



City of
Courtenay

Amenity Cost Charge (ACC) Project & Rates Update

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Agenda

- Purpose & Outcomes
- ACC Refresher
- ACC Proposed Rates & Community Comparisons
- ACC Implementation
- Next Steps
- Questions
- Council Recommendation

Purpose and Objectives

PROJECT PURPOSE

In accordance with Council's Strategic Priorities, prepare an Amenity Cost Charge (ACC) Program to ensure ACCs effectively and sustainably fund essential community amenities needed for the City's growth.

PRESENTATION PURPOSE

Provide Council with an update on the development of the City's ACC project and to seek Council's endorsement of the draft ACC rates and program for the purpose of interest holder consultation. An initial presentation on ACCs was given to Council in December 2024.

OUTCOMES

- Develop a common understanding of ACC best practices
- Present ACC rates for Council's consideration and endorsement
- Receive direction and ensure alignment on next steps, including interest holder consultation

ACC Bylaw Development Process

PROGRAM DEVELOPMENT



Estimate growth

Develop ACC project list

Consider draft Assist Factor

COUNCIL INPUT

Calculate draft ACC Rates

BYLAW ADOPTION

Present Draft ACC Rates to Council



COUNCIL INPUT

Consult with Interested Parties

Adopt ACC Bylaw

COUNCIL INPUT

Note: Upon bylaw adoption, there is a 12-month grace period for in-stream development

ACC Refresher

What are ACCs?

- Help communities recover the costs of **amenities that provide social, cultural, heritage, recreational, or environmental benefits to a community**
- Closely resemble DCCs
 - Charges for one-time capital costs
 - Growth-driven
- **Provincially-regulated** development finance tool
 - Bill 46
 - Division 19.1 of the *Local Government Act*
 - ACC Best Practices Guide



Why use ACCs?

- Fosters a **fair and equitable** approach where growth pays for growth and infrastructure costs are **transparent**
- Creates **consistency and clarity** for the development community compared to negotiated CACs
- Ensures certainty that amenities support **growth and development**
- **Minimizes financial risk** to the City
- Ensures **timely processing** of development applications



How is the ACC Rate Determined?



GROWTH PROJECTIONS

Identify where more housing supply/growth is expected

Technical Inputs



IDENTIFY AMENITIES

Determine amenities needed, costs, and timing

Technical Inputs



ACC RATES

Prepare ACC program and determine ACC rates

Technical Inputs



CONSULTATION

Consult with stakeholders on the ACCs

Technical Inputs



BYLAW ADOPTION

Council Adoption of the ACC Bylaw

Policy Inputs

Note: Economic analysis to determine the impacts of the ACC program on development viability is now a requirement (extent of the analysis varies)

What Works are ACC-eligible?

ACCs can be used to fund:

Amenities (non-exhaustive)

- Community, youth, or seniors' centre
- Recreation or athletic facility
- Library
- Daycare facility
- Public square

ACCs cannot be used to fund:

- Projects otherwise eligible for DCCs
- Projects needed to serve the **existing** population (deficiencies, asset replacement), i.e., **ACC projects must be growth-related**
- Operations and Maintenance Costs

Allocating Benefit

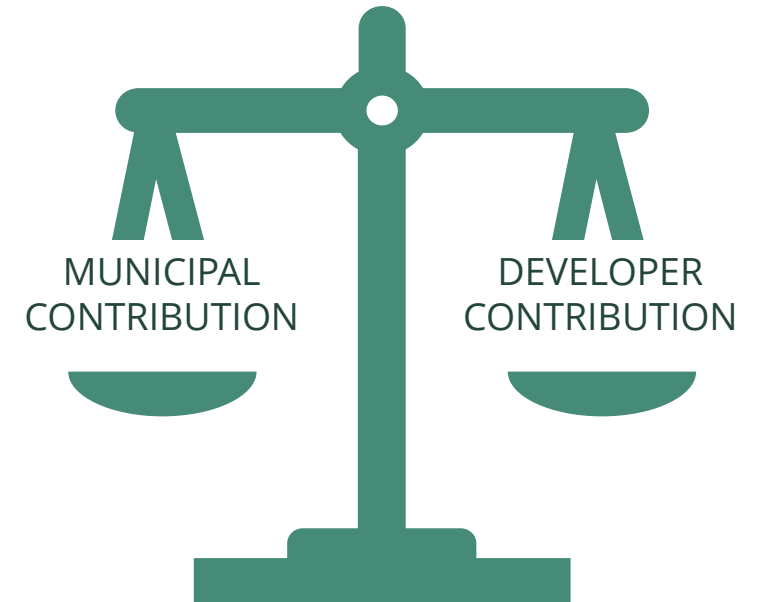
- Each project is assigned a benefit allocation between 1% and 100%
(projects that are not growth-driven (0%) are ineligible for ACCs)
- Percent is based on the extent to which a project will benefit new development
- Ensures costs are shared equitably between existing and future users (benefiters)
- Majority of projects in an infill setting/built out community are likely to have a shared benefit allocation



