Appendix D: Property Tax Affordability Programs

Executive Summary

Property tax affordability is usually considered as part of shelter affordability. Approximately 12 per cent of residential property owners in Regina experienced shelter unaffordability in 2015, comparing favourably with other prairie cities of which the average rate was 14 per cent. There is little difference in the number of households that experience unaffordability at income ranges between the After-Tax Low Income Cut-Off (LICO-AT) and the median income and those households with incomes below the LICO-AT. This indicates there is only a weak relationship between household income and unaffordability. Unaffordability is more closely tied to household structure, with single-person households being much more likely to experience shelter unaffordability. While affordability programs can reduce shelter costs, the overall impact is low as property taxes make up a small portion of shelter costs for low-income households.

This paper explores the issue of property tax and shelter affordability. A jurisdictional scan of 35 municipalities in Canada identified 18 which have a property tax affordability program in place. Nine provinces also have property tax affordability programs at the provincial level. Programs include rebates and deferrals. The analysis also considered one-time assistance payments. The detailed jurisdictional scan can be found in Appendix E: Tax Affordability Programs Jurisdictional Scan. Table 1: Summary of Affordability Programs summarizes the results of the analysis. Where an option is expected to improve on the current state it is highlighted in green. Where an option is expected to worsen performance relative to the current state it is highlighted in red. Where an option is expected to be neutral to the current state or where a change is expected to be negligible it is highlighted in yellow. Where an option has mixed or complex results on a criterion, it is marked with hash marks that reflect the mixed results.

Table 1: Summary of Affordability Programs

Option	Afford.	Equity	Comm. Support	Admin. Cost	Overall
Property Tax Rebates					
One-time Assistance Payments					
Short-term Property Tax Deferrals					
Long-term Property Tax Deferrals (All Low-income)					
Long-term Property Tax Deferrals (Low-income Seniors)					

Property tax rebates have the most direct impact on affordability by reducing taxes paid by eligible property owners. Deferrals and one-time assistance payments can be useful for assisting seniors or households experiencing temporary low-income or income insecurity but to do not improve overall affordability.

All options are expected to improve vertical and intergenerational equity at the expense of horizontal equity. Vertical equity refers to the principle that costs should be proportional to ability to pay (i.e., lower-income households pay less). Horizontal equity refers to the principle that customers should pay similar amounts for similar levels of consumption. Intergenerational equity refers to the principle that costs should be borne by the generation that benefits and that benefits and costs should not fall disproportionately on different age groups.

A public engagement was conducted on the City's public engagement tool, *Be Heard Regina,* from May 28 to June 30, 2021. 70 per cent of respondents support or somewhat support affordability programs in general. Only rebates received strong support among the possible options. There was a preference to offer affordability programs to all low-income households rather than restricting eligibility to specific demographic groups.

Overall, property tax rebates are the most effective solution to address affordability and received the strongest public support in the public engagement. However, no property tax affordability program is expected to significantly improve overall shelter affordability as property taxes account for a much smaller portion of shelter costs compared to other expenses such as mortgage payment or water, electricity and energy costs.

The most effective approach in implementing an affordability program starts with identifying the goals of the program and then working towards aligning a program with those goals through engagement and thorough analysis. Depending on the program goals, the best approach may be to use a combination of program options.

The paper is structured as follows:

