



Additional Staffing Resources for Development Application Review - Recommendation Report

Date: January 6, 2017

To: Budget Committee and Planning and Growth Management Committee

From: Deputy City Manager, Cluster B, Deputy City Manager and Chief Financial Officer, Deputy City Manager, Cluster A, Interim City Solicitor, Legal Services

Wards: All

SUMMARY

As directed by City Council, this report is being submitted concurrently to Budget Committee for consideration as part of the 2017 Budget Process and to Planning and Growth Management Committee. At its meeting of December 13, 14 and 15, 2016, City Council directed the Deputy City Manager, Cluster B, in consultation with the Chief Planner and Executive Director, City Planning and the City Solicitor to report to the Budget Committee through the 2017 Budget Process and concurrently to the Planning and Growth Management Committee at its January 11, 2017 meeting with an analysis, on a Division by Division basis, of additional staffing resources required to meet each Division's Key Performance Indicators, Planning Act timelines and current and anticipated application volumes, and that the report include options that may be required to cover the cost of any additional staff resources to meet those timelines, volumes and Key Performance Indicators including potential impact on the tax base and the Development Application Review Fees.

In response to City Council's direction, this report recommends adding 9.0 new City Planning staff on a temporary two year basis to address the service issues outlined in this report. This report also recommends that 5.0 additional staff be added to Legal Services and 3.0 additional staff be added to Parks, Forestry & Recreation, all on a temporary two year basis. These temporary positions would be funded through a draw from the City Planning Development Application Review Reserve Fund that receives contributions in years that Planning Application revenue surpluses arise.

The 17.0 new temporary positions recommended in this report will be in addition to 17.0 new permanent positions added as part of the 2017 Preliminary Operating Budget to support the development application review within City Planning (1.0 position); Toronto Building (12.0 positions); and Legal Services (4.0 positions).

This report was prepared in consultation with all Divisions involved in the development application review process. Legal Services and Parks, Forestry & Recreation input has been included in the report.

RECOMMENDATIONS

The Deputy City Manager, Cluster B, Deputy City Manager, Cluster A, Deputy City Manager & Chief Financial Officer and Interim City Solicitor recommends that:

1. City Council approve an increase to the 2017 Preliminary Operating Budget of \$1,805,750 gross and \$0 net, and an increase of 17 temporary positions, fully funded by the City Planning Development Application Review Reserve Fund (Account XR1307), between the following City Programs:

- City Planning - An increase of \$890,000 gross and \$0 net for the 2017 part year funding of 8.0 new planner and 1.0 new support assistant positions;
- Legal Services - An increase of \$656,250 gross and \$0 net for the 2017 part year funding of 5.0 new solicitor positions; and
- Parks, Forestry & Recreation - An increase of \$259,500 gross and \$0 net for 2017 part year funding of 2.0 new Park Planner and 1.0 new Senior Landscape Architect positions.

2. City Council direct that an end to end development process review be conducted.

3. City Council direct the Chief Planner and Executive Director, City Planning to implement a time tracking system which will formally document staff time spent on development review matters and report to the Planning and Growth Management Committee in the second quarter of 2018 on Division's Key Performance Indicators and Planning Act timeline improvements arising from the recommended additional staff resources and any implemented process changes.

4. Planning and Growth Management Committee forward this report and its recommendations for consideration as part of the 2017 Budget Process.

FINANCIAL IMPACT

Approval of the recommendations in this report will result in an increase to the 2017 Preliminary Operating Budget by \$1.806 million gross and \$0 net to fund an additional 17.0 temporary positions as detailed in the table below:

Program (\$000s)	Added Temporary Resources	2017 (April 1 - December 31)	2018 (Full Year)	2019 (January 1 - March 31)	Total
City Planning	8.0 Planners 1.0 Admin Support	\$890.0	\$1,130.0	\$240.0	\$2,260.0
Legal Services	5.0 Solicitors	\$656.3	\$875.0	\$218.8	\$1,750.0
Parks, Forestry & Recreation	2.0 Park Planners 1.0 Sr. Landscape Architect	\$259.5	\$346.0	\$86.5	\$692.0
Total Gross		\$1,805.8	\$2,351.0	\$545.3	\$4,702.0

These positions will be fully funded over a two year period through the City Planning Development Application Review Reserve Fund. Excluding any additional contributions to the reserve fund through annual revenue surplus, this approach will reduce the current reserve fund balance of \$10.624 million to \$5.920 million by March 31, 2019.

