Agenda – Executive Policy Committee – May 13, 2009

REPORTS

Item No. 3 2009 Home Renovation Tax Assistance Program
File FL

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That a Home Renovation Tax Assistance (HRTA) Program be approved for 2009 with:

   (a) the same residential unit conditions as 2008 as stipulated in By-Law 115/2008;

   (b) the same eligible renovation projects as 2008 as stipulated in By-Law 115/2008;

   (c) an eligibility condition that a residential unit must be constructed before January 1, 1984;

   (d) an eligibility condition that a residential unit must have a property assessment of $144,057 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 2009 HRTA Program remaining the same as the 2008 Program;

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

3. That $135,092 in unexpended funds realized during the operation of the 2008 HRTA Program be allocated to 2009 HRTA Program thereby increasing the maximum annual tax credit expenditure for the 2009 HRTA Program from $325,000 to $460,092.

4. That any unexpended funds realized during the operation of the 2009 HRTA Program be transferred to the Housing Rehabilitation Investment Reserve and allocated to the 2010 HRTA Program budget.

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

ADMINISTRATIVE REPORT

RE: 2009 HOME RENOVATION TAX ASSISTANCE PROGRAM

REPORT DATE: April 29, 2009

AUTHORIZATION

Author	Department Head	CAO
Martin Grady Administrator of Zoning and Permits	Deepak Joshi Director of Planning, Property and Development	Glen Laubenstein

RECOMMENDATION

1. That a Home Renovation Tax Assistance (HRTA) Program be approved for 2009 with:

(a) the same residential unit conditions as 2008 as stipulated in By-Law 115/2008;

(b) the same eligible renovation projects as 2008 as stipulated in By-Law 115/2008;

(c) an eligibility condition that a residential unit must be constructed before January 1, 1984;

(d) an eligibility condition that a residential unit must have a property assessment of $144,057 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 2009 HRTA Program remaining the same as the 2008 Program;

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

3. That $135,092 in unexpended funds realized during the operation of the 2008 HRTA Program be allocated to 2009 HRTA Program thereby increasing the maximum annual tax credit expenditure for the 2009 HRTA Program from $325,000 to $460,092.

4. That any unexpended funds realized during the operation of the 2009 HRTA Program be transferred to the Housing Rehabilitation Investment Reserve and allocated to the 2010 HRTA Program budget.

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

REASON FOR THE REPORT

Council approval is required to establish the 2009 Home Renovation Tax Assistance Program within the Council's approved cap of $1,380,276.00.

HRTA 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 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.

On June 18, 2008, Council approved the 2008 HRTA program with eligibility criteria that established an assessed value of $116,600 and for homes built prior to January 1, 1983. Low flush toilets were added to the list of eligible renovations and Council also established the policy of rolling unexpended program funds forward into future programs.

2008 HRTA Program Summary

The 2008 HRTA Program closed in November after generating 716 applications from owners with eligible properties. Of these, 79 qualified for the energy efficient Power Smart tax credit.

Of the 716 applications, 366 or 51% were completed prior to the December 31, 2008 deadline. These files have a construction value of $5,494,059 and have been applied toward tax credits for the 2008 HRTA Program year to be issued over three consecutive tax years in 2009, 2010 and 2011.

Program Operating Principles

The primary objective of the Home Renovation Tax Assistance Program (HRTA) is to provide an economic incentive for home renovations, to reduce the perception that property owners are penalized by tax increases 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.

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 Assessment and Taxation Department records, Winnipeg presently has 189,532 single-family dwellings. Of this total, 89,163 properties have an assessment of $144,057 or less and were constructed prior to 1984 (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. (Refer to attached Appendix III: Assessment Statistics for Proposed 2009 HRTA Program).

Consequently the Public Service recommends that the eligibility criteria for the 2009 Program should be adjusted to provide for an assessed value of $144,057 in order to implement the principle of capturing a minimum of 50% of the eligible housing unit stock.

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. Generally, the Program runs out of budget funds within approximately seven months.

