City of Courtenay

Developer Community Roundtable Luncheon

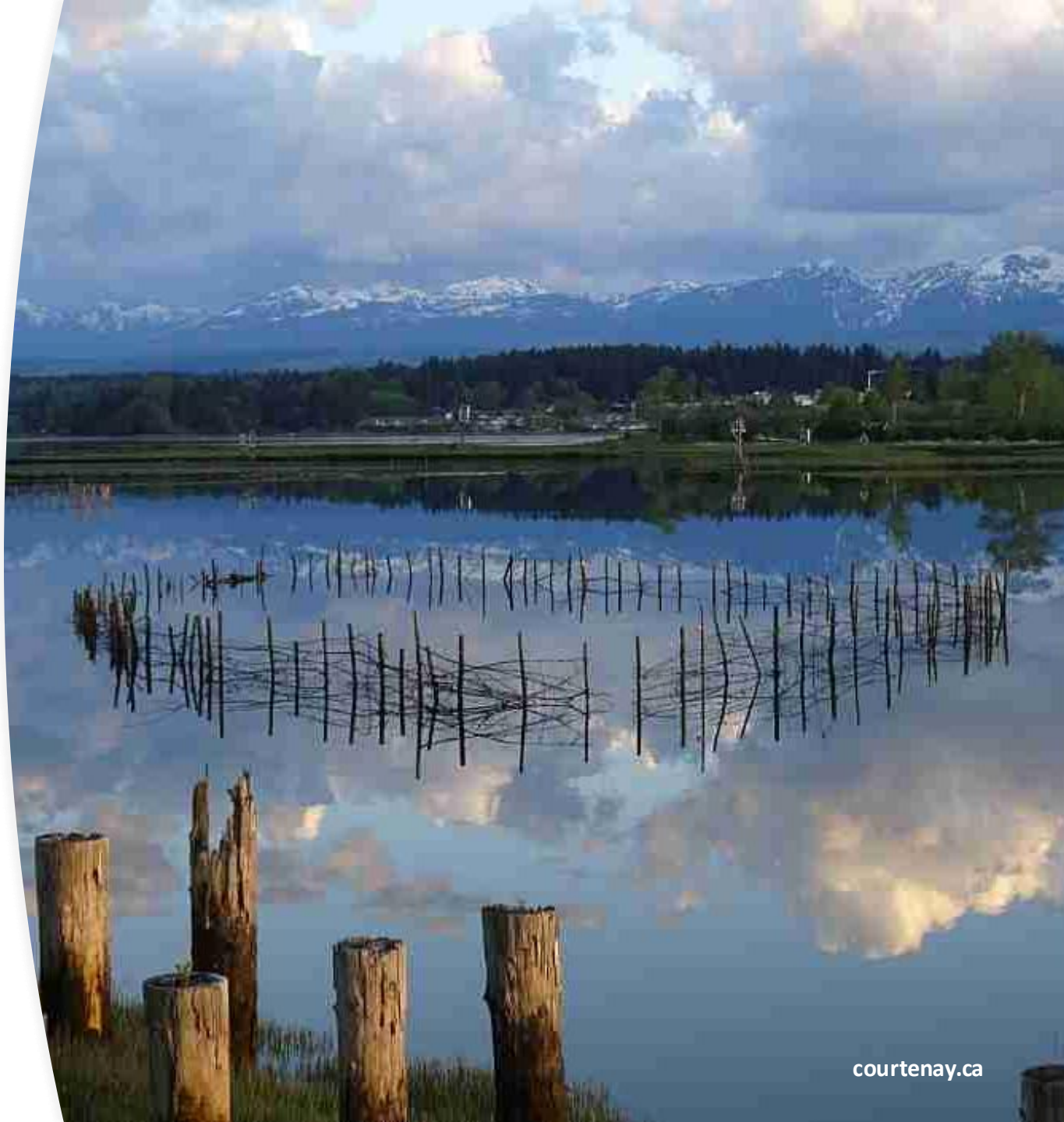
Hosted by:

City of Courtenay, Development Services

Tuesday, October 21, 2025 | 12:00 – 2:00 p.m.
Courtenay Museum – Rotary Gallery Room

Acknowledgement

We respectfully acknowledge
that the land we gather on is Unceded territory of the
K’ómoks First Nation, the traditional keepers of this land.



Welcome & purpose

- Provide a more interactive way for the development community to provide comments and input.
- Share updates on key planning initiatives.
- Gather input to inform policy direction.

Let’s get to know each other

To join → **Slido.com**
 # 1682 099

Do not edit
How to change the design

How many years have you been working in development in the Comox Valley?

ⓘ The Slido app must be installed on every computer you're presenting from

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Do not edit
How to change the design

When you think about development in Courtenay, what one word comes to mind?

ⓘ The Slido app must be installed on every computer you're presenting from

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City Updates

Provincial direction – legislative changes

- **OCP Update –** Housing and housekeeping
- **Zoning Bylaw Update –** Housing and housekeeping
- **Switch from Community Amenity Contributions (CACs) to Amenity Cost Charges (ACCs) and Density Bonus (DB)**

Goal: To bring Courtenay's planning framework into compliance with new provincial housing and amenity legislation, while maintaining a clear and predictable process for development.

City-led updates and initiatives

These updates are City-initiated and aim to improve efficiency, clarity, and alignment with Courtenay's long-term growth strategy.

- **Development Cost Charges (DCCs) -** Updating to reflect current infrastructure needs and growth projections.
- **Development Procedures Bylaw –** Modernizing processes to improve timelines and transparency.
- **Downtown Local Area Plan –** Guiding future growth, design, and investment in the downtown core.
- **Sign and Tree Bylaws –** General housekeeping and modernization.
- **Residential Tax Exemption (Downtown) –** Continued support for redevelopment and revitalization incentives.

Goal: To ensure Courtenay's development framework remains effective, transparent, and supportive of responsible growth.

