



Housing Development Incentives Policy

Policy Number:	2024-03
Approved by:	Council Resolution 2024-05-03 dated March 11, 2024
Effective date:	March 11, 2024
Department:	Planning and Sustainability Services

PURPOSE

This policy provides eligibility criteria, financial benefits, and approval process for development incentives awarded by the City.

POLICY STATEMENT

Creating attainable housing for citizens is a priority for the City, which will be achieved in part through adding increased housing stock to the market via incentivizing particular development projects that provide Rental Housing or other Supportive Housing initiatives. The City will provide financial incentives for projects that provide Rental or Supportive Housing and assistance to Non-government and Non-profit Organizations.

For greater certainty, in the case of a mixed-use development, the City will only provide financial incentives for residential components of the building.

BACKGROUND

There is currently a need for attainable housing of all types in the city. These needs can be addressed through a variety of housing-supply options including mixed-use, apartments, secondary suites, and other types of housing developments. Some aspects of the housing continuum are being adequately supplied by the market, while others are not. The City does not provide housing directly, but it has a role in land development, permitting and taxation whereby it may encourage development that is not being provided under existing market conditions.

DEFINITIONS

“City” means the municipality of the City of Whitehorse.

“Council” means the municipal Council for the City of Whitehorse.

“Development Cost Charge (DCC)” means the charge levied by the City against a new development to acquire sufficient funds to assist with the expansion of municipal services or facilities and other growth related infrastructure. DCCs are enacted through the Residential Development Cost Charges Bylaw and the value is set out in the Fees and Charges Bylaw.

“Development Fees” means the fees associated with a project including, but not limited to, the costs of development and building permit applications, inspections, water and sewer connection, and the development incentive application. For the purposes of this

policy, development fees do not include DCCs or construction and demolition tipping fees.

“Development Incentives” means the financial benefits provided to a developer, made by the City for developments meeting the eligibility criteria set out in this policy. Development Incentives may be either a grant payment, or a reduction of fees, or both.

“Eligible Suite” means either a living suite or garden suite, as defined by the Zoning Bylaw that is connected to municipal services and located within the Urban Containment Boundary.

“Eligible Missing Middle Housing” means either garden and living suites, duplex, triplex, fourplex, townhouse, and courtyard housing, or apartment and multiple housing of four stories or less, as defined by the Zoning Bylaw that is connected to municipal services, located within the Urban Containment Boundary, and developed by a Non-Profit Agency or Non-Governmental Organization.

“Non-Profit Agency or Non-Government Organization” means an organization that has been registered with Government of Yukon Community Services under the Societies Act and has remained in good standing for a period of two years or longer.

“Rental Housing” means any configuration of multiple housing units that is retained by a single owner, with units that are available to rent on a monthly or longer basis. Rental units must be retained as one legal entity and cannot be subdivided through a condominium process, even if all units are retained by one owner. Individual buildings may be separated through bare land condominium subdivision.

“Short-Term Rental” means the offering of a dwelling unit for a rental period of less than thirty (30) days, or as otherwise defined by the City of Whitehorse Zoning Bylaw.

“Supportive Housing” means the use of a building for residential dwelling units that is owned and operated by a Non-Profit Agency or Non-Government Organization and intended to accommodate tenants who require assistance. Assistance for residents must be provided through a permanent on-site staffing component. Typical uses would include assisted housing for seniors or assisted housing for people with disabilities.

“Unit Grant Incentive (UGI)” means a yearly monetary grant intended to incentivize development. The grant will be calculated on a basis of \$2,000 per unit.

“Urban Containment Boundary” means a mapped boundary, shown in the Official Community Plan, which outlines the serviced urban areas of the city (i.e., areas of urban density, growth, and service delivery including sewer, water and storm infrastructure).

DEVELOPMENT INCENTIVES

Suite Development Incentive

The Manager of Land and Building Services, or designate, may approve a Suite Development Incentive for any person or organization that develops an Eligible Suite, permitted by the City.

Approval of a Suite Development Incentive will result in the DCCs for the approved suite being reduced pursuant to the Fees and Charges Bylaw and a grant equal to \$5,000 per

dwelling unit or equal to the value of the Development Fees, whichever is less, up to a maximum of \$5,000 per unit, and \$10,000 per property.

Grants will be awarded on a first come-first served basis at time of paying Development Fees. Once funding is exhausted, no new grants will be available.

