

VILLAGE OF CUMBERLAND AMENITY COST CHARGE BYLAW

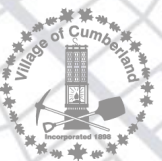
Council Presentation
May 26, 2025

URBAN
SYSTEMS



AGENDA

- Purpose & Outcomes
- ACC Overview
- Community Comparisons
- ACC Implementation Process
- ACC Rate Options
- Next Steps
- Discussion & Questions



PURPOSE & OUTCOMES

PROJECT PURPOSE

Develop an Amenity Cost Charge Bylaw for the Village to ensure ACCs effectively and sustainably fund essential amenities needed to support growth

PRESENTATION PURPOSE

Set a strong shared foundation for the project and equip Council to make informed decisions regarding the ongoing development of the ACC program and bylaw

DESIRED OUTCOMES

- Develop a common understanding of ACCs and best practices
- Identify key ACC-related decisions to support alignment with the Village's goals
- Present rate options for Council's consideration
- Receive direction and ensure alignment on next steps



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ACC OVERVIEW

DEVELOPMENT FINANCE TOOLS

Development
Cost Charges

Amenity Cost
Charges

5% Parkland
Dedication

Local Area
Service
Charges

User Fees &
Charges

Works &
Services
Agreements

General
Revenue

Latecomer
Agreements

Density
Bonusing

Community
Amenity
Contributions



HOW DO WE PAY FOR PARKS & AMENITIES?

PARKS

- DCC Funding
- Density Bonus
- LGA 5% at subdivision for parkland
- **ACCs (New!)**
- Special Reserves
- General Reserves
- External Grants & Contributions

NEW ASSETS

New & Redeveloped Parks

EXISTING ASSETS

- General Revenues
- Special Reserves/Other
- External Grants & Contributions

Park Infrastructure Sustainability

BUILDINGS

- Density Bonus
- **ACCs (New!)**
- General Revenues
- External Grants & Contributions

New Major Facilities

- General Reserves
- Density Bonus
- Special Reserves/Other
- External Grants & Contributions

Facility Infrastructure Sustainability

WHAT ARE ACCs?

- Help communities recover the costs of amenities that provide social, cultural, heritage, recreational, or environmental benefits to a community
- Closely resemble DCCs
 - Charges for one-time capital costs
 - Growth-driven
- Regulated by the Province
 - New legislation (Bill 46)
 - Division 19.1 of the *Local Government Act*
 - ACC Best Practices Guide (new!)



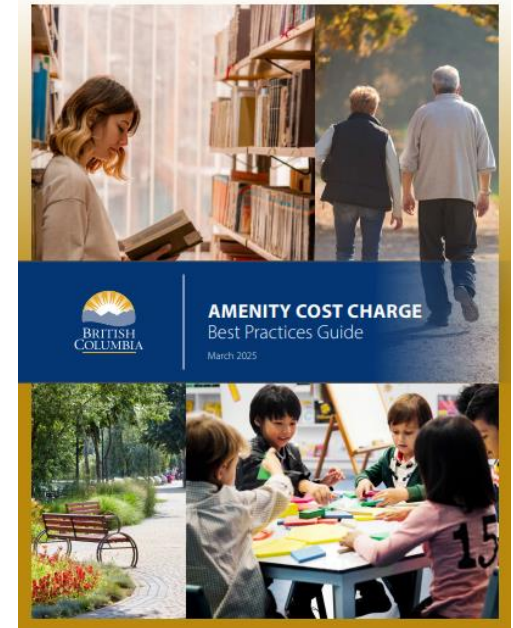
WHY IMPLEMENT AN ACC?

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



ACC BEST PRACTICES GUIDE – ITEMS OF NOTE

- Can only be used for capital costs
- Cannot be used to pay for housing of any kind
- Cannot be levied on “affordable housing” or “places of worship”
- Cannot be levied if a development doesn’t result in increased population of residents or workers
- Must be owned by local government or through a “partnering agreement”
- Approval by Inspector of Municipalities is not required
- Cannot overlap with DCCs, CACs, Density Bonusing – no “double charging”



WHAT WORKS CAN ACCs PAY FOR?

ACCs CAN BE USED TO FUND

Amenities (non-exhaustive)

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

ACCs CANNOT BE USED TO FUND

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



HOW IS THE ACC RATE DETERMINED?



