

Overview of Low-Income Support Programs in Other Jurisdictions

Introduction

Many Canadian municipalities have implemented low-income support programs for accessing important services, like public transit and recreation. In addition to those, some offer property tax relief programs, while some, although rarer, have adopted utility relief programs. Other municipalities simply promote access to available provincial social assistance resources or tax rebates. For example, municipalities in seven provinces offer property tax deferral or rebate/credit/grant programs while also managing social assistance programs. In other words, there is no standardized or consistent approach that Canadian cities (or municipalities) use to support low-income households/residents. Given that context, this document offers a descriptive review of general and specific municipal low-income support programs in Canada, including a summary of the extremely rare solid waste subsidies.

General Approaches for Low Income Support:

Aside from public transit and recreation subsidy programs, the most common support program in Canada is property tax deferral aimed at low-income seniors. This type of program exists in Saskatoon with little annual participation, averaging between 14 and 26 participants per year. Despite the lack of uptake, a major benefit of deferrals from a municipality's perspective, compared to a credit or rebate, is that they do not impact municipal tax revenues in the long term, since the deferred tax revenues are collected following a change in property ownership.

Another common feature noted in the jurisdictional scan is having eligibility criteria based on age (e.g., seniors) or some other characteristic (e.g., disability status). While these additional eligibility restrictions may limit the subsidy (or deferral) they do not meet broader fairness or equity considerations.¹ Targeted support for such groups is often made on the premise that these populations have fixed incomes and little opportunity to earn employment incomes.²

Table 1 summarizes the approaches used in Canadian municipalities. Generally, property tax and utility support programs designed for low-income households without additional eligibility criteria are rare. Calgary, Halifax, and Mount Pearl (Newfoundland) are the only examples of general low-income support programs where low-income is the only eligibility criteria. All others have some additional criteria to meet.

¹ Kitchen, H. (2015). No Seniors' Specials: Financing Municipal Services in Aging Communities. IRPP Study, IRPP, Montreal. Retrieved January 22, 2020 from <https://irpp.org/wp-content/uploads/2015/02/study-no51.pdf>

² City of Regina: Property Tax & Utility Affordability Program report, Executive Committee, May 25, 2022: http://reginask.igm2.com/Citizens/Detail_Meeting.aspx?ID=5569

Table 1: General Low Income Support Programs

Location	Eligibility			Program Type			
	Low-income household	Low-income Senior	Low-income with disabilities	Tax deferral	Tax credit	Utility deferral	Utility credit
Saskatoon, SK		X		X			
Regina, SK		X	X	X			X
Nanaimo, BC		X					X
Calgary, AB	X				X		X
Mississauga, ON		X	X		X		
Brampton, ON		X	X		X		
Hamilton, ON		X	X	X			
Toronto, ON		X	X	X	X		X
Richmond Hill, ON		X		X	X		
Burlington, ON		X			X		
Oshawa, ON		X			X		
Ottawa, ON		X	X	X		X	
Waterloo, ON		X	X	X			
Vaughan, ON		X	X	X	X		
Halifax, NS	X			X	X		
St John's, NL		X			X		
Mount Pearl, NL	X			X			
Corner Brook, NL		X		X			

Solid Waste Subsidy Programs in North American Jurisdictions

As table 1, shows low-income support programs, specific to solid waste services, are extremely rare and even those that do exist vary between jurisdictions. More cities tend to offer low income subsidies on water utility bills, but those are also rare. As table 1 makes clear, the City of Toronto offers the most variety in terms of low-income support programs.

Specific to solid waste, table 2 shows that research found only four North American jurisdictions: Calgary, Toronto, San Francisco, and Denver that offer a low-income support programs, some of which are modest at best.³ The programs in both Calgary and Toronto are bundled with property tax assistance programs. Similarly, in the case of San Francisco, waste discounts are bundled with state run programs that require discounts on electricity and natural gas. The only stand-alone solid waste low-income support program is found Denver, which just launched a fee-based garbage service.

The programs offered in Calgary, Toronto and Denver are described in more detail below. It also describes the City of Regina's recently announced approaches for water and solid waste utility relief.

³ There are others most commonly in the state of California, but these are similar to the San Francisco model.

Table 2: Low Income Subsidies for Solid Waste

City	Support Programs for Waste	Eligibility	Value
Calgary, Alberta	<p><u>Property Tax Assistance Program (PTAP)</u></p> <p>Provides a credit/grant of the increase in property tax for your property; anyone who is approved will receive an additional rebate from Waste and Recycling Services.</p>	Low-income homeowner based on the Statistics Canada Low Income Cut-Off (LICO).	\$25 per year
Toronto, Ontario	<p><u>Solid Waste Rebate Program</u></p> <p>Provides a rebate on the solid waste portion of a participant's utility bill. If eligible, a single rebate per household will be applied to the household's largest size bin.</p>	Low-income senior or person with disabilities with a combined household income of \$50,000 or less.	Average solid waste assistance was \$181 per household (2021)
San Francisco, California	<p><u>Low Income Rates</u></p> <p>Provides a discount on waste services. Residents must participate in the California Alternate Rates for Energy (CARE) program which provides discounts on electricity and natural gas.</p>	Low income based on State income guidelines	25% Discount (Approximately \$110/year)
Denver, Colorado	<p><u>Low Income Discount</u></p> <p>Provides an instant rebate based on household income and the number of people in the home. Renters are eligible to apply for the rebate as well.</p>	Low income based on percent Area Median Income (AMI).	<p>100% rebate for 0-30% AMI (\$108-\$252/year)</p> <p>75% rebate for 31-50% AMI (\$81-\$189/year)</p> <p>50% rebate for 51-60% AMI (\$54-\$126/year)</p>

The City of Calgary

Calgary waste services have been historically funded through a blend of property tax, grants, and fees. In 2016, direction was given to transition to a more self-supported fee-based model to achieve the financial objectives of creating a transparent cost structure for residential services, while reducing dependency on tax support for specific residential services. In 2019, Calgary moved from the blended funding model (user fees and property tax) to a cost recovery user fee for black, blue and green cart service while keeping community wide programs tax supported (education, recycling depots, etc.) until at least 2022.⁴ Calgary offers a \$25 annual rebate for waste services, linked to their Property Tax Assistance Program (PTAP), for LICO eligible owner-occupied homeowners.

