

COUNCIL REPORT

Report Date: June 26, 2024 Contact: Karen Levitt Contact No.: 604-873-7251

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Meeting Date: July 9, 2024
Submit comments to Council

TO: Vancouver City Council

FROM: City Manager

SUBJECT: Status Update, Progress Toward 3-3-3-1 Permitting Targets

Recommendations

THAT Council receive this report for information.

Purpose and Executive Summary

The purpose of this report is to provide an update on the City's progress towards the 3-3-3-1 permitting targets that were approved by Council June 2023.

Over the past three years, staff have made significant progress in improving permitting times, particularly for renovations and new low-density (detached, duplex and laneway) housing. These improvements are reflected in the data the City publishes publicly through its open data portal.

Notable recent progress towards 3-3-3-1 targets (all based upon medians):

- Home renovation permits are processed 50% more quickly in year-to-date 2024 vs 2023
- Laneway home permits are processed 60% more quickly in year-to-date 2024 vs 2023
- New detached and duplex home permits are processed 25% more quickly in year-todate 2024 vs 2023

Other notable recent improvements (all based upon medians):

- Commercial renovation permits are processed 40% more quickly in Q1-2024 vs to Q1-2022
- Business licenses issuance wait times have decreased by 50% vs 2023

These improvements have been achieved through a series of process, regulatory and policy changes that have been made over the past three years, which are detailed in this report.

Council Authority/Previous Decisions

- Internal Development Application and Permitting Modernization Task Force, approved by Council March 2021
- 3-3-3-1 Permit Approval Framework, approved by Council June 2023

City Manager's Comments

Rationalization of permitting and licensing processes to enable housing development and economic growth is a critical imperative for the City of Vancouver. Council has issued clear direction in this regard and senior governments have expressed similar interest in expediting local government planning and building approvals. This objective is a foremost priority for staff and is the subject of ongoing, direct involvement by City leadership.

While there remains much work yet to be done, the achievements articulated in this report demonstrate the City's progress in delivering on (and, in the case of residential renovations, already meeting) Council's 3-3-3-1 targets.

Context and Background

Focused efforts to improve land use permitting began in March 2021. Initially, those improvement efforts targeted on high-volume permits such as renovation and low-density home permits, as well as business licenses.

Under the 3-3-3-1 Permit Approval Framework approved by Council in June 2023, improvement efforts have accelerated with an expanded scope that now includes complex development applications. Processing times have improved significantly for high-volume permits and staff expect to see similar improvements for complex development applications over time.

Discussion

1. 3-3-3-1 permit processing targets

In June 2023, Council established the 3-3-3-1 Permit Approval Framework, with the following targets:

- Target A Home renovations. Three days to approve home renovation permits, including renovations to accommodate mobility and accessibility-related challenges
- Target B Detached homes. Three weeks to approve permits for detached houses (this category includes standalone single family houses, laneway houses and duplexes)
- Target C Small multi-family. Three months to approve permits for professionally designed multi-family and mid-rise projects, for which existing zoning is already in place
- Target D High-rises. One year to approve permits for high-rise or large scale projects

2. 3-3-3-1 Permitting Dashboard

The 3-3-3-1 Permitting Dashboard, shown in Appendix C, provides an overview of the City's progress toward 3-3-3-1 permitting targets. Via a set of key metrics, this dashboard articulates respective City and applicant permit processing times through the permitting process.

While the 3-3-3-1 targets are clear, there is a significant level of complexity around defining the metrics within the dashboard. This dashboard shows results for a subset of permit applications termed "simple permits" – the technical definitions for these are contained in Appendix C.

As the City continues to simplify regulations, implement supporting technology, and support improved application quality, a greater share of permits will be processed as "simple permits," with material reductions in burden for applicants and processing times. This current Council report articulates several positive changes that have already achieved this, particularly for Targets A and B.

It is noted that only four development permits have been issued for high-rise developments in 2024 to date (Target D), and for this reason, the dashboard does not report out on median processing times for Target D.