GROWTH PROJECTIONS

Identify where more housing supply/growth is expected

Technical Inputs



IDENTIFY AMENITIES

Determine amenities needed, costs, and timing

Technical Inputs



ACC RATES

Prepare ACC program and determine ACC rates

Technical Inputs



CONSULTATION

Consult with stakeholders on the ACCs

Technical Inputs



BYLAW ADOPTION

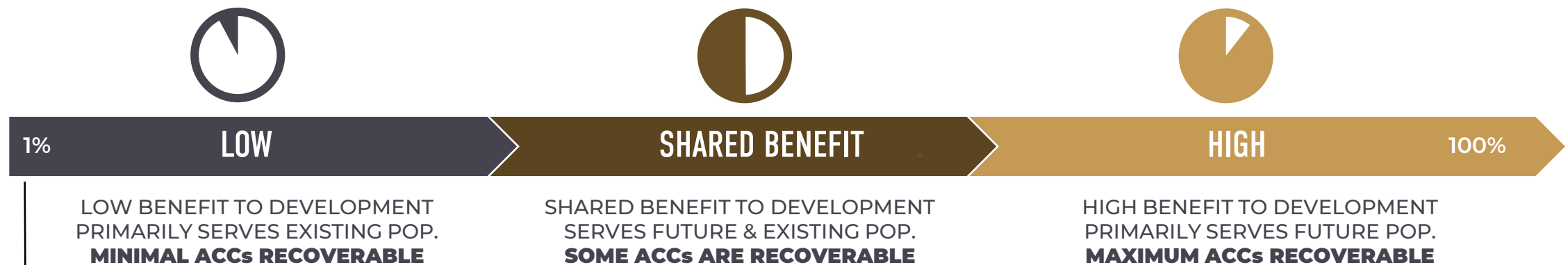
Council Adoption of the ACC Bylaw

Policy Inputs

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

ALLOCATING BENEFIT

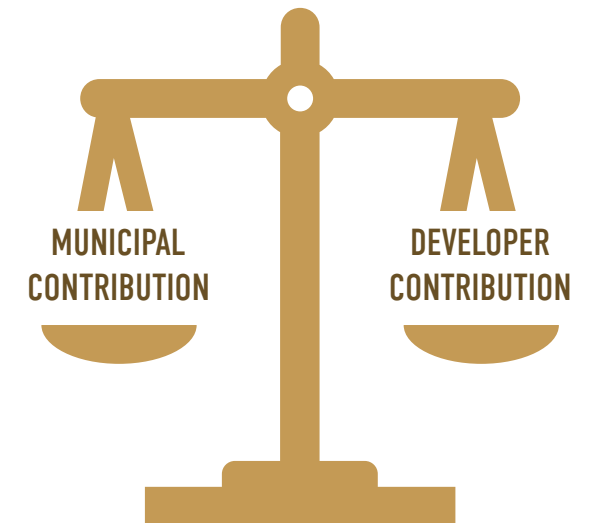
- A benefit allocation (%) is assigned to each project to reflect anticipated benefit to growth
- Ensures costs are shared equitably between the current and future population (benefiters)
- The benefit allocation can be determined based on the following methods:
 1. Population growth
 2. Technical analysis (capacity modelling)
 3. 'Rule of thumb'



Projects that are not growth-driven (i.e., 0%) are not eligible for ACCs

MUNICIPAL ASSIST FACTOR

- Legislation requires local governments to assist development for ACCs
- Assist amount must be made up through non-ACC revenue (general taxation)
- **Council has complete discretion** to set an assist factor between 1% (least assistance) and 99% (most assistance)
- The assist factor is **set for the entire ACC program**



