Agenda – Executive Policy Committee – May 9, 2007

REPORTS

Item No. 2 2007 Home Renovation Tax Assistance Program
File FL

ADMINISTRATIVE RECOMMENDATION:

1. That a Home Renovation Tax Assistance (HRTA) Program be approved for 2007 with

   A. The same residential unit conditions as 2006; as stipulated in By-Law 33/2006.

2. That a HRTA Program be approved for 2007 with the same type of eligible renovation projects as 2006; as stipulated in By-law 33/2006.

3. That a HRTA Program be approved for 2007 with an eligibility condition that a residential unit must be constructed before January 1, 1982.

4. That a HRTA Program be approved for 2007 with an eligibility condition that a residential unit must have a property assessment of $114,600 or less.

5. That the HRTA Program for 2007 continued to be harmonized with the technical requirements of the Manitoba Hydro Power Smart Program and that this be formally set out in the By-law.

6. That the HRTA Program for 2007 respond to Recommendation 20.3 of the Red Tape Commission Final Report by eliminating the requirement that permit fees be paid to apply for the HRTA Program even when the eligible renovation does not require a permit.

7. That all other related conditions and costs of the 2007 HRTA Program remain the same as the 2006 Program.

8. That the attached draft By-law reflecting these recommendations be enacted by Council (Attachment “A”).

9. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the aforementioned Recommendations.

RE: 2007 HOME RENOVATION TAX ASSISTANCE PROGRAM

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Director, Planning, Property and Development

REPORT DATE: March 15, 2007

RECOMMENDATION:

1. That a Home Renovation Tax Assistance (HRTA) Program be approved for 2007 with
    a. the same residential unit conditions as 2006; as stipulated in By-Law 33/2006.

2. That a HRTA Program be approved for 2007 with the same type of eligible renovation projects as 2006; as stipulated in By-Law 33/2006.

3. That a HRTA Program be approved for 2007 with an eligibility condition that a residential unit must be constructed before January 1, 1982.

4. That a HRTA Program be approved for 2007 with an eligibility condition that a residential unit must have a property assessment of $114,600 or less.

5. That the HRTA Program for 2007 continued to be harmonized with the technical requirements of the Manitoba Hydro Power Smart Program and that this be formally set out in the By-law.

6. That the HRTA Program for 2007 respond to Recommendation 20.3 of the Red Tape Commission Final Report by eliminating the requirement that permit fees be paid to apply for the HRTA Program even when the eligible renovation does not require a permit.

7. That all other related conditions and costs of the 2007 HRTA Program remain the same as the 2006 Program.

8. That the attached draft By-law reflecting these recommendations be enacted by Council (Attachment “A”).

9. That the proper Officers of the City be authorized to do all things necessary to implement the intent of the aforementioned Recommendations.

Report Summary

Key Issues:

- As older single family houses are the intended target of the HRTA Program, the definition of a residential unit should remain the same for 2007 as in previous years.

- The 2007 Program should be approved with an eligibility condition that a residential unit must be constructed before January 1, 1982.

- The 2007 Program should be approved with an eligibility condition that a residential unit must have a property assessment of $114,600 or less.

Implications of the Recommendation(s):

General Implications

( ) None

( ) For the organization overall and/or for other departments

(X) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s):

- If the aforementioned Recommendations are adopted, it is likely that a 2007 HRTA Program will encourage Winnipeg residents to continue to renovate their homes and improve their neighbourhoods. As well, a 2007 HRTA Program will continue to provide an economic incentive for the home renovation industry.

Policy Implications

(X) No

( ) Yes

Comment(s):

Regulatory Implications

( ) None

(X) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s): The 2007 HRTA Program would eliminate the requirement that permit fees be paid to apply for the HRTA Program even when the eligible renovation does not otherwise require a permit.

Environmental Implications

(X) No

( ) Yes

Comment(s):

Human Resources Implications

(X) No

( ) Yes

Comment(s):

Financial Implications

(X) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s):

- The tax credit expenditures generated by the adoption of a 2007 HRTA By-Law (which impact the years 2008 to 2010) are within the budget; provided Council approves forecasted expenditures included in the Department's Business Plan Submission.

