



Ontario Trillium Benefit

Item 8

April 25, 2022

Board of Directors

Report: TCHC:2022-29

To: Board of Directors (the “Board”)

From: President and Chief Executive Officer
Vice President, Strategic Planning and Communications

Date: April 21, 2022

PURPOSE:

The purpose of the report is to update the Board of Directors on actions Toronto Community Housing is taking to support and advocate for tenants impacted by the Canada Revenue Agency’s recent intervention on repayment of Ontario Trillium Fund benefits.

RECOMMENDATIONS:

It is recommended that the Board of Directors receive this report for information.

REASONS FOR RECOMMENDATIONS:

Background

In October 2011, Toronto City Council designated 383 TCHC buildings as Municipal Capital Facilities ([EX11.6 - Toronto Community Housing Corporation – Declaration as Municipal Housing Capital Facilities and Exemption from Municipal and School Property Taxes](#)). The designation provided the buildings with an exemption from the payment of municipal and education property taxes and allowed Toronto Community Housing to

invest the education tax portion of the savings into its building capital repair program.

In July 2012, the Ontario Energy and Property Tax Credit (OEPTC) in the Ontario Trillium Benefit was introduced. The OEPTC is designed to help low to moderate income Ontario residents with the sales tax on energy and with property taxes.

City Council's 2011 decision to exempt TCHC properties from municipal and educational taxes left TCHC tenants residing in those locations unable to rely on the rent that they paid in order to claim the OEPTC. The consequences of this decision, could not be foreseen at that time.

In December 2021, Toronto Community Housing learned that a number of tenants had received letters from the CRA denying their claims for the Ontario Energy and Property Tax Credit (OEPTC) portion of the Ontario Trillium Benefit and asking for repayment of benefits that had been disbursed to them which they were not eligible to receive.

Ottawa Community Housing and CityHousing Hamilton, whose buildings were also designated as municipal capital facilities by their respective Councils, confirm that a number of their tenants have received similar letters from the CRA, denying their claims for OPTC and asking for repayment of benefits previously received.

The CRA's actions place a significant and possibly unmanageable burden on households unlucky enough to have received a request for repayment letter, many of whom are living in subsidized units as a direct result of their financial need. It is also causing significant stress for potentially thousands of other low-income households across the province who may have applied for and received tax credit payments in good faith without knowing they were ineligible to receive them.

Board Response

While TCHC is not involved in the tax relationship between an individual and the CRA, we are deeply invested in the overall wellbeing and financial stability of tenants. On February 28, 2022, Toronto Community Housing's Board of Directors considered a confidential staff report on the matter and adopted several resolutions including:

- Expressing its strong opposition to the Federal and Provincial governments and the Shareholder to the application of the CRA's intervention on the repayment of Trillium Benefit funds;
- Authorizing the Board Chair to request that the CRA waive the repayment of benefits previously received by TCHC tenants; and
- Authorizing the President and CEO to implement the outlined advocacy approach to encourage the Federal and Provincial governments to consider the negative impacts to tenants deriving from the CRA's intervention on repayment of Ontario Trillium Benefit funds with the goal of waiving repayment by TCHC tenants.

Advocacy Approach

The advocacy approach endorsed by the Board at its February 28, 2022 meeting focused on a range of public advocacy efforts, including partnering with municipal social housing providers, agencies, advocacy groups and other interested organizations in joint efforts such as open letters and social media campaigns aimed at encouraging the Federal and Provincial governments and the CRA to reconsider their approach to recovering the Ontario Trillium Benefit payments from financially vulnerable tenants.

TCHC is committed to supporting all TCHC households to have successful tenancies and a good quality of life. This includes calling for fairness in decisions made by other government agencies that impact TCHC tenants. In accordance with Board's direction, TCHC is taking action to encourage the Federal and Provincial governments and the CRA to reconsider their current approach and waive the repayment of benefits previously received by tenants. This includes:

Establishment of Joint Advocacy Table

- Established a joint advocacy table in partnership with other social housing providers and housing sector organizations, whose tenants are similarly impacted by the CRA's approach.
- The table, which also includes Ottawa Community Housing, CityHousing Hamilton and the Ontario Non-Profit Housing Association (ONPHA), meets regularly to share information and messaging, discuss strategy and support each other's outreach to policy makers and government.

