

## **Concept 2 Keys Development Application Review Program – Interim Results of the Priority Affordable Housing Application Stream and Q3 Program Updates**

**Date:** September 30, 2021

**To:** Planning and Housing Committee

**From:** Chief Operating Officer, Development and Executive Director, Housing Secretariat

**Wards:** All

### **SUMMARY**

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As directed by City Council at its meeting of September 30, October 1 and October 2, 2020, the purpose of this report is to:

- Provide an update on the work supporting the Priority Application Stream focused on affordable housing and to present the preliminary results of this stream.
- Report on the work undertaken by Concept 2 Keys (C2K) over the last three months and highlight upcoming deliverables.

The C2K program is transforming the development review process by improving organizational structures, processes and technology. Given the scope of this transformation, the C2K program is being implemented incrementally. The first two streams of work currently underway are as follows:

- 1. The Priority Application Stream, which launched on January 1, 2021, is focused on affordable housing development applications city-wide. Since the launch of the program, review teams have received 24 applications for 18 development projects. This includes 15 priority affordable housing developments and 3 private purpose-built rental projects. The 15 affordable housing developments include Open Door and Modular Housing Initiative sites, representing a proposed total of 1,211 new affordable and supportive rental homes. Additional development projects earmarked for priority review are in the current pre-application stage and will be reported when applications have been received. A first set of applications are now approaching key approval milestones and an evaluation of improvements in approval timelines will be conducted. Within the affordable housing review stream, the overall average time for staff to review and comment has been five weeks per round of reviews. This compares to an average duration of eight to nine weeks per review round for all development applications across the City. The City's Modular Housing Initiative

applications have been given the greatest urgency and have averaged three weeks per review.

- 2. The District Application Stream, which launched on July 1, 2021 in the Etobicoke York district, is focused on testing the scalability of development review improvements across a range of application types in a typical planning district. Progress in Etobicoke York to date includes establishing three interdivisional review teams supported by a new application management function and recruiting additional staff to ensure the review teams have the appropriate resources in place to provide a positive customer experience for applicants. The teams have received 27 pre-application consultation requests and 24 new development applications to date.

Alongside these two streams of work, C2K is also working with partner divisions to improve the processes and technology that support an efficient and effective development review process. Initiatives undertaken and accomplishments achieved over the last quarter include:

- Development review vacancy rates have trended downwards from 19.1% to 13.5% over the last 11 months based on 44 net new positions added to support current resourcing needs and from 19.1% to 11.1% based on original complement levels. This brings the City closer to its commitment of achieving 90% staff complement for development review by the end of 2021, although challenges remain.
- Soft-launched eight application types for intake through the Application Submission Tool (AST) and a public launch is scheduled in Q4 2021.
- Initiated development of technology requirements for a file circulation platform to inform a procurement process launching in Q4 2021.
- Launched a pilot for an online mapping and analysis tool that allows City staff to efficiently evaluate the development potential of any given property in the city.
- Established an interdivisional Process Improvement Working Group to update the Terms of Reference and preparatory work for mandating pre-application consultations.
- Revised and updated thirteen existing and one new Terms of Reference, which were posted to the Development Guide in August 2021.
- Finalizing the analysis of the City's existing development application review fees in order to provide recommendations to City Council in Q1 2022.

As directed by City Council at its September 30, October 1 and October 2, 2020 meeting, C2K will continue to provide updates on a quarterly basis to the Planning and Housing Committee on accomplishments to date and planned future deliverables.

## **RECOMMENDATIONS**

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The Chief Operating Officer, Development, and Executive Director, Housing Secretariat, recommend that:

1. City Council direct the City Manager to transition the City wide affordable housing priority application function from a pilot to a permanent service and report back to City Council in Q1 of 2022 with a plan to expand the City-wide priority application stream.

## **FINANCIAL IMPACT**

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There are no current or known future year financial impacts arising from the recommendations contained in this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications.

## **EQUITY IMPACT STATEMENT**

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The HousingTO 2020-2030 Action Plan envisions a city in which all residents have equal opportunity to develop to their full potential. Through the adoption of an updated "Toronto Housing Charter: Opportunity for All", the City, within its jurisdiction, is highlighting its commitment to the progressive realization of the right to adequate housing. This human rights-based approach recognizes that housing is essential to the inherent dignity and well-being of a person and to building inclusive, healthy, sustainable and liveable communities.

