



## STAFF REPORT

**Title:** Policy No. 240-AD-24 - Residential Demolition Grant Policy

**Meeting Date:** November 19, 2024

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### **Executive Summary:**

Policy No. 240-AD-24, Residential Demolition Grant Policy is presented as a grant program to incentivize property owners to demolish derelict residential properties. The intent of the grant is to offset some of the costs that can make demolition of unkept properties prohibitive. Administration seeks feedback from the Committee and direction on the framework for the grant program.

### **Background:**

At the October 15, 2024 Corporate Priorities Meeting, Administration advised that they continue to receive calls about a number of derelict residential properties within the City. Neighbors would like to see derelict properties addressed. However, it is recognized that demolition is costly. In 2023, the City increased enforcement efforts to address several derelict residential properties that had been causing significant concerns within the community including negative impact to neighbors and the overall aesthetic, safety, and livability. The status of the six (6) residential properties of concern are:

- 4 demolished
- 1 rebuilt
- 1 outstanding

Addressing derelict properties through municipal enforcement (fines and orders against the property owner directing that remediation occur) can be challenging for several reasons. Addressing severely derelict properties through municipal enforcement involves significant administrative resources, time (months to years), and may involve legal costs. Some of these costs are recoverable through the property taxes.

At the October 15, 2024 Corporate Priorities meeting, Administration presented opportunities to establish a derelict residential property demolition incentive that could promote community development, property investment and growth. Opportunities could align with the other incentive programs that are already offered by the City and fill a gap in promoting infill development of neglected properties.

The intent of the incentive could be to address the cost of demolition and asbestos remediation (if required) that can serve as a barrier to redevelopment of derelict residential properties. Promoting demolition and supporting property owners who are



willing to address the derelict properties, can resolve the negative impacts of these properties and the demolition of the unsafe structures opens the land for redevelopment opportunity, assessment growth, and improves liability of the surrounding community.

The Corporate Priorities Committee directed Administration to proceed with the development of an incentive program that would provide financial support towards landfill fees which can be extensive for the disposal of a demolished property. Administration has considered options for the development of such an incentive.

The City of Cold Lake's Transfer Station is a Class 3 landfill. Class III landfills in Alberta can take "inert waste", but cannot take liquid waste, oilfield waste, or hazardous waste. Because of its classification, any demolition material that falls within the category of hazardous waste could not be disposed of at the Cold Lake transfer station. For some residential properties, this would mean that the entirety of the demolition materials could not be disposed of at the City's transfer station. Additionally, it can be much more challenging to administer a fee waiver, as compared with a simple grant program.

Policy No. 240-AD-24 Residential Demolition Grant Policy is provided as a grant program with the following parameters:

- Grant of \$10,000 could be applied for when a Building Permit application is submitted to the City for the demolition of a residential property. Set a maximum of five (5) grant opportunities to be offered in 2025. The City could reconsider funding for the grant in future years.
- Qualifying residential properties would be considered only if they met all of the criteria: property is in a state of disrepair in the opinion of the City, property is residential and located in the City of Cold Lake, property is being demolished with the appropriate permits applied for.
- Successful grant applicants would receive the grant upon a compliance Permit Service Report confirming Building Permit conditions were met.

**Alternatives:**

The Committee may consider:

- Directing Administration to bring Policy No. 240-AD-34 Residential Demolition Grant Policy to the next regular meeting of Council for approval.
- Directing Administration to bring additional information to an upcoming Corporate Priorities Committee Meeting for consideration.

**Recommended Action:**

Direct Administration to bring Policy No. 240-AD-34 Residential Demolition Grant Policy to the next regular meeting of Council for approval.



**Budget Implications (Yes or No):**

Yes.

**Submitted by:**

Kevin Nagoya, Chief Administrative Officer