

# REPORT

## *Planning and Development*

**To:** Mayor Johnstone and Members of Council  
**Date:** December 9, 2024

**From:** Jackie Teed,  
Director, Planning and Development  
**File:** 13.2610.01  
#2582499

**Item #:** 2024-698

**Subject:** **Interim Housing Needs Report 2024**

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### **RECOMMENDATIONS**

**THAT** the Understanding Housing and Homelessness in New Westminister: Interim Housing Needs Report 2024-2044, included as Attachment 2 to the staff report titled “Interim Housing Needs Report 2024” dated December 9, 2024, be endorsed.

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### **PURPOSE**

To request Council approval of the City of New Westminister’s 2024 Interim Housing Needs Report.

### **SUMMARY**

The Province has required municipalities to prepare a Housing Needs Report starting in 2019. The recent legislation brought the following changes to that requirement, which have resource implications for the City:

- a) the City’s three OCPs and Zoning Bylaw must now be updated to accommodate the identified housing needs, each five years. Previously, these have been updated consecutively, as resources allowed, with the current OCPs having been adopted 7-14 years ago;
- b) the report must now estimate needs for 5- and 20- years (vs. the previous 10);
- c) the estimate must use a provincial methodology different from that of the Housing Target Order, which produces much higher unit numbers than the Order;

- d) the provincial methodology does not include a breakdown by unit type, requiring the City to do additional analysis to specifically identify housing estimates for those most in need;
- e) a description of actions implemented by local governments to reduce housing needs, since receiving the most recent Housing Needs Report, must be included; and,
- f) an interim update of the Report and bylaws is required at this time, three years in advance of the scheduled comprehensive update.

*Understanding Housing and Homelessness in New Westminster: Interim Housing Needs Report 2024-2044* (Attachment 2) has been prepared in alignment with the Provincial legislative changes. Local governments are required to receive Interim Housing Needs Reports by January 1, 2025, after which it will be published on the City’s website to fulfill *Local Government Act* requirements. The required interim updates to the City’s three Official Community Plans (OCPs) and Zoning Bylaw must be completed by December 31, 2025. The next update work must be completed by December 31, 2028, and every five years thereafter.

The Interim Housing Needs Report identifies that New Westminster will need 8,137 additional units by 2029, and 27,523 housing units by 2044. This is significantly higher than identified by the previous Report or the Housing Target Order:

<b>Source of Unit Numbers</b>	<b>Units/year</b>	<b>Units/5-years</b>
Interim Housing Needs Report	1,628	8,137
Housing Target Order	887	4,432
Previous Housing Needs Report	584	2,920

These legislated changes have implications for the City’s financing growth strategy, as well as have ongoing resource needs, related to both the regular report and bylaw updates, as well as the need to process more applications should the development industry take advantage of the increased capacity. Necessary resources have been included in the 2024 and 2025 budget requests, with some being deferred to be requested in 2026 to allow the City to first evaluate the implications of any new resources approved in 2025, as well as development application activity in 2025.

**BACKGROUND**

**Housing Needs Reports**

Housing Needs Reports identify existing and projected gaps in housing supply using data about local demographics, the economy, housing stock, and future growth, and by listening to the perspectives of residents, businesses and housing-related interest groups. These reports intend to strengthen understanding of current and future housing needs and ensure local policies, plans, and development decisions are based on recent evidence. Housing need and demand figures in these reports are estimates, not targets, which reflect current realities and possible futures.

## Changes to Legislated Requirements

In April 2019, the Province of BC introduced a requirement for local governments to prepare a Housing Needs Report that describe current and anticipated housing needs over a ten year period by April 2022, and every five years thereafter. In November 2023, the Province legislated new requirements for these Reports, which have implications to City resources:

- a) the City's three OCPs and Zoning Bylaw must now be updated to accommodate the identified housing needs, each five years. Previously, these have been updated consecutively, as resources allowed, with the current OCPs having been adopted 7-14 years ago;
- b) the report must now estimate needs for 5- and 20- years (vs. the previous 10);
- c) the estimate must use a provincial methodology different from that of the Housing Target Order, which produces much higher unit numbers than the Order;
- d) the provincial methodology does not include a breakdown by unit type, requiring the City to do additional analysis to specifically identify housing estimates for those most in need; and,
- e) a description of actions implemented by local governments to reduce housing needs, since receiving the most recent Housing Needs Report; and a statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation, must be included; and,
- f) an interim update of the Report is required by January 1, 2025, with updated to the OCPs and Zoning Bylaw required by December 31, 2025.

