



## REPORT FOR ACTION

# Concept to Keys Development Review Operational Pilot

**Date:** September 30, 2020

**To:** City Council

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

**Wards:** All

### SUMMARY

---

At its meeting of September 22, 2020, the Planning and Housing Committee adopted Item No. 16.5, "Improving Outcomes for Toronto Residents through Implementation of HousingTO 2020-2030" and requested the Chief Operating Officer, Development and the Executive Director, Housing Secretariat to report directly to City Council at its September 30 and October 1, 2020 meeting on guidelines for projects to be considered in a pilot affordable housing concierge/prioritizing stream. This report responds to the Committee's request.

Access to safe, secure and affordable housing is necessary for the well-being of individuals, families and communities. Through the HousingTO 2020-2030 Action Plan ("HousingTO Plan"), the City of Toronto is committed to increasing the supply of affordable housing in all neighbourhoods across the city, and has established a target of approving 40,000 new affordable rental homes by 2030. Further enhancements to the City's current application and development review process will be critical to supporting this ambitious target.

The City of Toronto's application and development review process is a mature and robust system that supports and informs engagement with public stakeholders within a complex development environment. In September 2019, the City concluded its End-to-end Review of the Development Review Process which recommended several improvements to this process. Concept 2 Keys (C2K) is building on that foundation to deliver a culture of collaboration, consistency, transparency and accountability between all stakeholders involved in the application and development review process and is also looking to introduce a number of improvements to the process as a whole. The C2K program is looking to transform, enhance and improve how the City of Toronto attracts, facilitates and regulates development activity.

Since May 2020, the C2K project team has conducted over 300 hundred hours of stakeholder engagement with industry representatives, City staff, external experts, the academic community, and other jurisdictions, to learn about challenges with the current approach, seek stakeholder input on what can be improved and develop priority

deliverables with meaningful impacts. Understanding the need for rapid change due to the COVID-induced economic crisis, C2K has adopted an iterative, customer-centric approach to transforming the development application review process. This includes working directly with industry to pilot new and innovative ideas, and implement smaller improvements when feasible using agile project management principles. As part of this iterative approach, with the assistance of key City Divisions, C2K is launching an operational pilot in Q4 2020, which is intended to improve the process and performance of City-wide development reviews. These improvements include establishing standardized escalation procedures, a teams-based approach to development review to foster better collaboration, new and innovative enabling technologies, and many other process changes. Recognizing the large scale transformation that C2K seeks to achieve, the operational pilot will ramp-up iteratively over the course of its 12-month duration. This will allow the team to test and refine solutions in collaboration with other City partners before rolling out changes across the board.

In order to support the City's objective of improving housing affordability and meet the HousingTO Plan targets, applications, for projects that provide deeply affordable rents and longer affordability terms will be prioritized for inclusion in the C2K operational pilot. The City's Chief Operating Officer Development, Executive Director Housing Secretariat, and Executive Director and Chief Planner will determine the specific prioritization criteria in advance of the operational pilot.

In less than 6 months the C2K team has developed and industry-tested a new online intake portal, began exploring strategic partnerships with technology providers, conducted over 300 hours of outreach, mapped out new processes and key performance indicators, developed robust staff training plans, among other key elements, in order to lay the groundwork for the operational pilot that will begin in Q4, 2020. These items are explained in more detail in the report along with the key deliverables that are part of the operational pilot.

The Chief Operating Officer, Development and the Executive Director, Housing Secretariat will report back to Council in Q3 2021 with the results of the pilot, as also directed by the Planning and Housing Committee on September 22, 2020. Moreover, the C2K team is preparing additional reports for Council consideration that seek to strategically streamline processes and provide a list of larger transformational options to explore in the future.

## **RECOMMENDATIONS**

---

The Chief Operating Officer, Development recommends that:

1. City Council authorize the City Manager, and the Chief Operating Officer, Development and/or designate, in order to accelerate the Concept 2 Keys initiative and associated work, to negotiate and enter into new agreements, strategic partnerships, amendments of existing agreements, including on the basis of a non-competitive procurement under Municipal Code Chapter 195, Purchasing, necessary in connection with improving the development application

review process on terms and conditions satisfactory to the Chief Operating Officer, Development and each in a form satisfactory to the City Solicitor.

