

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: January 27, 2025

TO: Mayor and Council

FROM: Anne Berry, Director, Planning and Development Services

SUBJECT: Housing Target Progress Report – Reporting Period 1.1 (Six-Month Update)

RECOMMENDATIONS

THAT Council:

1. Receive the January 27, 2025, Corporate Report from the Director of Planning and Development Services, titled “Housing Target Progress Report - Reporting Period 1.1 (Six-Month Update)”.
 2. Direct staff to forward “Housing Target Progress Report - Reporting Period 1.1 (Six-Month Update)” as attached as Appendix B to the January 27, 2025, Corporate Report to the Provincial Government’s Housing Targets Branch in accordance with the *Housing Supply Act*.
 3. Direct staff to publish the “Housing Target Progress Report - Reporting Period 1.1 (Six-Month Update)” attached as Appendix B to the January 27, 2025, Corporate Report on the City’s Webpage.
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EXECUTIVE SUMMARY

The purpose of this report is to provide Council with the Reporting Period 1.1 results regarding the Housing Target Order (Appendix A) that the City received from the Provincial Ministry of Housing in June 2024.

The Housing Target Order sets out the total five-year housing target of 1,067 units (75% of 1,422 units) to be met by June 30, 2029, along with annual cumulative housing targets, housing targets performance indicators and progress reporting dates.

The Housing Target Order requires the City to submit a 6-month report for Period 1 from July 1, 2024 to December 31, 2024, that must be received by Council resolution within 45 days of the end of the period i.e., by February 15, 2025. The completed six-month progress report can be found in Appendix B.

The Province requires the City to track net new housing units, defined as completed units with Occupancy Permits (OP) received **minus** demolished units in the same period. To date 24 net new units of the 189 required for year 1 have been completed in the first six months of the Housing Target Order. All the completed housing units are single-family or duplex residential projects.

INTRODUCTION/BACKGROUND

On November 2022, the *Housing Supply Act, S.B.C. 2022, c.38* received Royal Assent and came into force by the *Housing Supply Regulation, B.C. Reg. 133/2023* on May 31, 2023. This gave the Province new authorities to set housing targets in municipalities through the issuance of Housing Target Orders.

On June 26, 2024, the Province announced the second cohort of 10 municipalities selected for housing targets and the City was notified that it had been selected as part of the second cohort. The first cohort of ten municipalities was announced on May 31, 2023.

The City received its draft Housing Target Order on May 16, 2024, and was provided with 30 days to respond to the draft order. The City formally responded to the draft order on June 14, 2023.

The City of White Rock received its official Housing Target Order (Ministerial Order No. M201) on June 26, 2024, which sets out a five-year housing target and associated reporting requirements for the City. The City's five-year housing target of 1,067 is the minimum number of net new completed housing units required to comply with the Housing Target Order. It should be noted that the provincial target for the City is the 75% threshold of the total Provincial Housing Needs Estimate of 1,422 units, with the expectation that the City will complete, at minimum, 1,067 units between July 2024 and June 2029. The 75% target of completed housing units for the 2024 - 2029 period is as follows:

- **Year 1: 189**
- **Year 2: 387**
- **Year 3: 596**
- **Year 4: 821**
- **Year 5: 1,067**

The Housing Target Order was also accompanied by a letter from the Minister of Housing that includes specific unit breakdown guidelines that address the number of units by size, tenure (owned, rented), rental affordability (below market¹ and market) and the number of supportive rental housing units with on-site support² for the City (Appendix C). Although not currently a requirement, the Province is recommending municipalities consider these specific targets. The unit breakdown guidelines are as follows:

Units by Size	Total
Studio/One Bedroom	638
Two Bedroom	184
Three or More Bedroom	243
Units by Tenure	Total
Rental Units	567
Owned Units	500
Rental Affordability	Total
Below Market	302
Market	264

¹ **Below Market:** Number of rental units which are at or below 30% of the local Housing Income Limits (HIL) per unit size.

² **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.

Supportive Rental Units	Total
With On-site supports	18

Currently, it is not mandatory to provide information for the unit mixes by size, tenure, and affordability proposed by the Province.