## Previous Housing Needs Report

Council endorsed the City's [2021 Housing Needs Report](#) on July 12, 2021, which identifies housing unit needs for 2021-2031, and includes statements about: affordable housing, rental housing, special needs housing, seniors housing, family housing, and housing for people who are/are at risk of homelessness. In June 2023, Council approved revised methodology and updated the City's target for supportive/ transitional units, and the total target to 5,841 new units to meet current and future.

## Interim Housing Needs Report Update

In May 2024, the City retained a consultant to prepare the Interim Housing Needs Report. This Interim Report updates the 2021 Report by incorporating new data and addressing new legislated requirements. A comprehensive process to create a new Housing Needs Report will be completed as required in 2028, and will include engagement with interest groups and the community to gather important insights not captured by statistical information. The Interim Report continues to rely upon the findings from the 2021 engagement process.

**ANALYSIS**

**Projected 5- and 20-Year Housing Needs**

The standardized methodology used to determine the City's 5- and 20-year housing needs was developed by the Province. It is made up of six parts that are added together, which are outlined in the table below. Using this method, the Interim Report identifies that New Westminster will need **8,137 new housing units by 2029** and **27,523 by 2044**.

<b>Components of the Standardized Methodology</b>	<b>5-Year Housing Need (2024-2029)</b>	<b>20-Year Housing Need (2024-2044)</b>
<i>A: Supply of Units to Reduce Extreme Core Housing Need</i> (Households paying more than 50% of income on housing.)	642	2,569
<i>B: Supply of Units to Reduce Homelessness</i> (Permanent housing for those experiencing homelessness.)	171	341
<i>C: Supply of Units to Address Suppressed Household Formation</i> (Accommodates those unable to form an independent household due to market conditions, since 2006.)	429	1,718
<i>D: Supply of Units to Meet Household Growth</i> (Accommodates an increasing population.)	6,251	20,321
<i>E: Supply of Units Needed to Meet at least a 3% Vacancy Rate</i> (Housing units needed to create sufficient rental unit vacancy to support a healthy, well-functioning rental housing market.)	85	341
<i>F: Supply of Units Needed to Meet Local Demand</i> (Accommodates additional housing demand, beyond minimum units needed to adequately house current and anticipated residents.)	558	2,233
<b>Total units needed</b>	<b>8,137</b>	<b>27,523</b>

**Projected 5-Year Housing Needs, By Unit Type**

To allow for better progress tracking and advocacy to senior government for funding for supportive, below and non-market housing projects, additional analysis was completed to understand housing needs specific to New Westminster. Additional local data (e.g. rental rates, ownership sales, household income, size, tenure trends, and Point-in-Time counts) were used to determine housing need by unit type for the 5-year period.

The table below shows the analysis results (see additional details in Attachment 1). In alignment with the standardized methodology, the analysis took into account additional units that address additional housing demands; however, no tenure has been assigned to them, as housing demand is largely driven by the market and individual choices of buyers and renters.

<b>Housing Type</b>	<b>5-Year Housing Need (2024-2029)</b>	<b>Annual Housing Need</b>
Shelter beds/ units	58	12/ year
Supportive/ transitional housing units	352	70/ year
Affordable rental units (below and non-market)	2,311	462/ year
Market rental units	3,280	656/ year
Market ownership units	1,647	330/ year
<b>Subtotal</b>	<b>7,613</b>	<b>1,523/ year</b>
Units required to foster a healthy market (no tenure)	558	112/year
<b>Total 5-year Units Needed</b>	<b>8,137</b>	<b>1,628/ year</b>

**Comparison to Housing Target Order and Previous Housing Needs Report**

New Westminster’s projected 2024 housing need, using the standardized methodology, differs from the 2021 Housing Needs Report, and the August 2024 Housing Target Order, as well as Metro Vancouver’s population and housing projections. The differences are due to variations in data sources, methodologies, and timing of the projections, which are summarized in Attachment 1.

