

From: **"Mochrie, Paul"** <Paul.Mochrie@vancouver.ca>

To: **"Direct to Mayor and Council - DL"**

Date: 12/15/2021 7:31:19 AM

Subject: **December Update from the Development Application and Permitting Modernization Task Force**

Attachments: **December Update from the Development Application and Permitting Modernization Task Force.pdf**

Dear Mayor and Council,

Please see the attached memo from Andrea Law, regarding the Development Application and Permitting Modernization Task Force - Update (RTS 14674).

The purpose of which is to :

- Provide an overview of the Task Force's activities over the past 9 months with a progress update on each initiative
- ☐ Highlight additional operational improvements being carried out in DBL
- ☐ Show resulting impacts on the backlog
- ☐ Provide a summary of the findings from the Task Force industry engagement and outline the priorities going forward

Should you have any questions, please contact me or Andrea Law.

Best,
Paul

Paul Mochrie (he/him)
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliłwətał (Tsleil-Waututh) Nations.

MEMORANDUM

December 14, 2021

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Katrina Leckovic, City Clerk
Lynda Graves, Administration Services Manager, City Manager's Office
Maria Pontikis, Director, Civic Engagement and Communications
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Theresa O'Donnell, General Manager, Planning, Urban Design and Sustainability
Lon LaClaire, General Manager, Engineering Services

FROM: Andrea Law
General Manager, Development, Buildings and Licensing

SUBJECT: December Update from the Development Application and Permitting Modernization Task Force

RTS # 14674

The purpose of this memo is to provide an update from the City Manager's Development Application and Permitting Modernization Task Force "Task Force" that has been formed pursuant to direction provided by Council on March 31, 2021. This is the third update in the bi-monthly cadence set by Council. This memo will provide an overview of the Task Force's activities over the past 9 months with a progress update on each initiative, highlight additional operational improvements being carried out in DBL, show the resulting impacts on the backlog, provide a summary of the findings from the Task Force industry engagement and outline the priorities going forward.

Task Force Progress Update

Several policy changes approved by Council and operational changes made by staff have now been implemented for several months, benefiting the processing of low-density housing permits, and small commercial renovation permits.

In a recent industry engagement session, several customers noted an improvement in the overall turnaround times for low-density housing reviews, following initial intake. Staff have also heard directly from customers on the improvements to the processing of commercial renovation and stand-alone laneway permits. While anecdotal, these are positive early signs that the efforts of the Task Force are having a positive impact. Customers have also noted extended landscape reviews, which the Landscape staff and the Task Force are currently working to address. The following tables provide an update on Task Force initiatives.

Table 1 – Implemented Initiatives

	Opportunity	Impact
1	Enable temporary overtime	A six-week voluntary program was initiated in April 2021, enabling 38 staff to add 2,100 hours to clear the permit backlog
2	New energy data collection model	Removed three week backlog and two weeks processing time for ~3,000 applications per year
3	Limit penalties for some instances of previously unpermitted work	Time savings on relaxing enforcement of penalties on certain unpermitted deck covers, a common issue. Currently exploring additional opportunities.
4	Stopping landscape review for renovation and field review for permits not involving excavation	Moderate impact on volume of renovations requiring review by Landscape Team, resulting in freed capacity for new builds
5	Building permit for excavation and shorting prior to development permit	Enabled a Moderate Income Rental Housing Pilot Program project to save 5 months in construction
6	Relaxation of review related to design guidelines	Staff note faster application processing time on qualifying RS/RT applications, freeing time to focus on complex projects
7	Temporary relaxation on the diameter of trees and requirements for arborist reports	Positive impact to processing times as a result of the changes to arborist report requirements
8	Create stand-alone laneway stream to reduce queuing time	Initiative receiving positive feedback in industry engagement meetings from regular laneway applicants. Early data indicate reduced queuing and review time
9	Simplify site drawing submission requirements for certain renovations	Staff note that this has reduced application review times on a small number of renovation applications

Table 2 – Initiatives Undergoing Implementation

	Opportunity	Estimated impact
1	Move select renovation field reviews from Renovation Centre to Enquiry Centre	Expected to expedite permit issuance by omitting the need for certain elements of review
2	Relaxation of demising wall trigger upgrades	Expected savings of up to 17 weeks per application for a small number (<100) of applications
3	Changing small suite definition from 60 to 100 occupants	
4	Change of use relaxations	Expected savings of up to 20 weeks per application for over 100 applications

At the October 14th Public Hearing, Council approved a number of changes aimed at improving permit processing and supporting the pandemic recovery in the commercial sector. Staff are currently implementing these changes, which will be fully operationalized on January 1, 2022 for a two-year pilot.

