

Press Release

Victory! CAH's annual property taxes drop from \$340,000 to... zero

Toronto, December 13, 2017 – It's official! Starting in 2018, Centres Accueils Héritage (CAH) will be exempt from property taxes, a savings of approximately \$350,000 annually for the not-for-profit organization whose mission is to help seniors in the Greater Toronto Area reach their full potential in French. This is a very favourable outcome after four years of intense interactions with the City and the province to find a solution to the tax situation that had been jeopardizing CAH's existence since 2013.

In 2013, CAH received very disturbing news. Following a review by the Municipal Property Assessment Corporation, CAH would no longer be assessed at a "co-operative" rate (which it had been paying for 36 years) and would instead be assessed at the same rate as private sector (i.e., for-profit) multi-unit residential buildings. In concrete terms, this represented a 146% increase per year (approximately \$200,000) for a not-for-profit organization that does not generate a budget surplus.

CAH's governance decided to leave no stone unturned in their effort to reverse this increase. This process gave rise to discussions and measures involving the Municipal Property Assessment Corporation, the City of Toronto Legal Department, the city of Toronto's Revenue Services, Toronto Community Housing, the Ontario Ministry of Finance and the Ontario Ministry of Health and Long-Term Care. Throughout the process, several municipal and provincial civil servants agreed with CAH, saying that the housing offered by CAH did not deserve to be assessed the same way as a for-profit rental housing building.

The biggest obstacle was the fact that CAH is not the owner of the land under Place Saint-Laurent, its largest building, which consists of 9 floors and 135 apartments and houses 200 French-speaking residents aged 59 and older. Because Place Saint-Laurent was built on land leased from the City for 99 years, CAH could not benefit from exemptions already established by the City and province.

Guided by the expert advice (and the generous pro-bono services) of Attorney Kathleen Poole of the firm Nixon, Fleet & Poole LLP, CAH persisted in its initiative, knowing that it had a major advantage in the negotiations: 100 of the 135 apartments of Place Saint-Laurent are subsidized housing units, sorely needed by the City.

The strategy paid off, as the City Council and the Executive Committee of the City of Toronto voted in favour of an exemption allowing CAH to stop paying property taxes for a period of at least 25 years, which could be extended until 2079. In return, under an agreement signed with the City of Toronto, CAH promised to continue offering affordable housing to Francophone seniors during the exemption period. Centres d'accueil Héritage renewed its agreement with the

City under which 77 of the apartments at Place Saint-Laurent would continue to be subsidized by the City and 23 others would be subsidized by internal funding generated by CAH activities.

Having chosen, since 2014, to continue paying taxes using the old rate (while waiting for a solution to the problem), CAH finally paid off the balance of unpaid taxes owed for the years 2014 to 2017 at the high rate. This reimbursement was facilitated by the fact that CAH made its very last mortgage payment a few months ago!

Isabelle Girard, CAH's outgoing executive director, who has headed the portfolio since the beginning, explained: "CAH's dedication to affordable housing was never at issue, but for many years, settling the property tax issue took up a lot of our time and caused concern about the sustainability of CAH's financial model. It's a model that allows us to offer seniors in the Greater Toronto Area home support services, community services and affordable housing."

CAH now has greater financial flexibility to enable it to help seniors in the Greater Toronto Area realize their full potential in French and to expand on the dream that CAH's ambitious founder Simon Lantaigne initiated in 1978. In addition to the great news about the property tax exemption, **CAH will be celebrating its 40th anniversary in 2018.**

Information: Nathalie Prézeau, Communications, Centres d'Accueil Héritage

E-mail: nprezeau@caheritage.org, 416-365-3350, ext. 244