Property Tax and Shelter Affordability

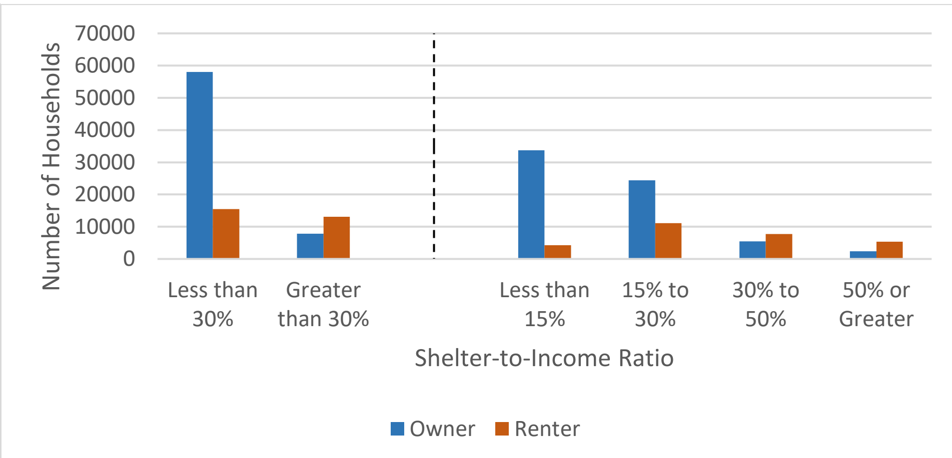
Property tax affordability is usually considered as part of broader shelter affordability. In addition to property taxes, shelter costs include rent, mortgage payments, condominium fees, household maintenance, the costs of electricity, heat and water and other municipal services.[1] Shelter is considered affordable if households are spending less than 30 per cent of annual income on shelter costs.[2] Figure 1Based on the 2016 Census, approximately

[1] Statistics Canada (2019d)

[2] This is an arbitrary measure of affordability that is not grounded in budget analyses. A weakness is that it does not account for differences in household composition. It is prone to underestimating the level of shelter

7,825 (12 per cent) of owned households in Regina experienced shelter unaffordability in 2015, as shown in Figure 1: Shelter-Cost-to-Income Ratios (2015). Approximately four per cent of owned households experienced deep shelter unaffordability (shelter-to-income ratios greater than 50 per cent). While renters tend to experience greater shelter unaffordability than homeowners, support programs such as the provincial Saskatchewan Housing Benefit and the Regina Housing Authority's Social Housing Program are already in place for this household group so this analysis focuses on property owners. Regina's level of unaffordability for owned households compares favourably to that of other prairie cities where the average rate of unaffordability is 14 per cent, as shown in Table 2: Shelter Unaffordability Rates in Prairie Cities (2015).

Figure 1: Shelter-Cost-to-Income Ratios (2015)



Source: Statistics Canada (2019a)

Table 2: Shelter Unaffordability Rates in Prairie Cities (2015)

	Share of Owned Households Spending More Than 30% of Income on Shelter	Share of Owned Households Spending More Than 50% of Income on Shelter
Regina	12%	4%
Saskatoon	14%	5%
Winnipeg	12%	4%
Calgary	16%	6%
Edmonton	15%	5%
Average	14%	5%

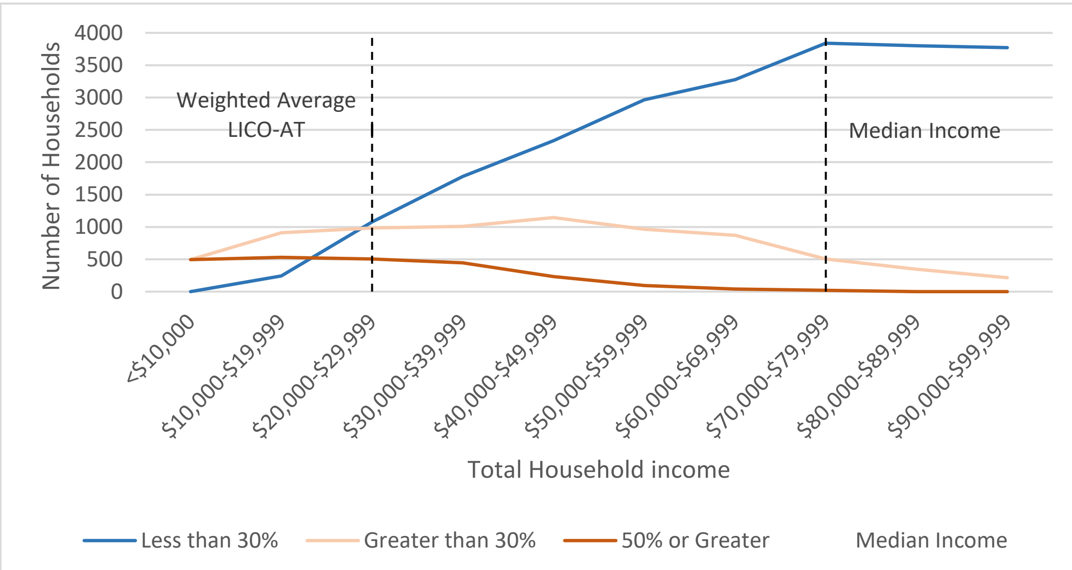
Source: Statistics Canada (2021a)