Since the last Council update in September, the staff have collectively focused our efforts on the implementation of previously approved initiatives. This implementation work is time-consuming and critical to realize the benefits without creating unintended consequences or affecting other related processes. In addition, the Task Force has been exploring and developing new opportunities for Council consideration in 2022.

The moratorium on Council motions since March has been helpful in giving staff capacity to address issues and challenges identified by staff and Council. While the long-term goal is to build robust processes that allow the core DBL management group to spend additional time on strategic initiatives, a significant portion of their time is currently spent supporting their teams during the implementation of these changes and the processing of permits.

Continuous improvement work within DBL

In addition to the above-referenced regulatory and process changes, DBL staff are continuing to pursue a number of continuous improvement initiatives to improve permit processing and the overall experience for customers. The following is an update on those initiatives.

Electronic Plan (ePlans):

Seven permit types now use a digital lifecycle for plans from online submission to reviews, stamping, sealing and ultimately, approvals:

1. Sprinkler Permits
2. Plumbing Permits

3. Electrical Permits
4. Occupant Load Permits
5. Building Permits for the Certified Professional Program
6. Sewer and Water connection Permits
7. Development Permits

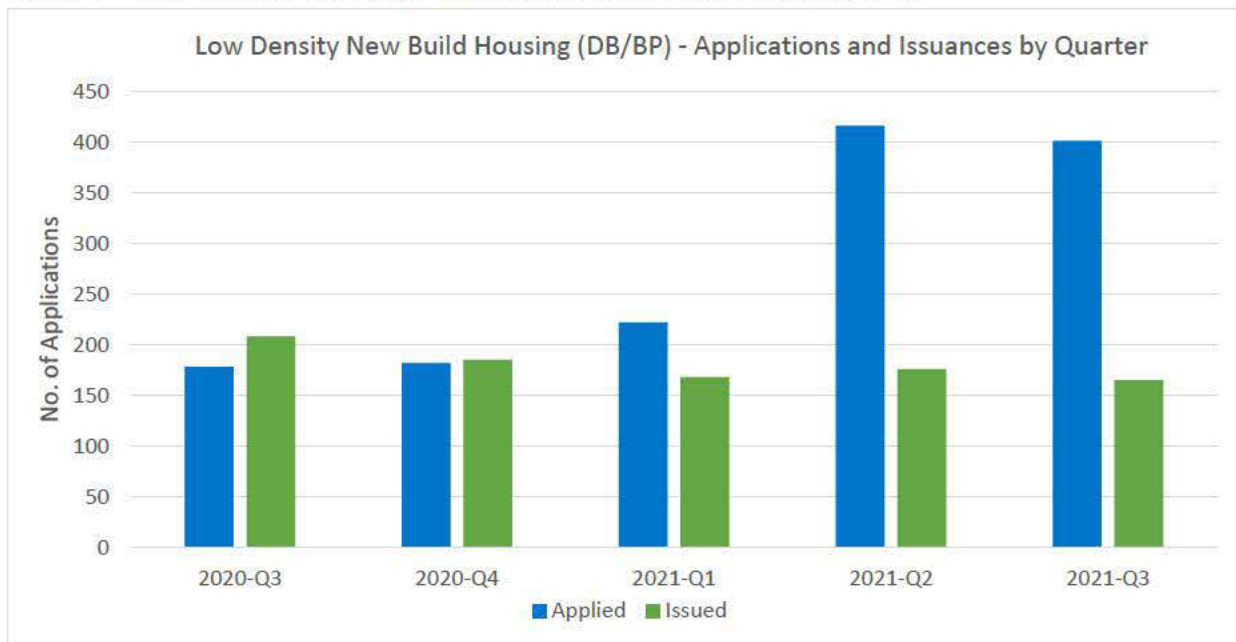
This digital process will be rolled out to Building Permits in 2022 (the only permit type not benefiting from ePlans at this time due to its inherent complexity).

This was previously a paper-based process that is now digital, saving customers time and costs by not having to drop off paper submissions and collect permits once issued.

Low-density Housing

Starting in Q2 2021, the City has seen an unprecedented increase in low-density housing applications (ie. single family, duplex and laneway). Despite the actions that DBL staff and the Task Force have taken, this increase in volume has created a backlog of 500 applications. Staff are expediting a number of changes to address this situation.

