

Municipality of Chatham-Kent

Finance, Budget, Information Technology & Transformation

Financial Services

To: Mayor and Members of Council

From: Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Date: April 13, 2021

Subject: Tax Sale Write-off – 42 Southend Crescent, Chatham

Recommendations

It is recommended that:

1. Taxes totaling \$66,152.77 for 42 Southend Crescent, Chatham be approved for a write off as uncollectible due to a failed tax sale on November 20, 2019, and the debt attributable to education taxes be charged to the school boards.
2. Administration be authorized to vest 42 Southend Crescent, Chatham into the name of the Corporation of the Municipality of Chatham-Kent.

Background

A public tax sale tender was held on November 19, 2019 with a total of 12 parcels being advertised for sale. Prior to the closing of the tender, three parcels were redeemed by their respective owners.

Three parcels were sold through the tender process resulting in a surplus of funds for all three parcels. A fourth property received a bid, being 42 Southend Crescent. The tender deposit was forfeited following the tender, leaving the Municipality of Chatham-Kent with an unsold property by means of tax sale.

The surplus funds have been deposited with the Accountant of the Superior Court and all interested parties have been notified of the surplus.

Five parcels did not receive bids. Four of these five parcels were offered a second time for public tax sale by tender on February 19, 2020. Three out of the four successfully sold. Administration is actively working on bringing the last remaining one of this group back to a public tax sale.

Therefore it is being recommended that a vesting deed be registered on title at the Land Registry Office for 42 Southend Crescent, Chatham to officially put this parcel into the

name of the Municipality of Chatham-Kent. The parcel is a vacant lot in the community of Chatham, and once vested, will be utilized by the Housing Services division for a new affordable housing project.

Comments

Vested properties are managed by the Property Disposition section of Financial Services. Typically, properties are considered for municipal purposes, and if not required, are sold by tender, agency agreement, or whatever means Property Disposition considers appropriate.

In this case, Property Disposition has been in discussions with Housing Services on how this parcel of land could be utilized to serve a need in our community of affordable housing. Affordable Housing is defined as housing that provides rents at 80% of Average Market Rent (AMR) to households that meet the eligibility requirement that their gross annual income is below the Household Income Limits (HILs) prescribed by the Ministry of Municipal Affairs and Housing in Schedule 2 of O.Reg 370/11.

The Director, Housing Services will be bringing forward more detailed plans in the near future for Council's consideration on how this property may be put into use to assist the community.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community
- Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable

- Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors
- Neutral issues (does not support negatively or positively)

Consultation

Legal Services will assist with the registration of the vesting deed into the name of the Corporation of the Municipality of Chatham-Kent.

The Technical Advisory Committee has completed its review of the parcel being recommended for vesting and determined that the proposed future use by the Housing Services division meets the zoning requirements on the parcel and supports our organizational areas of strategic focus.

Financial Implications

The tax loss, net of School Board recoveries, is charged to a provision established for doubtful tax accounts and uncollectible taxes. Revenue realized from the use or future sales of vested properties which have not been retained for municipal purposes will accrue to the Property Disposition budget and shared back with the School Boards as legislatively required.

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Attachments: None

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