

# CRD \$2 Billion Water Plan Lacks Diligence, Boosts Housing Costs



The Victoria Residential Builders Association recently partnered with the Urban Development Institute - Capital Region, West Shore Developers Association, and Sooke Builders Association to commission a review of the Capital Regional District's (CRD) \$2 billion Water Supply Plan.

The review was done by Jonathan Huggett, consulting engineer, resulting in a report saying the CRD's plan lacks technical and financial due diligence, adds thousands of dollars to the price of every new home, and exposes residents to a potential 500%+ increase in water charges.

Huggett says, "My report outlines a wide range of concerns, including flawed water demand and population projections, inadequate watershed management and water quality data, and poor financial risk management strategies."

John Ranns, retired mayor and CRD regional director agrees. "Our gravity fed water supply system is the envy of North America and eliminating it to accommodate unneeded filtration will add huge operational costs and complexities."

Jack Hull, former General Manager, CRD Integrated Water Services says, "The 2022 Master Plan recommends large, costly engineering projects based on questionable assumptions... The non-engineering approach gets scant consideration in the current plan."

The CRD has not done an economic analysis to determine the impact on housing and added costs. The filtration plant hasn't been designed, yet they are proposing boosting Development Cost Charges (DCCs) on single family homes by 63% and townhomes by 78% in Saanich.

For example, Saanich DCCs would increase to \$23,443 from \$14,399 for a single family home and a townhome would rise to \$18,015 from \$10,101

Last year, missing-middle housing starts (townhomes, duplexes) were down 23%, and new single family home construction dropped 43%.

The BC government has the authority to decline the DCC increase. Their DCC Best Practices Guide says the 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."

VRBA has asked the Minister of Municipal Affairs, as well as the Premier and Minister of Housing, to review this project and the proposed DCCs.

At the very least, a proper economic analysis and wide public consultation should be mandatory before there are approvals for a massive project impacting housing affordability.

It's also time to review a DCC formula that enables multiple local governments to layer enormous costs onto new housing in the most expensive province in Canada.



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