

# Report to Council



**Date:** September 11, 2023  
**To:** Council  
**From:** City Manager  
**Subject:** Housing Needs Assessment Results and Next Steps  
**Department:** Policy & Planning

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## **Recommendation:**

THAT Council receives, for information, the report from the Policy & Planning Department, dated September 11, 2023, regarding the results of the Housing Needs Assessment.

## **Purpose:**

To receive the results of the 2021-2031 Housing Needs Assessment.

## **Background:**

Improving access to housing that meets people's needs is a priority across Canada, and is especially urgent in fast-growing, high cost of living urban areas like Kelowna. As such, housing has been as identified as a focus area by Kelowna City Council and by community members in the 2022 Citizen Survey.

The Housing Need Assessment (HNA) is a report that identifies current and future housing needs (out to 2031) in Kelowna. To prepare the HNA, quantitative and qualitative data – including demographic, economic, and housing data – was collected, analyzed, and reported on. Supported by funding from the Union of British Columbia Municipalities, the HNA provides information about how much and which types of housing are needed today and into the future.

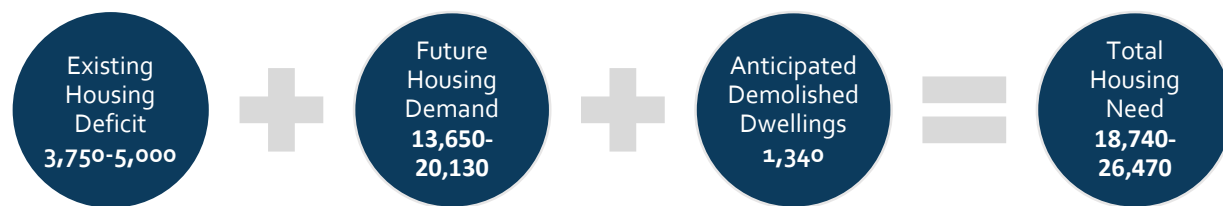
Reporting regularly on housing needs is a legislated requirement. As of 2019, all local governments in British Columbia are required to complete housing needs reports every five years, as per the *Local Government Act*.

This HNA does not provide recommendations about how to meet the identified housing needs; recommendations will be established in an updated City of Kelowna Housing Strategy. The HNA will provide a strong foundation of updated housing information and data prior to developing the Housing Strategy.

## Discussion:

The HNA conducted a comprehensive quantitative and qualitative analysis of the community's housing needs today and to 2031. The full report is available [online](#). The HNA opens by providing a robust outline of the city's current housing context. Within this context, the HNA explores current housing challenges at a new depth, layering on an understanding of the city's existing deficit of housing – that is, the number of new homes that would be required to meet the housing needs of our residents today.

The HNA then provides detailed estimates of future housing need to 2031. These results are combined with the existing housing deficit to create the HNA's estimates of total housing need.



Beyond these overall total estimates, the HNA analysis has arrived at several key conclusions, including areas of strength that we can build on, and areas where renewed focus and commitment will be required over the coming years. These 10 Key Findings are summarized below:

1. Low income renters and priority groups are disproportionately affected by challenges across the Housing Wheelhouse; housing affordability and availability are key drivers of homelessness
2. Kelowna's population has grown faster than expected, placing further pressure on housing affordability; this trend is likely to continue
3. Kelowna's existing housing deficit is 3,750 – 5,000 homes; these are homes that are needed for existing residents even before future growth is considered
4. An additional 13,650-20,130 homes are needed to meet future housing demand by 2031; about 50 per cent more than expected
5. We have demonstrated that the City can approve housing quickly enough to meet community need; however, the pace of housing construction needs to increase
6. Kelowna has a major shortage of subsidized rental housing; we need a tenfold increase in the delivery of subsidized rental housing annually, requiring unprecedented collaboration and partnership
7. Approximately two thirds of subsidized housing that is needed could be accommodated on existing public and non-profit lands
8. Additional supportive housing is needed, and emergency shelter housing will be necessary at least in the short-term
9. A historic amount of market rental housing has been built since 2016, with more on the way; we need to keep up the pace considering nearly half of new households will be renters
10. Overall ownership housing construction is on-track; further action is required to increase the diversity of housing types and price points

## Setting Housing Targets

The HNA uses its estimates of housing need as a basis for setting housing targets. These targets – called Housing System Targets – provide minimum levels of housing development to meet community need to 2031. Housing System Targets are not for the City alone to achieve. They are the culmination of the effort of all of the sectors involved in the delivery of housing. Housing System Targets provide the data-driven, high-level targets for the system to achieve as a whole. They are intended to work in tandem with more detailed targets that will be developed for specific housing programs through an update to the Housing Strategy.

