Updating Development Contributions:

A New Framework for Financing Growth (2027-2036)

City Council Meeting

CITY OF VANCOUVER

July 14, 2026

coriolis CONSULTING CORP.

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Key Takeaways

- A comprehensive update of development contributions to support 2027-2030 capital plan
- A new growth funding tool (ACC) starting September 30, 2026 to fund key community amenities (community centres, rinks, pools, libraries, arts/culture, public art, social, public spaces)
- Major shift to a simpler, more predictable system while reducing reliance on CACs
- Development Cost Levies (DCLs) to remain reduced to support development viability
- Public art funding model being modernized
- Expanded incentives to support rental and affordable housing

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Agenda

1. Overview & Context
2. Development Forecast & Proposed Capital Programs
3. Proposed DCL/ACC Rates & Policy Directions
4. Economic Testing
5. In-stream Protections
6. Old vs New Framework Comparison
7. Financial Implications
8. Stakeholder Engagement
9. Effective Date

1. Financing Growth Update

Current Context:

- Challenging market conditions
- Support Development viability
- New/amended Provincial Legislation
- Focus on core City infrastructure/facilities

Guiding Directions:

- Balance infrastructure investment and revenue
- Increase certainty and transparency
- Minimize impact to in-stream applications

Oak St Sewer Separation Upgrade

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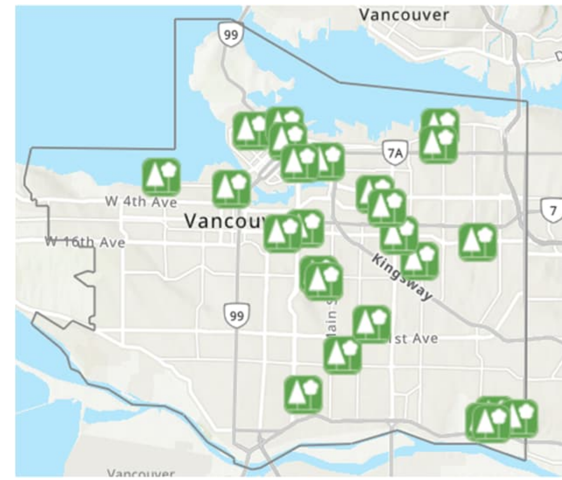
1. Completed projects supported by Development Contributions (2015 – 2024)