This priority affordable housing review program is prioritizing affordable housing development applications for review. Creating new affordable housing will increase the opportunity for lower-income and vulnerable individuals and families, as well Indigenous Peoples and equity-deserving groups, to access safe, healthy and adequate homes.

Access to safe, adequate, affordable housing is an important determinant of health and also improves the social and economic status of an individual. Good quality, affordable housing is a cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region and country as a whole.

## **DECISION HISTORY**

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At its meeting of July 14, 2021, City Council adopted Item No. PH24.4, "Concept 2 Keys Development Application Review Program – Q2 2021 Update" and "Supplemental Report – Phase 1 Concept 2 Keys (C2K) Affordable Housing Metrics".

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH24.4>

At its meeting of February 18, 2021, in consideration of [EX21.2 \(2021 Capital and Operating Budgets\)](#), City Council directed the Deputy City Manager, Infrastructure and Development Services, in consultation with the Chief Planner and Executive Director, City Planning, to conduct a review of planning application fees, including Committee of Adjustment fees, and bring forward a report and by-law through the Planning and Housing Committee to City Council no later than the end of the fourth quarter of 2021, to implement changes to Chapter 441, Appendix C – Schedule 13 of the City of Toronto Municipal Code to inform the 2022 budget process.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX21.2>

At its meeting of September 30, October 1 and October 2, 2020, City Council adopted Item No. PH16.5, "Improving Outcomes for Toronto Residents through Implementation of HousingTO 2020-2030" as the accountability framework to monitor the City's progress towards delivering on the actions identified in the HousingTO 2020-2030 Action Plan over the next 10 years. City Council further directed the development of a pilot affordable housing concierge/prioritizing stream to expedite the application and development review process as part of the Concept 2 Keys project and to report back to Council quarterly beginning in Q2 2021.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH16.5>

At its meeting of December 17 and 18, 2019, City Council adopted, with amendments, Item No. PH11.5, "HousingTO 2020-2030 Action Plan" and its recommended actions and targets to improve access to affordable housing and increase housing stability for Toronto residents over the next decade. This include the approval of 40,000 new affordable rental homes, including 18,000 new supportive housing units by 2030.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

At its meeting of May 31, 2017, in consideration of item PG21.5, "Work Plan for the Review of the Development Review Process" the Planning and Growth Management Committee made the decision to refer this review to the Chief Transformation Officer with the request that they:

- Chair and lead a Steering Committee comprised of representatives from City corporations, divisions and agencies which comment on development applications to conduct the end to end review of the City's development review process; and,
- Ensure that the end to end review of the City's development review process be holistic in nature and consider best practices for planning applications.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PG21.5>

At its meeting of January 31, 2017, in consideration of item PG17.4, "Additional Staffing Resources for Development Application Review" City Council directed the Deputy City Manager, Cluster B, the Deputy City Manager, Cluster A, the Deputy City Manager and Chief Financial Officer and the City Solicitor to conduct an end-to-end development process review and to report to the Planning and Growth Management Committee.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PG17.4>

# Concept 2 Keys (C2K) Program Overview

In response to the City's End-to-End Review of the Development Application Review Process, and recognizing that development will play a vital role in supporting Toronto's economic recovery post-pandemic, the Concept 2 Keys (C2K) program was created to transform development review organizational structures, processes and technology. The work undertaken by C2K and divisional partners involves implementing improvements that are accountable, collaborative, performance-based, predictable, service-oriented, and transparent.

As directed by City Council at its meeting of September 30, October 1 and October 2, 2020, the purpose of this report is to:

- Provide an update on the work supporting the Priority Application Stream focused on affordable housing and to present the preliminary results of this stream.
- Report on the work undertaken by Concept 2 Keys (C2K) over the last three months and highlight upcoming deliverables.

## 1. Priority Application Stream – Update on Affordable Housing Review and Preliminary Results

### Overview

The emphasis of this priority review stream is supporting affordable housing applications and expediting approvals to meet one of the City's key strategic priorities – maintain and create housing that is affordable – and to support the implementation of HousingTO 2020-2030 Action Plan.