Shelter unaffordability is not simply a matter of income. Figure 2: Affordability by Household Income ($0-$99,999, Owners, 2015) shows that at the 30 per cent cost-to-income threshold,

unaffordability and often misidentifies households experiencing unaffordability. A better measure is the residual income method which first determines how much households spend on basic needs (e.g., food, clothing, transportation, etc.) and then compares the residual income to average shelter costs in an area. If the residual income is greater than the average cost, then shelter is affordable. If it is less, then households must reduce spending on basic needs to afford shelter and so shelter is unaffordable. Data limitations prevent the use of the residual budget method in Regina and so the 30 per cent threshold is used.

there is little difference in the number of households that experience unaffordability at income ranges between the After-Tax Low Income Cut-Off (LICO-AT)[3] and the median income and those households with incomes below the LICO-AT. This suggests there is only a weak relationship between unaffordability and income at the 30 per cent level and may indicate cases where residents are living beyond their means, that there is a scarcity of low-cost housing, or that these households experience increased costs unrelated to property such as water, energy, or debt-servicing. There is an increase in the number of households experiencing deep unaffordability for incomes below the LICO-AT suggesting that low income is relevant for households experiencing deep shelter unaffordability.

Figure 2: Affordability by Household Income ($0-$99,999, Owners, 2015)



Source: Statistics Canada (2019a)

Shelter unaffordability varies significantly based on household structure Table 3with people living alone experiencing greater unaffordability, as shown in Table 3: Shelter Unaffordability by Household Structure (2015). For example, seniors living alone account for 14 per cent of households spending 30 per cent or more of income on shelter costs whereas seniors *not* living alone account for only 10 per cent. Other household groups display a similar pattern. Singles account for a disproportionate share of households spending 30 per cent or more of income on shelter compared to their share of total owned households.

[3] The LICO-AT is the annual after-tax income below which a family will likely spend 20 per cent more than the average family on food, shelter and clothing (Statistics Canada 2012). The value varies based on household and community size. The LICO-AT for a community of Regina's size (100,000 to 499,999) in 2015 for a single-person household was $17,240 and $32,596 for a four-person household (Statistics Canada 2021c). The average LICO-AT for 2015, weighted by household size, was $21,406.

Table 3: Shelter Unaffordability by Household Structure (2015)

Household Structure	Share of Total Owned Households	Share of Owned Households Spending More Than 30% of Income on Shelter
Households with seniors	35%	24%
Households with children	35%	29%
Seniors living alone	8%	14%
Seniors not living alone	27%	10%
Couples with children	28%	17%
Single parent families	7%	12%
Singles	24%	47%

Source: Statistics Canada (2019b, 2019c)

Table 4: Components' Share of Shelter Costs by Income Quintile (2019) presents a breakdown of shelter costs for all households and households in the lowest income quintile. Property taxes account for approximately 12.4 per cent of shelter costs for households in the lowest income quintile, slightly less than for households overall. Mortgage and utilities account for the greatest share. Utility costs accounted for 34.3 per cent of shelter costs for households in the lowest income quintile. Mortgage costs accounted for 40.7 per cent of shelter costs for households overall. Property taxes' minor share of shelter costs may reduce the overall impact of affordability programs but the effectiveness of the program ultimately depends on the choice of option and program design.

Table 4: Components' Share of Shelter Costs by Income Quintile (2019)

	Share of Shelter Costs			
	Cost	All Income Groups	Cost	Lowest Income Group
Mortgage	$5,539	40.7%	-	-
Repair and Maintenance	$1,123	8.3%	-	-
Condominium Fees	$152	1.1%	-	-
Property and School Tax	$1,868	13.7%	$783	12.4%
Homeowners' Insurance	$1,018	7.5%	$471	7.5%
Utility (Water, Electricity and Fuel)	$3,356	24.7%	$2,161	34.3%
Other Expenses	$553	4.1%	-	-

- Indicates areas where data is unavailable.

