



**STAFF REPORT
ACTION REQUIRED**

Building Permit Review Times & Enforcement of the Sign By-law

Date:	August 27, 2013
To:	Planning and Growth Management Committee
From:	Chief Building Official and Executive Director, Toronto Building
Wards:	All
Reference Number:	Pg13014

SUMMARY

This report responds to requests that the Chief Building Official and Executive Director, Toronto Building report to the Planning and Growth Management Committee on:

- A. Acceptable timelines for the processing of various categories of building permit applications, including recommendations for additional funding if required to meet the timelines; and
- B. Any necessary adjustments to staffing levels in the Sign By-law Unit, to effectively enforce the Sign By-law.

The report addresses each request separately and refers consideration related to resources to the 2014 Operating Budget process.

On the matter of timelines for processing building permits, the report details Toronto Building’s review of workload volumes, staff resources and performance indicators in processing applications. While the analysis suggests that service levels have recently declined, workload volumes have exceeded the Division’s current capacity to process building permit applications within acceptable time frames. The report considers this in the context of other initiatives in the Division to improve plan review performance.

Regarding staffing levels in the Sign By-law unit, the report details the review of workload volumes, staff resources and performance indicators in the inspection and enforcement of signs. The findings of this review demonstrate that current staffing levels are aligned with the scope of current commitments to service levels.

RECOMMENDATIONS

The Chief Building Official and Executive Director, Toronto Building recommends that:

1. The Planning and Growth Management Committee refer the need for additional Toronto Building staff resources to the 2014 Operating Budget process.

FINANCIAL IMPACT

Should City Council adopt the report recommendation, the resulting financial implications will be considered as part of the 2014 Operating Budget process.

Through the 2014 Operating Budget process, the need for additional resources will be considered in the context of progress made in filling vacancies and other efforts to improve plan review performance.

DECISION HISTORY

At its meeting of November 27, 28 and 29, 2012, City Council adopted Member Motion 28.3 which directed the Chief Building Official and Executive Director to report to the Planning and Growth Management Committee regarding acceptable timelines for the processing of various categories of building permit applications. Staff were further directed to include recommendations for additional funding, if required, to meet the timelines.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.MM28.3>

The Planning and Growth Management Committee, at its meeting of June 20, 2013 in deferring consideration of the "Building Permit Fees 2011 and 2012 Annual Reports" (PG25.4), adopted a motion that requested the Chief Building Official and Executive Director, Toronto Building to report to the Planning and Growth Management Committee at that time on any necessary adjustments to staffing levels in the Sign By-law Unit, to effectively enforce the Sign By-law.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PG25.4>

Issue Background

A. Building Permit Review Times

In considering the 2013 Toronto Building Operating Budget, City Council questioned whether there were adequate staff levels for processing permit applications as there were some concerns with respect to the Division's staffing levels and service levels provided in the review and issuance of building permits as a result of current permit volumes.

Legislative Requirements

The *Building Code Act* (the Act) contains two provisions that govern building permit applications and the time frames associated with their review. Section 8(2) of the Act requires that the Chief Building Official issue a building permit when the proposed building, construction or demolition complies with the requirements of the *Building Code Act*, the Building Code and all applicable law. Applicable law includes other legislative approvals that must be obtained before a building permit may be issued (e.g., Site Plan Approval, Conservation Authority Approval).

The second provision is found in Section 8(2.2). This section sets out time frames (see Table 1) in which various categories of complete building permit applications are to be reviewed and a decision is made by the Chief Building Official whether to issue or not issue the permit and, if not issuing the permit, then advise the applicant of all the reasons for the refusal.

Table 1: Building Code Act Prescribed Time Frames	
Permit Type/Class	Prescribed Time Frame
Single Family, Semi-detached, townhouse or row house and related accessory structures	10 business days
Small commercial/industrial buildings	15 business days
Large commercial/industrial/institutional buildings, multi-storey residential buildings	20 business days
Large complex buildings or multi-storey residential buildings more than 18 metres tall	30 business days

The legislative time frame requirements only apply to complete permit applications. A complete permit application refers to one that is submitted with all the necessary information including proof of compliance with all applicable law.

Performance Levels

Since 2010, the City of Toronto has been experiencing a sustained high level of development activity. In 2012, Toronto Building received a record volume of 41,455 building permit applications and issued a record 39,216 building permits. This volume represented over \$7.5 billion in construction value for permits received as shown in Table 2.

Table 2: Permit Applications Received		
Year	#	Construction Value (\$B)
2006	32,125	6.0
2007	38,000	7.0
2008	34,515	6.0
2009	30,784	5.6
2010	36,459	10.2
2011	37,983	8.2
2012	41,455	7.5

A key indicator of Toronto Building's performance in reviewing permit applications is the time it takes staff to review complete and incomplete streams of building permit applications within the legislated time frames. Although there are no legislated turnaround times for incomplete applications, Toronto Building tracks the time frames to gauge overall plan review performance, from application to the issuance of either the permit or the notice providing reasons for not issuing the permit.

