



The Corporation of the City of Courtenay

# Staff Report

**To:** Council

**File No.:** 3030-00

**From:** Director of Development Services

**Date:** September 11, 2024

**Subject:** Housing Needs Report August 2024

## PURPOSE:

For Council to receive the August 2024 Housing Needs Report City by Turner Drake & Partners Ltd. which will inform Official Community Plan (OCP) updates and for Council to direct staff to post the report on the City website.

## BACKGROUND:

In 2020 the Comox Valley Regional District (CVRD) released a Housing Needs Assessment report, complying with provincial requirements introduced in 2018, to understand local housing needs and inform Official Community Plans (OCPs). The City of Courtenay participated and incorporated findings into an Affordable Housing Strategy Options Study to create strategies for affordable, rental, and special needs housing in Courtenay and incorporated these strategies into policies in OCP Bylaw No. 3070, 2022.

In 2023 the CVRD commissioned Turner Drake & Partners Ltd. (TDP) to produce an updated study that recognized changing housing market conditions, new Census and other data and impacts of new provincial housing requirements. City staff have been collaborating with TDP, the CVRD, the Town of Comox and the Village of Cumberland in order to efficiently and effectively undertake the project. This work has evolved to accommodate updates to provincial requirements and provide useful information for City policy and bylaw development.

## DISCUSSION:

The Housing Needs Report meets the new provincial requirements of providing Five and 20 year anticipated housing demand using standard methodology (see Table 1 below) and provides additional information on demand and supply of housing for the City and project partners. It includes statements on key areas of need, information related to core housing needs, description of actions since the last report and a summary of changes since the last report. The Report profiles community characteristics and local housing conditions.

Table 1: Anticipated housing demand – City of Courtenay

Component	5 year (by 2026)	20 year (by 2041)
A: Extreme Core Housing Need	185	739
B: Homelessness	74	148
C: Suppressed households	168	671
D: Anticipated growth	1,819	5,886
E: Vacancy	26	104
F: Demand buffer	201	802
Total	2,472	8,350

The City of Courtenay Housing Needs Assessment Report dated August 2024 (included as Attachment 1), provides a detailed overview of the housing needs for the City over the next 20 years. This information is presented and discussed in Section 7.2 and finds that following the provincial method, 739 new units will be required for individuals in extreme housing need. The number of units needed for individuals experiencing homelessness is based on a share of the most recent regional count, spread over 20 years, which appears low at 148. It is estimated that a further 671 units should be built for suppressed households are those that were unable to form since 2006 due to market constraints. Anticipated household growth (based on an average of local and regional population trajectories) demands 5,886 units. Increasing the rental vacancy rate to 3% adds 104 units. Finally, an 802-unit local demand buffer based on a ratio of housing price to housing density as prescribed by the province is added, intended to reflect additional units needed for a healthy housing market. Provincial requirements are interpreted as relating to 2021 (the most recent Census year), 2026 and 2041; however, the consultant additionally provided some projection analysis based on more recent population estimates for context and more recent data are also presented for housing prices and rents.

Building 8,350 new units by 2041 would require about 418 new units per year, which is approximately the current construction pace since 2019.<sup>1</sup> This is more than double the pace from the preceding 5 years. However, as shown in Table 2 below (Table 7-6 in the Report), a large proportion of the demand is for affordable / below-market or deeply affordable units – 27% overall and 56% for studio and 1-bedroom units.

Table 2: Anticipated housing demand

	Market		Affordable / below-market		Deeply affordable		Total	
	5-year	20-year	5-year	20-year	5-year	20-year	5-year	20-year
0- / 1-bed	373	1,250	389	1,363	87	218	849	2,831
2-bed	603	2,010	80	291	18	47	701	2,348
3-bed	473	1,576	49	191	11	31	533	1,798
4+ bed	351	1,234	31	121	7	19	389	1,374
Total	1,800	6,070	549	1,966	123	315	2,472	8,350

The report notes that population growth was faster than previously anticipated, though slightly slower for senior age groups, and captures rapidly rising housing prices and rents. It clarifies that the apparently declining share of households in core housing need probably reflects a temporary situation of 2020 COVID-19 relief payments boosting apparent incomes for many low-income people referenced in the 2021 Census data, and notes that given the rapidly increased housing costs housing needs metrics have likely worsened since 2016.