Chart 1 – Low Density Housing Applications and Issuances by Quarter



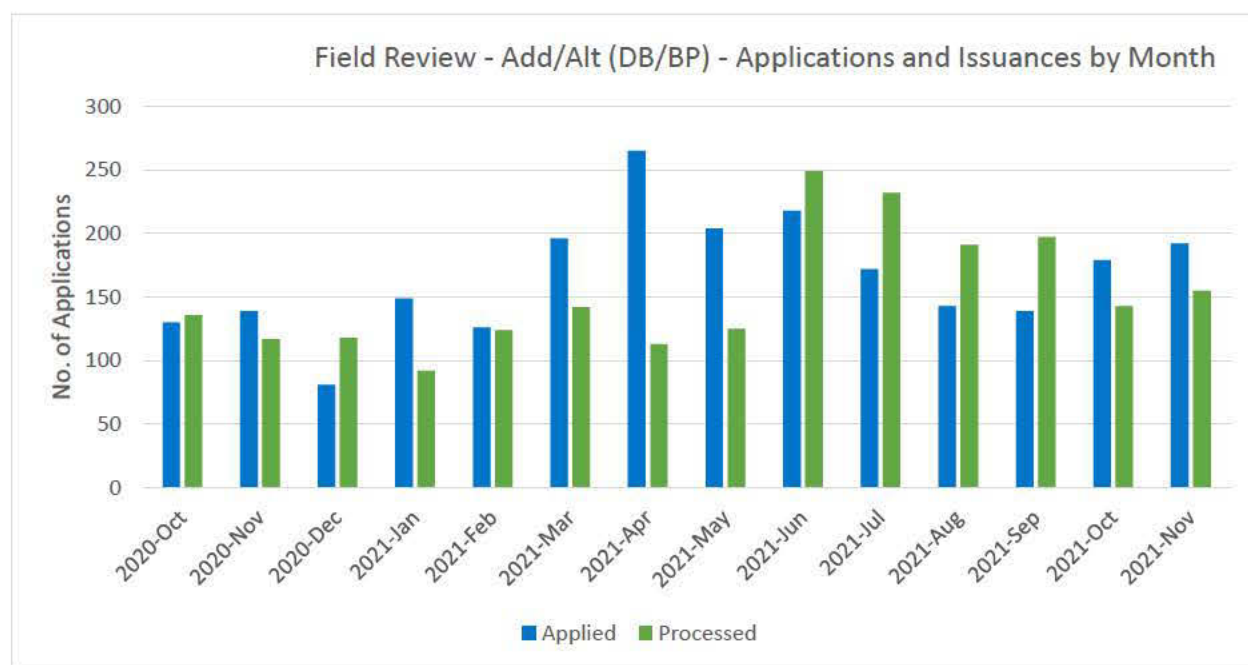
The team is now at the full staff complement and DBL hired additional entry-level positions to address the additional spike in applications.

In addition, the team is currently implementing process changes to reduce the time spent by staff in reviewing individual plans and increase our throughput.

Field Review Process

At the September Task Force update, Staff provided the following chart demonstrating a persistent clearing of the field review backlog starting in June 2021. That trend continued in September, but an increase in applications in October and November has resulted in more applications than issued permits over the past two months. Because of the collective efforts to improve permitting, DBL is still issuing more field review permits over the past two months than last year.

Chart 2 – Filed Review Applications and Issuances by Month



311 Channel Shift, Services Centre and Increased Use of Vancouver.ca

When the Services Centre closed its doors in March 2020 in response to the emerging COVID-19 pandemic, DBL staff shifted to receiving enquiries and permit applications via email through an ad-hoc process that quickly became unsustainable to track and manage.

To mitigate the impacts at the Services Centre, in March 2021, staff partnered with 311 to enable the public to submit enquiries and permit applications through Vancouver.ca. This new process enabled staff to better manage and organize each case and respond more quickly.

In July 2021, 311 began intercepting DBLs phone lines to consolidate enquiries through a single channel. With digital and phone channels in place for customers to initiate enquiries with DBL staff, the Services Centre reopened on an appointment basis in September 2021.

These shifts have resulted in a number of benefits to customers and staff in addition to paving the way for key digital transformation opportunities. Staff are now able to provide tracking

numbers, which allows customers to check on the status of their enquiry. With the shift of chat and phone services to 311, staff are now able to focus on complex enquiries and plan review. This has increased efficiency, and staff now handle up to 100 cases per day, up from the 60-80 prior to March 2020. As a result, wait times for an enquiry centre staff to handle complex inquiries and application intake have been reduced from 4 weeks in March 2021 to 10 business days today. Finally, with the ability to submit enquiries anytime through Vancouver.ca, customers have more flexibility as the public is no longer restricted to Service Centre hours of operation.

