

HOUSING ADVISORY BULLETINS

SERIES 02

THE COST OF AND FUNDING FOR INFRASTRUCTURE AND AMENITIES

ISSUE 2.2 - UNDERSTANDING REVENUE TOOLS & CUMULATIVE IMPACTS



APRIL 2026

HOUSING ADVISORY BULLETINS

1.0	INTRODUCTION	01
	1.1 Purpose of the Bulletin	02
2.0	OVERVIEW OF REVENUE TOOLS	03
	2.1 Growth Funding Tools	03
	2.2 What is changing: Lorval v. Township of Langley	07
	2.3 Other Revenue Tools	07
3.0	IMPORTANCE OF UNDERSTANDING CUMULATIVE IMPACTS	09
	3.1 Financial Feasibility Analysis	09
	3.2 Key Factors to Consider	10
	3.3 Implications for Local Government Policy	11
4.0	CONCLUSION	11

HOUSING ADVISORY BULLETINS

ISSUE 2.2 - UNDERSTANDING REVENUE TOOLS & CUMULATIVE IMPACT

1.0 INTRODUCTION

This bulletin is part of PIBC Peer Learning Network (PLN) Housing Advisory Bulletins, which intends to support planners—working in both the private and public sectors—in responding to housing-related legislation introduced by the Province of British Columbia in 2023. Collectively, the legislation is intended to help local governments deliver more housing, more quickly.



The PIBC Peer Learning Network (PLN) Housing Advisory Bulletins are designed to equip planning practitioners with practical insights into the financial and policy dimensions of housing delivery in British Columbia.

The bulletins are organized into three parts:

- **Series 01:** Fundamentals of Housing Development Economics
- **Series 02:** The Cost of and Funding for Infrastructure and Amenities
- **Series 03:** Inclusionary Zoning and Inclusionary Housing Policies

Together, these bulletins bridge the gap between theory and practice, supporting planners in aligning housing objectives with economic realities and legislative requirements.



1.1 Purpose of the Bulletin

This bulletin is the second in Series 2: The Cost of Funding for Infrastructure and Amenities, and focuses on:

- + The revenue tools local governments use to fund community infrastructure and amenities, highlighting the distinction between growth-related fees and other revenue sources and how they can complement each other.
- + How recent BC legislative changes have expanded development entitlements while increasing expectations for infrastructure, amenities, and affordability, making it essential for planners to assess the cumulative impact of policies, regulations, and charges on development viability.
- + The importance of understanding cumulative effects, particularly how Development Cost Charges (DCCs), Amenity Cost Charges (ACCs), inclusionary housing, zoning, and other tools interact to avoid constraining housing supply, undermining provincial objectives, or shifting costs to consumers.









2.0 OVERVIEW OF REVENUE TOOLS

This section provides an overview of the revenue tools available to local governments to pay for community infrastructure and amenities. It highlights the key distinctions between the fees and charges used specifically to fund growth-related infrastructure and other sources of local government revenue and explains how these tools can be used in a complementary manner.

2.1 Growth Funding Tools

British Columbia’s legislative framework provides local governments with a suite of tools that authorize the use of fees and charges to fund growth-related infrastructure and amenities. These include DCCs, ACCs, Community Amenity Contributions (CACs), and Density Benefit Zoning (DBZ). While each tool has a distinct purpose, scope, and legal basis, they are most effective when applied in a coordinated and strategic manner. This section describes how these tools can work together to support growth while maintaining consistency with land use planning objectives and legislative requirements.

 DEVELOPMENT COST CHARGES	 AMENITY COST CHARGES	 INCLUSIONARY ZONING	 DENSITY BONUSING	 COMMUNITY AMENITY CONTRIBUTION	 SUBDIVISION DEVELOPMENT CONTROL BYLAW
<ul style="list-style-type: none"> • Division 19 of the Local Government Act (LGA) • Used to fund initial round of growth-related capital infrastructure 	<ul style="list-style-type: none"> • New Division 19.1 of the LGA • New development finance tool used to collect funds for amenities arising from increased demand for services • Prescribed list of eligible project types (libraires, recreation, public squares, daycares, etc.) 	<ul style="list-style-type: none"> • Section 482.7 of the LGA • Local governments can require affordable housing within zoned density, as units or cash-in-lieu 	<ul style="list-style-type: none"> • Section 482 of the LGA • Local governments can establish density rules for a zone (i.e., amenities or affordable housing) • Cannot collect for an amenity for which an ACC is being collected 	<ul style="list-style-type: none"> • In-kind or cash contributions negotiated in exchange for additional height/ density • Voluntary payments 	<ul style="list-style-type: none"> • Section 506 of the LGA • Allows government to regulate and require, by bylaw, works and services from developments

FOCUS OF THIS BULLETIN

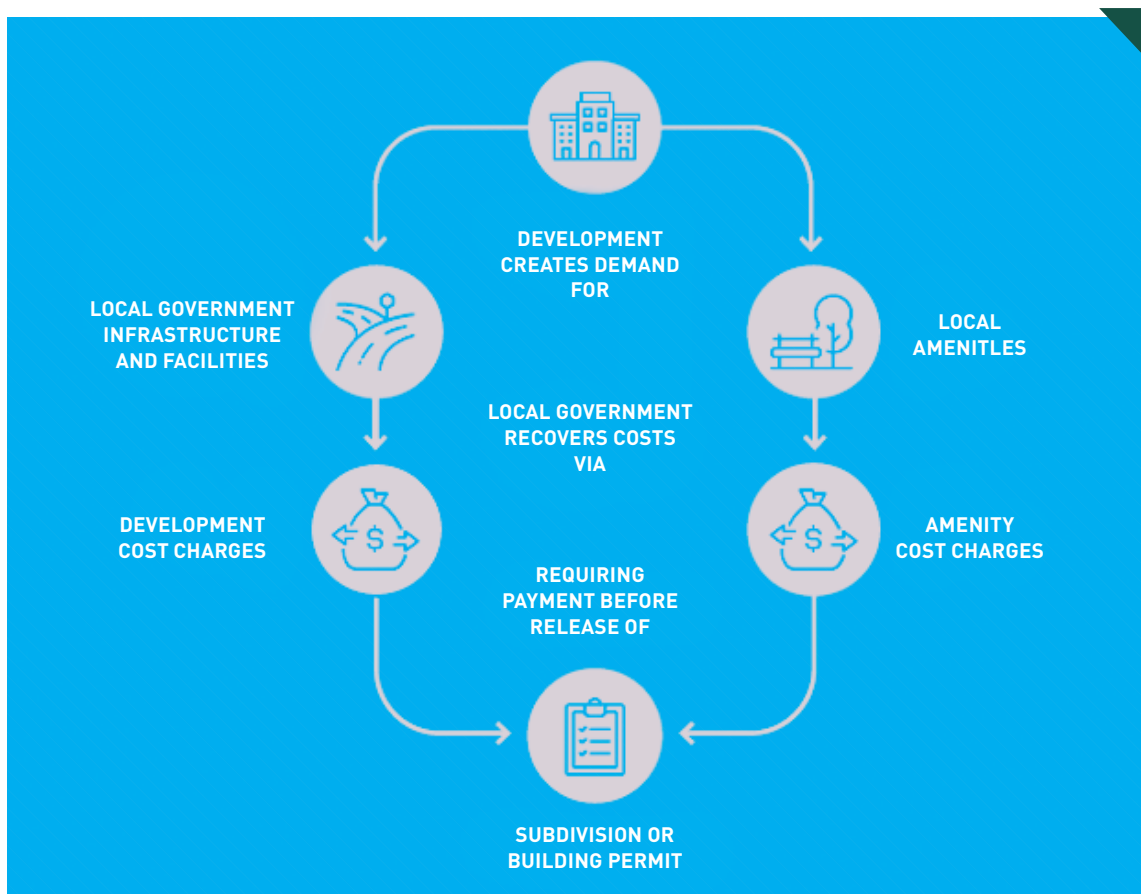
A. DCCs: Expanded Scope and Renewed Importance

Bill 46 focused directly on local government development funding tools and substantially enhances the role of DCCs as the primary mechanism for funding growth-related “hard” infrastructure.