### HousingTO Plan

With low vacancy rates and the cost of housing rising faster than income, many low and moderate income residents are finding it increasingly difficult to find and maintain an affordable home in Toronto. In response to this, City Council approved the HousingTO 2020-2030 Action Plan ("HousingTO Plan") in December 2019. The HousingTO Plan is centred on a human rights-based approach to housing and is focused on improving the lives of residents – especially those who are vulnerable and marginalized – through increased access to safe, affordable, accessible and good quality homes. In addition to various initiatives aimed at maintaining the existing affordable housing stock and reducing housing instability, the HousingTO Plan commits to a target of approving 40,000 new affordable rental and supportive homes by 2030.

In order to meet these objectives and targets, new and enhanced funding, as well as non-financial policy tools, are needed from all orders of government. One non-financial tool the City can utilize is prioritizing the development approval of new affordable rental

and supportive housing projects. C2K is leading this work to expedite the affordable housing approval process as an effective approach to advance the construction of affordable homes, bring new homes to the Toronto housing market sooner, as well as reduce project timelines, costs and risks related to delays.

## **Prioritized Development Applications**

With the support of the Housing Secretariat, a prioritization tool was developed to identify and evaluate high-priority affordable housing applications based on the following criteria:

- Number of affordable units (at or below Average Market Rent as defined annually by the Canada Mortgage and Housing Corporation);
- Depth of affordability;
- Length of affordability (the number of years that rental units will be maintained as affordable);
- Number of affordable units that will be allocated to priority populations, as identified in the HousingTO 2020-30 Action Plan; and,
- Projects with government investment in the form of land or approved capital or operating funding.

The Housing Secretariat and C2K staff meet regularly to evaluate projects to be included within C2K's expedited approach based on the above criteria. This includes assessing the priority application review team's capacity to manage and prioritize affordable housing application reviews.

To date, the C2K priority application review team has received 24 applications for review for 18 development projects, including 15 priority affordable housing projects and three private purpose-built rental projects. The 15 priority affordable housing projects received are primarily from the Open Door Program and the City-led Modular Housing Initiative. Together, these affordable housing projects propose 1,211 affordable units. Details of these applications are provided in Attachment 1 – C2K Affordable Housing Application Information.

An update to Planning and Housing Committee in Q2, 2021 (PH24.4) has identified additional affordable housing projects assigned to the review team. However, these applications are in the pre-application phase and have not yet been received by City staff. These applications will be included in future updates as they are received.

## **Dedicated Priority Application Review Team**

In January 2021, a dedicated development application review team was established in order to review prioritized development applications. The core review team comprises of staff members from all districts across City Planning (Community Planning and Urban Design); Engineering and Construction Services; Transportation Services; Parks, Forestry and Recreation; and the C2K program office. It is also supported by an extended team of reviewers from across City divisions as required.

This dedicated review team has been providing the necessary focus and coordination to support and expedite priority applications in three key ways – tightly coordinated schedule, jointly resolve interdivisional issues, and minimize file load to improve application wait times for review. Each of these address common causes for delay in development application review. Since the priority application review team share the same portfolio of applications, they also have the flexibility to collectively reprioritize tasks as a group.

## **Applicant Support and Collaboration**

Prioritized affordable housing applications are submitted from applicants with varying levels of development expertise. Each project is also unique with respect to the range of intervention and support needed from City staff. In order to support less experienced applicants or more complex projects through the review process, the priority affordable housing review stream provides a higher degree of communication and support.

This includes a dedicated kick-off meeting with the applicant for introductions, set out expectations for how City staff and the applicant's team will collaborate, and to review the anticipated review process. After each round of comments, City staff review comments with the applicant to ensure that they understand what the City is asking for and to give the applicant a chance to propose solutions and receive immediate City staff feedback. This helps ensure the applicant has the information they need to resolve as many comments and issues as possible in each round of review. For some applicants, it has been effective to have regularly scheduled touchpoints, especially during periods of high activity on an application. In other cases, it is a better use of City staff time to host workshops on specific topics. Additionally, the C2K application management team help to make the needed connections elsewhere within the City, if the application is not moving as quickly as anticipated.

Of the prioritized development applications, the City's Modular Housing Initiative developments require the greatest attention. This is primarily due to the tight project times established through the funding programs that support this Initiative, in addition to the urgent need to create new supportive housing for people experiencing homelessness in the City. In order to meet the required schedule, review staff are in constant coordination with the applicant team and frequently meet to provide information and ensure that the solutions developed are acceptable to the City. This requires significant effort beyond what would normally be anticipated of City staff.