Municipal Assist Factor

- Legislation requires local governments to assist development for ACCs
- Assist amount must be made up through non-ACC revenue (general taxation)
- **Council has complete discretion** to set an assist factor between 1% (least assistance) and 99% (most assistance)
- The assist factor can be set by **project category** (e.g., library amenities, public square, daycare amenities); not by land use type

The assist factor is Council's tool to adjust rates.



Statutory Exemptions (Under Legislation)

ACC Exemptions

- Buildings for public worship
- Development does not result in growth
- ACCs have been charged previously
- In-stream applications (complete)
- Inclusionary housing
- Cooperative housing
- Supportive housing
- Transitional housing
- Emergency shelters
- Classes of affordable housing

In-stream Protection

New ACC rates apply upon bylaw adoption, but in-stream protection may apply for eligible **complete** applications:

A complete application is one:

- ✓ That has been received
- ✓ Is complete
- ✓ Has been paid

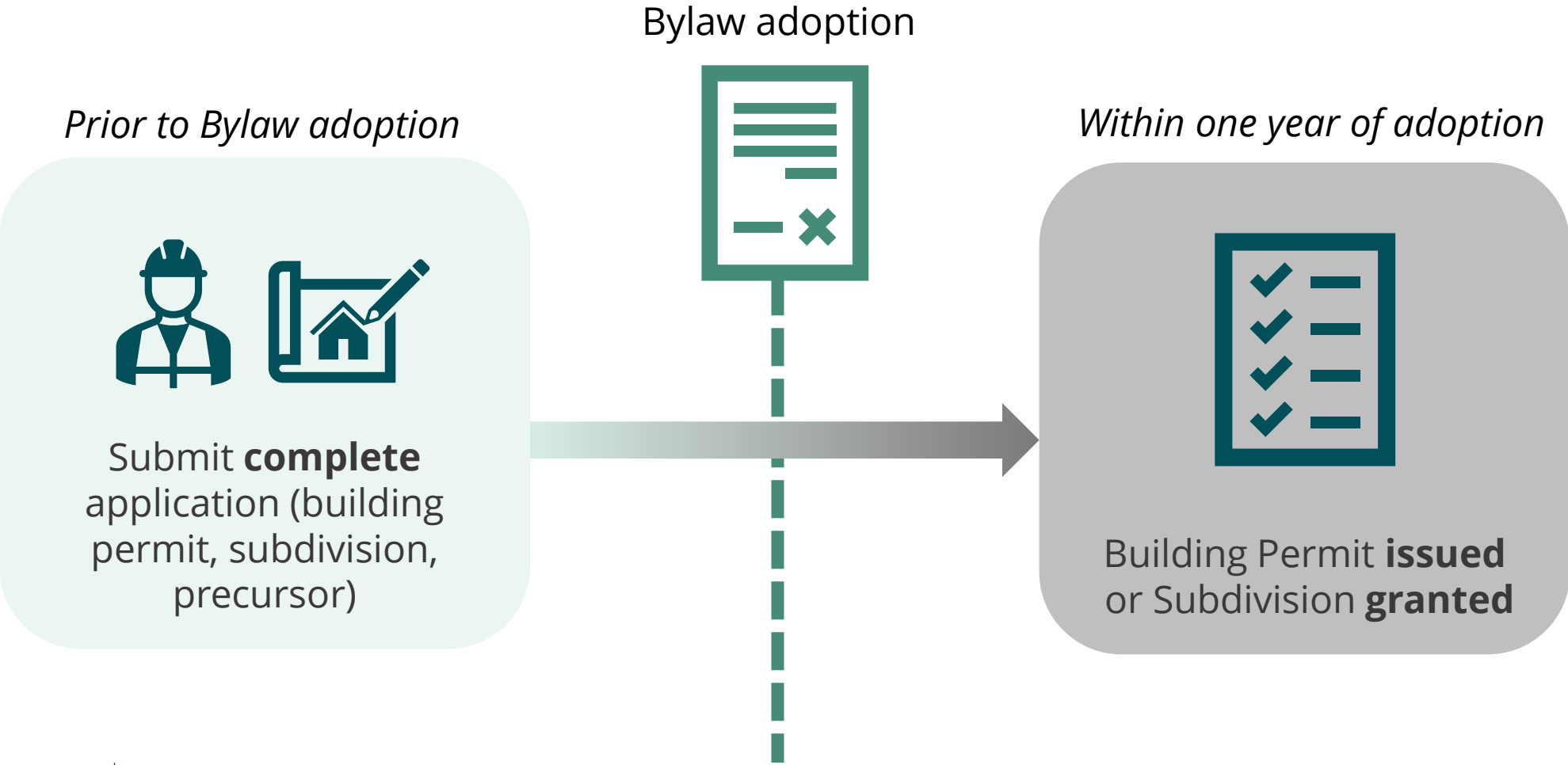
Subdivision (LGA Sec. 511)

