



BRITISH COLUMBIA

June 26, 2024

Reference: 68528

His Worship Mayor Leonard Krog
Mayor of the City of Nanaimo
455 Wallace Street
Nanaimo BC V9R 5J6
Email: leonard.krog@nanaimo.ca

Dear Mayor Krog:

Thank you for the City of Nanaimo's letter of June 14, 2024, in response to the proposed Housing Target Order (Order). I appreciate the feedback and have addressed the City's comments in this letter below.

I have attached the Order for the City of Nanaimo effective July 1, 2024 (see Appendix A). The Order sets out the total five-year housing target to be met by June 30, 2029, and annual cumulative housing targets (Schedule A), housing target performance indicators (Schedule B), and progress reporting dates (Schedule C). The Order will be published on BC Laws and must also be published on the City of Nanaimo's internet site.

I want to thank your staff for working with the provincial team throughout the consultation process and the commitment from the City of Nanaimo to address the housing crisis in your community. Strong action is required from all levels of government, and we will continue to work with municipalities to ensure provincial housing legislation is being adopted to support the delivery of more housing.

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The Province launched the \$1 billion Growing Communities Fund, providing grants to every local and regional government to deliver infrastructure projects necessary to enable growth in their communities. The Province also allocated \$51 million to support local governments in meeting new density initiatives, including updating Housing Needs Reports, Official Community Plans, and zoning and development finance bylaws. Budget 2024 provided \$198 million in funding for BC Builds to support development of housing for middle-income earners through low-interest financing, grant funding, and leveraging government-, community- and non-profit-owned and underused land. BC Housing's Community Housing Fund is also giving consideration to non-profits, co-operative and municipal housing providers, and First Nations delivering housing in municipalities issued Housing Target Orders. Together, these funding initiatives provide a foundation for municipalities to move forward with the implementation of housing targets within their communities, as well as contribute to the wider goal of addressing the housing crisis in BC.

Housing Targets

Housing targets set out in the Order reflect 75 per cent of the Province's total estimated housing need for the City of Nanaimo. This is the minimum number of net new units to be measured cumulatively each year for the five-year period of the Order. The City of Nanaimo should strive to achieve 100 per cent of the estimated housing need over the duration of the Order.

Appendix B includes the unit breakdown (size, tenure, unit affordability and supportive housing with on-site support) as interim guidance for the City of Nanaimo. I encourage the City of Nanaimo to strive toward meeting and monitoring the unit breakdown to deliver the right type of housing needed in your community. The unit breakdown is currently not required but can be reported as supplemental information.

Progress Reporting

Housing target progress reports must be received by Council resolution within 45 days after the end of each reporting period as set out in Schedule C. As soon as practicable after receiving the housing target progress report, the City of Nanaimo must submit the report to the Minister at Housing.Targets@gov.bc.ca and publish the report on its municipal website.

In addition to reporting on net new units, the City of Nanaimo must also report on information about actions taken and progress toward meeting the housing targets (see housing target performance indicators in Schedule B). If a housing target has not been met, the City of Nanaimo must also report any planned actions toward meeting the housing target within the 2-year period following the report. When assessing the City's progress towards achieving housing targets, the Province will also take into account external factors and market conditions impacting housing development.

First Nations Engagement

Municipalities have an important role to play in Reconciliation, particularly with First Nations whose territory includes your municipality and Indigenous peoples living in or near your community. I strongly encourage the City of Nanaimo to frequently and meaningfully engage with First Nations on land use planning to ensure that increased housing supply is responsive to Indigenous housing needs and does not negatively impact on culturally and environmentally sensitive lands.

I appreciate the City of Nanaimo's commitment to working toward our shared housing outcomes.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ravi Kahlon', with a stylized, cursive flourish at the end.

Ravi Kahlon
Minister of Housing

Attachments

Appendix A: Housing Target Order for the City of Nanaimo

Appendix B: Housing Unit Breakdown as Guidance for the City of Nanaimo

cc: Teri Collins, Deputy Minister, Ministry of Housing
Okenge Yuma Morisho, Deputy Minister, Ministry of Municipal Affairs
Bindi Sawchuk, Assistant Deputy Minister, Ministry of Housing
Tara Faganello, Assistant Deputy Minister, Ministry of Municipal Affairs
Dale Lindsay, Chief Administrative Officer, City of Nanaimo
Housing Targets Branch

PROVINCE OF BRITISH COLUMBIA

ORDER OF THE MINISTER OF HOUSING

Housing Supply Act

Ministerial Order No. M203

WHEREAS


- A. The minister has, prior to making this Housing Target Order, considered the information set out in section 3 (1) *Housing Supply Act*, SBC 2022, c.38, in relation to the City of Nanaimo.
- B. In accordance with section 3(2) and (3) *Housing Supply Act*, SBC 2022, c. 38, the minister has consulted with the City of Nanaimo regarding this housing target order.
- C. The minister has:
 - i. provided a description of the proposed Housing Target Order to the City of Nanaimo.
 - ii. in accordance with section 4(1), Housing Supply Regulation, B.C. Reg. 133/2023, provided the City of Nanaimo an opportunity to provide written comments to the minister.
- D. An extension to the consultation period, if any, granted by the minister to the City of Nanaimo, pursuant to section 4(2), Housing Supply Regulation, Reg. 133/2023, has elapsed.

