Agenda - Executive Policy Committee – March 18, 2015

Report - Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – March 2, 2015

Item No. 1 Amendment to Downtown Residential Development Grant Program By-law No. 77/2010

STANDING COMMITTEE RECOMMENDATION:

On March 2, 2015, 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 proposed amendments to The Downtown Residential Development Grant Program By-law No. 77/2010 (draft attached as Schedule "A") to provide updated values in the grant eligibility grid for the year 2014 that determine maximum grants 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 – March 18, 2015

Report - Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – March 2, 2015

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On March 2, 2015, 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.

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	M. Pittet	M. Ruta	M. Jack A/CAO

RECOMMENDATIONS

1. That Council approves the proposed amendments to The Downtown Residential Development Grant Program By-Law No. 77/2010 (draft attached as Schedule "A") to provide updated values in the grant eligibility grid for the year 2014 that determine maximum grants 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 2014 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 formula used to update the grid for condominium units is based on information received from the Assessment and Taxation Department on changes to city-wide condominium assessed values between general assessment years. The overall increase in City wide condominium assessed values between the two general assessments (reference years of 2010 and 2012) was 10%. Therefore the grid amounts for condominium values in the new grid being introduced to the By-law are increased by 10% over the existing grid for eligible applicants that completed or will complete their project in 2014 and 2015.

The maximum grants for apartment rental units will also 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 2015.

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 2011, 2012, and 2013 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 2012, those numbers are reflected in the current grid. Eligible applicants who received occupancy in 2014 are evaluated using assessments provided in 2014 and therefore grid amounts are to reflect the most current assessment period (2014 general assessment).

The intention from the outset of the program is to update grid amounts annually and recognized that these grid rates may fluctuate during the lifespan of the Program.

Proposed grid numbers for 2014:

	CONDOMINIUMS			
Maximum Grant per unit	**$40,000**	**$35,000**	**$30,000**	**$25,000**
	Maximum Assessed Value per Dwelling Unit (in thousands of dollars)			
Bachelor or Studio less than 650 square feet	$185	$228	$271	$315
Bachelor or Studio of 650 square feet or more or 1 bedroom	$216	$265	$315	$370
2 bedroom	$265	$327	$376	$431
3 bedroom or more	$308	$370	$431	$493

	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	$640	$690	$765	$890
Bachelor or Studio of 650 square feet or more or 1 bedroom	$820	$895	$995	$1,120
2 bedroom	$1,010	$1,085	$1,210	$1,335
3 bedroom or more	$1,230	$1,355	$1,480	$1,605

FINANCIAL IMPACT

Financial Impact Statement

Date: February 18, 2015

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 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

City of Winnipeg, Assessment & Taxation

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: February 18, 2015
File No.o:\reports directive\housing development\ris drdg grids condo and rental - final 2014 & 2015.docx

DRAFT

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:

Downtown Residential Development Grant Program By-law amended

1(1) Subsection 4(4) of the Downtown Residential Development Grant Program By-law No. 77/2010 is replaced with the following:

Maximum grants

4(4) Notwithstanding subsections (2) and (3), the maximum amount of the grant for any project shall not exceed the following:

(a) for condominiums that were completed in 2014 or 2015, as determined by section 8, the amount per dwelling unit as determined by the type, size and assessed value of that dwelling unit as set out in the grid contained in Appendix A, which is attached to and forms part of this By-law; and

(b) for rental apartment buildings that were completed in 2014, as determined by section 8, the amount per dwelling unit as determined by the type, size and rent per month of that dwelling unit as set out in the grid contained in Appendix B, which is attached to and forms part of this By-law.

1(2) Schedules A and B to this By-law are added as Schedules A and B to the Downtown Residential Development Grant Program By-law No. 77/2010.

DONE AND PASSED in Council assembled, this ___ day of _____, 2015.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Planning, Property and Development

Approved as to form:

_____
for Director of Legal Services and City Solicitor

Schedule A to By-law No. _____/2015

SCHEDULE A
To the Downtown Residential Development Grant Program By-law No. 77/2010

Grid setting out maximum grants per dwelling unit of eligible condominium projects

	CONDOMINIUMS			
Maximum Grant per dwelling unit	**$40,000**	**$35,000**	**$30,000**	**$25,000**
	Maximum Assessed Value per Dwelling Unit* (in thousands of dollars)			
Bachelor or Studio less than 650 square feet	$185	$228	$271	$315
Bachelor or Studio of 650 square feet or more or 1 bedroom	$216	$265	$315	$370
2 bedroom	$265	$327	$376	$431
3 bedroom or more	$308	$370	$431	$493

*** "Maximum assessed value" applies as of the reference date for the year in which the project is determined by section 8 to be completed.**

Schedule B to By-law No. _____/2015

SCHEDULE B
To the Downtown Residential Development Grant Program By-law No. 77/2010

Grid setting out maximum grants per dwelling unit of eligible rental apartment building projects

	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	$640	$690	$765	$890
Bachelor or Studio of 650 square feet or more or 1 bedroom	$820	$895	$995	$1,120
2 bedroom	$1,110	$1,085	$1,210	$1,335
3 bedroom or more	$1,230	$1,355	$1,480	$1,605

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