

Subject: Demolition Control By-law Amendment

File Number: ACS2024-PDB-PS-0078

Report to Planning and Housing Committee on 3 July 2024

and Council 10 July 2024

**Submitted on June 21, 2024 by Derrick Moodie, Director, Planning, Services,
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Wards: 12,13,14,15, and 17

Objet : Modification apportée au Règlement sur le contrôle des démolitions

Dossier : ACS2024-PDB-PS-0078

Rapport au Comité de la planification et du logement

le 3 juillet 2024

et au Conseil le 10 juillet 2024

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REPORT RECOMMENDATIONS

That Planning and Housing Committee recommend Council approve an amendment to the Demolition Control By-law 2012-377 related to development applications and timing for demolition permits.

RECOMMANDATIONS DU RAPPORT

Que le Comité de la planification et du logement recommande au Conseil d'approuver une modification du Règlement sur le contrôle des démolitions (Règlement n° 2012-377), en ce qui concerne les demandes d'aménagement et le calendrier relatif aux permis de démolir.

BACKGROUND

Section 33 of the *Planning Act* permits the establishment of demolition control area by by-law and includes permissions for conditions to be incorporated into demolition permits.

The Demolition Control By-law (2012-377) was enacted by Council in 2012 and does not permit a demolition permit for residential dwellings until the issuance of a building permit. The intent of this is to maintain the integrity of existing neighbourhoods within the designated area by preventing the premature loss of housing stock and the creation of vacant parcels of land. Demolition Control exists only in Wards 12,13,14,15, and 17. Where an applicant wishes to demolish prior to a building permit being issued, they can apply for a demolition control application and staff may impose conditions associated with the demolition.

The intention is that demotion is not permitted until there is clear intent to construct on a property. Currently, this intent is shown through the issuance of a building permit.

However, applicants to the Committee of Adjustment have identified a particular challenge for situations for Consent to Sever (severance) applications where one building on a site is replaced by two or more buildings.

When a severance application is before the Committee of Adjustment, city staff recommend a condition to demolish the existing dwelling so that a new lot line is not created where a dwelling currently exists.

Because demolition control prevents the issuance of a demolition permit until a building permit has been issued, it typically means a delay in timing between when a severance is granted and work begins on the site for new development. Two building permits cannot be issued on one lot due to zoning restrictions. Applicants are reluctant to commence building permit work until they have a confirmed Committee of Adjustment

approval. The end result is that the timelines for development on new lots to adhere to demolition control are approximately two months longer than if demolition was permitted earlier. Similar conditions likely exist for other *Planning Act* applications including Subdivision, Site Plan, and Part-Lot Control.

Location

This proposed amendment would impact issuance of demolition permits on sites with applications for Plan of Subdivision, Site Plan, Part-Lot Control or Consent to Sever in wards where demolition control applies, namely Wards 12,13, 14, 15, and 17.

Summary of proposed amendment

The proposed amendment is to permit a demolition permit where a severance or other *Planning Act* application has been approved, prior to the issuance of the building permit. This would permit applicants to undertake demolition concurrently to the completion of the severance or other development application process.

DISCUSSION

This recommendation is proposed for efficiencies in the severance and development process for both applicants and city staff. Applicants have identified a procedural challenge with the Demolition Control By-law that has created a barrier to efficient development.

Other options that have been considered include:

1. Do nothing and continue to require that a demolition permit can not be issued prior to issuance of a building permit. This will continue to pressure staff resources and efficiencies of site development.
2. Issue a demolition permit once the building permit application has been submitted, but not yet issued. This would potentially save one month of time, whereas the proposed recommendation would potentially save two months of time on the development process.
3. Broaden the review of the Demolition Control By-law. Through discussion, it has become apparent that there is concern that the Demolition Control By-law is not accomplishing what it originally set out to do. Delay has occurred in issuance of demolition permits, without measurement about whether the process actually results in habitable dwellings remaining longer on future development sites. However, this subject intended recommendation is a minor amendment to the Demolition Control By-law and staff did not have the current resources to undertake a comprehensive review of the Demolition Control By-law at this time.

