



City of North Bay Report to Council

Report No: CORP-2022-076

Date: June 15, 2022

Originator: Marc A. Gauthier

Business Unit:

Department:

Corporate Services

Financial Services Department

Subject: LIPI Funding Agreement for 2022 Residential Property Tax Hardship Program

Closed Session: yes ☐ no ☒

Recommendation

That the Mayor and Clerk be authorized to execute the Agreement between the Corporation of the City of North Bay and Low Income People Involvement of Nipissing (LIPI).

Background

As part of the 2021 Operating Budget, Council approved the creation of the Residential Property Tax Hardship Program to assist ratepayers with tax arrears that resulted from income losses related to COVID 19 restrictions. Although our community partner (LIPI) received a number of inquiries, the feedback received was that the defined periods of impact and the contribution level required from ratepayers in order to receive matching funding were both viewed as significant hurdles. The 2022 Operating Budget contains a Reserve transfer to fund a 2022 Hardship program for residential property owners to continue to assist residential taxpayer's tax arrears that arose as a result of the impact of COVID19 restrictions during periods of 2020 and 2021. The program would continue to be accessible to applicants impacted by the Covid-19 pandemic with tax arrears on their primary residence for the 2020 and / or 2021 taxation years.

In order to expand accessibility to the funding, the following changes were made to the program. Firstly, an additional "Impacted Period" was added to the eligibility criteria to include January 1 to December 31, 2021. Secondly, the program matching contribution limits were increased and scaled based on the level of income loss suffered by the applicant.

The attached agreement provides that qualified applicants meet the following

criteria:

- Available to North Bay residents only
- Must be for primary residence (owner listed on title)
- Aid to be provided for 2020 and 2021 property tax arrears due to impact of COVID-19
- One application per year
- Applications with property tax arrears prior to February 1, 2020 are not eligible for the program
- Resident must demonstrate ability to maintain property taxes under normal circumstances
- Resident must demonstrate significant impact to household income resulting from Covid-19 pandemic
- Impact defined as:
 - Experienced at minimum a decrease of 50% of total household income during the impacted periods outlined below; in comparison to 2019 income levels during the same timeframe
- Impacted Periods defined as:
 - Period 1 – March 23, 2020 to June 12, 2020
 - Period 2 – December 26, 2020 to March 7, 2021
 - Period 3 – January 1, 2021 to December 31, 2021

Matching Contribution Details:

- Program will match applicant property tax account payments made after eligibility approval
- Program contribution will match taxpayer payments based on the following scale:
 - Income Loss (defined by program) between 50% and 65% - contribution of up to 50% of tax arrears determined at time of application
 - Income Loss (defined by program) between 66% and 80% - contribution of up to 75% of tax arrears determined at time of application
 - Income Loss (defined by program) between 81% and 100% - contribution of up to 90% of tax arrears determined at time of application
- Maximum contribution determined at time of application
- LIPI will make payments directly to City on behalf of taxpayer

The agreement authorizing LIPI to operate the program is attached as Appendix A. LIPI has been consulted during the development of the program and is prepared to operate the program as defined above. LIPI's ten percent (10%) administration fee as well as the interim and final progress reporting remain unchanged.

Financial/Legal Implications

The 2022 budget approval is for a Municipal contribution of \$300,000. LIPI

will be receiving a ten percent (10%) administration fee as part of the program.

Corporate Strategic Plan

- | | |
|---|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Ensure the efficient and effective operations of the City, with particular consideration to the impact of decisions on the property tax rate
- Provide smart, cost effective services and programs to residents and businesses

Options Analysis

Option 1: Do not approve a motion to authorize the City to enter into an agreement with LIPI. This option is not recommended.

Option 2: Approve a motion to authorize the execution of the North Bay Residential Tax Hardship Program Agreement with LIPI.

Recommended Option

That the Mayor and Clerk be authorized to execute the Agreement between the Corporation of the City of North Bay and Low Income People Involvement of Nipissing (LIPI).

Respectfully submitted,

Name: Marc A. Gauthier, CPA, CMA
Title: Manager, Revenues & Taxation

I / We concur with this report and recommendation

Name Margaret Karpenko, CPA, CMA
Title: Chief Financial Officer /Treasurer

Name Peter E.G. Leckie, B.A. (Hons.), LL.B.
Title: City Solicitor

Name David Euler, P.Eng., PMP
Title: Chief Administrative Officer

Personnel designated for continuance:
Marc A. Gauthier, CPA, CMA
Manager, Revenues & Taxation

Attachment: 2022 LIPI Funding Agreement