Report

REASON FOR THE REPORT:

1. Council approval is required to establish the 2007 Home Renovation Tax Assistance Program.

2. To report back on the Executive Policy Committee request of January 18, 2006, to review recommendations submitted in delegation by Ken Klassen:

HISTORY:

On December 15, 1994, Council adopted the first HRTA Program (By-Law 6544/94) to "… establish a program of property tax credits to encourage and assist in the renovation of residential premises in the City of Winnipeg". The first Program was limited to homes constructed prior to 1971 and assessed at $80,000 or less. The maximum available tax credit was $750 and allocation was over five years. The next three Programs included the same eligibility criteria and tax credit provisions (By-Laws 6927/96, 6930/96 and 7137/97).

On May 27, 1998, Council adopted a new HRTA Program (By-Law 7230/98) with different eligibility criteria and tax credit provisions. Homes constructed prior to 1981 with an assessment of $100,000 or less were now eligible. As well, the maximum available tax credit was increased to $1,500 and allocation was over three years.

On March 24, 1999, Council adopted a new HRTA Program (By-Law 7384/99) with different eligibility criteria and a funding "cap". Homes constructed prior to 1974 with an assessment of $90,000 or less were now eligible. The total Program tax credit funding was limited to $975,000. Tax credit provisions remained at a maximum of $1,500 over three years. The next five Programs included the same eligibility criteria, tax credit provisions and total funding (By-Laws 7523/99, 7798/2001, 7943/2001, 8165/2002, 10/2004 and 88/2005).

On January 18, 2006, the Executive Policy Committee requested the Administration to report back after reviewing the following recommendations submitted in delegation by Ken Klassen:

1. Harmonize, to the maximum extent feasible, the technical requirements (i.e. minimum insulation levels, window performance requirements, minimum furnace and boiler efficiencies, etc.) for energy efficiency work covered by the 2006 Home Renovation Tax Assistance Program with the technical requirements used by Manitoba Hydro for their Power Smart loan and finance programs.

2. Track and then report back on the number of files processed and total tax credits issued for energy retrofit work completed under the 2006 Home Renovation Tax Assistance Program during 2006.

On January 25, 2006, Council adopted a new HRTA Program (By-Law No. 33/2006) with different eligibility criteria and tax credit provisions. Homes constructed prior to January 1, 1981 with an assessment of $114,400 or less were now eligible. As well, in addition to the 15% tax credit for Standard renovations, residents could now receive a 25% tax credit for a new category of Energy Efficiency renovations.

DISCUSSION:

The HRTA Program is primarily intended for renovation of older single family houses in Winnipeg. Accordingly, the Planning, Property and Development Department are recommending that the definition of a **residential unit** remain the same for a 2007 Program. Specifically, as stipulated in the 2006 By-Law, a "residential unit" means:

(a) a dwelling unit in a building that is used solely for residential occupation, other than;

(i) a mobile home located in a mobile home park or not constructed on a permanent foundation;

(ii) a building that is used wholly or partly as a hotel, motel, tourist camp, apartment hotel or other transient accommodation;

(iii) a building that is used as a nursing home or personal care home; and

(iv) a dwelling unit in a building that contains more than four dwelling units;

or

(b) a condominium unit that is used solely as a single dwelling unit for residential occupation, but not including the common elements of a condominium plan.

In order to provide direction for 2007 and future years, the Planning, Property and Development Department is recommending that the HRTA Program continue to operate on the basis of the following two principles: firstly, that all residential units must be 25 years of age or older in order to be eligible and secondly, that the HRTA Program be open to a minimum of 50% of all eligible residential units in Winnipeg. As a result of implementing these principles, a 2007 HRTA Program would be limited to homes constructed before January 1, 1982 with an assessment of $114,600 or less. Since these proposed 2007 eligibility requirements are virtually the same as the 2006 Program, any impact on the duration of the Program's operating period would be negligible (the 2006 Program operated for approximately six months from May to October).

In addition, the Planning, Property and Development Department is recommending that the 2007 HRTA Program should address a concern raised in the Final Report of the Red Tape Commission. On page 88 of that Report, the Commission noted that an applicant whose proposed renovation does not require a building permit must nonetheless apply for a building permit and pay the requisite fee in order to be eligible for the HRTA tax credit. The Commission specifically referred to a citizen submission which noted that, because of this rule, the citizen had paid approximately $45 for a permit but did not in fact receive an HRTA tax credit because the fund had been depleted prior to his or her application.

It should be noted that, in the circumstances described by the citizen, the permit fee would have been refunded to the applicant. Nevertheless, the Department agrees that it is unreasonable to expect that the individual should pay any permit fee when a permit is not otherwise required by by-law. Accordingly, the 2007 HRTA Program will eliminate this requirement and the attached draft By-law has been drafted to remove the requirement that applicants pay a permit fee when no permit is required for their proposed renovation.