Source: Statistics Canada (2021b)

Evaluation Criteria

In addition to affordability, the evaluation draws criteria from the City's property tax objectives, shown in Table 5: Property Tax Objectives.

Table 5: Property Tax Objectives

Objective	Description
Stability, predictability and sustainability	Stable property taxes are sustainable and provide a viable economic environment. This stability is ensured with a predictable tax policy framework.
Equity, fairness and transparency	Tax policy principles and decisions must be equitable and fair. These principles strongly align with the application of a mass appraisal assessment system and a tax system based on property values.
Decisions must be in the best interest of the community	Tax policy principles must be in the best interest of the community, not the best interest of a specific property group or class. A breach of this principle can jeopardize both the first theme of stability and predictability and the second theme of equity and fairness.

Stability, Predictability and Sustainability

Stable taxes ensure that the City is able to predict revenues and budget appropriately across changing economic circumstances and ensure citizens can budget how much they must save for property taxes and how much they can spend on other goods. Tax stability is important for economic development. The Economic Development section of *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)* contains three goals: Economic Vitality and Competitiveness, Economic Growth and Economic Generators. Priorities outlined for these goals are to establish tax rates that consider the sustainability of services, to implement mechanisms to expand and diversify the economy, promote the attractiveness of Regina as a place to live, invest and do business and to encourage entrepreneurship.

Equity, Fairness and Transparency

Equity relates to the City's commitment in the OCP to support individuals, families and neighborhoods in disadvantaged positions, allowing them to share in the benefit of the community's assets, its resources, and the opportunities it presents to enhance quality of life. Equity can be considered in three ways, as shown in Table 6: Types of Equity.

Table 6: Types of Equity

Type	Definition
Intergenerational Equity	Costs created in the present should be borne by the present generation instead of passing them on to future generations. Benefits and costs should be proportionally distributed across age groups in the present.
Vertical Equity	The cost of goods and services should be based on customers' ability to pay.
Horizontal Equity	Customers should pay similar amounts for similar quantities of goods and services consumed.

Decisions Must be in the Best Interest of the Community

Community interest is reflected in the level of support a policy receives from the community. For this analysis, community support was measured through a public engagement survey conducted from May 28 to June 30, 2021. Respondents self-selected into the survey through the *Be Heard Regina* page rather than being selected through random sampling, so the survey is not statistically valid. A full report of the results of this engagement can be found in Appendix G: COR Water Utility & Property Tax Affordability. Engagement results show that 70 per cent of respondents support or somewhat support implementing an affordability program whereas 29 per cent did not support affordability programs.[4] Support was highest among households with annual income of less than $20,000 (93 per cent) and declined as income increased though support remained significant among households with annual income greater than $150,000 (65 per cent).

57 per cent of respondents support eligibility for any low-income household while 31 per cent support targeting programs to specific demographic groups should the City implement a program. Support for all low-income households was strongest among households with annual income less than $20,000 per year and declined as income increased though a significant number of households with income greater than $150,000 per year (47 per cent) supported eligibility for all low-income households (43 per cent opposed, 10 per cent are non-responses). Support for this group was also stronger among respondents who support or somewhat support affordability programs (72 per cent) than among those who do not (24 per cent). Respondents who do not support affordability programs would prefer a program to be targeted to specific demographic groups (41 per cent) should one be implemented. 27 per cent of respondents who support or somewhat support affordability programs support targeting specific demographic groups. 24 per cent of overall respondents support targeting affordability programs to low-income households with seniors, 19 per cent support targeting affordability programs to low-income households that include a person living with a disability, and 12 per cent support targeting affordability programs to low-income households with children under the age of 18. The ranking is similar across all household income groups.

In addition to the public engagement survey, Administration received feedback in the form of emails and service requests from 37 residents. 11 (30 per cent) expressed support for affordability programs while 14 (38 per cent) expressed opposition. The most common reasons for opposing affordability programs were the already high property taxes making them reluctant to pay more (8, 22 per cent) and that the City should focus on managing operational inefficiencies as a means or option to address the affordability issue (4, 11 per cent). 12 respondents (32 per cent) neither expressed support nor opposition to affordability programs, but rather provided comments on program administration, survey design and opinions and ideas related to other City policies, programs and services.

