

## **ADMINISTRATIVE REPORT**

<b>TO:</b> Development Services Committee
<b>FROM:</b> Administration
<b>DATE:</b> June 5, 2023
<b>RE:</b> Housing and Land Development Advisory Committee Recommendation Yukon Government Agreement for Sale Requirements

### **ISSUE**

Recommendation from the Housing and Land Development Advisory Committee to Council (HLDAC) on Yukon Government requirements for Agreements for Sale and raising title process.

### **REFERENCE**

- Advisory Committee Bylaw 2021-12 – Schedule A - HLDAC Terms of Reference
- Building and Plumbing Bylaw 99-50
- Council Resolution 2023-07-11 – Request to HLDAC
- Attachment 1: Recommendation from HLDAC (2023-01) - June 5, 2023

### **HISTORY**

HLDAC was established by Council in 2022 with a mandate to provide advice and recommendations to Council regarding strategic policy issues and procedures and bylaws as they affect housing and land development under the City's jurisdiction. Under the Committee's Terms of Reference, Council may also direct the Committee to offer advice on any issue that Council refers to the Committee for consideration.

After hearing concerns from members of the building industry, Council passed a Resolution on April 11, 2023 as follows:

*THAT Council direct the Housing and Land Development Advisory Committee to review and make recommendations regarding the Yukon Government requirement to present a City occupancy permit in order to receive title to a property.*

### **Agreement for Sale Process - Background**

YG Department of Energy, Mines and Resources is responsible for administering Agreements for Sale and all associated policies for land purchased from YG. These Agreements include the requirement to provide a 20% deposit on the land with five-years to complete the sale, including a condition that a building is complete in 3 years.

Lots are typically sold through lottery by YG. Land lottery winners are often builders or individuals who have negotiated arrangements with builders. Due to financial challenges for borrowing by an individual it is common for builders to carry the cost of the deposit and the construction until the land sale is complete, when transfer can be passed to the purchaser, who at this point is able to secure a mortgage.

Until 2022, YG had used a "clad to weather" standard to indicate the building was complete enough to commence the transfer of land process. This standard has varied

over the years but overall, it represented the stage where siding, soffits, fascia and interior drywall was complete. No inspection from YG staff was physically done, and photos from the builder were used instead.

In 2022, a change in practice was made by YG that altered the standard for raising title to allow the land to be transferred to the builder or purchasers. The change was to require the trigger for the title transfer to be the issuance of a conditional occupancy approval by the City.

The occupancy approval stage in the building process was chosen by YG as it was considered to be a consistent point in time, involving qualified building experts; however, this point in the process can be much later than the previous clad to weather stage, raising concerns with some builders.

### **ALTERNATIVES**

1. Refer the HLDAC Recommendation to YG as recommended by Administration; or
2. Do not refer the HLDAC Recommendation.

### **ANALYSIS**

HLDAC has reviewed the issue as directed, including the building approval process requirements for both YG and the City. Additional details were provided by YG for the Committee to better understand the intent and purpose of conditions for Agreements for Sale, and the Committee also considered implications from an industry perspective in the context of removing barriers to development of housing.

HLDAC has developed and approved a recommendation to Council that the City request that YG consider amending the requirement for issuance of title to an earlier stage in the building process (see Attachment 1).

Administration appreciates the considered and holistic approach taken by HLDAC in reviewing this issue based on industry concerns and developing this recommendation, recognizing that the Agreement for Sale, title transfer and related policies are within YG's jurisdiction, but that there can be potential implications for the overall housing development process.

Changing the Agreement for Sale requirements is solely a decision of the YG as is the determination of requirements to advance the raising of title. Administration notes that the building stage recommended by HLDAC would be an earlier point in time for the title transfer process to begin, and would not impact any of the City's processes. All points of safety and building occupancy inspection as the responsibility of the City, would remain and continue.

### **ADMINISTRATIVE RECOMMENDATION**

THAT the City make the Yukon Government aware of the recommendation of HLDAC to address concerns raised by industry members by changing the conditions for Agreements for Sale and commencement of title transfer to an earlier stage in the building process.

## City of Whitehorse

### Housing and Land Development Advisory Committee

**DATE** June 5, 2023  
**TO** Council  
**FROM** Housing and Land Development Advisory Committee  
**RE** Recommendation 2023-01 – YG Agreement for Sale, Title Transfer Requirements

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#### ISSUE

Council has requested the Housing and Land Development Advisory Committee (HLDAC) review and make recommendations regarding the Yukon Government (YG) requirement to present a City occupancy approval in order to receive title to a property.

#### HLDAC RECOMMENDATION 2023-01

THAT the City request the Minister of Energy, Mines and Resources of YG amend the requirement for issuance of title to an earlier stage in the building process; and

THAT the issuance of title can instead commence with approval of the electrical rough-in by Yukon Government, and approval of the third inspection by the City under Section 44(3) of the Building and Plumbing Bylaw, which will continue to ensure safety and building requirements can be met by all responsible parties.

#### BACKGROUND

Following questions and concerns raised by the development industry, Council requested HLDAC review the policy change by YG to require an occupancy approval from the City, prior to receiving property title as it relates to housing development.

HLDAC has reviewed the current YG requirements, received additional information from YG officials on the rationale, and considered potential implications for developers.

