



City of Richmond

Report to Committee

To: Community Safety Committee
From: Phyllis L. Carlyle
General Manager, Law & Community Safety
Re: **City Response to Abandoned Buildings**

Date: November 26, 2009

File:

Staff Recommendation

That the BC Assessment Authority be requested to reassess hazardous, abandoned property to determine the appropriate tax rate.

Phyllis L. Carlyle
General Manager, Law & Community Safety
(604-276-4104)

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ROUTED TO:	CONCURRENCE		CONCURRENCE OF GENERAL MANAGER
Budgets	Y ✓	N □	
Building Approvals	Y ✓	N □	
REVIEWED BY TAG	YES	NO	REVIEWED BY CAO
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Staff Report

Origin

At the November 2009 Community Safety Committee meeting, during discussion on the Extreme Weather staff report, Committee expressed concern regarding vacant buildings and the safety of those who inhabit them on a temporary basis, as well as the safety of the neighbouring community.

Staff advised that a report would be brought forward in December 2009 that discusses both the tax structure that impacts the owners of vacant buildings and the City's strategies to respond to their buildings. This report discusses the City's current approach in responding to 'abandoned' buildings, which are deemed a life safety risk, as well as proposed future enhancements.

Analysis

The Fire Protection and Life Safety Bylaw No. 8306 defines a vacant premise which:

"...includes a lot, building or other structure in respect of which a water or electricity service has been intentionally discontinued, other than for temporary maintenance, repair or upgrading, so that the condition of the premises is not suitable for human habitation or other occupancy that is normally permitted."

In Richmond, the number of vacant buildings has increased over the past few years. In 2001, a staff report to Community Safety Committee provided an update on abandoned residential buildings in the City. The 2001 report included a 22 home inventory, of which 12 had demolition permits. In 2001 the actions taken by staff, included:

- contacting property owners to determine their intentions with respect to their buildings and, where a development application existed, urging them to demolish the buildings
- monitoring the condition of these buildings to ensure they remained secure
- reviewing the inventory for new safety concerns

In 2008, Richmond Fire Rescue, Community Bylaws and the Richmond RCMP identified an increase in the number of calls to abandoned buildings. As a result, a new inventory of abandoned buildings was conducted. This inventory lists 71 properties which are considered to be abandoned based on a visual inspection of the premises; 16 of these properties have a demolition permit. Typically the response by RFR, RCMP and Bylaws is on a complaint or call for service basis and therefore the inventory is by no means a conclusive list. RFR, utilizing personnel on modified duties, have endeavoured to ensure the list is a complete as possible.

Currently, 16 of the properties have been deemed to be a high fire hazard or have been the subject of multiple incident calls and complaints to RFR, the RCMP or Bylaws. A few of these properties have each had over two dozen incidents logged by the RCMP, a Bylaw file listing numerous complaints or Fire Rescue responding to fires, as well as, the Fire Chief issuing orders to secure the premises.

The number of vacant buildings has increased for several reasons:

- Residential properties are taxed at a lower rate than commercial/industrial properties. Even if the highest and best use for a property is commercial/industrial BC Assessment will treat it as a residential property, and assess the property as such. However, if the house is demolished, BC Assessment will reassess the property at its highest and best use. If the it is commercial/industrial use then the property taxes will increase.
- Residential property is taxed, for GST purposes only, once as a new property and then every resale afterwards is GST exempt. However, if the home on the property is demolished the property then becomes vacant land. If the purchaser or vendor is in the business of buying and selling land, the vacant land is then subject to GST. For example, a Property Assessment of \$650,000 for property considered vacant land, could potentially cost a buyer an additional \$32,000 in GST taxes. With the implementation of the HST (anticipated to take effect on July 1, 2010), land sales that are subject to the GST will become subject to the HST. Used homes would not be subject to HST.
- The downturn in the economy has contributed to a rapid slowdown in development, as developers are putting new projects on "hold".
- Up until October 2007 a demolition permit was issued "over the counter" at time of application. The City has developed a new demolition process, due to a number of demolition related problems that can develop. Such as trees being taken down without approval during the demolition process, improper capping of the City's storm and sanitary lines causing soil infiltration and blockage, and safety regulations not being followed. Without property documentation and coordination by the developers, the demolition permit maybe delayed.

Health and Safety Issues

Life threatening hazards can exist for emergency workers in responding to calls involving abandoned buildings, as an example in 2006, in Atlanta, Georgia a firefighter was seriously injured, later succumbing to those injuries, during a fire call to an abandoned house. The building had caught fire as the result of a burning candle used by a homeless person who was illegally occupying the house.