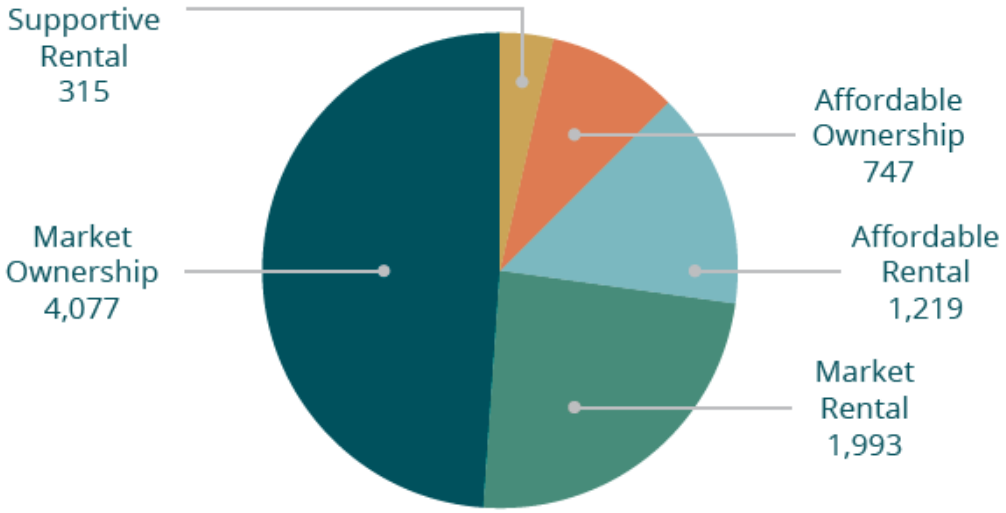
Official Community Plan (OCP) - Updates

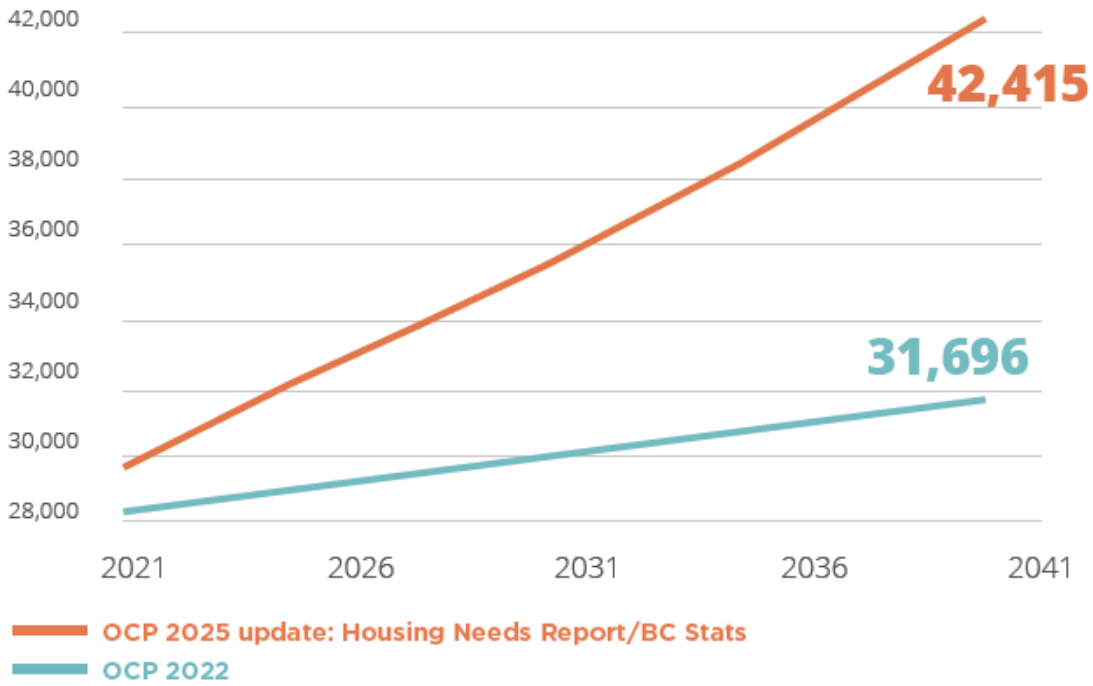
City of Courtenay

We're Growing

Housing Needs Report shows 8,351 more homes are needed by 2041 to house a projected population of 42,415.

20 Year Housing Need By Tenure





Key Findings

- **Land Capacity Analysis**
  Courtenay has enough zoned capacity to accommodate the 20-year housing
- **Infrastructure Analysis**
  Upgrades will be required to enable growth in specific parts of Courtenay.
- **Housing Policy**
  Minor adjustments to ensure policies speak to full spectrum of housing need.
- **Financial Analysis**
  The City should monitor rising development costs, while exploring tools like ACCs, DCCs, and density bonuses where market conditions allow.

Proposed OCP Updates

- Develop a planning cycle, reviewing plans every 5 years.
- Update the land use policies to plan for specific neighbourhoods, development constraints and boundary expansion.
- Clarify land use policies on built form and density.
- Monitor development market to ensure new policy does not deter new housing.
- Create a housing strategy for Courtenay's unique needs.
- Ensure infrastructure can support growth.
- Plan parks and community spaces with an emphasis on programing and place making.
- Ensure a green and resilient City of Courtenay.
- Support work together through open, ongoing community engagement.

