Minutes – Executive Policy Committee – March 17, 2010

REPORTS

Minute No. 195 2010 Home Renovation Tax Assistance Program
eFile FL

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommends to Council:

1. That a Home Renovation Tax Assistance Program be approved for 2010 with:

    A. The same residential unit conditions as 2009 as stipulated in By-law No. 83/2009, shown in Appendix 2 to the report from the Winnipeg Public Service dated February 25, 2010;

    B. The same eligible renovation projects as 2009 as stipulated in By-law No. 83/2009, shown in Appendix 2 to the report from the Winnipeg Public Service dated February 25, 2010;

    C. An eligibility condition that a residential unit must be constructed before January 1, 1985;

    D. An eligibility condition that a residential unit must have a property assessment of $192,000 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 2010 Home Renovation Tax Assistance Program remaining the same as the 2009 Program, shown in Appendix 2 to the report from the Winnipeg Public Service dated February 25, 2010.

2. That the draft By-law reflecting these recommendations be enacted, shown in Appendix 1 to the report from the Winnipeg Public Service dated February 25, 2010.

3. That any eligible renovations undertaken after January 1, 2010 but prior to Council's adoption of the 2010 Home Renovation Tax Assistance Program By-law qualify for the appropriate tax credits.

4. That any unexpended Home Renovation Tax Assistance (HRTA) Program budget from 2010 be transferred to the Housing Rehabilitation Reserve and allocated to the 2011 HRTA Program budget.

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

DECISION MAKING HISTORY:

Moved by Councillor Fielding,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

ISSUE: **Council approval is required to establish the 2010 Home Renovation Tax Assistance Program**

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Saj	D. Joshi	M. Ruta	G. Laubenstein

RECOMMENDATIONS

1. That a Home Renovation Tax Assistance (HRTA) Program be approved for 2010 with:

(a) the same residential unit conditions as 2009 as stipulated in By-Law 83/2009 (See Appendix 2);

(b) the same eligible renovation projects as 2009 as stipulated in By-Law 83/2009 (See Appendix 2);

(c) an eligibility condition that a residential unit must be constructed before January 1, 1985;

(d) an eligibility condition that a residential unit must have a property assessment of $192,000 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 2010 HRTA Program remaining the same as the 2009 Program (See Appendix 2);

2. That the attached draft By-law reflecting these recommendations be enacted by Council (Appendix 1).

3. That any eligible renovations undertaken after January 1, 2010 but prior to Council's adoption of the 2010 HRTA Program By-Law qualify for the appropriate tax credits.

4. That any unexpended HRTA budget from 2010 be transferred to the Housing Rehabilitation Reserve and allocated to the 2011 HRTA Program budget.

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

IMPLICATIONS OF THE RECOMMENDATIONS

Implementation of the 2010 Home Renovation Tax Assistance Program will continue to provide an economic incentive for homeowners to renovate and maintain their homes which contribute to the viability of older neighbourhoods.

The HRTA Program reduces the perception that property owners are penalized by tax increases for improving their properties and it encourages property owners to take out building permits thereby promoting the quality of construction in meeting applicable building, electrical and plumbing codes.

The Program also encourages energy efficient renovations by providing additional tax credits through harmonization with the technical requirements of the Manitoba Hydro Power Smart Program.

Allowing eligible renovation projects that commenced after January 1, 2010 but prior to Council's approval of the HRTA Program By-Law, to be included in the Program will allow for more construction projects to be completed within the current program year thereby increasing the rate of completions. This will help to prevent program funds from being allocated against projects that are not completed within the program year.

Allocation of $221,000 in unspent HRTA programs budget in 2009 to the 2010 HRTA Program increases the total maximum allocation from $975,000 to $1,196,000 or approximately $399,000 per year (2011 to 2013).

HISTORY

<u>2009 HRTA Program Summary</u>

The 2009 HRTA Program closed in December after generating 832 applications from owners with eligible properties. Of these, 131 qualified for the energy efficient Power Smart tax credit.

