



To: Planning Committee **Date:** June 29, 2022
From: Wayne Craig **File:** 08-4105-00/Vol 01
 Director, Development
 James Cooper
 Director, Building Approvals
Re: Referral Response – Residential Data and Application Timing

Staff Recommendation

That the staff report titled “Referral Response – Residential Data and Application Timing”, dated June 29, 2022, from the Director, Development and Director, Building Approvals be received for information.

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WC/JC/JDR:js

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Policy Planning	<input checked="" type="checkbox"/>	
Corporate Business Services Solutions	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

This report responds to the following referral from the May 3, 2022, Planning Committee meeting:

- (1) *That staff provide commentary regarding the number of residential Rezoning, Development Permit and Building Permits received each year since 2017;*
- (2) *That where possible, statistical data be provided to indicate the number of dwelling units involved each year broken down by Land Use (i.e. single-family, duplex/triplex, townhouse, and apartment);*
- (3) *That information and commentary be provided regarding the overall application review processes including an analysis of application review timelines, the identification of any items that impact the City's ability to advance applications in a timely manner and potential sources of Provincial and Federal funding to improve processes; and,*
- (4) *That staff also identify any existing or proposed actions being undertaken to create efficiencies within the overall application review process.*

This report supports Council's Strategic Plan 2018-2022 Strategy #6 Strategic and Well-Planned Growth:

Leadership in effective and sustainable growth that supports Richmond's physical and social needs.

6.1 Ensure an effective OCP and ensure development aligns with it.

Background

Planning Committee has directed City staff to provide information and commentary respecting development activity and timelines associated with the review and consideration of residential development applications and buildings permits. In addition to residential activity, staff have also provided information and commentary regarding all types of applications received and reviewed by the City.

Analysis

Item #1 and 2 - That staff provide commentary regarding the number of residential Rezoning, Development Permit and Building Permits received each year since 2017; and, that where possible, statistical data be provided to indicate the number of dwelling units involved each year broken down by Land Use (i.e. single-family, duplex/triplex, townhouse, and apartment)

Between January 1, 2017 and May 11, 2022, the City had received a total of 268 Rezoning and Development Permit applications where new residential units were proposed. These applications represent 215 unique development projects, totalling approximately 12,300 residential units, or an average of 2,320 units/year. Table 1, below, identifies the total number of units applied for broken down by unit type.

Table 1 – Residential projects (Rezoning and Development Permits) received between January 1, 2017 and May 11, 2022

Structure Type	2017	2018	2019	2020	2021	2022	Total	Average/ Year
Apartment	2,512	3,706	805	1,854	1,410	367	10,654	1,999
Townhouse	430	450	114	85	264	121	1,464	275
Single Family	32	20	20	29	40	22	163	31
Duplex	16	2	0	18	20	4	60	11
Coach House	6	0	0	8	6	0	20	4
Triplex	3	0	0	0	0	0	3	1
Total Sum of Units	2,999	4,178	939	1,994	1,740	514	12,364	2,320
Total Number of Development Projects	42	48	26	32	52	15	215	40

Over the same period of time, a total of 1,934 Building Permit applications containing new residential units were received by the City and comprise a total of 13,920 new residential units. This represents an average of 2,612 new residential units which were applied for on an annual basis between January 1, 2017 and May 11, 2022.

Table 2 – Residential dwelling units (New residential Building Permit application) applied for between January 1, 2017 and May 11, 2022

Structure type	2017	2018	2019	2020	2021	2022	Total	Average/ Year
Apartment	1,901	3,265	2,761	440	1,495	726	10,588	1,987
Townhouse	415	195	522	43	159	0	1,334	250
Single Family	332	167	68	113	115	57	852	160
Single Family/Suite	262	180	92	220	222	108	1,084	203
Single Family/Coach	4	8	8	0	6	0	26	5
Two Family Dwelling	4	2	12	2	8	8	36	7
Total Sum of Units	2,918	3,817	3,463	818	2,005	899	13,920	2,612
Total Number of New Residential Building Permits	605	356	296	259	296	122	1,934	363

Commentary

The City does not control the volume of Rezoning, Development Permit and Building Permits applied for in any given year, as applications are initiated and submitted to the City for consideration by individual private land owners.

Staff anticipate that the number of residential dwelling units applied for in any given year will fluctuate from year-to-year, depending on a number of external factors including (but not limited to): market conditions in the Region, the state of the larger economy and developer priorities.

