Minute No. 270
Report - Executive Policy Committee - March 18, 2003

Item No. 19 Amendment to By-law No. 8060/2002 - The Multiple Family Dwelling Grant By-law
File EX (Vol. 15)

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the following amendments to The Multiple Family Dwelling Grant By-law No. 8060/2002 be approved:

   A) By adding the following definition in alphabetical order in section 2:

      (a) "Downtown" means the geographic area of the City identified and approved by Council as the CentreVenture Mandated Area;

   B) By repealing section 6 and substituting the following:

      "6. In order to be eligible for a grant under this by-law:

      (a) the project must involve the construction or renovation of a multiple family dwelling in a Major Improvement Neighbourhood, a Rehabilitation Neighbourhood or on a property with frontage on either side of a street the centre line of which functions as a boundary for a Major Improvement Neighbourhood or a Rehabilitation Neighbourhood, and the project must not be receiving any other grant, or any loan, tax rebate or tax credit from the City;

      (b) the project must involve the construction or renovation of a multiple family dwelling in the Downtown or on a property with frontage on either side of a street the centre line of which functions as a boundary for the Downtown, and the project must not be receiving any tax rebate or tax credit from the City; and

Report - Executive Policy Committee - March 18, 2003

COUNCIL DECISION (continued):

(c) on the date By-law No. 8060/2002 was passed, the location of the project must:

(i) be a vacant site or boarded building located in a Major Improvement Neighbourhood, a Rehabilitation Neighbourhood or on a property with frontage on either side of a street the centre line of which functions as a boundary for a Major Improvement Neighbourhood or a Rehabilitation Neighbourhood; or

(ii) be a vacant site, boarded building or a building that was not wholly in residential use in the Downtown or on a property with frontage on either side of a street the centre line of which functions as a boundary for the Downtown."

C) By adding "prior to any substantial amount of work having been completed on the property pursuant to an approved project" immediately following "property" in subsection 15(1). With the amendment, subsection 15(1) would read as follows:

"15(1) Subject to subsection (2), if an applicant wishes to sell or transfer title to the property prior to any substantial amount of work having been completed on the property pursuant to an approved project, any approved grant which has not been released to the applicant is not transferable and will be cancelled."

2. That Council be requested to approve the following amendments to The Charter Implementation By-law No. 8162/2002:

a) By adding "in section 2" after "order" in subsection 135(c). With the amendment, subsection 135(c) would read as follows:

"135. The Multiple Family Dwelling Grant By-law No. 8060/2002 is amended …

(c) by adding the following definition in alphabetical order in section 2: …"

Report - Executive Policy Committee - March 18, 2003

COUNCIL DECISION (continued):

b) By striking out “subsection 5(2)” and substituting “subsection 15(2)” in subsection 135(g). With the amendment, subsection 135(g) would read as follows:

“135. The Multiple Family Dwelling Grant By-law No. 8060/2002 is amended

(g) by adding “property” before “owner” wherever it occurs in subsection 15(2);”

3. That the City Solicitor/Manager of Legal Services be instructed to prepare the foregoing amendments to the Multiple Family Dwelling Grant By-law No. 8060/2002 and the Charter Implementation By-law No. 8162/2002, for consideration by Council.

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

Report - Executive Policy Committee - March 18, 2003

DECISION MAKING HISTORY:

Moved by His Worship Mayor Murray,
That the recommendation of the Executive Policy Committee be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 18, 2003, the Executive Policy Committee concurred in the administrative recommendation, and submitted the matter to Council.

Re: **Proposed Amendment to By-law No. 8060/2002 – The Multiple Family Dwelling Grant By-law**

For submission to: **Executive Policy Committee**

Original report signed by: **Director of Planning, Property and Development**

Report date: **March 7, 2003**

In camera item: No

Recommendation(s):

1. That Council be requested to approve the following amendments to The Multiple Family Dwelling Grant By-law No. 8060/2002, as amended by By-law No. 8089/2002 and By-law No. 8162/2002:

   A) That By-law No. 8162/2002 be amended by adding the following definition in alphabetical order in section 2:

      (a) "Downtown" means the geographic area of the City identified and approved by Council as the CentreVenture Mandated Area;

   B) That By-law No. 8060/2002 be amended by repealing section 6 and substituting the following:

      "6. In order to be eligible for a grant under this by-law:

