

CITY OF VICTORIA

Interim Housing Needs Report

October 2024



Background

The Interim Housing Needs Report (HNR) builds on the City of Victoria's 2020 Housing Needs Assessment by updating current and future housing needs over a 5-year and 20-year period. The interim report responds to key changes in the Housing Needs Report (HNR) legislation and supports a suite of legislation introduced by the Province of BC in 2023 to enable local governments to deliver housing supply in the right places more quickly.

Housing Needs Report legislation was amended with a new standardized methodology, new timelines for completing assessments, and requirements for additional content. The new standardized methodology, the HNR Method, creates a consistent and transparent approach to assess housing needs for all local governments in BC. The HNR Method includes six components to calculate housing needs over the next five and twenty years. Two of these components are crucial to expanding local government's understanding of housing needs - estimating existing unmet housing needs as well as housing needs associated with future population growth. The updated HNR timeline requirements align with the release of the National Census ensuring HNRs are based on the most up to date information. Additional requirements include statements about key areas of local need, expanded data on core housing need, and an account of a local government's progress toward reducing housing need. Overall, these updates will help local government and the province better understand and address housing needs.

Although local governments are not required to respond to these amendments until 2028, they are required to complete an Interim HNR by January 1, 2025, to provide support to other pro-active planning legislation.

The City's interim report is meant to supplement the existing 2020 Housing Needs Assessment, with the following three components:

- The number of housing units required to meet current and anticipated need for the next 5 and 20 years, as calculated using the HNR Method provided in the Regulation;
- A statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation; and,
- A description of the actions taken by the local government, since receiving the most recent Housing Needs Report, to reduce housing needs.

1.0 Interim Housing Need Estimates

The HNR Method uses a comprehensive approach to estimating a community's current and anticipated housing needs for households across the housing spectrum.

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

- A. Supply of 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.

Based on the HNR Method, the table below summarizes existing and anticipated housing needs for the City of Victoria over a five-year and twenty-year period.

Table 1: Five-Year and Twenty-Year Housing Need Estimates

Component	5-Year Housing Need (Units ¹)	20-Year Housing Need (Units ¹)
A. Extreme Core Housing Need	975	3,898
B. Persons Experiencing Homelessness	221	442
C. Suppressed Household Formation	406	1,625
D. Anticipated Growth	5,924	17,725
E. Rental Vacancy Rate Adjustment	155	619
F. Additional Local Demand	573	2,292
Total New Units – 5 years (Year 2026)	8,254	
Total New Units – 20 years (Year 2041)		26,604

¹Rounding to the nearest whole number was used to aid in readability. The 5-year and 20-year unit totals reflect calculated results using original numbers prior to rounding.

2.0 Statement on the Integration of Housing Near Transportation Infrastructure

The City of Victoria acknowledges the need for encouraging housing close to transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation.

Walking, riding, rolling and taking public transit are all sustainable transportation options that contribute to a more vibrant and sustainable city. Integrating sustainable transportation with housing further supports the City's objectives for creating a diverse, livable community.

The City's Sustainable Mobility Strategy, GoVictoria, was adopted in 2019 and confirms our mobility values, policy positions, and key initiatives surrounding mobility. GoVictoria envisions a mobility future where all Victoria's neighborhoods have connected mobility systems that include a variety of convenient and sustainable mobility choices. Our rapid and frequent transit network anchors corridors with increased housing and employment density.

Building on GoVictoria, the 10-Year Official Community Plan (OCP) Update that is currently underway, proposes current and future direction for the City:

- Enable more housing density in and near Mobility Hubs and along transit priority corridors to strengthen the business case and rationale for more frequent and new forms of transit service. The active transportation and shared mobility networks will also converge in these locations, allowing all systems to reinforce each other.
- Introduce an Urban Structure Concept, a land use and transportation framework, that aligns where people live and work with ways to get around Victoria. This concept includes transit routes and frequency of service that responds to the concentrations of jobs and housing.
- Promote more housing options within a five-minute walk to services, amenities, active transportation networks, and transit stops; contributing to complete, low-carbon communities.

Overall, the integration of land use planning and transportation is a key component of the City's existing Official Community Plan and the 10-Year OCP Update affirms this direction with a continued emphasis on the creation of complete and connected communities.

3.0 Actions Taken to Address Housing Needs

The City’s ongoing efforts to meet current and future housing needs have responded to the 2020 Housing Needs Assessment. The following table summarizes these actions that encourage and enable a range of housing options that serve various household sizes, income levels and life stages.

