

NO: R010

COUNCIL DATE: January 17, 2022

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **January 13, 2022**

FROM: **General Manager, Corporate Services
Acting General Manager,
Planning and Development**

FILE: **0125-01**

SUBJECT: **Recent Amendments to Provincial Enactments Affecting Local Governments**

RECOMMENDATION

The Corporate Services Department and the Planning and Development Department recommend that Council:

1. Receive this report for information;
2. Authorize staff to bring forward for Council's consideration a bylaw to remove the requirement to hold public hearings when the proposed Zoning By-law amendment is:
 - a. consistent with the Official Community Plan; and
 - b. intended to facilitate a subdivision creating five or fewer new single family residential lots that are consistent with an approved Secondary Plan, and/or consistent with the existing zoning and lot pattern in the immediately surrounding neighbourhood;
3. Authorize staff to bring forward for Council's consideration a bylaw with the following:
 - a. delegating to staff the authority to issue development variance permits for "minor" variances related to zoning bylaws respecting siting, size and dimensions of buildings, structures and permitted uses; off- street parking and loading space requirements; regulation of signs; screening and landscaping to mask or separate uses or to preserve, protect, restore and enhance natural environment; and other provisions prescribed by regulation by the Province, if any;
 - b. establishing the criteria for determining whether a proposed variance is "minor"; and
 - c. establishing guidelines the delegate must consider in deciding whether to issue a development variance permit; and
4. Authorize staff to bring forward for Council's consideration a bylaw to implement a non-refundable \$10.00 application fee for freedom of information requests in line with the

prescribed application fee under section 75(1)(a) of the *Freedom of Information and Protection of Privacy Act* (“FOIPPA”).

INTENT

The purpose of this report is to provide Mayor and Council with information regarding amendments by the Province regarding various enactments relating to local governments including changes related to public hearing requirements for zoning bylaw amendments, delegating to staff the authority to issue development variance permits, codes of conduct for Council Members, public notice requirements, and freedom of information application fees.

BACKGROUND

Bill 26 – 2021, Municipal Affairs Statutes Amendment Act (No. 2), 2021

Bill 26 – 2021, Municipal Affairs Statutes Amendment Act (No. 2), 2021, (“*Bill 26*”) received royal assent on November 25, 2021. The amendments in *Bill 26* that have come into force and are now law include those related to public hearings and delegating to staff the authority to issue development variance permits. The amendments related to public notice and codes of conduct for council members will become law through regulation of the Lieutenant Governor in Council. It is not presently known when that will occur.

The Province has stated in a press release that some of the amendments are aimed at increasing housing supply by supporting local governments to move forward more efficiently on developments, bypassing barriers and speeding up housing proposals. They were identified during consultation with local governments, housing providers and builders, and other stakeholders as part of the Province’s Development Approvals Process Review, and as summarized in Corporate Report R203; 2021 Land Development Approval Process Improvements and Review of Housing Supply for Affordability Report, a copy of which is attached to this report as Appendix “1”.

Bill 22 – 2021, Freedom of Information and Protection of Privacy Amendment Act, 2021

Bill 22 – 2021, Freedom of Information and Protection of Privacy Amendment Act, 2021 (“*Bill 22*”) received royal assent on November 25, 2021 and is now law. *Bill 22* amends various provisions of FOIPPA. This resulted in amendments to a regulation made under FOIPPA, which introduces a \$10.00 freedom of information (“FOI”) application fee that is intended to reinforce the spirit and intent of FOIPPA by encouraging FOI applicants to be focused and purposeful when making requests unrelated to the applicant’s own personal information. Clear requests help ensure more timely processing and keep the process working effectively for everyone.

Under FOIPPA, there is no application fee or processing fees for FOI applicants who request access to their own personal information, which is defined in FOIPPA as “recorded information about an identifiable individual other than contact information.”

The City currently collects fees for processing FOI requests, as authorized under FOIPPA. This includes fees for commercial applicants and specific services provided to non-commercial applicants. With respect to the non-commercial applicants, only larger FOI requests generate a fee. Most FOI requests do not require more than 3 hours to retrieve the requested records and therefore do not require a fee given that the first three hours to locate and retrieve the records is

free of charge as per legislation. To this end, in 2021 the City received a total of 719 FOI requests and only 20 of these requests generated a fee estimate. There is no change to this fee structure.