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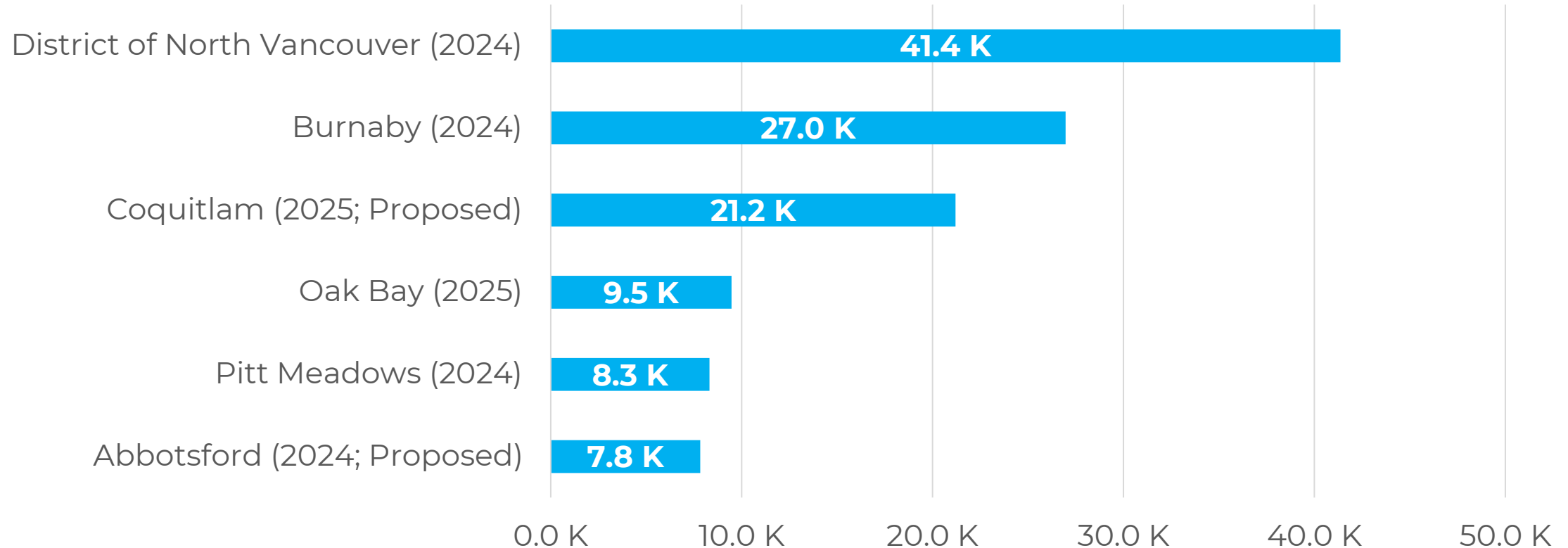
COMMUNITY COMPARISONS

WHAT IS THE UPTAKE OF ACC BYLAWS?

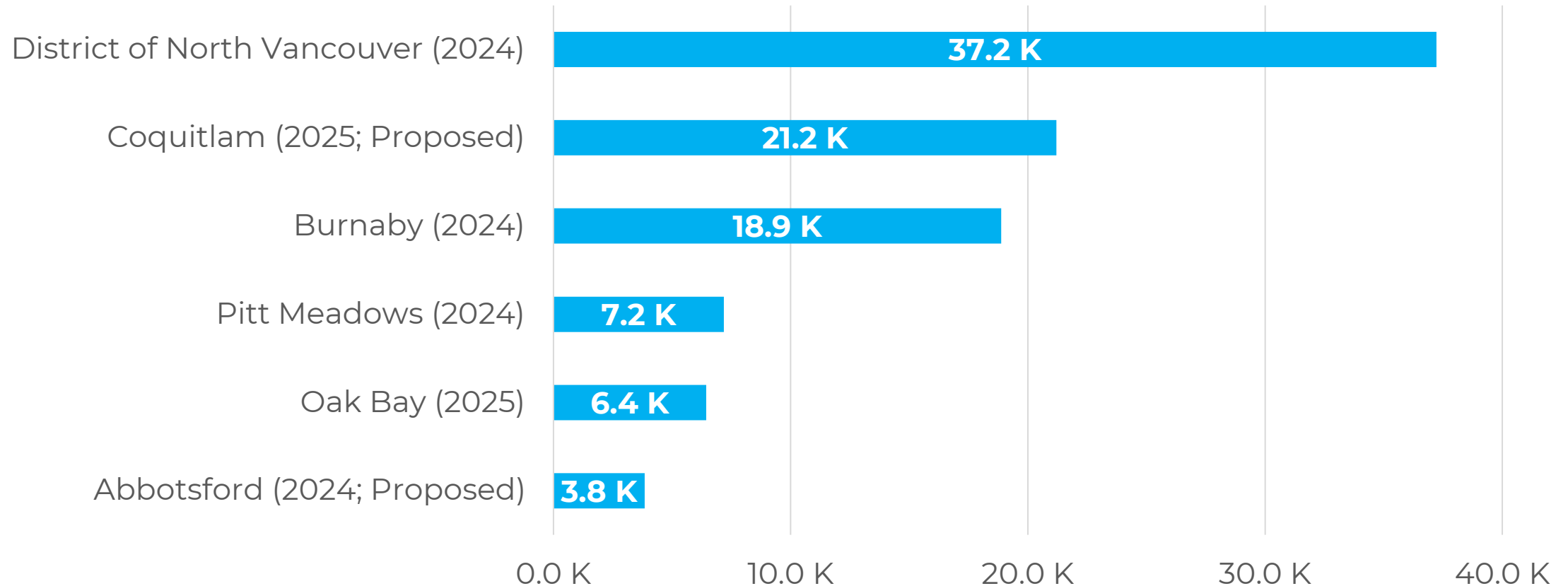
- Communities that have proposed or adopted ACC rates:
 - Abbotsford – *charged on all land use categories*
 - Burnaby – *charged on all land use categories*
 - Coquitlam – *only charged on residential uses*
 - North Vancouver (District) – *only charged on residential uses*
 - Pitt Meadows – *only charged on residential uses*
 - Oak Bay – *charged on all land use categories*
- All communities charge ACCs on a municipal-wide basis