Missing Middle Housing Incentives

The Manager of Land and Building Services, or designate, may approve a Missing Middle Housing Incentive for any Non-Profit Agency or Non-Governmental Organization that develops an Eligible Missing Middle Housing, permitted by the City.

Approval of a Missing Middle Housing Incentive will result in a grant equal to \$5,000 per housing unit or equal to the value of the Development Fees and DCCs, whichever is less, up to a maximum of \$20,000 per property.

The Missing Middle Housing Incentives will have a maximum of \$100,000 in total funding and be issued on a first come, first served basis. After \$100,000 in total funding is exhausted, or January 1, 2027, whichever comes first, the Missing Middle Housing Incentives will expire.

The Missing Middle Housing Incentives may be combined with other development incentives, where eligible. The Suite Development Incentive and Missing Middle Housing Incentive may not be combined.

Grants will be awarded on a first come-first served basis at time of paying Development Fees. Once funding is exhausted, no new grants will be available. Rental and Supportive Housing Development Incentive

Council may approve a Rental and Supportive Housing Development Incentive for any person or organization that builds a development, or retrofits an existing building, with one or both of the following:

- a minimum of four Rental Housing units that will remain as Rental Housing for a minimum term of ten years; or
- a minimum of four Supportive Housing units. Council may consider projects proposed as partnerships between Non-Profit Agency or Non-Government Organizations and for-profit organizations.

Approval of a Rental and Supportive Housing Development Incentive will result in the DCCs for the approved units being reduced pursuant to the Fees and Charges Bylaw, and in a ten-year Unit Grant Incentive (UGI). The total value of the benefit awarded between the fee reduction and grant will not exceed \$500,000.

Non-Profit or Non-Governmental Organization Development Incentives

Council may approve a Non-Profit or Non-Governmental Organization Incentive for any residential housing project undertaken by a Non-Profit or Non-Governmental Organizations.

Approval of a Non-Profit and Non-Governmental Organization Development Incentive will result in the DCCs for the approved units being reduced pursuant to the Fees and Charges Bylaw, and a grant equal to the cost of Development Fees.

Cash Grant Incentive

Council may consider a cash grant for an amount that it deems necessary to support major projects (10 or more units) by Non-Profit or Non-Governmental Organizations. These projects must include either purpose built, subsidized Rental Housing or Supportive Housing as a significant component of the project (over 60% of dwelling units). Eligibility for a cash grant will consider factors such, other external funding sources, project costs, and current market conditions.

TEMPORARY TIPPING FEE INCENTIVE

To ensure timely demolition of vacant/abandoned buildings, applications for the tipping fee incentive will be only be accepted until January 1, 2027.

The Director of Development Services may approve a tipping fee incentive for any person or organization that demolishes an existing building within city limits, subject to the following criteria:

- A valid demolition permit is issued by the City;
- A development permit for new residential units, in excess of what existed prior to demolition, for the same property is issued by the City within one (1) year of completion of demolition; and
- A building permit is issued for new residential units prior to January 1, 2027.

Approval of a tipping fee incentive will result in a grant equal to 75% of the value of the tipping fees associated with the building demolition and will be paid out once all residential units have received occupancy approval.

Grants will be awarded on a first come-first served basis. Once funding is exhausted, no new grants will be available until the following year. The budget for the program will allocate 80% to applications for Downtown locations and 20% to applications for locations outside of Downtown.

Residential units may be developed as part of a mixed-use building.

Eligibility requirements, payment schedule for grants, and other requirements related to an approved tipping fee incentive will be set out in a Development Incentive Agreement between the applicant and the City.

The applicant must submit all documentation from the City's waste management facility related to tipping fee payments. Tipping fee payment for unsorted loads or hazardous materials related to demolition will not be eligible for grant.

Award of a tipping fee incentive does not preclude a development from receiving other incentives as per the terms of this policy.

