Agenda - Executive Policy Committee – June 11, 2008

REPORTS

Item No. 5 2008 Home Renovation Tax Assistance Program
File FL

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That a Home Renovation Tax Assistance (HRTA) Program be approved for 2008 with

   (a) the same residential unit conditions as 2007 as stipulated in By-Law 121/2007;

   (b) the same eligible renovation projects as 2007 as stipulated in By-Law 121/2007 but with the addition of that low flush toilets as an eligible renovation;

   (c) an eligibility condition that a residential unit must be constructed before January 1, 1983;

   (d) an eligibility condition that a residential unit must have a property assessment of $115,600 or less;

   (e) continued harmonization with the technical requirements of the Manitoba Hydro Power Smart Program;

   (f) all other related conditions and costs of the 2008 HRTA Program remaining the same as the 2007 Program;

2. That the attached draft By-Law reflecting these recommendations be enacted by Council (Appendix "VI").

3. That the Planning, Property and Development Department's annual operating budget for the HRTA Program be increased to $325,000.00 and that any unexpended funds realized during the operation of the 2008 HRTA Program be allocated to the HRTA Program budget for 2009.

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

DECISION MAKING HISTORY:

WINNIPEG HOUSING STEERING COMMITTEE RECOMMENDATION:

On February 29, 2008, the Winnipeg Housing Steering Committee laid over the matter to its next meeting.

On July 17, 2007, the Winnipeg Housing Steering Committee directed that a working group comprised of Councillor Vandal, members of the Administration and the home renovation industry be established to investigate methods of improving the 2008 Home Renovation Tax Improvement Assistance Program and report back to the Steering Committee in January, 2008.

COUNCIL DECISION:

On June 20, 2007, Council concurred in the May 23, 2007 recommendation of the Executive Policy Committee, namely, that the Council Motion of May 16, 2007, pertaining to the eligibility criteria for the 2008 Home Renovation Tax Assistance Program, be referred to the Winnipeg Housing Steering Committee for recommendation back to the Executive Policy Committee.

RE: 2008 HOME RENOVATION TAX ASSISTANCE PROGRAM

FOR SUBMISSION TO: Executive Policy Committee

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

REPORT DATE: June 3, 2008

RECOMMENDATION:

1. That a Home Renovation Tax Assistance (HRTA) Program be approved for 2008 with

   (a) the same residential unit conditions as 2007 as stipulated in By-Law 121/2007;

   (b) the same eligible renovation projects as 2007 as stipulated in By-Law 121/2007 but with the addition of that low flush toilets as an eligible renovation;

   (c) an eligibility condition that a residential unit must be constructed before January 1, 1983;

   (d) an eligibility condition that a residential unit must have a property assessment of $115,600 or less;

   (e) continued harmonization with the technical requirements of the Manitoba Hydro Power Smart Program;

   (f) all other related conditions and costs of the 2008 HRTA Program remaining the same as the 2007 Program;

2. That the attached draft By-Law reflecting these recommendations be enacted by Council (Appendix “VI”).

3. That the Planning, Property and Development Department’s annual operating budget for the HRTA Program be increased to $325,000.00 and that any unexpended funds realized during the operation of the 2008 HRTA Program be allocated to the HRTA Program budget for 2009.

4. 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:

- The 2008 HRTA Program should remain largely the same as for 2007 except that:
  - Low flush toilets would be added as an eligible renovation;
  - The assessment eligibility criteria would be raised by $1,000 to $115,600;
  - The eligibility for the date of construction would be moved up one year to January 1, 1983 (so that the age eligibility would remain at 25 years);

- The departmental budget for the HRTA program would be increased to $325,000 so that the full amount of tax credits for the program are more likely to be expended.

- Any tax credits that are unexpended in one year under the program would be transferred to the next year so that the full amount of tax credits allotted to the program would be used.

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 2008 HRTA Program will encourage Winnipeg residents to continue to renovate their homes and improve their neighbourhoods. As well, a 2008 HRTA Program will continue to provide an economic incentive for home renovations.

