



Council Report

penticton.ca

Date: February 11, 2025
To: Anthony Haddad, City Manager
From: Steven Collyer, Housing & Policy Initiatives Manager

File No: RMS/6440-01

Subject: 2024 Interim Housing Needs Report

Staff Recommendation

THAT Council endorse the 2024 Interim Housing Needs Report, completed in accordance with provincial requirements;

AND THAT Council direct staff to publish the 2024 Interim Housing Needs Report on the City's website.

Strategic Priority Objective

Livable & Accessible: The City of Penticton will proactively plan for deliberate growth, focusing on creating an inclusive, healthy, and vibrant community.

Background

Provincial Legislation – Bill 44

In fall 2023, the provincial government passed several new pieces of housing legislation to promote municipalities to proactively plan for housing. Bill 44 includes a requirement for local governments to complete Housing Needs Reports to support data-informed land use planning. In BC, local governments must complete an Interim Housing Needs Report by January 1, 2025 and complete a full Housing Needs Report by the end of 2028 following provincial methodology. By the end of 2025, the province requires local governments to update their Zoning Bylaws and Official Community Plans to put land use in place to accommodate the projected 20-year housing need identified in the interim housing needs report.

2023 Housing Needs Assessment

The City completed a Housing Needs Assessment in July 2023 which helped inform the Official Community Plan (OCP) Housing Task Force recommendations and local land use updates to the OCP and Zoning Bylaw in 2024. The 2023 Housing Needs Assessment was completed prior to Bill 44 and specific methodology for local governments to complete Interim Housing Needs Reports. Therefore, the 2023 Housing Needs Assessment is not sufficient to meet provincial requirements.

2024 Housing Needs Report

The City partnered with the Regional District of Okanagan Similkameen (RDOS) to complete an Interim Housing Needs Report to satisfy provincial requirements (Attachment 'A'). Separate reports were provided to the RDOS for other partner communities and the electoral areas. Summerland, Oliver, and Princeton chose to proceed with their own Interim Housing Needs Reports.

Given the demand on consultant support to complete Interim Housing Needs Reports by the provincially-imposed deadline, the report was not completed in time for the January 1, 2025 deadline. The City has informed the Province of this situation and worked to have the final report considered by Council as soon as possible after it was received by staff.

Staff are seeking Council's endorsement of this Interim Housing Needs Report and direction to publish this report on the City's website, as required by provincial legislation.

Data Limitations

There are inherent limitations in data collection and population projection analysis. These include the age of the data, the level of granularity, and different results between federal Census data version provincial BC Stats data. Future projections are informed by past observations, which do not always account for the unknown factors over the next decades that can affect population dynamics. The results are helpful for informed projections but should be considered in the context of these inherent limitations.

Key Findings

This section summarizes the key findings from the Interim Housing Needs Assessment. The full report is included as Attachment A.

Six distinct categories are defined by the province which together outline the municipal housing need. Following the standardized Provincial methodology, the following results were noted for Penticton:

Component	5 Year Need	20 Year Need
Units for Residents in Extreme Core Housing Need <i>(i.e. households spending more than 50% of net income on housing)</i>	235	939
Units for Persons Experiencing/At-Risk of Homelessness <i>(i.e. proportion of regional homeless count based on local population)</i>	102	205
Units to Meet Suppressed Household Formation <i>(i.e. estimate of households not forming, in comparison to 2006 ratios)</i>	89	356
Units to Meet Anticipated Growth <i>(i.e. based on average of local and regional growth projections)</i>	1,221	4,061
Units for Rental Vacancy Rate Adjustment <i>(i.e. new rental units needed to achieve target 3% rental vacancy rate)</i>	30	120
Units to Provide Additional Local Demand Buffer <i>(i.e. demand multiplier of the above projections, determined by the province)</i>	154	615
Total New Units	1,831	6,296

According to the 2024 Housing Needs Report, the dwelling unit stock must increase 10% over the next 5 years and 34% over the next twenty years from the 2021 Census dwelling counts (17,365 units).

Key Areas of Regional Need

Three key areas of regional need across the RDOS emerged from the report:

1. Expand rental housing supply,
2. Expand non-market and supportive housing options; and
3. Adapt to population aging.

Financial Implication

In 2024, the province granted local governments \$51M to support implementation of provincial housing legislation. The City received \$343K and utilized \$10,000 of those grant funds to contribute to the Interim Housing Needs Report completed in coordination with the RDOS.

Analysis

Alignment with 2023 Housing Needs Assessment

The 2023 Housing Needs Assessment provided an in-depth review of housing needs across the housing continuum. The report evaluated three different growth scenarios (low, medium and high) which projected between 20,625 and 24,500 total dwelling units needed in the City by 2041 (20-year need). That range equates to an additional 3,260 to 7,135 units. This aligns closely with the results of this 2024 Interim Housing Needs Report, which projects 23,661 total units needed to meet demands, an increase of 6,296 additional units.

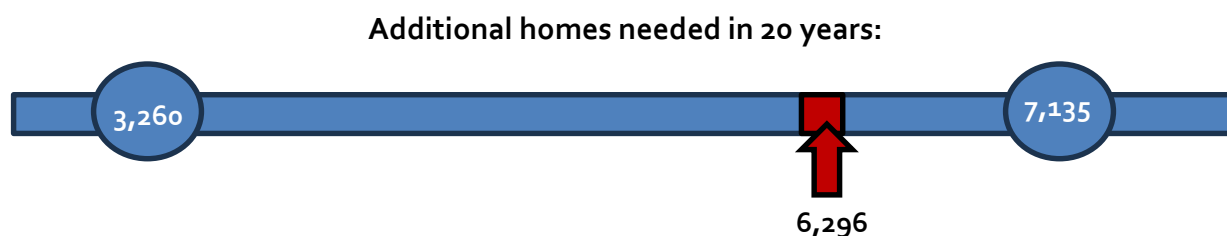


Figure 1 - 20-year housing need according to the 2023 report range (blue) and the 2024 report amount (red).

Provincial legislation

The province requires standardized Housing Needs Reports to support data-informed proactive planning. The provincial method has strengths and limitations. It allows comparison between local governments having followed the same methods to calculate their housing need. However, it does not include detailed projections based on unit types, sizes, or other metrics which are valuable to local planning. As such, staff will continue to refer to the 2023 Housing Needs Assessment to complement the projections in the 2024 Interim Housing Needs Report.

The province has indicated that all local governments will receive a housing target as they continue to assign these targets to municipalities over time. When Penticton is assigned a housing target, it will likely be based on the findings of the 2024 Housing Needs report, equaling 315 units per year to meet the 20-year demand.

Next Steps

Staff will review the Official Community Plan and Zoning Bylaw in 2025 to ensure that appropriate land uses are in place to meet the projected 20-year housing needs (6,296 additional units). Staff do note that accommodation for these levels of housing addition were contemplated in the work to update the OCP in 2024, when the significant policy updates were approved by Council. Staff do, however, have this review following the provincial methodology in the 2025 work plan and will still complete this analysis as directed by the province in their goal of encouraging more proactive planning by local governments in BC.

Staff are recommending that Council endorse the report and direct staff to include the report on the City's website.

Attachments

Attachment A – 2024 Interim Housing Needs Report

Respectfully submitted,

Steven Collyer, RPP, MCIP
Housing & Policy Initiatives Manager

Concurrence

Director of Development Services BL	Director of Finance & Administration AMC	City Manager AH
---	---	------------------------