

MINUTES

Development Advisory Committee

File: **360-20 (DAC)**
Date: **May 24, 2018**
Time: **2:30 p.m.**
Location: **3W Meeting Room
A, Surrey City Hall**

Members:

Sarah Bingham
Jennifer Clow
Jeff Fisher
Dexter Hirabe
Johnny Pang
Scott Pelletier
James Pernu
Mark Sakai
Sunny Sandher
Tony Sandhu
Kevin Shoemaker
Christopher Vollan
Sean Vrtacic

City Staff:

Tommy Buchmann
Ron Hintsche
Gilbert Larocque
Ann McLean
Maxwell Sykes
Fay Keng Wong

Regrets:

Jean Lamontagne

1. Previous Minutes

The notes of the April 26, 2018 meeting were accepted as distributed.

2. Introduction of New City Architect (Ron Hintsche, Manager, Area Planning South; Ann McLean, City Architect)

- Ron Hintsche was chair today.
- Tom Ainscough has retired. Ann McLean is the new City Architect. She started the position a month ago. She moved to Vancouver in the early 1990s and worked in the private sector as an architect before joining the City of Vancouver as a planner a decade ago. At the City of Vancouver, some of the projects she worked on included the Cambie Corridor Plan, Marpole Community Plan, and Joyce-Collingwood Station Precinct Plan. Ann will be the new liaison for the Advisory Design Panel.

3. Energy Step Code (Maxwell Sykes, Climate and Energy Manager, Planning & Development)

- Maxwell Sykes is the new Climate and Energy Manager. He provided an update on Surrey's approach to the BC Energy Step Code. Attached is a copy of his presentation.
- Process Overview. In January and February 2018, initial industry engagement sessions took place to get feedback on approach and identify key issues. From February to April, input was reviewed, issues were investigated, the approach was refined, and a compliance process was outlined. There were follow up industry engagement sessions on April 23rd and 26th which updated the approach and compliance information, with industry feedback. Mark Sakai (Greater Vancouver Home Builders' Association) and Jeff Fisher (Urban Development Institute) attended. In April and May, the approach was finalized, the compliance process was refined, transition support was developed, and other departments

were consulted. Currently, a report is being prepared for Council approval with an anticipated Council date of early July. The report will establish an enactment timeline and City Bulletins. If approved, implementation will be prepared (processes, staff training, communication, transition support) from July to December 2018.

- The Step Code. In the last 2-3 years, the Provincial government noticed that there was a patchwork of regulations for different cities, and many were not providing sufficient greenhouse gas outcomes. So, the Province decided to introduce province-wide energy requirements / performance based codes. Most local governments are investigating or have enacted requirements.
- Surrey's Objectives:
 - Ensure greenhouse gas reductions are being achieved
 - Provide clear timeline of upcoming changes
 - Promote alignment with neighbouring jurisdictions
 - Leverage existing training and support resources
 - Establish an efficient compliance process
- The focus is mainly on envelope efficiency, then equipment efficiency, then energy modeling, and then airtightness. Air leakage is a bigger deal in Metro Vancouver because the climate is milder.
- Surrey's Proposed Approach. Refer to page 5 of the attached presentation. The blue text/edits represent changes based on industry stakeholder feedback. It was found that townhouse and apartments need more time to adapt, so the required step for Phase 1 changed from Step 3 to Step 2. As you move up the steps, less air leakage is required. Single family detached, duplex, and other residential will be required to adhere to Step 1 in Phase 1 (by January 1, 2019) and gradually to Step 4 or 5 by 2025. Townhomes and apartments will need to meet Step 2 in Phase 1 and Step 4 or 5 by 2025. Residential concrete towers and residential woodframe low/mid rise will be required to meet Step 3 (standard path) or Step 2 (DES and low-carbon path) in Phase 1 and Step 4 by 2025. Commercial office and mercantile will need to meet Step 2 in Phase 1 and Step 3 by 2025. Phase 1 will be implemented by a 2018 Building Bylaw amendment. The proposed potential timeline for future phases is to provide clarity for the industry.
- Optional paths and complementary requirements will support industry transition, ensure high efficiency buildings, and reduce greenhouse gas emissions. Part 9 requires a mid-construction airtightness test for single family detached homes and townhomes. Part 3 now requires an airtightness testing plan, fundamental building commissioning (under investigation), and building energy benchmarking (Portfolio Manager account, City staff administration access and/or annual reporting). For all greenfield development, Development Permit Area requiring higher steps is under investigation and will apply to all future NCPs and may apply to some existing NCPs.
- In-Stream and Phased Developments. The same approach already applied to DCCs will be used, including:
 - Completing the Building Permit application in-stream (form, fee, supporting documents) on the effective date (Step Code in force) and issuable within one year of the effective date.
 - Building Permits on lands with a precursor application (e.g. Development Permit) in-stream on the effective date and where the related Building Permit is issuable within one year of the effective date.
- Updating Application and Compliance Process. Internal work is underway. Once developed, the City will communicate early, often, and through multiple channels.
 - Assurance: Part 3 and Part 9 townhomes and small apartments – professionals with liability insurance. Part 9 single family detached, duplex, and others – environmental assessments (EAs) or professionals with liability insurance.
 - Forms: Using standard forms from Province. Seeking paperless process to reduce staff time, errors, and permitting time.