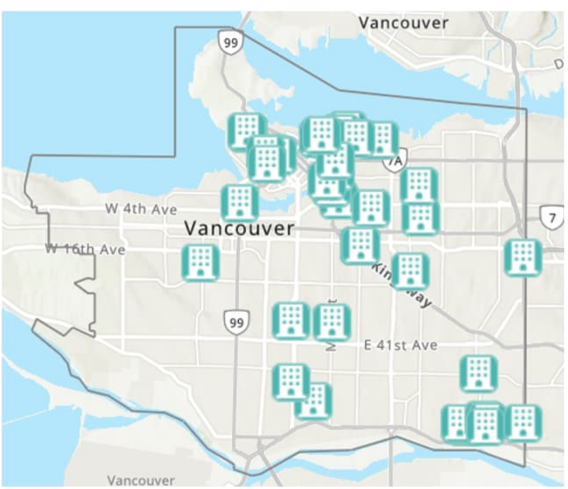
Utilities

Transportation

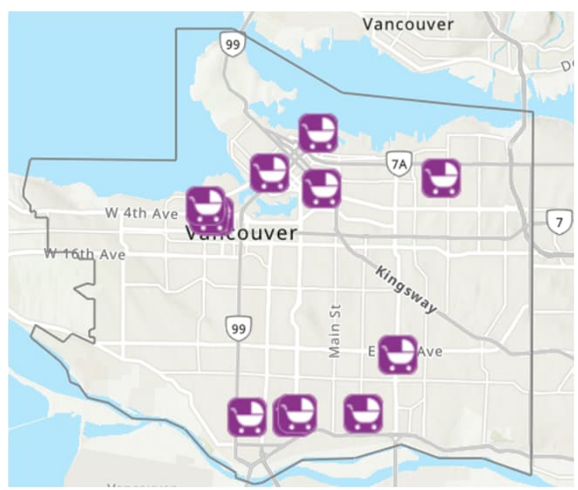
Parks



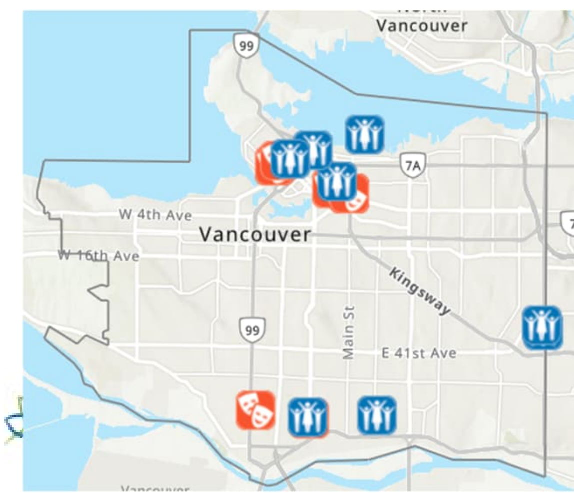
Housing



Childcare



Cultural/Community



1. Financing Growth Update
Development Contribution Tools

Tool	What it is	Eligibility
DCL Development Cost Levy	Charge on most new development	Utilities, Transportation, Housing, Parks, Childcare, Police, Fire, Solid Waste
ACC Amenity Cost Charge		Amenities not funded by DCLs: Community Centres, Libraries, Public Space, Social & Cultural facilities, Public Art
IZ Inclusionary Zoning	In-kind or cash contributions within existing zoning	Affordable housing (can be used within TOA densities)
DBZ Density Bonus Zoning Approved Jun 2/26		Affordable housing or amenities not in ACC (cannot be used within TOA densities)
CAC Community Amenity Contribution	In-kind or cash contributions through rezoning	Variety of in-kind amenities (social housing, childcare) and cash contributions

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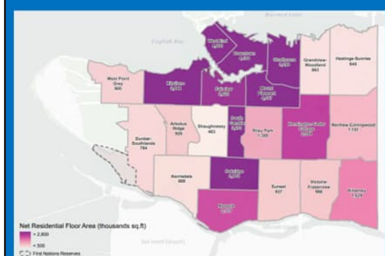
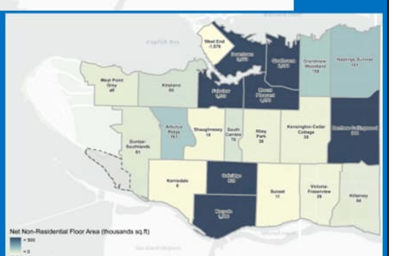
2. Financing Growth Update
DCL/ACC Update Process

Estimate Development Forecast

- +44M sf of residential
- +11M sf of employment





Determine DCL/ACC Eligible Capital Costs Attributed to Growth

- DCL/ACC Programs
- Other Growth-Related Funding Sources
- Municipal Assist Factor

Service	Gross Project Costs ($000)	Senior Gov. / Partners ($000)	Post-Period (2037+) ($000)	Benefit to Existing ($000)	Net Growth-Related Costs ($000)	Growth Costs Funded from Other City Sources[1] ($000)	DCL Eligible Costs 2027-2036: Net DCL Eligible Costs ($000)	DCL Eligible Costs 2027-2036: Less Municipal Assist[2] 1% ($000)	DCL Eligible Costs 2027-2036: DCL Rate Supported 2027-2036 ($000)
1.0 Parks	$573,467	$0	$0	$98,800	$474,667	$69,148	$405,520	$4,055	$401,464
2.0 Childcare	$107,745	$0	$0	$10,500	$97,246	$84,000	$13,246	$132	$13,113
3.0 Housing	$1,031,796	$400,000	$0	$27,368	$604,427	$500,500	$103,927	$1,039	$102,888
4.0 Fire & Rescue	$210,146	$0	$0	$89,917	$120,229	$0	$120,229	$1,202	$119,027
5.0 Transportation	$1,889,257	$244,500	$0	$1,009,610	$635,147	$97,590	$537,557	$5,376	$532,181
6.0 Utility Services									
Water	*$34,410*	*$0*	*$0*	*$2,197*	*$32,213*	*$10,250*	*$21,963*	*$220*	*$21,743*
Sewer	*$1,996,259*	*$9,000*	*$236,292*	*$1,087,016*	*$663,952*	*$38,420*	*$625,532*	*$6,255*	*$619,276*
Sub-Total Utilities	$2,030,669	$9,000	$236,292	$1,089,213	$696,164	$48,670	$647,494	$6,475	$641,019
TOTAL 10 YEAR CAPITAL PROGRAM	**$5,843,081**	**$653,500**	**$236,292**	**$2,325,408**	**$2,627,881**	**$799,908**	**$1,827,973**	**$18,280**	**$1,809,693**

