

NO: R088

COUNCIL DATE: April 25, 2022

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **April 21, 2022**

FROM: **Acting General Manager, Planning &
Development
General Manager, Engineering**

FILE: **6630-01**

SUBJECT: **Quarterly Update on the Guaranteed Permitting Timelines**

RECOMMENDATION

The Planning & Development and Engineering Departments recommend that Council receive this report for information.

INTENT

The purpose of this report is to provide Council with a quarterly update on the implementation of the Guaranteed Permitting Timelines for Single-Family Building Permits, Tenant Improvement Building Permits, and Rezoning Applications, and the corresponding process improvements to support these timelines, endorsed by Council in October 2021. This report provides information on the status of permit processing times, clarification on the processing time definitions, and progress update on improvement initiatives instream for a successful implementation of this program.

BACKGROUND

On October 18, 2021, Council approved Corporate Report No. R203; 2021, attached as Appendix “I”, endorsing staff to implement guaranteed processing times for Single-Family Building Permits, Tenant Improvement Building Permits, and rezoning applications, along with the corresponding development process improvements to ensure the City meets these timelines.

On January 31, 2022, Council considered Corporate Report No. R026; 2022, attached as Appendix “II”, which provided a status update on the program and also included details and clarifications for timeline measurements.

DISCUSSION

Staff have made significant progress in delivering the Guaranteed Permitting Timelines. Monitoring dashboards have been implemented for all in-scope permit types to provide managers with increased insight into the processing time of applications. Timelines are summarized in the following table. Site Servicing Reviews associated with Servicing Agreements are included in the table, as they are a key component of the overall approval and permitting process.

		Current Processing Time	Average Processing Time	
Permit Type	Established Guarantee Targets	April 2022	Q1 2022	Q4 2021
Single Family	10 weeks	8.4 weeks Below Target	9.4 weeks Below Target	14.6 weeks Above Target
Tennant Improvements	10 weeks	10.1 weeks Above Target	8.0 weeks Below Target	7.0 weeks Below Target
Rezoning, Single Family	12 weeks	11.4 weeks Below Target	8.6 weeks Below Target	Not enough data
Rezoning, Multi-Family, Commercial, Industrial	16 weeks*	Not enough data	Not enough data	Not enough data
Site Servicing Reviews (Servicing Agreements)	2.5 weeks	2.4 weeks Below Target	2.4 weeks Below Target	2.9 weeks Above Target

*Add 4 weeks for project requiring ADP review

Permit Timelines Calculations and Definitions

The processing times are focused on deliverables within the City’s control, acting diligently to monitor compliance with regulations, including the Building Code, Bylaws and regulations, seeking to provide land development applicants with increased predictability, for complete submissions.

Processing Time Exclusions

The Guaranteed Permitting Timelines do not provide fixed-time permit issuance on all applications. To achieve success, the applicant and the City staff must work in partnership towards a common goal, with defined roles and responsibilities.

Applicant-driven deliverables, including those with significant back and forth to produce a complete submission, are excluded from the guaranteed processing times. Applicant knowledge and experience can have a significant impact on the quality of submissions. Applications from inexperienced applicants tend to have increased shortcomings, including missing required documentation, incompatibility with zoning requirements, and plan deficiencies; therefore, the processing time may not align with the time to issue a permit.

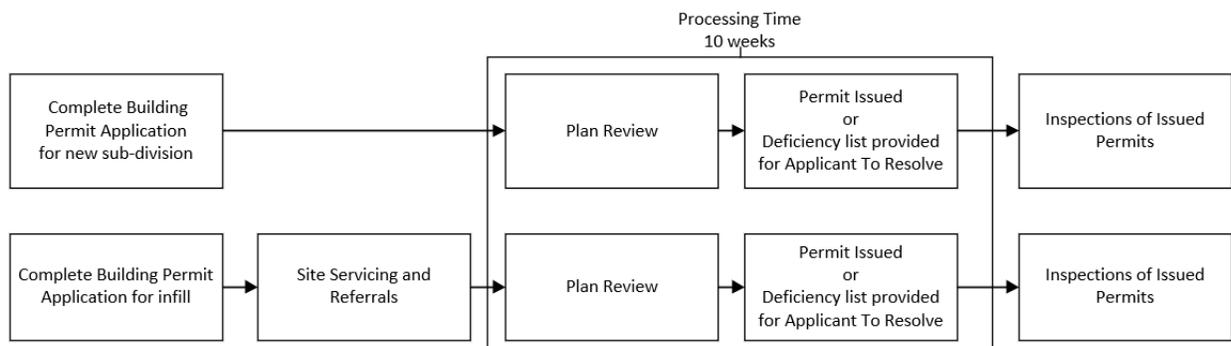
Staff strive to minimize and avoid applying additional requirements on applicants late in the review process. This practice, sometime defined as “late hits”, can have significant impact to a project completion. Excluded from this definition, and the Guarantee Permitting Timelines, are significant project issues or requirements introduced late into the review process and outside of the City’s control, including:

- New Federal, Provincial, or municipal requirements triggering additional requirements not grandfathered;
- Applicant requesting project changes, triggering additional staff reviews or new requirements;
- New legal deficiencies are identified, including illegal and non-permitted activities;
- Significant concerns raised by external referral agencies; and
- Significant public opposition to a project.

Single Family Building Permit Applications

New Single-Family Building Permits involve projects relating to infill (i.e., demolition of existing structure followed by new build on an existing lot of record) or new sub-divisions. The processing time for a Single-Family Building Permit starts when a complete application has been received and ends when the plan reviewer issues the Building Permit or provides a list of deficiencies for the application to resolve, as summarized below:

Single Family Building Permit Processing Time Summary



Although not included in the processing time, expediency on all elements of the process is important, including the permit application reviews, which are generally processed within one business day. Furthermore, site servicing, which includes drainage design, water and sanitary sewer connections, driveways and other site accesses, and in some cases tree protection, generally applies to infill projects and is undertaken for applications in new subdivisions.

Processing Times

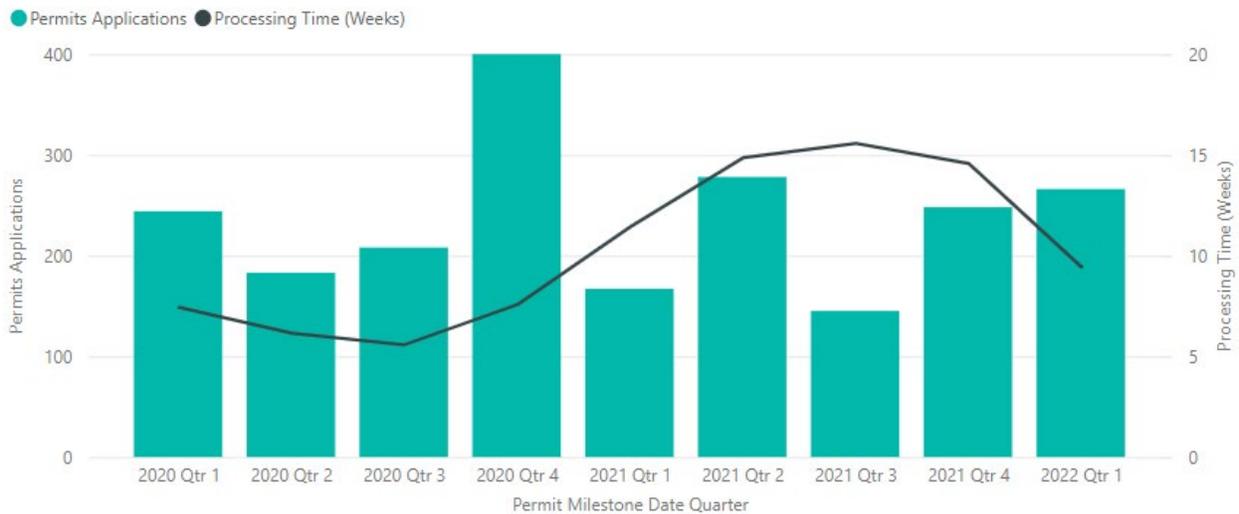
Annually, the City receives an average of 931 new Single Family Building Permit applications.

