

NO: R254

COUNCIL DATE: December 17, 2018

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **December 13, 2018**

FROM: **General Manager, Engineering** FILE: **6880-01**
General Manager, Planning & Development

SUBJECT: **New Program to Reduce Building Permit Wait Times**

RECOMMENDATION

The Engineering Department and Planning & Development Department recommend that Council:

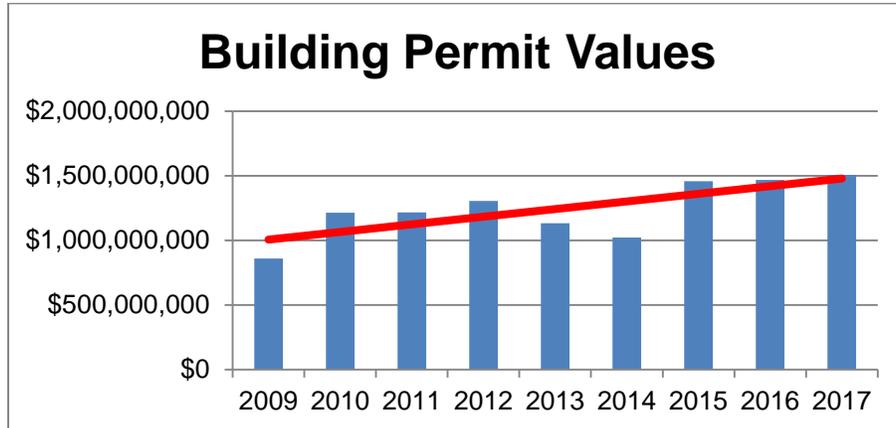
1. Receive this report for information; and
2. Approve the proposed strategy outlined in this report to reduce building permit processing time.

INTENT

The purpose of this report is to advise Council about the proposed strategy and new program being implemented to reduce the building permit processing in order to meet Council's expectations of 10 weeks' timeline to issue single family building permits.

BACKGROUND

Since 2010, development in Surrey has consistently exceeded \$1 billion in construction value. Each year sees an increasing number of permit applications. Over the past eight years, a number of initiatives have been implemented to better serve the increasing numbers of customers with the Engineering and Planning & Development Departments. These changes ensure that the City remains efficient and innovative in order to meet the increasing demand for development services.



2010 - 2017

Over the past seven years, a number of improvements in the development process have been implemented. Those changes have helped both staff and applicants improve efficiency and also streamlined the development and building permit process.

Highlights of those changes include: pre-application meeting process; Online Development Inquiry; a development tracking system was added to COSMOS; and the City’s online mapping system. A web portal was also launched to enable the Erosion and Sediment Control process.

The City Road and Right-of-Way Permits and Traffic Obstruction Permits were integrated into the electronic tracking system and COSMOS to provide automation, safeguards and enhanced data retrieval.

Further online services were implemented to help customers, including the addition of online inspection processes for the Plumbing, Electrical, and Trees & Landscaping Sections. All inspection areas integrated across sections, with new mobile technology.

Recently, digital plan submission and review was piloted with the land development engineers. Cost savings were passed onto the developers, as their engineers were no longer required to print or courier hard copies of drawings to City staff. The land development engineers have embraced this initiative.

A pilot project was initiated for the use of a surety bond (instead of the standard cash or letter of credit) as an alternate form of security associated with the Servicing Agreement for land development projects.

2018

The Engineering Department, Planning & Development Department, and the Information Technology Division began designing the process for complete digital building permit submissions, which will be first implemented for single family dwelling (“SFD”) building permits. This builds on the success of the Engineering Department’s piloting of a Digital Plan Review process. This improvement process, which is currently underway, is planned for full roll-out in the third quarter of 2019, once all testing has been completed. Piloting the digital review of Building Permits is currently underway, and the full process will be completed in 2019.

