Proposed Vacant and Boarded Up Dwelling By-law Containing Minimum and Progressive Penalties
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13. On December 21, 1999, City Council adopted the "Action Against Arson" Report developed by the Anti-Arson Interdepartmental Task Force under the leadership of the Chief Administrative Officer. The Report recommended, among other things, that the Province grant the City extensive by-law powers over vacant and boarded-up buildings. In August, 2000, the Province amended The City of Winnipeg Act to allow the City to establish "a system to regulate the condition and maintenance of vacant dwellings or non-residential buildings", including the explicit authority to impose requirements regarding securing of buildings, to inspect the interior of vacant buildings and to limit the length of time buildings could remain boarded-up.

In an effort to use the legislative authority provided by amendments to The City of Winnipeg Act, an interdepartmental working group was established to develop a regulatory system for vacant dwellings that would support neighbourhood revitalization and anti-arson efforts.

A. Issue Identification

The working group/administrative team concluded that the underlying cause of vacant and boarded-up houses is directly related to the negative cycle created by the general deterioration of inner city neighbourhoods, and the resulting decline in property values. In many situations, reduced property values have made it uneconomical to maintain and rehabilitate dwellings. This further contributes to the deterioration of the neighbourhood, which in turn, lowers property values, and generates a declining cycle.

The administrative team identified the following component problems and perspectives related to this cycle:

Neighbourhood Perspective	Owner Perspective
Vacant and boarded-up dwellings reduce property values in neighbourhoods by: • Producing a deleterious visual impact on the streetscape • Creating the impression of decline • Becoming vulnerable for use by individuals involved in illegal activities, squatters etc.	Vacant dwellings are often vacant because it is uneconomical for owners to renovate or maintain boarded-up dwellings at standards fit for occupancy due to: • High costs associated with repairing and renovating aging dwellings • Damage caused by renters • Low rents
Vacant and boarded-up dwellings are a danger to adjacent dwellings, since: • Their existence raises the likelihood of arson, accidental fires, vandalism and other crimes • They create drainage problems • They become prone to vermin and illegal dumping	Owners often will not transfer (i.e. sell or give away) vacant dwellings, because: • Selling at market value would result in a loss • Housing groups cannot often pay market value • A tax receipt does not provide sufficient incentive for owners to give buildings away • There are no adequate legal tools available that require owners to transfer vacant dwellings quickly to either the City or housing groups

The consequences are that:

- Property owners hold on to their vacant dwellings in the hopes that property values will rise eventually.
- Neighbourhoods live with the disruptive effects of vacant and boarded-up dwellings for years.
- Before vacant dwellings are sold or are transferred through tax sale, they have often deteriorated to the point where they can no longer be repaired.

B. Current Situation

The Fire Prevention Branch recently completed a comprehensive exterior inspection and assessment of all vacant and boarded buildings within the City of Winnipeg. Significant information obtained from these inspections, includes the following:

- There are some 333 vacant and/or boarded single family structures within the City;
- There presently are 133 vacant and/or boarded multiple family structures within the City;
- The City has acquired approximately 30 residential properties through the tax sale process that will be affected by this By-law; and
- Approximately 60% of all vacant and/or boarded dwellings are in poor or very poor condition.

C. Proposed By-law

The Vacant Dwellings By-law will create standards for vacant and boarded dwellings, restrict the time a dwelling may be boarded and impose penalties for non-compliance.

- Standards are prescribed within the By-law for securing dwellings and for the condition of exterior walls, roofs, foundations, porches and stairs, guards and handrails, floors, walls and ceilings, fire protection systems, yards, walks and driveways and for fences and accessory buildings.

- If they wish to board-up a vacant dwelling, owners are required to obtain a permit, which will allow the building to be boarded for up to 6 months. Two additional permits may be issued within 5 years of the first permit being issued.

- Fees for a Boarded-up Building Permit within a five year period are:
    - 1st permit $10.00
    - 2nd permit $200.00
    - 3rd permit $800.00

- The City may issue orders requiring an owner to obtain a permit or bring the dwelling into compliance with the By-law.

- An owner who fails to comply with the By-law would be subject to fines of:
    - $500.00 for a 1st offence,
    - $1000.00 for a 2nd offence, and
    - $2000.00 for a 3rd or subsequent offence

- Provision is made within the By-law for an appeal to the Standing Policy Committee on Property and Development.

- If the owner of a vacant dwelling contravenes an order to comply with the By-law, the City has the choice of bringing the dwelling into compliance with the By-law by effecting repairs, removing boards or demolishing the dwelling and adding these costs to the real property taxes.

- The proposed By-law will not permit owners of structurally sound dwellings to undermine the Demolition Permits By-law No. 4665/87 by boarding-up dwellings until enforcement officials order them demolished. This is because the By-law entitles the City to repair the dwelling rather than demolishing it, and to recover the costs of those repairs from the owner by adding these costs to the real property taxes.

