

CITY OF NANAIMO DEVELOPMENT COST CHARGE (DCC) AND AMENITY COST CHARGE (ACC) PROGRAMS

GPC Presentation
December 8, 2025



PURPOSE AND OUTCOMES

PROJECT PURPOSE

Ensure the City captures appropriate funding for essential growth-driven infrastructure and amenities through Development Cost Charges (DCCs) and Amenity Cost Charges (ACCs)

PRESENTATION PURPOSE

- Provide Council with updates on the completed engagement and economic analyses
- Walk through next steps in the project timeline

AGENDA

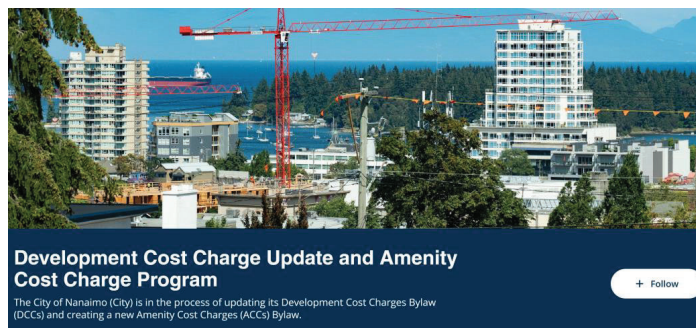
- Update on Engagement with Interested Parties
- Update on Economic Analyses (Urban Systems, KPMG)
- Timeline and Next Steps
- Questions and Discussion



**UPDATE ON ENGAGEMENT
WITH INTERESTED PARTIES**

ENGAGEMENT – BEST PRACTICES

- The DCC and ACC Best Practice Guides outline consultation protocols with affected parties, which includes the public, the development community, and Council (among others)
- Engaging with relevant interested parties is:
 - Important (but not required) when updating a DCC program
 - Required for ACC programs
- All feedback will be included in the final DCC program submission to the Ministry and in ACC reporting



ENGAGEMENT CONDUCTED TO-DATE

- In September and October 2025, the City provided the following consultation opportunities to interested parties:
 - Online survey
 - Public open house
- Information about the DCC update and ACC program development was published on the “Get Involved” page in September and is still live
- The programs, along with the above feedback opportunities, were advertised in The Nanaimo Bulletin on October 1, 2025 and on the City’s social media

City looking for stakeholder input on how to pay for growth

STAFF WRITER
NEWS BULLETIN

Figuring out how to pay for infrastructure to meet the needs of growing populations is a major concern for a number of B.C.’s

municipalities, Nanaimo included.

The City of Nanaimo is asking residents, developers and community partners to share their thoughts on how to fund infrastructure and ame-

nities needed for new development. According to a city press release, two tools currently under review are development cost charges, which help to pay for infrastructure, such as roads, water, sewer, parks,

fire and police services and waste facilities; and amenity cost charges that help fund community spaces that include recreation centres, libraries and public squares.

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ABOUT THE OPEN HOUSE

- October 9, 2025 from 4:00-7:00pm at the Beban Park Social Centre
- 52 attendees
 - Included members of the development community, realtors, architects, consultants, residents, business owners, and building designers
- Attendees were encouraged to review the information boards, ask questions, and provide feedback



OPEN HOUSE FEEDBACK

- Concern about the proposed rates negatively impacting housing affordability and development viability (e.g., detached secondary suites, small-scale housing)
- Suggestions were provided to support with improving development viability (e.g., increasing the Building Permit exemption above \$50K, expediting permit processing times)
- Support for phasing in the DCC and ACCs through the Municipal Assist Factor
- Interest in understanding how DCC and ACC projects relate to growth, asset management, and environmental stewardship
- Various questions surrounding DCC and ACC implementation, including how rates would be applied in specific zoning/development scenarios

Note: the Open House feedback largely aligns with feedback received in the survey, except for additional technical questions regarding implementation and project lists

ABOUT THE SURVEY

- Open from September 22 – October 24, 2025; 62 responses received
- Focused on gathering feedback regarding the proposed DCC update and ACC program, including:
 - Support for the proposed rates
 - Support for an increased level of financial assistance (i.e., the Municipal Assist Factor)
 - Interest in a ‘phase-in’ of the proposed rates
 - Support for waivers and reductions
 - Any additional comments, questions, or feedback
- The Engagement Summary memorandum includes all detailed feedback

Feedback Survey

City of Nanaimo: DCC Update and New ACC Program Development – Survey

We want to hear from you! The City of Nanaimo is updating its Development Cost Charge (DCC) program and developing a new Amenity Cost Charge (ACC) program. These programs ensure that as our community grows, the City has the infrastructure, services, and amenities needed to support that growth. Your feedback will help shape how the City pays for growth related infrastructure and how Nanaimo continues to be a vibrant, livable city for everyone.