Legal Requirements and Administrative Costs
Legal requirements and administrative costs are also important considerations as they may prohibit certain policies. Legal requirements include concerns such as whether the City has the legal authority to implement a program and whether a bylaw change is required to implement an option. Administrative cost refers to how complex a policy is to administer, its cost in terms of resourcing and benefits provided, and how much effort it would take to implement. It does not include the cost of the benefits delivered by the program as this cost is dependent on program design. Overall costs will be considered at a later date if Council requests Administration to produce program options.

Table 7: Evaluation Criteria presents the criteria selected for the evaluation. Tax stability and economic development are not included in the evaluation as the overall impact of these programs is expected to be highly dependent on program design rather than at the conceptual level. Similarly, affordability is evaluated based on an option's potential to

[4] Engagement results may not add to 100 per cent due to non-response, multiple response or rounding.

improve affordability rather than based on the degree of improvement, as this is highly dependent on program design. Legal requirements are also not considered because there is nothing in *The Cities Act* that would prohibit any of the options considered and all would require bylaw changes.

Table 7: Evaluation Criteria

Criteria	Will be evaluated positively if:
Affordability	The option reduces the proportion of income spent on property taxes.
Equity	The option improves vertical, horizontal and intergenerational equity.
Community Support	The option received more support in the public engagement than the option to not implement an affordability program.
Administrative Cost	The option reduces administrative complexity, costs less and/or can be easily implemented.

Current State

Regina currently uses an *ad valorem* tax system, meaning properties are taxed based on their assessed value. Higher-value properties pay more overall than lower-value properties, but the proportion is consistent within the property class. The City primarily uses two property classes – residential and commercial – with a commercial sub-class for golf-courses. Table 8: Property Tax Rates presents the 2021 mill rates and mill rate factors for each property class. The mill rate is the amount of tax that is charged per $1,000 of property value. The mill rate factor distributes the tax burden between property classes. The only affordability support the City provides is the Tax Installment Payment Plan Service (TIPPS) which allows taxpayers to spread their tax payments out over the year. There are currently 41,416 (48.3 per cent) of tax accounts enrolled in TIPPS. However, the program does not improve overall affordability.

Table 8: Property Tax Rates

Property Class	Mill Rate	Mill Rate Factor
Residential	9.4513	0.9103
Commercial	9.4513	1.2495
Golf	9.4513	0.8120

Evaluation 1: Current State evaluates the current state against the selected criteria. Performance is graded as either satisfactory (green) or unsatisfactory (red) on each criterion.

Evaluation 1: Current State

Overall			
Affordability	**Equity**	**Community Support**	**Administrative Cost**

Affordability: Though Regina has below-average levels of shelter unaffordability compared to other prairie cities, each other city has either implemented an affordability program or benefits from a provincial program. The reasons for this are unclear and affordability cannot definitively be said to be satisfactory nor unsatisfactory.

Equity: The current tax system is horizontally equitable as it taxes similar amounts for properties of similar value. It is also vertically equitable as property value can be treated as a rough proxy for income, meaning lower-income households can be expected to own lower-value properties and pay lower property taxes. There are no intergenerational concerns with the current system.

Community Support: The 70 per cent of respondents who support or somewhat support affordability programs suggests a willingness to support households experiencing affordability challenges. This is also supported by the unsolicited feedback.

Administration: The current system is not unduly complex to administer and current resources meet the requirements to administer property taxation.

Overall: The current tax system is satisfactory in terms of equity and administrative cost. The state of affordability is uncertain but the engagement results indicate dissatisfaction with current taxes.

Property Tax Affordability Programs

The following analysis evaluates policy options to improve property tax affordability. Options were identified through a scan of 35 municipalities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador which found 18 municipalities with a property tax affordability program in place. Nine provinces also have property tax affordability programs at the provincial level. Newfoundland and Labrador is the only one that does not. Programs include property tax rebates and property tax deferrals. One-time assistance payments are also considered. There is nothing in *The Cities Act* that would prohibit any of the options and all would require bylaw changes to implement.

