

AGENDA ITEM NO: _____

MEETING DATE: February 11, 2025

STAFF REPORT – COVER SHEET

SUBJECT: Provincial Housing Target Order –
Year 1 Interim Progress Report DATE: February 4, 2025

DEPARTMENT: Planning PREPARED BY: Stella Xiao

1. SUMMARY OF ISSUE:

Chilliwack was issued a Provincial Housing Target Order effective July 1, 2024, which requires 4,594 net new residential units to be completed over the next five years. Annual progress reports are required as part of the Order for tracking and monitoring the City's performance, with the first year also requiring an interim progress report after 6 months. The Year 1 Interim Progress Report has been completed and demonstrates the City is on track by providing 483 units (73%) of its Year 1 target of 659 units. The reported housing units are the result of the City's standard development processes and are not the result of Provincial mandates such as the *Housing Supply Act* or Small-Scale Multi-Unit Housing zoning changes.

2. RECOMMENDATION:

That Council receives the report on "Year 1 Interim Housing Targets Progress", dated February 11, 2025, for information. (Presentation)

Gillian Villeneuve
Director of Planning

**3. CHIEF ADMINISTRATIVE OFFICER'S
RECOMMENDATION/COMMENTS:**

Supports recommendation.

David Blain
Chief Administrative Officer

STAFF REPORT ON PROVINCIAL HOUSING TARGET ORDER – YEAR 1 INTERIM PROGRESS REPORT

PREPARED BY: Stella Xiao DATE: February 4, 2025

POSITION: Planner III – Long Range DEPARTMENT: Planning

1. BACKGROUND

Under the *Housing Supply Act* enacted in November 2022, the Province of British Columbia issued housing target orders requiring identified municipalities to achieve a specific number of net new housing units within a 5-year period, in an effort to increase housing supply. If a municipality is unable to meet their targets, the *Housing Supply Act* gives the Province certain powers over the municipality to enable new housing to be built.

The City of Chilliwack was listed in the second cohort of municipalities receiving a Housing Target Order (Order), which came into effect on July 1, 2024 (Attachment A). The Order requires that the City completes 4,594 residential units by June 30, 2029, with increasing year-over-year targets during the 5-year period (Table 1).

Table 1: Summary of Housing Target and Reporting Periods for Chilliwack

	Reporting Period	Net New Units	Cumulative Target
Year 1 Interim	July 1, 2024 – December 31, 2024	N/A	
Year 1	July 1, 2024 – June 30, 2025	+659	659
Year 2	July 1, 2025 – June 30, 2026	+745	1,404
Year 3	July 1, 2026 – June 30, 2027	+876	2,280
Year 4	July 1, 2027 - June 30, 2028	+1,049	3,329
Year 5	July 1, 2028 – June 30, 2029	+1,265	4,594

When reporting on progress to achieve the Order, the City is required to use a standardized form. Progress reports must be received by Council within 45 days of the end of each reporting period. The Year 1 interim progress report must be received before February 14, 2025, submitted to the Minister of Housing, and made available to the public on the City's website.

2. CHILLIWACK CONTEXT

There are 14 First Nations reserves within City boundaries that form an integral part of the community and contribute hundreds of housing units to non-Indigenous residents annually. The City works with First Nations to facilitate future development on their land in terms of traffic management, servicing, utility system capacity, and amenities. Through this partnership, housing development on First Nations land is possible at current levels.

Over the past 5 years (2020-2024), just over 1/3 of new housing units for Chilliwack residents have been constructed on First Nations land (the majority in Ch'íyáqtel [Tzeachten] and Shxwhá:y Village). Including development on neighbouring First Nations lands within the City's reporting facilitates a holistic analysis of housing supply in the Chilliwack area. When combined with residential development on First Nations land, housing units have been developed at a rate greater than the Provincial housing target over the past 5 years (Table 2). The combined approach to tracking residential development has also been applied to the Year 1 Interim Progress Report described in the following section.

Table 2: Historic Housing Units for Chilliwack and Local First Nations

Year	Housing Units		
	City land	First Nations land	Total
2020	700	305	1,005
2021	802	351	1,153
2022	743	330	1,073
2023	479	534	1,013
2024	628	302	930
5-year total	3,352	1,822	5,174
Average	670	364	1,035

3. YEAR 1 INTERIM PROGRESS REPORT

The Year 1 Interim Progress Report (Attachment B) tracks the housing units completed in Chilliwack between July 1 to December 31, 2024. Key sections of the report are highlighted below.

3.1 Net New Housing Units

Table 3 outlines the number of net new units created, accounting for both completions and demolitions. Although housing units on First Nations land are not tracked or approved through the City's building permit statistics, the count is estimated from the City's Development Cost Charge data and includes completed and under construction units during the reporting period.

Table 3: Net New Housing Units (July 1, 2024 – December 31, 2024)

	Housing Units		
	Completions	Demolitions	Net New Units
City Land	362	30	332
First Nations Land	N/A		151
Combined	N/A		483

3.2 Approved and Under Review Housing Units

Many factors determine how long a development process takes from the initial rezoning application, through construction, to final building occupancy. Several steps in the development process can be used to estimate the number of housing units that will be constructed in the near future.