Policy Implications

(X) No

( ) Yes

Comment(s):

Regulatory Implications

(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s

Environmental Implications

( ) No

(X) Yes

Comment(s):
The program continues to provide opportunity for citizens to receive a 25% tax credit for energy efficient renovations and the new 2008 HRTA program introduces a 25% tax credit for low flush toilets.

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):

Report

REASON FOR THE REPORT:

Council approval is required to establish the 2008 Home Renovation Tax Assistance Program.

HISTORY

On December 15, 1994, Council adopted the first HRTA Program 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 $750.00 and allocation was over five years. The next three Program years included the same eligibility criteria and tax credit provisions.

On May 27, 1998, Council adopted a new HRTA Program with different eligibility criteria and tax credit provisions. Homes constructed prior to 1981 with an assessment of $100,000 or less were now eligible and the maximum available tax credit was increased to $1,500 allocated over three years.

On March 24, 1999, Council adopted a new HRTA Program with amended eligibility criteria and a funding limit. 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 and the tax credit provisions remained as a maximum of $1,500 over three years. The following five Program years included these same eligibility criteria, tax credit provisions and a total funding limit.

On January 25, 2006, Council adopted a new HRTA Program with amended eligibility criteria and tax credit provisions. Homes constructed prior to January 1, 1981 with an assessment of $114,400 or less were now eligible. The opportunity to receive a 25% tax credit for energy efficient renovations was also added in this Program year.

On May 16, 2007, Council adopted a new HRTA Program with different eligibility criteria. Homes constructed prior to January 1, 1982 with an assessment of $114,600 or less were now eligible. In addition, Council implemented Red Tape Recommendation 20.3 of the Red Tape Commission's Final Report by eliminating the requirement for the payment of permit fees to apply for the HRTA Program tax credit when a proposed renovation was eligible for the Program but would otherwise not require a Building Permit.

On July 17, 2007 the Winnipeg Housing Steering Committee directed that a working group comprised of Councillor Vandal, members of the Public Service and the home renovation industry be established to investigate methods of improving the 2008 Home Renovation Tax Improvement Assistance Program and report back to the Steering Committee in January 2008.

The following two items were identified to be reviewed in relation to providing recommendations for the 2008 Home Renovation Tax Assistance Program:

(1) Utilization of any unexpended funds from one program year to the next;

(2) Review the criteria regarding the property assessment of a residential unit and a possible increase of that amount.

In the fall of 2007, Councillor Vandal as directed by the Winnipeg Housing Steering Committee met with the Renovator's Council facilitated by the Manitoba Home Builders Association. At the meeting various items were discussed along with the possibility of increasing the assessed value of the properties that would be eligible for the HRTA program. It was determined that, if the overall funding for the HRTA program was to remain the same, then the principle of 50% of all homes being eligible was a reasonable option. The possibility of carrying over funds was also discussed whereby allowing more homes to apply in future years was supported in principle by the group. As well there was a recommendation to include low flush toilets as an eligible renovation that would receive the same credits as Power Smart renovations (i.e. 25% as opposed to 10% for regular renovations).

2007 HRTA Program Summary

The 2007 HRTA Program closed in late October after generating 887 applications from owners with eligible properties. Of these, 121 qualified for the energy efficient Power Smart tax credit.

Of the 887 applications, 425 or 47.9% were completed prior to the December 31, 2007 deadline. These files which have processed with the construction value of $6,884,518 have been applied toward tax credits for the 2007 HRTA Program year and will be issued over three consecutive tax years in 2008, 2009 and 2010.

DISCUSSION:

The primary objective of the Home Renovation Tax Assistance Program (HRTAP) is to provide an economic incentive for home renovations, 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.

Program Operating Principles

Since 2006, the HRTA program has functioned in accordance with the following principles which Council has established to implement subsequent HRTA programs:

- The first principle is that all residential units must be 25 years of age or older to qualify, based on the premise that single family houses generally need major repairs and renovations after 25 years.
- The second principle is that the HRTA program be open to a minimum of 50% of all residential units in Winnipeg.