An assessment of the ongoing need for all or some of these positions will be undertaken throughout 2017 and 2018. If application volumes continue to warrant the retention of the additional staff, consideration to making these positions permanent will be undertaken through the next four year comprehensive review of Planning application fees, which will be conducted in 2019.

In addition to the new positions identified in this report, the 2017 Preliminary Operating Budget currently includes funding of \$1.835 million gross and \$0 net for the addition of 17.0 permanent positions to address development application review matters. This increase in funding has been included as follows:

City Planning - An increase of \$0.202 million gross and \$0 net for 1.0 new permanent Director, Committee of Adjustment.

- The Director will be responsible for implementing E-service delivery and other efficiencies, ensuring consistency between District practices and reviewing staffing requirements according to workload.

Toronto Building - An increase of \$1.185 million gross and \$0 net for 12.0 new permanent positions.

- 8.0 Zoning Examiner positions to effectively manage the increased zoning review activity; and

- 4.0 Application Examiner positions within the Committee of Adjustment application intake process that will now be harmonized across all four districts in the City with the added benefit of allowing City Planning to utilize 4 positions previously responsible for C of A intake in Toronto and East York and Etobicoke York districts to address other C of A requirements.

Legal Services - An increase of \$0.448 million gross and \$0 net for 4.0 new permanent positions (3 Solicitors and 1 Legal Assistant) that will be added to process development applications.

These 17.0 new permanent positions that have been included in the 2017 Preliminary Operating Budget are fully funded through additional 2017 revenue resulting from City Council's approval of the Development Application Review Fee Update

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of October 26, 2016, Executive Committee considered a report from the Chief Planner and Executive Director, City Planning on the Development Application Review Fee Update (EX 18.14) and requested that the Chief Planner and Executive Director, City Planning report to the November 16, 2016 meeting of Planning and Growth Management Committee with further information.

The direction of Executive Committee for Item EX18.14 can be found at:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX18.14>

At its meeting of November 16, 2016, Planning and Growth Management Committee considered the Development Application Review Fee Update and a Supplementary Report (PG16.1a) dated November 14, 2016 which provided further information.

Planning and Growth Committee recommended that City Council adopt the new Planning application fees and fee amounts set out in Appendix 1 to the report (October 13, 2016) from the Chief Planner and Executive Director, City Planning, effective January 1, 2017 and authorize that Appendix C of Schedule 13 of Chapter 441, Fees and Charges, of the City's Municipal Code be updated to reflect the new fee amounts, with the exception of the fees for Committee of Adjustment applications which are not to be reduced.

The direction of Planning and Growth Management Committee for Item PG 16.1 can be found at:
<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getMinutesReport&meetingId=10962>

At its meeting of December 13, 14, and 15, 2016, City Council considered the Development Application Review Fee Update and Supplementary Reports PG16.1a dated November 14, 2016 and PG16.1b dated December 12, 2016. City Council

adopted Recommendations 1 and 2 of the Planning and Growth Committee and Recommendation 1 contained in PG16.1b.

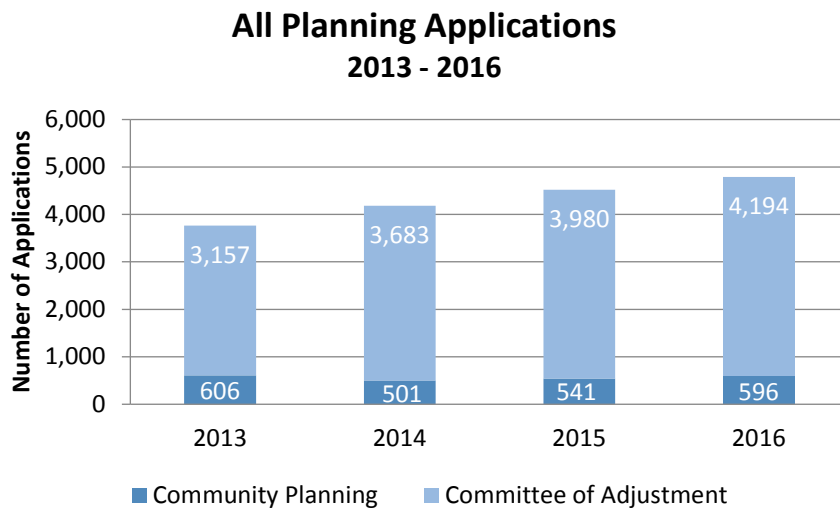
The decision of City Council can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PG16.1>