- Dealing with Noncompliance. Objectives include raising industry capacity through transition and discouraging multiple offences. The City is not interested in delaying buildings or penalizing buildings. The City expects builders to fix deficiencies and improve inadequate performance, and may provide a modelling recommendation regarding the air changes per hour (ACH) assumption. Mechanisms could include withholding occupancy if very poor performance, until addressed; requiring a training course if the airtightness requirement is missed; and requiring a performance bond.
- Supporting Industry through the Transition. The focus is to build industry capacity.
 - Part 9: Fund mid-construction blower door tests until Step Code is in force; require airtightness training for noncompliance; demonstration building(s) with videos.
 - Part 3: Coordinate training seminars delivered by and for industry; on-site airtightness demonstration/experience.
 - Both: Host 3+ sessions; Surrey Step Code website – links to guides, education opportunities; handheld resources; help builders/developers reach and educate tradespeople; account for language barriers.
- Ongoing Review of Some Part 3 Buildings. Looking at a 12-15 year market capacity.
 - Commercial buildings. There will be further investigation with other local governments. The City is waiting for new Provincial requirements for office and hotel/motel.
 - Municipal buildings. The City intends to take a leadership role (e.g. higher steps). Clayton Community Centre will be a passive house. The City is waiting to see Provincial requirements/archetypes.
- In addition to the 3 tables shown in the attached presentation (Part 9 Requirements, Part 3 Residential Requirements, and Part 3 Commercial Requirements), the Province is still working through specific targets and archetypes. There will be office type and hotel/motel type. Municipal targets will come out later this year. The archetypes may expand, but for now these are the types.
- DCC Approach to In-Stream Applications. Grandparenting/grandfathering.
 - When a new DCC Bylaw takes effect, in-stream applications may qualify for grandparenting to the DCC rate in effect at the time of their application.
 - a) Applications for subdivision of land that are in-stream on the Effective Date and which are completed within one year of the Effective Date.
 - b) Buildings permits that are in-stream on the Effective Date and which are issuable within one year of the Effective Date.
 - c) Building permits on lands with a precursor application in-stream on the Effective Date and where the related building permit is issuable within one year of the Effective Date.
 - Precursor application means, in relation to a building permit, that there is an:
 - a) In-stream development permit application and that the development authorized by the building permit is entirely within the area of land that is subject to the development permit application; or
 - b) In-stream rezoning application and that the development authorized by the building permit is entirely within the area of land that is subject to the rezoning application.
 - In-stream means, in reference to an application, not determined, rejected or withdrawn and:
 - a) In the case of an application for subdivision, one for which the application form has been completed, the application fee has been paid, and all required supporting documentation necessary to make the application complete has been submitted and accepted by the City as a legitimate application;

- b) In the case of an application for building permit, one for which the application form has been completed, the application fee has been paid, and all required supporting documentation including all applicable architectural, structural, plumbing, electrical, mechanical and site drainage drawings necessary to make the application complete has been submitted and accepted by the City as a legitimate application;
 - c) In the case of a rezoning application, one for which the application form has been completed, the application fees have been paid, and all required supporting documentation necessary to make the application complete has been submitted and accepted by the City as a legitimate application; and
 - d) In the case of an application for development permit, one for which the application form has been completed, the application fees have been paid, and all required supporting documentation necessary to make the application complete has been submitted and accepted by the City as a legitimate application.
 - o Issuable means, in the case of a building permit, an application which meets the requirements of an in-stream application and for which:
 - a) Council has approved any applicable rezoning and/or development permit and/or development variance permit;
 - b) All required off-site legal encumbrances relating to engineering services have been registered at the Land Title Office on title to the subject property;
 - c) Any plan, including a plan of subdivision, consolidation or road dedication, that would affect the legal description of the subject property has been registered at the Land Title Office on title to the subject property;
 - d) All review comments arising from the building permit application review process have been addressed to the satisfaction of the City; and
 - e) All applicable fees and levies have been paid.
- Application and Compliance Process for Part 9. The City is working toward a paperless system. Submission and CEA or RP sign-off requirements (Part 9 Provincial Compliance reports for pre-construction, as-built; Energy Model Report for building permit and occupancy; Energy Model for building permit and occupancy; and Airtightness Report for mid-construction and occupancy). Once developed, there will be staff training and support, industry will have a clear overview of any changes, and there will be bulletins and an email alert.
- Application and Compliance Process for Part 3. The City is working toward a paperless system. Submission and RP sign-off requirements (Part 3 Provincial Compliance Reports for building permit and inspection; Energy Model Report for building permit and inspection; Energy Mode for building permit and inspection; Airtightness Testing Plan for building permit; Airtightness Report for inspection; and Commissioning Report for inspection). Once developed, there will be staff training and support, industry will have a clear overview of any changes, and there will be bulletins and an email alert.

