

MINUTES

Development Advisory Committee

File: 360-20 (DAC)
Date: September 26,
2013
Time: 2:30 p.m.
Location: Planning Room 1,
Surrey City Hall

Members:

Clarence Arychuk
Tim Bontkes
Jeff Fisher
Steve Forrest
Deana Grinnell
Avtar Johl
Brad Jones
Chris Kay
Mark Sakai
Gopal Sahota
Jeff Skinner

Council:

Councillor Bruce Hayne

City Staff:

Nicholas Lai
Jean Lamontagne
Don Luymes
Anna Mathewson
Mehran Nazeman
Fay Keng Wong

1. Acceptance of Previous Minutes

The notes of the June 27, 2013 meeting were accepted as distributed.

2. Proposed Amendment to the Indoor and Outdoor Amenity Space Policy (Nicholas Lai, Manager, Area Planning & Development – South Division)

- Nicholas Lai presented on the proposed amendment to the indoor and outdoor amenity space policy. A copy of his presentation is attached.
- Existing requirement/policy applies to existing multi-family development.
- Existing requirement for indoor amenity space is 3 sq. m per dwelling unit or cash-in-lieu.
- Cash-in-lieu for indoor amenity space was \$750 per unit in 2001 and increased to \$1,050 per dwelling unit in 2006. In 2006, the estimated average construction cost was \$533 per sq. m. The \$1,050 rate translates to \$350 per sq. m, which is about 66% of the cost of building 1 sq. m of indoor amenity space.
- Adjusting the cash-in-lieu rate from \$1,050 per dwelling unit to \$1,200 per dwelling unit is reasonable as it would be a 14% increase over the past 7 years, which is equivalent to the inflation in construction cost over the same period.
- Existing requirement for outdoor amenity space is 3 sq. m per dwelling unit and there is no set rate for cash-in-lieu because cash-in-lieu is subject to negotiation. The negotiation process has been problematic, resulting in inconsistent outcomes and prolonged processing time.
- The introduction of a standard cash-in-lieu rate of \$600 per dwelling unit is being considered for outdoor amenity space. The \$600 figure is derived from a general review of park construction costs conducted by the City and some private development.
- The new rates apply to all land development applications submitted on or after September 10, 2013. The new rates also apply to in-stream land development applications that have not proceeded to Council by December 31, 2013.
- City staff would like to hear comments from the DAC before reporting to Council.
- City staff will send the DAC the draft plan after it goes to Council in early October.

Comments:

- Brad Jones asked what cash-in-lieu is used for. What percentage of projects uses it? Jean Lamontagne and Nicholas Lai responded that cash-in-lieu is used for amenities. Most provide the space and then cash, so it is a combination of both. It depends on the market that is being targeted.
- Brad Jones commented that, for townhomes, maintenance fees come into play. Maybe amenity buildings are not enough and developers choose cash-in-lieu. The proposed cash-in-lieu rate is kind of high. Typically it is cheaper to choose cash-in-lieu. Nicholas Lai responded that cash-in-lieu is easier for some smaller developments.
- Jeff Fisher asked what the negotiated rates are per year. Jean Lamontagne and Nicholas Lai responded that City staff has those numbers and they will get back to the DAC.
- Clarence Arychuk commented that maybe projects that are less than 20 units should be excluded. When finer grid roads cut into smaller sites, a 10 acre parcel could be left with only 2 or 3 acres and no space left for amenity buildings. It seems like it is tougher for smaller infill projects. Nicholas Lai asked if exempting certain sizes will create an uneven playing field.
- Avtar Johl commented that if fees go up anymore, it would be a disincentive for people to choose cash-in-lieu and developers would end up building an amenity building instead.
- Brad Jones commented that Adera had trouble meeting the outdoor amenity standards.
- Jeff Skinner commented that Mosaic Homes had the same problem. The road standard posed a problem when it was not included in the NCP. These incremental changes are having an impact on the development community being able to develop in Surrey.
- Chris Kay asked if there is anything regarding maximum amounts of amenity space. For example, in City Centre some amenities become redundant. Deana Grinnell commented that what usually results is amenity buildings being scaled. Steve Forrest commented that amenity spaces larger than 2000 sq. ft are not necessary. There is a development that built a 6000 sq. ft amenity space, but it is too large and too expensive to maintain, so they had to pay the remainder in cash-in-lieu. Clarence Arychuk commented that for luxury, quality is what is important and should be the focus. Don Luymes responded that although a development may be in an area where there are already amenities, each person who is added to the area still need amenities. Demand does not necessarily get scaled. Cash-in-lieu could go to recreation centres, parks, etc. A lot of towers are choosing cash-in-lieu. Nicholas Lai commented that maybe there is an optimum amount that we can look at, such as a sliding scale. Jean Lamontagne commented that a developer's marketing team is the one who figures out amenity space.
- Jeff Fisher and Chris Kay asked what happens when a development permit is handed in before the deadline and the rezoning is not done until after deadline? There is a gap between development permit and rezoning. Jean Lamontagne and Nicholas Lai responded that when one bonds for the development permit phase (for the first phase), one would not be asked to pay twice. The deadline date will not be set until after it goes to Council.