COMMENTS

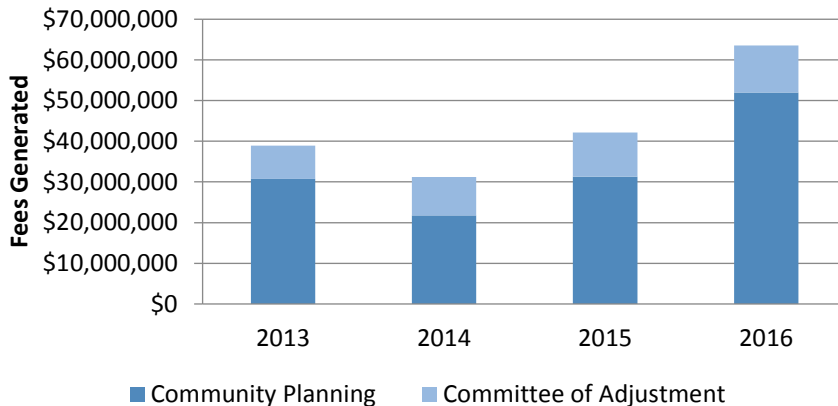
Planning Application Volumes and Complexity

Application volumes in City Planning have increased by 27% over the last three years, rising from 3,763 applications in 2013 to 4,790 applications in 2016. This increase is due to Committee of Adjustment applications which increased from 3,157 applications in 2013 to 4,194 applications in 2016.



In addition, the complexity of Planning applications has increased significantly over this period. The activity based cost recovery model is used to determine fees on the basis of staff effort to review and respond to different types of Planning applications. The fee structures for the more complex applications (e.g. Official Plan Amendment and Rezoning) have a base fee and a variable fee for gross floor area. Larger applications with greater gross floor area are considered more complex in nature and take more staff time to review and respond to.

Fees Generated by Applications 2013 - 2016

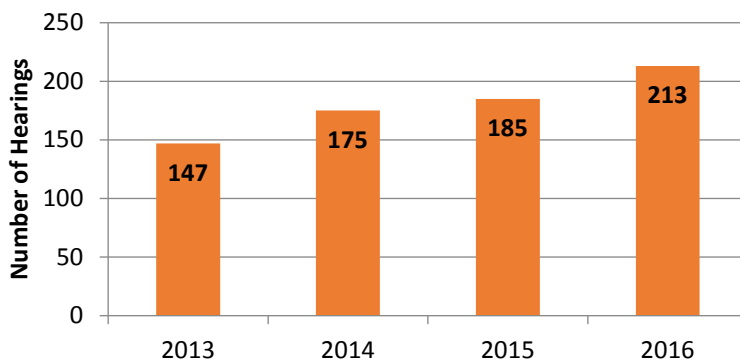


The increase in application size is illustrated by the increase in the average fee collected per OPA and Rezoning application between 2013 and 2016. The average fee generated by these applications increased by almost 50%, from approximately \$103,700 per application in 2013 to \$154,200 per application in 2016.

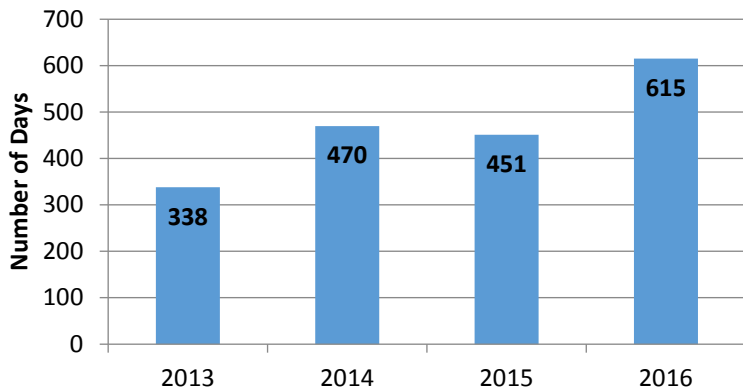
The combination of increased application volumes, size/complexity and emerging City priorities (i.e., the Open Door program for affordable housing) has significant implications on the workload for staff across the 16 internal business units in 8 Divisions that review development applications. It has similar implications for the City's external commenting partners. This is evidenced by:

- A significant increase in the number of OMB hearings and the length of time spent at the OMB to complete these hearings. The number of OMB hearings has increased 45% since 2013, from 147 hearings in 2013 to 213 hearings in 2016. The number of days spent at OMB hearings has increased 82% since 2013, from 338 days in 2013 to 615 days in 2016.

