

FOR: COUNCIL MEETING
MEETING DATE: April 20, 2026
DEPARTMENT: FINANCE
SUBJECT: **AMENITY COST CHARGE RESERVE FUND BYLAW**

OVERVIEW

Purpose of Report

To introduce “Amenity Cost Charge Reserve Fund Bylaw 2026 No. 7445” for first, second and third readings.

Recommendation

1. That “Amenity Cost Charge Reserve Fund Bylaw 2026 No.7445” (To establish an Amenity Cost Charge Reserve Fund) pass first reading;
2. That “Amenity Cost Charge Reserve Fund Bylaw 2026 No. 7445” pass second reading; and
3. That “Amenity Cost Charge Reserve Fund Bylaw 2026 No. 7445” pass third reading.

BACKGROUND

In Fall 2023, the Province introduced Bill 46 – Housing Statutes (Development Financing) Amendment Act, 2023 (Bill 46), which provides local governments with the authority to establish Amenity Cost Charge (ACC) bylaws. ACC’s enable municipalities to recover a portion of the capital costs associated with amenities that provide social, cultural, heritage, recreational, or environmental benefits to a community. Eligible amenities must benefit current and future users and be necessitated by growth.

An ACC bylaw will allow the City to impose charges at the time of subdivision approval or building permit issuance to help fund the capital costs of eligible community amenities.

DISCUSSION

Pursuant to section 570.8 of the *Local Government Act*, local governments are required to deposit ACCs into dedicated reserve funds established by bylaw for each area where the charges are collected. This requirement enhances transparency and accountability in the management of ACC funds.

Reserve fund balances, including accrued interest, may be used only for the following purposes:

- Covering the capital costs of providing, constructing, altering, or expanding the amenities identified in the ACC bylaw;
- Paying the principal and interest on debt incurred to finance eligible capital expenditures; and

- Reimbursing an applicant subject to an ACC for some or all of the eligible capital costs they have incurred in completing a project, provided the project was undertaken through a partnering agreement.

All expenditures from ACC reserve funds must be authorized by bylaw.

At the 2025-FEB-23 Governance and Priorities Committee meeting, the Committee recommended that Council direct Staff to proceed with the preparation of an ACC Reserve Fund Bylaw. This reserve fund is required to support “City of Nanaimo Amenity Cost Charge Bylaw 2026, No. 7440” that will be considered for adoption in 2026, with an implementation date of January 2029. |

COMMUNICATION AND COMMUNITY ENGAGEMENT

| This initiative does not require statutory notification and does not include new community engagement activities. Public engagement was conducted previously as part of the development of the ACC bylaw.

ALIGNMENT WITH CITY PLAN

| The report is aligned with the following City goals:

- A Green Nanaimo: Resilient and Regenerative Ecosystems
- A Connected Nanaimo: Equitable Access and Mobility
- A Healthy Nanaimo: Community Wellbeing and Livability
 - C3.6 Recreation, Culture & Wellness
- An Empowered Nanaimo: Reconciliation, Representation and Inclusion
- A Prosperous Nanaimo: Thriving and Resilient Economy |

ALIGNMENT WITH COUNCIL’S STRATEGIC PRIORITIES

| The report is aligned with the following Council Strategic Framework priorities:

- Implementing City Plan Action Plans and Key City Management Plans
- Social, Health and Public Safety Challenges
- Maintaining and Growing Current Services
- Capital Projects
- Communicating with the Community
- Governance and Corporate Excellence

NEXT STEPS

| The City’s Reserve Policy will be updated to include the new reserve.

OPTIONS

1. That “Amenity Cost Charge Reserve Fund Bylaw 2026 No.7445” (To establish an Amenity Cost Charge Reserve Fund) pass first reading;

That “Amenity Cost Charge Reserve Fund Bylaw 2026 No. 7445” pass second reading; and

That “Amenity Cost Charge Reserve Fund Bylaw 2026 No. 7445” pass third reading.

- The advantages of this option: Creation of the reserve ensures the City’s in compliance with the *Local Government Act*.
- Financial Implications: Funding generated under the new Amenity Cost Charge (ACC) Bylaw, once adopted, will be deposited into the Amenity Cost Charge reserve fund and allocated to eligible projects included on the approved Amenity Cost Charge Bylaw project list.

2. That Council table the report and request more information from staff.

KEY MESSAGES

- ACCs help fund growth-related community amenities by recovering a portion of capital costs through development at subdivision or building permit stage.
- ACC revenues must be managed in dedicated reserve funds, with spending restricted to eligible capital purposes and authorized by bylaw.
- An ACC Reserve Fund Bylaw is required to implement the City’s ACC framework and support the ACC bylaw.

ATTACHMENTS

ATTACHMENT A: “Amenity Cost Charge Reserve Fund Bylaw 2026 No. 7445” |

Authored by:

Wendy Fulla
Director, Finance

Concurrence by:

Lisa Brinkman
Manager Community Planning/Acting
Manager Sustainability

Jeremy Holm
Director, Planning & Development

Sheila Gurrie
Director, Legislative Services

Laura Mercer
General Manager, Corporate Services