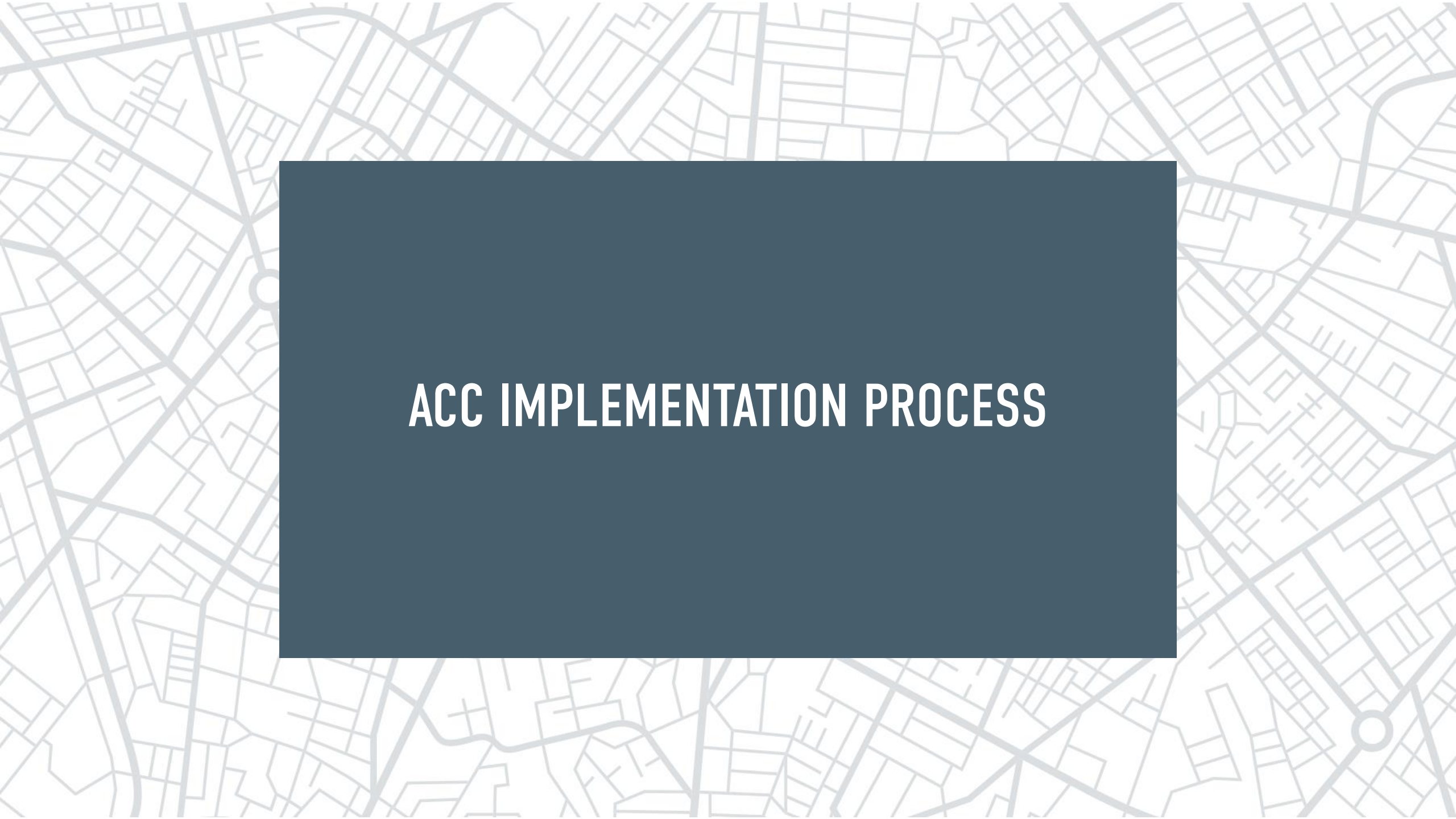


LOW DENSITY RESIDENTIAL (PER DWELLING UNIT/LOT)