OMB Hearings 2013 - 2016



Days at OMB Hearings 2013 - 2016



- Requirements for and priorities related to the provision of affordable and rental housing, including increasing applications/requests to redevelop existing rental housing.
- More time at community consultation meetings. In 2014 for example, Community Planning staff hosted/participated in 291 community meetings. This increased by 17% in 2015, to 340 meetings. These meetings are typically held in the evenings or on weekends to provide convenient public participation.
- Increased overtime. In 2014 for example, Community Planning staff logged a total of approximately 3,925 hours of overtime. This increased by 37% in 2015 to almost 5,400 hours of overtime, which is equivalent to 3.5 full time positions.
- Increasing use of Section 37 Agreements and increasing complexity of legal agreements forming part of Planning approvals. For example, most Section 37 agreements no longer include a straight financial contribution for community benefits. More often they involve the provision of fully constructed day cares and community centres or the replacement of affordable rental housing or spaces for art galleries or other important benefits requiring complex legal arrangements to secure and enforce. As the City intensifies, land that the City takes for parks often requires environmental remediation and stratification of legal ownership. Increasingly, the City is requesting the provision of privately owned publically accessible open space that necessitates complex legal agreements to ensure appropriate easements and indemnities are secured.

City Planning Key Performance Indicators (KPI's)

Key Performance Indicator - Community Planning	Target	2016 Performance
Circulate Application Within 5 Days of Receipt	100%	87% (to Q3)
Notify Applicant Within 30 Days Whether their Application is Complete	90%	70% (to November)

Provide Comments to Applicant from the First Circulation Within 49 Days for a Routine Application	75%	49% (to November)
Provide Comments to Applicant from the First Circulation Within 63 Days for a Complex Application	75%	37% (to November)
Decision on Routine Application Within 6 - 9 Months	75%	36% (to November)
Decision on Complex Application Within 9 - 18 Months	75%	63% (to November)

It is important to note the last two KPI's include the time that comments have been provided to the applicant for response/action and to some extent are not in the control of City staff.

Key Performance Indicator - Committee of Adjustment	Target	2016 Performance
Minor Variance Application get to a Hearing Within 60 days	75%	57% (to November)
Application for Consent get to a Hearing Within 90 days	75%	74% (to November)

Staff Resources for City Planning

Key Performance Indicators are not being met with the current Planning staffing complement given the increased volume and complexity of development applications. Adding temporary staff across the Division would allow more time to focus on the review of applications thereby reducing the pressure for overtime and potentially the time spent on Ontario Municipal Board appeals. It is also hoped that meeting the KPI's and responding within customer service timelines could result in fewer Ontario Municipal Board appeals, which would free up time for staff in all Divisions involved in development review, especially Legal Services.

It is recommended that 9.0 new City Planning staff (comprised of 8.0 planner positions and 1.0 support position) be added on a temporary two year basis to assist in the review and processing of larger development applications. This would reduce the number of applications per planner and would free up staff time to focus on three significantly impactful aspects of the development review process; being pre-application consultation meetings, interdivisional meetings and community and Councillor consultation. It is anticipated that if these staff spend their time in the same proportion as staff currently reflected in the costing model used to develop the recently approved development application fees, this would have a measurable impact on meeting customer service timelines.

If approved, it is anticipated there would be a cost of approximately \$890,000 to fund these 9.0 positions (comprised of pro-rated salaries and benefits, and space and equipment costs) in 2017. It is recommended these positions be funded through the City Planning Development Application Review Reserve Fund. This approach would represent a \$0 net increase to City Planning's Operating Budget. A similar funding approach would be undertaken in 2018.

The work location of these positions would be determined by the Chief Planner and Executive Director, City Planning based on a review of application volumes, workload distribution and space requirements. The efficacy of this approach to improving KPI's will be monitored throughout 2017 and 2018. Should application volumes continue to warrant the retention of the additional staff, consideration to making these positions permanent could be undertaken through the next four year comprehensive review of Planning application fees which will be conducted in 2019.

