



In response to questions from Council regarding the potential impact of increased DCCs on housing starts, additional sensitivity testing was undertaken using the economic analysis completed as part of the ongoing OCP update. This sensitivity testing of Victoria's residential build-out capacity showed that the proposed DCC rates led to roughly one percent fewer net new units by 2030, and roughly six percent fewer net new units by 2050 (approximately 27,000 net new units instead of 29,000). The longer-term projection assumes an improvement in market conditions, which allows more marginal projects to proceed. Some of these marginal projects demonstrate a sensitivity to the incremental change of the proposed DCCs.

The proposed rate increases would provide additional funding for required infrastructure upgrades related to population growth and would reduce the reliance on property tax and utility user fee funding for these projects. While the rate increases may have some impact on housing starts, it is estimated to be limited and staff recommend moving forward with the DCC rates bylaw amendments.

Respectfully submitted,

Susanne Thompson  
Deputy City Manager and Chief Financial Officer

**Report accepted and recommended by the City Manager**

**List of Attachments**

Appendix A – December 7, 2023 Committee of the Whole Report: DCC Review – Policy Direction  
Appendix B – Background report from Urban Systems