

## **Strengthening Development Approval Services and Supports**

Finance & Administration Committee – July 7, 2020

### **PURPOSE**

This report summarizes the collaborative work of the City of Greater Sudbury's Planning, Building and Economic Development Services teams to engage the development community, enhance and deliver services, and respond to and anticipate a dynamic external environment, while advancing Council's strategic objectives for ongoing investment in the community. The report also provides the summary of a literature scan of the impacts of Covid-19 on municipalities across North American and outlines some potential options to foster economic recovery post pandemic.

### **BACKGROUND**

In May 2019, the General Manager of Growth and Infrastructure reported to Finance and Administration Committee on steps taken to further improve development services to the community as part of a cycle of continuous process improvement. This report described a series of policy and process issues identified by development community stakeholders as part of outreach undertaken earlier that year and responses to those issues (see Reference 1).

Process improvements made at that time included:

1. The creation of a Development Ambassador pilot position;
2. Building capacity for the new Customer Service Strategy principles;
3. Adjustments to stormwater management requirements for urban sites;
4. Improvements to the City's Development Liaison Advisory Committee (DLAC);
5. Senior leadership participation in Sudbury Planning Application Review Team (SPART) meetings;
6. An expanded 311 knowledge base for planning and building to support first point of contact resolution;
7. Incorporating economic development considerations into major land use planning applications;
8. Introducing technology based performance dashboards;
9. Organizing a "peer to peer" learning exchange with the City of North Bay;
10. Preliminary work on the RFP for the Land Management Information System.

Similarly, policy improvements made at that time included:

1. Changes to the Lot Grading Policy made in consultation with DLAC's Lot Grading Subcommittee;
2. Exploring, with DLAC members, further changes various policies and processes; and,
3. Stakeholder consultation on the new Development Charge By-law.

The report also identified further process and policy improvements to be undertaken, including the Land Management and Information System (LMIS), responding to provincial changes to the land use planning system and further advancements to the Customer Service Strategy amongst other items. The status of these initiatives is described later in this report.

Finally, with the onset of the Covid-19 in March, staff began to curate articles and other resources related to the impact of the pandemic on municipalities and ways that municipalities could help assist with the economic recovery. The findings of that research are summarized in this report.

## **DISCUSSION**

### **RESPONDING TO A DYNAMIC ENVIRONMENT FOR DEVELOPMENT**

Since May 2019, the City of Greater Sudbury continued to provide high quality planning and building services to the development community. Last year, for example, 84 percent of the 330 Planning Act applications received by the City were processed within legislative service standards. Similarly, 91 percent of building permit applications were processed within legislative service standards.

While the development sector is always dealing with new and emerging issues, the past year has been a particularly busy one for changes in policy direction, external industry trends and other factors. Some of these changes were anticipated in the May 2019 report. Other factors were not anticipated, including the COVID-19 pandemic.

One change anticipated in the May 2019 report was the Province's plans to update the land use planning and building code framework to encourage the provision of more affordable housing. Since this time the Province of Ontario enacted changes to the Planning Act and seven other pieces of associated legislation (and regulations) to effect these changes. The City continues to navigate these changes. For example, a report was recently brought forward to Planning Committee to harmonize Zoning By-law 2010-100Z with provincial regulation to permit additional accessory residential units. These changes also saw the release of a new Provincial Policy Statement and further transformations to the Local Planning Appeal Tribunal.

One of the most impactful changes requiring Council approval has already been brought forward to Council, through a joint effort by Planning, Building, Finance and Legal. The deferral payment of Development Charges (DC) was passed by Council and we have already seen four projects taking advantage of these deferral agreements for projects amount to close to \$15 million dollars in construction value.

In September 2019, the Province released a discussion paper on "Transforming and Modernizing the delivery of Ontario's Building Code Services", which proposed a wholesale paradigm shift to building service delivery in the Province. Building Services through its membership participated with the large Municipality Chief Building Officials Association (LMCBO) and the Ontario Building Official Association (OBOA) responded to these proposals by the Province's November 2019 comment deadline.

In January 2020, the Province released a series of 680 regulatory changes to the Ontario Building Code. These changes were communicated and discussed with the development industry through DLAC and a builder bulletin and other communication techniques.

