

Housing Needs Report

District of Port Hardy 2024

Meeting Housing Demand

Housing legislation passed in November 2023 requires all local governments to update their housing needs assessments to provide 5 and 20-year housing projections. By adopting this report, the District of Port Hardy complies with the Housing Needs Report Regulation and legislative requirements of the *Local Government Act*. This document represents a culmination of other supplementary documents that provide the full context of the housing environment in Port Hardy, which will help guide updates to this report within the next 5 years. This full suite of supporting information is included as an appendix to this report's sibling document, the *Housing Needs Analysis Sheet*, and includes:

- HNR Data Tables:** *The data tables used to calculate the required HNR numbers*
- Data Analysis:** *A deeper explanation of the analysis of housing data to produce the findings indicated in this report*
- What We Heard Report:** *The summary of community engagement facilitated throughout the Housing Needs Report development*

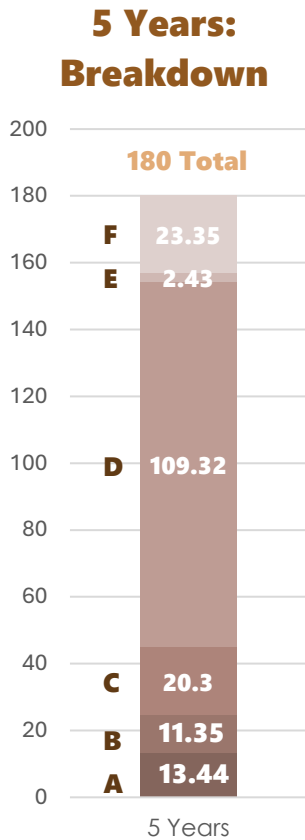
Housing Needs Requirements: *Housing Needs Report Methodology*

Based on new standard methodology required by the Province of BC for Housing Needs Reports, 5 and 20-year housing need calculations (total of units needed) for the District are shown below. This report uses these numbers as a starting point and, with local community insights and contextual analysis, adapts them to meet the community's specific needs. This approach helps identify the types of housing that are most needed to improve housing options now and in the future. Following adoption of this Housing Needs Report the District is required to amend the Official Community Plan and Zoning Bylaw to provide for the projected 20-year total number of units.



- 53.76 units for extreme core housing need**
- 22.70 units for people experiencing homelessness**
- 81.19 units for suppressed household formation**
- 24.93 units for anticipated household growth**
- 9.70 units for rental vacancy rate adjustment**
- 93.42 units for demand buffer**

HNR Method Breakdown



A: Extreme Core Housing Need

53.76 housing units must be facilitated over the next 20 years (with **13.44** units being facilitated over the next 5 years) to meet the HNR methodology's *Extreme Core Housing Need* requirements. Extreme core housing need is defined as households where the unit is not adequate (requires major repairs), or not affordable to an extreme degree (has shelter costs of more than 50% of before-tax household income), or not suitable (does not have enough bedrooms as per NOS standards) and the household would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that meets all of the above housing indicator thresholds. For this number, the extreme core housing needs rates for both homeowners and renters are taken into account separately, with the final number of units required being a sum of the two groups.

B: Persons Experiencing Homelessness

As per the HNR methodology, **22.70** housing units must be accommodated over the next 20 years (with **11.35** units being accommodated over the next 5 years) to meet the requirements for persons experiencing homelessness. This number examines the obligation of the District to accommodate a population-based proportion of the units required to meet the needs of the Mount Waddington region.

C: Suppressed Housing Formation

81.19 units must be accommodated over the next 20 years (with **20.30** units being accommodated over the next 5 years) to meet the needs of suppressed households in Port Hardy. This number represents households that may have formed if housing were more available, such as adult children moving out of home to form their own households or choosing to have roommates where they otherwise wouldn't have. This number is calculated based on headship rates (households per population, by cohort and tenure) from 2006 when housing was less constrained, and is applied to the current population.

