

# City of Surrey PLANNING & DEVELOPMENT REPORT Application No.: 7921-0179-00

Planning Report Date: September 13, 2021

#### **PROPOSAL:**

- **Rezoning** from C-35 to CD
- Development Permit
- Housing Agreement

to permit the development of a 6-storey residential building consisting of 115 residential rental dwelling units.

LOCATION: 13738 - 105 Avenue

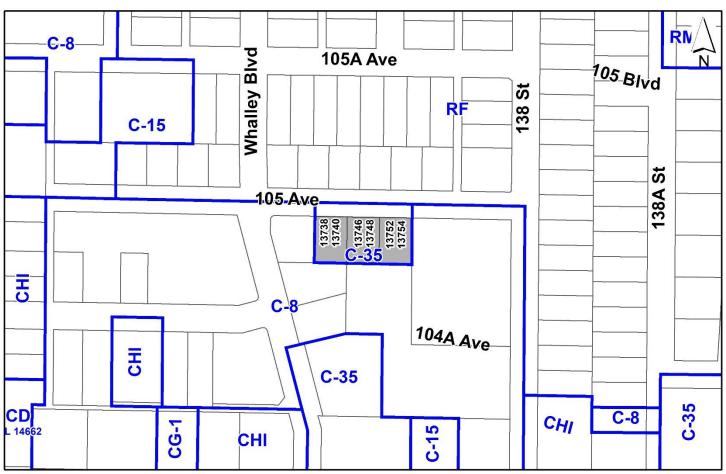
(13740 – 105 Avenue) 13746 - 105 Avenue (13748 – 105 Avenue) 13752 - 105 Avenue (13754 – 105 Avenue)

**ZONING:** C-35

**OCP DESIGNATION:** Central Business District

CITY CENTRE PLAN Residential Mid to High Rise 3.5

**DESIGNATION:** FAR



### **RECOMMENDATION SUMMARY**

The Planning & Development Department recommends that Council refer the application back to staff to work with the applicant to develop the subject site as part of a comprehensive development of the block, reflective of the Residential Mid-High Rise 3.5 FAR designation in the Surrey City Centre Plan, which requires additional consolidation with adjacent lands or no-build covenants to accommodate future land consolidation.

## DEVIATION FROM PLANS, POLICIES OR REGULATIONS

None.

#### RATIONALE OF RECOMMENDATION

Staff is recommending that this application be <u>referred back</u> for the following reasons:

- The current development proposes a 6-storey residential building at 3.0 FAR. While the proposal can be accommodated within the Residential Mid-High Rise 3.5 FAR designation in the Surrey City Centre Plan, it does not maximize the development potential under the designation, which allows for mid-high rise buildings at higher densities.
- In addition to this, and in order to maximize density within the entire block, consolidation of adjacent properties (10498, 10468 & 10458 Whalley Boulevard and a portion of 10445 138<sup>th</sup> Street) is critical.
- Allowing the proposed development to proceed without consolidation of the adjacent properties, would significantly impact the development potential of the adjacent properties and would, likely, prevent a future mid to high development within this block.
- Alternatively, staff could review with the applicant a development of a portion of the subject site as a 6-storey residential rental building, with an associated Housing Agreement, and a nobuild covenant on 13738 -105 Avenue. This would allow an appropriate development to occur within the subject site and block, as well as protect for the development potential of adjacent properties for higher density development, in a phased approach.
- The applicant contends that the proposal has merits and will result in 115 secured residential rental units, contributing to the diversity of housing type and tenure needed to make the City Centre a thriving, inclusive and economically sustainable neighbourhood.
- The applicant also contends that any additional consolidation or no-build requirement will result in the application being withdrawn and no rental housing being constructed, for reasons outlined later in this report.
- The applicant believes that the proposed development is a tradeoff between the provision of much needed rental units provided in the short term, compared with the existing duplexes, which could remain for the long-term.

### RECOMMENDATION

The Planning & Development Department recommends that Council refer the application back to staff to work with the applicant to develop the subject site as part of a comprehensive development of the block, reflective of the Residential Mid-High Rise 3.5 FAR designation in the Surrey City Centre Plan, which requires additional consolidation with adjacent lands or no-build covenants to accommodate future land consolidation.

This report is being forwarded to Council in advance of a full application review as the application involves a significant policy-related decision, and it was not considered practical to undertake all of the work associated with refining and detailing the proposal until it is determined if Council is prepared to consider the current application as proposed.

#### SITE CONTEXT & BACKGROUND

Direction	<b>Existing Use</b>	NCP Designation	<b>Existing Zone</b>
Subject Site	Residential duplex	Mid-High Rise	C-35
	units.	Residential 3.5 FAR	
North (Across 105 Avenue):	Single family	Low-Mid Rise up	RF
	dwelling units.	to 2.5 FAR	
East:	Single-storey	Mid-High Rise	C-8
	commercial/office	Residential 3.5 FAR	
	building.		
South:	Parking area, part	Mid-High Rise	C-8
	of Shaw	Residential 3.5 FAR	
	Cablesytems, and		
	single-storey		
	commercial		
	building.		
West:	Two-storey,	Mid-High Rise	C-8
	mixed-use	Residential 3.5 FAR	
	building.		

## **Context & Background**

- The subject site includes three properties, 13738, 13746 ad 13752 105 Avenue, with a total site area of approximately 2,402 square metres and is located in Surrey City Centre.
- The site is designated Central Business District in the Official Community Plan and Residential Mid-High Rise 3.5 FAR in the City Centre Plan and is zoned "Downtown Commercial Zone (C-35)".
- The applicant is proposing a rezoning to a "Comprehensive Development Zone (CD)" and a General Development to allow for a 6-storey residential building, consisting of 115 residential rental units, secured with a Housing Agreement.

### **DEVELOPMENT PROPOSAL**

## **Planning Considerations**

	Proposed			
Lot Area				
Gross Site Area:	2,402 square metres			
Road Dedication:	203 square metres			
Net Site Area:	2,199 square metres			
Number of Lots:	3			
Building Height:	6-storeys			
Floor Area Ratio (FAR):	ea Ratio (FAR): 3.0 FAR (gross)			
Floor Area				
Residential:	7,206 square metres			
Total:	7,206 square metres			
Residential Units:				
1-Bedroom:	78			
2-Bedroom:	36			
3-Bedroom:	1			
Total:	115			

#### POLICY & BY-LAW CONSIDERATIONS

## **Regional Growth Strategy**

• The proposal complies with the General Urban designation in the Metro Vancouver's Regional Growth Strategy.

### Official Community Plan

## <u>Land Use Designation</u>

• While the proposed development can be accommodated within the Central Business District designation in the Official Community Plan, it does not achieve the goal of providing the highest density development in Surrey City Centre, in support of a vibrant commercial and civic centre, and rapid transit services.

## **Secondary Plans**

### <u>Land Use Designation</u>

- While the proposed development can be accommodated within the Surrey City Centre Plan designation of Residential Mid-High Rise 3.5 FAR, it does not maximize the development potential under the designation that allows for mid-high rise buildings at higher densities.
- Allowing the proposed development to proceed without consolidation of the adjacent properties, would significantly impact the development potential of the adjacent properties and would, likely, prevent a future mid to high rise development within this block.

## PROJECT EVALUATION AND DISCUSSION

Staff is recommending that this application be <u>referred back</u> for the following reasons:

- The current development proposes a 6-storey residential building at 3.0 FAR. While the proposal can be accommodated within the Residential Mid-High Rise 3.5 FAR designation in the Surrey City Centre Plan, it does not maximize the development potential under the designation that allows for mid-high rise buildings at higher densities.
- In addition to this, and in order to maximize density within the entire block, consolidation of adjacent properties (10498, 10468 & 10458 Whalley Boulevard and a portion of 10445 138<sup>th</sup> Street) with the properties in the subject application is critical in order to ensure efficient, development of the block.
- Allowing the proposed development to proceed without consolidation of the adjacent properties, would significantly impact the development potential of the adjacent properties and would, likely, prevent a future mid to high rise development within this block.
- Development Application No. 7919-0202-00, located at 10440 Whalley Boulevard and currently at Third Reading, has an approved 31-storey tower that impacts the future tower locations within the subject block, based upon tower separation guidelines specified in the City Centre Plan and Official Community Plan.
- As per the City Centre Plan and Official Community Plan design guidelines, towers are to maintain minimum separation distances (50 metre separation for face-to-face towers, and 30 metre separation for corner-to-corner towers). Staff believe that a future tower within the subject block will need to be sited at either the northwest or northeast portion of the block. Significantly, the proposed development does not allow sufficient depth to accommodate a future tower within the subject block and, as a result, substantially reduces the development potential of adjacent lands.
- The applicant has included a "Potential Redevelopment Plan" as part of the submission package that contemplates a future tower sited at the southwest corner of the subject block. However, minimum tower separation guidelines do not allow for a tower siting at the southwest portion of the block. In addition, the proposed tower siting does not comply with typical setback requirements in City Centre, and the proposed tower floor plate is less than that typically proposed in City Centre. As such, staff is of the opinion that the "Proposed Redevelopment Plan" does not offer a feasible option for future tower development on this site.
- As outlined earlier in the report, staff could, alternatively, review with the applicant the development of a portion of the subject site as a 6-storey residential rental building, and associated Housing Agreement, with a no-build covenant on 13738 -105 Avenue. This would allow an appropriate development to occur within the subject site and protect for the development potential of adjacent properties for higher density development, in a phased approach.