It is also recommended that City Planning implement a time tracking system that would formally document the Divisional staff time spent on reviewing development applications. Such a system would be a valuable tool in determining the appropriate allocation of staff resources across the Division and would also produce data to support retaining the above temporary positions on a permanent basis, if warranted.

Staff Resources for Committee of Adjustment

Since 2013, the number of Committee of Adjustment applications has increased 33% but the staffing level in the Committee of Adjustment has remained relatively stable. The average number of applications each Committee of Adjustment staff reviews per year has increased from 85 in 2013 to 116 in 2016. In recognition of this increased workload, four temporary positions have recently been approved to assist in the review and response to these applications.

At its December 13, 14 and 15, 2016 meeting, City Council adopted Item PG16.1 with amended Recommendations. Recommendation 2 reads as follows:

"City Council request the Chief Planner and Executive Director, City Planning to ensure that Planning Staff effort on Committee of Adjustment application reviews match the current fee levels." The decision of City Council can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PG16.1>

In response to this Recommendation, a more detailed analysis of current Committee of Adjustment application volumes, resources and staffing implications of various process changes underway and anticipated will be undertaken to determine where existing and any new staff should be deployed to most effectively improve the service levels and quality of the Committee of Adjustment process.

This detailed analysis will be overseen by the newly appointed Acting Director of the Committee of Adjustment and staff will report on the findings to Planning and Growth Management Committee in the 1st quarter of 2018.

Staff Resources for Other Development Review Divisions

As directed by City Council, Planning staff consulted with all Divisions involved in the development application review process. Two other City Divisions have indicated additional staffing would be required to address their service issues, as follows:

- Legal Services

The Planning & Administrative Tribunal Law (PATL) section of Legal Services provides the legal work required on all development applications in the City. This includes providing legal advice and support to Planners and other professional staff during their review of applications as well as reviewing and submitting implementing Bills to City Council. The Real Estate Law group, due to their specialized knowledge and experience, are becoming increasingly involved in negotiating and drafting the documents setting out the complex legal arrangements forming part of Planning approvals, participating in pre-application consultation meetings, documenting transactions flowing from Section 37 Agreements and engaging in the increasing number of development applications which involve the use of the City land.

As noted previously, Legal Services currently has 4.0 additional positions to address development application review matters incorporated in the 2017 Preliminary Operating Budget (two solicitors in PATL, one solicitor in Real Estate Law and 1 Legal Assistant position). These positions would be funded through increased revenue resulting from City Council's approval of the Development Application Review Fee Update.

Legal Services has indicated the need for 5.0 further staff to adequately address their development application service issues; being four solicitors in PATL and one solicitor in Real Estate Law.

- Parks, Forestry & Recreation

The Development Applications Unit (DAU) of Parks, Forestry & Recreation currently has five Parks Planners working in the four service Districts (two in Toronto East York and one in each of North York, Scarborough and Etobicoke York). These staff review all development applications from a PF&R perspective, including the Waterfront, as well as participate in the broader City Building Studies and initiatives conducted by City Planning. The Landscape Architecture Unit (LAU) of Parks, Forestry & Recreation provides a number of services related to development review including the design and construction of developer delivered parks and the review of applications adjacent to City parkland.

The increasing size and complexity of Planning applications is resulting in greater PF&R staff time spent on matters such as OMB hearing preparation/negotiation/agreement drafting, addressing strata ownership matters for PF&R facilities in mixed-use buildings, negotiating development issues related to on-site parkland dedications or developer built parks and participating in area studies related to Planning applications. As such, three additional staff are being requested.

DAU requires 2.0 additional Park Planners to meet current KPI deadlines. If two additional Park Planner positions were added, one position would be assigned to the North York District and one position would be assigned City-wide to work on Waterfront applications as well as to assist staff in other Districts as required. LAU would require an additional Senior Landscape Architect to manage/review the largest and most complex development application review matters.

Summary of Staff Resources for Other Development Review Divisions

It is recommended that 8.0 new positions (5.0 in Legal Services and 3.0 in Parks, Forestry & Recreation) be added on a temporary two year basis to assist in the review and processing of development applications. This would represent an increase to the 2017 Preliminary Operating Budget of \$915,750 gross and \$0 net as these positions would be fully funded by the City Planning Development Application Review Reserve Fund. A similar funding approach would be undertaken in 2018.

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