The problem of vacant properties is not exclusive to Richmond or Canada. In 2007, the National Fire Protection Association (an international non-profit society) released a report that detailed the challenges fire departments face with foreclosures and vacant properties. The main issues identified were:

- People move in with other family and friends resulting in overcrowding and sleeping in rooms that are not built for sleeping.
- Increase in homelessness, thus more people living in unsafe housing conditions or in abandoned homes.
- Increase in abandoned, unsecured homes leading to children vandalizing and playing in the homes and an increase in juvenile fire setting.

In Richmond, a vacant premise, as defined in the Fire Protection and Life Safety Bylaw, typically does not have services that would allow for suitable habitation. Therefore when the property is occupied, the unauthorized occupants often use hazardous means to cook and provide for heat and light. These situations can cause fires and where there is exposure to other properties, have the potential for the fire to spread to neighbouring properties. Whether a property is vacant or inhabited, when the property is not maintained by the owner, flammable and combustible materials build up on the property and cause a life safety hazard to exist.

Hazards can be structural as the result of building deterioration or damage from previous fires. Structural hazards can occur when building owners or salvage workers remove components of the building such as doors, railings, windows, electric wiring, utility pipes, etc. Abandoned materials such as paper, flammable or hazardous substances, and collapse hazards constitute additional dangers fire fighters may encounter. Collapse hazards can include chimney tops, parapet walls, slate and tile roof shingles, metal and wood fire escapes, advertising signs, and entrance canopies.

It is expected that there would be an increase in the number of complaints or calls for service to abandoned buildings during extreme weather as an increased number of homeless persons are anticipated to seek shelter from the severe cold and damp. This increases the exposure to risk for emergency responders and results in additional City costs associated with community safety response.

Staff have received numerous complaints from concerned residents with regard to abandoned homes. There are real concerns surrounding safety, health and deteriorating property value. Residents in neighbouring properties have reported that they are not comfortable allowing their children to play outside. Staff have been advised of transients currently occupying abandoned homes illegally. This is both a safety and health concern for residents due to the potential of substance abuse where blood contaminated needles may be present, as well as the fear of theft or property damage.

Residents have complained that their neighbourhood is becoming a dumping ground as these abandoned homes create the opportunity for others to discard unwanted items. The illegal dumping and lack of property maintenance provides rodent harbourage that may cause serious health ramifications for residents in the neighbourhood. In addition, these properties are an eye sore and have an impact not only on neighbourhood aesthetics, but also on the ability for homeowners to sell their property at fair market price.

Current Law & Community Safety Department Practices

At the Community Safety JOT (Joint Operations Team) meetings the subject of abandoned buildings is a standing item. A coordinated approach has evolved culminating in the inventory of abandoned buildings. This inventory is updated and reviewed on a regular basis to identify problematic properties and develop a coordinated approach.

Each of the divisions within Community Safety have specific responsibilities and powers with respect to ensuring the safety concerns with abandoned buildings are mitigated.

Richmond Fire Rescue

For the abandoned and derelict structures in the City of Richmond, most property owners are dealt with using standard guidelines or procedures. However, each address is treated on an individual basis due to its unique circumstances and the risks that are present. The following guidelines are used to secure and maintain vacant, abandoned properties:

- Once a property is identified as abandoned by RFR, Community Bylaws is advised of the address, to permit an assessment to be conducted.
- The property owner or their representative is contacted to inform them of their responsibilities to secure the property.
- The timeline to secure the property is 24 hours. However, the condition of the vacant or abandoned structure will dictate the expediency of securing the property, and may require immediate compliance with assistance from the RCMP, City Works Yard, and contractors to secure the property. If an imminent danger exists, such as:
 - proximity of abandoned structure to other structures or fire hazards
 - the condition of the structure exists so that it severely threatens life safety, and there is an imminent probability of fire
 - the property owner or designate is unreachable.
 - the structure has been involved in fire and is unstable and may cause further loss or injury.
 - remediation can occur without the involvement of the property owner
- When the structure is unlawfully occupied, prior to securing the premises, the RCMP are requested to evacuate the occupants. Once the unauthorized persons are removed, depending on the situation, the RCMP may stay on scene until the boarding and fencing is complete.
- If, after the 24 hours, the property has not been secured, the property owner is contacted. A decision must be made to continue forward with an Order to Comply by the Fire Chief, or to grant a time extension based on circumstances presented. Either way, the decision must be verbally directed to the property owner or designate.
- A written Order to Comply, orders the property owner or designate to bring the premises into compliance within another 24-hours period, or there will be a risk of fees and fines imposed. Furthermore, the property owner or designate is advised that along with the fees and fines, they will be charged for the costs if the City secures the property.
- The property owner or designate is responsible to secure and maintain the security of the abandoned property. Any return responses by the Fire Department to the property once it has been secured may result in fines.