According to the City's Property Assessment Department records, Winnipeg presently has 156,790 single-family dwellings. Of this total, 78,503 properties have an assessment of $115,600 or less and were constructed prior to 1983 (i.e. 50 %). Although the principle of 50% of single family dwellings is used to determine the assessed value to be applied, the by-law does allow other types of dwellings, if owner occupied, to be eligible. Residential side-by-side, duplex, triplex, condos, etc. can also apply for the HRTA program. According to Assessment records, there are 185,365 properties that fall into this category and 98,388 properties (53% of the total) have an assessment of $115,600 or less and were constructed prior to 1983 (refer to attached Appendix III: Assessment Statistics for Proposed 2008 HRTA Program).

Consequently the Public Service recommends that the eligibility criteria for the 2008 program should be adjusted to provide for an assessed value of $115,600 in order to implement the principle of capturing a minimum of 50% of the eligible housing unit stock. In addition, the Public Service concurs with the suggestion of the HRTA Program Review Working Group to add low flush toilets to the list of eligible renovation projects.

At present, the program is adhering to the previously established HRTA Program Principles and is able to successfully commit all of the available budget funds within the existing eligibility criteria. In fact, the Program runs out of budget funds within approximately seven months.

If there were an increase to the assessed value eligibility criteria as discussed by the Program Review Working Group, eligible households would increase and the budget funds would be depleted sooner. The Program would end in a shorter time period unless there is an increase in the budget funding for the Program. An increase to the assessed value eligibility may also create an impression that the Program is intended for households who can afford to perform the renovations and is not supporting the lower valued homes.

Consequently the Public Service recommends that the 2008 HRTA Program be approved with the same eligibility criteria and residential unit conditions as the 2007 Program.

Unexpended Funds

The HRTA Program approved by Council, allows for a maximum tax credit expenditure of $325,000.00 per year for three years and the HRTA Program By-law restricts the Department to approve applications for which the tax credits do not exceed $325,000.00 in total for any of the three years of the Program. Therefore, the Program functions on a “first come, first served” basis. Since 2000, each annual Home Renovation Tax Assistance Program has consistently resulted in each Program being open to citizens for approximately seven months until the funds have been completely allocated to all of the approved projects.

Despite the fact that the maximum tax credits are allocated only seven months into the year, since 2000 “unexpended funds” have been realized with the operation of each annual Program. This is due to the fact that not all projects are completed within the allotted time (same calendar year) and therefore do not qualify for tax credits. The Planning, Property and Development Department only allocates enough funds in each annual budget to reflect actual tax credits that are finally issued to citizens. As a result, since 1999, in accordance with the average “Completion Rate” of approximately 65% - 70%, the Department has only allocated approximately 65% – 70% of the $325,000.00 for tax credits in the Department’s annual Budget (refer to attached Appendix "II", Completion Rates, Allocations and Expenses). The result is approximately $95,000 in unexpended funds annually.

The Public Service recommends that Council approve an increase in the annual operating budget to the full amount for the 2008 HRTA program. This would allow for an increase in the 2009 HRTA program by the amount not expended in the 2008 HRTA program, which would allow for the 2009 Program to operate for a longer period of time.

The impact would be to increase the Planning, Property and Development Department’s annual budget for the HRTAP to $325,000.00 from the approximately $230,000.00 previously budgeted.

Financial Impact Statement

Date: May 28, 2008

Project Name:
2008 Home Renovation Tax Assistance Program

First Year of Program **2009**

	2009	2010	2011	2012	2013
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	$ 325,000	$ 325,000	$ 325,000	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 325,000	$ 325,000	$ 325,000	$ -	$ -
Less: Existing Budget Amounts	325,000	325,000	325,000	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs consist of the maximum amount of total tax credits that can be allocated in each year of the 3-year timeframe of the 2008 HRTA Program. It is assumed that the full amount budgeted each year will be spent in that year.

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Consultation and Concurrence with Legal Services

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Department: Planning, Property and Development
Division: Development and Inspections
Prepared by: Martin Grady
File No.