DISCUSSION

The amendments are summarized below:

1. Removal of Public Hearings for Some Zoning By-law Amendments

The amendments in *Bill 26* removed the default requirement for local governments to hold public hearings for Zoning By-law amendments that are consistent with the Official Community Plan (the "OCP"). Previously, local governments could "waive" the holding of a public hearing (*Local Government Act* s. 464). Under the amendments, local governments are "not required" to hold a public hearing. We anticipate the following challenges arising from this proposed amendment:

- Council will no longer have to formally pass a resolution to waive a public hearing on each individual application, rather a public hearing will simply not be required in cases where the application is already consistent with the OCP. A resolution by Council not to hold a public hearing may be controversial in some instances. Since Council will no longer have to pass a resolution, the amendments may result in less controversy in cases where a public hearing is not held;
- The OCP contains broad statements of objectives and policies to guide decisions on planning and land use management. Very few rezoning applications include OCP amendments. The vast majority are consistent with the OCP. If Council does not require public hearings for rezoning applications consistent with the OCP, then this could result in significantly fewer public hearings. In 2021, there were 123 public hearings, of which staff consider that 92 of those zoning applications were consistent with the OCP. However, the overall impact of the amendments is uncertain. For example, whether a rezoning bylaw is "consistent" with the OCP may be unclear in certain instances. It may be particularly difficult to assess whether a Zoning By-law amendment is consistent with the broad statements of objectives and policies in an OCP. Therefore a public hearing may still be held for such applications out of an abundance of caution;
- Processing times are not anticipated to be significantly reduced as the rezoning would still require four readings of the bylaw and the same overall application review and approval process. Further, without a public hearing, it may be harder for Council to gauge the level of community support for an application. However, the proposed amendments may make it easier for Council to proceed with applications with limited community support as compared to the current public hearing setting as the application would not receive the same direct opposition; and
- Staff anticipate that given the effect of the OCP on rezoning applications, there may be more public interest when the review of the OCP begins next year.

Below is a summary of the benefits versus the detriments of holding public hearings:

- The benefits of holding Public Hearings:

- Council will have the opportunity to hear from those who believe that their interests will be affected by a proposed development. Council may benefit from this additional input in making its decision, and may receive new, relevant information that is not contained in the staff report and existing record. Even if no new information is presented, appreciating the level of support or opposition to a development through a public hearing may assist Council;
- Persons will more likely believe that their views have been sufficiently considered by Council. They may be less likely to challenge Council's decision on procedural fairness grounds (i.e., for being denied the right to be heard). Otherwise, the means by which the public may express their views on Zoning By-law amendments may be limited to writing directly to Council or speaking to staff at public information sessions, which may not be satisfactory to certain individuals;
- Given that a public hearing provides interested persons a venue to air their concerns, it may reduce attempts by individuals to present their views by other means, such as calling staff or individual Councillors outside of the Council meeting. Without public hearings, staff may be compelled to engage the public in more extensive consultation to ensure their opinions are heard which could reduce the ability of staff to process the application;
- Public hearings are perceived to be an important component of the democratic process, fostering transparency and accountability in Council's decision-making process. Without them, the City may be criticized for not consulting with or listening to the public;
- There may be circumstances where it is not clear whether a public hearing is required. Therefore, having public hearings as a matter of course is the safer option;
- Applicants may feel more accountable to the public where a Public Hearing is part of the process, and may be more amenable to providing concessions beneficial to the community as a result. The element of public scrutiny through Public Hearings may foster higher quality development projects (such as improved urban design, architectural character and quality, and open space), and community amenities (such as rental and/or affordable housing, child care space, etc.);
- Controversial Zoning By-law amendments may result in critical commentary or even backlash after amendments are approved by Council without a public hearing;
- Council meetings may be shorter, but the application process would still take a similar amount of time since Zoning By-law amendments will still follow the existing process, except that public-hearings will not be held;
- Even if a Zoning By-law amendment is consistent with the OCP, it may not be consistent with the neighbourhood concept plan ("NCP"). Therefore, it may be beneficial to hold a public hearing so that Council may hear the public's concerns regarding any inconsistency with the NCP; and

- NCPs are approved by way of Council resolution and no public hearing is required, unless there is a corresponding OCP amendment, which is not always the case. As such, the public is not able to speak directly to Council in a public hearing on issues related to the development and approval of an NCP. If public hearings are also removed for some Zoning By-law amendments, then the public will have limited methods of providing direct input to Council on land use and planning in some neighbourhoods.
- Detriments of hosting Public Hearings:
 - The duration of Council meetings are longer;
 - Council may find it more difficult to proceed with controversial Zoning By-law amendments if there is a public hearing. For example, certain developments may be in the interests of the City, as a whole (such as employment, housing, services), but immediate neighbours may object to it (i.e., localized opposition);
 - Public hearings may add confusion about a development if, for example, misleading or incorrect information is provided by the public to Council;
 - Speakers can be repetitive, and may not add substantial relevant information; and
 - There is a greater risk of incivility with public hearings, particularly over controversial developments.

