CITY OF NANAIMO
THE HARBOUR CITY

Staff Report for Decision

FOR: COUNCIL

MEETING DATE: June 22, 2026

DEPARTMENT: PLANNING AND DEVELOPMENT

SUBJECT: **PRE-ZONING FOR SOCIAL HOUSING**

OVERVIEW

Purpose of Report

To present the Pre-Zoning for Social Housing - Engagement Summary Report; and "Zoning Amendment Bylaw 2026 No. 4500.256" (Social Housing Zone) for Council consideration.

Recommendation

That:

1. "Zoning Amendment Bylaw 2026 No. 4500.256" (Social Housing Zone) pass first reading;
2. "Zoning Amendment Bylaw 2026 No. 4500.256" pass second reading; and,
3. Council direct Staff to hold a Public Hearing for "Zoning Amendment Bylaw 2026 No. 4500.256".

BACKGROUND

In accordance with *Integrated Action Plan* Priority #69, on 2026-JAN-26 Staff presented to the Governance and Priorities Committee a framework to pre-zone land within Urban Centre and Corridor Future Land Use Designations to facilitate the delivery of social housing. Social housing means multiple family dwelling units that are subsidized to be lower than the average cost of market housing (excludes supportive housing and shelters). At the 2026-FEB-02 meeting, Council passed the following motion:

That Council direct Staff to:

1. Undertake community engagement to seek feedback on the proposed framework and bylaw amendments for the pre-zoning for social housing projects;
2. Prepare an amendment to the "City of Nanaimo Zoning Bylaw 2011 No. 4500", as outlined in the Staff report titled "Pre-Zoning for Social Housing", dated 2026-JAN-26; and
3. Prepare an amendment to the "Officer Designation and Delegation of Authority Bylaw 2022 No. 7353" to designate a Servicing Officer pursuant to section 513.2 of the *Local Government Act*.

Note that the amendment to the "Officer Designation and Delegation of Authority Bylaw 2022 No. 7353" is also on Council's 2025-JUN-22 agenda for consideration. With the designation of a Servicing Officer, the City will be able to require road dedication at the time of Building Permit application.

DISCUSSION

What We Heard – Engagement Summary

Between 2026-FEB-23 and 2026-MAR-15, community engagement on the Pre-Zoning for Social Housing Project took place to: 1) bring awareness and understanding of the project; 2) gather input on the level of support for the initiative and the regulatory amendments proposed; and 3) provide an opportunity to collaborate expertise in delivering social housing. A total of 740 cumulative inputs were received which have been summarized in the *Pre-Zoning for Social Housing | What We Heard – Engagement Summary* (Attachment A). The report provides an overview of the outreach and feedback tools used, who participated, and the feedback received.

A range of outreach tools were employed to inform the community of the project and seek feedback. Outreach tools included a project page with an FAQ, social media, online and newspaper ads, media release, bus posters, e-notifications, static stations, and an information video with 369 views. Various news articles were also published regarding the project by local news outlets.

Feedback from the community was sought on the proposed regulatory framework outlined in the 2026-JAN-26 Staff Report. Input was gathered via a survey, workshop and presentations to special interest groups. The survey, intended for the general public, was provided online and in paper form at static stations across city facilities. Input from non-profit housing providers, for-profit housing providers and faith-based organizations was sought through an in-person workshop. Comments were further gathered at presentations made to the Nanaimo Neighbourhood Network, Mayor's Leaders' Table and the Public Safety Committee.

Survey Results
Participants had an opportunity to indicate their level of support for five policy directions and share comments or suggestions to improve the draft directions. Over 670 survey responses were received. The following is a summary of the survey responses.

- Scope | 67% strongly agree and agree with applying the pre-zoning to properties with a Future Land Use Designation of Urban Centre and Corridor.
- Threshold | 65% strongly agree and agree with requiring that a minimum of 20% of the dwelling units on the property be rental social housing units.
- Operations | 57% strongly agree and agree with requiring that all the dwelling units (social and market units) be operated by a non-profit housing provider or government agency.
- Capital Costs | 41% strongly agree and agree with requiring the capital costs of the development be fully funded by any level of government.
- Term | 61% strongly agree and agree requiring that the social housing units be secured for 60 years.

Workshop Results
Participants at the workshop had an opportunity to indicate their level of support for a total of seven policy directions and share comments or suggestions to improve draft directions. The following is a summary of the workshop responses.

- Scope | 100% agree with applying the pre-zoning to properties with a Future Land Use Designation of Urban Centre and Corridor.

- Threshold | 87% agree with requiring that a minimum of 20% of the dwelling units on the property be social housing units.
- Affordability | 50% agree with the social housing units having to be rented at a rate that is less than the average market rents for Nanaimo.
- Tenure | 87% disagree with limiting the tenure of the social housing units to rental and allowing the market units to be rental and/or ownership.
- Operations | 87% disagree with requiring that all the dwelling units (social and market units) be operated by a non-profit housing provider or government agency.
- Capital Costs | 100% disagree with requiring the capital costs of the development be fully funded by any level of government.
- Term | 50% agree with requiring that the social housing units be secured for a 60-year term.

Zoning Amendment Bylaw 2026 No. 4500.256 (Social Housing Zone)

Staff have prepared an amendment to the "City of Nanaimo Zoning Bylaw 2011 No. 4500" to allow an increase in density and building height when social housing is provided (see attached bylaw). Social housing means multiple family dwelling units that are subsidized to be lower than the average cost of market housing (excludes supportive housing and shelters). To be eligible for the Social Housing Zone certain 'conditions of use' must be met, which are summarized below with a rationale. The proposed 'conditions of use' for the Social Housing Zone reflects feedback received from the engagement process.

1. **Scope |** The Social Housing Zone may be applied to lots shown on the Eligible Parcels for Social Housing Zone Map in the proposed Bylaw 4500.256, when all conditions of use are met. A total of 2,158 parcels have been identified as "Eligible Parcels for Social Housing Zone" out of a total of 30,098 parcels in the City (less than 7%). The eligible lots also need to be serviced by community water, sanitary sewer, and a storm water drainage system, and meet minimum size, depth and frontage requirements.
   Rationale: The majority of respondents were in support of the scope proposed. Heritage properties were excluded to address concerns raised by Council and the community. Staff did hear a desire to expand the scope of the pre-zoning in the future to include parcels which currently allow multiple-family housing, parcels owned by BC Housing and non-profit housing providers and parcels with good access to transit, basic daily needs and infrastructure capacity.
2. **Threshold |** Proposed Bylaw No. 4500.256 requires that a minimum of 20% of the dwelling units on the lot must be social housing units.
   Rationale: Staff heard support for requiring that a minimum of 20% of the units must be social housing.
3. **Tenure |** Proposed Bylaw No. 4500.256 requires the social housing units to be rental tenure, and any market units on the lot may be rental and/or ownership.
   Rationale: Although we heard a desire to allow both rental and ownership social housing units, it would be challenging and resource intensive to establish, manage and enforce ownership qualification criteria. Rental and specifically non-market rental are identified as priorities through the Provincial Housing Target Order.
4. **Affordability |** Proposed Bylaw No. 4500.256 requires that the rental rate for the social housing units must be 20% below the average market rental rate, as published by the Canada Mortgage and Housing Corporation (CMHC), for a comparable unit in Nanaimo.
   Rationale: Staff heard a desire to use average market rents as published by CMHC, as the data is consistently released on an annual basis. Lastly, Staff heard a desire for the affordability level to

range between 10% - 30% below the average market rents. As a result, Staff recommended starting with 20%, and monitoring to adjust in the future as needed.

5. **Operations |** Proposed Bylaw No. 4500.256 requires that only the social housing units need to be operated, managed and administered by a non-profit housing provider or government agency.
   Rationale: Based on feedback receive from the community, requiring all housing units (market and social housing units) to be operated by a non-profit housing provider or government agency would deter non-profit and for-profit housing providers from taking advantage of the Social Housing Zone.
6. **Term |** Proposed Bylaw No. 4500.256 requires the social housing units to be secured with a covenant and housing agreement on title for a term of 60 years.
   Rationale: Although Staff heard a mix of support for securing the term of the housing agreement for 60 years, this timeframe ensures the social housing units are secured for the long-term and within the average lifespan of a building.

If a property owner chooses to develop social housing units, with the increase in density and height under the proposed Social Housing Zone, Bylaw No. 4500.256 requires that the lot be developed in accordance with the remainder of the Social Housing Zone including: i) permitted uses; ii) lot size and dimensions; iii) setbacks for siting of buildings; iv) regulations for the size of buildings; v) off-street parking; and vi) provision of amenity areas. These provisions are consistent with City Plan (OCP) policy for the Urban Centre and Corridor Future Land Use Designations, as determined through architectural testing on properties in these areas. Also, to ensure that housing is a primary focus of the Social Housing Zone, Bylaw No. 4500.256 proposes that in the Urban Centre and Mixed Use Corridor designations a minimum of 75% of the gross floor area must be for residential use; and in the Residential Corridor designation 90% of the Gross Floor Area must be residential use.

COMMUNICATION AND COMMUNITY ENGAGEMENT

The community engagement for this project took place between 2026-FEB-23 and 2026-MAR-15. See Attachment A for the '*Pre-Zoning for Social housing | What We Heard – Engagement Summary*'.

ALIGNMENT WITH CITY PLAN

The report is aligned with the following City goals:

☐A Green Nanaimo: Resilient and Regenerative Ecosystems
☒A Connected Nanaimo: Equitable Access and Mobility
- C2.1 Connective Communities

☒A Healthy Nanaimo: Community Wellbeing and Livability
- C3.2 Affordable Housing

☐An Empowered Nanaimo: Reconciliation, Representation and Inclusion
☐A Prosperous Nanaimo: Thriving and Resilient Economy

ALIGNMENT WITH COUNCIL'S STRATEGIC PRIORITIES

The report is aligned with the following Council Strategic Framework priorities:

☒Implementing City Plan Action Plans and Key City Management Plans
☒Social, Health and Public Safety Challenges
☐Maintaining and Growing Current Services
☐Capital Projects
☒Communicating with the Community
☒Governance and Corporate Excellence

NEXT STEPS

It is recommended that Council give first and second reading of "Zoning Amendment Bylaw 2026 No. 4500.256" (Social Housing Zone) and proceed to public hearing.

OPTIONS

1. That:
    1. "Zoning Amendment Bylaw 2026 No. 4500.256" (Social Housing Zone) pass first reading;
    2. "Zoning Amendment Bylaw 2026 No. 4500.256" pass second reading; and,
    3. Council direct Staff to hold a Public Hearing for "Zoning Amendment Bylaw 2026 No. 4500.256".

    - The advantages of this option: The proposed Zoning Amendment Bylaw to incentive the development of social housing will meet Council Priority Action #69.
    - The disadvantages of this option: Staff time and resources are required to complete this project.
    - Financial implications: None

2. That Council provide alternative direction to Staff.

KEY MESSAGES

- A total of 740 cumulative inputs were received which have been summarized in the *Pre-Zoning for Social Housing | What We Heard – Engagement Summary.*
- It is recommended that Council proceed with first and second reading of "Zoning Amendment Bylaw 2026 No. 4500.256" (Social Housing Zone).
- It is recommended that if "Zoning Amendment Bylaw 2026 No. 4500.256" (Social Housing Zone) receives first and second reading that a public hearing be held.

ATTACHMENTS

ATTACHMENT A: Pre-Zoning for Social Housing | What We Heard – Engagement Summary
"Zoning Amendment Bylaw 2026 No. 4500.256"

Authored by:

Kasia Biegun
Planner II, Community Planning

Concurrence by:

Lisa Brinkman
Manager, Community Planning

Jeremy Holm
Director, Planning & Development