Attachments:

Appendix I: 2007 Home Renovation Tax Assistance Program description.

Appendix II: Completion Rates, Allocations and Expenses

Appendix III: Assessment Statistics for Proposed 2008 HRTA Program

Appendix IV: Proposed 2008 HRTA Eligible Residential Units by Ward

Appendix V: Proposed 2008 HRTA Eligible Residential Units by Percentage in Neighbourhood

Appendix VI: Proposed 2008 HRTA Program By-Law

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APPENDIX I: 2007 Home Renovation Tax Assistance Program description

Eligibility Requirements
The 2007 Program is intended for residents who comply with **all** of the following eligibility requirements:

- The resident's home is used solely for residential occupation.
- The resident's home must have been built before January 1, 1982.
- The resident's home and land on which it is situated has an assessed value not exceeding $114,600.00 in 2007.

How to Apply for the 2007 Program

- **To apply to the 2007 Program, a City of Winnipeg Building Permit must be obtained before any renovations are commenced.** Permits can be obtained by residents or their contracted representatives. Permits have to be obtained, in person, at the Zoning and Permits Branch; located at Unit 31 - 30 Fort Street. For further information, contact the Zoning and Permits Branch at 986-5140.
- When obtaining a permit, residents are required to estimate the costs of all renovations and an appropriate application fee will be charged in accordance with the City of Winnipeg Development Fees By-Law. Residents are advised to obtain a quotation from a professional contractor prior to obtaining a permit.
- Residents may apply until 2007 Program funds are depleted or until December 31, 2007; whichever occurs first.
- All renovations are inspected by City of Winnipeg Housing and Existing Buildings Branch Staff to ensure compliance with applicable By-Laws. Permit fees can be claimed as a Program expense.
- 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.

Eligible Renovations
The 2007 Home Renovation Tax Assistance Program has two categories of eligible renovations:

Standard Renovations

Generally, the following standard renovations are eligible for a **15%** tax credit:

- Renovating kitchens, bathrooms and unfinished basements.
- Building an addition to a home that will be utilized as a year-round living space.
- Installing, repairing or upgrading a plumbing system or electrical system or a ventilation system, but not including an air conditioner.
- Reinforcing or repairing a foundation or basement, including weeping tile, excavation and related landscaping.
- Home security alarms
- Installing or repairing exterior sheathing, roofing, shingling, soffits, fascia, eavestroughing, doors or windows (excluding skylight windows).
- Installing or repairing a water or sewer system, including excavation and related landscaping.
- Modifying a home to accommodate a disabled person or renovating for reasons of safety or occupant health.
- Repairing a home to ensure or maintain compliance with the Maintenance and Occupancy By-Law.
- Constructing or repairing a deck, verandah or garage.

Energy Efficiency Renovations

Generally, the following energy efficiency renovations that meet or exceed Manitoba Hydro Power Smart guidelines are eligible for a **25%** tax credit:

- Renovating an unfinished basement with insulation to the walls and floors.
- Upgrading a primary heating system.
- Upgrading an electrical system.
- Upgrading a ventilation system.
- Insulating walls and an attic.
- Upgrading and insulating doors and windows.

For further information, visit the Manitoba Hydro Website at www.hydro.mb.ca

Ineligible Renovations
Generally, the following renovations are ineligible:

- Building or repairing a fence, driveway, patio or sidewalk unless necessary to maintain the structural integrity of the home or for safety or occupant health reasons.
- Installing or repairing a play structure or swimming pool.
- Landscaping, unless related to excavation work.
- Interior decorating such as installing wallpaper, blinds or drapes.
- Interior and exterior painting and installing or repairing floor covering unless related to eligible renovations, necessary to maintain the structural integrity of the home or for safety or occupant health reasons.
- Installing or repairing a household appliance, skylight windows, fireplace, hot tub or jacuzzi, secondary heating system, heat pump unless it is the primary heating source, air conditioner, back-up generator, air purification system, radio or television antenna or satellite dish, lawn sprinkler system, awnings or any improvements that are not permanently affixed to a home.
- Modification to a home to allow a non-residential use or multi-family use.
- Constructing or repairing an accessory building such as a greenhouse, gazebo or sunroom.

