

NO: R215

COUNCIL DATE: November 4, 2024

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **October 30, 2024**

FROM: **Acting General Manager, Planning & Development
General Manager, Engineering**

FILE: **6520-20
(Grandview Heights
Area #5 NCP)**

SUBJECT: **Grandview Heights Area #5 – Neighbourhood Concept Planning**

RECOMMENDATION

The Planning & Development Department and Engineering Department recommend that Council:

1. Receive this report for information; and
2. Authorize staff to undertake preliminary planning assessments and studies in advance of a Neighbourhood Concept Plan process for Grandview Heights Area #5, as described in this report.

INTENT

The intent of this report is to seek Council authorization to initiate technical background studies in advance of the preparation of a Neighbourhood Concept Plan process for Grandview Heights Area #5.

BACKGROUND

In 2005, Council approved the Grandview Heights General Land Use Plan (“GLUP”) which set out a plan for the phased development of rural and suburban lands in the overall Grandview Heights area. The GLUP divided the Grandview Heights area into five future Neighbourhood Concept Plan (“NCP”) areas, based on proposed future land uses, servicing considerations, and reasonably scaled planning areas (Appendix “I”).

Since the approval of the GLUP, five NCPs have been completed. These include the Morgan Heights NCP (Area #1) approved in 2005, the Sunnyside Heights NCP (Area #2) approved in 2010, the Orchard Grove NCP (a portion of Area #5, identified as Area #5A) approved in 2011, the Redwood Heights NCP (Area #4) approved in 2020, and the Darts Hill NCP (Area #3) approved in 2021. These approved NCPs are currently in various stages of development, with Morgan Heights almost complete, Sunnyside and Orchard Grove under development, and Redwood and Darts Hill pending servicing.

Servicing

Grandview Heights Area #5 (the “Area”) is characterised by suburban land uses and requires a significant amount of servicing and infrastructure upgrades to enable redevelopment. The Area falls within multiple existing utility catchment areas, which are currently (or will be) serviced through adjacent Grandview Heights NCP areas. In particular, the Area will rely on the utility servicing for the North Grandview, Redwood Heights, and Darts Hill NCP areas, which are currently in the planning stage, and have not yet begun construction.

The Housing Accelerator Fund (“HAF”) Spending Plan, in support of the HAF Action Plan Initiatives, allocates funds to construct infrastructure projects in Darts Hill to support the creation of new dwelling units, as described in Corporate Report No. R121; 2024 (Appendix “II”). It is appropriate to initiate scoping for the Area while the Darts Hill infrastructure projects are in the implementation stage, so that utility service delivery and land use planning is coordinated.

Petitions

The *Surrey Official Community Plan Bylaw, No. 18020, 2013* (the “OCP”) sets out a process for initiating new secondary land use plans, including guidelines on ascertaining landowner support within potential plan areas. For new neighbourhoods, Council may authorize the preparation of an NCP where there is a demonstrated level of support from landowners within a defined area. This level of support is generally defined as 50% or more of the landowners or 70% or more of owners of the land area within the proposed plan.

Over the past few years, the City has received three private landowner petitions for portions of the Area, seeking the development of an NCP. The City surveyed landowners within portions of the Area, including the areas subject to the prior private petitions. The intent of the survey was to gauge support for the initiation of secondary land use planning in the area.

In total, 419 private properties were contacted as part of the survey. Of these, 229 properties (55% of respondents), representing 57% of the total proposed area, were supportive of the initiation of an NCP. The results of the survey are illustrated in Appendix “III”.

Staff has verified property ownership information presented on submitted survey forms and is of the opinion that the response is a legitimate and accurate representation of the majority of property owners in the area. This support meets the policy guidance in the OCP regarding the initiation of a new NCP process.

DISCUSSION

Background Studies

In preparation of formal planning within the Area, staff will initiate background studies to provide the necessary context and analysis. Subject to Council endorsement of this report, the following background studies will be initiated for the Area.

