Agenda – Council – June 22, 2023

Report – Standing Policy Committee on Property and Development – June 1, 2023

Item No. 1 Delegation of Authority – Demolition Permits for Vacant and Derelict Residential Buildings

STANDING COMMITTEE RECOMMENDATION:

On June 12, 2023, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That a by-law to amend the Development Procedures By-law No. 104/2020 in accordance with this report, be enacted (draft amending by-law is attached as Appendix A to this report).

2. 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 – June 1, 2023

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 12, 2023, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On June 1, 2023, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

COUNCIL DECISION:

On March 2, 2023, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. That an extension of time of up to 90 days be granted for the Winnipeg Public Service to report back on the following:

    A. Amendments to the Development Procedures By-law No. 104/2020 to delegate authority to the Director of Planning, Property and Development, in consultation with the Ward Councillor, to approve demolition permits for residential buildings without requiring a public hearing.

    B. Options to streamline the process and shorten the timeframe between the initial application for a demolition or removal permit and the final removal of the building and debris.

    C. A review of all other processes that may help speed up the approval process, including identifying and working with external stakeholders, including other levels of government, who may be responsible for delays in demolition and removal.

2. 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 – June 1, 2023

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 13, 2023, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On March 2, 2023, the Standing Policy Committee on Property and Development submitted the following to the Executive Policy Committee and Council:

1. That an extension of time of up to 90 days be granted for the Winnipeg Public Service to report back on the following:

    A. Amendments to the Development Procedures By-law No. 104/2020 to delegate authority to the Director of Planning, Property and Development, in consultation with the Ward Councillor, to approve demolition permits for residential buildings without requiring a public hearing.

    B. Options to streamline the process and shorten the timeframe between the initial application for a demolition or removal permit and the final removal of the building and debris.

    C. A review of all other processes that may help speed up the approval process, including identifying and working with external stakeholders, including other levels of government, who may be responsible for delays in demolition and removal.

2. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Property and Development – June 1, 2023

DECISION MAKING HISTORY (continued):

COUNCIL DECISION:

On December 15, 2022, Council adopted the recommendation of the Standing Policy Committee on Property and Development:

1. That the Winnipeg Public Service be directed to report back within 90 days on the following:

    A. Amendments to the Development Procedures By-law No. 104/2020 to delegate authority to the Director of Planning, Property and Development, in consultation with the Ward Councillor, to approve demolition permits for residential buildings without requiring a public hearing.

    B. Options to streamline the process and shorten the timeframe between the initial application for a demolition or removal permit and the final removal of the building and debris.

    C. A review of all other processes that may help speed up the approval process, including identifying and working with external stakeholders, including other levels of government, who may be responsible for delays in demolition and removal.

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

On September 22, 2022, Council ruled automatic referral of the following motion to the Standing Policy Committee on Property and Development, Heritage and Downtown Development:

Moved by Councillor Gilroy,
Seconded by Councillor Lukes,

WHEREAS boarded vacant and delict buildings are a fire and safety risk;

AND WHEREAS neighborhoods that have higher percentages of vacant and derelict housing have seen a sharp increase in arson related activities resulting in safety risks to nearby houses;

AND WHEREAS insurance premiums increase for residents in these neighborhoods due to a higher risk of arson;

Report – Standing Policy Committee on Property and Development – June 1, 2023

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

AND WHEREAS in accordance with the Development Procedures By-law No. 104/2020, a public hearing is required prior to the issuance of any demolition permit or removal permit where the applicant has not already obtained a building permit;

AND WHEREAS it would be more prudent to have a more flexible approach to the demolition of vacant and derelict residential buildings in housing improvement zones;

THEREFORE BE IT RESOLVED that Public Service be directed to draft an amendment to the Development Procedures By-law No. 104/2020 to delegate authority to the Director of Planning, Property and Development, in consultation with the Ward Councillor, to approve demolition permits for residential buildings without requiring a public hearing.

ADMINISTRATIVE REPORT

Title: Demolition Permits for Vacant and Derelict Residential Buildings

Critical Path: Standing Policy Committee on Property and Development - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Veitch (Acting)	M. Pittet (Acting)	N/A	M. Jack

EXECUTIVE SUMMARY

On December 15, 2022, Council directed the Public Service to review the City's demolition permit process for residential buildings and report back. Information on the timelines and procedures involved in the residential demolition permitting process are outlined in this report as well as three recommended amendments to the Development Procedures By-law No. 104/2020 (the "DPBL") that are anticipated to speed up the residential demolition permit process. This report also recommends one DPBL amendment considered a housekeeping item to clarify the land dedication requirement with respect to certain land development applications.

