City of Richmond

Report to Committee

To:	Planning Committee	**Date:**	September 29, 2025
From:	James Cooper, Architect AIBC Director, Building Approvals	**File:**	08-4000-01/2025-Vol 01
Re:	**Referral Response: Tree Survival Securities**		

Staff Recommendations

1. That the approved Pilot Program for On-Demand/Irrevocable Surety Bonds be extended to include Tree Survival Securities;

2. That Tree Protection Bylaw No. 8057, Amendment Bylaw No. 10715, be introduced and given first, second and third readings.

James Cooper, Architect AIBC
Director, Building Approvals
(604-247-4606)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	**CONCURRENCE**	**CONCURRENCE OF GENERAL MANAGER**
Risk Management	☑	
Parks Services	☑	
Law	☑	
Finance	☑	
Development Applications	☑	
SENIOR STAFF REPORT REVIEW	**INITIALS:** CJ	**APPROVED BY CAO**

8152467

Staff Report

Origin

At the July 8, 2025, Planning Committee, staff received the following referral: *That staff look at Surety Bonds as they relate to Tree Survival Securities or some sort of mechanism to tie the survival of the tree to the user of the property and report back.*

This report supports Council's Strategic Plan 2022-2026 Focus Area #2 and #5:

Focus Area #2: Strategic and Sustainable Community Growth:

> *Strategic and sustainable growth that supports long-term community needs and a well-planned and prosperous city.*

Focus Area #5 A Leader in Environmental Sustainability:

> *Leadership in environmental sustainability through innovative, sustainable and proactive solutions that mitigate climate change and other environmental impacts.*
>
> *5.2 Support the preservation and enhancement of Richmond's natural environment.*

Findings of Fact

During the development application process, staff undertake a detailed review of the site's tree inventory to identify opportunities for the retention of existing trees in good condition and suitable location, such that they can be retained and protected during development. Tree Survival Securities are secured by the City through development applications (e.g. Rezoning, Development Permit, Subdivision), or prior to Building Permit issuance on sites where trees identified for retention are significant.

This ensures that existing trees identified for retention are protected in accordance with the terms and conditions set forth by an arborist contract, as agreed upon between the City and the applicant. The Tree Survival Agreement and associated security enable the City to complete works and/or remedy defaults related to the ongoing viability of the retained trees.

Tree Survival Securities have typically been released on a phased approach, whereby 90 per cent of the security is released at the substantial completion of construction pending the submission of a Post-Construction Assessment Report, with the remaining 10 per cent returned following a one-year maintenance period and the submission of a Final Post-Construction Assessment Report.

At the City's discretion, if the terms and conditions outlined in the arborist contract have been fully complied with, and there is no evidence of decline in the health of the trees, the City may release the entire security at the substantial completion of construction and forego the maintenance period.

Tree Survival Agreements include a clause regarding sale of the lands whereby the applicant agrees to notify any potential purchaser or transferee and to include, in any agreement relating to the sale or transfer of lands, a covenant upon which the purchaser or transferee:

- Acknowledges that the purchaser is aware of the terms of the Tree Survival Agreement;
- Assumes and agrees to observe and perform the terms of the Agreement; and
- Replaces any security currently held by the City, or otherwise has the existing security assigned from the applicant to the purchaser.

Staff have reviewed past construction to determine whether a phased security release, with an associated monitoring period, substantially increased retained trees' survival. The research focused on projects where ownership changed prior to the end of the monitoring period. Staff conclude that the one-year monitoring period has not substantially increased the likelihood of tree survival, and that the critical time for ongoing tree viability is during the construction period.

Analysis

<u>Standardizing 100 Per Cent Release of Tree Survival Securities When the Terms and Conditions of the Permit Have Been Followed, and the Retained Trees Remain Viable</u>

Pending the submission of a Post-Construction Assessment Report and inspection by Tree Preservation staff, the construction's substantial completion is the critical time to determine the likelihood of tree survival, concluding whether the terms outlined in the arborist contract were followed.

Staff recommend that 100 per cent of the Tree Survival Security be released at the substantial completion of construction, as outlined in Attachment 1: Tree Survival Security Return Flow Chart. This incentivizes the applicant to follow all terms and conditions of the arborist contract as agreed upon. Tree Bylaw non-compliance will continue to be addressed with the applicant when applicable. The applicant will not be penalized in instances where they exercised full compliance with the permit, but the trees die or are unlikely to survive due to natural causes.

This also protects the applicant from security forfeiture resulting from a purchaser impacting the trees' ongoing viability when the property changes ownership during a maintenance period. Any enforceable Tree Bylaw infractions during the foregone maintenance period will continue to be enforced by the City using the Tree Bylaw, with the survival of trees remaining the responsibility of the owner(s) of the property.

