

# REPORT Planning and Development

**To**: Mayor Johnstone and Members of **Date**: March 10, 2025

Council

From: Jackie Teed, File: 13.2610.01

Director, Planning and Development (DOC #2634169)

**Item #**: 2025-79

**Subject:** Provincial Housing Target Order – Six Month Interim Progress Report

### **RECOMMENDATIONS**

THAT the Housing Target Order Six Month Interim Progress Report, as contained in Attachment 1: Housing Target Order Six Month Interim Progress Report be received for information

#### **PURPOSE**

To provide Council with the Housing Target Order Six Month Interim Progress Report for New Westminster for the period between August 1, 2024 and January 31, 2025, as per Section 4 of the Housing Supply Act.

## <u>SUMMARY</u>

In July 2024, the Province issued a Housing Target Order for New Westminster which requires 4,432 net new units to be completed in the city over five years (from August 1, 2024 to July 31, 2029). The Year One housing target for New Westminster is 656 new units. During the six month interim reporting period, from August 1, 2024 to January 31, 2025, there have been **702 net new housing units completed in the city**. This exceeds the Year One target by 46 units. To meet the City's five year housing target, an additional 3,730 net new units are required by 2029. To satisfy Housing Target Order requirements, Council must receive the interim progress report included in Attachment 1 within 45 days of the specified reporting period.

While the City has met its Year One housing target, this achievement is a result of long-term efforts initiated long before the Housing Target Order took effect. The City will continue to strive to meet the targets, however, the completion of new units relies on developer timelines, which are in turn largely driven by market conditions. As such, completion of projects is largely outside of the City's control and projects may not reach occupancy within the Housing Target Order timeframe, despite every effort taken by the City.

### **BACKGROUND**

In July 2024, the Province issued a Housing Target Order for New Westminster. The Order is one of the legislative changes implemented by the Province through the <u>Housing Supply Act</u> with the goal of addressing the housing crisis.

The total of 4,432 net new units are required to be built in New Westminster over five years from August 1, 2024 to July 31, 2029. Net new units are calculated as completions (occupancy permits issued) minus demolitions. The target is 75% of the total estimated housing need based on the Province's methodology for determining the Target Order; but, the Province encourages the City to meet 100% of the total estimated housing need (5,909 net new units).

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). Progress will be measured against an annual cumulative number for each Progress Reporting Period:

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

In order to satisfy the requirements set out in the Housing Supply Act, Council must receive an interim report within 45 days of the specified reporting period end date. Council receiving the interim progress report included in Attachment 1 will fulfil this requirement.

In addition, the Province issued guidelines for how units should be distributed based on number of bedrooms, rental, below market, and supportive units.

Unit Category		Guideline	Percent of Total (%)	
TOTAL UNITS		4,432		
Units by Size	Studio/	2,423	55%	
	One Bedroom	(One Bedroom		
		Minimum: 909)		
	Two Bedroom	832	19%	
	Three or More	1,176	26%	
	Bedrooms	1,170		
Units by Tenure	Rental	2,298	52%	

	Owned	2,133	48%	
Rental Units by	Market 1,109		48%	
Affordability	Below-Market	1,189	52%	
Below-Market Rental	With On-Site	63	1%	
Units	Supports	03		

## **ANALYSIS**

## **Progress Toward Year One Target**

The Year One housing target for New Westminster is 656 new units. During the six month interim reporting period, from August 1, 2024 to January 31, 2025, there have been **702 net new housing units completed in the city**. This exceeds the Year One target by 46 units, which will count toward the City's Year Two target. To meet the City's five-year housing target, an additional 3,730 net new units are required by 2029.

**Table 1: Net New Units (August 1, 2024 - January 31, 2025)** 

	Provincial Housing Order Year One Target	Housing Completions (Reporting Period)	Demolitions (Reporting Period)	Net New Units (Reporting Period)	Net New Units (Since Order Effective Date)
Total Housing Units	656	712	10	702	702

During this reporting period, almost all new housing units were owned units (678 or 95%). The majority of new housing units were two-bedrooms (444 or 62%) and 95 units (13%) comprised 3 or 4+ bedrooms. This exceeds the updated total requirement for family friendly units (40%) in an ownership project but is 2% short of the updated three bedroom requirement (15%). The Family Friendly Policy, updated in November 2024, included the increase in the requirements for total family friendly units and for the proportion of three plus bedroom units, demonstrating an ongoing commitment to meeting family housing needs.