Historically, DCCs (or Development Cost Levies in Vancouver) were limited to core servicing infrastructure such as parks, water, sewer, storm drainage, and roads. Bill 46 expanded the scope of infrastructure eligible for DCC funding to include:

- + fire protection,
- + police facilities,
- + solid waste and recycling infrastructure, and
- + certain cost-shared projects within the highways category.

These changes significantly broaden the types of capital costs that can be recovered through DCCs. At the same time, DCCs remain subject to strict statutory requirements: they must be supported by technical studies, limited to growth-related capital costs, applied consistently, and held in dedicated reserve funds.



B. ACCs: A New Standardized Tool for “Soft” Infrastructure

Bill 46 also introduced ACCs as a new, formal funding mechanism to pay for growth-related community amenities that historically relied on negotiated or discretionary approaches.

ACCs allow local governments to impose charges on development to fund amenities such as recreation centres, community centres, libraries, childcare facilities, and similar population-serving infrastructure. Unlike Community Amenity Contributions (CACs), ACCs must be implemented through bylaw, applied consistently, and tied directly to identified growth-related amenity needs.

A defining feature of ACCs is the mandatory requirement for financial feasibility testing. Local governments must demonstrate that proposed ACC rates do not undermine development viability. While financial feasibility analysis has long informed DCC updates and CAC negotiations in practice, Bill 46 introduces a standardized and legislated framework for this analysis for the first time in British Columbia.

ACCs cannot duplicate costs recovered through DCCs and are intended to replace or significantly reduce reliance on intended to set predictable up-front charges without having to rely on negotiated contributions during the rezoning process

	Amenity Cost Charges (ACCs)	Development Cost Charges (DCCs)
Can be levied to recover costs for:	Any "Amenity" that provides social, cultural, heritage, recreational and environmental benefits, including but not limited to: <ul style="list-style-type: none"> • Community, youth or seniors centres • Recreation or athletic facilities • Libraries • Day care facilities • Public squares 	<ul style="list-style-type: none"> • Water • Sewer • Drainage • Highway Facilities • Parks Acquisition and Improvements • Fire Protection • Police • Solid Waste Facilities • Recycling Facilities
Inspector of Municipalities Approval:	Not required <i>(Inspector may request information)</i>	Required for bylaw passage
Consultation Requirement:	Consultation with public and affected persons, public authorities and organizations must occur one or more times	Not required by legislation <i>(but will be considered as part of Inspector review)</i>

C. Interaction with Other Development Funding and Housing Tools

Subsequent legislation introduced in 2024 through Bill 16 further refines the development funding landscape and introduces additional tools that interact directly with DCC and ACC programs.

Density Benefit Zoning (DBZ) replaces traditional density bonusing with a formal zoning-based framework. Under the Local Government Act, local governments may establish zones that provide base as-of-right density, with defined additional density tiers in exchange for cash or in-kind contributions toward amenities, including affordable housing. Importantly, DBZ contributions:

- + cannot apply within provincially defined Transit Oriented Area density envelopes; and
- + cannot fund amenities already covered by an ACC bylaw.

Affordable and Special Needs Housing (ASNH) Zoning, otherwise referred to as Inclusionary Zoning (IZ), allows local governments to require a prescribed share of below-market units within residential developments. Like ACCs, IZ bylaws require financial feasibility testing. ASNH requirements may apply within Transit Oriented Area density envelopes, but units secured under ASNH bylaws are exempt from ACCs.