3. Using digital tools to speed up permitting

In 2021, the City initiated a Digital Transformation Program, with a mandate to redesign and apply technology to the delivery of permitting and licensing services. Key achievements of this program to date include:

- Online business license applications. In July 2023, business licencing shifted to a self-service online application portal, resulting in more complete applications and eliminating duplicate data entry. The shift to the online portal has contributed a reduction in licence wait times from 6 weeks to 3 weeks.
- PRET, streamlining application submissions. In September 2023 the City launched the Permit Requirements Exploration Tool (PRET) for laneway home applications that provides prospective applicants with all the information they need to prepare a permit application. Prior to PRET, applicants would need to review multiple web pages and search through complex regulations, and often have multiple interactions with City staff to understand the requirements for their application. With PRET, applicants now simply answer a series of questions via an online portal, and are then provided in one place all the information they need to support their application. This new tool contributes to applicants submitting higher-quality, more complete, applications at the outset, which translates into substantial permit issuance time-savings.

The Digital Transformation Program team is currently working on the next tranche of projects, including:

- digitizing regulations, an important foundational piece of work to allow for further future automation, and
- using a technology solution to automatically review plans for compliance with building and zoning regulations, which will allow applicants to check compliance

before applying and will automate components of the staff review, freeing up staff to focus on processing complex applications. This technology is currently being piloted with laneway house projects and will be expanded to more application types over time.

4. 3-3-3-1 Target A: Three days for home renovation permits

Current performance

- The City is now issuing Residential Renovation Fast Track permits in three days (median processing time), as shown in the 3-3-3-1 Permitting Dashboard in Appendix C. An eighteen-month times series showing permitting times for all residential renovation permits – including these Residential Renovation Fast Track permits – is shown in Appendix B.
- It is noted that these Residential Renovation Fast Track permits are a subset of all the residential renovation permits contained in the 3-3-3-1 Permitting Dashboard.
- For all home renovation permits, median processing times are fifty percent faster for the first five months of 2024 versus 2023.

Focused work on improving home renovations began in March 2021, with demonstrable positive impacts now evident. These processing times are the fastest the City has issued residential renovation permits since 2017, when this data was first published on the City's open data portal.

It is noted that while not specifically referenced in Council's approved 3-3-3-1 Framework, commercial renovation permits times have also seen substantial improvements, with median processing times 10% lower in 2024 compared to 2023, and 47% lower in Q1-2024 compared to Q1-2022.

Key improvement drivers

- 1. The Fast Track Permit was created in November 2021 for residential renovation permits, which eliminated internal reviews and reduced processing times by six to eight weeks. With the following measures undertaken to expand eligibility, 60% of all renovation permits now qualify for the Fast Track permit. These changes have also freed up staff time to focus on and expedite more complex permit applications.
 - Sewer and water connection upgrade trigger. In December 2023 Council approved an increase in the trigger for sewer and water connections upgrades from \$95,000 to \$250,000 (effective January 2024).
 - **Street use permit and insurance requirements.** In April 2024 staff eliminated the requirement for street use permits and simplified insurance requirements for permits under \$250,000.

Initiatives recently implemented or underway that will drive further improvements

1. **Removing energy upgrade triggers** – In June 2024 Council approved the removal of energy upgrade triggers for renovation permits under \$250,000, which will become effective in February 2025.

- 2. **Sprinkler upgrade exemption** In July 2024, Council will consider a recommendation to establish a minimum threshold of \$250,000 project value to require a sprinkler upgrade, as compared to the complex, and time-consuming methodology that is currently in place.
- 3. Eliminating the requirement for street use permits and simplifying insurance requirements This change, that came into effect April 2024, has resulted in fewer permits requiring Engineering review, with additional efforts currently underway to streamline the Engineering Services review process.

5. 3-3-3-1 Target B: Three weeks for detached homes

Current performance

- Laneway house permits are now issued 60% faster in 2024 year to date, compared to 2023 (based upon median)
- Low-density house permits (including detached houses and duplexes) are now issued 25% faster in 2024 compared to 2023 (based upon median)

Focused efforts to improve permit processing for detached homes and other low-density housing forms such as laneway houses started in March 2021. This work has accelerated with the introduction of the digital tools described in this report that help applicants better understand the permitting requirements for their site (Permit Requirements Exploration Tool, PRET), and to automatically review building designs (eComply, currently in pilot testing).

While these digital tools are early in their evolution and currently limited to laneway housing, they are the cornerstone of the City's efforts to move towards 3-week permit processing time for detached homes.

Key improvement drivers

- 1. **Risk-based reviews** at plan check have reduced the number of items checked by 64%, from 99 to 36 (implemented April 2022).
- 2. **Enhanced communication** with applicants has improved the completeness of applications (implemented August 2022).
- 3. **New R1-1 zoning** has simplified regulations, resulting in more compliant applications and less staff time spent checking plans (implemented October 2023).
- 4. **Staffing levels** have returned to historical norms following higher than normal vacancies (implemented June 2023).