The report and recommended changes to the DPBL are a response to concerns raised that the City's demolition application and approval process for derelict residential buildings is cumbersome and slow.

Approval of the recommended amendments to the DPBL in this report would change the way residential demolition permits submitted without accompanying building permits are processed, thereby saving prolonged review and processing time as they would not be required to be scheduled for a Community Committee public hearing. As part of the new recommended process, the approval process would be delegated to the Director of Planning, Property and Development and the Public Service would consult with the Ward Councillor on the residential demolition permit prior to rendering a decision on the application.

In circumstances where the Public Service does not support the residential demolition permit, the recommended amendments to the DPBL would allow the applicant to appeal that decision to the relevant applicable Community Committee if the property is located entirely within the geographical boundaries of one community or to the Standing Policy Committee on

Property and Development (SPC) if it straddles more than one community.

RECOMMENDATIONS

1. That Council enact a by-law to amend the Development Procedures By-law No. 104/2020 in accordance with this report (draft amending by-law is attached as Appendix A to this report).

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

At the December 15, 2022, meeting of Council, Council concurred in the recommendation of the SPC and adopted the following:

1. *That the Winnipeg Public Service be directed to report back within 90 days on the following:*

    A. *Amendments to the Development Procedures By-law No. 104/2020 to delegate authority to the Director of Planning, Property and Development, in consultation with the Ward Councillor, to approve demolition permits for residential buildings without requiring a public hearing.*
    B. *Options to streamline the process and shorten the timeframe between the initial application for a demolition or removal permit and the final removal of the building and debris.*
    C. *A review of all other processes that may help speed up the approval process, including identifying and working with external stakeholders, including other levels of government, who may be responsible for delays in demolition and removal.*

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

IMPLICATIONS OF THE RECOMMENDATIONS

Should the recommendations of this report be concurred in, the Development Procedures By-law will be amended per the attached By-law (Appendix A). The changes to the Development Procedures By-law will:

- Enable residential demolition permits where there are no accompanying building permits to be processed administratively by the Public Service.

- Enable applicants of residential demolition permits without accompanying building permits to appeal the decision of the Public Service to the relevant applicable Community Committee.

- Enable decision makers to assess whether a residential demolition permit without accompanying building permits will create future pressure to approve a land use that would not ordinarily be supported at a given property, and incorporate this into the decision.

There are no direct financial implications to the Recommendations of this report.

HISTORY/DISCUSSION

Demolition Process

Demolition permits are required to allow an applicant to demolish an existing structure at a subject site, whether their intent is to build something new on the land afterwards or not. They are issued for one of three reasons:

1) Building permits for a new construction on the site have been obtained;
2) An unsafe condition order results in a decision to demolish by the owner and / or design professional; or
3) A demolition permit has been approved by a Community Committee, enabling an applicant to demolish the existing structure despite not having a building permit for a new construction on the subject site.

In 2022, there were approximately 205 residential demolition permits issued. Five of these demolition permits required Community Committee approval. The majority of demolition permits are issued without the need for a public hearing.

Demolition permits without building permits

For residential properties, Part 9 of the Development Procedures By-law No. 104/2020 (the "DPBL") requires a public hearing if no building permit has been obtained. In these instances, the residential demolition application is assessed based on two criteria:

1) The demolition being sought would not have an undue detrimental impact on the maintenance and use of adjacent properties; and
2) The demolition being sought would not create a visual detriment to adjoining properties.

Based on the above criteria, the Public Service makes a recommendation and, through the public hearing process, the presiding Community Committee decides on whether to allow the demolition permit. If the demolition permit is allowed, then the application proceeds.

Based on a review of demolition permits without accompanying building permits from 2012 through 2022 (Appendix B), the number of demolition permits without accompanying building permits received each year fluctuates between zero and 11. It is most often five. The Public Service recommends approval for the majority of these applications. Of the 52 demolition permit applications without accompanying building permits received in the last ten years, the Public Service recommended approval of 42 of them.

Proposed Demolition Permit without Accompanying Building Permit Changes

Delegation of Authority

Delegating authority to the Director of Planning, Property and Development to make the decision on residential demolition permits without a building permit could accelerate the process for obtaining demolition permits for some applicants. Through this proposed delegation of authority, the Public Service would review and approve these applications administratively, avoiding the need for the application to be scheduled for a public hearing at a Community Committee. The Urban Planning and Design Division currently aims to review and render a decision on all complete administrative applications within two weeks of receiving the file. Without the need to wait for the next available Community Committee hearing, the applications could receive a decision several weeks sooner than under the current public hearing process.

Process changes

If authority to approve demolition permits when there are no accompanying building permits is delegated to the Director of Planning, Property and Development, a formal internal process would be implemented to facilitate this.

The current intake process for demolition permit applications would remain the same, wherein applicants are required to submit their demolition permit application to Zoning and Permits. If there are no accompanying plans for future development / building permits, the application is sent to the Urban Planning and Design Division (UPD) to review and process.

A parallel system would be put in place where, once the application is deemed complete, an automated email would be sent to the Ward Councillor requesting their comments on the application. The Public Service would then assess the application based on the criteria (including the third proposed criterion) in the DPBL and the Ward Councillor's comments. The Public Service would then render a decision on the application. If the Public Service approves the demolition permit without an accompanying building permit, the application would be concluded and the applicant could then proceed with obtaining the demolition permit.

In instances where the Public Service does not support the application, an applicant could appeal the decision to the relevant Community Committee if the property is located entirely within the geographical boundaries of one community. If the property straddles more than one community, then it would be appealable to Standing Policy Committee on Property and Development (SPC). This would enable the majority of demolition permits to be processed internally without the need for a public hearing, while ensuring that applicants have an appeal mechanism available to them. Furthermore, by designating the relevant Community Committee as the appeal body, this would ensure that most appealed demolition permits from each Ward are heard by the Ward Councillors, not by the SPC, which is the default hearing body for appeals of administrative rejections of permits.

Demolition Permit Criteria

Reason for the proposed change

An earlier version of the Development Procedures By-law No. 160/2011 the ("Old DPBL") was repealed and replaced by the current DPBL No. 104/2020. During this change, the criteria by which demolition applications are assessed was changed. The Old DPBL enabled demolition permits without accompanying building permits if they:

- *would not create, or increase, pressures for approval of a new land use for the building site, not permitted by the existing zoning without rezoning or a zoning variance or a conditional use approval, and*
- *would not create, or increase, pressures against normal maintenance and use of properties on abutting lands or in the adjacent area for uses permitted under the existing zoning, and*
- *would not create a visual detriment to the adjoining lands and adjacent area*

The current DPBL enables the potential support of applications for demolition permits without accompanying building permits under the following criteria:

(a) would not have an undue detrimental impact on the maintenance and use of adjacent properties; and
(b) would not create a visual detriment to adjoining properties.

The Public Service is recommending that the DPBL be amended by adding a third criterion that is similar to what used to be included under the Old DPBL. Specifically, the proposed criterion would enable the potential support of demolition permit applications without accompanying building permits if they:

(c) would not increase pressure to approve a new land use that is not supported by policies in Plan Winnipeg or any secondary plan that applies to the subject site.

This additional criterion allows decision makers to evaluate if a demolition permit without an accompanying building permit could cause undue pressure to approve a future land use that is contrary to existing policy at a given property. In particular, this issue is a concern for residential sites that abut existing commercial sites, where applicants may seek a demolition permit without an accompanying building permit and then use the former residential property as an illegal parking area for the abutting commercial site. This can create pressure to approve an application to formalize the parking area, despite the conversion of residential properties into surface parking lots generally not being supported by *OurWinnipeg 2045* and *Complete Communities 2.0*.

Process changes

If this recommendation is concurred in, the criteria to assess demolition permits without accompanying building permits will be expanded from two to three.

It is not expected that this change would substantially alter the number of demolition permits without accompanying building permits supported or rejected by the Public Service. Our research has shown that between 2013 and 2020, when three criteria were a part of the DPBL –

including consideration of whether the demolition would create or increase pressure for approval of a new land use that was not supported by the current development rights – the Public Service supported the majority of demolition permits without accompanying building permits received in every year except 2018. From 2013 through 2020, the Public Service supported 35 of the 42 demolition permit applications received.

Demolition Permitting Changes

The Development and Inspections Division has recently implemented, and is currently exploring additional options to improve the subsequent permit process for demolitions which occurs after the initial application approvals.

Existing timelines and service standards

Currently, the Development and Inspections Division aims to review and issue a permitting decision for all approved demolition applications within ten days of receiving the permit application. This is consistent with the standards required by the *The Building & Electrical Permitting Improvement Act* (BEPIA).

The BEPIA regulates service standards and turnaround times for building permits. Prior to the BEPIA, the City of Winnipeg would not issue demolition permits until Manitoba Hydro confirmed it had concluded its process at a subject site. However, due to the service standards specified by the BEPIA, the City of Winnipeg reviewed the process to ensure it can issue demolition permits within the prescribed timelines. Specifically, the City is exploring a requirement for a declaration from all applicants for demolition permits. The declaration would state the applicant has notified Manitoba Hydro of their intent to demolish an existing structure and requested that Manitoba Hydro disconnect the utilities and retrieve the utility meter(s) from the subject site. This process would enable the City to issue demolition permits faster than in the past, and within the prescribed timelines of the BEPIA. However, the process would not change the actual timing of the demolition, because Manitoba Hydro would still need to conclude its work before the demolition could take place.

As part of this work, discussions with Manitoba Hydro were held in October 2022 and they were notified of this possible change to City processes. As the City of Winnipeg needs to comply with its service level standards, the service level standards from Hydro's application process (which are outside of the control of the City) will no longer be part of the City's processes. However, for safety reasons, the Hydro confirmation for abandonment of services will still be required prior to the issuance of the demolition permit.

Manitoba Hydro is a critical part of the demolition process. Disconnecting the gas and/or electrical utilities and retrieving the utility meter(s) is a process undertaken by Manitoba Hydro to ensure the subject site is safe and all Manitoba Hydro equipment is accounted for. Applications are made directly to Manitoba Hydro by the registered property owner, and all complete applications are reviewed and processed within one (1) to five (5) business days.

After the application to Manitoba Hydro has been processed, it is assigned a work order that can take up to 90 days to complete. Typically, disconnecting electrical services takes no more than 10 days from the time the work order is issued. Disconnecting gas services can take longer – up to 90 days from the work order being issued. This is dependent on the size of pipe the

service is connected to, the need for personnel to perform an excavation, and the complexity of the disconnect.

Manitoba Hydro is currently in conversations with the City of Winnipeg and considering methods to ensure the service standards outlined in the BEPIA can be met at their end.

Contractor Licensing

In January 2023, a contractor licensing program for demolitions was implemented by the City. This program requires demolition permit applicants to have a license with the City. The licensing program establishes qualifications and standards, and also acts as a mechanism to communicate information, expectations, and industry updates to license holders. Licensed contractors are expected to be knowledgeable and in compliance with applicable building codes and by-laws, and familiar with the City's permit, inspection, and penalty systems. Licensees who fail to obtain appropriate permits or repeatedly fail to meet requirements may be subject to fines or penalties, and may have their license suspended or revoked.

The demolition contractor licensing program is expected to increase adoption of and adherence to industry best practices and safe work procedures, and reduce damage to infrastructure and neighbouring properties while providing pathways for important and timely communications between the City and industry.

Land Dedication requirement

Currently, when Council approves an application for subdivision, the relevant Council decision includes a requirement that the developer provide 10% land dedication or cash in lieu. This report recommends a housekeeping amendment to the DPBL that clarifies that this condition for land dedication or cash in lieu is a condition of approval for all development applications, including Consent applications (CA), Plan of subdivision applications (DAS), Short form plan of subdivision applications (DASSF), Plan of subdivision and rezoning applications (DASZ), and Rezoning applications (DAZ).

FINANCIAL IMPACT

Financial Impact Statement

Date: April 27, 2023

Project Name:

Demolition Permits for Vacant and Derelict Residential Buildings

COMMENTS:

There are no direct financial implications associated with this report.

Mike McGinn Apr. 27, 2023

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services

OURWINNIPEG POLICY ALIGNMENT

4.8 Building Safety

Enforce compliance with building codes and property maintenance standards, to ensure housing quality, safe building occupancy, and extended building lifecycles.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan and its Goals and Objectives, and it was determined that the Winnipeg Climate Action Plan is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Planning, Property and Development
Division: Urban Planning and Design
Prepared by: Dylan Chyz-Lund
Date: April 28, 2023
File No: n/a

Attachments:

Appendix A: Draft Amending By-Law

Appendix B: Summary of Demolition Permits Without Accompanying Building Permits 2013 – 2022