### **Applicant's Rationale:**

The applicant has provided the following rationale in support of the proposed development:

- The proposal has merit and will result in 115 secured residential rental units, contributing to the diversity of housing type and tenure needed to make the City Centre Area a thriving, inclusive and economically sustainable neighbourhood. Secured rental housing allows for increased affordability and tenure stability.
- Requiring a no-build and reducing the size of the purpose-built rental housing project and leaving a portion of the site undeveloped for future assembly is not economically viable. This option has been investigated extensively by the applicant, architect, and project manager. The remaining development would result in a lower rentable area efficiency, would incur a higher per square foot construction cost due to loss of critical scale and would erode the operating costs efficiency. The economic feasibility of this proposal is marginal at 115 units any further erosion would result in the full cancelation of the rental housing development proposal.
- Numerous discussions with adjacent property owners have taken place with no interest in redevelopment or sale of their properties.
- The extension of the future road network (104A Avenue) and the development of the surrounding properties will require the coordination and cooperation of four separate and entrenched land ownership groups, which could take decades to achieve.
- The applicant believes that the "Potential Redevelopment Plan" provided as part of the application package demonstrates the remaining parcels adjacent to the site can consolidate and accommodate a 5.5 FAR or greater development, including a future high-rise tower in two possible locations along 105 Avenue, between Whalley Boulevard and 138 Street.

#### PUBLIC ENGAGEMENT

- Pre-notification letters were not sent, and Development Notification signs were not erected in advance of this Planning Report seeking direction from Council.
- Pre-notification letters will be mailed, and Development Notification signs will be erected following Council direction through the referral of the application back to staff.

### **CONCLUSION**

The Planning & Development Department recommends that Council refer the application back to staff to work with the applicant to develop the subject site as part of a comprehensive development of the block, reflective of the Residential Mid-High Rise 3.5 FAR designation in the Surrey City Centre Plan, which requires additional consolidation with adjacent lands or no-build covenants to accommodate future land consolidation.

Alternatively, if Council is of the view that the merits of the application are sufficient to allow the application to proceed as currently proposed, Council could refer the application back to staff with instruction to continue to process the application as currently proposed.

Application No.: 7921-0179-00

Page 7

## INFORMATION ATTACHED TO THIS REPORT

The following information is attached to this Report:

Appendix I. Site Plan and Building Elevations

Appendix II. Surrey City Centre Plan

approved by Ron Gill

Rémi Dubé Acting General Manager Planning and Development

IM/cm

# Appendix I





JUNE 21, 2021 - STAGE 1 DEVELOPMENT APPLICATION



#### Council Brief 13738 – 13754 105 Ave Surrey Purpose-Built Rental

#### Introduction

Western Clinical Holdings Ltd. is the owner of three duplex lots located at 13738-13754 105 Avenue, near the intersection of Whalley Boulevard, in the Surrey City Centre Plan Area. The subject lands are in close proximity to the emerging, amenity-rich Central Business District and the Surrey Central Skytrain Station. Western Clinical Holdings seeks Council and Planning support to bring forward a complete application to develop much-needed purpose-built rental housing in a six-storey wood-frame form.

#### **Proposed Development**

The redevelopment involves a three-lot consolidation with a land area of approximately 25,000 square feet (2,406 square meters). The property is located in the Forsyth District and designated as mid-high rise 3.5 FAR in the Surrey City Center Plan. The application proposes a six-storey wood-frame building over two levels of underground parking at a density of 3.0 FAR. The development would contribute 115 purpose-built rental homes to this emerging, inclusive and economically sustainable neighborhood.