The City received 266 Single Family Building Permit applications in Q1, 2022 which is 30% higher than the number of applications received in the same quarter last year.

In Q1 2022, 87.5% of complete applications were processed within the 10-week target, with an average processing time of 9.4 weeks. This represents a 35% reduction in processing time as compared to Q4 2021.

The current average processing time processing time for a Single-Family Building Permit is 8.4 weeks.

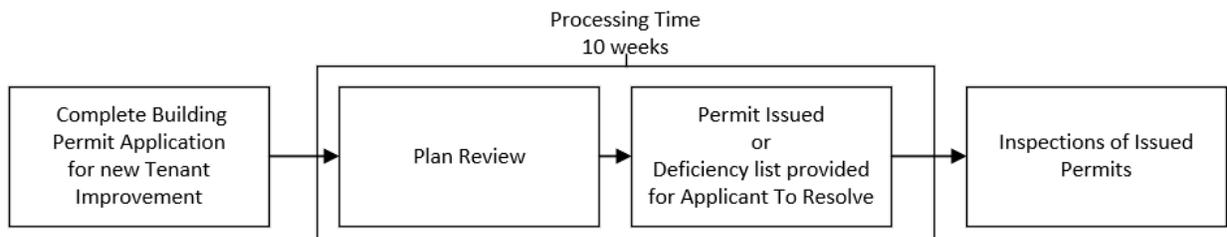
Single Family Permit Applications and Processing Time



Tenant Improvement Building Permit Applications

A new Tenant Improvement Building Permit is needed to accommodate new construction or an alteration proposed within a building, including construction of walls, stairs, and shelving. The processing time starts when the City has received a complete application, including payment of fees and ends when the plan reviewer has issued the Building Permit or provided a list of deficiencies to the applicant, as summarized:

Tenant Improvement Building Permit Processing Time Summary



The most challenging issues with Tenant Improvement Building Permits are related to complications associated with anticipated uses, historical works and non-compliant work within the proposed space, including the base building not being designed to accommodate the proposed use.

Processing Time

Annually, the City receives an average of 595 new Tenant Improvement Building Permit applications.

The City received 112 Tenant Improvement Building Permit applications in Q1, 2022 which is 18% lower than the number of applications received in the same quarter last year.

In Q1 2022, 68.8% of complete applications were processed within the 10-week target, with an average processing time of 8.0 weeks. This represents a 14% increase in processing time as compared to Q4 2021, but still below the established target guarantee of 10 weeks.

The current average processing time processing time for a Tenant Improvement Building Permits is 10.1 weeks, due to the to the high volume of applications received in Q4 2021. Staff are reprioritizing resources to help meet the established target guarantee of 10 weeks.

Tenant Improvements Building Permit Applications and Processing Time



Rezoning Application Process

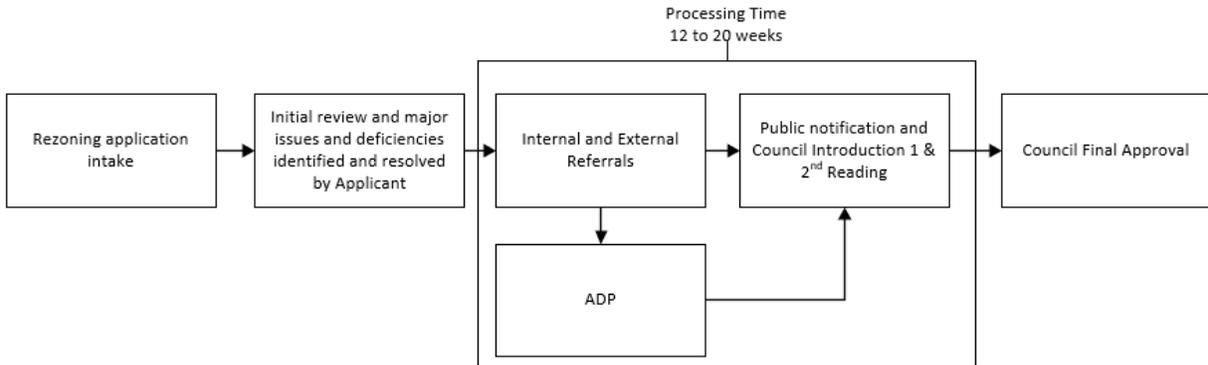
The rezoning process is an iterative process with several inputs molding and shaping the rezoning proposal as it goes through the various stages of the application review process. Staff work with applicants to ensure rezoning applications are consistent with the various City plans, policies, bylaws, and guidelines, to ensure the development is consistent with the overall vision, goals and objectives, established by Council for the City.

The rezoning processing timeline guarantee varies, based on the project scope:

- Simple Rezoning: 12 weeks
- Rezoning with DP: 16 weeks
- Rezoning with DP and ADP: 20 weeks
- Rezoning with Plan Amendments: no guarantee

The rezoning processing time starts after staff has performed an initial review of the application, and the applicant has resolved major deficiencies. The processing time encompasses all internal and external referrals, including the Advisory Design Panel (“ADP”), and is concluded when the application receives First and Second Reading from Council.

Rezoning Application Processing Time Summary



Processing Time

Annually, the City receives an average of 120 new rezoning applications, including simple rezoning, rezoning with Development Permit (“DP”), and rezoning with DP and plan amendments.

The City received 41 rezoning applications in Q1, 2022 which is 105% higher than the number of applications received in the same quarter last year.

In Q1 2022, the City processed 9 simple rezoning applications (excludes rezoning with DP and DP with plan amendments). Of these, 90% of complete applications were processed within the 12-week target, with an average processing time of 8.6 weeks.

The current average processing time for a simple rezoning application is 11.4 weeks.

Processing time data is currently not available for rezoning applications with DPs, as tracking was formalized in October 2021 and insufficient time has elapsed to derive meaningful metrics. More complete data and trends will be available in future reports, with increased rezoning application processing; however, staff are confident that the current processing time on these application types is in keeping with the guarantee.

Process Improvement Progress Report

The following are highlights of the process improvements with delivered or initiated in Q1 2022 to sustain and accelerate the Guaranteed Permitting Timelines.

Increase Staffing Resources

Managers continue to review and adjust staffing resources to meet demands. The City is actively recruiting several positions to increase processing capacity and deliver on improvement initiatives. Recruitment efforts are impacted by the competitive job market, creating challenges to acquiring new talent. Recruiting in the permit and plan review field is especially competitive, as many lower mainland municipalities are currently searching for qualified staff able to process land development applications.