The total number of applications received and the total number of residential units applied for in any given year are generally consistent with the average over the same period, however; it should be noted that a single large scale multi-phased development proposal would skew the numbers higher in any given year.

The Development Approvals and Building Approvals teams are responsible for the review of a wide range of development and Building Permit applications including residential, industrial, commercial, office and agricultural uses. Staff have been asked to provide details on the amount of residential development projects (Rezoning, Development Permits or Building Permits) which have been applied for, however, it is important to note that there are a number of other non-residential applications which comprise a significant part of our day-to-day business.

For example, new residential construction accounts for approximately 21% of all new Building Permits received in a given year, and approximately 5% of all permits types received by Building Approvals staff annually. While the review and issuance of residential Building Permits is an important part of our work, our team is also ensuring timely and complete reviews are adhered to for a range of building types across the City.

Item #3 - That information and commentary be provided regarding the overall application review processes including an analysis of application review timelines, the identification of any items that impact the City's ability to advance applications in a timely manner and potential sources of Provincial and Federal funding to improve processes

The review and consideration of development applications is done in a transparent and consistent manner, in accordance with Council's approved Official Community Plan (OCP), City Bylaws and Council Policies. The review process involves a number of internal and external stakeholders and touches almost every department of the City at one point in time or another. This detailed review process ensures that the City remains successful in securing public amenities such as child care, community centers and cultural facilities; public art; affordable housing; rental housing; as well as technical building review, and engineering and transportation servicing upgrades consistent with City Bylaws and Policies.

The most appropriate measure of service in the review of development and Building Permit application is the time between having received a complete application and the completion of the initial staff review and formal comprehensive comments having been provided to the applicant. Based on a review of historic records, staff estimate that it takes on average four-and-a-half months to complete this policy and technical review, and provide formal comments to the applicant for Rezoning and Development Permit applications.

With respect to Building Permit applications, Building Approvals staff are committed to providing feedback on regulatory compliance, including compliance with the BC Building Code, Zoning Bylaw 8500, and the City's Building Regulation Bylaw 7230, to the applicant within six weeks of an application being made. Staff are in regular contact with the applicants during this time, seeking clarification, requesting additional information and providing informal comments.

Commentary

The greatest factor in the ability for Staff to provide initial comprehensive comments in a timely manner is the quality of the applicant's initial submission. Where an application for Rezoning, Development Permit or Building Permit is submitted with incomplete and inaccurate materials, significant staff time and resources are spent requesting additional materials and information in order to complete the initial review. The formal comment letter is the result of review by interested internal City departments and informed by dialogue between staff and the applicant during the review process.

Staff comments respecting Rezoning and Development Permit applications are based on the review of Council's approved Bylaws and Policies, including the OCP, built form and landscape Development Permit guidelines, Zoning Bylaw 8500, and technical servicing review. There are also a number of areas of staff's review that require back-and-forth with the applicant including, for example, the review of the proposal against the City's Tree Protection Bylaw 8057, Affordable Housing Strategy, Energy Step Code requirements, and District Energy Utility requirements. Where applicants choose to debate City comments or request variances to Bylaws or Policies, significant time and resources are spent in resolving these aspects of a project before advancing the application to Committee or the Development Permit Panel on the basis of compliance with Council's policies.

Similarly, Building Approvals staff review Building Permit applications for regulatory compliance, including compliance with the BC Building Code (BCBC), the City's Building Regulation Bylaw 7230, Zoning Bylaw 8500, approved Rezoning and Development Permits and other City Bylaws and Provincial Regulations. Applicants are required to submit schedules for assurance which confirm that the project has been designed according to and in compliance with the BCBC and all applicable City and Provincial regulations and standards. In addition, a Code Equivalency Report (or Alternative Solutions Report) may be required where the design of the project does not follow the exact code or regulation, but where an alternative path to compliance can be achieved. Significant delays can occur where applications are submitted with incomplete schedules or where Code Equivalency Reports for acceptance of an alternative form of building compliance is requested.

City staff do not control the overall timeline in which a project is advanced through the process. A significant portion of the development and building review process also lies with the applicant and their consultants/professionals.

Responding to staff comments and feedback requires time, effort and commitment by the applicant and their consultant team. In some cases responding to all of staff's comments may take months to coordinate. It is also not uncommon for a developer to sell a property while the application is under review and consideration. Changes in ownership, can cause delays in the review and approvals process.

Other factors that affect the time it takes for a project to advance are whether or not there are any external agency approvals or permits required. Depending on the agency, or the approvals and authorization required, the involvement of external agencies can add on months or years to the

review process. Other agencies/authorities that may be consulted on a development proposal include, but are not limited to:

- Ministry of Environment (MOE) review and approval (as required). All Rezoning applications and Building Permit applications require the submission of a Site Disclosure Statement to assess potential site contamination. Where there are suspected activities where contamination may be present a referral to the MOE is required, and the application cannot proceed to rezoning adoption or BP issuance until the MOE review has been completed and the City has been advised accordingly.
- Ministry of Transportation and Infrastructure (MOTI) for preliminary review, final Bylaw, Subdivision, and Servicing Agreement approvals when a development site is located within a certain distance to a MOTI jurisdiction road.
- Department of Fisheries and Oceans for regulatory approvals where development involves works within the Fraser River, including diking.
- Ministry of Forests for matters involving Provincial land tenure.
- Ministry of Land, Water and Resource Stewardship for Water Sustainability Act approvals.
- Vancouver Coastal Health for some mixed use projects with restaurants and certain commercial uses, and single family homes on a private septic system.

Federal and Provincial Funding to Improve Development Review Processes

In 2021, the Union of BC Municipalities (UBCM) announced \$15 million in funding through the Local Government Development Approvals Program. This grant program offered to provide up to \$500,000.00 to support enhancements to the development approvals processes while meeting local government planning and policy objectives. City Council authorized staff to make an application to the UBCM Local Government Development Approvals Program in May 2021. The City's application to the UBCM Program sought to implement business improvements and enhancements to the City's Development Approval tracking software that support the day-to-day operations and activities of the Development Applications and Building Approvals Departments. This work was to build off of recent critical updates to the AMANDA platform which had been approved in the 2018 Capital Budget.

The City was unsuccessful in its application to the grant program. No reason was provided by UBCM for its decisions respecting the grant program; however, staff were told that the program was heavily oversubscribed by member municipalities. City staff have continued to engage the Province in their ongoing review of Development Approvals processes and to advocate for additional funding. There has been no indication whether or not the UBCM will provide similar funding to municipalities in the future.

In its 2022 Budget, the Federal Government announced the creation of a "New Housing Accelerator Fund" to provide \$4 billion over five years. The fund is to be designed to be flexible and could include investments in delivery processes that will speed up housing development. Details of the fund are still being developed at this time; however, the broad scope of the fund may provide future funding opportunities.

Item #4 - That staff also identify any existing or proposed actions being undertaken to create efficiencies within the overall application review process.

There are a number of actions which the City has taken and planned projects that are underway to support the City's application review process and include:

- Concurrent review of Rezoning, Development Permit and Building Permit applications.
- Priority review of affordable housing and rental housing projects.
- Digital submission and review of Servicing Agreement applications and single family Building Permit applications.
- Permitting Optimization Project launched in 2021 as part of the City's UBCM Local Government Development Approvals Program.
- Preliminary Building Permit application screening to identify those that may be issued straight away, avoiding unnecessary queuing.
- Implementing simplified plan review for retail tenant improvements within the major malls.
- Fast Track Option for simple Rezoning and Development Permit applications.
- Information sharing and improving the quality of submissions.
- Pre-application meetings with applicants and developers.
- Continued participation in the provinces Development Approvals Process Review (DAPR).

Concurrent Application Review

The City has a long standing practice of accepting concurrent Rezoning, Development Permit, Servicing Agreements and Building Permit applications. This practice facilitates a thorough policy and technical review of applications to ensure that issues or conflicts that may arise later in the development process are addressed up front in the process. It also ensures that approvals and permits are issued in a timely fashion.

There has been limited uptake on concurrent application reviews as most applicants wish to receive a level of certainty on the land use approval (i.e. Council granting 3rd reading on a Rezoning bylaw) prior to spending considerable time/effort/resources on detailed design and servicing drawings.

Priority review of affordable and 100% rental projects

City staff prioritize the review of affordable and 100% rental projects, over those applications that are also under review. This practice establishes a separate approval stream for these types of application and supports advancing rental projects to Committee and Council for consideration in a timely manner. It is worth noting that while establishing a priority review stream for these applications ensures City review is prioritized, the ability to advance an application to Committee and Council for consideration still requires timely responses and cooperation from the applicant's consultants.

Digital Submissions

Since 2018, the review of Servicing Agreement applications have been completed through online digital submissions. The online platform (ePlans) provides for efficient internal review of servicing plans and drawings, as well as effective communication with the applicant.

Since 2020, the City has been accepting Building Permit applications digitally and conducting the technical review of applications electronically.

As part of the Permitting Optimization Project, Building Approvals staff are in the process of engineering their procedures to better align and support digital submissions recognizing the potential for significant efficiency gains, including the automation of over-the-counter permits which is anticipated to be implemented later this year.

Permitting Optimization Project

In 2021, as part of the City's application to the UBCM Local Government Development Approvals Program, Council approved a significant capital submission to build upon recent upgrades to the City's permitting platform (AMANDA) and undertake improvements and enhancements that support the day-to-day operations of the Development Applications and Building Approvals Department. This undertaking is known as the Permitting Optimization Project (POP) with the goal to optimize and streamline the permitting process while leveraging technology to improve the customer experience. Opportunities will be identified to improve the efficiency and effectiveness within the review process, while developing customer focused enhancements such as an on-line application submission and on-line payment option. Improved service delivery along with implementation of a digital application intake platform will streamline permitting activities and result in reduction of overall processing time leading to permit issuance.

To ensure the success of this project, this project is taking a phased approach, with the first phase focused on establishing the framework and foundation for supporting online submissions and leveraging existing technologies to automate processes where appropriate. City Staff will be conducting targeted consultation with stakeholders as this project continues to advance.

Preliminary Screening of Building Permit Applications and Simplified Review of Retail Tenant Improvements

Building Approvals staff have been conducting preliminary assessment/screening of new building permit applications to identify those projects which are minor in nature and which may be expedited. These applications typically include commercial tenant improvements and minor residential alterations.

In addition, staff have implemented a simplified review process for Retail Tenant Improvements in major malls. The purpose of this review process is to allow a permit to be issued at the time of first site visit by the inspector bypassing the regular plan review for those applications with minimum proposed alterations.

Information sharing and Improving Quality of Submissions

City staff regularly review and update information and guidance bulletins on the City's website to address common issues and provide direction to applicants, builders and developers. This work helps to ensure more complete and accurate applications are received by the City.

The City regularly holds information sessions with Richmond's home building community. These sessions are known as "Builder's Breakfasts". These sessions are organized by staff in the City's Building Approvals division and focus on providing home builders with the tools and information they need in order to make quality Building Permit application submissions to the City. These sessions are generally well attended.

City staff meet on a regular basis with the Richmond Chapter of the Urban Development Institute (UDI). These Liaison meetings are held every two months to consult with stakeholders in the development industry and present changes to policy and discuss challenges and opportunities.

In order to ensure the Development and Building Permit approval process are as efficient as possible and respond to client needs, City staff will be consulting with the development community in the fall of 2022 to seek input into potential areas of improvement. This consultation would include stakeholder groups such as UDI, the Homebuilders Association of Vancouver (HAVAN) and the Richmond Small Homebuilders Association.

Pre-Application Meetings

City staff have a long history of encouraging pre-application meetings to ensure that Rezoning and Development Permits generally align with the City's policies. Pre-application meetings are also held for large and complex Building Permit applications to enable staff to identify and present key issues to be addressed prior to submission. Where pre-application meetings have occurred, the general quality of the initial submission is significantly better than those projects that have not engaged City staff prior to application submission.

Province's Development Approval Process Review (DAPR)

Initiated by the province in November 2018, the purpose of DAPR is to "address challenges and identify opportunities for improvement in the current development approvals process, and to support local governments in eliminating barriers to affordable housing and accelerate the construction of new homes" (*Development Approvals Process Review, Final Report from a Province-Wide Stakeholder Consultation, September 2019*).

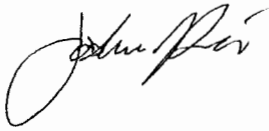
The City of Richmond staff continue to actively participate in the Province's stakeholder consultations, and will keep Council informed of any future changes to Provincial legislation and regulation affecting the development review process.

Financial Impact

None.

Conclusion

This report responds to the May 3, 2022 referral from Planning Committee. City staff are committed to providing efficient and effective review of development projects, consistent with Council approved policy and guidelines, for both residential and non-residential proposals across the City. City staff will continue to advance the work already underway to improve efficiency and effectiveness in the development applications and building review processes.

A handwritten signature in black ink, appearing to read "Joshua Reis". The signature is fluid and cursive, with a large initial "J" and "R".

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JDR:js