D: Anticipated Household Growth

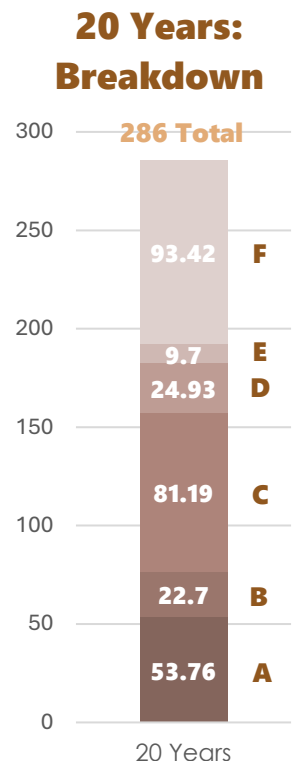
24.93 units are needed over the next 20 years, though the 5-year target is significantly higher than this anticipated need, at **109.32** units by 2029. This is due to the fact that population projections for the District of Port Hardy anticipate an increase in population in the short term, but with an overall decline by 2044. This front-loaded need poses a challenge for providing the appropriate amount of units at the right time to address housing shortages in the community.

E: Rental Vacancy Rate Adjustment

Vacancy rates (the number of units unoccupied at a given time) are seen to be 'healthy' at around 3%, meaning that there are available units for people looking to move to or within the community. As vacancy rate data is not available for the District of Port Hardy, this calculation uses the provincial vacancy rate of 1.4%, with the goal of providing enough units to bring this percentage up to 3%. With this calculation, **9.70** units must be accommodated over the next 20 years (with **2.43** units being accommodated over the next 5 years).

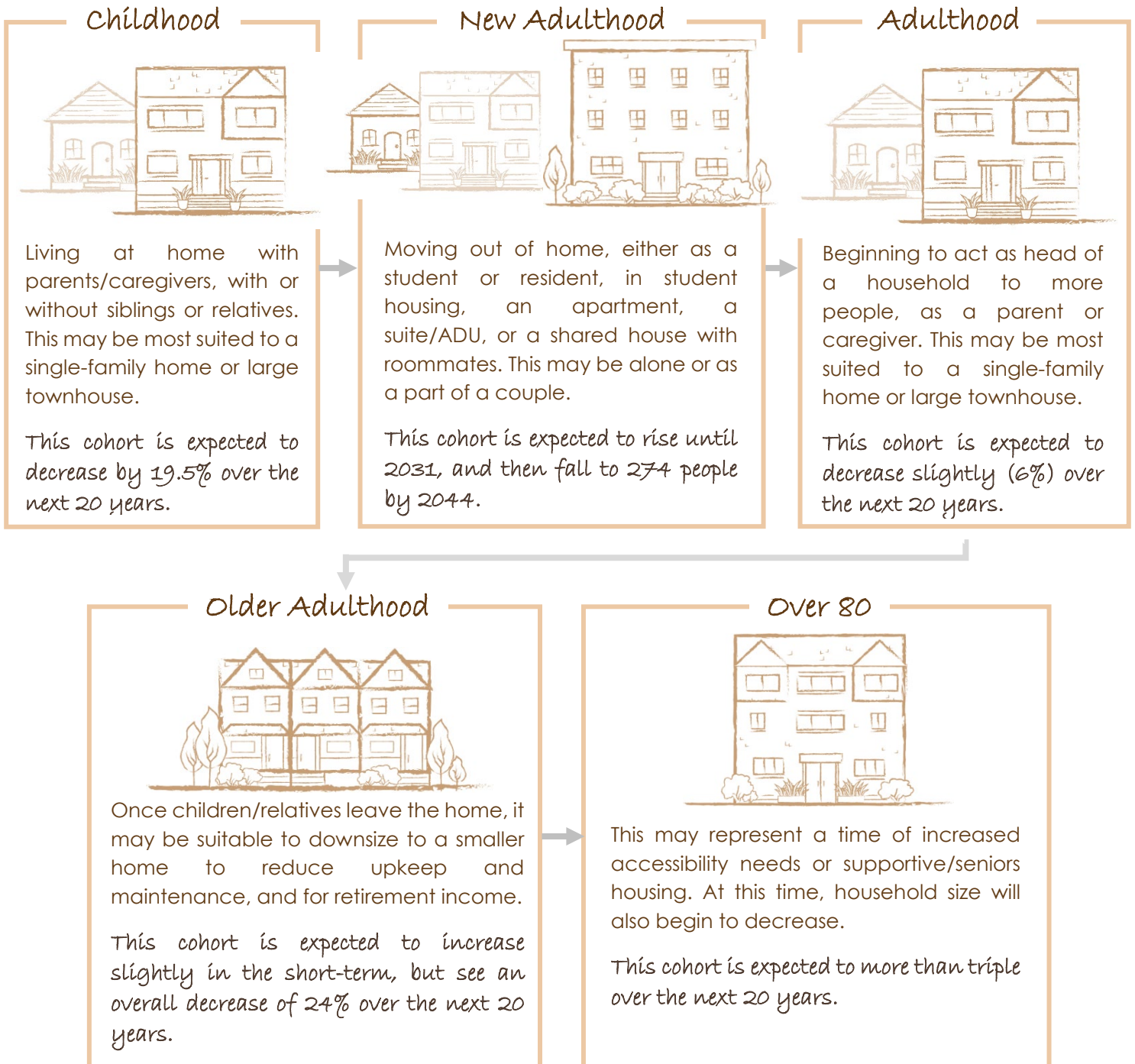
F: Demand Buffer

93.42 units must be facilitated over the next 20 years (with **23.35** units being facilitated over the next 5 years) to accommodate the demand buffer – a contingency to account for additional housing required to satisfy a 'healthy' market demand.



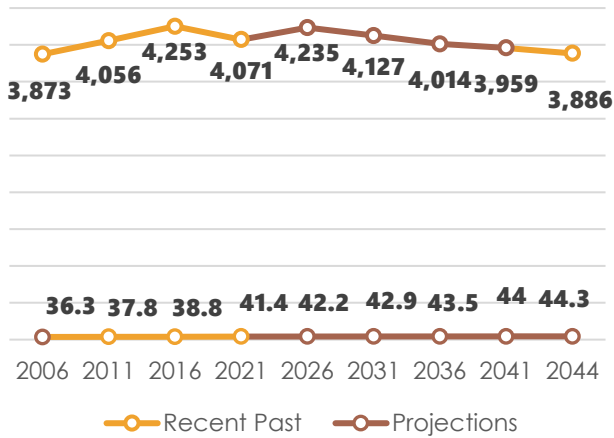
Journeys Through Housing: A Lifetime of Change

As a person moves through their life, the requirements of their housing may change based on their household's social and physical wants and needs. There are many ways an individual may move through different types of housing throughout their lifetime, and by examining some common trajectories we can begin to predict which kinds of needs the community may see in the future. Based on our understanding of the community's most common desired housing trajectories, a common journey through housing is shown below. By envisioning age cohorts as having general alignment with specific housing types, we can understand the implications that a shift in populations and households may have on the demands placed on the housing stock.