4. Remove Demolition Control entirely or place a moratorium on its application and monitor the results. This is the most simplistic option, and would result in efficiencies in development process, however staff do not recommend this option without further review to determine how the process is working on all application types currently. It should be noted that there have been a number of motions to Council since 2020 to remove Demolition Control without application process, and so this may warrant a greater review of whether Demolition Control is accomplishing its original intent.
5. Permit demolition permits as part of Development Agreements that often form a condition of an application to severance. Legal Staff have identified that Planning staff can permit demolition (Part V.8 2) of the Demolition Control By-law), which could include a development agreement. However, demolition permits are often issued prior to the conditions of development applications (including a Development Agreement), and so this would not save any time in the process.

Other Municipalities

From a limited review, it appears that many municipalities do not have Demolition Control By-laws in place. Some larger municipalities including Toronto and Hamilton have implemented Demolition Control as permitted through subsection 33(2) of the *Planning Act*, R.S.O. 1990, c. P. 13.

The [City of Hamilton Demolition Control By-law](#) includes a clause to permit demolition where, “Demolition of the Residential Property is a condition of an approved Consent to Sever and all other conditions of the approved Consent to Sever have been met.” Similar permissions are referenced to Site Plan Control and Draft Plan of Subdivision approvals.

Staff have considered an amendment to the Demolition Control By-law that mirrors that, however without the reference to all other conditions being met. Waiting until all other conditions of the approved severance have been met would gain limited efficiencies in the process, as the clearing of conditions typically takes several months.

Official Plan designation(s)

The Official Plan 2.2.1 includes direction for intensification within the built-up urban area through creation of new lots at a higher density than currently exists.

Other applicable policies and guidelines

On April 3, 2024, Council approved a [Housing Accelerator Fund Spending Plan](#) which included ten initiatives. One of those initiatives was to streamline planning approvals.

The subject amendment to the Demolition Control By-law will remove a barrier to potential housing supply, consistent with the intent of this initiative.

Heritage

Heritage Planning staff have reviewed the proposed amendment and have no concerns as there are other mechanisms under the Ontario Heritage Act to protect heritage buildings from demolition. Staff in Heritage Planning work collaboratively with Planning Services staff to identify heritage issues when comments are submitted to the Committee of Adjustment and when conditions are created for approvals under delegated authority for draft plan of subdivision, site plan, and part-lot control application.

Rationale for Change Proposed

The current timeline for severance applications where one building is replaced by two or more on a site (as provided by a frequent applicant and member of Greater Ottawa Home Builders Association) is roughly:

Task	Completed
Submit applications to C of A House is vacant - disconnect services and utilities in preparation for demolition	Day 30
Hearing at C of A	Day 90
Appeal Period	Day 120
Building permit work commissioned Building permit issued Demolition permit issued and site preparation	Day 210
Conditions cleared Severance finalized Second building permit issued	Day 270
Start construction on one or both buildings	Day 300

Staff are proposing a change to the Demolition Control By-law that would permit the issuance of a demolition permit once a severance decision, or other application decision, is in full force and effect (following the appeal period). The anticipated change to process (changes in italics) would be:

Task	Completed
Submit applications to C of A House is vacant - disconnect services and utilities in preparation for demolition	Day 30
Hearing at C of A	Day 90
Appeal Period	Day 120
Demolition permit issued and site preparation Building permit work commissioned Building permit issued – possible construction start	Day 150
Conditions cleared Severance finalized Second building permit issued	Day 210
Start construction on one or both buildings	Day 240

The proposed amendment would allow for work on site associated with demolition to occur concurrent with building permit preparation and issuance and is estimated to shorten the overall timeline for development by approximately two months.

