



The Corporation of the City of Courtenay

# Briefing Note

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**To:** Council  
**From:** Acting Director of Development Services  
**Subject:** ACC Assist Factor at 5 and 10%

**File No.:** 5040-20  
**Date:** February 25, 2026

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**PURPOSE:** To provide Council with the ACC assist factor rates at 5 and 10% for up to two years.

**BACKGROUND:**

Provincial legislation allows the City to use Amenity Cost Charges (ACCs) to help fund growth-related projects. The *Local Government Act* establishes a cost-sharing model where both new development and the local government contribute. A key policy tool in this model is the Municipal Assist Factor (MAF), which defines the City's portion of financial assistance. Council has the authority to set the MAF anywhere between 1% and 99% and can also use a temporarily high MAF to phase in new charges over time.

The following timeline summarizes the critical resolutions and directives that have shaped this initiative.

**December 18, 2024: Initial Framework & Guidance**

A briefing note, "Development Cost Charge and Amenity Cost Charge Bylaw Update," (attachment 1) was presented to Council. Its purpose was "To inform Council on the update of the Development Cost Charges (DCC) Bylaw project and outline the process of establishing new DCC rates and discuss the process of establishing Amenity Cost Charges Bylaw (ACC) rates and seek guidance on Council's approach to financing growth." This session established the foundational approach for financing growth through the new DCC and ACC bylaws.

**October 15, 2025: Program Refinement & Consultation Mandate**

A staff report, "Amenity Cost Charge Program and Rates," (attachment 2) provided an update and sought endorsement of draft ACC rates for consultation. In response, Council directed:

*THAT Council receive the 'Amenity Cost Charge Program and Rates' report; and,  
THAT Council direct staff to return with options for 'Institutional' and 'Industrial' as ACC categories prior to introduction of an ACC bylaw;  
AND THAT Council direct staff to proceed with a consultation session with stakeholders to inform the ACC program development, prior to consideration of an ACC bylaw.*

**December 10, 2025: Directive to Draft the Bylaw**

Upon consideration of the staff report "Amenity Cost Charges (ACC) Rate Options" (attachment 3), Council shifted from consultation to formal action with the following resolution:

*THAT Council direct staff to prepare a bylaw to establish an Amenity Cost Charges (ACC) program and include residential and commercial use ACC rates as outlined in Option 1.*

Option 1, established the municipal assist factor at 1% .

### **January 14, 2026: Bylaw Readings & Implementation Planning**

Following the first three readings of Amenity Cost Charges Bylaw No. 3207, Council passed a resolution directing staff to “report back with options and cost implications for phasing in the implementation of the proposed amenity cost charge bylaw, including grace periods of 3 and 6 months, and higher assist factors of 5% and 10% for up to 2 years.”

#### **DISCUSSION:**

The City faces a difficult balance: how to raise funds to deliver growth-related infrastructure and services while minimizing adverse effects on the development industry - their customers, and general taxpayers who share the financial burden. Amenity Cost Charges (ACCs) are a development-finance tool designed to fund amenities that support livable, complete communities in growth areas (such as community centres, recreation centres, daycares, and libraries). ACCs are collected from new development that increases local population or workforce, tying the costs of amenities to those growth impacts and reducing the burden on existing taxpayers.

The ACC framework emphasizes transparency and cost certainty for developers, the City, and the public, with clear methodologies for calculating charges, including capital cost estimates, depreciation or amortization periods, and the scope of amenities covered. It also supports equity and burden-sharing by ensuring new developments contribute to the amenities serving growing populations.

The City has received correspondence from members of the development industry opposing the proposed ACCs, noting that, when combined with Development Cost Charges (DCCs), the overall costs may be prohibitive. This highlights the need to assess how ACCs interact with other growth-related charges and to balance funding needs with market conditions. A statistically valid City survey indicates growing resident concerns about value for tax dollars and a decreasing tolerance for tax increases, underscoring the importance of ensuring that costs associated with new growth are not unduly placed on the existing tax base. In this context, ACCs are viewed as a tool to link the costs of new amenities to the growth that necessitates them. Regardless of market conditions, opposition to ACCs from the development community is expected to persist, and taxpayers are also anticipated to oppose increases in growth-related charges. While market dynamics may influence perspectives, developers and residents hold different views on who should bear growth costs.

Upon consideration of issues raised by development industry representatives, at the January 14, 2026 Council meeting (during the first three readings of ACC Bylaw No. 3207), Council directed staff to report back on options to phase in the new rates to mitigate financial impacts on developers while ensuring funding for growth-related infrastructure. Council gave the ACC Bylaw 1<sup>st</sup> and 2<sup>nd</sup> reading, deferring consideration of 3<sup>rd</sup> reading until additional information regarding the higher and phased assist factor could be considered.

The following options, as outlined in the attached Memorandum (attachment 4) evaluate different approaches to implementing the Amenity Cost Charge (ACC) Bylaw. Each option is assessed against the same criteria: Financial Impact on the City and Taxpayers, Impact on the Development Community, and Administrative Feasibility.

#### **Option 1: Adopt the Bylaw as Proposed (with 1% MAF)**

This option is to proceed with the ACC Bylaw No. 3207 as currently written, with the Municipal Assist Factor (MAF) set at 1%.

- **Financial Impact on City & Taxpayers:** This approach ensures that new development contributes its full, calculated share toward the amenities required by growth. It avoids revenue shortfall, thereby placing no additional funding burden on the general tax base to subsidize new projects.
- **Impact on Development Community:** Developers would pay the full ACC rate of \$6,643 per low-density lot (and other corresponding rates) following the one-year in-stream protection period. While this is the highest cost option for the industry, it provides a clear, predictable, and consistent rate.
- **Administrative Feasibility:** This is the most straightforward and cost-effective option to administer. Staff would manage a single, stable rate structure, minimizing complexity and the potential for errors.

#### **Option 2: Phase-In the ACC Rates Over Three Years**

This option involves amending the bylaw to start with a 10% MAF, reducing it to 5% in Year 2, and finally to 1% in Year 3.

- **Financial Impact on City & Taxpayers:** This option creates a temporary but significant revenue shortfall for the City, totaling \$169,654 over the three-year period (\$117,411 in Year 1 and \$52,243 in Year 2). This loss must be funded by existing taxpayers through the general tax base, effectively subsidizing new development in the short term.
- **Impact on Development Community:** This provides a modest, temporary discount and a predictable ramp-up to the full rates. The ACC rate for a low-density lot would start at \$6,039 in Year 1 before rising to the full rate in Year 3. The primary benefit is adjustment time rather than substantial cost savings.
- **Administrative Feasibility:** This is the most complex and administratively burdensome option. It requires staff to track and manage changing rates annually, navigate complicated in-stream protection rules for each rate change, and clearly communicate the schedule to applicants.

#### **Option 3: Permanently Increase the Municipal Assist Factor (e.g., to 5% or 10%)**

This option involves amending the bylaw to set a permanently higher MAF for the entire 20-year life of the ACC program.

- **Financial Impact on City & Taxpayers:** This has the most significant long-term negative financial impact on existing taxpayers. A permanent 10% MAF would create an annual revenue shortfall of approximately \$117,411. Over 20 years, this would require a multi-million-dollar subsidy from the general tax base to cover costs that would otherwise be funded by new growth.
- **Impact on Development Community:** Developers would receive a permanent, though marginal, discount on all projects. For a low-density lot, a 10% MAF provides a consistent \$604 reduction from the full rate.
- **Administrative Feasibility:** While simpler than a phase-in, this option requires the City to budget for and fund the increased municipal contribution every year for the next two decades, creating a permanent structural demand on the tax base.

#### **Option 4: Reducing the ACC Project List**

Reducing the ACC project list (see December 10<sup>th</sup>, 2025 Staff Report for the Project List) would lower the total funding target and shorten the near-term revenue gap between ACC collections and the cost of amenities. In the short run, this could improve market certainty for developers and reduce the perceived burden on the tax base, potentially supporting continued growth activity. However, delaying or removing projects also delays benefits to growing communities, which could impact livability and access to essential services. The remaining projects would need to be clearly prioritized, with transparent criteria showing why

certain amenities remain funded by ACCs and others are deferred, re-scoped, or funded through alternative sources.

**POLICY ANALYSIS:**

Bill 46 – Housing Statutes (Development Financing Act), 2023 amends the Local Government Act to enable local governments to finance the cost of new public amenities that are needed as a result of new growth through the establishment of an ACC program, rates and bylaw.

The City has undertaken the development of various plans and strategies which have informed the projects listed on the ACC program.

**FINANCIAL IMPLICATIONS:**

As outlined in the report:

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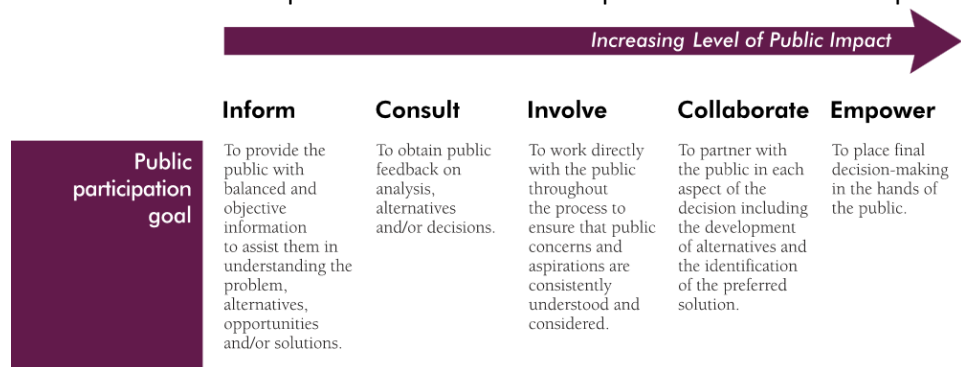
A permanent 10% MAF would create an annual revenue shortfall of approximately \$117,411. Over 20 years, this would require a multi-million-dollar subsidy from the general tax base to cover costs that would otherwise be funded by new growth.

**ADMINISTRATIVE IMPLICATIONS:**

The administrative complexity of managing and applying the ACC rates increases with a phased approach. As each phase will also include instream protection for each. Phased instream protection, would be in addition to annual instream inflationary instream protections.

**PUBLIC ENGAGEMENT:**

Staff would inform the public based on the IAP2 Spectrum of Public Participation:



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**RECOMMENDATION:** THAT Council receive the “ACC Assist Factor at 5 and 10%” briefing note.

**ATTACHMENTS:**

1. December 18, 2024 "Development Cost Charge and Amenity Cost Charge Bylaw Update"
2. October 15, 2025 "Amenity Cost Charge Program and Rates"
3. December 10, 2025 "Amenity Cost Charges (ACC) Rate Options"
4. Urban Systems Memorandum "Courtenay ACC Phased in Impacts"

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