Consequently the Public Service recommends that the 2009 HRTA Program be approved with the same eligibility criteria and residential unit conditions as the 2008 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's operating budget has historically

only included enough funds each year 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 included only approximately 65% – 70% of the $325,000.00 for tax credits in it’s annual Budget (refer to the attached Appendix "II", Completion Rates, Allocations and Expenses). The result is approximately $95,000 in unexpended funds annually.

Completion rates for the 2008 HRTA program were unusually low as a result of the late start of the program in June. The total value of all tax credits generated by the 2008 program is $569,725, or $189,908 per year, to be paid out over three consecutive years beginning in 2009. The unused funds from the 2008 Program of $135,092 (i.e. annual budget amount of $325,000 less $189,908) will be allocated to the 2009 HRTA Program (i.e. the 2010 to 2012 budget years) as per the 2008 HRTA Program report approved by Council on June 18, 2008 thereby increasing available funds and, presumably, allowing for the Program to remain open longer in each of those years.

To facilitate the allocation of unexpended funds from the 2009 Program to the 2010 Program without the requirement to request additional mill rate support, it is recommended that any HRTA Program budget remaining at year-end be transferred to the Housing Rehabilitation Investment Reserve Fund (HRIR). While unlikely to be significant, any interest accruing on the transferred amount will remain in the HRIR to be used as a funding source for its programs.

KEY ISSUES

- The 2009 HRTA Program should remain largely the same as for 2008 except that:
  - The assessment eligibility criteria would be raised to $144,057;
  - The eligibility for the date of construction would be moved up one year to January 1, 1984 (so that the age eligibility would remain at 25 years);
  - The departmental budget for the 2009 HRTA Program would be increased by $135,092 per annum from 2010 to 2012;
- Any tax credits that are unexpended in one year under the program would be transferred to future years so that the full amount of tax credits allotted to the Program would be used.

IMPACT OF THE RECOMMENDATIONS

IMPACT	YES	NO	COMMENTS
Policy		**X**	
Regulatory		**X**	
Environmental	**X**		**The program provides opportunity for homeowners to receive a 25% tax credit for energy efficient renovations and**

			a 25% tax credit for low flush toilets.
Human Resources		**X**	
Financial		**X**	**Within approved current and or capital budget.**
Legal (Contracts)		**X**	
Communications	**X**		**Martin Grady, Zoning and Permits Administrator**
Council Priorities Direction		**X**	
Other, e.g. Organizational, community, etc. (Specify)	**X**		**The 2009 HRTA Program will encourage residents to continue to renovate their homes, improve their neighbourhoods and to provide an economic incentive for home renovations.**

FINANCIAL IMPACT

Financial Impact Statement **Date:** April 29, 2009

Project Name: **First Year of Program** **2009**

2009 HOME RENOVATION TAX ASSISTANCE PROGRAM

	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	$ -	$ 880,000	$ 975,000	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ 880,000	$ 975,000	$ -	$ -
Less: Existing Budget Amounts	-	880,000	650,000	-	-
Net Budget Adjustment Required	$ -	$ -	$ 325,000	$ -	$ -

Additional Comments: Tax credits to be paid pursuant to the 2009 HRTA Program will be funded from PP&D's 2010 to 2012 current budgets (i.e. there is no budget impact in the year in which the by-law is passed). Direct costs in 2010 consist of the $230,000, $190,000 and $460,000 in credits from the 2007 to 2009 Programs respectively. The latter amount is based on the assumption that 100% of the available credits will be used (i.e. $325,000 2009 Program maximum + $135,000 2008 Program carry-forward amount). Direct costs in 2011 consist of $190,000, $460,000 and $325,000 in credits from the 2008 to 2010 Programs respectively. The latter amount is based on the assumptiont that there will be no carry-forward amount from the 2009 Program. Existing budget amounts are those included in the 2009 Adopted Budget and 2010 and 2011 forecast.