Of the 832 applications, 470 or 57 % were completed prior to the December 31, 2009 deadline. These files have a construction value of $6,669,756 and have been applied toward tax credits for the 2009 HRTA Program year to be issued over three consecutive tax years in 2010, 2011 and 2012. The total value of tax credits generated by the 2009 Program is $484,680 or $161,560 per year to be issued over three consecutive years.

In 2009, $221,000 of the $785,000 budgeted for HRTA programs remained unspent and, pursuant to Council direction, these funds were transferred to the Housing Rehabilitation Investment Reserve Fund (HRIR) and are to be allocated to the 2010 Program.

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.

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:

1. 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.
2. 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 189,608 residential dwellings. Of this total, almost 90,000 properties or 47% have an assessment of $192,000 or less and were constructed prior to 1985. 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 2010 HRTA Program).

The total number of eligible properties is only slightly higher than last year but the assessed value is much higher which reflects a City - wide average increase in residential property values.

The Public Service recommends that the eligibility criteria for the 2010 Program should be adjusted to provide for an assessed value of $192,000 in order to implement the principle of capturing a minimum of approximately 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 2010 HRTA Program be approved with the same eligibility criteria and residential unit conditions as the 2009 Program but with one change to how the program is administered as follows.

In previous years, if an eligible renovation was applied for prior to the approval of the HRTA Program By-Law by Council for that year the project was not included in the Program. Commencing with the 2010 Program, the Public Service recommends that eligible projects with building permits applied for after January 1 now be entered into the program once the HRTA Program By-Law is approved by Council.

FINANCIAL IMPACT

Financial Impact Statement **Date:** February 19, 2010

Project Name: **First Year of Program** **2010**

2010 Home Renovation Tax Assistance Program

	2010	2011	2012	2013	2014
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	$ -	$ 751,000	$ 960,000	$ -	$ -
Less: Incremental Revenue/Recovery	-	74,000	74,000	-	-
Net Cost/(Benefit)	$ -	$ 677,000	$ 886,000	$ -	$ -
Less: Existing Budget Amounts	-	650,000	650,000	-	-
Net Budget Adjustment Required	$ -	$ 27,000	$ 236,000	$ -	$ -

Additional Comments: Tax credits to be paid pursuant to the 2010 HRTA Program will be funded from PP&D's 2011 to 2013 current budgets (i.e. there is no budget impact in the year in which the by-law is passed). Direct costs in 2011 consist of the $190,000, $162,000 and $399,000 in credits from the 2008 to 2010 Programs respectively. The latter amount is based on the assumption that maximum available credits are allocated (i.e. $325,000 2010 Program maximum + $74,000 carry-forward amount). Incremental revenues of $74,000 in 2011 and 2012 represents the transfer of remaining HRTA budget from 2009 to the 2010 Program (i.e. $221,000 allocated over 3 years). Direct costs in 2012 consist of $162,000 from the 2009 Program and , $399,000 from each of the 2010 & 2011 Programs. The latter amount is based on the assumption that there will be no remaining HRTA program budget at the end of 2010. Existing budget amounts are those included in the 2010 Preliminary Budget and 2011 and 2012 forecast.

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

CONSULTATION

In preparing this Report there was consultation with:

Legal Services

SUBMITTED BY

Department: Planning, Property and Development
Division: Development and Inspections
Prepared by: Martin Grady
Date: February 25, 2010
File No.

O:\Reports Directive\Development and Inspections\Zoning and Permits

Appendix 1: Proposed 2010 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 2010 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 "2010 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, 1985; 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 $192,000 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 2010 and a real property tax credit given pursuant to this by-law shall be provided for the years 2011, 2012 and 2013.

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) if required, a building permit for the eligible renovation must have been taken out after January 1, 2010;

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

(d) the eligible renovation must be completed by December 31, 2010;

(e) 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, 2010;

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

(g) 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), (3) and (4), the annual real property tax credit shall be equivalent to 5% of the lesser 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;

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 the lesser 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;

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, 121/2007, 115/2008 and 83/2009.

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 plus any unexpended funds carried over from previous program years in any of the years 2010, 2011 or 2012.

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 of the City of Winnipeg 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 of the City of Winnipeg 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 , 2010.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Planning, Property
and Development

Approved as to financial details:

_____
City Treasurer

Approved as to form:

_____
A/City Solicitor/Manager of Legal Services

APPENDIX 2: 2009 Home Renovation Tax Assistance Program Description

Eligibility Requirements
The 2009 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, 1984.
- The resident's home and land on which it is situated has an assessed value not exceeding $144,057.00 in 2009.

How to Apply for the 2009 Program

- **To apply to the 2009 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 2009 Program funds are depleted or until December 31, 2009; 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 2009 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, 2009**.
- 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, 2009.**
- 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 3: HRTA Eligible Properties by Electoral Ward

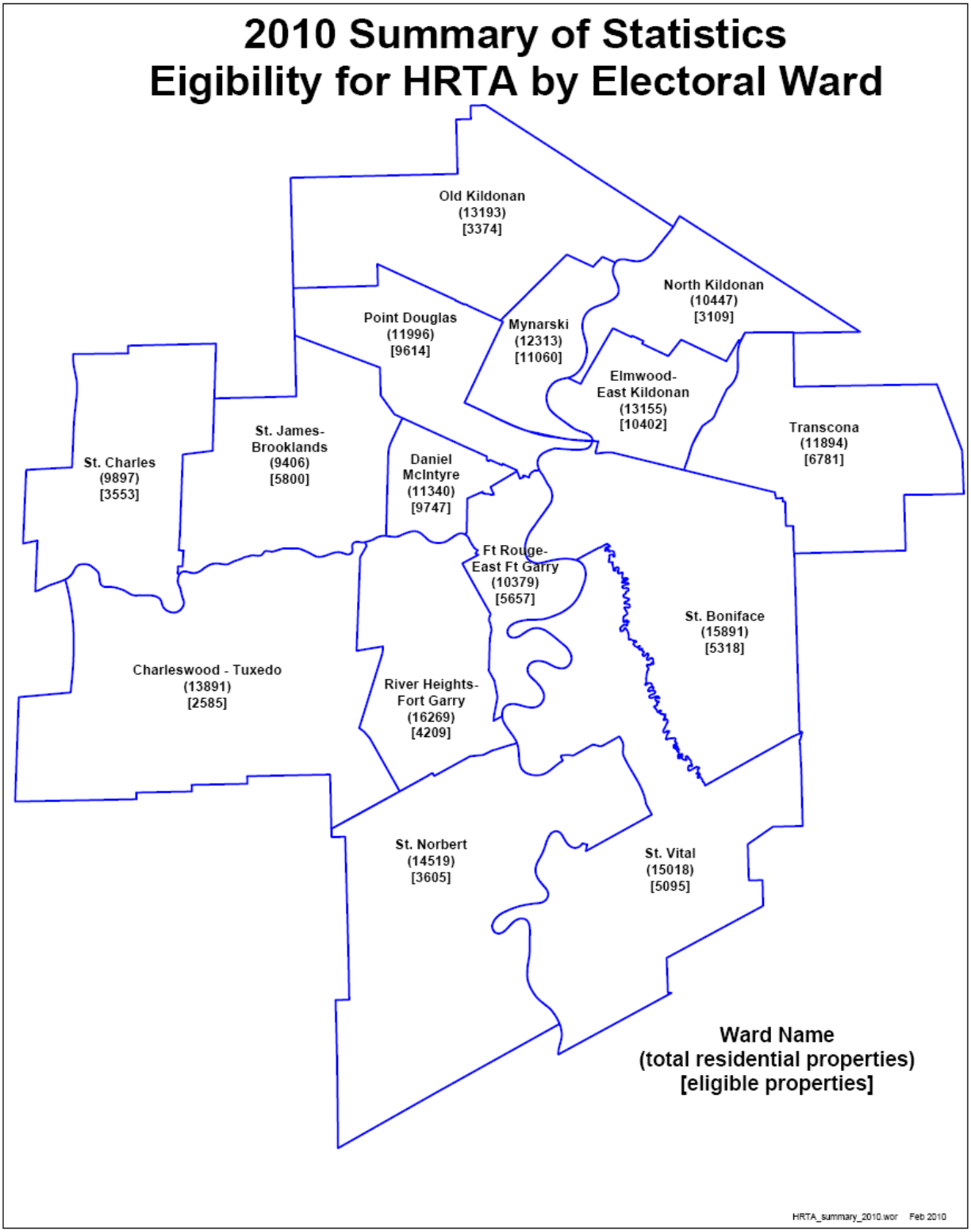
2010 Summary of Statistics Eigibility for HRTA by Electoral Ward