The PTAP provides eligible households with a property tax credit equivalent to annual increase in property taxes each year. If there is a property tax in a particular year, then qualifying households receive the waste subsidy. If there is no property tax increase in a particular year, then there is no waste subsidy.

The PTAP and its associated waste subsidy, is administered under the umbrella program, Fair Entry⁵, which includes all low-income subsidy programs. The main benefit for residents, and administration, is a single application for multiple programs such as transit, leisure, spay/neuter, senior home maintenance, and property tax assistance. Applications are accepted by a variety of means (online, phone, mail, fax, and in-person) and there are dedicated Fair Entry staff available to assist residents with the application process. The Fair Entry Program is designed to facilitate enhanced access to programs and services for low-income residents.

The City of Toronto

The City of Toronto provides a property tax, water and solid waste relief and rebate program to, according to the City, “ensure that low-income seniors, and low-income disabled persons can maintain and live a good quality of life”. Uniquely, it provides both a tax increase cancellation program and a tax increase deferral program for low-income seniors and low-income disabled persons that meet certain eligibility criteria.

In addition, persons who are eligible for either of the property tax assistance programs can also apply for a water rebate, representing a 30% reduction from the rate on their utility bill, so long as their water consumption is less than 400 m³ annually and they otherwise meet the required eligibility criteria. Also, persons that meet the required eligibility criteria may receive a rebate adjustment on the solid waste management component of their utility bill.

For the solid waste portion, an eligible applicant must meet all other previously noted criteria and (a) be billed for small, medium, large garbage collection bin, or (b) be a single-family residential bag-only customer. If the households meets the criteria, they

⁴ <https://www.calgary.ca/waste/residential/rates.html>. Accessed June 8, 2022.

⁵ For more on the Fair Entry Program please see, <https://www.calgary.ca/social-services/low-income/fair-entry-subsidy.html>

can receive a solid waste subsidy ranging between \$72 and \$227 (for 2021) based on bin size.⁶

In 2021, there were 6,627 approved applications for the solid waste subsidy, which represents about 14% of all eligible participants, based on Statistics Canada data. According to the City of Toronto, the solid waste relief program provided about \$1.2 million in total relief in 2021, averaging \$181 per household.

The City of Denver

In June 2022, Denver City Council recently voted to implement variable rate charges for solid waste disposal and collection. The council voted to shift from a property tax funded model to a variable rate user fee model to help incentivize greater waste diversion practices.⁷ The ordinance (or law) which becomes effective in 2023, will result in weekly recycling and compost collection for the City and County of Denver trash collection customers.

As part of its policy change, Denver included a low-income component that provides a discount on trash services for low-income households, defined as those who make 60% or less of the area median income. Eligibility for the instant rebate is based on household income and the number of people in the home, according to what is termed the Area Median Income.⁸ The Denver model uses the United States version of the LIM-AT for determining income thresholds. It uses a sliding scale subsidy model so that eligible households may qualify for 50, 75, or 100% off their bill. The intake launched in September 2022, so there is no information on program uptake at time of writing.

The City of Regina

In 2022, the City of Regina approved a property tax deferral program and water utility affordability program for low-income seniors or people living with disabilities. Concerns with providing a rebate program to all low-income utility account holders were the costs (estimated at \$2-3M) and choosing the right policy mechanism for income redistribution.

Regina's City Council will be considering a waste utility in October 2022, which will include a user fee for curbside waste services (garbage, recycling, and organics). In consideration of the waste utility, the City of Regina is proposing a low-income support program that mirrors the approved water program for low-income seniors or people living with disabilities, similar to Toronto's program.

⁶ For more details on Toronto's program please see <https://www.toronto.ca/services-payments/property-taxes-utilities/property-tax/property-tax-water-solid-waste-relief-and-rebate-programs/#:~:text=Solid%20Waste%20Rebate%20Program,portion%20of%20your%20utility%20bill.>

⁷ For more on Denver's approach please see, <https://denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directories/Recycle-Compost-Trash/Resources/Expanded-Service#section-3>

⁸ For eligibility please see, <https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directories/Recycle-Compost-Trash/Resources/Expanded-Service/Trash-Rebate>

Summary

Each of these programs have some important similarities and differences to note. For example, they all support low-income households, but they use different measures for low-income eligibility. For example, Calgary uses the LICO threshold, while Denver uses a version of the Low-Income Measure, After-Tax (LIM-AT). Toronto's program is limited by both income, age, and/or disability, whereas the other cities have broader criteria. Denver's program uses a sliding scale offering more support to those who are in lower income quintiles. Finally, the level of support can be a fixed amount, like Calgary, or a percent discount like San Francisco. The range of support varies from \$25 per year (or \$2 per month) in Calgary, to \$250 per year (or roughly \$20 per month) in Denver.

In terms of participation, program uptake in Calgary and Toronto is very modest with an estimated 10 to 15 percent of eligible participants per year. No information was found for San Francisco. Denver's program began accepting applicants in September, but there is no information on participation rates yet as the program is in its infancy.