MEDIUM DENSITY RESIDENTIAL (PER UNIT)

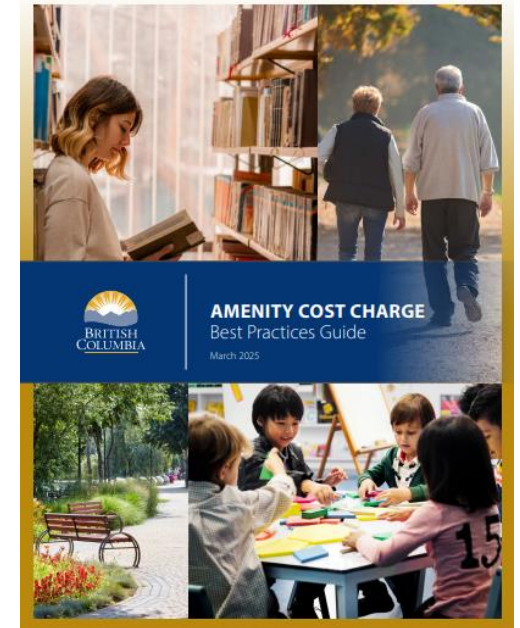


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ACC IMPLEMENTATION PROCESS

LAND ECONOMIC ANALYSIS

- ACCs and DCCs must not deter development or discourage reasonably priced housing or land development
- Legislation does not establish the type of analysis required; the new ACC Best Practices Guide provides direction on the extent of analysis
- Scope can range from a high-level qualitative assessment of market conditions to a more detailed analysis of several representative case studies and should be reflective of the magnitude of the proposed ACC
- The Lieutenant Governor may make additional regulations prescribing economic and other analyses



LAND ECONOMIC ANALYSIS

- Adding or increasing an ACC affects overall project costs, potentially affecting viability in two ways:
 - **Land Value Reduction:** Developers may lower land purchase offers to offset higher costs if ACCs are known in advance
 - **Profit Margin Reduction:** For developers who already own land, the increased cost will reduce profit margins unless other cost savings can be made for developers who already own land

Figure 12
ACC Impact on Profit Margin for Project
Proceeding Under Existing Zoning

