

Proposed Resolution for FCM 2017 Annual Conference

Councillor Rudy Storteboom

Resolution for a Standard Remediation of Properties used as Marijuana Grow Operations and Clandestine Drug Laboratories

Motion

WHEREAS, residential and commercial properties are being used for agricultural and drug manufacturing purposes,

WHEREAS, the aftermath of these activities can result in buildings that are not healthy for human habitation and uncertain for value,

WHEREAS, there is a need for health and safety standards to be established for former marijuana grow operations and clandestine drug laboratories in order for these properties to be restored to acceptable occupancy,

THEREFORE, BE IT RESOLVED THAT the Federation of Canadian Municipalities (FCM) petition the government of Canada to establish a comprehensive standard of remediation for residential and commercial properties affected by the cultivation of agriculture and/or the manufacture of drugs, whether legal or illegal, to acceptable health and safety standards for reoccupation by residents and the protection of investors and underwriters.

Recommendation

The Government of Canada be petitioned to work with the provinces in establishing necessary health and safety standards for the remediation of former marijuana grow operations and clandestine drug laboratories before allowing these properties to be returned to useable Canada's housing inventory.

Background

Currently, there is no standardized remediation schedule to protect renters, home buyers, mortgage lenders and property insurers from inhabiting or investing in residential or commercial real estate properties that have been used to grow marijuana or manufacture drugs.

In 2014, Health Canada issued over 55,000 marijuana grow licenses for Personal Use (PUPL) and Designated Personal Use (DPPL) across Canada. Canadian law enforcement estimates that there are currently over 50,000 illegal grow operations in Canada. By 2024, it is expected that there will be about a half million personal grow operations operating in our country. The questionable health and safety of these properties must be addressed before allowing them to return to the marketplace for reoccupation.

Large marijuana grow operations can produce significant amounts of mold and mildew that are unhealthy; especially for children. Often, electrical services are bypassed in these properties and makeshift alterations can result in potential fire hazards. Even the structural integrity of a building can be compromised by cutting out venting ports through support walls.

Without standard remediation guidelines the value of these former grow operations and clandestine drug laboratories have uncertain values for mortgage lenders and insurance companies, further reducing Canada's usable housing inventory and exacerbating the affordable housing shortage in Canada's metropolitan centers. In rural areas, where housing demand is not as high, former "grow-op" properties are often abandoned and not re-introduced in the real estate market. Most Canadian financial institutions and insurance companies refuse underwrite these "toxic" properties.

Often, toxic properties are sold privately after the seller has performed minimal repairs. The seller can easily bypass disclosure documents by claiming never to have lived at the subject property resulting in unsuspecting buyers purchasing a toxic property.

Housing organizations including: Canadian Real Estate Association (CREA), Canadian Association of Accredited Mortgage Professionals (CAAMP), Insurance Bureau of Canada (IBC) and Canadian Homebuilders Association continue to advocate for a standard of remediation to be established by the government of Canada. Canadian municipalities should demonstrate support for this public safety and protection issue.

Currently, there is no national policy to protect renters, potential buyers, financial institutions or insurers from inhabiting or investing in former marijuana grow operations and clandestine drug laboratories. Proposed changes to marijuana laws that are currently before our government may result in more personal grow-ops in residential homes; that were never designed for agricultural purposes.

Recently this policy received almost unanimous support at the September 2016 Canadian Chamber of Commerce AGM.

"That the federal government develop a comprehensive remediation standard to secure the conventionally available housing stock affected by legal and illegal manufacture and/or cultivation of substances, which will satisfy the needs of the industries affected including the real estate, financial, insurance and construction related industries and the clients they serve."