

NO: R150

COUNCIL DATE: July 22, 2024

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 18, 2024**

FROM: **General Manager, Planning & Development** FILE: **3220-01**

SUBJECT: **Proposed Pilot Program for Building Permit Application Submission for Single-Family Homes in Advance of Subdivision Approval**

RECOMMENDATION

The Planning & Development Department recommends that Council:

1. Receive this report for information; and
2. Endorse a pilot program for building permit application submission for single-family homes in advance of subdivision approval and instruct staff to operationalize the pilot program as part of continuous improvement initiatives.

INTENT

The intent of this report is to respond to Notice of Motion RES.R23-2611 from the December 18, 2023 Regular Council – Public Hearing Meeting, which directed staff to investigate as to whether building permits for new homes can be submitted for review after the preliminary layout approval process and prior to final subdivision in order to reduce the time for building permit issuance.

BACKGROUND

At its December 18, 2023 Regular Council – Public Hearing Meeting, Council approved RES.R23-2611, directing staff to:

“...investigate and report back as soon as possible as to whether building permits for new homes could be submitted for review after the preliminary layout approval process and prior to final subdivision in order to reduce the time for building permit issuance.”

Surrey’s Current Policy and Practice

There is typically a period of several months time between the approval of a layout for a subdivision (Preliminary Layout Approval, or “PLA”) and the final approval of a subdivision. During this time, a subdivision applicant is working to complete the conditions of subdivision, which include servicing the lots, completing legal elements such as registering easements, restrictive covenants, and paying requisite fees and securities. In some cases, future lots are pre-

purchased after PLA by owner/builders who seek to utilize this period between PLA and subdivision to begin the process of obtaining building permits for their house plans.

The City's current building permit review timelines are five to seven weeks from the time a complete application is accepted by the City to the time a building permit can be issued; or, if it has not demonstrated substantial compliance with the City's bylaws or BC Building Code, deficiency comments are provided.

The City's current policy and practice is that building permit applications cannot be accepted prior to the creation of building lots through subdivision completion. Building permits are not issued until services (water, sewer, etc.), rough lot grading, erosion and sediment control, and tree protection measures are approved, constructed, and in place.

This is due to the following:

- Prior to subdivision, future lots do not yet legally exist, and the ownership of these lots is not yet transferred to the new owner/builder. Therefore, building permit applications would need to be tied to the pre-subdivision "parent parcel" and then transferred to the newly created parcels once subdivision is complete;
- The registered owner(s) of the property would also need to be changed once subdivision is complete;
- These administrative steps add complexity and potential for error, particularly when sales of completed lots are not completed as anticipated; and
- In addition to the above, while the conceptual layout, grading, and servicing for future lots is accepted by the City's Approving Officer at the PLA stage, there may be adjustments to these technical elements between PLA and final subdivision approval that may affect a building permit application and may require additional reviews and add time to the approvals process.

Notwithstanding the above, some of the identified risks may in fact be benign and, in an effort to demonstrate the potential efficacy of allowing the acceptance of building permits prior to subdivision approval, staff is proposing a limited pilot program as outlined in the subsequent section of this report.

DISCUSSION

The objective of RES.R23-2611 is to reduce the time to issue building permits for new homes on newly created lots.

Accordingly, staff is proposing a pilot program to test a proposed new process that would permit a limited number of formal building permit applications to be received prior to subdivision approval, during the testing period. The proposed pilot program will allow staff to monitor the uptake under the pilot program, track any resulting time savings for the applicant resulting from the early submission of the building permit application (once the subdivision is ultimately approved), and document any administrative and technical challenges observed as a result of the new process, as well as explore possible remedies for such challenges. Staff is proposing to create a pilot program beginning in Q3 of 2024 and to monitor its implementation for six months before reporting back to Council with the outcome of the pilot program and recommended next steps.

Proposed Pilot Program for Building Permit Application Submission for Single-Family Homes in Advance of Subdivision Approval

The proposed pilot program will allow for the early submission of the building permit application for single-family homes on proposed lots in advance of subdivision approval on the following basis:

1. The corresponding subdivision application must have achieved PLA status.
2. The early submission of single-family home building permit applications will be limited to a maximum of three (3) lots within a proposed plan of subdivision.
3. The subdivision application has paid their Engineering processing fee and is actively working towards obtaining a servicing agreement to the satisfaction of the General Manager, Engineering.
4. An early processing fee of 20% of the applicable building permit fee will be collected to cover necessary staff time and administrative costs associated with the early receipt and review of the house plans
5. A revision fee of \$316.00 will be payable should the house plans require revision as a result of modifications to the lot lines, grading, access, or site servicing at the time of subdivision approval.
6. The building permit application will be closed, with no application fees refunded, should the subdivision not be completed within two years of the single-family home building permit application being submitted.
7. The building permit applications submitted under this pilot program would not be included within the City's Guaranteed Permitting Timelines.
8. The building permit cannot be issued until the subdivision application is approved and necessary servicing is in place.

Following the review of the pilot program, staff will report back to Council with a detailed updated on the outcomes of the pilot and provide recommendations for Council's consideration on a permanent process going forward.

CONCLUSION

As requested by Council at its December 18, 2023 Regular Council – Public Hearing Meeting via the approval of RES.R23-2611, staff have reviewed the current policy and practice relating to building permit application acceptance as it relates to the creation of building lots through subdivision completion, and propose a pilot program, wherein single-family home building permits may be submitted on a limited number of lots within a proposed plan of subdivision, prior to subdivision approval. Staff would report back to Council in six months time to report on the efficacy of this pilot and provide recommendations for a more permanent process going forward.

Original signed by

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