Public hearings typically generate less public participation for smaller developments that are consistent with the OCP, an approved Secondary Plan (such as a “NCP”, Town Centre Plan (“TCP”), Local Area Plan (“LAP”), etc.), and/or match the character of an established neighbourhood.

Staff recommend that public hearings not be held for Zoning Bylaw amendments intended to facilitate a subdivision creating five or fewer new single family residential lots that are either consistent with an approved Secondary Plan, and/or consistent with the existing zoning and lot pattern in the immediate surrounding neighbourhood.

Staff recommend that for larger and/or more significant developments that public hearings remain an important step in amending the Zoning By-law and generally the benefits of holding public hearings outweigh the detriments.

2. Delegation of Power to Issue Development Variance Permits

Currently, local governments are not permitted to delegate the power to issue development variance permits to staff [*Local Government Act*, s. 498(4)]. Under the amendments, local governments may delegate the power to issue development variance permits to staff where the proposed variance is minor and varies bylaw provisions falling within the following categories: zoning bylaws respecting siting, size and dimensions of buildings, structures and permitted uses; off- street parking and loading space requirements; regulation of signs; screening and landscaping to mask or separate uses or to preserve, protect, restore and enhance natural environment; and other provisions prescribed by regulation by the Province. A local government wishing to delegate this power must do so by way of bylaw.

The positive implications of this amendment appear to include reduced application processing as it would allow minor variances to proceed without being considered by Council. Applicants would not be required to wait for scheduled Council meetings.

However, whether a significant number of development variance permit applications would be captured by the amendment would depend on what will be considered a “minor” variance. The legislation does not provide a clear definition of what may constitute a minor variance. The determination of what is “minor” has been largely left to municipalities to decide. The amendment requires municipalities, to establish a bylaw that provides the criteria for determining whether a proposed variance is minor, accompanied by a guideline that the delegate must consider in deciding whether to issue a development variance permit.

In addition, the amendment allows owners to require the decision of the delegate to be reconsidered by Council. This will have the effect of potentially increasing the processing time for some applications since the application would have to be scheduled and heard by Council after the delegate has made a decision.

3. Code of Conduct for Council Members

Bill 26 includes new provisions in the *Community Charter* regarding a code of conduct for Council Members. Within six months of its first regular meeting following the civic election, Councils will be required to consider developing a code of conduct for Council Members or reviewing current codes of conduct if any already exist. If Council ultimately decides not to establish a new code, or declines to review an existing code, reasons for this decision must be made publicly available.

Council will be required to reconsider its decision not to establish or review a code. This reconsideration must occur within six months after the first regular Council meeting following a general local election. If Council confirms its prior decision not to establish or review a code, reasons for this confirmation must be made publicly available upon request.

There are several things a Council must do when either deciding whether to develop or update a code of conduct or reconsidering a decision not to develop or update a code. In both circumstances, Council must consider the prescribed principles for codes of conduct; consider any other prescribed matters; and comply with any prescribed requirements. What these prescribed principles, matters, and requirements will entail is not yet certain. However, it is likely that subsequent regulation will provide clearer criteria outlining what must be considered in this process.

Since Council has already adopted *Council Code of Conduct Bylaw, 2020, No. 20020* (the “Code”) and established the Surrey Ethics Commissioner Office, the main impact of the amendments will be the requirement to review the Code and to reconsider any decision not to review the Code.

4. Other Notable Amendments to *Bill 26*

Public notice requirements under the *Community Charter* are being amended to enable local governments to provide for an alternative means of publishing notice instead of publishing the notice in a newspaper. This amendment has not yet become law and it is not presently known when that will occur. Although the proposed amendments do not specify the acceptable alternative means of publication, they do allow the Province to make regulations specifying this in

the future. It is unclear whether the Province will make such regulations. Subject to the regulations, staff are supportive of the amendments since newspaper advertisements presently reach a limited audience and are costlier than other more effective mediums, such as the City's online platforms.

A local government must adopt a bylaw enabling it to provide the alternative means of publishing a notice, unless publication in a newspaper is not practicable and meets other criteria in the proposed amendments.

5. Application Fees for FOI Requests Under FOIPPA

The City's Legislative Services Division manages formal requests for information, and all aspects of the City's privacy and personal information protection obligations under FOIPPA.