The data shown in Table 3 indicates some decline in the Division's performance in the review of both the complete and incomplete application streams, with some indications of improvement in the review of complete applications, as of July 2013, with further improvement anticipated by year end.

Table 3: Permit Application Review Performance							
Complete Applications				Incomplete Applications			
Permit Review Performance against Legislated Time Frames				Permit Review Performance against Legislated Time Frames			
2011	2012	2013	2013	2011	2012	2013	2013
		(YTD July)	(YE Projection)			(YTD July)	(YE Projection)
82%	77%	80%	82%	66%	59%	55%	60%

Through the 2013 Operating Budget process, City Council approved the addition of five Zoning Examiner positions, effective July 1, 2013, to help address the current challenges associated with maintaining service levels for permit issuance with current volumes.

B. SIGN BY-LAW ENFORCEMENT

At its meeting of June 20, 2013, the Planning and Growth Management Committee deferred consideration of Item 25.4, "Building Permit Fees 2011 and 2012 Annual Reports" and requested that the Chief Building Official and Executive Director, Toronto Building report back to the Committee on any necessary adjustments to staffing levels in the Sign By-law Unit, to effectively enforce the Sign By-law.

In December 2009, City Council approved the creation of the dedicated Sign By-law Unit to administer and enforce the provisions of the Sign By-law and collect and administer the Third Party Sign Tax (TPST). The staff complement for this Unit originally included resources to conduct pro-active investigations, as well as responding to complaints. A Unit of 19 positions was established to include nine inspection and enforcement staff.

Through the 2011 and 2012 budget process, the Unit complement was reduced through the deletion of 3 inspection positions, originally allocated for proactive enforcement.

In order to effectively enforce the by-law and collect the TPST, an inventory of third party sign locations displaying advertising was established, currently including 2150 sign locations. As a result of establishing the inventory, new third party sign locations have rarely been identified through proactive enforcement efforts.

Current Staffing and Service Levels

The total complement of the Sign By-law Unit currently stands at 16 positions. The Unit reviews over 1,750 sign and building permit applications per year and conducts approximately 2,400 inspections and responds to an average of 330 complaint investigations annually.

COMMENTS

A. Building Permit Review Times

The performance with respect to the review of building permit applications, described above, focuses on the first review conducted by staff, resulting in either the issuance of the permit or a notification identifying reasons that the permit cannot be issued. This is

consistent with the expectations of the legislation and the fact that not all of the time spent after a notice is issued is within the control of Plan Review staff.

However, as permit applicants are ultimately interested in the time it takes to obtain a building permit from application to issuance, the Division recently completed an analysis of the overall time it has taken for permits to be issued for various categories of building permit applications between 2008 and 2012. Over this period, the average time elapsed between permit application for low-rise residential construction (Part 9 buildings) and issuance has only marginally increased despite sustained high permit volumes. Average time frames for the time taken to issue permits for smaller residential building types (regulated under Part 9 of the Building Code) are shown in Table 4.

Table 4: Permit Issuance Time Frames for Smaller Residential Buildings	
2008 - 2012	
Permit Category	Average # of Calendar Days to Issuance
Residential Additions/Alterations ¹	29
Singles, Semis & Triplexes ¹	80
Row/Townhouses ^{2,3}	167

¹Frequently subject to Committee of Adjustment decisions.

²Frequently require subdivision approval or consent to sever.

³Frequently require site plan approval.

These time frames include both applications that are submitted as incomplete as well as complete applications, which means that most applications require other approvals to be obtained prior to permit issuance. For incomplete applications this may include Committee of Adjustment decisions and/or site plan or subdivision approval before a permit can be issued. Considering this, the average turnaround times are within an acceptable range.

For applications related to larger building projects, (defined as Part 3 buildings in the Building Code), Toronto Building provides for the issuance of phased permits to support planned construction schedules and typically issues permits for various stages of construction, in advance of the applicant obtaining all of the other approvals for the project, some of which may also be issued as conditional permits.

These include:

- Excavation/Shoring
- Foundation
- Site Servicing and Drain
- Structural (for above grade structural work)
- Mechanical Services (HVAC)
- Plumbing Services.

Partial and conditional permits are only issued at certain stages of construction once Toronto Building and City Planning have confirmed that construction will not advance before the decisions associated with other required approvals affecting that phase have been made. Average time frames for permit issuance for various phased permits have not changed substantially between 2008 and 2012 and are shown in Table 5.

Table 5: Permit Issuance Time Frames for Part 3 Buildings	
2008 - 2012	
Permit Category	Average # of Calendar Days to Issuance
Shoring/Excavation ¹	149
Foundation ^{1,2}	290
Structural ^{1,2}	222
Full New Buildings ^{1,3}	443
Building Additions/Alterations	40

¹These statistics are for multi-storey residential buildings only.

²Requires notice of approval conditions under site plan control.