2. City Council request the Chief Operating Officer, Development to report to the Planning and Housing Committee on a quarterly basis starting in Q2 2021, to provide updates on work completed to date and future deliverables.

## **FINANCIAL IMPACT**

---

Concept 2 Keys is currently funded through reserves with no impact to the operating budget. Therefore there are no current operating financial impacts arising from the recommendations contained in this report. Financial impacts that arise will be brought forward to the Planning and Housing Committee during quarterly updates including any contracts entered into and efficiencies achieved through the Concept 2 Keys work.

## **EQUITY IMPACT STATEMENT**

---

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.

Creating new affordable housing and preserving the City's existing housing stock will increase the opportunity for lower-income and vulnerable individuals and families, as well Indigenous Peoples and equity-seeking 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 also the cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region and country as a whole.

## **DECISION HISTORY**

---

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 & 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>

Subsequently, 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 he:

- 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 on September 17, 2019, in consideration of item [PH8.7 \(End-to-end review of Development Review Process\)](#), the Planning and Housing Committee received the report from the Chief Planner and Executive Director, City Planning and the Deputy City Manager, Infrastructure and Development Services for information.

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 includes 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 September 22, 2020, the Planning and Housing Committee 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 ten years. The Committee also directed staff to report directly to Council on September 30 and October 1, 2020 on guidelines for projects to be considered in a pilot affordable housing concierge/prioritizing stream to expedite the application and development review process.

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

## COMMENTS

---

### HousingTO Plan

With unhealthy vacancy rates below 2% and the cost of housing rising faster than incomes, over the past decade many low and moderate income residents have found it increasingly difficult to find and maintain an affordable home in Toronto. In response to the challenging housing context, in December 2019, Council approved the HousingTO Plan. 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 precarity, the HousingTO Plan commits

to a target of approving 40,000 new affordable rental and supportive homes approvals by 2030.

In order to meet these objectives and targets, new and enhanced funding, as well as non-financial policy tools will be needed from all orders of government. One such non-financial tool is expediting the development approval of new affordable housing projects.

A fast-track approvals process for affordable housing projects is an effective planning instrument to advance the construction of new affordable housing. An expedited approval process would reduce project timelines, costs and risks related to delays. This would ultimately result in people getting access to affordable homes quicker, plus deeper levels of affordability, especially for non-profit projects.

## **Introduction to the Development Review Process**

Development review shapes how the city grows and delivers vital public goods necessary to successfully promote and manage growth. The development review process allows applicants to obtain planning-related approvals (e.g., zoning amendments, site plan control, etc.) for developing property and is undertaken within the context of applicable provincial planning legislation and regulations including the Planning Act, the Growth Plan for the Greater Golden Horseshoe, Provincial Policy Statement, and the Heritage Act. In addition, municipal policies, regulations and guidelines also play a fundamental role and include the Official Plan, Zoning By-Law, Urban Design Guidelines, and the Tall Building Guidelines, among others.

Toronto's development review process is distinctly complex and interdivisional in nature, involving up to 25 City divisions and entities across all four service areas and over 30 potential external commenting partners. It is a mature and robust development review system that supports and informs engagement with public stakeholders. With extensive community consultation, the development review and approval system is crucial in developing affordable housing, securing parklands, driving economic growth and job creation, supporting landmark projects, and delivering complete communities for the city. More recently, it has also emerged as one of the key opportunities to accelerate the recovery out of the COVID-induced economic crisis.

## **Concept 2 Keys Overview**

The City formed a C2K program team lead by the Chief Operating Officer, Development in Q2 2020. The team was organized to define and implement changes to development review across: organization, process, performance, customer experience, and technology. More generally, the C2K program was established to build and expand on the recommendations of the End-to-end Review of the Development Review Process and to quickly implement improvements. The objectives of C2K include implementing changes that lead to an end-to-end development review process that is: service-oriented, accountable, predictable, transparent, performance-based, and collaborative.