While no new units were below-market in the reporting period, the City recently issued a building permit for 52 supportive housing units at 602 Agnes Street, which received zoning approval in February 2022. The City actively advocates for and supports affordable housing projects but continues to remain reliant on partnerships and secured funding from Provincial and Federal agencies to realize these. Without increased funding from senior levels of government, it is expected that the gap between the demand and supply of affordable housing units will continue to grow.

Table 2: Housing Units by Category and Type (August 1, 2024 - January 31, 2025)

Housing Completions	<b>Demolitions</b> (Reporting	Net New Units	Net New Units (Since Order
	Period)		Effective Date)

	(Repo	_		(Reporting Period)		
Units by Size						
Studio	2	(0.3%)	0	2	2	(0.3%)
One Bedroom	171	(24%)	3	168	168	(24%)
Two Bedroom	444	(62%)	2	442	442	(63%)
Three Bedroom	73	(10%)	1	72	72	(10%)
Four Plus Bedroom	22	(3%)	4	18	18	(3%)
Units by Tenure						
Total Rental Units	34	(5%)	2	32	32	(5%)
Purpose Built	1		0	1	1	
Secondary Suite	18		2	16	16	
Accessory Dwelling	15		0	15	15	
Со-ор	0		0	0	0	
Total Owned Units	678	(95%)	8	670	670	(95%)
Units by Affordability						
Market	712	(100%)	10	702	702	(100%)
Below-Market	0	(0%)	0	0	0	(0%)

### **Factors Influencing Progress Toward Year Two Target**

While the City has met its Year One housing target within the first six month reporting period, this is primarily due to long-term efforts that were initiated well before the Housing Target Order took effect. Of the total new units completed, 652 (92%) are within the two Pier West towers (660 Quayside Drive). This is a large and unique project that received zoning approval in November 2014 and has been under construction from that time until occupancy in 2025.

Since the effective date of the Housing Target Order, no applications were withdrawn or not approved, and the City approved a total of 420 new units for development, including 141 below market units (via 4 rezoning, 10 development permit, and 28 building permit applications). The completion of these new units relies on developer timelines, which are in turn largely driven by market conditions.

The City will continue to monitor approvals and work to approve as many units as possible to enable completions. However, as completion of units is largely outside of the City's control, there is no guarantee that units will be completed within the timeframes required by the Housing Target Order, despite every effort taken by the City.

## **Actions Taken by the City to Achieve the Housing Target**

The City has been proactively working on various housing initiatives which have been completed during the reporting period including the Family Friendly Housing Policy update, 22nd Station Area Long Range Vision, Development Approval Process Review, and Affordable Housing Accelerator initiative.

The City is working towards an Official Community Plan (OCP) update which will align land use designations with new provincial housing legislation direction, including Transit

Oriented Development (TOD) Areas and Small Scale Multi-Unit Housing, and other City initiatives including the Infill and Townhouse Accelerator Programs. These initiatives support the delivery of housing across the city and are part of the City's implementation of provincial legislation and delivering on commitments under the Canada Mortgage and Housing Corporation (CMHC) Housing Accelerator Fund, which is a federal program that provides funding for municipalities for addressing housing need.

#### **NEXT STEPS**

The interim report in Attachment 1 will be made publicly available on the City's website and submitted to the Province to satisfy Housing Target Order requirements. The next provincial reporting deadline is July 31, 2025, and thereafter annually until 2029.

# **INTERDEPARTMENTAL LIAISON**

The Planning and Development department is responsible for reporting on Housing Target Order progress.

## **OPTIONS**

The following options are presented for Council's consideration:

- That the Housing Target Order Six Month Interim Progress Report, as contained in Attachment 1: Housing Target Order Six Month Interim Progress Report be received for information; or
- 2. That staff be provided with alternative direction.

Staff recommend Option 1.

#### **ATTACHMENTS**

Attachment 1: Housing Target Order Six Month Interim Progress Report

#### **APPROVALS**

This report was prepared by: Stephanie Mak, Planning Assistant Jessica Glover, Senior Housing Planner

This report was reviewed by: Lynn Roxburgh, Manager of Housing and Land Use Planning Rupinder Basi, Deputy Director, Planning and Development

This report was approved by: Jackie Teed, Director, Planning and Development Lisa Spitale, Chief Administrative Officer