Proposed Amendment to By-law No. 8060/2002 - The Multiple Family Dwelling Grant By-law
File EX (Vol. 14)

3. The Executive Policy Committee has been advised that Section 138.4 of The City of Winnipeg Act provides 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 22, 2002, City Council passed By-law No. 8060/2002 to establish a program of grants to encourage and assist in the construction and renovation of multiple family dwellings in designated areas in the City of Winnipeg. The Multiple Family Dwelling Grant Program was developed in order to provide incentives for neighbourhood revitalization through multiple family re-development and the renovation of vacant and boarded sites in Winnipeg's Major Improvement Areas, Rehabilitation Areas and the Downtown.

Since adoption of the Multiple Family Dwelling Grant (MFDG) By-law, the Housing Unit has received numerous inquiries from prospective applicants/developers.

During discussions with several potential developers, it became clear that the full financial benefits of the MFDG program would not accrue to some projects. While the projects would qualify for maximum grants under the By-law, several private financial institutions would not recognize the value of the grant due to the three (3) to five (5) year payout.

A number of these projects have considerable merit, since they contemplate redevelopment of particularly unsightly derelict sites in the City. These projects are not viable without the full benefits of the MFDG program, which can only be secured through provision annual grant payments.

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 to permit annual grant payments. The proposed amendment would provide for annual interim grant payments in special circumstances, where it is demonstrated that this is necessary for a project to proceed.

All eligibility requirements prescribed under By-law No. 8060/2002 would still apply. In addition, all property taxes, utility charges or rates of any nature, which are due to the City, must be paid out in full.

Costs associated with the Multiple Family Dwelling Grant Program would still be funded by the incremental municipal tax produced by the project. Annual grant payments would be paid to the developer in the year following the year the project is added to the tax roll. This funding would be sourced from the projects' incremental taxes added to the Multiple Family Dwelling Tax Investment Reserve Fund.

The Executive Policy Committee recommends:

I. That Council be requested to approve the following amendments to the Multiple Family Dwelling Grant By-law, as outlined in Attachment "A":

A) That Section 12 of By-law No. 8060/2002 be amended by renumbering the present Subsections 12(a) and 12(b) as Clauses 12(1)(a) and 12(1)(b) and adding Subsection 12(2) as follows:

12(1) The grant shall only be released to the applicant:

(a) when the total value of the accumulated incremental municipal taxes for the project equals at least 10% of the eligible construction costs; or

(b) at the end of five years from the date of approval of the project where the total value of the accumulated incremental municipal taxes is less than 10% of the eligible construction costs;

and all conditions set out in section 8 have been complied with.

12(2) Notwithstanding subsection (1), the grant may be released to the applicant in the form of interim annual payments in the year following the year in which the incremental municipal taxes were paid and in an amount equal to the incremental municipal taxes paid in the previous year, where the applicant provides evidence to the satisfaction of the Director that:

(a) the project cannot proceed without the release of the grant to the applicant in the form of interim annual payments; and

(b) the project will provide a significant long-term benefit;

and all conditions set out in section 8 have been complied with.

b) That Section 17 be amended by adding the words “section 12”, or as noted below:

17. Any applicant who is aggrieved by a decision of the Director made under Section 12 or Section 16 may, within 15 days of the date of the decision, appeal from that decision to the Standing Policy Committee on Property and Development by filing a written notice of appeal with the City Clerk or the Director, which states the grounds for the appeal.

II. That the City Solicitor/Manager of Legal Services be instructed to prepare the amendment to By-law No. 8060/2002 - The Multiple Family Dwelling Grant By-law, for consideration by Council.

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