Where an option is expected to improve on the current state it will be highlighted in green. Where an option is expected to worsen performance relative to the current state it will be highlighted in red. Where an option is expected to be neutral to the current state or where a change is expected to be negligible it will be highlighted in yellow. Where an option has mixed or complex results on a criterion, it will be marked with hash marks that reflect the mixed results. The four criteria are equally weighted. Data and technical limitations constrain the evaluation of each option against each criteria to logical analysis rather than a formal scoring system and reflects the general effects of an option, though there may be nuance that makes two otherwise identical options distinct. The overall merit of an option is assessed based on whether it has positive, negative, or neutral effects on a majority of the criteria. In cases where a positive and negative score on two criteria would cancel each other out, the two will be treated as a single neutral score for overall evaluation. The same rule will apply when determining overall score for criteria with mixed scores (hash marks).

Option 1: Property Tax Rebates
Rebates reduce the amount of taxes owed by eligible taxpayers by applying either a fixed (e.g., $400) or proportional (e.g., 25 per cent) reduction on the tax bill. Evaluation 2: Property Tax Rebates evaluates the impact of rebates applied when the tax bill is sent out.

Evaluation 2: Property Tax Rebates

Overall			
Affordability	Equity	Community Support	Administrative Cost

Affordability: Rebates address affordability directly for low-income residents by reducing their property tax bills. A fixed rebate would have greater value to the lowest-income households while a proportional rebate would benefit higher-income households.

Equity: Rebates can improve vertical equity by reducing costs for those least able to afford them. This is at the expense of horizontal equity as taxpayers with properties of similar values may not pay the same amount and taxpayers who do not receive assistance subsidize those who do. Fixed rebates improve vertical equity more than proportional rebates as the impact of the rebate is less to those paying more tax. Proportional rebates reduce horizontal equity less, but do not increase vertical equity as much. The intergenerational effects are uncertain due to data limitations.

Community Support: 57 per cent of respondents support rebates. Given that 29 per cent of respondents did not support affordability programs, rebates are considered to have strong support should Council decide to implement an affordability program. Rebates were the most preferred option among respondents who support or somewhat support affordability programs (73 per cent) and were supported by 20 per cent of respondents who do not support affordability programs.

Administrative Cost: A rebate program will increase administrative complexity due to the need to verify eligibility. This will likely require additional personnel to administer.

Overall: Rebates can improve affordability but would require additional revenues to finance the cost of the rebates. Rebates enjoy strong community support.

Option 2: One-Time Assistance Payments

Falling behind on taxes can impact affordability because taxpayers in arrears must pay for both current and past taxes. It can be difficult for taxpayers to recover once they fall behind and taxpayers in arrears may be at higher risk of default. One-time assistance payments to low-income property owners experiencing financial hardship can help prevent taxpayers from accumulating significant arrears and avoid this situation. Evaluation 3: One-time Assistance Payments evaluates the impact of a one-time assistance payment for low-income taxpayers in arrears.

Evaluation 3: One-time Assistance Payments

Overall			
Affordability	Equity	Community Support	Administrative Cost

Affordability: One-time payments can improve affordability by eliminating or reducing the amount of previous years' taxes a taxpayer must pay in addition to the current year taxes. This can improve affordability for recipients over the long-term as it reduces the likelihood a taxpayer will continue to be in arrears or accrue more debt due to being unable to pay the total amount. However, this approach does not improve affordability overall and may not prevent a taxpayer from going into arrears again after receiving the assistance.

Equity: One-time assistance may improve vertical equity by alleviating the debt burden of taxpayers who would otherwise be able to afford their taxes. This could also improve intergenerational equity by reducing past tax debts. This is at the expense of horizontal equity because taxpayers with similarly valued properties may not ultimately pay the same amount of tax and taxpayers who do not receive assistance subsidize those who do.

Community Support: One-time assistance payments received the lowest support among the options and were supported by 15 per cent of respondents. Given that 29 per cent of respondents did not support affordability programs, one-time assistance payments are considered to have weak support. 14 per cent of respondents who support or somewhat support affordability programs support this option. One-time assistance payments were the least favoured option among respondents who do not support affordability programs (18 per cent).