Mayor's Letter

- On March 9, 2022, Mayor Tory sent a letter to the Minister of National Revenue and the Ontario Minister of Finance on behalf of tenants, urging the Federal and Provincial governments to work together to ensure low income tenants are not penalized because their building was granted a tax exemption more than a decade prior.
- We are grateful for the Mayor's strong advocacy on behalf of TCHC tenants and others impacted by this issue here in Toronto and across the Province.

CEO Letter – Minister of National Revenue

- TCHC's President and CEO Jag Sharma wrote to the Minister on April 5, 2022 to highlight the impacts of the CRA's recent actions on low income tenants, and to request her assistance in achieving a resolution that would provide forgiveness for current OTB demand payments and halt future demand payments for tenants re-assessed in previous tax years.

CEO Letter – Ontario Minister of Finance

- TCHC's President and CEO Jag Sharma wrote to the Minister on April 5, 2022 to highlight the impacts of the CRA's recent actions on low income tenants, and request his assistance in achieving a resolution that would provide forgiveness for current OTB demand

payments and halt future demand payments for tenants re-assessed in previous tax years.

Joint Advocacy Letter (ONPHA)

- Contributed to a joint advocacy letter from the Ontario Non-Profit Housing Association, Toronto Community Housing, Ottawa Community Housing, and CityHousing Hamilton.
- The letter has been signed by the CEO of all five organizations and was sent on April 19, to Federal and Provincial Ministers, elected officials, senior bureaucrats and other key stakeholders.

City Partners

- Provided key City of Toronto contacts with key messages, Q&As, Board resolutions and a summary of TCHC efforts to support tenants
- Met with several City Councillors and their staff to provide updates and answer questions.

Letter to tax clinics

- Distributed a letter to community tax clinics across the GTA, highlighting the CRA/OTB issue and asking them to ensure that any TCHC tenant seeking tax assistance from them has confirmed the tax status of their building before filing.

Social Media

- Posted on various social media channels encouraging the Federal and Provincial governments and the CRA to reconsider their approach to recovering Ontario Trillium Benefit payments from financially vulnerable tenants

Supports for Affected Tenants

In addition to the advocacy actions outlined above, Toronto Community Housing has implemented a number of specific actions aimed at supporting and educating affected tenants, including:

Dedicated Webpage

- Created a new page on the TCHC website at torontohousing.ca/tax-exempt where tenants can check their building's tax status and access other information and resources

List of TCHC Buildings and their Tax Status

- Created a searchable list of TCHC properties and their tax status that tenants can access at torontohousing.ca/taxexempt to find out whether their building is subject to municipal and education property taxes or is tax exempt.

Building Posters

- Created new posters reminding tenants to check their building's tax-exempt status before filing their tax returns, with information about how they can check and why it is important. The posters were posted in buildings across the portfolio.
- Posted a notice to tenants from the City of Toronto (Housing Stability Services) advising tenants to check their eligibility for the property tax credit portion of the Ontario Trillium Benefit.

Tax Information Sheet

- Updated Tax Information Sheets for tenants, including a revised Ontario Trillium Benefit section with instructions on how tenants can check their building's tax exempt status, either through the website or by calling Client Care.
- The tax information sheet is posted on TCHC's website in 16 languages and available on request through the Client Care Centre.

Rent Receipt Disclaimer

- Updated rent receipts issued under Section 109 of the *Residential Tenancies Act, 2006* with a disclaimer advising tenants that many TCHC properties are exempt from municipal education and property taxes, which may affect their ability to claim a property tax credit under the Ontario Trillium Benefit. The notice also includes

instructions on how tenants can check their building's tax exempt status, via the TCHC website or the Client Care Centre.

Information Packages for Staff

- Created and distributed information packages to staff in Client Care and Operations to assist them in answering tenant questions and responding to information requests. The information packages included:
 - Background note
 - Q&As
 - Key messaging
 - Tax Information Sheet

Social Media

- Posted on various social media channels encouraging tenants to visit torontohousing.ca/taxexempt for more information.

SIGNATURES:

“Jag Sharma”

Jag Sharma (he/him)
President and Chief Executive Officer

“Paula Knight”

Paula Knight (she/her)
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