01

Develop Planning Cycle

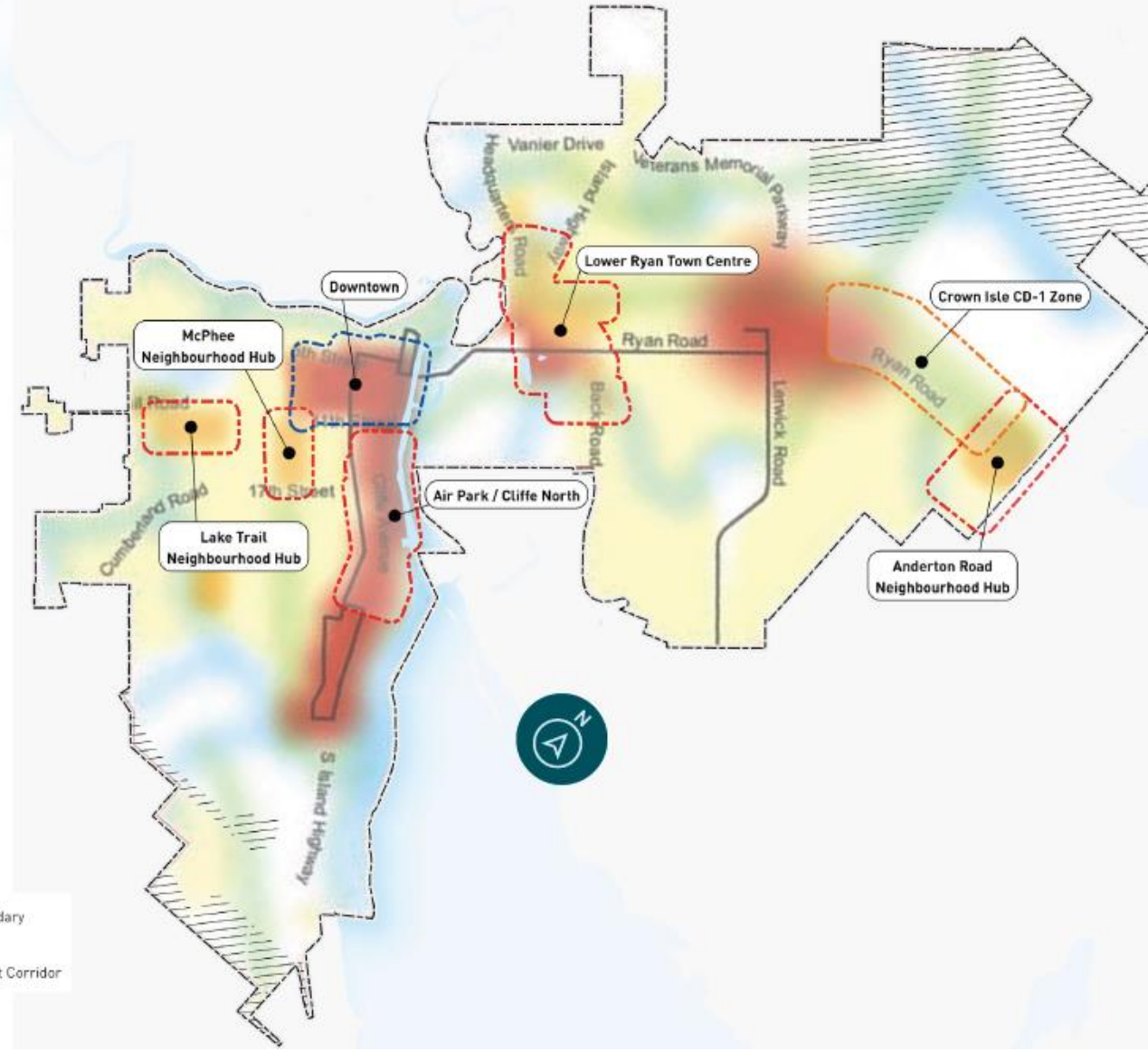
By the end of 2028, all local governments must complete their first "regular" HNR, with updates every 5 years thereafter, followed by regular OCP and Zoning Bylaw updates.

02

Update Land Use Policies

Build on the 2022 Official Community Plan (OCP), enhancing policies to better manage growth.

- Establish a framework for municipal boundary extensions aligned with the Regional Growth Strategy (RGS)
- Introduce Local Area Plans to guide the neighbourhood-level planning



Amenity Cost Charges (ACCs)

What are ACCs?

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

Why use ACCs?

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

How is the ACC Rate Determined?

GROWTH PROJECTIONS

Identify where more housing supply/growth is expected

Technical Inputs

IDENTIFY AMENITIES

Determine amenities needed, costs, and timing

Technical Inputs

ACC RATES

Prepare ACC program and determine ACC rates

Technical Inputs

CONSULTATION

Consult with stakeholders on the ACCs

Technical Inputs

BYLAW ADOPTION

Council Adoption of the ACC Bylaw

Policy Inputs

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

What Works are ACC-eligible?

ACCs can be used to fund:

Amenities (non-exhaustive)

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

ACCs cannot be used to fund:

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

Allocating Benefit

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

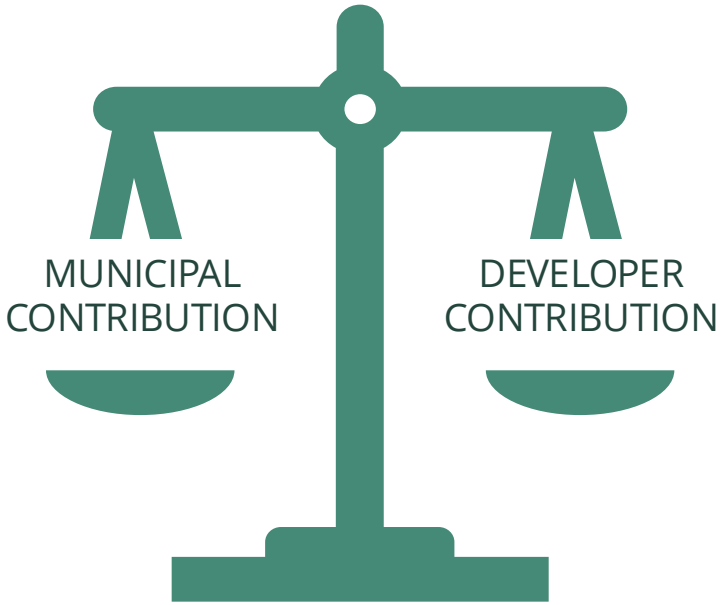
LOW BENEFIT TO DEVELOPMENT
PRIMARILY SERVES EXISTING POP.
MINIMAL ACCs RECOVERABLE

SHARED BENEFIT TO DEVELOPMENT
SERVES FUTURE & EXISTING POP.
SOME ACCs ARE RECOVERABLE

HIGH BENEFIT TO DEVELOPMENT
PRIMARILY SERVES FUTURE POP.
MAXIMUM ACCs RECOVERABLE

Municipal Assist Factor

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



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

Statutory Exemptions (Under Legislation)

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

In-stream Protection

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

A complete application is one:

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

Subdivision (LGA Sec. 511)

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

Building Permit (LGA Sec. 568)

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

In-stream Protection

Bylaw adoption

Prior to Bylaw adoption

Submit **complete** application (building permit, subdivision, precursor)

Within one year of adoption

Building Permit **issued** or Subdivision **granted**

Waivers and Reductions

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

ACCs:

- Not-for-profit affordable housing
- For-profit rental housing
- Housing subject to requirements under an affordable and special needs housing zoning bylaw

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

ACC Project List

- Community Centre Expansion
- Florence Filberg Centre Expansion
- Outdoor Pool Expansion
- Sportsfield Improvements
- Pickleball Court Improvements and Construction
- Dog Park Construction and Improvements
- Cultural Facility Expansion
- LINC and Skateboard Park Improvements
- Spray Park Construction
- Park Amenity Program

Proposed ACC Rates

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

ACC Cost Summary

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

Payment by Instalments – NEW! EFFECTIVE JANUARY 1, 2026

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

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

Density Bonusing

Amenity Cost Charges and Density Bonus Overview

- Amenity Cost Charges (ACCs)
- Density Bonus and Inclusionary Zoning
- ACC Viability Testing Methodology
- Density Bonus Recommendations

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Amenity Cost Charges Overview

- **Bill 46 – 2023: Housing Statues (Development Financing) Amendment Act** provides the legislative framework for establishing a charge that can be used to fund community amenities.

- Importantly, ACCs must not '**deter development**' or '**discourage the construction of reasonably priced housing**'.

- Where possible, it is recommended that ACCs be introduced with additional density to offset the cost of the charge.

- Testing must be done on actual development sites where growth is occurring or anticipated to occur

- **13 case studies selected** in Courtenay

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Density Bonus and IZ Overview

- **Density bonus** is a land use planning tool that provides a developer with the option to build to a higher density in exchange for amenities or a charge.

- **Inclusionary Zoning**, is a land use planning tool that allows local governments to require affordable housing in new residential developments.

- *Inclusionary zoning is typically most effective in creating new affordable housing in **high density, urban areas, where the higher land costs support its use** and there is often the greatest need for more affordable housing.*

- There are limited cases where projects in Courtenay can support Inclusionary Zoning, so it is not recommended for city-wide policy at this stage.

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ACC, IZ and DB Testing Case Study Sites

#	Area	Address	Existing Use
1	Cliffe Ave Corridor	1175 Cliffe Avenue	One Storey Commercial
2	Cliffe Ave Corridor	2355 Mansfield Drive	One Storey Commercial
3	Cliff Ave Corridor	150 Mansfield	One Storey Commercial
4	Downtown	670 McPhee, 783, 775,767 7th Street	3 Single Family Dwellings
5		407 5th Street	One Storey Commercial
6		367, 355, 351 6th Street	One or Two Storey Commercial
7		960 England Avenue	One Storey Commercial
8	LRRMR	1551 Dingwall Road	Single Family Dwelling
9	SSMUH	786 Stewart Avenue	Single Family Dwelling
10		1115 10th Street	Single Family Dwelling
11		1370 10th Street	Single Family Dwelling
12	Lake Trail	1060 Edgett Road	Single Family Dwelling
13	McPhee	850 11TH Street	Warehouse

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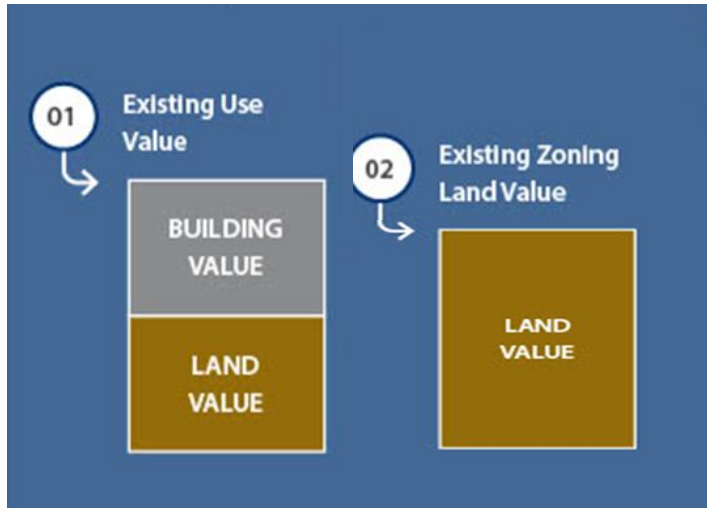
Amenity Cost Charges Viability Testing Methodology

1. Determine the existing value of the property. The market value is the higher of (1) land value under existing zoning or (2) the value of the existing building.

   The value of the land under existing zoning is calculated using a land residual model. This calculates revenues from sale of the units at a density the zoning permits and deducts all of the costs to build a project and standard developer profit margin.



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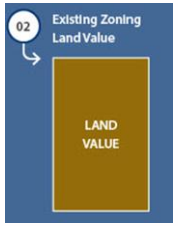
1175 Cliffe Avenue Corridor: 39,152 SF

1 Determine the existing value of the property. This is the higher of land value under existing zoning or the value of the existing building.