- Subdivision application submitted before bylaw adoption and fee paid
- Exempt from new rates for 12 months
- Subdivision must be approved within that time

Building Permit (LGA Sec. 568)

- Building permit issued within 12 months of adoption
- Requires precursor application (building, DP, or rezoning) submitted and paid before adoption
- Development must be fully within precursor area

In-stream Protection



Waivers and Reductions

Council can waive or reduce ACCs on eligible developments, including:

ACCs:

- Not-for-profit affordable housing
 - For-profit rental housing
 - Housing subject to requirements under an affordable and special needs housing zoning bylaw
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- Waivers and Reductions can be established in a separate bylaw (does not require Ministerial approval); the City currently has Bylaw 3118 in place to support DCC waivers for affordable housing, which should be reviewed in advance of its 2027 expiry
 - Where an ACC is waived or reduced, **the amount waived must be supported by non-ACC revenues (e.g., taxation)**

Proposed ACC Rates & Community Comparisons

How are ACCs Collected?

- Land use categories are a proxy for the impact of built form on infrastructure services.

LAND USE CATEGORIES	TIMING OF CHARGE	UNITS OF CHARGE
Residential		
Low Density	Subdivision	Per Lot / Dwelling Unit
Medium Density	Building permits	Per Dwelling Unit
High Density	Building permits	Per m ² GFA*
Non-residential		
Commercial	Building permits	Per m ² GFA*