3. Community Energy (Don Luymes, Manager, Community Planning Division)

- Don Luymes spoke briefly on the City's recent work regarding energy savings. The City has looked at opportunities for energy savings, such as how much we are spending as a community. The City has created an emissions profile and looked at the 2007 energy

figures just in Surrey. Some of the DAC members (developers) attended the City's consultations.

- Community energy is really aligning with the upcoming OCP and existing and future nodes. In terms of building standards, the approach has been very soft. The pilot is occurring as part of the West Clayton NCPs.
- Some of the smaller developers may not be aware of the incentives so the City has been working with UDI and others to promote them.
- City staff will ask Council to authorize the consultation with stakeholders.
- A draft will be e-mailed to DAC members.

Comments:

- Jeff Fisher asked if the adaptation strategy will affect the no-go areas. Don Luymes responded that there are floodplain areas.

**4. Garage, Non-Encumbered Space
(Mehran Nazeman, Commercial Section Manager, Building Division)**

- Mehran Nazeman provided an update on garage non-encumbered space and distributed a handout.
- Townhouses are now narrower and taller and create a problem with stairs to the garage. There are requirements under the BC Building Code. The clear height in a storage garage should not be less than 2 m. In the Zoning By-law, the vertical clearance should be 2 m (6 ft 7 in) and should be provided over the entire width and length of each required off-street parking space and be free of protrusions or encroachments by structural and non-structural elements. For a single garage, parking space should be a minimum 3.2 m (10.5 ft) wide and 6.1 m (20 ft) long. For a double garage, parallel parking should be 5.7 m (18.8 ft) wide and 6.1 m (20 ft) long, and tandem parking should be 3.2 m (10.5 ft) wide and 12.2 m (40 ft) wide.
- For a 20 ft wide townhouse, there should be a certain amount for the garage, but what often ends up is that there is 0 ft left. At time of development application, we are seeing townhouses that are as wide as the garage so there is not enough length for stairs.

Comments:

- Jeff Skinner commented that narrower units create affordable homes and are common for townhouses and apartments. Encroachment can affect the livability of the garage, but when it affects the Building Code requirements, there is no allowance for encroachment into that 2 m. Mehran Nazeman responded that the required 2 m was intended for landscaping outside. Vancouver allows cages to be put on the wall for bikes, etc. In Surrey's single family and townhouse units, not much is left for the garage. The City uses discernment, not just totally restricting encroachment.

5. Community Climate Action Strategy

- Anna Mathewson and Maggie Baynham presented on the City's draft Community Climate Action Strategy. A copy of her presentation is attached.
- The City has committed to the BC Climate Action Charter, Bill 27 (municipalities are to include a greenhouse gas reduction target and policies and actions to achieve the target in the OCP), the Surrey OCP target to reduce greenhouse gases by 33% per capita by 2020 and by 80% by 2050, FCM Partners for Climate Protection program, and the Mexico Pact.
- The Strategy includes two components: a Community Energy and Emissions Plan (CEEP) and a Climate Adaptation Strategy.
- Strategy development launched in 2011 and funding came from FCM and BC Hydro. The climate adaptation strategy was developed under the ICLEI (Local Governments for Sustainability) framework through extensive staff involvement and extensive stakeholder consultations.
- Mitigation is mitigating the release of greenhouse gas emissions to minimize future climate change. Examples include sustainable transportation, energy conservation and efficiency, renewable energy, and capturing and using landfill gas.
- Adaptation is adapting or preparing for the unavoidable impacts of climate change. It is risk management forward planning. Examples include infrastructure upgrades of sewers and culverts, health programs (West Nile, cooling centres, smog alerts), emergency planning, and programs for vulnerable people during extreme weather.
- Climate projections for our region include wetter winters, drier summers, more frequent and intense rain storms, and a rise in sea level.
- A draft Community Climate Action Strategy will go to Council on October 7th. This will be followed by final consultation with stakeholders, refinements to the Strategy, and then a final Community Climate Action Strategy will go to Council for approval in November.