Existing Use: One Storey Commercial

Existing Value: $1,189,900

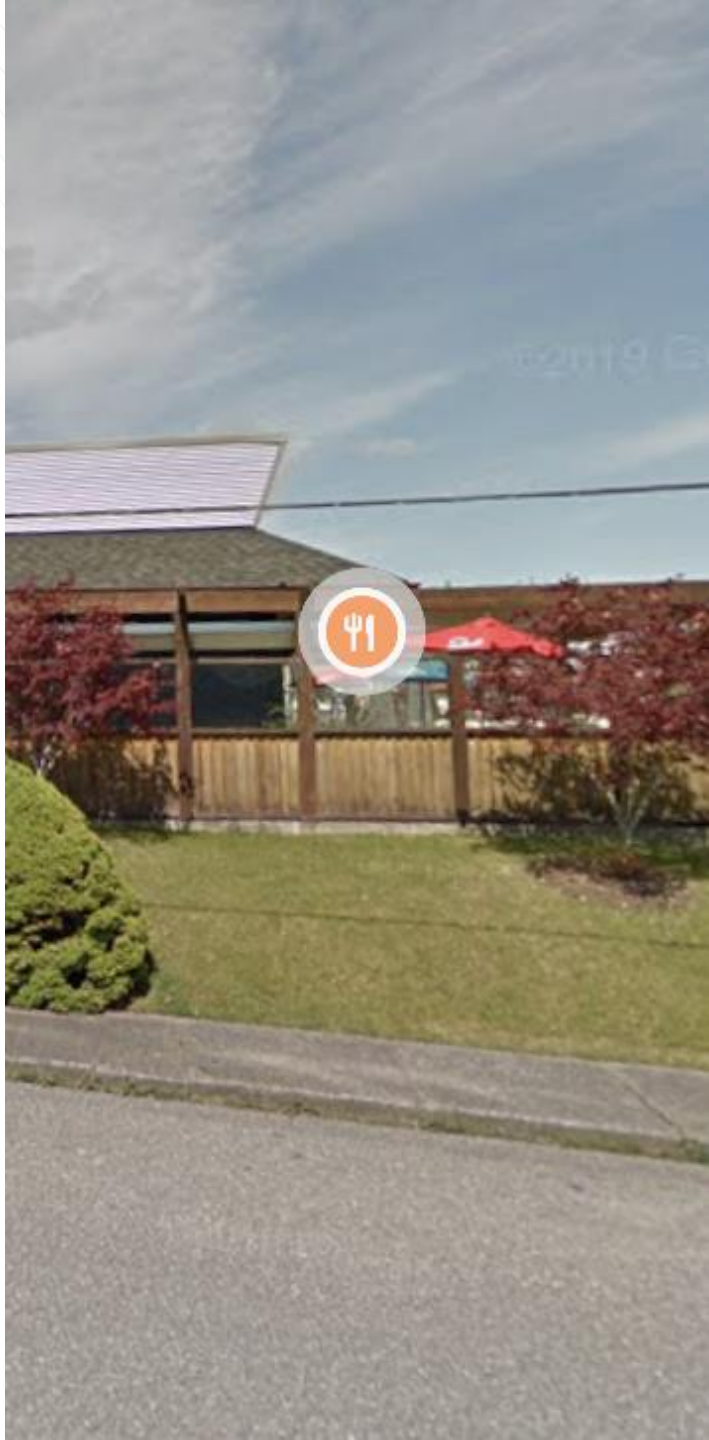


Existing Zoning: MU-1

Existing Permitted Density: 1.2 FSR

Existing Land Value: $464,234 (Residual Land Value Analysis)

*The market value is the higher of the two, or **$1,189,000.***



Revenues	
Strata Residential Sales Revenue	$15,491,565
Less Commissions	$464,747
Net Residential Sales	$15,026,818
Market Rental	$0
Below Market Rental	$0
Sub-Total Residential (Strata and Rental)	*$15,026,818*
Total Commercial Value	$4,649,329
Commisions on Commercial Value	$92,987
Net Commercial Value	$4,556,343
Total Revenue	**$19,583,161**

Costs	
Allowance for Rezoning	$0
Allowance for Demolition	$117,457
Landscaping	$195,761
Connections	$90,330
Off-Site Costs	$219,290
Site Servicing	$100,000
Overall Hard Costs with Parking	$12,276,175
Design, Construction & Escalation Contingency	$649,951
Soft Costs/Professional Fees	$955,427
Management Fee	$146,044
CVRD Water DCC - MF	$125,197
CVRD Water DCC - Commercial	$10,912
CVRD Parks DCC - MF	$53,356
CVRD Sewer DCC - MF	$256,853
CVRD Sewer DCC - Commercial	$22,279
City of Courtenay DCC - Medium-Low Density Res	0
City of Courtenay DCC - Medium-High Density Res	$366,006
City of Courtenay DCC - Commercial	$90,789
Medium Low Density Residential ACC	$0
Medium Density Residential ACC	$0
Other Levies	$0
Special equipment and Furnishings	$0
Initial Apartment Lease Up Costs	$0
Fees, legal and survey for rental portion	$0
Commission on Sale of Rental Units	$0
Less School Tax Surcharge During Development*	$0
Property Tax During Development	$51,894
Construction financing	$526,387
Financing fees/costs	$157,277
Net GST (assuming self supply)	$0
Total Costs Before Land	**$16,411,384**
Allowance for Developers Profit	$2,557,899
Land Value	**$613,878**
Land Financing	$10,060
Closing Costs	$139,584
Residual Land Value	**$464,234**

Land Residual Model

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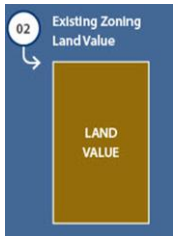
1175 Cliffe Avenue Corridor: 39,152 SF

1 Determine the existing value of the property. This is the higher of land value under existing zoning or the value of the existing building.

