

REPORT

Planning and Development

To: Mayor Johnstone and Members of Council
Date: August 26, 2024

From: Rupinder Basi, Acting Director
Planning and Development
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Item #: 2024-488

Subject: Provincial Housing Target Order for New Westminster

RECOMMENDATION

THAT Council receive this report for information.

PURPOSE

To provide Council with the Province's Housing Target Order for New Westminster, outlining total net new units to be completed, guidelines on unit distribution, and progress reporting details.

SUMMARY

Under the Housing Supply Act, the Province issued a Housing Target Order for New Westminster on July 30, 2024. The Order states that the City is required to build **4,432 net new units** over five years. The target is 75% of the Province's estimated housing need for the City. In addition to the target, the Province has also issued housing guidelines regarding units by size, tenure and affordability. While not a requirement, the Province is encouraging the City to strive toward meeting these unit distribution guidelines.

The Province will measure progress by the annual net new housing units constructed, as well as other actions taken by the City toward meeting the target (e.g. adoption of other initiatives toward meeting the targets).

The City anticipates having enough capacity in the Zoning Bylaw to meet the housing targets. The City’s Official Community Plan (OCP) will be updated to align with new Transit Oriented Development Area and Small Scale Multi-Unit Housing legislation, which will further ensure there is capacity to enable the required growth. However, the City may be unable to meet the housing targets because development is mostly driven by market conditions (e.g. construction costs, lending rates), which are outside of the City’s control.

BACKGROUND

Housing Supply Act

The [Housing Supply Act](#) came into effect in Spring 2023, which enabled the Province to set and order housing targets for municipalities in British Columbia. These housing targets are one of the legislative changes brought in by the Province with the goal of addressing the housing crisis.

Under the Act, the Province issued a Housing Target Order for New Westminster on July 30, 2024 (Attachment 1).

Housing Target Order

The Housing Target Order for New Westminster states that the City is required to build **4,432 net new units** over five years from August 1, 2024 to July 31, 2029. The target is 75% of the total estimated housing need based on the Province’s methodology for estimating existing unmet and anticipated housing need. The Province encourages the City to try to meet 100% of the total estimated housing need (5,909 net new units) over the duration of the Order.

The target will be measured using an annual cumulative number for each Progress Reporting Period:

Year 1	Year 2	Year 3	Year 4	Year 5
656	1,388	2,236	3,238	4,432

In addition to the targets, the Province has also issued guidelines for how units should be distributed based on number of bedrooms, rental, below market, and supportive units:

Unit Category		Guideline
TOTAL UNITS		4,432
Units by Size	Studio/One Bedroom*	2,423* (One Bedroom Minimum: 909)
	Two Bedroom	832
	Three or More Bedrooms	1,176
Units by Tenure	Rental	2,298
	Owned	2,133
Rental Units by Affordability	Market	1,109
	Below-Market	1,189
Below-Market Rental Units	With On-Site Supports	63

DISCUSSION

Capacity to Meet Housing Target Order

The City anticipates having enough capacity in the current Zoning Bylaw to meet the housing targets. Council consistently approves rezoning applications (including market/affordable rental and supportive projects) to support housing choices in New Westminster. The City’s OCP will be updated to align with new Transit Oriented Development Area and Small Scale Multi-Unit Housing legislation, which will further ensure there is capacity to enable the required growth.

The City may be unable to meet the housing targets because it is mostly not within the City’s control whether or not development happens. For example:

- While the City anticipates having enough capacity, a number of factors must also have favourable conditions in order for development to proceed including: construction costs, skilled trades costs/ availability, market value, and level of risk. The Metro Vancouver region is currently experiencing a slowdown in development due to unfavourable conditions in these areas.
- The Province’s target is set for the number of occupancy permits issued. In the last three years, the development industry built fewer units than the City approved. For example, the City issued occupancy permits for an average of 350 net new units per year in the last three years (2021 to 2023). In the same period, the City issued building permits for an average of 670 new units per year, and development approvals for an average of 620 new units per year.

As of June 2024, approximately 6,000 new residential units are currently underway (i.e. under construction, approved but not yet under construction, or under planning review).

To meet the Provincial target, nearly all of these units would need to achieve occupancy within the Order's 5-year window. However, units generally take 1.5 to 4 years to be constructed. Considering the issues outlined above, it is unlikely all 6,000 units will be completed and occupancy permits issued within the required timeframe.

Impacts on the City's Long Range Planning

The Housing Target Order, along with overall Provincial changes to housing legislation, provides more opportunities for growth and enabling a more dispersed population and housing supply than previously planned for by the City, which impacts planning for infrastructure (sewer, water, transportation, electrical) and services (parks, fire halls, libraries). As a result, asset management and strategic plans will need to be updated with consideration for these new growth areas. This also affects projects funded by senior government (e.g. schools, transit, child care).

Housing Target Order Communications

To provide information about the new housing legislation and the City's approach to implementation, a new webpage dedicated to [New Provincial Legislation](#) has been created on the City's website. Details about the Housing Target Order for New Westminster have been added to this page, along with Frequently Asked Questions (FAQs). Staff will update the webpage to reflect additional FAQs. Reporting required by the housing order will also be posted on the webpage.

NEXT STEPS

The City is required to provide an annual progress report, as well as a six-month interim report in the first year. Progress will be measured by:

- The annual cumulative housing target, measured as the difference between the total number of occupancy permits issued and total number of demolitions; and,
- Other actions taken by the City toward meeting the target, such as: updating planning documents to align with housing targets, adoption of other policies/initiatives toward meeting the targets, and other approvals (i.e. rezoning approvals, building permits issued) that will meet the targets.

INTERDEPARTMENTAL LIAISON

Several departments will be involved in facilitating the delivery of the housing units required by the housing target.

OPTIONS

The following options are available for Council's consideration:

1. That Council receive this report for information.
2. That Council provide staff with alternative direction.

Staff recommend Option 1.

ATTACHMENTS

Attachment 1: Housing Target Order for the City of New Westminster

APPROVALS

This report was prepared by:
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This report was reviewed by:
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