Housing System Targets	
Target Measures	Annual Target
Ownership Units	950-1,360
Market Rental Units	440-600
Vacancy Rate (%)	3-5
Subsidized Rental Units	450-640
Supportive Housing Units	50-150

Accomplishing these housing targets is a joint responsibility, with roles for all levels of government, non-profit organizations, private industry, and other groups. Significant changes across the housing system are required to meet the housing targets outlined in this HNA, and particularly to meet community needs related to the affordability of housing. Additionally, accomplishing these targets will require ongoing monitoring and reporting, and will be achieved in alignment with an updated Housing Strategy.

The City is expecting to work towards these targets with support from the federal government through the Housing Accelerator Fund, and initiatives taken by the City will also be in alignment with housing changes occurring at the provincial level through the Homes for People action plan.

### Conclusion:

Kelowna's housing system is facing complex challenges, and improving access to housing that meets people's needs is a priority for the City. To address housing issues – such as low vacancy rates, rising housing costs, and increasing instances of homelessness – it is critical to understand the current state of housing in Kelowna, as well as how much and which types of housing are needed today and into the future. This Housing Needs Assessment (HNA) was developed to provide this information in advance of an updated Housing Strategy, and to support other corporate priorities and policy objectives.

Additionally, the HNA also satisfies provincial legislative requirements and was developed in anticipation of some of the changes recently announced by the province around housing targets. For the first time, the HNA includes express Housing System Targets that will help guide housing policy and decision making for the next several years.

The key findings of the HNA are diverse and touch every part of the housing system. Some reinforce the City's current efforts, while others will challenge the way we approach our role in the housing system. A critical focus will need to be on dramatically increasing the rate of subsidized rental construction to meet the growing need for affordable housing and to address the housing needs of priority populations. This

increase – to a rate not before seen in Kelowna – will be the single largest challenge for the upcoming Housing Strategy to meet.

Meeting the housing needs of our community in the midst of a housing crisis is no small feat. One thing is clear: to make real progress, every partner in the housing system will need to step forward and increase their efforts to meet this crisis. The upcoming Housing Strategy update will be a vital opportunity to bring the entire housing sector together to develop the tools needed to meet these targets. Fortunately, the 2040 Official Community Plan sets a supportive long-term planning framework to accommodate new housing growth sustainably.

Our housing crisis will not disappear overnight. But, by monitoring and reporting on our targets regularly, we will be able to see how our community's efforts are progressing, and where further action is needed.

**Internal Circulation:**

Social Development Department  
Real Estate Department  
Partnerships Department  
Development Planning Department  
Development Services Department  
Communications

**Considerations applicable to this report:**

***Legal/Statutory Authority:***

Local Government Act, Part 14, Division 22 Housing Needs Reports

***Legal/Statutory Procedural Requirements:***

Local Government Act, Part 14, Division 22 Housing Needs Reports, Sections 585.2 to 585.41

***Existing Policy:***

*Our Homes Today and Tomorrow: Housing Needs Assessment, 2017*

*Healthy Housing Strategy, 2018*

*2040 Official Community Plan Bylaw*

*Imagine Kelowna*

***External Agency/Public Comments:***

A report summarizing the public and community partner engagement is attached as an appendix to the Housing Needs Assessment.

**Considerations not applicable to this report:**

***Financial/Budgetary Considerations***

Submitted by:

A. Janousek, Planner II

**Approved for inclusion:**

J. Moore, Infill & Housing Policy Manager

**Attachments:**

*Appendix A – 2021-2031 Housing Needs Assessment Executive Summary*

The full Housing Needs Assessment report is available on the [City's website](#).