## **Expediting Application Review**

Development application review is an iterative process. A significant contributor to the overall time required to secure approvals is the time required for City staff to review applications and provide comments for revisions. Within the affordable housing review stream, the average time for City staff to review and provide comments to the applicant has been five weeks per round of review. This compares to an average duration of eight to nine weeks per review round for all development applications across the City. The City's Modular Housing Initiative applications have been met with greatest urgency and averaged three weeks per review, demonstrating that an expedited review of prioritized

applications is possible with the required structure and resources in place to support this work.

<b>Program</b>	<b>Average time for staff review and comments</b>
All prioritized programs	5 weeks
Modular Housing Initiative	3 weeks
Other prioritized applications	6 weeks
All applications	8-9 weeks*

\*based on review of data available from 2017-2020

As more applications move towards the approval phase, data will be available to evaluate changes in time to approval or decision.

The first C2K application submitted since the review teams were formed has passed a critical decision milestone. The Thunder Woman Healing Lodge Society development at 2217 Kingston Road received its Notice of Approval Conditions on September 2, 2021, six months after the application was first submitted. Work is ongoing to ensure this development project continues to move forward as quickly as possible.

### **Scope of Priority Application Stream**

The priority application stream has been initially scoped in three ways – focus on affordable housing, focus on development application review, and enable high coordination and control within the scope of the core dedicated review team.

Applicants have expressed a desire for the scope to extend beyond development application review to development related permits and approvals. Program staff have provided support to applicants and attempted to ensure smooth hand-offs to other City sections as needed.

The dedicated core team has been effective at coordinating the work of the reviewers most heavily involved in application review. More limited coordination with the extended team of reviewers across City sections and agencies has generally been timely and effective. In some cases, reviews were delayed because of dependencies on City staff outside of the core review team unable to meet the expedited application timelines.

As the program matures, opportunities to improve support for development applications across an increased scope will be evaluated.



## **Lessons Learned and Continuous Improvement**

### *Prioritization of Applications*

In order to expedite applications, the priority application review team take on fewer applications than their peers across the City. Prior to accepting a new application, two tests are applied – the application is scored against the established affordable housing criteria to determine its priority; and the team's capacity to expedite the application review is assessed. This can lead to a high-priority application being omitted if the team does not have capacity upon submission, or a lesser priority application being included if the timing of the application aligns well with City staff capacity. The Housing Secretariat and C2K are exploring improvements to ensure high-priority applications are consistently assigned to the priority application stream.

### *Accelerated Timelines and Staff Capacity*

Accelerated timelines are implemented for a number of the applications especially where funding is linked to achieving milestones at predetermined dates (e.g., the Federal Rapid Housing Initiative which has a 12-month delivery timeline). In some cases, and particularly for projects that are highly urgent, this has put significant pressure on City staff to meet accelerated timelines. While this is certainly an effective mechanism to ensure affordable housing is prioritized, C2K is working on an updated model that may adjust City staffing levels in order to achieve expedited reviews while improving workload capacity.

## **Continuation of the Priority Application Stream Beyond 2021**

Expediting applications is challenging work, especially if the applicant is inexperienced or if the project is complex. More effort is required by City staff to support the application review of such projects, compared to typical applications.

City staff from various districts across Community Planning, Engineering and Construction Services, Parks, Forestry and Recreation, and Transportation Services have been assigned to a dedicated affordable housing review team pilot. City staff are now in the planning process to transition from an operational pilot to a permanent review function and potentially expand the number of teams assigned to the City-wide priority application stream.

## **2. Quarterly Update – District Application Stream and City-wide Development Process Improvements**

### ***District Application Stream – Etobicoke York***

The intent of bringing the C2K program to the Etobicoke York district is to test the scalability of development review improvements across a range of application types in a typical development review environment. In consultation with City Planning, the Etobicoke York district was selected for its diverse range of development application types, complexities and volume of development activity – making this particular district

ideal for iterative testing. The C2K program was launched in Etobicoke York on July 1, 2021, and ongoing work is taking place to onboard interdivisional review teams and to establish weekly touchpoints to discuss application review activities with City staff.

Since the launch, new development applications received in the Etobicoke York district are being assigned to one of three interdivisional application review teams supported by the new application management function. These teams will continue to sit within the existing divisional/geographically-based organizational structure and carry a typical file workload. The successes and lessons learned in the Etobicoke York district will inform areas for standardization, evaluate how development review improvements could be implemented at scale, and identify where resource requirements may be updated to successfully and efficiently carry out the next phase of work.