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

CONSULTATION

In preparing this Report there was consultation with:

Legal Services
Corporate Finance

SUBMITTED BY

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

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APPENDIX I: 2008 Home Renovation Tax Assistance Program description

Eligibility Requirements
The 2008 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, 1983.
- The resident's home and land on which it is situated has an assessed value not exceeding $115,600.00 in 2008.

How to Apply for the 2008 Program

- **To apply to the 2008 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 2008 Program funds are depleted or until December 31, 2008; 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 2008 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 and Water Use Reduction 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.
- Installation of Low Flush Toilets

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, 2008**.
- 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, 2008.**
- 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 2008 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 2009, 20010 and 2011 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
2008	716	366	51

YEAR	ANNUAL BUDGET TAX CREDIT ALLOCATIONS									
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
2000	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	230,000	-	-
2007	-	-	-	-	-	-	230,000	230,000	230,000	
2008								325,000	325,000	325,000

YEAR	ACTUAL ANNUAL TAX CREDIT EXPENSES									
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
2000	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	
2008								189,908	189,908	189,908

APPENDIX III: Assessment Statistics for Proposed 2009 HRTA Program

Wardname	Total Res properties in ward	Eligible properties in ward	% of total in ward that are eligible	% of all properties that are located in ward	% of eligible properties in ward
Charleswood - Tuxedo	13882	2467	17.77%	1.30%	2.77%
Daniel McIntyre	11340	10192	89.88%	5.38%	11.43%
Elmwood - East Kildonan	13140	10598	80.65%	5.59%	11.89%
Fort Rouge - East Fort Garry	10518	6153	58.50%	3.25%	6.90%
Mynarski	12270	11176	91.08%	5.90%	12.53%
North Kildonan	10445	3065	29.34%	1.62%	3.44%
Old Kildonan	12828	3384	26.38%	1.79%	3.80%
Point Douglas	12495	10011	80.12%	5.28%	11.23%
River Heights - Fort Garry	16335	4277	26.18%	2.26%	4.80%
St. Boniface	15720	4928	31.35%	2.60%	5.53%
St. Charles	10168	3321	32.66%	1.75%	3.72%
St. James - Brooklands	9406	5385	57.25%	2.84%	6.04%
St. Norbert	14295	2906	20.33%	1.53%	3.26%
St. Vital	15027	4889	32.53%	2.58%	5.48%
Transcona	11663	6411	54.97%	3.38%	7.19%
Totals	**189,532**	**89,163**	**47.04%**	**47.04%**	**100.00%**