In addition to the program team, a group of senior-stakeholders and subject-matter experts from City divisions involved in development application review were identified to provide input and support any proposed changes. Participating divisions include City

Planning; Engineering & Construction Services; Toronto Building; Toronto Water; Legal Services; Transportation Services; Parks, Forestry & Recreation; Economic Development & Culture; and the Housing Secretariat.

The findings from the End-to-end review were the starting point for the C2K program. The City, in partnership with the community, development industry, external agencies and applicants, recognizes it cannot achieve its city-building objectives / deliver social goods without improving the development review process in the following ways:

- Improving the overall customer experience for applicants engaging in the development review process;
- Creating greater accountability and ownership for the end-to-end process across the City;
- Shifting the culture towards open collaboration and rigorous project management amongst applicants and City staff;
- Increasing the efficiency and effectiveness of identification, escalation and resolution of issues within development applications;
- Increasing the predictability and consistency of the development review process across geographies and commenting partners across the City and external partners;
- Focusing staff capacity and expertise on value-add work;
- Establishing meaningful reductions in application circulations and/or processing times;
- Enabling real-time data and analytics to manage the application pipeline and drive service planning; and,
- Improving the completeness and quality of applications submitted by applicants.

Taking up the mantle to continue the transformation process, the C2K team has completed over 300 hours of outreach since May 2020, to validate the above, and add or contemplate new approaches as necessary. Through its own outreach, and building off of the End-to-End Development Review, C2K has already piloted a number of new initiatives and will launch a new operational pilot in Q4 2020. This pilot is being worked on in conjunction with City Planning and the Housing Secretariat, along with all City commenting partners.

The details of this pilot and the new approaches and work associated with it, are outlined below.

## **Concept 2 Keys Initial Work – Ramping up for Pilot**

In order to be in a position to launch the operational pilot in record time, the C2K team has had to complete and implement a number of key elements, detailed below:

### 1) Online Application Submission Portal

One of C2K's first major deliverables was the creation of a new Online Application Submission Portal. Through a huge amount of stakeholder research both internal and external to the city, the C2K team designed an online application submission portal that

allowed for digital intake of Site Plan Control Applications (SPA). To evaluate its efficacy, it was soft launched with a small number of developers who expressed strong interest in being involved with the validation of a digital solution and providing feedback to the process. Some suggestions on improvements have included company accounts to support transparency, automatic status update emails, and allowing for multiple file uploads. The C2K team is proud to announce these suggestions, among many others, have already been operationalized through the team's iterative approach to project management, and demonstrating our ability to implement quick-wins to industry. The C2K team received overwhelmingly positive feedback on its Online Application Submission Portal and is now working to iteratively add additional application types starting with rezoning. C2K has partnered with BILD to solicit interested Developers to again test out the Online Application Submission Portal. C2K intends to add all major application types to the Online Application Submission Portal by the end of the year, and is working towards a full public launch in Q1/Q2 2021.

## 2) Establishing Key Partnership

The C2K team has been working closely with various technology providers, academic institutions and partner Cities, to learn from best practices and work to adopt them in the City of Toronto where possible. In particular, C2K is exploring software to help support the development review process, through improved communications and collaboration opportunities with applicants, visual and real-time based tools, improving the use of data in the decision-making process, and more robust accountability mechanisms.

To date the C2K team has had a number of exploratory conversations and is in a position to work with select vendors to test some opportunities as part of the operational pilot. The intent is to work directly with commenting Divisions and industry to make sure any final technology solutions are based on direct feedback from staff and the development community.

## 3) Critical Resourcing and On-boarding

The C2K Team has posted 5 key positions that will test new roles and lead the implementation of the operational pilot. These include:

- Two Managers of Strategy & Business Improvement
- One Manager of Applications
- Two Application Coordinators

All positions above are currently in recruitment. The Managers of Strategy & Business Improvement will be responsible for continuing to transform the application review process through various mechanisms. This includes ongoing refinement of future state organizational design, introducing new technology improvements, future Council reports, internal and external engagement, staff training and outreach, and many more. The Manager of Applications will directly oversee a number of standing-teams as part of the operational pilot and will test new opportunities and initiatives developed by the Managers of Strategy and Business Improvement. The two application coordinators will report to the Manager of Applications and assist in making the operational pilot successful.