SURVEY FEEDBACK

Note: Most respondents live, work, and/or own land in the City

- Concern around affordability and development barriers, with high fees seen as contributing to housing unaffordability and discouraging construction
 - Most respondents were against the DCC rate increases
 - Concern that higher fees may disproportionately impact smaller builders
 - Commonly-heard feedback during DCC and ACC consultation
 - Completed economic analyses show fees have a minor impact on viability
- Support for using development fees to fund infrastructure, particularly when tied to service capacity and asset management plans
 - Asset management projects are DCC-ineligible, as are any projects that address existing deficiencies
 - All projects included in the programs are aligned with City master planning
- Interest in greater financial transparency, particularly with regards to understanding infrastructure planning, stewardship, and reserve expenditures
 - Annual DCC financial reporting must be publicly accessible
 - The City can consider additional wayfinding to help the public find this information

SURVEY FEEDBACK

- Interest in aligning DCCs and ACCs with key City documents (i.e., the OCP) to prioritize growth in designated high-growth areas and incentivize development by varying fees regionally

- City-wide and Area-specific DCCs/ACCs are allowed, but specific development(s) cannot be incentivized or disincentivized (*LGA*)
- OCP growth/density mapping was used to support benefit allocation development (e.g., a Transportation project along a forecasted corridor of high growth has a higher benefit to new residents)

- Mixed support for phasing in the proposed rates over several years

- This approach is outlined in the Best Practices Guides and can support development viability
- The City would be responsible for funding foregone revenue through general taxation, grants, or utility rates

- Mixed responses on how growth should be funded; some support taxation increases and others increased fees on development

Commonly heard feedback in DCC and ACC consultation; the proposed programs aim to balance infrastructure needs with construction cost, cost-of-living, and affordable housing pressures

SURVEY FEEDBACK

- 39% of respondents felt the existing DCC affordable housing reduction is not effective; mixed support for waivers or reductions on eligible development (i.e., affordable housing)

A new Waivers and Reductions Bylaw is being developed; this feedback will support the project team with creating effective provisions

- Respondents support additional efficiencies to achieve faster permit and rezoning approval timelines

