APPENDIX B

VACANCY TO VITALITY RESERVE
TERMS OF REFERENCE

Background: Effective upon Council approval, this reserve will provide a dedicated funding source to support the Vacant Building Rehabilitation & Prevention Strategy arising from Council's December 18, 2025, direction in the Vacancy to Vitality report. The reserve will use Empty Building Fee revenue to support enforcement, rehabilitation, re-occupancy, redevelopment, and future vacancy-prevention measures for vacant and derelict properties.

Purpose: The Vacancy to Vitality Reserve will provide funding for:

- All three (3) phases of the Vacant Building Rehabilitation & Prevention Strategy;
- annual operating costs for one Solicitor II in Legal Services and one Building Remediation Inspector, together with required fleet and inspection-related support;
- upfront costs of Advanced Remediation Enforcement Action (AREA), including eligible remediation work recoverable through property taxes;
- enforcement and legal actions that support collection of Empty Building Fees and the Taking Title Without Compensation eligibility process; and
- future phase 3 vacancy prevention initiatives, once the reserve reaches the $2 million operating threshold and subject to Council direction.

Fund Manager: Director of Community Services

Investment strategy: Investment of the reserve funds will be consistent with the approved City of Winnipeg Investment Policy.

Funding formula: This reserve will be funded from all 2026 and future Empty Building Fee revenues. Costs recovered from AREA-related work through property tax additions will be returned to the reserve to replenish and maintain phase 1 and phase 2 operations. Once the reserve reaches an accumulated cash balance of $2 million, reserve amounts above that threshold may be used for phase 3 vacancy-prevention programming, subject to Council approval and any future terms of reference.

Reporting: The Public Service will report back no later than December 2028 on implementation outcomes, strategy recommendations, and future Terms of Reference for the reserve's use in support of phase 3.