#### RATIONALE

YG Agreements for Sale contain a building commitment clause that requires the purchaser to build a residence on the lot within a specified time period. This commitment is not a requirement of the Regulations under the *Lands Act*.

The Regulations require that a developed lot sold for residential purposes is offered through a lottery, and that the successful applicant is offered a five-year “Agreement for Sale” to purchase the lot with the purpose of building a residence. Addition of a building commitment in the Agreement for Sale works to ensure a build happens within an agreed upon timeline.

From an industry perspective, there can be uncertainty for builders if they cannot acquire title as soon as the building commitment has been met. Once the title can be raised (upon confirmation of a residence built on the lot and payout of purchase price) to the original purchaser, the builder can then have the title transferred to their name (or company name) to be able to secure the property. This then allows the builder to complete a purchase/sale agreement for the land and building with either the original applicant or a new purchaser.

Until the *Lands Act* Regulations are reviewed to address the requirement for the lottery applicant to be the holder of the Agreement for Sale, builders will continue to be required to operate in the current manner.

Completion of a residence to the stage recommended by the Committee is considered substantive enough to satisfy that a home has been built on the lot. This allows title to be raised, and the required transactions completed on behalf of the builder to complete the final purchase / sale agreement for the property.

In addition, the approach recognizes that the current requirements for conditional and final occupancy approval occurs late in the process for builders, which results in them holding financial commitment on the investment in the construction, house, and the cost of the lot.

Based on review of the issue, the Committee also did not see the need for delaying timing of title for safety reasons to the point of occupancy approval, as a person cannot legally live in a residence until occupancy has been granted by the City.

## ADMINISTRATIVE REPORT

<b>TO:</b> Development Services Committee
<b>FROM:</b> Administration
<b>DATE:</b> June 5, 2023
<b>RE:</b> Hosting a Future Federation of Canadian Municipalities Board Meeting

### ISSUE

Hosting a Federation of Canadian Municipalities (FCM) meeting in 2025 or 2026.

### REFERENCE

May 8, 2023 - Motion – Proposal to Host an FCM Meeting in Whitehorse in 2025 or 2026

### HISTORY

On May 8, 2023 Deputy Mayor Ted Laking put forward a Motion requesting analysis on the feasibility of hosting an FCM Board Meeting in 2025 or 2026, along with an identification of key elements of such a proposal. As part of the FCM's Request for Proposal process, set to close on June 30, 2023, FCM requires a supportive Resolution by Council. FCM is scheduled to announce the successful host location September 15, 2023.

### ALTERNATIVES

1. Authorize Administration to submit a proposal to host an FCM Board Meeting; or
2. Refer the matter back to Administration for further analysis.

### ANALYSIS

#### **Economic Benefit**

FCM holds four Board of Directors meetings each year, with two of them hosted by municipalities across Canada. Hosting an FCM Board Meeting can have substantial economic advantages for the host city.

Potential community benefits include a minimum of 150 hotel room bookings, conference space rentals, and sales of tourism-related products and services. These benefits contribute to the local economy, support businesses, and enhance the City's reputation as an active participant in FCM. The Yukon Convention Bureau (YCB) has confirmed that a conference this size could inject upwards of \$350,000 into the local economy.

#### **Feasibility and Timeline**

To assess the feasibility of hosting FCM Board Meeting, Administration, in collaboration with the YCB, has conducted an analysis based on the requirements outlined in the RFP. Additionally, local service providers have been consulted to determine their availability and ability to meet the demands of hosting this event. Hotels and conference centres have confirmed availability for both September 2025 and 2026.

### **Contributed Resources**

While acknowledging that there are no direct financial benefits anticipated for the corporation in hosting the meeting, it is important to consider the associated costs or redistribution of resources.

Administration estimates that maximum expenses incurred could amount to \$50,000 to cover the costs of items as required in the RFP such as:

- a welcome reception for the attendees and guests (\$20,000);
- computer systems set up and associated support services (\$10,000);
- staff and/or event coordinator time (\$10,000); and
- any necessary transportation arrangements (\$10,000).

FCM requires that the City provide computer support services and some light infrastructure for the duration of the event. Depending on staff capacity at the time of the event, the City may be able to provide these services directly or alternatively may hire a local vendor.

The City does not currently have dedicated staff to coordinate external events of this size. However, in this case, FCM will assume most of the logistical responsibilities. Depending on the availability of internal resources, there may be a requirement to hire a local event coordinator or allocate a specific number of staff hours (estimated at 100 hours) to ensure the smooth execution of the event. Efforts can also be made to secure sponsorships, aiming to offset a portion of the City's hosting costs.

Additionally, the City will be responsible for providing transportation services between the hotels and conference venues if the conference venues are located more than .7 km away from the attendees' hotels. Costs of any organized tour excursions would be expected to be recovered from the attendees or FCM.

A budget submission will be brought forward through the budget process to cover the costs, should the City be successful in its proposal.

### **Conclusion**

The estimated costs associated with hosting the event have been considered, and measures will be taken to minimize the financial impact on taxpayers. While acknowledging staff capacity constraints, Administration can commit to assisting FCM in managing the logistical aspects of the event.

### **ADMINISTRATIVE RECOMMENDATION**

THAT Council authorize Administration to submit a Proposal to host the Federation of Canadian Municipalities September 2025 or 2026 Board of Directors meeting.