Environmental Assessment

An environmental study will include an assessment and inventory of riparian, aquatic, and terrestrial habitats in the Area. The study will consider and incorporate provincial and federal

regulations, including the Riparian Area Protection Regulation (“RAPR”), Fisheries Act, and Species at Risk Act, as well as the City’s Biodiversity Conservation Strategy (“BCS”). The study will inform staff about areas of environmental sensitivity that should be considered in land use planning.

Market Study

A market study will assess population forecasts for the overall Grandview Heights GLUP Area. It will examine existing and planned commercial and employment areas and provide an analysis of market demand and capacity for residential and commercial land uses in the Area. This analysis will inform the growth concept and land use strategy for the Area NCP in relation to the broader GLUP population and employment catchments.

Utility Servicing

The Area is located upstream of the other approved NCP areas in the Grandview Heights GLUP. Consequently, the utility infrastructure required to service approved NCP areas will partially overlap with the servicing requirements for the Area.

The Grandview Heights GLUP Area requires the construction of trunk sanitary sewers and pump stations to service the northern portion of the Area, together with North Grandview and Redwood Heights. Trunk sanitary sewers are also needed in the southern portion of the Grandview Heights GLUP Area, which will provide service for Darts Hill and upstream catchments, including the Area. The feeder water main projects required to service Redwoods and Darts Hill NCPs will also benefit the Area.

As part of the scoping working, staff will review planned infrastructure projects and servicing catchment areas to inform the NCP process. The introduction of sub-plan areas will be considered to better align land use planning with more immediate servicing upgrades.

Next Steps

Staff will determine appropriate Plan Area boundaries for more detailed NCP work based on the outcomes of background studies and preliminary engineering servicing review. This may include sub-areas within the broader Area geography to strategically align with the timing of forthcoming servicing work. Staff will report back to Council in 2025 with an update on preliminary planning and a Terms of Reference to initiate future NCP work.

Future NCPs for the Area will be structured in two stages:

- Stage 1: A draft land use plan with supporting transportation strategy and parks and open space strategy, along with a preliminary servicing strategy. Stage 1 will be brought to Council for approval prior to Stage 2 work commencing.
- Stage 2: Detailed engineering servicing strategies, urban design guidelines, development policies, and a financial strategy (including infrastructure financing and CACs).

