ATTACHMENT #3 (7 pages)

Local Government Housing Initiatives

Frequently Asked Questions for Bill 44 (Housing Needs Reports)

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Section 1: Overview of Housing Needs Reports

1. What are the Housing Needs Reports requirements and timelines for implementation?

Local governments must complete an Interim Housing Needs Reports (HNR), which is due **January 1, 2025.** These reports must include 3 new, additional items:

1. The number of housing units needed over 5 and 20 years (calculated using the HNR Method, please see Section 3 for full details on the HNR Method).
2. A statement about the need for housing close to transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation; and,
3. Actions taken by local government since the last report to reduce housing needs.

To reduce short term work for local governments, **the Interim HNR can be a relatively minor update to their most recent HNR (e.g. in the main body or as an appendix) to include this new required content**. Some local governments may decide to go beyond that and develop an entirely new HNR.

After the Interim HNR, municipalities will have until **December 31, 2025,** to complete their first OCP and zoning bylaw updates so they allow ('pre-zone') for the number of units identified by the Interim HNR.

Note: Regional districts are exempt from pre-zoning requirements.

2. After the Interim HNR, when is the next regular HNR due?

After the Interim HNR is completed by January 1, 2025, the next "regular" HNR is due by **December 31, 2028**, and then every five years thereafter. The reports are timed to follow each census data release. Corresponding municipal OCP and bylaw updates will then be due by **December 31, 2030,** and every five years thereafter.

3. What is the rationale for changing the timelines for HNRs? Previously, local governments could just do them every five years.

The timelines for HNRs were updated to ensure consistency and comparability. Prior to these amendments, there were two main barriers to being able to compare the results of local government housing needs reports:

- Different methods were used to determine housing need – that is no longer an issue because of the HNR Method; and,
- Some of the datasets local governments used were collected at different times.

Aligning completion dates with census data releases helps ensure HNRs are based on the most up to date information and that other, non-census based datasets are collected at around the same time, improving comparability.

Section 2: General Requirements and Guidelines for Housing Needs Reports

4. What is the difference between requirements for "collected information" and "report content" for the regular HNR?

For the regular Housing Needs Report (HNR) due on December 31, 2028, the requirements for collected information differ from those for report content. HNRs must include all the *required report content,* including statements about key areas of local need, the total number of housing units needed, and data on core housing need. However, the "collected information" is simply meant to inform and deepen understanding of local housing needs and <u>does not need to appear in the HNR</u>. The purpose of collecting this information is to <u>provide a richer understanding of local housing needs</u>. <u>While it is not mandatory to include all collected information in the HNR, local governments should determine which data is most relevant for inclusion in the report as lists, tables, graphs, or appendices.</u>

Regional districts must gather this information for each electoral area (except those with populations under 100). For the Islands Trust, data is required for each local trust area. Most required data is available through the BC Data Catalogue through the BC Data Catalogue.

The full list of information collection requirements and report content requirements is here: Summary of Legislative and Regulatory Requirements for Housing Needs Reports (PDF, 159KB).

5. Were there any changes to information collection requirements?

Yes, the information collection requirements have been reduced. Some are used as part of the HNR Method and so were removed to avoid confusion or duplication.

Others were removed based on local government feedback from the first rounds of HNRs, being of either limited utility and/or particularly arduous to collect.

6. Where can local governments find the data required for HNRs?

Most of the data local governments are required to collect is provided through the BC Data Catalogue at: BC Data Catalogue.

7. Can local governments still partner on their HNRs?

Yes, partnerships between two local governments are possible, for either the Interim HNR or the regular HNR. Collaborating in this way can offer potential benefits and efficiencies, as well as a better, comprehensive regional understanding of housing needs. However, any regional-scale studies must include community-specific information for each participating local government to inform local housing decisions.

8. What requirements must be met when multiple local governments jointly prepare reports?

When a housing needs report covers more than one municipality and/or electoral area, each participating local government must ensure all the requirements are met. In particular:

- The report must include the required report content for each municipality and/or electoral area.

- Each participating council/board must receive the report at a meeting that is open to the public and publish it online.

Detailed information collection, report content, additional considerations, and public reporting requirements are summarized in the Summary of Legislative and Regulatory Requirements for Housing Needs Reports (PDF, 159KB).

9. How flexible are the length, organization, and format of a HNR?

The length, organization, and format of a housing needs report are flexible. Communities have different sizes and circumstances, and housing needs reports will reflect this. When developing their report, local governments can determine the document's appropriate length (number of pages), organization (such as sections, chapters, and appendices), and format (including graphs, tables, colour, photos, and maps).

10. What additional information can local governments include in HNRs beyond the required collected information and report content?

The required collected information and report content is just a starting point. In addition to the collected information, local governments can use other information and datasets to supplement, qualify, and deepen their understanding of local housing needs. For instance, the results from stakeholder engagement and community surveys will often provide valuable context for the numbers in the datasets. Similarly, beyond the required report content, local governments have the flexibility to include other types of content related to local housing needs and to devote more of their reports to specific areas or issues that are of particular relevance. Areas of focus might be housing for families, accessible housing for seniors, impact of tourism on housing, workforce housing, or high cost of rental housing.

