

MOTION

9. **Calling for a Plan to Clear Vancouver's Permit and License Backlog and Revamp this Critical City Service**

Submitted by: Councillor Dominato and Councillor Kirby-Yung

WHEREAS

1. Construction projects and any change of land use or occupancy on private property require a building permit. All projects must comply with the *Vancouver Building By-law* to meet life safety, livability, accessibility, and sustainability requirements. In the case of large-scale projects, and/or where zoning relaxations or particular types of land uses are proposed, a separate development permit is required before a building permit application can be submitted;
2. The layering of policy and regulations is a significant contributor to permit processing delays. Over the course of many years, the City has endeavoured to introduce various measures to decrease the length and complexity of Vancouver's permitting process such as online services, more efficient procedures, a regulatory review, the ASAP pilot and programs such as the Certified Professional (CP) Program;
3. Currently there is a significant backlog of building and development permit applications. Based on data up to 2018, building and development permit application volumes have gone up by 30 percent since 2007, and trades permit volumes have gone up nearly 40 percent over the same span;
4. The 2018 and 2019 Civic Service Satisfaction Surveys found that building and development services ranked near the bottom by both residents and businesses. In 2018, more than 50% of businesses expressed dissatisfaction with development and building permit services. And 78 percent of residents felt the City should invest more in development and building permit service; 85 percent of businesses said this was critical;
5. Vancouver is not unique in facing a permit application backlog. The cities of Toronto and Markham in Ontario underwent extensive development process reviews by KPMG in 2019. These reviews led to a series of recommendations designed to help ensure that the development review process in these two cities remains efficient, effective, and impactful as the volume, pace, and complexity of development evolves;
6. In Metro Vancouver, permit application backlogs have also been experienced over the past decade by municipalities large and small such as Surrey, Coquitlam, White Rock, and Abbotsford. For example, a cyclical review in Coquitlam made 21 recommendations that included organizational changes and more customer service and proactive problem solving, in order to handle the unprecedented high levels of permit and inspection activity in the city;

7. In response to public concerns, in 2019, City staff began laying out a plan to simplify and reduce development processes, including speeding up permits, leveraging technology to deliver services online and improving the overall customer experience;
8. The current backlog situation represents a watershed moment for our city and requires urgent attention. The Covid-19 pandemic has created a perfect storm due to the volume and complexity of projects requiring permits, while at the same time resulting in a dramatic shift in City staff working from home but without the necessary, supporting technology infrastructure. Available staff resources are currently fully allocated to processing permit applications from previous years. Yet new applications continue to flood in and the situation has been further exacerbated by an increased emphasis on new rental housing projects, combined with a similar increase in demand and interest from homeowners looking to improve make home improvements to better cope with pandemic challenges;
9. In response to queries from Council and others, staff point to the need to establish and implement new and better systems to clear the permitting backlog. By focusing on the backlog of smaller-scale projects and clearing those expeditiously, it would free up resources to concentrate on more complex larger-scale housing projects that are also backlogged including urgently needed non-profit, social and market rental housing;
10. Moving forward, separating permit processes into two streams – one that is specific to smaller-scale development such as improvements to single family homes, duplexes and smaller rental projects, condo improvements, laneway houses and small-scale commercial projects, and a second stream for larger-scale development - could support ongoing, quicker turnaround of permit approvals;
11. The City's permit application backlog is having serious financial and other negative effects for applicants and City staff alike. For example, a recent study by LOCO BC in partnership with the Downtown Vancouver Business Improvement Association, the Building Owners and Managers Association of BC, and the Vancouver BIA Partnership among others, found that the average wait time for permits and licensing in Vancouver is 8.2 months. The average corresponding economic loss per business permit or licence is estimated to be in excess of \$720,000. Delayed permits have contributed to an environment of instability and uncertainty for businesses in addition to escalating costs;
12. On March 5, 2021, the Provincial Government began accepting applications for a \$15-million program to help local governments improve their development approvals processes, such as upgrades to a digital or online development application process or conducting internal reviews of current development approvals processes to identify opportunities for improvement; and
13. Addressing the City's permit backlog and investing in the technological and other transformative changes will pay dividends not only in the short-term, but also the

long term to help meet the City's housing goals and better serve residents and businesses alike. It will also significantly strengthen post-pandemic economic recovery.

THEREFORE BE IT RESOLVED

- A. THAT Council direct staff to report back within 30 days with an action plan to clear the City's permit and license backlog by or before the end of Q3 2022;

FURTHER THAT the proposed action plan consider a range of options to address the existing backlog, including but not limited to, streamlining and simplifying regulations, expanding use of credentialed professionals to reduce the need for a secondary review by staff, seconding other municipal employees or retired employees, reallocating resources, and/or adopting new tools and technology.

- B. THAT Council direct staff to develop a medium term plan in 2021 that identifies strategies for systemic changes with respect to the City's development and permit system, including but not limited to, organizational restructuring, new technology adoption, client navigation support, defined service standards, and an accountability and monitoring framework;

FURTHER THAT the plan include considerations for the 2022 budget, including identifying the required multi-year technology investments necessary to improve overall service delivery.

- C. THAT staff identify and pursue funding opportunities to support this work, such as the recently announced Provincial Government program to help local governments improve their development services and approvals processes.

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