

May 30, 2022

Planning and Housing Committee
Nancy Martins
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Sent electronically.

RE: PH34.6 Development Application Fee Review

RESCON is writing to provide feedback regarding the Development Application Fee Review which will be brought forward to the Planning and Housing Committee on May 31, 2022.

RESCON represents over 200 builders of high-rise, mid-rise and low-rise residential buildings in the province. Our goal is to work in cooperation with government and related stakeholders to offer realistic solutions to a variety of challenges facing the residential building industry, which in turn have wider societal impacts. The focus of RESCON's work is health and safety; training and apprenticeship; labour relations; industry research and innovation; regulatory reform; and technical standards.

The number of development applications continues to increase to meet housing demands in the City. Through the Concept to Keys Initiative (C2K), RESCON has been engaging with C2K regularly to address ways to improve customer service within City Planning and other applicable departments, and how the City can streamline and improve the development approvals process. While we understand the necessity for regular development application fee reviews and understand how the funds collected through development application fees will be used (ex. cost recovery of processing applications, C2K operating costs), we firmly believe that any increase in fees should correlate with the level, quality, and efficiency of customer service output.

As reported by City Planning, the annual average application volume increased by 8% between 2016 and 2021, with OPA/Re-Zoning and Minor Variances applications increasing by 21% and 13%, respectively. However, staffing shortages persist within City Planning. Persistent and growing staff vacancy rates within City Planning as well as all other associated City departments involved in reviewing development applications are not helpful to managing a satisfactory customer service output with industry. RESCON believes that any fee increases should correspond with customer service levels and a commitment to ensure sufficient and sustainable staffing levels to meet timeframe regulated under the Planning Act, the City's own STAR application process timeline targets and the more recent Bill 109 time commitments. The fee structure levied upon applicants becomes a moot point if the City does not have the necessary staff complement to efficiently process the volume of applications, as levels of customer service delivery and processing timelines erode. We ask that moving forward, the C2K team be provided greater authority and autonomy at ensuring staffing levels in relevant City departments are better managed to address the systemic and chronic staff vacancies.

While we understand the Fee Review Process cannot be changed for this specific review period, we believe improvements can be made to the process for future reviews to make it more flexible and responsive. The current Fee Review Process is not forward looking based on anticipated development application volume, rather is based on historical application volumes and staffing levels to make a prediction about future application fees. Furthermore, the current four-year cycle under the City's User Fee Policy has proven to not be reflective of

nimble enough to respond to development activity, and the pandemic has further hampered service delivery. In terms of staffing, a full evaluation of future staff complement should be an input in future reviews. Additionally, a complete evaluation of process maps, service delivery timeframes and how they can be improved, should also occur as an input in the next fee review. This is important as the current process maps being used date back to 2012 which is not at all reflective of the current needs of the development industry and how development review occurs in an integrated and interdivisional approach to process development applications. The development and planning landscape has changed considerably since 2012 and the process maps should have also already evolved by now to reflect these changes. The current fee review methodology is too simplistic and not accurately capturing the nuances associated with service delivery of development approvals. We recommend that the City look to fast-track the development and implementation of the revised fee review operating model based on right-sized staff complement sooner than the projected 2023/2024-time horizon.

Sincerely,



Richard Lyall
President

Copy to:

Councillor Ana Bailão, Chair, Planning and Housing Committee
Chris Murray, City Manager
Tracey Cook, Deputy City Manager
Gregg Lintern, Chief Planner & Executive Director
Kris Hornburg, Director, Concept 2 Keys
Michelle Dryle, Manager, Strategy & Business Improvement, Concept 2 Keys