CONCLUSION

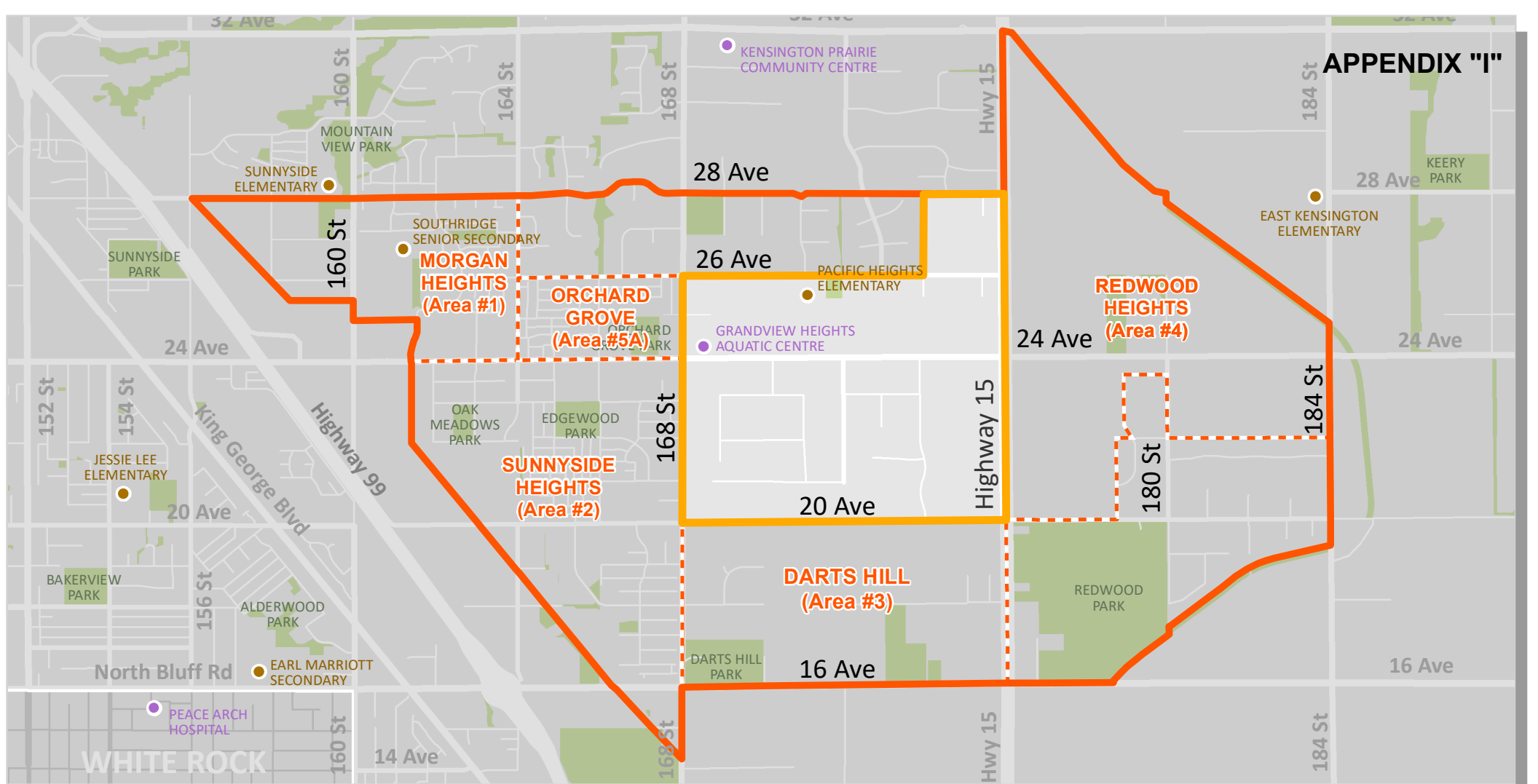
Grandview Heights Area #5 presents a significant opportunity to support the long-term development of a new and complete community, including new homes, amenities, services, and jobs. The ongoing advancement of utility services will open-up adjacent approved plan areas and provide rationale to begin preliminary planning for the Area.

It is recommended that Council authorize staff to initiate background studies for Grandview Heights Area #5 and report back to Council when a detailed NCP is ready to be initiated.

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

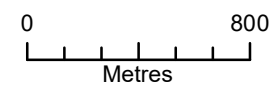
Original signed by
Scott Neuman, P.Eng.
General Manager, Engineering

Appendix "I" Grandview Heights GLUP and Plan Sub Areas
Appendix "II" Corporate Report No. R121; 2024
Appendix "III" Petition Results Map



- Grandview Heights
- Neighbourhood Concept Plan Areas

Plan Consideration Area



CORPORATE REPORT

NO: R121

COUNCIL DATE: June 24, 2024

REGULAR COUNCIL

TO: Mayor & Council

DATE: June 19, 2024

FROM: General Manager, Planning & Development
General Manager, Corporate Services
General Manager, Engineering
General Manager, Finance
General Manager, Social Infrastructure &
Community Investments

FILE: 1855-03

SUBJECT: Housing Accelerator Fund Six-Month Update and Spending Plan Refinement

RECOMMENDATION

The Planning & Development Department, Social Infrastructure & Community Investments Department, Corporate Services Department, Engineering Department, and Finance Department recommend that Council receive this report for information.

INTENT

The intent of this report is to update Council on the City's Housing Accelerator Fund, including the issued building permits to date, refinement of the Spending Plan, status update on the Action Plan, and upcoming improvement efforts.

BACKGROUND

On December 4, 2023, the City received approval for \$95.6 million from the Canada Mortgage and Housing Corporation ("CMHC") to provide financial incentives to remove barriers to housing supply, accelerate growth, and support community development over the next three years.

On January 29, 2024, Council considered Corporate Report No. R016; 2024, outlining the City's Housing Accelerator Fund ("HAF") Action Plan ("Action Plan"), a series of eight initiatives intended to increase Surrey's housing supply in both the short-term and long-term, and the Spending Plan, which supports community growth and promotes well-being.