Existing Use: One Storey Commercial

Existing Value: $1,189,900



Existing Zoning: MU-1

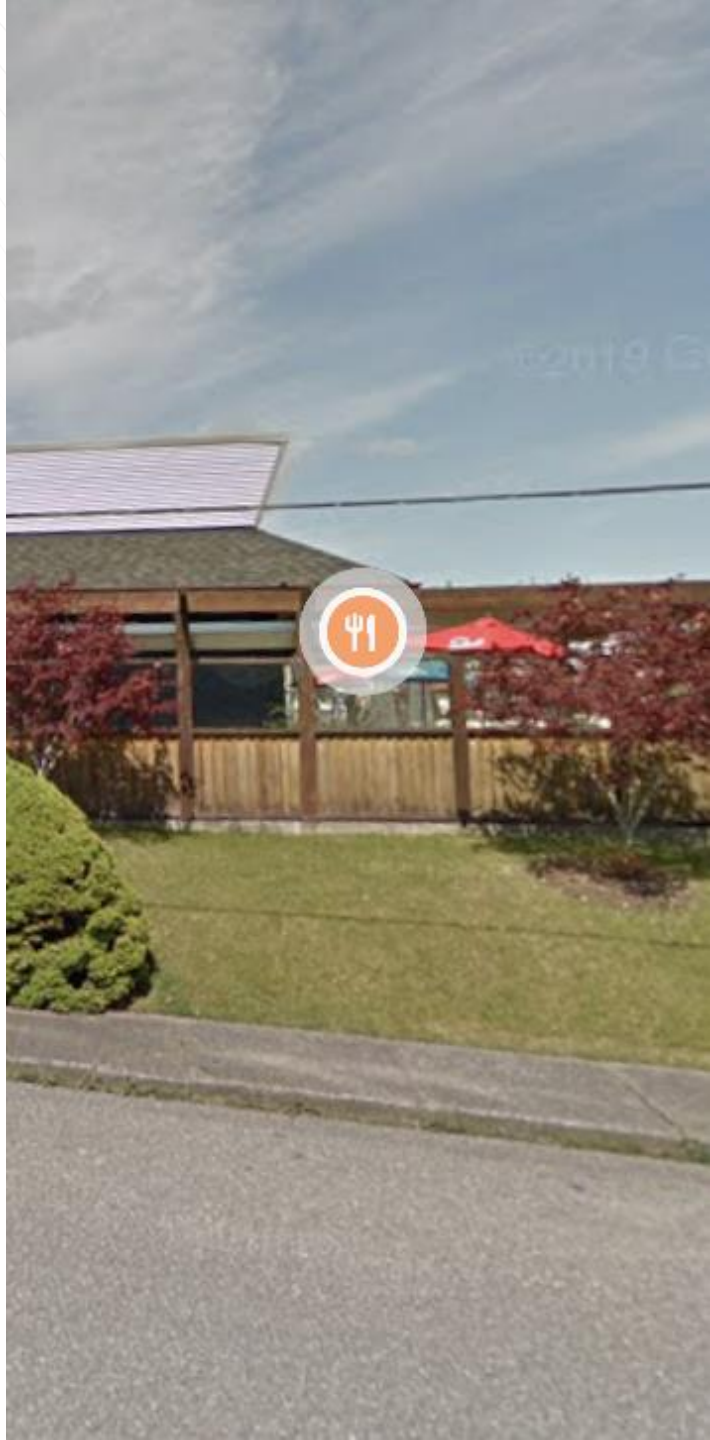
Existing Permitted Density: 1.2 FSR

Existing Land Value: $464,234 (Residual Land Value Analysis)

Proposed ACCs: $163,000

Land Value After ACCs: $300,827

Impact to Profit Margin: 1 to 2%



$1,186,893

1175 Cliffe Avenue Corridor – ACC Test

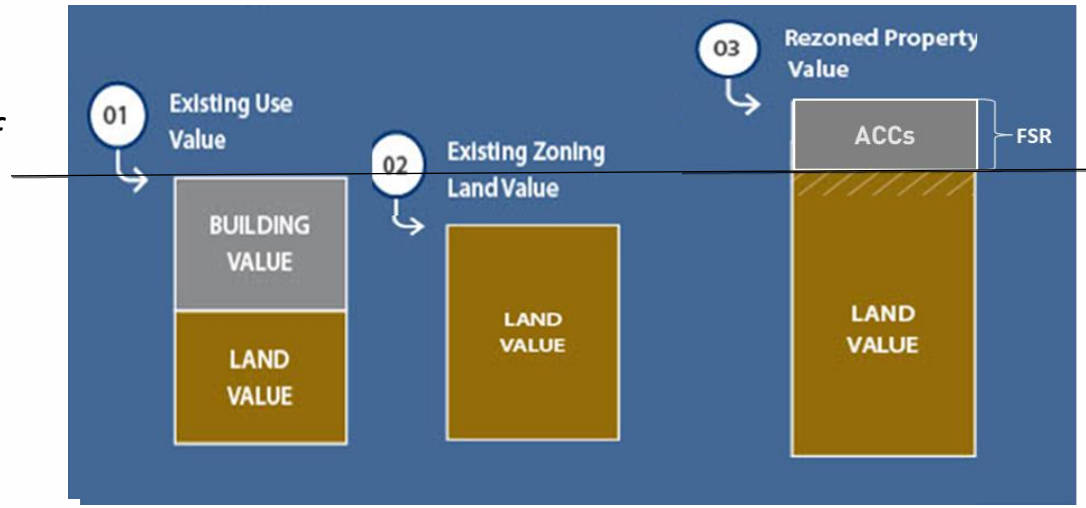
2 How much additional density is needed to offset the cost of the ACC and produce a viable development site.

Proposed Density: 2.0 FSR (additional 0.8 FSR or 31,321 SF buildable)

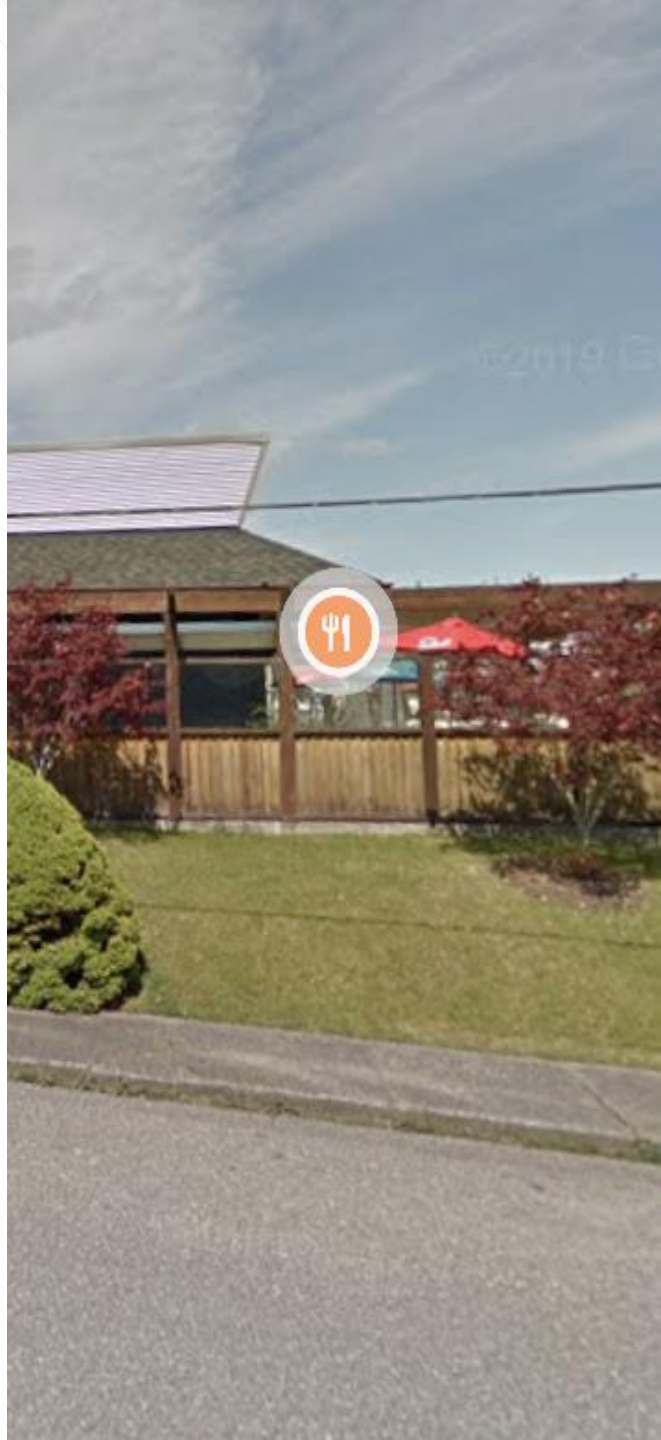
Land Value with additional density: $1,505,266

