

MINUTES

Development Advisory Committee

File: **360-20 (DAC)**
Date: **October 27, 2016**
Time: **2:30 p.m.**
Location: **3W Meeting Room
A, Surrey City Hall**

Members:

Clarence Arychuk
Jeff Fisher
Dwight Heintz
Nathan Hildebrand
Phil Magistrale
Balraj Mann
James Pernu
Mark Sakai
Harp Saran
Steve Stew

City Staff:

Jeff Arason
Owen Croy
Remi Dubé
Laura Hardiman
Jean Lamontagne
Don Luymes
Anna Mathewson
Judith Robertson
Rory Tooke
Fay Keng Wong

Regrets:

Gopal Sahota

1. Previous Minutes

The notes of the June 23, 2016 meeting were accepted as distributed.

2. Corporate Report – Provincial School Funding Opportunities for Surrey (Jean Lamontagne, Planning & Development General Manager)

- Jean Lamontagne provided a summary of Corporate Report No. R224, which was submitted to Council to explore different methods that the Province of British Columbia should consider that would help fund and deliver new schools within the high growth areas of the City of Surrey in a timely manner. These schools would coincide with the population growth and would help reduce the use of portable classrooms.
- At the October 3, 2016 Regular Council – Public Hearing, Council received Corporate Report No. R224 as information and authorized the Mayor to forward a letter to the British Columbia Premier and the Minister of Education, along with a copy of Corporate Report R224, for the Province to consider different funding models for Surrey schools in order to deliver new, needed school space in parallel with new housing development.
- A copy of Corporate Report No. R224 is attached.

Comments:

- Nathan Hildebrand is leading a process through the Surrey School Coalition to encourage more funding for schools.
- Clarence Arychuk commented that lack of school funding is not a new story. Enrollment drops as a neighbourhood ages and moves to another area. School boards are able to strategically adjust catchment boundaries to encourage more funding.

3. 2017 Development Cost Charge (DCC) Update (Laura Hardiman, Project Engineer)

- Laura Hardiman provided an update on DCCs. A copy of her presentation is attached.

- The proposed DCC rate increases for 2017 are in line with what was discussed in the past year (10-15%).
- For Parks – Phased implementation, the proposed Municipal Assist Factor (MAF) has been adjusted from 4% to 3% for Year 2 (2017), and from 3% to 2% for Year 3 (2018). The City has been trying to get the MAF down to 1%, which is typical across the region.
- It is anticipated that a Public Meeting will be held in January 2017, and that, in January/February 2017, the 10-Year Servicing Plan will be brought to Council and the DCC By-law will go for First, Second, and Third Readings. From February to April, the City will seek Provincial Approval, with Final Reading of the DCC By-law anticipated for May. In stream applications would have 1 year to complete from final reading of Bylaw in order to qualify for current DCC rates. The effective date for the Bylaw will be May 16, 2017.
- E-mail feedback to Laura Hardiman by November 10th at LHardiman@surrey.ca.

Comments:

- Jeff Fisher asked if the DCC By-law assumes that the LRT is built. Jeff Arason responded that there are no improvements within the plan that are related to the LRT (infrastructure, etc.). The study is not reflected in the DCC plan.
- Jeff Fisher asked what the timeframe is for the Parkland Acquisition Program. Owen Croy responded that work will be carried out throughout 2017 and the Program will be adopted in 2018.
- Jeff Fisher commented that it is important to consider the urban containment boundary that cannot be factored in. Owen Croy responded that we are revisiting the discussion.
- Jeff Fisher asked if the Biodiversity Conservation Strategy is included in the DCC. Jeff Arason and Owen Croy responded no, it may have its own DCC. City staff will discuss with Council and come back to the DAC.
- Clarence Arychuk asked if the number of housing starts is exceeding the number of houses that are being demolished. Every square foot of house has to pay something. RF can be lumped into one category, for example, and house size varies within that zone. The number of demolitions has been driving it. Replacement ratio of 1:1. Suites have potentially been doubling demand. Jeff Arason responded that given that the house size range can vary a lot, we have not been able to find a mechanism to honour the square footage of the existing house and the increase. City staff have been discussing with other municipalities and found that there is no clear way to scale the increase. It is hard to find a way that is practical and efficient. No other municipality has done it. When 1 lot is developed into 6 lots, the City has been charging DCC for the 5 lots. The City is currently looking into best practices, what is being done. Between DCC and servicing, the average cost of building a new single family home is more than a home in the US. Regarding suites, the City has worked to increase the average.

4. CEEP Implementation Update (Anna Mathewson, Sustainability Manager; Rory Tooke, Community Energy Planner)

- Anna Mathewson provided an overview of Sustainability Charter 2.0. A copy of her presentation is attached.
- Rory Tooke provided an update on the BC Energy Step Code. A copy of his presentation is attached.