³Requires full site plan approval.

The issuance of phased and conditional permits for larger construction projects to coincide with other approvals required (e.g. Site Plan approval, Records of Site Condition) facilitates the continuation of construction in keeping with project schedules, and generally does not delay these larger projects before they are ready to proceed. The Division is able to manage resources and issue partial permits to meet construction schedule deadlines with current resources, frequently coinciding with the stages of approval under site plan control.

Workload Capacity

Between 2010 and 2012, a review of workload volumes was undertaken for Plan Review staff. This review determined that the total time required to review applications averaged to approximately 171,000 hours of work each year, peaking in 2012 with approximately 178,000 hours of work. It is estimated that the level of work requires an average staffing level of approximately 140 Plan Review staff. This is only marginally higher than the current Plan Review staff complement of 135 positions, which includes the five new zoning positions as of July 1, 2013.

As noted, 2012 was the third consecutive year of significantly high volumes of building permit applications, with the peak application year being 2010. Workload is dependent on the volume of development activity and the Division monitors these trends actively. As of July 2013, application volumes are continuing at a pace consistent with 2012.

The need for additional staff resources needs to be considered in conjunction with other plan review improvement efforts that are underway. Toronto Building continues to implement service efficiencies and process improvements through enhanced service

delivery tools such as electronic plan review capabilities, formalizing harmonized service levels for plan review, and conducting an efficiency review in the area of plan review. Improvements to service delivery performance as a result of these and other initiatives is being monitored by the Division.

Staff Resources

The Division has experienced a high level of vacancies over the past few years; however, progress is being made in filling positions through an aggressive hiring plan. Staff vacancies peaked at 61 of a total of 431 positions at the end 2011, due to a high number of retirements, and remained high through 2012. A review of the hiring process was undertaken with the goal of reducing turnaround times for approvals and initiating proactive recruitment strategies to fill vacancies in a timely manner.

As of June 30, 2013, the number of vacant positions was reduced to 38, and the Division continues to monitor and refine the hiring strategy so as to reduce turnaround times to fill vacant positions. By year end, vacancies are projected to be at approximately 20 positions as compared to 51 vacancies at the end of 2012. Actions are currently underway to fill all of the Division's vacancies, with the exception of three positions being re-classified and three temporary vacancies expected to be filled in 2014. As vacancies have been filled, the Division is noting improvement in meeting service delivery targets. Consideration will be given to the appropriate alignment of resources in Toronto Building to meet service expectations through the 2014 Operating Budget process.

B. SIGN BY-LAW ENFORCEMENT

Plan Review and Inspections:

A review of workload volumes pertaining to the review of sign permit applications indicates that staff have the capacity to review approximately five permit applications per day on average. This takes into account the multiple reviews required for sign and associated building permits. On the inspection side, workload averages to approximately four inspections per day per inspector due to distances travelled from the centralized Sign Unit and other time spent in the office for each inspector.

A program time frame of ten business days has been established for the review of a sign permit and building permit and two business days for the inspection of a sign permit and building permit. Sign By-law Unit staff are able to meet these time frames for 90% of the applications that are received.

Investigations:

Due to the complexity of sign regulations throughout the former municipalities, frequent ownership changes of businesses and the potential for further legal action, investigations

are more involved than permit inspections and, as a result, take on average the equivalent of two full days per inspector each to complete.

Staff respond immediately to complaints that are received for suspected unsafe signs. Otherwise, the time frame for a response to a sign complaint is two business days. Sign By-law Unit staff have been able to achieve these response rates with greater than 95% success.

The response rates achieved for complaint investigations suggest that staffing levels are appropriate to address the expected volume. However, recent requests across to a broad area or ward, as opposed to a complaint on an individual sign exceed the Unit's capacity to respond and meet service level expectations. A recent example resulted in an increase in investigation files, equivalent to one-third of the typical annual workload of 330 complaints.

The elimination of inspection staff originally established to investigate sign locations proactively has not significantly affected the Unit's success in enforcement with respect to third party advertising signs.

CONCLUSION

Overall, building permit processing time frames have remained fairly stable over the past five years, notwithstanding a sustained high volume of permit applications and increase in size and complexity of development projects. Although the results of the workload analysis suggests that recent workload volumes have exceeded capacity to meet some service expectations, this needs to be considered in the context of progress made in filling vacancies and other efforts to improve plan review performance.

The analysis of workload within the Sign By-law Unit shows that currently there is an appropriate alignment of staff to expected workload and both legislated and program time frames are generally being achieved.

Current staffing levels allow for inspections for Building Code and By-law compliance of signs under permit, response to typical complaint levels regarding illegal signs, resolution of outstanding enforcement actions, and ongoing maintenance of an inventory of third party sign locations for the purpose of collecting the tax as well as management of enforcement of ongoing issues.

It is recommended that the need for additional resources in both plan review and the Sign By-law Unit be monitored and considered through the 2014 Operating Budget process.

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