Initiatives recently implemented or underway that will drive further improvements

1. The Permit Requirements Exploration Tool (PRET), launched in September 2023 for laneway homes, will continue to be improved and will be expanded to other housing types over the coming months.

- 2. **eComply**, a tool that digitizes plan checking for compliance, was recently launched in April 2024 as a pilot for laneway homes with a select group of applicants, and will be expanded to more permit streams and a greater range of applicants through 2024.
- 6. 3-3-3-1 Targets C and D: Three months for professionally designed multi-family and mid-rise project permits/one year for high rise or large-scale projects permits

Current performance

Permit applications for multi-family mid-rise and high-rise projects are more complex and have longer processing times than the other target categories. Improvement efforts to streamline development permit applications that will benefit Targets C and D began in 2022 and are being modeled on the improvements made to renovation permits and new low-density home permits. Applications currently in-stream are benefiting from recently implemented improvement initiatives, and it is anticipated that demonstrable benefits will show in the data by late 2024.

Key improvement drivers

The impacts of the following improvements implemented over the past twelve months are starting to become evident in performance metrics, as permits make their way through the system.

- Simplified/standardized development permit conditions resulting in reduced requirements for applicants and streamlined permit review processes (implemented March 2024). Phase 1 of this work is now complete, with 70% of the 1,192 initial conditions having been eliminated, simplified, or shifted to risk-based review (further details in Appendix A).
- 2. Reducing requirements to submit traffic impact studies saving approximately 100 multi-family applications \$10,000 per year and saving significant staff review time (implemented February 2024).
- 3. Eliminated the requirement for rainwater management plans and subsequent development permit conditions, eliminating a process that averaged 56 weeks of processing time (implemented September 2023).
- 4. Created a dedicated multiplex team to process over 170 applications that have been received since Council approved the multiplex zoning (implemented November 2023). Under this system, the first multiplex permit was issued in less than six months.

Initiatives recently implemented or underway that will drive further improvements

Staff have identified and advanced several initiatives that will reduce permit times for multifamily housing. To better understand issues and key opportunities, staff convened two external panels. Collectively, these two groups identified 33 recommendations to improve development permitting; many of these recommendations have been integrated into the initiatives highlighted below, and others will be advanced through the continued Permit Improvement Program workplan.

- 1. Vancouver Charter changes triggered by recent new provincial regulations that allow for the implementation of an Amenity Cost Charge (ACCs) framework, and increased authorities for off-site infrastructure and road dedications will enable greater reliance on pre-zoning, rather than project-specific rezoning applications. The elimination or simplification of the rezoning process for large developments presents the best opportunity for dramatic reductions in the approval timelines for such projects.
- 2. **Move to risk-based development reviews** by relying on professionals to sign off on plans rather than having City staff review these plans.
- 3. **Streamline development reviews** by consolidating the number of staff review groups and simplifying processes.
- **4. Digitize elements of the review process** to reduce the amount of time staff spent on repeatable, straightforward activities such as calculating building height and measuring floor areas. This will ultimately also improve application quality and reduce review cycles, by allowing applicants to check compliance before prior to submitting their applications.
- 5. Establish a digital conditions library to store all of the City's development conditions in a single location, ensuring consistency, saving several hours of processing time for each application through automated workflows, and ensuring that permit conditions are regularly reviewed and updated, eliminated and/or replaced as appropriate.
- 6. **Combined development and building permits for multiplex** will speed up processing times by up to 50%, by allowing the two permits to be processed in parallel rather than sequentially (to be implemented Q4-2024).
- 7. Three potential regulatory changes to simplify application requirements and shorten staff review times (see companion report RTS 16444, "Regulatory Changes to Advance Progress Towards 3-3-3-1 Permitting Targets")
 - 1. Eliminate Horizontal Angle of Daylight regulation
 - 2. Eliminate the requirement for acoustical reports
 - 3. Remove the 10% maximum roof top area limit for mechanical equipment

7. Business licenses

Current performance

50% decrease in wait times for Q2-2024 compared to Q2-2023.

Prior to these improvements being implemented, there was a 6-week delay in staff processing a business license application due to a chronic backlog. With the shift to the self-service online business licencing application portal plus increased dedicated staffing, wait times have now been reduced to 3 weeks.

Key improvement drivers

- 1. Self-service business licencing application portal allows applicants to identify specific requirements while validating data entry to ensure a complete application. The portal is also integrated with the City's licensing system, eliminating duplicate data entry (implemented July 2023).
- **2.** Business license processing staffing levels back to full complement (implemented January 2024).
- 3. 83% reduction in business license categories makes it simpler for applicants to identify their business category and increases application completeness and accuracy (implemented May 2024).

Initiatives recently implemented or underway that will drive further improvements

- 1. Long-term rental applications will be integrated into the self-service licencing application portal.
- 2. Short-term rental improvements will consolidate the number of systems used to administer licenses and improved enforcement efforts by simplifying data gathering processes.
- Self-serve retrieval of business licenses will allow business owners to retrieve a copy
 of their business license in real-time, enhancing convenience for licensees and saving
 staff processing time.

8. Sprinkler permits

Current performance

- 90% of sprinkler permits currently issued in 24 hours or less, as compared to processing times of several weeks in the past.
- 730 permits have been issued under the new Fast Track Sprinkler Permit, between January 1 and June 30, 2024.

Key improvement drivers

1. A move toward reliance on professionals allowed the City to take a risk-based approach and issue most sprinkler permits with minimal staff review.

Financial Implications

There are no financial implications associated with this report's recommendations.

Legal Implications

There are no legal implications associated with this report's recommendations.

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APPENDIX A STREAMLINING DEVELOPMENT CONDITIONS

Over the past eighteen months staff has conducted the first comprehensive review of development permit prior-to conditions in recent history, and because of this work, to date 829 of the potential 1,192 prior-to conditions associated with development permits (70%) have been eliminated, streamlined or simplified (details are shown in Table 1 below)

TABLE 1. NUMBER OF POTENTIAL DEVELOPMENT PERMIT PRIOR-TO CONDITIONS ELIMINATED, SIMPLIFIED AND STREAMLINED, Q3-2023 TO Q2-2024

ORIGIN OF CONDITIONS	TOTAL NUMBER OF CONDITIONS AT OUTSET	CONDITIONS ELIMINATED	CONDITIONS SIMPLIFIED	SHIFTED TO RISK-BASED REVIEWS	ORIGINAL CONDITIONS REMAINING	TARGET IMPLEMENT- ATION
Development, Buildings and Licensing	193	69	40	0	84	Implemented Q3-2023
Engineering Services	489	167	35	128	159	Implemented Q3-2023
Childcare	33	24	6	0	3	Implemented Q3-2023
Planning, Urban Design and Sustainability	348	117	111	3	117	Implemented Q1-2024
City Amenities	129	71	58	0	0	Implemented Q1-2024
Total	1,192	448	250	131	363	
	100%	38%	21%	11%	30%	

APPENDIX B PERMIT PROCESSING PERFORMANCE TIME SERIES FOR SELECT PERMIT STREAMS

This appendix contains a set of charts showing the permit volumes and processing times by month, between January 2023 and May 2024.

- The charts in this appendix show data by specific development types as contained in the City's open data portal, as opposed to by the 3-3-3-1 permitting targets.
- These charts represent a wider set of permit applications than is included in the 3-3-3-1 Permitting Dashboard.
- As a result, while these charts are informational and demonstrate permit positive processing time trends, it is not possible to directly compare the data in these charts to the 3-3-3-1 Permitting Dashboard.

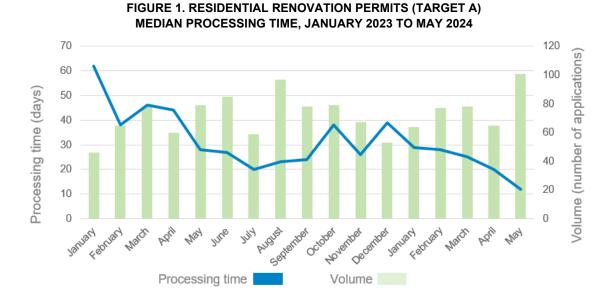


FIGURE 2. STANDALONE LANEWAY HOUSE PERMITS (SUBSET OF TARGET B)
MEDIAN PROCESSING TIME, JANUARY 2023 TO MAY 2024

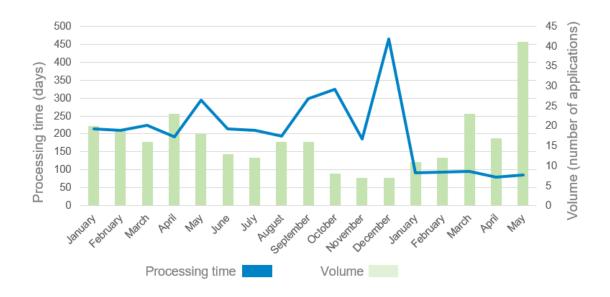
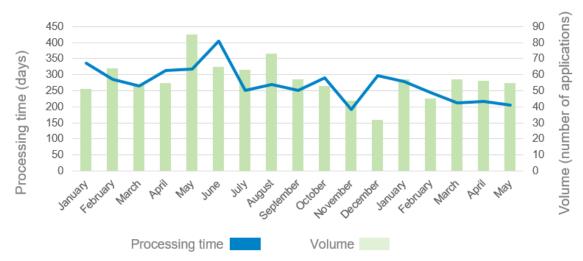
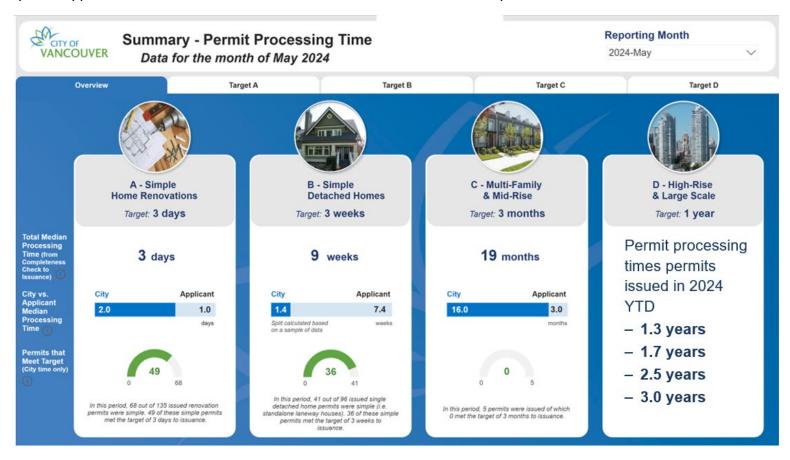


FIGURE 3. DETACHED HOMES (SUBSET OF TARGET B)
MEDIAN PROCESSING TIME, JANUARY 2023 TO MAY 2024



APPENDIX C 3-3-3-1 PERMITTING DASHBOARD

This appendix shows a preliminary version of the City's 3-3-3-1 Permitting Dashboard, for May 2024. It is noted that for Targets A, B and C, a subset of all permit applications are included in the dashboard data; a more detailed explanation of this is shown below the dashboard.



Notes to dashboard

1. It is noted that For Target B (Detached Homes), at this point in time only laneway homes are included at this time; other forms of detached housing permits will be added to the dashboard metrics as they qualify for inclusion.

Key dashboard definitions

"Simple permit applications"

- A subset of the total number of applications in each of the four 3-3-3-1 targets termed "simple permit applications" are included in the 3-3-3-1 Permitting Dashboard. These simple applications are defined as those applications that require relatively straightforward reviews, for each of the four dashboard targets.
- The work of the Permit Improvement Program is to ensure that over time, an increasing number of permit applications will fall into this "simple" category (and thereby be included in the 3-3-3-1 targets and dashboard metrics). This current Council report articulates a number of changes that have already achieved this, particularly for Targets A and B.
- Data included in metrics for each target

o Target A, Home Renovations

- Definition: Include home renovation permits that meet the criteria for the <u>Residential Renovation Fast Track Stream</u>, as well as new accessory buildings.
- Simple permits currently included in dashboard: The total set of home renovation permit applications are included in the dashboard.

Target B, Detached Homes

- Definition: Includes buildings below three storeys, with a maximum of two principal dwelling units.
- Simple permits currently included in dashboard: Standalone laneway houses, noting that other forms of detached houses will be added to the dashboard on the near horizon.

o Target C, Multi-Family and Mid-Rise Homes

- *Definition*: Includes buildings between 3 and 12 storeys, with three or more principal dwelling units; includes townhouses and multiplex (e.g., triplex or greater) developments.
- Simple permits currently included in dashboard: Dashboard includes processing time for development permit component only.

o Target D, High Rise and Large-Scale Projects

- Definition: Includes buildings above twelve storeys, or larger than 2 acres.
- Simple permits currently included in dashboard: Dashboard includes processing time for development permit component only.