Licensing

Licensing staff have taken a number of steps to improve application processing this year and as a result have reduced the processing delay from approximately 20 weeks down to three to four weeks. Early in 2021 a confluence of factors – including staff vacancies, increasing volume, email only submittal, the closure of the Services Centre, and renewal's season – led to a significant backlog of license applications. To address these challenges, the Licensing team added and trained five additional staff to process licenses and those new team members are now trained and operational. In March 2021, licensing staff launched a new online payments app allowing applicants to pay without having to send in a cheque thereby removing a bottleneck and a manual process. Finally, in late October 2021, Licensing moved off email submittal by launching web form submittal through Vancouver.ca – a key step towards a fully digital application process for business licenses.

Publication of Permit Processing Time Data

As noted in the November 3rd memorandum to Mayor and Council on Daylighting Building Permit Wait Times & DBL's Digital Transformation Program, one of the goals of the Digital Transformation program is to improve the accuracy of our data and predictability of our insights. The digital transformation team is making progress towards this goal and we will be in a position to provide a further update early in the New Year.

Update on Council approved Task Force Funding

When Council approved the motion to create the Task Force, Council also granted staff access to \$1 million from contingency funds to kick-start the work. To address the permitting and licensing backlog, staff immediately approved overtime for key areas within DBL to improve processing times. DBL funded these expenses from 2021 vacancy savings allowing staff to preserve the \$1M in Task Force funding. If additional overtime is required in 2022 to further address permitting backlogs, that funding will come from the Task Force approved funds.

To date \$380K of the \$1M has been committed. \$130K will go towards a temporary full-time employee for 2 years to perform additional file research, triage and assessment to identify permits that qualify for a faster process. This will support the opportunity to limit review and shift onus to field inspectors for certain applications (number 1 in Table 2).

An additional \$250K has been committed to fund the 311 Customer Support Team that helps to triage enquiries, move off email enquiries, create cases, provide first line call response and resolution, and route enquiries to the appropriate team.

A portion of the remaining funding will be allocated to fund development of an on-line application process for new business licenses.

Industry Engagement Summary

Introduction

The Task Force, with the support of a consultant, engaged with Industry over the course of five workshops in June, July, and November 2021. The purpose of the engagement was to seek feedback from industry to improve the City's permitting processes and address backlog through identifying opportunities to increase reliance on industry.

Approach

The City held four workshops with specific segments of industry – low-density residential, multi-unit residential, commercial building managers and developers, and renovators – in order to focus in on issues relevant to the industry segment. The City held a final workshop in November with participants from all four segments to review the findings and next steps.

Engagement findings

Participants identified a number of opportunities for the City to consider increasing its reliance on industry partners. These findings are based on Industry's collective experience with other jurisdictions along with observations on how the City could improve the permitting system.

The primary reliance opportunities identified for the City to consider include:

1. Pushing more work to professionals;
2. developing an expedited process for preferred applicants;
3. participating in professional development; and,
4. providing complete submissions

In addition to the opportunities to increase reliance, industry identified a myriad of other opportunities that the City will consider as it advances work to improve the permitting system, which generally falls under five key themes: improving communication and collaboration, empowering staff, providing consistency, streamlining and digitizing processes, and simplifying regulations. Many of these ideas are familiar to staff and are on the long-term transformation roadmap.

Next steps

The Task Force has shared the ideas generated with internal stakeholders and mapped the ideas within City's implementation work streams. Staff are currently exploring a number of these ideas, including:

1. Enhancing the Tenant Improvement Permitting System (TIPS), which allows qualified buildings to go through an expedited permit process;
2. additional improvements to the landscape review process, and supporting policies;
3. simplifying the review and plan checking for low-density;
4. increasing reliance on industry and accredited professionals;

5. developing process improvements and leveraging technology to ensure submissions are complete;
6. creating training and engagement opportunities for professional development for both staff and industry;
7. enhancing the Services Centre model with a customer initiated appointment system;
8. developing a quality Assurance Program; and,
9. Implementing the recommendations from the Sprinkler permitting process review.

The next Task Force update to Council is scheduled for March 1, 2022.

A handwritten signature in blue ink, appearing to read 'Andrea Law', is positioned above the contact information.

Andrea Law
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