

NO: R245

COUNCIL DATE: December 2, 2024

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **November 28, 2024**

FROM: **Acting General Manager, Planning & Development** FILE: **3900-30**
General Manager, Engineering

SUBJECT: **Early Excavation for Multi-Family Housing: Pilot Program**

RECOMMENDATION

The Planning & Development Department recommends that Council:

1. Receive this report for information;
2. Endorse a pilot program to enable “excavation only” building permits to be issued in advance of final adoption of rezoning and issuance of the development permit, with the steps described in this report; and
3. Approve the proposed amendments to *Surrey Zoning By-law, 1993, No. 12000*, as described in this report and as documented in Appendix “I”.

INTENT

The intent of this report is to seek Council’s support to facilitate quicker construction of new housing by enabling larger multi-family development projects to commence excavation in advance of receiving final adoption of the rezoning and an issued development permit.

BACKGROUND

With Council’s commitment to accelerating construction, staff have been requested by developers to explore facilitating the excavation work for projects to occur in advance of the issuance of the development permit and final adoption of the rezoning.

Development projects currently follow a sequential process, meaning that prior to a new development project commencing excavation, it is required to have the final adoption of the rezoning as well as development permit issuance. For a project to move from conditional approval in principle from Council, at third reading, to final adoption and issuance of the development permit, it can take multiple weeks to months to achieve.

The City’s current approach to not permit excavation to occur onsite until after the final adoption of the rezoning and development permit issuance has been:

- to provide certainty of the project's final design with the intent of limiting potential costly changes to the developer, should changes need to be resolved due to regulatory requirements, such as the design of the fire department response area; and
- to minimize risk in the event that a developer commences a deep excavation and does not complete construction, thereby leaving the site for an indeterminate amount of time with an exposed deep excavation.

The City currently has over 43,000 new housing units that have received conditional approval from Council by achieving third reading. Of the approximately 43,000 units that have received conditional approval, approximately 25,000 of those units may be eligible for this pilot program.

DISCUSSION

The excavation work for large multi-family projects can take multiple months to complete, prior to the installation of services, the foundation, and construction of the new building itself. Providing the issuance of an "excavation only" building permit could reduce the overall delivery time of new housing, as it enables the excavation work to occur concurrently while the proponent completes the work to finalize the rezoning and obtain the development permit.

To reduce the overall delivery time of new housing, staff are proposing a pilot program to issue "excavation only" building permits prior to the final adoption of the rezoning and issuance of the development permit. The objective of the pilot program is to enable larger projects to commence excavation, where the excavation will take multiple months to complete, once their application has reached a point in time where there is a satisfactory level of certainty.

Proposed Pilot Program for "Excavation Only" Building Permits

The proposed pilot program is intended to identify projects that have reached a satisfactory level of certainty and, based upon the size of the project, would benefit from the concurrent excavation work.

For a project to be eligible for the "excavation only" building permit pilot staff have proposed the following five criteria to consider:

1. Council must have approved the project in principle by granting third reading of the rezoning, preliminary layout approval ("PLA") status has been achieved, as well as Council providing authorization to draft the development permit.
2. The depth of the excavation would be required to be at least two levels of *Basement*, as defined under the BC Building Code, for parking, along with the proposed zoning having a minimum of 2.0 floor area ratio ("FAR"), which will trigger an onsite erosion and sediment control authorization.
3. The property has not had any Schedule 2 Uses, in which contaminated soils would be of concern, as identified in the Environmental Management Act Contaminated Sites Regulation.

4. The owner has paid their Engineering processing fee and is actively working towards obtaining a servicing agreement to the satisfaction of the General Manager, Engineering.
5. The owner does not have a history of ongoing and consistent bylaw violations on the property or any other properties within the City, nor the owner, licenced builder, or developer having a history of violating stop work orders or fines issued for violations of *Surrey Building Bylaw, 2012, No. 17850*, or any other applicable enactment with respect to safety.