- The proposed By-law requires the owner to provide an address for service when obtaining a Boarding-Up Permit. The possibility of requiring out-of-province residents to provide a local address or agent for service was considered, but rejected since The City of Winnipeg Act contains specific service requirements.

While the proposed Vacant Dwellings By-law will provide the City with additional tools to regulate the condition of vacant and boarded dwellings, adoption of the By-Law will likely produce the following results:

- Most owners of vacant and boarded dwellings will not undertake repairs or pay City fines;
- Vacant dwellings are often left to deteriorate;
- By the time the City takes vacant buildings in tax sale, they have often deteriorated to the point where repairs and rehabilitation are not feasible and the City is forced to demolish these units.
- Without a complementary and comprehensive strategy, a By-law alone is unlikely to achieve the objectives of eliminating boarded-up dwellings, improving streetscapes and renewing housing.

D. Comprehensive Strategy

It is recommended that a comprehensive strategy accompany the By-law that will advance both:

1. The introduction of disincentives, in the form of fines, penalties and time limits for boarded buildings through the proposed Vacant Dwellings By-law; and

2. The renewal of neighbourhoods and dwellings through the implementation of grants/programs that will support rehabilitation of boarded dwellings.

In this context, it is further recommended that complementary measures be pursued that strengthen enforcement activities and the resource base for housing renewal. Amendments are being recommended to The City of Winnipeg Act, which will permit the City to obtain title to vacant and boarded properties free and clear of all encumbrances (with the exception of easements), where an owner of a property repeatedly fails to remit fines and/or comply with the provisions of the by-law.

It is important that the City take title to vacant and boarded dwellings in a timely manner, pursuant to recommendation No. 2 above, in order to alleviate the deleterious impacts of the property on the neighbourhood and provide an opportunity for renewal. This also reduces costs related to property tax arrears.

With respect to housing renewal, all vacant or boarded dwellings would be inspected and demolition orders would be issued for those that are unsafe for building or health reasons. In addition, pursuant to the amendment requested under recommendation 2 above, the City could transfer repairable properties to the Winnipeg Housing Rehabilitation Corporation, the Housing Opportunity Partnership or the North End Housing Project or local neighbourhood development corporations for rehabilitation under:

- The Winnipeg Housing and Homelessness Initiative (in Target Neighbourhoods);
- The Residential Rehabilitation Assistance Program (RRAP); or
- The proposed National Affordable Housing Program, currently being negotiated between the Federal and Provincial Governments.

Implementing this comprehensive strategy hinges on the availability of funding sources and on the capacity of community housing groups to rehabilitate boarded dwellings. Therefore, consultation will be required with both the Province of Manitoba and the various social/housing groups involved in inner city housing renewal.

Housing improvement grants or benefits should also extend only to the owners of dwellings that comply with the By-law.

It is proposed that Council:

1. Enact a By-law that will:

    - Adopt new property maintenance and performance standards for boarded-up and vacant dwellings and properties;
    - Limit the time that dwellings may be boarded-up; and
    - Impose minimum and/or progressive penalties/fines for non-compliance.

2. Enforce the By-law through:

    - Adoption of an enforcement strategy that balances the City's resources with the By-law's objectives by establishing the following staged priorities for implementation and enforcement of the By-law in the following order:

        a. Designated Housing Improvement Zones - four targeted neighbourhoods under the Winnipeg Housing Policy;
        b. The remaining 10 neighbourhoods designated Major Improvement Areas under the Winnipeg Housing Policy; and
        c. All other areas.

    - Routine prosecutions of violations of the By-law throughout the City;
    - Continuation of monthly inspections by Fire Paramedic Services, and
    - Co-ordination between enforcement departments.

Full implementation of a comprehensive strategy for vacant and boarded dwellings will require the following:

- Redeployment of two personnel devoted to enforcement;

- An adjustment to the Planning, Property and Development Department operating budgets to increase staff resources by two persons in order to respond to the administration of the by-law and for the subsequent property acquisition, management and disposal activities.

- Amendments to The City of Winnipeg Act.

The by-law will accelerate the elimination and improvement of vacant and boarded dwellings, as well as the absorption of costs for repairing and/or demolishing these dwellings. The City would in due course, likely incur these costs as properties are acquired over time through the present tax sale process. Costs can be reduced, if the City obtains the authority to take title to vacant and boarded dwellings in a timely manner.

All Costs associated with the repair, maintenance and/or demolition of existing dwellings will be charged to the Land Operating Reserve Account, as per Council Policy.

The Executive Policy Committee recommends:

I. That Council enact the Vacant Dwellings By-law.

II. That Council request the Province to amend The City of Winnipeg Act to permit the City to take title, free and clear of all encumbrances (except for easements), to vacant and boarded-up dwellings that repeatedly violate the by-law.

III. That the City priorize staged enforcement of the by-law in the following order:

A. Designated Housing Improvement Zones - four targeted neighbourhoods under the Winnipeg Housing Policy;
B. The remaining 10 neighbourhoods designated Major Improvement Areas under the Winnipeg Housing Policy; and
C. All other areas.

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