Community Bylaws

From January 1 to October 31, 2009, Community Bylaws staff have responded to 69 calls for service related to unsightly abandoned properties. The normal bylaw enforcement response procedure for unsightly premises is as follows:

- The Bylaw Officer attends the property for inspection to ascertain any unsightly nature and a letter is sent out to the owner of the real property seeking voluntary compliance within 17 days from date of letter.
- The Bylaw Officer monitors the property while awaiting the indicated compliance deadline.

- If compliance criteria is met, the file is concluded.

If compliance is not obtained within the time frame specified:

- Community Bylaws serves the owner of the property with an order to comply pursuant to the relevant sections of the Unsanitary Premises Bylaw 7162.
- The Bylaw Officer continues to monitor the property for compliance until the deadline stipulated in the order to comply.
- If deemed necessary, a report is presented to Council for Council to consider ordering the owner to comply with the Bylaw.
- If the owner fails to comply with Council's order, the Community Bylaws will direct either City staff or a contractor engaged by the City, to bring the property into compliance at the expense of the owner or occupier of the property.
- The costs of the contractor are added to the property taxes.

An average of 37 days is the norm for an unsightly, abandoned premises file from the time of the first request for service, to when the file is processed for inspection, and concluded. Subsequent complaints are not uncommon and are not necessarily about the initial, unsightly nature of the property but rather, the fact that the property is once again unsecured and transients are inhabiting the property. The percentage of subsequent complaint calls are 30% of the initial call volume (approximately 21 files).

Richmond RCMP

The RCMP responds to abandoned properties both reactively and proactively. The vast majority of calls to the properties in question are related to break and enters, trespassing, and drug related investigations. The level of the response (numbers of personnel and level of priority) is based on the circumstances provided by the complainant at the time of the call, but these crime types are normally viewed as serious in nature. Risks are present during the travel to these calls and while conducting the patrols around these generally poorly maintained properties.

Cost Associated with Community Safety Response

Community Bylaws

Community Bylaws costs associated with response to abandoned property calls, between January and October, 2009, was \$24,153.68.

Richmond Fire Rescue

Since February of 2009, 75% of one Fire Prevention Officer's time has been assigned to deal with vacant properties and to require that the owner or owner's agent ensure the properties are secured and maintained. Along with the Fire Prevention Officer, several other employees and the Chiefs are involved in the process. The annual associated cost of this program is approximately \$90,000.

RFR has typically responded to vacant properties from 911 fire or medical calls. The cost of each call will vary depending on call type, size of structure, the severity of the call, the duration of time RFR spends on the scene, and what resources are expended to handle the call. The costs for an engine company associated with emergency response for a call at a vacant properties is \$450.00 per hour.

Richmond RCMP

The number of risks associated with call types described require two (2) patrol units attending for a routine response. A routine call that finds possible suspects "gone on arrival" would take approximately one (1) hour from the time of dispatch, to attend, to investigate, to enquire, to conduct patrols, and finally to document via report. The cost of two members to attend is \$72.70/hr. A call at which a person, or persons (usually there are multiple persons involved), are encountered engaging in any of the above-noted crime types could easily double the costs associated to the attendance alone.

As these types of homes and properties have been identified as an issue for the RCMP, RFR, and Bylaws, the RCMP have undertaken to perform routine patrols of these properties to maintain a presence and attempt to limit criminal activity. Though a number of these patrols of the properties are performed by uniformed general duty members, the Bike Squad (due to their stealth and easy mobility) is the primary unit looked at to perform these preventative patrols. The bike squad members, by RCMP policy, must patrol in pairs. As such, a routine patrol of an abandoned/nuisance property, without a complaint, would generate a cost equal to that of a reactive attendance (\$72.70/hr), dependant on what was discovered.

Powers available to the City**Fire Protection and Life Safety Bylaw No. 8306**

The hazards and risks associated with vacant premises are mitigated through the enforcement of maintaining and securing vacant premises under the powers of the Fire Protection and Life Safety Bylaw No. 8306, that came into effect in July 2008. The Fire Services Act, the Fire Code and the Fire Protection and Life Safety Bylaw establish the Fire Department and designated employees as the authority having jurisdiction to take measures that will prevent and suppress fires and decrease the risk to property or life. The Fire Services Act and the Fire Protection and Life Safety Bylaw provide a variety of means for inspection, enforcement and issuance of penalties when compliance is not achieved.

