

## STAFF REPORT

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**DATE:** January 29, 2025

**FILE:** 0550-04 EASC

**TO:** Chair and Directors,  
Electoral Areas Services Committee

**FROM:** David Leitch  
Chief Administrative Officer

**RE:** **DEVELOPMENT COST CHARGES IN ELECTORAL AREA D**

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### PURPOSE

To consider further information regarding the potential establishment of development cost charges (DCC's) in Electoral Area D.

### POLICY ANALYSIS

At its November 6, 2024 meeting the Committee considered the attached report and passed the following resolution:

Ruce/Mawhinney: EASC 403/24

THAT staff prepare a report outlining current charges and additional budget required by Area D, and

THAT it include the impact of these charges on developers.

### EXECUTIVE SUMMARY

Development cost charges (DCC's) are a development finance tool created to enable local governments to raise funding to cover the incremental infrastructure costs that accompany new development and are typically used in areas of high growth that demand new infrastructure. DCC bylaws can only apply to projects owned or controlled by the local government; areas that do not have a service established may not impose a DCC.

DCC's may only be applied at the time of subdivision or building permit approval, and only toward an existing service for sewage, water, drainage, fire protection, police, highway, and solid waste and recycling facilities that are under the authority of the local government.



Figure 1. Water Service Area for potential DCCs

In Electoral Area D, this means that DCC's could be levied to support capital costs related to water, parks and street lighting. For example, DCC's may be applied to upgrade or expand

community water services to accommodate an increase in building lots created through subdivision or dwelling units at the time a building permit is being sought. The existing water service areas where DCC charges could be applied are shown in *Figure 1* above.

Currently, and in the absence of DCC's, developers within the water service areas are limited to costs for connection fees for water, being a fixed fee of \$2500 plus a \$200 application fee. Developers anywhere within Electoral Area D are also required to provide parkland dedication in the form of land or cash in lieu at the time of subdivision provided the subdivision creates more than three parcels with the smallest lot being less than 2.0 hectares in area. In absence of a DCC bylaw, developers are not burdened with additional fees associated with the provision of water, streetlighting or parks.

Any future enactment of a DCC bylaw would result in additional costs to the developer in the amount of the applicable DCC's. These future costs will remain largely unknown until the completion of a study for each of the applicable services. For context and consideration, information on the DCC's applicable in the neighbouring Comox Valley Regional District (CVRD) is provided in the analysis section of this report. Although the CVRD's DCC's provide a general idea as to potential charges, a full review of the Electoral Area D requirements and capital costs for a service would be needed to create a new DCC bylaw and establish appropriate charges. Although more costly to the developer, the collection of DCC's would more accurately recover the costs of service delivery.

Should the establishment of a DCC bylaw be pursued by Electoral Area D, there would also be front end costs born by the SRD associated with the initial creation of a new DCC bylaw for Electoral Area D as this will require extensive research and cost estimating to determine what DCC's are appropriate, the required process for imposing the DCC's, when the DCC's would apply and the exact rate calculations for each eligible service. The total projected costs associated with the development and approval of a DCC bylaw(s) is not available at this stage in the process, but costs to engage a consultant to complete the DCC study are estimated to range between \$20-\$30K.

**ALTERNATIVES**

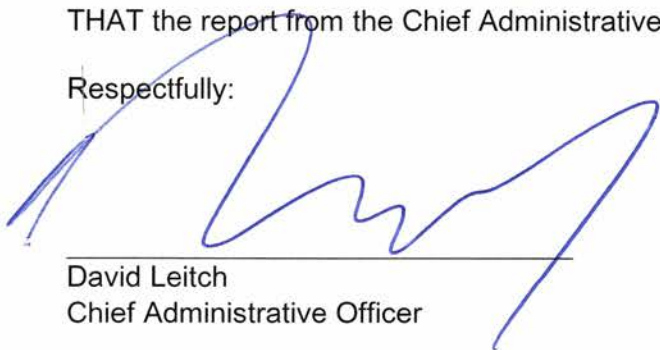
Option A – THAT the Committee recommend that the Regional District proceed with the development of a development cost charge (DCC) bylaw for Electoral Area D.

Option B – THAT the Committee recommend that development of a development cost charge bylaw for Electoral Area D not be pursued at this time.

**RECOMMENDATION**

THAT the report from the Chief Administrative Officer be received.

Respectfully:



David Leitch  
Chief Administrative Officer

**BACKGROUND**

Information was brought to the Committee meeting in November 2024 to introduce information regarding DCC's (attached). At that time the Committee requested an additional report to provide further details regarding the potential establishment of DCC's within Electoral Area D.

**PLANNING ANALYSIS**

The SRD can consider the establishment of a DCC bylaw to collect fees to address the additional burden or load development has on the services provided to Electoral Area D. Should the Board determine that the establishment of a bylaw is an appropriate a study would provide the necessary details to inform the bylaw and meet the requirements of Provincial legislation as noted below.

Establishment of DCCs requires the following:

1. Projection of future growth
2. Identification of required works
3. Estimate of infrastructure costs (involves variety of separate costs)
4. Allocate costs to growth or existing users
5. Assign costs to land use types (residential, commercial, industrial)
6. Convert costs into DCC rates
7. Apply assist factor (existing population assist future growth – 1%)

DCC Best Practices Guide provides direction when establishing a DCC bylaw. Local governments must also properly consider whether the proposed DCCs will:

- 1) be excessive in relation to the capital cost of prevailing standards of service;
- 2) deter development; or,
- 3) discourage the development of reasonably priced housing or reasonably priced serviced land.

To provide a comparison regarding DCC charges in neighbouring regional districts, the CVRD collects DCCs for water supply, sewerage service and parkland under separate bylaws. The water supply DCC is imposed at time of subdivision for single dwelling units and at building permit for other uses as shown in Table 1, while Parkland DCC collection in the CVRD is at time of building permit as shown in Table 2.

*Table 1. CVRD Water Service DCCs*

<b>Type of Development</b>	<b>Upon Subdivision Approval</b>	<b>Upon Issue of Building Permit</b>
Single family residential	\$3,389 per building lot being created	Not applicable
Single family residential second dwelling	Not applicable	\$3,389 per unit
Multi-family residential	Not applicable	\$2,772 per dwelling unit
Congregate care facility	Not applicable	\$1,492 per sleeping unit
Commercial	Not applicable	\$12.00 per square meter of gross floor area
Institutional	Not applicable	\$13.10 per square meter of gross floor area
Industrial / utility	Not applicable	\$10.31 per square metre of gross floor area

Table 2. CVRD Parkland DCCs

	Type of Development	Parkland DCC	Units	When Payable
a.	Single Detached Dwelling	\$1,417.63	Per dwelling unit	Building permit
b.	Multi-residential	\$1,181.36	Per dwelling unit	Building permit
c.	Tourist accommodation	\$212.64	Per bedroom	Building permit

**STRATEGIC PLAN PRIORITIES AND AREAS OF FOCUS**

Good Governance

*Build sound and efficient systems to protect the region’s assets and deliver services in a reliable, and fiscally responsible way.*

*Prioritize good governance that recognizes the diversity of our region and focuses on areas of common interests.*

**FINANCIAL IMPLICATIONS**

There are no financial implications at this time. Should the Board wish to proceed with the establishment of a DCC bylaw, there would be upfront costs borne by the SRD as part of the required research, bylaw drafting and adoption process.

**LEGAL IMPLICATIONS**

The *Local Government Act (LGA)* has provisions for DCC’s (Part 14, Division 19 – Development Costs Recovery) stating a local government may, by bylaw, impose development cost charges on every person who obtains approval of a subdivision or a building permit. A DCC bylaw must be approved by the Inspector of Municipalities in compliance with the *LGA*.

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS**

Should direction to impose a DCC bylaw in Electoral Area D be given by the Board, notification in accordance with the *LGA* will be required.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS**

Multiple departments, including Corporate, Finance, Engineering, Planning and Parks would be responsible for aspects of the bylaw establishment process.

Submitted by:




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Aniko Nelson  
Senior Manager, Community Services

**Prepared by:** *K. Chamberlain, Development Planner II and  
A. Nelson, Senior Manager, Community Services*

Attachment: Staff Report, November 6, 2024





## STAFF REPORT

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**DATE:** November 6, 2024

**FILE:** 0550-04 EASC

**TO:** Chair and Directors,  
Electoral Areas Services Committee

**FROM:** David Leitch  
Chief Administrative Officer

**RE: DEVELOPMENT COST CHARGES AND AMENITY COST CHARGES**

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### PURPOSE

To consider additional information on Development Cost Charges (DCCs) and Amenity Cost Charges (ACCs) for Electoral Areas B, C and D.

### POLICY ANALYSIS

The attached report was considered at the July 24, 2024 Board meeting at which time the following resolution was passed:

SRD 615/24

THAT a report be prepared for further consideration that investigates development cost charges for Electoral Area D and an amenity contribution policy for Electoral Areas B and C.

The *Local Government Act (LGA)* has provisions for both DCCs (Division 19) and ACCs (Division 19.1) stating a local government may, by bylaw, impose development cost charges and amenity cost charges on every person who obtains approval of a subdivision or a building permit. Amenity cost charges imposed [n accordance with ss. 570.1 - 570.95 of the *LGA* are imposed by bylaw and not by policy. Official Community Plans (OCPs) include identified community amenities in policy that can be used to influence contributions at the time of development and further considered within ACC bylaws with charges collected for such amenities.

### EXECUTIVE SUMMARY

Development Cost Charges (DCCs) can be collected to help pay for specific infrastructure needed to service new development, while Amenity Cost Charges (ACCs) are a tool to fund community amenities needed for growth. The purpose of these development finance tools is to support local governments in meeting the expanded service and infrastructure needs that may accompany new development. The new ACC tool enables local governments to levy fees for new development to fund the capital costs of amenities such as community centres, libraries, and childcare facilities, if identified in the electoral area OCP as amenities that are needed in the community. Interim guidance has been provided by the Province of BC to assist local government in implementing ACCs; however, an anticipated update to this guide has not been published at this time.

Although ACCs can be highlighted through policy within individual OCPs and used to encourage the provision of specific amenities by a developer at the time of development, the requirement to provide either a DCCs or ACCs can only be administered through a bylaw. Regardless of the electoral area, the process for imposing either DCCs or ACCs under separate bylaws must specifically outline any DCC and ACC amounts. ACCs are charged in relation to amenities that are required as outlined within an electoral area's Official Community Plan (OCP). Prior to creation of a new bylaw to impose DCCs, a service area must first exist. Financial and engineering review

of the electoral area demands and capital costs for a service are required to create a new DCC bylaw. The creation of a new DCC bylaw would require extensive research, cost estimating and approval from the Inspector of Municipalities, while an ACC bylaw would require research and alignment with the electoral area's OCPs as well as public consultation.

Both DCCs and ACCs must be set by bylaw and are imposed at the time of subdivision or building permit. Based on initial review of the number of subdivision and building permit applications in Electoral Area D, it may be beneficial to impose DCCs at building permit application for Area services. However, ACCs in Electoral Area B and C could only be charged at time of subdivision as a building service has not been established.

**RECOMMENDATION**

THAT the report from the Chief Administrative Officer be received.

Respectfully:



David Leitch  
Chief Administrative Officer

**BACKGROUND**

DCC bylaws only apply to projects owned or controlled by the local government. Establishing bylaws are required to provide services, and they must include the scope of the service, the method by which the service is to be funded, the way in which service-related decisions are to be made and by whom. Areas that do not have a service established may not impose a DCC. Each electoral area has a discrete revenue and cost specific to each service and fund. Some costs are clearly related to one specific service and others are not, such as general administration. Development finance tools, such as DCCs, are used in areas of high growth that demand new infrastructure. ACCs, a new development finance tool created in relation to Bill 46, enables local governments to levy fees from development to fund amenities identified in an OCP that provide social, cultural, heritage, recreational or environmental benefits to a community.

**PLANNING ANALYSIS**

The electoral areas differ in their choices of specific service provisions. Some services are mandated by legislation; general administration, planning, and solid waste management, and some are not; water and sewer utilities, recreation programs and facilities, community and regional parks, libraries, animal control and building inspection, E-911 and fire protection, economic development, regional growth strategies, and airports. Prior to Bill 46, DCCs could only be collected to fund capital costs for infrastructure related to sewage, water, drainage, highway facilities, and the acquisition of parkland. Eligible infrastructure categories have now been expanded to include capital costs related to fire protection, police services, solid waste and recycling facilities. Both DCCs and ACCs require continuous monitoring, financial administration and reserve fund allocation in addition to financial reporting.

