

Tax policy hard on low-income families: committee

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By **JASON MISNER**

The Champion

A Halton-appointed community housing advisory committee says taxes being paid by landlords haven't come down enough, creating high rents for low-income families having trouble paying their bills.

"People that are renting are the poorest in our society," Arun Pathak of the Halton Housing Advisory Committee said in an interview.

"If they had that extra \$80 or extra \$100 a month they'd be better fed, they'd buy the prescriptions they need. Their quality of life isn't where it should be and (high rents) are making it worse."

Last week, regional councillors endorsed a recommendation to set new tax assessments for various properties for 2003. Part of those properties are multi-residential, which include apartment buildings.

The Region has decided to tax multi-residential properties at a ratio of 2.26, a decrease from last year, as well as construction of new multi-residential properties at 2. Through a complex formula, ratios determine the proportionate amount of taxes parties pay in each of the seven classes.

Mr. Pathak spoke to regional council on behalf of the 14-member housing advisory committee, set up in 2000 to advise regional politicians on general housing issues.

He said the committee has two major problems with the Region's tax assessment policy.

One, high taxes for landlords means high rent. Currently, rent for a one-bedroom apartment in Halton starts at about \$700.

Also, charging developers big bucks to build apartment buildings may cause them to avoid such a project.

The most beneficial thing the Region can do right now, he said, is reduce the multi-residential tax ratio further.

By dropping it from 2.26 to 1, he said rents could go down as much as 11 per cent because under the Tenant Protection Act, rents must automatically decrease if a landlord has its taxes substantially lowered. Lower rents would leave families more money to buy food rather than having to spend it on high rents, he said.

"There are a lot of people having an affordability problem and the best way to ease that and the fairest way is to not over-tax them (landlords)," said Mr. Pathak, also a co-owner of a total of five apartment buildings in Halton and Hamilton.

Jane MacCaskill, the Region's commissioner of corporate services and treasurer, said Halton has been working toward getting the multi-residential tax ratio down. It has fallen steadily since 1999 when MPAC started, and the ultimate goal is to get the ratio down to between 1.8 and 2, where it would stay, she said.

But to bring it down to 1, as Mr. Pathak wants it, would be "too drastic," Ms MacCaskill said. That's because the changes would result in residential taxpayers picking up the difference and it would be huge, she said.

"Our objective is to get a fair tax system," Ms MacCaskill said.

Mr. Pathak acknowledged there's little that can be done now about this year's tax assessment rates.

But he's putting hope into a staff report that will be looking into future tax assessments and how changes can be made to bring more fairness.

The report's findings are expected in the fall.

"I'm hoping staff will have some sort of a plan to start reducing (multi-residential taxes) next year," he said. "It would be fair for them (residential taxes) to go up and for multi-residential to come down to their equal."

Regional Chair Joyce Savoline said the broader issue of attracting more affordable housing in Halton is something the Region deals with on a regular basis.

Based on 2001 figures, there are 18,000

apartment dwellings in Halton, and of those, 1,068 are in Milton.

Ms Savoline said there are government rent subsidies, but the real issue is getting affordable housing built.

The Province has said it will contribute \$2,000 per unit built and the federal government \$25,000.

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