Public access to City records that are not readily available to the public are handled through the FOI process. This includes any information that is not readily available to the public from the City's website, or information that cannot be obtained by members of the public at a City facility. It may include information that may be available to provide to an FOI applicant at either no cost, or for a fee-for-service.

In 2020, the City moved its freedom of information services to an online portal allowing FOI applicants to easily submit an FOI request through the City's online portal. Applicants can continue to also submit an FOI request by fax, email, or by submitting a request in writing.

The City receives and processes a significant number of FOI requests each year:

Year	No. of FOI Requests
2021	719
2020	552
2019	567

Many requests received by the City are of a non-personal and very broad nature requiring significant communication between staff and the FOI applicant to help narrow down their search. The \$10.00 application fee will encourage FOI applicants to make clearer FOI requests and will also help offset some of the costs associated with request processing and document disclosure.

Presently, the *Freedom of Information By-law, 1999, No. 13662*, ("the Bylaw") does not contain an FOI application fee. Staff propose amendments to the Bylaw to include an application fee in the amount of \$10.00.

Next Steps

Upon receiving this report, Council is requested to provide direction to staff concerning what amendments Council desires pursuant to *Bill 26* and *Bill 22*. Staff will then bring forward a corporate report with those amendments for Council's approval at a regular meeting.

Legal Services Review

Legal Services has reviewed this report and has no concerns.

SUSTAINABILITY CONSIDERATIONS

The recommendations of this report support the objectives of the City's Sustainability Charter 2.0. In particular, the recommendations relate to Sustainability Charter 2.0 themes of Built Environment & Neighbourhoods, Economic Prosperity & Livelihood, and Inclusion. Specifically, the recommendations support the following Strategic Direction ("SD") and Desired Outcomes ("DO"):

- Built Environment & Neighbourhoods: SD5: Leverage, incentivize and enhance community benefits through the planning and construction of new development.
- Economic Prosperity & Livelihood: DO5: Efficient land use and well-managed transportation infrastructure are in place to attract businesses and support a thriving economy.
- Community Pride and Engagement DO21: All residents have opportunities to be meaningfully engaged in civic issues and to contribute to community life.

CONCLUSION

Based on the above information, it is recommended that Council receive this report as information and provide direction to staff concerning potential bylaw amendments related to *Bill 26* and *Bill 22*.

Rob Costanzo
General Manager, Corporate Services

Ron Gill
Acting General Manager, Planning & Development

Appendix "I" – Corporate Report R203; 2021



CORPORATE REPORT

NO: R203

COUNCIL DATE: October 18, 2021

REGULAR COUNCIL

TO: Mayor & Council DATE: October 14, 2021

FROM: Acting General Manager, Planning & Development
General Manager, Engineering FILE: 6630-01

SUBJECT: Land Development Approval Process Improvements and Review of Housing Supply for Affordability Report

RECOMMENDATION

The Planning & Development and Engineering Departments recommend that Council:

1. Receive this report for information; and
2. Endorse staff to implement guaranteed permitting timelines and the development process improvements to support these timelines, as described in this report.

INTENT

The intent of this report is to propose a system of guaranteed permitting and processing timelines, as well as provide Council with an update on current and planned Land Development process improvements that will help the City meet these timelines. This report also provides Council with a preliminary review of the *Opening doors: Unlocking housing supply for affordability Final Report* of the Canada-British Columbia Expert Panel on the Future of Housing Supply and Affordability dated June 17, 2021. The review provides a summary of recommendations which staff consider supportable and consistent with actions that the City is already taking, or planned to take, including the proposed establishment of guaranteed permitting timelines outlined in this report, and also notes the recommendations that are problematic and/or inconsistent with other City goals and objectives.

BACKGROUND

The development review and approval process, which encompasses rezoning, subdivision, development permit, site servicing, building permit, and inspection, is an important part of the economic engine of the City. In 2020 while in the midst of a pandemic the City recorded \$1.46 billion in issued building permit value, surpassing the 10-year annual average.

In the last decade, over 36,600 dwellings units were created to provide housing to Surrey's growing population. Although demand for Single Family and Townhouse residences remains strong, there is a shift towards Low, Mid and High-Rise Apartments, a reflection of levels of affordability and housing choices for Surrey residents. In fact, from January 2019 to December 2020, 31% of constructed dwelling units were in single family buildings, 21% were in townhomes, 17% were in low to mid rise apartments and 31% were in high rise apartments.

