Anti-Growth Should Also Pay for Growth



The Victoria Residential Builders Association and industry partners recently met with the CRD to discuss proposed Development Cost Charges (DCCs) up to \$9,045 per new home, to pay for a a large water supply project.

The province enables municipalities to charge DCCs for upgrading sewer and water, sidewalks, roads and parks near developments.

However, the CRD's \$2 billion dollar project adds another layer of costs beyond local upgrades. Major upstream infrastructure should be paid by federal, provincial and local governments, not new housing.

A consultant's review reveals the CRD's plan lacks technical and financial due diligence, adds thousands of dollars to the price of each new home, and could boost water charges by 500%.

Besides these issues, the proposal lacks criteria outlined in BC's Best Practices Guide for DCCs, including "Fairness, Equity, Accountability and Certainty."

These principles are intended to help builders plan for added costs to new housing. However the CRD's DCCs are excessive, undermining business planning and housing affordability.

BC's Best Practices Guide says, "...the Inspector of Municipalities (Ministry of Municipal Affairs) may refuse approval of a DCC bylaw...if the DCCs are excessive, deter development or discourage construction of reasonably priced housing."

The ministry should not approve the CRD's bylaw on this basis. But there is another issue overlooked in the area of "accountability."

DCCs are rooted in the principle that "Growth should pay for growth." However, in the interests of fairness and accountability, municipalities with anti-growth policies should subsidize the DCCs assigned to new housing in the municipalities adding significant housing supply and affordability.

For example, most new housing is in Langford with 924 units representing 41% in the CRD in 2024. On the other hand, North Saanich has only 6 new homes. The council recently refused to rezone a half acre into two lots.

From January to July, Oak Bay has 15 new homes, Sidney has 10 and there are zero new homes in Central Saanich, Highlands, and Metchosin.

A large number of municipalities offload their responsibility for housing to the West Shore.

At the meeting with the CRD, VRBA suggested anti-growth should also pay for growth in the interests of "Fairness, Equity, Accountability and Certainty."

VRBA's suggestion may not be what the province and local governments intended, but it's long overdue if they want to credibly address housing affordability.



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