

THE CITY OF DAWSON



COMMITTEE OF THE WHOLE MEETING #CW19-20

DATE: MONDAY, JULY 22, 2019
TIME: 7:00 PM
LOCATION: Council Chambers, City Office

1. CALL TO ORDER

2. ACCEPTANCE OF ADDENDUM & ADOPTION OF AGENDA

- a) Committee of Whole Agenda CW19-20

3. DELEGATIONS AND GUESTS

4. BUSINESS ARISING FROM DELEGATIONS

5. SPECIAL MEETING, COMMITTEE, AND DEPARTMENTAL REPORTS

- a) Request for Decision RE: Subdivision Application #19-068: Lot 13, Callison Phase II
- b) Request for Decision: Industrial Infill and Dome Road Urban Residential Development Boundaries

6. BYLAWS AND POLICIES

- a) Request for Decision RE: DRAFT Heritage Bylaw
- b) Request for Direction RE: Development Incentives Policy and Development Cost Charge Program Design: Draft Policy

7. CORRESPONDENCE

8. PUBLIC QUESTIONS

9. INCAMERA SESSION

- a) Land Related Matter

10. ADJOURNMENT

Report to Council



☒ For Council Decision ☐ For Council Direction ☐ For Council Information

☐ In Camera

SUBJECT:	Subdivision Application #19-068: Lot 13 Callison Phase II	
PREPARED BY:	Clarissa Huffman, CDO	ATTACHMENTS: 1. Applications & Supporting Documentation
DATE:	July 12, 2019	
RELEVANT BYLAWS / POLICY / LEGISLATION: Municipal Act Subdivision Bylaw Official Community Plan Zoning Bylaw		

RECOMMENDATION

It is respectfully recommended that Council:

1. Grant subdivision authority to subdivide Lot 13 Callison Phase II, subject to the following conditions:
 - 1.1. Application successfully passes through a public hearing.
 - 1.2. The applicant submits a Stormwater Management Plan to the satisfaction of the CDO and Public Works Superintendent.
 - 1.3. The applicant submits a plan of subdivision completed by a certified lands surveyor drawn in conformity with the approval.
 - 1.4. The access easement shall be registered on title.
 - 1.5. The applicant shall, on approval of the subdivision plan by the City of Dawson, take all necessary steps to enable the registrar under the Land Titles Act to register the plan of subdivision.

ISSUE

The applicant has submitted a Subdivision Application for Lot 13, Callison Phase II. This is substantially the same as a previous subdivision in 2014. The 2014 subdivision authority lapsed because title was not raised within the one-year timeline as per the *Municipal Act*.

BACKGROUND SUMMARY

The applicant received subdivision authority in 2014 to subdivide Lot 13. The subdivision was not completed as per the requirements of the *Municipal Act*; therefore a new application was required.

ANALYSIS / DISCUSSION / ALIGNMENT TO OCP & STRATEGIC PRIORITIES

Municipal Act

The Municipal Act s. 314 details the requirements for any proposed plan of subdivision to have direct access to the highway to the satisfaction of the approving authority. Given that new access would be required, it is a condition of subdivision approval that the access location is approved by administration. Access to the second lot was achieved in the first subdivision application using a 10m easement to use the existing driveway. No changes are proposed to alter this design.

S. 319 stipulates that a subdivision approval may be valid for a period of up to twelve months. If the applicant has not provided proof that the conditions of approval have been met, under the Act approval is void. The applicant can request an extension of a further twelve months, which may be granted in whole or in part, at the discretion of the approval authority.

Subdivision Bylaw

Subdivision Control By-Law S3.01 states that every subdivision of land must be made in accordance with the Municipal Act, the Official Community Plan, the Zoning Bylaw, and the Subdivision Control Bylaw. The Analysis/Discussion section of this report is intended to discuss the proposal's conformity with the provisions outlined in the relevant legislation, policies, and plans.


Official Community Plan

The existing titled property is currently designated as MU – Mixed Use. Uses associated with this designation primarily include a range of commercial and industrial structures. Therefore, the consolidated lot would be required to retain the same designation. Any new use or development on the proposed lots would be required to conform to the OCP designation.

Zoning Bylaw

The subject property is currently designated as Commercial Mixed Use (C2) The C2 designation is intended to permit a wide range of commercial uses that provide services to local industry and highway tourism needs. Examples include commercial storage, campgrounds, contractor services, manufacturing, outside storage, service stations, etc. As a commercial service, the use of the land is compatible with the permitted use of the land, and no changes are proposed or required.

A zoning assessment was also conducted on the property, and no outstanding issues were noted. Two buildings towards the rear of the lot are considered to be legal non-conforming, but do not impact the intent of the subdivision. All other structures on the lot are compliant with the zoning bylaw and do not impact the subdivision. Therefore, administration is comfortable recommending approval of this subdivision.

APPROVAL		
NAME:	Cory Bellmore, CAO	SIGNATURE: 
DATE:	July 19, 2019	



THE CITY OF DAWSON

Box 308 Dawson City, YT Y0B 1G0
PH: 867-993-7400 FAX: 867-993-7434
www.cityofdawson.ca

OFFICE USE ONLY

APPLICATION FEE:	250 + GST
DATE PAID:	June 19
RECEIPT #:	32720
PERMIT #:	19-068

SUBDIVISION APPLICATION

PLEASE READ THE ATTACHED INSTRUCTIONS, GUIDELINES AND SUBMISSION REQUIREMENTS PRIOR TO COMPLETING FORM.

PROPOSED DEVELOPMENT



Subdivision



Consolidation



Boundary Adjustment

CIVIC ADDRESS: 32454 N KLONDIKE HWY
DAWSON CITY VALUE OF DEVELOPMENT: \$ 50,000.00/x

LEGAL DESCRIPTION: LOT(S) LOT 13 BLOCK PHASE II ESTATE Callison Ph. II PLAN# 2007-043
CALLISON SUBDIVISION

PROPOSED DEVELOPMENT: Please provide a brief description of the proposed development, including the number of proposed lots and their sizes.

LOT 13, CALLISON SUBDIVISION PHASE II CONSISTS OF 1.709 ha WOULD BE SUBDIVIDED INTO 2 (TWO) LOTS. LOT 1 WOULD CONSIST OF 1.01 ha AND LOT 2 WOULD CONSIST OF 0.697 ha.

APPLICANT INFORMATION

APPLICANT NAME(S): DRUID EXPLORATION INC.

MAILING ADDRESS: Box 1485, DAWSON CITY, YT POSTAL CODE: Y0B 1G0

EMAIL: druidexploration@gmail.com PHONE #: 867-689-1475

OWNER INFORMATION (IF DIFFERENT FROM APPLICANT)

OWNER NAME(S): _____

MAILING ADDRESS: _____ POSTAL CODE: _____

EMAIL: _____ PHONE #: _____

It is the responsibility of the applicant to ensure that all plans conform to the provisions of the City of Dawson Zoning Bylaw and applicable territorial and federal legislation.

FURTHER INFORMATION

ACCESS: Does the proposed development require additional access to any public road or highway? If yes, please name the road and describe the location of the proposed access. YES

THERE WOULD BE AN EASEMENT ALONG THE FRONT OF LOT 2 TO LOT 1. SAID EASEMENT WOULD BE 10m WIDE AND 450m LONG



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PERMIT #:

WATER: Is the land situated within 0.5 miles of a river, stream, watercourse, lake or other permanent body of water, or a canal or drainage ditch? If yes, please name the body of water and describe the feature.

NOT LOCATED NEAR ANY WATER, - RIVER, STREAM, LAKE OR OTHER PERMANENT BODY OF WATER.

TOPOGRAPHY: Describe the nature of the topography of the land (flat, rolling, steep, mixed), the nature of the vegetation and water on the land (brush, shrubs, tree stands, woodlots, etc. & sloughs, creeks, etc.), and the kind of soil on the land (sandy, loam, clay, etc.).

TAILINGS & A SMALL POND. GRAVEL. NO VEGETATION. POND IS ON ADJACENT PROPERTY. LAND IS FLAT. SOME SMALL TREES. UNDER 10 FEET. ONE GRASSY AREA APPROX 20' X 50' AT FRONT OF A STORAGE BUILDING

EXISTING BUILDINGS: Describe any buildings, historical or otherwise, and any structures on the land and whether they are to be demolished or moved:

OFFICE BUILDING & STORAGE STORAGE SHEDS & SEA CANS. THERE ARE NO HISTORICAL STRUCTURES.

DECLARATION

- I/WE hereby make application for a Development Permit under the provisions of the City of Dawson Zoning Bylaw No. 12-27 and in accordance with the plans and supporting information submitted and attached which form part of this application.
- I/ WE have reviewed all of the information supplied to the City of Dawson with respect to an application for a Development Permit and it is true and accurate to the best of my/our knowledge and belief.
- I/WE understand that the City of Dawson will rely on this information in its evaluation of my/our application for a Development Permit and that any decision made by the City of Dawson on inaccurate information may be rescinded at any time.
- I/WE hereby give my/our consent to allow Council or a person appointed by its right to enter the above land and/or building(s) with respect to this application only.

I/WE HAVE CAREFULLY READ THIS DECLARATION BEFORE SIGNING IT.

19 JUN 19

DATE SIGNED

SIGNATURE OF APPLICANT(S)

19 JUN 19

DATE SIGNED

SIGNATURE OF OWNER(S)



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OFFICE USE ONLY

PERMIT #:

COMPLETE APPLICATION SUBMISSION REQUIREMENTS

As per the Municipal Act s. 320(1), a subdivision will be granted, granted with conditions, or refused within 90 days of receipt of a complete application. An application is not deemed complete until the following information is submitted to the satisfaction of a Development Officer.

- ☒ Application Form (completed in full)
- ☒ Application Fee as per City of Dawson Fees and Charges Bylaw & Zoning Bylaw
- ☒ Site Plan that includes:
 - o a north arrow and scale
 - o property lines shown and labelled as per the most recent legal survey
 - o dimensions and areas of all proposed lots
 - o all easements and rights of way shown and labelled
 - o the location and labelling of all abutting streets, lanes, highways, road rights of way, sidewalks, water bodies, and vegetation
 - o the topography and other physical features of the subject land
 - o the location, size, type, and dimensions of all existing buildings and/or structures on the subject land, as well as the distance of the buildings and/or structures from the proposed property lines
 - o the location of retaining walls and fences (existing and proposed)
 - o the location, dimensions, and number of onsite parking areas
 - o the location of loading facilities
 - o the date of the plan
- ☐ Certificate of Title (if owner does not match Assessment Roll) *NA*
- ☐ Stormwater management plan *N/A*
- ☐ Other as required by the CDO: _____

OFFICE USE ONLY

LEGAL DESCRIPTION: LOT(S) _____ BLOCK _____ ESTATE _____ PLAN# _____

ZONING: _____ DATE COMPLETE APPLICATION RECEIVED: _____

TYPE OF APPLICATION: _____

APPLICANT NAME(S): _____

OWNER NAME(S): _____

☐ APPLICATION REJECTED

☐ APPLICATION APPROVED / PERMIT ISSUED

A letter [] has OR [] has not been attached to this permit explaining reasons and/or permit conditions. If a letter is attached, it constitutes a valid and binding component of this permit.

DATE: _____ SIGNATURE: _____

KLONDIKE
HIGHWAY

HIGHWAY ACCESS
TH to R712

93°43'52"
177.67'

45.0

187.59

62.66

33.86

7.3 14.0 7.5

Fd. Oblit., Re-est
'1L1087,R,2006'

FNE, Re-est
'2L13,R,2006'

93°53'32"
20.77'

02" 10.00'

45.0m
EASEMENT

Lot 13
CALLISON PHASE II
1.71 ha.

Lot 1
CALLISON PHASE II
Plan 83281 CLSR,
2000-0031 LTO

Klondike River
Baseline
Plan 67133 CLSR,
60089 LTO

Lot 7
Group
Plan 8683

(REM)
2
CLSR

FNE, Re-est
'3L13,L1067,2006'

'4L13,2006'

28° (c)

95° 45.0m

111.94

48° 12"

33'
15.98

Report to Council



☒ For Council Decision ☐ For Council Direction ☐ For Council Information

☐ In Camera

SUBJECT:	Industrial Infill and Dome Road Urban Residential Development Boundaries	
PREPARED BY:	Clarissa Huffman, CDO	ATTACHMENTS: 1. Development Boundary Maps
DATE:	July 15, 2019	
RELEVANT BYLAWS / POLICY / LEGISLATION: Official Community Plan		

RECOMMENDATION

It is respectfully recommended that Council:

1. Direct administration to begin preliminary development planning work for Industrial Infill areas 1, 2, and 3 as a Commercial/Industrial Mixed-Use infill opportunity.
2. Direct administration to begin preliminary development planning work for Dome Road areas A, B, and C as an Urban Residential subdivision opportunity.

ISSUE

Administration and Yukon Government are looking to begin feasibility studies for high-priority development areas identified by Council.

BACKGROUND SUMMARY

In a recent planning exercise, Council provided feedback on a draft development priority area map. This map has been updated based on feedback, and administration is now seeking final approval to begin preliminary investigations alongside Yukon Government in order to develop the subject lands.

ANALYSIS / DISCUSSION / ALIGNMENT TO OCP & STRATEGIC PRIORITIES

Commercial/Industrial Mixed-Use Infill

Three areas are proposed for this class of development, named "Industrial Infill" 1, 2, and 3. Area 1 is south of Rabbit Creek Road, immediately east of Bonanza Creek Road. Area 2 is north of the Klondike Highway across from the existing Guggieville Subdivision. Area 3 is south of the Klondike Highway, across from Prospector Road.

Site suitability will look at a range of factors such as geotechnical, flood risk, sensitive habitats, compatibility, efficient use of land, and so on, to determine the suitability and appropriateness of development for each area. Where possible, the scope of work will also include consideration of serviced versus non-serviced uses, including demand for this land class.

The land identified is predominately Mixed-Use in the OCP and ZBL. Therefore, the primary use being considered for these three parcels would be consistent with this vision.

Dome Road Urban Residential

The three areas for consideration are areas A, B, and C, as identified in the Stantec site suitability report. Considerations for the preliminary research at this location will be very similar, however rather than commercial/industrial mixed-use infill, the proposed designation of these three areas is Urban Residential. Council provided feedback previously that there was interest in moving forward with smaller serviced lots in this location, and to only consider larger un-serviced lots where it was not technically feasible to do smaller lots. An additional consideration that is of high priority for this area is walkability and recreation. For this reason, compatibility with the Trails Management Plan will be a requirement for this development.

This area is predominately designated Future Residential Planning in the OCP, with portions around the ski trails currently designated as Parks and Natural Space.

Official Community Plan

S. 7.2 Housing Implementation Approaches states that the City will “investigate the suitability of the Slinky Mine and Dredge Pond areas for new residential development”. The proposed work aligns with this implementation approach by conducting development planning for Slinky Mine area as part of the Dome Road Development Areas.


S. 8.1 Economic Development Long Term Goals states that the City should ensure that “there is an adequate supply of commercial and industrial land”. The proposed work aligns with this goal by researching the potential of future commercial and industrial land in opportunistic compatible infill areas. Also, considering the potential of serviced versus un-serviced uses ensures that “a range of industrial development types are accommodated”, which is another goal under s. 8.1.

By protecting existing trails through the Trail Management Plan and developing a plan for compatible land uses that incorporates the trails, the project would be aligned with s.12.2 Parks and Recreation Implementation Approaches, which states that the City should “provide recreational resources that encourage active lifestyles”, as well as s. 13.2 Transportation Implementation Approaches, which states that the City should “maintain a walkable community to encourage the use of non-motorized transportation”. A major component of an active lifestyle is active transportation, including using the trails as an active transportation network.


By choosing commercial/industrial infill areas rather than developing ‘greenfield’ areas, this project aligns with s. 14.1 Municipal Infrastructure Implementation Approaches, which states that the City should “promote the development of continuous and compact development in order to reduce the infrastructure required and its associated costs”.

Other Considerations


Any changes to the OCP or ZBL required as a result of this planning work will be proposed after the preliminary feasibility work in order to reduce administrative workload (i.e. it would not make sense to change a designation before determining if the new designation is feasible, because it would then need to be changed back). If Council is interested in changing the proposed boundaries or proposed designations presented in this report, this should be done by resolution prior to beginning the feasibility work in order to improve clarity of communication to staff and to avoid wasted time researching an option that is not preferred by Council.

APPROVAL		
NAME:	Cory Bellmore, CAO	SIGNATURE: 
DATE:	July 19, 2019	



<div></div>			Drawing Title City of Dawson Dome Road Urban Residential Regions		Drawing Number 1	
			Project			
Drawn By:			Accepted By:			
Name: Mark Verhalle	Date (YY/MM/DD) 19/07/08	Department: LDB	Name:	Signature:	Department:	



			Drawing Title		Drawing Number	
			City of Dawson Industrial Fill Regions		1	
Drawn By:			Accepted By:			
Name:		Date (YY/MM/DD)	Name:		Signature:	Department:
Mark Verhalle		19/07/08	LDB			

Report to Council



☒ For Council Decision ☐ For Council Direction ☐ For Council Information

☐ In Camera

SUBJECT:	DRAFT Heritage Bylaw	
PREPARED BY:	Clarissa Huffman, CDO	ATTACHMENTS: 1. DRAFT Heritage Bylaw
DATE:	July 16, 2019	
RELEVANT BYLAWS / POLICY / LEGISLATION: Official Community Plan		

RECOMMENDATION

It is respectfully recommended that Council:

1. Provide feedback on Heritage Bylaw 2019-04 and forward Heritage Bylaw 2019-04 to Council for first reading with any proposed changes.

ISSUE

The existing Heritage Program is currently challenging to navigate, split between 5 very similar bylaws, and contains outdated programming and interpretation language. Feedback received from HAC and the public indicated that this program required review.

BACKGROUND SUMMARY

In February and March 2019, YG Historic Sites provided funding to review all of the heritage-related bylaws and provide feedback on next steps for improvement to clarity, ease of interpretation, consistency, and removal of duplication. The overall result of this review indicated that the most efficient way to manage the heritage program would be through one bylaw that consolidated the efforts of the current five bylaws. Throughout the June and July, the Heritage Advisory Committee provided feedback on iterations of this DRAFT bylaw, and is now satisfied with its contents.

ANALYSIS / DISCUSSION / ALIGNMENT TO OCP & STRATEGIC PRIORITIES

Major Programming Changes

Much of the draft bylaw is simply merging and consolidating the existing heritage bylaws for consistency and ease of interpretation, however, some policy language has been updated to be more reflective of the intended goals of the program.

Heritage & Development Guide

One of the main comments heard from the public in the last few years is that it is unclear exactly what is expected of applicants under the current design guidelines. Currently, applications are assessed under the *Design Guidelines for Historic Dawson* and the *Standards and Guidelines for the Conservation of Historic Places in Canada*. These documents are great resources for the historic 'Dawson Style', and for the conservation of historic resources, respectively. However, the *Design Guidelines* are challenging to implement and are not always complete, and the *Standards and Guidelines* are a general guideline that are not always specifically relevant to Dawson. Additionally, neither of these documents are owned by the City of Dawson, so it is not possible to amend them.

Therefore, conversations with Yukon Government Historic Sites, the Heritage Advisory Committee, and various applicants have indicated that the best way to move forward would be to create a City of Dawson document which clearly outlines the development process, at what times a Heritage Advisory Committee recommendation is required, and what the design requirements are, both at a component and a streetscape level. This clarity will prove to be invaluable for consistency in assessing applications as well as providing applicants the tools they need to provide a complete application in a more efficient way.

This draft bylaw gives direction to the Heritage Advisory Committee to provide input to the CDO on such a guide, as well as to continue assisting with maintaining it as a framework for decision making. YG Historic Sites has indicated that they may be able to provide assistance and resources in developing the contents of the guide. Additionally, a strong Heritage Bylaw and Development Guide means that the Zoning Bylaw could be amended to condense the large appendices about Heritage Management, making this document and the heritage management program in general much more user-friendly.

Heritage Inventory

The current bylaws mandate that the City of Dawson keep an inventory of all historic resources in the municipality. To the best knowledge of administration, such an inventory has not been maintained. YG Historic Sites maintains a general inventory of historic resources for all of the Yukon, which makes it a valuable research tool. However, this tool is not easily publicly available as it requires a login. Therefore, a municipal inventory still has value. The intent of the revised language about a municipal inventory is not to duplicate the efforts of the YG inventory, but to supplement it with information about existing historic structures in Dawson that is easily accessible to residents. The inventory could direct people to YG Historic Sites for more detailed archival information if required.

Historic Resources Permit

The current bylaws mandate that the City of Dawson issue Historic Resources Permits. However, to the best knowledge of administration, no such permit or procedural information exists. Therefore, the new language in this bylaw makes the mandate of the permit clearer, allowing administration to develop this permit and implement it appropriately.

Heritage Fund

Currently, the bylaws allude to a Heritage Fund and the premise that this fund is accessible to administration and to community members wishing to restore a heritage structure or conduct heritage programming in the City of Dawson. However, similar to the Historic Resources Permit, no program actually exists to access this fund. There is currently a Heritage Fund under the Reserves Bylaw that is contributed to occasionally, however it has not been drawn from since the passing of the new bylaws. Upon careful consideration of potential outcomes, the program was laid out so that there are two types of draws from the fund: 1. Heritage Advisory Committee project proposals; and 2. Applications from owners or lessees of sites in the Heritage Inventory.

The language about the Heritage Advisory Committee is substantively the same in intent. The language about applications from the public is new proposed programming in order to implement what is currently an existing but unimplemented program. Under this program, applications take two forms: Tier I for designated Municipal Historic Sites, and Tier II for non-designated historic structures listed in the municipal Heritage Inventory. After analysis conducted by administration, HAC, and YG Historic Sites, it was determined that a two-tier program was the ideal way to provide support to non-designated structures, acknowledging that there are a large number of this class of structure in Dawson, and support may enhance owners' ability to rehabilitate and restore these buildings. However, the higher level of funding for designated sites is hoped to encourage people to self-nominate to have their buildings designated as Municipal Historic Sites.

The proposed maximums of \$5,000 for Tier II, \$10,000 for Tier I, and \$20,000 as an annual program maximum are numbers proposed by administration as a starting point. Essentially, this means that on an annual basis, Council would support heritage restorations in the following potential ways:

- a) 2 Tier I projects;
- b) 1 Tier I and 2 Tier II projects; or
- c) 4 Tier II projects.

It should be noted that currently, the Reserves Fund bylaw specifically refers to providing assistance to Municipal Historic Sites. There are two points to be made here:

1. This is not currently happening. The new program proposed here remedies this issue.
2. If Council is supportive of the two-tier program being proposed to provide support to all sites with higher preference to designated sites, the Reserve Bylaw would need to be amended to allow this.

The tiered application-based restoration program is preferred to the tax rebate program that currently exists through Bylaw #14-12. Supporting the conservation of heritage structures through funding tied to a restoration project is a strong way to ensure that the goals and mandate of the program are considered when providing funding. On the other hand, a tax rebate granted to every owner of a historic structure does not provide the same incentive to maintain and rehabilitate structures. First, there is no mechanism to ensure that property owners are actually using that money to maintain and/or restore their heritage structures. Second, there is no incentive to engage in heritage restoration if you are getting the money regardless of whether you are actively restoring/rehabilitating the building or not. Therefore, the tax rebate program is having minimal impact on the restoration of historic structures. The revised mandate of the program should resolve this issue and is a better use of municipal resources.

The final point is that if Council is supportive of proceeding with implementing this program, it would be wise to consider a specified annual contribution to the Heritage Reserve so that the funds are replenished annually. The program could be reassessed every 5 years during the required bylaw review to determine how well it is functioning.

Official Community Plan

The programming outlined in this draft bylaw aligns with the vision of the OCP in several interconnected ways. S. 7.2 Housing Implementation Approaches states that the City of Dawson should “introduce new residential units into the historic townsite by encouraging renovation and retrofit projects in existing homes”. Many of the vacant and derelict historic structures in Dawson City are in the residential area. Therefore, by providing a tangible incentive for restoring heritage structures, it is likely that some of these structures could be brought back to active use through restoration and retrofitting. S. 9.2 Heritage Implementation Approaches states that the City of Dawson should “maintain a heritage bylaw to conserve and manage heritage assets”. Currently, the City of Dawson manages heritage through not one but five bylaws, not including the Heritage Management Plan and the heritage sections of the Zoning Bylaw. Therefore, by consolidating these bylaws into one, creating a Development and Heritage Guide and a municipal Heritage Inventory, and amending the Zoning Bylaw, as outlined in the sections above, the conservation and management of heritage assets in Dawson will be greatly streamlined and improved.

Next Steps

1. Development of a municipal Heritage Inventory, a Historic Resources Permit, and a Development & Heritage Guide.
2. Amendment to the Reserve Fund Bylaw and Zoning Bylaw.

APPROVAL		
NAME:	Cory Bellmore, CAO	SIGNATURE:
DATE:		



THE CITY OF DAWSON

Heritage Bylaw

Bylaw No. 2019-04

WHEREAS section 265 of the *Municipal Act*, RSY 2002, c. 154, and amendments thereto, provides that a council may pass bylaws for municipal purposes.

WHEREAS section 37(1) of the *Historic Resources Act*, RSY 2002, c. 109, and amendments thereto, provides that a municipal council may, by bylaw, designate as a municipal historic site, any site in the municipality that, in the opinion of the council, has sufficient historic significance in accordance with section 15 of the *Act*.

WHEREAS section 15 of the *Historic Resources Act*, RSY 2002, c. 109, and amendments thereto, provides that a municipal council designate any site as a historic site when satisfied that the site is, whether in itself or because of

- a) historic resources or human remains discovered or believed to be at the site, an important illustration of the historic or pre-historic development of the Yukon or a specific locality in the Yukon, or of the peoples of the Yukon or locality and their respective cultures; or
- b) the natural history of the Yukon or a specific locality in the Yukon,

and has sufficient historic significance to be so designated.

WHEREAS section 179 of the *Municipal Act*, RSY 2002, c. 154, section 48(f) of the *Historic Resources Act*, RSY 2002, c. 109, and amendments thereto, provides that a municipal council may establish a committee to advise Council on heritage matters.

WHEREAS section 245 of the *Municipal Act*, RSY 2002 c. 154 and amendments thereto, provides that Council may by bylaw provide grants as Council considers expedient to any person, institution, association, group, government, or body of any kind.

THEREFORE, pursuant to the provisions of the *Municipal Act* of the Yukon, the council of the City of Dawson, in open meeting assembled, **ENACT AS FOLLOWS:**

PART I - INTERPRETATION

1.00 Short Title

1.01 This bylaw may be cited as the ***Heritage Bylaw***.

2.00 Purpose

2.01 The purpose of this bylaw is to outline:

- (a) The duties and responsibilities of the Heritage Advisory Committee;
- (b) The designation and protection of municipal historic resources; and
- (c) The framework of a Heritage Fund program;



THE CITY OF DAWSON

Heritage Bylaw

Bylaw No. 2019-04

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THE CITY OF DAWSON

Heritage Bylaw

Bylaw No. 2019-04

3.00 Definitions

3.01 In this Bylaw:

- (a) Unless expressly provided for elsewhere within this bylaw the provisions of the *Interpretations Act*, RSY 2002, c. 125, shall apply;
- (b) "city" means the City of Dawson;
- (c) "council" means the Council of the City of Dawson.
- (d) "Historic Townsite" means the combined area of the Downtown Heritage Management Area and the Residential Heritage Management Area as defined by the *Zoning Bylaw*.
- (e) "Development Officer" means the Community Development and Planning Officer or their delegate as appointed by the Chief Administrative Officer (CAO).
- (f) "Heritage Inventory" means a listing of historic resources within the City of Dawson that includes relevant information from the Yukon Historic Sites Inventory (YHSI). The Heritage Inventory is intended to complement, not duplicate, the YHSI.
- (g) "Historic Resource" means a historic site, historic object, or any work or assembly of works of nature or human endeavor listed in the Heritage Inventory.
- (h) "Historic Resources Permit" means a permit issued by the Development Officer to authorize any proposed alteration to a historic resource.
- (i) "Minister" means the Minister of the Yukon Legislative Assembly responsible for the Historic Resources Act.
- (j) "Municipal Historic Site" means an area or place, parcel of land, building or structure, or the exterior or interior portion of a building or structure that is by itself, or by reason of containing a historic resource, designated by Council as a Municipal Historic Site.
- (k) "Municipal Historic Sites Inventory" means a listing of the Municipal Historic Sites designated by Council.
- (l) "Registered Owner" means the individual(s) listed as the owner on the current land titled for the property.



THE CITY OF DAWSON

Heritage Bylaw

Bylaw No. 2019-04

PART II – APPLICATION

4.00 Heritage Advisory Committee Structure and Proceedings

- 4.01 Council shall by resolution appoint a minimum of three (3) and a maximum of five (5) voting members to the Heritage Advisory Committee (HAC). Members shall be residents of, or be the registered owner of property/properties in, the City of Dawson but are not required to be Canadian citizens.
- 4.02 Terms for voting members shall be of a two-year period and shall be staggered so that the terms of members end in alternate years. Appointments shall be to terms concluding on September 30th of any given year. Members may be reappointed to succeeding terms.
- 4.03 Members serve at the pleasure of Council.
- 4.04 Where a member of HAC has failed to attend three (3) consecutive Committee meetings without the consent of the chair, HAC may, by resolution, recommend to Council that Council revoke the appointment of such member by resolution.
- 4.05 At the first regular meeting following September 30th in any year, HAC shall, by resolution appoint a chair and deputy chair for a term not exceeding one year.
- (a) Members may volunteer their names for consideration. If no volunteers come forward, chair and deputy chair shall fall to the two longest-standing members of the Committee.
 - (b) A chair may serve for more than one successive term.
- 4.06 Council shall appoint up to four (4) heritage professional advisory members to the Committee, with one (1) each invited from Tr'ondëk Hwëch'in, Parks Canada, Yukon College, and Government of Yukon.
- (a) Each professional advisory member may appoint an alternate who may participate on their behalf should they be unavailable to attend a meeting.
 - (b) The Yukon College professional advisory member should be teaching or studying in a relevant building related field such as carpentry.
 - (c) Individuals not affiliated with one of the organizations listed in 4.06 may serve as professional advisory members under the following conditions:
 - I. There are currently less than four (4) professional advisory members appointed by Council; and
 - II. The number of voting members appointed to the Committee has already reached the maximum of five (5) members.
- 4.07 Professional advisory members shall:
- (a) Be non-voting members of the Committee with participation in all Committee meetings;
 - (b) Be appointed to a term not exceeding one year, but may be reappointed to succeeding terms; and



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- (c) Serve at the pleasure of Council.
- 4.08 Unless otherwise specified in this bylaw, conduct at meetings shall be in accordance with section 11 the *Council Proceedings Bylaw*, and amendments thereto.
- 4.09 Three (3) voting members of the Committee shall constitute a quorum at any meeting.
 - (a) If quorum is not present within 30 minutes after the time fixed for a regular or special meeting of HAC, the Development Officer shall ensure the names of members present are recorded and the meeting shall be adjourned until the next regular or special meeting.
 - (b) If a member arrives late, no prior discussion shall be reviewed for that member's benefit except with the unanimous consent of all members present at the meeting.
- 4.10 Members who are in conflict of interest must declare the conflict and step down from the table during discussion and voting for the related agenda item(s).
 - (a) Members are considered to be in conflict where they may be perceived as unable to make an unbiased assessment of the matter at hand due to monetary or other tangible benefits relating to:
 - I. The member or the member's immediate family;
 - II. A corporation in which the member is a shareholder, director, or officer;
 - III. A society in which the person is a member, officer or employee; or
 - IV. A partnership or firm of which the person is a member.
 - (b) The withdrawal and return of the member shall be recorded in the minutes.
- 5.00 Heritage Advisory Committee Duties & Responsibilities**
- 5.01 HAC shall:
 - (a) Consider and make recommendations to the Development Officer regarding historic resource permit applications;
 - (b) Consider and make recommendations to the Development Officer regarding heritage aspects of a development permit applications in the historic townsite;
 - (c) Consider and make recommendations to the Development Officer regarding nominations for designation of a Municipal Historic Site based on publicly available evaluation criteria;
 - (d) Provide feedback and input to the Development Officer to assist with the development and maintenance of a Development & Heritage Guide to provide a consistent framework for decision making; and
 - (e) Other duties as delegated to it by Council from time to time.
- 5.02 HAC and its members shall not represent the City of Dawson in a formal or informal capacity unless requested and/or approved by Council.
- 5.03 If, after two consecutive meetings, HAC is unable to make a decision on any matter referred to the Committee, the Committee shall refer the matter to Council.
- 5.04 HAC members will be required to attend orientation and ongoing training as recommended by the Development Officer and determined by Council.



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6.00 Heritage Advisory Committee Meetings

- 6.01 At the last meeting of each calendar year, the Committee shall establish the regular HAC meeting dates for the following year.
- 6.02 All regular meetings shall be scheduled from 7:00pm to 9:00pm. The Committee may, by resolution, extend the hours of a regular meeting, not exceeding two periods of thirty (30) minutes.
- 6.03 When the day fixed for a regular meeting of HAC falls on a statutory holiday, the meeting shall be held on the following working day.
- 6.04 The Development Officer may recommend cancellation of a regular meeting if there are no matters referred to the Committee.
- 6.05 Notwithstanding s. 6.04 above, the Committee shall hold a minimum of one regular meeting per month.
- 6.06 Meetings shall be attended in person wherever possible. A member may participate by electronic means if it is not feasible to attend in person. Electronic participation contributes to the quorum of the meeting.