#### Rationale

Western Clinical Holdings is committed to developing a 100% rental building that will contribute to the stock of in-demand rental housing within the City of Surrey. Purpose-built rental housing provides for diversity in unit tenure, which compliments the market condominium in the area by providing opportunities for those who cannot enter the residential ownership market. Studies conducted by Urban Analytics have confirmed that achievable rental rates are the same whether the building is a concrete high-rise or wood frame midrise. A concrete high-rise building has a significantly higher construction cost per square foot than a wood frame building. Proforma analysis has determined that a 100% concrete rental building is not economically feasible on the site. The BC Building code only allows for a maximum height of six storeys if using costeffective conventional wood frame construction. Given the required setbacks and maximum building height of six storeys — 3.0 FAR represents the maximum density the site can accommodate utilizing traditional wood frame construction.

#### **Benefits**

The proposal will result in 115 purpose-built rental homes, contributing to the diversity of housing type and tenure needed to make the City Center Area a thriving, inclusive and economically sustainable neighbourhood. Purpose-built rental housing does not rely on a recovery of the condominium pre-sale market. It would provide an economic stimulus to the area, essential as the economy recovers from the pandemic. In addition, wood-frame rental housing allows for a level of affordability and tenure stability, which the more typical "investor/landlord" model standard in the high-rise market condominium product built in the City Center area cannot provide.

#### **Adjacent Site Redevelopment Options**

Initial feedback from Planning has encouraged Western Clinical Holdings to acquire the remaining lot on the corner of Whalley Boulevard and 105 Avenue (10480 Whalley Boulevard) or redevelop only two of the three lots owned by Western Clinical Holdings. However, Western Clinical Holdings has made numerous attempts over the past four years to engage the owner of the adjacent lands on the corner. The owner has made it very clear they are not interested in being involved in a redevelopment of both properties or selling their lands. The feasibility study provided as part of this package demonstrates the remaining parcels adjacent to the site can consolidate and accommodate a 5.5 FAR or greater development, including a future highrise tower in two possible locations.

Reducing the size of the purpose-built rental housing project and leaving a single lot undeveloped for future assembly with 10480 Whalley is not economically feasible. The remaining development would no longer have the critical scale required to keep construction costs manageable and operating costs efficient relative to the projected rental revenues.

The extension of the future road network (104A Avenue) and the development of the surrounding properties will require the coordination and cooperation of four separate and entrenched land ownership groups, which could take decades to achieve.

#### Conclusion

At this time, Western Clinical Holdings would like to proceed with a complete application to develop purpose-built rental housing in the Surrey City Center area. Allowing this proposed development to proceed will create opportunities for rental housing in Surrey's City Centre. It will enable future lot consolidations to achieve higher densities in various other locations adiacent to the site.

This proposal will not proceed if either the consolidation of 10480 Whalley Boulevard or the proposed reduction in site area to allow for future consolidation with 10480 Whalley Boulevard is required. A six-storey building with conventional wood frame construction is the only economically feasible form of development. Ultimately, the tradeoff is between developing 115 purpose-built rental homes or a market residential tower that could take decades to achieve.

Western Clinical Holdings is seeking Council and Planning support to bring forward a complete application to develop purpose-built rental housing in a six-storey wood-frame form on the three lots located at 13738-13754 105 Avenue, Surrey.

COUNCIL BRIEF

#### 13738 - 13754 105th AVENUE - STATISTICS

PROJECT ADDRESSES: 13738. 13740. 13746. 13748. 13752. & 13754 105th AVENUE [3 LOTS PROPOSED CONSOLIDATION]

PID / LEGAL DESCRIPTION: 13738-13740: PID: 006-569-951 LEGAL: LOT 1 SECTION 23 BLOCK 5 NORTH RANGE 2 WEST, NEW WESTMINSTER DISTRICT PLAN 19534

> 13746-13748: PID: 010-534-245 LEGAL: LOT 2 SECTION 23 BLOCK 5 NORTH RANGE 2 WEST, NEW WESTMINSTER DISTRICT PLAN 19534

> 13752-13754: PID: 010-534-253 LEGAL: LOT 3 SECTION 23 BLOCK 5 NORTH RANGE 2 WEST. NEW WESTMINSTER DISTRICT PLAN 19534

CURRENT ZONING: C-35

CONSOLIDATED LOT DIMENSIONS: 111'-0" x 233'-3 1/4" [33.8m x 63.5m]

