

New Fees and Taxes Undermine Housing Legislation



The BC govt recently announced legislation to increase housing density. In municipalities of more than 5,000 people, this will allow:

- three to four units on single-family or duplex lots, depending on lot size;
- six units on single-family or duplex lots close to transit;
- one secondary suite or laneway home in all communities.

The changes will also phase out public hearings for rezonings where housing projects are consistent with Official Community Plans. Technical standards such as setbacks will be developed in a policy manual available in December or January.

Unfortunately, the province followed up their announcement with new regulations adding significant costs to housing. They expanded Development Cost Charges (DCCs) to include fire and police stations, solid waste facilities and highways, in addition to existing coverage of sewer and water, sidewalks and parks.

They also legalized Community Amenity Contributions which includes recreation centres, public art, cash in-lieu, etc.

More costs will not encourage construction of moderate density housing for families in the most expensive province in Canada.

The BC government has a Best Practices Guide which says municipalities must apply DCCs with “Fairness and Equity, Accountability, and Certainty.”

“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.”

However, best practices are not enforced and local governments are increasing DCCs by 100% or more, offloading the costs of public infrastructure improvements used by all, onto new homebuyers.

For example, CRD plans to add water charges of \$9,045 per new single family home and \$7,914 for townhomes, duplexes etc of which there is already a shortage. More charges will be applied to large multi-family projects.

This lacks the guide’s “fairness, equity, accountability and stability.” It is unfair and lacking equity for new homebuyers to pay high fees, then pay again annually as residents via property taxes.

There is little accountability because the CRD Board is not elected directly by voters. In addition, boosting DCCs by thousand dollars for each new home does not represent stability.

It is not enough for the province to increase housing density, they must also cap these rising government costs on housing, especially in an environment of today’s high interest rates.

Housing starts are already declining and new missing-middle homes for families are down 45% year-to-date vs 2022.

It is time for the government to accept that high fees and taxes are as much an obstruction to housing supply as nimbyism.



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