11. Are engagement or partnerships required for HNRs?

While engagement and partnerships are not required, they are recommended to enhance the quality of HNRs. Collaborating with community members, stakeholder groups, and nearby First Nations can provide valuable insights and improve the overall quality of HNRs. Local governments have the flexibility to determine the focus, extent, and methods of engagement. It is particularly recommended to engage with vulnerable populations. Additional potential engagement or partnership opportunities include working with non-profit housing and service providers, the development sector, property managers, school boards, post-secondary institutions, health authorities, local business owners, and major employers.

Section 3: Understanding the HNR Method

12. What is the "HNR Method"?

The HNR Method is the methodology that local governments will use to calculate the number of housing units their communities will need for 5 and 20 years.

The HNR Method consists of six components, which are added together to provide the total number of housing units needed in a municipality or regional district electoral area. The six components include:

1. Supply of units to reduce extreme core housing need (those paying more than 50% of income for housing);
2. Supply of units to reduce homelessness;
3. Supply of units to address suppressed household formation;
4. Supply of units needed to meet household growth over the next 5 or 20 years;
5. Supply of units needed to meet at least a 3% vacancy rate; and,
6. Supply of units needed to meet local demand (the "demand buffer"). This component is only included for municipalities.

13. What is the demand buffer and why is it included for municipalities?

The demand buffer is designed to ensure that the HNR Method, in calculating the total number of units needed over 5 and 20 years, accounts for units required to meet "healthy" market demand in municipalities.

The demand buffer essentially builds in the extra capacity that is needed to meet healthy market demand – which is needed to provide more housing choices. This helps accommodate fluctuations in market conditions and ensures a diverse range of housing options for residents.

Examples of the kind of demand for extra capacity include households seeking homes closer to jobs and schools, growing families looking for larger homes, and seniors looking to downsize in their existing communities.

14. Why are the numbers produced by the HNR Method sometimes much higher than the housing needs identified in existing HNRs?

For most communities the HNR Method will likely calculate a higher number of housing units needed than the housing needs identified in existing HNRs.

The HNR Method uses a comprehensive approach of six components to address existing and anticipated housing needs.

As an example, the HNR Method accounts for suppressed household formation and the demand buffer, components which were typically excluded or ignored in previous HNRs. The HNR Method also uses BC Stats as the source for population projections, which will often be higher than projections used in existing reports. The demand buffer will be a major contributor to the higher numbers.

15. How do the HNR calculations relate to housing targets?

The HNR Method was co-developed with the approach for determining housing targets, ensuring consistency between the two methods. However, the HNR Method includes an additional "demand buffer" for municipalities to better account for units required to meet healthy market demand.

16. How will local governments be supported in applying the HNR Method?

To support local governments in applying the HNR Method, University of British Columbia's (UBC) Housing Assessment Resource Tools (HART) is developing the HNR Calculator. The calculator, which is being developed according to the HNR Method, will automatically pull in relevant data for each component of the HNR Method, showing users each step to calculate the total number of housing units needed over 5 and 20 years.

The HNR Calculator is designed to be user-friendly and efficient; UBC plans to make the calculator available in July 2024. Provincial guidance for the HNR Method is posted here.

17. Is the HNR Calculator the only way to calculate the total number of housing units needed using the HNR Method?

Local governments have two options for applying the HNR Method: using the HNR Calculator (available July 2024) or undertaking the calculations themselves (e.g. with Excel). The HNR Method Technical Guidelines posted here offer comprehensive support for calculating housing numbers using Excel, including formulas, data sources, step-by-step guidance, and examples.

Section 4: Proactive Planning

18. How do HNRs affect proactive planning?

The HNR Method component of the HNR will calculate the number of housing units needed for 5 and 20 years. Municipalities must ensure their OCPs, and zoning bylaws allow at least the 20-year number of units.

After the Interim HNR is completed, municipalities will have until **December 31, 2025,** to complete their first OCP and zoning bylaw updates so they allow ('pre-zone') for the number of units identified by the Interim HNR. After the Interim HNR is completed, the next "regular" HNR is due by **December 31, 2028**, and then every five years thereafter. The Corresponding municipal OCP and bylaw updates will then be due by **December 31, 2030,** and every five years thereafter.

This will play an important role in ensuring there is enough opportunity and flexibility for new housing development. This gives market and non-market developers a wider range of "pre-zoned" sites to choose from.

19. Why are Regional Districts exempt from proactive planning requirements?

Regional Districts are exempt from proactive planning requirements to help limit urban sprawl and direct growth towards municipalities. Municipalities are better suited for development as they have more established infrastructure and services and are less exposed to hazards compared to the largely rural electoral areas within regional districts. Additionally, while municipalities fall within RD boundaries, they are not directly administered by RDs for planning and land use purposes.