7.00 Heritage Advisory Committee Agendas and Minutes

- 7.01 Notice for each meeting shall be given in the form of an agenda and meeting package distributed electronically not less than two (2) working days prior to the time of the meeting.
- 7.02 All matters to be considered at a meeting, including development permit and historic resources permit applications, shall be submitted to the Development Officer at least four (4) business days prior to the time of the meeting.
- 7.03 No business other than that stated in the regular meeting agenda shall be heard at that meeting unless all members present pass a resolution unanimously to accept a time-sensitive item.
- 7.04 Upon the meeting being called to order, the following shall be the order of business unless otherwise determined by unanimous consent of the members present at the meeting:
 - (a) Call to Order
 - (b) Adoption of Agenda
 - (c) Delegations
 - (d) Business Arising from Delegations
 - (e) Adoption of Minutes
 - (f) Business Arising from Minutes
 - (g) Applications
 - (h) Reports
 - (i) Unfinished Business
 - (j) New Business
 - (k) Correspondence



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- (l) Information
- (m) Adjournment
- 7.05 Delegates may register an interest in a specific topic, in advance, in order to address the Committee about the topic, with a speaking time not to exceed ten (10) minutes.
- 7.06 Notwithstanding s. 7.05 above, delegations on standalone topics that are not associated with an application shall be no longer than ten minutes, and may only be accepted if time permits, at the discretion of the Development Officer.
- 7.07 All recommendations shall be approved by a resolution. Reasons and explanations for a resolution shall be outlined in the minutes.
- 7.08 The Chair, or any two members, may call special meetings as deemed necessary, provided that two (2) working days notice be given to all members prior to the meeting.
- 7.09 The Committee will hold a joint special meeting with Council on a biannual basis, to be scheduled jointly by the Development Officer and the Executive Assistant.
 - (a) The agenda for the joint meeting shall be finalized and circulated as per s. 7.01 above.
- 7.10 The Committee may, by resolution, close a meeting to the public if the matter to be discussed is a matter contemplated by section 213(3)(b) of the *Municipal Act*.
- 7.11 The Development Officer shall ensure that minutes of all proceedings are legibly recorded and approved as accurate by resolution at the next regular meeting.
 - (a) When approved as accurate, the Development Officer shall forward the minutes to Council as information.
- 8.00 Municipal Historic Sites**
- 8.01 Council may either, on its own motion, or upon nomination by any person or group of persons, designate any site as a Municipal Historic Site when it has determined, in its opinion, that the site is an important illustration of the historic development of the Klondike Valley, or the natural history or peoples and cultures of the Klondike Valley Cultural Landscape, as delineated in the *Heritage Management Plan*.
- 8.02 Designation of site as a Municipal Historic Site under s. 8.01 above must be in compliance with the requirements listed in Part 5 of the *Historic Resources Act* and amendments thereto.
- 8.03 When a person or group of persons wishes to designate a site as a Municipal Historic Site, they shall complete a nomination form and submit it to the Development Officer with the prescribed fee as per the *Fees and Charges Bylaw*.
- 8.04 When the Development Officer receives a nomination to designate a Municipal Historic Site, they shall:
 - (a) Assess the application for completeness and accuracy;
 - (b) Present the nomination to HAC for evaluation; and
 - (c) Prepare a report including:



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- I. the recommendations of HAC;
 - II. whether the site meets the requirements of this bylaw and of the *Historic Resources Act*; and
 - III. an overall assessment of the nomination with respect to overall planning considerations.
- (d) Present the report detailed in s. 8.04(b) above for Council consideration.
- 8.05 Prior to passing a bylaw to designate a Municipal Historic Site under s. 8.01 above, Council will give full consideration of the recommendations provided in the report provided under s. 8.04(b).
- 8.06 A bylaw to designate a Municipal Historic Site shall include, at minimum:
- (a) A legal description of the land to be designated, if available, and/or a written description of the land to be designated;
 - (b) A map delineating the land to be designated;
 - (c) Reasons for designation; and
 - (d) Any specific protection measures or prohibitions as determined necessary by Council.
- 8.07 All transfers or sales of Municipal Historic Sites shall be completed in accordance with sections 51 and 52 of the *Historic Resources Act*.
- 9.00 Heritage Inventory**
- 9.01 Council will maintain an inventory of
- (a) all designated Municipal Historic sites in compliance with s. 55 of the *Historic Resources Act*, and
 - (b) all existing historic resources within the municipality, including sites which have significant historical significance but which have not been designated by Council as a Municipal Historic Site.
- 10.00 Protection of Historic Sites**
- 10.01 The Development Officer is appointed by this bylaw to serve as an inspector for the purposes of enforcing this bylaw and the *Historic Resources Act*, as per sections 48, 49, and 50 of the *Historic Resources Act*.
- 10.02 No person shall make, demolish, move, or make alterations to a Municipal Historic Site and/or a site listed on the Heritage Inventory unless such alteration is carried out in accordance with a valid development permit or historic resources permit.
- 10.03 In addition to s. 10.01 and 10.02 above, no person shall carry out an activity that will in the opinion of HAC, alter the character defining elements of a Municipal Historic Site, without the approval of Council by resolution.
- 10.04 Upon receipt of an application for a development permit or historic resources permit for an activity that may alter the historic character of a non-designated site listed on the



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Heritage Inventory, HAC may recommend that the Development Officer bring the application forward to determine if Council wishes to commence the process for designation as a Municipal Historic Site.

11.00 Historic Resources Permit

- 11.01 A historic resources permit is required for any proposed exterior alterations and/or alterations of a character defining element of a Municipal Historic Site and/or to a site listed on the Heritage Inventory that does not meet the threshold for a development permit as defined in the sections 4.1 and 4.2 of the *Zoning Bylaw*.
- 11.02 Historic resources permits will be assessed and approved by the Development Officer, with recommendations from HAC, in accordance with the following, as applicable:
- (a) Development & Heritage Guide;
 - (b) Design Guidelines for Historic Dawson;
 - (c) Standards and Guidelines for the Conservation of Historic Places in Canada;
 - (d) Heritage Management Plan;
 - (e) Zoning Bylaw; and
 - (f) Statement of significance and character defining elements.

12.00 Heritage Fund

- 12.01 As per the *Reserves Fund Bylaw* Appendix A, the Heritage Fund may be used to assist with the following:
- (a) Restoration, enhancement, or renovation of Municipal Historic Sites and sites listed on the Heritage Inventory;
 - (b) Acquisition, by the City of Dawson, of Municipal Historic Sites and sites listed on the Heritage Inventory for heritage conservation/restoration purposes;
 - (c) Provision of financial assistance to owners or lessees of Municipal Historic Sites and sites listed on the Heritage Inventory for restoration, enhancement, or renovation of the site;
 - (d) Research to aid with interpretation of the culture and history of the Klondike Valley Cultural Landscape;
 - (e) Development of interpretive media such as signage, panels, or tours;
 - (f) Increasing public awareness of historic resources and heritage management of the City; and
 - (g) Other heritage purposes as specified by the resolution of Council.
- 12.02 Council shall transfer revenues from historic resources permits and Municipal Historic Site nominations to the Heritage Fund.
- 12.03 Where HAC wishes to propose a project that meets the requirements for withdrawal from the Heritage Fund as per s. 12.01 above, HAC shall work with the Development Officer to devise a scope of work to be considered by Council.



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- 12.04 With respect to s. 12.03 above, Council shall hear project proposals for the Heritage Fund and may decide to:
- (a) Approve the project and transfer the full requested amount out of the Heritage Fund;
 - (b) Approve the project with minor changes transfer a full or partial amount out of the Heritage Fund;
 - (c) Request that changes are made to the project scope and returned with an updated proposal; or
 - (d) Decline the project because it is not eligible and/or is not deemed a project priority.

13.00 Heritage Incentives

- 13.01 Registered owners or lessees (with written authorization from the registered owner) of a Municipal Historic Site or a site listed on the Heritage Inventory may apply to the Heritage Fund as per s. 12.01 above.

- 13.02 Eligible restoration, enhancement, or renovation costs include the following:

- (a) Repair or replacement of roofs or foundations;
- (b) Sealing to weather;
- (c) Stabilization and/or installation of additional bracing;
- (d) Repair or reproduction of doors and windows;
- (e) Repair or replacement of cladding;
- (f) Returning the exterior to its original appearance as per photographic evidence or other research as appropriate;
- (g) Painting, where it can be demonstrated as a conservation activity;
- (h) Interpretive signage and/or other publicly available interpretive media;
- (i) Alterations that bring a structure into compliance with current bylaws in order to resolve a legal non-conforming status but do not impact the heritage values or character defining elements;
- (j) Procurement of materials to undertake any of the above; and
- (k) Procurement of skilled labour to undertake any of the above.

- 13.03 Non-eligible projects include the following:

- (a) Projects on properties owned by a government;
- (b) Cyclical repair such as cosmetic repainting and landscaping;
- (c) Private purchase of land or structures;
- (d) Projects that have already commenced or are already complete;
- (e) Projects on properties that have received funding under this bylaw within the last five (5) calendar years;
- (f) Restoration or redevelopment that does not conform with the *Zoning Bylaw*, *Heritage Management Plan* and the *Design Guidelines for Historic Dawson*; and the *Standards and Guidelines for the Conservation of Historic Places in Canada*. Exceptions may be made for structures that are demonstrated to be legal non-



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- conforming and meet the criteria for alterations to a legal non-conforming structure as per the *Municipal Act*.
- (g) Projects on properties with outstanding property tax or compliance infractions with respect to any municipal bylaw;
- 13.04 Owners or lessees of a Municipal Historic Site are eligible for a Tier I Heritage Incentive, which constitutes up to 50% of an eligible project to a maximum of \$10,000.
- 13.05 Owners or lessees of a non-designated heritage site are eligible for a Tier II Heritage Incentive, which constitutes up to 50% of an eligible project to a maximum of \$5,000.
- 13.06 Tier I and II Heritage Incentives are granted on an annual basis to a combined maximum that is equal to half of the Heritage Reserve Fund or \$20,000 per year, whichever is lesser.
- 13.07 Applications for Tier I and II Heritage Incentives will be considered complete when the following information is submitted to the Development Officer by April 15 of each year:
- (a) Completed application form;
 - (b) Project Proposal detailing:
 - I. Work plan and timeline;
 - II. Rationale for the project;
 - III. Current state of the structure/site (with photographs);
 - IV. Explanation of how the project advances the goals of the Heritage Management Plan and preserves the heritage values and/or character defining elements of the site; and
 - V. Explanation of how the project will extend the life of the site and provide heritage value to the broader community;
 - (c) Project budget, including details on proposed outside funding sources and ability to finance the project;
 - (d) Detailed drawings showing compliance with the *Zoning Bylaw*, *Heritage Management Plan*, *Design Guidelines for Historic Dawson*, and *Standards and Guidelines for the Conservation of Historic Places in Canada* where appropriate;
 - (e) Historical evidence of the site/structure's original use and features, such as historic photos or museum records; and
 - (f) Written approval from the registered owner of the site (where applicable).
- 13.08 Applications that do not meet all of the criteria listed in s. 13.07 above will not be assessed.
- 13.09 Applications for a heritage incentive will be assessed base on the following criteria:
- (a) The degree of deterioration and necessity of restoration;
 - (b) The financial and technical ability of the applicant to complete the work;
 - (c) The clarity, accuracy, and credibility of the project proposal;
 - (d) The degree of benefit to the heritage integrity of the site;
 - (e) The degree of community benefit; and



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- (f) Demonstration of commitment to using design features, materials, and styles that meet the *Design Guidelines for Historic Dawson* and the *Standards and Guidelines for the Conservation of Historic Places in Canada*.
- 13.10 Applicants may, upon request to the Development Officer, speak as a delegate to HAC to explain and get feedback on their proposal prior to formal submission of an application for a Heritage Incentive.
- 13.11 Council shall, upon the recommendation of HAC, determine by resolution whether an application, or any part thereof, should be:
 - (a) Fully approved;
 - (b) Partially approved;
 - (c) Approved with additional conditions; or
 - (d) Denied.
- 13.12 Successful applications will be required to enter into a Contribution Agreement with the City of Dawson, detailing at minimum, the following conditions:
 - (a) The proposed project shall not commence until the proponent has obtained a valid development permit and/or historic resources permit, as applicable.
 - (b) Funds will be released upon the completion of the project based on a site visit conducted by the Development Officer to confirm that the work has been completed as agreed;
 - (c) Confirmation that any applicable territorial permits have been approved and closed;
 - (d) The applicant must remain in compliance with all relevant municipal and territorial legislation;
 - (e) The Contribution Agreement may be terminated if, in the opinion of the City of Dawson, the applicant fails to comply with any conditions of the Agreement;
 - (f) Any project-specific conditions as identified by the Development Officer, HAC, or Council.

14.00 Penalties

- 14.01 A development officer may enforce the provisions of this bylaw in accordance with the Yukon Municipal Act.
- 14.02 Any person who does the following commits an offence:
 - (a) contravenes, causes, or permits a contravention of this bylaw or a historic resources permit;
 - (b) neglects or omits anything required under this bylaw or a historic resources permit;
 - (c) fails to comply with an order, direction, or notice given under this bylaw; or
 - (d) fails to provide entry for inspection under this bylaw.
- 14.03 If a development officer finds that a person is committing an offence under this bylaw, the development officer may require the person responsible for the violation to remedy it through a notice of offence order.



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- 14.04 A development officer may issue a notice of offence order to:
- (a) the owner of the property;
 - (b) the person in possession of the land or buildings; or
 - (c) the person responsible for the offence.
- 14.05 The notice of offence order must be delivered in person, by registered mail, or by posting the notice in a conspicuous location on the site.
- 14.06 A notice of offence order shall:
- (a) describe the nature of the violation;
 - (b) describe the actions or measures required to remedy the violation, including the removal or demolition of a structure that has been erected or placed;
 - (c) state a time within which the person must comply with the directions or the order; and
 - (d) state that if the person does not comply with the directions within a specified time an offence ticket will be issued and/or the municipality will take action or measure at the expense of the person.
- 14.07 Where a person fails or refuses to comply with the notice of offence order, a development officer may take such action as is necessary to enforce the order.
- 14.08 The costs and expenses incurred by the City in carrying out a notice of offence order shall be placed on the tax roll as an additional tax against the property concerned, and that amount shall be collected in the same manner as taxes on the land.
- 14.09 If the corrective measures described in a notice of offence are not completed within the specified time, or if development continues after a permit has been revoked or a fine has been issued, the person to whom the order was issued may be issued an offence ticket by a development officer.
- 14.10 All offence tickets shall be prepared and served in accordance with part 3 of the Yukon Summary Convictions Act.
- 14.11 An offence ticket shall be served by registered mail or in person.
- 14.12 Set fines under this section include the following:
- (a) Failure to obtain a historic resources permit - \$250.00
 - (b) Failure to obtain a historic resources permit (second or subsequent offence) - \$500.00
 - (c) Failure to comply with permit conditions - \$250.00
 - (d) Failure to comply with permit conditions (second or subsequent offence) - \$500.00
 - (e) Failure to comply with notice of offence order - \$250.00
 - (f) Failure to comply with notice of offence order (second or subsequent offence) - \$500.00
 - (g) Failure to grant right of entry - \$250.00
 - (h) Failure to grant right of entry (second or subsequent offence) - \$500.00



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- 14.13 The costs and expenses incurred by the City in carrying out a notice of offence order shall be placed on the tax roll as an additional tax against the property concerned, and that amount shall be collected in the same manner as taxes on the land.
- 14.14 When a development officer is satisfied that there is a continued contravention of this bylaw and it appears the contravention will not be corrected in a timely manner, the development officer may report such a contravention to Council.
- 14.15 Council may, on finding that any development or use of land or buildings is in contravention of this bylaw:
- (a) direct the development officer to act on the matter;
 - (b) suspend or revoke a development permit with respect to such contravention; and/or
 - (c) apply to the Court for an injunction to restrain such contravention.
- 14.16 A person who fails or refuses to comply with a notice of offence order is liable to sanctions as described in section 343 of the Yukon Municipal Act.
- 14.17 In addition to the penalties provided for in this bylaw, a person convicted of an offence may be ordered to remove such development and reclaim the site at that person's own expense.
- 14.18 Should any person owning or occupying real property within the City refuse or neglect to pay any penalties that have been levied pursuant to this bylaw, the development officer may inform such person in default that the charges shall be added to, and shall form part of, the taxes payable in respect of that real property as taxes in arrears if unpaid on December 31 of the same year.



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PART III – FORCE AND EFFECT

15.00 Severability

15.01 If any section, subsection, sentence, clause or phrase of this bylaw is for any reason held to be invalid by the decision of a court of competent jurisdiction, the invalid portion shall be severed and the part that is invalid shall not affect the validity of the remainder unless the court makes an order to the contrary.

16.00 Bylaw Repealed

16.01 Bylaw 09-04, 09-05, 09-06, 14-12, 15-06, and their amendments are hereby repealed.

17.00 Enactment

17.01 This bylaw shall come into force on the day of the passing by Council of the third and final reading.

17.02 This bylaw shall be reviewed every 5 years.

18.00 Bylaw Readings

Readings	Date of Reading
FIRST	
SECOND	
THIRD and FINAL	

Original signed by

Name of Presiding Officer, Title
Presiding Officer

Name of CAO (or designate), Title
Chief Administrative Officer

Report to Council



☐ For Council Decision ☒ For Council Direction ☐ For Council Information

☐ In Camera

SUBJECT:	Development Incentives Policy and Development Cost Charge Program Design: Final Report	
PREPARED BY:	Clarissa Huffman, CDO	ATTACHMENTS: 1. Final Report
DATE:	July 19, 2019	
RELEVANT BYLAWS / POLICY / LEGISLATION:	n/a	

RECOMMENDATION

It is respectfully requested that Council provide final feedback on the attached report and draft policy and forward the report to Council to accept as information.

BACKGROUND

Groundswell Planning was commissioned in January 2019 to conduct a review on the current Development Incentives Policy (DIP) and the associated load capacity charge program structure, as these two factors are intimately linked due to the wording of the policy.

Groundswell conducted interviews with key stakeholders & DIP grant recipients throughout March, April, and May, as well as conducted substantial research into best practices and current practices in other jurisdictions. A community survey in mid-May provide some insights from the general public regarding this program and potential changes to it.

Groundswell Planning submitted a draft report which was included in the Committee of the Whole package for May 27, 2019, followed by an updated discussion document on June 17 and a first draft of the revised policy on June 24. The draft policy was discussed on multiple further occasions, including Committee of the Whole on July 15 and a special meeting on July 22.

NEXT STEPS

1. July 29 Council – Council to accept final report.
2. July 30 – Administration to submit final report to funder.
3. Implementation of recommendations will occur as appropriate and as administrative capacity allows starting in late summer 2019.

APPROVAL

NAME:	Cory Bellmore, CAO	SIGNATURE:
DATE:		



Development Incentives Policy Review &

Development Cost Charge Program Design

FINAL REPORT

Submitted by
Groundswell Planning

To



JULY 2019

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1.0 Introduction

The City of Dawson's Development Incentives Policy (DIP) was passed in 2015 in an effort to encourage the creation of market rental housing units in the community, and more specifically in the Downtown Core as identified in the 2012 Official Community Plan (OCP)¹. The policy followed on the heels of the City's Downtown Revitalization Plan, which recommended a number of different incentives-based approaches to increasing vibrancy in this part of the Historic Townsite. The policy was modeled after the City of Whitehorse's DIP and varies only in regards to the number of residential units required for eligibility.

Since the policy was passed, 38 rental units have been (or will imminently be) developed throughout Dawson under the three different incentives levels and their respective eligibility requirements. Please refer to the table below for an overview of the incentives and associated uptake.

Level	Eligibility	Type of Incentive	# of Agreements
Minor	Develop a secondary suite permitted by the City of Dawson	Waiver of up to 100% of the cost of development permit fees and 100% of the load capacity charge	2016 – 5 2017 – 3 2018 - 0
Standard	1) Develop multi-unit residential building Downtown with a minimum of 4 units; 2) Develop a Downtown mixed-use development	10 years of graduated grants in amount of taxes owing on assessed value of improvements, starting at 100% in Year 1 and decreasing 10% each year until full taxation applies; maximum of \$50,000	2 applicants 1 agreement signed in 2018 but no construction started
Major	1) Provide a multi-unit residential building Downtown with a minimum of 8 rental units for a minimum term of 10 years; 2) Provide a Downtown mixed-use development with a minimum of 5 rental housing units for a minimum term of 10 years; or 3) Provide a minimum of four Supportive Housing units.	10 years of grants in amount of taxes owing on assessed value of improvements to a maximum value of \$500,000	Two 8-plexes One 14-plex (Dates of agreements unknown but construction initiated in 2016 & 2018)

In 2018, Council and City administration decided to undertake a review of the DIP to ensure that it was meeting its intended objectives. At the same time, the City wished to explore the related issue of how new development is currently charged within the City and consider an alternative framework modeled more closely on the Development Cost Charge (DCC) programs in common use in other municipalities across Canada. The current Load Capacity Charge (LCC) has been in place for many years and pertains specifically to the recovery of costs

¹ The updated 2018 OCP maintained the same boundaries for the Downtown Core as the 2012 OCP.

associated with new connections to the City's water and sewer infrastructure, limiting its ability to assist the City in recovering broader growth-related costs for infrastructure and/or services.

The objectives of the City of Dawson Development Incentives Review and Development Cost Charge Program Design Project are to:

- Amend or draft a new Development Incentives Policy that is reflective of the needs of the community and an assessment of the current program in relation to industry best practice;
- Development charges that are more reflective of the current cost of development and allow the City to provide increased community benefit through the collection of these costs;
- Development of a development charge system that is fair and transparent so that those paying the charges know what they are paying for and why it is necessary; and,
- Promote strong fiscal management by identifying where incentive dollars come from within the municipal budget, and where development charge revenues will be allocated (in keeping with relevant provisions of the Official Community Plan).

Between February and July of 2019, Groundswell Planning of Whitehorse was retained by the City to review the DIP and consider potential frameworks for a Dawson-specific development charge program.

The following final report is intended to serve as a final record of City administration and Council's deliberations of the following issues:

- *What potential revisions should be made to the DIP to increase its effectiveness and to reflect the governance, market and community context of Dawson City in 2019?*
- *What other development issues and/or opportunities warrant potential inclusion in a revised DIP and how might they be best addressed?*
- *Is the concept of a Development Cost Charge framework as conventionally applied in other jurisdictions appropriate for the City of Dawson to adopt?*
- *What does the City of Dawson wish to specifically achieve through the implementation of a development-related charge and what options are best suited for it?*

The final report provides an overview of resident and stakeholder views and relevant examples and practices from other municipalities. Groundswell's initial summary analysis and recommendations for Council consideration are included for both incentives and development charges are included, along with Council responses, questions, and ideas. The report will effectively serve as a record of decision-making to accompany the updated DIP and a resource for future revisitation of the DCC issue.

2.0 Engagement Findings - Incentives

2.1 Overview

Phase 1

The first phase of community and stakeholder engagement consisted of both semi-structured interviews and an online survey.

Semi-structured interviews were conducted with recipients of Dawson development incentives to inform an assessment of the program's effectiveness and potential areas for policy and/or program improvement. The semi-structured lines of questioning included:

- *How would you describe your experience working with the City of Dawson to receive an incentive? Was the process straightforward and simple to navigate?*
- *Did you receive other funding to develop housing?*
- *To what degree did the City of Dawson incentive influence your decision to proceed?*
- *How could the City offer or deliver the existing incentives to encourage the development of more housing units in Dawson?*
- *Are there other incentives that you think the City should consider including in the policy moving forward? What other development challenges should it try to address?*

A total of 15 interviews were conducted with:

- Six of eight Minor Incentive recipients;
- Two of two Standard Incentive recipients/applicants;
- Three representing both Major Incentive recipient organizations;
- Two prospective Major Incentive recipient organizations (and major community employers);
- Tr'ondëk Hwëch'in; and
- Dawson City Chamber of Commerce.



Figure 1. Poster Promoting Survey

In addition to the interviews, 35 responses were received to the online survey, which ran from May 13-21 and was promoted via Facebook, City e-newsletter, and direct mail-outs to households. The results are discussed in Section 2.3.

Phase 2

The second phase of community and stakeholder engagement consisted of an online survey from June 27-July 4, “lunch n’ learn” session on July 4, and electronic solicitation of comments from key stakeholders. 18 online survey responses were received and three individuals attended the “lunch n’ learn” session. No formal comments were received from stakeholders or members of the public.

The lines of enquiry were narrowed in the second phase of engagement to focus on specific input to an initial revised version of the policy (included in Appendix E).

The results are discussed in Sections 2.4 and 2.5.

2.2 Phase 1 Interview Results

Minor Incentive Recipients

- Most recipients heard about the program through word-of-mouth or online.
- Most reported that the process was fairly straightforward. One recipient appreciated the low amount of paperwork and administration required; however, two others felt that the process (or lack thereof) conveyed a lack of transparency and/or legitimacy.
- Everyone reported that the City was helpful and accommodating during the process.
- Virtually all recipients received YHC’s grant of \$10,000 under the Municipal Matching Rental Construction Program. The YHC grant, versus the City incentive, was the catalyst for most recipients to pursue the development of rental housing. However, numerous recipients commented literally, or to the effect, that “every little bit helps”.

Standard Incentive Recipients

- One applicant was unable to proceed because the timing of the City’s new zoning bylaw (which would have allowed his proposed eight “cluster” rental units to meet the definition of “multi-unit residential”) extended beyond the funding deadline for YHC’s Municipal Matching Rental Construction program. The status of his project is now uncertain; even with the City incentive, the business case for the development was marginal.
- The other applicant (with whom an agreement has been signed) is currently navigating code and engineering requirements for his project, a 4-unit, 3-storey town home concept. This project will likely proceed without incentives from either the City of Dawson or YHC and there are several interested purchasers.
- Both applicants reported that the City was very accommodating and easy to work with through the application process.

- One interviewee commented that the City should try to expand the policy to allow for more innovation and new projects on the home ownership, versus rental, end of the housing continuum. The City could potentially partner with private and/or non-profit developers to “pilot” affordable home ownership projects and establish a precedent for subsequent projects.

Major Incentive Recipients (or Prospective Recipients)

- A two-time recipient organization reported that the initial round was administratively confusing and that the City was quite tentative due to the “newness” of the policy. The second round proceeded with less confusion; the process was better understood and the interviewee commented that the City seemed highly invested as a result of helping bring the first project to fruition.
- Interviewees noted that City exhibited high levels of willingness to “make things work” in regards to their housing projects.
- Several interviewees explained how relatively low property values and higher construction costs seriously undermine the financial viability of larger-scale projects in Dawson City. As an example, the construction budget for one project was \$1.5-million dollars, resulting in a building asset valued at \$1.3-million dollars. They felt that the perception of some that people are “getting rich” off of development in Dawson is distorted and uninformed.
- As with the other levels of incentive, recipients reported that maximizing the matching contribution of YHC funding was critical to project viability. In the case of two developments, the value of the anticipated tax grants was simply too low to trigger the maximum YHC matching limit (\$500,000) and some creativity was required to raise the value of the City’s contributions.
- Several interviewees felt that the stipulation of a “Downtown” location is too restrictive due to there being relatively few larger parcels available in the area not owned by government.
- The two-time recipient noted that the initial project has been highly successful. There has been only minor tenant turn-over, a waitlist of 15 individuals is maintained, and tenants seem generally satisfied with their housing situation.
- One interviewee noted that the incentive application process requires clarification by the City. They felt that the administrative process is very loosely defined in the policy and could benefit from an intake application and more defined review and approval process. The organization has been contracted by another organization to help it navigate the development of 8 units via the Major Incentive and YHC programs. It is also regularly contacted by local residents interested in building secondary suites.
- One recipient noted that the jump from \$50,000 to \$500,000 places the development of 6-plexes at a distinct disadvantage. On the basis of one recipient’s experience, a 6-plex is the maximum size of building that can be realistically accommodated on one standard city lot while leaving sufficient space for parking; as such, this specific development size/density should be better positioned to succeed in a land-constrained Dawson.
- Recipients suggested that other incentives could target the redevelopment of vacant land, placing special emphasis on the adaptive reuse of heritage cabins for rental accommodation, targeting highly expensive larger heritage building renovations/conversions, and promoting the use of vacant properties as public amenity spaces. Other suggestions simply related to the City working with other governments to target specific parcels for strategic development.

- Providing sufficient on-site parking has posed some challenges and one interviewee indicated that the City has been unwilling to show flexibility around this requirement. Another interviewee suggested that an incentive be provided to convert vacant land to parking to assist new development.
- It was noted that phasing larger projects is not uncommon in Dawson with the limited labour force and weather/winter contingencies. Allowing for longer terms (i.e. more than 12 months) for project completion would be more reflective of typical Dawson construction realities.
- Tying the development incentive to the issuance of a development permit can pose challenges for applicants working to meet other funding program deadlines, according to one recipient. For example, an eligible design project still working through the design phase (and hence without a development permit) may have an impending deadline for funding contingent on the City of Dawson's. Having the development incentive agreed to in a 'subject to' manner is seen as being "incredibly helpful".
- One interviewee reported that a rough capital breakdown of 40% mortgage and 60% grants makes a multi-unit residential project viable accounting for affordable rents, construction costs, and ongoing maintenance and operating costs (building management, maintenance, utilities, snow removal, etc.) The tax grant effectively eases the pressure of operations and maintenance for the first ten years and allows for the housing provider to achieve a more stable fiscal position as larger maintenance and replacement expenses are incurred during the second decade of building life.
- One interviewee suggested that a different consideration be employed for non-profit entities as they may have a different objective versus a private developer and by virtue of legislation have to be fully transparent about their finances.
- One interviewee felt that a strategic yet challenging source of developable land for housing projects is public land located in the Downtown. Ideally, there would be an allowance for an incentive to benefit a third party leasing Crown or federal land to build rental housing that could work with the policy provisions around fellow governments being ineligible.
- One interviewee cautioned against policies with "unintended consequences" for the entire private sector in Dawson City. Incentives should be widely available; for example, instead of a "first come, first serve" approach, the policy should have set intake dates and pro-rate available funding across projects if oversubscribed. Mixed-use incentives need to be applied carefully so that new commercial activity does not compete with existing businesses that did not benefit from the incentives. Applying the incentive to the residential portion only could help keep the playing field "level" for the business community.
- One interviewee reported that obtaining bank financing in Dawson is very difficult and that it can be prohibitively expensive to complete the environmental due diligence work (i.e. environmental site assessments) required by banks. The City could assist by coordinating such work across multiple properties and creating an economy of scale for everyone involved.

Other Stakeholder Interviews

- One interviewee indicated a strong interest in having geographic eligibility for projects extended to facilitate development on suitable fee simple Settlement Land parcels that have access to municipal servicing. The geographic eligibility limitation of Downtown is unnecessarily limiting.
- One interviewee suggested that the City should be promoting alternative homeownership developments – such as tiny and cluster housing - that make efficient use of land.

- One interviewee raised concerns about the cost and fairness to Dawson taxpayers. He commented that businesses already face “astronomical” taxes in Dawson and can’t afford more. He felt that the City needs to prove that it is not harming the taxpayer through incentives before expanding further, and Dawson has to remain competitive.
- One interviewee felt that business loan programs may be a more appropriate vehicle to support redevelopment and recirculate tax dollars in a manner that benefits the community and reduces exposure to Dawson taxpayers as a whole. The benefits of using municipal tax dollars should be distributed across the entire taxpayer base.
- One organization commented that housing is critical to it’s ability to attract and retain workers and felt that the benefits of tax incentives highly outweigh the risks. The City is contributing to a viable business community through the incentives program.

2.3 Phase 1 Survey Results

A total of 35 responses were received for the online survey distributed in Phase 1. The complete results are included in Appendix A. The following section includes a high-level summary by key topic only.

- **Respondent Profile:** Almost 2/3 of respondents were long-time (16 years or more) residents of Dawson City. Almost 1/3 own businesses and ¼ have built their own home or secondary suite. Only 2 respondents had actually received an incentive under the policy.
- **Awareness:** A majority (66%) of respondents indicated being “somewhat” or “very” aware of the policy prior to the survey.
- **Policy Effectiveness:** Almost 69% of respondents felt that the policy had helped to increase the supply of rental housing in Dawson. The remainder of responses were either neutral or “don’t know” versus disagreement.
- **Housing Need:** 100% of respondents felt that the availability of rental housing has a significant impact on the appeal of Dawson City as a place to live, work, and do business. 79% feel that Dawson is still experiencing a serious shortage of rental housing.
- **Agreement with Policy Rationale:** 69% of respondents felt that it is appropriate for the City to intervene to make rental housing development more affordable. Just over half (52%) agreed that costs of construction are too high for affordable rents to happen without government support, while a high percentage (38%) indicated either neutrality or uncertainty on that point.
- **Level of Support for Incentives:** A healthy majority (76%) of survey respondents indicated support for the continuation of the Minor Incentive as currently administered, with somewhat softer support (71%) and more opposition (25%) expressed for the Standard Incentive. Slightly less than half of respondents (48%) indicated support for continuing the Major Incentive, while 30% opposed it.

Concerns raised included the ability of the City to provide services for the new development during the incentive period without burdening other taxpayers, and the incentive paying “for other people to get richer”. One respondent suggested that further research is required to determine if this level of incentive is still warranted given the large number of housing projects recently (or due to be) completed.

- **Other Areas for Incentives:** When asked to pick the “Top 3” aspects of development the City should continue to or begin to address through incentives, 50% of respondents chose rental housing and heritage building adaptive reuse, slightly less (46%) chose affordable homeownership, and 43% chose energy efficiency. Only 7% indicated no support for the City using incentives.
- **Comments, Ideas, and Suggestions:** Respondents provided a range of comments covering everything from the need for new developments to have onsite parking and disincentives for vacant and derelict buildings to support for increased incentives and the suggestion to increase the incentives for secondary suites moving forward.

2.4 Phase 2 “Lunch n’ Learn” Results

Three stakeholders attended the “lunch n’ learn” on July 4 in Council chambers to share their feedback. All three are recipients of the incentive; however, only one has actually initiated (and completed) their project. The draft policy was reviewed and key feedback themes included:

- **Revised policy is an improvement:** Stakeholders generally felt that the revised policy improved upon the existing one. The improved flexibility that expanded eligibility (geographic location, non-contiguous parcels, government land leases, removal of project funding caps, etc.) appeared to adequately satisfy some of the concerns previously raised.
- **Homeownership a key gap:** One stakeholder felt that homeownership continues to be a significant gap in the policy and, as such, the policy ignores the interests of underhoused individuals who want to permanently invest in Dawson. It was mentioned that the private sector is likely to have less interest in becoming long-term landlords with rental buildings but could be motivated to pursue some innovative homeownership-oriented projects. “Rent-to-own” developments could be a strategic way to address the needs (and income) of Millennials in Dawson in particular.

Another participant noted that building multi-unit developments indirectly assists on the homeownership front by allowing individuals who are over-housed (i.e. seniors, etc.) to downsize, freeing up single family dwellings.

- **Secondary suites:** Stakeholders had mixed feelings about the high priority placed on secondary suites. One commented that suites are an inefficient way to address critical housing needs in a short timeframe. Another noted that building costs are so high that unless a homeowner can build on their own, the economics remain challenging (even with the expanded incentives). On the positive side, secondary suites were felt to be a good fit for multi-generational families in Dawson. It was noted that the doubling of water/sewer charges for properties with a suite is a likely factor in the relatively low number of suites being built.
- **Overall cap on incentives:** There was a fairly neutral response to the proposed \$100,000 cap on incentives and question as to whether it was necessary.
- **Streamlining and facilitation of application and reporting:** There was support for the proposed standard incentives application form and a request for a standard template for annual reporting.

- **Indirectly related but important issues:** A number of comments were shared by stakeholders on matters that do not directly pertain to the policy itself but are concerned more broadly with development:
 - The City needs to advocate for Yukon Housing Corporation to revise its Municipal Matching Rental Construction Program funding structure to reflect the higher costs and lower taxes of rural Yukon communities. A 2:1 funding ratio (versus 1:1) or the removal of caps altogether would greatly assist.
 - High water and sewer charges and taxation rates are disincentives to development in Dawson and should be reconsidered by Council.

2.5 Phase 2 Survey Results

A total of 18 responses were received for the online survey distributed in Phase 2. The complete results are included in Appendix F. The following section includes a high-level summary by key topic only.

- **Respondent Profile:** Many respondents were business owners and long-time Dawson residents. Interestingly, only 75% had participated in the previous survey.
- **Mixed reaction to Council priorities:** While participants overwhelmingly agreed with Council's decision to continue incentives, there are varying levels of agreement about what types of development should receive them. There was strongest agreement with addressing vacant/derelict properties, moderate agreement with prioritizing affordable rentals over market, and strongest disagreement with not providing homeownership-related incentives and discontinuing eligibility for commercial portions of mixed-use development.
- **Support for proposed incentives:** All of the proposed incentives received strong levels of support from respondents, with the secondary suites and vacant/derelict properties receiving the most support.
- **Support for more flexible eligibility provisions:** Most of the proposed eligibility revisions received support from respondents. Allowing First Nation development corporations to receive incentives generated the most opposition, although still 50% supported the idea.
- **Support for a funding cap:** A majority of respondents (58%) supported the proposed incentives cap of \$100,000; however, 25% strongly opposed the idea. Comments indicate that some felt that the threshold is too high.