<u>Inclusion of Tree Survival Securities into the Approved Surety Bond Pilot Program</u>

On July 14, 2025, Council approved a Pilot Program for the use of On-Demand/Irrevocable Surety Bonds as an acceptable form of security for Development Cost Charges (DCC) instalment payments, Servicing Agreements, and Development Permit landscaping securities. A $750 fee applies to any applicant who elects to use Surety Bonds to cover the City's associated legal administrative fees. Financial and Legal analysis concludes that Surety Bonds can be used for Tree Survival Securities. Staff recommend that Tree Survival Securities be included in the Pilot Program under the same program limits and criteria outlined in the June 12, 2025 report to Committee re: Pilot Program for On-Demand/Irrevocable Surety Bonds.

Tree Protection Bylaw No. 8057, Amendment Bylaw No. 10715

Amendments to the Tree Protection Bylaw No. 8057 are recommended to streamline security release, and to allow for the use of On-Demand/Irrevocable Surety Bonds as an acceptable form of security.

Financial Impact

None.

Conclusion

Staff recommend approval for Tree Survival Securities to be included in the approved Pilot Program for On-Demand/Irrevocable Surety Bonds as outlined in this report. Staff also recommend bylaw amendments to allow for the discretionary return of 100 per cent of the Tree Survival Security at substantial completion, as outlined in Attachment 1.

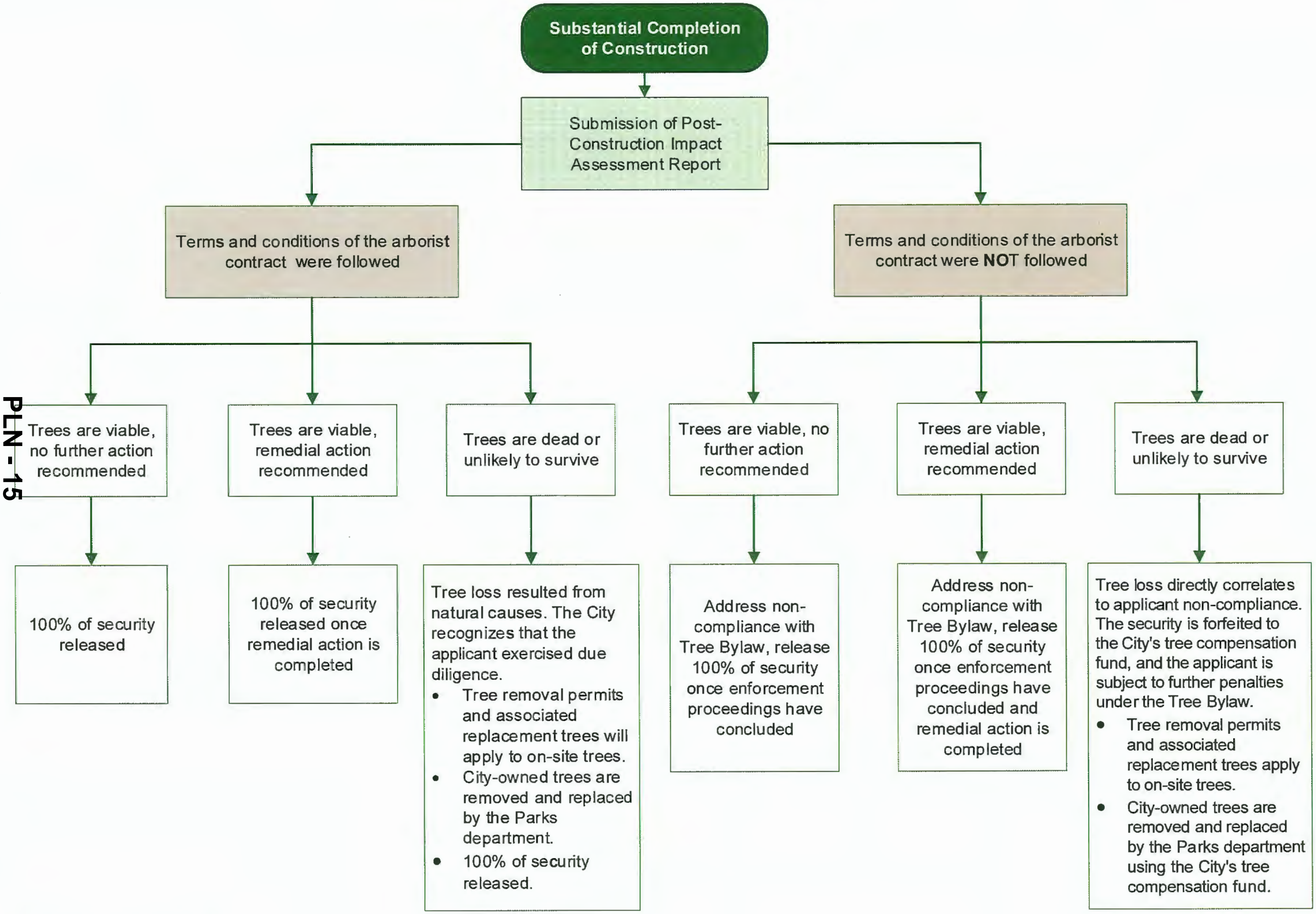
Matthew Huk

Matthew Huk, RPF
Program Manager, Tree Preservation
(604-247-4684)