Evaluation and Reporting

In addition to the proposed housing targets, the Housing Target Order also requires progress reporting, timing and performance indicators. The reporting cycle started on the date of the Order. Housing Progress reports must be received by Council resolution within 45 days after the end of each reporting period as set out as follows and in Schedule C of the Order (Appendix A). The cumulative housing targets (75%) and year-wise reporting requirements are as follows:

Cumulative Targets		Reporting Period	Due Date
Year 1	189	July 1, 2024 – December 31, 2024	February 14, 2024
		July 1, 2024 – June 30, 2025	August 14, 2025
Year 2	387	July 1, 2025 – June 30, 2026	August 14, 2026
Year 3	596	July 1, 2026 – June 30, 2027	August 14, 2027
Year 4	821	July 1, 2027 - June 30, 2028	August 14, 2028
Year 5	1,067	July 1, 2028 – June 30, 2029	August 14, 2029

On December 18, 2024, the City received the Housing Target Progress Report form from the Ministry of Housing. The Housing Target Progress Reports must be received by Council by their respective due dates, and subsequently be published on the City’s website and submitted to the Minister of Housing.

ANALYSIS

Six-Month Progress Report – July 1 to December 31, 2024

Staff have prepared the City’s Six-Months (Reporting Period 1.1) Housing Target Progress Report, spanning from July 1, 2024, to December 31, 2025 (Appendix B). The Province requires the City to track net new housing units, defined as completed units with Occupancy Permits (OP) received **minus** demolished units in the same period. The reporting requirements also include tracking net new units that are approved within this reporting period by application status – those applications with issued building permits (BP), issued development permits (DP) or approved rezoning applications. The following are some key highlights from the six-month reporting period:

- Of 189 required units a total of 24 net new units have been completed (occupancy was granted for 43 units, 19 units were demolished) in the first six months of the Housing Target Order. All the completed housing units are single-family or duplex residential projects.
- Over 50% of the net new units include new secondary suites, with a rental tenure, and are a typical 2-bedroom size. **It must be noted that legalizing existing unpermitted secondary suites or other housing types does not count toward the total housing target unit totals, and therefore, those units have been excluded from the overall unit count.**
- Additionally, there are 37 development projects that have received development permits or building permits which amount to a total of 47 new housing units that are currently under construction. The approved BPs during this reporting period were for either single-family or duplex developments.

- No rezonings were approved during this reporting period.

As of the 6-month reporting period, the City has only achieved approximately 12.7% of the required 189 net new housing units. Staff note that the data on approved housing development applications (i.e. projects that have received either a BP, DP or rezoning approval) excludes projects that received a building permit before the Housing Target Order effective date (July 1, 2024) and are still under construction, as well as projects in the development application phase that haven't reached these milestones during the reporting period. Consequently, the data does not represent the City's full development pipeline.

Between receiving the draft housing order on May 16, 2024, and the official housing target order effective date of July 1, 2024, several small and large-scale development projects received Occupancy Permits. For example, the 26-storey mixed-use development at 1588 Johnston Road, SOLEIL, which includes 177 residential units, received its occupancy permit during this timeframe. However, since these permits were issued before the Housing Target Order's effective date of July 1, 2024, they cannot be counted towards the targets. It's important to note that the City could not withhold issuing this occupancy permit to meet the housing targets order effective date.

The City has a volume of redevelopment applications in the pipeline (in-stream and approved BPs) that would produce the net new units required in the 5-year Housing Target Order. A summary of the City's development pipeline is listed below:

- 72 approved building permit applications issued prior to July 1, 2024, comprising an estimated 327 new units that may be built in the coming years. It must be noted that this does not factor in the demolished units.
- There are currently 132 “in-stream” applications as of December 31, 2024, that are excluded from the above counts, comprising an estimated 1,498 new proposed units (*this total does not factor in the units to be demolished and is a gross estimate only*). These projects are currently in various stages of the development review processes, many still require Council approval or delegated staff approval, and as such the estimated proposed units may change. The following is a detailed breakdown of in-stream applications which include:
 - 213 estimated net new units from 54 BP applications under review, and
 - 1,258 estimated new units from 78 development applications under planning review, including 5 OCP amendment applications, 37 rezoning applications, and 36 development permit applications (including environmental DPs).

