Agenda – Council – July 18, 2012

Report – Executive Policy Committee – July 11, 2012

Item No. 5 2012 Home Renovation Tax Assistance Program

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 11, 2012, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That a Home Renovation Tax Assistance (HRTA) Program be approved for 2012 with:

    A. The same residential unit conditions as 2011 as stipulated in By-Law 59/2011 (See Appendix 2);
    B. The same eligible renovation projects as 2011 as stipulated in By-Law 59/2011 (See Appendix 2);
    C. An eligibility condition that a residential unit must be constructed before January 1, 1987;
    D. An eligibility condition that a residential unit must have a property assessment of $218,000 or less;
    E. Continued harmonization with the technical requirements of the Manitoba Hydro Power Smart Program;
    F. A maximum annual property tax credit of $750;
    G. A maximum total tax credit per eligible residential property of $2,250;
    H. An increase of $339,964 to the HRTA budget amount currently reflected in the Planning, Property and Development Department's 2013 preliminary financial plan, funded by a transfer from the Housing Rehabilitation Investment Reserve;
    I. All other related conditions and costs of the 2012 HRTA Program remaining the same as the 2011 Program (See Appendix 2).

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

3. That any unexpended HRTA budget in 2012 be transferred to the Housing Rehabilitation Investment Reserve to be allocated to future HRTA Program budgets.

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

Report – Executive Policy Committee – July 11, 2012

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 11, 2012, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **2012 Home Renovation Tax Assistance Program**

Critical Path: **Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
S. Dueck	B. Thorgrimson	M Ruta	D Joshi COO

RECOMMENDATIONS

1. That a Home Renovation Tax Assistance (HRTA) Program be approved for 2012 with:

(a) the same residential unit conditions as 2011 as stipulated in By-Law 59/2011 (See Appendix 2);

(b) the same eligible renovation projects as 2011 as stipulated in By-Law 59/2011 (See Appendix 2);

(c) an eligibility condition that a residential unit must be constructed before January 1, 1987;

(d) an eligibility condition that a residential unit must have a property assessment of $218,000 or less;

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

(f) a maximum annual property tax credit of $750;

(g) a maximum total tax credit per eligible residential property of $2,250;

(h) an increase of $339,964 to the HRTA budget amount currently reflected in the Planning, Property and Development Department's 2013 preliminary financial plan, funded by a transfer from the Housing Rehabilitation Investment Reserve;

(i) all other related conditions and costs of the 2012 HRTA Program remaining the same as the 2011 Program (See Appendix 2);

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

3. That any unexpended HRTA budget in 2012 be transferred to the Housing Rehabilitation Investment Reserve to be allocated to future HRTA Program budgets.

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

REASON FOR THE REPORT

Council approval is required to establish the 2012 Home Renovation Tax Assistance Program.

IMPLICATIONS OF THE RECOMMENDATIONS

Implementation of the 2012 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.

The transfer of $339,964 of prior years' unspent HRTA program budgets to the Planning, Property and Development Department's (PP&D) 2013 operating budget will allow for up to 1,319 approved applicants. The $339,964 represents one-third of the available unallocated Program credits of $1,019,981 currently credited to the Housing Rehabilitation Investment Reserve (i.e. $829,389 as at December 31, 2011 plus $190,502 in unused credits from the 2012 budget year).

Budget implications and a continuity schedule of unused HRTA Program credits are outlined in Appendices 5 and 6 respectively.

HISTORY

2011 HRTA Program Summary

The 2011 HRTA Program closed in December after generating 636 applications from owners with eligible properties. Of these, 43 qualified for the energy efficient Power Smart tax credit.

Of the 636 applications, 425 or 67% were completed prior to the December 31, 2011 deadline. These files have a construction value of $3,067,400 and have been applied toward tax credits for the 2011 HRTA Program year to be issued over three consecutive tax years in 2012, 2013 and 2014. The total value of tax credits generated by the 2011 Program is $498,342 or $166,114 per year to be issued over three consecutive years.

In 2011, $538,000 of the $975,000 budgeted for HRTA programs remained unspent and, pursuant to Council direction, these funds were transferred to the Housing Rehabilitation Investment Reserve Fund (HRIR) bringing the balance of unexpended HRTA funding in the Reserve to $829,389. The 2012 Adopted Budget includes $650,000 for HRTA Program credits of which $459,498 will be paid. (See Appendix 6 for further details.)

Although the program was adjusted to allow for eligible projects to be retroactively included in the program from January 1 after the 2011 HRTA Program By-Law was enacted, there were still surplus funds available when the program closed at the end of November.