IMPLEMENTATION

Based on the eligibility criteria listed in this policy, an applicant may apply for a Development Incentive as follows:

1. All grant payments, excluding Temporary Missing Middle Housing Incentive grants, considered under this policy will be subject to an annual budget cap as determined by Council through the budget process. The Missing Middle Housing Incentive does not have an annual funding cap, and instead has a total funding cap and expiry date of January 1, 2027. Any funding available following consideration of approved incentives requiring annual UGI payments will be awarded on a first come-first served basis. Once funding is exhausted, no new grants will be available until the following year.
2. Federal and territorial governments and their agencies will not be eligible for the Development Incentives under this policy.
3. Receipt of a Development Incentive outlined in this policy does not disqualify an applicant from receiving a different grant, subsidy, or loan provided by the City or another entity. An individual or organization may receive more than one Development Incentive, per the terms of this policy.
4. All grants awarded under this policy are subject to the terms of City Grant-Making Policy, with the exception of the Missing Middle Housing Incentive.
5. All applications must be accompanied by a valid development permit application and projects must adhere to the Official Community Plan, as well as any other relevant City policies or bylaws.
6. Where multiple secondary suites are permitted, a suite development incentive may be approved for each permitted suite.
7. For multi-phased developments that are eligible for an incentive, applications may be made for each phase as the development progresses. Each building, or group of buildings, on a parcel that will be issued a building permit may be considered as an individual phase, even if numerous buildings are included on a single development permit. Project phasing must be considered and approved as part of the development permit.
8. A single phase of an eligible project may apply for a combination of Rental and Supportive Housing Development, Non-Governmental and Non-Profit Organization, and cash grant incentives, as per the terms of the policy.
9. Applications for Development Incentives will not be accepted for projects that have already been issued a building permit. This includes permits that have been cancelled or lapsed and reapplied for in an effort to receive an incentive.
10. Approved UGIs related to Rental and Supportive Housing Development Incentives will be set out in a Development Incentive Agreement between the applicant and the City that will specify the terms of payment. Annual grants will be processed after property owners have paid their taxes for the year in full. If property taxes are

in arrears, the Development Incentive Agreement will be void and the applicant will no longer be eligible for the UGI.

11. The annual value of each UGI will be calculated by applying the grant rate of \$2,000 per unit to the number of units that have received occupancy for the project, for the duration of the Development Incentive Agreement. Payment of UGIs will begin once an eligible development has received occupancy permits for all units.
12. Development Incentive Agreements may be revoked and cancelled if occupancy has not been granted within three years of issuance of building permits for Rental and Supportive Housing Development.
13. If a Rental or Supportive Housing unit ceases to be used for that purpose prior to completion of the term set out in the Development Incentive Agreement, the Agreement will become void and the owner will be required to repay the Development Incentives and/or UGI received for that unit to date.
14. Any Rental Housing that has received funding through an approved Development Incentive shall not be used for Short-Term Rental. If an eligible unit is used for Short-Term Rental prior to completion of the term set out in the Development Incentive Agreement, the Agreement will become void and the owner will be required to repay the Development Incentives, including fee reductions, grants, and/or UGIs received to date.
15. Any Eligible Suite or Eligible Missing Middle Housing that has received a Development Incentive shall not be used for Short-Term Rentals. If an Eligible Suite is used for Short-Term Rental the owner will be required to repay the Development Incentives including fee reductions and grants received to date.
16. If a development permit is not issued within four months of an approved application under this policy, the application may be considered void and a new application would be required. If a building permit is not issued within four months of development permit approval, the incentive application may be considered void and a new application would be required. The voided application would lose its standing and would be placed at the end of the waitlist, as per section 19.
17. If applications exceed funding, a waitlist will be established based on the time and date of application receipt. Applications that are issued a building permit will be removed from the waitlist.
18. If a development or building permit is substantially amended, revoked, or cancelled, the Development Incentive Agreement will be considered invalid and the applicant must reapply for an incentive under the terms of this policy.
19. Once an incentive application has been approved, the City may consider minor amendments to an approved incentive based on changes to a development or building permit, but changes in incentive categories or application for additional incentives for the same project will not be considered.
20. The City reserves the right to amend this policy from time to time, through the standard Council approval process. In the event of an amendment, active

applications will be permitted to continue under the terms in which the application was submitted. Any applications received after the Council process has started will be subject to the updated policy.

REPEAL OF EXISTING POLICY

The Development Incentives Policy adopted by Council resolution 2020-03-11, including all amendments thereto, is hereby repealed.

Supporting References

Municipal Act RSY 2002, c.154

Fees and Charges Bylaw

City Grant-Making Policy

OCP

Zoning Bylaw

History of Amendments

<u>Date of Council Decision</u>	<u>Reference (Resolution #)</u>	<u>Description</u>
May 13, 2024	2024-09-06	Amendments to policy regarding tipping fees.
August 12, 2024	2024-14-07	Amendments to policy regarding missing middle development.

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