Administrative Cost: One-time assistance payments will increase administrative complexity due to the need to verify eligibility. This will likely require additional personnel to administer.

Overall: One-time assistance payments may have high strategic value by helping taxpayers who are in arrears but are expected to increase administrative complexity. Engagement results indicate there is little demand for this kind of support.

Option 3: Property Tax Deferrals

Deferrals allow property owners to defer all or a portion of property tax on their principal residence until a future date, usually when the owner sells the property. Deferrals may be financed through a public loan system which preserves cash flow for the City, or through a lien system which is simpler to administer but can create cash flow problems if there is significant uptake. The loans and liens may or may not be interest bearing. Evaluation 4: Short-term Property Tax Deferrals for All Low-Income Property Owners, Evaluation 5: Long-term Property Tax Deferrals for All Low-Income Property Owners and Evaluation 6: Long-term Property Tax Deferrals for Low-Income Seniors evaluate the impacts of three types of property tax deferrals.

Evaluation 4: Short-term Property Tax Deferrals for All Low-Income Property Owners

Overall			
Affordability	**Equity**	**Community Support**	**Administrative Cost**

Evaluation 5: Long-term Property Tax Deferrals for All Low-Income Property Owners

Overall			
Affordability	**Equity**	**Community Support**	**Administrative Cost**

Evaluation 6: Long-term Property Tax Deferrals for Low-Income Seniors

Overall			
Affordability	**Equity**	**Community Support**	**Administrative Cost**

Affordability: Deferrals do not reduce the property owner's taxes as the amount deferred must be paid back but they do allow owners to shift the cost to a time when they are better able to pay. Short-term deferrals may help owners experiencing temporary income insecurity such as that created by unemployment. Longer-term deferrals may help people experiencing longer periods of low-income but where there is a predictable end, such as a return to school or recovery from an injury. The risk is that tax payments may still be unaffordable after the deferral ends. A long-term approach is best suited for seniors who can pay the deferred amount when they sell their home. The overall affordability effects of deferrals are expected to be small.

Equity: Deferrals can improve vertical equity for both seniors and owners experiencing temporary income insecurity. Horizontal equity is unaffected because owners of similarly valued properties still pay the same amount of tax, only at different times. Intergenerational equity is unaffected because the costs are still borne by the generation that benefits, only the time in which the costs are paid is changed. However, an additional non-financial equity effect of deferrals for low-income seniors is that they allow seniors to stay in their homes longer than they may otherwise be able to.

Community Support: 18 per cent of respondents support deferrals. Given that 29 per cent of respondents did not support affordability programs, deferrals are considered to have weak support. Affordability programs that are available to all low-income households have slightly stronger support than programs for seniors only. 11 per cent of respondents who support or somewhat support affordability programs support deferrals and the option was the most preferred option among respondents who do not support affordability programs (35 per cent).

Administrative Cost: Deferral programs are administratively complex due to the need to verify eligibility and administer the deferrals over time. This will require additional resources and the amount will vary depending on program design.

Overall: Deferrals do not offer significant affordability improvements overall but may help in certain cases. They will increase administrative complexity and require additional resources, but only received weak community support.

Preliminary Cost Estimates

All options could be financed through either a base tax on all properties or mill rate increases. Table 9: Base Tax and Mill Rate Financing for Affordability Programs presents the base tax and mill rate increases that would be required to finance several program cost options. Table 10: Impact of Base Tax Financing on Sample Properties[5] and Table 11:

[5] The base tax is applied per unit for multi-residential properties.

Impact of Mill Rate Financing on Sample Properties present the impacts of each type of financing on several sample properties.