The HAF monies will be received in four equal payments, concluding by December 2026, as follows:

- 25% initial payment (already received);
- 50% annual progress payments, contingent on implementing the Action Plan and submitting progress reports to CMHC; and
- 25% based on meeting the Housing Growth Targets.

The City will have until September 2027 to spend the HAF monies.

DISCUSSION

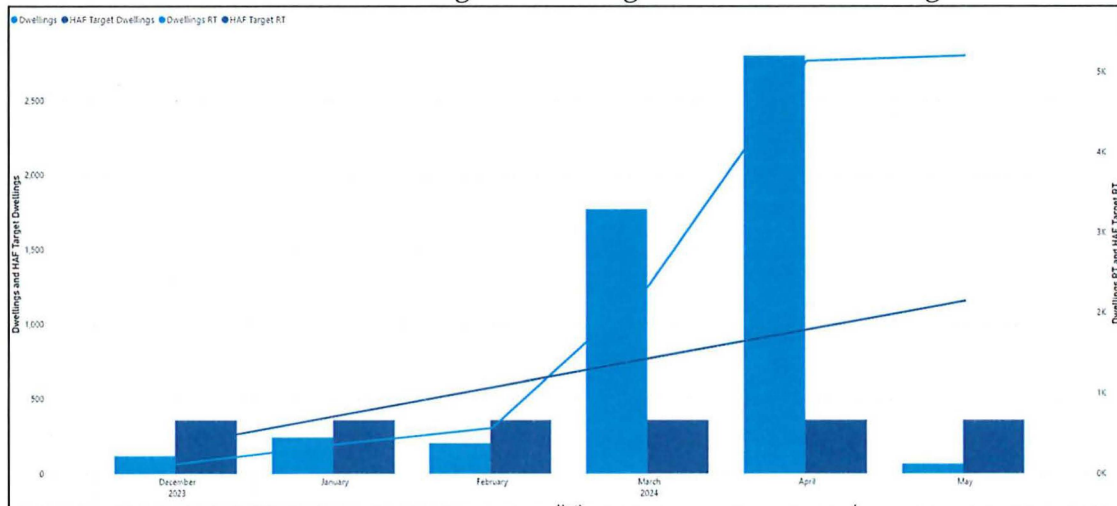
Housing Growth Targets Status Update

Through the Action Plan, the City seeks to increase the number of housing units delivered by 27.8%, to an average of 4,283 net issued dwellings per year or 12,850 cumulative by December 2026 (“Housing Growth Target”). The final 25% installment of the HAF funding is contingent on meeting this target.

As of May 2024, the City has issued 5,200 net new dwellings, surpassing the expected annual average. This increase can be attributed to the implementation of new Metro Vancouver Water Development Cost Charges (“DCCs”) on April 27, 2024 which prompted developers to expedite their project timelines to minimize costs.

This phenomenon is not unprecedented. Elevated permit numbers are anticipated for the remainder of the year, allowing for increased focus on enabling process improvements through the Action Plan.

Table 1 – HAF Housing Growth Targets and Issued Dwellings



Refinement of the Spending Plan

The \$95.6 million HAF budget is composed of two main components: \$47.4 million to deliver the Action Plan, and \$48.2 million for the Spending Plan. Staff have refined the Spending Plan seeking to maximize the impact of these funds in assisting with the creation and availability of housing in our community.

Infrastructure investments are traditionally advanced through the City’s capital program, as outlined in the 10-Year Servicing Plan, and Front-Ending Agreements with developers. For newly planned neighborhoods, it is typical for a front-ending developer to initially construct trunk infrastructure and then to be reimbursed through DCCs collected as development occurs in the benefiting area.

Without infrastructure, development projects cannot advance in the approval process. In some cases, development remains stalled while the front-ending developers arrange for the works.

The HAF Spending Plan provides an opportunity accelerate “shovel-ready” infrastructure projects to unlock housing. The City’s HAF investments would then be recouped through future DCCs levied in development.

Focusing on housing starts, issuable before December 2026 is aligned with the intent of the HAF and seeks to further secure the fourth instalment, based on meeting the Housing Growth Targets.