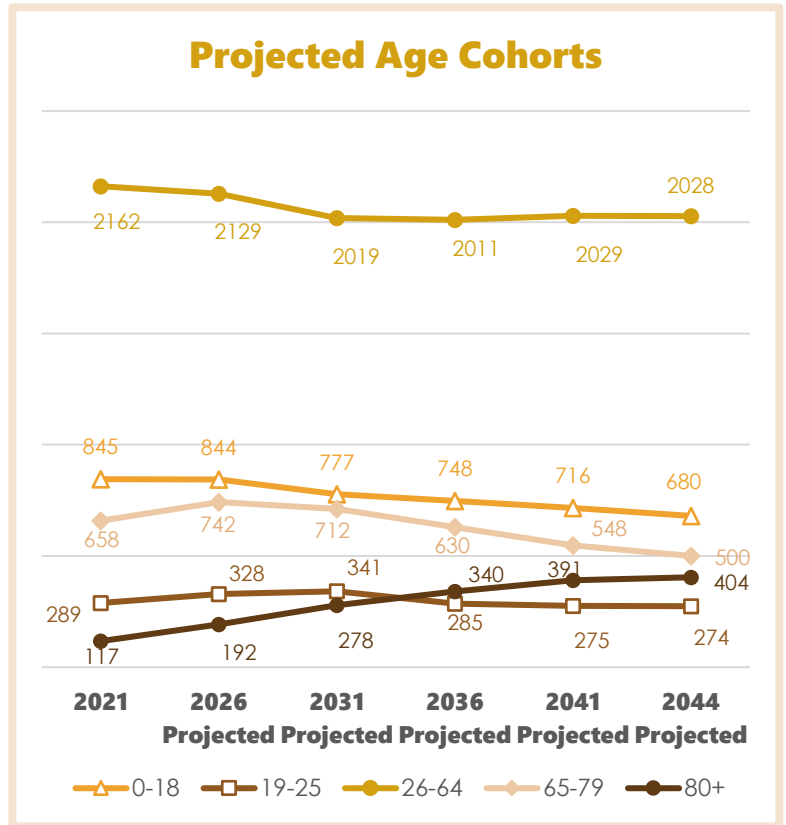
The Gaps: Households vs Housing Stock

Population Trends



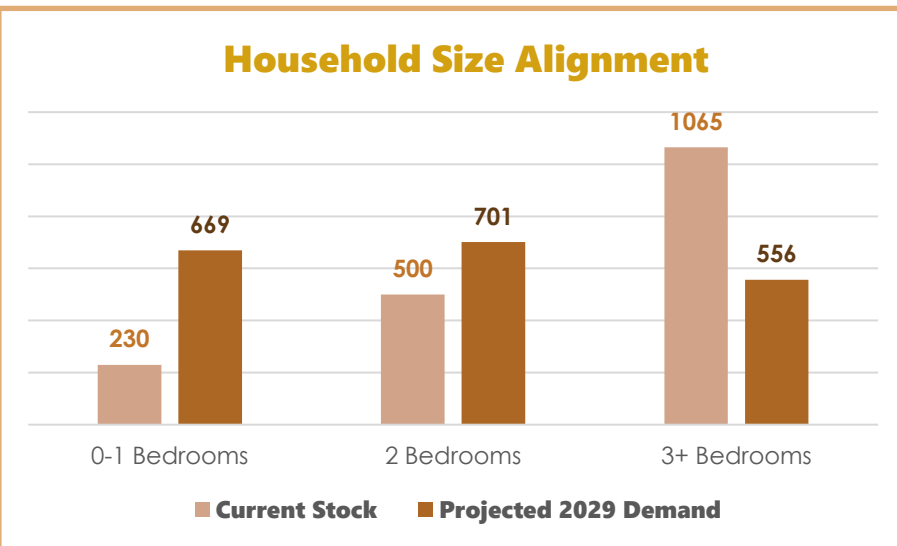
The average age of Port Hardy residents is projected to increase to 44.3 over the next 20 years, while the population is expected to fall slightly, reaching 3,886 residents by 2044. The only age group expected to grow significantly in the next 20 years are those over the age of 80.

Projected Age Cohorts



With the assumption of one bedroom per person for housing size per household, household size cohorts have been projected for 2029, and measured against the existing housing stock to highlight which housing sizes should be a key focus for new development. Generally, the number zero to two-bedroom units are not sufficient for the projected demands, while there is an expected surplus of units with three or more bedrooms.

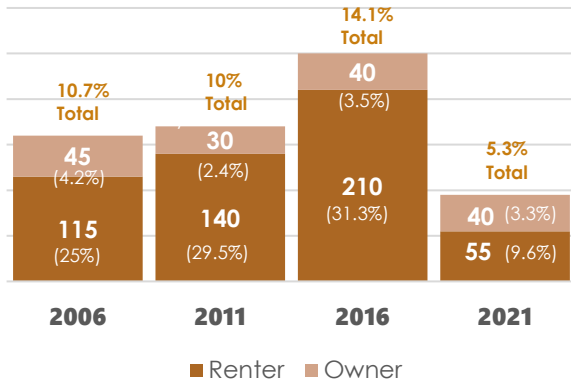
Household Size Alignment



The majority of the housing stock is designed for three to five-person households, though household sizes are fairly evenly split between one, two, and three persons. This suggests there is an opportunity to convert larger homes to houses with secondary suites or accessory dwelling units, plexes, or student housing units. New units should focus on satisfying one to two person households rather than larger families.

