

PURPOSE

Municipalities will use this form to complete the requirements for progress reporting under the [Housing Supply Act](#) (Act). The information provided will be evaluated to determine whether targets have been met or satisfactory progress has been made toward meeting targets.

REPORT REQUIREMENTS

The report must contain information about progress and actions taken by a municipality to meet housing targets as identified in the Housing Target Order (HTO).

The progress report must be received in a meeting that is open to the public and by Council resolution within 45 days after the end of the reporting period.

Municipalities must submit this report to the minister and post it to their municipal website as soon as practicable after it is approved by Council resolution.

ASSESSMENT

The Housing Targets Branch evaluates information provided in the progress report based on Schedule B - Performance Indicators in the HTO. If targets have not been met and satisfactory progress has not been made, the Minister may initiate compliance action as set out in the Act.

REPORT SUBMISSION

Please complete the attached housing target progress report form and submit to the Minister of Housing at Housing.Targets@gov.bc.ca as soon as practicable after Council resolution.

Do not submit the form directly to the Minister's Office.

HOUSING TARGET PROGRESS REPORT FORM

Housing Targets Branch

BC Ministry of Housing and Municipal Affairs

Section 1: MUNICIPAL INFORMATION

Municipality	North Cowichan
Housing Target Order Date	June 17, 2024
Reporting Period	Year 2
Date Received by Council Resolution	September 8, 2026
Date Submitted to Ministry	September 11, 2026
Municipal Website of Published Report	www.northcowichan.ca
Report Prepared By	☒ Municipal Staff ☐ Contractor/External
Municipal Contact Info	☒ Chris Osborne, Senior Manager, Planning and Environment
Contractor Contact Info	☐ N/A

Section 2: NUMBER OF NET NEW UNITS

Record the number of net new housing units delivered during the reporting period, and cumulatively since the effective date of the HTO. Net new units are calculated as completions (occupancy permits issued) minus demolitions. Legalizing existing unpermitted secondary suites or other housing types does not count toward completions.

Section 8 must be completed if a housing target has not been met for the reporting period.

	Completions (Reporting Period)	Demolitions (Reporting Period)	Net New Units (Reporting Period)	Net New Units (Since HTO Effective Date)
Total	408	9	399	540

Section 3: NUMBER OF HOUSING UNITS BY CATEGORY AND TYPE (Unit Breakdown Guidelines)

Record the number of housing units in each category below for the reporting period and cumulatively since the effective date of the HTO. Definitions are provided in the endnote.

	Completions (Reporting Period)	Demolitions (Reporting Period)	Net New Units (Reporting Period)	Net New Units (Since Effective HTO Date)
Units by Size				
Studio	11	0	11	11
One Bedroom	139	1	138	163
Two Bedroom	144	5	139	178
Three Bedroom	97	3	94	141
Four or More Bedroom ¹	17	0	17	47

Units by Tenure				
Rental Units ² – Total	296	0	296	325
Rental – Purpose Built	262	0	262	262
Rental – Secondary Suite	28	0	28	54
Rental – Accessory Dwelling	6	0	6	9
Rental – Co-op	0	0	0	0
Owned Units	112	9	103	215
Units by Rental Affordability				
Market	296	0	296	325
Below Market ³ - Total	0	0	0	0
Below Market - Rental Units with On-Site Supports ⁴	0	0	0	0

Section 4: MUNICIPAL ACTIONS AND PARTNERSHIPS TO ENABLE MORE HOUSING SUPPLY

A) Describe applicable actions taken in the last 12 months to achieve housing targets, in line with the Performance Indicators in the HTO. Each entry should include a description of how the action aligns with achieving the housing target, the date of completion, and links to any publicly available information. For example:

- Streamlined development approvals policies, processes or systems.
- Updated land use planning documents (e.g., Official Community Plan, zoning bylaws).
- Updated Housing Needs Report.
- Innovative approaches and/or pilot projects.
- Partnerships (e.g., BC Housing, CMHC, or non-profit housing organizations except First Nations – see Section 4 B).
- Other housing supply related actions.

Development Services Function Review (DSFR) – Through the DSFR, an external consultant completed a comprehensive review of North Cowichan’s development services to identify opportunities to improve efficiency, consistency, and responsiveness across the full development lifecycle. On **March 4, 2026**, Council received the Development Services Function Review report, endorsed the recommendation framework, and directed staff to develop an implementation plan through the annual business planning process. Organizational changes related to the DSFR were also implemented in Q1 2026 to improve the efficient allocation of staffing resources in processing development applications. The DSFR supports the Housing Target Order by identifying process, communication, technology, and organizational improvements intended to streamline development approvals, improve coordination between departments, increase transparency for applicants, and support more consistent and timely processing of housing-related applications.

Affordable Housing Policy and Implementation Plan - Council adopted the Affordable Housing Policy and Implementation Plan on **August 20, 2025** to provide policy direction for affordable housing delivery, partnerships, municipal land opportunities, affordable housing reserve fund use, application prioritization, and implementation actions related to affordable housing, accessory dwelling units, small-scale multi-unit housing, and housing data monitoring. The Implementation Plan identifies in-stream affordable housing projects, including Sherman Road, Elliott Street, and Willow Street, and supports the Housing Target Order by providing a clear municipal framework for advancing affordable housing projects and related policy actions.

Sherman Road Co-op Housing - North Cowichan continued to support the Community Land Trust's Sherman Road 92-unit co-op housing project which is located on municipal land. North Cowichan has contributed **\$432,000** through a grant-in-aid to offset DCCs and other fees. North Cowichan also contributed \$75k from the Affordable Housing Reserve Fund to the project and Council participated in the project groundbreaking. The project is funded by the Community Housing Fund and will provide housing at varying rates of affordability. This supports the Housing Target Order by advancing below-market and non-market rental housing supply. Building Permit issued **October 31, 2025**.

Elliott Street Affordable Housing - North Cowichan continued pre-development work for the proposed affordable housing project at 2988 Elliott Street in Chemainus. The project proposes approximately 58 affordable rental apartment units for moderate and low-income families, seniors, and people with disabilities. BC Housing provided \$250,000 for additional planning and design work through the Community Housing Fund. A comprehensive site development plan was completed, including environmental, archaeological, works and services, electrical load, and geotechnical review. Phase 2 planning continued in 2026, and a community open house was held **on June 6, 2026** to present the draft plan and receive public input. This work supports the Housing Target Order by advancing municipal land for future affordable housing delivery and positioning the project for future funding opportunities.

Vian Street Affordable Housing - A Development Permit was issued in the **fall of 2025** for the proposed 28-unit apartment building on Vian Street, following Council approval of the related zoning amendment and housing agreement. The project includes affordable units intended for clients of the Clements Centre. This action supports the Housing Target Order by advancing approvals for affordable housing units. The Vian Street **Housing Agreement Bylaw No. 4023, 2025** was adopted on **August 20, 2025**.

Interim Community Amenity Contributions Policy - On **February 4, 2026**, Council adopted the Interim Community Amenity Contributions Policy. The policy provides a framework for considering community amenity contributions at the rezoning stage, including contributions toward short-term infrastructure needs and the affordable housing reserve fund. This supports the Housing Target Order by improving clarity for applicants and supporting funding mechanisms for infrastructure and affordable housing needs associated with growth.

Servicing Capacity Allocation Policy - On **May 20, 2026**, Council adopted the Servicing Capacity Allocation Policy to guide how limited municipal water and sanitary servicing capacity is allocated to development proposals. The policy supports the Housing Target Order by improving transparency and consistency for applicants, helping staff manage constrained infrastructure capacity, and ensuring that available servicing capacity can be assigned to development proposals in a clear and accountable manner.

Servicing Officers Bylaw and Policy - On **September 3, 2025**, Council adopted Delegation of Authority Bylaw Amendment Bylaw No. 4009, designating certain staff as Servicing Officers under the *LGA*. On September 17, 2025, Council approved the Servicing Officers Policy to guide the use of land dedication requirements as a condition of building permit issuance. This action supports the Housing Target Order by helping North Cowichan manage the infrastructure implications of pre-zoned housing growth, including small-scale multi-unit housing enabled through provincial housing legislation. The bylaw and policy provide a mechanism to secure land for road upgrades, new roads, and alternative transportation infrastructure where development proceeds under existing zoning, while improving transparency, proportionality, and predictability for applicants.

Development Permit Area Streamlining for Small-Scale Multi-Unit Housing – In January 2026, North Cowichan started advancing work to streamline Development Permit Area requirements 3-4 unit housing forms. This work supports the Housing Target Order by reducing regulatory barriers and improving approval clarity for infill housing forms that are already permitted through the zoning framework. Streamlined DPA requirements are intended to help eligible small-scale multi-unit housing projects move more efficiently from land use permission to building permit review, while maintaining development permit objectives.

Bill 25 – In **June 2026**, staff completed a comprehensive zone-by-zone review of Zoning Bylaw No. 2950 against the amended Small-Scale Multi-Unit Housing requirements introduced through Bill 25 and confirmed Zoning Bylaw-Bill 25 compliance with the Ministry of Housing and Municipal Affairs (compliance deadline June 30, 2026). The review confirmed how restricted zones, mixed-use zones, comprehensive development zones, UCB status, servicing, lot size, and statutory exemptions apply in North Cowichan. This work supports the Housing Target Order by confirming zoning compliance, reducing uncertainty for staff and applicants, and ensuring that eligible parcels can proceed under the applicable SSMUH permissions without unnecessary zoning amendments.

B) Please provide any information about First Nation partnerships and/or agreements including planning, servicing and infrastructure **that support delivery of housing** on First Nation land including delivered and/or projected housing units.

First Nation Partnerships and Infrastructure Coordination – During the reporting period, North Cowichan continued planning, servicing and infrastructure coordination with First Nations that may support future development on First Nation lands. This included providing interim capacity funding to Halalt First Nation to participate in the Chemainus Wells regulatory review process; ongoing technical coordination with Cowichan Tribes and the W̱SÁNEĆ Leadership Council on the Joint Utilities Board Sewage Treatment Plant Outfall Relocation Project; and continued support for First Nations building approval capacity through the Indigenous Building Official Internship with Naut'sa mawt Tribal Council. No housing units on First Nation land were delivered through these initiatives during the reporting period, and no quantified housing-unit projections have been identified.

Halalt Reserve Extension - On May 20, 2026, Council approved a letter to Indigenous Services Canada supporting the proposed addition of the 22.6-hectare property at 8614 Amos Road to Halalt Indian Reserve No. 2, subject to existing servicing constraints being addressed. Halalt First Nation has indicated an intention to develop the lands for housing and commercial purposes, which would require improved road access and water and sanitary servicing. No quantified housing-unit projection has been identified for the property at this time.

Section 5: APPROVED HOUSING DEVELOPMENT APPLICATIONS

Report the number of approved applications issued by type **since the effective date of the HTO**.

Each project should only be recorded once for the most current application type.

Provide the estimated number of net new housing units to be delivered for each application category.

NOTE: units issued occupancy permits should be recorded in Section 2.

Overview	Rezoning	Development Permit	Building Permit	Total
Applications	12	13	70	95
New Units	104	257	538	899
Unit Breakdown				
Units by Size				
Studio	7	12	117	136
One Bedroom	7	115	247	369
Two Bedroom	70	52	76	198
Three Bedroom	19	77	84	180
Four or More Bedroom ¹	1	1	14	16
Units by Tenure				
Rental Units ² – Total ²	23	172	477	672
Rental – Purpose Built	15	166	356	537
Rental – Secondary Suite	1	4	18	23
Rental – Accessory Dwelling	7	2	11	20
Rental – Co-op	0	0	92	92
Owned Units	81	85	61	227
Units by Rental Affordability				
Market	23	152	416	591
Below Market ³ - Total	0	0	61	61
Below Market - Rental Units with On-Site Supports ⁴	0	20	0	20

Section 6: WITHDRAWN OR NOT APPROVED HOUSING DEVELOPMENT APPLICATIONS

A) Indicate the number of applications and the estimated number of proposed units withdrawn by applicants, and /or not approved by staff or Council during this reporting period. Please include rezoning applications, development permits, and building permits.

	Applications Withdrawn	Applications Not Approved
Applications TOTAL: 18	Building – 5 TOTAL: 5	Planning – 4 Building – 9 TOTAL: 13
Proposed Units TOTAL: 60	Building – 5 TOTAL: 5	Planning – 46 Building – 9 TOTAL: 55

B) Provide a description of each application (e.g., rezoning, development permit, building permit) and brief summary of why each project was withdrawn or not approved.

Applications withdrawn: 5

Building – (1) Personal Circumstances, Applicant
Building – (4) Budget Constraints, Applicant

Applications not approved: 13

Building – (9) Contrary to Land Use Restrictions
Planning – (3) Not approved, contravenes municipal bylaw (DP)
Planning – (1) Application closed (expired) (DP)

Section 7: OTHER INFORMATION

Provide any other information not presented above that may be relevant to the municipality's effort and progress toward achieving the housing target.

Year 2 target exceeded. North Cowichan exceeded its Year 2 housing target, delivering 540 cumulative net new units against the Year 2 cumulative target of 401 units under the Housing Target Order. Including the 399 net new units during the Year 2 reporting period North Cowichan is 139 units ahead of the cumulative target, already reaching 44% of the 5-year target. Considering the progress to date and the units identified in the earlier development approvals stages, North Cowichan anticipates that it will meet the Housing Target Order. However, the matters below identify key factors that may affect the Municipality's ability to sustain housing delivery over the remaining target period.

Affordable Housing Projects Pending External Capital Funding – The 2026 Budget indicates that the Province is slowing the pace of new housing projects and reallocating funding across the fiscal plan. This directly impacted the Vian Street project which is now pursuing alternative capital funding after the anticipated 2025 Community Housing Fund intake did not proceed. The Elliott Street project remains in pre-development pending a viable capital funding source. Municipal land use approvals, housing agreements and pre-development work can advance these projects, but completion depends on sufficient external capital funding being secured.

Bell McKinnon Area and Servicing Constraints - Bell McKinnon is a major planned growth area, but development will be constrained by available water and sanitary servicing capacity and the infrastructure upgrades required to support planned densities. Work is underway to implement the Bell McKinnon

Local Area Plan and staff continue to process development applications in the area. This is relevant to the Housing Target Order because a significant amount of planned housing capacity is located in the area, but the timing of delivery will depend on servicing availability, and funding available to support infrastructure upgrades.

Servicing Capacity Constraints – Water and sanitary servicing capacity remains a key constraint to long-term future housing delivery in North Cowichan. As reported to Council on February 18, 2026, approximately 10,500 units are in land development applications, of which about 4,200 have allocated servicing capacity; servicing the remaining units will require significant water and sanitary infrastructure upgrades. The Municipality has sufficient land-use capacity to accommodate projected housing need, but the timing and location of future development will depend on available servicing capacity and the delivery of required infrastructure.

Domtar Crofton Mill Closure – In addition to the significant economic impact, the December 2025 closure of the Domtar Crofton mill has created uncertainty regarding long-term water servicing for Crofton. The mill currently supplies most of the townsite's residential water and has indicated that it will continue this supply through the end of 2026. The South End water system can supply Crofton if required; however, doing so would draw on the same system that serves Bell McKinnon, Berkey's Corner and other South End growth areas. Long-term servicing arrangements for Crofton are therefore relevant to the amount of water capacity available to support future housing development elsewhere.

Section 8: SUMMARY OF PLANNED ACTIONS TO MEET TARGETS

If the housing target has not been met for the reporting period, please provide a summary of planned and future actions in line with the Performance Indicators that the municipality intends to take to meet housing targets during the two-year period following this report. For each action, provide:

- a description of how the action aligns with achieving the housing target;
- dates of completion or other major project milestones;
- links to any publicly available information; and
- the number of units anticipated by completing the action.

Not applicable. North Cowichan has exceeded the Year 2 cumulative total identified in the HTO.

¹ If needed due to data gaps, it is acceptable to report "Three Bedroom" and "Four or More Bedroom" as one figure in the "Three Bedroom" row.

² **Rental Units** include purpose built rental, certain secondary rentals (secondary suites, accessory dwellings) and co-op.

³ **Below Market Units** are units rented at or below 30% of the local Housing Income Limits (HIL) per unit size.

⁴ **Below Market Rental Units with On-Site Supports** are units rented at the Income Assistance Shelter rate providing permanent housing and on-site supports for people to transition out of homelessness.