As detailed in the table below, the Housing Target Order requires New Westminster approve occupancy for 887 new units/year for the next 5-years, for a total of 4,432 new units. The Interim Report identifies the need for 1,628 new units/year for the next five years, for a total of 8,137 new units. This is significantly higher than the City’s previous Housing Needs Report, which identified the need for 584 new units/year.

<b>Source of Unit Numbers</b>	<b>Units/year</b>	<b>Units/5-years</b>
Interim Housing Needs Report	1,628	8,137
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**Housing for those Most in Need**

The Interim Housing Needs Report finds that, while New Westminster’s housing stock is growing, it continues to be challenging to realize supportive/ transitional, below and non-market housing, and the need for these is expected to increase. Their delivery relies on limited and competitive funding from senior government. Additional findings are that:

- Roughly a third of renter households (28.9%) spent more than 30% of their income for shelter, exceeding the affordability standard on shelter costs.
- While the majority of households (77%) are smaller (one and two-person), single person households face heightened housing challenges due to their single income.
- Seniors are the fastest growing population in the city, having increased by almost 60% between 2006 and 2021.
- Indigenous households disproportionately experience low-income status and homelessness. Black, Indigenous and People of Colour (BIPOC) households disproportionately live in unsuitable, inadequate or unaffordable housing.
- 4,255 households with at least one member with disabilities live in unsuitable, inadequate or unaffordable housing.
- Despite City policies incentivising market rental housing, vacancy rates remain low at 0.8%, with only a modest increase of 0.2% since 2022.
- Benchmark ownership prices continue to be high in 2024, at over \$1.5 million for single detached houses, and over \$651,600 for apartments.

**FINANCIAL IMPLICATIONS**

**Financing Growth Implications**

The projected housing need is greater than anticipated in the previous Housing Needs Report and the Housing Target Order. Once the updates are made to the Official Community Plans and Zoning Bylaw, in combination with the other new housing legislation, there will be more opportunities for growth, and a more dispersed population and housing supply than previously anticipated. This will impact planning for infrastructure (sewer, water, electrical) and services (parks, fire halls). As a result, asset management and strategic plans will need to be updated with consideration for new growth areas and new understanding of housing need. This is anticipated to have cost implications to the public and applicants, and is being examined interdepartmentally as part of the financing growth strategy work. This also affects projects funded by senior government (e.g. schools, transit, child care).

**Resource Implications**

These legislated changes have ongoing resource needs, related to both the regular report and bylaw updates, as well as the need to process more applications should the development industry take advantage of the increased capacity. Necessary resources have been included in the 2024 and 2025 budget requests, with some being deferred to be requested in 2026 to allow the City to first evaluate the implications of any new resources approved in 2025, as well as development application activity in 2025.

**NEXT STEPS**

The 2024 Interim Housing Needs Report will be published on the City’s website before January 1, 2025 to fulfill *Local Government Act* requirements. Staff will work to advance the required updates to the City’s three Official Community Plans and Zoning Bylaw by December 31, 2025. Preliminary analysis shows that the Zoning Bylaw may have the required capacity for the interim update.

**OPTIONS**

The following options are presented for Council’s consideration:

- 1. That the Understanding Housing and Homelessness in New Westminster: Interim Housing Needs Report 2024-2044, included as Attachment 2 to the staff report titled “Interim Housing Needs Report 2024” dated December 9, 2024, be endorsed.
- 2. That alternative direction be provided to staff.

Staff recommends option 1.

**ATTACHMENTS**

- Attachment 1 – Comparisons of Projected Housing Needs and Sources
- Attachment 2 – Understanding Housing and Homelessness in New Westminster: Interim Housing Needs Report 2024-2044 (2024 Interim Housing Needs Report)

**APPROVALS**

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