Core and Extreme Core Housing Need

Core Housing Need



Households determined to be in core housing need are those whose housing does not meet at least one of the following:

Adequacy: Housing not requiring any major repairs

Affordability: Shelter costs equal less than 30% of total before-tax household income

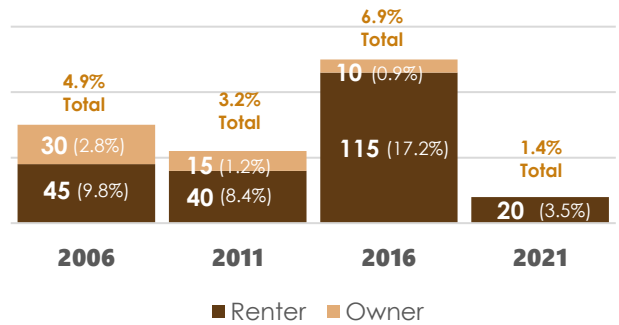
Suitability: Housing with enough bedrooms for the composition of residents as per NOS standards

As per Census Canada, core housing need in Port Hardy steadily increased for both renters and owners between 2006 and 2011, with both dropping to under 10% in 2021.

Households living in extreme core housing need are those that are also living below at least one of the indicator thresholds of adequacy and suitability, with the increased affordability threshold of households paying at least 50% of their before-tax income to shelter costs.

A significant portion of those households in core housing need were also indicated as being in extreme core housing need. Affordability was the most significant indicator for renters and owners, though adequacy standards were a relatively close second for owner households.

Extreme Core Housing Need



The District's Progress

UNITS NEEDED BY 2025
AS PER 2020 REPORT

0

UNITS BUILT SINCE
2020

18

UNITS NEEDED BY 2029
AS PER THIS REPORT

180

The previous Housing Needs Report did not anticipate the need for any additional dwelling units in the period following the report, to 2025. During that period, 8 additional single-family units and 10 multi-family units were created, suggesting that the market need was higher in that period than the anticipated demand, and that multi-family development posed an advantage over the construction over single-family homes. This rate of development suggests an average of 4.5 units per year for the past four years. If this rate of development continues for the next five years, Port Hardy would only see the construction of approximately 23 additional units by 2029, and 90 units by 2044. This number is far below the 5-year and 20-year targets for housing needs as laid out by the HNR Methodology, suggesting that more aggressive housing initiatives and the facilitation of BC Housing projects will be needed to meet these targets.

Housing Initiatives Since 2020

Following the adoption of the 2020 Regional Housing Needs Report, the District has enacted several initiatives directed at facilitating quality housing development and supports. These initiatives include:

Initiatives

Overview & Status

District of Port Hardy Strategic Plan
2023-2026

Housing is included as a priority in the Council Strategic Plan, with strategic initiatives including:

- Creating a plan for low-income/supportive housing development and the adoption of a housing action plan
- Developing an inventory of District lands available for non-profit use
- Identification of lands to support the development of a new mobile home park
- Development of plans for single-family dwellings and carriage homes to reduce the burden on builders in constructing housing

Memorandums of Understanding for
Land Use Leases for Housing Projects

The District currently has two Memorandum of Understanding agreements in place for housing projects including:

- Culturally supportive housing of up to 24 units
- Seniors Housing

Grant Funding

The District has provided grant funding to help facilitate additional shelter beds at the Salvation Army, ongoing from 2021

Looking Forward

Future Development: *How the District of Port Hardy Can Help Fill Housing Gaps*

While only 29% of households in Port Hardy currently contain three or more people, **69% of the housing stock is designed for larger households**. The projected population trends suggest that larger households will continue to decline, while one and two-bedroom households are anticipated to increase. This means that **in the future decades, smaller units designed for smaller families may be better suited for new builds**, as smaller units create cheaper housing that can be located closer to services and amenities.

There is an opportunity to explore how the existing housing stock can better accommodate these smaller household sizes, such as **conversions of larger homes into small-scale multi-family housing** through secondary suites and accessory dwelling units, or creating retro-fit duplex or triplexes.

Based on community engagement, affordability and the rising costs of housing including **rent/mortgage costs, insurance costs, utility costs, and maintenance/repair costs** are a key concern for the community, with renters and **low-income households** suffering the most from unaffordable housing conditions. Frustration was also expressed over the lack of availability of homes that are affordable for young families just starting out. Community members noted a general desire for **more living space**, yard space, storage space, and bedrooms in their homes.