3.0 Strategic Considerations for Expanded Dawson Incentives

As part of the review of the Development Incentives Policy, City Council and administration wished to consider the matter of whether additional incentives should be considered for inclusion in an updated policy. Groundswell approached the matter from a slightly different angle, asking which development issues and/or opportunities warrant an incentive in the first place.

With limited administrative and fiscal capacity at the City, Groundswell initially suggested that incentives may be best limited to addressing issues and/or opportunities that meet most (if not all) of the following criteria:

- The incentive helps to address a significant inherent disadvantage of Dawson, as compared to other Yukon communities, as a place to live, work, and do business;
- Few to no other incentives are available and/or sufficient to help address the issue;
- The issue is a priority for local residents;
- The incentive addresses complex, persistent or seemingly intractable issues that are unlikely to resolve within the short-to-medium term without some form of intervention;
- The incentive directly supports the fulfillment of the guidance and priorities outlined in the Official Community Plan;
- The direct benefit to recipients from an incentive is matched and/or exceeded by the indirect benefits provided to the community as a whole;
- The incentive has minimal potential to negatively impact the interests of local residents, community groups, and/or other governments; and
- Incentives will help developers lever other project capital and/or the incentivized project is likely to act as a catalyst for other development beneficial to the community.

Utilizing some of the key highlights of the OCP and survey results as guidance, Groundswell developed a rudimentary matrix to help evaluate the performance of previously identified development issues and opportunities in the community – or at least those for which a financial incentive from the City could potentially effect change – in achieving those criteria. The results – cursory as they are – suggest that housing availability and affordability, heritage building adaptive reuse, and vacant/underutilized land are the development issues that best satisfy the majority of, if not all, criteria. Please refer to the following page.

This cursory evaluation is intended primarily to help frame Council thinking and priorities and Groundswell welcomes further elaboration and interpretation of it. For the purposes of the cross-jurisdictional research, it served to pinpoint which development aspects to “dig deeper” into. These four issues are given further consideration in the following section.

Issue/ Opportunity	Address Dawson weakness	Few/no other incentives	Local priority	Fulfill OCP	Shared benefits	Complex	Low negative impact	Catalyst potential
Housing availability	x	x	x	x	x	x	x	x
Housing affordability	x	x	x	x	x	x	x	x
Energy efficiency			?	x	x		x	
Downtown vitality		x	x	x	x		x	x
Economic development			x	x	x		x	x
Heritage adaptive reuse	x	x	x	x	x	x	x	x
Conformance with Heritage Guidelines	x	x	?	x	x	x	x	
Vacant/under utilized land	x	x	x	x	x	x	x	x

4.0 Cross-Jurisdictional Review of Incentives

To inform Council and administration's thinking about revisions to and potential new incentive areas for Dawson's DIP, an Internet-based review of policies and programs was conducted with two primary lines of enquiry:

- Policies and/or programs administered in similar-sized jurisdictions with potential relevance to Dawson City; and,
- Policies and/or programs geared towards addressing the priority Dawson development issues/opportunities identified in the previous section in both similar-sized and larger jurisdictions.

The following section summarizes the key findings from the review.

4.1 Similar Policies in Small and Large Municipalities

An online search of municipal development incentives for the construction of secondary suites and multiple unit residential buildings in similar-sized Canadian jurisdictions yielded fairly minimal results. It would appear that very few (if any) municipalities of Dawson's size are administering policies or incentives with the same objective. What the jurisdictional scan did indicate was that the smaller municipalities that *do* have incentive programs are typically promoting different objectives – typically economic revitalization and repopulation.

Due to the low number of results, Groundswell expanded its review to relevant policies and programs in medium and larger municipalities. Even this expanded search found that larger municipalities typically target tax incentives specifically towards *affordable* housing. Similar to Dawson's policy, most programs identified utilized an exemption or rebate in the amount of the taxable amount of assessable improvements from new development or redevelopment. The amount taxable on the land is almost always exempt. A few larger municipalities offer both tax incentives and cash grants for specific types of development in priority areas.

Policies and programs with similar and/or relevant objectives to Dawson's DIP from both small and larger municipalities are presented in Tables 1 and 2.

4.2 City of Whitehorse – Lessons Learned

The City of Whitehorse's policy is virtually identical to Dawson City's, the primary difference being the number of residential units required to receive an incentive. As such, a review of the Whitehorse DIP and City administration's successes and challenges with it to date was considered as pertinent, if not more so, than what is happening in small-sized jurisdictions outside of the territory.

The City is currently reviewing its policy (as well as Development Cost Charge regime) to ensure it remains relevant to Council priorities and Whitehorse's development context. The policy has been highly successful in the view of administration and Council, with 169 projects completed or in process since its adoption in 2011, broken down as follows:

Table 1. Similar Programs/Policies in Other Small Municipalities

Community	Population (2016)	Program/Policy	Eligibility	Details	Noteworthy Practice
Town of Oliver, BC	4928	Revitalization Tax Exemption Program (RTEP)	<p>Oliver's RTEP has two relevant components: the Downtown Core Commercial Revitalization and Core Area Residential Revitalization programs.</p> <p>The Downtown Core program applies to new commercial construction or expansion of existing buildings, including construction of residential dwelling units above the ground floor.</p> <p>The Core Area program applies to construction of not less than four units and not less than two stories high.</p>	<p>10 years of tax exemptions are granted as follows:</p> <ul style="list-style-type: none"> Downtown Core - Year 1 exemption is set at 100%, followed by a graduated reduction of 20% in Years 6-9, and a final 10% reduction in Year 10. Core Area - exemption of 100% is granted in Years 1-5, value of improvements and 35% of land value are then reduced by 20% and 5% respectively in Years 6-9, and then 10% and 5% in Year 10. 	The policy applies to strata developments (both restricted and non), whereas most policies tend to exclude them. In most incentive programs, the land value portion of the assessment is also usually ineligible.
Municipality of Jasper, AB	4590	Caribou Creek Loan Guarantee Bylaw	The municipality passed a bylaw in 2012 to guarantee the mortgage for a housing project being developed by Caribou Creek Non-Profit Housing Ltd. The bylaw guaranteed the indebtedness of the non-profit to a credit union, with a ceiling of 30% of the financing of the development.		High degree of administrative and legislative due diligence in dealing with exceptional circumstances
City of Meadow Lake, SK	5244	Infill Housing Incentive	New and infill development in established residential neighbourhoods	A rebate is issued in the amount of the municipal tax and school tax based on residential assessment on improvements, and base tax on improvements in the following amounts: 100% of levy in 1 st year, 75% in second year, 50% in third year.	
Town of Ladysmith, BC	8537	DCC Reduction for Downtown Specified Area Bylaw	Any type of development occurring within the Downtown Specified Area	The bylaw allows for a waiver of applicable development charges	

Table 2. Similar Policies/Programs from Medium to Large Municipalities

Community	Population (2016)	Program/Policy	Eligibility	Details	Noteworthy Practice
District of North Cowichan, BC	28,807	Revitalization Program Bylaw	Residential developments with a minimum density of 100 dwelling units/ha, mixed-use development with a minimum density of 100 dwellings units/ha, or supportive housing. The waiver applies to all lands zoned for industrial uses (with a few minor exceptions).	Waiver of Development Cost Charges	Uses density versus number of units to establish eligibility. Conversion of underutilized industrial lands.
City of Kelowna	127,380	Rental Housing Incentives Programs	The Rental Housing Grants program applies to developers of purpose-built rental housing with 5 or more units at the time of building permit issuance. Rental Housing Tax Exemptions are applicable to purpose-built rental housing of 5 or more units anywhere in the city but only when the vacancy rate is at or below 3%.	Grant of up to \$8000 for 3+ bedroom units, \$4000 for 2-bedroom units, and \$2000 for bachelor or 1-bedroom units. The tax exemption applies to 100% of the value of improvements for a period of 10 years.	Program includes a linkage to market conditions to help avoid overbuilds and ensure prudent use of municipal funds.
City of Regina	215,106	Housing Incentives Policy	Full range of new market rental and homeownership housing units in specific areas of the municipality	<ul style="list-style-type: none"> • Tax exemption varying from 5 years at 25% of value of improvements (for garden and secondary suites) to 5 years at 100% for affordable housing • Affordable rental and homeownership projects eligible for a capital grant of up to \$25/\$15K. 	Allows for “stacking” of incentive and grant for preferred or high priority projects and utilizes a Score Card to assess the grant provided.
City of Saskatoon, SK	246,376	New Rental Construction Land Cost Rebate Program, Secondary Suites Program	<p>The rebate program applies to the construction of new market rentals. Units must remain on the rental market for 15 years.</p> <p>The Secondary Suites program applies to illegal, substandard suites.</p>	<ul style="list-style-type: none"> • Up to \$5000 rebate per new unit in capital grants and a five-year incremental property tax abatement on improvements • 25% rebate on permit required to legalize an existing suite and a 100% rebate on building and plumbing permits 	Stacking of both tax abatement and rebate; eligibility of existing substandard housing.
City of Edmonton	932,546	Multi-Unit Mixed-Use or Residential Development	Mixed-use, market housing project predominantly located above ground floor retail or commercial uses and multi-unit market housing projects with no commercial component	<ul style="list-style-type: none"> • Grant of \$12,000 per new dwelling for mixed-use • Grant of \$7000 per new dwelling for no commercial component 	

Incentive Level	# of Incentives	Resulting Housing Units/Types
Minor	145	145 secondary and/or garden suites
Standard	12	55 residential units
Major	11	21 supportive housing, 172 rental, 50 residential units

The City planner leading the review feels that the policy needs to become more sophisticated to reflect the increasingly complex housing market and community it applies to. The original policy was essentially geared towards development of the Downtown area. Moving forward, housing and particularly affordable housing, versus mixed-use development, will be the focus. In the past few years, Council has questioned the appropriateness of incentives for larger private (and sometimes upscale) condominium developments for which there is a reasonable business case without incentives. The updated policy is likely to focus specifically on supportive and rental housing and increasing density in targeted areas.

The grants in the amount of Development Cost Charges (DCCs) applicable to Minor Incentives will also be revamped moving forward. The DCC grant was implemented as opposed to a tax grant because YG Property Assessment and Taxation apparently does not adequately reflect the value of improvements on secondary suites². Currently, DCCs and taxes pertinent to incentives are collected into general revenues and the City has to budget out for both; changes in construction plans can create discrepancies between budgeted and actual amounts. Administering the DCC and tax grants requires about two weeks of City planning staff time annually, in addition to the time required from finance staff.

The preferred (and recommended) approach is to avoid tax grants altogether except for rental and supportive housing. Administration is recommending that DCCs for both be set to zero and tax grants be administered in addition. Technically, any development for which zero DCCs may apply will still be required to submit an application and will in principle “receive” an incentive; however, the administrative burden will be much less.

Other anticipated changes include clarifying that eligibility extends to First Nation development corporations to ensure consistency with the policy’s practical application to date. The City administratively closed a loophole last year by including a provision in development agreements to bar recipients of incentives to utilize their rental units for short-term rental (STR) purposes.

As the policy is currently written, the incentive applies to multi-residential ownership developments. Some creativity has been required to process one recent ownership-oriented multi-unit residential project in Whitehorse. The 10-year tax incentive is being provided to the original developer, even though it is selling most units and will ultimately have minimal ownership interest. So long as the unit owners pay their property taxes, the taxable amount on the improvement (i.e. the unit) will be granted back to the developer for the 10-year period. The assumption is that the developer will pass on the savings to purchasers. The argument the developer makes is that passing on the incentive to purchasers over the 10 years would force it to raise the purchase price

² According to the Yukon Property Assessment and Taxation Branch, the construction of a rental suite could have varying impacts on the assessed value of a property. A secondary suite that doesn’t increase the living area of a dwelling may have a negligible impact unless it involves a new kitchen/bathroom. A separate garden suite is very likely to result in an increased property value. In actual practice, three Dawson property owners who developed rental suites under the incentive program had assessment value increases ranging from \$5020-\$12,400 (equating to approximately \$78 to \$193 in taxes).

substantially. This higher purchase price would potentially create a gap between appraised value and price that would make obtaining a mortgage problematic.

Home ownership incentives of this nature are rare overall, but one similar program found in Regina requires the developer to transfer the incentive to the new unit owner.

4.3 Small Municipality Incentives - Miscellaneous

To help Council and City administration understand what types of other incentives small municipalities are administering, Groundswell compiled an assortment of more relevant, fulsome examples from communities in British Columbia. The examples identified highlight the fact that municipalities can incentivize any range of priority policy or development issues, relative to their financial and administrative capacity to do. For the most part, the incentives programs identified focus on economic and Downtown revitalization through Revitalization Tax Exemption Programs (RTEPs), which are enabled by the *Community Charter* in BC.

An assortment of potentially relevant incentives policies and programs offered by small municipalities in British Columbia, Alberta, and Saskatchewan are presented in Table 3.

4.4 Housing Affordability Incentives & Approaches

Traditionally the domain of provincial and federal governments, affordable housing has become a major focus for municipal planning policy and incentives over the past few decades. Local governments have various policy, planning, and financial tools to create or help create affordable housing units. Generally speaking, they can use tax and spending powers to subsidize the creation of units. They can leverage their planning and regulatory approval powers to encourage private sector participants to build affordable units as part of market housing development projects. In some cases, they can also elect to provide direct financial contributions.

Planning and zoning tools are probably the most common municipal approach to promoting affordable housing. Reducing setbacks, allowing smaller lot sizes, supportive zoning for secondary units, garden suites, mixed-use and multi-residential buildings, and waiving off-street parking requirements are all common measures taken to encourage higher densities and lower the cost of housing. Two specific approaches – density bonusing and inclusionary zoning – directly link zoning permission and development approval to the actual creation of housing (please see examples below).

Where financial tools are utilized by smaller municipalities, they are typically limited to the waiver or reduction of development-related costs and the use of tax incentives. Only one example of a tax incentive was identified, and direct cash/municipal reserved funded approaches – such as loans to homeowners – appear to be similarly rare.

Please refer to Table 4 for an overview of housing incentives and related policy/planning approaches from small to large jurisdictions in British Columbia, Alberta, and Saskatchewan.

4.5 Heritage Protection and Adaptive Reuse Incentives

Research suggests that the “Top 5” most significant factors discouraging heritage property development are low Return on Investment (ROI), limits on development potential, complexity of Building Code compliance, fear of unknowns, and delayed ROI (National Trust for Canada, 2014). Conversely, the top priorities for encouraging

Table 3. Miscellaneous Incentives Programs/Policies in Small Municipalities

Community	Population (2016)	Program	Eligibility	Details	Noteworthy Practice
Keremeos, BC	1502	Business Façade Improvement	Commercial and retail buildings in the Downtown	50% reimbursement grant up to a maximum of \$2000 per building/project	
Tumbler Ridge, BC	1987	Revitalization Tax Exemption Program	New construction (min. \$100,000 value) and upgrades (min. \$25,000 value) in the town's commercial and industrial zones including improvements that are accessible to persons with disabilities and contribute to environmental sustainability and carbon neutrality	Four levels of tax incentives: <ul style="list-style-type: none"> • Basic – Year 1 – 100%, Year 2- 50% • Accessible – Year 1 – 100%, Years 2- 4 – 75%/50%/25% • Green – Same as Accessible • All – Years 1/2 – 100%, Years 3-5 – 75%/50%/25% 	"Stacking" feature that promotes the achievement of multiple development objectives
City of Rossland, BC	3729	Revitalization Tax Exemption Program	Commercial, recreational, or industrial development/redevelopment (both min. \$10,000 value) that meets a minimum of two of six objectives: <ul style="list-style-type: none"> • Economic development • Heritage property conservation • Green building technology • Water or energy conservation • Improved aesthetics and/or amenities 	Maximum term of 5 years. 100% exemption in Year 1 and graduated in Years 2-5 to reduce by 20% until full assessment is reached in Year 6	Promotes the achievement of multiple growth and sustainability objectives while allowing for flexibility for individual property owners
Sparwood, BC	3784	Revitalization Tax Exemption Program	Two specific addresses, all hotel/motel development, and/or new construction or significant renovation of commercial buildings within a designated revitalization area	Tax exemptions range from \$100,000 to the total value of improvements and may be granted for a period from three (3) to seven (7) years	
Municipality of Jasper, AB	4590	Off-Site Levy Reduction	New development achieving high standards of environmental and energy performance	50-90% reduction depending on level of LEED, Built Green, Energuide, and R-2000 standards achieved	
City of Meadow Lake, SK	5244	Exterior Improvements and Commercial Tax Incentives Programs	<ul style="list-style-type: none"> • Projects that improve the image and attractiveness of the city and use of local labour and materials • Commercial and industrial projects in the downtown revitalization area 	<ul style="list-style-type: none"> • Rebate of \$50 per \$1000 of construction value up to a maximum grant of \$1000 • 5-year rebate starting at 100% in Year 1 and decreasing in 25% increments until full taxation is reached in Year 6 	

Table 4. Affordable Housing Programs/Policies in Other Municipalities

Community	Population (2016)	Program/Policy	Eligibility	Details
Ucluelet, BC	1717	Official Community Plan - Various	OCP sets out a number of provisions aimed at making housing more affordable, including: <ul style="list-style-type: none"> • A requirement for 15-20% of new multi-family developments to be affordable. • Encouragement for developers to set aside 15-20% of all units for employees of new developments. • Density bonusing in medium/high density zones (i.e. increase of 20 units/ha where 30% of units are affordable) 	
Tofino, BC	1932	Affordable Housing Reserve, Land Banking, Community Housing	The Tofino Housing Corporation (established by the District) is working with a non-profit partner to build units using its Affordable Housing Reserve and revenues from the Municipal and Regional District Tax. This is an example of a very small municipality establishing an Affordable Housing Reserve Fund (ARHF). ARHFs are common in larger municipalities throughout BC. Some municipalities contribute to them via municipal general revenues while others utilize density bonusing programs to secure major funds from developers.	
Town of Osoyoos, BC	5085	Near-Market Affordable Housing Program	NMAH operates in designated areas of Osoyoos to deliver lower cost affordable homes at a discount below comparable market housing to qualified applicants. Developers build and help subsidize a required share of modestly priced affordable homes in their residential projects as a condition of zoning approval, and sell them to approved program recipients registered on a waiting list by the Town's Affordable Housing Authority (AHA). Each home stays in the Town's Affordable Housing Pool for a 15-year term and can only be resold by the homeowner at a maximum fixed price equal to the original purchase price, plus an annualized rate of interest aligned with BC Based Consumption Price Index.	
City of Parksville, BC	12,514	Development Cost Charge Waiver Bylaw	The bylaw allows for the 100% reduction of DCCs payable for affordable rental housing, including supportive living housing	
Town of Canmore, AB	13,992	Perpetually Affordable Housing (PAH) Policy	The PAH contribution policy applies to residential, business and development sectors. Typically development requires the inclusion of PAH units that become the property of the Canmore Community Housing Corporation (CCHC). The homes are offered as leasehold tenures and restrictions are placed on maximum resale price and the CCHC holds a Restrictive Covenant and Option Agreement on title.	
City of Penticton, BC	37,035	Development Cost Charge Reduction Bylaw	The bylaw allows for the 100% reduction of DCCs payable for affordable rental housing, including supportive living housing, or a 50% reduction for projects that achieve a high score on the City's Sustainability Checklist	
City of Saskatoon, SK	246,376	Mortgage Flexibilities Support Program	The program was created by the City, Canada Mortgage and Housing Corporation (CMHC) and the Saskatchewan Housing Corporation (SHC) to increase affordable homeownership opportunities. With a 5% down payment grant from the City and mortgage loan insurance from CMHC, qualified homebuyers (i.e. who meet maximum income thresholds) have the means to finance the purchase of affordable units brought to market by private homebuilders leading "designated" projects. Developers contribute 3% of the down payment and the City contributes 2%.	

heritage development include ongoing property tax relief, income tax credits, heritage grants, and property tax abatement (Ibid).

Key criteria for determining the effectiveness of a heritage incentive is working include the degree of annual uptake, encouragement of conservation work that may not have otherwise happened, adherence to accepted heritage conservation principles, and achievement of measurable heritage conservation outcomes (Jeanes, 2014). Not surprisingly, municipal heritage-related programs and policies appear to be more common in eastern Canada than other parts of the country. Ontario in particular has a wealth of heritage incentive programs, most (if not all) of which draw from three primary mechanisms, as reported by the Ministry of Heritage (Ibid):

- 1) Grants and loans (48 programs in 36 municipalities as of 2014);
- 2) Heritage property tax relief (\$3.3M of relief in 2012 and 40 municipalities); and
- 3) Community Improvement Plan incentives (which overlap with Heritage Conservation Districts)

Please refer to Table 5 for an overview of heritage protection and adaptive reuse incentives from small to large jurisdictions in British Columbia, Ontario, and Nova Scotia.

4.6 Vacant and/or Derelict Property Incentives

An online review of Canadian municipal solutions to the issue of vacant and/or derelict properties yielded very little of potential application to Dawson. Many medium to large municipalities have specific brownfield development incentives but the issue of more generic vacant land development is typically addressed indirectly through broader revitalization tax incentives.

Municipal vacant building bylaws are common in larger cities throughout Canada but these are primarily concerned with issues of public safety versus neighbourhood vitality. Winnipeg's *Vacant and Derelict Buildings Bylaw* allows the City to take possession of a derelict building with no compensation to the owner. This approach appears to be unusual; in fact, many Ontario properties are eligible for a provincial rebate if they have commercial and/or industrial buildings that have been vacant for a consecutive minimum number of months.

With the exception of the City of Vancouver, it would seem there is little to no municipal precedent for a "stick"-oriented taxation tool to addressing vacant properties in Canada. The online scan found no other municipalities that charged similar taxes.

Two potentially useful examples of taxation-related approaches to addressing vacant land are presented in Table 6.

Table 5. Heritage Incentive Programs/Policies in Other Municipalities

Community	Population (2016)	Program/Policy	Eligibility	Details
Town of Cobourg, ON	19,440	Heritage Programs (Various)	The Town of Cobourg administers a number of different heritage-oriented programs, including: <ul style="list-style-type: none"> • Permit Fee Program – waives building and planning fees for projects in the Core Heritage Conservation District and allows for a 50% waiver elsewhere; • Heritage Loan Program – loan of up to \$15,000 per project available to support exterior restoration of <i>Ontario Heritage Act</i> designated properties; • Heritage Tax Incentive Program – available only to projects in the Core Heritage Conservation District; provides a 10-year grant equal to annual increase in the town portion of property taxes; and • Development Charges Credit on Existing Buildings Program – credits are made available to offset applicable development charges where a redevelopment project utilizes an existing building 	
East Hants, NS	23,000	Heritage Property Incentive Program	The program assists municipally registered heritage properties not used exclusively for commercial purposes (unless owned by a non-profit society). The cash grant covers 50% of eligible repairs or renovations to the building exterior (or structural upgrades) up to a maximum of \$2000 per property. Architectural, engineering, and other consulting fees are eligible for funding.	
City of Victoria	85,792	Tax Incentive Program	The City of Victoria first enacted the Tax Incentive Program (formerly the Downtown Heritage Tax Incentive Program) in the late 1990s. Formerly restricted to the Downtown area, the revamped program is available to all private property owners of eligible heritage designated commercial, industrial and institutional city-wide. The program applies to the seismic upgrading costs specific to the conversion of existing space to residential uses or for the rehabilitation of heritage designated buildings for uses other than residential. Both professional design and engineering services as well as construction work is eligible. The term of the incentive is based on the cost of seismic upgrades and current taxation, with no upper limit. For example, a \$200,000 seismic upgrade on a property (currently) taxed at \$20,000/year would be eligible for 10 years of a 100% exemption on the assessable improvements.	

Table 6. Vacancy-Related Programs/Policies in Other Municipalities

Community	Population (2016)	Program/Policy	Eligibility	Details
City of Saskatoon, SK	246,376	Vacant Lot and Adaptive Reuse Incentive Program	<p>The original VLAR program was designed to encourage development on existing vacant or brownfield sites, and the reuse of vacant buildings in specific areas of the city by providing financial and/or tax based incentives to owners of eligible properties. A Maximum Incentive Amount is equivalent to the increment between the existing property taxes (city portion) and the taxes paid upon completion, multiplied by five years.</p> <p>The amount of the final grant is determined through an evaluation system, based on points linked to policy objectives identified in the City's Official Community Plan. The points are used to determine what percentage of the total Maximum Incentive Amount may be available to the applicant. Under the Program, applicants are given a choice of a 5-year tax abatement, or a grant.</p> <p>In 2016, a policy amendment allowed for gardening on vacant lots as an interim use to promote urban agriculture as well as address the aesthetic and safety issues of vacant lots. The establishment of a garden on a vacant lot does not affect the opportunity for future incentives under the VLAR Program when the lot becomes developed. To earn the incentive, applicants must convert a minimum of 50% or 100 m² of a vacant lot, whichever is smaller, into a garden and maintain the site in a safe and orderly manner. All noxious weeds must be controlled, and the garden must not generate odour, dust, drainage impacts, or noise that may impact neighbouring properties or the right of way.</p> <p>The garden-specific incentive is an annual grant for the property owner equal to 50% of municipal land tax, for up to five years. A written agreement is required between the property owner and gardener(s) if they are not one and the same to indicate that there is an arrangement in place to permit a garden to operate on the vacant lot.</p> <p>The policy was amended again in 2017 to include all new residential or office developments (without a vacancy requirement) and encourage heritage building protection by specifying such sites only be eligible for adaptive reuse (again without a minimum vacancy requirement or change of use).</p>	
City of Vancouver, BC	603,500	Empty Homes Tax	The City of Vancouver Empty Homes Tax charges 1% of the assessable taxable value to homes deemed empty. Property owners in certain areas are required to sign and submit a formal declaration on an annual basis verifying the property is occupied.	

5.0 Preliminary Conclusions and Recommendations: DIP

The following section reflects the conclusions and recommendations submitted by Groundswell to Council and administration during Phase 1 and 2 work. Council responses to some of these points are reflected in the record of Council minutes contained in Appendix G.

5.1 Key Issues and Considerations

City Administrative Capacity

Administrative capacity must be kept “top of mind” in considering potential revisions and expansions to the policy. Record keeping for the DIP in its early years was reportedly minimal, and while staff is working to institute a more consistent administrative approach with an application checklist and spreadsheet to track applications and tax grants, it is possible that additional “catch-up” is warranted. For example, according to recipients of the Major Incentive, the City may not have yet registered an interest on title for the properties in question. The interviews highlighted the potential need for an application form and at least semi-defined process timelines, as well as accompanying background information to help Dawson residents understand their options. This should not be onerous and there are many examples to draw from (the City of Whitehorse’s materials being one), but it will nonetheless require time and resources. Ideally, a new policy would not substantively add to the City’s administrative burden without a requisite benefit to the community.

City Financial Capacity

The jurisdictional review indicates that the use of cash-funded incentives, versus tax exemptions, is generally limited to larger municipalities. The survey results indicate there some residents may have concerns about the impact of incentives on the ability of the City to deliver services without increasing taxes. Expanding from tax incentives to financial grants and other direct funding mechanisms may be warranted only for the highest priority challenges and in areas for which a municipal funding stream can be identified or created.

Flexibility vs. Consistency and Transparency

In order to bring housing online in Dawson’s highly challenging development context, the City has had to administer the policy in a flexible manner. This flexibility has pertained to the eligibility of projects by geographic location, the means by which the City has maximized the value of its contribution to facilitate the leveraging of maximum YHC funding, and other elements that may have otherwise rendered larger housing initiatives unviable. There is a strong argument for the “ends justifying the means” in each of these cases; however, there is an opposing argument to be made for the City failing to follow its own policy. A revision to the policy presents an opportunity to address some of the discrepancies between “policy on paper” and “policy in practice”. It also allows for a clarification of some ambiguous and confusing language that could lead to, or indeed has already led to, unnecessary staff and Council time to interpret and resolve during the administrative of incentives.

New and unforeseen circumstances may continue to present themselves and warrant similar flexibility going forward; as such, there may be a benefit to broadly outlining the conditions for it.

Current and Future Housing Needs: Quantity

On the basis of discussions with incentive recipients and the survey results, it can be concluded that the policy has succeeded in helping bring market rental housing and some mixed development into the Historic Townsite, including the Downtown Core.

Klondike Development Organization (KDO) estimated in 2018 that a total of 335 new housing units will be needed between 2018 and 2030 (please see the following page). The 22 new multi-residential units due for completion in 2019, and the likely development of 8 more in 2020, represent significant progress towards meeting these housing targets. However, population growth can be expected to place ongoing pressure on Dawson's housing stock.

Housing Type	# of Units	# of Lots Required
Home ownership	30 1-bedroom 65 2-bedroom 30 3-bedroom	105 – 70 urban serviced & 30 country residential <i>*20 units are assumed to be accommodated on Settlement Land</i>
Rental	<u>Secondary/garden suites</u> 48 1-bedroom 12 2-bedroom <u>Multi-unit residential</u> 77 1-bedroom 23 2-bedroom	None – growth to be accommodated on existing lots 17 urban serviced lots

Previous surveys referenced by KDO have established that housing is the top priority for improving Dawson and its economy (ahead of recreation, transportation, infrastructure and other investments). The survey conducted for this exercise reinforces that residents feel the availability of rental housing remains a critical success factor for Dawson. There is a strong case to be made for the continuation of incentives to help ensure these projected housing needs are at least partially met. At the same time, there may be value in having a "minimum test" of need integrated into the plan to help ensure that the housing in question

Current and Future Housing Needs: Diversity and Affordability

Housing needs relate not just to aggregate quantity, but also diversity and suitability of available options. What the policy has not necessarily facilitated to date, at least directly, is affordability and a diversity of options representing various points along the housing continuum.

Both demand and demographics bear mentioning here. Dawson has a higher percentage of single-occupant households (45%) than the Yukon average (32%) and future population/demographic projections will see this trend apply to a greater proportion of residents; smaller 1-2 bedroom units are the priority need. There is also latent demand for home ownership, not just rental opportunities. The KDO found that 44% of Dawson City renters are planning to build a home in the next 5 years, and 36% indicated they may wish to build. Renters surveyed indicated that the primary barrier to moving from rental to home ownership is lack of land, versus affordability or access to financing.

There is potential for highly inefficient use of a limited land base should detached single family dwellings remain the predominant housing form in Dawson City. One approach is to encourage new private development forms – such as town homes, row houses and cluster housing – to meet latent demand for home ownership options in a land-constrained community (at present, semi-detached market housing is virtually non-existent in the Historic Townsite). The other approach is to encourage the utilization of as much the developable land base as possible, which includes idle City, Crown and federal lands that may not be available for sale but could potentially be leased.

Affordable homeownership is generally not promoted directly through taxation incentives but through planning and zoning tools. Density bonusing and inclusionary zoning, both of which are effective revenue sources for municipal affordable housing funding, are unlikely to have much success in a Dawson context given the very high capital costs of multi-unit residential construction. The establishment of a municipal housing corporation would require considerable City administrative capacity and seems unwarranted given the proven experience and willingness of local non-profit organizations like Klondike Development Organization and possibly a few private developers to provide housing solutions. Ideally the City would position itself to support their efforts and partner around strategic projects.

Other lower risk/effort tools could also be applied to promote both density and affordability. The best option in this regard is applying development charges – whether they be the current Load Capacity Charge or new charge – on a per m² versus a flat rate (please refer to the discussion in Section 7.0). Should the City wish to consider higher risk/effort tools such as homeownership grants or loans, development charges could potentially serve as seed money.

Lastly, the jurisdictional review indicates that the practice of providing equal incentives to affordable market (rental or ownership) housing and market (rental or ownership) housing – which the DIP currently does - is unusual. Addressing this policy element could help to satisfy concerns of both survey respondents and some interviewees that incentives are benefiting private developers at the expense of taxpayers.

Downtown Revitalization vs. Smart Growth

Currently, development in the Downtown Core is prioritized in the policy on the basis of revitalization of this area; however, this priority does not align with the realities of land availability in a highly geographically constrained market. The principles of Smart Growth (dense development oriented to utilize existing infrastructure) may be as valid a criterion to apply towards incentive eligibility for multi-unit residential projects as Downtown Core revitalization. Presumably, a property located outside of the Downtown Core but still within the serviced portions of the Historic Townsite would utilize City infrastructure and services to an equivalent degree.

Reuse and Renovation

The language of the policy suggests eligibility for new development but redevelopment is not explicitly mentioned. Given the strong built heritage values in the Historic Townsite and substandard housing conditions evident in some parts of Dawson, adaptive reuse and renovations may merit equal consideration to new construction – and accordingly explicit mention in the policy. Reuse and renovation are included as eligible

A combination of land/lot scarcity, high construction and infrastructure costs, and lower household incomes are arguably the most significant limiting factors to orderly growth in Dawson. None of these are likely to resolve in

the foreseeable future, notwithstanding the possibility of a major mine development that could address incomes but greatly exacerbate land scarcity and costs.

Fairness

Tax incentives raise a number of issues around fairness. A primary concern is the creation of a level playing field between different applicants under the same policy. A secondary but important concern is the impacts of incentives on the broader playing field between those who receive them and those who don't. This concern may be particularly applicable to the private sector, where competitiveness is paramount and there can be sensitivity to perceptions of undue public sector interference.

Aside from the broader issue of fairness to taxpayers where incentives are concerned, two specific applications were identified as being problematic to private sector fairness. The first is the incentive for mixed-use development in the Downtown Core, which could theoretically create a tax advantage for a new business that could compete with an existing business that has not received the incentive (e.g., a mixed-use development with a grocery store on the main floor). Less obvious but potentially impactful is the use of incentives to build housing for staff. Such an incentive would place one employer at a distinct advantage over another.

There was discussion of a policy "work around" to address the mixed-use development scenario. YG Property Assessment and Taxation Branch does not currently apportion assessment value to residential and/or commercial uses in a mixed development unless the related units are part of a condominium development (and thus treated as separate properties). However, in a June 11 conversation, staff indicated there was a possibility the Branch could undertake this type of assessment for a non-condo mixed development if the volume of requests was very low.

Alignment with YHC Programs

The Municipal Matching Rental Construction Program administered by YHC, and which provides a matching incentive to the City of Dawson, is expended and currently under review. Confirmation of new funding and possibly revised parameters is expected in late June or July 2019. It may be advisable to postpone any final revisions to Dawson's policy until this time to ensure compatibility.

5.2 Recommendations

"Housekeeping" Revisions

1. Make minor revisions to the Background section to align language and terminology with the Canada Mortgage and Housing Corporation's Housing Continuum framework.
2. Add a definition for "multiple unit residential building" and ensure consistency with the recently passed Zoning Bylaw.
3. Revise the definitions of "Economic Development Incentive" and "Graduated Economic Development Incentive" so that the language is more consistent between the two.
4. Clarify that eligibility extends to First Nation development corporations.

5. Clarify the “development fees” under Section 11 or eliminate this clause entirely and provide certainty through a development fee/charge waiver embedded directly in the incentives (see below).
6. Specifically refer to “redevelopment”, “upgrades”, or “renovations” as an eligible activity assuming the outcome is new housing units on the market.
7. Replace the term “provide” under the Major Development Incentive with “develop” or similar language to make consistent with the Standard and Minor Incentives;
8. Clarify that staff and student housing meets the eligibility criteria and determine whether or not the same incentives (on a total unit basis) should apply to them;
9. Revisiting timelines and approval procedures to ensure that projects are positioned for matching funding and can undertake phased projects;
10. Develop an application form and processing timeline and incorporate these into the policy.