CONSOLIDATED LOT AREA: 25,855sf [2,402.0sm] BEFORE LANE DEDICATION, TBC

STOREYS/PROPOSED USE: 6 STOREYS / RENTAL HOUSING LANE @ E.PL 19'-8 1/4" [6.0m] DEDICATIONS: SITE COVERAGE: 55.5% [INCL LANE DEDICATION] HEIGHT: +/- 70'-0" [21.3m], TBC

SETBACKS: FRONT: 14'-9" [4.5m]

REAR: 19'-8 1/4" [6.0m] - RELAXATION REQUESTED E. SIDE: 9'-10" [3.0m] [+ 6M LANE DEDICATION]

W. SIDE: 9'-10" [3.0m]

FSR: L1: 8.165sf [758.6sm] + 4.220sf [392sm] INDOOR AMENITY [NOT INCL IN FSR]

> $13.880sf [1289.5sm] \times 5 = 69.400sf [6.447.5sm]$ L2-L6:

77,565sf [7206.0sm] - 3.0 FAR [INCL LANE DEDICATION] TOTAL FSR:

UNITS:

	JR 1 BED	1 BD TYP	1 BD PR	JR 2 BD	2 BD TYP	2 BD PR	3 BD	TOTAL
LEVEL 1:	4		4			1	1	10
LEVELS 2-6:	6 [30]	6 [30]	2[10]	1 [5]	4 [20]	2 [10]		21 [105]
TOTAL	34[30%]	30 [26%]	14 [12%]	5 [4%]	20 [17%]	11 [10%]	1 [1%]	115 UNITS

REQUIRED INDOOR AMENITY:

UNITS UNDER 557sf:  $68 \times 3$ sm = 204sm UNITS OVER 557sf: 47 x 4sm = 188sm TOTAL: 392sm [4.220sf]

OUTDOOR AMENITY: REQUIRED

1115 UNITS x 3sm = 345 sm [3.714 sf]

PARKING: REQUIRED [CITY CTR MIN]

.9 /UNIT + .1/UNIT VISITOR TOTAL: 115 STALLS REQ'D

NO REQUIREMENT LOADING:

BICYCLES: REQUIRED

1.2/UNIT + 6 VISITOR

TOTAL: 144 BICYCLE STALLS REQ'D

PROVIDED

L1 GYM & FITNESS RM = 4.220sf [392sm] TOTAL: 4,220sf [392sm] INDOOR AMENITY

PROVIDED

3,714sf [345sm]