**POLICY ANALYSIS:**

*Bill 44-2023 Housing Statutes (Residential Development) Amendment Act, 2023* introduced changes to the timing and requirements of Housing Needs Reports and OCP updates, notably requiring:

<sup>1</sup> This is assuming 600-700 units completed in 2024 – at 508 as of August 26, data not included in the report

- OCPs to be updated to provide for at least the 20-year total number of housing units required versus a 5-year projection in the current OCP to meet anticipated housing needs, as included in the most recent applicable housing needs report received by the local government;
- A local government must receive an updated housing needs report on or before December 31, 2028 and on or before December 31 in every fifth year after that date;
- An interim report on housing needs must be provided by a prescribed date; and
- As soon as practicable after receiving an interim report the local government must publish it on a publicly and freely accessible internet site that is maintained by the local government or authorized by the local government to be used for publishing the report.

*Order in Council No. 353, June 18, 2024*, as set out in its *Appendix I*, amended the *Housing Needs Report Regulation, B.C. Reg. 90/2019*, notably by prescribing the date for an interim report on housing needs as January 1, 2025 and defining methods for calculating extreme core housing need, homelessness, suppressed households (that did not yet form due to market forces), anticipated growth, vacancy, and a demand buffer, over the next 5 and 20 years. The August 2024 Housing Needs Report prepared by Turner Drake & Partners Ltd. meets this requirement.

*Order in Council No. 353* also brought into force Sections 3, 10, 11, 16, 18, and 26 of the *Housing Statutes (Residential Development) Amendment Act, 2023, S.B.C. 2023*. These amend *Local Government Act (LGA)*:

- Adding sections 473.1 on OCP and housing report needs and 481.7 on zoning bylaws and housing report needs;
- Requiring the 5- and 20-year anticipated housing needs assessments;
- Empowering the Lieutenant Governor in Council to make regulations respecting information that must be included in housing needs reports, methods for calculations and requiring their use; and
- Adding Division 3 – Interim Report on Housing Needs to Part 20 of the LGA.

Among the additions are requirements that OCP and zoning bylaws be reviewed and, if necessary to permit the use and density required to meet assessed future housing needs, updated within the prescribed period after December 31<sup>st</sup> of the year in which council received the most recent housing needs report. The legislation requires that Staff update the OCP by December 31, 2025. Staff anticipate changes to the OCP and this will inform the workplan for 2025.

#### **FINANCIAL IMPLICATIONS:**

The CVRD commissioned and funded the Regional and Municipal Housing Needs Assessment(s) project through the Regional Growth Strategy Function, as a result there are no direct financial implications related to the preparation of this document. This project represents an efficient and effective use of shared resources to address the provincially mandated update to housing projections.

#### **ADMINISTRATIVE IMPLICATIONS:**

Development Services staff have contributed data preparation and review of the regional and municipal report. The suite of provincial housing legislation changes that include Housing Needs Report updates will continue as a new ongoing activity for the department and will support our OCP implementation and ongoing in-house housing data monitoring program.

#### **STRATEGIC PRIORITIES REFERENCE:**

This initiative addresses the following strategic priorities:

- Buildings and Landscape - Review and update land use regulations and bylaws for consistency with OCP
- Affordable Housing - Explore approaches to develop affordable housing: Clarify municipal role in housing affordability
- Buildings and Landscape - Develop a short-term rental policy

**PUBLIC ENGAGEMENT:**

The development of the Housing Needs Assessment was undertaken in accordance with the method prescribed by the province and does not include public engagement. The outcome of this work will be presented to the public for information and will be utilized for public policy planning and potentially for private and public sector developers for market and investment information.

**OPTIONS:**

1. THAT Council receive the August 2024 Housing Needs Report City of Courtenay prepared by Turner Drake & Partners Ltd. ; and  
THAT Council provide direction for staff to publish the report on the City's website.
2. THAT Council provide alternative direction to staff.

**ATTACHMENTS:**

1. August 2024 Housing Needs Report City of Courtenay

Prepared by: Mike Grimsrud, RPP, MCIP, Planner II

Reviewed by: Marianne Wade, RPP, MCIP, Director of Development Services

Concurrence: Geoff Garbutt, M.PI., MCIP, RPP, City Manager (CAO)