



## City of North Bay Report to Council

Report No: CORP-2023-095

Date: June 19, 2023

Originator: Margaret Karpenko

Business Unit:

Department:

Corporate Services

Financial Services Department

Subject: 2023 Property Tax Hardship Program

Closed Session: yes  no

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### Recommendation

That Council authorize the Chief Administrative Officer to execute an Agreement between The Corporation of the City of North Bay and Low Income People Involvement of Nipissing (LIPI) upon the approval of the Chief Financial Officer and City Solicitor.

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### Background

As part of the 2021 Operating Budget, Council approved the creation of the Residential Property Tax Hardship Program to assist ratepayers with the tax arrears that resulted from income losses related to COVID 19 restrictions.

As the economy continues to recover from the impacts of COVID 19, Council continued to support through the Operating budget a Residential Property Tax Hardship Program for 2022 and 2023.

The program has been administered with our community partner Low Income People Involvement of Nipissing (LIPI). Although several inquiries were made the feedback is that the defined periods of impact and the contribution level required from ratepayers to receive matching funding were both viewed as significant hurdles. To expand accessibility to the funding, the following program changes are recommended:

- Broaden the objective of the program so that it provides one-time assistance to those that are in tax arrears due to COVID 19 or other life changing events and that any applicant pass a financial sustainability needs text
- Aid to be provided for property tax arrears that are dated after February 1, 2020

- Resident must demonstrate a significant impact to household income resulting from COVID 19 pandemic or other significant life event
- The program will contribute to applicants based on financial income and sustainable needs tests

LIPI has experience and administers other programs that are based on financial income and sustainable needs test. Sustainability will be measured by the applicant demonstrating commitment through signing up for pre-authorized payment as well as contributing a portion of outstanding taxes. Lastly a portion of the grant may be withheld until a proven payment record is demonstrated.

The program will continue to have the following requirements:

- Must be for primary residence (owner listed on title)
- 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

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### **Financial/Legal Implications**

The 2023 Operating Budget includes a reserve transfer in the amount of \$100,000. As with previous agreement with LIPI they will continue to receive a ten percent (10%) administration fee as part of the program costs.

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### **Corporate Strategic Plan**

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|---|--|
| <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

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### **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.

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**Recommended Option**

That Council authorize the Chief Administrative Officer to execute an Agreement between The Corporation of the City of North Bay and Low Income People Involvement of Nipissing (LIPI) upon the approval of the Chief Financial Officer and City Solicitor.

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Respectfully submitted,

Name: Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

**I concur with this report and recommendation**

Name John Severino, P.Eng., MBA

Title: Chief Administrative Officer

Personnel designated for continuance:

Margaret Karpenko, CPA, CMA

Chief Financial Officer /Treasurer