

Oppose Another “Housing Tax” in CRD



The Capital Regional District (CRD) is considering a Regional Water Supply Development Cost Charge (DCC) Program to fund expensive, upstream water infrastructure projects.

The VRBA is opposed to this program based on housing affordability and here's why.

When new housing is developed, DCCs are already charged by municipalities to upgrade sewer and water, roads, sidewalks, etc.

These fees are normally based on upgrades adjacent to the project, and according to the BC gov't's DCC Best Practice Guide, must be applied 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."

Unfortunately, there is no enforcement of best practices as some municipalities have boosted DCC's as much as 180%.

The Minister of Municipal Affairs may refuse approval of a DCC bylaw "if the DCCs are excessive, deter development or discourage construction of reasonably priced housing."

However, these excessive DCC hikes have been approved, despite BC having the highest housing prices in Canada.

Federal Housing Minister Sean Fraser says, "Development charges increase the cost of homes for everyone. They are a housing tax. During a housing crisis, we don't think you should raise taxes on housing. That's why provinces and cities must freeze the fees in order to get federal infrastructure funding."

So federal funding for infrastructure upgrades is available, yet the CRD plans to charge DCCs which would disqualify them from funding.

The CRD neglects to mention they have a \$2 billion plan to upgrade the water supply. A review by Jonathan Huggett, consulting engineer says the plan lacks technical and financial due diligence, and adds thousands of dollars to the price of every new home.

As already demonstrated by past DCC's, there is no cap on increases and the costs will likely spiral upward.

There is no good argument to be made for funding upstream infrastructure by adding costs to housing. These projects should be paid by provincial and federal governments supported by local property taxes.

Members of the public can share their feedback on the CRD's proposal by attending the Public Virtual Information Session on June 19, 2024 from 6:00 - 7:30 PM.

Visit <https://getinvolved.crd.bc.ca/water-supply-dcc>, oppose the DCCs, and help us get rising housing costs under control.



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