In order to encourage more applications and a higher rate of project completions, beginning with the 2011 HRTA Program, the annual tax credit amount increased from $500 to $750 with a total maximum credit of $2,250 for an eligible property.

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 193,000 residential dwellings. Of this total, almost 92,092 properties or 48% have an assessment of $218,000 or less and were constructed prior to 1987. 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 2012 HRTA Program).

The total number of eligible properties and the assessed value is consistent with last year's HRTA Program eligibility criteria. The Public Service recommends that the eligibility criteria for the 2012 Program should not be adjusted 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 but continues to experience unexpended funds within the existing eligibility criteria. In the past, the Program has allocated all budget funds within approximately seven months; however, since 2008 there has been unused budget and a reduction in both the number of applications and the number of project completions.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 4, 2012

Project Name: **First Year of Program** **2012**

2012 Home Renovation Tax Assistance Program

	2012	2013	2014	2015	2016
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	$ -	$ 989,964	$ 1,337,756	$ 1,659,142	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ 989,964	$ 1,337,756	$ 1,659,142	$ -
Less: Existing Budget Amounts	-	989,964	1,329,927	650,000	-
Net Budget Adjustment Required	$ -	$ -	$ 7,829	$ 1,009,142	$ -

Additional Comments: Tax credits to be paid pursuant to the 2012 HRTA Program will be funded from PP&D's 2013 to 2015 current budgets (i.e. there is no budget impact in the year in which the by-law is passed). Direct costs in 2013 consist of the $139,708, $166,114 and $684,142 in credits from the 2010 to 2012 Programs respectively. The latter amount is based on the assumption that allocated credits equal the maximum potential credits (i.e. $650,000 2013 financial plan amount + $339,964 available in the HRIR). The Existing Budget Amount in 2013 is based on the assumption that Recommendation 1 (h) is approved. Based on these assumptions, total HRTA credits in 2013 will equal the amount budgeted. Unallocated credits of $679,927 will be available in the HRIR for use in 2014. Direct costs in 2014 consist of $166,114 (2011 HRTA), $684,142 (2012 HRTA) and $487,500 (2013 HRTA maximum). Direct costs in 2015 consist of $684,142 (2012 HRTA) and $487,500 (2013 & 2014 HRTA maximums). These amounts are based on the assumption that

the HRTA Program each year is fully subscribed with 100% completion rate. Existing budget for 2014 consists of $650,000 included in the financial plan + a transfer of $679,927 from the HRIR while for 2015, it consists of only the $650,000 included in the financial plan. **See Appendix 5 for additional information.**

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

CONSULTATION

In preparing this report there was consultation with:

Legal Services
Assessment and Taxation

SUBMITTED BY

Department:	Planning, Property and Development
Division:	Development and Inspections
Prepared by:	Martin Grady
Date:	June 7, 2012

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Appendix 1: Proposed 2012 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 2012 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 "2012 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, in addition, 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, 1987; 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 $218,000 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 2012 and a real property tax credit given pursuant to this by-law shall be provided for the years 2013, 2014 and 2015.

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, 2012;

(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, 2012;

(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, 2012;

(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) $750.00; 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) $750.00; 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 $2,250.00 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, 36/2010 and 59/2011.

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 $487,500.00 plus any unexpended funds carried over from previous program years in any of the years 2012, 2013 or 2014.

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 in respect of a property located entirely or primarily in the area covered by the Downtown Winnipeg Zoning By-law may be made to the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management in accordance with *The City of Winnipeg Charter*. An appeal from a decision by the Chief Administrative Officer under this By-law in respect of all other properties 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 , 2012.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Planning, Property
and Development

Approved as to financial details:

_____
City Treasurer

Approved as to form:

_____
For Director of Legal Services/City Solicitor

APPENDIX 2: 2011 Home Renovation Tax Assistance Program Description

Eligibility Requirements
The 2011 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, 1986.
- The resident's home and land on which it is situated has an assessed value not exceeding $192,000.00 in 2011.