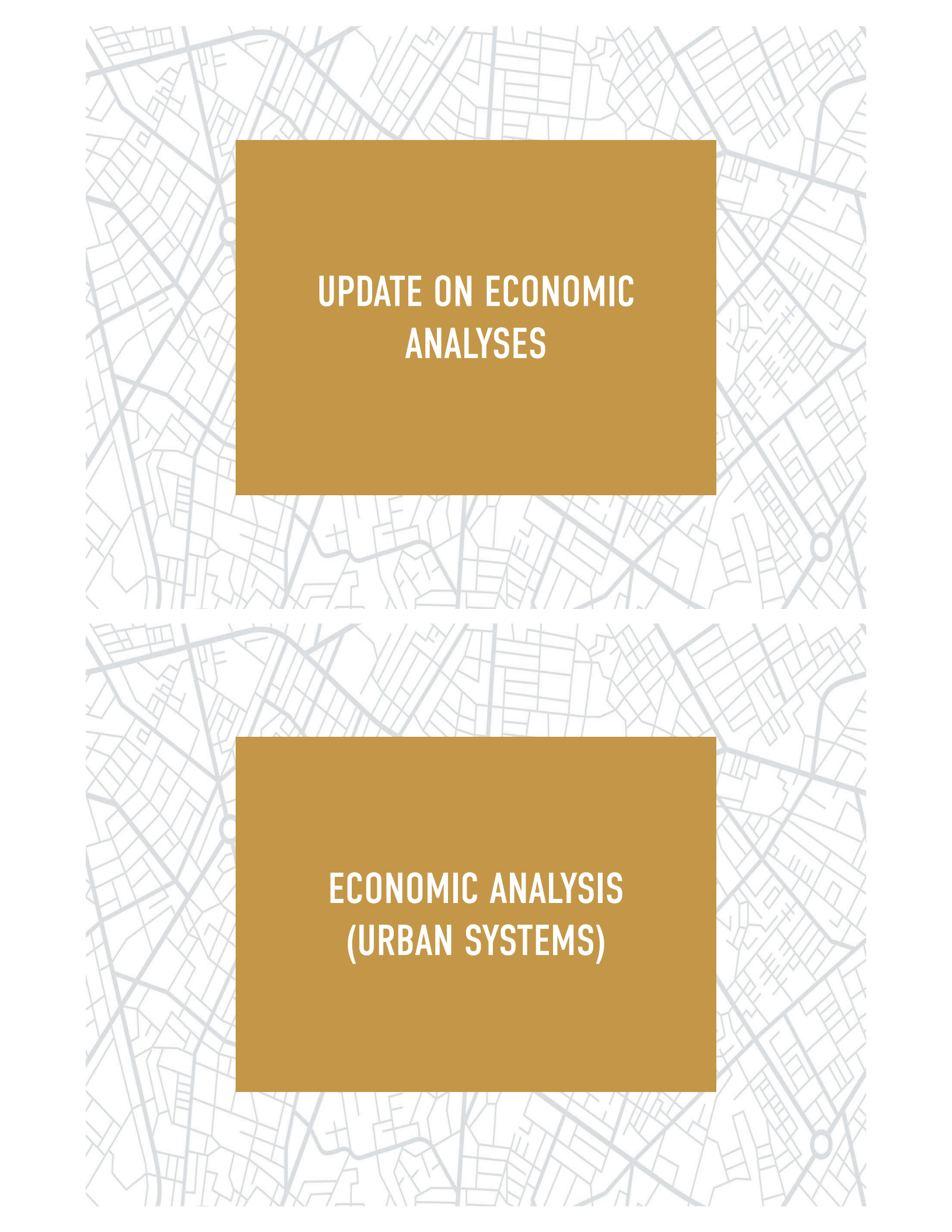
- Commonly-heard feedback in DCC and ACC consultation
- Permitting delays can have a greater impact than fees by affecting borrowing timelines or delaying projects beyond the 12-month in-stream protection period

- Requests for additional in-stream relief and options for delaying fee payments until after construction to ease up-front costs

- Forthcoming Provincial legislation on payment by instalments aim to increase flexibility around payment timeframes and options (i.e., surety bonds for trusted developers)
- Effective January 1, 2026



**UPDATE ON ECONOMIC
ANALYSES**



**ECONOMIC ANALYSIS
(URBAN SYSTEMS)**

ABOUT THE ECONOMIC ANALYSES

- ACCs and DCCs must not deter development or discourage reasonably priced housing or land development
- An economic analysis is:
 - Not required for DCCs (no guidelines established in the Best Practices Guide)
 - Required for ACCs and can range from high-level qualitative assessments to detailed analyses of representative case studies
- The City had 2 analyses prepared, one by Urban Systems and one by KPMG to assess the impact of the proposed DCCs and ACCs on development viability



ECONOMIC ANALYSIS (URBAN SYSTEMS)

- Overall development viability is primarily impacted by current land, financing, and construction costs
 - *Example:* In a Neighbourhood Townhouse development, the land prices play a considerable role in affecting viability
- Few changes to viability under the existing or proposed DCC rates
- DCCs and ACC rate increases typically account for a -1% to -3% reduction in profit margins
- Land prices and other regulatory changes, such as reducing parking requirements and approval timelines could potentially impact development viability

ECONOMIC ANALYSIS (URBAN SYSTEMS)

Development Type	Viability (Current DCCs/ACCs)	Viability (Proposed DCC/ACCs)
Single Family Homes/Single Residential Dwellings and Small-Scale Multi-Unit Housing	Unviable	Unviable
Townhouse	Viable	Viable and Potentially Viable
Wood Frame Development (Apartment)	Unviable (Viability or Potential Viability in certain areas with lower parking reqs. and moderate land prices)	Unviable
Concrete Apartment	Unviable	Unviable
Mixed-Use, Commercial, and Industrial	Unviable	Unviable