Despite a brief dip in construction when the COVID-19 pandemic first hit, investment rapidly bounced back, showing the confidence in Surrey as a prime destination for new businesses and residents.

Staff are seeking Council's endorsement to implement a permitting process guaranteed timeline framework to improve speed and predictability in the land development approval process, thereby improving access to housing and affordability in Surrey.

DISCUSSION

Continuous improvement is the foundation of City's approach to enhancing customer service. Recent feedback from the development industry to staff and Council; however, it was indicated that a dramatic shift in the service delivery ethos was necessary. To that end, staff are proposing a new approach of setting guaranteed timelines for key tasks and processes associated with land development approvals. This approach will ensure reduced processing times, provide predictability and increase housing affordability. This has also helped focus improvement initiatives summarized in this report.

City Departments/groups involved in supporting the Development industry (Planning & Development Department, Engineering Department, Parks, Recreation & Culture Department, and Finance Department) and associated supporting groups (such as Bylaws & Licensing, IT Services and Legislative Services) have all contributed to years of process improvements in the industry. With ongoing improvement initiatives and commitment from staff and elected officials, the City continues to be viewed as a preferred model for development processing locally, as well as nationally. Striving for continued improvement is how the City has garnered this reputation. The new approach of guaranteed timelines will help ensure the City continues to be a leader in the land development industry.

Planning Process Guaranteed Timelines Framework

In keeping with the Opening Doors Report recommendation to develop a planning framework, staff are proposing guaranteed permitting timelines to provide land development applicants with increased certainty. The following provides information about the proposed framework including information regarding the current and planned process improvements necessary to implement guaranteed timelines, and next steps.

Permitting Timeframe Framework and Considerations

A meaningful review of timeframes and regular reporting on timeframe compliance are an important part of providing the development industry with greater certainty, predictability and reduced risk. Processing targets, coupled with regular communication with the City is important, acting as a source of assurance that the project is underway, that the permit has not been “lost in the system”, improving confidence and providing certainty.

Staff are proposing a set of guaranteed timelines which will be reviewed and progressively amended based on review of application processing and roll out of improvements. The intent is to meet the guaranteed timelines by making the necessary adjustments to resources and process, carefully monitoring changes in workload and high-volume areas.

The guaranteed timelines proposed are based on complete, accurate and fulsome applications and processes for which the City has control. External agency reviews, incomplete submissions, changes in scope or plans mid way through processing, and community feedback for example would dramatically impact the viability of a project meeting specified timelines. Similarly, submissions that are inconsistent with City plans, Bylaws, or Building Codes would lead to longer processing times, resubmission and potential denials.

To achieve compliance with application processing targets, several factors require consideration and ongoing refinement, including: resource levels; business process standardization; communication models between departments; external agency cooperation; amendments to Part 7A of the Zoning Bylaw; and most importantly alignment on quality of submissions by applicants.

Furthermore, noting these factors, a compliance framework could include recourse for non-compliance within the timeframe.

Proposed Guaranteed Timelines and Targets

The following is a summary of existing and proposed processing targets. These proposed targets will continue to be analysed and refined through review and in consultation with the industry.

Permit Type	Current Target	Proposed Guaranteed Timeline
Rezoning Report to Council - Single Family (w/o DP)	None established	12 weeks
Rezoning Report to Council - Multi Family, Commercial & Industrial (w/ DP)	None established	16 weeks*
Building Permit - Single Family	10 weeks	10 weeks
Building Permit - Tenant Improvement	10 weeks	10 weeks

* An additional 3 to 4 weeks processing time required for projects requiring ADP review

Rezoning

There are currently no established processing timeline targets for rezoning applications. Staff work with applicants to set out project timelines and key milestone dates on an individual basis, based on the nature and resulting complexing of the application and the associated application review requirements.

Staff propose that it is possible to establish and implement guaranteed timelines for rezoning applications based on application type and the associated review requirements of each application category. Such timeline guarantees require that the development proposal is compliant with City plans and policies (noting that proposals requiring plan amendments, or that deviate from City policy require additional staff review, discussion, and public consultation processes to confirm merit and supporting rationale), and is subject to external factors, such as the quality and completeness of the supporting application materials, results of public consultation, and timeliness of required comments from external review agencies.

For rezoning applications that do not require a Form & Character Development Permit (such as single family residential subdivisions) that are in compliance with the OCP and/or applicable Secondary Plan, staff are proposing a processing timeline guarantee of 12 weeks from the date of receipt of a complete and accurate application submission package (including subdivision plan, lot grading plan, arborist report, tree survey, preliminary engineering servicing concept, building design guidelines, etc.) to Bylaw introduction to Council (with Planning & Development Report).