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	13,891	2585	18.61%	7.33%	2.88%
Daniel McIntyre	11,340	9747	85.96%	5.98%	10.84%
Elmwood - East Kildonan	13,155	10402	79.07%	6.94%	11.57%
Fort Rouge - East Fort Garry	10,379	5657	54.50%	5.47%	6.29%
Mynarski	12,313	11060	89.82%	6.49%	12.30%
North Kildonan	10,447	3109	29.76%	5.51%	3.46%
Old Kildonan	13,193	3374	25.57%	6.96%	3.75%
Point Douglas	11,996	9614	80.14%	6.33%	10.69%
River Heights - Fort Garry	16,269	4209	25.87%	8.58%	4.68%
St. Boniface	15,891	5318	33.47%	8.38%	5.91%
St. Charles	9,897	3553	35.90%	5.22%	3.95%
St. James - Brooklands	9,406	5800	61.66%	4.96%	6.45%
St. Norbert	14,519	3605	24.83%	7.66%	4.01%
St. Vital	15,018	5095	33.93%	7.92%	5.67%
Transcona	11,894	6781	57.01%	6.27%	7.54%
Totals	**189,608**	**89,909**	**47.42%**	**100.00%**	**100.00%**

Statistics for 2010	Inventory by PUC		Eligible by PUC		% Eligible by
(for all properties)	PUC	Count	PUC	Count	PUC
Lowest assessed value: $4,600	CNAPT	12,600	CNAPT	6,586	52.27%
Highest assessed value: $3,750,000	CNDRH	2,807	CNDRH	1,418	50.52%
Mean assessed value: $192,000	CNRES	436	CNRES	0	0.00%
	RESAP	95	RESAP	55	57.89%
Assessed value cut-off for HRTA:	RESDU	1,089	RESDU	430	39.49%
less than $192,001	RESMB	1,530	RESMB	565	36.93%
Year built used: 1985 and older	RESMC	3,282	RESMC	2,572	78.37%
	RESRH	1,339	RESRH	1,308	97.68%
	RESSD	158,840	RESSD	69,600	43.82%
	RESSS	7,546	RESSS	7,370	97.67%
	RESTR	44	RESTR	5	11.36%
		189,608		**89,909**	**47.42%**

CODE	DESCRIPTION
CNAPT	CONDO-APT-UNIT
CNDRH	CONDO-ROWHOUSE
CNRES	CONDO-RESIDENTIAL
RESAP	APARTMENTS
RESDU	DUPLEX
RESMB	MULTI RES BLDGS
RESMC	MULTI FAMILY CONVRSN
RESRH	ROW HOUSING
RESSD	DETACHED SINGLE DWELLING
RESSS	SIDE BY SIDE
RESTR	TRIPLEX

Appendix 3: HRTA Eligible Properties Map



APPENDIX 4: 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
2009	832	470	57