The City has observed typically, from the issuance of development permits to project completion, the total number of units, unit mix, and tenure for development applications tend to frequently change. These changes are observed to stem from variations in market demand, changes in financing or investment plans, and unexpected construction issues or delays. Therefore, certain attributes such as unit tenure and affordability information have not been included in the City's formal rezoning and development permit data collection and tracking system to date. In order to improve the collection of the data requested by the Province through the Housing Targets Order, the City is planning changes to the data collection and tracking systems as it relates to applications and permit issuances. This will ensure more complete and consistent progress reporting in the future.

The City will continue to monitor progress on a regular basis to identify and remove barriers to enabling new housing development.

City Initiatives to Support the Housing Target Orders

The City of White Rock has undertaken several actions and initiatives to support and enhance the creation of housing in the City. Specifically, in the last 12 months, the following actions and initiatives not only have aided in achieving the housing target but also support the policies and objectives of City Council with respect to the creation of housing for the City of White Rock:

Completed Actions	Completion Date
<p>1. Zoning Bylaw updates <i>(related to Bill 44 and 47 legislation):</i></p> <p>Updated the Zoning Bylaw to be compliant with SSMUH legislation to facilitate small-scale multi-unit housing. These regulations aim to integrate new missing middle housing forms that meet diverse needs while preserving the community's essence.</p>	<p>June 26, 2024</p>
<p>2. OCP Updates <i>(related to Bill 44 and 47 legislation):</i></p> <p>Updated the OCP Development Permit Areas and guidelines to comply with SSMUH legislation. Additionally, as part of this update, Council also approved Development Permit (Form and Character) exemptions for SSMUH developments with four or fewer dwelling units – this aims to streamline processes and encourage the construction of more missing middle housing forms throughout the City.</p>	<p>October 21, 2024</p>
<p>3. Interim Housing Needs Report:</p> <p>The City completed the Interim Housing Needs Report (HNR) to include the three additional items, a requirement of Bill 44 legislation. The anticipated 5-year and 20-year housing needs for the City are 2,780 units and 8,816 units, respectively.</p>	<p>November 4, 2024</p>
<p>4. Application to CMHC Housing Accelerator Fund (Second Intake):</p> <p>Council supported the City's application to the Canadian Mortgage and Housing Corporation (CMHC) Housing Accelerator Fund to assist local governments in undertaking initiatives that speed up permit approvals and increase housing supply (the City was unsuccessful in the 2023 HAF application). Council endorsed the 2024 HAF application on November 25, 2024. The City submitted the second intake application to CMHC by the August 2024 deadline, as submissions were permitted in advance of Council endorsement of the application.</p>	<p>November 25, 2024.</p>

ONGOING ACTIONS

5. Developed a program to reduce Building Permit review wait times through third-party contracted services

The City experienced an increase in application volume following the pandemic, along with challenges in staff recruitment and retention which became significant for a small organization with limited staff like White Rock.

In January 2023, Council directed staff to issue a Request for Proposal (RFP) for temporary contracted building permit application review services. This initiative aimed to reduce the volume of applications awaiting review and permit issuance. In March 2023, Council awarded the contract to Pontem Consulting Group Ltd. on a time-limited basis, with a budget of \$150,000 for these services. The program was implemented in March 2023. The initial trial was determined successful by October 2023, and ongoing funding for 2024 was included and approved in the 2024 budget discussions. By directing the use of contracted services on an as needed basis, the City was and continues to be able to expedite permit delivery, reducing the burden on applicants and staff while supporting economic growth and supporting the creation of housing units faster.

6. Affordable Housing Strategy

Over the past 1.5 years, the City's Housing Advisory Committee undertook the creation and framework development of the City's first long-term Affordable Housing Strategy (AHS). The draft AHS was endorsed by the Committee on December 3, 2024, with the recommendation that it be forwarded to Council for approval.

7. North Bluff Road Corridor Study

One of Council's Strategic Priorities is to assess the long-term land use and density in Uptown (town centre) along North Bluff Road, from Oxford Street to Finlay Street to evaluate the potential for increasing height and densities as it relates to the Semiahmoo Town Centre Plan in the City of Surrey.

