Town of Watson Lake

Watson Lake Suite Upgrade and Renovation Grant Policy

#2026-02

1.0 PURPOSE

The Town of Watson Lake recognizes the need to renovate existing, older suites and to bring non-legal suites into conformance with existing planning and building code. The Watson Lake Housing Needs Assessment conducted in 2020 identified that Watson Lake has a significant number of aging houses and that renovation and upgrades are required. Due to this work coupled with the identified shortfall of 1- to 2-bedroom units for rental, this grant policy will assist properties owners of these units to get them back to market to increase the supply of these units. As noted in Watson Lake's Official Community Plan, improving the quality of housing stock is very important to residents and there is a long-term goal to replace substandard housing. This policy aims to achieve this by providing an incentive for existing rental suites to be upgraded to legal units and/or renovating legal suites that are currently substandard.

2.0 POLICY STATEMENT

The Suite Renovation Grant aims to increase the availability of rental suites by upgrading non-legal suites to legal status and renovating existing, substandard legal suites to bring back them back to the rental market. The goal of this policy is to have upgraded suites re-enter the rental market, increasing and diversifying the housing supply in Watson Lake.

3.0 OCP CONTEXT STATEMENT

This policy aligns with several objectives and policies from the OCP, in that it will encourage development of underutilized properties through financial incentives and prioritize development which will increase infrastructure efficiency. As noted in the OCP action items, this policy will support the development of a municipal program for beautification along the community gateways. The adoption of this policy will provide funding to property owners to enable them to help meet the above noted goals and objectives of the OCP.

4.0 DEFINITIONS

Suite Renovation Grant: Financial assistance provided by the Town of Watson Lake to support property owners to make suites legal and upgrade existing living suites to re-enter the rental market.
Dwelling Unit: as defined by the Town of Watson Lake Zoning Bylaw, and fully serviced with water, sewer and electric.
Lottery: a randomized selection process used to allocate grant funds among eligible applicants who have met the necessary application criteria.
Suite: means a garden or living suite, as defined by the Town of Watson Lake Zoning Bylaw.
Legal Suite: means a suite which was created in compliance with the National Building Code of Canada and the Town's Zoning Bylaw, and with the required building and development permits.

Non-legal Suite: means a suite which was created without appropriate building permits and/or development permits. Commonly referred to as in-law or granny suite.
Project Completion: determined by the Town when applicants have submitted final documentation showing the completion of the project. This documentation will include: list of work completed; cost breakdown of work; photographs of work; and final inspections for building permits, along with a final occupancy permit being issued by Yukon government's Building Safety and Standards Branch.
Town: means the Town of Watson Lake.

5.0 ELIGIBLE PROJECTS

5.0.1 Non-legal suite

- Eligible property owners may receive a Development Grant of up to $20,000 to upgrade an existing suite to a legal suite.

5.0.2 Legal suite

- Eligible property owners may receive a Development Grant of up to $20,000 to renovate a legal suite to bring it back to market for rental.

6.0 ELIGIBILITY CRITERIA

6.0.1 The property must be located within the municipal boundary of the Town of Watson Lake.

6.0.2 Applicants must own the property.

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

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

7.0 GUIDELINES AND PROCEDURES

7.0.1 **Application Process**: To receive a Grant as laid out in this policy, property owners must fill out the application form, provide an approved development permit for the intended use of the funding and attach all necessary documentation.

7.0.2 **Review and Lottery**: All applications will be reviewed and approved for entry into the Grant lottery by a third party. The lottery draw will take place early 2026. The Town will attempt to notify applicants of the outcome of their applications 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 application, the Town will then offer the grant to subsequent applicant(s) on the waitlist.

7.0.3 **Disbursement of Funds**: Grant funds will be disbursed in two installments: 75% of the grant once half of the work has been completed, as determined by the Town and at the discretion of the CAO, and the remaining 25% once work has been completed, with all required final inspection reports confirming compliance with governing codes and legislation. All grant cheques will be made payable to the applicant.

8.0 IMPLEMENTATION OF POLICY

8.0.1 Suite Renovation Grant applications must be accompanied by either an approved development permit for the proposed upgrade to a legal suite or the approved development and building permits when the legal suite was created, along with the other supporting information as requested in the application.

8.0.2 Applications for the Suite Renovation Grant will be accepted for projects that were started after the Housing Accelerator Fund application date of January 01, 2024. The project start date will be determined by the issuance of the development permit to undertake the project.