***Development Cost Charges***

A DCC fee may only be administered through a bylaw, as approved by the Inspector of Municipalities and must outline amounts that apply to land use and development, among other considerations. DCC Best Practices Guide provides direction when establishing a DCC bylaw.

Local governments must also properly consider whether the proposed DCCs will:

- 1) be excessive in relation to the capital cost of prevailing standards of service;
- 2) deter development; or,
- 3) discourage the development of reasonably priced housing or reasonably priced serviced land.

Establishment of DCCs requires the following:

1. Projection of future growth
2. Identification of required works
3. Estimate of infrastructure costs (involves variety of separate costs)
4. Allocate costs to growth or existing users
5. Assign costs to land use types (residential, commercial, industrial)
6. Convert costs into dcc rates
7. Apply assist factor (existing population assist future growth – 1%)

As an example, in Electoral Area D specifically, services for which a DCC could possibly be charged, bylaw, are:

- 1) Parks acquisition / development
- 2) Northern Area D Water
- 3) Street lighting

In Electoral Area D, a total of four subdivision applications were received by the MOTI in 2023, resulting in nine new lots in the SRD. In comparison, 17 building permits for Area D were received in 2023 that could potentially be subject to a DCC bylaw. The subdivision and building permit applications and services are detailed in Table 1 and 2 below.

*Electoral Area D Subdivision Applications 2023. Table #1*

<b>Application No.</b>	<b>No. of new lots</b>	<b>Possible DCC Bylaw charges for Service Area</b>	<b>DCC Bylaw charges not applicable</b>
00301 D 24 2338 Glenmore Rd	1	Parks	No Water Service – BC/OB No Street Lighting No Sewer CR Wasteshed MOTI Road
01285 D 24 3751 Shoreline	1	Area D Water (north) Parks	No Street lighting No Sewer CR Wasteshed MOTI Road
02688 D 24 3041 Vaughn Rd	3	Area D Water (north) Parks	No Street Lighting No Sewer BC/OB Fire CR Wasteshed MOTI Road
03498 D 24 2986 Paul Rd	4	Area D Water (north) Parks	No Street Lighting No Sewage BK OB Fire CR Wasteshed MOTI Road

*Electoral Area D Building permit applications, 2023. Table #2*

Building Use	No. of building Applications 2023	Potential Service Area	Notes
Commercial / Industrial	1	Water Parks	DCCs charged by building area
Institutional	1	TBD	Further research into service areas by building / planning required.
Residential	16	TBD	
Other	21	NA	Renovations, etc., DCCs don't apply

The noted properties in Table 2 are examples of the applications to which DCCs could have possibly been applied at building permit in 2023. If DCCs were collected at building permit there are potentially a total of 17 properties where DCCs (or partial DCCs) would be applicable. However, a bylaw must specify that residential buildings that contain fewer than four units will be subject to DCCs. Different areas in the electoral area could have varying and specific DCCs imposed and a DCC bylaw would outline the appropriate cost charged to development.

### **Amenity Cost Charges**

ACCs are also administered through a bylaw. Additional information is expected from the Province this fall, however interim guidance states that the principles and practices that apply to DCCs should also be used when developing an ACC program. ACCs can be collected on subdivision approval or prior to the issuance of a building permit from any new development that results in an increase in the population of residents or workers in areas where a local government is planning for growth. Electoral Areas B and C do not have a Building Service, therefore ACCs could only be charged at subdivision, for which the approving authority is MOTI. For reference, there were a total of two subdivision applications in Area B and five in Area C in 2023 resulting in 4 and 24 lots respectively (MOTI confirmation of final approval has not been received on all applications at this time).

To impose ACCs a local government must pass a bylaw that identifies the:

- 1) Area or areas in which the charge(s) apply;
- 2) Amenity projects for which a charge will be imposed; and,
- 3) Amount of the charges that will be imposed, which must be set as a flat rate per unit and/or per square metre of floorspace.

To determine charge amounts a local government must consider:

- 1) the capital costs of the amenities in each area;
- 2) the phasing of amenity projects (e.g., the different stages/timelines of the construction of an amenity project)
- 3) whether the charges are excessive in relation to existing standards of services; and
- 4) whether the charges would deter development or discourage construction of reasonably priced housing;

To consider an ACC bylaw in an Electoral Area also necessitates analysis of the impact of charges on development viability. ACCs are meant to assist local governments with capital costs or amenities required to support population growth. Any current funding and grants, portion of costs allocated to the existing populations, and the 'assist factor' or what the SRD is expected to provide would be reviewed as part of creation of an ACC Bylaw.



**STRATEGIC PLAN PRIORITIES AND AREAS OF FOCUS:**

Good Governance.

*Build sound and efficient systems to protect the region's assets and deliver services in a reliable, and fiscally responsible way.*

*Prioritize good governance that recognizes the diversity of our region and focuses on areas of common interests.*

**FINANCIAL IMPLICATIONS**

The DCCs and ACCs bylaw creation would require project resources. The ACC bylaw would also require public consultation and advertising.

**LEGAL IMPLICATIONS**

A DCC bylaw must be approved by the Inspector of Municipalities in compliance with the *LGA*.

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS**

Should direction to impose a DCC bylaw in any Electoral Area be given by the Board, notification in accordance with the *LGA* will be required. Should direction be given to proceed with a project to determine viability of an ACC bylaw in any Electoral Area, notification and public consultation would be required in accordance with the *LGA*.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS**

Multiple departments, including Finance, Engineering, and Planning, would be responsible for all aspects of any bylaw process. Additionally, Corporate Services staff resources would be required during the adoption of the bylaw.

Submitted by:



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Aniko Nelson  
Senior Manager, Community Services

***Prepared by: Keltie Chamberlain, Development Planner II***



## STAFF REPORT

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**DATE:** July 12, 2024 **FILE:** 0550-04 Board

**TO:** Chair and Directors,  
Regional Board

**FROM:** Dave Leitch  
Chief Administrative Officer

**RE:** AMENITY COST CHARGES & DEVELOPMENT COST CHARGES

### PURPOSE/PROBLEM

To consider a recommendation from the Electoral Areas Services Committee that the Regional District investigate amenity cost charges and development cost charges for some of its electoral areas.

### EXECUTIVE SUMMARY

The attached report was considered at the July 10, 2024 meeting of the Electoral Areas Services Committee at which time the following recommendation was passed:

Vonesch/Rice: EASC 235/24

THAT a report be prepared on a bylaw addressing Amenity Cost Charges and Development Cost Charges for Electoral Area D; and

THAT a report be prepared on a policy addressing Amenity Cost Charges for Electoral Areas B and C.

The actions outlined below are offered in support of the Committee's recommendation.

### RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT a report be prepared for further consideration that investigates development cost charges for Electoral Area D and amenity cost charges for Electoral Areas B, C and D.

Respectfully:



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Dave Leitch  
Chief Administrative Officer

**Prepared by:** T. Yates, Corporate Services Manager

Attachment: Copy of July 2, 2024 report to the EASC



## STAFF REPORT

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**DATE:** July 2, 2024

**FILE:** 0550-04

**TO:** Chair and Directors,  
Electoral Areas Services Committee

**FROM:** David Leitch  
Chief Administrative Officer

**RE:** **BILL 46, HOUSING STATUTES (DEVELOPMENT FINANCING) AMENDMENT ACT, 2023**

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### **PURPOSE**

To provide an update and clarity on Bill 46, *Housing Statutes (Development Financing) Amendment Act, 2023*, which changes provincial legislation related to Development Cost Charges (DCCs) and Amenity Cost Charges (ACCs).

### **POLICY ANALYSIS**

The Board passed the following motions at its February 28, 2024 meeting:

SRD 94/24 THAT staff prepare a report for the Electoral Areas Services Committee providing information, background and options on amenity contribution policies for regional districts.

SRD 96/24 THAT a report be prepared for further consideration regarding the options for development cost charges in Electoral Area D.

### **EXECUTIVE SUMMARY**

As part of the Stronger BC strategy, the Ministry of Housing released the Homes for People housing action plan in April 2023. This plan is intended to address the housing situation across BC and includes several pieces of new or revised legislation and programs with implications for local governments, including the Strathcona Regional District. One new piece of legislation is Bill 46, *Housing Statutes (Development Financing) Amendment Act, 2023*, which broadens the range of infrastructure Development Cost Charges (DCCs) that may be levied to fund infrastructure and introduces Amenity Cost Charges (ACCs) as a new tool to fund community amenities from new developments. The purpose of this regulation is to support local governments in meeting the expanded service and infrastructure needs that may accompany new development.

Prior to Bill 46, DCCs could only be collected to fund capital costs for infrastructure related to sewage, water, drainage, highway facilities, and the acquisition of parkland. Eligible infrastructure categories have now been expanded to include capital costs related to fire protection, police services, solid waste and recycling facilities. It should be made clear that these capital costs are limited to infrastructure or services that currently provide service to the area in which they are levied. Also, DCC charges would only apply to those developments that were proposing (or where permitted by bylaw) four or more units. Although the Regional District historically had the authority to charge DCCs for specific infrastructure, it does not currently levy DCCs for any of the current eligible infrastructure.

Currently it is clear that Electoral Area D could contemplate implementing DCCs related to infrastructure or services currently being provided to a particular area, such as water and



parkland. Further clarity is expected from the Province regarding other services that may be considered in the future.

Bill 46 also introduced the new ACC tool which now enables local governments to levy fees from new developments to fund amenities that provide social, cultural, heritage, recreational or environmental benefits to a community. This could provide capital costs for amenities such as community centres, libraries, and childcare facilities. As the Regional District did not previously have the authority to charge ACCs, implementing a levy has not been contemplated to date.

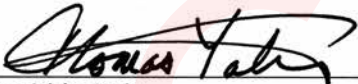
Both the improved DCC and new ACC tools come with limitations, exemptions, eligibility requirements and other legal parameters. Both ACC and DCC fees may only be administered through a bylaw, which must outline any DCC amounts and/or ACC amounts and amenities required following consideration of OCP policies and future land use patterns and development, among other considerations. The approval of an ACC bylaw would require public consultation and, in the case of a DCC bylaw, approval from the Inspector of Municipalities. It is important to understand that DCCs and ACCs can only be collected at the time of subdivision or building permit.

The Province has committed to providing additional guidance on the application of these new tools in the summer or fall of 2024 at which point more information may be available. Should the Committee wish to explore any of these DCC or ACC options that may be applicable to a particular area, it would be appropriate to recommend that a detailed staff report be brought forward once the Province issues additional guidance to local governments.

#### RECOMMENDATION

THAT the report from the Chief Administrative Officer be received.

Respectfully:



David Leitch  
Chief Administrative Officer

*for* **Prepared by:** A. Nelson, Senior Manager, Community Services and M. Starkey, Manager Planning and Parks

Attachments: The Interim Guidance report from March 2024  
Bill 46





# Interim Guidance

## Development Finance Tools Update: Development Cost Charges/Levies and Amenity Cost Charges

Ministry of Housing  
March 2024

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*Contents of this document are not intended to be provided as legal advice and should not be relied upon as legal advice.*

## Introduction

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Local governments have a range of development financing tools that can be used to help fund the costs of infrastructure and amenities that are needed to support new development, including Development Cost Charges (DCCs)/Development Cost Levies (DCLs), subdivision servicing bylaws, excess or extended services, latecomer agreements, development works agreements, and density bonusing.

In the fall of 2023 [Bill 46 – 2023: Housing Statutes \(Development Financing\) Amendment Act](#) (Bill 46) made amendments to the *Local Government Act* (LGA) and the *Vancouver Charter* to provide local governments (municipalities and regional districts) with new and expanded development finance tools.<sup>1</sup>

These changes include:

- Updating the scope of infrastructure eligible to be funded through DCCs and DCLs to include new categories of infrastructure - fire protection, police, and solid waste and recycling facilities.
- Introducing Amenity Cost Charges (ACCs), a new development finance tool that allows local governments to collect funds for amenities, such as community centres, recreation centres, daycares, and libraries from new development that results in increased population.

In addition, Bill 46 made amendments to enable municipalities to collect and use DCCs/DCLs to finance their portion of highway facilities that are cost-shared between the province and the municipality, like interchanges and highway exits. Any questions on this topic should be directed to the Ministry of Municipal Affairs at [LGIF@gov.bc.ca](mailto:LGIF@gov.bc.ca).

This interim guidance will help local governments update or adopt DCC/DCL bylaws to begin collecting for the new categories of eligible infrastructure and to implement an ACC bylaw, if they choose to use the new tools.

The Province will develop more comprehensive guidance in consultation with the Development Finance Review Committee (DFRC)<sup>2</sup>, local governments, and the development industry, for release in the late summer/early fall 2024.

## Background

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The Province of BC passed legislation in the fall of 2023 to facilitate increased housing supply as part of the Province's *Homes for People Action Plan*. Through [Bill 44 – 2023: Housing Statutes \(Residential Development\) Amendment Act](#) and [Bill 47 – Housing Statutes \(Transit-Oriented Areas\) Amendment Act](#) the Province made changes to the land use planning frameworks under the LGA and the *Vancouver Charter*, including:

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<sup>1</sup> The amendments came into effect on November 30, 2023.

<sup>2</sup> The DFRC was formed as an advisory committee in 1995 to advise the Ministry of Municipal Affairs about the development of best practices, policy, and potential legislative changes in relation to development finance. The DFRC includes representation from the Union of BC Municipalities, Planning Institute of BC, local governments, and the development industry.

- Requiring local governments to update zoning bylaws to allow for small-scale, multi-unit housing (e.g., secondary suites/accessory dwelling units, triplexes, townhomes, and houseplexes) in land use zones that are otherwise restricted to single-family dwellings or duplexes.
- Requiring local governments to shift to a more pro-active, long-term approach to planning where they must identify their housing needs and then zone for what housing is needed.
- Removing public hearings on rezonings for housing projects that are consistent with a local government’s official community plan (OCP).
- Requiring some municipalities to designate Transit-Oriented Development Areas (TOD Areas) near transit hubs. In TOD areas, municipalities may not use zoning powers to prohibit or restrict prescribed minimum levels of density, size, and may not impose off-street parking requirements other than for disabled persons, and must consider a provincial policy manual when planning or amending zoning bylaws.

As local governments shift to more upfront planning and zoning, through Bills 44 and 47, changes under Bill 46 provide local governments with new and improved development finance tools to help fund infrastructure and amenities to support increased housing supply and growth.

More information on local government housing initiatives is available on the Ministry of Housing website located at: <https://www.gov.bc.ca/housingInitiatives>

## Legislation Overview

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### Development Cost Charges/Development Cost Levies<sup>3</sup>

#### Overview

Under section 559 of the LGA, municipalities and regional districts can choose to collect DCCs from new development to help pay for the capital costs of off-site infrastructure services that are needed to accommodate growth.

DCCs can be collected for defined categories of infrastructure as specified in legislation: sewage, water, drainage, highway facilities, and the acquisition and improvement of parkland.<sup>4</sup> Per amendments under Bill 46, local governments can collect DCCs for the following new categories: fire protection, police, and solid waste and recycling facilities.

The [Development Cost Charges Best Practices Guide](#) (Best Practices Guide) provides general DCC policy direction that also applies to the new DCC categories. For guidance on existing DCC policies when establishing or amending a DCC bylaw, please refer to the Best Practices Guide.

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<sup>3</sup> DCCs are known as DCLs in the City of Vancouver, where they are authorized under the *Vancouver Charter*. For the purposes of this interim guidance, any reference to DCCs include DCLs. While there are differences between the DCC and DCL frameworks (e.g., the Inspector of Municipalities approves DCC bylaws but not DCL bylaws), the recent amendments to expand the scope of eligible infrastructure are the same under both frameworks. Thus, the information provided in this interim guidance can apply to both.

<sup>4</sup> Additionally, the City of Vancouver can collect DCLs for day care facilities and replacement housing.

## Project Eligibility for New DCC Categories

Consistent with existing DCC categories, capital projects under the new DCC categories must directly or indirectly service new development (LGA section 559(2)). Provincial policy establishes that charges are only eligible for capital assets owned or controlled by the local government. Project cost estimates under the new DCC categories that are included in a new or amended DCC bylaw, must be consistent with the local government's OCP, financial plan, service plans, and long-term capital plans.

Under section 560 of the LGA the Inspector of Municipalities (Inspector) may refuse to grant approval of a DCC bylaw if the Inspector determines that the DCCs are not related to capital costs attributable to projects included in a local government's financial plan.

The definition of capital costs under section 558 of the LGA includes planning, engineering and legal costs directly related to the work for which a capital cost may be incurred. Costs that are not eligible under existing and new DCC categories include:

- Operating and staffing costs, personal equipment, and mobile equipment, including vehicles and other rolling stock such as fire and garbage trucks.
- Leased facilities, except for the costs of construction or leasing an asset that will be controlled by the local government under a capital lease.
- Projects related to maintenance or replacement of existing assets.

### ***Fire Protection Facilities***

A fire protection DCC program should be based on the long-term strategy and priorities provided in a fire protection/department master plan (or equivalent).

For DCC programs, infrastructure considered 'fire protection facilities' includes projects such as:

- firehalls;
- training facilities;
- staff quarters;
- apparatus bays;
- maintenance facilities
- dispatches; and,
- fire department administration buildings.

Fire service costs that are not considered "facilities" include:

- all vehicles related to the service
- any gear or equipment that is conveyed to the site of a fire or other service activity.

### ***Police Facilities***

A police facilities DCC program should support a municipality with a facility for a police force of sufficient size. For DCC calculations, a key consideration is ownership or control of the capital infrastructure located within a municipality. A single facility may accommodate multiple detachments that provide



services to more than one jurisdiction. Only the portion of a facility that serves a municipality should be used in DCC calculations for that municipality.

For DCC programs, infrastructure considered ‘police facilities’ includes projects such as:

- detachment buildings;
- municipal jails, cells and holding facilities;
- training facilities;
- community policing centres;
- dispatches; and,
- police administration buildings.

Policing costs that are not considered “facilities” include:

- all vehicles related to the service
- any gear or equipment related to the service

### ***Solid Waste and Recycling Facilities***

A solid waste and recycling DCC program should be based on an approved solid waste management plan and align with the financial and long-term capital plan.

Solid waste and recycling facilities may be included in a municipal DCC program if they are not part of the separate service of a regional district. Where the authority for a solid waste service lies outside a municipality (e.g., within a regional district), a separate DCC can be imposed by that jurisdiction. In that case, the municipality will be governed by the regional DCC bylaw and the municipality will collect and remit solid waste and recycling DCCs to the regional district.

For DCC programs, infrastructure considered ‘solid waste and recycling facilities’ includes projects such as:

- solid waste master planning;
- landfills;
- transfer stations;
- recycling depots and processing facilities; and,
- compost facilities

Solid waste and recycling costs that are not considered “facilities” include:

- curbside collection costs including garbage trucks
- vehicles that are on-site at a landfill or other facility
- asset management; and,
- environmental monitoring;

## Bylaw Process for New Categories

During the development of a DCC bylaw, local governments must ensure that all bylaws and processes conform to all legal requirements. Local governments must properly consider whether the proposed DCCs will:

- be excessive in relation to the capital cost of prevailing standards of service;
- deter development; or,
- discourage the development of reasonably priced housing or reasonably priced serviced land.

When incorporating a new category into a DCC program, local governments are advised to follow the existing methodologies in the [Best Practices Guide](#). Each new DCC category (fire protection facilities, police facilities, solid waste and recycling facilities) will need to be calculated individually and included as a separate charge in the bylaw. The addition of a new category in a DCC bylaw is considered a major update to the bylaw and will require a local government to conduct a full review of the DCC methodologies and underlying assumptions used.

Bylaws establishing or amending a DCC bylaw require approval by the Inspector of Municipalities before adoption. To assist in the approval review of a proposed DCC Bylaw, a copy of the [Development Cost Charge Submission Summary Checklist](#) (updated March 2024) should be completed by the local government and attached to the bylaw approval package being sent to the Inspector of Municipalities.

Please contact the Financial Analyst for your local government at the Ministry of Municipal Affairs to discuss or review the addition of new categories to a DCC program. This is particularly important if the local government intends to request the inclusion of interest in charges for the new categories. Discussing this well in advance may save a local government significant time. Staff contacts can be found on the [Local Government Division Staff Finder](#).

Once levied and collected, the DCCs must be deposited into separate fire protection, police and solid waste and recycling DCC reserve funds, established by bylaw. One bylaw may be used to establish all the reserve funds. A reserve fund should be established by bylaw for each of the current DCC categories (water, sewer, etc.). These reserve funds may only be used for capital costs relating to the projects used in the calculations of an approved DCC bylaw. Any interest earned from investments in these reserve funds must be used for eligible DCC projects.

### Allocating Benefits

Fairness and equitable distribution of capital costs among those parties receiving a benefit is a guiding principle of DCCs and suggests that certain DCC projects may benefit the existing population as well as new development. For example, existing users may receive some benefit from the construction of a new fire hall, if the facilities are upgraded in response to the need for replacement or pent-up demand, as well as new development. In turn, the allocation of capital costs that benefit existing users should be deducted from the difference between the total capital cost estimate and funds from other sources.

If a grant for a project in a DCC program has been received, that grant should be deducted from the capital cost of the project and the remainder allocated between the existing population and new

development. This approach enables both existing and new contributors to the capital cost to benefit from the grant.

### ***Fire Protection and Police Facilities***

Fire protection and policing services benefit the entire community, as emergency services are not fixed or limited to a specific geographic region. Because the services benefit the population at large, capital costs related to fire protection and police facilities should be apportioned to existing users as well as the new development. In addition, any aspect of a fire protection or police facilities DCC program that involves replacing existing facilities has a higher benefit to existing users and should be allocated accordingly. Only the portion of the project that services growth should be allocated to new development.

### ***Solid Waste and Recycling Facilities***

As part of a solid waste management plan, a local government should assess the current solid waste management system and determine any existing deficiencies and areas for improvement. Any projects that are required to address existing deficiencies or to improve solid waste processes should be assigned higher benefit to existing users.

### ***Assigning Costs to Land Use Types***

Each type of development creates different demands on off-site infrastructure services. The impact of each type, relative to that of others, needs to be considered when assigning the portion of total infrastructure costs attributable to growth. Local governments usually express relative impacts in terms of “equivalent units,” which express the impact of each type of development on a service relative to that of a single-family house. The relative impacts of the different development types will vary by type of service.

Police facilities DCCs, for example, may be based on the premise that expansion and/or building police facilities are required due to population growth and can therefore be based on occupancy rates for residential land use and equivalent population density for non-residential land use. The calculation involved would be similar to the sanitary DCC method in the [Best Practices Guide](#).

Local governments are encouraged to work with professional planners and engineers to determine appropriate equivalent units for the new categories so that the best possible method of assigning cost to types of development is used.

## Considerations with Other Housing Legislation

In addition to establishing whether to collect DCCs to help pay capital costs of fire protection, police, or solid waste and recycling facilities, local governments will also need to determine how their DCC program is affected by other new housing legislation amendments, particularly small-scale multi-unit housing (SSMUH) requirements (as established in Bill 44).

For example, the LGA establishes that DCCs are not payable on building permits authorizing the construction, alteration or extension of fewer than four self-contained dwelling units unless the DCC

bylaw specifies that DCCs are payable. In light of amendments under Bill 44, which enables multiple dwelling units on a single-family lot, if a local government wishes to impose DCCs on fewer than four dwelling units and does not have this authority provided for within the current DCC bylaw, an amendment to the DCC bylaw would be required.

To provide an incentive for affordable housing, a local government may define affordable rental housing and then provide waivers and reductions of DCCs to developments that are eligible under these definitions. Local governments should consider waivers and exemptions for affordable rental housing so that there is an incentive for this much needed type of development.

Amendments to a DCC bylaw may also be required if assumptions used to calculate DCCs, such as the number of residential units, housing stock mix, or occupancy rates are affected by SSMUH requirements. Please refer to the SSMUH [Provincial Policy Manual & Site Standards](#) for more information.

Another consideration is regarding the timing of collecting DCCs. Typically, single family DCCs are charged at subdivision approval, but with the new legislation allowing additional dwelling units on one lot, a local government may want to provide that single family dwelling DCCs may, in the alternative, also be charged prior to issuing a building permit.

## Amenity Cost Charge

Amenity Cost Charges (ACCs) are a new development finance tool that allow local governments to collect funds for amenities, such as community centres, libraries, daycares from new development that results in increased demand for services. These amenities support liveable and complete communities in areas of growth.

The new Division 19.1 of the LGA authorizes local governments to impose ACCs and outlines the legislated requirements. The equivalent authority is provided to the City of Vancouver through Part XXIV-B of the *Vancouver Charter*.

This interim guidance provides local governments with an introduction to ACCs and the legislative requirements and key considerations for developing an ACC program and bylaw.

While ACCs are a distinct tool, local governments are encouraged to borrow many of the principles and practices that apply to DCCs as outlined in the [Development Cost Charges Best Practices Guide](#) and use those practices when developing an ACC program. These well-established DCC practices will help stakeholders understand the rationale for ACCs and can help guide the process of developing an ACC program. The design approach to the ACC framework was also based on the foundational principles set out in the DCC Best Practices Guide.

### Overview

Local governments can collect ACCs on subdivision approval or prior to the issuance of a building permit from any new development that results in an increase in the population of residents or workers (i.e., if a development adds new residential units or new workplaces to the community) in areas where a local government is planning for growth. Similar to DCCs, ACCs must be imposed by bylaw and in accordance



with the process and requirements set out in the legislation. Local governments can choose whether or not to use the new ACC tool and can adopt an ACC bylaw at any time. Unlike DCCs, ACC bylaws do not require approval from the Inspector of Municipalities.

## Project Eligibility

Under section 570.1 of the LGA and section 523E of the *Vancouver Charter*, an “amenity” is broadly defined as a facility or feature that provides social, cultural, heritage, recreational or environmental benefits to a community. Amenities need to directly or indirectly benefit the new development itself and the increased population of residents or workers that result from the development.

While the legislation sets out a list of the types of amenities that a local government can fund with ACCs, the list is not exhaustive. Examples of amenities include (but are not limited to), a:

- community, youth, or seniors’ centre;
- recreational or athletic facility;
- library; and,
- public square.

ACCs can only help fund the capital costs of amenities. ACCs can be used to fund the capital costs of constructing new amenities or to alter or expand existing amenities, such as creating a new day care space within an existing community centre or adding a new wing to a community centre. Under s. 570.2(3) of the LGA and s. 523G(3) of the *Vancouver Charter*, local governments can also use ACCs for amenities where a local government has a partnering agreement with a person (e.g. not-for-profit organization, corporation, etc.) or public authority (e.g., another local government).

Sections 570.4 of the LGA and 523I of the *Vancouver Charter* establish the following circumstances when development is exempt from ACCs:

- Developments where a building permit authorizes the construction, alteration, or extension of a building, or part of a building which is solely used for public worship, such as a church.
- Developments that do not result in an increase in population of residents or workers.
  - For example, an ACC cannot be imposed on a triplex if it replaces another triplex because no additional units were added to the community. If a triplex replaces a single-family home, then an ACC can be imposed on the two additional units.
- Developments that have already been charged for a particular amenity, unless further development results in an increase in population of residents or workers (i.e., adds additional units).
  - For example, if a development has already paid an ACC for amenities included in an ACC bylaw but then adds additional units through a renovation, an additional ACC can be imposed on that development to help pay for the amenities in the ACC bylaw.
- Developments that fall under a class of affordable housing prescribed by regulation.

The legislation includes rules to prevent “double-charging” for amenities. For example, there is a general rule that a charge for an amenity can only be recovered once (see s. 570.95 of the LGA and s. 523R of the *Vancouver Charter*). This clarifies the relationship between the ACC bylaw and other authorities that local governments can use to obtain amenities (e.g., through phased development agreements, density bonus), and ensures that a development will not be double charged for an amenity under an ACC bylaw through other authorities.

The legislation also clarifies the relationship between ACCs and other tools, specifically in relation to DCCs and density bonus authorities. For example:

- **DCCs:** ACCs cannot be used to pay for the capital costs of infrastructure for which a DCC can be imposed. For example, ACCs cannot be used to fund sewer or water infrastructure (section 570.4(4) of the LGA and section 523I(2) of the *Vancouver Charter*).
- **Density bonus authorities:** Under density bonus provisions, local governments can establish different density rules for a zone – one that is generally applicable for the zone (i.e., a “base density”), and other(s) that will entitle a developer to higher density (“bonus density”), if certain conditions are met either in relation to the conservation or provision of amenities or the provision of affordable and special needs housing. Local governments can continue to use density bonus to collect for amenities and can apply both density bonus conditions and ACCs on the same development (or use the tools separately on different developments or in different areas). However, local governments cannot use density bonusing to collect for an amenity for which an ACC is being collected. For example, if an amenity project is included in the local government’s ACC bylaw, the local government cannot use density bonusing to secure that amenity (section 482(2.1) of the LGA and section 565.1(2.1) of the *Vancouver Charter*).
  - By virtue of the requirements detailed below around how a local government determines the areas ACCs will be imposed, the amenities that will receive funding, and the charge amounts, it is intended that local governments take only the base density into consideration when developing their ACC program.

## Developing an ACC Program and Bylaw

To impose ACCs, a local government must pass a bylaw that identifies the:

- area or areas in which the charge(s) apply;
- amenity projects for which a charge will be imposed; and,
- amount of the charges that will be imposed, which must be set as a flat rate per unit and/or per square metre of floorspace.

The ACC rates for the various areas are presented in a series of schedules that accompany the bylaw, which should summarize the charges for the applicable land uses, based on the representative unit of development.

Local governments may consider compiling supporting documents for the ACC bylaw, which include information that captures the data, assumptions, and rationale used to develop the bylaw, to help fulfill the requirements around developing an ACC program. These supporting documents may contribute to

overall transparency and allow for local governments to monitor the assumptions made in formulating the proposed ACCs over time. These may also make it easier to later update the ACC program. Information in these documents should include a summary of capital cost and revenue assumptions as well as an outline of the various methodologies used to derive the charges.

Under section 570.7(7) of the LGA and section 523K(7) of *the Vancouver Charter* local governments must make available to the public on request, the considerations, information, and calculations used to determine the ACCs. Information respecting the contemplated acquisition costs of specific properties is not required to be provided to the public.

### ***Determine an Appropriate ACC Program Timeframe***

The ACC legislation requires a close connection between projected population growth and the planning of amenities to support that new population. A defined time period for the ACC program is needed for estimating new development and the amenities required to support that new development.

#### *Timeframes for an initial ACC program:*

ACCs can be used to help fund amenities needed to support the growth that is anticipated to result from the small-scale multi-unit housing (SSMUH) and transit-oriented (TOA) requirements. Local governments must comply with new requirements under SSMUH and TOA legislation, if applicable, by June 30, 2024.

If local governments want to collect ACCs on SSMUH and TOA developments, then it is recommended they develop their initial ACC bylaw as soon as possible. This would likely entail developing a program with a shorter timeframe, largely based on information from a local governments' current planning documents, growth projections, and financial planning.

The provincial policy manuals for [SSMUH](#) and [TOA](#) provide additional considerations for the application of ACCs in these areas.

#### *Timeframes for subsequent program updates:*

Over the long-term, local governments could consider timing their ACC program updates with the newly required timeframes for updating Housing Needs Reports (HNR) and OCPs established in Bill 44 and in alignment with their DCC program updates, if applicable, to achieve greater efficiencies and alignment between land use planning and financial planning.

### ***Determine Area(s) and Amenities***

Under section 570.7(4) of the LGA, local governments are required to consider:

- the applicable OCP(s) and other relevant planning documents (e.g., HNRs, local area plans, public benefits strategies);
- expected increases in population growth of residents and workers; and,
- the financial plan

The ACC bylaw must identify each area where ACCs will be imposed on new development and the amenities in each area that will receive funding.

Under section 523K(4) of the *Vancouver Charter*, the City of Vancouver are required to consider:

- an applicable development plan as defined in section 559;
- an applicable official development plan as defined in section 559;
- other relevant planning documents;
- future land use patterns in the city;
- expected increases in the population of residents and workers; and,
- reports submitted by the Director of Finance.

### ***Determine Charge Amounts***

*Overall considerations:*

Under section 570.7(2) of the LGA and section 523K(2) of the *Vancouver Charter*, ACCs must be set as a flat rate per unit/lot or per square metre of floorspace in a development. As part of determining the charge amounts, local governments must consider the following (as per s.570.7(5) of the LGA and s.523K(5) of the *Vancouver Charter*):

- the capital costs of the amenities in each area;
- the phasing of amenity projects (e.g., the different stages/timelines of the construction of an amenity project)
- whether the charges are excessive in relation to existing standards of services; and,
- whether charges would deter development or discourage construction of reasonable priced housing.

These requirements necessitate that local governments undertake analyses to understand the impact of charges on development viability. Local governments are encouraged to use the same principles and best practices found in the DCC Best Practices Guide when undertaking an analysis on the impact of charges on development viability.

*Deductions from the capital costs of amenities:*

ACCs are meant to assist local governments with the capital costs of amenities required to support population growth. When determining the specific charge amounts, local governments must make the following deductions (as per section 570.7(6) of the LGA and section 523K(6) of the *Vancouver Charter*):

- Deduct from the total cost of the amenity any grants or other sources of funding (e.g., grants from the provincial or federal government) that are being used to finance an amenity.
- Allocate the costs between the future population (e.g., the portion of costs allocated to new population/to be paid by new development) and current population. This is determined through a benefit allocation exercise that determines how much the amenities would benefit the new population and how much they would benefit the existing population. As amenities often benefit the existing population, local governments will need to fairly distribute the costs of amenities between future population (i.e., the development) and existing population (i.e., the existing tax base).



- Deduct from the portion of costs attributed to new development an amount that will be funded by the local government—this is known as the “assist factor.” Similar to DCCs, ACCs are intended to “assist” with paying the capital costs of amenities. Therefore, local governments are expected to provide some financial assistance to ensure that new development does not shoulder the entire costs of amenities.

#### *Varying charges:*

Local governments could also consider the varying impacts of different types of developments (e.g., residential vs. employment-related developments, such as commercial or industrial developments, or between different types of residential development) on demand for and use of amenities. To address any differences, under section 570.7(2) of the LGA and section 523K(2) of the *Vancouver Charter* local governments are enabled to vary charges for different zones, uses, and sizes or different numbers of lots or units in a development, with the requirement that charges must be similar for all developments that are expected to result in a similar increase in the population of residents or workers.

Charges can also vary by different geographic areas. As charges are set based on the cost of the amenities (minus the required deductions for external grants, benefit allocation, and the assist factor) needed in an area to support the anticipated growth within that area, charges will naturally vary between different areas because amenity and growth needs will vary.

#### *Waivers or reductions:*

Under section 570.6 (2) of the LGA and section 523J (2) of the *Vancouver Charter* local governments may waive or reduce charges for not-for-profit rental housing (LGA only) and for-profit affordable rental housing by bylaw. If a local government chooses to provide waivers or reductions, they should account for the potential loss of revenue for amenities and prepare for a source other than ACCs with which to make up the loss. Charges cannot be increased on other forms of development – instead, the local government must use their other revenue sources to make up for this loss.

#### ***Consultation During the Development of an ACC Bylaw***

To ensure transparency, accountability, and accuracy in determining amenities and resulting charges imposed on new development, the ACC legislation requires a local government to consult with the public and with affected persons, public authorities, and organizations (e.g., the development community, neighbouring municipalities or regional districts, First Nations) during the development of an ACC bylaw. Consultation is required during the development of the bylaw to provide the public and affected parties with the opportunity to provide feedback and for local government staff to consider and incorporate any feedback before the bylaw is considered by a council or board.

These consultation requirements are similar to those required by the Inspector of Municipalities when considering a DCC bylaw for approval. The recommended best practices for public process in the [Development Cost Charges Best Practice Guide](#) can be used as guidance to provide a meaningful public process for developing an ACC bylaw.

#### ***Adopting the Bylaw***

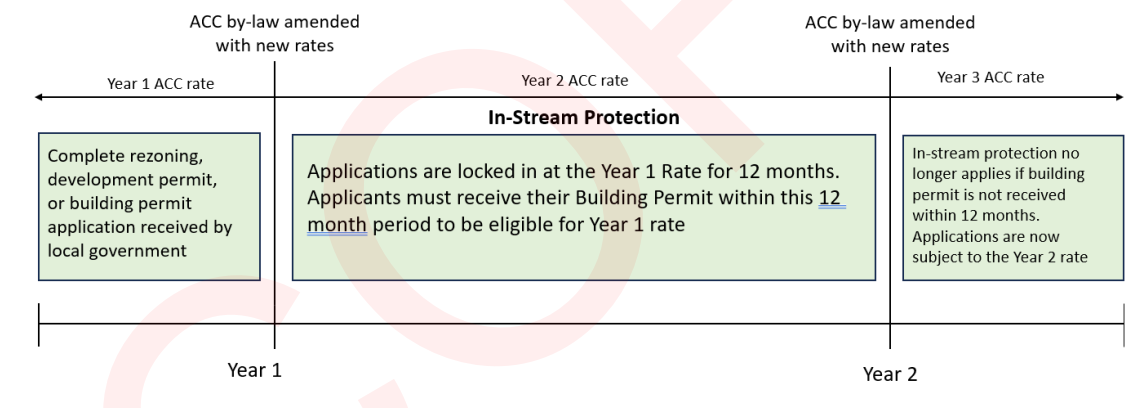
The ACC bylaw must be considered by a local government’s council or board in an open meeting and the bylaw comes into effect once adopted.

## Collecting and Reporting ACCs

### **Imposing and Collecting Charges**

Once an ACC bylaw is in effect, all applicants for developments in areas where ACCs are imposed (except for developments upon which local governments cannot impose ACCs or has waived them) must pay the applicable ACC as set out in the ACC bylaw upon subdivision approval or issuance of the building permit. Similar to DCCs, the Minister has regulation-making authority to authorize the payment of ACCs in instalments beyond the building permit stage.

Section 570.91 of the LGA and section 523N of the *Vancouver Charter* include rules to protect development applications that are in progress (e.g. 'in-stream') from being subject to a new or updated charge. When a local government passes their first ACC bylaw, charges cannot apply to a development if the local government has received a complete application for a building permit, a development permit, or an amendment to a zoning bylaw before the date the ACC bylaw was adopted. When a local government amends their ACC bylaw and changes the charge amounts, applicants that have submitted complete building permit, development permit, or zoning bylaw amendment applications are given a 12-month exemption from a new ACC rate, as long as they receive their building permit within that time period.



To enhance transparency and accountability, under section 570.8 in the LGA and section 523L of the *Vancouver Charter*, local governments are required to deposit ACCs in reserve funds established by bylaw for each area in which ACCs are imposed. ACCs collected must be deposited in reserve funds established for each area in which an ACC is imposed. ACC reserve funds, together with interest, can only be used to pay:

- the capital costs of providing, constructing, altering, or expanding amenities as outlined in the ACC bylaw.
- principal and interest on a debt incurred as a result of an expenditure.
- a person subject to an ACC for some or all of the capital costs a person has incurred in completing a project if it was completed under a partnering agreement.

A council/board resolution must authorize the use of any funds in an ACC reserve.

### ***In-kind Amenities***

Under section 570.9 of the LGA and section 523M of the *Vancouver Charter*, the legislation also allows applicants to provide an amenity in-kind or land for an amenity in-lieu of paying the monetary ACC amount. In-kind contributions allow for situations where it may be more efficient, economical, and mutually beneficial to both a developer and a local government for an amenity to be provided as part of a particular development. For example, a developer and a local government may agree upon building a youth centre within the base of a new, large multi-residential development, rather than paying a monetary charge to be used by the local government at a later date to build a youth centre.

If an applicant is providing an amenity or land instead of paying a monetary ACC amount, a local government is required to enter into an agreement with the developer that outlines certain matters, including details about when the amenity will be provided, who will provide it, the value of the amenity, and any payment or credit to the developer if the value of amenity or land exceeds what the monetary charge would have been otherwise.

### ***Reporting Requirements***

Under section 570.92 of the LGA and section 523O of the *Vancouver Charter*, local governments are required to prepare and consider a report regarding the collection and use of ACC funds each year. The LGA further requires that these reports must be prepared and considered before June 30.

A report must include the following:

- the amount of ACCs received;
- expenditures from the ACC reserve fund(s), including any expenditures made to a person or public authority under a partnering agreement;
- the balance in the ACC reserve fund(s) at the start and at the end of the applicable year;
- any waivers or reductions made; and,
- any in-kind amenity contributions.

These reports must be made available to the public.

### ***Monitoring and Updating an ACC Program***

Local governments can update their ACC bylaw as needed. For greater efficiency and alignment with land use and financial planning cycles, local governments may consider reviewing and updating ACC bylaws in line with new and updated financial plans, OCPs, HNRs, and zoning bylaws.

Local governments may consider regularly monitoring land economic conditions within the community to ensure charges are not too onerous on development and make adjustments to charges accordingly. Along with regular monitoring and reviews of the ACC bylaw, local governments are recommended to regularly review charges and adjust them as needed to keep up with the changing costs of amenities, the introduction of new amenities or the removal of completed amenities when the predicted amount of charges for them has been collected. Regular reviews and updates can prevent against sudden, significant increases in charges, which can negatively affect development viability.

Local governments will need to follow the same legislated process and considerations, including consultation requirements, for any amendment to the ACC bylaw.

## Regulations

The legislation includes various regulation-making authorities for the Province to prescribe additional requirements or address any issues that may arise as local governments begin to impose ACCs.

Regulation-making authorities include:

- defining what cannot be considered an ‘amenity.’
- authorizing payment of ACCs in instalments.
- setting specific requirements for consultation on the ACC bylaw (e.g., notice and process requirements, who must be consulted, when consultation is not required).
- exempting classes of affordable housing from paying ACCs.
- establishing criteria for what constitutes an eligible development for a waiver or reduction of ACCs.
- prescribing other bases by which local governments can vary charges.
- prescribing additional information that local governments must consider when developing their amenity cost charge bylaws.
- adjusting or limiting charges and setting specific requirements for how local governments set their charges (e.g., establishing a methodology for how local governments allocate benefit of amenities to existing population, which they are required to deduct from charges; requiring that the methodology be applied by an individual with a specific professional designation; setting a minimum assist factor).
- prescribing that additional information is required to be included in agreements between developers and local governments when an in-kind amenity is provided in-lieu of a monetary charge.
- prescribing a period longer than 12 months for in-stream rate protection of precursor development applications (e.g., building permits, development permits, and zoning bylaw amendments).
- prescribing that additional information is required in the annual ACC report.

## Key Differences between DCCs and ACCs

For reference, key differences between the DCC and ACC tools include:

Development Cost Charges (DCCs)	Amenity Cost Charges (ACCs)
<b>Existing tool:</b> Introduced in the 1970s	<b>New tool:</b> Introduced in 2023
<b>What funds can be used for:</b> Specified types of infrastructure that service a new development: sewer, water, drainage, roads, parkland and park improvements, fire protection facilities	<b>What funds can be used for:</b> Amenities that provide social, cultural, heritage, recreational, or environmental <u>benefits</u> to a community (e.g., community centre, library, daycare)

Development Cost Charges (DCCs)	Amenity Cost Charges (ACCs)
(new), police facilities (new), and solid waste and recycling facilities (new)	
<b>Consultation:</b> No legislated requirement to consult; expectations for consultation are set out by policy. The Inspector of Municipalities looks at evidence of consultation when considering approval of DCC bylaws.	<b>Consultation:</b> Legislation requires local governments to consult with the public and affected persons, public authorities, and organizations during the development of the bylaw
<p><b>When charges cannot be imposed:</b></p> <ul style="list-style-type: none"> <li>• If a development does not pose capital costs burdens</li> <li>• If a DCC had been previously paid by a development unless there is further development</li> <li>• If a development contains fewer than 4 units (unless authorized by LG bylaw)</li> <li>• If a unit is smaller than 29 square metres</li> <li>• If a value of work is less than \$50,000 (unless a greater amount is established by LG bylaw)</li> </ul>	<p><b>When charges cannot be imposed:</b></p> <ul style="list-style-type: none"> <li>• If a development does not result in an increase in population of residents or workers</li> <li>• If an ACC had been previously paid by a development for a particular amenity unless there is further development</li> <li>• For costs that can be funded through DCCs</li> <li>• On types of affordable housing prescribed by regulation</li> </ul>
<p><b>Waivers or reductions:</b> LG may waive or reduce a DCC for the following eligible development:</p> <ul style="list-style-type: none"> <li>• Not-for profit rental housing, including supportive living housing</li> <li>• For-profit affordable rental housing;</li> <li>• A submission of small lots that is designed to result in low greenhouse gas emissions;</li> <li>• A development that is designed to result in a low environmental impact</li> </ul>	<p><b>Waivers or reductions:</b> LG may waive or reduce an ACC for the following eligible development:</p> <ul style="list-style-type: none"> <li>• Not-for-profit rental housing, including supportive living housing;</li> <li>• For-profit affordable rental housing.</li> </ul>
<p><b>Bylaw content:</b> Amount of charges must be specified in a schedule or schedules of DCCs</p>	<p><b>Bylaw content:</b> Area(s), amenities, and amount of charges set per lot/unit or per square metre of floor space in a development must be set out in bylaw</p>
<p><b>Consideration requirements:</b></p> <ul style="list-style-type: none"> <li>• Future land use patterns and development</li> <li>• Phasing of works and services</li> <li>• Provision of park land described in an OCP</li> <li>• How development designed to result in a low environmental impact may affect capital costs</li> <li>• Whether the charges are excessive in relation to the capital cost of prevailing standards of service in the municipality or regional district</li> <li>• Whether the charges will, in the municipality or regional district,</li> </ul>	<p><b>Consideration requirements:</b></p> <ul style="list-style-type: none"> <li>• Applicable Official Community Plan(s)</li> <li>• Expected increases in population of residents and workers</li> <li>• Financial Plan</li> <li>• The capital costs of amenities, with deductions made for: <ul style="list-style-type: none"> <li>○ The portion of costs to be funded through grants</li> <li>○ The portion of costs allocated to the existing population, and therefore funded by them (i.e., through property taxes)</li> </ul> </li> </ul>



Development Cost Charges (DCCs)	Amenity Cost Charges (ACCs)
<ul style="list-style-type: none"> <li>○ deter development,</li> <li>○ discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land, or</li> <li>○ discourage development designed to result in a low environmental impact.</li> </ul>	<ul style="list-style-type: none"> <li>○ The portion of costs to be funded by the local government as assistance (i.e., the assist factor)</li> </ul>
<p><b>Approval by Inspector of Municipalities:</b> Required</p>	<p><b>Approval by Inspector of Municipalities:</b> Not required. In place of inspector approval, legislation includes other measures, including:</p> <ul style="list-style-type: none"> <li>• Consultation requirement</li> <li>• Regulation-making authorities that allow the Province to prescribe additional requirements and/or limitations on the use of ACCs (e.g., limit charges, require a minimum assist factor, exempt affordable housing from paying ACCs)</li> <li>• Inspector can request any information from local governments respecting their ACCs</li> </ul>
<p><b>In-stream protection:</b> protection from new DCC charges if building permit is issued within 12 months of initial DCC bylaw or amending DCC bylaw subject to a precursor application being submitted</p>	<p><b>In-stream protection:</b> protection from new charges for building permits issued after initial adoption of an ACC bylaw and protection for 12 months after amending ACC bylaw subject to a precursor application being submitted</p>
<p><b>Rules against “double-charging”:</b></p> <ul style="list-style-type: none"> <li>• Development cannot be charged a DCC if previously paid on same development unless there is further development</li> </ul>	<p><b>Rules against “double-charging”:</b></p> <ul style="list-style-type: none"> <li>• Development cannot be charged an ACC twice for a particular amenity unless it results in an increase in population of residents or workers.</li> <li>• ACCs cannot be used to help fund infrastructure for which DCCs can be used.</li> <li>• Capital costs of any amenity funded by an ACC must be recovered only once (i.e., local governments cannot use density bonusing to collect for an amenity for which an ACC is being collected).</li> </ul>

## Monitoring

The Province will monitor the adoption and use of the new development finance tools to ensure that the tools are being used as intended, to inform the need for and use of any regulation-making authority, and/or development of additional guidance or information materials.

## More Information

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Comprehensive guidance on the new development finance tools will be published in late summer/early fall 2024.