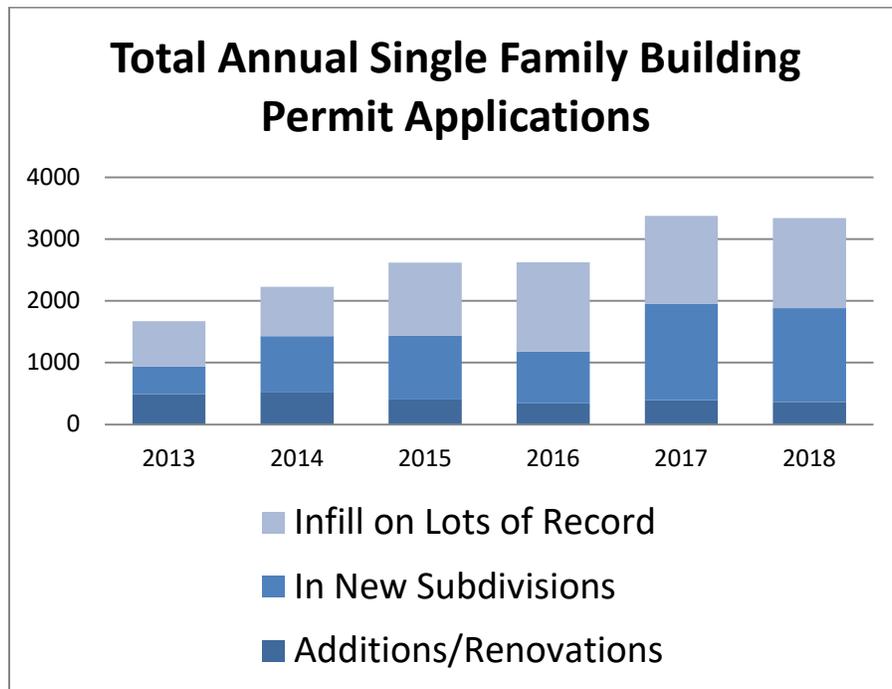
This new process will allow customers to apply for building permits at any time of the day or week by submitting the required documentation online. Staff will then proceed with digital review. Issuance of the permit and payments will be accepted online, and the existing mobile inspection process will follow. As a result, the complete building process, from building permit application to building occupancy, will all be available to the client through one simple online account.

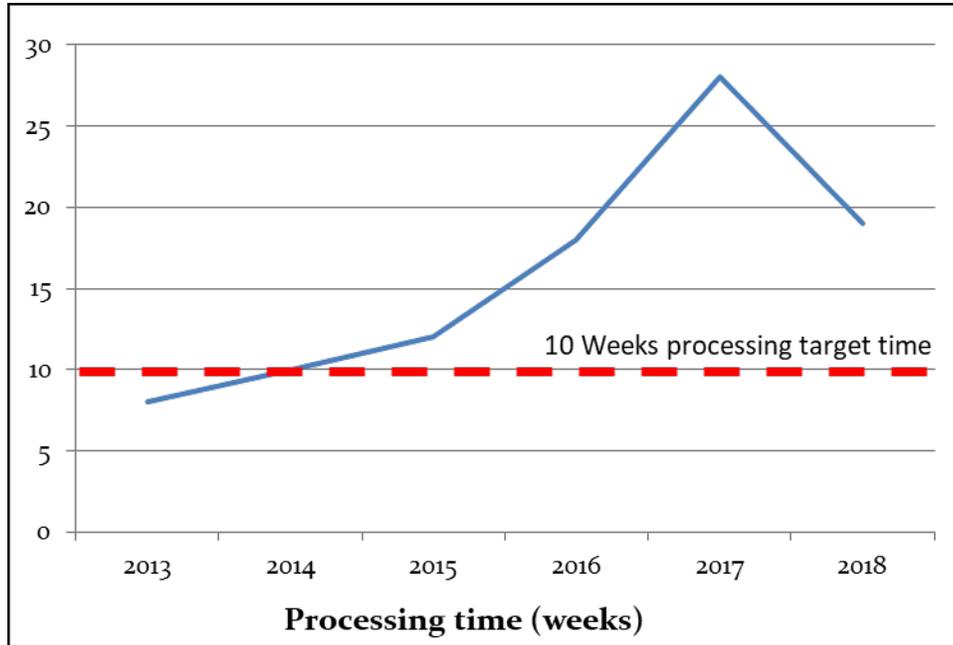
DISCUSSION

While processing record numbers of building permits, staff has continued to implement innovative process improvements, allowing them to process applications more efficiently.

Increased Numbers of Building Permit Applications

In 2015, the Province enabled legislation leading to the termination of land use contracts throughout the Province. This new Provincial legislation affected more than 7,558 existing single family lots in Surrey. Following the early termination process that was consequently approved by Council, this led to an influx of building permits from property owners wishing to build homes under the soon to be terminated Land Use Contracts. The graph below indicates a larger-than-average number of applications for building permits on infill lots of record.





This influx of infill building permits started in 2015 and continued into 2018. This has affected the turnaround times of building permits for SFD as each Land Use Contract is unique and requires a longer review time to ensure the house proposed meets the Land Use Contract requirements. Staff believes the peak of the impact from land use contract terminations has passed but expect to still see a higher than normal number of infill building permits for another year as the last of these are processed.

Another factor influencing the number of building permit applications is the Province of British Columbia that brought forward a new BC Building Code that was implemented on December 10, 2018. As per previous iterations of the BC Building Code update there has been a higher than usual number of building permit application that were submitted in early December 2018, ahead of the BC Building Code changes.

In order to meet Council's direction to reduce processing times for single family building permits, staff has implemented the following changes:

1. Staffing Levels

With the current increased number of applications, a review of staffing levels is required. In order to enhance the permit processing capacity, a total of 14 additional staff members have been added in a variety of functions, in order to ensure a higher processing capacity of building permits. With the additional staff members, working hours were extended, with some shifts beginning at 6:00 am and others ending at 7:30 pm. These extended hours allow for staff members to overlap their working hours with other staff involved in the review and processing of applications, which is integral to the permitting process. This schedule also ensures that staff members have time to meet with their respective managers if guidance is required on specific items related to a building permit.

With the current volume of development and construction throughout the lower mainland, all municipalities are currently searching for qualified staff able to process land development applications and building permits. This is a constant item front of mind for hiring managers and

support staff in Human Resources. The City has previously been successful in attracting talent through departmental mentorship programs, through recruitment campaigns in education institutions, and with the help of professional recruiters. While the City is often successful at hiring talent, we also suffer from other employers recruiting City staff. The cost of housing in the region is also an impediment in hiring and retaining staff. Currently processing times for single family building permits are 19 weeks and a target of 10 weeks is planned to be achieved by June 2019 or earlier if the current turnaround time and new application trend continues.

Funding for the additional staff is available from the 2018 fee adjustment approved as part of the 2018 budget, regular overtime yearly budget and 2017 operating savings carried forward to help fund additional auxiliary positions currently in the department. Staff will be reviewing fees in 2019 in order to ensure that the cost associated with the additional level of service is fully recovered through the permitting fees.

2. Implementation of “Triage” System

Faced with an increasing turnaround time for SFD building permits, in the third quarter of 2017, staff met with the goal of reducing the processing time of SFD building permits down to a ten-week average. In order to achieve the proposed reduced turnaround time, staff implemented a “triage” system for SFD building permits, with three queues. Previously, all permits were processed according to their “in-date.”

The first and fastest queue is for building permits for renovations to SFDs. The second queue is for SFDs in new subdivisions. These permit applications are easier to expedite, as all services and lot grading will have already been taken into account as part of the prior rezoning and subdivision process. This drastically reduces staff processing time for those permits, as the only major issues associated with the permit are receiving a complete submission from the applicant, zoning compliance, and building code compliance. Staff is confident that SFD building permits in new subdivisions will achieve the ten-week processing time within four months or fewer.

The third queue is for new SFD building permits that are on the aforementioned infill lots. These permit applications are the most complicated to process, as they require a more detailed review by staff in various departments in order to ensure servicing of the lot is adequate, tree protection objectives are met, storm drainage has been fully detailed and can be implemented without impacting neighbouring properties, and the submission from the applicant is complete.

3. Tenant Improvement Permits

In addition to the discussed changes in the SFD building permit process, throughout 2018, changes have also been implemented to expedite the Tenant Improvement Permit (“TIP”) application review process. The number of TIP applications received often spikes in relation to the commissioning of new multi-tenant commercial buildings. In 2008/2009 the number of TIP applications per month ranged from 35 to 70 with an average of approximately 50 applications per month. From 2016 to 2018 the number of applications per month ranged between 55 and 90 with an average of approximately 65 applications per month. In order to improve the turnaround time for the issuing of these permits, the review process structure has been adjusted so that relatively simple TIPs, including simple revisions, can be dealt with by the inspectors in the field. Supplementary staff members processing TIPs have also been added in recent weeks with a goal of initiating reviews sooner with earlier feedback provided to clients. With these changes implemented we believe that we will be able to achieve a 10 weeks turnaround for simple TIPs,

this by the end of January 2019 while continuing to improve the TIP review process for more complex application to reach a 10 week turnaround time by mid-year 2019.

4. Drainage Review

Most, if not all, new SFD building permit applications include a basement. Calculation of the minimum basement elevation (MBE) required to achieve gravity drainage for storm water adds to the complexity of permits in infill lots. This part of the permit process, and added complexity, create a constraint in our process. As such, additional resources have been added in order to ensure MBE reviews are not holding up the permit process. Engineering Department and Planning and Development Staff have also met with a number of design consultants to ensure their submissions will meet our design criteria thus avoiding long delays associated with resubmissions.

Referrals

Building permits for infill lots of record need to be referred to other Departments to ensure all requirements are met, such proper servicing for the proposed new home, or the driveway location meeting the transportation safety requirements.

Parts of this referral process are still paper-based and are not keeping up with the remainder of the review process. As such, this process currently under review as part of the wider digital permitting process implementation, with the goal of eliminating paper-based referrals. This change is being implemented incrementally, as it requires software programming changes in the current tracking system. Most importantly, the leveraging of our digital drawing review technology will help stream line this process with opportunities to coordinate input from the various groups within the City on one digital design submission thus avoiding conflicting direction being given to applicants.

Processing Time Trend-line

With the new “triage” system, the addition of staff, the improved referral system, and the extended working hours, the trend for processing times of SFD building permits is currently trending down. The average SFD building permit processing time has already been reduced to an average of 21 weeks and staff anticipate the trend to continue downward over the next six months, by when the ten weeks’ processing time is expected to be reached.

Typically in Surrey the processing time for single family building permits has been between eight to twelve weeks. Currently the processing time is nineteen weeks and is projected to be at ten weeks by June of 2019 or earlier.

Digital Queue Monitoring

With changes implemented by the BIT team to the digital tracking system, managers in the Planning & Development Department will now be able to access dashboards with real-time information. This will provide them with a summary view of all permits in-queue, of average processing times, and of staff workload. This new tool will help ensure managers align anticipated and required staff resources with the current application volumes and forecasted

processing demand. This new tool is currently being implemented, and will be of great help to managers in achieving and maintaining the permit processing turnaround time goal of ten weeks.

Communication with the industry is critical in ensuring all stakeholders are apprised of process changes both planned and currently being implemented. Staff regularly meets with the Development Advisory Committee members, Land Development Consultants, Builders and Contractors to provide updates and encourage them to provide feedback.

SUSTAINABILITY CONSIDERATIONS

The work of the Engineering and Planning & Development Departments to improve the land development and permitting processes supports the objectives of the City's Sustainability Charter 2.0. In particular, this work relates to Sustainability Charter 2.0 themes of Economic Prosperity and Livelihoods, and Infrastructure. Specifically, this work supports the following Desired Outcomes ("DO"):

Economic Prosperity and Livelihoods

DO6: Efficient land use and well-managed transportation infrastructure are in place to attract businesses and support a thriving economy.

DO16: Surrey's businesses are active participants in the community and create economic value in a way that generates value for society.

Infrastructure

DO21: The city has excellent communications infrastructure that provides affordable and effective connectivity across the community.

SD2: Develop and manage our assets to adapt to technological change.

CONCLUSION

With the recent changes implemented in the queueing system for permits, the addition of staff resources, extension of working hours, mentoring programs, added digital and process efficiencies, and real-time data available to managers, staff are confident they will meet the targeted timeline of a ten-week average processing time for single family dwelling building permit issuance in 2019. Process restructuring is also being implemented to Tenant Improvement Permits, which are important to the health of the economic and business sector of the City.

The Engineering Department and Planning & Development Department recommend that Council:

1. Receive this report for information; and
2. Approve the proposed strategy outlined in this report to reduce building permit processing time.

Original signed by
Fraser Smith, P. Eng., MBA
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Original signed by
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General Manager, Planning & Development

JLL/RD/FS/ar