The Planning, Property and Development Department submit the following comments with respect to the January 18, 2006 request by Executive Policy Committee to review the aforementioned recommendations of Ken Klassen.

Recommendation No. 1

"Harmonize, to the maximum extent feasible, the technical requirements (i.e. minimum insulation levels, window performance requirements, minimum furnace and boiler efficiencies, etc.) for energy efficiency work covered by the 2006 Home Renovation Tax Assistance Program with the technical requirements used by Manitoba Hydro for their Power Smart loan and finance programs."

In order to address this recommendation, the Planning, Property and Development Department implemented an administrative procedure with the 2006 HRTA Program that allows citizens to choose the Energy Efficiency Renovations category when entering the Program; which provides for a higher tax credit of 25% (as an alternative to the 15% tax credit for the Standard Renovations category).

In 2006, the Energy Efficiency Renovations category was limited to citizens who were undertaking the following type of renovations:

- repairing an existing primary heating system or replacing it with a new ENERGY STAR high-efficiency furnace or boiler;
- replacing a conventional heating and cooling system with a new geothermal heat pump;

- replacing an existing natural gas or electric water heater with a more efficient unit;
- adding insulation to attics, exterior walls, basements, crawlspaces or exposed floors;
- repairing existing windows (excluding skylight windows) and exterior doors or replacing them with new units;
- sealing, caulking and weather-stripping to reduce air leakage;
- upgrading an existing or installing a new ventilation system.

In addition, in order to be eligible for the higher tax credit, these renovations had to meet the technical requirements and guidelines of the Manitoba Hydro Power Smart Program.

In the proposed 2007 HRTA Program, the administrative criteria applied in 2006 are formalized and set out in the By-law to ensure that renovations that receive the higher tax credit are compatible with the technical requirements of the Manitoba Hydro Power Smart Program.

Recommendation No. 2

"Track and then report back on the number of files processed and total tax credits issued for energy retrofit work completed under the 2006 Home Renovation Tax Assistance Program during 2006."

In order to comply with Section 12 of By-Law 33/2006, the 2006 HRTA Program closed in late October of 2006 after generating 824 applications from citizens with eligible properties; consisting of 729 files in the Standard Renovations category and 95 files in the Energy Efficiency Renovations category. Of the latter 95 files, 87 citizens completed their Energy Efficiency renovation projects before the December 31, 2006 deadline; as required in accordance with Section 10 of By-Law 33/2006. The subject 87 files have been processed and the Planning, Property and Development Department will be notifying the City's Taxation and Revenue Branch of the Corporate Finance Department to issue a total of $98,897.46 of tax credits for 2006 Energy Efficiency renovations. The final tax credit for each individual property will be allocated as three separate reductions in the years 2007, 2008 and 2009.

Financial Impact Statement

Date: March 14, 2007

Project Name:

2007 Home Renovation Tax Assistance Program

First Year of Program **2008**

	2008	2009	2010	2011	2012
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 230,000	$ 230,000	$ 230,000	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 230,000	$ 230,000	$ 230,000	$ -	$ -
Less: Existing Budget Amounts	230,000	230,000	230,000	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The tax credit costs that would be generated by the adoption of a 2007 by-law would impact operating costs for the years 2008 - 2010. These cost estimates are based on actual costs incurred in prior years adjusted slightly for the possibility of higher average project costs. These costs are not forecasted on the basis of program maximums, i.e. $325,000 per year, because administrative experience has shown that, although the maximum potential credits are approved through the application process, that the completed eligible projects generate lower total credits than the by-law allows. The amounts shown above are within approved budgets only if Council approves forecasted expenditures contained in the Department's 2007-2009 Operating Budget Submission. Note that the elimination of permit fees relative to Recommendation 20.3 of the Red Tape Commission Final Report are immaterial in nature and, therefore, excluded from this analysis.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Legal Services Division

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Development & Inspections Division
Prepared by: Deepak Joshi, Manager
PPD File No. N/A

Attachment A

THE CITY OF WINNIPEG

BY-LAW NO. _____

A By-law of THE CITY OF WINNIPEG to establish a program of real property tax credits in the year 2007 to encourage and assist in the renovation of residential premises in the City of Winnipeg.

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1. This by-law shall be referred to as the "2007 Home Renovation Tax Assistance Program By-law".