When reviewing potential infrastructure projects, the City seeks to identify opportunities based on the following criteria:

- Unlocking housing starts by December 2026; and
- Estimated issued building permits after 2026.

Based on these criteria, staff are exploring infrastructure investment opportunities in Clayton and Grandview, estimated at \$19 million that are expected to unlock approximately 2,200 dwelling units within the timeframe of the HAF.

With the above infrastructure investment estimates, the refined \$48.2 million Spending Plan items is as follows:

- \$19 million for infrastructure;
- \$27 million to acquire two to three sites for future affordable housing opportunities, with acquisitions anticipated to begin in late 2026 and into 2027; and
- \$2.2 million seed funding for Surrey City Development Corporation’s Gateway Project, including master planning, detailed design for Phase 1, and site preparation.

Action Plan Progress Update

Since the January 2024 formal launch of the HAF, significant progress has been made, including:

- Corporate Report No. R032; 2024 (February): Updates to the DCC Bylaw exemptions for Affordable Housing projects;
- Corporate Report No. R056; 2024 (April): Establishment of the Development Inquiry Assistant, the Artificial Intelligence-driven chatbot;
- Corporate Report No. R067; 2024 (April): Initiation of the Rapid Transit Incentive Program and the Non-Market Rental Incentive Program;
- Proposed Zoning By-law updates (Corporate Report No. R109; 2024: Small-Scale Multi-Unit Housing: Zoning By-law Amendments Related to Provincial Housing Legislation) were brought forward in response to provincial housing legislation to allow as of right small-scale multi-unit housing in all single family and duplex zones to increase supply of missing middle housing;
- Providing financial support for Surrey Urban Indigenous Leadership Committee to build capacity in the Indigenous housing sector towards increasing the supply of Indigenous housing units; and
- Securing and onboarding HAF staff resources to support implementation of the Action Plan and continued application processing.

Next Steps

Staff are prioritizing several actions, including:

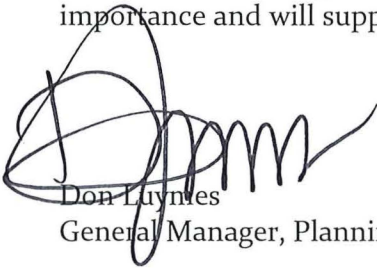
- Advancing policies and zoning bylaw amendments to introduce new zones in response to provincial housing legislation;
- Reviewing the Certified Professional Program to understand the role of professional reliance in the permitting process;
- Updating the Housing Needs Report;
- Reviewing the Guaranteed Permitting Timelines programs and application prioritization process;
- Initiating the development of a data-driven performance monitoring program to reduce the rate of inspections for high-performing plumbing contractors;
- Developing digital permitting opportunities for tenant improvement permits, including sign permits; and
- Continuing efforts to identify additional staff to support the Action Plan and application processing.

Council Engagement

Staff will provide Council with semi-annual HAF progress reports on the implementation of the Action Plan and Spending Plan. Additional reports will be provided at key implementation milestones or when approval is needed for bylaw amendments and contract awards.

CONCLUSION

The HAF presents an opportunity for Surrey to streamline the land development approval process and increase housing delivery. This partnership with the Federal Government is of significant importance and will support housing access for Surrey's growing population.



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General Manager, Planning & Development



Joey Brar, MBA, CPHR
General Manager, Corporate Services



Scott Neuman, P.Eng.
General Manager, Engineering



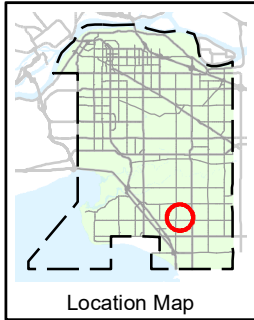
Kam Grewal, CPA, CMA
Chief Financial Officer/General Manager, Finance