**PROVIDED** 

104 RES + 11 VISITOR STALLS

TOTAL: 115 PARKING STALLS TO BE PROVIDED

PROVIDED

138 RES + 6 VISITOR STALLS

TOTAL: 144 BICYCLE STALLS TO BE PROVIDED

TABLE OF CONTENTS

1. COUNCIL BRIEF

2. STATISTICS & LIST OF DRAWINGS

3. AREA LOC. PLAN & CONTEXT PHOTOS

4. SITE PLAN & RENDERINGS

5. GROUND FLOOR PLAN

6. TYPICAL FLOOR PLAN

7. SECTION DIAGRAM

8. DESIGN CONCEPT MASSING

9. SHADOW ANALYSIS

10. FXISTING LOTS & OWNERSHIP

11. ADJ. LOTS REDEVELOPMENT SITE PLAN

12. ADJ. LOTS REDEVELOPMENT PLAN & MASSING

13. AREA CONTEXT MASSING

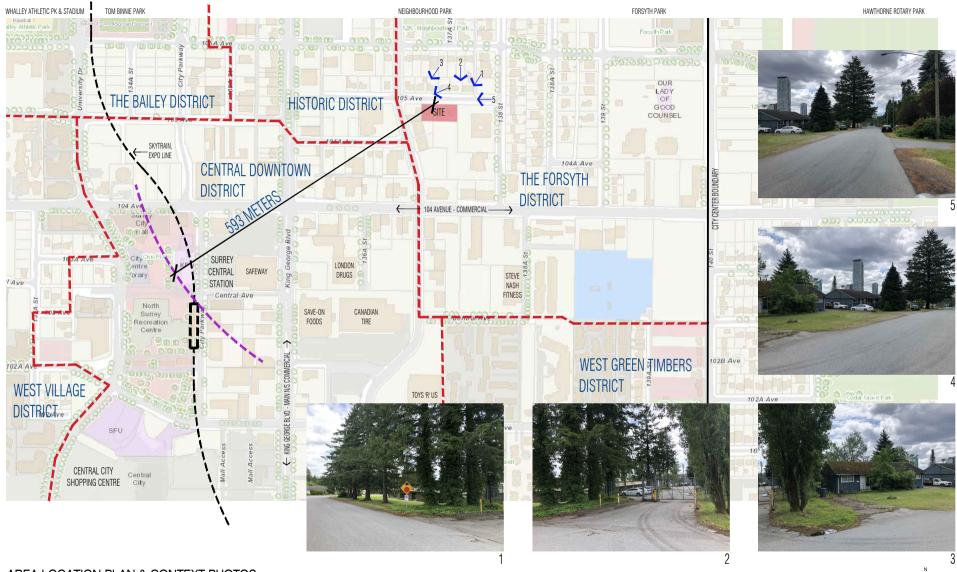
**14.** TOPOGRAPHIC & TREE SURVEY

#### REAR SETBACK: REQUEST FOR RELAXATION

THE REAR SETBACK FOR C-35 ZONE IS 7.5m. IN SOME OF THE RM MEDIUM-DENSITY ZONES. THE SETBACK IS 6.0m. WITH A SIMILAR SETBACK. WE CAN ACHIEVE A DENSITY REQUIRED TO MAKE THIS RENTAL APARTMENT PROJECT VIABLE. THE REAR SETBACK FACES SOUTH ENSURING ACCESS TO DAYLIGHT WITH A SUBSTANTIAL LANDSCAPE BUFFER PROVIDED FOR PRIVACY.

## STATISTICS & TABLE OF CONTENTS



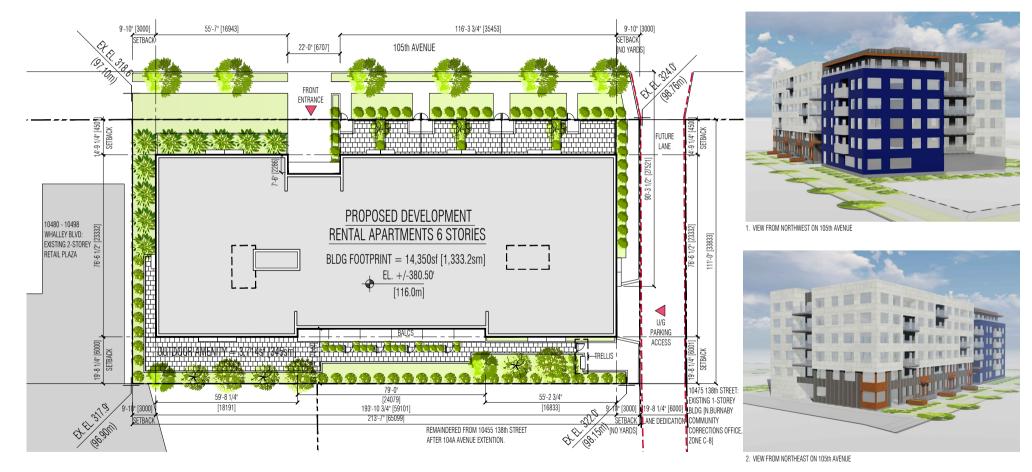


AREA LOCATION PLAN & CONTEXT PHOTOS

#### 13738 - 13754 105th AVENUE STATISTICS:

LOT AREA: 25,855 sf [2,402.0sm] BEFORE LANE DEDICATION BUILDING AREA: 77,565sf [7,206.0sm] - 3.0 FSR

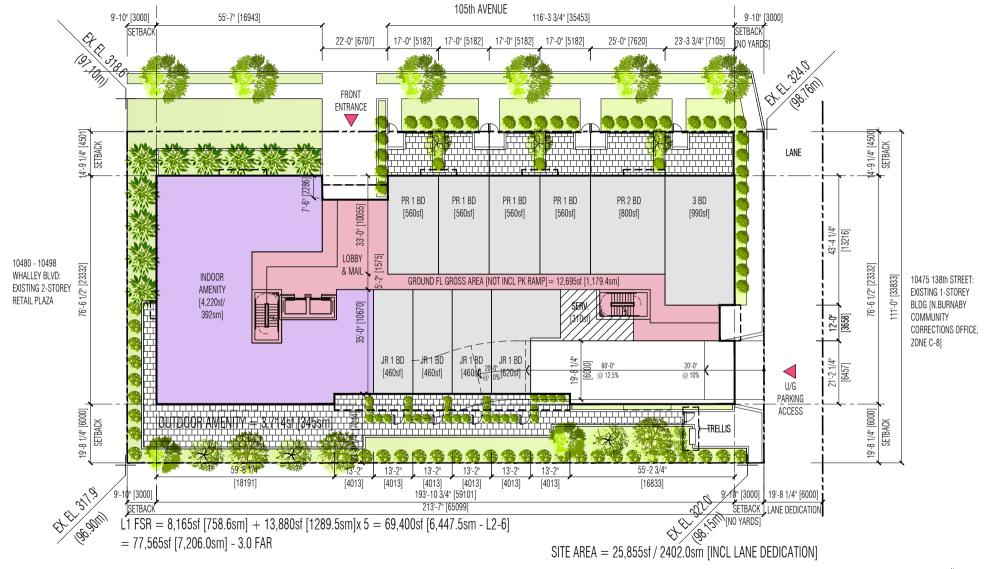
PROPOSED USE: 6 STORY RESIDENTIAL WITH 115 RENTAL UNITS