      (a) the project must involve the construction or renovation of a multiple family dwelling in a Major Improvement Neighbourhood, a Rehabilitation Neighbourhood or on a property with frontage on either side of a street the centre line of which functions as a boundary for a Major Improvement Neighbourhood or a Rehabilitation Neighbourhood, and the project must not be receiving any other grant, or any loan, tax rebate or tax credit from the City;

      (b) the project must involve the construction or renovation of a multiple family dwelling in the Downtown or on a property with frontage on either side of a street the centre line of which functions as a boundary for the Downtown, and the project must not be receiving any tax rebate or tax credit from the City; and

      (c) on the date By-law No. 8060/2002 was passed, the location of the project must:

(i) be a vacant site or boarded building located in a Major Improvement Neighbourhood, a Rehabilitation Neighbourhood or on a property with frontage on either side of a street the centre line of which functions as a boundary for a Major Improvement Neighbourhood or a Rehabilitation Neighbourhood; or

(ii) be a vacant site, boarded building or a building that was not wholly in residential use in the Downtown or on a property with frontage on either side of a street the centre line of which functions as a boundary for the Downtown."

C) That subsection 15(1) of By-law No. 8060/2002 be amended by adding "prior to any substantial amount of work having been completed on the property pursuant to an approved project" immediately following "property". With the amendment, subsection 15(1) would read as follows:

"15(1) Subject to subsection (2), if an applicant wishes to sell or transfer title to the property prior to any substantial amount of work having been completed on the property pursuant to an approved project, any approved grant which has not been released to the applicant is not transferable and will be cancelled."

2. That Council be requested to approve the following amendments to The Charter Implementation By-law No. 8162/2002:

a) That By-law No. 8162/2002 be amended by adding "in section 2" after "order" in subsection 135(c). With the amendment, subsection 135(c) would read as follows:

"135. The Multiple Family Dwelling Grant By-law No. 8060/2002 is amended

…

(c) by adding the following definition in alphabetical order in section 2: …"

b) That By-law No. 8162/2002 be amended by striking out "subsection 5(2)" and substituting "subsection 15(2)" in subsection 135(g). With the amendment, subsection 135(g) would read as follows:

"135. The Multiple Family Dwelling Grant By-law No. 8060/2002 is amended

(g) by adding "property" before "owner" wherever it occurs in subsection 15(2);".

3. That the City Solicitor/Manager of Legal Services be instructed to prepare the foregoing amendments to the Multiple Family Dwelling Grant By-law No. 8060/2002 and the Charter Implementation By-law No. 8162/2002, for consideration by Council.

4. That the proper officers of the City be authorized to do all things necessary to implement the foregoing recommendations.

REPORT SUMMARY

KEY ISSUES:

- By-law No. 8060/2002 established a grant program in order to provide incentives that promote private investment in infill multiple family development, and improve housing stock in older neighbourhoods;

- The By-law provides that in order to be eligible for a grant, the project must involve the construction or renovation of a multiple family dwelling in one of the fourteen Major Improvement Neighbourhoods or one of the nineteen Rehabilitation Neighbourhoods identified in Plan Winnipeg or such other area as may be designated by Council;

- The proposed amendments would provide for the expansion of the program to include:
    i. multiple family residential projects within the Downtown or on the frontage of a Downtown boundary street that are located on or within vacant sites or within buildings that were not wholly in residential use on the date By-Law No. 8060/2002 was passed; and
    ii. vacant sites or boarded buildings located on the frontage of neighbourhood boundary streets.
- The proposed amendments would correct minor errors that exist in the Charter Implementation By-law No. 8162/2002 and thereby produce consistency between the Multiple Family Dwelling Grant By-Law and The City of Winnipeg Charter.
- Costs associated with the Multiple Family Dwelling Grant Program would still be funded by the incremental municipal tax produced by the project.

IMPLICATIONS

General implications

	None
	For the organization overall and/or for other departments
X	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment:

- The By-law can be used more effectively to promote residential development within the Downtown and to enhance the interface of neighbourhood boundary street frontages.

Policy implications

X	No (*There are no policy implications if the report is asking for a one-time decision.)*
	Yes *(There are policy implications if the recommendation(s) is/are asking for a decision that will be used to guide decisions over time.)*

Comment:

Financial implications

	Within approved current and/or capital budget
	Current and/or capital budget adjustment required
X	No financial implications

Comment:

- There are no impacts on current and/or capital budgets. Short-term financial implications apply to the City's future tax revenue, as incremental increases in municipal taxes are rebated.
- For new and /or renovated multiple family development that result directly from this program, additional tax revenue will still be generated after the grant period ends.

