



REPORT TO COUNCIL

To: **Mayor and Councillors**

Subject: Interim Housing Needs Report

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From: Anton Metalnikov, RPP, MCIP
Planner

Date: December 2, 2024

RECOMMENDATION:

THAT Council receive the Interim Housing Needs Report.

PURPOSE:

The purpose of this report is for Council to consider receiving the City's Interim Housing Needs Report ("Interim HNR"). It is important to note that the Interim HNR as prescribed by the Province is limited in scope to primarily identifying the number of housing units required over a 5 and 20-year timeframe, compared to the much more detailed Housing Needs Reports (HNRs), such as the City's HNR that was received by Council in 2021.

POLICY:

In 2018, the Province of British Columbia amended the *Local Government Act (LGA)* to require local governments to prepare Housing Needs Reports (HNRs) that identify the number and types of homes needed to meet current and anticipated needs for at least the five following years. Council received the City's HNR in February 2021 and, under original HNR requirements, would have been required to receive a new HNR in 2026.

Requirements for HNRs were updated by the Province as part of the suite of housing-related legislative changes made in November 2023, specifically by Bill 44, which also included changes related to small-scale multi-unit housing and public hearings. These updated requirements must be addressed by an Interim HNR received by Council by January 1, 2025, and are as follows:

- Housing needs, in terms of housing units, must be calculated for both 5 and 20-year periods, through a new standardized method;

- A statement about housing needs near walking, cycling, and public transit infrastructure must be provided; and
- A description of the actions taken by the local government to reduce housing needs since the previous HNR must be provided.

COMMENTS/ANALYSIS:

In accordance with the updated *LGA* and *Housing Needs Report Regulation*, an Interim HNR has been prepared that responds to the new requirements. As permitted by the *LGA*, this Interim HNR will be incorporated into the City's existing HNR as an update, rather than used to develop a full new HNR, given that the standalone requirements for this update are modest in scope and the existing HNR's data and analysis remain applicable and relevant under the original Provincially required timelines. Specifically, the Interim HNR would be added between pages 1 ("Preface") and 2 ("Executive Summary") of the existing HNR, with the front cover and table of contents updated accordingly. A full HNR will be required to be completed by the end of 2028 and every five years thereafter to correspond with census data release dates.

In essence, the 2025 interim update is intended to allow existing HNRs to catch up to the Province's new standards quickly, before returning to a regular five-year schedule of "full" HNR preparation where the entire set of quantitative and qualitative data and information must be re-collected and re-analyzed. Alongside the requirement to include summaries of housing needs near pedestrian, cycling, and transit infrastructure and of actions taken by the City to reduce housing needs, the timeline and method for calculating the number of housing units needed has been significantly changed. In addition to requiring the identification of a 20-year projection of housing units needed, on top of the previously required 5-year projection, updated HNR requirements include a prescribed formula for determining these amounts, with no opportunity for discretion or miscalculation in identifying the number of housing units needed. This resolves an issue that was noted in the original series of HNRs where the data and methods used by local governments to calculate their housing needs differed widely.

Standardizing these calculations allows HNRs to be comparable between local governments and usable as a land use planning input. Specifically, under additional *LGA* amendments passed through Bill 44, Official Community Plans (OCPs) and Zoning Bylaws will be required to be updated to provide the development capacity necessary to absorb at least the 20-year supply of housing units needed as identified in the HNR. The first such OCP and Zoning Bylaw updates must be complete by the end of 2025, after which these updates will move to a five-year schedule lagging two years behind HNRs to give time for the required updates to be made. For example, following the 2028 HNR deadline, OCP and Zoning Bylaw updates must be made by the end of 2030.

The new standardized housing needs calculation formula, referred to by the Province as the “HNR Method”, consists of six components which are added together to identify the total number of housing units needed over 5 and 20-year timeframes:

- a. Supply of housing units to reduce extreme core housing need (those paying more than 50% of income for housing);
- b. Supply of units to reduce homelessness;
- c. Supply of units to address suppressed household formation;
- d. Supply of units needed to meet household growth over the next 5 or 20 years;
- e. Supply of units needed to meet at least a 3% vacancy rate; and
- f. Supply of units needed to meet local demand (included for municipalities only).

Interim HNR Needs

The number of housing units obtained from the University of British Columbia’s HNR Calculator, which complies with the standardized “HNR Method”, are as follows:

	5-Year Need	20-Year Need
a. Extreme Core Housing Need	221	885
b. Persons Experiencing Homelessness	61	122
c. Suppressed Household Formation	209	834
d. Anticipated Growth	2,961	7,702
e. Rental Vacancy Rate Adjustment	20	78
f. Additional Local Demand	219	876
Total New Units	3,691	10,498

For comparison, Langley City’s current housing stock is estimated at approximately 14,000-15,000 units, and the 2021 HNR 5-year housing need identified was 1,353 units.

The City’s Housing Target Order (HTO) that was set by the Province in August 2024 is for 1,844 housing units over the next 5 years, with the HTO set at 75% of the true housing need calculated at that time (2,458 units).

It is important to note that the number of housing units set by the HTO and the Interim HNR are used for different purposes; the HTO is the required number of housing units to be built and occupied in the City over a specific timeframe, whereas the Interim HNR’s housing needs are to guide updates to the City’s OCP and Zoning Bylaw, that in turn will aim to accommodate these needs over the HNR timeframes.

Required HNR Statement and Description

The required statement about housing needs near walking, cycling, and transit infrastructure in the Interim HNR identifies the following:

- The existing OCP’s strong alignment between housing growth and transportation infrastructure;
- The unique constraints created by local soil conditions and the Airport Zoning Regulation on parking construction;

- The City of Langley's investments in walking, cycling, and transit infrastructure in residential neighbourhoods; and
- Opportunities to reduce combined housing + transportation costs.

The description of actions taken by the City since the original HNR to reduce housing needs identifies the following:

- Adopting a new OCP, with a focus on housing;
- Developing, and then strengthening, a Tenant Relocation Plans Policy;
- Zoning Bylaw updates for plex-homes and Transit Oriented Areas; and
- In-progress projects including further Zoning Bylaw updates, density bonusing, and inclusionary zoning.

As noted above, a series of OCP and Zoning Bylaw updates that involve public consultation and require Council approval to take effect will be undertaken to include policies and regulations that aim to meet the housing needs identified in the Interim HNR and existing/updated HNRs moving forward.

BUDGET IMPLICATIONS:

The Interim HNR was prepared by staff with existing resources. No expenditures are made necessary by receiving the Interim HNR.

ALTERNATIVES:

1. That Council direct staff to undertake further refinements before Council receives the Interim Housing Needs Report.

Respectfully Submitted,



Anton Metalnikov, RPP, MCIP
Planner

Concurrence:



Roy M. Beddow, RPP, MCIP
Deputy Director of Development Services

Concurrence:



Carl Johannsen, RPP, MCIP
Director of Development Services

Attachments:

1. 2024 Interim Housing Needs Report
2. 2021 Housing Needs Report

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I support the recommendation.



Francis Cheung, P. Eng.
Chief Administrative Officer