For rezoning applications that require a Form & Character Development Permit (such as multi-family, commercial, industrial projects) that are in compliance with the OCP and/or applicable Secondary Plan, staff are proposing a processing timeline guarantee of 16 weeks from the date of receipt of a complete and accurate application submission package (including many of the same submission requirements as above for single family residential subdivisions, but also including a complete architectural and landscape design package that meets applicable design guidelines of the OCP and applicable Secondary Plan) to Bylaw introduction to Council (with Planning & Development Report). An additional two to three weeks of processing time would be required for projects requiring review by the Advisory Design Panel ("ADP").

It is noted that in June 2020, Council endorsed updates to the ADP Terms of Reference, by removing some smaller residential and commercial projects, including gas stations, that have a less notable presence in the public realm, from the ADP Terms of Reference. These projects are instead reviewed by the City Architect and Urban Design staff. This reduced volume on the ADP agenda has allowed for more significant projects to proceed to the ADP more quickly.

In order to ensure that the proposed guaranteed timelines can be met, staff will continue to work with applicant's, through the pre-application meetings/review processes, and through the City's pre-application information materials, to continue to encourage complete and accurate application submissions from applicants and to clarify expectations in advance of full application submission.

Single Family Building Permits

In late 2018 and early 2019, a number of significant process changes were implemented to help streamline the review of Single Family Building Permit Applications. Ultimately, a target of 10 weeks was set for issuance of Building Permits based on complete and accurate submissions. By the Fall of 2019 this target was being met. This remained the case until the Fall of 2020, when an update to the Building Code and perhaps pandemic recovery response caused a 300% increase in Building Permit Applications, which exceeded staff's processing capability, pushing permit processing past the 10-week issuance target. Since, a number of adjustments were made, including adding new resources, staff proposes to formally implement the 10-week issuance target as a guaranteed permitting timeline in the coming weeks.

Tenant Improvement Permits

Similar to the single-family building permit process, some improvements in processing and triage were implemented throughout 2020 for Tenant Improvement Permits, resulting in a 45% decrease in permitting timelines, averaging just under 10 weeks in 2020. Therefore, a guaranteed timeline of 10 weeks will be set for these types of permits assuming complete and accurate submissions.

Trade Permit Issuance

Trade Permits, Electrical or Plumbing, are generally required as part of the Building Permit issuance. These permits can be applied online with an issuance target of one week. Staff continue to monitor permitting performance, with a 2021 compliance metric of 45%. It is expected that this performance will be increased significantly with new resources being added to the Trade permitting team.

Building and Trade Permit Inspections

For many years, the City's building and trade permit inspections have been on a "next day" operating model. If an inspection is called for prior to 3 p.m. on a given workday, it is normally scheduled for the next workday. During peak times, some inspections may be deferred one additional day. Final building inspections may take longer to schedule depending on the complexity of the projects and documentation requirements. Provincial Health protocols had an impact on this model at the beginning of the COVID-19 pandemic, but in general the inspection process has returned to normal except for occupied premise inspections, which continue to require health screening protocols.

Site Servicing

Engineering staff continue to track the number of weeks it takes to complete drawing reviews. A turnaround target of 2.5 weeks was identified based on historical performance. In 2020, staff averaged 2.3 weeks, and, to date for 2021, the average is 2.8 weeks.

In 2021, staff piloted a project schedule tracking to reduce processing time and establish realistic expectations and milestones. For the two City Centre projects, milestones were agreed upon at the outset with the developers and their engineers, and, to date, staff has achieved the agreed expedited durations/schedules.

Ongoing and Planned Process Improvement Initiatives

Following Surrey's culture for innovation and service, staff are currently working on several key initiatives to enhance and accelerate the permitting process. These proposed improvements are based on input from both internal and external stakeholders through various surveys, best practices reports and communication with industry and the City's Development Advisory Committee, and seek to maintain Surrey as a leader in the industry. These improvements are fundamental in allowing staff and industry to meet the guaranteed timelines proposed above.

