but not direct assistance with utility charges. Therefore, these programs were also excluded as they fell outside the scope of the inventory.

The inventory, included as Attachment 1, outlines:

1. Programs with mandates specific to tax and/or utility assistance; and
2. Programs that provide assistance for basic needs, which include assistance with property tax or utility payments as one element.

A total of six programs providing property tax and/or utility assistance were identified. Of these, two are administered by The City, three by the Government of Alberta, and one by the Canadian Red Cross. Three programs provide utility assistance and three provide property tax assistance. Five of the programs focus on low-income populations, while one property tax program is targeted to residential and non-residential property owners affected by the 2013 June flood. Programs that provide assistance specifically for utility arrears do so for all forms of utilities (water, gas, electricity). Table 1 summarizes the value of each program, rounded to the nearest \$1,000. It is important to note that given the information available for the programs, some values are estimates, not all values provided represent the same time period and some programs were unable to provide a total value figure. Further, it is important to note that the City's Property Tax Relief Program is flood-specific and time-limited.

TABLE 1

Program	Time Period	Value of Program <i>(to the nearest \$1,000)</i>
City of Calgary Programs		
1. The City of Calgary Property Tax Assistance Program	2013	\$181,000
2. The City of Calgary Property Tax Relief Program	2013 June – 2014 July	\$2,080,000
Government of Alberta Programs		
3. Alberta Seniors, Seniors Property Tax Deferral Program	2013	\$1,100,000
4. Alberta Seniors, Special Needs Assistance for	2013/2014	\$1,000

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Seniors Program (Utilities)		
5. Alberta Works Emergency Allowance for Utilities	2013/2014	<i>Not available</i>
Non-government Organization Programs		
6. Red Cross Basic Needs and Housing Program (Utilities)	2013	\$9,000

As mentioned above, one program, which is flood-specific and time-limited, provides property tax assistance to non-residential property owners, including businesses. Although this is the only program identified providing tax assistance to businesses, a number of other programs are available to support businesses. Overall, in 2014, the combined federal and provincial tax rate applied to small businesses (income up to \$500,000 per year) in Alberta is 11 per cent less than the rate applied to larger businesses. In addition, the Government of Alberta and Government of Canada have a variety of support programs that small businesses can apply for (e.g., business start-up, capital expansions, building improvements, product development, small business training, marketing, wage subsidies and internships). Examples of such programs include the Alberta Innovates Technology Futures Innovation Vouchers Program and the Canada-Alberta Job Grant Program. Some businesses may also be eligible for industry-specific tax credit programs (e.g., Alberta Scientific Research and Experimental Development Tax Credit Program, Canadian Film or Video Production Tax Credit). By offering assistance in other areas, these programs provide small businesses with greater flexibility to budget for general operating expenses such as business taxes.

Stakeholder Engagement, Research and Communication

Consultations on City-provided programs were conducted with Water Resources, Finance & Supply and CNS. These stakeholders were also asked to provide information on any non-City programs they were aware of. This information, together with publicly available information and consultations with external stakeholders, was included in the inventory of those programs provided by the Government of Alberta and community agencies. Administration consulted representatives of the programs to obtain additional information. A full list of stakeholders consulted and sources accessed is available in Attachment 2.

Strategic Alignment

Ensuring support is available to help vulnerable Calgarians live and succeed in Calgary, and small businesses to flourish, aligns with a number of key priorities and guiding documents, including:

- Council Priority, CP1, *'A prosperous city – Calgary continues to grow as a magnet for talent, a place where there is opportunity for all, and the best place in Canada to start and grow a business'*;
- Fair Calgary policy, by strengthening Council's knowledge of the social infrastructure available to vulnerable Calgarians and small businesses, and the extent to which these programs are accessible and affordable;
- 2020 Sustainability Direction, which outlines the importance of vulnerable Calgarians having equitable opportunities and small businesses having the resources to succeed in Calgary; and

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- Imagine Calgary, which aspires that by 2036, Calgary is ranked as the most favourable Canadian city in which to establish businesses that support sustainability practices, and 95% of Calgarians enjoy positive and supportive living conditions.

Social, Environmental, Economic (External)

The inventory provides Council with information on programs that may provide assistance to low-income Calgarians who are struggling with property tax and utility payments. Providing access to these supports may lead to greater financial stability for individuals and families, decreasing resource-related stress and increasing capacity to improve other aspects of their lives. Improving financial capacity ultimately leads to better physical and mental health and social outcomes. The inventory also provides information on the availability of programs for small businesses so that they can become established and succeed in Calgary, contributing to the local economy, expanding employment opportunities in the community, and increasing the diversity of products and services available to all Calgarians.

Financial Capacity

Current and Future Operating Budget:

There are no implications of this inventory to current or future operating budgets.

Current and Future Capital Budget:

NA

Risk Assessment

There are no significant risks associated with this project.

REASON(S) FOR RECOMMENDATION(S):

On the direction of Council, an inventory of programs has been compiled and presented as an attachment to this report for their information.

ATTACHMENT(S)

1. Inventory of Existing Property Tax, Business Tax, and Utility Assistance Programs
2. Sources of Information Consulted for the Report