### **Interdivisional Application Review Teams**

Operationalizing interdivisional application review teams was initially recommended in the City's End-to-End Review of the Development Review Process report, and is central to the transformation of the City's development application review process. This organizational shift seeks to establish a formal team-based approach to the development review process across a wide spectrum of application types. The objective of this approach is to enhance collaboration, develop consistency, increase transparency, establish mutual accountability and encourage mentorship and professional development across the interdivisional review teams.

Three interdivisional application review teams have been established for the Etobicoke York district based on three existing community planning sub-districts: North, Central and South. Similar to the priority application review teams, each district team will be comprised of core team members from City Planning (Community Planning and Urban Design); Engineering and Construction Services; Transportation Services; Parks, Forestry and Recreation; and the C2K program office.

An extended review team - that includes, but is not limited to City Planning (Heritage Planning and Transportation Planning); Solid Waste Management Services; Toronto Fire Services; Economic Development and Culture; Legal Services; Toronto Building; and Toronto Water - will collaborate with the core team to review development applications as required.

To ensure consistent reviews, respond to staff changes, and manage the volume of applications across three sub-districts, the interdivisional application review teams are supported by their respective functional management team. This support will aid in building mutual accountability, work flexibility, project management, team resilience and time management across the review teams.

While the introduction of interdivisional application review teams intends to improve coordination and interdivisional collaboration, City Planning maintains a central role in making planning application recommendations to City Council and decisions within its delegated authority.

C2K will monitor and evaluate the efficiency and effectiveness of the interdivisional team-based approach. Initial results from the Etobicoke York district will be provided in the next quarterly report, as well as inform next steps for the C2K program.

## **Application Management Function**

C2K has established an application management function for the Etobicoke York district to provide implementation guidance and project management support to the interdivisional review and management teams. This function includes an application manager position and multiple application coordinator positions. The key responsibilities of this function include, but are not limited to – application management, implementing, monitoring and testing process improvements, and interdivisional team building and collaboration.

While the interdivisional review team staff will continue to report to their respective planning and development functional managers, the application manager will play a complementary role to increase collaboration between the application review teams and their functional managers. The additional roles and responsibilities of the application manager and coordinators will continue to be explored, while putting a strong focus on accountability and customer service.

## **Interdivisional Collaboration**

In an effort to improve collaboration between the interdivisional application review and management teams, the Etobicoke York application management function has established weekly collaboration points with management and with the review teams.

The weekly management meetings serve as a forum for managers representing the core commenting divisions to strategically discuss development-related issues and opportunities in Etobicoke York. The intended outcome of these weekly meetings is to provide review teams with consistent and coordinated work direction.

The interdivisional review teams also meet weekly to establish a forum for team members to communicate, collaborate and share knowledge on development applications. The intended outcome of these weekly meetings is to establish a consistent and coordinated City position and response to applicants. In addition, these new processes are specifically designed to improve the staff experience, as this is a key element that C2K is working towards.

## **Next Steps**

With administrative support from C2K's application coordinators, streamlining the file assignment and circulation process in Etobicoke York will be the initial focus for improvement. This will include assigning pre-applications to interdivisional review team staff to provide more review time, improve work coordination, and increase interdivisional collaboration. Work is underway to test and iterate file assignment and circulation process changes. More details on the overall progress will be provided in the next quarterly report.

C2K will continue to develop, test and refine additional improvements to the development review process in Etobicoke York such as establishing milestone meetings with applicants and developing key performance indicators. Progress on these initiatives will be provided in future quarterly updates.

**Application Volume**

Since the launch of the C2K program in Etobicoke York, 27 pre-application consultation requests have been received and assigned to the interdivisional application review teams. Of the 27 pre-application consultation requests received to date, review teams have held 17 pre-application meetings with applicants and the remaining 10 requests have been scheduled or are in the process of being assigned and scheduled. In addition, 24 new development applications have been received and assigned to the interdivisional application review teams in the Etobicoke York district since the launch on July 1, 2021. These applications encompass a range of application types summarized in the table below:

Table 1 – Applications Received To Date

<b>Application Type</b>	<b>#</b>	<b>%</b>
OPA*/Rezoning	12	50%
Site Plan Control	7	29%
Subdivision Approval	3	13%
Part Lot Control Exemption	1	4%
Condominium Approval	1	4%
<b>Total</b>	<b>24</b>	<b>100%</b>

\*OPA = Official Plan Amendment

Of the 24 applications received to date, 21 are currently under review while the remaining four are pending fee payments or awaiting circulation. The majority of these applications pertain to Official Plan Amendments or Zoning By-law Amendments (50%), Site Plan Control applications (29%) and Subdivision Approvals (13%). The remaining applications relate to Part Lot Control exemptions, and Condominium approvals, all of which make up less than 5% of the applications currently under review.