“Scope and Intent” Revisions

11. Include a provision in the policy explicitly allowing Council and/or administration to exercise flexibility in order to assist applicants in leveraging other funding, subject to certain conditions (i.e., low risk to City finances, independent review of project financials, verification of alternatives unsuccessfully pursued, etc.);
12. Create an additional incentive level that better positions 6-7 unit buildings for economic viability, or alternately eliminate maximum thresholds;
13. Consider linking the granting of incentives for market rental housing to a minimum vacancy rate³ and/or (where vacancy rate threshold is exceeded) independent market research proving the need;
14. Cease eligibility for private homeownership-oriented multi-unit residential developments unless they are geared to affordable housing. Alternately, clarify in policy and implementation how the tax incentive will apply to both the original development corporation and subsequent strata corporation.
15. Extend the geographic eligibility for multiple-unit residential buildings to serviced portions of the Historic Townsite (versus Downtown only);
16. Consider extending additional zoning/planning flexibility to bring affordable housing to market, including relation of parking requirements;
17. Consider an incentive for renovations that bring illegal secondary or garden suites into Code compliance;
18. Consider limiting eligibility, or providing a funding advantage, to affordable housing developments. For example, both development charge waivers and a tax incentive could be offered to affordable housing projects only. This could apply solely to non-profit organizations and/or more broadly;
19. Consider including a provision to accommodate potential developments on leased government land subject to the taxable entity being the lessee;

³ The Yukon Bureau of Statistics Rent Survey would be the logical guide.

20. Consider a provision that allows for Council to pursue partnerships with non-profit and/or private developers to “pilot” affordable homeownership initiatives, subject to satisfaction of certain objectives or criteria;
21. Consider a points or incentives “stacking” system that maintains the core focus on increasing the housing stock, particularly in serviced areas, but awards additional incentives for affordability, heritage building re-use, and energy efficiency;
22. Consider a cap or maximum amount on the tax incentives that the City will provide annually (e.g., \$100K across all incentives);

Related Programs and/or Policies

23. Consider formalizing the Heritage Grant as mentioned in the *Heritage Management Bylaw* and award grants along with tax incentives for adaptive reuse of heritage buildings and associated design or engineering work, subject to an evaluation framework. The grant could be funded via general municipal revenues or a new revenue stream tied to development charges; and,
24. Consider creating a grant geared towards community-oriented interim uses of vacant land or property or covering the costs of due diligence-related work (i.e. studies, etc.) required to facilitate redevelopment of parcels with constraints. Council can weigh in on the appropriateness of a taxation-based disincentive separate to this exercise. The jurisdictional review would suggest that this approach is not in common practice; however, there is no obvious impediment to enacting such a policy in the *Municipal Act*.

An initial sample framework for housing-related incentives that was presented to and deliberated upon by Council is included in Appendix C.

Subsequent Council discussions and decisions pertaining to the DIP are summarized in Section 10.0 and reflected in Appendix G.

6.0 Development Charges Overview

A development charge is a fee paid by developers and builders to fund local growth-related infrastructure. Development charges take some of these growth-related costs off the property tax base, and instead charges those who directly trigger the spending.

Development charges (also called capital cost charges, infrastructure charges or offsite levies) are collected as part of the approval process for a new development. They can apply to many different kinds of developments – residential, commercial, industrial and institutional. They are typically levied to cover some or all of the growth-related infrastructure costs resulting from the new development, such as water and sewage services, roads, parks, community facilities and libraries. The new demand created as a byproduct of growth does not always relate to works that are located on or adjacent to the property being developed. For example, new development may require a local government to increase the size of a pre-existing water storage reservoir.

These charges help ensure developers, rather than existing taxpayers, pay for the infrastructure costs triggered by development. While development charges are increasingly being used to support planning goals by providing incentives (and disincentives) for certain types of development and growth, the literature indicates that their policy-related aspects are less understood and underutilized by municipalities (Baumeister, 2012).

All provinces allow municipalities to levy some form of development charge. The rules surrounding how the charges are structured, and what costs they can cover, vary from province to province. British Columbia, Alberta, Saskatchewan, Ontario and Halifax, Nova Scotia are the only jurisdictions in which development charge programs are widely employed and well-established (Ibid).

6.1 Load Capacity Charge

The Load Capacity Charge (LCC) is levied against any development requiring a new water/sewer connection, *separate from and in addition to* the machine and labour time that the City charges to install the pipes. The LCC is a one-time flat rate charge that theoretically helps to recover the costs of increased load on the City's water and sewer infrastructure.

LCC rates are set out in the Fees and Charges Bylaw at \$1550 per single family dwelling (with 2 bathrooms) and \$415 per water outlet for multi-family or commercial properties (or additional single family dwelling bathroom). It is extremely difficult to attribute the costs of an individual new water/sewer connection on the entire system's operating costs, nor is there corporate memory as to the origins of the \$1550 charge. For all intents and purposes, the amount of the charge is arbitrary.

LCCs collected by the City are deposited into the LCC Reserve, which currently totals \$180,478.15. The past three years have seen almost \$47,000 in LCCs collected as shown below.

Year	LCCs Collected	Notes
2016	\$15,150	All single family dwellings and secondary suites
2017	\$8740	All single family dwellings and secondary suites
2018	\$22,900	Includes KDO's first 8-plex
TOTAL	\$46,790	

7.0 Engagement Findings – DCCs

A total of 35 responses were received for the Phase 1 online survey. The complete results are included in Appendix A. The following section includes a high-level summary by key topic only. It should be noted that a smaller sample of respondents actually completed the development charge related questions (versus the ones pertaining to development incentives).

- **Respondent Profile:** Almost 2/3 of respondents were long-time (16 years or more) residents of Dawson City. Almost 1/3 own businesses and ¼ have built their own home or secondary suite. Only 2 respondents had actually received an incentive under the policy.
- **Agreement with DCC Rationale:** Almost 2/3 (65%) of respondents felt that the infrastructure and services required by new development should be paid for by beneficiaries versus existing taxpayers, while slightly more (68%) felt that it is appropriate for the City to use charges to promote development prioritized in the Official Community Plan. There was slightly less agreement (61%) with the need for the City to adopt more sophisticated policy and fiscal tools. The use of other jurisdictions as a benchmark for City fees and charges was highly divisive, with 30% disagreeing, 30% agreeing, and 30% indicating neither agreement or disagreement.
- **Appropriate Use of Development Charges:** When given four options for the allocation of development charges, respondents indicated the most support for water and sewer (56%), followed by roads (61%) and recreation facilities (55%). "Planning and background studies" garnered most opposition (32%) than support (23%), along with considerable uncertainty (27%).
- **Conditions for Supporting a Cost Increase:** When asked to indicate the conditions under which they would potentially support a development-related cost increase under a new DCC program, consistent and fair application and clear revenue tracking and transparent allocation were selected most frequently (57% and 52%, respectively). 22% indicated no support for charge increases under any condition.
- **Level of Support for DCCs:** A majority of respondents indicated neutrality (44%) or uncertainty (22%) when asked to indicate their support for a DCC. 22% showed support versus 13% showing opposition.
- **Comments, Ideas, and Suggestions:** Respondents provided a range of comments, including the need for developers to pay their costs, charges needing to reflect relative costs of multi-family versus single family residences, the need for progressive levies, and the need to treat non-profit organizations differently. One respondent pointed out a perceived contradiction between asking about incentives for developers while increasing charges on individual residents and suggested that homeownership be incentivized.

A few stakeholder interviews explored the issue of development charges and potential criteria for community acceptance. Generally speaking, the idea of a charge raised concerns about increased development costs in an already highly challenging market. Several questioned whether or not such a charge was actually necessary, or simply the City looking to generate general revenues. One interviewee felt that a new development charge could be received more favourably if introduced in tandem with a review of (and corresponding reduction in) what are felt to be inordinately high labour rates the City charges out to homeowners/developers for the connection of properties to City water and sewer infrastructure.

8.0 Cross-Jurisdictional Review of DCCs

The following section provides an overview of development charges as administered in British Columbia, Alberta, and Ontario, with a particular focus on British Columbia.

8.1 British Columbia

Overview

Sections 932 through 937 of the *Local Government Act* sets out the general requirements under which local governments, by way of a bylaw, may charge Development Cost Charges (DCCs). Using DCCs, local government can apply a common set of rules and charges to all development within a community. DCCs are applied as one-time charges against residential, commercial, industrial and institutional developments. They are usually collected from developers at the time of subdivision approval or at the time of issuing a building permit.

DCCs must be kept in a separate fund from a local government's general operating fund. A local government may only spend DCC monies, and the interest earned on them, for the specific projects and services for which they were originally collected. For example, DCCs collected for sewer infrastructure in a new development may only be spent on that specifically.

Generally, infrastructure construction begins after enough DCCs have been collected by the local government for the project; however, in certain circumstances construction must begin before enough funds have been collected. In these circumstances either the local government or the developer will "front-end" the cost. These costs are then recovered through DCCs as the development progresses. If either the local government or the developer borrows funds to pay these costs the interest paid on these borrowed monies can be recovered through future DCCs.

Guiding Principles

The Government of British Columbia's *Development Cost Charge Best Practices Guide* establishes six Guiding Principles that should be followed by municipalities in the development of a DCC bylaw, as follows:

1. **Integration** – DCC programs should be subordinate to and consistent with broader community planning goals and comprise only one element of a municipality's approach to address land use efficiency, housing affordability and community sustainability.
2. **Benefiter Pays** – Those who will use and benefit from the installation of systems should pay.
3. **Fairness and Equity** – Costs should be distributed between existing users and new development in a fair manner. Furthermore, DCCs should equitably distribute costs between the various land uses and different development projects.
4. **Accountability** – The establishment of charges should be a transparent local government process and all information upon which DCCs are based should be accessible to stakeholders.

5. **Certainty** – Stable charges and orderly construction of infrastructure should be cornerstones of a DCC program, and sufficient DCC funds must be collected to ensure that infrastructure development can proceed in a timely manner.
6. **Consultative Input** – Adequate opportunities for meaningful and informed input from the public and other interested parties should be provided.

Eligible Infrastructure

The *Local Government Act* permits DCCs to be established for providing, constructing, altering, or expanding facilities related only to the following local government services:

- Roads (other than off-street parking)
- Sewage
- Water
- Drainage; and,
- Parkland acquisition.

It is important to note some exceptions to this rule. The Vancouver Charter allows the City to collect DCCs for acquiring property for childcare facilities and affordable housing. The Resort Municipality of Whistler Act allows for the collection of DCCs for employee housing.

Rate Calculation

Rate calculation is generally an involved and complex exercise undertaken by municipalities with external support. Municipalities have to carefully consider broad policy matters as well as technical issues prior to establishing DCCs. In setting rates, local governments also have to take into account whether the proposed DCCs will:

- Be excessive in relation to the capital cost of prevailing standards of service
- Deter development; or
- Discourage the development of reasonably priced housing or reasonably priced serviced land.

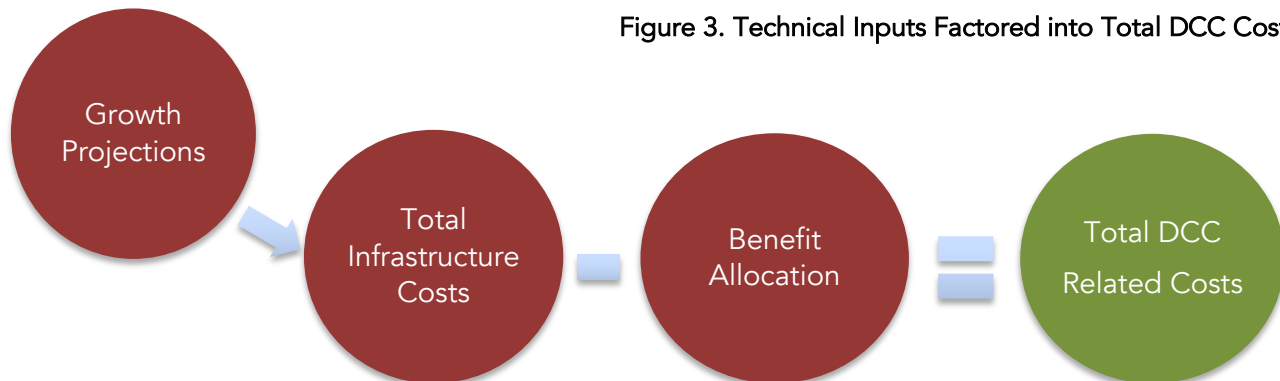
In the simplest terms, a DCC rate is calculated by dividing the new recoverable costs of projected development by the projected units of growth as follows:



Figure 2. General DCC Rate Formula

DCC recoverable costs (gross versus net) are calculated using a combination of technical inputs and policy-related inputs. The technical inputs include the projected types and amount of new development, the infrastructure and services required by the projected new growth, and the allocation of benefits conferred by that infrastructure between existing and new development. Please refer to the figure below.

Figure 3. Technical Inputs Factored into Total DCC Costs



Some of the overarching policy decisions that need to be made by municipalities prior to the calculation of technical inputs include:

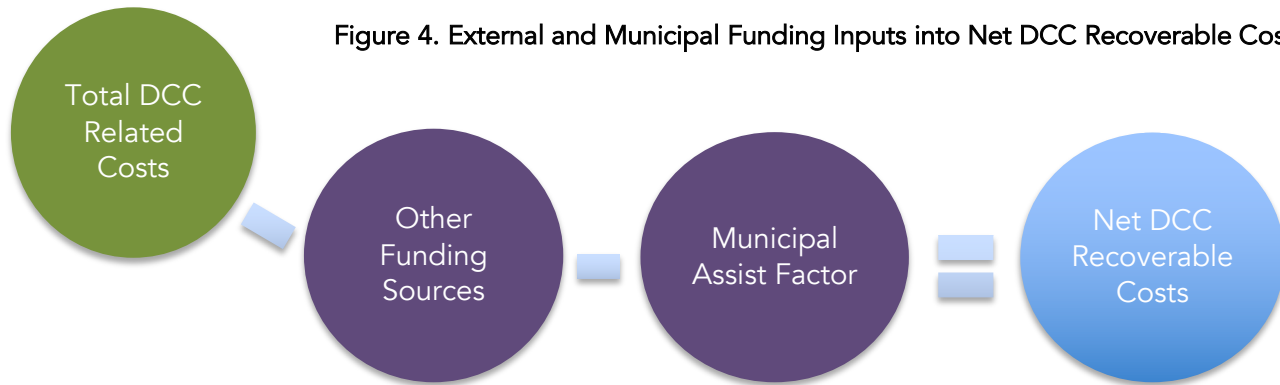
- *Will DCCs be applied on a municipal-wide or area-specific basis?*
- *What timeframe will the DCC program relate to? (i.e. revolving or build-out)*
- *What categories of development will be charged?*
- *To what level of detail will land uses be broken down?*
- *What units will be used to calculate DCCs? (i.e., lots, units, floor area)*

Considerable effort and level of detail is required to address the technical inputs. Growth projections should account for unit types, number of units, and/or floor area requirements for all classes of development (i.e., residential, commercial, institutional, etc.) All infrastructure project costs must be calculated to the class of cost estimate enabled by the planning horizon or level of technical information available. Typically infrastructure is outlined as lists of projects under each DCC category, each with an accompanying sheet detailing project-specific costs. The various project components related to planning, engineering, and legal aspects are incorporated. While the allocation of benefit is prone to subjectivity, municipalities should include supporting technical documentation where possible.

These technical inputs should be closely informed by overarching municipal planning documents, such as Official Community Plans, Servicing Plans, and Financial Plans. These documents should identify where and how much growth is anticipated to occur and how the municipality plans to service it. A municipality – or more typically the engineering consultant team it retains – should theoretically have a solid planning foundation upon which to calculate DCC costs.

Once the total development related costs are determined, other policy and financial aspects are factored in. Other funding sources – including the amount of money in existing DCC reserves and provincial funding – are deducted from total costs, as the municipality's "assist factor", to arrive at a final calculation of net recoverable costs. Please refer to the figure below.

Figure 4. External and Municipal Funding Inputs into Net DCC Recoverable Costs



In general, determining the appropriate level of detail can be challenging and municipalities need to strike a balance between levying excessive charges in relation to prevailing standards of service versus being underfunded.

DCCs in Practice

On the basis of an Internet-based review, Groundswell concludes that most British Columbia communities of Dawson City's size do not have DCC programs in place. The exceptions tend to be small communities facing serious private development pressures in rapidly growing regions such as Vancouver Island and the Interior. The table below gives an overview of DCC rates for single family and multi-family dwellings in smaller BC municipalities. Most utilize a flat per dwelling unit rate for both types of dwellings but Tofino applies the practice of basing rates on floor area for multi-family units. This approach is typically used for commercial, industrial, and institutional development.

Community	Population (2016)	DCC – Single Family Dwelling (2018)	DCC – Multi-Family Unit (2018)
Cumberland, BC	3753	\$19,742	\$12,429
Enderby, BC	2964	\$7050	n/a
Lantzville, BC	3605	\$15,913.42	\$11,206.82
Peachland, BC	5428	\$19,356 - \$19,658	\$11,525
Tofino, BC	1932	\$18,248	\$92.73/m ²
Ucluelet, BC	1717	\$12,882	\$9720

Some BC communities are adopting increasingly complex DCC frameworks that take into fuller account the impact of both density and location on infrastructure and service costs. The City of Kelowna, for example, structures its residential DCC rates using six different residential density categories and numerous area-specific categories. Smaller municipalities are likely to follow suit in the coming years.

8.2 Alberta

Overview

Alberta's equivalent to the DCC is the Offsite Levy, enabled by the *Municipal Governance Act*. The specific use of the term "off-site" is a somewhat nuanced but noteworthy difference from British Columbia's DCC. An off-site

levy helps pay for infrastructure required outside or "off" the site of a particular development or subdivision that will directly or indirectly serve that development. Developers pay for the full cost of infrastructure within their development site, including roads and utility infrastructure, but assist municipalities by contributing to the costs of growth by paying a "levy" towards capital costs related to other infrastructure. The DCC as applied in British Columbia is less prescriptive on the off-site versus on-site issue.

Offsite levies were originally restricted to projects relating to water, sewer, storm water and roads. A 2017 amendment to the Off Site Levies Regulation allows for a levy to be used to pay for all or part of the capital cost (including any related land acquisition) of new or expanded recreation facilities, fire halls, police stations, and libraries. Similar to BC, the legislation sets out a standard for municipalities to follow in establishing levies, including consultation with affected parties and the acquisition of supporting technical data and analysis.

Rate Calculation

The calculation process is very similar to the one utilized in BC. The final charges are typically expressed on a per hectare basis.

DCCs in Practice

Similar to British Columbia, it appears that most Alberta communities of Dawson City's size do not to have Offsite Levy programs in place. The table below gives an overview of applicable rates for single family and multi-family dwellings in smaller Alberta municipalities (converted from ha to m² for easy comparison to British Columbia examples).

Community	Population (2016)	DCC – Single Family Dwelling (2018)	DCC – Multi-Family Unit (2018)
Banff, AB	7851	\$21.14/m ²	\$21.14/m ²
Fort MacLeod, AB	2967	\$4.94/ m ²	\$4.94/ m ²
Jasper, AB	4590	\$20.60/m ²	\$20.60/m ²
Peace River, AB	6842	\$3.24 - \$6.04/m ²	\$3.24 - \$6.04/m ²
Rocky Mountain House	6635	\$7.95/ m ²	\$7.95/m ²

Offsite levies have been the subject of various court cases in the province, primarily related to the apportionment of infrastructure benefits – and accordingly costs between new and existing development. Interestingly, the Municipality of Crowsnest Pass repealed its Offsite Levy Bylaw in 2012 due to concerns that it was making the community less competitive in attracting new development ().

8.3 Ontario

The *Development Charge Act* sets out a process by which municipalities can pass their own development charge bylaws. Similar to British Columbia and Alberta, these bylaws are accompanied by a background study. A development charges bylaw can only be passed within one year of a background study's completion, and there are mandatory public meetings that take place as the information is prepared by municipal staff. Once that occurs, a municipality can impose charges against land that is ready to be newly developed or redeveloped.

Collected revenue pays for increased capital costs related to both “hard” – roads, water, stormwater, and wastewater - and “soft” – libraries, recreational facilities, and parkland development - services. The collection of charges for “soft” services is subject to a 10% discount to ensure that municipalities do not “gold plate” services with development funding above and beyond general municipal standards already established.

8.4 City of Whitehorse

Development cost charges were first introduced to Whitehorse in 1995, with the enabling bylaw having been updated most recently in 2012. The original charge was set at \$2500, although a technical report commissioned by the City preceding the enactment of the bylaw apparently recommended a charge of \$12,000 (Shewfelt, pers. comm). Council felt that such a charge could not be borne by prospective homebuilders, nor be politically palatable, and arbitrarily set a rate of \$2500 instead (Ibid). Council approved a 40% increase to \$3500 in 2012 and annual increases in 2013, 2014, and 2015 of 2% to reflect inflation.

Currently, City administration is revisiting the charge in tandem with the Development Incentives Policy. The current rate for a DCC for a single family unit is \$3641. This flat rate indirectly confers an advantage on larger units, the difference being \$15/m² between a 1500 ft² home and a 3500 ft² home. A jurisdictional scan of other similar sized municipalities in British Columbia and Alberta found that the average DCC was \$10,465 per unit, and that none charge on a per m² basis for single family development (Kosick, pers. comm). Using the smallest, average, and largest residential home sizes on record from the first two phases of Whistle Bend as a proxy, staff have played with some pricing scenarios. A potential adoption of a \$40/m² rate would have no cost impact on the smallest unit, whereas the average and largest units would see their costs increase by about \$3300 and \$7500 respectively (Ibid).

A similar inequity exists in multiple family residential units. City staff found that most other municipalities charge on a per m² basis, with the average DCC being \$67/m² and \$7724/unit for a flat rate. Pricing scenarios identified \$40/m² as the threshold at which studio and 1-bedroom units did not see a substantial DCC increase.

City staff has recommended to Council that DCC rates be set at \$35/m² for both single and multiple family dwellings. The rationale is that this rate results in the proposed changes to the linked DIP being close to or at cost neutral based on development projections.

9.0 Preliminary Conclusions and Recommendations: DCCs

The following section reflects the conclusions and recommendations submitted by Groundswell to Council and administration during Phase 1 and 2 work. Council responses to some of these points are reflected in the record of Council minutes contained in Appendix x.

9.1 Key Issues and Considerations

Technical Input Constraints

Development cost charges as legislated and applied in British Columbia, Alberta, and Ontario set a high threshold of accountability and technical rigour and rely on comprehensive Official Community Plans and accompanying servicing and financial plans to specify where and how growth will be accommodated and what the servicing and financial implications are. The City of Dawson's OCP serves as a useful guide of priority direction and policy, but it largely leaves the hard questions of growth unanswered. As such, the OCP provides a somewhat inadequate planning foundation upon which to base a technical, development cost-focused framework.

"Developer Pays" Principle

The concept and underlying rationale for DCCs stems from a historic development context in which private developers were not contributing to the incremental, or indirect, costs of municipal infrastructure. The fundamental principle of "growth pays for growth" or "user pays" underpinning DCCs is poorly satisfied in a Yukon context, where the territorial government is the land developer. Furthermore, the territory already funds the majority of upgrades to existing infrastructure and is anticipated to continue doing so (as per the funding sources indicated in the 2019 Capital Plan recently passed).

Given the preceding point, the considerable cost and effort associated with projecting and costing the land and infrastructure needs to service future growth, as is consistent with best practice, would be in the service of a "moot point" when considering the latter step of factoring in government funding contributions into the net recoverable DCC calculation. In most instances, the final computation will be simple: total DCC related costs minus territorial and federal government contributions will be at or close to zero. In a Dawson City development context, the municipal contribution can reasonably be anticipated to be negligible, notwithstanding administration and Council time.

In fact, it could be argued that the levying of a new infrastructure-related charge constitutes "double-charging" in so far as the individual home builder would theoretically pay both the City for growth through a DCC as well as Government of Yukon through territorial/federal income taxes.

Transparency and Community Buy-In

The survey results indicated an expectation of fair and consistent application and clear tracking and targeted spending of collected charges. The continuation of offsetting incentives and OCP fulfillment are lesser

considerations. Overall, the response to a prospective DCC is neutral and/or uncertain, leaning slightly towards positive.

With major infrastructure needs perhaps an unsuitable rationale upon which to base the introduction of a new DCC, the City could try to base a DCC on other costs associated with population growth and development. In doing so, it would want to rationalize to what extent the pinpointed growth-related costs are not adequately covered through associated increases in the municipal tax base. Survey results indicate more opposition than support for utilizing charges to pay for “soft” costs of preparing for and responding to development, such as planning and backgrounds studies. Pursuing this direction would need to be carefully rationalized and substantiated with information from City departments.

BC’s *Best Practices Guide*’s foundational principles serve as a useful guide for Dawson, despite the contrasting contexts for application of a DCC. The “Benefiter Pays” principle is problematic for obvious reasons but the remainder could be achieved. Further, the “test” of ensuring charges are not excessive or deterring development enshrined in DCC legislation in BC should also be applied to a prospective Dawson charge.

Support for OCP Objectives and Linkage to Incentives

Survey results showed fairly strong agreement in principle with using charges to promote OCP objectives, as well as the adoption of more sophisticated policy and tools. Given the challenges identified around incentivizing homeownership, instituting a charge that confers a direct or indirect advantage to smaller dwellings is an important policy “win”, and one that would reflect emerging best practice. Such a charge would work in tandem with incentives to promote preferred and strategic development forms.

9.2 Framework Options

On the basis of the preceding discussion, Groundswell developed a suite of six potential options for the City to considering in determining how (or whether) to proceed with a DCC, as follows:

Option 1. Maintain and/or revise the Load Capacity Charge as the sole development charge.	
Description	Maintain the Load Capacity Charge as the sole “development charge” levied on new construction. A review could try to determine whether or not the charge is adequate, or alternately - excessive.
Advantages	Simple and likely to be the most palatable to the public and business community
Disadvantages	The City misses an opportunity to strategically direct growth and/or potentially generate revenues from which to fund incentives. In the case of a revised LCC, attributing specific costs may prove to be a challenging exercise for City administration.

Option 2. Implement a DCC based on growth-related “soft” costs not adequately funded otherwise.

Description	City administration in each department would need to inventory the growth-incurred services and/or infrastructure prone to funding “gaps” in the municipality – i.e. items funded neither via municipal taxes or territorial/federal funding – and determine how to attribute costs to them. These costs could then be tracked for a given timeframe and projected for a future specified timeframe.
Advantages	This approach could help generate revenues to better enable the City to supplement tax revenues for incremental service increases.
Disadvantages	Attributing costs in a transparent, technically rigorous manner could be highly challenging and leave the City open to an ongoing debate with detractors as to costing “minutiae”. This exercise could also be demanding of staff time.

Option 3. Implement a DCC proportional to Whitehorse and/or market’s ability to pay.

Description	Using Whitehorse’s proposed DCC increase as a baseline, develop a Dawson DCC pro-rated to reflect differences in median income and cost of living. Alternately and/or in conjunction with this approach, a maximum threshold for increase over the currently administered LCC could be set (similar to Whitehorse council’s approach in both 1995 and 2012). Given the vastly different development context, basing a DCC on similar-sized jurisdictions in BC and/or Alberta is not advised.
Advantages	This approach could be relatively straightforward and it reflects survey guidance to treat Dawson’s circumstances as unique versus adopting other small jurisdiction rates.
Disadvantages	This approach may fail to go far enough in treating Dawson’s circumstances as unique. Unless the revenues are clearly tracked, Council will be vulnerable to criticisms of unnecessary charges unless there is a clear and defined purpose. This approach would also rely on the City to conclude its DCC review prior to implementing Dawson’s rate.

Option 4. Implement a DCC structured to be at (or close to) revenue neutral factoring in related incentives.

Description	Based on past building permit and construction activity, an estimate of future development (by type) and “unfunded” incentives such as DCC waivers and grants could be made. A corresponding target could be developed for DCC revenues that would need to be generated to offset these costs and divided by the number of un-incentivized developments.
Advantages	This approach may satisfy potential concerns about Council instituting a charge that would be subsumed into general revenues and not used for its intended purpose
Disadvantages	This approach would rely on good estimates of projected development by building type over the short to medium-term. Given the relatively small scale of development in Dawson and corresponding low revenues, revenue neutrality may hinder Council’s ability to use financial incentives to make a demonstrable impact on priority issues unless charges were set quite high. A higher administrative burden may be required to track and report on revenue neutrality, and the City would need a mechanism to adjust charges on an ongoing basis.

Option 5. Implement a DCC geared towards achievement of Official Community Plan priorities.	
Description	OCP objectives could be achieved in two ways: first, through the promotion of specific development forms and areas with preferential charges; and second, through the utilization of collected charges as seed money for grant-based incentives. Such a DCC would ensure equity between smaller, more affordable dwellings and denser development forms in the historic townsite. Charges would be structured on a per m ² basis in keeping with emerging best practice. DCCs collected could be allocated to funds or reserves specifically earmarked for the achievement of affordable housing (rental and/or homeownership), heritage adaptive reuse, and/or interim uses of vacant properties. To emphasize its purpose, the charge could be renamed a “Strategic/Smart Growth” charge or similar.
Advantages	Fully transparent in terms of outcomes and shows strong Council commitment to achievement of the OCP. Charges could help to establish stable funding for new and beneficial grants.
Disadvantages	This approach may not reflect the market’s ability to pay. A higher administrative burden on tracking and reporting would be required. The small scale of development may result in minimal funds being raised for grants.

Option 6. Implement a DCC combining elements of Options #3-#5.	
Description	A combined approach could utilize Whitehorse’s DCC and the current LCC as a starting point and be geared towards the achievement of OCP priorities through a gradient charge framework that factors in square footage and location. Revenue neutrality would be a subordinate consideration to OCP/smart growth and market capacity for increased costs. Council could determine its relative importance. Depending on how development proceeds in any given year, there may be charge-related revenues held in reserve by the City. Alternately, requests for related exemptions or grants could account for all DCC revenues.
Advantages	Benefits from all of the advantages of the related options.
Disadvantages	This approach would require tracking and reporting on achievement of outcomes. Revenues generated to help fund grant-based incentives could be minimal.

9.3 Recommendations

Groundswell initially recommended that Council pursue either Option #1 or Option #6 – the latter being contingent on a decision by Council to create a source for cash funding development-related grants.

The adoption of Option #6 requires further deliberation about what constitutes an appropriate charge. Four pricing scenarios were presented in Appendix C for consideration. Groundswell recommended adopting the Scenario 3 charge of \$20.66/m² for development across all land use categories to which LCCs are currently applied. Half of fees collected under a new Development Charge could be allocated to the Water and Sewer reserves and the remaining half could be allocated to a new Strategic Development Reserve (or other suitable name) through which cash grants can be funded. Such a reserve and accompanying grant system would require

administrative capacity in the form of a new stand-alone or updated DIP which outlines eligibility criteria, the evaluation process, and how funding is allocated.

Implementing a \$20.66/m² development charge would represent a significant increase to what homeowners currently developing 2 or 3-bedroom single family dwellings pay in LCCs. However, this increase could be completely offset or significantly reduced with smaller building footprints and/or the construction of a secondary suite, which are mutually supportive strategies for prospective homeowners.

It should be noted that the basis for the \$20.66 charge is the proposed updated City of Whitehorse Development Cost Charge, which has yet to be adopted.

Subsequent Council discussions and decisions pertaining to DCCs are presented in Section 10.0 and reflected in Appendix G.

10.0 Final Conclusion and Recommendations

The final outcome of the project is a draft revised Development Incentives Policy (DIP) that reflects a balance of stakeholder and public input, Council priorities and direction, and overall feasibility within the context of City human and financial resources. Please refer to Appendix H for the final draft policy.

Unfortunately, the related issue of Development Cost Charges (DCC) did not proceed to a decision point; its complexity and the limited time available during Council meetings proved to be problematic. Furthermore, the issue did not seem to be as pressing a concern for Council as ensuring the policy was up-to-date. Nonetheless, Council is now equipped with analysis and recommendations that it can revisit at a future date when it has additional time or capacity, or the issue becomes a higher priority.

In closing, Groundswell recommends that the City consider the following items to ensure that the revised policy is functioning as intended and other related matters are attended to:

1. Prioritize the development of public information (i.e. incentives brochure, etc.) and administrative supports (i.e., standardized application and annual reporting forms).
2. Monitor all aspects of program delivery (as set out in the revised policy), with careful attention paid to:
 - Overall uptake and comparison of uptake both prior to and post-revisions;
 - Compliance with annual reporting requirements;
 - Whether or not the underdeveloped property thresholds are achieving their intended objectives; and,
 - The effectiveness of the Zoning Bylaw in ensuring that any higher density developments receiving incentives in residential areas are compatible with the surrounding neighbourhood.
3. Revisit the policy within three years to consider the inclusion of a homeownership-related incentive, with the following recommended parameters:
 - Incentives should be limited to higher density building forms in the Historic Townsite;
 - Incentives should be limited to affordable homeownership only. The lack of median home sale price data for Dawson City means that affordability would be best based on a combination of Dawson City median income and CMHC's definition of affordability (i.e. housing costs not exceeding 30% of before-tax income);
 - Restrictions on the resale of affordable owned units should be required (and would be consistent with affordable homeownership programs elsewhere); and
 - Restrictions around strata and condo corporations would need to be removed.
4. In partnership with local organizations such as Klondike Development Organization, undertake a housing market analysis within 5 years to update local information on supply, demand and market composition. Utilize this study as a baseline in determining the need for continued incentives and the role of

incentives in achieving community growth objectives and a healthy housing continuum as set out in the 2018 Official Community Plan.