Approved Rezoning Applications, combined with issued Development Permits and Building Permits, add up to 504 housing units during the Year 1 Interim Progress Reporting period (Table 4). These housing units are proceeding through the development process and will be preparing for construction in the short term, or are currently under construction.

Table 4: Housing Units from Approved Applications (as of December 31, 2024)

	Approved Housing Units
Rezoning	56
Development Permit	282
Building Permit	166
Total	504

Development Permits and Building Permits that were under review by the City during the Year 1 Interim reporting period add up to 3,190 housing units (Table 5). If issued, these permits would allow additional units to be developed in the future (Building Permits that were issued prior to the Year 1 Interim Progress Report period, and not included in Table 4 above, were also included in this figure).

Table 5: Housing Units from Under Review Permits (as of December 31, 2024)

	Under Review Housing Units
Development Permit	2,240
Building Permit	450
Building Permit (issued before Y1 Interim Report period)	500
Total	3,190

3.3 Additional Information

The Year 1 Interim Progress Report includes supplementary information such as a breakdown of new housing units by type and actions taken by the City to increase its housing supply over the current reporting period. Some highlights include:

- Almost all new units from the Year 1 Interim reporting period were owned (as opposed to being rental units).
- The City expedited the development application review process for three affordable housing projects totaling 188 units, and supported one of those projects through fee waivers totaling \$1.2 million.

4. DISCUSSION

4.1 Year 1 Target Progress

The City is on track to achieve its Year 1 target of 659 net new housing units by providing 483 units as of December 31, 2024. This includes the combined housing units on City land (332) and First Nations land (151), and equals 73% of the Year 1 target. All of these housing units were issued permits and under construction before the Province issued their Order, and their completion is a result of business-as-usual City and First Nations approval processes.

4.2 Overall Target Progress

Table 6 demonstrates that combining the total number of units from all stages of the development process (completed, approved, and under review) results in a total of 4,177 housing units. This total exceeds the Year 4 cumulative housing target (3,329 units), and does not include future housing units completed on First Nations lands.

Table 6: Summary of Housing Target Progress (Year 1 Interim Reporting Period)

	# of Housing Units
Completed	483 (151 First Nations)
Approved	504
Under Review	3,190
Total	4,177

When the City received the Order in June 2024, staff estimated it would be challenging to meet the 5-year target of 4,594 housing units by relying solely on housing units developed on municipal land. With refined data collection (described below) the volume of housing development under review by the City is clearer, and it is possible the City could meet the 5-year target through housing development on municipal land only, should all development proposals proceed. In order to provide a holistic analysis of housing supply in Chilliwack, and account for the City’s partnerships with local First Nations, housing developed on First Nations land will continue to be counted.

4.3 City Impacts

Staff note that fulfilling Provincial reporting requirements for the Housing Target Order resulted in significant staff time and effort to collect housing unit data, revise workflow processes, and update internal application tracking tools. This increased work load crossed multiple departments and included hiring a consultant to implement database and system modifications.

The tracking of additional data was done to provide the level of detail in the Provincial Interim Progress Report template, including units by size, tenure, and affordability, and supported by development application tracking. While the Order does not mandate units of different sizes or tenures at this time, the Province issued non-mandatory guidance on the breakdown of unit types to address varying types of housing needs within the City (Attachment C). As Provincial oversight is now taking place in municipal housing approvals, it is possible this “guidance” may be incorporated in future changes to the Order, or new housing mandates.

5. NEXT STEPS:

The Year 1 Interim Progress Report will be submitted to the Minister of Housing and published to the City website following Council's receipt of the report.

Staff will continue to track application records and permit data for upcoming reporting periods. Ongoing business process improvements will continue to enable more efficient tracking and reporting. In addition, the City continues to implement policies and initiatives to support creating more housing in a variety of forms, tenures, and levels of affordability.

The Housing Targets report detailing progress for all of Year 1 (July 1, 2024 and June 30, 2025) must be received by Council before August 14, 2025, and staff will provide the report to Council before that date.

6. RECOMMENDATION & SUBSTANTIATION**Recommendation:**

That Council receives the report on "Year 1 Interim Housing Targets Progress", dated February 11, 2025, for information. (Presentation)

Substantiation:

Chilliwack is on track to meet its Provincial Housing Target Order as demonstrated in historical building permit issuance rates and the Interim Progress Report. The reported housing units are the result of the City's standard development processes and are not the result of Provincial mandates such as the *Housing Supply Act* or Small-Scale Multi-Unit Housing zoning changes. Continual improvements in business processes and upcoming implementation of current projects will enable an even greater number of housing to be built. The information contained within the Interim Housing Targets Progress Report meets the requirements of the Housing Targets Order, and builds a basis of comparison for future progress reports as part of fulfillment of the Order.

7. SOURCES OF INFORMATION:

Attachment A – Ministerial Housing Targets Order

Attachment B – Year 1 Interim Housing Targets Progress Report

Attachment C – Housing Unit Breakdown as Guidance for the City of Chilliwack