Completion of Renovations

- In order to be considered for a tax credit, all renovations must be completed by residents **on or before December 31, 2007**.
- After obtaining a permit, a Program claim form will be mailed to residents. The claim form and accompanying receipts or proof of payment must be submitted to the Program Office for completed renovations **on or before December 31, 2007.**
- Residents are required to submit receipts or proof of payment for all expenses itemized on their claim form. Photocopies of receipts may be submitted. Original receipts will not be returned to residents.
- Residents are advised that a claim for **incomplete** renovations will not be eligible.
- Residents may include the following costs and expenses on their claim form:
    1. Materials
    2. Contractor labour
    3. Retail sales tax and G.S.T.
    4. Drafting and architectural plans
    5. Permit fees
    6. Legal and inspection fees

Tax Credit Details

- The maximum amount that can be claimed by any resident for standard renovations and energy efficiency renovations is **$10,000.00 and $6,000.00,** respectively.
- The maximum 2007 Program tax credit that an eligible resident will receive is **$1,500.00**. Residents are advised that the total amount of tax assistance provided by the City of Winnipeg under all Home Renovation Tax Assistance By-Laws shall not exceed $1,500.00.
- The maximum **annual** tax credit that an eligible resident will receive is **$500.00**. Tax credits will be provided to an eligible resident in the years 2008, 2009 and 2010 as a property tax reduction.
- Tax credits will be provided to an eligible resident for either the initial valuation of the renovations, as declared when obtaining a permit, or the actual expenses stated on the claim form; **whichever is less**.

APPENDIX II: COMPLETION RATES, ALLOCATIONS AND EXPENSES

HRTA PROGRAM	NUMBER OF FILES (APPLICANTS)	NUMBER OF COMPLETED FILES	COMPLETION RATE %
1999	1,067	652	61
2000	1,110	768	69
2001	1,073	693	65
2002	1,140	758	66
2003	1,052	746	71
2004	942	656	70
2005	859	591	68
2006	837	586	70
2007	887	425	48

HRTA PROGRAM	ANNUAL BUDGET TAX CREDIT ALLOCATIONS									
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
2000	220,000	220,000	220,000	-	-	-	-	-	-	-
2001	-	225,000	225,000	225,000	-	-	-	-	-	-
2002	-	-	230,000	230,000	230,000	-	-	-	-	-
2003	-	-	-	230,000	230,000	230,000	-	-	-	-
2004	-	-	-	-	230,000	230,000	230,000	-	-	-
2005	-	-	-	-	-	230,000	230,000	230,000	-	-
2006	-	-	-	-	-	-	230,000	230,000		-
2007	-	-	-	-	-	-	-	230,000	230,000	230,000

HRTA PROGRAM	ACTUAL ANNAUL TAX CREDIT EXPENSES									
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
2000	218,285	218,285	218,285	-	-	-	-	-	-	-
2001	-	221,043	221,043	221,043	-	-	-	-	-	-
2002	-	-	207,553	207,553	207,553	-	-	-	-	-
2003	-	-	-	221,191	221,191	221,191	-	-	-	-
2004	-	-	-	-	242,626	242,626	242,626	-	-	-
2005	-	-	-	-	-	224,532	224,532	224,532	-	-
2006	-	-	-	-	-	-	222,351	222,351	222,351	-
2007	-	-	-	-	-	-	-	205,909	205,909	205,909

