

Replace CRD DCCs with Federal Funding



Russ Barry
President, VRBA

The Victoria Residential Builders Association and industry partners presented concerns to the CRD Water Supply Commission about proposed Development Cost Charges (DCCs) up to \$9,045 per new home, to pay for a large water supply project.

The province enables municipalities to charge DCCs for upgrading local sewer and water, sidewalks, roads and parks near developments.

The CRD's \$2 billion dollar project goes beyond local upgrades and adds another layer of costs on housing.

Major regional infrastructure should be paid by federal, provincial and local governments, not new housing.

There is an opportunity to access federal funding for the proposed water project through the Canada Housing Infrastructure Fund recently announced by Sean Fraser, Minister of Housing, Infrastructure and Communities.

However, one of the eligibility criteria is the CRD must implement a three-year freeze on increasing DCCs.

The CRD could apply for this federal funding and avoid adding significant costs to housing.

There is another unintended consequence of the CRD imposing DCCs.

The federal website says: "If a region that is required to implement the development charge freeze does not implement a freeze, then the municipalities within that region will be ineligible to apply for funding under the direct delivery stream."

The CRD's increase could result in municipalities within the CRD being ineligible for infrastructure funding.

CMHC reports housing starts in our region have declined 16% from January to October 2024.

High construction costs and interest rates have had a big impact on affordability.

The CRD can avoid adding to these costs by canceling their DCC proposal and apply for the Canada Housing Infrastructure Fund, which would also be available to 13 municipalities in our region.

This is a win-win-win solution for the CRD, local municipalities and new homebuyers.



Visit us at vrba.ca and
careawards.ca

Follow us on
Facebook and Twitter