Variances and Consent applications will not be assigned to the interdivisional review teams as these applications do not typically require interdivisional review efforts. The review process for these applications will remain status quo.

**Recruitment and Hiring**

Recruitment and hiring efforts have been prioritized for development review across the City in all divisions including resources to stand up the Etobicoke York team. This will ensure the interdivisional application review teams have the appropriate resources to

manage development review activities and help create a work environment that can iteratively test and refine changes to the development review process. C2K and the key commenting divisions are proactively working with People and Equity (P&E) to achieve the full-staff complement. C2K continues to support divisional partners to fill the remaining vacancies. Updates on the hiring progress for Etobicoke York will be provided in the next quarterly report.

## ***City-wide Development Process Improvements***

Alongside the operating model improvements, C2K is also working with divisional partners on process and technology improvements. These are described in more detail below.

### **City-wide Recruitment for Development Review**

From November 2020 to September 2021, the vacancy rate for development-related roles has trended downwards from 19.1% to 13.5% or 114 vacancies out of the 845 development staff complement to date. This includes 44 net new positions added to the complement over the last 11 months to support increasing activities and service levels in development review. Based on original complement levels, development review vacancy rates have trended downwards from 19.1% to 11.1% bringing the City closer to its commitment of achieving 90% staff complement for development review by the end of 2021.

The current economic climate has made it challenging to attract and retain staff in development review across City divisions. To mitigate these challenges and to fulfill the objective of achieving 90% staff complement for development review by the end of 2021, roles in development have been deemed a priority for city-wide recruitment efforts. C2K continues to provide support to fill vacancies by working with hiring managers on recruitment plans to condense timelines, bundling recruitment processes for similar positions in more than one division, funding dedicated P&E consultants to focus on filling development review roles and tracking city-wide development staff vacancy rates.

### **Development Application Review Technology**

#### ***Application Submission Tool***

C2K has soft-launched the next release of the Application Submission Tool (AST) to include a total of eight application types for intake across both streams of work. The objective is to design a customer-centric solution utilizing technology to digitize the applicant submission process. This includes simplifying workflows, enhancing collaboration, improving transparency and integrating the tool with the City's existing backend technology known as Integrated Business Management System (IBMS).

A limited number of applicants have tested and provided feedback on the tool and incremental improvements were delivered throughout Q3 2021. To date, 30 applications across both streams of work have been processed through the AST. Feedback received

from applicants has been positive and City staff will continue to collaborate to make further refinements. C2K is planning a public launch in Q4 2021, in partnership with Technology Services, City Planning, Toronto Building and Customer Experience Transformation and Innovation.

### *File Circulation Platform*

The objective of implementing a file circulation platform is to streamline application submission, improve internal review processes and enhance transparency. The intent is to integrate the platform with the City's backend technologies, such as the Integrated Business Management System (IBMS) and the Application Information Centre (AIC), to improve commenting, circulation, resubmission and performance tracking and to enable collaboration between City staff and applicants.

Through multiple workshops to engage industry feedback, a testing environment to demonstrate and pilot the platform's functions was created to gather technology requirements and inform the procurement process. This platform will also inform City staff where improvements in the development review process are required through performance tracking, data analytics and intuitive dashboards for reporting purposes.

Furthermore, the City's Transit Expansion Office (TEO) requirements for a file circulation platform will also be included with C2K's implementation. One of the core functions of TEO's operations is coordinating the design review process. This process involves receiving large volumes of files from Metrolinx for development review and circulating the files to other City divisions and external partners for commenting. Currently, TEO's review process such as consolidating comments is manual, laborious and an area identified for improvement. The collaboration between C2K and TEO has created a joint opportunity to harmonize City Council priorities that both have the same outcome – increased accountability, efficiencies and transparency among stakeholders throughout the review processes.