Land Value with additional density and ACCs levied: $1,186,893

The existing market value of the site is ***$1,189,000.***



The land value with additional density and ACC is ***$1,186,893***



Mitigating Impact of Amenity Cost Charges

2

Determine the additional density that is needed to offset the amount of the ACC. The highest and best use becomes land value under existing zoning and the ACC is offset.

There is minimal impact to assessed value because the value of the site has not materially changed. Increases to other charges are also offset.

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1175 Cliffe Avenue Corridor – Density Bonus

3 How much are development rights worth above the base density?

Base Density: 2.0 FSR (additional 0.8 FSR or 31,321 SF buildable)

Land Value with additional density and ACCs: $1,186,893

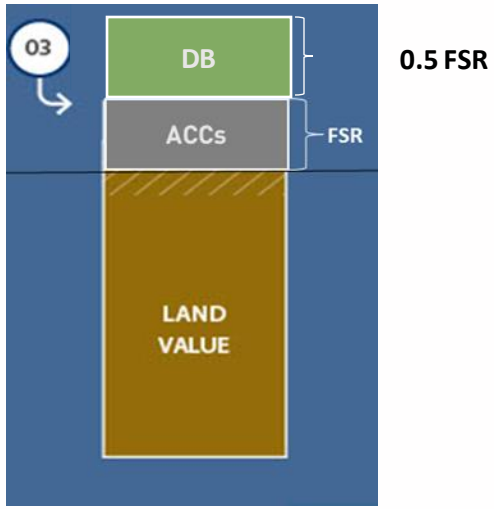
Bonus Density: 0.5 FSR (19,576 buildable) for 2.5 FSR total (6 storeys)

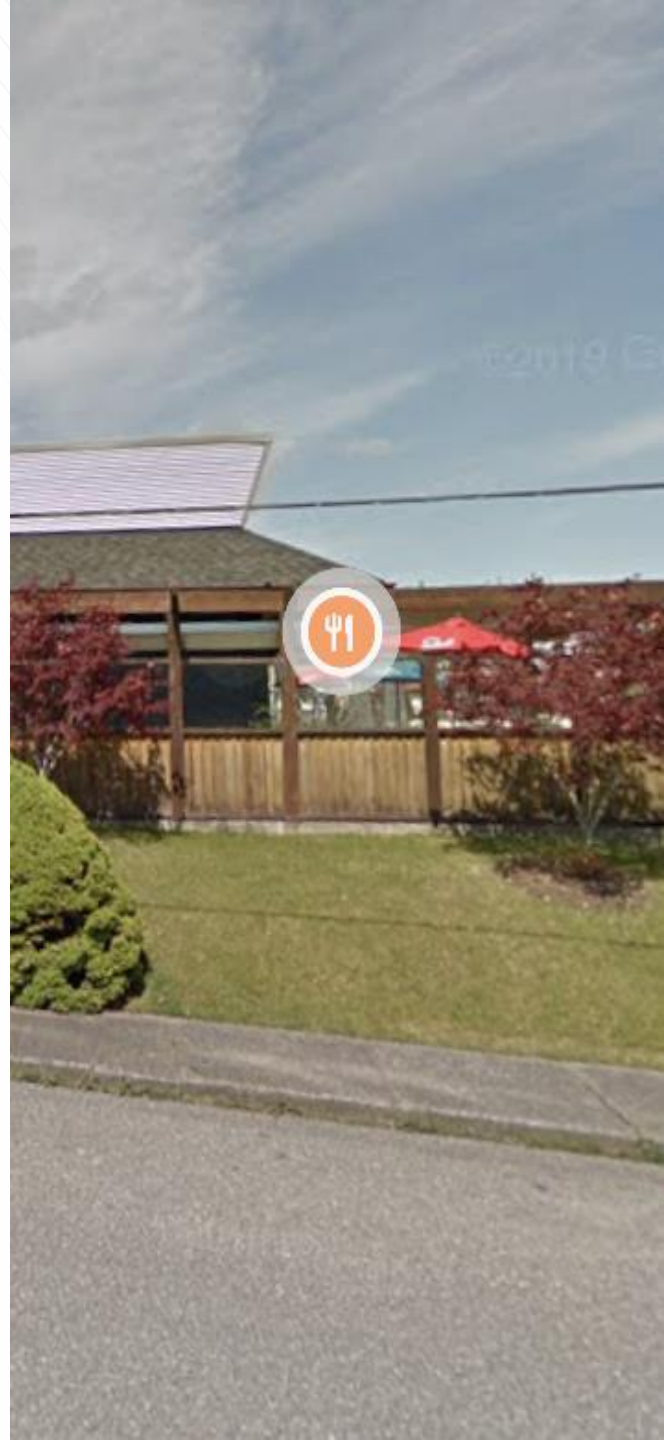
Land value with additional density and ACCs: $1,783,317

Land value has increased by ***$596,424***

Assuming density bonus captures ***75% of that value*** *PSF or $447,000/19,576 = $22.85 PSF*