Table 9: Base Tax and Mill Rate Financing for Affordability Programs

	Program Cost				
	$100,000	$300,000	$750,000	$1 Million	$2 Million
Base Tax on All Properties	$0.97	$2.92	$7.31	$9.74	$19.48
Mill Rate Increase	0.04%	0.11%	0.28%	0.37%	0.74%

Table 10: Impact of Base Tax Financing on Sample Properties

Sample Property	Assessed Value	Current Tax	Change in Annual Tax				
			$100,000	$300,000	$750,000	$1 M	$2 M
Standalone Retail	$1,839,800	$18,468	$1 (0.005%)	$3 (0.02%)	$7 (0.04%)	$10 (0.05%)	$19 (0.105%)
Restaurant	$1,859400	$18,664	$1 (0.005%)	$3 (0.02%)	$7 (0.04%)	$10 (0.05%)	$19 (0.104%)
Strip Mall	$4,629,100	$46,466	$1 (0.002%)	$3 (0.006%)	$7 (0.02%)	$10 (0.02%)	$19 (0.042%)
Hotel	$13,627,500	$136,792	$1 (0.001%)	$3 (0.002%)	$7 (0.005%)	$10 (0.007%)	$19 (0.014%)
Shopping Mall	$55,928,400	$561,408	$1 (0.000%)	$3 (0.001%)	$7 (0.001%)	$10 (0.002%)	$19 (0.003%)
Residential	$250,000	$1,721	$1 (0.06%)	$3 (0.2%)	$7 (0.4%)	$10 (0.6%)	$19 (1.1%)
Residential (Average)	$315,000	$2,168	$1 (0.04%)	$3 (0.1%)	$7 (0.3%)	$10 (0.4%)	$19 (0.9%)
Residential	$500,000	$3,442	$1 (0.03%)	$3 (0.1%)	$7 (0.2%)	$10 (0.3%)	$19 (0.6%)
Multi-residential (170 units)[6]	$23,859,900	$164,230	$166 (0.11%)	$497 (0.3%)	$1,242 (0.8%)	$1,656 (1.0%)	$3,262 (2.2%)

Table 11: Impact of Mill Rate Financing on Sample Properties

Sample Property	Assessed Value	Current Tax	Change in Annual Tax				
			$100,000	$300,000	$750,000	$1 M	$2 M
Standalone Retail	$1,839,800	$18,468	$7 (0.04%)	$20 (0.11%)	$51 (0.28%)	$68 (0.37%)	$136 (0.74%)
Restaurant	$1,859400	$18,664	$7 (0.04%)	$21 (0.11%)	$52 (0.28%)	$69 (0.37%)	$138 (0.74%)
Strip Mall	$4,629,100	$46,466	$17 (0.04%)	$51 (0.11%)	$128 (0.28%)	$171 (0.37%)	$342 (0.74%)
Hotel	$13,627,500	$136,792	$50 (0.04%)	$151 (0.11%)	$378 (0.28%)	$504 (0.37%)	$1,008 (0.74%)
Shopping Mall	$55,928,400	$561,408	$207 (0.04%)	$620 (0.11%)	$1,551 (0.28%)	$2,068 (0.37%)	$4,136 (0.74%)
Residential	$250,000	$1,721	$1 (0.04%)	$2 (0.11%)	$5 (0.28%)	$6 (0.37%)	$13 (0.74%)
Residential (Average)	$315,000	$2,168	$1 (0.04%)	$2 (0.11%)	$6 (0.28%)	$8 (0.37%)	$16 (0.74%)
Residential	$500,000	$3,442	$1 (0.04%)	$4 (0.11%)	$10 (0.28%)	$13 (0.37%)	$25 (0.74%)
Multi-residential (170 units)	$23,859,900	$164,230	$50 (0.04%)	$181 (0.11%)	$454 (0.28%)	$605 (0.37%)	$1,094 (0.74%)

Option 1: Rebates

The City does not collect household income or demographic information from property owners, so taxpayers would have to apply to receive rebates. Depending on program design and participation, a rebate program could cost between $1 and $2 million per year and will require additional resources.

Option 2: One-time Assistance Payments

One-time assistance payments may be restricted to low-income property owners or certain demographic groups only, in which case they would require an application, or may feasibly be extended to all property owners, in which case they can be applied automatically. Depending on program design, the cost is expected to be $300,000 to $1 million per year and will require additional resources to administer.

Option 3: Deferrals

Deferrals will not have a direct cost associated with benefits but will require additional resources to administer and , depending on program design and uptake, may require short term financial considerations.

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