



HOUSING DEVELOPMENT GRANT POLICY

2025-02-P

Approved by Resolution No: 25-221, June 17, 2025
Amended by Resolution No. 25-354, October 21, 2025

Next Review - 2029

1.0 PURPOSE

The Town of Faro recognizes the need to increase housing stock through the development of "missing middle housing" such as living suites, garden suites, and multi-unit housing. To facilitate housing development and meet the housing demands of our community, the Town is introducing a grant funding program to assist residents with offsetting the cost of developing new dwelling units within the municipal boundary, without needing to wait for new land to become available.

2.0 POLICY STATEMENT

The Development Grant program aims to incentivize property owners to build living suites, garden suites, duplexes, multiple housing units and single-family dwellings in Faro by providing financial assistance for eligible development projects. The goal of this policy is to support housing development while increasing housing diversity and stock within the Town. This policy outlines the criteria, incentives, and guidelines for accessing this grant funding.

3.0 DEFINITIONS

Development Grant: Financial assistance provided by the Town of Faro to support property owners in the construction of missing middle housing units, which include living suites, garden suites, and multi-unit housing.

Garden Suite: as defined by the Town of Faro Zoning Bylaw.

Living Suite: as defined by the Town of Faro Zoning Bylaw.

Lottery: A randomized selection process used to allocate Development Grant funds among eligible applicants who have met the necessary application criteria.

Missing Middle Housing: means diverse housing types, such as living suites, garden suites, duplexes and multi-unit housing, that can help meet the growing demand for affordable housing in urban areas.

Multi-Unit Housing: means duplexes, and multiple housing, as they are defined by the Town of Faro Zoning Bylaw.

Single Family Dwelling: a single detached dwelling as defined by the Town of Faro Zoning Bylaw.

Town: means the Town of Faro.

4.0 DEVELOPMENT GRANTS

4.0.1 Suite development

- Eligible property owners may receive a Development Grant of up to \$30,000 per suite, for the construction of a living suite, garden suite, or both where the Town's Zoning Bylaw permits.

4.0.2 Multi-Unit Housing development

- Eligible property owners may receive a Development Grant of up to \$30,000 per unit, for the construction of multi-unit housing, to a maximum of \$90,000.

4.0.3 Single Family Dwelling development

- Eligible property owners may receive a Development Grant of up to \$30,000 to construct a new single-family dwelling.

5.0 ELIGIBILITY CRITERIA

5.0.1 The property must be located within the municipal boundary of the Town of Faro.

5.0.2 Applicants must own the property on which the housing development is to be constructed.

5.0.3 If the applicant is in an Agreement for Sale with the Yukon Government for a vacant lot, they may also be eligible for the grant.

5.0.4 The property and proposed development(s) must comply with the Town's Official Community Plan, Zoning Bylaw and the National Building Code.

5.0.5 Property taxes for the property must be paid and the property must be in good standing.

6.0 GUIDELINES AND PROCEDURES

6.0.1 **Application Process:** To receive a Development Grant as laid out in this policy, property owners must fill out the application form, identify the Development Grant stream(s) they are applying for, provide an approved development permit for the intended use of the funding, provide estimated costs for the project and attach all necessary documentation.

6.0.2 **Review and Lottery:** Applications will be reviewed and approved for entry into the Development Grant lottery which will be completed by a third party. If there are more applications than funding available, a lottery draw will take place. If there is more funding available than applications received, all applications will be approved, and the remaining funding will be utilized to offer another round of applications. The Town will attempt to notify all applicants of the outcome of their application within 2 business days of the lottery closing. Successful applicants will have 10 business days to notify the Town of their intention to accept the grant. If the funds are turned down or that time has elapsed without communication from the applicant, the Town will then offer the grant to subsequent applicant(s) on the waitlist.

6.0.3 **Disbursement of Funds:** Development Grant funds will be disbursed in two installments: 75% of the grant once half of the construction has been completed, and the remaining 25% once construction has been completed all required final inspection reports confirm compliance with governing codes and legislation. All Development Grant cheques will be made payable to the applicant.

7.0 IMPLEMENTATION OF POLICY

7.0.1 Development Grant applications must be accompanied by an approved development permit for the proposed development of which the funding is being requested, along with other supporting information as requested in the application.

7.0.2 Applications for the Development Grant will be accepted for projects that were started after the Housing Accelerator Fund application date of January 01, 2025. The project start date will be determined by the issuance of the development permit to undertake the project.

7.0.3 Any developments for which funding is provided must be completed by December 1st, 2027, which is the end date of the CMHC Housing Accelerator Fund. Developments only partially completed prior to the deadline may be eligible for prorated funding.

7.0.4 Applications must comply with the Towns' Official Community Plan, Zoning Bylaw, policies and other bylaws.

7.0.5 A Development Grant for multiple suites on a single lot may be approved per suite, where permitted by the Town's Zoning Bylaw.

7.0.6 A Development Grant for a single-family dwelling and a secondary suite is permitted under this policy.

- 7.0.7 To receive the first disbursement of funds, the applicant must provide a cost breakdown, pictures, and list of work completed to show that half of the work has been completed.
- 7.0.8 To receive the last disbursement of funds, the application must provide a final cost breakdown, pictures and a list of the work completed. Final inspections reports will be required.
- 7.0.9 If a development or building permit is revoked, cancelled, voided or amended to be outside of the eligibility criteria, the Development Grant will be considered invalid. A new application may be resubmitted in such cases.
- 7.0.10 All applicants will sign a declaration that the unit(s) they are constructing with the Development Grant are not intended to be used for short-term rentals.
- 7.0.11 The Development Grant will cover up to 100% of actual, eligible costs, to the maximum amount prescribed for each grant stream.
- 7.0.12 The Development Grant cannot be used for the renovation of an existing unit, nor for landscaping or other improvements not directly related to the creation of a new unit(s).
- 7.0.13 Labour costs for work completed by the homeowner are not eligible for reimbursement.
- 7.0.14 Receiving a Development Grant under this policy does not preclude an applicant from applying for and receiving different grants, subsidies or loans provided by the Town or other organizations.

8.0 LOTTERY PROCESS

- 8.0.1 Once an application is deemed complete and is accepted by the Town of Faro, as described in section 9.0.4, the Applicant will be entered into a lottery to receive project funding.
- 8.0.2 The funding allocated for this project is \$360,000. If the amount requested through approved applications does not exceed \$360,000 by the time of the lottery, the Town of Faro reserves the right to disburse funding to approved applicants without a lottery process.

9.0 GENERAL INFORMATION

- 9.0.1 Applications can be obtained by the Town of Faro by email at housing@faroyukon.ca, in person at the Town Office located at 200 Campbell Street, Faro, or on the Town website at www.faro.ca.
- 9.0.2 Completed application forms are to be returned to the Town of Faro in

person, by email to housing@faroyukon.ca or by regular mail.

9.0.3 Questions about the application can be directed to Graham White, Project Manager, graham@elevatoryukon.com.

9.0.4 An application for is considered complete when the following documents and requirements have been met:

- A completed and signed Development Grant application form.
- An approved Development Permit issued by the Town of Faro.
- Other supporting documents and information as requested in the Development Grant application.

9.0.5 Upon approval the applicant will be notified and forwarded a copy of the application and approval conditions.

10.0 TERM OF AGREEMENT

10.0.1 The term of a Development Grant agreement cannot exceed December 1st, 2027.

10.0.2 Terms of the agreement will be reviewed on a yearly basis. Should no action be taken toward fulfilling the agreement by the applicant (e.g., no development activity), the Town of Faro reserves the right to revoke the agreement with written notice.