History of Process Improvements

Surrey's land development service is comprehensive, with a history of leveraging technology and best practices for enhanced access and improved efficiencies. Although this report does not provide a detailed breakdown of the many process improvements that have been developed over the last decade, the following is a summary of some of the key improvements delivered:

- Digital Inspection Results: City Inspectors are using tablets to input inspection results, which are automatically shared electronically with the requestor upon completion for improved communication and transparency.
- Online Inspection Schedule Listing: Once confirmed, daily inspection listings are available online for contractors to review, an improvement from the previous call-in system.
- Online Permit Applications: Online permitting allows for an efficient anytime; anywhere permitting abilities. Trade Permits, namely Electrical and Plumbing, have been made available online, with a current online processing rate of 90%, which is convenient and effective for clients and staff. In 2020, the City expanded online permitting availability with the launch of the Single Family Permit portal.
- Digital Plan Review (Engineering Land Development, Single Family Building Permits): Applicants can submit digital plans for review, improving access and lowering transportation and production costs.
- Data Driven Approach to Plan and Implement Improvements: Surrey leverages data to focus investments in streamlining process improvements where needed most. Capturing and analysing transactional data from the Land Management System, AMANDA, in accordance with the *Freedom of Information and Protection of Privacy Act*, provides valuable insights to drive actions.

It should be noted that these improvements were implemented while continuing processing applications resulting from the continued growth in the City. Some of these enhancements were in place prior to the COVID-19 pandemic, which allowed staff to easily adjust to pandemic restrictions while continuing to conduct business seamlessly.

Continuing with this history of innovation to meeting service delivery, the City's digital transformation roadmap is now focussing on Online Permitting Processes. Facilitated by a recently awarded \$500,000 grant from the Union of British Columbia Municipalities ("UBCM"), the project will leverage the lessons learned to date to further improve client service with new technology and process optimizations.

Digital Permitting Portal

Since 2008, the City has invested in online permitting capabilities, primarily in Electrical, and Plumbing permits. In 2020, most Trade Permits were issued online, with 98% of electrical permits and 86% of plumbing permits applied for and issued using an online portal.

In 2020, the City launched an online Single Family Dwelling permit application process for building permit applications in recent subdivisions. In November 2020, following a small-scale beta release, City staff were able to launch this new online permitting service and are continuing to seek opportunities to increase applicant's usage new service.

Online permitting provides anytime, anywhere service capabilities. An analysis of online permitting trends reveals that 35% of applications were submitted outside of regular business hours, when staff are not at work.

Land Development clients and staff need a comprehensive online permitting system for all permit types that will increase efficiencies, provide transparent communications, and better access to file status. A 2021 survey of Surrey's Land Development clients reported that the majority of respondents felt that online permitting was important to them and their business.

Except for Trade Permits (Electrical and Plumbing) and the recent introduction of the Single-Family Permitting Portal for subdivisions projects, more than half of the permitting volume does not leverage an online permit portal to facilitate the approval process, including Rezoning, Subdivision, Single-Family Infill, Commercial Building, and Industrial Building.

There is significant evidence to the benefits of implementing a comprehensive online permitting portal. This conclusion is derived from the City's own experience, industry stakeholder feedback, and literature review, including the Corporate Report No. R177; 2019, approved by Council on September 16, 2019 and attached to this report as Appendix "I".

Staff will be initiating the Digital Permitting Expansion Project, seeking to improve and accelerate the development approval process in Surrey by expanding online services available to clients and delivering enhanced communication and transparency, increased access, reduced costs, and improved quality of submissions. This two-year initiative will introduce new digital permitting capabilities in Area Planning, Building Permits and Engineering Land Development and will include the formation of a dedicated team of experts to implement these new capabilities.

When fully implemented, these benefits to the City and clients can be summarized as follows:

- *Improved transparency and accountability:* Status of applications and any deficiencies are visible by staff and applicants.
- *Increased access:* Applications and updates can be submitted anytime; anywhere; on any device.
- *Reduced costs:* Reduced printing, transportation, storage costs and time savings; clients and staff can submit requests more efficiently.
- *Reduction in errors and incomplete applications:* The online system guides the applicant, ensuring all mandatory fields are complete.
- *Faster permitting timelines:* Staff have added capacity to process applications.

Expanding Audit and Performance Based Design and Field Review Processes

Following the 2020 implementation of the Electrical Contractor Performance Monitoring Program and associated 28% improvements in inspection processing efficiencies by lowering the rate of inspections for high-performing contractors, the Planning & Development Department initiated RFP No. 1220-030-2021-039, Building Permit Approval Process Review and Enhancements in July 2021. Focusing on Part 3 buildings (i.e., those larger than 600 square metres or exceeding three storeys in building height) of the BC Building Code, Certified Professional Program, Tenant Improvement permit approvals and Single Family Permit Approvals, this initiative seeks to leverage learnings and best practices to ensure the efficient delivery of the permitting issuance process, while monitoring for compliance with the Building Code, Bylaws and regulations. It seeks to provide clarity of roles and a balanced approach to the work, focusing City resources on key elements in the permitting process with added efficiencies, seeking to increase reliance on industry professionals, as partners in compliance, and reducing oversight for low-risk work or from those with demonstrated high performance.