Calculate DCL/ACC Rates

- Stakeholder and Public Consultation
- Council Approval
- By-Law Adoption

Rate Category	Amenity Cost Charge Rate	Unit/Area Cost
RESIDENTIAL		
Residential <1.2 FSR (Laneway, Duplex, Townhouse, Multiplex)	$24.97 ($2.32)	Per sq.m. (per sq. ft.)
Residential between 1.2 – 1.5 FSR (Stacked Townhouse, Low-Rise Apartment)	$53.82 ($5.00)	
Residential >1.5 FSR (Apartment)	$107.64 ($10.00)	
NON-RESIDENTIAL		
Industrial	$12.92 ($1.20)	Per sq.m. (per sq. ft.)
Mixed-Employment (Light Industrial)	$24.22 ($2.25)	
Commercial & Other	$32.29 ($3.00)	

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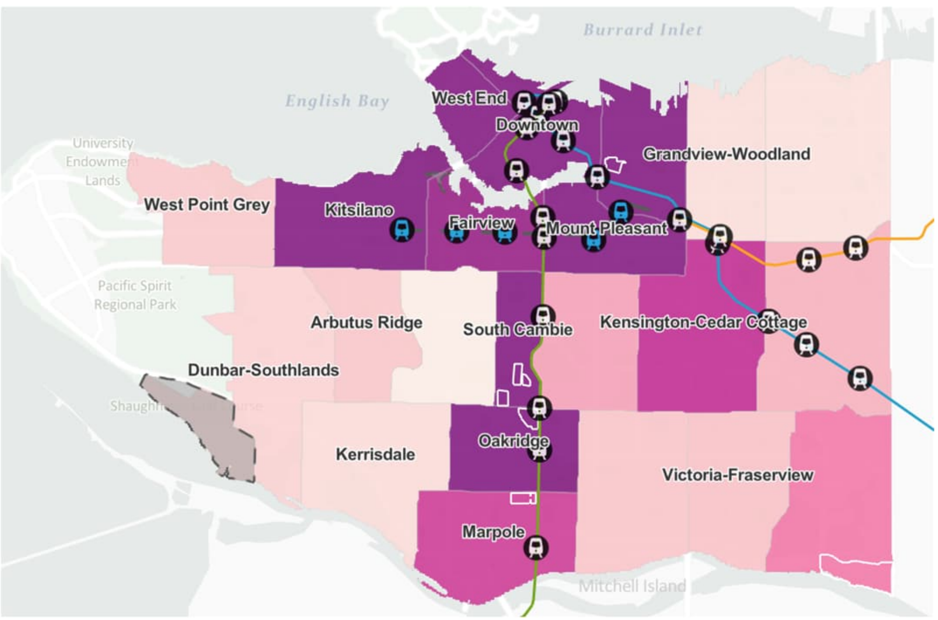
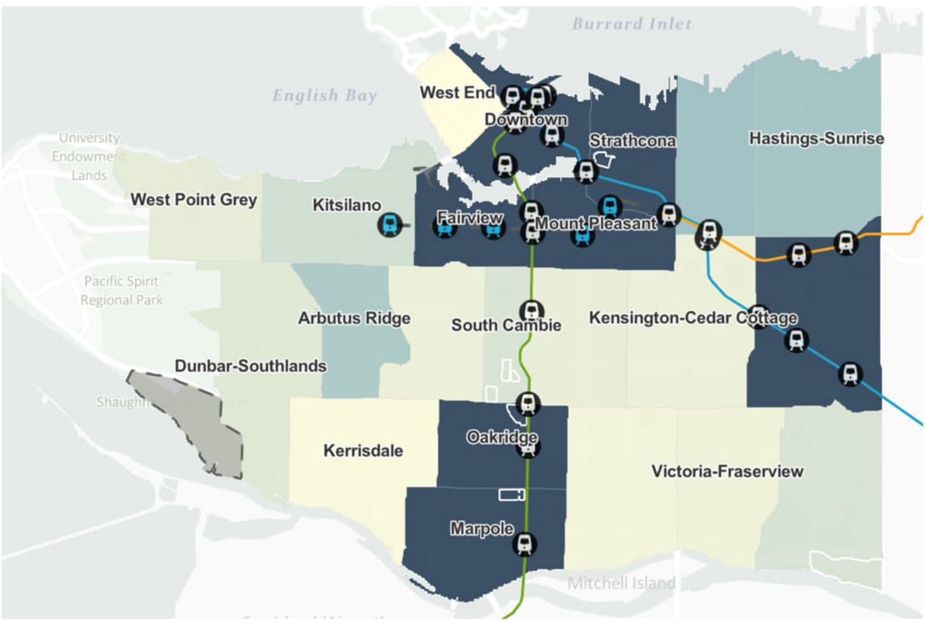
2. Development Forecast (2027-2036)

Residential Growth (sqft): 44 M	Employment Growth (sqft): 11 M



Ownership 39% | Rental 53% | Social 8%



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2. Financing Growth Update
Proposed DCL Capital Program 2027-2036 ($M)

Service Category	Gross Costs	Post Period Benefit	Partner Contrib.	Non-Growth	Other Funding[1]	Net DCL Share
Utilities (Sewer, Water & Drainage)	$2,031	$236	$9	$1,089	$55	$641
Transportation	$1,889	-	$245	$1,010	$103	$532
Parks	$573	-	-	$99	$73	$401
Fire	$210	-	-	$90	$1	$119
Housing	$1,032	-	$400	$27	$502	$103
Childcare	$108	-	-	$11	$84	$13
Total	$5,843	$236	$654	$2,325	$818	$1,810

Note: "Post Period Benefit" refers to the cost of building large infrastructure that goes beyond the 10-year forecast period.

(1) Other funding sources include CACs / density bonusing, engineering conditions, Empty Homes Tax and Inclusionary Zoning (Housing), available DCL reserves, and municipal assist share (1%)

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2. Financing Growth Update
Proposed DCL Capital Program 2027-2036 ($M)

High Level Capital Investment Programs (growth-related)

Utilities DCL

Sewer, Water, Drainage

- 26 km of sewer/drainage
- Over 5 km of water main
- 498 sq km of Green Infrastructure upgrades
- Pump Stations and other upgrades

City-wide DCL

Transportation (45.5%)

- 110 km road upgrades
- 80 signals
- 120 km of new sidewalk and active transportation
- Other improvements

Parks (34.5%)

- 330-500 sqft parkland acquisition
- 10-13 new / improved parks
- 20-24 new and renewed playgrounds and spray parks
- Other improvements

Fire (10%)

- 1 new firehall
- Four firehall renewals

Housing (9%)

- 3,400 units on city-/ non-city-owned land

Childcare (1%)

- 540 spaces

2. Financing Growth Update
Proposed ACC Capital Program 2027-2036 ($M)

Service Category	Gross Costs	Post Period Benefit	Partner Contrib.	Non-Growth	Other Funding[1]	Net ACC Share
Community & Recreation Facilities	$935	-	-	$527	$229	$178
Arts, Culture, Social Facilities	$537	-	-	$157	$241	$138
Public Spaces	$253	-	-	$39	$74	$139
Libraries	$254	-	-	$172	$55	$26
Total	$1,979	-	-	$897	$599	$483

(1) Other funding sources include CACs / density bonusing, municipal assist share (1%)

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2. Financing Growth Update
Proposed ACC Capital Program 2027-2036 ($M)

High Level Capital Investment Programs (growth-related)

Community & Recreation Facilities (37%)

- 3-5 community centres
- 2-3 pools / rinks

Public Spaces (29%)

- Over 15 plazas
- New washrooms and street furniture

Libraries (5%)

- Renew and expand 3-4 branch libraries
- Central Library upgrades and enhancements

Arts & Culture, Public Art & Social Facilities (29%)

- 150k new arts & cultural space
- 15-20 public art pieces
- 75k new social facility space

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3. Financing Growth Update
Proposed DCL Rates

	Formalize 20% temporary reduction from 2025 Development Viability Report
	DCL Rate 2026 ($/sq.ft.)
Residential above 1.5 FSR	$32.47
Residential 1.2-1.5 FSR	$16.22
Residential less than 1.2 FSR	$7.53
Commercial	$26.21
Industrial	$10.49
Mixed Employment	$19.65

Other Recommendations:

- Maintain DCL rental waivers
- Retire False Creek Flats area DCL, Central Waterfront exemption
- Implement pre-approved annual inflationary adjustments out to 2030

Note:. Shown above is the Sept 30, 2026 recommended rate. Annual inflationary adjustments out to 2030 not shown.

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3. Financing Growth Update
Proposed ACC Rates

Rate Category	Introduce ACC city-wide
	ACC Rate 2026 ($/sq.ft.)
Residential above 1.5 FSR	$10.00
Residential 1.2-1.5 FSR	$5.00
Residential less than 1.2 FSR	$2.32
Commercial	$3.00
Industrial	$1.20
Mixed Employment	$2.25

Other Recommendations:

- Phase-in >1.5 FSR rate over two years
- Extend rental waivers to ACCs
- Delay amending ACC by-law until 2030 to provide longer rate protection, implement annual inflationary adjustments pre-approved out to 2030

Note:. Shown above is the Sept 30, 2026 recommended rate. Annual inflationary adjustments out to 2030 not shown.

3. Financing Growth Update
Proposed ACC Framework

- Establish a City-wide ACC boundary, with exempt ODP areas with public benefit frameworks (Jericho, EFL, and False Creek North)

- Waivers, exemptions, reduced rates, and deferrals to mirror DCL construct

- Significant in-stream rate protection (delayed by-law amendment, CAC credits)

Creekside Community Centre

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3. Financing Growth Update
Pre-set Inflationary Increase – DCL/ACC

- Pre-approve annual 3% inflationary rate increase from 2027-2029 for DCL/ACC rates

- Delaying ACC by-law amendment to 2030 extends rate protection for in-stream applications

- Provides transparency and predictability for industry on anticipated contributions, smoothing out rate adjustments and allowing longer-term planning

York Theatre

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3. Financing Growth Update
CAC & Related Policy Amendments

- Expand CAC exemptions for:
  - Commercial, industrial, institutional
  - Rental and low-density strata
- Limit CACs to larger sites / complex rezonings
- Public Art Policy applies to rezoning applications submitted prior to Sept 30, 2026
- ACCs to become primary funding tool for community amenities

Rainbow Park

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3. Financing Growth Update
Density Bonusing/Inclusionary Zoning

Approved June 2, 2026, effective June 30, 2026:

- City removed cash density bonus contributions in ~20 zoning districts to align with provincial requirements
- New inclusionary zoning implemented in select areas
- Development contributions lower for most development across the city
- City to report back on Phase 2 Inclusionary Zoning changes

Fraserview Child Development Centre

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3. Financing Growth Update
Other Policy Updates / Report Backs

- Report back on reducing CACs further, review of Sustainable Large Sites Policy, in coordination with future Inclusionary Zoning work
- Report back on False Creek North ODP DCL/ACC exemption as part of area policy review
- Report back on impact of Build Communities Strong federal funding as details emerge

Arbutus Greenway

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3. Financing Growth Update - Summary

Significant eliminations, exemptions, and rate reductions proposed

Tool	Proposed Change
DCLs	Temporary 20% reduction to be maintained. Extend DCL waiver program. Remove False Creek Flats Area DCL
ACCs	Introduce city-wide ACC, with in-stream protection ($1.20 - $10.00/sf). Extend waiver program to ACCs
Density Bonusing/ Inclusionary Zoning	Remove 90% of charges (including removal of Heritage Amenity Shares), replace 10% with IZ Approved, June 2025
CACs	Exempt more RZ's from CACs
Public Art Levy	Remove for new applications after Sept 30, 2026

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4. Economic Testing Approach

1. Selected case study sites and scenarios (63 scenarios in total)
2. Analyzed financial performance of redevelopment under existing DCLs (reduced rates in Dec 2025), fixed rate CACs / linkage targets, amenity share contributions, and public art levy
3. Analyzed the financial performance of redevelopment with proposed DCL and ACC rates – public art, linkage fees, fixed rate CACs, amenity share rates eliminated
4. Identify positive and negative impacts on profitability (assuming other projects costs are fixed)

4. Economic Testing Summary

Type of Project	**Comments**
Multiplex	Neutral to **positive impact**
Townhouse	Mixed results
Market Rental Apartment	**Negative impact** – but reduced if applicant seeks Class B waiver
Rental Apartment with Below Market Rental Units	Neutral to **positive impact** (exempt from ACC)
Strata Apartment	Mixed results – **positive** to moderate impact
Strata Apartment with Social Housing	Moderate **negative impact**
Commercial (office)	Neutral to **positive impact**
Mixed Employment	Modest **positive impact**
Industrial	Mixed impacts – all minimal

5. In-stream Rate Protection – ACC/CAC

July 14: Council approval DCL/ACC/CAC changes
Sept 30: Effective date for ACC Bylaw, CAC Policy & Public Art Policy Amendments

ACCs:

- In-stream applicants (RZ/DP/BP) not subject to initial ACC by-law
- Applications submitted after Sept 30, 2026 are subject to ACCs

CACs / Public Art:

- Applications approved prior to Sept 30, 2026 are expected to continue with their CAC / public art obligations, unless the project withdraws and re-submits
- ACCs don't apply to RZ applications submitted prior to Sept 30

6. Financing Growth Update - Comparison

Old Framework (pre Sept 30, 2026) compared to New Framework (post Sept 30, 2026)

Development Type	Old Framework	New Framework
Multiplex/Townhouse	DCL DBZ	DCL ACC, limited IZ
Market Rental Apartment	DCL[1] CAC Public Art	DCL[1] ACC[1], limited CAC
Rental Apartment with BMR	DCL[2] CAC Public Art	DCL[2] ACC[2]
Strata Apartment	DCL, DBZ CAC Public Art	DCL ACC, some CAC
Strata Apartment with Social Housing	DCL[3] DBZ CAC Public Art	DCL[3] ACC[3], IZ
Non-Residential	DCL +Area DCL DBZ Commercial Linkage Fee Public Art	DCL ACC

1. Market rental eligible for 86.24% waiver of CWDCLs, ACCs
2. Rental with BMR eligible for 100% waiver of CWDCLs, ACCs
3. Social Housing fully exempt from all DCLs, ACCs

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6. Financing Growth Update Rezoning: Rental Tower w/ 20% Below Market Rental

	Old Framework	New Framework
DCLs	100% Waiver on CW DCL $12.51/sf Utilities DCL	
ACCs	--	100% Waiver on ACC
Public Art	$1.98/sf	--
CAC	Negotiated	N/A

For a 150k sqft rental development with BMR, overall cumulative charges reduced by 17%

6. Rezoning: 4-storey Strata Residential (Cambie)

	Old Framework	New Framework
DCLs	$32.47/sf (CW DCL + UDCL)	
ACCs	--	$10.00/sf*
Public Art	--	--
CAC	Target CAC = $78.64/sf	N/A

For a 25k sqft strata development, overall cumulative charges reduced by 49%

*In-stream applications: not subject to initial ACC by-law rates if submitted before Sept 30, 2026

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6. Financing Growth Update Rezoning: Office Development

	Old Framework	New Framework
DCLs	$26.21/sf (CW DCL + UDCL)	
ACCs	--	$3.00/sf*
Public Art	$1.98/sf	N/A at developers' discretion
CAC	CAC Target = $17.24/sf	N/A

For a 150k sqft office development, overall cumulative development charges reduced by 27%

*In-stream applications: not subject to initial ACC by-law rates if submitted before Sept 30, 2026

7. Financial Implications

- Over 2027-2036 period, 10-year capital programs include:
  - $0.5B in ACC-eligible costs
  - $1.8B in DCL-eligible costs

- Projections are subject to downward adjustments resulting from policy measures and legislative requirements:
  - $370-380 million related to ACC in-stream rate protection;
  - $250-260 million associated with DCL and ACC rental waiver programs;
  - $10–15 million from reduced rate provisions; and
  - $1-2 million related to the ACC phase-in for the >1.5 FSR residential category.

- Recognizing the initial transition period for ACC funding, staff recommend prioritizing CACs towards ACC-eligible assets

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8. Stakeholder Engagement

- Engagement integrated with 4-year capital plan:
  - Shape Your City
  - Website updates
  - First Nations referral

- Urban Development Institute (UDI) provided the following feedback:
  - Support for a more predictable and transparent, city-wide approach to development contributions,
  - Concern that the introduction of ACCs may increase costs on certain residential forms and requested 2-year phase-in
  - Ongoing concerns regarding development viability, particularly for inclusionary zoning requirements

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9. Effective Date

- Sept 30, 2026:
  - New ACC By-law / Rates
  - Amended CAC Policy
  - Amended DCL By-laws
  - Amended Public Art Policy
  - Amended VBBL Fees for ACC and DCL deferrals

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