



Development Finance: New Legislation, New Charges, and the Cost of Delivery Crisis

October 2024

Report Purpose

The Homebuilders Association of Vancouver (HAVAN) has collected information related to the implementation of Development Cost Charges (DCCs) across the Metro Vancouver regional district over the past year and looks to understand the implementation pathways of *Bill 46: Development Financing, and the impacts of these current and pending changes to the delivery of homes in our region*. This report is a refresher of [Development Cost Charges: A Metro Vancouver Perspective](#) from 2023, with information provided to help members understand changes over the past year and the potential impacts of *Bill 46*.

Bill 46

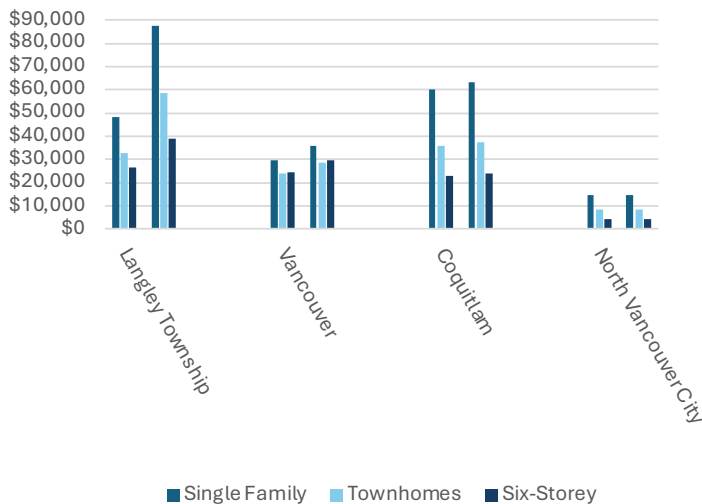
In 2023, British Columbia passed *Bill 46*, the [Housing Statutes \(Development Financing\) Amendment Act](#). This bill made changes to the Local Government Act, allowing new tools for local governments to recover costs from development. Its two major changes were the ability to include fire protection facilities, police facilities, and solid waste facilities in DCCs, and the introduction of Amenity Cost Charges (ACCs).

ACCs

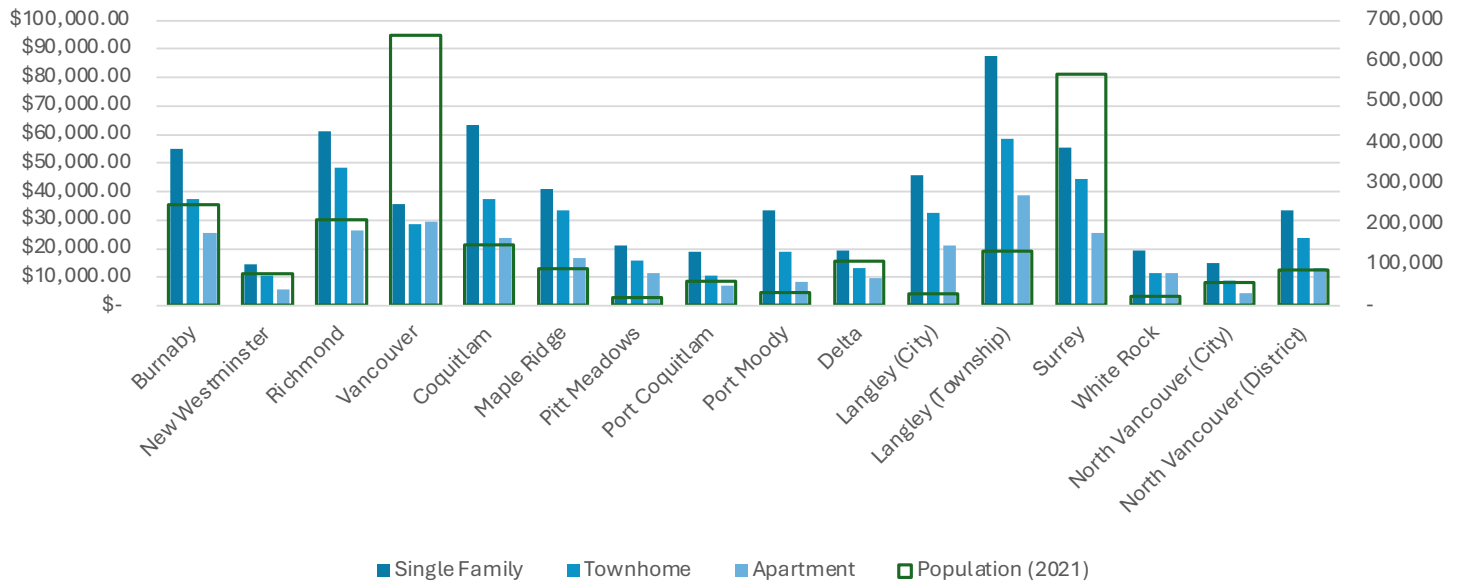
ACCs are a new tool, replacing community amenity contributions (CACs) to fund amenities such as community and recreation centres, daycares, and libraries following the growth-pays-for-growth principle. ACCs are charged similarly to DCCs, being set at specific rates based on unit type. These vary from CACs, as CACs could be negotiated with developers. This means that ACCs will provide greater cost clarity, while limiting flexibility for developers and governments alike.

Currently, *Bill 46* provisions are not mandatory, and the province has only provided interim guidance to municipalities on its adoption. *Bill 46* stands to make significant changes to development fees.

DCC CHANGES SINCE LAST REPORT



DCCs ACROSS METRO VANCOUVER



Case Study: ACCs

As of publication, three municipalities have moved from CACs to ACCs: **Burnaby, Pitt Meadows, and District of North Vancouver (DNV).**

Burnaby, after opting for ACCs in place of their Community Benefit Bonus (CBB) program - similar in nature to CACs - **now charge \$27 thousand for single family homes, \$19 thousand for townhouses, and \$13.5 thousand for apartments** on a per unit basis. With a lack of publicly available data on the average CBB cost for development in the past, it is unclear whether this will rise costs for developers.

In Pitt Meadows and DNV, CACs were charged at a fixed rate. In Pitt Meadows, **the jump in amenities fees was 80% for single family homes, 75% for townhouses, and 67% for apartments.** In DNV, **the increase was 19% for single family homes, 32% for townhomes, and 18% for apartments.**

While increasing transparency and decreasing negotiation and processing times make life easier for developers, it is counterbalanced by increased development costs.

However, Bill 46 will overall increase costs on development.

- The addition of fire, police, and solid waste facilities to chargeable DCCs will allow municipalities to charge more to developers. In the City of Burnaby and the District of North Vancouver, who have adopted these changes, the new categories account for 5-10% of the total cost of DCCs.
- The new legislation will also incentivize municipalities to review their DCCs, leading to increases across the board for those municipalities who have not increased their fees in some time, creating potential for greater disparity in fee increases as growth pays for growth.
- Municipalities have raised concerns around their ability to fund projects with the change from CACs to ACCs, as they are unable to negotiate higher contributions for certain development projects to address shortfalls.

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HAVAN, through its government relations department team, works with Metro Vancouver local governments on important public policy issues. Non-partisan policy analysis and strategic consultation is provided in a collaborative approach to efficiently deliver an affordable supply of housing across the region.

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