Appendix III: Assessment Statistics for Proposed 2008 HRTA Program

WARDNAME	INVENTORY *	INVENTORY * INCLUDING AGE & ASMT ELIGIBILITY ***	% OF WARD INVENTORY *	RESSD INVENTORY **	RESSD INVENTORY ** INCLUDING AGE & ASMT ELIGIBILITY ****	% OF WARD RESSD INVENTORY **	INVENTORY *	INVENTORY * INCLUDING AGE & ASMT ELIGIBILITY ****	% OF WARD INVENTORY *
Charleswood - Tuxedo	13,853	2,534	18.29%	11,325	1,428	12.61%	13,853	2,842	20.52%
Daniel McIntyre	11,218	10,250	91.37%	9,357	8,648	92.42%	11,218	10,364	92.39%
Elmwood - East Kildonan	13,035	10,921	83.78%	11,591	9,909	85.49%	13,035	11,165	85.65%
Fort Rouge - East Fort Garry	10,096	6,137	60.79%	6,816	4,495	65.95%	10,096	6,468	64.06%
Mynarski	12,106	11,213	92.62%	10,560	9,871	93.48%	12,106	11,347	93.73%
North Kildonan	10,113	3,475	34.36%	8,930	3,059	34.26%	10,113	3,976	39.32%
Old Kildonan	12,496	3,749	30.00%	10,404	2,822	27.12%	12,496	4,238	33.91%
Point Douglas	11,785	9,621	81.64%	10,488	8,666	82.63%	11,785	9,779	82.98%
River Heights - Fort Garry	16,044	4,679	29.16%	12,971	3,833	29.55%	16,044	5,207	32.45%
St. Boniface	15,263	5,555	36.40%	13,482	5,066	37.58%	15,263	6,179	40.48%
St. Charles	9,819	3,575	36.41%	7,794	2,342	30.05%	9,819	4,240	43.18%
St. James - Brooklands	9,387	5,925	63.12%	8,917	6,203	69.56%	9,387	6,395	68.13%
St. Norbert	13,930	3,012	21.62%	10,848	1,179	10.87%	13,930	3,304	23.72%
St. Vital	14,840	5,392	36.33%	13,266	5,197	39.18%	14,840	5,970	40.23%
Transcona	11,380	6,675	58.66%	10,041	5,785	57.61%	11,380	6,914	60.76%
TOTALS	**185,365**	**92,713**	**50.02%**	**156,790**	**78,503**	**50.07%**	**185,365**	**98,388**	**53.08%**

* INCLUDES THE FOLLOWING PARCEL USE CODES
RESIDENTIAL SINGLE FAMILY DETACHED, RESIDENTIAL SIDE X SIDE, RESIDENTIAL DUPLEX
RESIDENTIAL TRIPLEX, RESIDENTIAL MULTIPLE BUILDINGS, RESIDENTIAL ROW HOUSING
RESIDENTIAL MULTI FAMILY CONVERSION, APARTMENTS
CONDO APARTMENTS, CONDO ROW HOUSING, CONDO SINGLE FAMILY

*** CONSTRUCTION AGE LESS THAN 1983 AND ASSESSED VALUE LESS THAN OR EQUAL TO 111, 700

111,700 is the assessment required to include at least 50%, but because there are multiple properties with that value the actual percentage is slightly higher.

** INCLUDES PARCEL USE CODE

RESIDENTIAL SINGLE FAMILY DETACHED

**** CONSTRUCTION AGE LESS THAN 1983 AND ASSESSED VALUE LESS THAN OR EQUAL TO 115,600
115,600 is the assessment required to include at least 50%,

but because there are multiple properties with that value the actual percentage is slightly higher.