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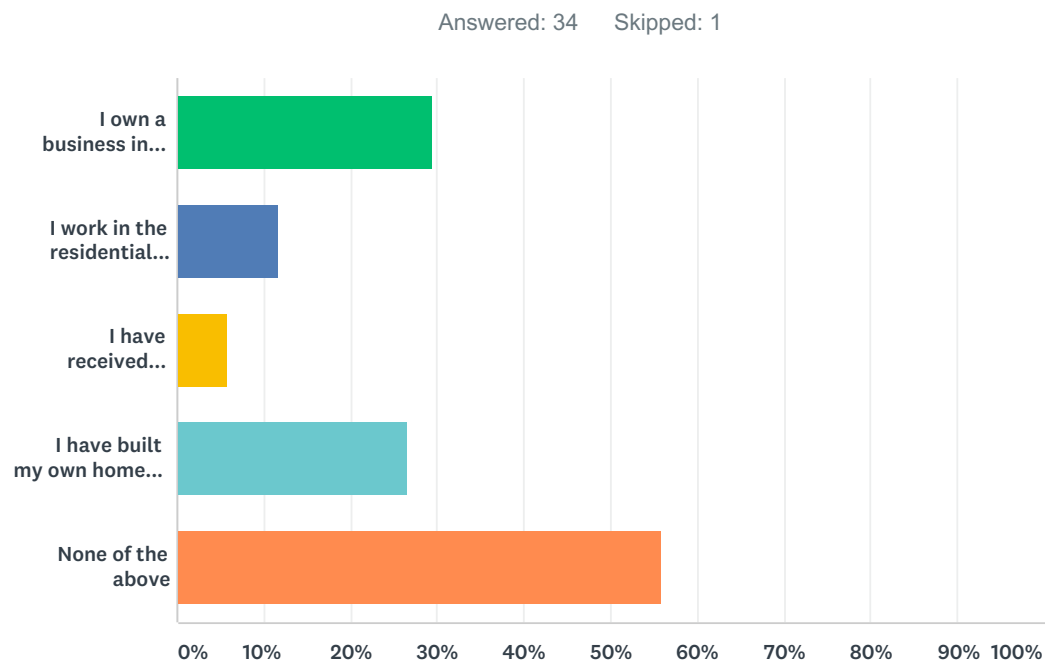
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APPENDIX A

Phase 1 Online Survey Results

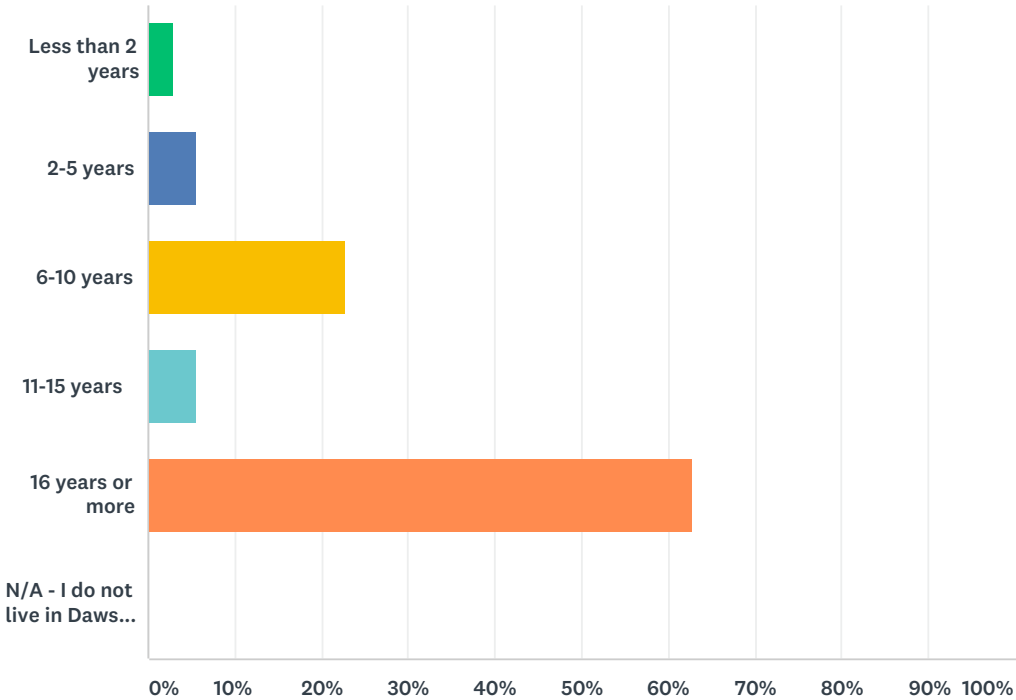
Q1 Which of the following describes you? You may select more than one option.



ANSWER CHOICES	RESPONSES	
I own a business in Dawson City	29.41%	10
I work in the residential construction and/or development field	11.76%	4
I have received assistance under the City of Dawson's Development Incentives Policy	5.88%	2
I have built my own home and/or secondary suite	26.47%	9
None of the above	55.88%	19
Total Respondents: 34		

Q2 How long have you lived in Dawson City?

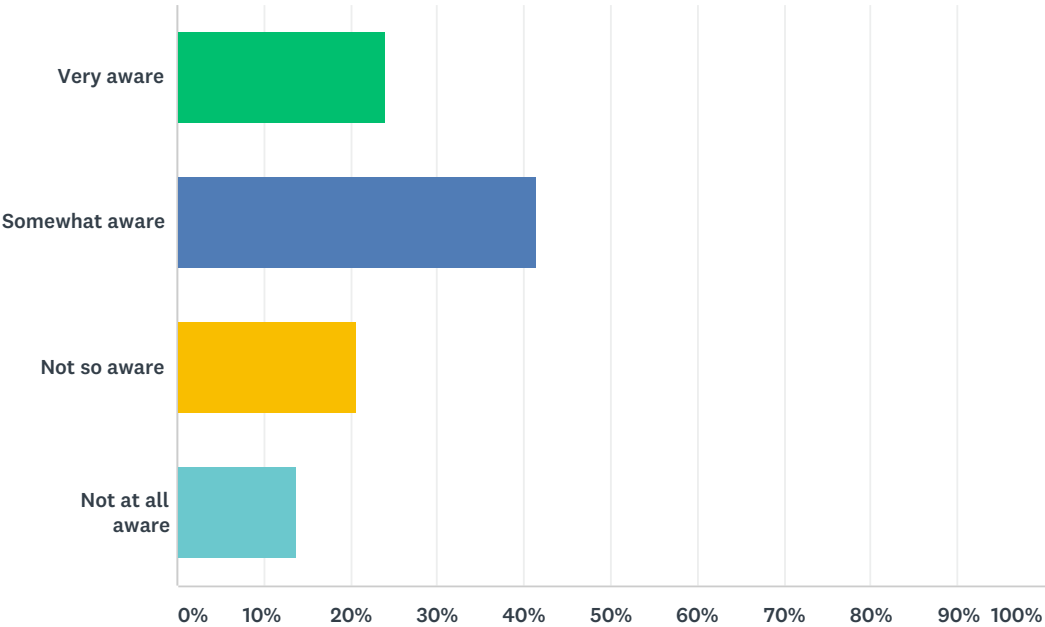
Answered: 35 Skipped: 0



ANSWER CHOICES	RESPONSES	
Less than 2 years	2.86%	1
2-5 years	5.71%	2
6-10 years	22.86%	8
11-15 years	5.71%	2
16 years or more	62.86%	22
N/A - I do not live in Dawson City	0.00%	0
TOTAL		35

Q3 Which of the following describes your level of awareness (prior to this survey) about the City’s Development Incentives Policy:

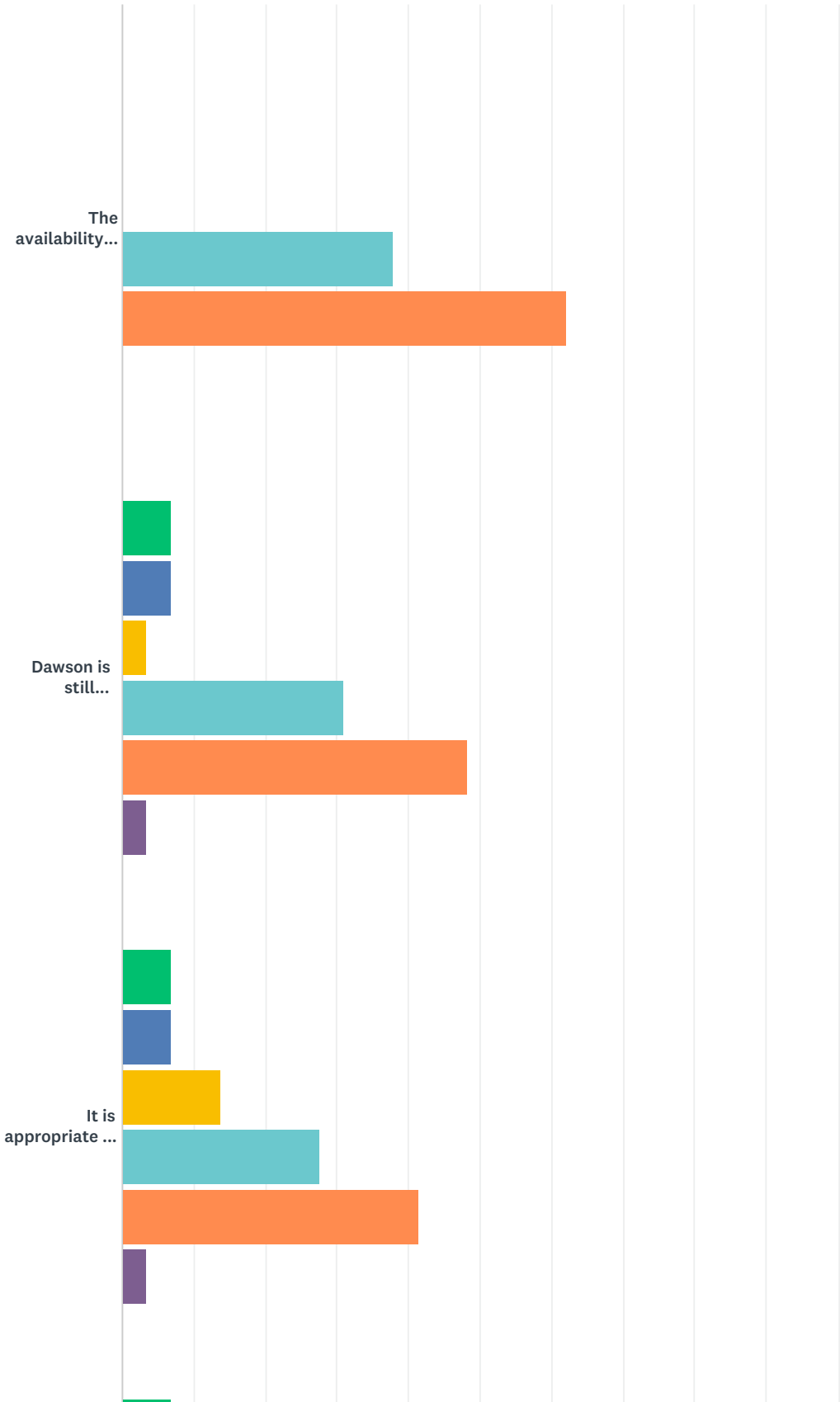
Answered: 29 Skipped: 6

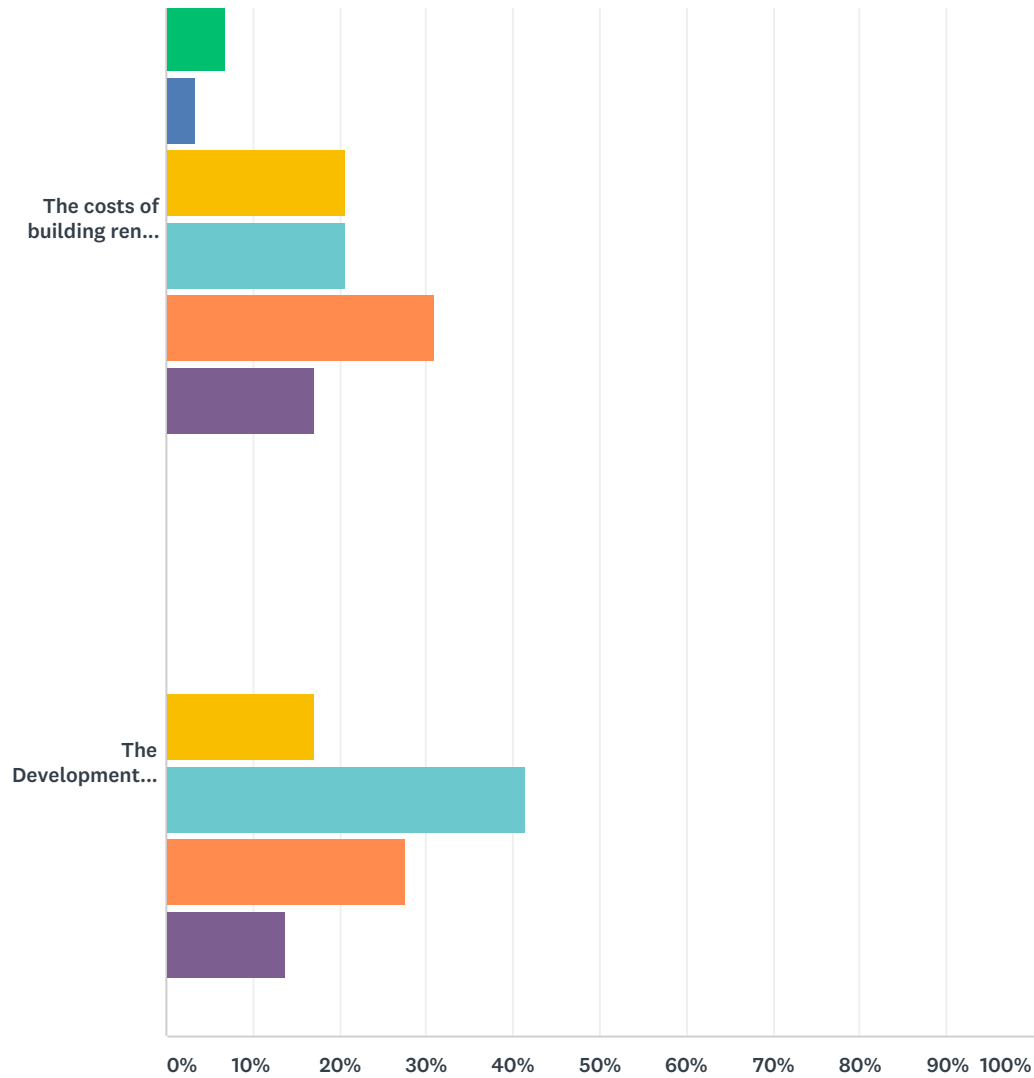


ANSWER CHOICES	RESPONSES	
Very aware	24.14%	7
Somewhat aware	41.38%	12
Not so aware	20.69%	6
Not at all aware	13.79%	4
TOTAL		29

Q4 Please indicate your level of agreement with the following statements:

Answered: 29 Skipped: 6



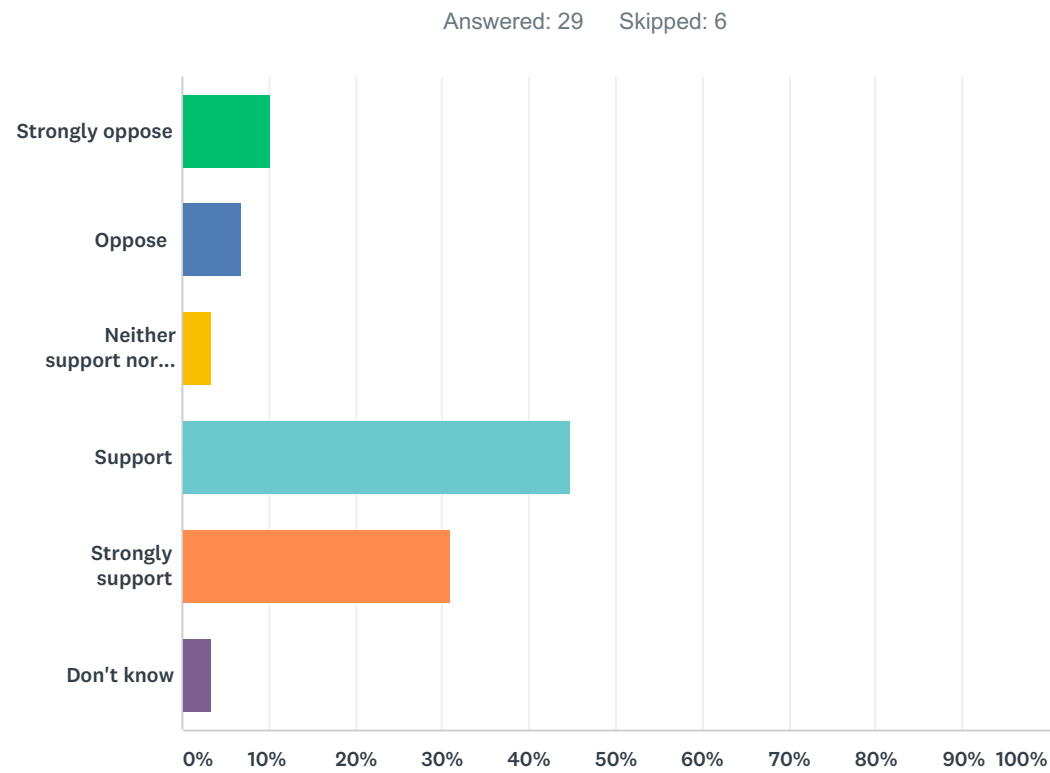


Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree Don't know

	STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE	DON'T KNOW	TOTAL
The availability of rental housing has a significant impact on the appeal of Dawson City as a place to live, work, and do business	0.00% 0	0.00% 0	0.00% 0	37.93% 11	62.07% 18	0.00% 0	29
Dawson is still experiencing a serious shortage of rental housing and the issue needs attention from the City	6.90% 2	6.90% 2	3.45% 1	31.03% 9	48.28% 14	3.45% 1	29
It is appropriate for the City to intervene to make rental housing development in Dawson more affordable	6.90% 2	6.90% 2	13.79% 4	27.59% 8	41.38% 12	3.45% 1	29

The costs of building rental housing in Dawson City are too high for developers to charge affordable rents without government intervention	6.90% 2	3.45% 1	20.69% 6	20.69% 6	31.03% 9	17.24% 5	29
The Development Incentives Policy has helped to increase the supply of rental housing in Dawson	0.00% 0	0.00% 0	17.24% 5	41.38% 12	27.59% 8	13.79% 4	29

Q5 The smallest incentive offered under the policy is the “Minor” and involves the waiver of up to 100% of development permit fees and load capacity charge (i.e. for City water/sewer “hook-up”) for the construction of a secondary suite – usually about \$1600 in total. Please indicate your level of support for the City continuing to administer the Minor Incentive as outlined above:



ANSWER CHOICES	RESPONSES	
Strongly oppose	10.34%	3
Oppose	6.90%	2
Neither support nor oppose	3.45%	1
Support	44.83%	13
Strongly support	31.03%	9
Don't know	3.45%	1
TOTAL		29

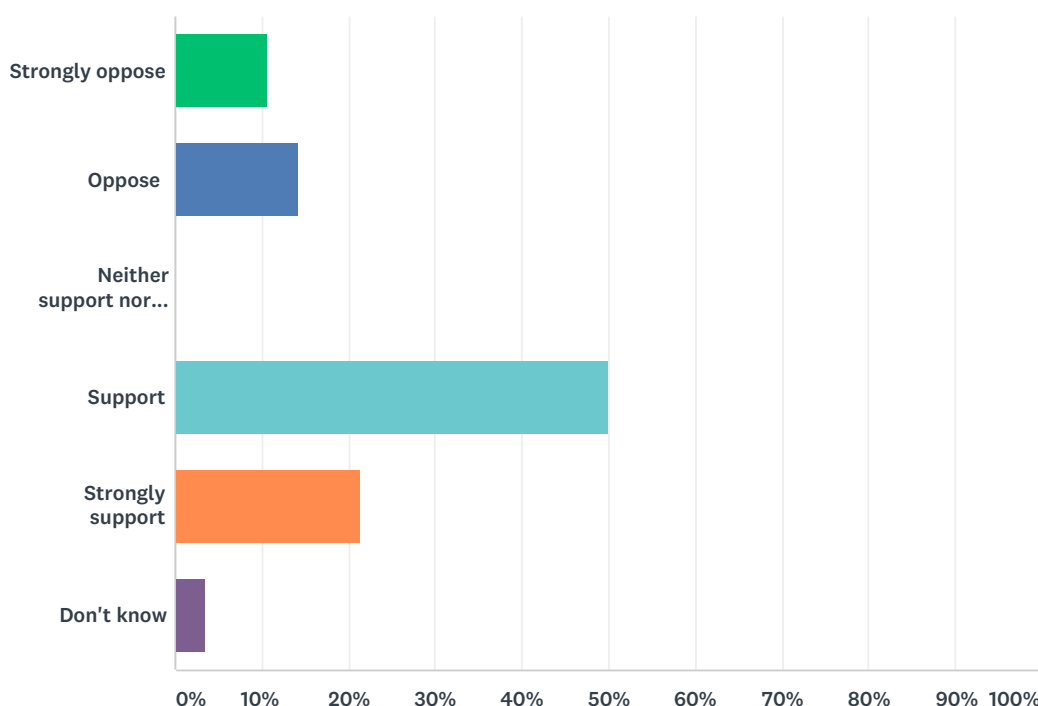
Q6 If you indicated opposition to the City continuing to administer the Minor Incentive as per the existing policy, please tell us why. (Please skip ahead to the next question if you indicated support)

Answered: 5 Skipped: 30

#	RESPONSES	DATE
1	Minor incentive should involve more support \$\$ for people.... it's currently not much of an incentive	5/20/2019 11:02 PM
2	Taxpayers are paying for policy in the end	5/20/2019 3:05 PM
3	Load capacity only relates to properties connected to city water and sewer. There are many other properties within municipal limits that are not able to connect to water and sewer system. Other options for these properties should be looked at.	5/16/2019 1:24 PM
4	It's not a large amount of money to the property owner and the property owner will have a rental income in the end.	5/15/2019 11:00 PM
5	I would strongly support this IF the mill rate does not increase for the lifetime of the program. Why do the other taxpayers have to fund this program? These on-suite units are generally under the table rents that the landlords do not report as income. There are already programs out there that can be accessed for single units.	5/13/2019 2:46 PM

Q7 The medium level of incentive is the “Standard” and involves a grant back of up to \$50,000 in City property taxes over a 10-year period for a mixed use or residential building with a minimum of four residential units in the Downtown Core. The incentive is effectively a medium-term loss of tax revenues to the City in exchange for achieving community development objectives and gaining long-term tax revenues on a property that otherwise may not be developed at all. Please indicate your level of support for the City continuing to administer the Standard Incentive as outlined above:

Answered: 28 Skipped: 7



ANSWER CHOICES	RESPONSES	
Strongly oppose	10.71%	3
Oppose	14.29%	4
Neither support nor oppose	0.00%	0
Support	50.00%	14
Strongly support	21.43%	6
Don't know	3.57%	1
TOTAL		28

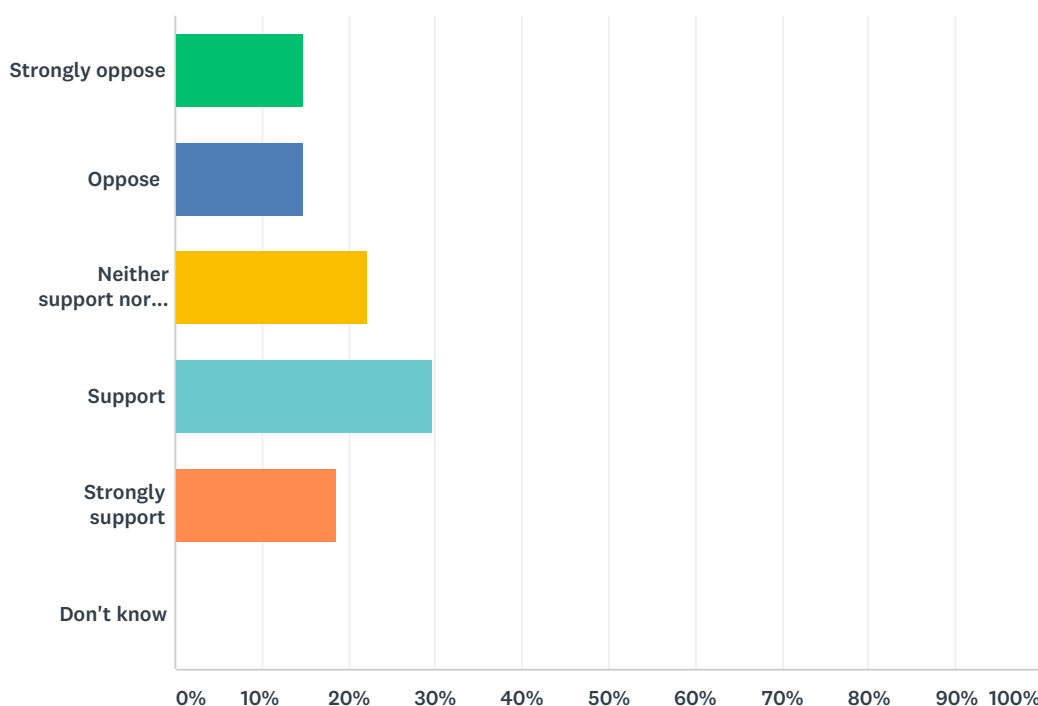
Q8 If you indicated opposition to the City continuing to administer the Standard Incentive as per the existing policy, please tell us why. (Please skip ahead to the next question if you indicated support)

Answered: 5 Skipped: 30

#	RESPONSES	DATE
1	I don't want to see my own taxes increased as the City tries to recuperate its tax losses due to this kind of incentive.	5/20/2019 11:10 PM
2	Tax payers pay for incentive and higher priority items need to be completed instead.	5/20/2019 3:05 PM
3	The property owner will gain income from a rental. The city needs every penny in order to manage the facilities in Dawson for the residents to enjoy.	5/15/2019 11:00 PM
4	The rationale is that the property may not have ever been developed. The reality is that the property was developed and now that property is using the infrastructure within the City. I would support perhaps 1 or 2 years but 10 years is too long. This size development makes a difference in the rental pool making it beneficial to the community.	5/13/2019 2:46 PM
5	The developer should bring more add-on value in order to receive the subsidy, than just conducting their own business for profit.	5/13/2019 2:04 PM

Q9 The highest level of incentive is the “Major” and involves a grant back of up to \$500,000 in City property taxes over a 10-year period for a Downtown Core residential building with a minimum of eight residential units, a Downtown Core mixed use development with minimum of five residential units, or a minimum of four supportive housing units anywhere in Dawson. The incentive is effectively a medium-term loss of tax revenues to the City in exchange for achieving community development objectives and gaining long-term tax revenues on a property that otherwise may not be developed at all. Please indicate your level of support for the City continuing to administer the Major Incentive as outlined above:

Answered: 27 Skipped: 8



ANSWER CHOICES	RESPONSES	
Strongly oppose	14.81%	4
Oppose	14.81%	4
Neither support nor oppose	22.22%	6
Support	29.63%	8
Strongly support	18.52%	5
Don't know	0.00%	0
TOTAL		27

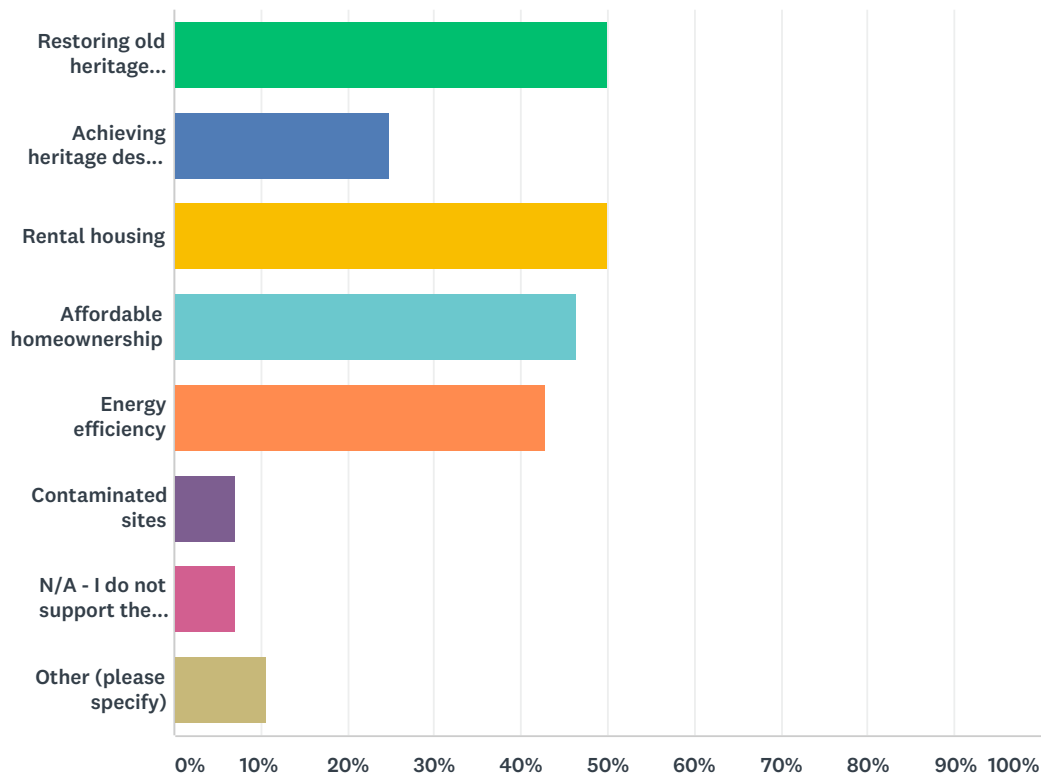
Q10 If you indicated opposition to the City continuing to administer the Major Incentive as per the existing policy, please tell us why. (Please skip ahead to the next question if you indicated support)

Answered: 8 Skipped: 27

#	RESPONSES	DATE
1	I don't want to see my own taxes increase as the City tries to recuperate its losses due this kind of incentive.	5/20/2019 11:10 PM
2	Increasing tax base should occur not decreasing the tax base and increasing taxes on the current tax payers.	5/20/2019 3:05 PM
3	I do not want to pay for other people to get richer	5/16/2019 8:14 PM
4	I didn't indicate opposition, however I do have comments to provide. I believe research is required to determine if this level should be continued. To date there have been a number of large projects that have added a significant number of housing units to Dawson.	5/16/2019 1:24 PM
5	As much as I support rental opportunities I'm unsure whether I support helping a company/individual who already gets an income from the rental investment. It feels a bit like keeping the wealthy wealthier. "You make the most, so you pay less"	5/14/2019 10:38 AM
6	Just seems like a huge sum lost in property tax income where the services will still need to be provided	5/13/2019 5:18 PM
7	The rationale is that the property may not have ever been developed. The reality is that the property was developed and now that property is using the infrastructure within the City. I would support perhaps 1 or 2 years but 10 years is too long. This size development makes a difference in the rental pool making it beneficial to the community.	5/13/2019 2:46 PM
8	The developer should bring more add-on value in order to receive the subsidy, than just conducting their own business for profit.	5/13/2019 2:04 PM

Q11 Bearing in mind the City's limited financial and administrative capacity, what are the top 3 aspects of development it should continue or begin to address with financial incentives? (Please choose 3 maximum)

Answered: 28 Skipped: 7



ANSWER CHOICES		RESPONSES	
Restoring old heritage buildings for active uses		50.00%	14
Achieving heritage design guidelines for new construction		25.00%	7
Rental housing		50.00%	14
Affordable homeownership		46.43%	13
Energy efficiency		42.86%	12
Contaminated sites		7.14%	2
N/A - I do not support the City using financial incentives to facilitate development		7.14%	2
Other (please specify)		10.71%	3
Total Respondents: 28			

#	OTHER (PLEASE SPECIFY)	DATE
1	core infrastructure and recreation	5/20/2019 3:05 PM
2	YG has open lots in Dawson. This should be dealt with. offer to give incentives to parks Canada to move the yard at the north end to bear creek or some other area to open up that giant lot. Move the downtown campground.	5/13/2019 10:07 PM

3	Better utilizing the City's empty lots	5/13/2019 4:39 PM
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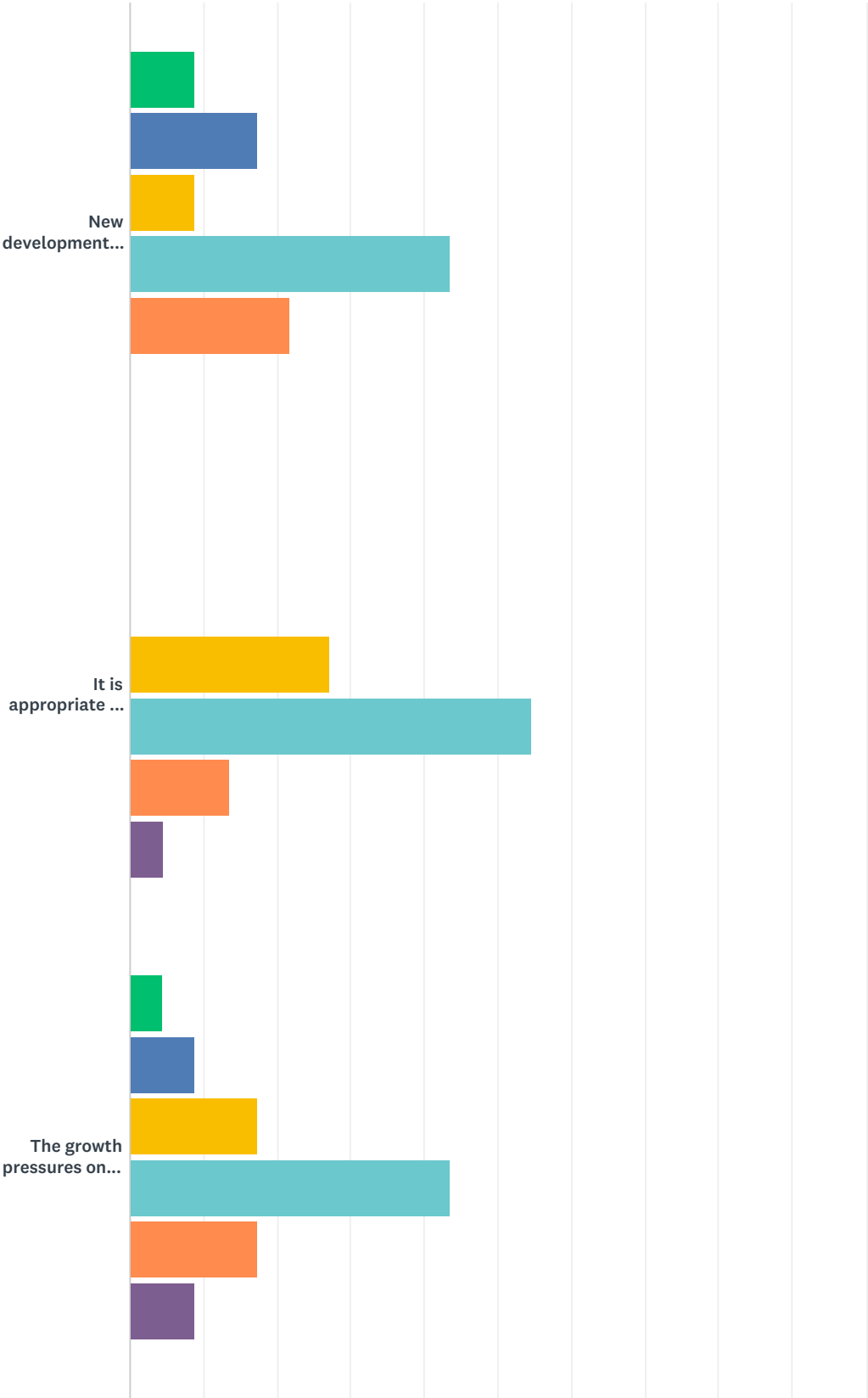
Q12 Please share any ideas, comments or suggestions you have about the Development Incentives Policy and how to make it work most effectively for Dawson City.