	Viable (profit on cost margin of at least 15%)
	Potentially Viable (profit on cost margin of between 10-15%)
	Unviable (profit on cost margin of less than 10%)



TIMELINE & NEXT STEPS

DCC & ACC BYLAW UPDATE PROCESS

• Staff Workshops and Project List Development	Complete
• Council Engagement #1: Development Finance Overview	November 2024
• Calculate Draft Rates	Complete
• Council Engagement #2: Present Draft Rates	June 2025
• Program Refinement	Complete
• Stakeholder Engagement	Fall 2025
• Council Engagement #3: Project Update	Today!
• Council Engagement #4: Three Readings of the DCC and ACC Bylaws	Early 2026
• Submit DCC Materials to Ministry	Q1 2026 <i>(Assumed ~6-8 weeks for review)</i>
• Adopt DCC and ACC Bylaws	Q2 2026



**ECONOMIC ANALYSIS
(KPMG)**

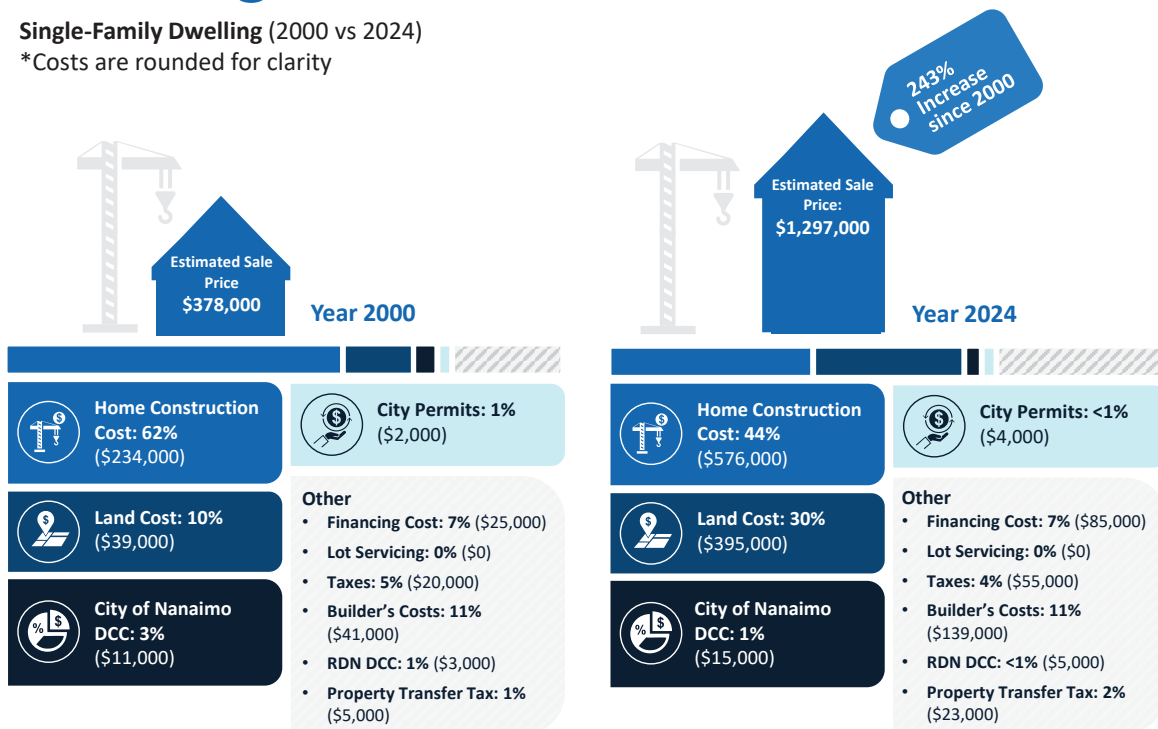
Development Cost Charges for the City of Nanaimo

Building Cost Breakdown (2000 – 2024)

Building Cost Breakdown

Single-Family Dwelling (2000 vs 2024)