The powers set out in the Fire Protection & Life Safety Bylaw and allow for inspections of premises where it is believed that hazardous conditions exist, require owners/agents to remove or reduce the hazard and allow the Fire Chief to take measures to prevent or suppress fires including demolition. When codes and bylaws are not complied with and premises are not maintained, Fire Rescue enforces compliance through a notice to comply, fees, fines, and orders to comply. The notice may range from a minor notice to remediate within a specified time up to and including a fine of not more than \$10,000. In addition, the Bylaw allows the Fire Chief to take measures to prevent or suppress fires, including demolition.

Unsightly Premises Regulation Bylaw 7162.

Outlines the powers of a Bylaw Enforcement Officer to serve an Order to Comply when an owner or occupier, or their agents fail to comply with the provisions of the bylaw. The Order to Comply will require the owner or occupier to bring the property into compliance within 14 days of being served the Order to Comply. The Bylaw delineates the powers of the City to append any unpaid charges related to the removal of offending material from the property on to the taxes payable on such property.

The City also has the ability to fine repeat offenders for allowing property to become or remain unsightly (a fine of \$250.00 per day).

Community Charter

Under Division 12 of the Community Charter, Council may impose remedial action requirements in relation to hazardous conditions and/or nuisances related to buildings:

72 (2) In the case of matters or things referred to in section 73 or 74, a remedial action requirement

(a) may be imposed on one or more of

(i) the owner or lessee of the matter or thing, and

(ii) the owner or occupier of the land on which it is located, and

(b) may require the person to

(i) remove or **demolish** the matter or thing,

(ii) fill it in, cover it over or alter it,

(iii) bring it up to a standard specified by bylaw, or

(iv) otherwise deal with it in accordance with the directions of council or a person authorized by council.

73 (1) Subject to subsection (2), a council may impose a remedial action requirement in relation to any of the following:

(a) a building or other structure, an erection of any kind, or a similar matter or thing;

Best Practices

Staff conducted research into how other municipalities are addressing the concerns associated with vacant properties deemed to be a nuisance or hazard in order to identify enhancements to the current processes:

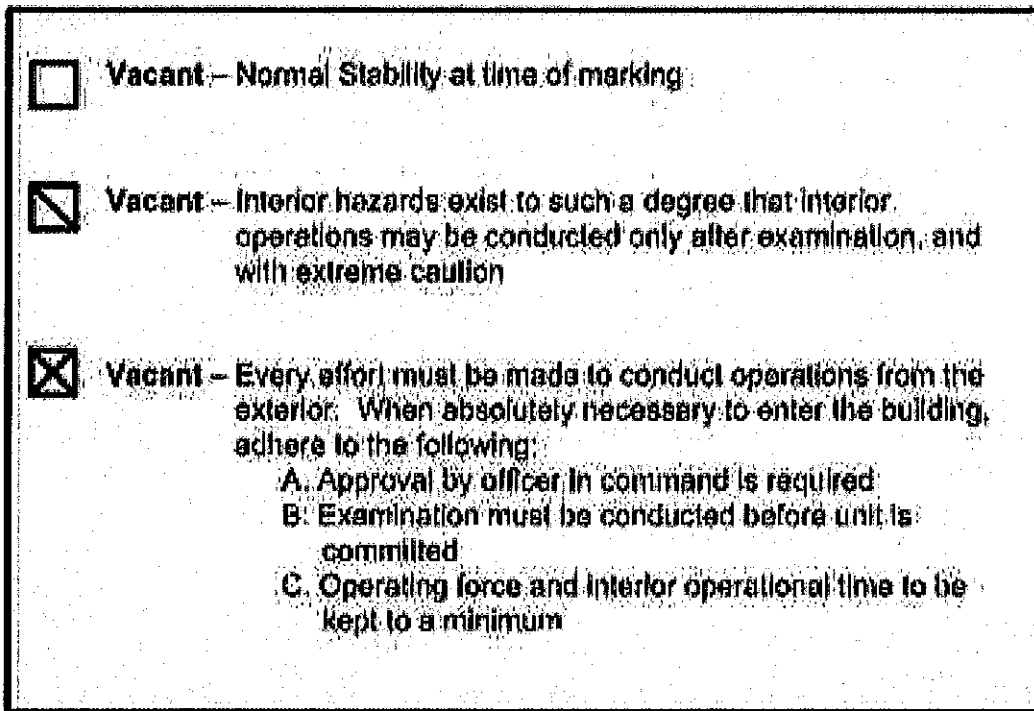
- Disincentives such as fines (noise, health, unsightly premises, zoning, fire prevention) and forced clean up charges to compel owners to demolish properties. Any unpaid fees and fine form part of the residential property taxes as taxes in arrears.
- Building relationships with utility companies such as Shaw Cable and BC Gas (which helps with the fast track process on demolition permits).
- Providing incentives by waiving dumping fees for contentious properties
- In extreme cases (where the owner is not cooperating) advising Mortgage holders (banks/credit unions) if property is being used for criminal activity.
- Charging repeat police response costs to the owners (\$195.00/call)
- City staff response is charged at \$50.00/call plus a 10% administration fee
- Pursuing Council Remedial Orders for buildings considered to be a fire hazard nuisance and in the interest of public safety requiring the owners to demolish the buildings within a specified timeframe. If the owners failed to take remedial actions the City would demolish the structures and recover the costs from the property owners.