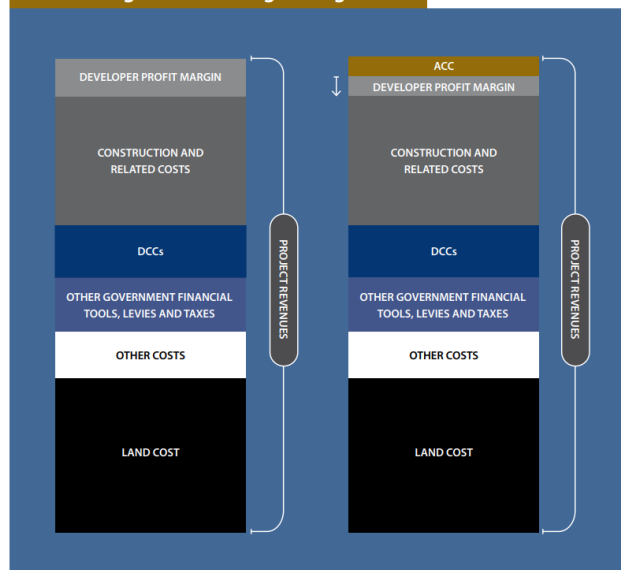


Figure 13
ACC Impact on Land Value for Project
Proceeding Under Existing Zoning

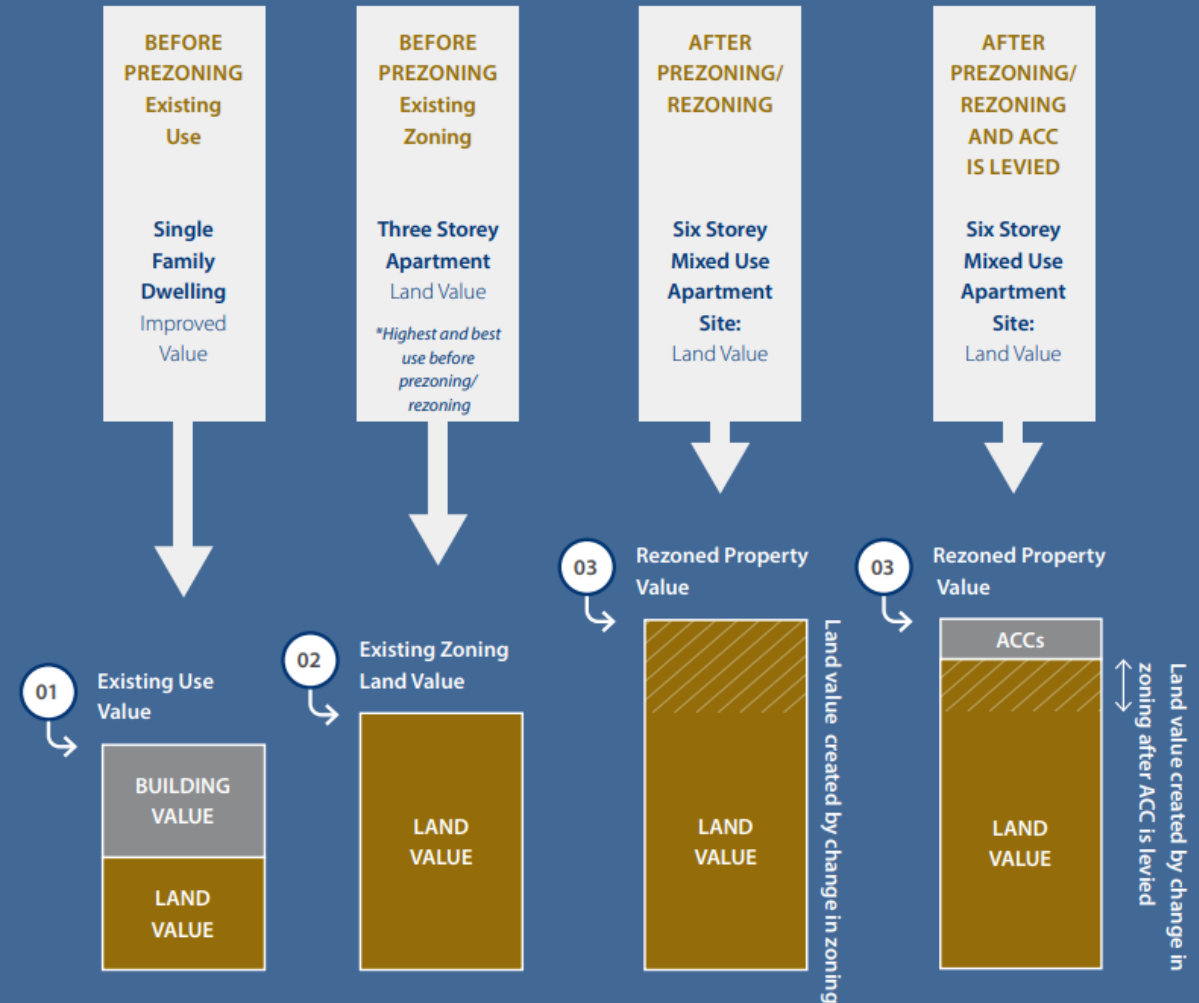


LAND ECONOMIC ANALYSIS

- The ACC impact slightly reduces the land value following pre-zoning but still maintains it above the levels of the existing use and zoning
- This ensures that the owner or developer retains sufficient incentive to sell or redevelop the property and pay the ACC without a significant erosion of profit margins

Figure 15

An Example of Land Value Created by a Zoning Change After ACC is Levied



OTHER FACTORS IMPACTING VIABILITY

- Market conditions
- Rising land and construction costs
- Zoning and parking restrictions
- Development approval process timelines and complexity
- Other development costs and charges
- Infrastructure requirements and standards
- Other Provincial/Municipal legislation (i.e., inclusionary zoning)



INTERESTED PARTIES ENGAGEMENT

- The ACC legislation requires local governments to consult with parties considered to be affected by an ACC bylaw, which includes:
 - General public
 - Council
 - Public authorities
 - Development community
- One or more opportunities are required
- Potential to join a regional stakeholder event with Courtenay, Comox, and the CVRD