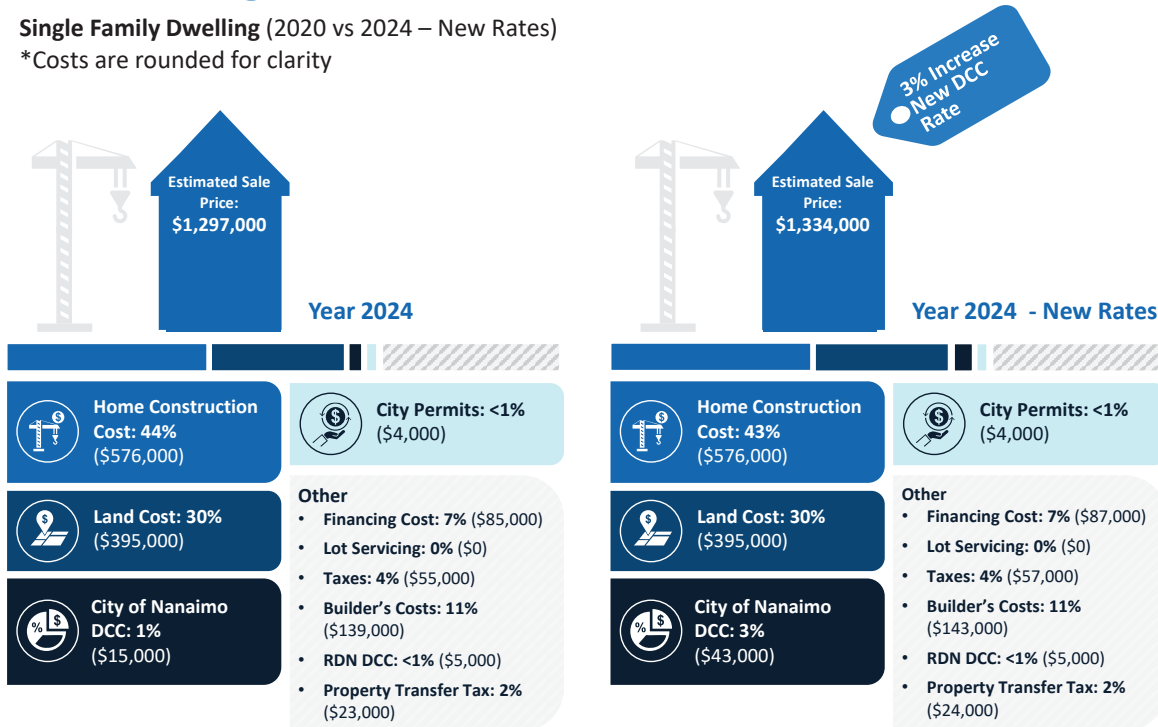
*Costs are rounded for clarity



Building Cost Breakdown – New Rates

Single Family Dwelling (2020 vs 2024 – New Rates)