2. In this by-law,

"**building permit**" means a permit granted under The Winnipeg Electrical By-law or The Winnipeg Building By-law;

"**child**" means a natural, adopted or step-child;

"**designated officer**" means a person designated in writing by the Chief Administrative Officer;

"**immediate family member of the eligible homeowner**" means an eligible homeowner's spouse, parent, child, sibling, parent's parent, parent's sibling, child's spouse, sibling's spouse, child's child, sibling's child, spouse's parent, spouse's sibling, or spouse's sibling's child;

"**parent**" means a natural, adoptive or step-parent;

"**residential unit**" means:

(a) a dwelling unit in a building that is used solely for residential occupation, other than:

(i) a mobile home located in a mobile home park or not constructed on a permanent foundation;

(ii) a building that is used wholly or partly as a hotel, motel, tourist camp, apartment hotel or other transient accommodation;

(iii) a building that is used as a nursing home or personal care home; and

(iv) a dwelling unit in a building that contains more than four dwelling units;

or

(b) a condominium unit that is used solely as a single dwelling unit for residential occupation, but not including the common elements of a condominium plan;

"**sibling**" means a natural, adoptive or step-sibling;

"**spouse**" means:

(a) a person who is legally married to an eligible homeowner; or

(b) a person publicly represented by the eligible homeowner as the spouse of that eligible homeowner;

"**total proposed valuation**" means the total valuation of proposed eligible renovations as indicated on applications under this by-law, which are

(a) stated as required under The Winnipeg Electrical By-law and/or The Winnipeg Building By-law; or

(b) stated as required under subsection 10(2) of this by-law.

3. The object of this by-law is to provide an economic incentive for the home renovation industry, to reduce the perception that property owners are penalized for improving their properties and to encourage property owners to take out building permits thereby promoting the quality of construction in meeting applicable building, electrical and plumbing codes.

4. Annual tax assistance shall be provided to the owners of buildings in which eligible residential units are contained, as set out in this by-law.

5. To be an eligible homeowner, a person must meet one of the following requirements at the time of the application and at all times until the eligible renovation is completed:

(a) the person must be the registered owner of the building in which the residential unit is contained; or

(b) the person is someone other than the owner of the building in which the residential unit is contained who is able to show long-term uninterrupted occupancy of the residential unit and who does not pay rent;

and must occupy the residential unit on a year-round basis as his or her principal residence at the time of the application and at all times until the eligible renovation is completed.

6. Subject to section 7, the following are eligible renovations:

(a) renovating any part of a residential unit that is used or will be capable of being used as year-round living space, such as

(i) renovating a kitchen,

(ii) renovating a bathroom, including the purchase and installation of sinks, tubs and vanities, and

(iii) finishing an unfinished basement;

(b) building an addition to a residential unit if the addition will be capable of being used as year-round living space;

(c) installing, repairing or upgrading a primary heating system, a plumbing system, an electrical system or a ventilation system, but not including an air conditioner;

(d) insulating walls or attics;

(e) reinforcing or repairing a foundation or basement, or repairing or replacing weeping tile or other parts of the basement, including related excavation and landscaping;

(f) installing or repairing exterior sheathing;

(g) installing or repairing roofing, shingling, soffits, fascia or eavestroughing;

(h) installing or repairing doors or windows, excluding skylight windows;

(i) installing, repairing or upgrading a water or sewer system, including related excavation and landscaping;

(j) modifying a residential unit to accommodate a disabled person;

(k) renovating for reasons of safety or occupant health;

(l) repairing or renovating a residential unit or a part of a residential unit to ensure or maintain compliance with The Maintenance and Occupancy By-law of The City of Winnipeg.

(m) constructing or repairing a deck, verandah or garage; and

(n) purchasing, installing or repairing a hard –wired, monitored security system.

7. The following are not eligible renovations:

(a) building or repairing a fence, driveway, patio or sidewalk unless

(i) the building or repairing is necessary to ensure or maintain the structural integrity of the residential unit or to ensure or maintain compliance with any by-law of the City, or

(ii) in the case of a repair, a safety or occupant health risk will exist if the repair is not carried out;

(b) building, installing or repairing a play structure or swings;

(c) building, installing or repairing a swimming pool;

(d) landscaping, except

(i) landscaping that is eligible under section 6, or

(ii) if the landscaping is necessary to ensure or maintain the structural integrity of the residential unit or to ensure or maintain compliance with any by-law of the City;

(e) interior decorating, including the cost of purchasing and installing wallpaper, blinds and drapes;

