



Community Builders...

Building Communities

August 18, 2022

Mayor Fred Haynes and Council
District of Saanich
770 Vernon Ave,
Victoria, BC V8X 2W7

Dear Mayor and Council,

Re: Agenda Item 8: Community Amenity Contribution and Inclusionary Housing Program

The Victoria Residential Builders Association opposes adding more costs to housing through increasing Community Amenity Contributions and an Inclusionary Housing Program. The report to Saanich Council claims costs are not passed onto tenants or homeowners.

CMHC says otherwise in their recent report **Government Charges on Residential Development in Canada's Largest Metropolitan Areas**: *"If we were to remove government charges, the cost of a dwelling would be 10% to 24% lower, depending on dwelling type. In the case of row homes, government charges represent about a quarter of the construction cost."*

Saanich council's report says the Victoria Residential Builders Association was consulted. However, not included in "key findings" is our mention of the provincial government's recent report on housing affordability called **Opening Doors**. The report says Community Amenity Contributions should be "phased out." It says, *"Zoning-based charges (CACs) discourage proactive zoning for more homes...local governments can generate CAC revenue by keeping zoning below levels that make redevelopment possible and selling additional 'air rights' through the zoning powers they have been delegated."*

In other words, municipalities use CAC's as a rezoning revenue source rather proactively rezoning for housing affordability based on good planning principles. This important information is directly relevant to the discussion and should be reflected in the reference to consultation with VRBA.

One of the housing challenges in today's market is the lack of missing-middle housing (eg townhouses/plexes) for young families. Year-to-date there has been zero new missing-middle housing constructed in Saanich. Yet, the report recommends adding a fee up to \$21,500 per townhome/plex unit in centres and corridors and \$7,300 per unit in villages and neighbourhoods. This will only discourage the construction of new housing, undermine supply and affordability in our region.

Saanich recently added thousands of dollars to the cost of construction via Step Code 3, plans to add another \$80,000 to \$100,000 in 2025 via Step Code 5 if RNG is used, raised DCC's 180%, and posts million-dollar surpluses from building permit fees. Saanich's housing starts declined 40% from 625 in 2017 to 376 in 2021. The focus should be on efficient permit processes, rezonings and boosting supply rather than adding more costs. Feel free to contact me for any more information.

Sincerely,

A handwritten signature in black ink, appearing to read "Casey Edge".

Casey Edge
Executive Director