8.0.3 Any developments for which funding is provided for must be completed by December 1st, 2026, 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.

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

8.0.5 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.

8.0.6 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.

8.0.7 For further clarity, the information provided by applicants in Sections 8.0.5 and 8.0.6 will be used by the Town to determine if the development has reached the half complete or fully complete milestones. Applicants are encouraged to meet with the Town to understand what these development milestones will be for their specific project.

8.0.8 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.

8.0.9 All applicants will sign a declaration that the unit(s) they are constructing with the Suite Renovation Grant are not intended to be used for short term rentals.

8.0.10 Suites provided funding under this grant must be rented within 12 months the project completion, which will determined by the date of the final occupancy permit.

8.0.11 If an eligible project involves a suite that is, at the time of application, occupied and rented then the landlord(s) must provide written confirmation of how the work will proceed in compliance with applicable bylaws, legislation and rights of their renter(s), along with any approvals or agreements as required.

8.0.12 The Suite Renovation Grant will cover up to 100% of actual, eligible costs, to the maximum amount prescribed in this policy. These costs can also include structural improvements and design/feasibility studies.

8.0.13 The Suite Renovation Grant cannot be used for landscaping or other improvements not directly related to the upgrading or renovation of the dwelling unit.

8.0.14 Labour costs for work completed by the homeowner are not eligible for reimbursement.

8.0.15 Receiving a Suite Renovation 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, except for stacking with the Town's Housing Development Grant, nor Residential Conversion Grant.

9.0 LOTTERY PROCESS

9.0.1 Once an application is deemed complete and is accepted by the Town of Watson Lake, as described in section 11.0.4, the Applicant will be entered into a lottery to receive project funding.

9.0.2 The funding allocated for this project is $80,000. If the amount requested through approved applications does not exceed $80,000 by the time of the lottery, the Town of Watson Lake reserves the right to disburse funding to approved applicants without a lottery process.

9.0.3 Any remaining funding from the allocated amount described in Section 9.0.2 may be used by the Town as outlined in Section 10, used to support additional projects under the Housing Development Grant Policy, or a combination of the two, of which will be at the discretion of the Town.

10.0 PROGRAM MONITOR AND REVIEW

This policy will be monitored and evaluated regularly by the Town administration. Adjustments to the Grant amounts, eligibility criteria, and program goals may be made based on feedback from stakeholders, funding availability, and community needs.

11.0 GENERAL INFORMATION

11.0.1 Applications can be obtained by the Town of Watson Lake by email at housing@watsonlake.ca, in person at the Town Office located at 710 Adela Trail, Watson Lake, or on the Town website at www.watsonlake.ca.

11.0.2 Completed application forms are to be returned to the Town of Watson Lake in person, by email to housing@watsonlake.ca, or by regular mail.

11.0.3 Questions about the application can be directed to the housing@watsonlake.ca email.

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

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

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

12.0 TERM OF AGREEMENT

12.0.1 Successful applicants and the Town will enter into a Development Agreement which will form the terms of the grant funding.

12.0.2 The Grant Development Agreement will set out timelines, being:

a) Project completion cannot exceed December 1st, 2026, as stated in Section 8.0.3,

b) The Grant Agreement will extend to 12 months after the project completion to ensure that the requirement of Section 8.0.10 is met, and

c) Despite Subsection a), the Grant Development Agreement may be amended and extended on a case-by-case basis based upon the continued availability of funding under HAF, the status of the project and at the discretion of the Town

12.0.3 For instances subject to Section 8.0.11, the Development Agreement will set out conditions and limitations on rental rates after project completion, as well as other conditions deemed necessary for the Town to ensure project completion and consider impacts to the tenant(s).

12.0.4 Terms of the agreement will be reviewed on a yearly basis and/or by the term agreement. Should no action be taken toward fulfilling the agreement by the applicant (e.g., no development activity), or should the project differ significantly from what was proposed by the applicant or intended through this policy, the Town of Watson Lake reserves the right to revoke the agreement with written notice.

POLICY TITLE: Watson Lake Suite Upgrade and Renovation Grant Policy

POLICY #: 2026-02

ADOPTED BY COUNCIL ON: 2026-03-24

RESOLUTION #: 026-06-044

Lauren Hanchar – Mayor

Tiffany Lund – Municipal Clerk