STAFF REPORT

TO: Committee of the Whole
MEETING: June 9, 2020
FROM: Jamai Schile
Senior Planner
FILE: 6780-30

SUBJECT: Report on the Regional Housing Needs Report

RECOMMENDATION

That the Board receive the Regional Housing Needs Report and direct it be posted on the Regional District of Nanaimo web site.

SUMMARY

As part of the update of the Regional Growth Strategy (RGS): Sharing Our Future, the Regional District of Nanaimo (RDN) launched a study in 2019 to better understand the current and future housing needs of the region. During the development of the housing study, the Local Government Act was amended requiring local governments to produce a Housing Needs Report (HNR) every five years. The HNR is a reporting process to collect and analyze community data on current and anticipated housing needs in British Columbia communities. To comply with the new requirement, the RDN adjusted the original project scope to incorporate the remaining identified data into the Regional Housing Needs Report, which was developed in collaboration with the regional partners and key stakeholders.

The HNR findings indicate that despite some progress, housing affordability remains a persistent concern across the region. Current and future housing needs will consistently require a range of housing options with strengthened linkages between housing and transportation to effectively manage growth and facilitate overall affordability.

BACKGROUND

Since 2006, the RDN has experienced an increasing shortage of affordable rental and owned housing for those in low to moderate income brackets. The shortage of affordable housing has been attributed to the widening gap between the cost of housing relative to incomes and a shortage of adequate and suitable rental stock. In response, the RDN completed a regional housing study in 2009, which has been incorporated into actions to address market housing issues in the RDN Housing Action Plan. This information was also used to shape the current RGS goal and policies to support and facilitate housing affordability in the region.

In 2019, a review of the Housing Action Plan showed the majority of the recommended actions have been undertaken, resulting in some progress, such as updating official community plans and zoning to support affordable, adaptable housing and to permit secondary suites. Despite these efforts, the findings of the 2018 RGS Annual Report\(^1\) revealed a significant negative shift

\(^1\) RDN State of Sustainability Report (2006); RDN Housing Action Plan (2009) and the RGS Annual Report(2018) are available on the RDN website at: [www.rdn.bc.ca](http://www.rdn.bc.ca)
in housing affordability, especially for renter households. While not isolated to the RDN, the increase in housing unaffordability has been a growing issue in BC and elsewhere in Canada due to the gradual retraction of senior government housing policy and funding. In 2017, the federal government adopted the first National Housing Strategy in twenty years, demonstrating a major directional shift. Since then, new housing programs have provided opportunities for all levels of government to partner and access funding to reverse the national crisis in housing.

In recognition of these changes, the scope of the scheduled RGS update was expanded to research the region’s current and future housing needs. Concurrently in April 2019, the provincial government mandated local governments to prepare a Housing Needs Report via amendment to the Local Government Act. Section 585 of the Local Government Act and the Housing Needs Report Regulation established a reporting process to collect approximately 50 distinct types of data, including community data for current and projected population, household income, economic sectors and existing housing supply and future housing unit demand. To avoid any gaps in data collection and analysis, the scope of the RDN housing study was expanded to include the remaining provincial requirements. Ultimately, the analysis of this data provides a standardized method, whereby communities can identify existing and projected gaps in their housing supply to better inform community planning.

SUMMARY OF APPROACH AND ANALYSIS

Previously entitled the “Regional Housing Capacity and Gap Analysis”, the Regional Housing Needs Report (HNR) has been underway since December 2018. As shown in the process overview below, data was collected and analyzed for review during the engagement stage.

Quantitative data was collected from Statistics Canada, BC Assessment, the Canada Mortgage and Housing Corporation and other sources. Recognizing the inherent limitations in statistical data, key stakeholder engagement was critical to validate the data and provide additional local context. Engagement activities included structured interviews and three workshops. Over 40 representatives from 27 different community-based housing organizations, as well as provincial and local government partners, attended the workshops held over two days. Further details of the engagement results are provided in the HNR report under the Consultation Summary.