Currently, applicants are frequently staggering building permits and construction work in order to begin work expeditiously or are proceeding through a conditional building permit process, an extra administrative step with Building Code Services to address this situation. Staggering the issuance of building permits means increased work for staff in Building Services who may need to review and issue near identical building permit reviews and inspections instead of performing these tasks concurrently. Conditional building permits include an additional step in the building permit process.

Because of the potential improvement in overall time for development, this change is anticipated to improve the possibility of applicants pulling building permits for work at

the same time, and starting on two similar building permits at the same time, potentially improving efficiencies for applicants and Building Services Staff.

The intent of this proposed change is to improve the timelines for new construction and find efficiencies in steps related to a severance and other *Planning Act* applications where the result is that one building is replaced by two or more.

Extent of Applicable Situations

To determine the extent of the subject situation, severance applications that included the applicable condition for demolition of an existing building were reviewed in Urban Wards between January 1, 2020 and December 31, 2023, with the following quantity noted: seven in Ward 12, 17 in Ward 13, two in Ward 14, 32 in Ward 15 and 15 in Ward 17.

For a total of 73 applications over a four-year period, or an average of 18 per year. Given that severance applications being referenced result in a minimum of two buildings where there was once one, resulting potential efficiencies on 36 new buildings, significantly more number of dwelling units, with efficiencies not including additional staff resources that are spent on staggered building permit review or conditional permitting processes.

Staff estimate the situation would occur infrequently for Plan of Subdivision, Site Plan, and Part-Lot Control applications, but recommend that these applications should also benefit from the opportunity for streamlining, should it arise.

Risks

One risk identified is that residents will be vacated from properties intended for demolition earlier than is current process.

While the original intent of the Demolition Control By-law was that properties remain occupied until the issuance of a building permit, this cannot be regulated. Anecdotal information provided by applicants is that as soon as development applications are made, subject properties are already vacant, so this change will not increase the time a property sits vacant, and by improving efficiencies in process, may actually decrease the time between when it is vacant and when new dwelling units are available.

A second risk is that applicants will opt to demolish buildings and not complete the severance process, resulting in vacant lands. The risk is that permitting demolition following the application does not provide certainty that construction will follow.

The risk for applicants not proceeding with construction exists in the current process, and there is relative certainty that sufficient resources have been expended in the

preparation and issuance of a building permit so that construction is imminent. There always has been the risk that because only one building permit is required in order to issue the demolition permit, construction may proceed on one building only, so the current process does not eliminate the potential for vacant lots.

With the proposed amendment, it is noted that the Committee of Adjustment also requires submission of concept plans, and often involves hiring planning, engineering consultants and architects to justify applications. Other applications referenced (Subdivision, Site Plan Control, Part-Lot Control) include submission and review of plans and studies most often greater than those required for the Committee of Adjustment. There is no guarantee in either the current or proposed process that construction will ensue, as matters including financing, market forces and others are out of the control of City staff.

A third risk is that applicants may proceed with demolition to avoid paying vacant unit tax. The intent of this subject amendment is to assist with dwelling unit creation earlier, effectively resulting in fewer vacant units, as intended by the City.

If the proposed Demolition Control By-law and resulting process change yields numerous premature vacancies of existing dwelling units, the by-law can be amended again to reverse the change.

Staff feel that the potential efficiencies in process warrant the proposed change and outweigh potential risks, and that the change still meets the intent of the Demolition Control By-law to have some indication of intent for construction plans prior to permitting demolition.

Future Steps

A broader review of the Demolition Control By-law may be warranted to determine if it is accomplishing its original intent.

CONSULTATION

Staff have consulted with internal stakeholders and the Greater Ottawa Homebuilders Association on the proposed change.

Public notification has been done consistent with process for City or Area Wide Amendments in the Public Notification and Consultation Policy for Development Applications in that notification has been provided prior to the Committee meeting where this amendment is being considered.