As part of this project staff will investigate the opportunity of using a Certified Professional (“CP”) model for Single Family Building Development. The CP program is jointly administered by Engineers and Geoscientists BC and the Architectural Institute of BC, focussing on larger Part 3 type buildings, such as towers and commercial or industrial buildings. A CP essentially reviews a submission as a third-party to ensure all code and Bylaw requirements are met, providing another layer of review or quality assurance prior to submission to the City. The CP also provides site reviews to reduce to number of field inspections required by the City staff. Staff anticipate the Performance Based or Audit Based approach may be more appropriate for Single Family buildings, but will engage with industry to investigate potential opportunities for a CP model.

Staff are currently reviewing proposals to the RFP and work with the preferred proponent expected to commence work in October 2021 with recommendations for improvements expected by May 2022, for implementation shortly thereafter.

Call Centre Implementation

To support additional permit processing capabilities, the Planning & Development Department is implementing a Call Centre. When fully operational later this year, this unit will complement the existing Building Front Counter team and associated back-office staff. It is expected that the Call Centre will help triage upwards of 400 call per day, providing clients with improved service, single point of contact for simple inquiries and allowing for specialized staff to focus on application processing.

Pre-application Meetings

Poor quality submissions lower the ability of staff and clients to focus on advancing development projects. Experienced developers tend to provide better submissions and require less oversight from staff. Poor quality submissions from less experienced property owners who are unsure of the process can have a significant impact on staff time. They distract from working on applications from those who invested time and resources to learn and respect the City’s requirements.

Staff intend to increase the use of pre-application meetings to provide new applicants with valuable information to the City's process and help streamline the proposed application, avoiding conflict with Bylaws and policies.

Opening Doors: Unlocking Housing Supply for Affordability Review

In June 2021, the Canada-British Columbia Expert Panel on the Future of Housing Supply and Affordability (the "Panel") issued its Final Report entitled Opening Doors: Unlocking housing supply for affordability (the "Opening Doors Report"), attached as Appendix "II". This Panel, established by the Governments of Canada and B.C. in September 2019, was tasked with developing actionable recommendations to increase supply of housing and improve affordability Province-wide. The steps undertaken by the Panel are described in its Final Report along with its findings and recommendations.

Appendix "III" outlines the reports 23 recommendations and includes staff comments on each. The report's recommendations are far reaching and quite specific in some cases. Some of the recommendations are considered supportable and consistent with actions that the City is already taking, or planned to take, with respect to increasing housing supply and affordability, others are problematic and/or inconsistent with other City goals and objectives. Staff will work with the Province in an effort to address the recommendations

Next Steps

Subject to Council's endorsement, staff will implement and further develop the proposed guaranteed permitting timeline framework. In the implementation, a dedicated staff team will be created to review and optimize the process, ensure proper communication of the timelines with applicants, and further refine the management control and reporting systems.

SUSTAINABILITY CONSIDERATIONS

The work of these projects supports the objectives of the City's Sustainability Charter 2.0. In particular, this project relates to Sustainability Charter 2.0 themes of Economic Prosperity and Livelihood, and Infrastructure. Specifically, this project supports the following Desired Outcomes ("DO"):

- Innovation DO14: Surrey is the region's innovation hub, focusing on health and clean technologies, and creating significant local and regional economic impacts;
- Innovation DO16: Surrey's businesses are active participants in the community and create economic value in a way that generates value for society; and
- All Infrastructure DO2: Infrastructure systems provide safe, reliable and affordable services.

CONCLUSION

The demand for development is high in Surrey and improvements in the City's development approval processes have a significant positive impact on regional and Provincial growth and overall community access to housing. The identified improvement initiatives with the proposed establishment of guaranteed permit processing timelines will benefit the land development clients and staff.

The Province, in an effort to address housing supply and affordability, has recently issued a report with a host of recommendations. Some of the recommendations are considered supportable and consistent with actions that the City is already taking, or planned to take, with respect to increasing house supply and affordability, others are problematic and/or inconsistent with other City goals and objectives.



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Note: Appendices available upon request.

Appendix "I" - Corporate Report No. R177; 2019

Appendix "II" - Opening Doors: Unlocking housing supply for affordability Final Report

Appendix "III" - Preliminary Comments on the Opening Doors: Unlocking housing supply for affordability Final Report