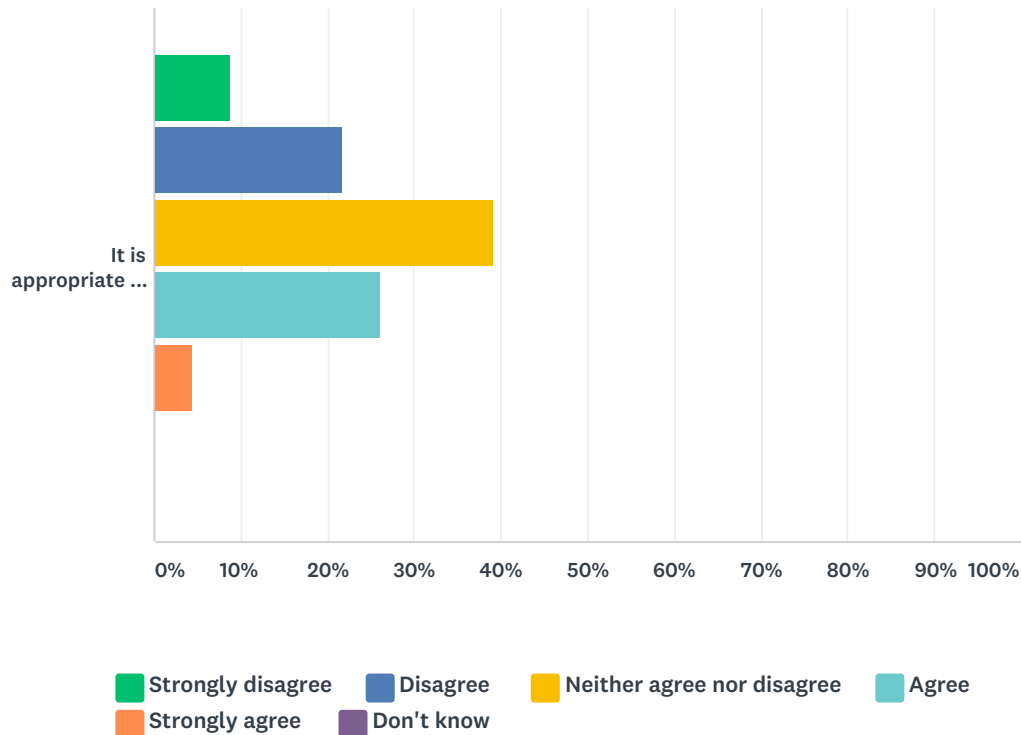
Answered: 9 Skipped: 26

#	RESPONSES	DATE
1	1. Any new developments need to have designated parking for tenants-not only for winter time plug ins for vehicles but also to get those vehicles off the streets. It's difficult for people with mobility issues to get near 2nd Avenue right now with all the contractors parking there, so where will the tenants park? 2. All new developments should have wheelchair access! The new apartment building on 3rd Avenue has a front entry sidewalk that is higher than the sidewalks beside it? How the heck was this allowed? It shouldn't have any different sidewalk height, just common sense. 3. Why is (NOTE: NAMES REDACTED) the sole individuals benefiting from these new projects financially? Is this stuff contracted out or just handed to them? Is (NOTE: NAME REDACTED) business on the City payroll? 4. Have public meetings about each development project, heck-have many and get public feedback! We are the taxpayers after all! Nobody would have allowed the mess of a sidewalk in front of the 3rd Avenue apartment building, what senior is going to be able to access that safely?	5/20/2019 11:38 PM
2	Incentives should be able to benefit everyone, not just rich developers who can add multi unit buildings to the town. This approach does not make for a fair playing field. Other types of development need to be considered for our town to experience balanced growth and for residents to achieve a consistently positive quality of life.	5/20/2019 11:10 PM
3	The large projects have worked well, maybe time now to give those incentives a break, and increase incentives for in-fill secondary suites.	5/20/2019 11:02 PM
4	I think that these incentive programs are great, but have mostly been under utilized, likely cause most folks didn't know they existed. On my end, I only found out about it due to an application to Yukon Housing's Municipal Matching grant. I know that we have improved the amount of rental spaces in Dawson, which has been great, but affordability remains an issue. Most of the new rentals are priced way too high. I think we need to re-create some sort of "Tent City" or other extremely affordable place to setup for a summer to accommodate summer transient workers. I know that's not what this survey is about, but I think that's one of the biggest issues in Dawson currently.	5/20/2019 10:37 PM
5	Stop incentive policy and focus on proper prudent financial management. Complete important infrastructure projects	5/20/2019 3:05 PM
6	Work with YG and TH to develop lots south of town extending the length of city limits. Just makes sense to give people access to a highway, power and a bit of land.	5/15/2019 11:00 PM
7	If anything, the City should be encouraged to increase the degree to which they support developments of rental housing, of the renovation of heritage buildings and derelict buildings in the downtown core, and in the development of land for residential housing to be built. The City should acknowledge that these 'losses of tax revenue' referred to above would NOT EXIST AS REVENUES AT ALL if the development never happens... therefor they should think of the tax incentives as a means of generating revenue for the City via taxes over the long term rather than focusing on imaginary "losses" over the short term. You cannot "lose" what you would not have at all if the development did not occur.	5/14/2019 1:57 PM
8	I feel Dawson is doing a good job with regards to their development incentive policies but a miserable job of controlling the heritage build side of things; we are still getting buildings that do not meet heritage standards and some of these are ones built by the City, hard to convince everyone to "play the game" when the organization that writes the rules and enforces them doesn't.	5/13/2019 4:39 PM
9	please raise taxes or some other disincentive to leaving a lot undeveloped or a derelict building just sit there taking up space. A vacant/unused building should bear a significantly higher bill than an occupied building, to better reflect the cost to the community in lost opportunity, lost business revenue and other non-monetary (aka social) costs associated with derelict buildings!	5/13/2019 3:12 PM

Q13 Please indicate your level of agreement with the following statements:

Answered: 23 Skipped: 12

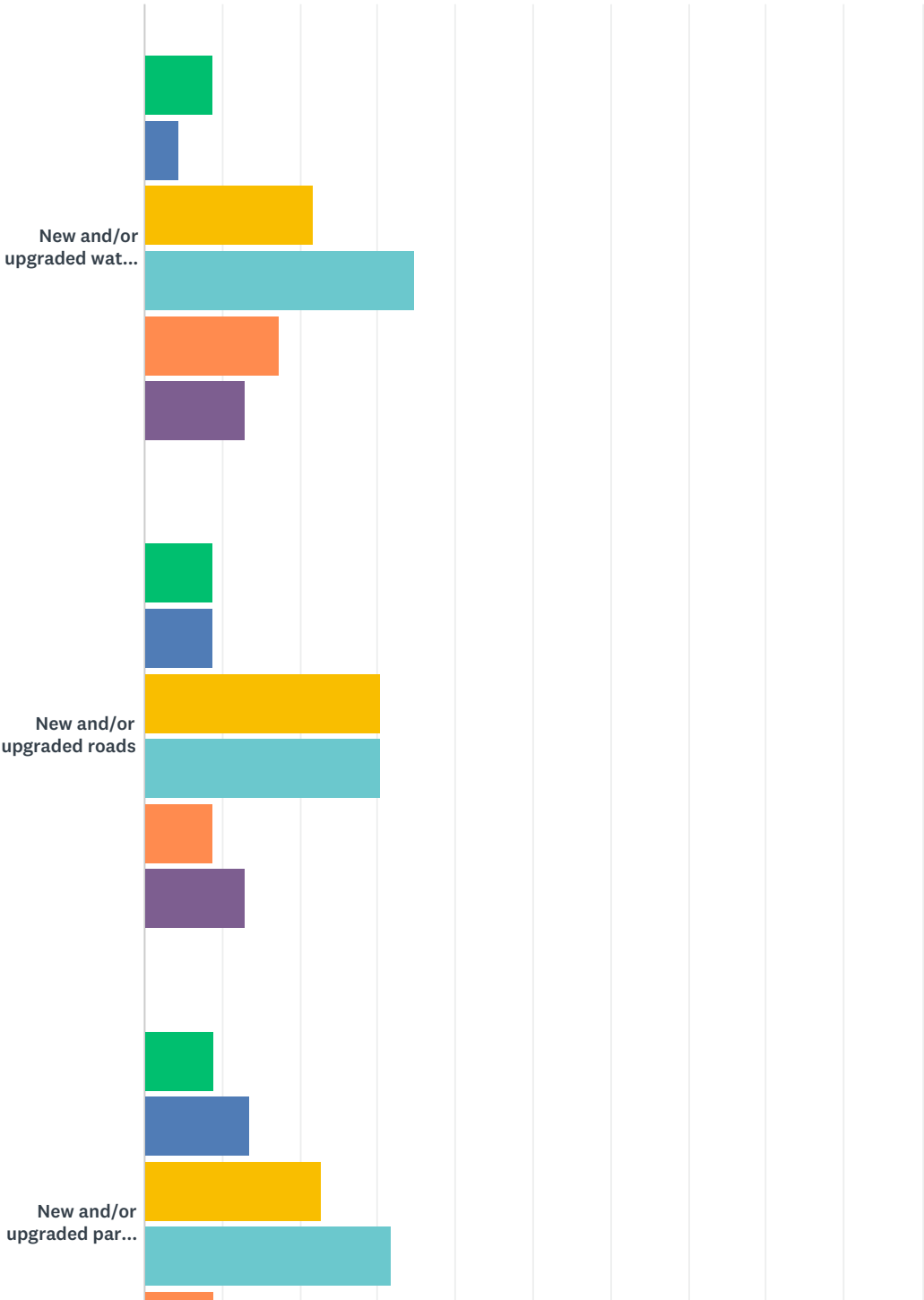


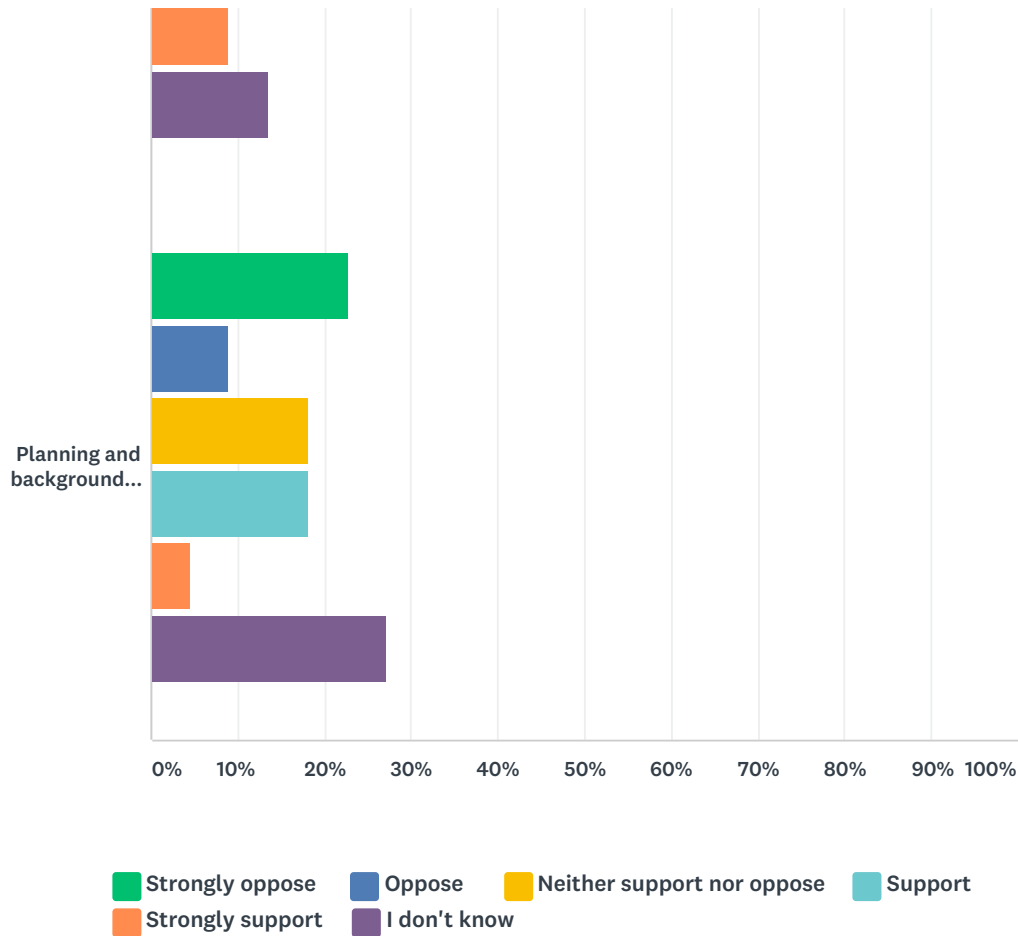


	STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE	DON'T KNOW	TOTAL
New development that requires new infrastructure or services should be paid for by the beneficiaries of that new development versus existing taxpayers	8.70% 2	17.39% 4	8.70% 2	43.48% 10	21.74% 5	0.00% 0	23
It is appropriate for the City to use charges in a manner that helps promote the types of development prioritized in the Official Community Plan	0.00% 0	0.00% 0	27.27% 6	54.55% 12	13.64% 3	4.55% 1	22
The growth pressures on Dawson City and its unique development challenges requires the City to adopt more sophisticated policy and fiscal tools	4.35% 1	8.70% 2	17.39% 4	43.48% 10	17.39% 4	8.70% 2	23
It is appropriate for the City to align its development fees and charges practices with those of other jurisdictions of similar size	8.70% 2	21.74% 5	39.13% 9	26.09% 6	4.35% 1	0.00% 0	23

Q14 The City of Dawson currently charges a Load Capacity Charge (LCC) which helps to offset the costs of providing water and sewer for new development. The replacement of the LCC with a DCC could provide the City with financial resources to respond to a greater range of growth-related needs in the community. Please indicate your level of agreement with using DCCs to finance the following City infrastructure and services:

Answered: 23 Skipped: 12



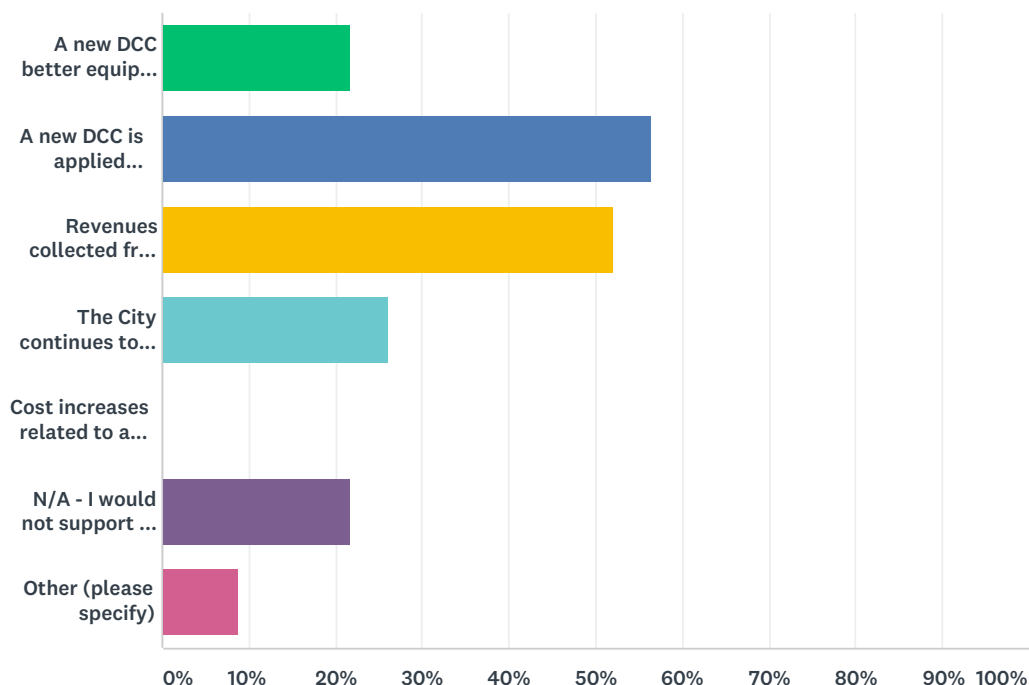


	STRONGLY OPPOSE	OPPOSE	NEITHER SUPPORT NOR OPPOSE	SUPPORT	STRONGLY SUPPORT	I DON'T KNOW	TOTAL
New and/or upgraded water or sewer	8.70% 2	4.35% 1	21.74% 5	34.78% 8	17.39% 4	13.04% 3	23
New and/or upgraded roads	8.70% 2	8.70% 2	30.43% 7	30.43% 7	8.70% 2	13.04% 3	23
New and/or upgraded parks and recreation facilities and/or services	9.09% 2	13.64% 3	22.73% 5	31.82% 7	9.09% 2	13.64% 3	22
Planning and background studies related to new development	22.73% 5	9.09% 2	18.18% 4	18.18% 4	4.55% 1	27.27% 6	22

#	OTHER (PLEASE SPECIFY)	DATE
1	If the city did not already subsidize the past and current development the tax base would be increasing and increasing taxes or adding fees would not be as nesenary	5/20/2019 3:12 PM
2	it seems like you are asking simple questions about a subject that is actually quite complex, so i feel unable to answer as my responses would 'depend' on specific scenario in question.	5/14/2019 2:08 PM
3	Fix what we have	5/13/2019 2:50 PM

Q15 Currently, the City's Load Capacity Charge (LCC) totals around \$1500 for a new single family dwelling. In combination with a development permit fee and the cost of water/sewer hookup, City-related development charges total around \$10,000 per home. The cost of a DCC could potentially be lower or higher than the current \$1500 for the LCC, depending on the type of development. Please indicate the conditions under which you would potentially support a cost increase under a new DCC program. You may select more than one option.

Answered: 23 Skipped: 12



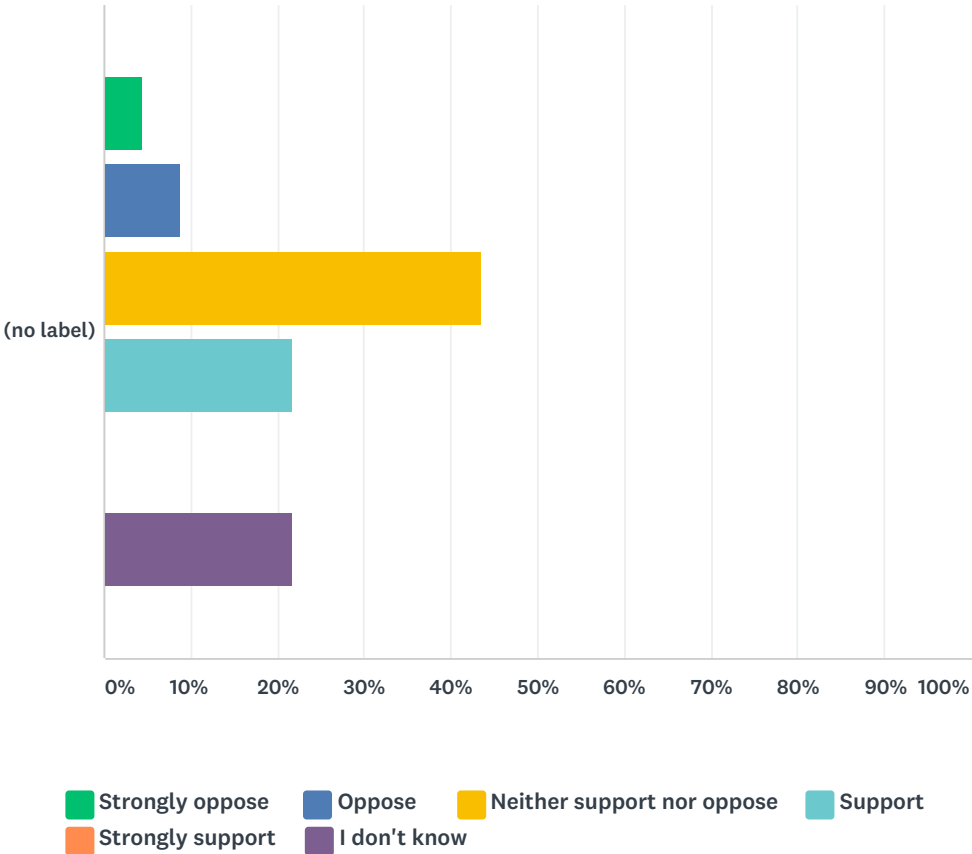
ANSWER CHOICES	RESPONSES	
A new DCC better equips the City to plan for and respond to growth and development	21.74%	5
A new DCC is applied consistently and fairly	56.52%	13
Revenues collected from a new DCC are clearly tracked and used for their intended purpose	52.17%	12
The City continues to provide financial incentives to promote the types of development prioritized in the Official Community Plan	26.09%	6
Cost increases related to a new DCC apply to development not prioritized in the Official Community Plan	0.00%	0
N/A - I would not support a charge increase for any reason	21.74%	5
Other (please specify)	8.70%	2
Total Respondents: 23		

#	OTHER (PLEASE SPECIFY)	DATE
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1	Whether or not it needs to be paid immediately or over, say, 5 years, makes a difference in how I would answer this question.	5/20/2019 11:08 PM
2	Depends.... if the City had an OCP that provided good/real guidance, maybe. I just think that all of this depends on the type of development, and I can't say that it is related to the OCP or to fairness. Generally I think the City should be very very careful about creating inflexible DCCs or other fees that would prevent good projects and developments from going ahead.	5/14/2019 2:08 PM

Q16 In general, how supportive are you of the City replacing the Load Capacity Charge with a Development Cost Charge?

Answered: 23 Skipped: 12



	STRONGLY OPPOSE	OPPOSE	NEITHER SUPPORT NOR OPPOSE	SUPPORT	STRONGLY SUPPORT	I DON'T KNOW	TOTAL	WEIGHTED AVERAGE
(no label)	4.35% 1	8.70% 2	43.48% 10	21.74% 5	0.00% 0	21.74% 5	23	3.70

Q17 Please share any general comments or suggestions you have about development-related charges and how to make them work most effectively for Dawson City.

Answered: 6 Skipped: 29

#	RESPONSES	DATE
1	Developers should pay the associated costs. It's already difficult enough to make a living and maintain a high quality of life in this town. Perhaps consider basing the increase on household income so those who can afford to pay more in taxes do so.	5/20/2019 11:17 PM
2	Development charges should reflect the relative cost to the city of servicing multi-family vs. single family residences. (city should also permit multi-family residences over entire historic townsite)	5/20/2019 10:45 PM
3	development charges may not be as necessary if the city was not already subsidising organizations and other levels of government in building	5/20/2019 3:12 PM
4	Why not incentivize home ownership if you do it for renters? Can't you see the discrepancy between talking about giving up to 500K in breaks to developers on one page and asking to charge home owners for upgrading roads and parks, for example, on the next?	5/17/2019 7:01 AM
5	Good and needed non-profit developments (for example a new daycare facility or affordable rental housing) should be treated differently than private enterprises that are for-profit. Non-profits do the lions share of good work in our community and they should be supported whenever possible rather than making it more and more difficult for them to exist and provide services.	5/14/2019 2:08 PM
6	Charges/levies should be progressive. Don't make people with no money pay even more to get into the housing market. Make DCC payable over a ten-year period.	5/13/2019 8:34 PM

Q18 Using your feedback, Council, administration, and the project consultant will proceed with a revised Development Incentives Policy and proposed Development Cost Charges program. If you would like to have the opportunity to review and provide comments, please leave your email here:

Answered: 1 Skipped: 34

#	RESPONSES	DATE
1		5/13/2019 8:34 PM

APPENDIX B

Stacked Incentives Examples

Example: Tumbler Ridge Revitalization Tax Exemption Program

Level	Eligibility	Term
RTE-Basic	Meets zoning criteria Alteration valued at \$25,000 or more or Construction valued at \$100,000 or more	Year 1 – full minus base assessment Year 2 – 50% of difference Year 3 and beyond – no exemption
RTE-Accessible	All requirements of RTE Basic plus Meets accessibility criteria	Year 1 – full minus base assessment Year 2 -4 decreases 25% over Year 1 annually Year 5 and beyond – no exemption
RTE-Green	All requirements of RTE Basic plus Project incorporates 75% of guidelines set out in BC Hydro Energuide	Same as accessible
RTE-All	Meets requirements of Basic, Accessible and Green levels	Years 1/2 – full minus base assessment Year 3 - 5 decreases 25% over Year 1 annually Year 6 and beyond – no exemption

Example: City of Regina Affordable Housing Policy

Unit type	Area 1 – City Centre	Area 2 – Inner City & Established Neighbourhoods	Area 3 – Developed and New Areas
Market Rental Unit development	5 Years, 100%	5 Years, 100%	None
Market Ownership Unit development	3 years, 100% ¹	none	none
Below Market/Affordable Housing Rental development (Unit must be eligible for capital grant)	5 Years, 100%	5 Years, 100%	5 Years, 100%
Below Market/Affordable Ownership development (Unit must be eligible for a capital grant)	5 Years, 100%	5 Years, 100%	5 Years, 100%
Detached Dwelling Unit with a Secondary Suite ²	5 years, 25%	5 years, 25%	None
Laneway or Garden Suite ³	5 years, 25%	5 years, 25%	5 years, 25%

APPENDIX C

Sample Framework for Housing Incentives – June 13

Development Type	Proposed Incentive
<i>Anywhere within City limits</i>	
Secondary Suite or Garden/Detached Suite	<ul style="list-style-type: none"> • 10 years, 100% grant back • Waiver of development charges
Supportive Housing (minimum of 4 units)	<ul style="list-style-type: none"> • 10 years, 100% grant back • Waiver of development charges
<i>Anywhere within Historic Townsite</i>	
Affordable Rental Unit (minimum of 4 units)	<ul style="list-style-type: none"> • 10 years, 100% grant back • Waiver of development charges
Market Rental or Staff/Student Housing (minimum of 4 units)	10 years, 100% grant back
Market Ownership Unit (minimum of 4 units)	<ul style="list-style-type: none"> • 5 years, graduated incentive (decreasing 10% per annum)
Affordable Ownership Unit (minimum of 4 units)	<ul style="list-style-type: none"> • 10 years, 100%, contingent on resale restrictions (if possible), possibly an eligibility mechanism for initial purchasers • Waiver of development charges
Mixed-Use Development (minimum of 5 units)	<ul style="list-style-type: none"> • 10 years, graduated incentive (decreasing 10% per annum) OR 10 years full incentive on residential portion only • Waiver of development charges for affordable units
<p>*ANY OF THE ABOVE INCENTIVES COULD ALSO HAVE CAPITAL GRANTS "STACKED" ON THEM I.E. HERITAGE, AFFORDABLE HOUSING, CONVERSION OF VACANT/DERELICT LAND, ETC. (keeping in mind policy and criteria needs and City capacity);</p> <p>*COUNCIL COULD ALSO ELECT TO HAVE ADDITIONAL "STAND-ALONE" TAX INCENTIVES UNRELATED TO HOUSING (ADAPTIVE RE-USE OF HERITAGE BUILDING, VACANT/DERELICT PROPERTY USE, ETC.)</p>	

APPENDIX D

Development Charge Option #6 Scenarios

OPTION 6. Implement a development charge combining elements of Options #3-5

- Option #3: Proportionality to Whitehorse and/or market's ability to pay
- Option #4: Revenue neutral factoring in related incentives
- Option #5: Geared towards achievement of OCP/growth priorities

Condition 1. Proportionality/Ability to Pay

- City of Whitehorse administration recommending a DCC of \$35/m²
- 2016 Dawson household median income = 75.2% of Whitehorse median income
- Community Spatial Price Index (CSPI) for Dawson (2018) = 121.3 (Whitehorse = 100)

Recommended Whitehorse DCC	Proportional Dawson Charge: Median Income	Proportional Dawson Charge: CSPI	Proportional Dawson Charge: Income + CSPI
\$35/m ²	\$26.25/m ²	\$27.55/m ²	\$20.66/m ²

These numbers serve as a starting point for the charge/revenue scenarios on pages 2-4 from which "ability to pay" is further explored.

Condition 2. Geared towards achievement of OCP/growth priorities

How could the charge be administered to satisfy this condition?

- Per square metre rate is a growing trend that recognizes larger homes create a larger burden on municipal infrastructure and indirectly incentivizes smaller, more affordable housing
- Charge can be waived for specific types of development aligned with priority and preferential growth objectives in OCP (i.e. affordable housing, Downtown revitalization, etc.)
- Revenues collected can be used to 1) offset the foregone revenues associated with incentives and 2) fund cash grant-based incentives

Condition 3. Revenue neutrality

In 2017, the Klondike Development Organization forecasted Dawson housing needs for the 2018 to 2030 time period, from which Groundswell calculated an annual pro-rated need as follows:

Unit Type	Total	Ownership	Rental	Pro-rated owned units/yr	Pro-rated rental needs/yr
1-bedroom	190	30	160	2.5	16
2-bedroom	115	65	50	5.4	10
3-bedroom	30	30		2.5	
TOTALS	335	125	210		

To understand the potential implications of a charge on local residents, businesses, and the City itself, Groundswell generated a number of different scenarios using numerous baseline assumptions:

1. Garden and secondary suites continue to be exempt from development charges;
2. Development charges are waived (plus tax incentive) for affordable multi-residential rental units;
3. 2/3 of rental units built annually are affordable;
4. Average dwelling unit sizes are: 1 bedroom - 635 ft² (59 m²); 2-bedroom – 1200 ft² (111.5 m²); 3 bedroom – 1925 ft² (178.8 m²) (Note: based on Whistle Bend actual averages)
5. Half of KDO's forecasted annual housing needs are built for each housing type;
6. Average size of major renovations and commercial units are equivalent to 1-bedroom and 2-bedroom residential units, respectively;
7. No homeownership units are exempt from DCCs; and
8. 2017/2018 average for new commercial is maintained and alterations are not included.

Scenario 1: Development Charge Geared to Median Income, Commercial and Major Renovations Included

Development	# units	Average area (m ²)	Charge per m ²	Total charges	Per unit charge	DCC- LCC	% Increase (vs LCC)
1-bedroom affordable rental	10.56	59	\$0	\$0.00	\$0.00	(\$2075.00)	-100
1-bedroom rental	5.44	59	\$26.25	\$8,425.20	\$1,548.75	(\$526.25)	-25.36
1-bedroom ownership	2.5	59	\$26.25	\$3,871.88	\$1,548.75	(\$526.25)	3.25
2-bedroom affordable rental	6.6	111.5	\$0.00	\$0.00	\$0.00	(\$2075.00)	-100
2-bedroom rental	3.3	111.5	\$26.25	\$9,658.69	\$2,926.88	\$851.88	41.05
2-bedroom ownership	5.4	111.5	\$26.25	\$15,805.13	\$2,926.88	\$1,426.88	95.13
3-bedroom ownership	2.5	178.8	\$26.25	\$11,733.75	\$4,693.50	\$3,193.50	212.90
Commercial	4	111.5	\$26.25	\$11,707.50	\$2,926.88	\$1,426.88	41.05
TOTALS				\$61,202.14			
LCCs for single family dwellings (7.9@ \$1500 ea)				\$11,850			
LCCs for multi-family and commercial (32.4@ \$2075/unit)				\$67,230			
Difference				(\$17,877.86)			

Scenario 2: Development Charge Geared to CSPI, Commercial and Major Renovations Included

Project	# units	Average area (m ²)	Charge per m ²	Total charges	Per unit charge	DCC- LCC	% Increase (vs LCC)
1-bedroom affordable rental	10.56	59	\$0.00	\$0.00	\$0.00	(\$2075.00)	-100.00
1-bedroom rental	5.44	59	\$27.55	\$8,842.45	\$1,625.45	(\$449.55)	-21.67
1-bedroom ownership	2.5	59	\$27.55	\$4,063.63	\$1,625.45	(\$449.55)	8.36
2-bedroom affordable rental	6.6	111.5	\$0.00	\$0.00	\$0.00	(\$2075.00)	-100.00
2-bedroom rental	3.3	111.5	\$27.55	\$10,137.02	\$3,071.83	\$996.83	48.04
2-bedroom ownership	5.4	111.5	\$27.55	\$16,587.86	\$3,071.83	\$1,571.83	104.79
3-bedroom ownership	2.5	178.8	\$27.55	\$12,314.85	\$4,925.94	\$3,425.94	228.40
Commercial	4	111.5	\$27.55	\$12,287.30	\$3,071.83	\$1,571.83	48.04
TOTALS				\$64,233.10			
LCCs for single family dwellings (7.9@\$1500 ea)				\$11,850			
LCCs for multi-family and commercial (32.4@\$2075/unit)				\$67,230			
Difference				(\$14,846.90)			

Scenario 3: Development Charge Geared to Median Income & CSPI, Commercial and Major Renovations Included

Project	# units	Average area (m ²)	Charge per m ²	Total charges	Per unit charge	DCC- LCC	% Increase (vs LCC)
1-bedroom affordable rental	10.56	59	\$0.00	\$0.00	\$0.00	(\$2075.00)	-100.00
1-bedroom rental	5.44	59	\$20.66	\$6,631.03	\$1,218.94	(\$856.06)	-41.26
1-bedroom ownership	2.5	59	\$20.66	\$3,047.35	\$1,218.94	(\$856.06)	-18.74
2-bedroom affordable rental	6.6	111.5	\$0.00	\$0.00	\$0.00	(\$2075.00)	-100.00
2-bedroom rental	3.3	111.5	\$20.66	\$7,601.85	\$2,303.59	\$803.59	11.02
2-bedroom ownership	5.4	111.5	\$20.66	\$12,439.39	\$2,303.59	\$803.59	53.57
3-bedroom ownership	2.5	178.8	\$20.66	\$9,235.02	\$3,694.01	\$2,194.01	146.27
Commercial	4	111.5	\$20.66	\$9,214.36	\$2,303.59	\$803.59	11.02
TOTALS				\$48,169.00			
LCCs for single family dwellings (7.9@\$1500 ea)				\$11,850			
LCCs for multi-family and commercial (32.4@\$2075/unit)				\$67,230			
Difference				(\$30,911.00)			

Scenario 4: Development Charge Geared to "Ability to Pay" (i.e. % Increase Capped at 100%), Commercial and Major Renovations Included

Project	# units	Average area (m ²)	Charge per m ²	Total charges	Per unit charge	DCC- LCC	% Increase (vs LCC)
1-bedroom affordable rental	10.56	59	\$0.00	\$0.00	\$0.00	(\$2075.00)	-100.00
1-bedroom rental	5.44	59	\$16.75	\$5,376.08	\$988.25	(\$1086.75)	-52.37
1-bedroom ownership	2.5	59	\$16.75	\$2,470.63	\$988.25	(\$1086.75)	-34.12
2-bedroom affordable rental	6.6	111.5	\$0.00	\$0.00	\$0.00	(\$2075.00)	-100.00
2-bedroom rental	3.3	111.5	\$16.75	\$6,163.16	\$1,867.63	(\$207.38)	-9.99
2-bedroom ownership	5.4	111.5	\$16.75	\$10,085.18	\$1,867.63	\$367.63	24.51
3-bedroom ownership	2.5	178.8	\$16.75	\$7,487.25	\$2,994.90	\$1,494.90	99.66
Commercial	4	111.5	\$16.75	\$7,470.50	\$1,867.63	\$367.63	-9.99
TOTALS				\$39,052.79			
LCCs for single family dwellings (7.9@\$1500 ea)				\$11,850			
LCCs for multi-family and commercial (32.4@\$2075/unit)				\$67,230			
Difference				(\$40,027.21)			

The four scenarios show a range of potential implications from a development charge, both in terms of generated revenues and effects on new owned dwellings, which presumably would not receive an incentive.

The highest revenue generator is Scenario 2 (charge proportional to CPSI) and results in \$64,233, with virtually no impact on total development costs (compared to the LCC) for 1-bedroom dwellings but an almost doubling and quadrupling of costs for 2-bedroom and 3-bedroom dwellings, respectively. The lowest revenue generator (charge geared to maximum 100% cost increase cap, or \$16.75/m²) generates \$39,053, reduces costs by over 1/3 for 1-bedroom units and limits increases for 2 and 3-bedroom dwellings to 25% and 100% respectively. Please refer to the table below.