Opportunities to Enhance the Current Community Safety Approach

As noted previously, the City has powers at its disposal which provide disincentives for owners to allow their properties to become a nuisance or life safety hazard. Many of the practices followed by other municipalities are similar to what is currently practiced at the City of Richmond. However, there are opportunities to incorporate several of the disincentives noted and to explore the feasibility of providing property owners with incentives to demolish their structures before they are so dilapidated as to become hazardous.

Community Bylaws is currently exploring the option of issuing MTI fines of \$250.00 a day to repeat offender owners for allowing the property to become or remain unsightly. The MTI fine would be served in addition to the Order to Comply and can be served daily while the property remains unsightly.

Vacant buildings pose hazards to first responders' health and safety and to members of the community, in general. Richmond Fire Rescue is researching an exterior marking system on abandoned and vacant structures to inform all who approach of the structure's status and identify potential hazards. The diagram below, is an example of these vacant warning placards developed and used by the Fire Department of New York City.



Other jurisdictions may utilize different systems but the objective would be to warn all emergency responders that the building poses hazards that are significantly greater than buildings that are maintained and in good repair.

Although, the City has pursued Council Remedial Orders to diminish risks of abandoned, unsightly properties, orders to demolish a building deemed to be a life safety hazard have not been sought. The power is within Council's authority and could be utilized in the most extreme

cases where a structure is in a severely hazardous and dilapidated state, has had numerous responses by emergency responders and has failed to comply with orders to remediate the property. An escalating process could be clearly defined, in communicating with property owners along with corresponding public education messages.

In addition, there is the opportunity to provide incentives to property owners to demolish properties before they become hazardous.

Assessment values are determined by the market value or potential value of the property, if sold, and the current use. This assessment is determined by the BC Assessment Authority. Tax rates are set according to the tax assessment class by Council each year. Residential properties are taxed at a lower rate than commercial and industrial property. If the highest best use for a property is commercial and industrial and there is a house on the property, the BC Assessment Authority is compelled to address the property as residential property and assess it as such. If, however, the City informs the BC Assessment Authority that a property includes a hazardous, abandoned house, BC Assessment may reassess the property at its highest and best use, for example a commercial/industrial assessment. In this case, the property would be taxed at a much higher rate. If compliance is not achieved by the City, the communication to the BC Assessment is another means to be utilized

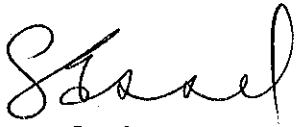
A concept to explore, is the feasibility of encouraging the establishment of community gardens on privately owned property that is anticipated to be redeveloped in the future. In Vancouver, several community gardens have been established on privately-owned land, for example the community garden at Pacific and Seymour is a developer-lead initiative whereby a community garden has been installed on a temporary basis until the developer is ready to build on the property. BC Assessment reclassified the land from commercial to non profit, resulting in a reduction in property tax. This concept would need to be fully explored to determine the impact to the City overall.

Financial Impact

There is no financial impact associated with this report.

Conclusion

The number of hazardous abandoned properties in the City has increased. There are life safety issues associated with these properties. There are costs associated with responding to these properties. The Community Safety Department has relied on disincentives such as fines to encourage property owners to remediate or demolish these properties. There is an opportunity to enhance the current approach through further disincentives up to and including demolishing a hazardous abandoned structure on a property. Additionally, further incentives could be explored to provide a proactive, preventive approach.



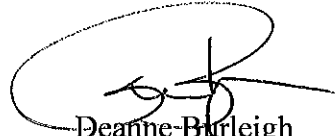
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