Residents support housing options that provide privacy and adequate space, such as single-family homes with or without secondary suites or accessory dwellings, as well as other small-scale multi-unit development such as duplexes, triplexes, and fourplexes. Community members also raised concerns about how the current housing stock will meet their needs as they age, with concerns being raised about **future accessibility needs** and the challenges of performing **home maintenance and repairs** as they grow older. The ageing population of Port Hardy is aligned with future concerns of residents about how the housing stock will support accessibility needs and seniors housing availability moving into the future.

Key Areas of Local Need

Affordable Housing

As per BC Housing Non-Market Housing Data from March 31, 2023 sixteen units of rent assistance in the private market currently exist in Port Hardy. Additionally, there are 18 households currently receiving independent social housing support.

Though housing affordability has improved significantly since 2016, rates of households living in unaffordable housing conditions have remained high at 14% in 2021, with 20% of renter households living in unaffordable conditions. Those most at risk are low-income and very-low income households, and renters. Additionally, it is unclear if the recent statistical improvement in affordability is reflective of a temporary boost in household incomes over the COVID-19 pandemic and financial supports during the early pandemic. If this is the case, future numbers may revert back to previously high-levels of housing unaffordability if affordable housing initiatives are not facilitated.

Based on the HART model, affordable shelter costs for very low income households (generally equivalent to shelter allowance for welfare recipients) in 2021 was under \$353 per month. Affordable shelter costs for low-income households (generally equivalent to one full-time minimum wage job) range from \$353 to \$881 per month, with over 15% of residents falling into this income category in 2021. Moderate income households ('middle class households) ranging from \$881 to \$1,410 per month, represented by 22% of the population. Affordable shelter costs for median income households range from \$1,410 to \$2,115 per month with 20% of residents falling into this category in 2021.

Average monthly shelter costs for residents in the District as per Canada Census is \$958, meaning that those earning less than a moderate income are at most risk of facing unaffordable housing conditions.

These affordable shelter cost calculations may help determine appropriate rent ranges for non-market housing for various income groups.

Rental Housing

As per the 2021 Census, 575 households in Port Hardy live in rental housing, making up 32% of total households in the District. There is currently rental assistance in the private market for 16 households in the community, with 45 tenant households (7.8%) living in subsidized housing

Rental prices are an important factor in determining the affordability of housing. Rental Price data provided by CMHC is not available for the District of Port Hardy. However, the average shelter cost to income ratio for renters in Port Hardy, as per Custom Census Data is 20.1%, compared to 15.8% for owners, with 20% of renter households paying more than 30% of their before-tax income to shelter costs. This highlights that housing affordability efforts in Port Hardy should be focused predominantly on renter households.

Housing for Seniors

In the short term, the new adult and older adult age cohorts are anticipated to increase, suggesting a short-term need for more housing suited to those age cohorts, such as smaller units (apartments, secondary suites, accessory dwelling units, and small plexes).

Over the long term, however, these cohorts are anticipated to decrease. This suggests that the housing best suited to these age cohorts may also need to be easily adaptable to accommodate the over 80 age cohort, which is anticipated to continue to increase through 2044.

The projected increase for Port Hardy residents over the age of 80 suggests that the need for housing options that cater to seniors will be extremely important in the coming decades. The implications of this may include an increased demand for seniors housing, housing for 1-person households, multi-generational housing/accessible small-scale units designed for older family members living in a separate unit on the same property as family (such as accessory dwelling units or secondary suites), and assisted living facilities.

Special Needs Housing

It is unclear the number of households in Port Hardy requiring features to improve accessibility in their housing due to a disability or other mobility issues. There are currently no non-market units designed to accommodate residents with special needs in the community. However, 17% of survey respondents noted some challenges with home or outdoor maintenance due to mobility challenges or disability, with 8% noting that they have special needs that require support and 7% noting that they require wheelchair access and wheelchair-friendly features for their home. It is understood that more information is needed to determine the level of need for special needs housing in the community.

Housing for Families

The projected decrease for Port Hardy residents in both the under 19 age cohort and the 26-64 age cohort suggests that housing most suitable to these household types – larger townhomes and single-family homes – may see less demand in the coming decades as family sizes decrease.

As per the 2021 Census, 1,065 units of housing with three or more bedrooms currently exist in the community. However, the results of the data analysis and community consultation show that many of these units are currently occupied by smaller households.

Based on the number of units required by the HNR methodology in Port Hardy over the next two decades, it is clear that new units are desperately needed in the community. However, given the gaps between smaller households and smaller sized units, availability and affordability concerns for renter households, and the increasing number of residents who will need accessible, supportive, and seniors housing options in the next two decades suggest that the development of new units specifically designed for families may not be the top priority for Port Hardy in the near future. Alternatively, supporting the transition of smaller households into more affordable, supported, and easier to maintain housing options that still provide the amenities enjoyed by those residents – such as townhomes or smaller, accessible single-family homes (patio homes) – may increase the availability of housing stock for families.

Shelters

The District of Port Hardy currently has 10 units of emergency shelter housing and housing for the homeless, operated by the Salvation Army. Some of these units have received direct funding from the District of Port Hardy. It is important to note that Port Hardy operates as a regional hub for certain types of services, and currently provides the only shelter beds for in the Mount Waddington region. This suggests that the need for shelter housing demonstrated in Port Hardy may be higher than in other local municipalities, as the community bears much of the responsibility of the wider region for supporting these initiatives, as spreading resources for emergency shelter beds throughout the other local municipalities may be inefficient and result in overall fewer beds. Coordination with neighbouring municipalities is encouraged to determine the level of need in the greater community, as well as to explore cost-sharing opportunities.

Housing Near Transportation

For many communities in BC, it is key that housing is developed within close proximity to transit services to allow for people to move throughout the community without the use of a personal vehicle. However, transit service in the District of Port Hardy is limited, and routes are not expanded or frequent enough to provide meaningful transportation options. As such, focusing residential development along public transportation corridors may not provide an overall benefit.

However, prioritizing housing within walking distance of services and amenities may provide many additional benefits to residents, including enhancing quality of life for residents being provided opportunities to spend more time outdoors and closer to nature, and to reduce the use of a vehicle. This may be particularly important for housing designed to accommodate older age cohorts, where age may eventually begin to impact a person's ability to drive. Therefore, locating seniors and supportive housing closer to resources such the library or medical services may be beneficial.

Policy Implications

20-year housing requirements as produced by the updated HNR methodology are now legislatively required to be incorporated into community planning policy, with those unit numbers being facilitated by local government Official Community Plan designations and zoning. It is assumed that by ensuring that the amount of housing needed by the community to return to a satisfactory housing environment to address key housing concerns, that private and public residential development will naturally begin to build out those units, based on market demand.

However, an examination of the ability of the market to facilitate the necessary residential development outlined in this report is not a given. Development constraints within the District of Port Hardy, and the province generally, include increasingly high construction costs, limited availability of trades to develop housing, increasing demands of BC Building Code, and the limited capacity of servicing infrastructure.

Local governments are limited in their ability to produce new housing development and to overcome development constraints. However, there are tools that are available to encourage development, such as:

- *The development of social housing, constructed in partnership with BC Housing, on municipal lands*
- *Securing funding for both public and private housing developments, and sharing funding resources and information with local housing developers*
- *Streamlining approvals processes for projects with affordable housing components, and reducing some requirements of development where the impact is anticipated to be minimal, (e.g. Reducing parking requirements for certain types of development)*
- *Where infrastructure is not at risk, reducing property taxation for housing developments with affordable housing components*
- *Ensuring that land is appropriately designated (in the OCP) and zoned to facilitate residential development in appropriate areas in the community*
- *Partnering with non-profit organizations such as BC Build to create market-oriented dwelling units focused on purpose-built rental housing*

The 2024 District of Port Hardy Housing Needs Report provides a snapshot of the current housing needs in the community. Following Council receipt of this report, the District is required to ensure that the OCP land use designations and Zoning Bylaw permit the number of housing units needed over the next 20 years, as specified in this report. In addition, the OCP is required to include housing policies respecting each class of housing needs in the most recent Housing Need Report.

The District's existing OCP and the recently updated zoning bylaw, combined with Bill 44 amendments in 2024, result in only minor housekeeping amendments required to the OCP. Existing OCP housing policy are inclusive to each class of housing needs in this report and the current land use designations enable a wide variety of housing unit forms and configurations to be constructed in the community.