Review and Update of Application Requirements

Staff have reviewed application checklists and processing procedures, seeking to provide applicants with greater clarity on the requirements for accurate and fulsome applications.

Focusing on improving submission of common deficiencies, staff will be piloting an improved building application checklist in Q2 2022, followed by ongoing website improvements. These improvements will help clients increase the rate of compliant applications, helping focus staff efforts toward permit processing.

Improved Status Update Communication with Applicant

In Q1 2022, staff began piloting an automated notification to Single-Family Building Permit applicants four weeks from the anticipated processing time completion. This timeline status update will help decrease inquiries and assist with the scheduling of trades.

Further opportunities to automate communications is being explored, with the goal of ensuring that communication gaps are minimized, including awareness of processing time definitions, and that applicants are aware, on a more regular basis, of where in the process their application currently resides, next steps, and anticipated date of issuance/approval.

Industry Consultation

An online survey was sent to 369 recent building permit and rezoning applicants to inform which improvement efforts were most needed. The responses outlined a general satisfaction with the ease of submitting a new application and the need for increased visibility to into the status of permits and outstanding deficiencies, validating the City's digitization roadmap and online permitting efforts.

Digital Permitting Portal

Staff have initiated the Digital Permitting Expansion Project seeking to improve and accelerate the development approval process in Surrey by expanding online services available to clients and delivering enhanced communication and transparency, increased access, reduce costs, and improved quality of submissions.

Two phases of work are currently underway, focusing on Plumbing and Electrical Permits. Following a small-scale pilot, the City will seek to launch the first phase of the trade permit portal enhancements in Q2 2022.

Additional online capabilities are scheduled in phase 2 of the digital permit portal project. This two-year initiative includes Area Planning, Building Permits and Engineering Permits, with a focus on providing applicants with access to the status of their permits and outstanding deficiencies that are impeding progress.

Expanded Hours Pilot Program

On Thursday March 31, 2022, the First Floor Property & Payment Services Counter and the Second Floor Planning & Development Front Counter at City Hall began offering select services, on a drop-in basis, one day per week, from 4:30 p.m. to 8:00 p.m. This six-month pilot seeks to further support citizens' sense of belonging and economic opportunities, with increased awareness and access to key City services, including permit application drop-offs, zoning enquiries and information on relevant policies and procedures.

Bill 26 – Delegated Variances

On January 17, 2022, Council approved Corporate Report No. Ro10; 2022 authorizing staff to bring forward for Council's consideration a bylaw delegating to staff the authority to issue development variance permits for "minor" variances, establishing the criteria for determining whether a proposed variance is "minor", and establishing guidelines the delegate must consider in deciding whether to issue a development variance permit.

A Corporate Report requesting that Council formalize these procedural enhancements associated with variances is forthcoming, and will assist in application processing efficiencies by reducing the number of variance applications requiring a Planning Report to Council, thereby allowing staff to focus on more significant development proposals, and also shortening the processing time on variances necessary to facilitate building permit and/or tenant improvement permit issuance.

Preliminary Layout Approvals Extensions

In the next quarter, staff will be updating the Preliminary Layout Approvals ("PLAs") extension process, moving from a six-month extension to a one-year extension, adjusting fees accordingly.

PLAs are issued once a subdivision receives preliminary approval, and they are valid for one year, with six-month extensions available, based on a percentage of the original subdivision application fee.

With the majority of project receiving several six-month PLA extensions, this time-consuming process can be streamlined by consolidating to a one-year PLA extension process, for added efficiencies and improved applicant experience.

Permit Timeline Guarantee Full Launch

Although the Guaranteed Permitting Timelines are currently in effect, it is anticipated that the program will be officially launched in Q2 2022. This is intended to include a marketing campaign on the City website and various social media platforms to highlight this innovative program and provide resources to ensure residents, business owners, and industry representatives understand this program.

The Guaranteed Permitting Timeline reinforces the City’s values, promoting innovation and transparency, and seeks to improve the success of land development applicants. It provides additional oversight and transparency to mobilize actions, increasing the predictability of the permitting process, positioning Surrey as a destination for investment, and improving the quality of life for its citizens.

SUSTAINABILITY CONSIDERATIONS

The work of this project supports the objectives of the City’s Sustainability Charter 2.0. In particular, this project relates to Sustainability Charter 2.0 themes of Economic Prosperity and Livelihood, and Infrastructure. Specifically, this project supports the following Desired Outcomes (“DO”):

- Innovation DO14: Surrey is the regions innovation hub, focusing on health and clean technologies, and creating significant local and regional economic impacts;
- Innovation DO16: Surrey’s businesses are active participants in the community and create economic value in a way that generates value for society; and
- All Infrastructure Do2: Infrastructure systems provide safe, reliable and affordable services

CONCLUSION

Demand for development is high in Surrey and improvements in the City’s development approval process have a significant positive impact on regional and Provincial growth and overall community access to housing. Staff continue to operationalize the Guaranteed Permitting Timelines, and the identified improvement initiatives to benefit land development clients and staff. Progress made to date on this initiative and other Continuous Improvement Projects reinforces the City’s commitment to smart development.

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RD/JT/RG/cc

Appendix “I” – Corporate Report No. R203; 2021
Appendix “II” – Corporate Report No. R026; 2022



CORPORATE REPORT

NO: R203

COUNCIL DATE: October 18, 2021

REGULAR COUNCIL

TO: Mayor & Council DATE: October 14, 2021

FROM: Acting General Manager, Planning & Development
General Manager, Engineering FILE: 6630-01

SUBJECT: Land Development Approval Process Improvements and Review of Housing Supply for Affordability Report

RECOMMENDATION

The Planning & Development and Engineering Departments recommend that Council:

1. Receive this report for information; and
2. Endorse staff to implement guaranteed permitting timelines and the development process improvements to support these timelines, as described in this report.

INTENT

The intent of this report is to propose a system of guaranteed permitting and processing timelines, as well as provide Council with an update on current and planned Land Development process improvements that will help the City meet these timelines. This report also provides Council with a preliminary review of the *Opening doors: Unlocking housing supply for affordability Final Report* of the Canada-British Columbia Expert Panel on the Future of Housing Supply and Affordability dated June 17, 2021. The review provides a summary of recommendations which staff consider supportable and consistent with actions that the City is already taking, or planned to take, including the proposed establishment of guaranteed permitting timelines outlined in this report, and also notes the recommendations that are problematic and/or inconsistent with other City goals and objectives.

BACKGROUND

The development review and approval process, which encompasses rezoning, subdivision, development permit, site servicing, building permit, and inspection, is an important part of the economic engine of the City. In 2020 while in the midst of a pandemic the City recorded \$1.46 billion in issued building permit value, surpassing the 10-year annual average.

In the last decade, over 36,600 dwellings units were created to provide housing to Surrey's growing population. Although demand for Single Family and Townhouse residences remains strong, there is a shift towards Low, Mid and High-Rise Apartments, a reflection of levels of affordability and housing choices for Surrey residents. In fact, from January 2019 to December 2020, 31% of constructed dwelling units were in single family buildings, 21% were in townhomes, 17% were in low to mid rise apartments and 31% were in high rise apartments.