A negotiated request for proposal for the file circulation platform will go out to market in Q4 2021, with a vendor selected in Q1 2022, and full implementation of the platform by the end of 2022. This will represent one of the most tangible improvements to the development review process for both staff and applicants.

### *Online Mapping and Analysis Tool*

In collaboration with City Planning, C2K has procured software licenses for City staff to pilot and evaluate the feasibility of utilizing a mapping and analysis tool to improve development review. The functions of the tool will allow City staff to efficiently locate land parcels, create three dimensional building renderings in real-time and evaluate the development potential of any given property in the city. City staff will have the opportunity to assess the functions of the tool and its ability to:

- Improve application review timelines
- Improve evidence-based decision-making of an application
- Improve the quality of feedback by City staff to applicants
- Improve communication between City staff and applicants

- Improve the development review user experience and customer service

A total of 110 licenses have been acquired, with 50 distributed to C2K staff and 60 to City Planning staff for testing purposes. Initial data review of the pilot is anticipated in Q4 2021 and results will be provided in the next quarterly report.

## **Relationship and Issues Management Function**

The Relationship and Issues Management function was launched in Q2 2021 with the objective of addressing application-specific concerns, enhancing customer service and identifying additional opportunities for improvement to the development review process. This function is supported by the Relationship and Issues Coordinators that serve as a one-stop contact for understanding the current status of applications, providing updates to applicants and escalating issues that are complex or systemic in nature.

The function is supported by a tiered governance framework including:

- The Issues Resolution Table (IRT), comprised of directors from each of the key commenting divisions
- Division Heads
- Executive Steering Committee

Representation from key commenting divisions are present at each level of the governance framework to resolve development review issues, align on competing divisional priorities to provide a unified City position, and approve key development review improvements.

### *C2K Response Time Service Standard*

C2K is committed to a 24-hour response time service standard for all incoming inquiries and issues across all forms of communication. To date, the Relationship and Issues Management function have been meeting this service standard. This includes proactively following up and informing applicants on the status of the issue and collaborating with City staff for a solution. Upon resolution, applicants are invited to complete an anonymous online survey to provide feedback on their experience and level of satisfaction with the issues resolution process. Data collection is ongoing and work is in progress to develop additional meaningful metrics for future reporting.

### *Stakeholder Feedback*

C2K launched an anonymous customer feedback survey in mid-August 2021 for applicants who have previously engaged with the issues resolution process. Eight responses were received between August 19 and September 13. Initial feedback from applicants on the issues resolution function has been positive to date. C2K will continue proactive outreach to collect feedback through anonymous customer surveys and through the feedback request link on the main landing page of the external website. City staff will also be invited to provide feedback based on their experience with the issues resolution process. Results will be shared as more data becomes available.

## **Additional Improvements to the Development Review Process**

### *Process Improvement Working Group*

In June 2021, C2K established an interdivisional Process Improvement Working Group to support the development and implementation of improvements to development review processes. The Working Group is comprised of subject matter experts from divisions engaged in development review and meets on a bi-weekly basis. In Q3 2021, the Working Group prioritized two related areas of work within the C2K program, including updates to Development Guide Terms of Reference and establishing the scope and purpose of mandatory pre-application consultation meetings.

### *Development Guide Terms of Reference*

The City's Development Guide includes Terms of Reference describing submission requirements to support a development application. Ensuring the Development Guide and Terms of Reference are up-to-date enables applicants to submit high-quality and complete applications.

C2K continues to build on work completed by interdivisional staff to help coordinate and formalize a process for updating the Terms of Reference. Thirteen existing and one new Terms of Reference were brought forward for approval by the Issues Resolution Table and posted to the Development Guide in August 2021. The Working Group has prioritized additional Terms of Reference for updates in Q4 2021 and Q1 2022.

### *Pre-Application Consultation*

At its June 11, 2021 meeting, the Planning and Housing Committee adopted, with amendments, a joint C2K and City Planning Proposals Report to establish mandatory pre-application consultation in Toronto. The report proposed consultation on the draft amendments to the Official Plan and Chapter 415 of the Municipal Code requiring pre-application consultation as a prerequisite to the submission of an application.

An improved pre-application consultation process is currently being tested in Etobicoke York. Enhancements include improved file assignment practices, regular internal review team meetings to discuss and consolidate comments in advance of pre-application consultation meetings with applicants, and increased City staff participation in pre-application consultation meetings.