D. Implications for Local Government Development Funding Strategy

Taken together, these legislative changes establish a more structured, standardized, and interdependent development funding framework. DCCs and ACCs now form the core, legislated tools for funding growth-related infrastructure and amenities, while DBZ and ASNH bylaws operate as complementary focused mechanisms.

The cumulative effect is a system that:

- + significantly limits negotiated or discretionary approaches;
- + increases the technical requirements for charge setting;
- + requires closer alignment between land use planning and financial planning; and
- + makes development viability testing part of local government decision-making.

Local governments must now design DCC and ACC programs with a clear understanding of how these tools interact with provincially mandated density, affordability requirements, and zoning-based contribution frameworks.



2.2 What is changing: Lorval v. Township of Langley

In June 2025, in a decision arising from *Lorval v. Township of Langley*, the BC Supreme Court confirmed that local governments can only require developers to provide money or amenities if they have clear authority in provincial legislation. Even when acting through rezoning, local governments cannot impose contributions that function like mandatory charges unless the law expressly allows it.

The Court found that so-called “voluntary” amenity contributions are not lawful if, in practice, a rezoning will not proceed without them. Good planning objectives are not enough on their own—local governments must rely on legislated tools, not negotiated pressure.

This case provides context to explain the Province’s shift away from informal Community Amenity Contributions (CACs) and toward standardized, legislated charges.

- + DCCs are lawful because they are clearly authorized by the Local Government Act and limited to growth-related infrastructure.
- + ACCs were introduced to provide a legal, transparent way to fund community amenities, replacing or reducing reliance on CACs.
- + CACs remain legally risky if they are treated as mandatory or applied inconsistently.

The key lesson from Lorval Case is not that growth should not help pay for infrastructure and amenities, but that it must do so through clear, legislated, and transparent mechanisms. British Columbia’s current DCC and ACC framework is best understood as being consistent with this ruling.

2.3 Other Revenue Tools

While DCCs and ACCs are now the primary, legislated tools for recovering growth-related capital costs in British Columbia, local governments continue to rely on a range of other funding mechanisms to deliver and sustain infrastructure and services.

A. Property Tax

Property taxes remain the core revenue source for local governments and provides stable, predictable funding for existing infrastructure, debt servicing, and ongoing service delivery. Property taxes are generally not well suited to funding growth-related capital, as using them for new infrastructure would shift costs from new development to existing taxpayers. As a result, property taxes are typically used to fund the non-growth-related portion of capital projects or to support operating and lifecycle costs once infrastructure is in service.

B. User Fees

User fees recover costs directly from users of specific services, such as water, wastewater, solid waste, recreation facilities, and parking. Where services can be metered or usage-based, user fees can promote efficient consumption and reduce reliance on general taxation. However, user fees rarely generate sufficient upfront capital to fund major growth-related infrastructure on their own and are often used in combination with DCCs, ACCs, and debt.

C. Local Area Service Taxes

Local area service taxes allow local governments to recover the cost of local infrastructure or services from the specific properties that benefit, rather than from the community as a whole. These tools are commonly used for neighbourhood-scale improvements such as local road upgrades, streetscape works, or drainage improvements. In the growth funding context, they can help address area-specific servicing needs that are not efficiently recovered through uniform DCC or ACC rates.

D. Grants

Grants from senior governments play an important but uncertain role in local government infrastructure funding. Provincial and federal grants are typically project-specific, competitive, and time-limited. While grants can significantly reduce the financial burden on local governments and ratepayers, they cannot be relied upon as a consistent or comprehensive funding source for growth-related infrastructure. Grant funding is therefore best viewed as a supplement to, rather than a substitute for, DCCs and ACCs.