Despite a brief dip in construction when the COVID-19 pandemic first hit, investment rapidly bounced back, showing the confidence in Surrey as a prime destination for new businesses and residents.

Staff are seeking Council's endorsement to implement a permitting process guaranteed timeline framework to improve speed and predictability in the land development approval process, thereby improving access to housing and affordability in Surrey.

DISCUSSION

Continuous improvement is the foundation of City's approach to enhancing customer service. Recent feedback from the development industry to staff and Council; however, it was indicated that a dramatic shift in the service delivery ethos was necessary. To that end, staff are proposing a new approach of setting guaranteed timelines for key tasks and processes associated with land development approvals. This approach will ensure reduced processing times, provide predictability and increase housing affordability. This has also helped focus improvement initiatives summarized in this report.

City Departments/groups involved in supporting the Development industry (Planning & Development Department, Engineering Department, Parks, Recreation & Culture Department, and Finance Department) and associated supporting groups (such as Bylaws & Licensing, IT Services and Legislative Services) have all contributed to years of process improvements in the industry. With ongoing improvement initiatives and commitment from staff and elected officials, the City continues to be viewed as a preferred model for development processing locally, as well as nationally. Striving for continued improvement is how the City has garnered this reputation. The new approach of guaranteed timelines will help ensure the City continues to be a leader in the land development industry.

Planning Process Guaranteed Timelines Framework

In keeping with the Opening Doors Report recommendation to develop a planning framework, staff are proposing guaranteed permitting timelines to provide land development applicants with increased certainty. The following provides information about the proposed framework including information regarding the current and planned process improvements necessary to implement guaranteed timelines, and next steps.

Permitting Timeframe Framework and Considerations

A meaningful review of timeframes and regular reporting on timeframe compliance are an important part of providing the development industry with greater certainty, predictability and reduced risk. Processing targets, coupled with regular communication with the City is important, acting as a source of assurance that the project is underway, that the permit has not been “lost in the system”, improving confidence and providing certainty.

Staff are proposing a set of guaranteed timelines which will be reviewed and progressively amended based on review of application processing and roll out of improvements. The intent is to meet the guaranteed timelines by making the necessary adjustments to resources and process, carefully monitoring changes in workload and high-volume areas.

The guaranteed timelines proposed are based on complete, accurate and fulsome applications and processes for which the City has control. External agency reviews, incomplete submissions, changes in scope or plans mid way through processing, and community feedback for example would dramatically impact the viability of a project meeting specified timelines. Similarly, submissions that are inconsistent with City plans, Bylaws, or Building Codes would lead to longer processing times, resubmission and potential denials.

To achieve compliance with application processing targets, several factors require consideration and ongoing refinement, including: resource levels; business process standardization; communication models between departments; external agency cooperation; amendments to Part 7A of the Zoning Bylaw; and most importantly alignment on quality of submissions by applicants.

Furthermore, noting these factors, a compliance framework could include recourse for non-compliance within the timeframe.

Proposed Guaranteed Timelines and Targets

The following is a summary of existing and proposed processing targets. These proposed targets will continue to be analysed and refined through review and in consultation with the industry.

Permit Type	Current Target	Proposed Guaranteed Timeline
Rezoning Report to Council - Single Family (w/o DP)	None established	12 weeks
Rezoning Report to Council - Multi Family, Commercial & Industrial (w/ DP)	None established	16 weeks*
Building Permit - Single Family	10 weeks	10 weeks
Building Permit - Tenant Improvement	10 weeks	10 weeks

* An additional 3 to 4 weeks processing time required for projects requiring ADP review

Rezoning

There are currently no established processing timeline targets for rezoning applications. Staff work with applicants to set out project timelines and key milestone dates on an individual basis, based on the nature and resulting complexing of the application and the associated application review requirements.

Staff propose that it is possible to establish and implement guaranteed timelines for rezoning applications based on application type and the associated review requirements of each application category. Such timeline guarantees require that the development proposal is compliant with City plans and policies (noting that proposals requiring plan amendments, or that deviate from City policy require additional staff review, discussion, and public consultation processes to confirm merit and supporting rationale), and is subject to external factors, such as the quality and completeness of the supporting application materials, results of public consultation, and timeliness of required comments from external review agencies.

For rezoning applications that do not require a Form & Character Development Permit (such as single family residential subdivisions) that are in compliance with the OCP and/or applicable Secondary Plan, staff are proposing a processing timeline guarantee of 12 weeks from the date of receipt of a complete and accurate application submission package (including subdivision plan, lot grading plan, arborist report, tree survey, preliminary engineering servicing concept, building design guidelines, etc.) to Bylaw introduction to Council (with Planning & Development Report).

For rezoning applications that require a Form & Character Development Permit (such as multi-family, commercial, industrial projects) that are in compliance with the OCP and/or applicable Secondary Plan, staff are proposing a processing timeline guarantee of 16 weeks from the date of receipt of a complete and accurate application submission package (including many of the same submission requirements as above for single family residential subdivisions, but also including a complete architectural and landscape design package that meets applicable design guidelines of the OCP and applicable Secondary Plan) to Bylaw introduction to Council (with Planning & Development Report). An additional two to three weeks of processing time would be required for projects requiring review by the Advisory Design Panel (“ADP”).

It is noted that in June 2020, Council endorsed updates to the ADP Terms of Reference, by removing some smaller residential and commercial projects, including gas stations, that have a less notable presence in the public realm, from the ADP Terms of Reference. These projects are instead reviewed by the City Architect and Urban Design staff. This reduced volume on the ADP agenda has allowed for more significant projects to proceed to the ADP more quickly.

In order to ensure that the proposed guaranteed timelines can be met, staff will continue to work with applicant's, through the pre-application meetings/review processes, and through the City's pre-application information materials, to continue to encourage complete and accurate application submissions from applicants and to clarify expectations in advance of full application submission.

Single Family Building Permits

In late 2018 and early 2019, a number of significant process changes were implemented to help streamline the review of Single Family Building Permit Applications. Ultimately, a target of 10 weeks was set for issuance of Building Permits based on complete and accurate submissions. By the Fall of 2019 this target was being met. This remained the case until the Fall of 2020, when an update to the Building Code and perhaps pandemic recovery response caused a 300% increase in Building Permit Applications, which exceeded staff's processing capability, pushing permit processing past the 10-week issuance target. Since, a number of adjustments were made, including adding new resources, staff proposes to formally implement the 10-week issuance target as a guaranteed permitting timeline in the coming weeks.

Tenant Improvement Permits

Similar to the single-family building permit process, some improvements in processing and triage were implemented throughout 2020 for Tenant Improvement Permits, resulting in a 45% decrease in permitting timelines, averaging just under 10 weeks in 2020. Therefore, a guaranteed timeline of 10 weeks will be set for these types of permits assuming complete and accurate submissions.

Trade Permit Issuance

Trade Permits, Electrical or Plumbing, are generally required as part of the Building Permit issuance. These permits can be applied online with an issuance target of one week. Staff continue to monitor permitting performance, with a 2021 compliance metric of 45%. It is expected that this performance will be increased significantly with new resources being added to the Trade permitting team.