#### 4) Other

In addition to the key elements listed above a number of additional work has been completed including:

- Ongoing outreach with staff to ensure they are made aware of any impacts stemming from C2K
- An internal website was launched where staff can learn more about the project, receive important updates and connect with the C2K senior leadership team.
- A robust staff training plan has been created to ensure staff are provided the proper training prior to any new procedures, or technology solutions.
- From the end to end review conducted last year a list of quick wins were analyzed, and ongoing consultations have revealed new and exciting opportunities that C2K will bring forward to a November/December Council Report.
- A comprehensive release roadmap has been established to ensure that work is completed in parallel as much as possible, along with all major items being in place for the commencement of the operational pilot.
- Developed robust business requirements for technology improvements
- Working closely with Toronto Building to apply the same C2K principles and methodologies to their permitting process.
- Working closely with City Planning to plan for new application types, stemming from recent Provincial legislative changes.

### **Concept 2 Keys Operational Pilot**

Development application review is complex and it attempts to achieve a diverse set of objectives across many stakeholders in the process. Accordingly, C2K is working to begin an operational pilot in Q4 2020, focused specifically on affordable housing. Just as the C2K team has implemented a number of improvements iteratively to be in a position to launch the pilot in a very short amount of time, the operational pilot will use the same methodology with a ramping, or phased approach. The pilot incorporates several key changes to the development application review process detailed below:

#### 1) Triage Process

A new triage process will determine if an application is complete before it is assigned to an application review team. This will help the City respond to legislated timelines and will improve the effectiveness of the first application circulation which is sometimes hampered by incomplete applications. The triage process will also identify priority affordable housing applications using criteria developed by the Housing Secretariat. As the pilot scales up to incorporate a greater scope of development applications, it is expected that a specialized team will conduct triage for all applications. This will provide a predictable standard and consistent experience to applicants.

#### 2) Priority Application Stream



C2K is working to ensure that Council directed priorities, such as affordable housing, are given precedence over other applications. This will reward and incentivize applications that make significant contributions to the City's affordable housing outcomes by providing faster service and, accordingly, reducing the time-related holding costs incurred during the development review process. In the initial stages of the pilot, this prioritization will need to be managed directly. As the implementation of C2K scales-up, this prioritization can be institutionalized by assigning dedicated priority review teams that will carry a lower file load and work to a higher service level than other review teams. Moreover, the priority application stream will be able to prioritize whichever project types Council deems appropriate, and if for example, Transit Oriented Housing is deemed a higher priority, the team will shift as required. It is contemplated, that at every new Council Term, as well as half-way through each Term, the C2K team will seek renewed commitment from Council on what it deems as its priorities for the next two years so that C2K can appropriately align priority resources.

As part of the pilot, affordable housing projects will be prioritized based on the following criteria:

- **Number of affordable units** – greater priority for projects that deliver more affordable housing
- **Tenure** – rental projects to be prioritized
- **Affordability level** – projects that offer deeply affordable rents will be prioritized
- **Affordability term** – projects that will provide longer affordability terms will be prioritized
- **Priority population** – projects that provide housing for vulnerable and marginalized groups will be prioritized
- **Non-profit and co-operative projects** – these projects typically offer perpetual affordability and will be prioritized
- **Funding** – projects that include equity investments from federal, provincial or municipal governments will be prioritized
- **Readiness** – projects that can be developed quicker, and are in later stages of the development process will be prioritized
- **Land ownership** – projects that will be developed on public or non-profit/co-operative owned land will be prioritized

### 3) Milestone Meetings with review teams and applicants

Setting internal milestone team meetings will ensure the City identifies issues early on, thereby more quickly resolving internal conflicts and achieving consensus on the position of each application. In addition, milestone review meetings aim to provide applicants an opportunity to gain clarification, context and direction on future submissions, thereby improving consistency and predictability for both staff and applicants. Collectively, the intent of these meetings is to resolve issues earlier and reduce the number of time-consuming circulations required.

### 4) Interdivisional Application Review Teams

Introducing standing review teams is a core element of the transformation. Reviewers from City Planning (Community Planning and Urban Design), Engineering & Construction Services, Transportation Services, and staff from C2K, will form core application review teams for the pilot. These teams will collaboratively review applications including additional commenting partners as applications require, resolve internal conflicts, and be collectively accountable for each application. Consistently working together on applications will provide team members the chance to grow together as a team, learning how to effectively work together, collaboratively solve problems, and develop a shared sense of accountability for the applications in their portfolio. A shared portfolio of applications also allows team members to better coordinate review priorities and avoid unnecessary hold-ups. The initial pilot will establish a small set of application review teams who will be at the heart of the pilot.

### 5) New Roles and Positions

C2K will pilot new roles to both manage individual applications through the review process and to maintain the City-wide end-to-end process and technology.

- Application Manager x 1: Manage application milestones, work priorities, and escalations. Foster effective teamwork and good working relationship with applicants to help review teams and applicants get to solutions faster.
- Application Coordinator x 2: Take on many coordination and system administrative tasks so that expert reviewers can focus on the substance of the applications.
- Manager, Strategy and Business Improvement x 2: Lead the implementation and standardization of new technology, processes, organizational changes, and policies

### 6) Escalation Protocols

The introduction of application review teams, application management, and collaborative processes are all intended to promote the resolution of internal conflicts within the team and immediate managers. When this isn't possible, the application manager will escalate issues to an interdivisional governance structure for resolution by senior staff involved in development review. This protocol will insure that issues are flagged and resolved early in the review process. Moreover, C2K is looking to identify the most common sources of conflict and standardize solutions so that quicker resolution is possible in the future.

### 7) Customer Centric Digital Solutions

As described above, the C2K team has already utilized a customer centric approach to great success with the Online Application Submission Portal that was created. The idea behind customer centric solutions is utilizing technology to simplify, enable collaboration, and improve transparency within the process both internally and externally. Given the overwhelmingly positive feedback received from industry and staff,

C2K plans to expand the use of its customer centric digital solutions to all areas of new technology adoption. In particular, C2K is examining opportunities to improve the commenting process, circulation and resubmission processes, known together as the application review framework. The intent of the improvements is to make submitting an application and its internal review a pleasant, hassle-free experience and to provide both staff and applicants with the tools needed to effectively track and manage their time. This is one of the major deliverables that C2K is looking to advance via a soft launch, through the operational pilot.

### 8) Key Performance Indicators

A more robust suite of Key Performance Indicators (KPIs) and measures will be implemented across all major processes and sub-processes of the development review process. These KPIs will be understandable and measurable, and will be integrated into the City's technology to allow for more efficient and accurate reporting and data analysis. This will result in the development of intuitive reporting templates and dashboards that will enhance the City's awareness of key milestones and targets associated with development review, improving accountability throughout the process. Standardized KPIs will also improve the City's ability to consistently measure performance across internal and external stakeholders involved.

The idea of the operational pilot is to test and refine the elements above, as well as a number of other opportunities, and ongoing business transformation initiatives. C2K plans to measure the success of the pilot based on a number of factors, not just in regards to the speed at which applications are processed. Other success measures include staff and industry satisfaction, increasing development activity, fewer conflicts, and increased productivity.

## **CONTACT**

---

Kris Hornburg, Director, Concept 2 Keys  
647-458-8365  
Kris.Hornburg@toronto.ca

Valesa Faria, Director, Housing Secretariat  
416-392-0602  
Valesa.Faria@toronto.ca

## **SIGNATURE**

---

Matt Keliher  
Chief Operating Officer, Development  
416-392-4715  
Matt.Keliher@toronto.ca

Abigail Bond  
Executive Director, Housing Secretariat  
416-338-1143  
Abigail.Bond@toronto.ca