NOW THEREFORE Pursuant to section 2, *Housing Supply Act*, SBC 2022, c. 38, the Minister of Housing orders as follows:

- 1. A housing target order is made for the City of Nanaimo, effective July 1, 2024 (the “**Effective Date**”).
- 2. The housing targets for the City of Nanaimo under this housing target order are set out in the attached **Schedule A** (*Housing Targets*).
- 3. The performance indicators by which progress by the City of Nanaimo toward meeting each housing target is to be assessed are described in the attached **Schedule B** (*Performance Indicators*).
- 4. This Housing Target Order begins on the Effective Date and ends on June 30, 2029 (the “**End Date**”).

June 25, 2024

Date



Minister of Housing

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Housing Supply Act*, S.B.C. 2022, c. 38, s 2

Other: Housing Supply Regulation, B.C. Reg. 133/2023

5. The City of Nanaimo must prepare and submit a housing target progress report at the intervals set out in the attached **Schedule C** (*Housing Targets Progress Reporting*).

SCHEDULE A
Housing Targets

1. The five-year housing target for the City of Nanaimo is **4,703 units** which is the total minimum number of net new completed housing units required to comply with this Provincial Housing Target Order.
2. The above housing targets reflect 75% of the total Provincial Housing Needs Estimate for the City of Nanaimo
3. For each Progress Reporting Period as set out in Schedule C, the annual cumulative number of net new housing units will be measured as follows:
 - a. Year 1: 783
 - b. Year 2: 1,618
 - c. Year 3: 2,533
 - d. Year 4: 3,552
 - e. Year 5: 4,703

SCHEDULE B
Performance Indicators

1. The performance indicators to measure annual progress toward achieving the housing target are set out in Table 1 and are based on:
 - a. Progress toward achieving the annual cumulative housing target; and
 - b. Actions taken by the municipality toward meeting the annual housing target.

Table 1 - Performance Indicators

| Category | Performance Indicator | Data to Measure |
|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual cumulative housing target | Satisfactory progress to meet annual cumulative housing target, measured by completed net new housing units. | Total number of net new housing units (completions minus demolitions) during the reporting period. |
| Actions taken by the municipality toward meeting the annual cumulative housing target | Satisfactory progress demonstrated by: <ol style="list-style-type: none"> 1. Update of land use planning documents to align with housing targets; 2. Adoption of policies and initiatives to meet housing targets; and 3. Residential approvals complete and/or in progress that met or will meet housing targets. | <ol style="list-style-type: none"> 1. Relevant information about updates to land use planning documents such as the Official Community Plan, Zoning Bylaw, Housing Needs Report, Housing Action Plan/Strategy (other documents, e.g., Strategic Plan) including date of last update, and related policies that align with achieving annual housing targets. 2. Description of new/amended bylaws and policies, innovative approaches, and pilot projects undertaken to achieve housing targets. 3. The number of applications received and permits issued in relation to residential development such as development, building and rezonings. |

SCHEDULE C
Housing Targets Progress Reporting

The City of Nanaimo must receive the progress report by resolution within 45 days of the end of the reporting period:

Reporting Period 1.1: July 1, 2024 – December 31, 2024

Reporting Period 1.2: July 1, 2024 – June 30, 2025

Reporting Period 2: July 1, 2025 – June 30, 2026

Reporting Period 3: July 1, 2026 – June 30, 2027

Reporting Period 4: July 1, 2027 - June 30, 2028

Reporting Period 5: July 1, 2028 – June 30, 2029

Progress Report Forms must be posted to the municipal website and submitted to the Minister as soon as practicable after being received.



Appendix B – Housing Unit Breakdown as Guidance for the City of Nanaimo

The following guidelines are based on 75% of the Province’s estimated housing need by unit size, tenure, rental affordability, and rental units with on-site supports. Needs are estimated over a five-year timeframe between 2024 and 2029.

| UNITS BY SIZE | GUIDELINE |
|-----------------------|-----------|
| Studio/One bedroom | 3,124 |
| Two Bedroom | 772 |
| Three or More Bedroom | 806 |

| UNITS BY TENURE | GUIDELINE |
|-----------------|-----------|
| Rental Units | 2,772 |
| Owned Units | 1,931 |

Rental units: Number of new rental units built in prescribed municipality, including purpose built rental and secondary rental (e.g. secondary suites, accessory dwellings, etc.).

| RENTAL AFFORDABILITY | GUIDELINE |
|----------------------|-----------|
| Below Market | 1,929 |
| Market | 843 |

Below Market: Number of rental units which are at or below 30% of the local Housing Income Limits (HIL) per unit size.

| SUPPORTIVE RENTAL UNITS | TOTAL |
|-------------------------|-------|
| With On-site Supports | 108 |

Supportive rental units with On-Site Supports: Number of below-market rental units with on-site supports to provide permanent housing for people to transition out of homelessness.