* GFA means Gross Floor Area

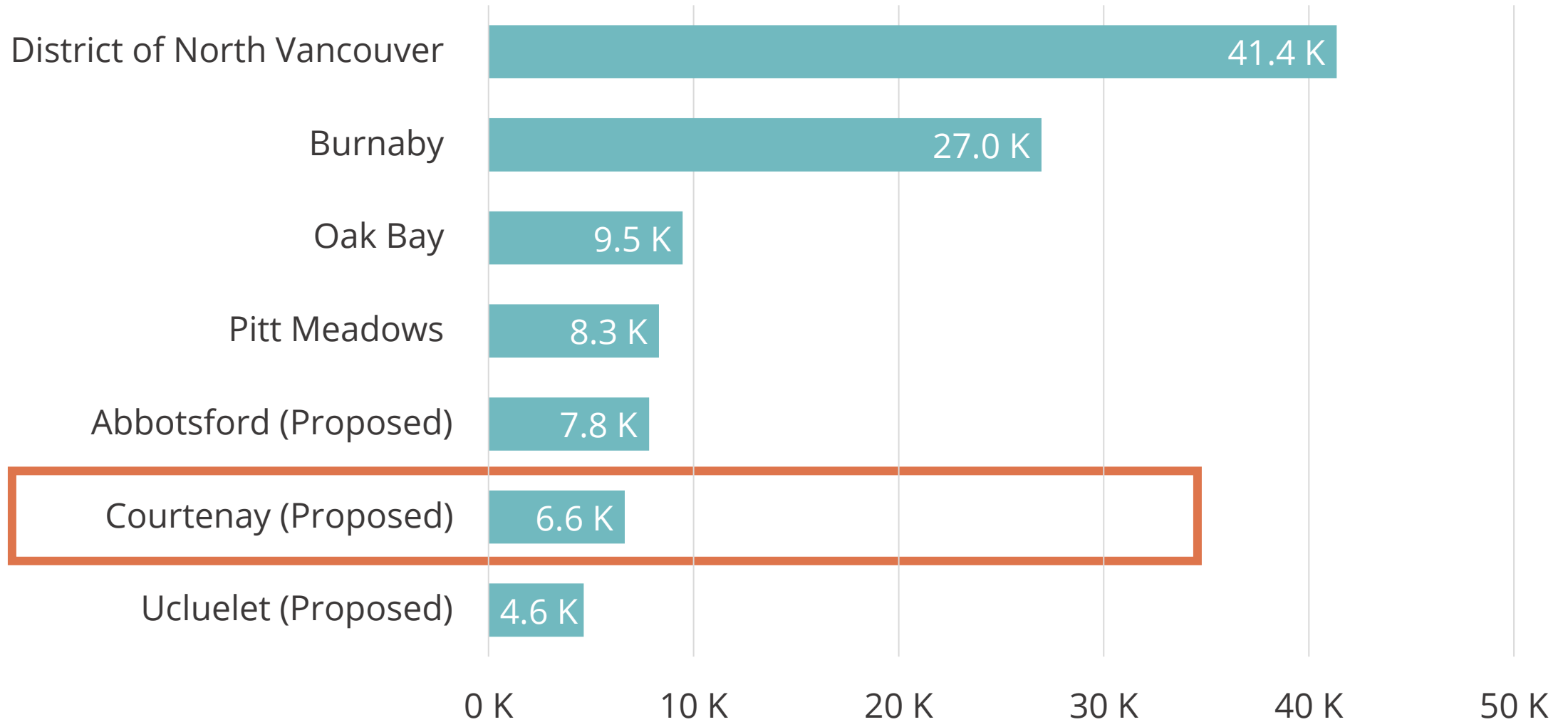
Proposed ACC Rates

Land Use	Unit of Charge	Proposed ACC Rates (1% MAF)
Low Density Residential	Per Lot / Dwelling Unit	\$6,643.00
Medium Density Residential	Per Unit	\$3,618.00
High Density Residential	Per m ² Gross Floor Area (GFA)	\$42.56
Commercial	Per m ² GFA	\$13.84