REPORT

RECOMMENDATION(S):

1. That Council be requested to approve the following amendments to The Multiple Family Dwelling Grant By-law No. 8060/2002, as amended by By-law No. 8089/2002 and By-law No. 8162/2002:

   A) That By-law No. 8162/2002 be amended by adding the following definition in alphabetical order in section 2:

      (a) "Downtown" means the geographic area of the City identified and approved by Council as the CentreVenture Mandated Area;

B) That By-law No. 8060/2002 be amended by repealing section 6 and substituting the following:

"6. In order to be eligible for a grant under this by-law:

(a) the project must involve the construction or renovation of a multiple family dwelling in a Major Improvement Neighbourhood, a Rehabilitation Neighbourhood or on a property with frontage on either side of a street the centre line of which functions as a boundary for a Major Improvement Neighbourhood or a Rehabilitation Neighbourhood, and the project must not be receiving any other grant, or any loan, tax rebate or tax credit from the City;

(b) the project must involve the construction or renovation of a multiple family dwelling in the Downtown or on a property with frontage on either side of a street the centre line of which functions as a boundary for the Downtown, and the project must not be receiving any tax rebate or tax credit from the City; and

(c) on the date By-law No. 8060/2002 was passed, the location of the project must:

(i) be a vacant site or boarded building located in a Major Improvement Neighbourhood, a Rehabilitation Neighbourhood or on a property with frontage on either side of a street the centre line of which functions as a boundary for a Major Improvement Neighbourhood or a Rehabilitation Neighbourhood; or

(ii) be a vacant site, boarded building or a building that was not wholly in residential use in the Downtown or on a property with frontage on either side of a street the centre line of which functions as a boundary for the Downtown."

C) That subsection 15(1) of By-law No. 8060/2002 be amended by adding "prior to any substantial amount of work having been completed on the property pursuant to an approved project" immediately following "property". With the amendment, subsection 15(1) would read as follows:

"15(1) Subject to subsection (2), if an applicant wishes to sell or transfer title to the property prior to any substantial amount of work having been completed on the property pursuant to an approved project, any approved grant which has not been released to the applicant is not transferable and will be cancelled."

2. That Council be requested to approve the following amendments to The Charter Implementation By-law No. 8162/2002:

a) That By-law No. 8162/2002 be amended by adding "in section 2" after "order" in subsection 135(c). With the amendment, subsection 135(c) would read as follows:

"135. The Multiple Family Dwelling Grant By-law No. 8060/2002 is amended

(c) by adding the following definition in alphabetical order in section 2: …"

b) That By-law No. 8162/2002 be amended by striking out "subsection 5(2)" and substituting "subsection 15(2)" in subsection 135(g). With the amendment, subsection 135(g) would read as follows:

"135. The Multiple Family Dwelling Grant By-law No. 8060/2002 is amended

(g) by adding "property" before "owner" wherever it occurs in subsection 15(2);".

3. That the City Solicitor/Manager of Legal Services be instructed to prepare the foregoing amendments to the Multiple Family Dwelling Grant By-law No. 8060/2002 and the Charter Implementation By-law No. 8162/2002, for consideration by Council.

4. That the proper officers of the City be authorized to do all things necessary to implement the foregoing recommendations.

REASON FOR THE REPORT:

This report has been prepared to address vacant and boarded sites and to promote new and/or renovated multiple family development in Winnipeg's Downtown. The proposed amendments would enhance the viability of Downtown residential projects, which would likely not otherwise proceed. In addition, the Multiple Family Dwelling Grant Program currently applies to properties located within Major Improvement and Rehabilitation Neighbourhoods in the City of Winnipeg. The boundaries of these Neighbourhoods correspond, for the most part, with the centre line of a boundary street. The proposed amendments would expand eligibility criteria to include properties fronting on both sides of a Neighbourhood or a Downtown boundary street and clarify the objectives of the By-law with respect to property transfers.

On December 11, 2002, the Charter Implementation By-law No. 8162/2002 was passed by Council in order to update certain existing by-laws, including the Multiple Family Dwelling Grant By-law No. 8060/2002, and achieve consistency with The City of Winnipeg Charter. Section 135 of the Charter Implementation By-law No. 8162/2002 amends the Multiple Family Dwelling Grant By-law No. 8060/2002. There were two minor errors in section 135 of the Charter Implementation By-law No. 8162/2002, namely a section reference was inadvertently omitted and the reference to subsection 5(2) should have been a reference to subsection 15(2). It

is, therefore, requested that the Charter Implementation By-law No. 8162/2002 be amended by adding "in section 2" after "order" in subsection 135(c) and deleting the reference in subsection 135(g) to "subsection 5(2)" and substituting "subsection 15(2)".