INTERESTED PARTIES ENGAGEMENT – COMMUNICATION METHODS

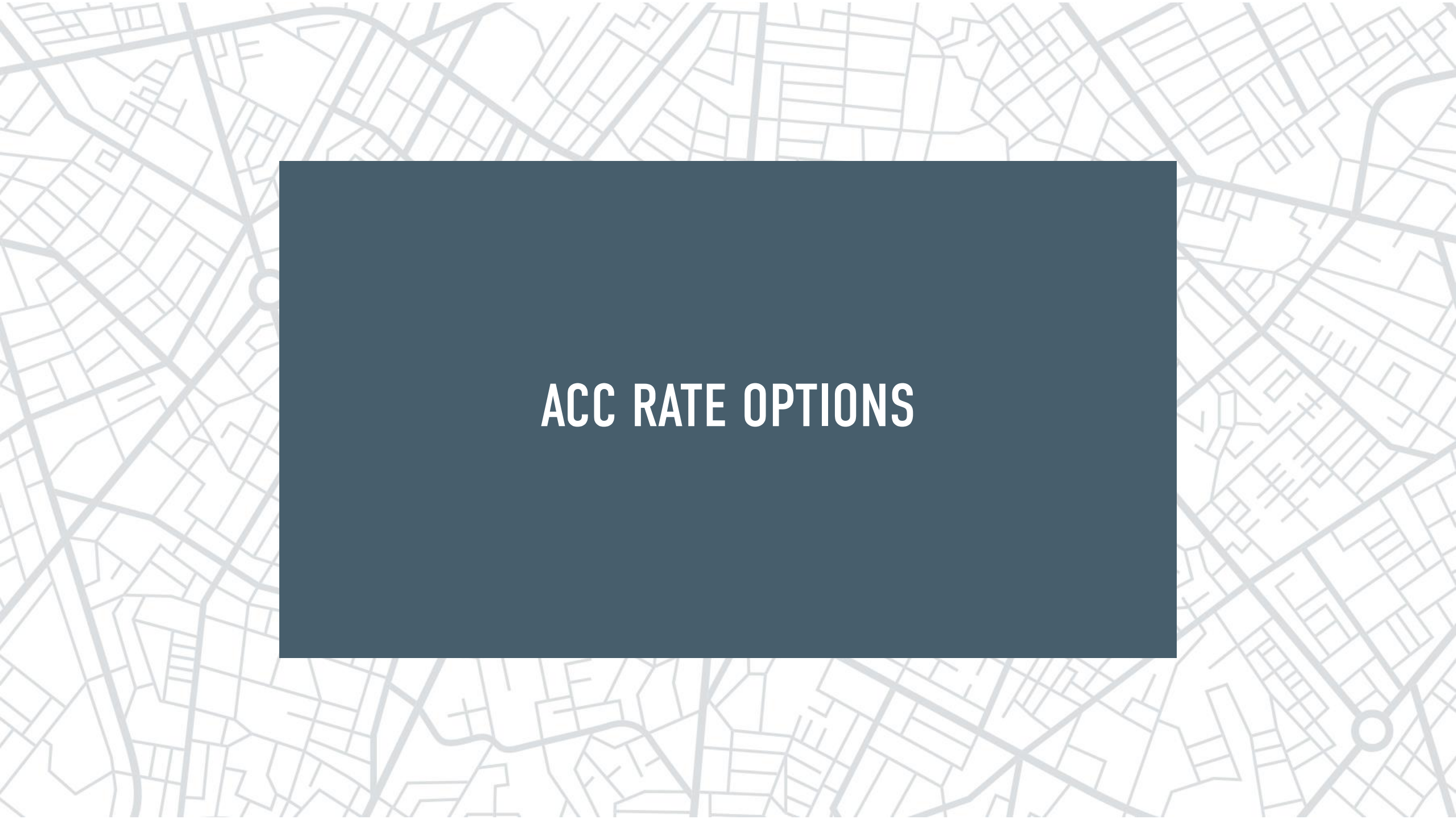
- Possible engagement methods include:
 - Information posted on Village website
 - Direct mail to development community/organizations
 - Boards and/or one-pagers available at Municipal Hall
 - Advertisements in the local newspaper/on social media
 - Local engagement session with public and/or development community (virtual or in-person)
 - Joining the regional development finance engagement session (Comox, Courtenay, CVRD)



UPDATES TO ACC BYLAW

- Updating the ACC Bylaw regularly will ensure rates remain up-to-date and the program reflects the most recent amenity needs
 - Inflationary increase every year (up to 4 years, based on most local CPI data)
 - Completing major updates to ACC program (i.e., program addition/removal, cost and technical input updates) every 3-5 years
- Recommended to review and update ACC bylaws in conjunction with DCC, financial plan, OCP, Zoning Bylaw, and/or Housing Needs Report updates
- Note that all updates to an ACC Bylaw (regardless of changes made) do not require Ministry approval