A final report recommending amendments to the Official Plan and Chapter 415 of the Municipal Code is expected at Planning and Housing Committee in November 2021. The report will also outline early outcomes of the testing underway in Etobicoke York.

## **Development Fee Review**

As directed by City Council at its meeting of February 18, 2021, a review of the City's current activity-based costing development application fee model is underway. The activity-based costing model includes processing efforts of direct staff participants (direct costs), internal and external support functions (indirect costs) and capital replacement costs of services.



The intent of this review is to improve the City's existing fee structures to recover the costs of service, particularly in light of the large scale transformation. Based on the input of staff through a series of workshops in Q3 2021, the City's consultant for the review will recommend updates to the development application fee. The consultant's report is anticipated to be complete by Q4 2021. City staff will bring forward a report through the Planning and Housing Committee to City Council in Q1 2022.

## **Change Management**

C2K established a change management framework at the beginning of the transformation journey. Change management is the methodology of supporting and leading people through the transition of change, facilitating adoption, and driving organizational success and outcomes. Effective change management continues to be a top priority for C2K to ensure a seamless transition from the current state to the future state and to ensure adoption and success of the improvements being made to the development application review process.

A comprehensive change management plan has been developed to support C2K's transformational work that considers the needs of City staff and applicants. The plan includes ongoing stakeholder engagement activities – such as staff town halls and applicant workshops – to collect feedback and improvement ideas. These improvement ideas are reviewed on a regular basis to determine feasibility and prioritization for implementation.

Change activities to support C2K's transformational journey are ongoing and include, but are not limited to:

- Facilitating change management information sessions
- Coordinating ongoing stakeholder engagement sessions
- Providing support with the development and deployment of strategic communications
- Conducting change assessments, analysis and identifying people risks
- Conducting ongoing alignment sessions with City staff and applicants
- Onboarding a change agent network to support with accelerated technology implementation
- Developing and providing guidance on tools and templates to improve the quality, consistency and delivery of continuous improvement activities
- Defining key performance measures based on the City's Results Based Accountability (RBA) framework. RBA is the City's corporate performance measurement framework to support program planning. Monitoring these performance measures will help track adoption rates and sustainment of changes

Ongoing change management support will be provided throughout the transformation process. This includes actively engaging in change management best practices and building internal change management capacity to establish a strong foundation for long-term change. The change management team will measure and monitor on a regular basis to ensure that the process improvements are sustained and that adoption is achieved for the city-wide roll-out.

## Communications and Collaboration

Timely and effective communications to City staff and the development community remains integral to the success of Concept 2 Keys. C2K's many stakeholders are informed about program developments, improvements and key milestones through a variety of strategic and proactive communications tools. The following are C2K's communications updates for Q3 2021:

- The frequency of communications to City staff and the development industry has been increased to six C2K Connect newsletters sent to City staff since April 2021 and five industry newsletters distributed to date
- C2K hosted a staff Town Hall in September 2021 with over 300 participants. Q&A's not addressed at the Town Hall will be posted to the C2K intranet site for staff to review. The next C2K Town Hall will take place in December 2021
- The C2K intranet site for staff, [insideto.toronto.ca/C2K](https://insideto.toronto.ca/C2K), has been revamped and is updated frequently along with the public-facing website, [toronto.ca/C2K](https://toronto.ca/C2K)
- Feedback is actively sought through a new intranet feature inviting staff to submit suggestions anonymously for improving development review at the City
- Development applicants and the public have been given a forum to offer feedback about Concept 2 Keys and the City's development review process on [toronto.ca/C2K](https://toronto.ca/C2K)
- Senior leadership and Councillors continue to be given advance notice of C2K updates and improvements
- A media plan is being created to showcase process improvement success stories

C2K's communications seek to help ensure the success of Concept 2 Keys by demonstrating how the program's transformative work is contributing to the City's objectives, improving the experience of development applicants and making the work of City staff easier to perform and more efficient.

As directed by City Council at its September 30, October 1 and October 2, 2020 meeting, C2K will continue to provide updates on a quarterly basis to the Planning and Housing Committee on accomplishments to date and future deliverables.

## **CONTACT**

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## **SIGNATURE**

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## **ATTACHMENTS**

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Attachment 1 – C2K Affordable Housing Application Information