

DCC Best Practices Guide Needs Enforcement



BC's Best Practice Guide for Development Cost Charges (DCCs) lacks the enforcement necessary to promote housing affordability.

DCC's are fees charged by local governments to upgrade sewer and water, sidewalks, roads and parks adjacent to new developments.

However, the province appears reluctant to enforce the guide's requirements for "Fairness, Equity, Accountability and Certainty."

For example, the guide says, "*Certainty should be built into the DCC process, both in terms of stable charges and orderly construction of infrastructure. Stability of DCC rates will assist the development industry in the planning of their projects.*"

Yet in recent years, some local governments boosted DCCs up to 180% and more. Increases should be done incrementally over time to enable builders to plan.

The Minister of Municipal Affairs can refuse to sign the bylaw, but seems disinclined to enforce the province's own standards.

The 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. Evidence of public/stakeholder consultation may address some of these issues...The development of DCCs must provide adequate opportunities for meaningful and informed input from the public and other interested parties.*"

The City of Victoria is proposing a 258% DCC increase from \$6,871.19 to \$24,582.06 for low density residential. For townhomes, duplexes etc. the increase is 133% from \$6,238.90 to \$14,529.66.

The city's report says their consultation involved "12 participants, in addition to City staff and consultants."

There were no invitations to hundreds of local builders impacted by this enormous increase adding to costs of homebuyers. The Best Practices Guide says there "**must**" be opportunities for meaningful and informed input.

DCC increases of up to 258% are clearly "excessive," "deter development" and "discourage construction of reasonably priced housing."

Add these costs to the CRD's plan for DCC water charges of \$9,045 per new single family home and \$7,914 to townhomes, duplexes, etc.

The Minister of Municipal Affairs has more than enough evidence to refuse the bylaw - a bylaw that also undermines the BC government's own legislation encouraging housing.

The province should also consider a cap on these municipal fees and increases.

Otherwise, BC will continue to lead in the country's highest housing prices.



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