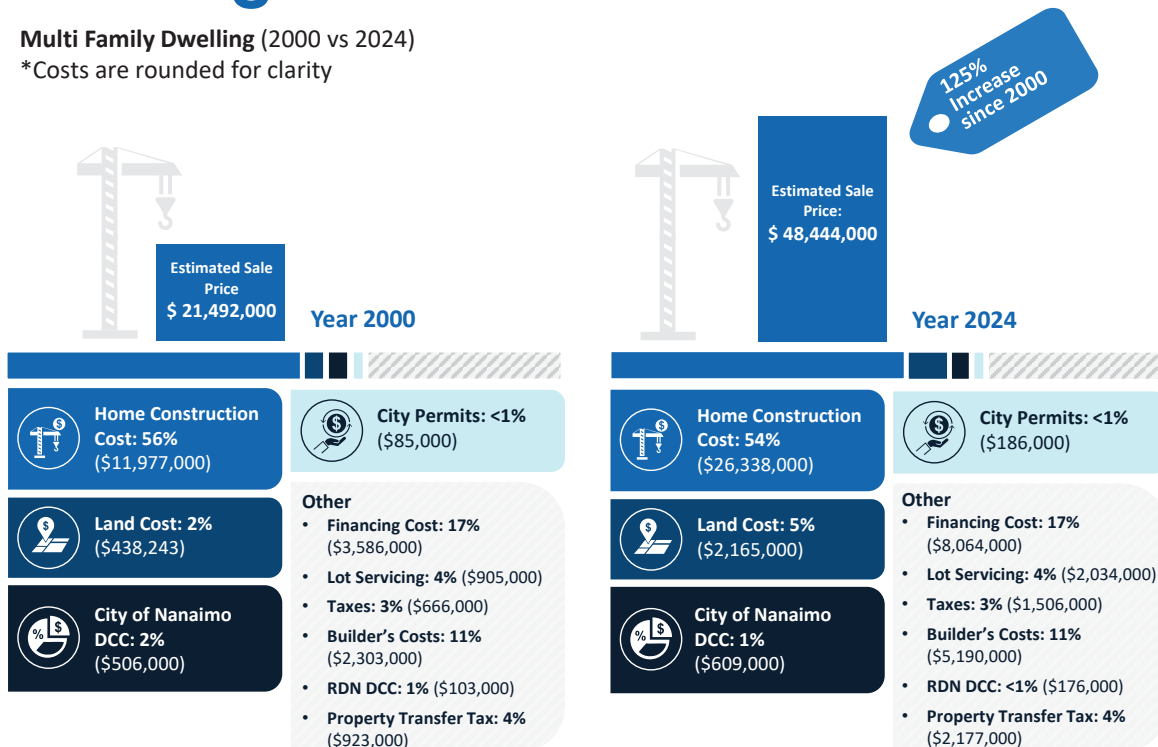
*Costs are rounded for clarity



Building Cost Breakdown

Multi Family Dwelling (2000 vs 2024)

*Costs are rounded for clarity

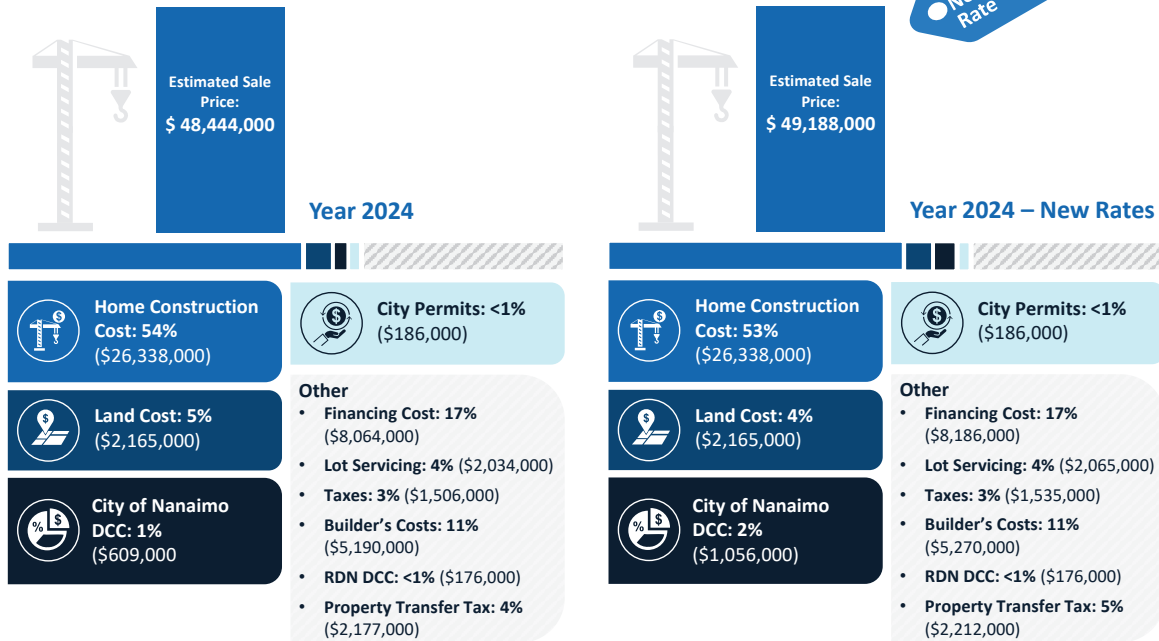


Building Cost Breakdown – New Rates

Multi Family Dwelling (2024 vs 2024 – New rates)

*Costs are rounded for clarity

2% Increase
New DCC
Rate



QUESTIONS & DISCUSSION

THANK YOU!