(f) interior or exterior painting, except

(i) painting that is part of a renovation or addition described in clauses 6(a) or (b);

(ii) to ensure or maintain the structural integrity of the residential unit or to ensure or maintain compliance with any by-law of the City, or

(iii) if a safety or occupant health risk will exist if the painting is not carried out;

(g) purchasing, installing or repairing floor covering, except

(i) as part of a renovation or addition described in clauses 6(a) or (b),

(ii) to ensure or maintain the structural integrity of the residential unit or to ensure or maintain compliance with any by-law of the City, or

(iii) if a safety or occupant health risk will exist if the purchasing, installing or repairing is not carried out;

(h) purchasing, installing or repairing any of the following:

(i) a household appliance, whether it is built-in or free standing;

(ii) skylight windows;

(iii) a fireplace;

(iv) a hot tub, spa or jacuzzi;

(v) a secondary heating unit unless the unit is permanently installed as the primary heating source in a new living space;

(vi) a heat pump, unless it is a primary heating source;

(vii) an air conditioner or a back-up generator;

(viii) an air purification system, unless a safety or occupant health risk will exist if the air purification system is not installed or repaired or to ensure or maintain compliance with any by-law of the City;

(ix) a radio or television antenna or a satellite dish;

(x) a lawn sprinkler system;

(xi) awnings or other exterior window coverings;

(xii) any equipment or other thing that is not permanently affixed to a residential unit;

(i) any modification to a residential unit to permit a non-residential use;

(j) any modification to a residential unit to permit a multi-family use;

(k) repairing a residential unit or part of a residential unit which has been damaged by fire, flood or other insurable risk; and

(l) constructing or repairing an adjunct or accessory building such as a greenhouse, gazebo or sunroom.

8. To be an eligible residential unit,

(a) a residential unit must be contained in a building which is owned by an eligible homeowner under section 5;

(b) a residential unit must have been built before January 1, 1982; and

(c) a residential unit and the land on which it is situated has an assessed value as defined in subsection 1(1) of *The Municipal Assessment Act* not exceeding $114,600 for the year in which the application is made.

9. Subject to sections 10, 11 and 12, applications for home renovation tax assistance may be made in the year 2007 and a real property tax credit given pursuant to this by-law shall be provided for the years 2008, 2009 and 2010.

10(1) In order for a real property tax credit to be provided:

(a) the eligible homeowner must make application for home renovation tax assistance in a form determined by the designated officer and shall provide any information, documentation or verification that the designated officer may require, which may include obtaining a building permit;

(b) the eligible renovation must be commenced after an application for tax assistance has been made pursuant to this by-law;

(c) the eligible renovation must be completed by December 31, 2007;

(d) the eligible homeowner must submit proof of the completion of the eligible renovation and must submit invoices for the amount expended for the eligible renovation with proof of payment by December 31, 2007;

(e) the eligible homeowner must allow the designated officer or his designate a reasonable opportunity to inspect the completed eligible renovation; and

(f) the eligible homeowner must provide such information, documentation or verification as the designated officer may require from time to time to confirm continuing eligibility.

10(2) Notwithstanding any provision of this by-law or of any by-law of the City of Winnipeg, in order for a real property tax credit to be provided, where a building permit is not required for the eligible renovation, an eligible homeowner must state the valuation of the proposed eligible renovation.

10(3) Notwithstanding clause (1)(a) and subsection (2), where a building permit is not required by by-law for an eligible renovation, an eligible homeowner shall not be charged a fee for applying for a tax credit under this By-law..

11(1) Subject to subsections (2), (2.1) and (3), the annual real property tax credit shall be equivalent to 5% of:

(a) the valuation of the proposed eligible renovation,

(i) stated as required under The Winnipeg Electrical By-law and/or The Winnipeg Building By-law; or

(ii) stated as required under subsection 10(2) of this by-law; or

(b) the amount expended for eligible renovations;

whichever is less,

to a maximum annual real property tax credit of:

(a) $500.00; or

(b) the amount of the real property taxes levied in the year by the City for its own purposes, which for greater certainty, does not include taxes levied by the City for school purposes or local improvements;

whichever is less, per eligible residential unit.