This Corridor study is combined with the OCP Review project related to Bill 44 legislation, slated to begin in early 2025 due to the interrelated nature of both these projects. This enables staff to conduct a comprehensive analysis of all existing land uses within the City, which also includes the Corridor Study Area. On December 9, 2024, Council directed staff to get quotes for the project scope noted and award the work in order to proceed.

The Corridor Study is anticipated to be completed by Summer 2025. The results of the study will also inform additional policy updates which will be incorporated into the OCP Review project to be completed prior to the mandated December 31, 2025 deadline.

8. New Development Procedures Bylaw

One of the objectives within Council’s strategic priority is to review the City’s existing Planning Procedure Bylaw for opportunities to streamline the planning approval process. Since mid-2023, the City has been engaged in this project undertaking an in-depth review of existing development application processes to stay current with evolving provincial legislation and to align with best practices. The new Bylaw is more comprehensive, yet shorter than the current Planning Procedures Bylaw, and aims to make the application review process transparent and efficient by establishing clear steps and requirements for both staff and applicants. Further, the proposed Bylaw reflects best practices in application processing and aligns with changes to provincial regulations outlined in the Local Government Act (“LGA”).

The Development Procedures Bylaw received Second Reading by Council on December 9, 2024, and is anticipated to be presented to Council for third and final adoption in Spring 2025. Key outcomes associated with this project are anticipated to include improved process efficiency and faster development application processing timelines to help reduce development costs and expedite the delivery of new homes of all types.

Housing Target Progress Report – Reporting Period July 1 to December 31, 2024 Fulfillment Requirements

Legislative Requirement	Action
Progress Report Forms must be posted on the municipal website	Post the report on the City of White Rock website
Progress Report Forms	Submitted to the Minister of Housing

FINANCIAL IMPLICATIONS

The ongoing requirements for Housing Target Progress Reports to fulfill legislative requirements necessitate staff time and resources that would otherwise have been directed to other White Rock projects and Council’s strategic priorities.

LEGAL IMPLICATIONS

The City of White Rock is required to complete, publish and submit its first Housing Target Progress Report by February 14, 2025, in accordance with the *Housing Supply Act, S.B.C. 2022, c.38*, the *Housing Supply Regulation, B.C. Reg. 133/2023*, and the *Order of the Minister Responsible for the Housing Supply Act, Ministerial Order No. M201*.

ALIGNMENT WITH STRATEGIC PRIORITIES

The Housing Target Progress Report – Reporting Period 1.1 supports Council’s strategic priority to support housing inventory. It provides a snapshot of the current housing approval and construction with the City of White Rock.

ALTERNATIVES

The following options are available for Council’s consideration:

1. Defer consideration to endorse the January 27, 2025 Corporate Report “*Housing Target Progress Report – Reporting Period 1.1 (Six-Month update)*”, and instruct staff to provide further information and revisions; **OR**

2. Decline to consider the “*Housing Target Progress Report – Reporting Period 1.1 (Six-Month update)*”. *

* **Staff Note:** *Option 2 may result in further action required by the Province to complete the Housing Target Progress Report – Reporting Period 1.1 (Six-Month update).*

CONCLUSION

This report entitled “*Housing Target Progress Report – Reporting Period 1.1 (Six-Month update)*”, contains the required data to fulfill the requirements for the first reporting period Housing Target Progress Report for the City of White Rock. This report, with the recommendation contained in this report fulfills the *Housing Supply Act* requirements with respect to the Housing Target Progress Reporting Period from July 1, 2024, to December 31, 2024.

Respectfully submitted,

Reviewed and Approved by,

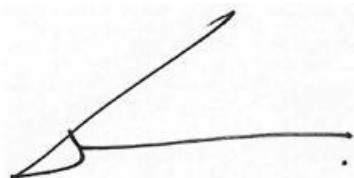


Neethu Syam
Planning Division Lead

Anne Berry, MCIP, RPP
Director, Planning and Development Services

Comments from the Chief Administrative Officer

I concur with the recommendations of this corporate report.



Guillermo Ferrero
Chief Administrative Officer

- Appendix A: White Rock’s Housing Target Order - Ministerial Order No. M201
- Appendix B: Housing Target Progress Report Form – Reporting Period 1.1 (July to December 2024)