E. Emerging and Innovative Funding Tools

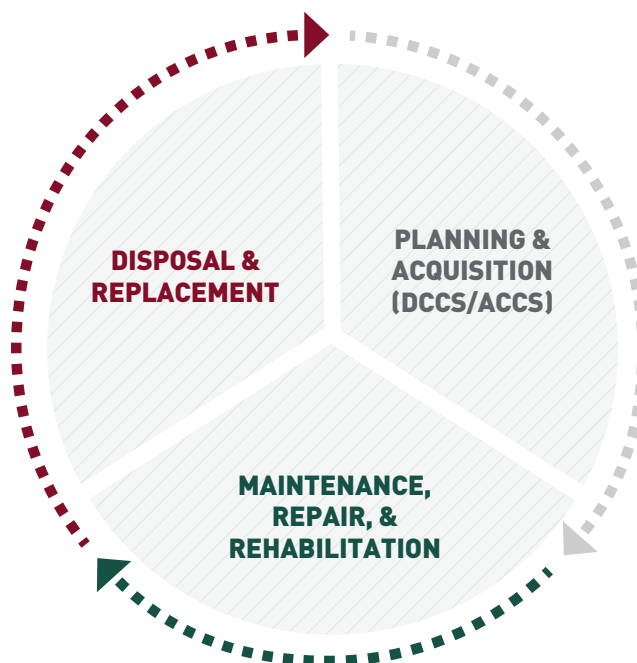
As growth pressures intensify and infrastructure costs rise, local governments are also exploring complementary and innovative approaches to funding and delivering infrastructure.

- + **Green Infrastructure Incentives** include tools such as stormwater credits, density incentives, or fee reductions that encourage developers to incorporate low-impact development, climate-resilient design, or energy-efficient systems. While these tools may reduce long-term infrastructure costs or defer capital expansion, they typically function as demand-management or cost-avoidance measures rather than primary funding sources.
- + **Public-Private Partnerships (P3s)** can be used to finance, build, and operate certain types of infrastructure, particularly where risks can be transferred and efficiencies achieved. In the British Columbia local government context, P3s do not eliminate the need for funding; rather, they alter the timing and structure of payments. DCCs, ACCs, user fees, or taxes are still ultimately required to repay or support P3 arrangements.

- + **Other Infrastructure Strategies**, including pay-as-you-go reserve-based capital financing, leveraging publicly owned land or assets to support infrastructure delivery, and/or inter-municipal cost-sharing arrangements, are increasingly being considered to improve flexibility and resilience in capital planning. These tools can help smooth cash flow, manage timing mismatches between growth and infrastructure delivery, or address infrastructure that serves multiple jurisdictions (e.g. transit).

F. Overall Role in the British Columbia Framework

In summary, these tools operate alongside DCCs and ACCs to form a layered local government funding system. DCCs and ACCs remain the primary mechanisms for ensuring that growth pays for growth, while property taxes, user fees, local area charges, grants, and emerging tools support broader fiscal sustainability, risk management, and long-term service delivery.



3.0 IMPORTANCE OF UNDERSTANDING CUMULATIVE IMPACTS

The recent legislative changes in British Columbia have significantly expanded development entitlements while simultaneously increasing expectations for local infrastructure, amenities, and affordability outcomes. In this environment, it is increasingly important for planners to understand the cumulative impact of policies, regulations, and charges on development viability. Individual requirements may appear reasonable in isolation, but their combined effect can materially influence whether development proceeds, how quickly it occurs, and what forms it takes.

Understanding cumulative impacts is particularly critical where DCCs, ACCs, inclusionary housing requirements, zoning standards, and other regulatory tools interact. Failure to assess these interactions risks undermining provincial housing objectives, constraining supply, or unintentionally shifting costs to consumers.