Housing Action	Description	Status
Housing Strategy Annual Reviews	The Housing Strategy Annual Reviews provide a detailed summary of the annual as well as cumulative progress made to achieve the goals of the Victoria Housing Strategy (2020-2025) and describes the City’s ongoing efforts to meet current and future housing needs.	Completed (2020 to 2023)
Fast Track for Affordable Housing	In 2022, the Fast Track for Affordable Housing program was launched. The program aims to accelerate the delivery of new non-market affordable rental and non-profit cooperative housing projects. The streamlined regulatory pathway reduces development approval times and increases allowable residential densities - helping to advance the supply of housing that residents can afford. Since the program was initiated, the City has approved several affordable housing projects through the Fast Track process.	Completed
Local Area Planning	In 2022, after extensive community engagement, the City approved new local area plans for three areas (North Park, Fernwood and Hillside-Quadra) as well as associated amendments to the OCP. While each area has its own distinct traits and individual priorities, there was a general direction for addressing housing needs. Policies supported new housing capacity with an emphasis on expanding housing options with much of the new housing capacity in close proximity to frequent transit routes and existing amenities. A diverse range of housing near villages was also prioritized, helping to advance complete and walkable communities.	Completed

<p>Missing Middle Housing Initiative</p>	<p>In late 2023, as part of a six-month review, Council approved changes to simplify the Missing Middle Regulations in the hopes of increasing uptake from the development community. A 30% requirement for three-bedroom units was retained to support the delivery of housing options for families.</p>	<p>Completed</p>
<p>Victoria Housing Reserve Fund Guidelines Updates</p>	<p>Also in late 2023, updates to the Victoria Housing Reserve Fund Guidelines provided additional financial support to non-market rental housing projects.</p>	<p>Completed</p>
<p>Rental Protection and Revitalization: Energy & Seismic Retrofit Pilot</p>	<p>In 2023, Council approved a new tax incentive program focused on energy and seismic upgrades for market rental buildings built prior to the year 2000. The purpose of this program is to promote energy efficiency improvements, seismic upgrades and the electrification of mechanical equipment.</p>	<p>Completed</p>
<p>MOU re: HEART and HEARTH with BC Housing</p>	<p>In early 2024 a Memorandum of Understanding (MOU) between the Province and the City of Victoria affirmed a commitment to address homelessness in Victoria through the Homeless Encampment Action Response Teams (HEART) and the Homeless Encampment Action Response Temporary Housing (HEARTH) programs.</p>	<p>Completed</p>
<p>10 –Year Official Community Plan Update and Zoning Bylaw Modernization</p>	<p>Work on updating Victoria’s Official Community Plan to meet housing supply needs for next 25 years has continued through 2024. The approach has focused on responding to the housing crisis while simultaneously aligning the City’s zoning regulation bylaw and other tools to help realize policy objectives. Public engagement was completed in September 2024.</p>	<p>Underway</p>

<p>Rental Incentive: Affordable Housing Rental Tax Exemption Bylaw</p>	<p>In June of 2024, Council approved the Revitalization Tax Exemption (RTE) Bylaw to incentivize the development of non-market rental housing and support the inclusion of affordable units in market rental projects.</p>	<p>Completed</p>
<p>Family Housing Policy</p>	<p>In June 2024, the City introduced the Victoria Family Housing Policy and associated Advisory Design Guidelines for Family Friendly Homes. The policy establishes a minimum percentage of two and three-bedroom units in all new multi-unit residential buildings.</p>	<p>Completed</p>
<p>City-owned Sites for Affordable Housing Partnerships</p>	<p>The City is exploring opportunities to use City-owned land to support the delivery of affordable housing. This project is part of the City’s Housing Accelerator Fund Action Plan.</p>	<p>Underway</p>
<p>Leveraging City Lands for Housing</p>	<p>In 2023, a 205-unit affordable housing development was approved for City-owned land in the 900-block of Pandora Avenue. This project – a partnership with BC Housing and the Capital Region Housing Corporation – highlights how the City can leverage land to facilitate affordable housing. This project is one of five active projects since 2020 where the City leveraged city-owned lands to facilitate affordable housing partnerships with non-profit and government partners.</p>	<p>Ongoing</p>
<p>Tenant Assistance Policy</p>	<p>The Tenant Assistance Policy was updated since the completion of the 2020 Housing Needs Assessment to help mitigate the potential impacts of displacement on tenants. The policy includes guidelines for developers and property owners to provide additional supports for tenants who are displaced as a result of redevelopment.</p>	<p>Ongoing</p>