Please direct technical questions about Development Cost Charges (DCCs) or Amenity Cost Charges (ACCs) to:

Ministry of Municipal Affairs, Local Government Infrastructure and Finance Branch  
Telephone: 250 387-4060  
Email: [LGIF@gov.bc.ca](mailto:LGIF@gov.bc.ca)

Questions about local government housing initiatives can be sent to:

Ministry of Housing, Planning and Land Use Management Branch  
Telephone: 250-387-3394  
Email: [PLUM@gov.bc.ca](mailto:PLUM@gov.bc.ca)

Full text of Bill 46: <https://www.bclaws.gov.bc.ca/civix/document/id/bills/billscurrent/4th42nd:gov46-1>

More information about local government housing initiatives:

<https://www2.gov.bc.ca/gov/content/housing-tenancy/local-governments-and-housing/housing-initiatives>

**4th Session, 42nd Parliament (2023)**  
**FIRST READING**

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The following electronic version is for informational purposes only.  
The printed version remains the official version.

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**HONOURABLE RAVI KAHLON**  
**MINISTER OF HOUSING**

**BILL 46 – 2023**  
**HOUSING STATUTES (DEVELOPMENT**  
**FINANCING) AMENDMENT ACT, 2023**

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

***Local Government Act***

**Explanatory Note**

**1 Section 25 (1) of the Local Government Act, R.S.B.C. 2015, c. 1, is amended by adding the following paragraph:**

(d.1) provide that Division 19.1 [*Amenity Costs Recovery*] of Part 14 applies to the municipality; .

**Explanatory Note**

**2 Section 482 is amended**

**(a) in subsection (2) (a) by adding "subject to subsection (2.1)," before "conditions relating to the conservation or provision of amenities", and**

**(b) by adding the following subsection:**

(2.1) A zoning bylaw must not establish conditions relating to the conservation or provision of an amenity that is specified in an amenity cost charge bylaw under section 570.7 (1) (b) [*amenities receiving funding from amenity cost charge*].

**Explanatory Note**

**3 Section 559 is amended**

**(a) in subsection (2) (a) by striking out "sewage, water, drainage and highway facilities" and substituting "sewage, water, drainage, fire protection, police, highway and solid waste and recycling facilities", and**

**(b) by adding the following subsections:**

(2.1) For the purposes of subsection (2) (a) and section 566 (2) (a), a reference to a highway facility includes highway facilities that serve provincial and municipal interests if

- (a) the municipality and the province have entered into an arrangement to share the costs of the highway facilities,
- (b) the highway facilities directly or indirectly enable the integrated functioning of the provincial and municipal highway systems, and
- (c) the highway facilities, in whole or in part, directly or indirectly service the development.

(2.2) The amount of the development cost charges imposed for a purpose referred to in subsection (2) respecting highway facilities must not exceed the amount of the costs of the highway facilities to be paid by the municipality.

**Explanatory Note**

**4 Section 560 (2) is amended by adding the following paragraph:**

- (a.1) in relation to a development cost charge imposed for a purpose referred to in section 559 (2) respecting highway facilities, the charge does not relate to highway facilities that meet the conditions in section 559 (2.1), .

**Explanatory Note**

**5 Section 566 (2) (a) is amended by striking out "sewage, water, drainage and highway facilities" and substituting "sewage, water, drainage, fire protection, police, highway and solid waste and recycling facilities".**

**Explanatory Note**

**6 Section 570 (1) is amended in paragraph (a) of the definition of "works" by striking out "sewage, water, drainage and highway facilities" and substituting "sewage, water, drainage, fire protection, police, highway and solid waste and recycling facilities".**

**Explanatory Note**

**7 The following Division is added to Part 14:**

**Division 19.1 – Amenity Costs Recovery**

**Definitions in relation to this Division**

**570.1** In this Division:

**"amenity"** means a facility or feature that provides social, cultural, heritage, recreational or environmental benefits to a community, including, without limitation,

- (a) a community, youth or seniors' centre,

(b) a recreational or athletic facility,

(c) a library,

(d) a day care facility, and

(e) a public square,

but does not include a facility or feature within a class of facilities or features that are prescribed by regulation not to be amenities;

**"amenity cost charge"** means a charge imposed by an amenity cost charge bylaw;

**"amenity cost charge bylaw"** means a bylaw under section 570.2 (1);

**"capital costs"** includes

(a) planning, engineering and legal costs directly related to the work for which a capital cost may be incurred under this Division,

(b) interest costs directly related to the work referred to in paragraph (a), and

(c) expenditures made to a person or public authority under a partnering agreement in order to pay capital costs incurred by the person or public authority;

**"development"** means those items referred to in section 570.2 (1) (a) and (b) for which an amenity cost charge may be imposed.

### **Amenity cost charges: imposition and collection**

**570.2** (1) A local government may, by bylaw, for the purpose described in subsection (2), impose amenity cost charges on every person who obtains

(a) approval of a subdivision, or

(b) a building permit authorizing the construction, alteration or extension of a building or structure.

(2) Amenity cost charges may be imposed under subsection (1) for the purpose of providing funds to assist the local government to pay the capital costs of providing, constructing, altering or expanding amenities to benefit, directly or indirectly,

(a) the development, and

(b) the increased population of residents or workers that results from the development

for which the charge is being imposed.

(3) An amenity referred to in subsection (2) must

(a) be owned by a municipality or regional district, or



(b) be owned or operated by a person or public authority that has entered into a partnering agreement with a municipality or regional district in respect of the amenity.

(4) Subject to subsection (5), an amenity cost charge that is payable under a bylaw under this section must be paid at the time of the approval of the subdivision or the issue of the building permit.

(5) The minister may, by regulation in respect of all or different classes of developments, authorize the payment of amenity cost charges in instalments and prescribe conditions under which the instalments may be paid.

(6) If a board has the responsibility of providing a service that includes providing, constructing, altering or expanding one or more amenities referred to in subsection (2) in a participating municipality, the board may, by bylaw under subsection (1), impose an amenity cost charge that is applicable within that municipality.

(7) The municipality must collect and remit an amenity cost charge imposed under subsection (6) to the regional district in the manner provided for in the applicable amenity cost charge bylaw.

### **Consultation required for amenity cost charge bylaw**

**570.3** (1) During the development of a bylaw that imposes an amenity cost charge, or the development of an amendment to such a bylaw, the proposing local government must provide one or more opportunities it considers appropriate for consultation with

(a) the public, and

(b) persons, public authorities and organizations that the local government considers will be affected by the bylaw.

(2) No consultation is required to repeal a bylaw referred to in subsection (1).

(3) The Lieutenant Governor in Council may make regulations respecting consultation under subsection (1), including regulations as follows:

(a) establishing notice requirements and the process for consultation;

(b) prescribing persons, public authorities and organizations that must be consulted;

(c) prescribing circumstances in which no consultation is required.

### **Circumstances in which amenity cost charges are not payable**

**570.4** (1) An amenity cost charge is not payable in relation to a development authorized by a building permit that authorizes the construction, alteration or extension of a building or part of a building that is, or will be, after the construction, alteration or extension, exempt from taxation under either of the following provisions of the *Community Charter*:

(a) section 220 (1) (h) [*statutory exemption for places of public worship*];

(b) section 224 (2) (f) [*permissive exemptions in relation to places of public worship*].

(2) An amenity cost charge is not payable if no increase in the population of residents or workers is expected to result from the development.

(3) An amenity cost charge in respect of a particular amenity is not payable if an amenity cost charge in respect of that amenity has previously been paid for the same development, unless further development is expected to result in an increase in the population of residents or workers.

(4) An amenity cost charge is not payable in respect of a capital cost for which a development cost charge may be imposed.

(5) An amenity cost charge is not payable in relation to a development for any class of affordable housing prescribed by regulation.

### **General prohibition against waiving or reducing charges**

**570.5** (1) Except as authorized under section 570.6, a local government must not provide assistance by waiving or reducing an amenity cost charge.

(2) This section operates as a restriction on

(a) sections 263 (1) (c) [*regional district corporate powers – providing assistance*] and 274 [*assistance under partnering agreements*] of this Act, and

(b) sections 8 (1) [*natural person powers*] and 21 [*partnering agreements*] of the *Community Charter*.

### **Development for which charges may be waived or reduced**

**570.6** (1) In this section, "**eligible development**" means a development that is eligible in accordance with an applicable bylaw or regulation under this section as being for one or both of the following categories:

(a) not-for-profit rental housing, including supportive living housing;

(b) for-profit affordable rental housing.

(2) Subject to a bylaw under subsection (3) and an applicable regulation under subsection (6), a local government may waive or reduce an amenity cost charge for an eligible development.

(3) For the purposes of subsection (2), the local government, by bylaw,

(a) must establish what constitutes an eligible development or a class of eligible development for the purposes of one or more categories of eligible development described in subsection (1),

(b) must establish the amount or rates of reduction for an eligible development, which may be different for different categories of eligible

development described in subsection (1) or different classes of eligible development established in the bylaw, and

(c) may establish the requirements that must be met in order to obtain a waiver or reduction under subsection (2) and the conditions on which such a waiver or reduction may be granted.

(4) The authority under subsection (2) is an exception to

(a) section 273 [*prohibition against assistance to business*] of this Act, and

(b) section 25 (1) [*prohibition against assistance to business*] of the *Community Charter*.

(5) If a local government delegates the power under subsection (2), the person who is subject to the decision of the delegate is entitled to have the local government reconsider the matter.

(6) The minister may make regulations in relation to subsection (3)

(a) establishing,

(b) restricting, or

(c) establishing criteria for determining

what constitutes an eligible development or a class of eligible development for the purposes of one or more categories of eligible development described in subsection (1).

### **Amenity cost charge bylaw: specifying amenities and setting charges**

**570.7** (1) An amenity cost charge bylaw must specify the following:

(a) one or more areas in which development is subject to an amenity cost charge;

(b) for each area referred to in paragraph (a), the amenities that will receive funding from an amenity cost charge;

(c) the amount of the charge or charges imposed in a schedule or schedules of amenity cost charges.

(2) Amenity cost charges may vary as provided in subsection (3), but must

(a) be set as a charge

(i) per lot or per unit in a development, or

(ii) per square metre of floor space in a development, and

(b) be similar for all developments that are expected to result in a similar increase in the population of residents or workers.

(3) Amenity cost charges may vary with respect to one or more of the following:

(a) different areas specified under subsection (1) (a);

(b) different zones;

- (c) different uses;
- (d) different sizes or different numbers of lots or units in a development;
- (e) any other basis for variation prescribed by regulation.

(4) In specifying, in the amenity cost charge bylaw, the areas in which development is subject to an amenity cost charge and the amenities in each of those areas that will receive funding from the charge, a local government must take the following into consideration:

- (a) an applicable official community plan and other relevant planning documents;
- (b) expected increases in the population of residents and workers;
- (c) the local government's financial plan;
- (d) any other information prescribed by regulation.

(5) In setting amenity cost charges, a local government must take the following into consideration:

- (a) in each area in which development is subject to an amenity cost charge, the capital costs of amenities that will receive funding from the charge;
- (b) the phasing of amenities;
- (c) whether the charges are excessive in relation to the capital cost of prevailing standards of service in the municipality or regional district;
- (d) whether the charges will, in the municipality or regional district,
  - (i) deter development, or
  - (ii) discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land;
- (e) any other information prescribed by regulation.

(6) In setting amenity cost charges, a local government must deduct the following from the estimated capital cost of each amenity in an area:

- (a) the portion of the estimated capital cost to be funded by grants and other sources of funding that are external to the municipality or regional district;
- (b) the portion of the estimated capital cost to be allocated to the existing population of the area and, as a result, funded by the local government;
- (c) the portion of the estimated capital cost to be allocated to the development but funded by the local government.

(7) A local government must make available to the public, on request, the considerations, information and calculations used to determine the schedule or

schedules referred to in subsection (1), but any information respecting the contemplated acquisition costs of specific properties need not be provided.

(8) The Lieutenant Governor in Council may make regulations respecting the setting of amenity cost charges, including regulations as follows:

- (a) adjusting or limiting amenity cost charges;
- (b) prescribing economic and other analyses that local governments must undertake in setting amenity cost charges;
- (c) establishing the method for making deductions under subsection (6) (b);
- (d) requiring that the method for making deductions under subsection (6) (b) be applied by an individual with a professional designation specified in the regulation;
- (e) specifying a minimum portion that must be deducted for the purposes of subsection (6) (c).

### **Use of amenity cost charges**

**570.8** (1) An amenity cost charge paid to a local government must be deposited by the local government in a separate special amenity cost charge reserve fund established for each area in which development is subject to an amenity cost charge.

(2) Money in amenity cost charge reserve funds, together with interest on it, may be used only for the following:

- (a) to pay the capital costs of providing, constructing, altering or expanding amenities specified in the amenity cost charge bylaw under section 570.7 (1) (b);
- (b) to pay principal and interest on a debt incurred by a local government as a result of an expenditure under paragraph (a);
- (c) to pay a person subject to an amenity cost charge for some or all of the capital costs the person incurred in completing a project described in paragraph (a) if
  - (i) the project was completed under an agreement referred to in section 570.9 (1) between the person and the local government, and
  - (ii) the project is included in the calculations used to determine the amount of that amenity cost charge.

(3) Authority to make payments under subsection (2) must be authorized by bylaw.

(4) The inspector may require a municipality or regional district to provide the inspector with a report on the status of amenity cost charge collections, expenditures and proposed expenditures for a time period the inspector specifies.

(5) After reviewing a report under subsection (4), the inspector may order the transfer of funds from an amenity cost charge reserve fund under this section to a reserve fund established for a capital purpose.

### **Provision of amenity instead of all or part of charge**

**570.9** (1) Despite an amenity cost charge bylaw, a local government may, by bylaw and in accordance with this section, enter into an agreement with a person under which the person provides, constructs, alters or expands an amenity, or provides land for an amenity, instead of paying all or part of an amenity cost charge.

(2) An amenity referred to in subsection (1) must

(a) be an amenity that is specified in the amenity cost charge bylaw under section 570.7 (1) (b), and

(b) have a location acceptable to the local government.

(3) Without limiting the matters that may be dealt with in an agreement under subsection (1), the agreement must specify the following:

(a) the amenity to be provided, constructed, altered or expanded or the land to be provided for the amenity;

(b) the location of the amenity or land;

(c) who is to provide, construct, alter or expand the amenity or provide the land;

(d) when the amenity is to be provided, constructed, altered or expanded or when the land is to be provided;

(e) the value of the amenity or land and how the local government and the person determined that value;

(f) any remainder of the amenity cost charge to be paid under subsection (4);

(g) the payment or crediting to the person of the amount, if any, by which the value of the amenity or land exceeds the amount of the amenity cost charge;

(h) any other information prescribed by regulation.

(4) If partial payment of an amenity cost charge is made by providing, constructing, altering or expanding an amenity, or providing land for an amenity, the remainder must be paid in accordance with the amenity cost charge bylaw.

(5) If land for an amenity is to be provided under subsection (1), a registrable transfer of the land must be provided to the local government.

### **Effect of bylaws adopted after application for rezoning, development permit or building permit submitted**

**570.91** (1) In this section, "**in-stream**" and "**precursor application**" have the same meaning as in section 568 (1).



(2) An initial amenity cost charge bylaw that would otherwise be applicable to the construction, alteration or extension of a building or structure has no effect with respect to that construction, alteration or extension if a precursor application to the building permit authorizing that construction, alteration or extension is in-stream on the date the initial bylaw is adopted.

(3) Subject to subsection (4), an amended amenity cost charge bylaw that would otherwise be applicable to the construction, alteration or extension of a building or structure has no effect with respect to that construction, alteration or extension if

(a) the building permit authorizing that construction, alteration or extension is issued within 12 months, or any longer period prescribed by regulation, after the date the bylaw is amended, and

(b) a precursor application to that building permit is in-stream on the date the bylaw is amended.

(4) Subsection (3) does not apply if the applicant for that building permit agrees in writing that the amended amenity cost charge bylaw should have effect.

### **Annual amenity cost charges report**

**570.92** (1) Before June 30 in each year, a local government must prepare and consider a report in accordance with this section respecting the previous year.

(2) The report must include the following, reported for each area in which development is subject to an amenity cost charge in the applicable year:

(a) the amount of amenity cost charges received;

(b) the expenditures from the amenity cost charge reserve funds, including the expenditures made to a person or public authority under a partnering agreement;

(c) the balance in the amenity cost charge reserve funds at the start and at the end of the applicable year;

(d) any waivers and reductions under section 570.6 (2) [*development for which charges may be waived or reduced*];

(e) any amenities provided, constructed, altered or expanded by a person under section 570.9 [*provision of amenity instead of all or part of charge*];

(f) any other information prescribed by regulation.

(3) The local government must make the report available to the public from the time it considers the report until June 30 in the following year.

### **Information requested by inspector**

**570.93** As requested by the inspector, a local government must provide the inspector with any information respecting amenity cost charges, including information

respecting the following:

- (a) the setting of amenity cost charges;
- (b) the development of the amenity cost charge bylaw and of any amendments to it, including consultations undertaken in that development.

### **Regulations made for purposes of this Division**

**570.94** In making a regulation for the purposes of this Division, the Lieutenant Governor in Council

- (a) must take into consideration any applicable information provided to the inspector under section 570.93, and
- (b) may make provisions that the Lieutenant Governor in Council considers necessary or advisable for the purpose of preventing, minimizing or otherwise addressing any transitional difficulties encountered in relation to amenity cost charges.

### **Division does not restrict other powers**

**570.95** Nothing in this Division restricts or affects any other power of a local government under this or any other Act, subject to

- (a) the exceptions provided in sections 570.5 (2) [*general prohibition against waiving or reducing charges*] and 570.6 (4) [*development for which charges may be waived or reduced*], and
- (b) the condition that the capital costs of any amenity funded by an amenity cost charge must be recovered only once.

#### **Explanatory Note**

**8 Section 610 (2) (b) is amended by adding the following subparagraph:**

- (vi) a bylaw under Division 19.1 [*Amenity Costs Recovery*] of Part 14; .

#### **Explanatory Note**

**9 Section 617 (2) is amended by adding the following paragraph:**

- (f) a bylaw under Division 19.1 [*Amenity Costs Recovery*] of Part 14.

### **Vancouver Charter**

#### **Explanatory Note**

**10 Section 523D of the Vancouver Charter, S.B.C. 1953, c. 55, is amended**

- (a) in subsection (1) (a) by striking out "sewage, water, drainage and highway facilities" and substituting "sewage, water, drainage, fire protection, police, highway and solid waste and recycling facilities", and**

**(b) by adding the following subsections:**

(1.1) For the purposes of subsection (1) (a), a reference to a highway facility includes highway facilities that serve provincial and city interests if

(a) the city and the province have entered into an arrangement to share the costs of the highway facilities,

(b) the highway facilities directly or indirectly enable the integrated functioning of the provincial and city street systems, and

(c) the highway facilities, in whole or in part, directly or indirectly service the development.

(1.2) The amount of the development cost levy imposed for a purpose referred to in subsection (1) respecting highway facilities must not exceed the amount of the costs of the highway facilities to be paid by the city.

**Explanatory Note****11 The following Part is added:****PART XXIV-B – AMENITY COST CHARGES****Definitions**

**523E.** In this Part:

**"amenity"** means a facility or feature that provides social, cultural, heritage, recreational or environmental benefits to a community, including, without limitation,

(a) a community, youth or seniors' centre,

(b) a recreational or athletic facility,

(c) a library, and

(d) a public square,

but does not include a facility or feature within a class of facilities or features that are prescribed by regulation not to be amenities;

**"amenity cost charge"** means a charge imposed by an amenity cost charge by-law;

**"amenity cost charge by-law"** means a by-law under section 523G (1);

**"capital costs"** includes

(a) planning, architectural, engineering and legal costs related to the work for which a capital cost may be incurred under this Part,

(b) the principal and interest related to the work referred to in paragraph (a), and

(c) expenditures that are made to a person or public authority pursuant to an agreement under which the person or public authority agrees to provide a service on behalf of the city and that are made to pay capital costs incurred by the person or public authority;

**"development"** means the construction, alteration or extension of all or part of a building or structure for which an amenity cost charge may be imposed;

**"public authority"** has the same meaning as in section 1 of the Schedule to the *Community Charter*.

### **Power to undertake projects**

**523F.** The Council may undertake any projects to provide, construct, alter or expand amenities.

### **Imposition and collection of amenity cost charge**

**523G.** (1) The Council may, by by-law, impose an amenity cost charge in accordance with this Part for the purpose of providing funds to assist the Council to pay the capital costs of providing, constructing, altering or expanding amenities to benefit, directly or indirectly,

- (a) the development, and
- (b) the increased population of residents or workers that results from the development

for which the charge is being imposed.

(2) Subject to section 523I [*circumstances in which amenity cost charges are not payable*], the amenity cost charge must be imposed on every person entitled to the delivery of a building permit authorizing the construction, alteration or extension of all or part of a building or structure.

(3) An amenity referred to in subsection (1) must

- (a) be owned by the city, or
- (b) be owned or operated by a person or public authority that has entered into an agreement with the city in respect of the amenity and under which agreement the person or public authority agrees to provide a service on behalf of the city.

(4) An amenity cost charge is a condition of the issuance of a building permit and must be paid at the time or times a building permit or permits are issued for the development or redevelopment of property in an area to which an amenity cost charge by-law applies.

(5) For the purposes of subsection (4), the Council may define what constitutes development or redevelopment of property and may provide that, if a development takes place in stages, each stage is deemed to be part of the development.

(6) The Council may, in respect of all or different classes of developments, authorize the payment of amenity cost charges in instalments, prescribe conditions under which the instalments may be paid and provide that, if not paid, the instalment must be inserted in the real property tax roll as a charge imposed with respect to the parcel or parcels in relation to which the building permit was issued.

### **Consultation required for amenity cost charge by-law**

**523H.** (1) During the development of a by-law that imposes an amenity cost charge, or the development of an amendment to such a by-law, the Council must provide one or more opportunities it considers appropriate for consultation with

- (a) the public, and
- (b) persons, public authorities and organizations that the Council considers will be affected by the by-law.

(2) No consultation is required to repeal a by-law referred to in subsection (1).

(3) The Lieutenant Governor in Council may make regulations respecting consultation under subsection (1), including regulations as follows:

- (a) establishing notice requirements and the process for consultation;
- (b) prescribing persons, public authorities and organizations that must be consulted;
- (c) prescribing circumstances in which no consultation is required.

### **Circumstances in which amenity cost charges are not payable**

**523I.** (1) An amenity cost charge is not payable if

- (a) a parcel of land is, or will be after construction, alteration or extension, exempt from taxation under section 396 (1) (c) (iv) [*place of public worship*], or
- (b) a parcel of land, owned by the Federal or Provincial government, the City of Vancouver or a non-profit organization, is or will be, after construction, alteration or extension, used for social housing and, for the purposes of this paragraph, the Council may define what constitutes social housing.

(2) An amenity cost charge is not payable in respect of all or part of any capital project

- (a) provided to the city pursuant to a by-law passed under section 292 [*subdivision control*],
- (b) in respect of which an assessment has been imposed under Part XXIV [*Local Improvements*], or
- (c) in respect of which a development cost levy may be imposed under Part XXIV-A [*Development Cost Levies*].



(3) An amenity cost charge is not payable if no increase in the population of residents or workers is expected to result from the development.

(4) An amenity cost charge in respect of a particular amenity is not payable if an amenity cost charge in respect of that amenity has previously been paid for the same development, unless further development is expected to result in an increase in the population of residents or workers.

(5) An amenity cost charge is not payable in relation to a development for any class of affordable housing prescribed by regulation.

### **Development for which charges may be waived or reduced**

**523J.** (1) In this section, "**eligible development**" means development that is eligible in accordance with an applicable by-law or regulation under this section as being for for-profit affordable rental housing.

(2) Subject to a by-law under subsection (3) and an applicable regulation under subsection (5), the Council may waive or reduce an amenity cost charge for an eligible development.

(3) For the purposes of subsection (2), the Council, by by-law,

(a) must establish what constitutes an eligible development or a class of eligible development,

(b) must establish the amount or rates of reduction for an eligible development, which may be different for different classes of eligible development established in the by-law, and

(c) may establish the terms and conditions that must be met in order to obtain a waiver or reduction under subsection (2).

(4) If the Council delegates the power under subsection (2), the person who is subject to the decision of the delegate is entitled to have the Council reconsider the matter.

(5) The minister may make regulations in relation to subsection (3)

(a) establishing,

(b) restricting, or

(c) establishing criteria for determining

what constitutes an eligible development or a class of eligible development.

### **Amenity cost charge by-law – specifying amenities and setting charges**

**523K.** (1) An amenity cost charge by-law must specify the following:

(a) one or more areas in which development is subject to an amenity cost charge;

(b) for each area referred to in paragraph (a), the amenities that will receive funding from an amenity cost charge;

- (c) the amount of the charge or charges imposed in a schedule or schedules of amenity cost charges.
- (2) Amenity cost charges may vary as provided in subsection (3), but must
- (a) be set as a charge
    - (i) per lot or per unit in a development, or
    - (ii) per square metre of floor space in a development, and
  - (b) be similar for all developments that are expected to result in a similar increase in the population of residents or workers.
- (3) Amenity cost charges may vary with respect to one or more of the following:
- (a) different areas specified under subsection (1) (a);
  - (b) different zones;
  - (c) different uses;
  - (d) different sizes or different numbers of lots or units in a development;
  - (e) any other basis for variation prescribed by regulation.
- (4) In specifying, in the amenity cost charge by-law, the areas in which development is subject to an amenity cost charge and the amenities in each of those areas that will receive funding from the charge, the Council must take the following into consideration:
- (a) an applicable development plan as defined in section 559;
  - (b) an applicable official development plan as defined in section 559;
  - (c) other relevant planning documents;
  - (d) future land use patterns in the city;
  - (e) expected increases in the population of residents and workers;
  - (f) reports submitted by the Director of Finance under section 219 [*report on revenue and expenditure*];
  - (g) any other information prescribed by regulation.
- (5) In setting amenity cost charges, the Council must take the following into consideration:
- (a) in each area in which development is subject to an amenity cost charge, the capital costs of amenities that will receive funding from the charge;
  - (b) the phasing of amenities;
  - (c) whether the charges are excessive in relation to the capital cost of prevailing standards of service in the city;
  - (d) whether the charges will, in the city,
    - (i) deter development, or

- (ii) discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land;
  - (e) any other information prescribed by regulation.
- (6) In setting amenity cost charges, the Council must deduct the following from the estimated capital cost of each amenity in an area:
- (a) the portion of the estimated capital cost to be funded by grants and other sources of funding that are external to the city;
  - (b) the portion of the estimated capital cost to be allocated to the existing population of the area and, as a result, funded by the Council;
  - (c) the portion of the estimated capital cost to be allocated to the development but funded by the Council.
- (7) The Council must make available to the public, on request, the considerations, information and calculations used to determine the schedule or schedules referred to in subsection (1), but any information respecting the contemplated acquisition costs of specific properties need not be provided.
- (8) The Lieutenant Governor in Council may make regulations respecting the setting of amenity cost charges, including regulations as follows:
- (a) adjusting or limiting amenity cost charges;
  - (b) prescribing economic and other analyses that the Council must undertake in setting amenity cost charges;
  - (c) establishing the method for making deductions under subsection (6) (b);
  - (d) requiring that the method for making deductions under subsection (6) (b) be applied by an individual with a professional designation specified in the regulation;
  - (e) specifying a minimum portion that must be deducted for the purposes of subsection (6) (c).

### **Use of amenity cost charges**

**523L.** (1) An amenity cost charge must be deposited in a separate amenity cost charge reserve fund established for each area in which development is subject to an amenity cost charge.

(2) Money in amenity cost charge reserve funds, together with interest, may be used only

(a) to pay the capital costs of providing, constructing, altering or expanding amenities specified in the amenity cost charge by-law under section 523K (1) (b), or

(b) to pay a person subject to an amenity cost charge for some or all of the capital costs the person incurred in completing a project referred to in paragraph (a) if

- (i) the project was completed under an agreement referred to in section 523M (1) between the person and the Council, and
- (ii) the project is included in the calculations used to determine the amount of that amenity cost charge.

(3) Payments out of an amenity cost charge reserve fund must be authorized by a resolution of the Council, and one resolution may authorize a series of payments in respect of any amenity.

### **Provision of amenity instead of all or part of charge**

**523M.** (1) Despite an amenity cost charge by-law, the Council may, by by-law and in accordance with this section, enter into an agreement with a person under which the person provides, constructs, alters or expands an amenity, or provides land for an amenity, instead of paying all or part of an amenity cost charge.

(2) An amenity referred to in subsection (1) must

- (a) be an amenity that is specified in the amenity cost charge by-law under section 523K (1) (b), and
- (b) have a location acceptable to the Council.

(3) Without limiting the matters that may be dealt with in an agreement under subsection (1), the agreement must specify the following:

- (a) the amenity to be provided, constructed, altered or expanded or the land to be provided for the amenity;
- (b) the location of the amenity or land;
- (c) who is to provide, construct, alter or expand the amenity or provide the land;
- (d) when the amenity is to be provided, constructed, altered or expanded or when the land is to be provided;
- (e) the value of the amenity or land and how the Council and the person determined that value;
- (f) any remainder of the amenity cost charge to be paid under subsection (4);
- (g) the payment or crediting to the person of the amount, if any, by which the value of the amenity or land exceeds the amount of the amenity cost charge;
- (h) any other information prescribed by regulation.

(4) If partial payment of an amenity cost charge is made by providing, constructing, altering or expanding an amenity, or providing land for an amenity, the remainder must be paid in accordance with the amenity cost charge by-law.

(5) If land for an amenity is to be provided under subsection (1), a registrable transfer of the land must be provided to the Council.

## **Effect of by-laws adopted or amended after application for rezoning, development permit or building permit submitted**

**523N.** (1) In this section, "**in-stream**" and "**precursor application**" have the same meaning as in section 523D (8.3) [*development cost levies*].

(2) An initial amenity cost charge by-law that would otherwise be applicable to the construction, alteration or extension of a building or structure, or part of a building or structure, has no effect with respect to that construction, alteration or extension if a precursor application to the building permit authorizing that construction, alteration or extension is in-stream on the date the initial by-law is adopted.

(3) An amended amenity cost charge by-law that would otherwise be applicable to the construction, alteration or extension of a building or structure, or part of a building or structure, has no effect with respect to that construction, alteration or extension if

(a) the building permit authorizing that construction, alteration or extension is issued within 12 months, or any longer period prescribed by regulation, after the date the by-law is amended, and

(b) a precursor application to the building permit is in-stream on the date the by-law is amended,

unless the applicant for that building permit agrees in writing that the amended by-law should have effect.

## **Annual report by Director of Finance**

**523O.** In each year,

(a) the Director of Finance must prepare and submit to the Council a report for the previous year that includes the following, reported for each area in which development is subject to an amenity cost charge in the applicable year:

(i) the amount of amenity cost charges received;

(ii) the expenditures from the amenity cost charge reserve funds, including the expenditures made to a person or public authority pursuant to an agreement under which the person or public authority agrees to provide a service on behalf of the city;

(iii) the balance in the amenity cost charge reserve funds at the start and at the end of the applicable year;

(iv) any waivers and reductions under section 523J [*development for which charges may be waived or reduced*];

(v) any amenities provided, constructed, altered or expanded by a person under section 523M [*provision of amenity instead of all or part of charge*];

(vi) any other information prescribed by regulation, and



(b) as soon as practicable after receiving the report, the Council must consider the report and make it available to the public.

### Information requested by minister

**523P.** As requested by the minister, the Council must provide the minister with any information respecting amenity cost charges, including information respecting the following:

- (a) the setting of amenity cost charges;
- (b) the development of the amenity cost charge by-law and of any amendments to it, including consultations undertaken in that development.

### Regulations

**523Q.** (1) The Lieutenant Governor in Council may make regulations respecting any matter for which regulations are contemplated by this Part.

(2) In making a regulation for the purposes of this Part, the Lieutenant Governor in Council

(a) must take into consideration any applicable information provided to the minister under section 523P, and

(b) may make provisions that the Lieutenant Governor in Council considers necessary or advisable for the purpose of preventing, minimizing or otherwise addressing any transitional difficulties encountered in relation to amenity cost charges.

### Part does not restrict other powers

**523R.** Nothing in this Part restricts or affects any other power contained in this Act, subject to the condition that the capital costs of any amenity funded by an amenity cost charge must be recovered only once.

#### Explanatory Note

### **12 Section 565.1 is amended**

**(a) in subsection (2) (a) by adding "subject to subsection (2.1)," before "conditions relating to the conservation or provision of amenities", and**

**(b) by adding the following subsection:**

(2.1) A zoning by-law must not establish conditions relating to the conservation or provision of an amenity that is specified in an amenity cost charge by-law under section 523K (1) (b) [amenities receiving funding from amenity cost charge].

#### Explanatory Note

### **13 Section 592 (2) (b) is amended by adding the following subparagraph:**

(ii.1) a by-law under Part XXIV-B, .

**Explanatory Note**

**14 Section 597 (2) is amended**

**(a) in paragraph (b) by striking out "bylaw" and substituting "by-law", and  
(b) by adding the following paragraph:**

(b.1) a by-law under Part XXIV-B, .

## **Consequential Amendments**

### ***Community Charter***

**Explanatory Note**

**15 Section 188 (2) of the Community Charter, S.B.C. 2003, c. 26, is amended by adding the following paragraph:**

(a.1) money received from the imposition of an amenity cost charge, which must be placed to the credit of a reserve fund in accordance with section 570.8 [*use of amenity cost charges*] of the *Local Government Act*; .

**Explanatory Note**

**16 Section 189 (5) is repealed and the following substituted:**

(5) As a restriction on subsections (2) and (3), a council must not transfer amounts or use money from a fund required under any of the following provisions unless the bylaw is approved by the minister:

- (a) section 188 (2) (a) [*development cost charge reserve fund*];
- (b) section 188 (2) (a.1) [*amenity cost charge reserve fund*];
- (c) section 188 (2) (b) [*park land acquisition reserve fund*].

### ***Islands Trust Act***

**Explanatory Note**

**17 Section 29 (1) (b) of the Islands Trust Act, R.S.B.C. 1996, c. 239, is amended by adding the following subparagraph:**

(ii.1) Division 19.1 [*Amenity Costs Recovery*]; .

## **Commencement**

**18** This Act comes into force on the date of Royal Assent.

## Explanatory Notes

CLAUSE 1: **[Local Government Act, section 25]** is consequential to amendments made by this Bill to the Act.

CLAUSE 2: **[Local Government Act, section 482]** is consequential to amendments made by this Bill to the Act.

CLAUSE 3: **[Local Government Act, section 559]** amends a section to

- add fire protection, police and solid waste and recycling facilities to the list of purposes for which local governments may impose development cost charges,
- add conditions for imposing development cost charges for highway facilities, and
- limit the amount of the development cost charge that may be imposed.

CLAUSE 4: **[Local Government Act, section 560]** amends a section to add another basis on which the inspector may refuse to approve a bylaw.

CLAUSE 5: **[Local Government Act, section 566]** is consequential to amendments made by this Bill to the Act.

CLAUSE 6: **[Local Government Act, section 570]** is consequential to amendments made by this Bill to the Act.

CLAUSE 7: **[Local Government Act, Division 19.1 of Part 14]** establishes a framework that authorizes local governments to impose amenity cost charges on developers.

CLAUSE 8: **[Local Government Act, section 610]** is consequential to amendments made by this Bill to the Act.

CLAUSE 9: **[Local Government Act, section 617]** is consequential to amendments made by this Bill to the Act.

CLAUSE 10: **[Vancouver Charter, section 523D]** amends a section to

- establishes a framework that authorizes the Council to impose amenity cost charges on developers.
- add conditions for imposing development cost levies for highway facilities, and
- limit the amount of development cost levy that may be imposed.

CLAUSE 11: **[Vancouver Charter, Part XXIV-B]** establishes a framework that authorizes the council to impose amenity cost charges on developers.

CLAUSE 12: **[Vancouver Charter, section 565.1]** is consequential to amendments made by this Bill to the Act.

CLAUSE 13: **[Vancouver Charter, section 592]** is consequential to amendments made by this Bill to the Act.

CLAUSE 14: **[Vancouver Charter, section 597]** is consequential to amendments made by this Bill to the Act.

CLAUSE 15: [**Community Charter, section 188**] is consequential to amendments made by this Bill to the *Local Government Act*.

CLAUSE 16: [**Community Charter, section 189**] is consequential to amendments made by this Bill to the *Local Government Act*.

CLAUSE 17: [**Islands Trust Act, section 29**] is consequential to amendments made by this Bill to the *Local Government Act*.

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