Agenda – Council – April 29, 2021

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – April 19, 2021

Item No. 10 2021 Building Permit Amnesty Option

STANDING COMMITTEE RECOMMENDATION:

On April 21, 2021, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the following to Council:

1. That a one-year amnesty program be approved, beginning June 1, 2021, to allow homeowners to declare renovations, repairs, or other activities that were undertaken in their primary residence without proper permits, and that the associated non-compliance fees for post-construction permits be waived, upon application and payment for necessary permits for the declared project(s).

2. That one Housing Inspector and one Plan Examiner for a one-year term be approved to respond to the additional demands for service anticipated for the Development and Inspections Division in facilitating an amnesty program, to be funded through a corresponding increase in permit revenue related to the program.

3. That the Winnipeg Public Service be directed to report back to the Standing Policy Committee on Property and Development, Heritage and Downtown Development 90 days after the end of the amnesty period.

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

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – April 19, 2021

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 21, 2021, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On April 19, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service with the following amendment:

- Add the following new Recommendation 3 and renumber the remaining accordingly:

    "3. That the Winnipeg Public Service be directed to report back to the Standing Policy Committee on Property and Development, Heritage and Downtown Development 90 days after the end of the amnesty period."

and submitted the matter to the Executive Policy Committee and Council.

On January 18, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the East Kildonan-Transcona Community Committee and directed the Winnipeg Public Service to report back within 90 days on the matter.

COMMUNITY COMMITTEE RECOMMENDATION:

On January 5, 2021, the East Kildonan-Transcona Community Committee passed the following motion:

WHEREAS the City of Winnipeg has without a doubt seen an increase of home improvement projects undertaken in 2020;

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – April 19, 2021

DECISION MAKING HISTORY (continued):

COMMUNITY COMMITTEE RECOMMENDATION (continued):

AND WHEREAS there may have been situations in 2020 and older where a permit was required for these undertakings but was not undertaken;

AND WHEREAS there have been many situations involving transfer or sale of property that the absence of proper permitting has resulted in legal and financial challenges in closing transactions;

THEREFORE BE IT RESOLVED that the Standing Policy Committee on Property and Development, Heritage and Downtown Development be requested to direct the Winnipeg Public Service to report back in 90 days on the implementation of an amnesty program for undocumented work requiring permits to include, but not limited to, the following criteria:

1. The construction must comply with all zoning and code requirements and Charter regulations in effect at the time of the original construction/work being undertaken.

2. Only primary owners of single-family residential dwellings in which they reside, are eligible for the amnesty program. The program will not apply to secondary residences, commercial/industrial properties or properties owned by financial institutions.

3. The program will not be available to homeowners in situations where the City has already commenced corrective action prior to the program approval.

4. All homeowners participating in the program must ensure any violations and code deficiencies are brought into compliance within a specified timeline, as determined by the public service.

5. That all homeowners participating in the program must apply and incur the costs for the necessary permits required, as contained within the established City of Winnipeg permit application process.

ADMINISTRATIVE REPORT

Title: 2021 Building Permit Amnesty Option

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
A. Crocker	J. Kiernan	C. Kloepfer	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

The Public Service is proposing a permit amnesty program for homeowners that will waive post-construction permit fees from June 1, 2021, to May 31, 2022 for homeowners who apply for permits for projects that were started or completed without proper permits in their primary residence. The Public Service will provide information regarding eligibility for the amnesty program on winnipeg.ca/ppd. City housing inspectors will not inspect homes to determine eligibility for the program.

Homeowners opting into the amnesty program commit to compliance with all applicable Codes, By-laws and standards, and ensure that work is completed and inspected by City staff within a three-year time frame (prior to permit expiry, as per the Winnipeg Building By-law).

Homeowners who receive a notice or order for work done without permits as a result of an investigation by City employees will not be eligible for the amnesty program.

The proposed amnesty program is anticipated to be cost neutral. Waived post-construction permit fees, balanced with the addition of a temporary Housing Inspector and Plan Examiner needed to address an anticipated increase in post-construction permit applications and related audits is assumed to be offset by revenue generated through incremental post-construction permit applications.

RECOMMENDATIONS

1. That a one-year amnesty program be approved, beginning June 1, 2021, to allow homeowners to declare renovations, repairs, or other activities that were undertaken in their primary residence without proper permits, and that the associated non-compliance fees for post-construction permits be waived, upon application and payment for necessary permits for the declared project(s).

2. That one (1) Housing Inspector and one (1) Plan Examiner for a one-year term be approved to respond to the additional demands for service anticipated for the

Development and Inspections Division in facilitating an amnesty program, to be funded through a corresponding increase in permit revenue related to the program.

3. 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

On January 18, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development directed the Winnipeg Public Service to report back in 90 days on the implementation of an amnesty program for undocumented work requiring permits to include, but not limited to, the following criteria:

A. The construction must comply with all zoning and code requirements and Charter regulations in effect at the time of the original construction/work being undertaken.