SITE PLAN SCALE : N/A

NOTE 1: PRESUMED ROAD & LANE DEDICATIONS DENOTED IN DASHED RED LINE





## L1 GROUND FLOOR PLAN

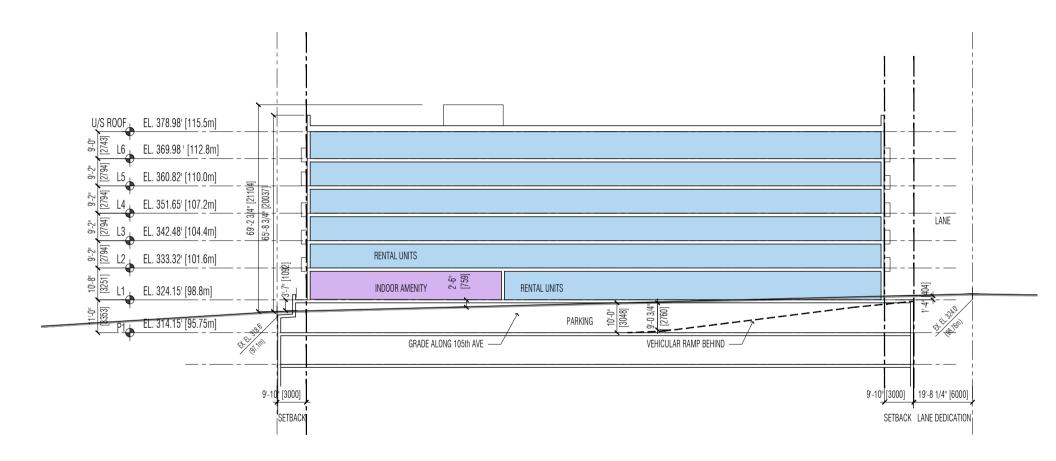
SCALE: 1:250





L2-6 TYP FLOOR PLAN

CALE: 1:250



## SECTION DIAGRAM



1. ELEVATED VIEW OF NORTHWEST CORNER



3. PEDESTRIAN VIEW OF NORTHEAST CORNER



2. 105th AVENUE ELEVATION - MASSING CONCEPT



4. PEDESTRIAN VIEW OF NORTHWEST CORNER

## **DESIGN CONCEPT MASSING**







MAR. 21, 12 noon



MAR. 21, 2pm



JUN. 21, 10am



JUN. 21, 12 noon



JUN. 21, 2pm

# SHADOW ANALYSIS SCALE: NTS

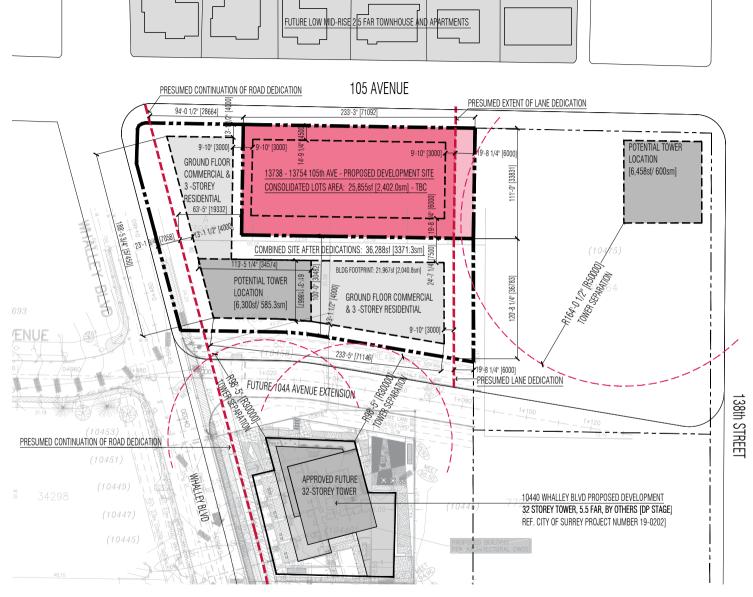
OWNERSHIP TABLE	
ADDRESS	OWNERSHIP
10480 WHALLEY BLVD	STANLEY THAI
10468 WHALLEY BLVD	XU HOLDINGS [20177 LTD]
10458 WHALLEY BLVD	SHU JIUN DONG
10445 138th ST	SHAW CABLE SYSTEMS
10475 138th ST	PARADE INVESTMENTS INC