Following consultations, the Regional Housing Needs Report (HNR) was drafted and identified several key themes, including an ageing population; rental housing market fluctuations; the challenge of homeowner affordability, and the relationship between housing, transportation, health and overall affordability. Through a combination of data analysis and stakeholder input, the findings confirm housing affordability remains a persistent challenge across the region. This was demonstrated through a range of housing affordability indicators that consider different household types (such as single-person, couples, lone parent) and market and non-market housing forms alongside the cost of housing and incomes. For example, as of 2016, 7,980 (12%) of households report to be in core housing need and 2,545 (6%) of households are in...
extreme core housing need. Within this group, renters appear to be most impacted as the proportion has increased from 4,155 (7%) of households in 2006 to 5,265 (8%) of households in 2016. The households identified as being the most affected are low-income households; including single-persons, lone parent, seniors, youth and people with disabilities. Moderate-income or workforce households are also identified as struggling to enter the housing ownership market, which places further pressure on the supply of rental housing.

The HNR indicates the current rate of new market housing development aligns with the projected housing unit demand. According to the base growth scenario projection, the region will require 77,725 housing units by 2026 or approximately 600 units per year. Under the high growth scenario, 80,558 housing units are projected or approximately 941 units per year. When compared with the annual number of residential building permits, the data shows an increase in the number of overall residential units, which is an average of 1,125 annually. The data also suggests a positive shift in the range of unit types since 2016. Most notably, in 2018, the number of residential building permits for apartments increased to 832 permits, which surpassed previous years. Also in 2018, the number of annual building permits for single-detached (396) had a slight decline and a stable supply of row houses (113) was recorded. While gains have been made, the data confirmed the importance of developing measures to diversity the housing supply aligned with the changing demographic profile of the community over time. To respond, policy options are being developed as part of the RGS update.

For non-market housing, the findings show a gradual increase of 267 units from 2013 to 2018, which is an average of 53 units per year. Data obtained for 2019, shows a further increase of 134 non-market residential units and recently released 2020 data indicates a continued upward trend with an additional 182 units. The increase over consecutive years corresponds with the change in senior government policy direction and the uptake in BC Housing funding programs. Despite this progress, the number of people recorded on the housing waiting list has increased for the third consecutive year from 509 people in 2018, 599 people in 2019 to 735 people in 2019. It may be too early in the data collection and reporting cycle to fully understand this relationship. Data collected in future years data will monitor progress.

The findings also highlight the important linkage between transportation, housing and overall affordability. Notably, the cost of housing may seem more affordable further away from the urban core; however, the cost of commuting by personal vehicle impacts household budgets and contributes to greenhouse gas emissions. By highlighting these concerns alongside the housing gaps, the applicable RGS policies will be reviewed to improve the link between land use and mobility.

**NEXT STEPS**

To comply with section 585.31(1)(2) and 5.85.4 of the *Local Government Act*, the Board must receive the HNR and make the report available to the public on the RDN website. This will also enable the RGS update to proceed using the HNR findings to draft applicable policy options. The findings of the HNR will be used, in consultation with the member municipalities, to develop the Regional Housing Strategy. In addition, the RGS implementation plan will be updated to meet the requirement to prepare a HNR every five years with the next HNR scheduled for 2023.

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2 BC Housing provides annual (March to March) housing data for units where BC housing has a financial relationship.
ALTERNATIVES

1. That the Board receive the Regional Housing Needs Report and direct it be posted on the Regional District of Nanaimo web site.

2. That the Board provide other direction.

FINANCIAL IMPLICATIONS

Preparation of the Regional Housing Needs Report is included in 2019-2023 financial plan.

STRATEGIC PLAN IMPLICATIONS

Growth Management - Provide effective regional land use planning and responsible asset management for both physical infrastructure and natural assets.

Collecting, analyzing and communicating community data and information is essential to developing policies and strategies to support collective decision-making to advance the region’s shared vision to guide growth set out in the RGS.

Jamai Schile
jschile@rdn.bc.ca
May 21, 2020

Reviewed by:
• K. Fowler, Manager, Long Range Planning
• G. Garbutt, General Manager, Strategic and Community Development
• P. Carlyle, Chief Administrative Officer

Attachments:
1. Regional Housing Needs Report
2. Presentation