Statistics for 2009

Lowest assessed value: $2,500

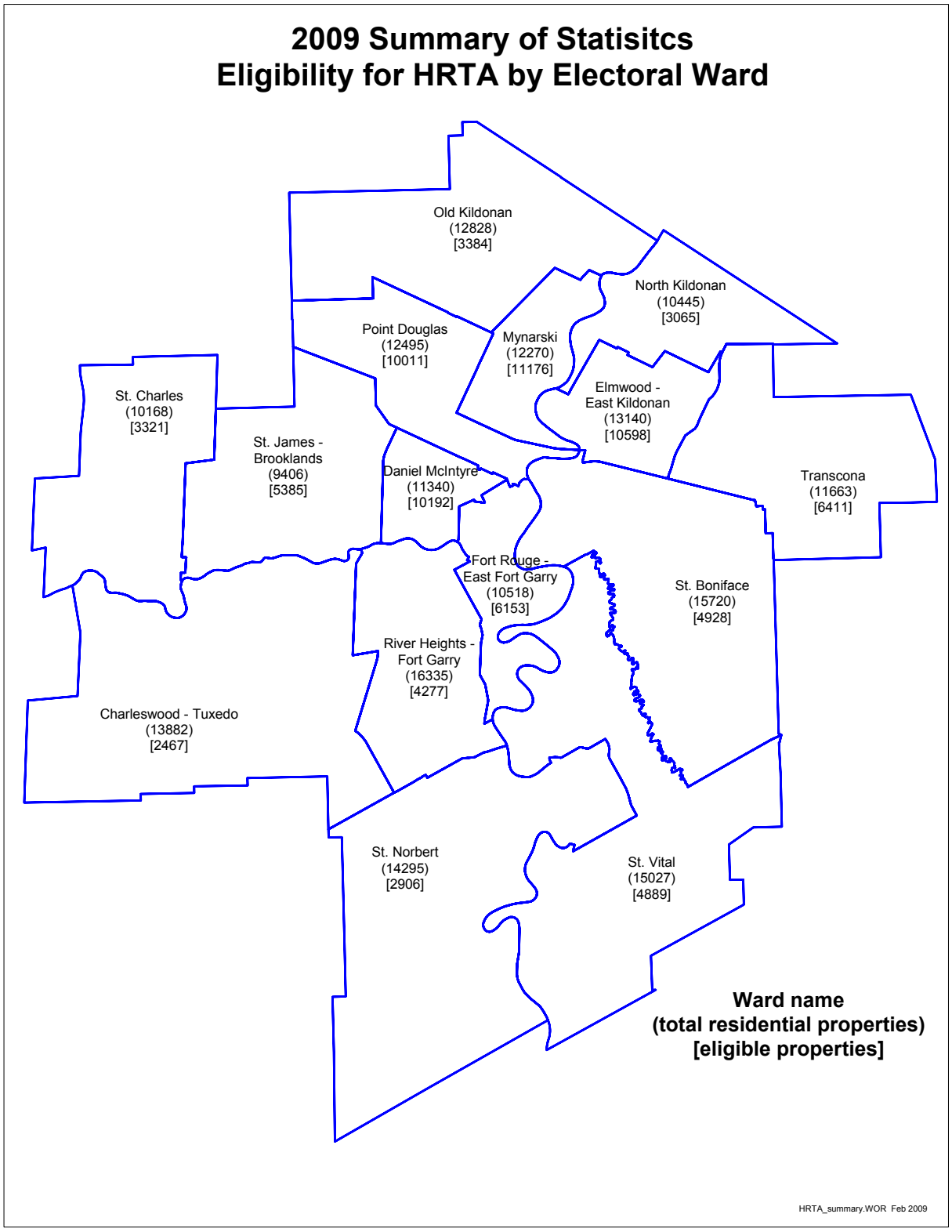
Highest assessed value: $2,700,000

Mean RESSD value: $144,057

Year built used: 1984 and older

Inventory by PUC		Eligible by PUC		% Eligible by PUC		
PUC	Count	PUC	Count		CODE	DESCRIPTION
CNAPT	13058	CNAPT	6947	53.20%	CNAPT	CONDO-APT-UNIT
CNDRH	2990	CNDRH	1607	53.75%	CNDRH	CONDO-ROWHOUSE
CNRES	434	CNRES	0	0.00%	CNRES	CONDO-RESIDENTIAL
RESAP	95	RESAP	74	77.89%	RESAP	APARTMENTS
RESDU	1083	RESDU	671	61.96%	RESDU	DUPLEX
RESMB	1543	RESMB	724	46.92%	RESMB	MULTI RES BLDGS
RESMC	3305	RESMC	2825	85.48%	RESMC	MULTI FAMILY CONVRSN
RESRH	1338	RESRH	1311	97.98%	RESRH	ROW HOUSING
RESSD	158112	RESSD	67623	42.77%	RESSD	DETACHED SINGLE DWELLING
RESSS	7530	RESSS	7366	97.82%	RESSS	SIDE BY SIDE
RESTR	44	RESTR	15	34.09%	RESTR	TRIPLEX
	189,532		**89,163**	**47.04%**		

APPENDIX IV: Proposed 2009 HRTA Eligible Units by Ward



Appendix V: Proposed 2009 HRTA 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 2009 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 "2009 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 the 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, 1984; 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 2009 and a real property tax credit given pursuant to this by-law shall be provided for the years 2010, 2011 and 2012.

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, 2009;

(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, 2009;

(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-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), (3) and (4), 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 (3) and (4), 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(3) 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.

(h) Installation of low flush toilets.

11(4) 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(5) 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 2009, 20010 or 2011.

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 , 2009.

_____
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