Agenda - Executive Policy Committee – February 12, 2014

Report - Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – February 3, 2014

Item No. 2 Amendment to Downtown Residential Development Grant Program By-law 77/2010

STANDING COMMITTEE RECOMMENDATION:

On February 3, 2014, the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the amendments to the Downtown Residential Development Grant Program By-Law No. 77/2010 (attached as Schedule "A") to provide updated values in the grant eligibility grid (Rental) for the year 2013 that determine maximum grants for rental projects under the Downtown Residential Development Grant Program (DRDGP), be approved.

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

Agenda - Executive Policy Committee – February 12, 2014

Report - Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – February 3, 2014

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On February 3, 2014, the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

STANDING COMMITTEE RECOMMENDATION:

On January 6, 2014, the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management laid over the matter to its meeting on February 3, 2014.

ADMINISTRATIVE REPORT

Title: **Amendment to Downtown Residential Development Grant Program By-law 77/2010**

Critical Path: **SPC Downtown Development, Heritage and Riverbank Management - Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
W. Yee	B. Thorgrimson	N/A	M. Ruta A/CAO

RECOMMENDATIONS

1. That Council approves the proposed amendments to The Downtown Residential Development Grant Program By-Law No. 77/2010 (attached as Schedule "A") to provide updated values in the grant eligibility grid (Rental) for the year 2013 that determine maximum grants for rental projects under the Downtown Residential Development Grant Program (DRDGP).

2. 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

The Downtown Residential Development Grant Program was introduced in spring, 2010, and the Program By-law adopted by Council on June 1, 2010. The initial By-law established a "grid" used to calculate a project maximum grant, based on unit tenure (condominium vs. rental), size (e.g. bedrooms) and value (assessed value / monthly rental amount).

The data (value) in those grids are to be updated bi-annually for condominium assessed values, and annually for "median market rent" (MMR) rates for the City. Updates are required to determine maximum grants under the DRDGP for applicants who are eligible for grant payment (project completed) in 2012 and subsequent years for this program.

Since this report proposes to amend a By-law and only Council can amend by-laws, this report must be considered by Council.

IMPLICATIONS OF THE RECOMMENDATIONS

The maximum grants for apartment rental units will increase under the new grid that is being introduced. This grid is based on median market rates, determined by the Province of Manitoba through information received from CMHC (based on CMHC's rental survey of the City of Winnipeg). The Province provides the grid containing this information annually. Accordingly, this grid needs to be updated annually; it will be updated again when the Province provides the grid for 2014.

The Winnipeg Public Service will notify all eligible applicants under the DRDGP of these updated numbers.

HISTORY

In June, 2010 City Council enacted the Downtown Residential Development Grant Program By-law No. 77/2010, the objective of which is to promote the development of multiple family housing in the downtown of the City of Winnipeg. Approved applicants are eligible for grants up to fifteen times the sum of the incremental municipal taxes and the community revitalization levy (Provincial Education related taxes) for rental units. Approved condominium projects are eligible for grants up to ten times the sum of the incremental municipal taxes and the community revitalization levy (Provincial Education related taxes).

Maximum grant amounts are reflected in a grid that considers tenure, size, and value. Final calculation of grants require the most current assessed value and median market rents for the year in which the project is completed (receives occupancy and compliance with zoning, fire, and by-law enforcement).

The grid amounts for apartment rental units were initially set in 2010 and amended in 2011and 2012 to keep pace with changes in medium market rents (MMR), which are set annually. Changes to the maximum grants paid for condominium units are based on changes to assessed values every two years; a general assessment was conducted in 2010 and again in 2012, those numbers are reflected in the current grid.

The intention from the outset of the program is to update grid amounts annually for rental and bi-annually for condominium projects; and recognized that these grid rates may fluctuate during the lifespan of the Program.

Since 2010 the DRDGP has resulted in 77 condo units built and 180 rental units built. Currently there are an additional 1286 condo units and 169 rental units in planning and development stages under the DRDGP.

Rental grid numbers for 2012 (most current grid on rentals):

	APARTMENT BUILDINGS			
Maximum Grant per unit	**$40,000**	**$35,000**	**$30,000**	**$25,000**
	Maximum Rent Levels per Month			
Bachelor or Studio less than 650 square feet	$560	$610	$685	$810
Bachelor or Studio of 650 square feet or more or 1 bedroom	$740	$815	$915	$1,040
2 bedroom	$930	$1,005	$1,130	$1,255
3 bedroom or more	$1,090	$1,215	$1,340	$1,465

Proposed rental grid numbers for 2013:

	APARTMENT BUILDINGS			
Maximum Grant per unit	**$40,000**	**$35,000**	**$30,000**	**$25,000**
	Maximum Rent Levels per Month			
Bachelor or Studio less than 650 square feet	$560	$610	$685	$810
Bachelor or Studio of 650 square feet or more or 1 bedroom	$760	$835	$935	$1,060
2 bedroom	$970	$1,045	$1,170	$1,295
3 bedroom or more	$1,090	$1,215	$1,340	$1,465

FINANCIAL IMPACT

Financial Impact Statement Date: January 17, 2014

Project Name:

Amendment to Downtown Residential Development Grant Program By-law 77/2010

COMMENTS:

The recommendations, if approved, will not result in any out-of-pocket costs for the City. While the total tax grant amounts will increase due to the revised "grid", this will be offset by the incremental tax revenues generated. Once the 15-year period on which the incremental municipal tax revenue will be paid out to successful applicants, including amounts for the Exchange Waterfront Neighbourhood Development Program, has passed, all municipal taxation revenue (i.e. both the base or current amount plus the incremental portion) will accrue to General Revenue Fund.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this report there was consultation with:
Province of Manitoba Housing & Community Development

Province of Manitoba Local Government

City of Winnipeg Legal Services Department

City of Winnipeg Planning, Property & Development Department

Centre Venture

SUBMITTED BY

Department: Planning, Property & Development
Division: Housing Development
Prepared by: W. Yee
Date: *January 17, 2014*
File No.

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SCHEDULE A

THE CITY OF WINNIPEG

BY-LAW NO.

A By-law of THE CITY OF WINNIPEG to amend the Downtown Residential Development Grant Program By-law No. 77/2010

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1 The Downtown Residential Development Grant Program By-law o. 77/2010 is amended

(a) in clause 4(4)(b), by replacing *"2012"* with *"2013"*; and

(b) by replacing the grid in Schedule B to By-law No. 77/2010 with the following grid:

	APARTMENT BUILDINGS			
Maximum Grant per unit	***$40,000***	***$35,000***	***$30,000***	***$25,000***
	Maximum Rent Levels per Month*			
Bachelor or Studio less than 650 square feet	*$560*	*$610*	*$685*	*$810*
Bachelor or Studio of 650 square feet or more or 1 bedroom	*$760*	*$835*	*$935*	*$1,060*
2 bedroom	*$970*	*$1,045*	*$1,170*	*$1,295*
3 bedroom or more	*$1,090*	*$1,215*	*$1,340*	*$1,465*

* *"Maximum rent levels" applies as of the year in which the project is completed as determined by section 8.*

DONE AND PASSED, this day of , 2013.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Planning, Property and Development

Approved as to form:

_____
For Director of Legal Services/City Solicitor