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July 17, 2023

Mayor Woodward and Council
Township of Langley
20338-65 Avenue
Langley, BC V2Y 3J1

Submitted via email: mayorcouncil@tol.ca

Proposed Development Cost Charges (DCC) Increases

HAVAN, on behalf of our members has been closely following, and very much appreciate, the big positive moves that Council has been making, in an effort to advance housing supply, in a timely and efficient manner.

However, another big move is potentially going to be made that has risen concerns for our organization and our members that we feel we must speak strongly against. Last week, we received correspondence from the Township of Langley inviting our feedback related to the proposed DCC rates that Council recently reviewed. We appreciate the opportunity to provide comments related to the residential rates component.

We would like to share our concern that Council received a presentation on July 10th, we received an email on July 12th with details of proposed changes, and were given a deadline of end of day July 17th to submit feedback. This limits the opportunity for ourselves and our members to comment to three and a half business days. That is insufficient for our industry to respond to a significant proposed increase to development cost charges.

The Township hosts a regularly scheduled Development Liaison Committee, a group of developers and other industry stakeholders who meet to share information and provide feedback. The DLC met recently on February 23rd and May 25th and the notion of proposed DCC increases was not identified at either of those meetings.

HAVAN and its members, and our sector colleagues, need much earlier notice on the magnitude and timeline of increases. Significant, unannounced, increases have a detrimental effect on our members and their ability to adjust their financial plans to accommodate these increases and can impact on access to funding. We strongly recommend that the Township look to regular, scheduled, DCC reviews to provide more predictability for our members building new homes in your community and to have these discussed at the Development Liaison Committee.



Significant increases also have a detrimental effect on the affordability of new homes. An 83% increase of DCCs on a new single family home will be borne by purchasers, who now will have to pay an additional \$40,000 on their new single family home. British Columbia is in a housing crisis, with both the Premier and the Minister of Housing raising alarms about both housing supply and affordability.

A typical new townhome in the Township has a potential purchase price of \$1,260,000 including GST, with a 20% down payment. A family looking to buy this home already would need to have a household income of \$240,000 annually, in order to qualify for a mortgage. A potential DCC increase of 64% on that townhome will add another \$20,000 to that cost, making it unachievable for many who are looking to reside in your community.

While the Urban Systems powerpoint presented to Council is informative, it provides no basis for what the proposed increases are based on and without the fulsome report, we are unable to provide a more comprehensive approach to our feedback. The powerpoint sheds no details on what infrastructure demands and park acquisition and development is driving the proposed increases and only paints a part of the overall picture.

We do appreciate the details in the powerpoint which clearly articulates that if approved, the Township will have the highest, by far, residential DCCs of comparative municipalities within Metro Vancouver. The presentation also identifies Key Changes including increased construction costs (35%+) and increased land costs (65%) which is another barrier that builders are having to factor into their financials.

We would ask Mayor and Council, in their deliberations, to consider the Key Questions that were identified by Urban Systems:

- Will the charges deter development?
- Will the charges discourage construction of reasonably priced housing?
- Will changes discourage development designed to result in a low environmental impact?

And we would like to add one last question for your consideration:

What is unannounced, skyrocketing DCC increases doing to affect the housing crisis, in terms of providing much needed homes at affordable costs?

Sincerely,



Ron Rapp
Chief Executive Officer

cc: Dave Anderson, Manager, Development and Engineering, Township of Langley

Recognized as leaders in the homebuilding industry since 1974, HAVAN members include builders, developers, renovators, designers, suppliers, sub-trades, and leading professionals. We are an association of knowledgeable, trusted, resourceful and local professionals who build over 65% of Metro Vancouver's homes.