B. Only primary owners of single-family residential dwellings in which they reside, are eligible for the amnesty program. The program will not apply to secondary residences, commercial/industrial properties or properties owned by financial institutions.

C. The program will not be available to homeowners in situations where the City has already commenced corrective action prior to the program approval.

D. All homeowners participating in the program must ensure any violations and code deficiencies are brought into compliance within a specified timeline, as determined by the public service.

E. That all homeowners participating in the program must apply and incur the costs for the necessary permits required, as contained within the established City of Winnipeg permit application process.

IMPLICATIONS OF THE RECOMMENDATIONS

The Public Service will waive post-construction permit fees, from June 1, 2021, to May 31, 2022, for homeowners who apply for permits for projects that were started or completed without proper permits, in their primary residence. The Public Service will provide information regarding eligibility for the amnesty program on Winnipeg.ca/ppd, City of Winnipeg Housing Inspectors will not inspect homes on request to determine eligibility for the program.

Those homeowners opting into the amnesty program, commit to compliance with all applicable Codes, By-laws and standards, and ensure that work is completed and inspected by City staff, within a three-year time frame (prior to permit expiry, as per the Winnipeg Building By-law).

Homeowners who receive or have previously received a notice or order for work done without permits as a result of an investigation by City employees will not be eligible for the amnesty program.

The proposed amnesty program is anticipated to be cost neutral. Waived post-construction permit fees, balanced with the addition of a temporary Housing Inspector and Plan Examiner

needed to address an anticipated increase in post-construction permit applications and related audits is assumed to be offset by revenues generated through incremental post-construction permit applications. Should this not occur, the risk of other permit fee revenue being insufficient to offset the shortfall is very low, based on early (2021) permit activity.

HISTORY/DISCUSSION

Permits provide a mechanism for the City to engage in an audit of plans and construction through inspections to help ensure that the work complies with all building and electrical codes, and other relevant City by-laws and standards. A building permit from the City provides legal authorization to begin a renovation or upgrade project. Whether done by a professional contractor or the homeowners themselves, homeowners are legally responsible for obtaining appropriate building, plumbing, and electrical permits.

When work is done under permit, it ensures safety requirements are met for structural stability, life safety, moisture mitigation, and the home's electrical and plumbing systems. This protects the home and occupants, and adds value to the home when selling. Potential home buyers can quickly determine what permits have been obtained for a property by using the City's online permit search system (https://ppdportal.winnipeg.ca/Permits/PropertyPermitSearch/Start.jsp). New homeowners are responsible for past work done by previous owners, if not done under permit, which is why City staff also use our permit data to determine if a home advertised with upgrades and renovations, has obtained appropriate permits.

Development and Inspections staff perform an audit function for code compliance, they do not provide consultation or design services, so it's important that homeowners take steps to research and plan their project, and hire professionals and licensed contractors to work with them through all stages of their project. The City provides current lists of licensed contractors, who meet qualifications required to be licensed, and who are knowledgeable about the permit process, and applicable Codes, By-laws, and standards.

Residential projects that require a permit include:

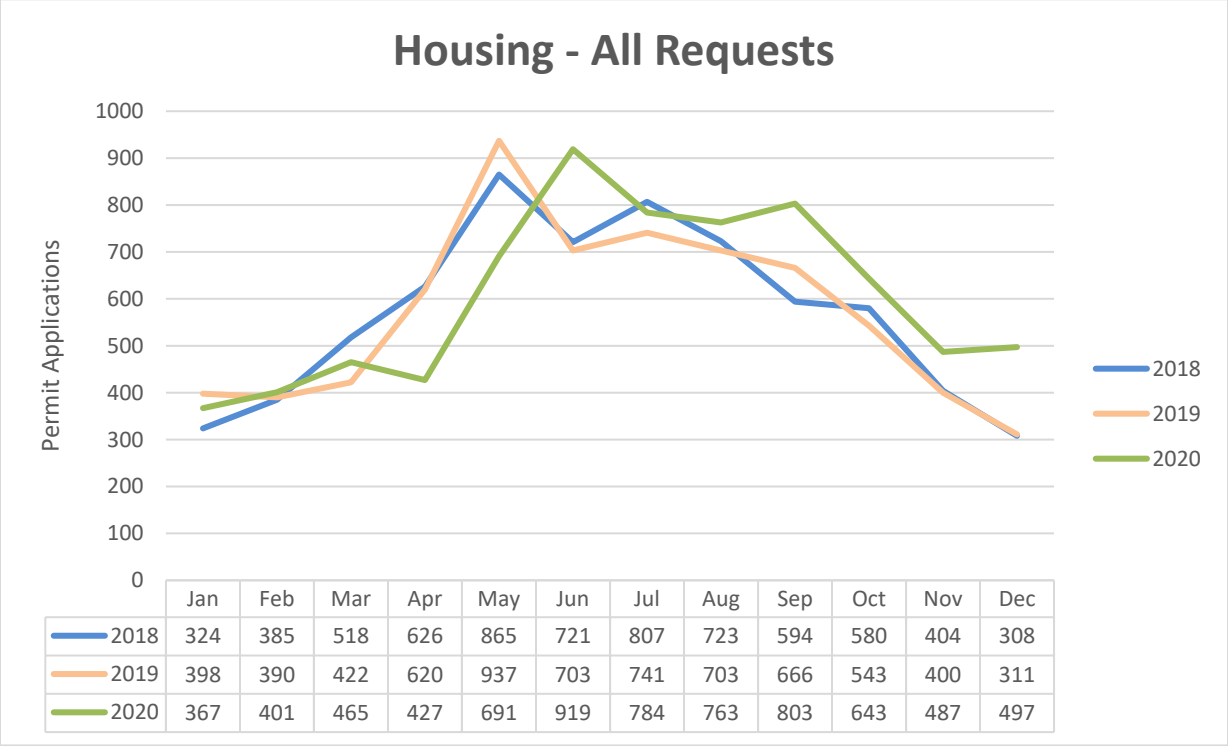
- New construction, additions, most renovations
- Basement development (development of previously undeveloped space)
- Decks over 0.6 metres (2 feet) from ground level
- Hot tubs, spas, swimming pools
- Garages & carports
- Accessory buildings (sheds, gazebos, etc.) larger than 10 square metres (108 sq ft)
- Electrical and plumbing projects (including air conditioners and hot water tanks)

Residential projects that do not require a permit include:

- Open decks with a floor height under 0.6 metres (2 feet) from ground level
- Replacing stucco, siding, or shingles with the same material
- Replacing doors and windows with the same size
- Fences (single & two-family dwellings only)
- Accessory buildings (sheds, gazebos, etc.) 10 square metres (108 sq ft) or smaller
- Patching, painting, and decorating
- Installing cabinets and shelves

The recent and significant increase in home improvements, renovations, and home sales has been reflected in the number of residential permits obtained in 2020, despite a temporary decline between March and May of 2020 (Table 1). Permit volumes for January – February, 2021, are 143% of volume reported over the same period in 2020. We expect this trend to continue throughout 2021, and recognize that the current conditions have created opportunities for unlicensed contractors.

Table 1: 2018-2020 Residential Permit Volume (excluding plumbing & electrical permits)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	324	385	518	626	865	721	807	723	594	580	404	308
2019	398	390	422	620	937	703	741	703	666	543	400	311
2020	367	401	465	427	691	919	784	763	803	643	487	497

Homeowner resources:

We have a number of brochures, guides, videos, and other information available online, to assist homeowners in the planning and preparation of their projects. Where homeowners are looking for greater assistance with a project, we can direct them to our list of Licenced Contractors, but we are prohibited from providing consultation or design services.

Permit information: https://winnipeg.ca/ppd/permits/default.stm

Permits Online: https://winnipeg.ca/ppd/permits/permits_online.stm

Permit Search by Address:
https://ppdportal.winnipeg.ca/Permits/PropertyPermitSearch/Start.jsp

Licenced Contractor listing:
https://winnipeg.ca/ppd/permits/contractor_licenced_electrical.stm

https://winnipeg.ca/ppd/permits/contractor_licenced_plumbing.stm
https://winnipeg.ca/ppd/permits/contractor_licenced_mechanical.stm

FINANCIAL IMPACT

Financial Impact Statement

Date: March 24, 2021

Project Name:

2021 Building Permit Amnesty Option

First Year of Program 2021

	2021	2022	2023	2024	2025
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 95,703	$ 47,852	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	95,703	47,852	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs consist of the salaries & benefits of one Building Inspector (Step 3) and one Plan Examiner 1 (Step 4) for a one-year period commencing May 1, 2021 (i.e. one month prior to the start of the amnesty period). Incremental revenue represents estimated permit fees due to the amnesty. While the actual amount of revenue is likely to vary from that presented above, for the purposes of this analysis, it is assumed to be equivalent to the costs of the temporary FTE's. Approval of the recommendations in this report will result in an increase to PPD's salaries budget of $143,555 and an equivalent increase to its permit revenue budget; the net budget impact will be $nil.

Mike McGinn Mar. 24, 2021

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:
N/A

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg 01-2 Safety and Security
Direction 3: Promote safety in buildings.
Enabling Strategies: Ensure that construction projects meet the intent of standards set in national and local building codes, while recognizing advances in construction and development-related technologies.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property and Development
Division: Development and Inspections
Prepared by: Marcia Fifer, Housing Administrator
Date: March 24, 2021
File No: