

## **Township of Southgate**

### **Administration Office**

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## **Staff Report CAO2022-081**

**Title of Report:** Southgate Proposed Vacant Building By-law Report

**Department:** Administration

**Council Date:** December 21, 2022

### **Council Recommendation:**

**Be it resolved that** Council receive Staff Report CAO2022-081 as information; and

#### ***Second Motion Clause Option:***

**That** Council provide direction to staff as a next step to finish a draft Vacant Building By-law for Council approval and by-law consideration at a future Council meeting.

### **Background:**

This report is presented as an information related to derelict properties, including those regarding demolition requirements and the impediments that may apply. In certain instances, vacant/derelict buildings negatively impact neighbourhoods, downtown business areas and individual properties by becoming dilapidated causing hazards, appearing unsightly when the property owner next door is trying to improve, becoming infested with pests and attracting trespassers.

There are two main ways municipalities can address vacant/derelict buildings through the use of vacant building by-laws with registry and inspection requirements, and by providing development charge credits or other incentives.

#### **Vacant Building By-laws and Registries**

Some municipalities have adopted a Vacant Building Registry to reduce the number of vacant buildings in a community. A Vacant Building Registry is a list of buildings that have been vacant for a certain period of time in accordance with a corresponding Vacant Building By-law. The Registry is governed by a *Municipal Act* by-law, which typically sets out requirements and process such as property registration, owner's responsibilities, inspection requirements by municipal by-law enforcement staff and penalties for non-compliance. Some municipalities have Vacant Building By-laws, but they do not have Vacant Building Registries and some have both.

Municipalities that have established a vacant building by-law, but without a registry tend to focus more on safety from Building Code and Fire Code perspectives. Those that have established a Vacant Building Registry also focus on on-going monitoring of vacant buildings. Attachment 1 provides a comparison of some Vacant Building By-laws.

The following reports on some of the advantages and limitations for establishing a vacant building by-law and/or registry.

**Advantages:**

- Regulates standards for vacant buildings to ensure public safety and reduce urban blight;
- Helps monitor the number and status of vacant buildings in the Township; and
- Provides clear expectations for landowners to maintain safe conditions for vacant buildings.

**Limitations:**

- Reactive – does not prevent buildings from becoming vacant; and
- Requires additional resources such as administrative, legal, IT, enforcement, finance to establish and enforce the by-law, as well as to maintain the registry.

Some Vacant Building By-laws and Registries requires all vacant buildings or significantly damaged buildings to be boarded up with specific requirements. The boarding up requirements includes painting the boards, covering the windows with a black matting to resemble window glass and boards covering the door, which must be properly fitted and painted with a colour that matches the original door.

Another approach places emphasis more on permitting, fees and enforcement. The Vacant Building By-law would contain provisions regarding detailed maintenance standards and security measures for vacant buildings. This could include annual inspection fees ranging from \$600 to \$1,200, a vacant boarded building permit fees of \$2,000 to \$2,500 a year for residential and \$2,400 to \$7,800 for commercial buildings as an empty building fee. The Empty Building Fee would apply annually, until such time that the vacant building has been inspected and is determined by a municipal By-law Official to be reoccupied in accordance with the municipality's Vacant Building By-law.

**Development Charge Credits**

A more proactive approach to encouraging redevelopment of derelict buildings is to provide Development Charge (DC) credits. It is understood that in some instances, landowners/developers are hesitant to demolish a derelict building until building permits are issued, because the building will provide DC credits to the proposed redevelopment. Often municipal Development Charges By-laws provides a DC credit for 60 months at 100% from the day a demolition permit is issued.

Some municipalities include specific policies for derelict buildings in their DC by-laws. Others extends the reduction of development charges from the standard 60 months to a maximum of 120 months (10 years) from the date of the demolition

permit to the date of the building permit to facilitate redevelopment. The amount of the credit is determined by how soon a new building is erected with an example below of the DC credits and the declining DC credit timelines.

<b>Number of Months from Date of Demolition Permit to Date of Building Permit Issuance</b>	<b>Credit Provided (%)</b>
Up to and including 48 months	100
Greater than 48 months up to and including 72 months	75
Greater than 72 months up to and including 96 months	50
Greater than 96 months up to and including 120 months	25
Greater than 120 months	0

### **Staff Comments:**

Vacant and/or derelict buildings pose a safety concern in all communities. The Township of Southgate and the County of Grey eliminated the vacancy tax rebate for commercial and industrial properties to remove support for vacant buildings, but this has had little impact on reducing the problem. We now have some buildings with plywood installed to cover the windows and another group of buildings have seen no progress to upgrade them for future business on the main floor or residential use in the upper levels in downtown Dundalk.

To reduce the number of vacant buildings and/or manage the exterior conditions of our downtown buildings, we need to discourage vacant/derelict buildings for extended periods of time by imposing extra fees and charges to ensure they are safe and to encourage and support redevelopment of derelict buildings.

Staff believes a Vacant Building By-law with registry requirements that ensures building standards and inspections related to building code, fire code and public safety would have a positive impact on the look of Downtown Dundalk and would support neighbouring businesses. This should increase downtown growth, create a more attractive business community related to building exteriors to attract commerce and local events, the creation of new local jobs, increase housing on upper levels in some cases, create competitive building rental rates in line with our local economy that are affordable.

The Township also has a Community Improvement Plan (CIP) to support investments in commercial spaces which can be used to incent building upgrades.

### **Financial Impact or Long-Term Implications**

The no financial impact to the 2022 or 2023 Budgets to the municipality that will impact ratepayer taxation at the present time. The fees and charges would be established to ensure cost recovery.

## **Communications & Community Action Plan Impact:**

This report has been written and presented to Council to communicate accurate information to the public.

## **Goal 2 - Revitalizing Downtown Dundalk**

### **Action 2:**

The residents and businesses of Southgate envision our largest town once again becoming a source of community pride and a hotbed of community activity, with a much-improved appearance and a broader range of business opportunity.

### **Strategic Initiatives 2-D (2019-2023):**

The Township will have taken aggressive action to enforce compliance by downtown buildings with property standards Building Code, and Fire Code regulations.

## **Concluding Comments**

1. That Council receive staff report CAO2022-081 as information.
2. That staff create a final draft Vacant Building By-law, if directed by Council to progress with the next steps to include a registry with fees, inspection process with fees and fines for non-compliance.
3. A sample draft Vacant Building By-law is included in the staff report as Attachment #2.

Respectfully Submitted,

**CAO approval:** Original Signed By

Dave Milliner – CAO

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Attachments:

- Attachment #1 – Vacant Building By-law Comparison Report
- Attachment #2 – Sample Draft Vacant Building By-law