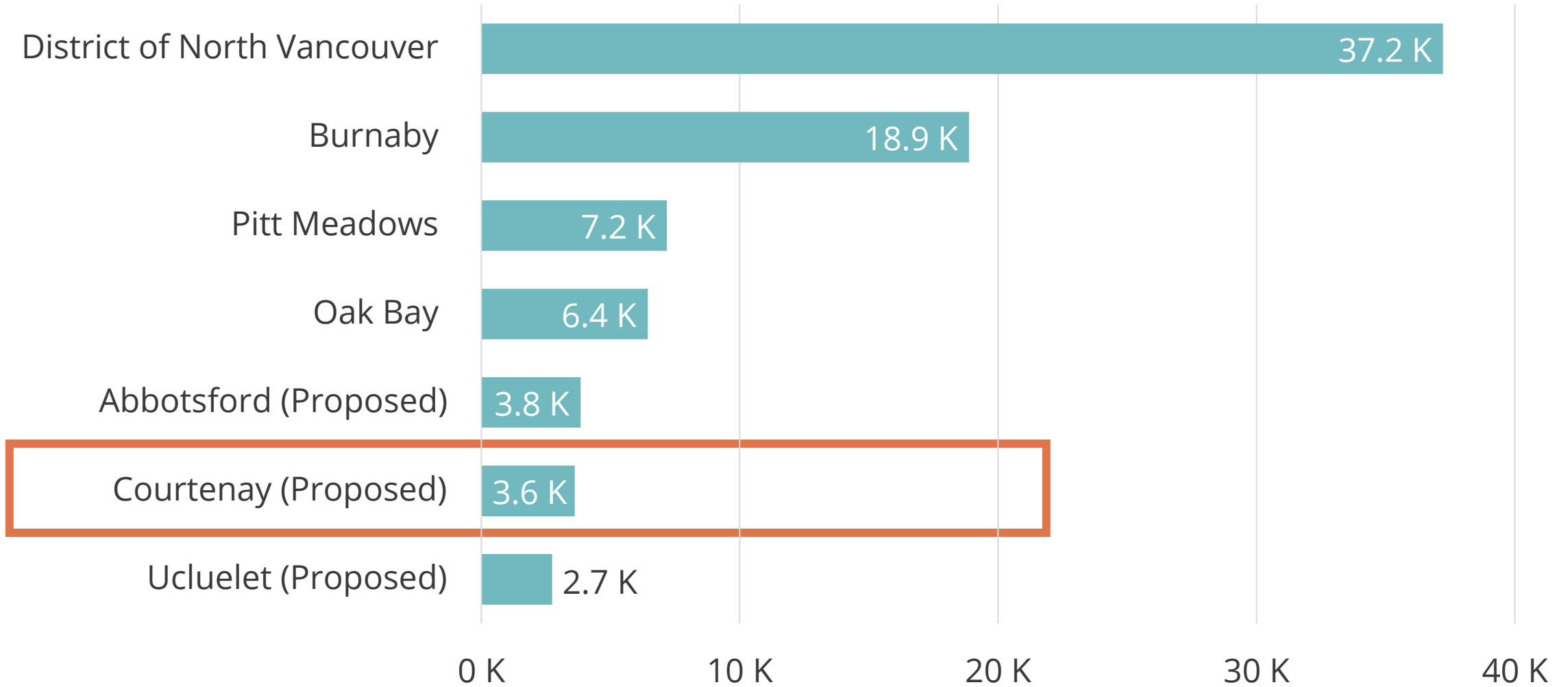
ACC Cost Summary

Service	Total Capital Costs (\$M)	Benefit Allocation	Municipal Assist Factor	ACC Recoverable (\$M)	Municipal Costs (\$M)	Annual Municipal Costs (20 Y; \$M)
Amenities	\$73	25-50%	1%	\$26	\$47	\$2.3

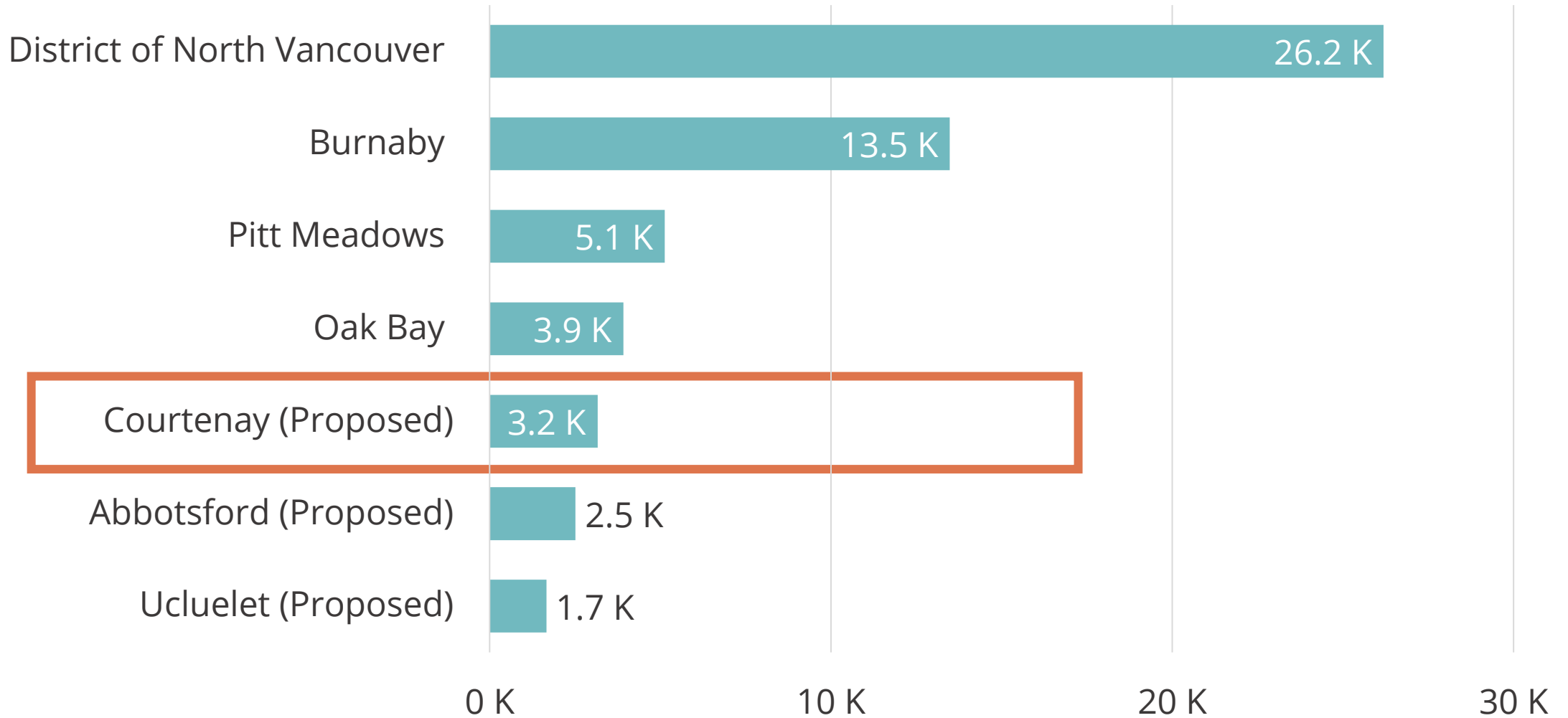
Low Density Residential ACCs



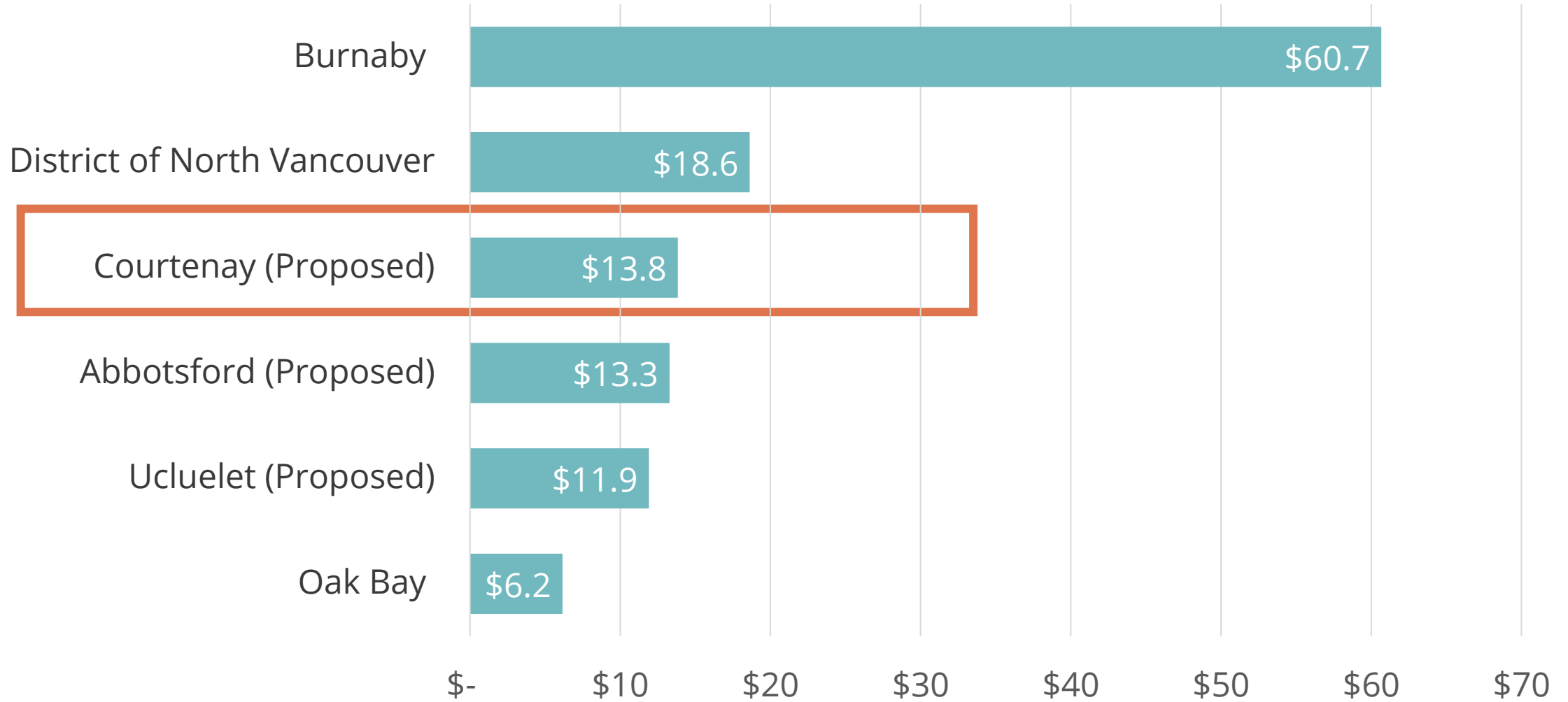
Medium Density Residential ACCs



High Density Residential ACCs



Commercial ACCs



ACC Implementation

Economic Analysis

- ACCs and DCCs must not deter development or discourage reasonably priced housing or land development
- Legislation does not establish the type of analysis required; the ACC Best Practices Guide provides direction on the analysis extent
- Financial testing related to ACC implementation was completed in Fall 2025 by City Squared and included pro formas of several development case studies using the proposed ACC rates
- The final report recommends that the ACCs remain at the modest rate proposed and that the City consider minimum base densities to ensure development remains viable in the current economic market



Engagement

- Per the *Local Government Act* (s. 570) and the ACC Best Practices Guide, consultation with interested parties is required as part of program development or updates
- Consultation must involve parties considered to be affected by the ACC bylaw, which could include:
 - The development community
 - Housing providers
- The City's DCC rates were presented at the July 2025 joint engagement session; however, the City's ACC rates were not presented
- An additional development community engagement session for the City's ACC rates is scheduled for October 21
- Supporting information also will be made available on the City website and shared on social media



Payment by Instalments – NEW! EFFECTIVE JANUARY 1, 2026

- Updated regulations provide greater flexibility for payment of DCCs and ACCs by instalment
- Applies to DCCs and ACCs over \$50,000
- Qualified developers and homebuilders will be able to:
 - Use on-demand surety bonds province-wide
 - Pay 25% of DCC and ACC charges at permit approval and pay the remaining 75% at the earlier of occupancy or 4 years

Next Steps & Discussion

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Next Steps

- Further to Council direction, staff will make any requested revisions
- Public engagement including:
 - Webpage content
 - October 21st – Development Industry Engagement
- An engagement feedback summary will be presented to Council with draft bylaw for consideration of 3 readings
- Return bylaw to Council for adoption

Questions

Council Recommendation

Staff Recommendation

Recommendation:

1. THAT Council receive the “Amenity Cost Charge Program and Rates” report; and,
2. THAT Council direct staff to proceed with conducting a consultation session with interested parties.

Alternative: Council provides staff with alternative direction regarding the assist factor or proposed projects.