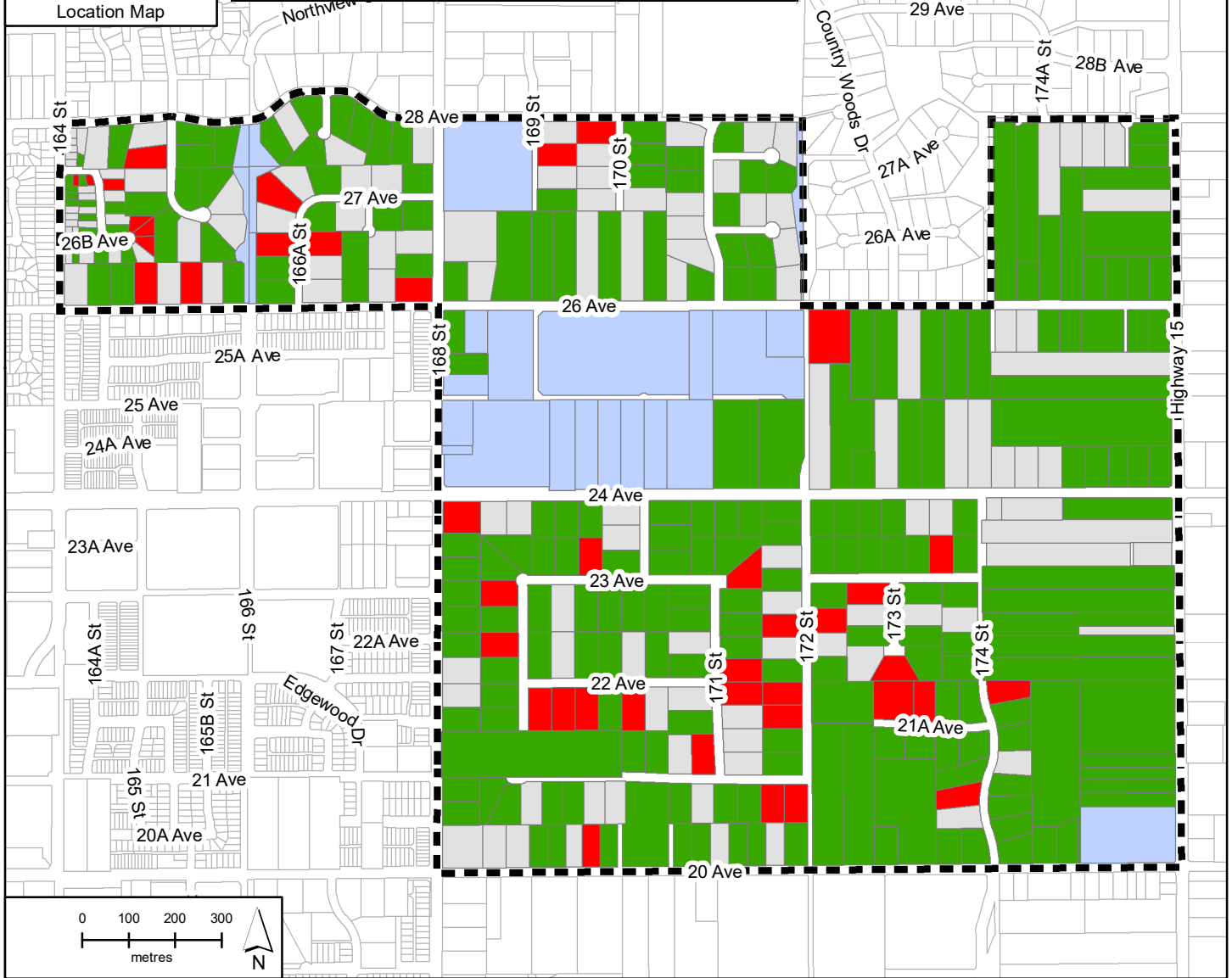
Terry Waterhouse
General Manager, Social Infrastructure & Community Investments

Grandview Heights Area 5 NCP Consideration

APPENDIX "III"



Summary	Lots	Area
Support	54%	57%
Oppose	10%	7%
No Response	30%	23%
Civic Land	6%	13%



LEGEND

- Support
- Oppose
- No Response
- Civic Land
- Proposed NCP Boundary



**Grandview Heights
Greater Area**

**Planning & Development
Department**