Comments:

- Jeff Fisher asked, regarding the DES option, how quickly will developers be informed about its structure, to help with expectations. The on-site option. Maxwell Sykes responded that Surrey's approach to the Step Code needs to be clarified before it goes to Council (likely on July 9th). Richmond's requirement is that 70% has to come from a low-carbon system (excluding baseboards). We would probably consider this.

- Jeff Fisher commented that there are a number of approaches. Will you be signing off of certain companies or technologies? Maxwell Sykes responded that the City will be reaching out to energy providers.
- Jeff Fisher further commented that Sean Pandher may have contact information for this. There is a bit of a problem with Richmond because their requirement was rolled in with a district energy company and there was not really an option. Richmond is still figuring it out. Vancouver would be a better option to follow. The Urban Development Institute met with Richmond and it seemed like a strange approach.
- Sarah Bingham asked if there were any plans for grandfathering before? Maxwell Sykes responded yes.
- Kevin Shoemaker asked, for Part 3, what is new is the airtightness testing plan? Maxwell Sykes responded that we want to understand the performance and costs of these steps so we are benchmarking building energy. The City is also looking at having a higher step requirement in future NCP areas.
- James Pernu commented that he has a project in the Township of Langley which involves a Development Permit Area. He often struggles to appreciate the benefit of this as the Township staff never comment on it, so it seems like wasted effort. Is there a way to do this without adding another development permit? He questions the utility of this. Maxwell Sykes responded that the challenge of NCPs is that it becomes something that is negotiated rather than a requirement. It could possibly be done through a building permit process (having a schedule that is a map).
- James Pernu further commented that in Grandview, there may be pushback to have it in addition to, for example, the Biodiversity Conservation Strategy (BCS) Corridor. Maxwell Sykes responded that climate change is different from sustainability. We have to focus on climate change targets.
- Jeff Fisher asked if it would apply to LRT areas? Maxwell Sykes responded, no, it will not apply to Town Centre areas because it would not be as effective.
- Jeff Fisher further asked when it would happen? Maxwell Sykes responded that the Province has set Steps 4 and 5 as the higher steps. For NCPs that are in early stages, the step code would apply.
- Mark Sakai asked if there will be a requirement to meet the first steps (part of capacity building). Maxwell Sykes responded, yes, for the first 2 years probably.
- Kevin Shoemaker asked if every unit or just certain types of units have to be done. For some types (e.g. townhouses), it is really the middle units because the end units are different. It is very inefficient (like a 300 unit building). Maxwell Sykes responded, yes, mid versus end units will be looked at.
- Johnny Pang commented, in terms of maximum, mid homes would have a couple of steps higher in air tightness. When construction puts in holes, there would be an air tightness issue.
- Kevin Shoemaker asked if it would be better to have the check at final? If you have a complete building permit at the effective date, if it is issuable, then you follow the old standards. Maxwell Sykes responded that he will double check.
- Jeff Fisher commented that he would prefer having it when the development permit/building permit is being completed.
- James Pernu asked is it possible that the exterior (form and character) will change? What if a development permit/building permit expires? A development permit is another 2-3 year process prior to building permit application. Maxwell Sykes responded that this was raised in stakeholder consultation. In terms of form and character, those changes are likely not required until the higher steps. Have already started work.
- James Pernu commented that, for covenants, you have to get other neighbours to discharge. There are always stragglers. Ron Hintsche responded that what we do in the interim is a good point.