Scenario	Charge	Total revenues	% Cost Increase for 1-bdm owned	% Cost Increase for 2-bdm owned	% Cost Increase for 3-bdm owned	Equivalent LCC amount
1 – Median Income	\$26.25	\$61,202.14	3.25	95.13	212.9	\$79,080
2 – CPSI	\$27.55	\$64,233.10	8.36	104.79	228.40	
3 – Median Income + CPSI	\$20.66	\$48,169.00	-18.74	53.57	146.27	
4 – 100% Cost Increase Cap	\$16.75	\$39,052.79	-34.12	24.51	99.66	

Building on the assumptions above, LCCs would no longer be collected for affordable multi-unit rental developments or secondary suites. In a theoretical year in which one affordable rental 8-plex and four secondary suites are built, this would amount to \$22,000 not being deposited into the LCC Reserve.

The actual impacts of this foregone reserve allocation are difficult to quantify. The fact remains that significant upgrades to the water and sewer system, including those that accommodate increased load from new development, are likely to be funded by Government of Yukon, versus the LCC, Water or Sewer reserves. Administration reports that the reserve is best suited to funding new equipment purchases. (It is not known whether or not the reserve has been drawn down to date; this information was not available in the timeframe available for follow-up reporting).

APPENDIX E

Revised Policy – June 27 Version



City of Dawson Development Incentives Policy # 2019-02

BACKGROUND

There is currently a need for housing – including supportive, affordable rental, and market rental - in the City of Dawson. These needs can be addressed through a variety of options including mixed-use and multi-unit residential buildings, secondary suites, and other types of housing developments. Increased Historic Townsite development would further the City's sustainability objectives for a more compact development pattern and take advantage of existing services; further, the conversion of derelict and vacant properties increases economic and community vitality. These types of development help to meet the Official Community Plan goals and policies.

Council recognizes that land constraints, high construction costs, and other factors pose serious constraints to the supply of housing in Dawson City, and that a subsidy may be required. The City does have a role in land development, permitting, and taxation, through which it may encourage development where it is not being initiated under normal market conditions.

City of Dawson fees and charges are low relative to other jurisdictions, and many fees are based on cost recovery, making it challenging to reduce or grant these costs without impacting operating budgets. It is desirable for the City to use a model that provides significant financial incentives for strategic development, while limiting the short-term financial impact on the operational budget.

POLICY STATEMENT

The City of Dawson will provide financial incentives for projects that provide rental units, supportive housing, and multi-unit residential buildings and/or convert vacant and/or derelict properties into more beneficial land uses.

Undeveloped or run-down properties essentially provide little more than the land value. This policy provides economic development incentives to encourage targeted residential development and increase future tax income for the City.

1.00 Definitions

1.1. The following terms are used within this policy and are defined as follows:

- a. “affordable rental housing” means rental housing that is provided at or below the median market housing rents for comparable housing as presented by the Yukon Bureau of Statistics in the Yukon Rent Survey. In the event that this definition conflicts with that of a funding program through which an owner is seeking financial support for the same development, the definition of the other funding program shall apply.
- b. “base rate” means the rate calculated as the value of the tax levy for improvements on the property paid on July 2nd in the year that the Development Permit for the eligible development is issued. In the case where existing buildings or structures were demolished prior to issuance of a Development Permit for an eligible development, the base rate will be zero.
- c. “derelict property” means a property occupied by a principal building, as defined in the Zoning Bylaw, that has not been used for three or more years, is in a poor state of repair, and negatively impacts aesthetic, human health and safety, community vitality, property and/or other values in the surrounding neighbourhood.
- d. “development fee” means the fee(s) associated with development permit and development incentive applications.
- e. “development incentive” means contributions made by the City of Dawson for developments meeting the eligibility criteria provided in this policy.
- f. “Downtown” means refers to the area defined within the Official Community Plan as the Downtown Core.
- g. “historic townsite” means the area defined within the Official Community Plan as the Historic Townsite.
- h. “load capacity charge” means the charge, as listed in the *Fees and Charges Bylaw*, levied against new development by the City of Dawson to recover costs associated with increased load on the water/sewer system.
- i. “market rental housing” means housing that is provided at above the median market housing rents for comparable housing as presented by the Yukon Bureau of Statistics in the Yukon Rent Survey.
- j. “mixed-use” means a building containing a mixture of commercial and residential uses.
- k. “preferred tax grant” means a yearly monetary in the amount that the developer paid in municipal tax as a result of improvements to the property in the assessment year prior to new development for which a Tax Grant applies.
- l. “rental housing” means any formation of multi-unit residential housing development that is retained by a single owner, with units that are available to rent on a monthly or semi- monthly 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.

- m. “secondary suite” means a secondary suite as defined by the City of Dawson Zoning Bylaw.
- n. “standard tax grant” means a yearly monetary grant in the amount that the developer would have paid in annual municipal taxes as a result of improvements to the property. The base amount is determined at the time of issuance of a Development Permit.
- o. “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 designed to accommodate tenants who require assistance. Typical uses would include assisted housing for seniors or assisted housing for people with disabilities.
- p. “short term vacation rental” means the provision of rental accommodation for less than 30 consecutive days to a primary tenant whose purpose for residing in Dawson City is vacationing
- q. “vacant property” means a property that does not contain a primary building or structure. A property may be considered vacant if an accessory building or structure, as defined in the Zoning Bylaw, is present.

2.00 DEVELOPMENT INCENTIVES – GENERAL

2.1. Based on the eligibility criteria listed in this policy, an applicant may apply for a development incentive as follows:

- a. Incentives as outlined in the following section will be considered by the City and, if granted, will be incorporated in a Development Incentive Agreement.
- b. Taxes applied to the value of improvements may be reduced in a diminishing pattern annually (graduated or sliding scale) or in full, for a specified timeframe.
- c. Taxes applied to the value of land are not available for reduction or grant.
- d. The annual value of each Development Incentive will be calculated by subtracting the Base Rate and the portion of the tax levy on the value of the land from the full annual tax levy paid on July 2nd for the duration of the Development Incentive Agreement.
- e. Payment of Development Incentives will begin once an eligible development has received occupancy for all units. Any taxes paid to the City prior to occupancy will not be eligible for a grant under this policy.
- f. The Development Incentive will be implemented through a grant to the property owner. Incentives will be processed after July 2nd annually.
- g. Development Incentives will not be applied retroactively for projects which have already received a Development Permit. This includes permits that have been cancelled or lapsed and reapplied for in an effort to receive an incentive.

-
- h. The terms of payment of the Development Incentives will be specified in Development Incentive Agreement between the City and the applicant.
 - i. If an eligible development becomes part of a condominium corporation or ceases to function as rental or supportive housing prior to completion of the term set out in the Development Incentives Agreement, the Agreement will become void and the owner will be required to repay the Incentives received to date.
 - j. The use of secondary suite, affordable rental, market rental or supportive housing units for short-term vacation rentals at any point during the term of the Development Incentives Agreement without the permission of the City of Dawson will render the Agreement for the entire development void and the owner will be required to repay the Incentives received to date.
 - k. Receipt of a development incentive outlined in this policy does not disqualify an applicant from receiving a different Development Incentive provided for by another bylaw or policy. An individual or organization may receive more than one development incentive, as per the terms of this policy.
 - l. Council may not exceed \$100,000 in active tax grants (including both Standard and Preferred) in any fiscal year. Administration shall report on the total amounts of tax grants and fee/charge waivers applied through Development Incentives on an annual basis and update Council on the tax granting room available in January of each year.
 - m. Applications will be accepted and processed on first-come, first-serve basis.
 - n. For development in which a principal residence and secondary suite are constructed during the same timeframe, the City shall endeavor to differentiate the improvement values attributed to each and apply the Preferred Tax Grant to the value of the principal residence and Standard Tax Grant to the value of the secondary suite.
 - o. No exceptions shall be made to this policy without the consent of Council.

3.00 GENERAL ELIGIBILITY CRITERIA

3.1. The following eligibility criteria apply to all developments receiving a Development Incentive:

- a. Any development receiving a Development Incentive must be in compliance with the Official Community Plan and the Zoning Bylaw prior to the signing of a Development Incentive Agreement.
- b. A development proposal that includes more than one eligible property, contiguous or otherwise, will be considered in its entirety for a development incentive so long as all applicable Development Permits are obtained within a two-month period, all development components are undertaken by the same developer/owner, and all construction has commenced within one year of issuance of Development Permits.
- c. Housing-related incentives apply to the creation of new housing units in renovated, redeveloped and/or newly constructed buildings.

- d. Rental and supportive housing units that are part of a mixed-use development in the Downtown Core may be eligible for the applicable housing-related Development Incentive subject to the ability of the City of Dawson to calculate the portion of improvements attributable to the commercial use, for which no Development Incentive shall apply.
- e. Any rental or supportive housing developments that are part of a condominium corporation will be ineligible for Development Incentives.
- f. Government agencies, at all levels of government, will not be eligible for the Development Incentives under this policy. First Nation development corporations are eligible.
- g. Organizations that enter into a long-term lease (minimum 20 years) for development and/or use of a government-owned property and will be registered with the City of Dawson as the taxpayer for the leased property are eligible.
- h. Any applicant for or recipient of a Development Incentive shall not owe any taxes or other monies to the City of Dawson.

4.00 TYPES OF DEVELOPMENT INCENTIVES

4.1. Based on the number of eligibility criteria a proposal meets, there are five types of incentive that can be acquired as follows:

Type	Eligibility	Incentive
a) Vacant and/or Derelict Property	<ul style="list-style-type: none"> • New development with a minimum construction value of \$100,000 in the Historic Townsite 	<ul style="list-style-type: none"> • 5 years Standard Tax Grant
b) Market Rental Housing	<ul style="list-style-type: none"> • Minimum of four Market Rental Housing units in the Historic Townsite 	<ul style="list-style-type: none"> • 10 years Standard Tax Grant
c) Supportive Housing	<ul style="list-style-type: none"> • Minimum of four Supportive Housing units located anywhere within the municipality 	Same as Market Rental Housing PLUS <ul style="list-style-type: none"> • Waiver of Load Capacity Charge • Waiver of Development Charges
d) Affordable Rental Housing	<ul style="list-style-type: none"> • Minimum of four Affordable Rental Housing units in the Historic Townsite 	Same as Supportive Housing
e) Secondary Suite	<ul style="list-style-type: none"> • Secondary suite located anywhere within the municipality 	Same as Affordable Rental Housing PLUS <ul style="list-style-type: none"> • 3 years Preferred Tax Grant up to a maximum of \$10,000 • Waiver of parking requirements

5.00 SPECIFIC ELIGIBILITY CRITERIA AND CONDITIONS

5.1. Secondary Suite Incentive

- a. To acquire a Secondary Suite Incentive the following specific criteria and conditions must be met:

- 5.1.a.1. A new secondary suite must be provided within the City of Dawson municipal boundaries.

5.2. Affordable Rental Housing Incentive

- a. To acquire an Affordable Rental Housing Incentive, the following specific eligibility criteria must be met:

- 5.2.a.1. A minimum of four new Affordable Rental Housing residential units must be provided anywhere within the fully serviced portions of the Historic Townsite;

- 5.2.a.2. Rents must be kept affordable for the entire duration of the Standard Tax Grant. Rents should be compared on an annual basis against the most recent Rent Survey issued by the Yukon Bureau of Statistics. Rents must be reduced if found to exceed median market rates, whereas owners are encouraged to maintain current rents should they be below median market rates. Recipients are to provide this information with their grant request on an annual basis.

5.3. Supportive Housing Incentive

- a. To acquire a Supportive Housing Incentive the following specific criteria and conditions must be met:

- 5.3.a.1. A minimum of four new Supportive Housing units must be provided within the City of Dawson municipal boundaries.

5.4. Market Rental Housing Incentive

- a. To acquire a Market Rental Housing Incentive the following specific criteria and conditions must be met:

- 5.4.a.1. A minimum of four new Market Rental Housing units must be provided within the City of Dawson municipal boundaries.

5.5. Vacant and/or Derelict Property Incentive

- a. To acquire a Vacant and/or Derelict Property Incentive the following specific criteria and conditions must be met:

- 5.5.a.1. The property in question must have met the definition of derelict and/or vacant as of (date of policy passing) and be located within the Historic Townsite;

- 5.5.a.2. The Incentive is not stacked with another housing-related incentive; and,

5.5.a.3. The minimum construction value of the planned development is \$100,000.

6.00 PROCEDURE

- 6.1. Application – To receive a Development Incentive as laid out in this policy, Developers must complete a Development Incentive Application, available from the City of Dawson.
- 6.2. Screening – Applications must include a preliminary development plan. Applications will not be eligible for consideration unless they are in compliance with the Official Community Plan and the Zoning Bylaw and meet the minimum eligibility criteria as listed in this policy.
- 6.3. Approval – The terms of Secondary Suite Incentives will be approved by the Community Development Officer. Development Incentives totaling \$100,000 or less in combined value will be approved by the Chief Administrative Officer, and all other Development Incentives will be approved by Council.
- 6.4. Administration – For a Preferred or Standard Tax Grant, the City will provide a grant in the applicable amount each year until the end of the Incentive term, following an annual request from the recipient in writing. Grants will be processed after property owners have paid their taxes in full. If a property owner is in arrears of their property taxes they will no longer be eligible for the Incentive.
 - a. Annual requests must include the following:
 - 6.4.a.1. A request for the annual grant amount;
 - 6.4.a.2. A declaration confirming compliance with this policy; and
 - 6.4.a.3. A list of rents demonstrating compliance with s. 5.2.a.2 of this Policy.

7.00 EXPIRATION OF DEVELOPMENT INCENTIVE

- 7.1. The Development Incentive Agreement may be revoked and cancelled if construction has not commenced within one year of issuance of Development Permits.
- 7.2. The Development Incentive Agreement may be revoked and cancelled if there are outstanding open Building Permits remaining one year after occupancy is given for the development.

POLICY TITLE:	<i>Development Incentives Policy</i>
POLICY #:	2019-02
EFFECTIVE DATE:	July XX, 2019
ADOPTED BY COUNCIL ON:	July XX, 2019, 2019
RESOLUTION #:	C19-XX-XX

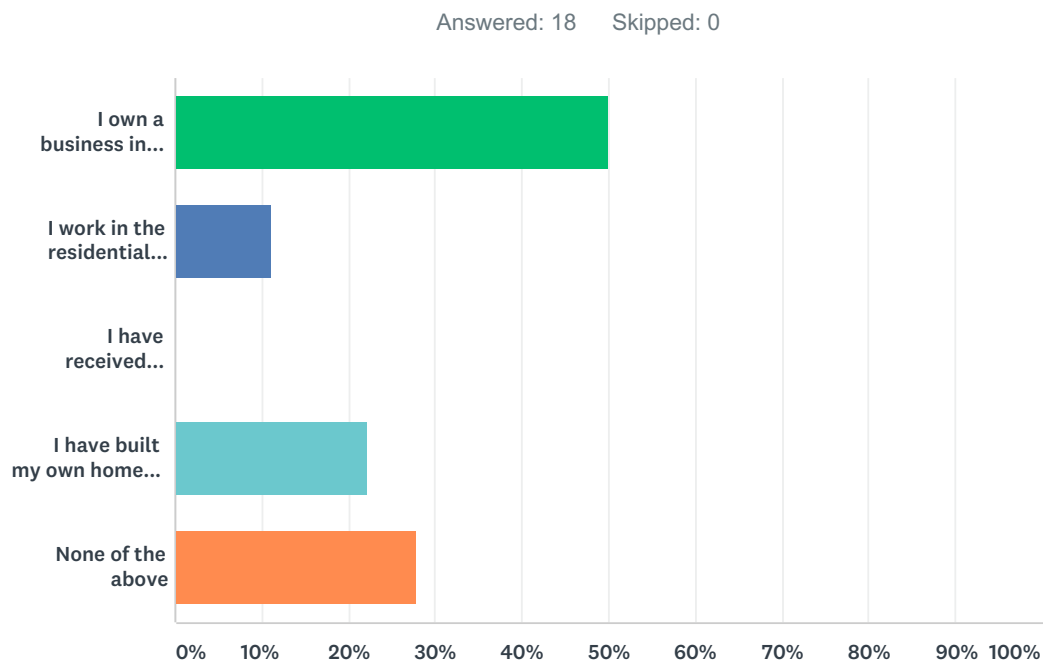
Original signed by:

DRAFT

APPENDIX F

Phase 2 Online Survey Results

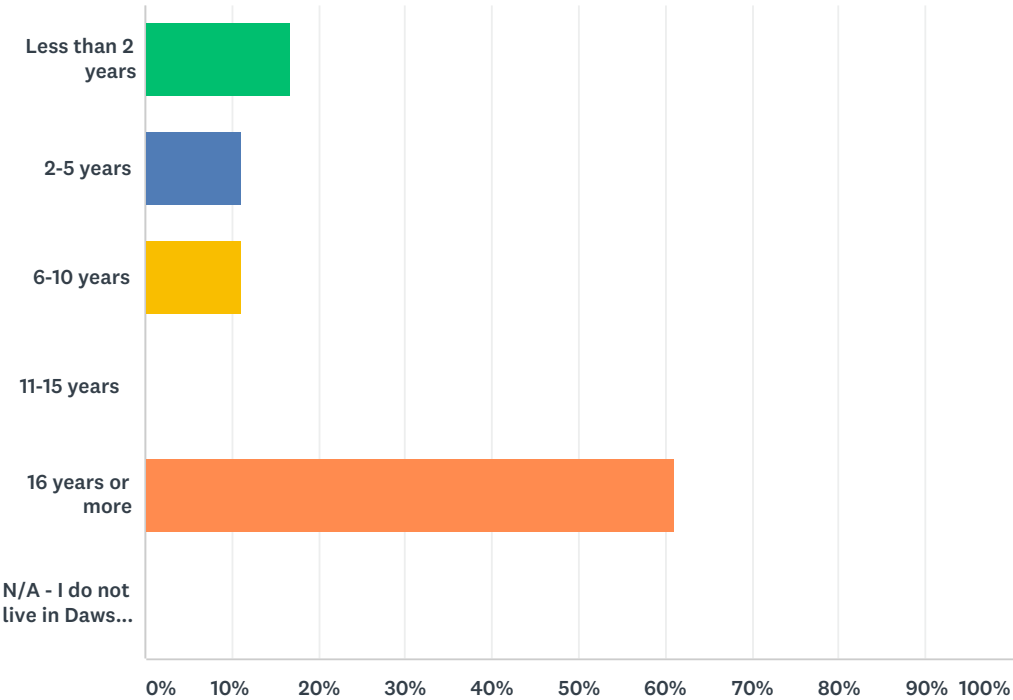
Q1 Which of the following describes you? You may select more than one option.



ANSWER CHOICES	RESPONSES	
I own a business in Dawson City	50.00%	9
I work in the residential construction and/or development field	11.11%	2
I have received assistance under the City of Dawson's Development Incentives Policy	0.00%	0
I have built my own home and/or secondary suite	22.22%	4
None of the above	27.78%	5
Total Respondents: 18		

Q2 How long have you lived in Dawson City?

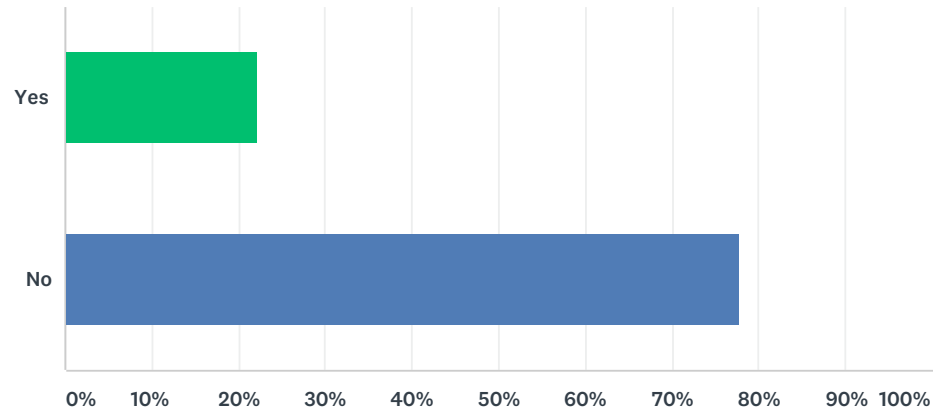
Answered: 18 Skipped: 0



ANSWER CHOICES	RESPONSES	
Less than 2 years	16.67%	3
2-5 years	11.11%	2
6-10 years	11.11%	2
11-15 years	0.00%	0
16 years or more	61.11%	11
N/A - I do not live in Dawson City	0.00%	0
TOTAL		18

Q3 Did you complete the previous survey about development incentives in May?

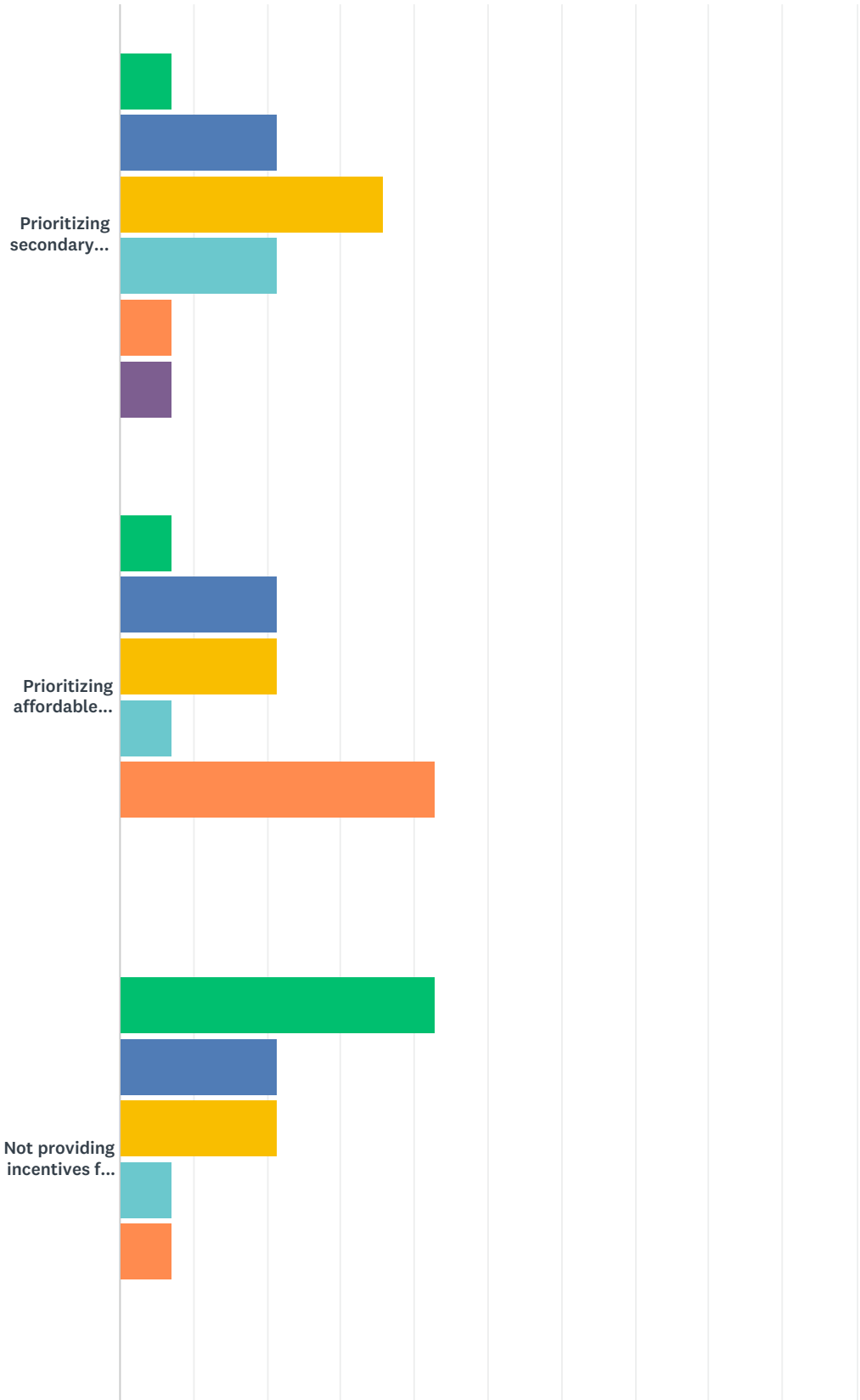
Answered: 18 Skipped: 0

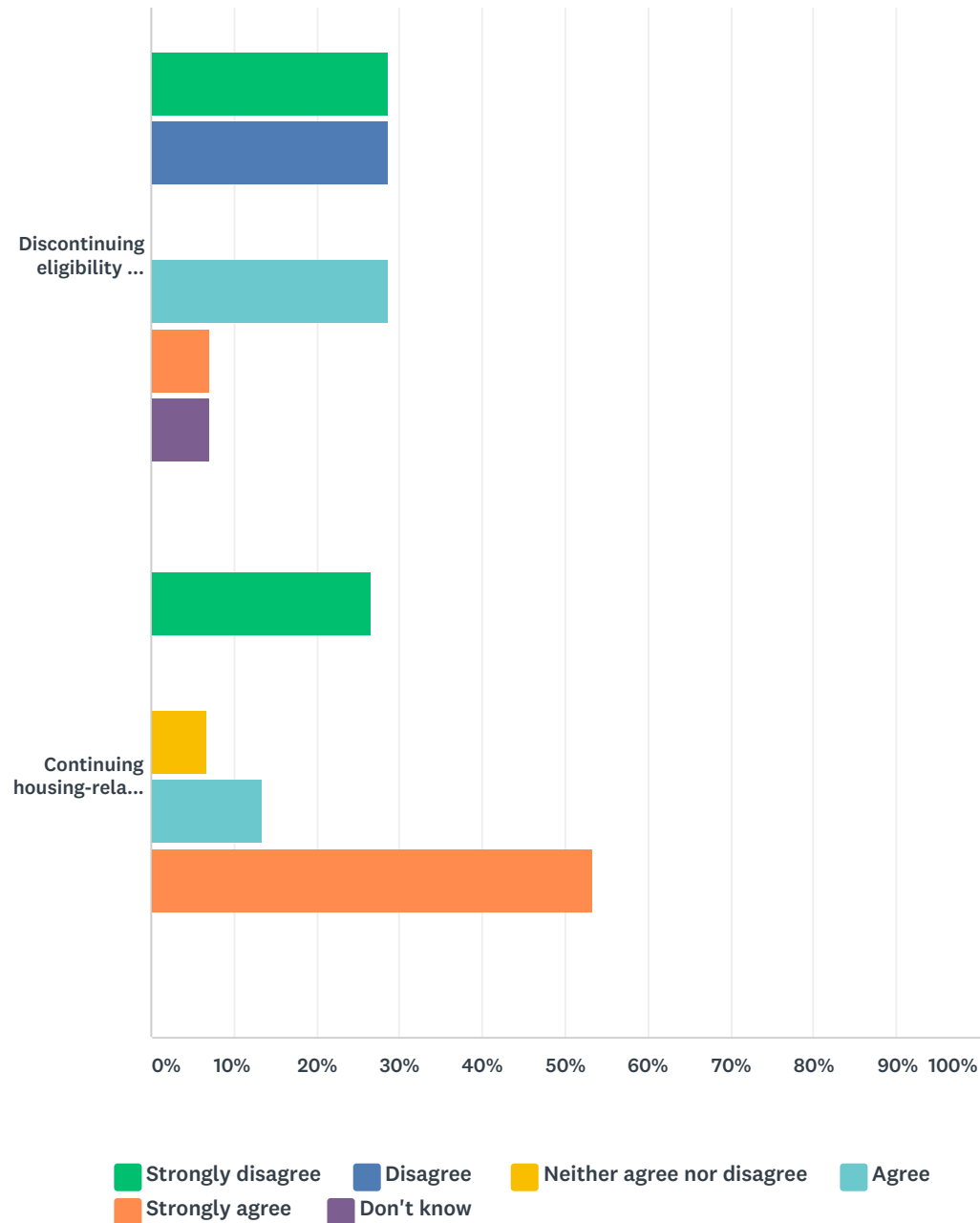


ANSWER CHOICES	RESPONSES	
Yes	22.22%	4
No	77.78%	14
TOTAL		18

Q4 Please indicate your level of agreement with the following elements of Council's direction:

Answered: 15 Skipped: 3

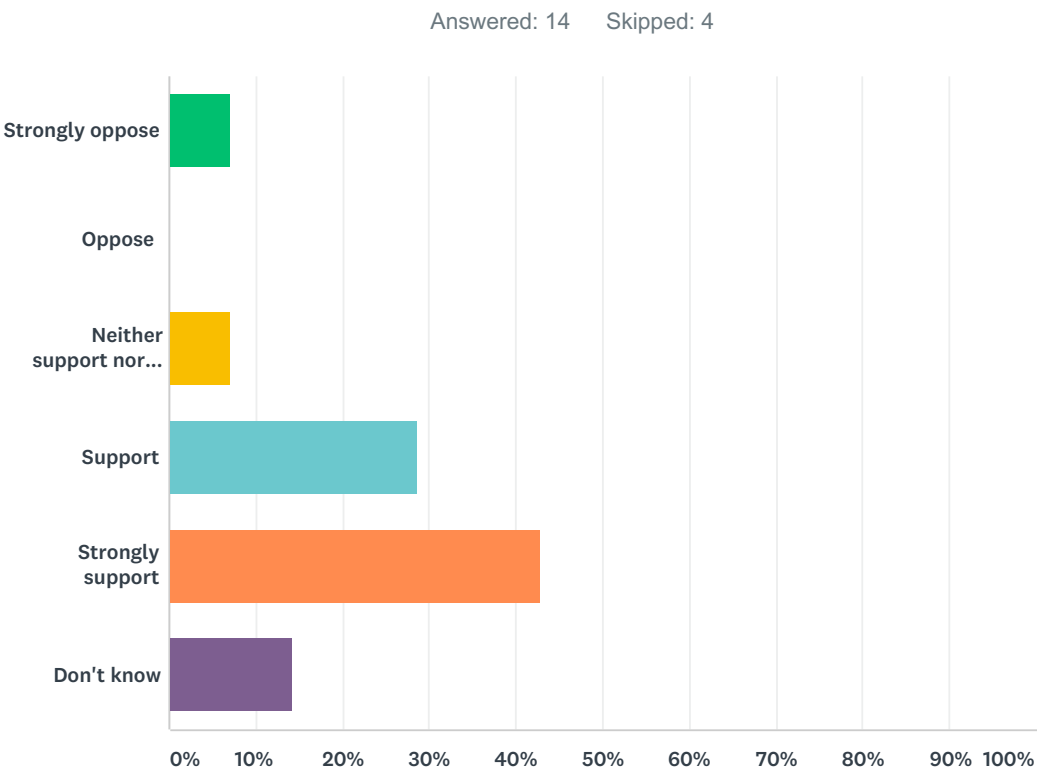




	STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE	DON'T KNOW	TOTAL
Prioritizing secondary rental suites over multi-unit rental developments	7.14% 1	21.43% 3	35.71% 5	21.43% 3	7.14% 1	7.14% 1	14
Prioritizing affordable rental and supportive housing developments over market rental developments	7.14% 1	21.43% 3	21.43% 3	7.14% 1	42.86% 6	0.00% 0	14
Not providing incentives for home ownership related development	42.86% 6	21.43% 3	21.43% 3	7.14% 1	7.14% 1	0.00% 0	14
Discontinuing eligibility for commercial portions of mixed-use (i.e. commercial + residential) developments	28.57% 4	28.57% 4	0.00% 0	28.57% 4	7.14% 1	7.14% 1	14

Continuing housing-related incentives in general	26.67% 4	0.00% 0	6.67% 1	13.33% 2	53.33% 8	0.00% 0	15
--------------------------------------------------	-------------	------------	------------	-------------	-------------	------------	----

Q5 In addition to housing-related incentives, Council directed City administration and consultant to explore incentives to promote the development of vacant and/or derelict properties. Please indicate your level of agreement with this idea:



ANSWER CHOICES	RESPONSES	
Strongly oppose	7.14%	1
Oppose	0.00%	0
Neither support nor oppose	7.14%	1
Support	28.57%	4
Strongly support	42.86%	6
Don't know	14.29%	2
TOTAL		14

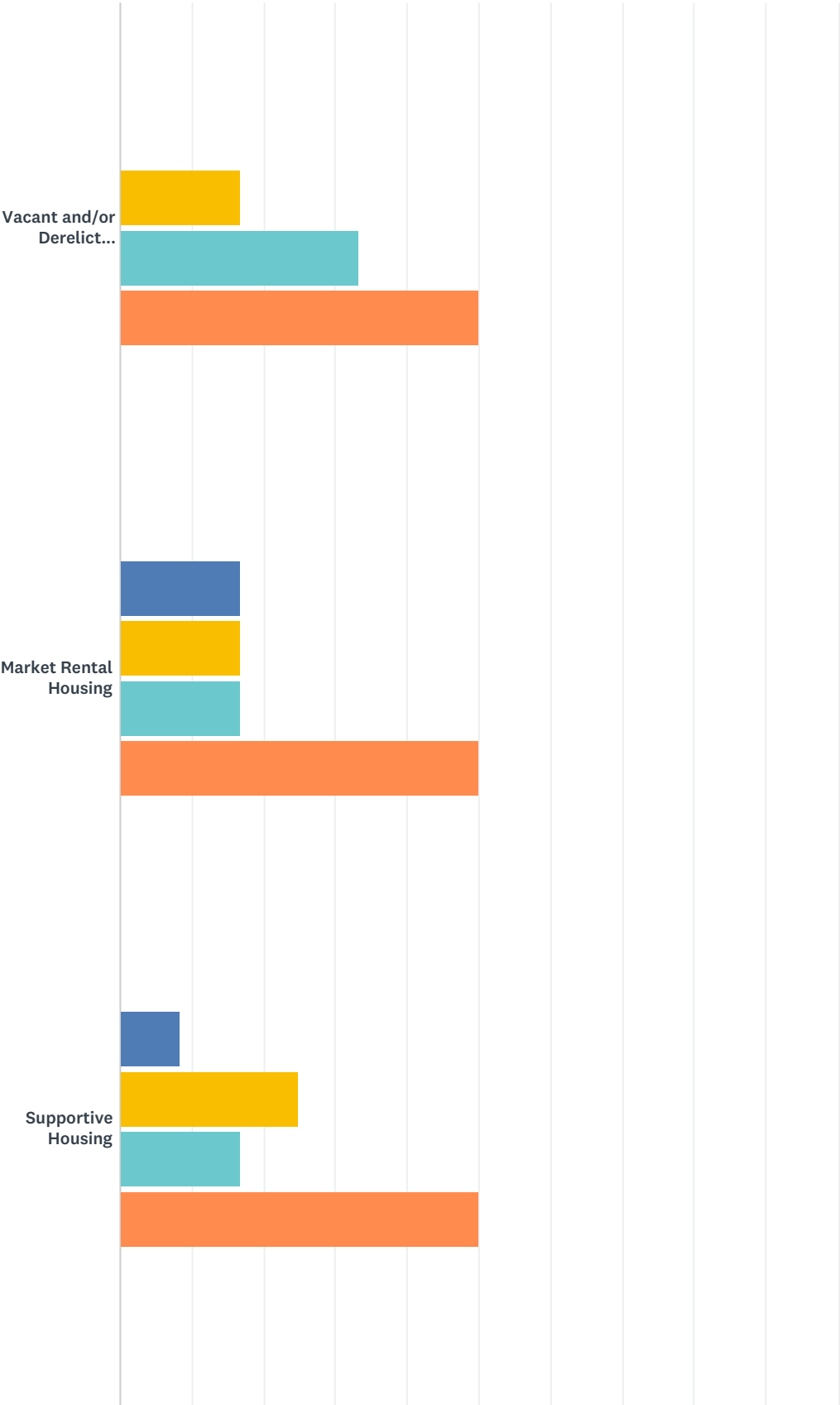
Q6 If you indicated opposition to Council's development priorities, please tell us why. (Please skip ahead to the next question if you indicated support)

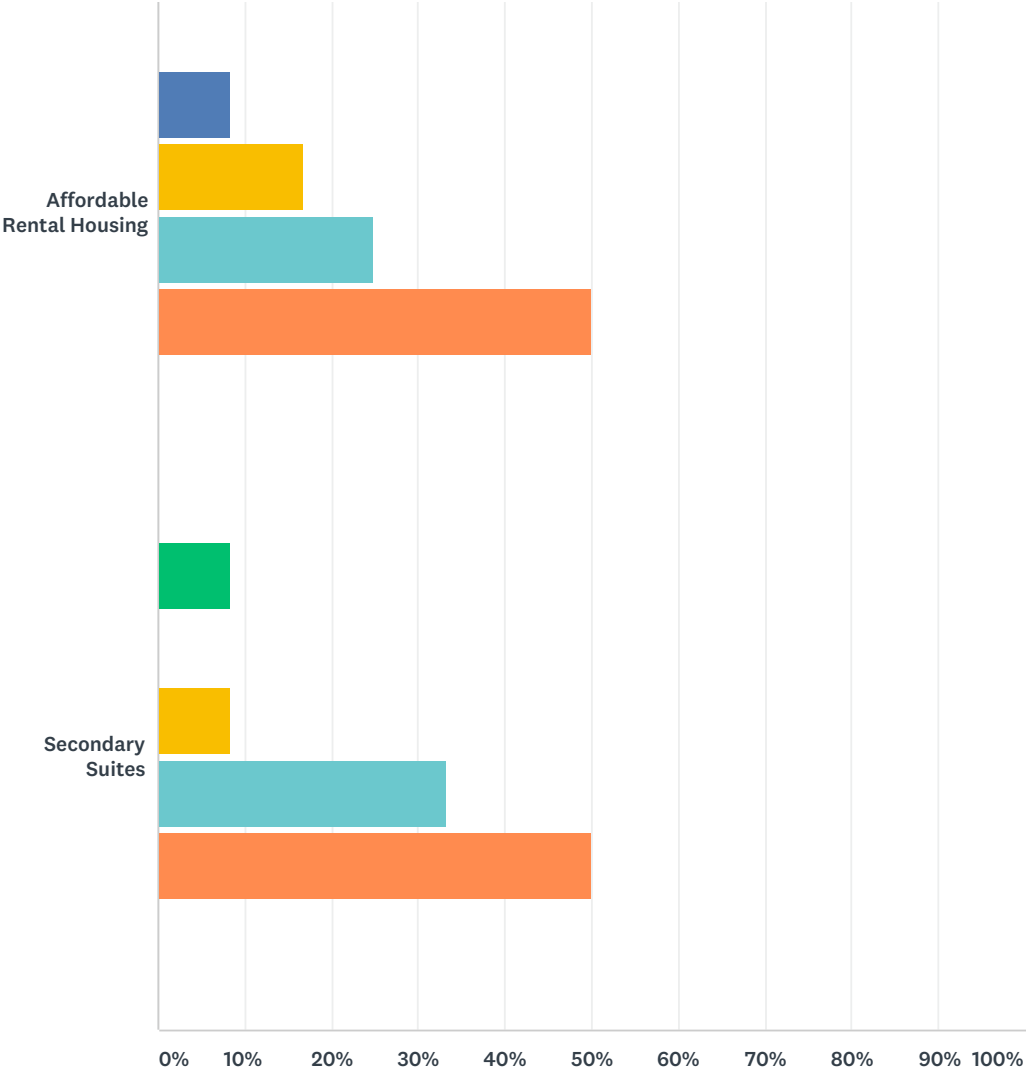
Answered: 3 Skipped: 15

#	RESPONSES	DATE
1	Regarding mixed use/commercial developments - there is also a huge lack of commercial office space in the community, which should also be a municipal priority in order to encourage economic growth of our community.	7/3/2019 8:50 AM
2	Year round pool	7/1/2019 11:23 PM
3	If you assist homeowners fix their homes adequately, they wouldn't need to rent something adequate for their needs. Once their needs are met, the homeowners could then add a rental unit to assist their income and aid the community. Also having rental units over stores and other quieter commercial businesses would also aid the community with rentals.	6/27/2019 10:37 PM

Q7 In general, how supportive are you of the proposed incentives?