11(2) Subject to subsections (2.1) and (3), the annual real property tax credit for eligible renovations that improve energy efficiency and/or reduce greenhouse gas emissions shall be equivalent to 8.33% of:

(a) the valuation of the proposed eligible renovation,

(i) stated as required under The Winnipeg Electrical By-law and/or The Winnipeg Building By-law; or

(ii) stated as required under subsection 10(2) of this by-law; or

(b) the amount expended for eligible renovations;

whichever is less,

to a maximum annual real property tax credit of:

(a) $500.00; or

(b) the amount of the real property taxes levied in the year by the City for its own purposes, which for greater certainty, does not include taxes levied by the City for school purposes or local improvements;

whichever is less, per eligible residential unit.

11(2.1) In order to qualify for a tax credit pursuant to subsection (2), renovations must fall within the following categories and must meet or exceed Manitoba Hydro Power Smart standards and guidelines:

(a) repairing an existing primary heating system or replacing it with a new ENERGY STAR high-efficiency furnace or boiler;

(b) replacing a conventional heating and cooling system with a new geothermal heat pump;

(c) replacing an existing natural gas or electric water heater with a more efficient unit;

(d) adding insulation to attics, exterior walls, basements, crawlspaces or exposed floors;

(e) repairing existing windows (excluding skylight windows) and exterior doors or replacing them with new units;

(f) sealing, caulking and weatherstripping to reduce air leakage;

(g) upgrading an existing or installing a new ventilation system.

11(3) The total amount of tax assistance provided by the City of Winnipeg under this and any other Home Renovation Tax Assistance Program shall not exceed $1,500.00 per eligible residential unit.

11(4) In this section, “other Home Renovation Tax Assistance Program” includes City of Winnipeg By-law Nos. 6544/94, 6927/96, 6930/96, 7137/97, 7230/98, 7384/99, 7523/99, 7798/2001, 7943/2001, 8165/2002, 10/2004, 88/2005 and 33/2006.

12(1) The designated officer shall keep a record of all applications made under section 9 of this by-law.

12(2) For greater certainty, no real property tax credit shall be given under this by-law which shall cause the total real property tax credits given under this by-law to exceed $325,000.00 in any of the years 2008, 2009 or 2010.

13. Subject to section 14, the following costs will be included in calculating the amount expended for eligible renovations:

(a) materials;

(b) contractor labour;

(c) retail sales tax;

(d) goods and services tax;

(e) drafting plans;

(f) architectural plans;

(g) applicable permit fees and fees under subsection 10(2) of this by-law; and

(h) legal and inspection fees.

14. Notwithstanding clause 13(b), the cost or value of labour that is carried out by the eligible homeowner or an immediate family member of the eligible homeowner will not be included in the calculation of the amount expended for eligible renovations.

15. Notwithstanding section 9, a real property tax credit will be terminated in the year following the occurrence of any of the following events:

(a) the eligible residential unit ceases to be occupied by a person who meets any of the requirements of clauses 5(a) or (b);

(b) the eligible residential unit is demolished;

(c) more than 50% of the eligible residential unit requires replacement as a result of fire, flood or other insurable damage;

(d) the eligible residential unit ceases to be occupied solely for residential purposes; or

(e) the eligible residential unit ceases to be a residential unit.

16. A real property tax credit provided pursuant to this by-law does not terminate simply by reason of the sale of the eligible residential unit.

17. The Director of Planning, Property and Development and his/her delegates may take steps to administer and enforce this by-law and their decisions must be made in accordance with *The City of Winnipeg Charter.*

18. A copy of a decision made under this by-law by the Director of Planning, Property and Development or his/her delegates must be given to the registered owner of the building in which the residential unit is contained by delivering a copy of the decision to him/her or the person authorized by him/her to apply for a real property tax credit on his/her behalf.

19. An appeal from a decision by the Director of Planning, Property and Development or his/her delegates under this by-law may be made to the Chief Administrative Officer in accordance with *The City of Winnipeg Charter*.

20. Pursuant to section 119 of *The City of Winnipeg Charter*, the requirements for notice of a decision made by the Chief Administrative Officer under this by-law are hereby varied. A copy of a decision made under this by-law by the Chief Administrative Officer must be given to the registered owner of the property on which the building in which the residential unit is contained is located by mailing a copy of the decision by ordinary mail to the address maintained by the tax collector for the purpose of issuing the tax notice for that property.

21. An appeal from a decision by the Chief Administrative Officer under this by-law may be made to the Standing Policy Committee on Property and Development in accordance with *The City of Winnipeg Charter*.

DONE AND PASSED, in Council assembled, this day of , 2007.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
for Director of Planning, Property
and Development

Approved as to financial details:

_____
City Treasurer

Certified as to form:

_____
for City Solicitor