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October 24, 2023

Board of Directors
Metro Vancouver Regional District
Metrotower III, 4515 Central Boulevard
Burnaby, BC V5H 0C6

Sent via Email

**Board of Directors Meeting, October 27, 2023
Development Cost Charge Proposed Rate Bylaws**

Dear Members of the Board,

On behalf of the Homebuilders Association Vancouver (HAVAN) and its members, I am writing to share grave concerns regarding the increasing and new development cost charges that is on your meeting agenda for discussion and debate later this week.

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.

We are at a time in history when the federal, provincial and local governments are all in alignment on the need to address a significant housing crisis across British Columbia, and indeed in the lower mainland. And financially burdening those that build that much needed housing is a part of the problem, not a solution.

Metro Vancouver is proposing exponential increases to its Liquid Waste and Water DCCs, while also creating a new DCC for regional parks, at time when homebuilders are facing unprecedented economic challenges in helping meet local, regional and provincial housing targets.

Recent studies including ones from HAVAN, CHBA-BC, CHBA, UDI, CMHC, CD Howe, and others have empirically demonstrated that in the Metro Vancouver area government-imposed charges including DCCs, CACs, and a host of other charges, taxes, and fees applied from all levels of government amount to as much as 30% of the cost of providing a new home. Both the provincial Development Approvals Process Review (DAPR) and the BC/CMHC Expert Panel on Housing have identified the need to recast development finance models as the status quo are now an inhibiting factor in the provision of an expanding housing supply.



We are hearing from our members of projects that are being postponed, or even stopped, due to financial viability. Interest rates, inflation, staggering increased DCCs and CACs at the municipal level, and other fees and charges being levelled at the construction industry are putting up barriers that are having a direct impact on our ability to build the significant amount of new housing that is needed in the region.

Moving toward a 1% assist factor in Liquid Waste, Water and new Parks development cost charges may be beneficial to Metro Vancouver's budget and its members budgets, it adds yet another level of cost, another negative impact on the financial viability of new housing starts, including purpose built rental homes. When looked at through the lens of equity, while we appreciate that "growth must pay for growth," it is our members and new renters and homeowners that will bear the burden of building infrastructure and parks that will be enjoyed by an entire community.

As one compromise to assist with the financial challenges of our sector, we would respectfully ask that the Board of Directors re-consider the move toward a 1% assist factor, either by maintaining the current assist factor or by delaying the decrease to allow our members the necessary time to adjust their financial planning on development projects.

I will close with a link to a more personal perspective that was shared with our 1,100+ members earlier this week. <https://members.havan.ca/ap/EmailViewer/Lqn8B7Wr>

Sincerely,



Ron Rapp
Chief Executive Officer

cc: Inspector of Municipalities, Province of BC