- Kevin Shoemaker commented that the DCC grandfathering method should be used. What is being proposed does not recognize how long it takes. Maxwell Sykes responded that the Province has provided forms. Surrey will be using those same forms, but in paperless form so the computer will be able to recognize areas that are lacking.
- Jeff Fisher commented do not rely on air tightness as much as other things. Maxwell Sykes responded do not assume that you have achieved the maximum.
- Kevin Shoemaker commented do not overlook bonds because they hinder developers' ability to borrow. It would be good if there is a way to tie it with a bond for something that is already bonded. Maybe have a bad/violators list.
- Gilbert Larocque commented that bonds are really painful. The problem is that the builder gets partial occupancy and do not finish it. The City had a preferred house designer list (those who met certain criteria of good design), but immediately there were complaints from people who were not on the list so the program was removed. The builders' project managers are not tracking their bonds – they get partial occupancy and then assume that it is done. Site supervisor miscommunication. So, the City has to hold the bond.
- Kevin Shoemaker commented that it is easier for developers if they get information on what they are in for and also any other alternatives.

4. Recent Inspections of Part 9 Houses (Gilbert Larocque, Deputy Chief Building Official, Planning & Development)

- Gilbert Larocque provided an update on recent inspections of Part 9 Houses. A copy of his presentation is attached.
- In the Surrey Zoning By-law:
 - Cooking Equipment “means equipment, devices or appliances that can be utilized to prepare a meal within a *dwelling unit* and includes a sink, counter-top, gas or electric range or stove, counter-top cooking unit, hot plate, wall oven, microwave oven, convection oven, toaster oven, electric frying pan, electric wok, pressure cooker, crock pot, cabinet for the storage of food or any other such culinary facility or any combination of such culinary facilities and includes the arrangement of service lines which provide the energy source being used or intended to be used to service such facilities.”
 - Dwelling Unit “means 1 or more habitable rooms which constitute 1 self-contained unit used or intended to be used for living and sleeping purposes for which is provided:
 - (a) *cooking equipment* or the facilities for the installation of *cooking equipment*;
 - (b) one or more bathrooms with a water closet, wash basin and shower or bath.”
 - Dwelling – Single Family “means a detached *building* used for residential purposes that consists of *one dwelling unit*, and where permitted by this By-law, one *secondary suite*.”
- Plan Checking – Permit Issuance. Bar sink must be installed prior to occupancy. Maximum size 12 inch by 12 inch. Maximum 3 feet counter. No overhead cabinets.
- If you have a sink and a countertop, then it is considered a kitchen.
- Some single family home owners had asked for a bar in the basement (e.g. a sink to wash their cups), so it was allowed. However, there have been cases where, as soon as the City gives approval, 2 counters are illegally put in. The City has also heard of sales centres informing buyers that they can put in a fridge, etc. later. Competing developers complain about this, so now it is required that the approval be conditional.
- Not acceptable. Building Act. Building inspectors have to be licensed to ensure consistency. So will be more stringent.
- This issue is separate from legal secondary suites.

- Some developers hide outlets and put a dot to indicate that it is behind there.
- Bar sink is a relaxation from nothing.
- One of the reasons for the delay is there are changes midway by applicant.

Comments:

- Jeff Fisher asked if this applies to multi-family. Gilbert Larocque responded if they are trying to put in an illegal suite in, for example, a townhouse, yes.
- Tony Sandhu asked what if the tenants want to finish work that was not completed by the developer? Gilbert Larocque responded that we do not know but will find out. Since last year, there has been tightening about selling buildings that do not have final. For example, cases where owners/builders do not have conveyance and when they ask for it 12 years later, the permit has lapsed. It is a problem. It becomes a problem if there is a fire and they do not have insurance.

5. Comments on the Market (All)

- James Pernu. Busy. Processing times everywhere in the Lower Mainland have been slow. Comment on letters of credit, pain on the developer side.
- Kevin Shoemaker. Abbotsford prices are now similar to what Langley was several months ago. Prices in Vancouver's West Side for single detached housing are down 10-15%.
- Ron Hintsche. There has been an increase in applications in South Surrey. Spike in applications in April but probably linked to DCC increases.
- Jeff Fisher. June 21st UDI forecast for the market.

6. Other Business (All)

- Mark Sakai asked if information about the electric vehicle charging requirement and parking requirement could be presented at a future DAC meeting. Ron Hintsche responded that there is a parking study review underway, and electric vehicle charging stations will be part of that. Yes, an update could be provided at a future DAC meeting.
- Kevin Shoemaker commented on paperless development permit applications. Many plans are couriered to City Hall. Sometimes there is a mistake in the address or department, which results in a greater number of vehicle trips (emissions). Can staff be trained (e.g. in bluebeam) so they can review plans electronically? Gilbert Larocque responded that the City can accept digital signatures. The City is working on this, and was the first to have its building inspectors equipped with tablets. Tommy Buchmann commented that Engineering is working on getting things accepted electronically. Ron Hintsche added that trees and landscaping, etc. are accepting electronically. We are getting there.

7. Next Scheduled Meeting – May 24, 2018

- The meeting adjourned at approximately 4:23 pm.