6. Comments on the Market (All Members)

- Avtar Johl. Platinum Group has some townhouses on the market.
- Jeff Skinner. Mosaic Homes does not currently have any residential projects in Surrey or Langley but soon. Mosaic Homes' projects are seeing similar success as what has been reported in the papers. This summer was better than last summer.
- Clarence Arychuk. The summer has been fairly busy with in-stream projects. No new projects.
- Gopal Sahota. July was busy for real estate transactions because of the anticipated increase in interest rates, but it is still difficult to get financing for buyers. New homes not selling as quickly as they should, such as the Douglas area.
- Chris Kay. For Townline's The Grove development, things have definitely picked up. Not as much absorption but still getting deals. It is still tight in terms of the ratio being sold. In other markets, there has definitely been an increase in sales, but not exuberant.
- Steve Forrest. It has been a good summer. New projects are doing well. 45% of deals with buyers fall through. There has been a little rise in the revenue due to promotions. Project in Fleetwood still selling \$20 below what older projects are reselling at.

- Tim Bontkes. There is a lack of single family supply. Single family does not pencil out when looking at lot prices. Infinity made a strategic move to go to townhouses with other people but it is a lot more difficult.
- Jeff Fisher. People are optimistic. There are concerns about bank financing.
- Deana Grinnell. ParkLane Homes has townhouses. Occupancy dates are too far out for people. People want to buy and move-in right away which is a challenge. ParkLane Homes had a summer market. Normally people do not buy in August, but they had sales then. The September market came in August. There was a lot of media coverage regarding interest rates going to go up.
- Brad Jones. The market is tough. Buyers in South Surrey like to visit show homes so sales staff have been working hard.
- Mark Sakai. The Greater Vancouver Home Builders' Association's (GVHB's) development community is working hard to beta test their survey. GVHB is hoping to get out to the municipalities in October.

7. Other Business

- Clarence Arychuk asked about the recent amendments to the RF Zone. Will the RF-SS Zone become obsolete? Jean Lamontagne responded that the City will probably look at the CD zones where secondary suites are not allowed and the City will probably change it.
- Clarence Arychuk asked how coach houses fit into the data. Jean Lamontagne responded that City staff has this data.
- Avtar Johl asked if the RF Zone will change for larger homes. If a lot is, for example, 6000 sq. ft, would it have an advantage? Jean Lamontagne responded that FAR must not exceed 0.6 for the first 6000 sq. ft of lot area and 0.35 for the remaining lot area in excess of 6000 sq. ft.
- Steve Forrest requested that the DAC receive the monthly housing starts statistics. Jean Lamontagne responded that City staff will send it with the minutes.
- Jeff Fisher suggested a transportation update with the Ministry regarding recent bridge announcements. Clarence Arychuk commented that Surrey's transportation pattern has changed with the introduction of the South Fraser Perimeter Road.
- Jeff Skinner asked if there were any updates on the ERC process. Jean Lamontagne responded that the City has had discussions with DFO and is going with the Riparian Areas Regulation (RAR) peer review process. Jeff Skinner commented that RAR works for some sites, but not for others, and there has to be creativity. Jean Lamontagne commented that DFO is the custodian so we have to be careful not to make it seem like developers are making the decisions rather than the professional biologists. DFO will probably have a process. Clarence Arychuk commented that DFO reviewed a project he worked on quite quickly (in a couple of months). COSMOS seems to have evolved. Water courses are changing. What happens if the database is changing? Some City staff could not explain why a stream colour changed on COSMOS.
- Jeff Fisher commented that a meeting should be set up with the Engineering Department regarding letters of credit.

8. **Next Scheduled Meeting – October 24, 2013**
 - The meeting adjourned at 4:15 p.m.