Answered: 12 Skipped: 6





Strongly oppose Oppose Neither support nor oppose Support
Strongly support I don't know

	STRONGLY OPPOSE	OPPOSE	NEITHER SUPPORT NOR OPPOSE	SUPPORT	STRONGLY SUPPORT	I DON'T KNOW	TOTAL	WEIGHTED AVERAGE
Vacant and/or Derelict Property	0.00% 0	0.00% 0	16.67% 2	33.33% 4	50.00% 6	0.00% 0	12	4.33
Market Rental Housing	0.00% 0	16.67% 2	16.67% 2	16.67% 2	50.00% 6	0.00% 0	12	4.00
Supportive Housing	0.00% 0	8.33% 1	25.00% 3	16.67% 2	50.00% 6	0.00% 0	12	4.08
Affordable Rental Housing	0.00% 0	8.33% 1	16.67% 2	25.00% 3	50.00% 6	0.00% 0	12	4.17
Secondary Suites	8.33% 1	0.00% 0	8.33% 1	33.33% 4	50.00% 6	0.00% 0	12	4.17

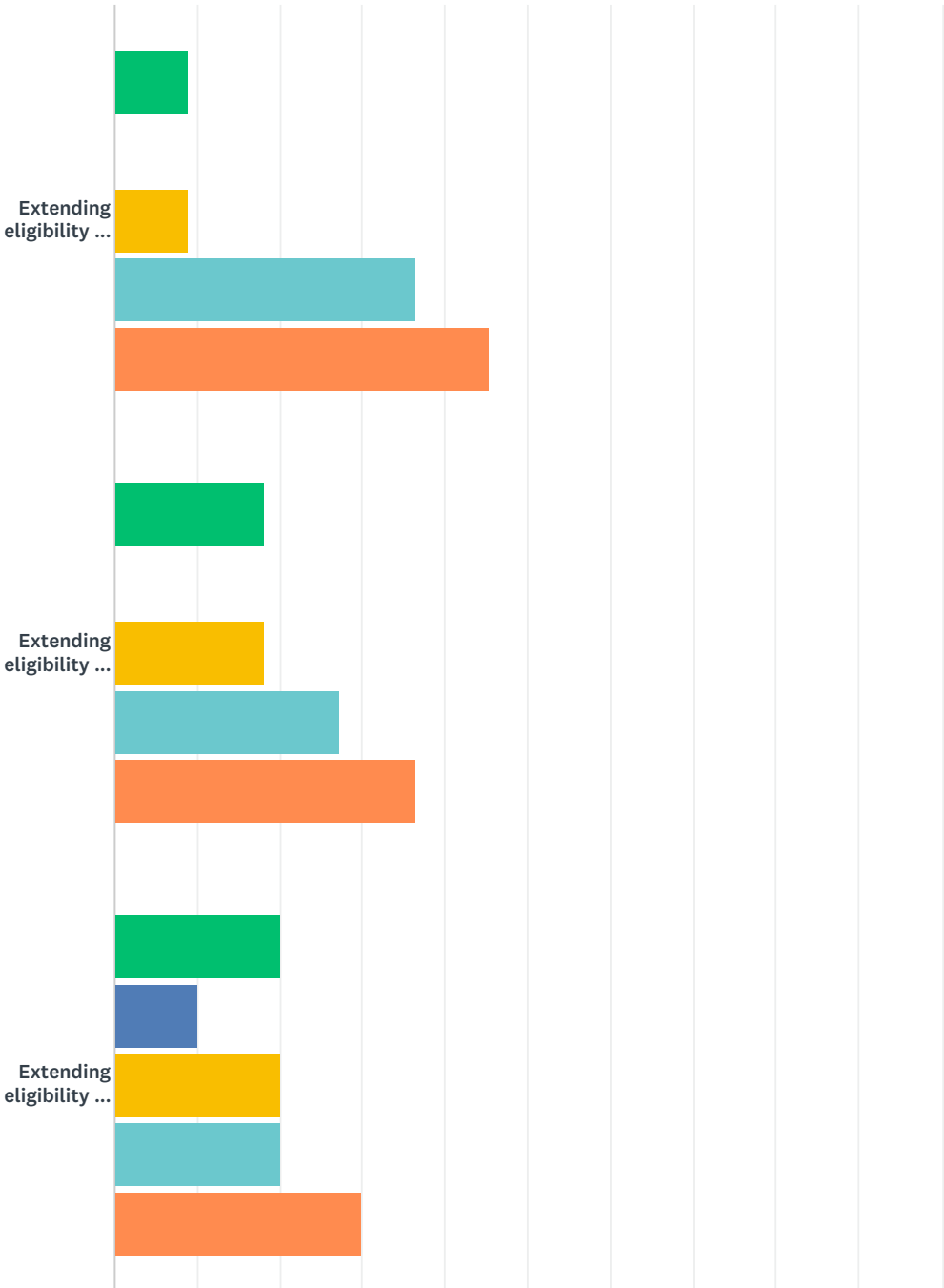
Q8 If you indicated opposition to any of the proposed incentives, please tell us why. (Please skip ahead to the next question if you indicated support)

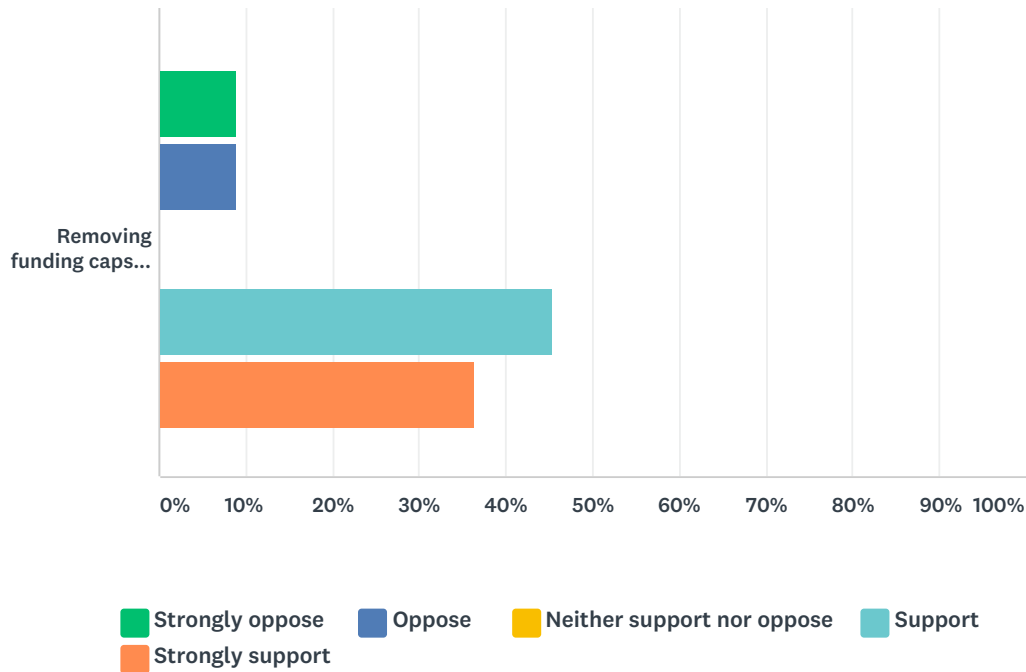
Answered: 4 Skipped: 14

#	RESPONSES	DATE
1	I think it is important to consider how to make it explicitly clear what the criteria are for a vacant property and how eligibility would be proven. People in Dawson love to find loopholes and cheat the system and even the best-laid plans go awry because of this. I also think it would be a disaster to waive parking requirements for development without ensuring that our bylaw officer has adequate authority to enforce on-street parking bylaws so that our roads don't turn into a giant parking lot. People shouldn't be able to park their vehicles, boats, trailers, etc and not have them move for months at a time. There needs to be a check and balance for parking to make sure that there are systems in place for people who for whatever reason end up without a place to park their vehicle.	7/4/2019 3:32 PM
2	Market price is a scam just like minimum wage	7/1/2019 11:25 PM
3	Not enough a) regulations for secondary suites and will b) bring about a host of problems and then c) who is going to be monitoring that?	7/1/2019 9:23 PM
4	We need more lots opened up. More development in the Country residential and city lots out side of downtown core. Make more land available for building. They need to get moving on a subdivision development to relieve the pressure on the down town area. This will lower prices. In reality we don't take enough taxes in to support city councils spending habits and now we want to give it away. Use the money to provide infrastructure so people can build	6/28/2019 7:48 AM

Q9 The consultant heard repeatedly that the economics of development in Dawson are such that even with incentives and other available funding, multi-unit housing projects are barely viable. Current and prospective recipients of incentives urged the City to make the policy as flexible as possible in order to allow them to leverage other funding sources and develop in a highly land-constrained community. Please indicate your level of support for the following proposed revisions, designed to make the policy more flexible:

Answered: 11 Skipped: 7





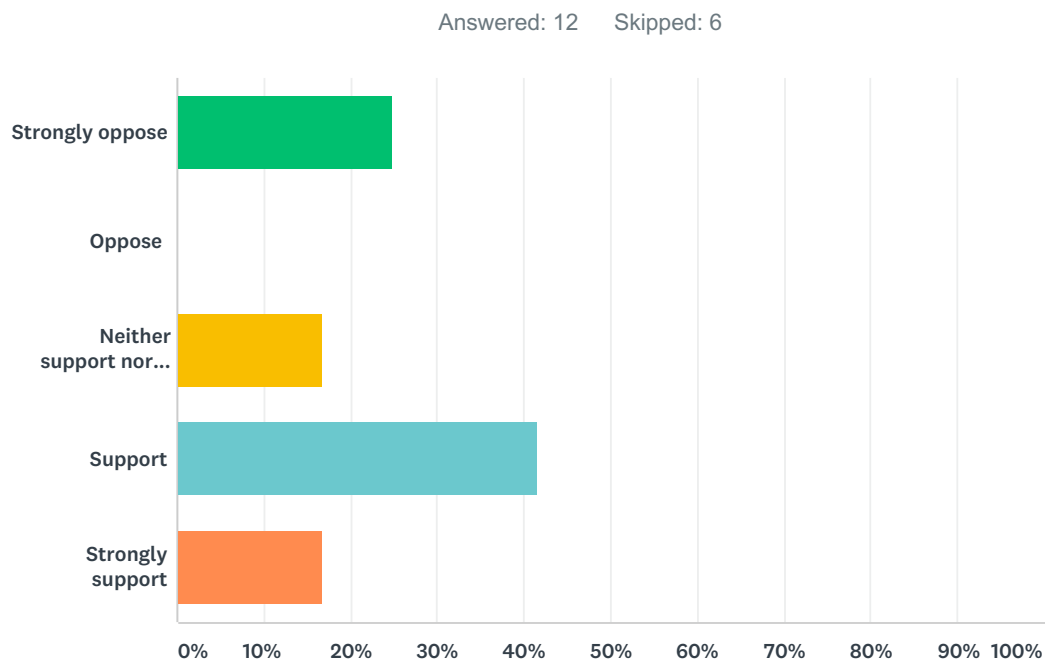
	STRONGLY OPPOSE	OPPOSE	NEITHER SUPPORT NOR OPPOSE	SUPPORT	STRONGLY SUPPORT	TOTAL	WEIGHTED AVERAGE
Extending eligibility for multi-unit developments to the fully serviced portions of the Historic Townsite (vs. Downtown Core only)	9.09% 1	0.00% 0	9.09% 1	36.36% 4	45.45% 5	11	4.09
Extending eligibility to non-profit organizations leasing government-owned land	18.18% 2	0.00% 0	18.18% 2	27.27% 3	36.36% 4	11	3.64
Extending eligibility to First Nation development corporations (but not other governments)	20.00% 2	10.00% 1	20.00% 2	20.00% 2	30.00% 3	10	3.30
Removing funding caps that provided a major advantage to larger (8+) vs smaller (4-7) unit buildings	9.09% 1	9.09% 1	0.00% 0	45.45% 5	36.36% 4	11	3.91

Q10 If you indicated opposition to any of the proposed revisions indicated above, please tell us why. (Please skip ahead to the next question if you indicated support)

Answered: 4 Skipped: 14

#	RESPONSES	DATE
1	No mention of housing co-ops	7/1/2019 11:27 PM
2	I feel if you gave these organizations the land for free or bigger tax incentives they would still be asking for more. The city needs to provide the land and infrastructure so people can build. When there is no land available prices are hi	6/28/2019 7:57 AM
3	The first nation government is still a government and has a lot of money to support housing initiatives. There is no need for any government to take from this fund that is meant for your average homeowner.	6/28/2019 12:32 AM
4	Larger buildings like the 20-plex is next to impossible to prove which are the damaging and/or abusive tenants, smoking/bloody biohazards in halls/using owner's hydro for free, etc. Animals are necessary for many people's mental and physical health but not conducive to large stacked up apartments, without adequate outside pet areas.	6/27/2019 10:59 PM

Q11 The initial public survey and some stakeholder input indicated there is concern about the City's financial capacity to offer unlimited tax relief for new developments. The new revised policy proposes a maximum cap of "active" tax incentives of \$100,000 - to be calculated on an annual basis. (This means that no more than \$100,000 in taxes could be granted back to recipients at any given time). Please indicate your level of support for placing an overall cap of \$100,000 on development-related tax incentives:



ANSWER CHOICES	RESPONSES	
Strongly oppose	25.00%	3
Oppose	0.00%	0
Neither support nor oppose	16.67%	2
Support	41.67%	5
Strongly support	16.67%	2
TOTAL		12

**Q12 If you indicated opposition to the proposed cap, please tell us why.
(Please skip ahead to the next question if you indicated support)**

Answered: 3 Skipped: 15

#	RESPONSES	DATE
1	This is absolutely insane. What incentives is the city going to offer to the existing developments that are struggling	6/28/2019 7:57 AM
2	Looking to the future supporting new developments makes more sense. It not smart to look at just the money today - we need to look at the future.	6/28/2019 12:32 AM
3	100000 in tax relief per year seems incredibly, dangerously generous	6/27/2019 11:49 PM

Answered: 2 Skipped: 16

17 / 17

APPENDIX G

Record of Council Discussions

1) May 27 Committee of the Whole (COW) meeting

The consultant's initial background report was presented to Council in advance of the May 27 meeting but most of Council had not yet had time to review. Key points made by Council during the meeting included:

- The original rationale for the policy was affordable rental housing; ownership-based housing was not the intention
- The policy has been effective in encouraging development but the need is still there and incentives should continue
- There may need to be bigger incentives for secondary suites to encourage more of this development
- The topic is "dense" and "dry" and it will be hard to interest the public; however, survey results indicate that education is needed
- Moving from tax incentives to cash-funded grants may be too big a step for Council
- Staff and student housing need to be included in the policy as they are key needs
- In general, Council should be making it easier for people to build affordable homes in town. Working with YG to make land available is the way for Council to have the biggest impact

It should be noted that Development Cost Charges were discussed only very briefly. Council requested more time to review the background report.

2) June 17 Committee of the Whole (COW) meeting

The consultant undertook some additional research to provide Council with more information to consider during the June 17th meeting. Council discussion included the following key points:

- The priority for the policy is rental housing. In descending order of priority, this would include secondary suites (affordable or otherwise), affordable rentals, and market rentals.
- Council reiterated the need to make the policy as effective as possible in addressing the development constraints inherent to Dawson City. This includes ensuring the incentives program is promoted and easy to understand.
- Secondary suite incentives need to be increased somehow.
- Student and staff housing must be encouraged as these are key needs.
- Incentives to counterbalance the building removal provisions of the Zoning Bylaw (i.e. \$7500 charge) should be investigated.
- The extension of geographic eligibility to the entire Historic Townsite could alter the quiet residential character of some areas. For example, the addition of 8-plexes outside of the Downtown Core may be an unintended consequence of the policy.
- Cash-funded grants are not desired at this time.

Again, there was insufficient time left in the agenda for a fulsome discussion of Development Cost Charges recommendations.

3) July 8 Committee of the Whole (COW) meeting

The July 8th COW meeting discussion focused on a brief review of Phase 2 engagement results and a more in-depth discussion of the draft revised policy (June 27 version). Council discussion included the following key points:

- There are still concerns about incentivizing higher density developments located outside of the Downtown Core (note that City administration explained to Council that the Zoning Bylaw amendment process which would be required would allow for a case-by-case consideration of such elements as heritage character, streetscape impacts, etc. and allow for the rejection of development applications not able to sufficiently address these concerns).
- The definition of “Load Capacity Charge” should be changed to reflect how the monies collected are actually being used. In fact, the LCC should be eliminated entirely in the interests of making housing more affordable in Dawson and to reflect the reality that the City does not assume fiscal responsibility for major infrastructure upgrades. (Conversely, others felt that the collection of a DCC is fiscally prudent. The consultant noted that the definition simply mirrors the Reserves Bylaw.)
- The definition of “development fees” should be clarified.
- The maximum program cap of \$100,000 should apply at any time versus per specific fiscal year.
- The proposed vacant/derelict property tax requirement of \$100,000 of investment may be too high for Dawson. Much smaller capital investments can make a substantial difference. The incentive will also need to consider how to value in-kind labour provided by property owners. The subjectivity around the determination of “derelict” properties could pose problems.
- The geographic eligibility for supportive housing should be restricted to only those portions of town west of the Klondike River bridge to encourage a more compact development pattern.
- Additional secondary suite incentives could include free City labour to do the groundwork associated with a service hook-up.

Again, there was insufficient time for a fulsome discussion of DCCs (although one Councillor’s opposition to the continuation of the LCC was duly noted). The other key element which was not discussed was the issue of home ownership incentives. In order to advance discussion of this issue in the time remaining, Groundswell furnished an updated version including an additional level of incentive for home ownership for discussion on July 17.

This update also included a sample list of candidate “underdeveloped” properties with associated improvement values.

4) July 17 working meeting

An additional meeting was convened so that City administration and Council could work through a final revised version of the policy prior to the final Committee of the Whole meeting before the project’s conclusion. Key direction included:

- Home ownership related incentives are more complex and Council does not have time to duly consider them within the time remaining for the project; the focus for this iteration of the policy will be limited to rental housing.

- Secondary suite incentives should not be further expanded. The incentive can be simplified to a grant on all of the improvements (principal residence and secondary suites) versus requiring the calculation of which improvements relate to each.
- The definition of LCC should stand until there is time to revisit the associated bylaws.
- Geographic eligibility should extend to the Historic Townsite for rental housing but not be further restricted for supportive housing.
- The thresholds of \$35,000 (for residential) and \$60,000 (for commercial) in improvements and a minimum \$75,000 construction value (as demonstrated through a professional quote) provide sufficient guidance for the vacant and underdeveloped property incentive.

It should be noted that the \$35,000 and \$60,000 thresholds proposed were based on the assessed improvement values for a sample of candidate “underdeveloped” properties located within the Historic Townsite. The highest 2018 assessment value for properties that were deemed by Groundswell and City administration to be suitable for incentives was used as the upper limit for each class of property.

APPENDIX H

Final Policy – July 18 Version



City of Dawson

Development Incentives Policy

2019-02

BACKGROUND

There is currently a need for rental housing – including supportive, affordable rental, and market rental housing, - in the City of Dawson. These needs can be addressed through a variety of options including mixed-use and multi-unit residential buildings, secondary suites, and other types of housing developments. Increased Historic Townsite development would further the City's sustainability objectives for a more compact development pattern and take advantage of existing services; further, the conversion of underdeveloped and vacant properties increases economic and community vitality. These types of development help to meet the Official Community Plan goals and policies.

Council recognizes that land constraints, high construction costs, and other factors pose serious constraints to the supply of housing and optimum land use in Dawson City, and that a subsidy may be required. The City does have a role in land development, permitting, and taxation, through which it may encourage development where it is not being initiated under normal market conditions.

City of Dawson fees and charges are low relative to other jurisdictions, and many fees are based on cost recovery, making it challenging to reduce or grant these costs without impacting operating budgets. It is desirable for the City to use a model that provides significant financial incentives for strategic development, while limiting the short-term financial impact on the operational budget.

POLICY STATEMENT

The City of Dawson will provide financial incentives for projects that provide rental units, supportive housing, and multi-unit residential buildings and/or convert vacant and/or derelict properties into more beneficial land uses.

Undeveloped or run-down properties essentially provide little more than the land value. This policy provides economic development incentives to encourage targeted residential development and increase future tax income for the City.

1.00 Definitions

1.1. The following terms are used within this policy and are defined as follows:

- a. “affordable rental housing” means rental housing that is provided at or below the median market housing rents for comparable housing as presented by the Yukon Bureau of Statistics in the Yukon Rent Survey. In the event that this definition conflicts with that of a funding program through which an owner is seeking financial support for the same development, the definition of the other funding program shall apply.
- b. “base rate” means the rate calculated as the value of the tax levy for improvements on the property paid on July 2nd in the year that the Development Permit for the eligible development is issued. In the case where existing buildings or structures were demolished prior to issuance of a Development Permit for an eligible development, the base rate will be zero.
- c. “development fee” means the fee(s) associated with development permit and development incentive applications.
- d. “development incentive” means contributions made by the City of Dawson for developments meeting the eligibility criteria provided in this policy.
- e. “Downtown” means the area defined within the Official Community Plan as the Downtown Core.
- f. “historic townsite” means the area defined within the Official Community Plan as the Historic Townsite.
- g. “load capacity charge” means the charge, as listed in the *Fees and Charges Bylaw*, levied against new development by the City of Dawson to recover costs associated with increased load on the water/sewer system.
- h. “market rental housing” means housing that is provided at above the median market housing rents for comparable housing as presented by the Yukon Bureau of Statistics in the Yukon Rent Survey.
- i. “mixed-use” means a building containing a mixture of commercial and residential uses.
- j. “preferred tax grant” means a yearly monetary grant in the amount that the developer paid in municipal tax as a result of the assessed value of improvements relating to a principal residence on the property.
- k. “rental housing” means any formation of multi-unit residential housing development that is retained by a single owner, with units that are available to rent on a monthly or semi-monthly 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.
- l. “secondary suite” means a secondary suite as defined by the City of Dawson Zoning Bylaw.
- m. “standard tax grant” means a yearly monetary grant in the amount that the developer

would have paid in annual municipal taxes as a result of improvements to the property that are the subject of the applicable incentive.

- n. “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 designed to accommodate tenants who require assistance. Typical uses would include assisted housing for seniors or assisted housing for people with disabilities.
- o. “short term vacation rental” means the provision of rental accommodation for less than 30 consecutive days to a primary tenant whose purpose for residing in Dawson City is vacationing.
- p. “underdeveloped property” means a property for which the value of assessed improvements is less than \$35,000 in an R-zone or less than \$60,000 in any other zone.
- q. “vacant property” means a property that does not contain a primary building or structure aligned with the intended use of the property as set out in the Zoning Bylaw. A property may be considered vacant if an accessory building or structure, as defined in the Zoning Bylaw, is present.

2.00 DEVELOPMENT INCENTIVES – GENERAL

2.1. Based on the eligibility criteria listed in this policy, an applicant may apply for a development incentive as follows:

- a. Incentives as outlined in the following section will be considered by the City and, if granted, will be incorporated in a Development Incentive Agreement.
- b. Taxes applied to the value of land are not available for reduction or grant.
- c. The annual value of a Standard Tax Grant will be calculated by subtracting the Base Rate and the portion of the tax levy on the value of the land from the full annual tax levy paid on July 2nd for the duration of the Development Incentive Agreement. The Base Rate will be calculated at the time of issuance of the Development Permit.
- d. The value of a Preferred Tax Grant will be calculated by subtracting the portion of the tax levy on the value of the land from the full annual tax levy as paid on July 2nd for the duration of the Development Incentive Agreement.
- e. Payment of tax grant portions of a Development Incentive will begin once an eligible development has received occupancy for all units. Any taxes paid to the City prior to occupancy will not be eligible for a grant under this policy.
- f. The tax grant portion of a Development Incentive will be implemented through a grant to the property owner. Tax grants will be processed after July 2nd annually.
- g. Development Incentives will not be applied retroactively for projects which have already received a Development Permit. This includes permits that have been cancelled or lapsed and reapplied for in an effort to receive an incentive.
- h. The terms of payment of the Development Incentives will be specified in Development

Incentive Agreement between the City and the applicant.

- i. If an eligible secondary suite, affordable rental, market rental or supportive housing development becomes part of a condominium corporation or ceases to function as rental or supportive housing prior to completion of the term set out in the Development Incentives Agreement, the Agreement will become void and the owner will be required to repay the Incentives received to date.
- j. The use of secondary suite, affordable rental, market rental, or supportive housing units for short-term vacation rentals at any point during the term of the Development Incentives Agreement without the permission of the City of Dawson will render the Agreement for the entire development void and the owner will be required to repay the Incentives received to date.
- k. Receipt of a development incentive outlined in this policy does not disqualify an applicant from receiving a different incentive, grant, or funding opportunity provided for by another bylaw, policy, or organization. A development is only eligible to receive one incentive enacted under this policy.
- l. The City shall not exceed a \$100,000 value in active tax grants (including both Standard and Preferred) at any given time. Administration shall report on the total amounts of tax grants and fee/charge waivers applied through Development Incentives on an annual basis and update Council on the tax granting room available in January of each year.
- m. Applications will be accepted and processed on first-come, first-serve basis.
- n. No exceptions shall be made to this policy without the consent of Council. Both administration and Council retain the right to decline an application that conforms with the policy in wording but it deems does not meet its intent.

3.00 GENERAL ELIGIBILITY CRITERIA

3.1. The following eligibility criteria apply to all developments receiving a Development Incentive:

- a. Any development receiving a Development Incentive must be in compliance with the Official Community Plan and the Zoning Bylaw prior to the signing of a Development Incentive Agreement.
- b. A development proposal that includes more than one eligible property, contiguous or otherwise, will be considered in its entirety for a development incentive so long as all applicable Development Permits are obtained within a two-month period, all development components are undertaken by the same developer/owner, and all construction has commenced within one year of issuance of Development Permits.
- c. Housing-related incentives apply to the creation of new housing units in renovated, redeveloped and/or newly constructed buildings.
- d. Vacant and/or underdeveloped property incentives apply to renovations, redevelopment, and/or new construction.
- e. Rental and supportive housing units that are part of a mixed-use development in the

Downtown Core may be eligible for the applicable housing-related Development Incentive subject to the ability of the City of Dawson to calculate the portion of improvements attributable to the commercial use, for which no Development Incentive shall apply.

- f. Any rental or supportive housing developments that are part of a condominium corporation will be ineligible for Development Incentives.
- g. Government agencies, at all levels of government, will not be eligible for the Development Incentives under this policy. First Nation development corporations are eligible.
- h. Organizations that enter into a long-term lease (minimum 20 years) for development and/or use of a government-owned property and will be registered with the City of Dawson as the taxpayer for the leased property are eligible.
- i. Any applicant for or recipient of a Development Incentive shall not owe any taxes or other monies to the City of Dawson.

4.00 TYPES OF DEVELOPMENT INCENTIVES

4.1. Based on the number of eligibility criteria a proposal meets, there are six types of incentive that can be acquired as follows:

Type	Eligibility	Incentive
a) Vacant and/or Underdeveloped Property	• Development with a minimum construction value of \$75,000 in the Historic Townsite	• 5 years Standard Tax Grant
b) Market Rental Housing	• Minimum of four Market Rental Housing units in the Historic Townsite	• 10 years Standard Tax Grant
c) Supportive Housing	• Minimum of four Supportive Housing units located anywhere within the municipality	• 10 years Standard Tax Grant • Waiver of Load Capacity Charge • Waiver of Development Fees
d) Affordable Rental Housing	• Minimum of four Affordable Rental Housing units in the Historic Townsite	• 10 years Standard Tax Grant • Waiver of Load Capacity Charge • Waiver of Development Fees
e) Secondary Suite	• Secondary suite located anywhere within the municipality	• 3 years Preferred Tax Grant • Waiver of Load Capacity Charge • Waiver of Development Fees • Waiver of parking requirements for secondary suite

5.00 SPECIFIC ELIGIBILITY CRITERIA AND CONDITIONS

5.1. Secondary Suite Incentive

-
- a. To acquire a Secondary Suite Incentive the following specific criteria and conditions must be met:

- 5.1.a.1. A new secondary suite must be provided within the City of Dawson municipal boundaries.

5.2. Affordable Rental Housing Incentive

- a. To acquire an Affordable Rental Housing Incentive, the following specific eligibility criteria must be met:

- 5.2.a.1. A minimum of four new Affordable Rental Housing residential units must be provided anywhere within the fully serviced portions of the Historic Townsite;

- 5.2.a.2. Rents must be kept affordable for the entire duration of the Standard Tax Grant. Rents should be compared on an annual basis against the most recent Rent Survey issued by the Yukon Bureau of Statistics. Rents must be reduced if found to exceed median market rates, whereas owners are encouraged to maintain current rents should they be below median market rates. Recipients are to provide this information with their grant request on an annual basis.

5.3. Supportive Housing Incentive

- a. To acquire a Supportive Housing Incentive the following specific criteria and conditions must be met:

- 5.3.a.1. A minimum of four new Supportive Housing units must be provided within the City of Dawson municipal boundaries.

5.4. Market Rental Housing Incentive

- a. To acquire a Market Rental Housing Incentive the following specific criteria and conditions must be met:

- 5.4.a.1. A minimum of four new Market Rental Housing units must be provided within the City of Dawson municipal boundaries.

6.00 **PROCEDURE**

6.1. Application – To receive a Development Incentive as laid out in this policy, Developers must complete a Development Incentive Application, available from the City of Dawson.

6.2. Screening – Applications must include a preliminary development plan. Applications will not be eligible for consideration unless they are in compliance with the Official Community Plan and the Zoning Bylaw and meet the minimum eligibility criteria as listed in this policy.

6.3. Approval – The terms of Secondary Suite Incentives will be approved by the Community Development Officer. Development Incentives totaling \$100,000 or less in combined value will be approved by the Chief Administrative Officer, and all other Development Incentives will be approved by Council.

6.4. Administration – For a Preferred or Standard Tax Grant, the City will provide a grant in the

applicable amount each year until the end of the Incentive term, following an annual request from the recipient in writing. Grants will be processed after property owners have paid their taxes in full. If a property owner is in arrears of their property taxes they will no longer be eligible for the Incentive.

a. Annual requests must include the following:

- 6.4.a.1. A request for the annual grant amount;
- 6.4.a.2. A declaration confirming compliance with this policy; and
- 6.4.a.3. A list of rents demonstrating compliance with s. 5.2.a.2 of this Policy.

7.00 EXPIRATION OF DEVELOPMENT INCENTIVE

7.1. The Development Incentive Agreement may be revoked and cancelled if construction has not commenced within one year of issuance of Development Permits.

7.2. The Development Incentive Agreement may be revoked and cancelled if there are outstanding open Building Permits remaining one year after occupancy is given for the development.

POLICY TITLE:	<i>Development Incentives Policy</i>
POLICY #:	2019-02
EFFECTIVE DATE:	July XX, 2019
ADOPTED BY COUNCIL ON:	July XX, 2019, 2019
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Original signed by: