



Regional Board Report

Information

To: Regional Board
From: Director of Development & Engineering Services
Date: November 28, 2024
Subject: RDCO Electoral Area Interim Housing Needs Report, 2024

Voting Entitlement: *All Directors - Unweighted Corporate Vote - Simple Majority (LGA s.208)*

Purpose: To receive the 2024 Interim Housing Needs Report for information.

Executive Summary:

In November 2023, the BC Government passed several new laws intended to increase the province's affordable housing supply. The Bill 44 Small-Scale Multi-Unit Housing initiatives prescribe density levels that each local government must permit in residential zones, and under "proactive planning" mandates there is now a standardized method and frequency for long-range housing needs analysis. Interim Housing Needs Reports must be completed by all local governments, including regional districts, no later than January 1, 2025 and full Housing Needs Reports must be completed by December 31, 2028. Municipalities are also required to ensure that their Official Community Plans and Zoning Bylaws accommodate the number of housing units needed over 20 years as determined by the Housing Needs Report Method; however, this requirement does not extend to regional districts. This is because the Province acknowledges that municipalities have more established infrastructure and services and are less exposed to hazards compared to the largely rural electoral areas within regional districts.

The standardized Housing Needs Report Method analyses six components of unmet demand to estimate housing needs for the coming 5-year and 20-year period. The attached Interim Housing Needs Report meets the new statutory requirements, projecting that the 20-year housing need within Electoral Area West is an additional 1,004 housing units, and Electoral Area East is an additional 1,245 housing units. While these growth projections exceed historic rates of development, given the RDCO's vacant land inventory, and the opportunities for suites created by the Small-scale Multi-unit Housing Zoning Amendments, the pre-zoned land base in the electoral areas can already accommodate these projections. The housing need projections will be considered alongside the corresponding infrastructure requirements, environmental considerations, community input, and other factors in future updates to the Electoral Area Official Community Plan updates.

The attached Interim Housing Needs Report also provides a supplementary 10-year projection and data on anticipated household sizes and incomes to better inform policies that can influence future housing typology and distribution needs. This data will serve as a building-block for the Regional Housing Needs Summary that will compile all the HNRs in the region and provide a snapshot of projected housing needs across the Central Okanagan. The Regional Housing Needs Summary that is scheduled for completion in summer (2025) will inform ongoing long-range planning projects across the region, such as the Regional Growth Strategy update, Official Community Plan updates, and capital infrastructure plans.

Recommendation:

THAT the Regional Board receive the 2024 Interim Housing Needs Report from the Director of Development & Engineering Services dated November 28, 2024, for information.

Respectfully submitted by: Shaun O’Dea, Senior Planner

Report Approved by: Danielle Noble-Brandt, Director of Development & Engineering Services

Approved for Agenda: Sally Ginter, Chief Administrative Officer

Strategic Plan Alignment:

- | | |
|--|---|
| <input type="checkbox"/> Emergency preparedness | <input type="checkbox"/> Truth and reconciliation |
| <input type="checkbox"/> Health and wellness | <input type="checkbox"/> Environment and climate – Regional priority only |
| <input type="checkbox"/> Regional transportation | <input checked="" type="checkbox"/> Growth and development – Electoral Area priority only |

Background:

Since 2019, local governments in British Columbia have been legislatively required to complete a Housing Needs Report (HNR) every five years. The RDCO released its first report in November 2019, incorporating data for the electoral areas, each of the member municipalities, and Westbank First Nation.

In 2023, the Province introduced new legislation to amend a broad range of planning and land use regulations for local governments. To encourage a shift to more proactive planning, there is now a statutory requirement to use a standardised methodology to estimate housing needs for the coming 5 and 20-year period, and to consider those needs when updating OCPs. An Interim Housing Needs Report (IHNR) with the results of the analysis must be completed by all local governments, including regional districts, no later than January 1, 2025. While there is no deadline to update OCPs for electoral areas, municipalities must update their OCPs by December 31, 2025.

Key components of IHNRs include:

- Analysis of the following housing demand and demographic factors to meet the anticipated housing need for the next 5 and 20-years:
 - Supply of units to reduce extreme core housing need (those paying more than 50% of income for housing)
 - Supply of units to reduce homelessness
 - Supply of units to address suppressed household formation
 - Supply of units needed to meet household growth over the next 5 and 20-year period
 - Supply of units needed to meet at least a 3% vacancy rate
 - Supply of units needed to meet local demand (this demand factor is only required for municipalities)
- A description of the actions taken by the local government to reduce housing needs since the previous housing needs report.
- A statement with respect to the need for housing near transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation.

Key results:

Based on the prescribed Housing Needs Report Method, the anticipated housing need for the two electoral areas in the next 5, 10 and 20-years is as follows:

	Current dwellings ¹	Additional Housing Need Estimate			% increase, 2021 vs. 2041
		5-year	10-year	20-year	
Electoral Area West	1,290	304	568	1,004	78%
Electoral Area East	1,695	381	707	1,245	73%

¹ 2021 Census Data; The number of *private dwelling occupied by usual residents* refers to a dwelling in which a person or a group of persons is permanently residing.

While these growth projections exceed historic rates of development, given the RDCO's vacant land inventory, and the opportunities for suites created by the Small-scale Multi-unit Housing Zoning Amendments, the pre-zoned land base in the electoral areas can already accommodate these projections.

However, while municipalities are required to ensure that their Official Community Plans and Zoning Bylaws accommodate the number of housing units needed over 20 years as determined by use of the HNR Method, this requirement does not extend to regional districts. This is because new initiatives to encourage substantial growth in electoral areas would not align with existing policies that direct most future development towards municipalities where more urban amenities and established infrastructure are present. Acknowledging the need to distribute regional growth in a financially pragmatic, environmentally sustainable and safe manner, the Provincial Government has advised the following;

Regional Districts are exempt from proactive planning requirements to help limit urban sprawl and direct growth towards municipalities. Municipalities are better suited for development as they have more established infrastructure and services and are less exposed to hazards compared to the largely rural electoral areas within regional districts. Additionally, while municipalities fall within RD boundaries, they are not directly administered by RDs for planning and land use purposes.²

Staff will consider the housing need projections in this report alongside the corresponding infrastructure and servicing requirements, environmental considerations, community input, provincial guidance, and other factors in future updates to the Electoral Area Official Community Plans.

Next steps:

The attached IHNR fulfills legislative obligations for the electoral areas, and RDCO member municipalities are currently developing their independent IHNRs. The RDCO has initiated a project to leverage all of the IHNRs to develop a Regional Housing Needs Summary that will provide overarching regional trends related to population, households, rents, income, and housing needs. The summary will also include further analysis and engagement and incorporate additional detail on the housing needs of the electoral areas and First Nations' communities within the Central Okanagan. The Regional Housing Needs Summary is scheduled for completion in summer 2025 and will help inform ongoing long-range planning projects across the region, such as the Regional Growth Strategy update, Official Community Plan updates and capital infrastructure plans.

Considerations:

Organizational/External: The Interim Housing Needs Report was prepared by CitySpaces Consulting according to the provincially prescribed Housing Needs Report Method. Development and Engineering Services staff are responsible for the overall project management, contract management, and other administrative functions.

Financial: Under the Local Government Housing Initiatives funding program, the provincial government has issued \$80,000 + \$5.80/per capita to each regional district to help meet new legislative requirements. In 2024, the RDCO received \$198,749 to be spent on eligible costs and activities related to legislative requirements arising from Bills 44, 46, and 47.

² https://www2.gov.bc.ca/assets/gov/housing-and-tenancy/tools-for-government/uploads/hnr_faqs.pdf (FAQ #22)

Statutory Authority: *Local Government Act*, Part 14, Division 22.
Local Government Act section 585.31 and *Local Government Act Housing Needs Report Regulation* sections 8.1.1 and 23 - A local government must, by resolution, receive an interim housing needs report by January 1, 2025.

Attachments: 1. Regional District of Central Okanagan Interim Housing Needs Report, 2024
 2. PowerPoint Presentation