To mitigate the City's risk in issuing an "excavation only" building permit, in addition to the standard requirements for an excavation permit, the pilot program will require the following from the proponent:

1. A release and commitment letter from the owner to the City that, should there be a work stoppage greater than 180 days (six months), the owner is committed to re-instating the grades of the property to their original state. As well, that the owner understands and acknowledges that the issuance of the "excavation only" building permit does not provide any advance approvals for any future work, including Council's discretion to grant or deny fourth reading, and that they are proceeding at their own risk.
2. The project's Architect and Certified Professional will provide a letter of commitment that their designs will align with the prescriptive requirements of provincial construction regulations, including the BC Building Code.
3. The owner will provide a security deposit of 2.5 times the estimated cost to re-fill the excavation to reinstate the grades, as identified by the geotechnical engineer of record.

To support the excavation only building permit, *Surrey Zoning By-law, 1993, No. 12000* requires an amendment to authorize this type of work to occur in advance of the rezoning being adopted, as shown in Appendix "I".

Next Steps

In Q1 2025, staff will provide an update to Council on the pilot program. If the pilot program is deemed to be successful, in their update report staff will also include additional bylaw amendments for consideration in order to make the pilot program a permanent option for developers.

Legal Services Review

This report has been reviewed by Legal Services.

CONCLUSION

There is an opportunity to facilitate quicker construction of new homes by issuing an "excavation only" building permit in advance of final adoption of the rezoning and issuance of the development permit. Implementation of the "excavation only" building permit pilot program will support this opportunity by enabling the excavation of larger multi-family developments to occur concurrently while the detailed designs and final approvals are being completed.

It is proposed that Council support the recommendations of this report.

Original signed by
Ron Gill, MA, MCIP, RPP
Acting General Manager, Planning & Development

Original signed by
Scott Neuman, P.Eng.
General Manager, Engineering

Appendix "I" Proposed Amendments to *Surrey Zoning By-law, 1993, No. 12000*

[https://surreybc.sharepoint.com/sites/pdgmadministration/document library/corporate reports/future/early excavation for multi-family housing - pilot program/cr early excavation for multi-family housing - pilot program.docx](https://surreybc.sharepoint.com/sites/pdgmadministration/document%20library/corporate%20reports/future/early%20excavation%20for%20multi-family%20housing%20-%20pilot%20program/cr%20early%20excavation%20for%20multi-family%20housing%20-%20pilot%20program.docx)

CITY OF SURREY

BYLAW NO. _____

A bylaw to amend the provisions of Surrey Zoning
By-law, 1993, No. 12000, as amended.

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The Council of the City of Surrey ENACTS AS FOLLOWS:

- 1. Surrey Zoning By-law, 1993, No. 12000, as amended, is hereby further amended as follows:
 - b. In Part 4, General Provisions, section B. insert a new section B.37 immediately after B.36 as follows:
 - "37. Excavation and Shoring Construction
A use that is subject to a Zoning By-law Amendment Bylaw ("Rezoning") that has received Conditional Approval (Third Reading) by Council is deemed to be a permitted use for the purpose of allowing the issuance of a permit authorising excavation and shoring construction only, in accordance with the Surrey Soil Conservation and Protection By-law, 2007, No. 16389, or Surrey Erosion and Sediment Control Bylaw, 2024, No. 21181, or Surrey Building Bylaw, 2021, No. 17850, as amended. "
- 2. This Bylaw shall be cited for all purposes as "Surrey Zoning By-law, 1993, No. 12000, Amendment Bylaw, 2024, No. _____".

PASSED FIRST READING on the th day of 2024.

PASSED SECOND READING on the th day of 2024.

PUBLIC HEARING HELD thereon on the th day of 20__.

PASSED THIRD READING, on the th day of 20__.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the th day of 20__.

_____MAYOR

_____CLERK