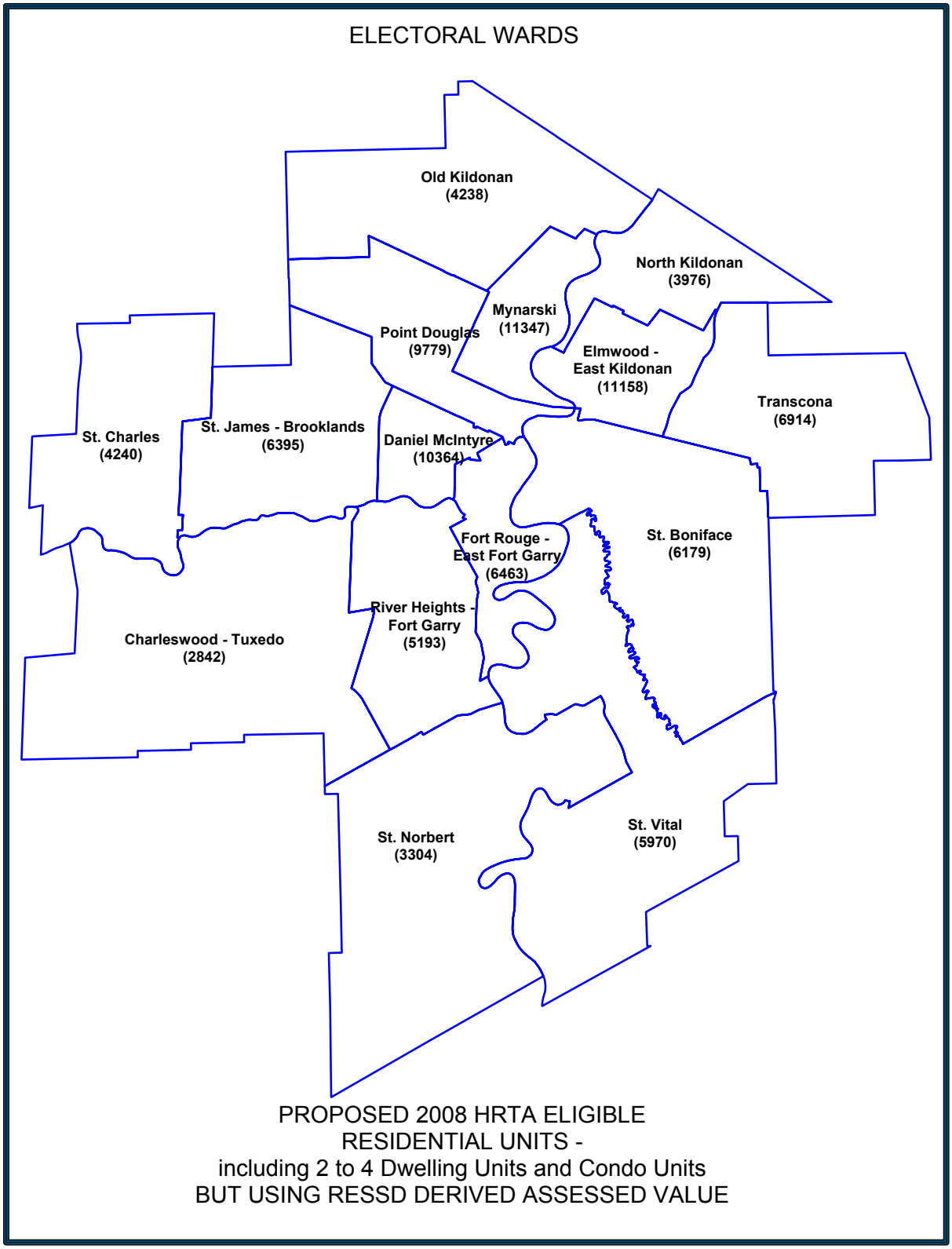
NOTE!

Applying the assessed value eligibility that is derived using only RESSD properties to the actual eligibility criteria including condo units and 2 to 4 dwelling units, has the affect of adding approx. 5,700 properties more then the number required to attain the minimum 50% target.