Recommended rate of ***$20 PSF*** *for Cliffe Ave Corridor*





Density Bonus Recommendations

	Existing Use	Proposed Use	Base Density	Upper Density	Potential Bonus Density	Density Bonus / IZ *Interim Rate*
Downtown	Commercial/SFD	Mixed Use and Strata Apartment	4 storeys	5 storeys	varies	$10 PSF
Cliffe Avenue Corridor	Commercial	Mixed Use Strata Apartment	2.0 FSR	2.5 FSR	0.5 FSR	$20 PSF
Lake Trail - Large Site *20,000 - 30,000 SF*	Single Family	Townhouse	0.8 FSR	1.0 FSR	0.2 FSR	$20 PSF
	Single Family	Strata Apartment	1.3 FSR	2.0 FSR	0.7 FSR	$20 PSF
Lake Trail - Small Site *Less than 20,000 SF*	Single Family	Townhouse	0.8 FSR	1.0 FSR	0.2 FSR	$10 PSF
McPhee Town Centre	Warehouse	Strata Apartment	1.5 FSR	2.0 FSR	0.5 FSR	$20 PSF
Lower Ryan Road	Single Family	Strata Apartment	0.8 FSR	1.5 FSR	0.7 FSR	$60 PSF or 20% Below Market

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Conclusions

- **ACCs** to be introduced with density supported in the OCP that will offset the cost of the ACC to avoid deterring development.
- **Density Bonus** will be an optional tool to use if additional land rights above a base density are desired.
- Charges are set at a level to minimize impacts to land values.
- Increased transparency and funding for both amenities and affordable housing envisioned.

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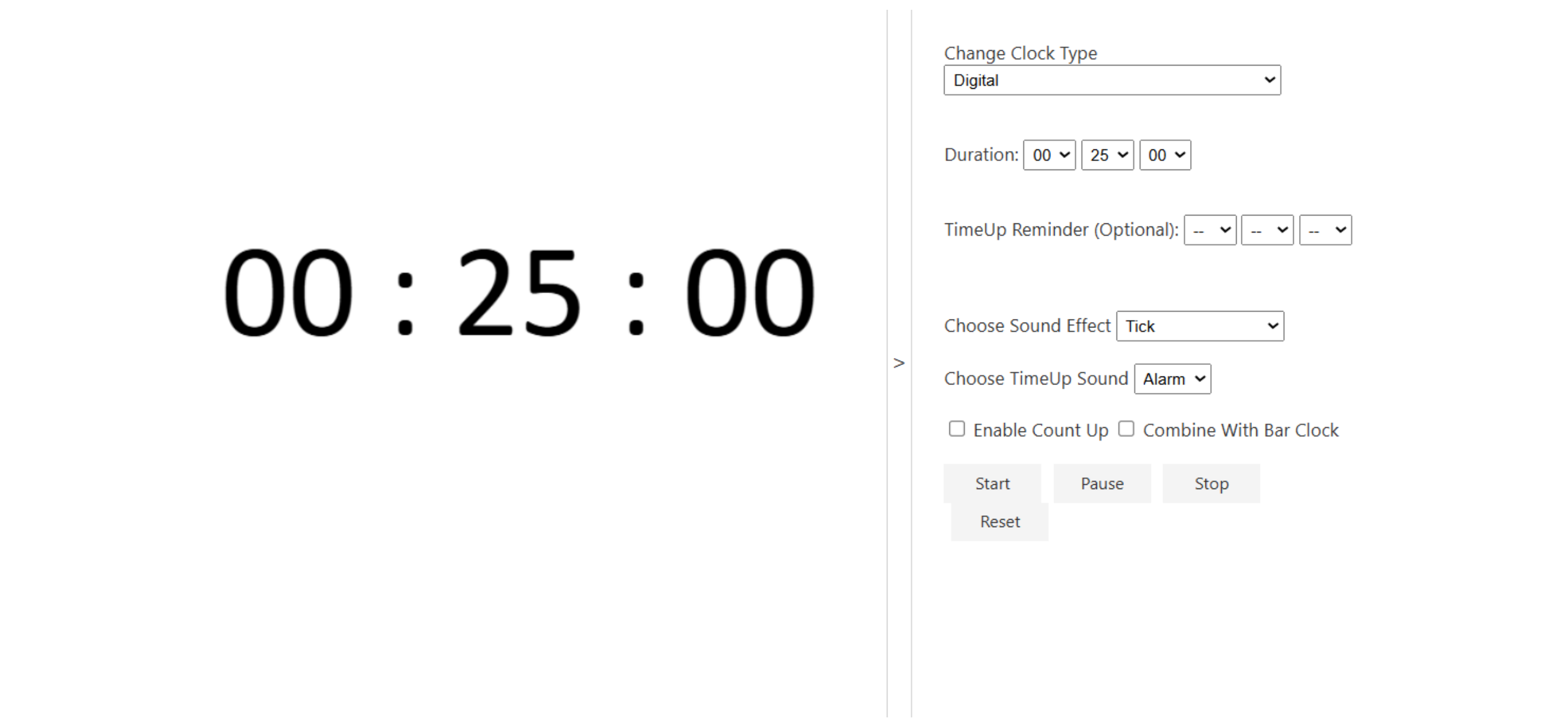
Discussion format

- Group discussions (25 minutes each topic)
- Share perspectives, challenges, and opportunities
- Each table will have a facilitator/note taker
  - OCP: Nancy Gothard facilitator
  - ACCs: Nancy Henderson facilitator
  - Density bonusing: Andrea Renny facilitator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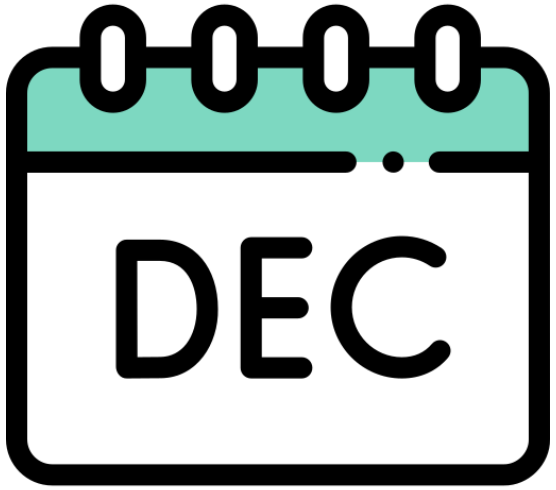
Summary & next steps

- Key themes summarized by facilitators by table.
- Input will inform future policy updates.
- "What we heard" will be shared on the Developer Hub and through follow-up email.
- Participate in follow up survey!

https://engagecomoxvalley.ca/devhub

Next Developer Meetup



Date to be confirmed!

Thank you!