How to Apply for the 2011 Program

- **To apply to the 2011 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 2011 Program funds are depleted or until December 31, 2011; 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 2011 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 Neighbourhood Livability 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, 2011**.
- 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, 2011.**
- 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 2011 Program tax credit that an eligible resident will receive is **$2,250.00**. 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 $2,250.00.
- The maximum **annual** tax credit that an eligible resident will receive is **$750.00**. Tax credits will be provided to an eligible resident in the years 2012, 2013 and 2014 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

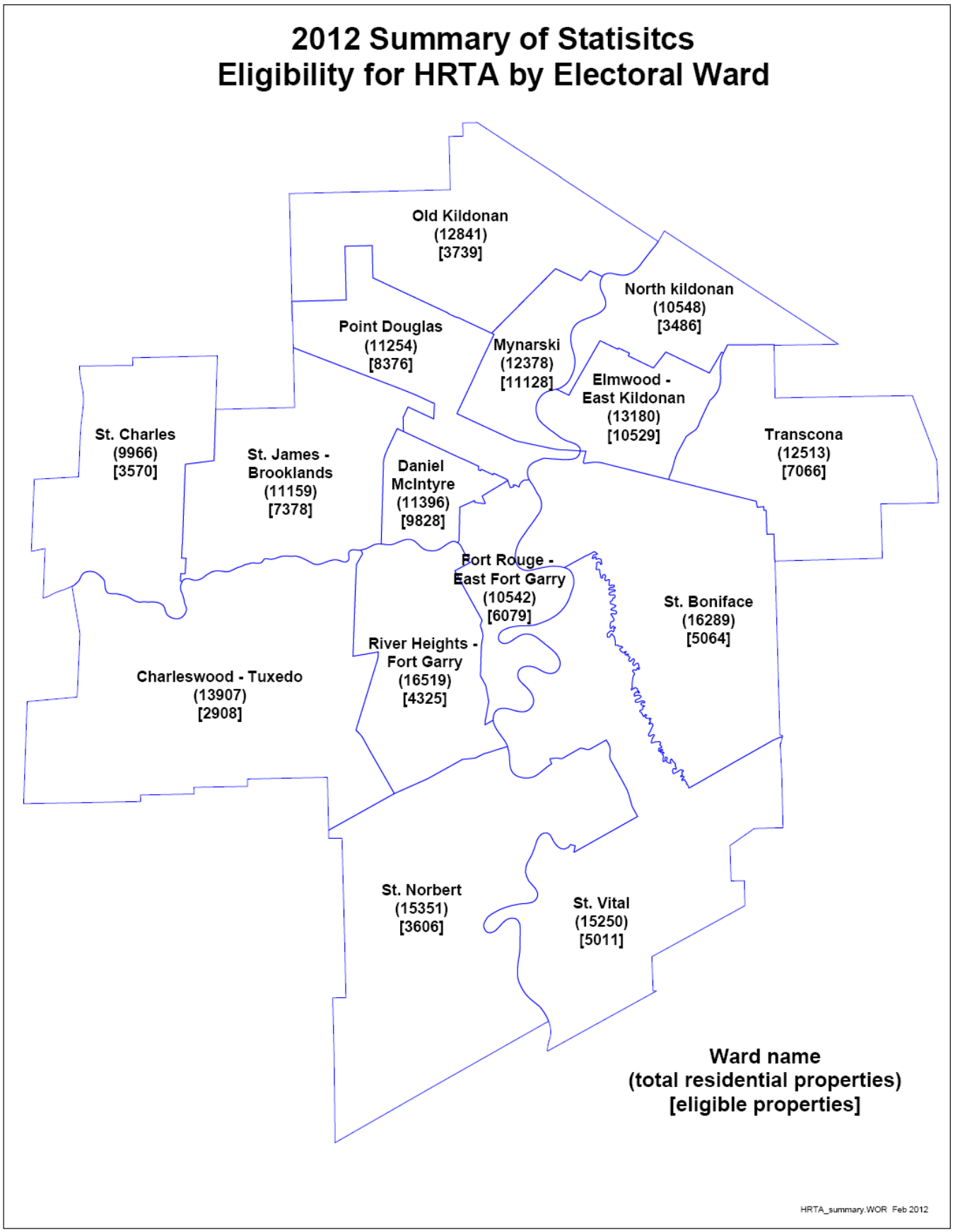
2012 Summary of Statistics for HRTA Eligibility by Electoral Ward

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	13,907	2,908	20.91%	7.20%	3.16%
Daniel McIntyre	11,396	9,828	86.24%	5.90%	10.67%
Elmwood - East Kildonan	13,180	10,529	79.89%	6.83%	11.43%
Fort Rouge - East Fort Garry	10,542	6,079	57.66%	5.46%	6.60%
Mynarski	12,378	11,128	89.90%	6.41%	12.08%
North Kildonan	10,548	3,486	33.05%	5.46%	3.79%
Old Kildonan	12,841	3,739	29.12%	6.65%	4.06%
Point Douglas	11,254	8,376	74.43%	5.83%	9.10%
River Heights - Fort Garry	16,519	4,325	26.18%	8.55%	4.70%
St. Boniface	16,289	5,064	31.09%	8.44%	5.50%
St. Charles	9,966	3,570	35.82%	5.16%	3.88%
St. James - Brooklands	11,159	7,378	66.12%	5.78%	8.01%
St. Norbert	15,351	3,606	23.49%	7.95%	3.92%
St. Vital	15,250	5,011	32.86%	7.90%	5.44%
Transcona	12,513	7,066	56.47%	6.48%	7.67%
Totals	**193,093**	**92,093**	**47.69%**	**100.00%**	**100.00%**