SITE PLAN - EXISTING LOTS SHOWING FUTURE 104A EXTENSION & POTENTIAL ROAD & LANE DEDICATIONS

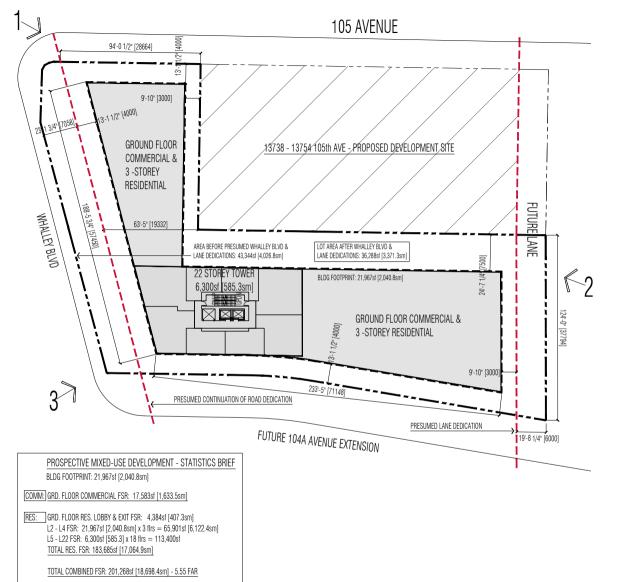






POTENTIAL REDEVELOPMENT SITE PLAN - ADJACENT LOTS CONSOLIDATED AFTER 104a AVE. EXTENSION SCALE: 1:750







1. VIEW FROM THE NORTHWEST



2. VIEW FROM THE SOUTHEAST



3. VIEW FROM THE SOUTHWEST [DOWNTOWN]

POTENTIAL REDEVELOPMENT PLAN & MASSING - ADJACENT LOTS CONSOLIDATED AFTER 104a AVE. EXTENSION



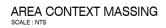


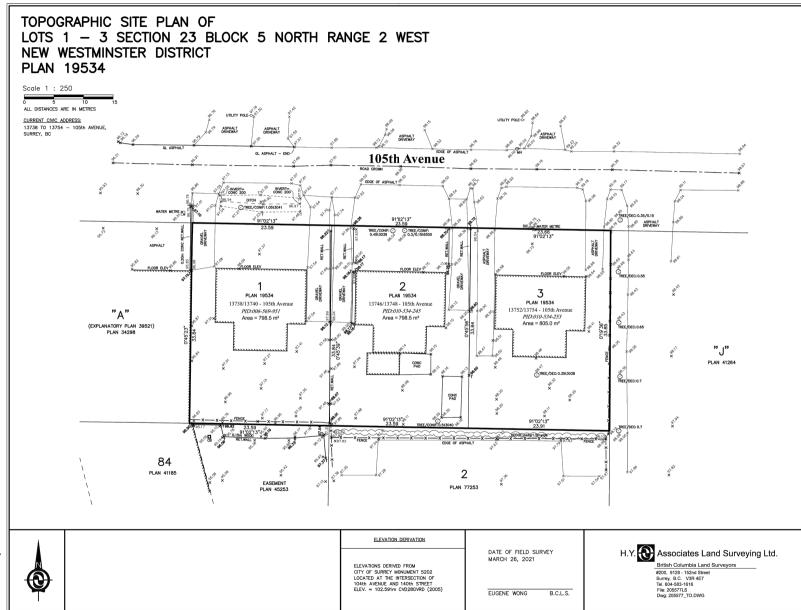


1.CONTEXT VIEW FROM NORTHEAST



2. CONTEXT VIEW FROM NORTHWEST





TOPOGRAPHIC SURVEY & TREE SURVEY SCALE: NTS