MH:fa

Att. 1: Tree Survival Security Return Flow Chart

Tree Survival Security Release Flow Chart



City of Richmond

Bylaw 10715

Tree Protection Bylaw No. 8057, Amendment Bylaw No. 10715

The Council of the City of Richmond enacts as follows:

1. **Tree Protection Bylaw No. 8057**, as amended, is further amended at Section 2.1 by:

   (a) in the definition of "**Letter of Undertaking**", subsection (vi), deleting the words "one (1) year" and replacing them with the words "for a period of time determined by the Director"; and

   (b) in the definition of "**Security Deposit**", removing the period and adding the following words to the end of the definition:

   "or an on-demand irrevocable bond, without expiry and issued by a prequalified institution satisfactory to the **Director**.".

2. **Tree Protection Bylaw No. 8057**, as amended, is further amended at Part Four: Permit Application Process by:

   (a) adding the following words in the first sentence of Section 4.4.2 following the words "the City may immediately":

   "make a claim under any bond held as the **security deposit** and apply such proceeds,"; and

   (b) inserting the following as a new Section 4.4.9:

   "If a **security deposit** is in the form of an on-demand irrevocable bond, the bond will be without expiry, be issued on the **City's** then current form of irrevocable bond by a prequalified institution satisfactory to the **Director** and acceptance by the **City** will be subject to an administration fee.".

3. **Tree Protection Bylaw No. 8057**, as amended, is further amended at Part Five: Regulations by:

   (a) adding the following words in the first sentence of Section 5.2.7 following the words "The City may immediately":

   "make a claim under any bond held as the **security deposit** and apply such proceeds,";

(b) deleting subsection 5.2.7(b) in its entirety and replacing it with the following:

"Notwithstanding subsection 5.2.7(a), if an **owner** complies with the provisions of the bylaw, the **City** will:

i) return up to 100% of the remaining **security deposit**, with no interest, to the **owner**, or upon written request of the **owner** to the **owner's** agent, within six (6) months after the later of:

(A) substantial completion of the **works** and confirmation that the **retained tree(s)** have been protected in accordance with the **letter of undertaking**, as demonstrated by a site inspection and/or by delivery to the **Director** of a post-construction assessment report from a **certified tree risk assessor**, to the satisfaction of the Director; and

(B) completion of the planting of the **replacement trees** as demonstrated by a site inspection and/or by delivery to the **Director** of a tree replacement completion report from a **certified tree risk assessor**, to the satisfaction of the **Director**; or

ii) retain up to 100% of the **security deposit** if the **Director** is not satisfied with the site inspection, post-construction assessment report or tree replacement completion report, as the case may be, until the **owner** has completed any and all remedial action recommended by a **certified tree risk assessor**, to the satisfaction of the **Director**, at which time the City will return up to 100% of the remaining **security deposit**, with no interest, to the **owner**, or upon written request of the **owner** to the **owner's** agent.";

(c) inserting the following as a new Section 5.2.7(e):

"If a **security deposit** is in the form of an on-demand irrevocable bond, the bond will be without expiry, be issued on the **City's** then current form of irrevocable bond by a prequalified institution satisfactory to the **Director** and acceptance by the **City** will be subject to an administration fee."; and

(d) inserting the following as a new Section 5.2.7(f):

"If an **owner** disposes or otherwise transfers its ownership of a **parcel** subject to the preservation of one or more **retained trees**, the transferee will be bound by the requirements, restrictions and regulations of such building permit or conditions for subdivision, the **letter of undertaking** and this bylaw and the **security deposit** held by the **City** will continue to secure such obligations including the preservation of such **retained tree(s)** and the **owner** will be deemed to have assigned its **security deposit** to the transferee unless the **owner** causes the transferee to replace any **security deposit** held by the **City** in a form acceptable to the **Director** upon the disposition or otherwise transfer of ownership.".

4. This Bylaw is cited as **"Tree Protection Bylaw No. 8057, Amendment Bylaw No. 10715"**.

FIRST READING	______________________	CITY OF RICHMOND
SECOND READING	______________________	APPROVED for content by originating Division
THIRD READING	______________________	
ADOPTED	______________________	APPROVED for legality by Solicitor ML

______________________ MAYOR

______________________ CORPORATE OFFICER