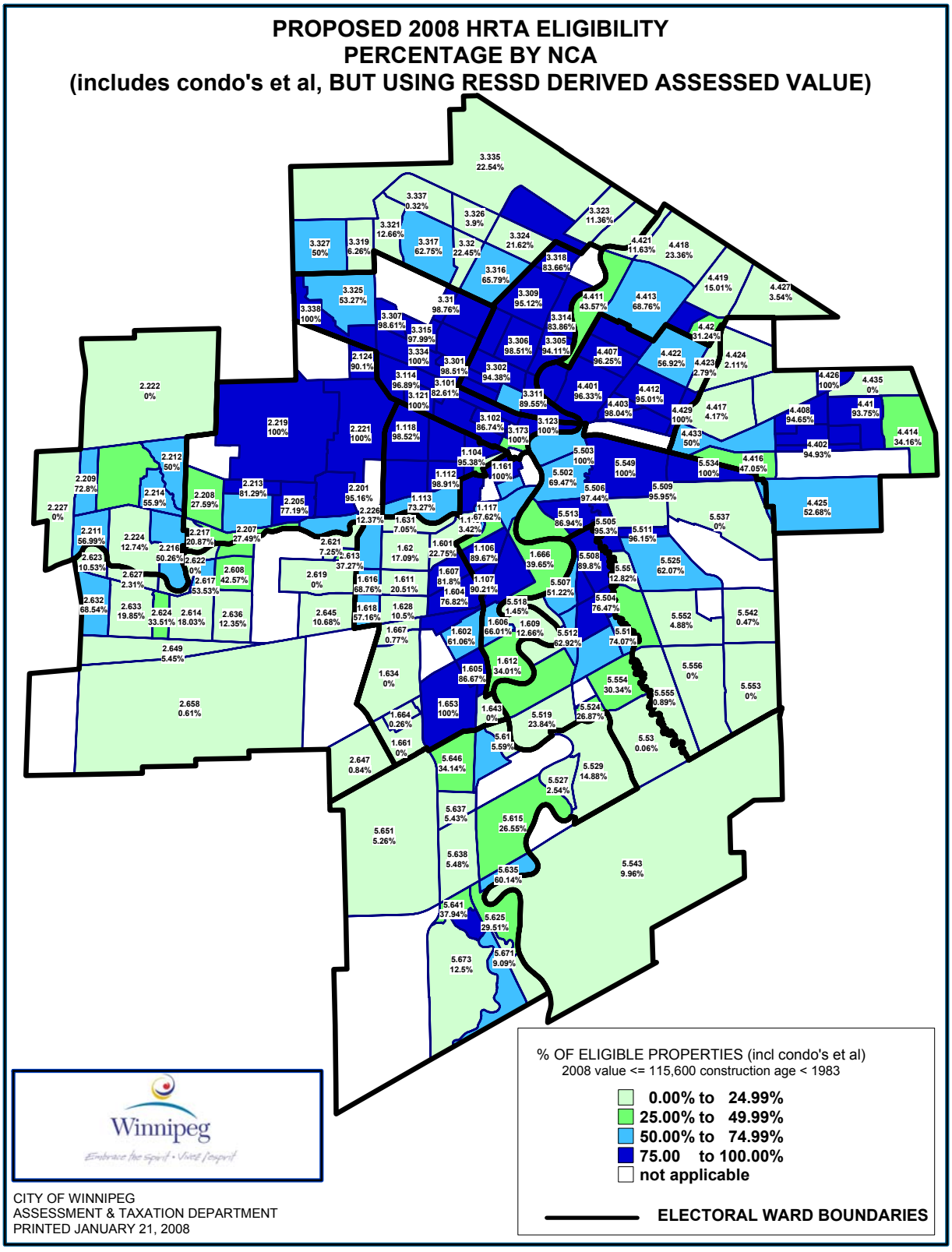
Thus the resulting percentage of eligible properties is actually
53%.

It appears this is what happened for 2006 and 2007

APPENDIX IV: **Proposed 2008 HRTA Eligible Residential Units by Ward**



Appendix V: Proposed 2008 HRTA Eligible Residential Units by Percentage in Neighbourhood



Appendix VI:

Proposed 2008 HRTA Program By-Law

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 2008 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 "2008 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;

"low flush toilet" means a toilet that complies with the Canadian Standards Association B45 standard and is rated to use 6 liters or less per flush;

"**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 home renovations, 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, veranda or garage;

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

(o) purchasing and installing a low flush toilet.

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, 1983; 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 $115,600 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 2008 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, 2008;

(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, 2008;

(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, 33/2006 and 121/2007.

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 at the address provided in the application for the property tax credit.

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 this day of , 2008.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Planning, Property
and Development

Approved as to financial details:

_____
City Treasurer

Approved as to form:

_____
City Solicitor/Manager of
Legal Services