HISTORY:

Section 138.4 of the former City of Winnipeg Act provided that Council may by by-law establish a program of grants, property tax credits or refunds to encourage and assist in the construction, renovation or preservation of buildings within an area designated by Council.

On May 22nd, 2002, City Council passed By-law No. 8060/2002 to establish the Multiple Family Dwelling Grant Program in order to provide incentives for neighbourhood revitalization through multiple family redevelopment and the renovation of vacant and boarded sites in Winnipeg's Major Improvement Areas and Rehabilitation Areas.

DISCUSSION:

The Housing Unit has received numerous inquiries from prospective applicants/developers, since adoption of the Multiple Family Dwelling Grant (MFDG) By-law. Two grant applications have been approved by the Department under the program to date.

Several developers have expressed strong interest in accessing the MFDG program to undertake residential projects within the Downtown. These projects support Plan Winnipeg's vision for revitalization and residential development within the Downtown, since they involve redevelopment and/or conversion of both abandoned space and derelict properties. Many of the proposed residential projects would become viable with the full benefits of the MFDG program. The cumulative effects of the amendments, which apply in the Downtown, would support residential development in the Downtown.

Rehabilitation projects planned within the fourteen Major Improvement Neighbourhoods and the nineteen Rehabilitation Neighbourhoods identified in Plan Winnipeg are currently eligible for grants under the MFDG program. Because the majority of these neighbourhoods are defined by boundaries that extend along the centre line of a street, vacant sites and/or derelict properties situated along the opposite side of a boundary street are presently excluded from the program. The image and character of a boundary street and its adjoining neighbourhood are defined by the quality of the development that occupies the frontage on both sides of the street. It is therefore important to include the entire streetscape within the MFDG program.

In order to ensure that the Program is fully accessible, that its objectives are achieved and that it can be used effectively to promote development, it is recommended that By-law No. 8060/2002 be amended by including the Downtown and both sides of boundary streets located in the Downtown and Major Improvement and Rehabilitation Neighbourhoods as eligible areas for grants.

Eligibility requirements of the MFDG program also preclude access to the Program if a project is located in a Major Improvement or Rehabilitation Neighbourhood or on a boundary street of such a Neighbourhood and the project is receiving any other grant, or any loan, tax rebate or tax credit from the City or if a project is located in the Downtown or on a boundary street of the Downtown and the project is receiving any tax rebate or tax credit from the City With the introduction of the new Affordable Housing Initiative (Tri-level AHI) and The City of Winnipeg Charter, new non-tax based funding tools will be available to support affordable residential development in the Downtown. Permitting program amalgamation in the Downtown would further promote its revitalization through sustainable residential development. All eligibility requirements prescribed under By-law 8060/2002 would still otherwise apply. In addition, all property taxes, utility charges or rates of any nature that are due to the City must still be paid out in full.

Costs associated with the Multiple Family Dwelling Grant Program would continue to be funded by the incremental municipal tax produced by the project. This funding would be sourced from the projects' incremental taxes that are added to the Multiple Family Dwelling Tax Investment Reserve Fund.

Total City wide grants available under the Program would still be limited to a maximum of $3,000,000 pursuant to Council's approval of the original program under By-law 8060/2002.

Financial Impact Statement

Date: March 7, 2003

Project Name:

First Year of Program 2003

Proposed Amendment to By-Law 8060/2002 - The Multiple Family Dwelling Grant By-Law

	2003	2004	2005	2006	2007
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The zero financial impact evaluation for the proposed by-law amendment is based on the assumption that annual grant payments will not be made until the applicable incremental tax amounts have been transferred to the Multiple Family Tax Investment Reserve Fund. This would normally not occur for each project until one year after the first year's taxes are paid after project completion. Another assumption is that the projects being funded would not otherwise be built without the Multiple Family Dwelling Grant. It should also be noted that there is a funding cap of $3 million applicable to this program.

Gord Courage, Manager
Support Services Division

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH:

Housing Development Administrator	Planning, Property and Development
Manager of Support Services	Planning, Property and Development
Manager of Downtown Improvement	Planning, Property and Development
Manager of Taxation and Revenue	Corporate Finance
Legal Services Staff	Corporate Services

THIS REPORT SUBMITTED BY:

Department Planning, Property and Development Department
Division Interim Housing Unit
Prepared by: Ray Klassen, Housing Development Administrator
PPD File #: