

# From the desk of Mayor Fred Haynes

December 16, 2019

## The housing and development cost charges story

Saanich is aware of both the housing crisis and our need for new infrastructure to support new housing. We have recently updated our development cost charges (DCC) bylaw along with several housing related initiatives, and I would like to provide you with an overview of what this means from a municipal perspective.

### So, why does it matter to you?

As Saanich grows, new infrastructure is needed to support new homes and commercial buildings for people and businesses in our neighbourhoods. DCCs are fees collected from the developers of new buildings to help share the cost of growth-related infrastructure - such as increasing the capacity of water and sewage pipes to support the new growth and acquisition of new parks needed for a growing population. This helps ensure that the municipality, purchasers of new homes, businesses and developers each pay a share of the costs of additional infrastructure requirements. Overall, the development community will be covering 37% of the project costs, and Saanich ratepayers will be covering 63% in line with the benefit received.

It's important to know that it has been almost 20 years since these fees have increased. After consultation with the public and developers, Saanich is updating the DCC bylaw. This change brings us in line with modern DCC fees in other comparable municipalities in B.C. These changes mean that developers in Saanich will pay increased fees for their projects, which may impact housing prices for purchasers. However, applications for new homes and buildings that have been submitted prior to the bylaw final reading in 2020 will receive an additional one-year grace period before new fees are applied. One year after the final bylaw is approved, increases to the fees will be phased in over five years.

On the flip side, Council and staff are working to improve the efficiency of development applications in Saanich. This will lessen uncertainty as well as reduce time. Saanich Council is also planning a housing strategy, needs assessment and a review of service delivery. Together, this will improve the cost modeling of new developments in Saanich and I am hopeful that we can achieve this over the next few years.

Council has also directed staff to undertake a DCC Waivers and Reductions Bylaw that will be used to support projects built for affordable housing. We expect to consider this new bylaw in early 2020.

We appreciate that the changes in fees are concerning to those who are buying new homes and developers; however, it's important that Saanich is committed to acting with all parties in mind. We want to harness the benefits of new construction in Saanich, but need to share the expense of the infrastructure across all stakeholders.

A handwritten signature in black ink, appearing to read "F. Haynes". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Mayor Fred Haynes