COMMENTS BY THE WARD COUNCILLORS

Councillor Menard provided the following comment:

Recent legislative changes in Ottawa have been introduced to better manage and deter vacancy in our city. The vacant building permit system is one example. The presence of vacant and derelict sites in Ottawa had become a burden for property standards enforcement, and there were related health and safety concerns that were not being effectively mitigated. This led, at first, to property standards rules being strengthened, and tax breaks being phased out for these properties.

The problems were still not adequately tempered or resolved, and the most recent bylaw review led to the establishment of a permit system that would help fund enhanced enforcement on these properties. It is still too early to evaluate the efficacy of this new system. One of the hoped for outcomes of this permit system is to see properties redeveloped, and land being put to productive use.

Similarly, a vacant unit tax has recently been introduced by the city to deter property owners from maintaining vacant residential units, and to put more residential units to be put back on the market.

The demolition control bylaw, for its part, also encourages redevelopment and the productive use of land in our urban core by requiring a building permit to be submitted before a demolition can take place. We do this to discourage vacant lots in the heart of our city. Waiving the building permit requirement in the scenarios proposed by this report is supportable, then, if an additional condition is provided for.

Specifically, there needs to be a condition established that, after a certain timeline, if no building permit is applied for, then the owner of the site should maintain the now vacant lot as accessible greenspace or POP or an escalating vacant charge that could apply. This is already something that has been negotiated for one-off scenarios in the past. It should be made policy, therefore, with a proposed blanket exemption such as what is proposed in this report.

If these waivers do lead to new housing supply, which is the objective, then this additional condition will be moot. However, if no submission for a building permit comes forward, then this condition prevents the undesirable outcome of inaccessible vacant lots, and all the problems and opportunity costs that come with them. Such a condition would also discourage owners from pursuing this route to avoid paying the VUT, or avoid adhering to the requirements of a vacant building permit, on an existing site.

In other words, we should be careful to ensure that this policy change does not in any way undermine our existing policies meant to deter vacancy in our city. Having a

condition in place for scenarios where no building permit materializes after a reasonable amount of time has passed is one way to accomplish this while still achieving the objectives of this report.

Councillors Plante, Troster, Leiper, and King are aware of this report.

LEGAL IMPLICATIONS

There are no legal implications associated with implementing the report recommendation. The amendment is intended to streamline the development application process.

RISK MANAGEMENT IMPLICATIONS

There are risk implications. These risks have been identified and explained in the report.

FINANCIAL IMPLICATIONS

There are no direct financial implications.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- A city that has affordable housing and is more liveable for all

This strategic objective aims to increase housing supply, support intensification, and streamline approvals.

SUPPORTING DOCUMENTATION

Document 1 – Recommended Amendment to Demolition Control By-law

DISPOSITION

Zoning and Interpretations Unit, Policy Planning Branch, Planning Services to prepare the implementing by-law and forward to Legal Services.

Legal Services, City Manager's Office to forward the implementing by-law to City Council.

Document 1 – Recommended Amendment to Demolition Control By-law

Change proposed to Demolition Control By-law 2012-377

Amend Part IV 7. (1) to the following:

PART IV – APPLICATION WHERE A BUILDING PERMIT FOR THE REPLACEMENT BUILDING HAS BEEN ISSUED

7. (1) Where a building permit has been issued to erect a replacement building on the site of a residential property, or where demolition of the dwelling is a condition of an approved Subdivision, Site Plan, Part-Lot Control or Consent to Sever application

and

(a) In respect of a consent to sever, a provisional decision has been made and either such provisional decision is not appealed or the appeal is finally successfully resolved to permit the consent to sever;

(b) In respect of Part Lot Control, delegated approval has been granted;

(c) In respect of a proposed subdivision, draft approval has been granted and has not been appealed; or

(d) In respect of site plan control, site plan approval has been given,

a person may apply to the Chief Building Official for a demolition control permit, and the Chief Building Official shall issue the demolition control permit.