- Governments of Canada and BC have recently announced net zero energy building commitments with target dates for complete market transformation by approximately 2030.
- In BC, a net zero home can be considered closely aligned with the Passive House standard.
- The BC Energy Step Code provides a pathway in a series of incremental steps toward net zero energy.
- Enhanced Compliance is the initial step intended to support 2 key steps necessary to enable the construction of net zero buildings: energy modelling and airtightness testing.
- Main difference moving from current BC Building Code to Step Code is performance-based metric and target focused on building envelope.
- BC Energy Step is anticipated to supersede current energy sections in BC Building Code and as a result supports market to become more proactive as opposed to reacting to ad hoc building code updates.
- Mark Sakai (Greater Vancouver Home Builders' Association) and Jeff Fisher (Urban Development Institute) were part of this Energy Efficiency Working Group that developed the Step Code policy recommendations.

Comments:

- James Pernu asked if the test is the air tightness. Rory Tooke responded that the "How Does It Work" slide in his presentation shows the air tightness for each step level.
- Jeff Fisher asked what Surrey's plans are for involvement in the BC Energy Step Code. Rory Tooke responded that right now the City has not discussed it, but the West Clayton NCP density bonus is an example of an area where it could be explored.
- Dwight Heintz asked when is the implementation date. Rory Tooke responded that the Building Act comes into force December 2017.
- Jeff Fisher commented that the BC Energy Step Code basically means a different type of building. Have to have more flexibility with the City's overarching goals. If you can meet these 3 goals: 1) reduce our greenhouse gas emissions; 2) do not burden BC Hydro; and 3) do not burden stratas, you may not have to build a Passive House. Rory Tooke responded that there are cheaper supplies/methods.
- Mark Sakai commented that it is important to ensure that the capacity is there and also capacity in the local government, so it all works smoothly. The steps are performance based but also to ensure that it is practical. People are building even at the highest steps, but energy modelling is not commonplace in the market. Rory Tooke responded that the building code has had a prescriptive focus, so changing to performance-based will require education and training support. The BC Energy Step Code provides a sense of certainty and future implementation (e.g. to be taught in university classes which will support the move toward it).
- Jean Lamontagne commented that for Passive House standard it is also a matter of sourcing products approved and certified for the BC market.
- Jeff Fisher commented that if the walls are thicker, consideration should be given to increasing allowable footprint so as not to penalize available saleable floor area.

5. Comments on the Market (All Members)

- Nathan Hildebrand. Single family sales have slowed. The only new product that came out in South Surrey had a lot of traffic and good sales but high prices. There are buyers out there.
- James Pernu. Project sizes are becoming more complicated. Public engagement is the challenging part, working with multiple community associations where there is complete disagreement on issues.
- Dwight Heintz. Townline's goal has been finding land south of the Fraser River. Land seems pricey. Election another bump that will come along. The market is moving but has not settled yet. Townline does not have any units for sale in Surrey right now. Their project in Richmond has not lost any momentum with the 15% foreign buyer tax. Cloverdale site got a little movement (underground parking) but waiting a year.
- Phil Magistrale. A lot of the presales that Dawson + Sawyer were doing in the Spring have been shut down. People are not as interested just buying off of plans. Waiting until they have a showhome. A lot of the presales were approved (grandfathered) even though they were concerned about the changes.
- Clarence Arychuk. It takes forever to get tree permits. Time to review Policy No. P-15. The 5 year window. Parks are requiring higher standards than what the City requires of itself, which does not make sense. Should revisit the purpose of guidelines (character study, etc.), seems wasteful. Originally done to prevent basement suites. Not necessary to require guidelines before first and second reading. Jean Lamontagne responded that guidelines are helpful for infill projects. Not requiring guidelines before first and second reading may risk having applications thrown back during public hearing. Nathan Hildebrand commented that, for their projects in Fraser Heights, the residents are concerned about the character. James Pernu commented perhaps just require the one page data sheet?
- Harp Saran. Wesgroup Properties has been focusing efforts on multi-family and are actively looking for multi-family in Surrey. Have product in South Westminster. Overall, the market has been impressive. Since the 15% foreign buyer tax, seen a bit of a slow down on higher end homes, but still see the natural trend for multi-family (e.g. sales in New West were 50% higher than forecasted). Starting a project in southeast Vancouver. Look forward to being involved in Surrey.
- Mark Sakai. No comments on the market. Working with a group in Vancouver and observed that there are no good policies/regulations regarding trees in Vancouver.
- Balraj Mann and Steve Stew. Representatives from Surrey Board of Trade. NAFTA. Cost and tenders are going up.
- Jeff Fisher. No comments on the market.

6. Other Business

- Jeff Fisher suggested that perhaps at a future meeting, Metro Vancouver's proposal to have a DCC to help offset some of the costs of new and expanded transit and other regional transportation infrastructure could be discussed.

7. Next Scheduled Meeting – November 24, 2016

- The meeting adjourned at approximately 4:08 p.m.