

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **May 3, 2010**
 FROM: **General Manager, Planning and Development** FILE: **0125-20**
 SUBJECT: **Building Envelope Remediation Grant Program**

RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report as information; and
2. Approve the discontinuance, as of July 1, 2010, of the City grant program under which building owners are reimbursed for building permit fees associated with building envelope repairs.

BACKGROUND

During the 1980s and early 1990s, the design and/or construction techniques for many multifamily residential buildings resulted in water ingress problems in what came to be known as "The Leaky Condo Crisis". As a means by which to provide some assistance to the owners of these buildings, on January 24, 2000, City Council approved a grant program under which the owners of leaky condos carrying out building envelope repairs were eligible for a grant in the amount of the building permit fee related to the work associated with the building envelope repair (Corporate Report No. R016).

This program was well received by the owners of the leaky buildings. The following table provides details of the number and value of the grants issued under the program.

Year	Apartment Projects	Townhouse Projects	Number of Permits	Grant Amount
2000	25	15	40	\$118,006
2001	7	3	10	\$ 56,019
2002	9	0	9	\$ 43,117
2003	8	1	18	\$ 52,070
2004	1	1	11	\$ 8,464
2005	2	0	2	\$ 71,918
2006	7	1	13	\$ 67,732
2007	11	2	13	\$101,580
2008	0	1	1	\$ 339
2009	3	1	4	\$ 35,682
Totals	73	25	121	\$554,927

DISCUSSION

The Homeowner Protection Office (the "HPO") of the Province had also introduced a program intended to provide relief for the owners of "leaky condos". This program, known as the PST Relief Grant Program, was available to owners of homes with completed building envelope repairs and has been in operation for about 12 years. It provided a grant to such owners that offset the PST on the costs of the related repairs. As of June 30, 2010, the PST Relief Grant will be terminated in conjunction with the introduction of the Harmonized Sales Tax (HST). A copy of the Information Bulletin from the Ministry of Housing and Social Development that documents this intention is attached as Appendix I.

The City's grant program has served its purpose. Whereas in the past homeowners were caught unaware by premature building envelope failures, prospective purchasers, architects, engineers and building owners now routinely check to ensure that the building envelope has been properly addressed. In the same way as the Province has determined that the relief program that they introduced is no longer necessary, it is reasonable for the City to discontinue its program as well. If Council approves the recommendations of this report, the grant program will continue to apply to any building permit applications for "leaky condo" building envelope repairs that are currently in stream as well as those that the City receives in advance of July 1, 2010.

CONCLUSION

Based on the above discussion, it is recommended that Council approve the discontinuance, as of July 1, 2010, of the City grant program under which building owners are reimbursed for building permit fees associated with building envelope repairs

Original signed by
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General Manager
Planning and Development

JKM/vll/saw



INFORMATION BULLETIN

2010HSD0024-000212
March 3, 2010

Ministry of Housing and Social Development

HOMEOWNER PROTECTION ACT RESPONSIBILITIES TRANSFERRED

VICTORIA – As part of government’s review of Crown corporations, the Province will transfer a number of the key responsibilities under the Homeowner Protection Act effective April 1, 2010.

The transfer of responsibilities includes:

- Transferring the residential builder and building envelope renovator licensing, owner builder authorization and the research and education responsibilities to BC Housing.
- Transferring the administration of the Reconstruction Program to the Ministry of Finance. HPO stopped accepting new applications for this program in July 2009.

As of June 30, 2010 the PST Relief Grant for owners of homes with completed building envelope repairs will be terminated in conjunction with the introduction of the Harmonized Sales Tax (HST). Applications for the grant will be accepted at the current HPO address until 4 p.m. on June 30, 2010.

Requirements for licensing, owner builder authorizations and home warranty insurance under the Homeowner Protection Act will remain unchanged.

The HPO website will continue to provide online licensing, new home registration, owner builder authorization, Building Smart seminar registration, and research and education information for the residential construction industry and consumers.

For the latest information about the transfer of the Homeowner Protection Act responsibilities, visit www.hpo.bc.ca.

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