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ACC RATE OPTIONS

RATE OPTIONS - SUMMARY

Land Use Category	Option 1	Option 2
	<i>Rec + Daycare (25% Benefit Allocation to Growth, with 40% contingency)</i>	<i>Rec Only (25% Benefit Allocation to Growth, with 40% contingency)</i>
Low Density Residential	\$9,621.40	\$8,233.74
Medium Density Residential	\$6,470.73	\$5,537.48
High Density Residential	\$4,742.95	\$4,058.88

Note: Both scenarios use a 1% Municipal Assist Factor



RATE OPTIONS – SUMMARY (MUNICIPAL RESPONSIBILITY)

Note: Each scenario summarized here uses a 1% MAF

Land Use Category	Option 1	Option 2
	<i>Rec + Daycare (25% Benefit Allocation to Growth, with 40% Contingency)</i>	<i>Rec Only (25% Benefit Allocation to Growth, with 40% contingency)</i>
Municipal Portion	\$16,489,809	\$14,111,532
Municipal Portion (Annually; 20 y. program time frame)	\$824,490	\$705,777



OPTION 1: REC CENTRE & DAYCARE – POPULATION GROWTH

- Assumes shared benefit for new and existing users of rec centre and daycare (regardless of whether an expansion or new facility)
- 40% contingency, 25% Benefit Allocation (based on pop. growth), and 1% MAF for both facilities
- Per the ACC Best Practices Guide: “If a daycare facility is being replaced and expanded, costs must be divided between current and future development”

Land Use	Unit	Rate
Low Density Residential	per dwelling unit/lot	\$9,621.40
Medium Density Residential	per dwelling unit	\$6,470.73
High Density Residential	per dwelling unit	\$4,742.95

Based on Population Growth

- Current population: **4,800**
- Future population: **6,401**
- Growth (20 y): **1,601**
- Allocation to Existing Development: **75%**
- Allocation to Future Development: **25%**

OPTION 1: MAF ADJUSTMENTS

- Raising the Municipal Assist Factor (MAF) affects how much the municipality will pay (the 'Municipal Responsibility')
- The rates below show the ACC that the development community would pay
- Potential to 'phase in' the rates through year-over-year adjustments to the MAF

	MAF %			
	25%	10%	5%	1%
Low Density Residential	\$7,288.94	\$8,746.73	\$9,232.66	\$9,621.40
Medium Density Residential	\$4,902.07	\$5,882.48	\$6,209.29	\$6,470.73
High Density Residential	\$3,593.14	\$4,311.77	\$4,551.31	\$4,742.95



OPTION 2: REC CENTRE ONLY (25% BA)

- Includes only the expansion of the recreation centre
- 25% Benefit Allocation (baseline population growth) and 1% MAF
- Assumes that the expansion is not just triggered by growth – existing population would also benefit

Land Use	Unit	Rate
Low Density Residential	per dwelling unit/lot	\$8,233.74
Medium Density Residential	per dwelling unit	\$5,537.48
High Density Residential	per dwelling unit	\$4,058.88

OPTION 2: MAF ADJUSTMENTS

- Raising the Municipal Assist Factor (MAF) affects how much the municipality will pay (the 'Municipal Responsibility')
- The rates below show the ACC that the development community would pay
- Potential to 'phase in' the rates through year-over-year adjustments to the MAF

	MAF %			
	25%	10%	5%	1%
Low Density Residential	\$6,237.68	\$7,485.22	\$7,901.06	\$8,233.74
Medium Density Residential	\$4,195.06	\$5,034.07	\$5,313.74	\$5,537.48
High Density Residential	\$3,074.91	\$3,689.90	\$3,894.89	\$4,058.88



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DISCUSSION & QUESTIONS

ACC BYLAW DEVELOPMENT PROCESS

PROGRAM DEVELOPMENT

★ WE ARE HERE

Estimate growth

Develop ACC project list

Consider draft Assist Factor ★

COUNCIL INPUT

Calculate draft ACC Rates

BYLAW ADOPTION

Present Draft ACC Rates to Council ★

COUNCIL INPUT

Consult with Interested Parties

Adopt ACC Bylaw

COUNCIL INPUT

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



NEXT STEPS

- Economic Analysis
 - Local governments must consider whether ACCs are excessive in relation to the capital cost of prevailing service standards in the municipality
 - The Best Practices Guide encourages financial feasibility analyses for representative development scenarios
 - The Village has financial feasibility analysis underway for another project that will be reviewed as part of the ACC review.
 - Continued development application streamlining and proposed revisions to the OCP and Zoning Bylaw are underway and can further support viability
- Interested Parties Consultation
- Council Engagement #2 – Presentation (Preferred Option, Consultation Summary, Consideration of Bylaw Readings)