3.1 Financial Feasibility Analysis

Financial Feasibility Analysis is a key tool for evaluating cumulative impacts. It provides a structured, evidence-based assessment of whether development can reasonably proceed under the full set of applicable local government and provincial requirements. Under the Local Government Act, financial feasibility testing is now a statutory requirement for ACC bylaws and Affordable and Special Needs Housing zoning, and it has long been best practice for DCC updates and density-based contribution frameworks.

Properly applied, feasibility analysis:

- + tests the combined effect of charges, regulations, and market conditions;
- + helps identify thresholds beyond which development becomes marginal or unviable;
- + supports transparent, defensible policy decisions; and
- + reduces legal and implementation risk.

Importantly, feasibility analysis does not determine whether development is “profitable,” but whether policies allow development to occur at a level consistent with market realities and long-term housing supply objectives.



3.2 Key Factors to Consider

A meaningful cumulative impact assessment must consider a broad set of interrelated factors that BC planners need to understand, including the following.

i. Rising Land and Construction Costs

Land values and construction costs in many British Columbia markets have increased significantly in recent years due to market demand, labour shortages, material price volatility, and regulatory requirements. These costs establish the baseline against which all local government charges and policy requirements are absorbed. As land and construction costs rise, the capacity of projects to absorb additional levies diminishes, particularly for multi-family and rental housing.

ii. Restrictive Zoning, Parking, and Other Land Use Requirements

Zoning standards, parking minimums, setbacks, height limits, and site coverage requirements directly affect development efficiency and yield. Even where higher densities are permitted, overly restrictive standards can limit the number of viable units, increasing per-unit costs and reducing the economic capacity to absorb DCCs, ACCs, or affordability requirements. Recent Provincial reforms have reduced some constraints, but many local standards continue to influence outcomes.

iii. Development Approvals Processes

The time, complexity, and uncertainty associated with development approvals can have a significant financial impact. Lengthy or unpredictable approval processes increase carrying costs, financing risk, and exposure to market fluctuations. Even where fees and charges are reasonable, approval delays can materially affect project feasibility, particularly in high-interest-rate environments.

iv. Increasing Levies

Development-related levies—including DCCs, ACCs, density-based contributions, and other charges—are often introduced or updated incrementally. While each update may be justified individually, the cumulative increase in charges over time can materially affect development economics. Local governments should consider not only the level of individual charges, but their combined effect when layered together.

v. Legislative Requirements

Provincial legislation now mandates a range of requirements that directly affect development feasibility, including minimum density entitlements, affordability obligations, tenant protection measures, and financial viability testing. Local government policies and funding tools must operate within this legislative framework. Requirements that conflict with, or effectively undermine, provincially mandated development rights increase legal risk and may delay or deter development.



3.3 Implications for Local Government Policy

In the current British Columbia context, understanding cumulative impacts is essential to aligning growth funding with housing delivery. DCCs and ACCs remain critical tools for ensuring that growth pays for growth, but they must be designed and implemented with a clear appreciation of the broader regulatory and market environment. Robust cumulative impact analysis helps local governments strike an appropriate balance between infrastructure funding, housing affordability, and development certainty, while maintaining compliance with provincial legislation.

4.0 CONCLUSION

Recent legislative changes have created a clearer system for funding growth-related infrastructure and community amenities in British Columbia. DCCs and ACCs are relatively new tools that can be utilized by local governments to fund growth-related infrastructure and are supported by other local policies. Other revenue sources, such as property taxes, user fees, grants, etc. continue to support local governments in delivering municipal services.

Financial feasibility and cumulative impact analysis help local governments make informed decisions, ensure development remains viable, and balance infrastructure funding with housing delivery, all while following provincial legislation and supporting long-term community goals.

For more details related to the elements considered in development viability analysis, please refer to **PIBC Housing Advisory Bulletin Series 01, Issue 2.**



SERIES 02

THE COST OF AND FUNDING FOR
INFRASTRUCTURE AND AMENITIES

ISSUE 2.2 - UNDERSTANDING REVENUE
TOOLS & CUMULATIVE IMPACTS