Building and Trade Permit Inspections

For many years, the City's building and trade permit inspections have been on a "next day" operating model. If an inspection is called for prior to 3 p.m. on a given workday, it is normally scheduled for the next workday. During peak times, some inspections may be deferred one additional day. Final building inspections may take longer to schedule depending on the complexity of the projects and documentation requirements. Provincial Health protocols had an impact on this model at the beginning of the COVID-19 pandemic, but in general the inspection process has returned to normal except for occupied premise inspections, which continue to require health screening protocols.

Site Servicing

Engineering staff continue to track the number of weeks it takes to complete drawing reviews. A turnaround target of 2.5 weeks was identified based on historical performance. In 2020, staff averaged 2.3 weeks, and, to date for 2021, the average is 2.8 weeks.

In 2021, staff piloted a project schedule tracking to reduce processing time and establish realistic expectations and milestones. For the two City Centre projects, milestones were agreed upon at the outset with the developers and their engineers, and, to date, staff has achieved the agreed expedited durations/schedules.

Ongoing and Planned Process Improvement Initiatives

Following Surrey's culture for innovation and service, staff are currently working on several key initiatives to enhance and accelerate the permitting process. These proposed improvements are based on input from both internal and external stakeholders through various surveys, best practices reports and communication with industry and the City's Development Advisory Committee, and seek to maintain Surrey as a leader in the industry. These improvements are fundamental in allowing staff and industry to meet the guaranteed timelines proposed above.

History of Process Improvements

Surrey's land development service is comprehensive, with a history of leveraging technology and best practices for enhanced access and improved efficiencies. Although this report does not provide a detailed breakdown of the many process improvements that have been developed over the last decade, the following is a summary of some of the key improvements delivered:

- Digital Inspection Results: City Inspectors are using tablets to input inspection results, which are automatically shared electronically with the requestor upon completion for improved communication and transparency.
- Online Inspection Schedule Listing: Once confirmed, daily inspection listings are available online for contractors to review, an improvement from the previous call-in system.
- Online Permit Applications: Online permitting allows for an efficient anytime; anywhere permitting abilities. Trade Permits, namely Electrical and Plumbing, have been made available online, with a current online processing rate of 90%, which is convenient and effective for clients and staff. In 2020, the City expanded online permitting availability with the launch of the Single Family Permit portal.
- Digital Plan Review (Engineering Land Development, Single Family Building Permits): Applicants can submit digital plans for review, improving access and lowering transportation and production costs.
- Data Driven Approach to Plan and Implement Improvements: Surrey leverages data to focus investments in streamlining process improvements where needed most. Capturing and analysing transactional data from the Land Management System, AMANDA, in accordance with the *Freedom of Information and Protection of Privacy Act*, provides valuable insights to drive actions.

It should be noted that these improvements were implemented while continuing processing applications resulting from the continued growth in the City. Some of these enhancements were in place prior to the COVID-19 pandemic, which allowed staff to easily adjust to pandemic restrictions while continuing to conduct business seamlessly.

Continuing with this history of innovation to meeting service delivery, the City's digital transformation roadmap is now focussing on Online Permitting Processes. Facilitated by a recently awarded \$500,000 grant from the Union of British Columbia Municipalities ("UBCM"), the project will leverage the lessons learned to date to further improve client service with new technology and process optimizations.

Digital Permitting Portal

Since 2008, the City has invested in online permitting capabilities, primarily in Electrical, and Plumbing permits. In 2020, most Trade Permits were issued online, with 98% of electrical permits and 86% of plumbing permits applied for and issued using an online portal.

In 2020, the City launched an online Single Family Dwelling permit application process for building permit applications in recent subdivisions. In November 2020, following a small-scale beta release, City staff were able to launch this new online permitting service and are continuing to seek opportunities to increase applicant's usage new service.

Online permitting provides anytime, anywhere service capabilities. An analysis of online permitting trends reveals that 35% of applications were submitted outside of regular business hours, when staff are not at work.

Land Development clients and staff need a comprehensive online permitting system for all permit types that will increase efficiencies, provide transparent communications, and better access to file status. A 2021 survey of Surrey's Land Development clients reported that the majority of respondents felt that online permitting was important to them and their business.

Except for Trade Permits (Electrical and Plumbing) and the recent introduction of the Single-Family Permitting Portal for subdivisions projects, more than half of the permitting volume does not leverage an online permit portal to facilitate the approval process, including Rezoning, Subdivision, Single-Family Infill, Commercial Building, and Industrial Building.

There is significant evidence to the benefits of implementing a comprehensive online permitting portal. This conclusion is derived from the City's own experience, industry stakeholder feedback, and literature review, including the Corporate Report No. R177; 2019, approved by Council on September 16, 2019 and attached to this report as Appendix "I".

Staff will be initiating the Digital Permitting Expansion Project, seeking to improve and accelerate the development approval process in Surrey by expanding online services available to clients and delivering enhanced communication and transparency, increased access, reduced costs, and improved quality of submissions. This two-year initiative will introduce new digital permitting capabilities in Area Planning, Building Permits and Engineering Land Development and will include the formation of a dedicated team of experts to implement these new capabilities.

When fully implemented, these benefits to the City and clients can be summarized as follows:

- *Improved transparency and accountability:* Status of applications and any deficiencies are visible by staff and applicants.
- *Increased access:* Applications and updates can be submitted anytime; anywhere; on any device.
- *Reduced costs:* Reduced printing, transportation, storage costs and time savings; clients and staff can submit requests more efficiently.
- *Reduction in errors and incomplete applications:* The online system guides the applicant, ensuring all mandatory fields are complete.
- *Faster permitting timelines:* Staff have added capacity to process applications.

Expanding Audit and Performance Based Design and Field Review Processes

Following the 2020 implementation of the Electrical Contractor Performance Monitoring Program and associated 28% improvements in inspection processing efficiencies by lowering the rate of inspections for high-performing contractors, the Planning & Development Department initiated RFP No. 1220-030-2021-039, Building Permit Approval Process Review and Enhancements in July 2021. Focusing on Part 3 buildings (i.e., those larger than 600 square metres or exceeding three storeys in building height) of the BC Building Code, Certified Professional Program, Tenant Improvement permit approvals and Single Family Permit Approvals, this initiative seeks to leverage learnings and best practices to ensure the efficient delivery of the permitting issuance process, while monitoring for compliance with the Building Code, Bylaws and regulations. It seeks to provide clarity of roles and a balanced approach to the work, focusing City resources on key elements in the permitting process with added efficiencies, seeking to increase reliance on industry professionals, as partners in compliance, and reducing oversight for low-risk work or from those with demonstrated high performance.

As part of this project staff will investigate the opportunity of using a Certified Professional (“CP”) model for Single Family Building Development. The CP program is jointly administered by Engineers and Geoscientists BC and the Architectural Institute of BC, focussing on larger Part 3 type buildings, such as towers and commercial or industrial buildings. A CP essentially reviews a submission as a third-party to ensure all code and Bylaw requirements are met, providing another layer of review or quality assurance prior to submission to the City. The CP also provides site reviews to reduce to number of field inspections required by the City staff. Staff anticipate the Performance Based or Audit Based approach may be more appropriate for Single Family buildings, but will engage with industry to investigate potential opportunities for a CP model.

Staff are currently reviewing proposals to the RFP and work with the preferred proponent expected to commence work in October 2021 with recommendations for improvements expected by May 2022, for implementation shortly thereafter.

Call Centre Implementation

To support additional permit processing capabilities, the Planning & Development Department is implementing a Call Centre. When fully operational later this year, this unit will complement the existing Building Front Counter team and associated back-office staff. It is expected that the Call Centre will help triage upwards of 400 call per day, providing clients with improved service, single point of contact for simple inquiries and allowing for specialized staff to focus on application processing.

Pre-application Meetings

Poor quality submissions lower the ability of staff and clients to focus on advancing development projects. Experienced developers tend to provide better submissions and require less oversight from staff. Poor quality submissions from less experienced property owners who are unsure of the process can have a significant impact on staff time. They distract from working on applications from those who invested time and resources to learn and respect the City’s requirements.

Staff intend to increase the use of pre-application meetings to provide new applicants with valuable information to the City's process and help streamline the proposed application, avoiding conflict with Bylaws and policies.

Opening Doors: Unlocking Housing Supply for Affordability Review

In June 2021, the Canada-British Columbia Expert Panel on the Future of Housing Supply and Affordability (the "Panel") issued its Final Report entitled Opening Doors: Unlocking housing supply for affordability (the "Opening Doors Report"), attached as Appendix "II". This Panel, established by the Governments of Canada and B.C. in September 2019, was tasked with developing actionable recommendations to increase supply of housing and improve affordability Province-wide. The steps undertaken by the Panel are described in its Final Report along with its findings and recommendations.

Appendix "III" outlines the reports 23 recommendations and includes staff comments on each. The report's recommendations are far reaching and quite specific in some cases. Some of the recommendations are considered supportable and consistent with actions that the City is already taking, or planned to take, with respect to increasing housing supply and affordability, others are problematic and/or inconsistent with other City goals and objectives. Staff will work with the Province in an effort to address the recommendations

Next Steps

Subject to Council's endorsement, staff will implement and further develop the proposed guaranteed permitting timeline framework. In the implementation, a dedicated staff team will be created to review and optimize the process, ensure proper communication of the timelines with applicants, and further refine the management control and reporting systems.

SUSTAINABILITY CONSIDERATIONS

The work of these projects supports the objectives of the City's Sustainability Charter 2.0. In particular, this project relates to Sustainability Charter 2.0 themes of Economic Prosperity and Livelihood, and Infrastructure. Specifically, this project supports the following Desired Outcomes ("DO"):

- Innovation DO14: Surrey is the region's innovation hub, focusing on health and clean technologies, and creating significant local and regional economic impacts;
- Innovation DO16: Surrey's businesses are active participants in the community and create economic value in a way that generates value for society; and
- All Infrastructure DO2: Infrastructure systems provide safe, reliable and affordable services.

CONCLUSION

The demand for development is high in Surrey and improvements in the City's development approval processes have a significant positive impact on regional and Provincial growth and overall community access to housing. The identified improvement initiatives with the proposed establishment of guaranteed permit processing timelines will benefit the land development clients and staff.

The Province, in an effort to address housing supply and affordability, has recently issued a report with a host of recommendations. Some of the recommendations are considered supportable and consistent with actions that the City is already taking, or planned to take, with respect to increasing house supply and affordability, others are problematic and/or inconsistent with other City goals and objectives.



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Appendix "I" - Corporate Report No. R177; 2019

Appendix "II" - Opening Doors: Unlocking housing supply for affordability Final Report

Appendix "III" - Preliminary Comments on the Opening Doors: Unlocking housing supply for affordability Final Report

Note: Appendices available upon request

CORPORATE REPORT

NO: R0216

COUNCIL DATE: Jan 31, 2022

REGULAR COUNCIL

TO: Mayor & Council DATE: January 27, 2022

FROM: Acting General Manager, Planning & Development FILE: 6630-01
General Manager, Engineering

SUBJECT: Guaranteed Permitting Timelines Progress Update and Next Steps

RECOMMENDATION

The Planning & Development and Engineering Departments recommend that Council receive this report for information.

INTENT

The purpose of this report is to provide Council with an update on the implementation of the Guarantee Permitting Timelines for Single-Family Building Permits, Tenant Improvement Building Permits, and Rezoning applications, and the corresponding process improvements to support these timelines, endorsed by Council in October 2021. The report provides an update on the current status of the timeline guarantee by application type, and outlines staff's intended next steps to ensure successful full implementation of the program and consistent ongoing adherence to the timeline guarantees.

BACKGROUND

On October 18, 2021, Council approved Corporate Report No. R203; 2021 (attached as Appendix "I") endorsing staff to implement guaranteed permitting timelines for Single-Family Building Permits, Tenant Improvement Building Permits, and rezoning applications, along with the corresponding development process improvements to ensure the City meets these timelines.

The development review and approval process, which encompasses rezoning, subdivision, Development Permit, site servicing, Building Permit, and inspection, is an important part of the economic engine of the City. In 2021, the City issued over \$2 billion in Building Permits, showing confidence in Surrey as a prime destination for new businesses and residents.

The City's ongoing approach to enhancing service delivery through continuous improvement helped in meeting the needs of industry despite the COVID-19 pandemic; however, a shift was needed to further increase efficiencies and enhance support of the City's partners in the development and construction industry who continue to try to meet the increased demand for housing and other types of building construction.

The implementation of the guaranteed permitting timeline framework improves the speed and predictability in the land development approval process, thereby demonstrating the City's commitment to the development industry and to improving access to housing and affordability in Surrey.

DISCUSSION

Since Council endorsement of the Guaranteed Permitting Timelines in October 2021, staff have worked diligently to implement the program. This has resulted in improved processing times for Single-Family Building Permits, Tenant Improvement Building Permits, and rezoning applications. Staff anticipate meeting all the expectations of the Guaranteed Permitting Timelines program by early February 2022. Increased staffing levels, combined with improved processing capabilities and communication strategies as outlined below, will challenge staff and the industry to have long-term adherence with the approved targets.

Progress Report

The following table illustrates the City's progress since October 2021 towards the full implementation of the Guaranteed Permitting Timeline for Single-Family Building Permits, Tenant Improvement Building Permits, and rezoning applications. Site servicing reviews are also included in the table, as they are an important component of the overall approval and permitting process:

Permit Type	Established Guarantee	October Average Processing Time	Current Average Processing Time (as of end of 2021)
Single-Family	10 weeks	15 weeks	12.0 weeks (improving) – anticipated on target by February 2022.
Tennant Improvements	10 weeks	10 weeks	7.3 weeks (below target)
Rezoning, Single-Family	12 weeks	To be formalized	To be formalized
Rezoning, Multi-Family, Commercial, Industrial	16 weeks* *Add 4 weeks for project requiring ADP** review	To be formalized	To be formalized
Site Servicing Review	2.5 weeks	2.8 weeks	2.9 weeks (above target)

**ADP = Advisory Design Panel

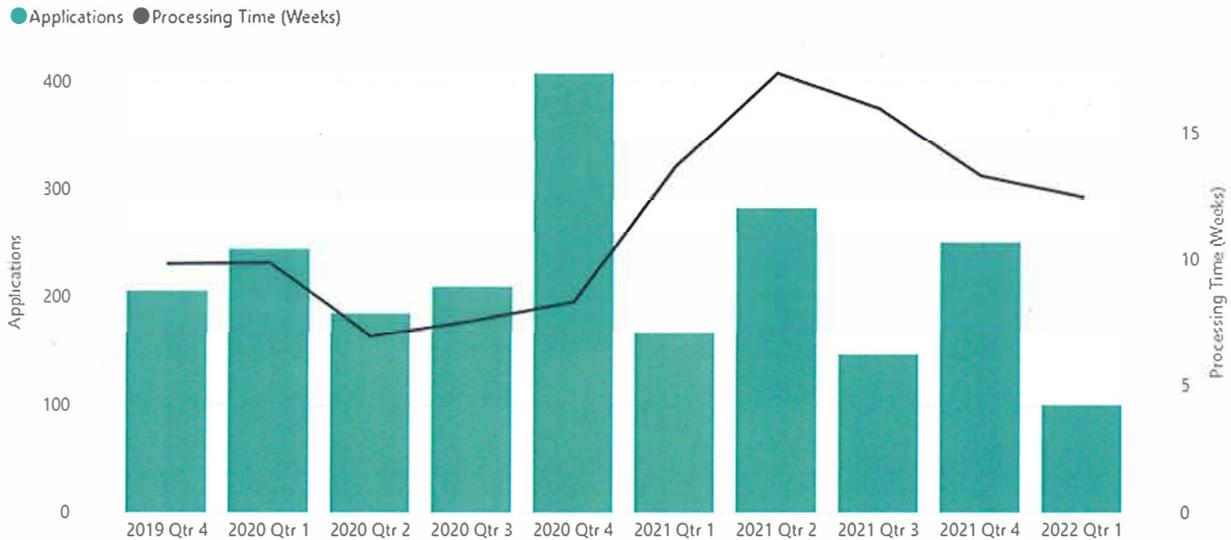
Single-Family Building Permits

In Fall 2019, after several process improvements were implemented, a processing target of 10 weeks was met for Single-Family Building Permits; however, a drastic, 300% increase in permit applications in December 2020 exceeded staff's capacity to maintain the 10-week processing targets, peaking at 18 weeks in June 2020. In response, several adjustments, including new resources, improved reporting, and intake process improvements, were implemented.

Under Corporate Report No. R203; 2021 (Appendix "I"), the 10-week processing target was re-established as a Guaranteed Permitting Timeline.

At the end of 2021, the average processing timeline for a Single-Family Building Permit was 12 weeks, which is 3 weeks faster than the 15-week timeline observed only 3 months earlier. Process improvements continue to bear fruit, with even further reduced timelines observed in January 2022, with an increased number of applications being processed within 10 weeks. Staff anticipate meeting the 10-week Guaranteed Permitting Timeline by February 2022.

Single Family Building Permit Applications and Permitting Timelines



Two important aspects of the timelines being measured and represented above are noted:

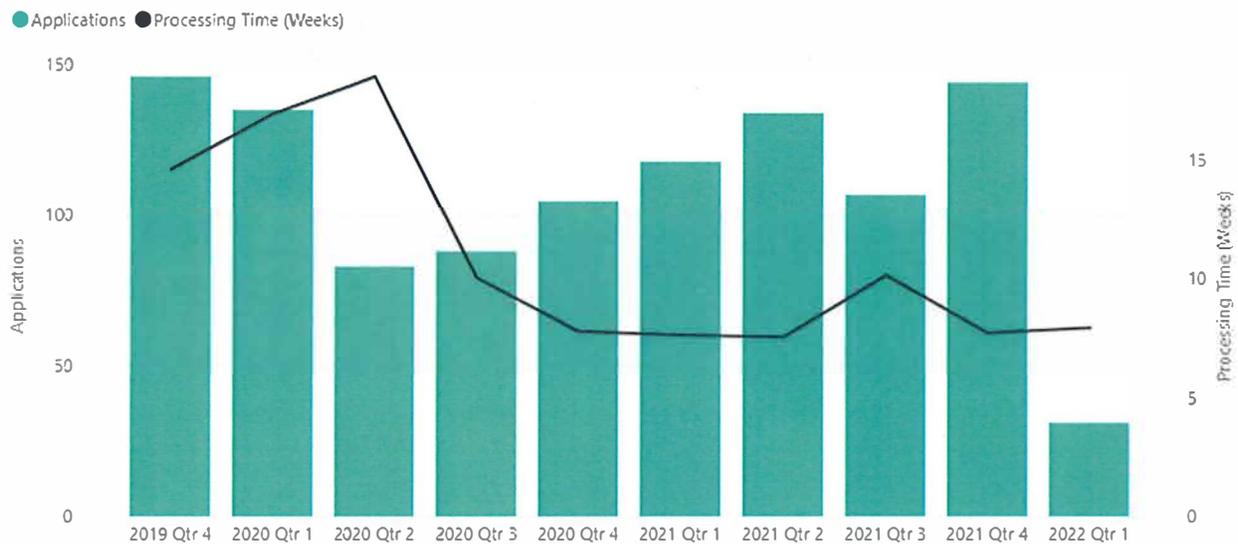
1. The Guaranteed Permitting Timeline begins when a full Building Permit application has been submitted and accepted, including payment of application fees. Through part of 2021, there were significant delays in the application intake process due to staff shortages and changes in COVID-19 protocols. As of January 2022, applications are reviewed for completeness within 24 hours and applicants are notified to pay applicable fees within that timeframe, if the application is complete. If the application is not complete, the applicant is notified of the missing information and directed to provide the missing components or submit a new application if too many key items are missing. Any back and forth associated with ensuring a complete application is not included in the Guaranteed Permitting Timeline.
2. For Single-Family Building Permits in new subdivisions, the processing time is measured from the date of acceptance of application, as described above, since detailed site servicing reviews are generally not required. In the case of infill projects (i.e., demolition of existing structure followed by a new build on an existing lot of record), the processing time is measured from the time the proposed site servicing has been endorsed. Site servicing includes drainage design, water and sanitary sewer connections, driveways, other site accesses, and in some cases, tree protection. Similar to the intake process, issue resolution associated with site servicing review and redesign, if required, is not included in the Guaranteed Permitting Timeline.

Tenant Improvement Permits

Similar to the Single-Family Building Permit process, various improvements in processing and triage were implemented throughout 2020 for Tenant Improvement Permits, resulting in a 45% decrease in permitting timelines, averaging just under 10 weeks in 2020. Therefore, a Guaranteed Permitting Timeline of 10 weeks was established for these types of permits under Corporate Report No. R203; 2021. Since October 2021, the processing timeline for Tenant Improvement Permits continue to meet or exceed the permitting target of 10 weeks. As of the end of 2021 the average processing time was 7.3 weeks.

Demand for Tenant Improvement Permits is sustained. These permits are strategically important for continued economic health and business growth in the City. Staff are monitoring the application processing output to ensure we meet industry needs.

Tenant Improvement Building Permit Applications and Permitting Timelines



The most challenging issues with Tenant Improvement Permits are related to complications associated with proposed uses that are unplanned by the builder at the time of original building construction (for example proposing a childcare centre use in a manufacturing building), and in some cases pre-existing non-permitted modifications within the proposed space. Most applicants are informed of application deficiencies within 10 weeks, but some applicants can see significant challenges to resolving those deficiencies due to historical works within the space or the base building not being designed to accommodate the proposed use. Staff seek to initiate an education campaign to the design industry to help avoid or minimize such conflicts within these spaces. A dedicated team of inspectors and plan reviewers are currently working on a framework to improve this part of the process with the industry.

Rezoning Process

The rezoning process is an iterative process with several inputs molding and shaping the rezoning proposal as it goes through the various stages of the application review process. Rarely is the rezoning proposal presented to Council identical to that presented at the time of application.

Staff work with applicants to ensure rezoning applications are consistent with the various City plans, policies, bylaws, and guidelines to ensure the development is consistent with the overall vision, goals and objectives established by Council for the City. Staff negotiate with applicants on issues such as density and form, architecture and urban design, interface and transition, tree retention and open space, vehicular access and parking, park space and community amenities, etc. These negotiations are important to ensuring appropriate, high-quality development projects in the City.

Similarly, there are factors that may impact processing timelines, such as inputs from external agencies, or concerns raised by the public through the notification process, that may require additional steps and/or time to address.

Since October 2021, staff have worked to identify the key milestones in the rezoning application review process that can be measured to ensure that the timeframe in which the application review is within the hands of staff falls within the established guaranteed timeline. Since these measures have only been determined recently, data is not yet available for this report, but staff note that several rezoning applications already meet the processing timelines, with increased compliance anticipated in the coming months.

It is noted that improving the overall efficiency of the rezoning application review process requires that applicants and their consulting teams works collaboratively with staff to respond to issues and comments as they arise and to ensure complete, accurate submissions that are responsive and have appropriate merit to proceed under the City's various plans, policies, guidelines, and bylaws. Staff will continue to leverage pre-application meetings and various bulletins and information materials on the City website to promote more fulsome and supportable application submissions.

In the coming months, and with further consultation with the industry, staff will be further refining and formalizing the Guaranteed Permitting Timeline on rezoning applications. This will include communication efforts to provide applicants with clarity on application requirements and key application milestones in relation to the permitting guarantee.

Site Servicing

A component of the rezoning and development process is the engineering site servicing. Staff continue to track drawing review timelines and are currently averaging 2.9 weeks per review.

In 2021, staff piloted a project schedule tracking with the developers and their engineers to reduce processing time and establish realistic expectations and milestones, which was rolled out for four key City Centre and strategic projects. Staff will continue to expand the use of this process on other key and strategic projects to meet agreed upon expedited schedules.

Key Work in Progress

Increase Staffing Resources

Following Corporate Report No. R203; 2021 in October 2021, a staffing analysis was completed to identify any current coverage gaps and necessary staffing resources to ensure the successful implementation and ongoing compliance of the Guaranteed Permitting Timelines. Eight new positions have been identified and are in the process of being recruited or onboarded to help reduce and sustain permitting timelines. This additional recruitment and corresponding training of staff in key positions will help provide an enhanced level of service and address the application volume.

Application Deficiencies Reduction

The Guaranteed Permitting Timelines proposed are based on complete, accurate and fulsome applications and processes for which the City has control. External agency reviews, incomplete submissions, changes in scope or plans midway through processing, and community feedback, for example, can dramatically impact the viability of a project meeting specified timelines.

Staff are reviewing the processing procedures and associated information, seeking to provide greater clarity to what is deemed a complete application, focusing on common deficiencies. This will be followed with website and communication improvements to assist land development applicants in increasing submission success. Staff will also be reporting back to Council in future status reports on the program, with information on common deficiency areas and staff's work in these areas to minimize the deficiencies.

Improved Communication with Applicant

Staff are working to enhance communication with applicants, focusing on key milestones, outlining defining roles and responsibilities, and seeking to provide regular status updates. Opportunities to automate some of these communications are also being explored, with the goal of ensuring that communication gaps are minimized and that applicants are aware, on a more regular basis, of where in the process their application currently resides, next steps, and anticipated date of issuance/approval based on the Guaranteed Permitting Timelines program.

Industry Consultation

Staff have received positive feedback from industry stakeholders on the Guaranteed Permitting Timelines. The proposal was presented to City's Development Advisory Committee in November 2021, where positive feedback and suggestions for further enhancement were received. Further consultation is anticipated to begin shortly to further identify and prioritize improvement opportunities.

Digital Permitting Portal

Staff have initiated the Digital Permitting Expansion Project, seeking to improve and accelerate the development approval process in Surrey by expanding online services available to clients and delivering enhanced communication and transparency, increased access, reduced costs, and improved quality of submissions. This two-year initiative includes Area Planning, Building Permits, Engineering and Trade Permits. More detailed updates will be provided to Council as the project progresses, with the initial phase focusing on Trades Permits anticipated to be available online in Q1 2022.

Expanding Audit and Performance-Based Design and Field Review Processes

Following the successful implementation of the Electrical Contractor Performance Monitoring Program in 2020, the City has secured a consulting firm to review, identify, prioritize, and propose enhancement opportunities relating the permitting approval process. This initiative is currently underway, and recommendations are anticipated Q3 2021.

Call Centre Implementation

To support additional permit processing capabilities, the Planning & Development Department has implemented a Call Centre. This new service area complements and augments the existing Building Front Counter Team and associated back-office staff. The Call Centre helps triage up to 400 calls per day, providing clients with improved service, single point of contact for simple inquiries, and allows specialized staff to focus on application processing.

Pre-Application Meetings

Development inquiries come in many forms, and can vary considerably in their scope, merit, and level of sophistication. Staff continue to encourage all applicants, but more importantly less experienced ones, to request pre-application meetings, which provide the applicants with valuable initial feedback and information regarding the City's processes and requirements to help streamline the proposed application once it is formally submitted and avoid conflict with plans, bylaws, policies and guidelines.

Program Marketing

Although the Guaranteed Permitting Timelines are currently in effect, it is anticipated that the program will be officially launched in Q2 2022. This is intended to include a marketing campaign on the City website and various social media platforms. The intent is to highlight this innovative program and also to circulate information and provide resources to ensure residents, business owners, and industry representatives can benefit from the timeline guarantees.

SUSTAINABILITY CONSIDERATIONS

The work of these projects supports the objectives of the City's Sustainability Charter 2.0. In particular, this project relates to Sustainability Charter 2.0 themes of Economic Prosperity and Livelihoods, and Infrastructure. Specifically, this project supports the following desired outcomes ("DO"):

- Innovation DO14: Surrey is the regions innovation hub, focusing on health and clean technologies, and creating significant local and regional economic impacts;
- Innovation DO16: Surrey's businesses are active participants in the community and create economic value in a way that generates value for society; and
- All Infrastructure Do2: Infrastructure systems provide safe, reliable and affordable services.

CONCLUSION

Demand for development is high in Surrey, and improvements in the City's development approval process have a significant positive impact on regional and Provincial growth and overall community access to housing. The identified improvement initiatives with the proposed establishment of guaranteed permit processing timelines benefit land development clients and staff. Progress made to date on this initiative and other Continuous Improvement Projects reinforces the City's commitment to smart development.



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Appendix "I" – Corporate Report No. R203; 2021

Note: Appendix available upon request