Statistics for 2012	Inventory by PUC		Eligible by PUC		% Eligible by
(for all properties)	PUC	Count	PUC	Count	PUC
Lowest assessed value: $5,100	CNAPT	13664	CNAPT	7992	58.49%
Highest assessed value: $3,670,000	CNDRH	2974	CNDRH	1483	49.87%
Mean assessed value: $218, 000	CNRES	454	CNRES	1	0.22%
	RESAP	98	RESAP	61	62.24%
Assessed value cut-off for HRTA:	RESDU	1092	RESDU	428	39.19%
less than $218,000	RESMB	1486	RESMB	525	35.33%
Year built used: 1987 and older	RESMC	3248	RESMC	2500	76.97%
	RESRH	1348	RESRH	1307	96.96%
	RESSD	161099	RESSD	70344	43.67%
	RESSS	7583	RESSS	7445	98.18%
	RESTR	47	RESTR	6	12.77%
		193,093		**92,092**	**47.69%**

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 4: HRTA Eligible Properties Map



APPENDIX 5: APPLICANTS, FILES COMPLETED AND COMPLETION RATES

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
2010	639	334	52
2011	636	425	67

APPENDIX 5:

BUDGET IMPLICATIONS - HOME RENOVATION TAX ASSISTANCE PROGRAM †

	Budget Year				
Program Year	**2013**	**2014**	**2015**	**2016**	**2017**
Budgeted Credits per 2010 Program	139,708				
Required Budget for 2011 Program	166,114	166,114			
Required Budget for 2012 Program	684,142	684,142	684,142		
Required Budget for 2013 Program		487,500	487,500	487,500	
Required Budget for 2014 Program			487,500	487,500	487,500
Budget Requirement 2013 Onward	**989,964**	**1,337,756**	**1,659,142**		
Budget Currently Included in PPD Financial Plan	650,000	650,000	650,000		
Budget Adjustment Required	339,964	687,756	1,009,142		
Transfer from HRIR	339,964	679,927	0	1,019,891 *	
Additional Mill Rate Support Required	0	7,829	1,009,142		

† Assumes 100% subscription / successful completion rate for 2012 and subsequent years' HRTA Progams.

* Agrees to "Unused HRTA Program Credits - Continuity Schedule" - Appendix 6

APPENDIX 6:

Unused H.R.T.A. Program Credits - Continuity Schedule

Balance of Unused Credits - December 31, 2011			**829,389**
2012 Adopted Budget - HRTA		650,000	
Credits to be Paid Pursuant to:			
2009 HRTA Program	153,676		
2010 HRTA Program	139,708		
2011 HRTA Program	166,114	459,498	
To be transferred to HRIR at Year-End		190,502	190,502
Balance of Unused Credits - December 31, 2012			**1,019,891** *
2013 Financial Plan - HRTA		650,000	
Transfer From HRIR		339,964	(339,964)
		989,964	
Credits to be Paid Pursuant to:			
2010 HRTA Program	139,708		
2011 HRTA Program	166,114		
2012 HRTA Program	684,142	989,964	
To be transferred to HRIR at Year-End		0	0
Balance of Unused Credits - December 31, 2012			**679,927**
2014 Financial Plan - HRTA		650,000	
Transfer From HRIR		679,927	(679,927)
		1,329,927	
Credits to be Paid Pursuant to:			
2011 HRTA Program	166,114		
2012 HRTA Program	684,142		
2013 HRTA Program	487,500	1,337,756	
To be transferred to HRIR at Year-End		0	0
Balance of Unused Credits - December 31, 2012			**0**
2015 Financial Plan - HRTA		650,000	
Transfer From HRIR		0	0
		650,000	
Credits to be Paid Pursuant to:			
2012 HRTA Program	684,142		
2013 HRTA Program	487,500		
2014 HRTA Program	487,500	1,659,142	
To be transferred to HRIR at Year-End		0	0
Balance of Unused Credits - December 31, 2012			**0**

* Agrees to "Budget Implications - Home Renovation Tax Assistance Program" - Appendix 5