



By AEDAN HELMER, SUN MEDIA

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'House rich, cash poor' City offers tax aid for seniors, disabled

Senior citizens on low incomes received some much-needed relief from the city yesterday.

The municipality will now defer property taxes for seniors and the disabled who are living on less than \$35,000 per year, said Alta Vista Coun. Peter Hume, who first brought the initiative before the city's corporate services committee last year.

Hume and Mayor Larry O'Brien announced the program before a full house at the Heron Seniors' Centre.

"We've got a lot of people who are house rich but cash poor," said Hume. "They're seeing house prices rise and their taxes rise accordingly. We're allowing people to take a little bit of that value and use it to pay their taxes."

Ken Hughes, manager of revenue for the city, explained that to qualify, applicants must be over 65 years of age and earn less than \$35,000 annually. The city charges a 5% interest rate to ensure the program is cost neutral to the city and municipal taxpayers.

"The real beauty of it is, at the end of the day, it isn't going to cost the senior anything because their house is appreciating at a higher rate than the interest that is being charged," said Hughes.

Hume said the response in the community has been "very positive."

"Everyone recognizes that property taxes are too high in Ontario. We need to change the system, but that takes time," said Hume. "In the meantime, they are appreciative that at least we have options for them to consider."

Ottawa is the first municipality to launch such a program in Ontario.

"A lot of Ontario municipalities are watching what we're doing here in Ottawa, because they recognize the same sort of problems in their community that we're seeing here," said Hume.