In March 2020, the COVID-19 pandemic introduced considerable uncertainty in various aspects of service delivery, including planning and building services. Following the initial provincial emergency declaration, the Province has passed several Emergency Orders to manage the pandemic that directly impacted planning and building service delivery. These orders temporarily suspended (and subsequently re-opened) land use planning decision making by Planning Committee and the Committee

of Adjustment and largely closed and subsequently re-opened the construction industry in stages. The City successfully navigated these changes to ensure that development services continued through the pandemic to date. Elements of these services have been modified in response to provincial and public health direction (e.g. electronic applications, virtual meetings).

Building Services has remained open for Business throughout this COVID-19 period. Its staff have pivoted to provide a modified electronic application and processing system to support the Construction, Design, Legal and Real Estate sectors through this time line.

Currently this year we have seen strength in value of construction activity despite the challenges of COVID-19 and as of June 1, 2020 we have issued \$94.5 million YTD in construction value, on par with the \$93.1 million issued in the same time period for 2019. The new residential construction sector is exhibiting a strong rebound in activity when compared to 2019.

## **ECONOMIC OUTLOOK**

As noted in previous reports to Council, the world is experiencing one of the largest contractions in global economic activities in modern times due to COVID-19. Mainly, measures implemented to slow the rapid spread of COVID-19 and physical distancing requirements, together with closure of non-essential businesses, have triggered an unprecedented economic situation.

Here in Ontario, the province's economy is anticipated to shrink by 3.2 per cent this year due to these impacts. On a positive note, however, it is nevertheless expected that the province's economy will grow at a faster pace than the economies of most provinces. Significantly for Greater Sudbury and for the themes covered in this report, a good portion of the population in major centers like Ottawa and Toronto working in the professional and business services sectors will be able to work remotely. Greater Sudbury's competitive advantages will rely on a responsive and forward-thinking approach to supporting investment through Development Approvals processes.

At the local level, Economic Development staff have been conducting outreach to businesses throughout Greater Sudbury to assess COVID-19 impacts is having on business. This outreach indicates that hardest hit sectors appear to be in the service industries (tourism, hospitality, retail, etc.) while the mining sector and the mining supply and services sector – which are still facing challenges – appear to be faring better. Again, this data bolsters the City's efforts to ensure Industrial and Commercial development opportunities are maximized.

The latest Economic Bulletin is included as an Appendix to this report (June 2020). As indicated in the Bulletin data, Greater Sudbury is seeing positive indications of its resiliency and position for positive growth despite current challenges.

For instance and as noted previously, Conference Board of Canada has released Metropolitan Housing Starts, showing that while nearly 60 per cent of Canadian metropolitan areas have negative short-term and long-term expectations, Greater Sudbury is one of only six municipalities out of twenty eight with positive trend expectations for both the short and long terms, and our community is currently occupying the best position on the Up-Up quadrant in the Expectation Matrix. That shows positive prospects for both short- and long-term growth.

This is borne by the City's current housing starts as well, noting that year-over-year analysis shows an increase of 23 per cent of Housing Starts in Greater Sudbury in April 2020. Residential home sales, remaining strong, may also indicate some opportunity to position the community as a competitive choice for remote workers.

## **STATUS UPDATE ON PROJECTS**

Notwithstanding these anticipated and unanticipated changes in the external environment, City staff continue to advance improvements, both large and small, to development services to support Council's strategic objectives.

### **LAND MANAGEMENT INFORMATION SYSTEM (LMIS)**

Work is ongoing to implement the LMIS, which is a technology designed to support and enhance streamlined services for development. For example, this system will allow the introduction of electronic application and approval processes. The work that is being undertaken for this project is related primarily to business process and service mapping related to development services. These will result in the establishment of new service benchmarks that will enable more consistent reporting to support ongoing improvements in this key area.

The RFP for the LMIS was tendered in Q1 2020 and closed on May 2020 with seven submissions. These are currently being reviewed by a committee consisting of Subject Matter Experts from the City's Planning, Building, Engineering, IT and GIS systems staff teams. The time line for completion of assessment is late August 2020, with a goal of contact review and execution with the successful proponent by November 2020.

### **DEVELOPMENT AMBASSADOR/LIAISON ROLE**

As noted in the previous report, the Development Ambassador position has been established to act as a point person for developers and investors pursuing Industrial, Commercial and Institutional (ICI) projects and helps to guide them through the municipal development approval. The position sits in the City's Economic Development Division to support investors in navigating the complexities of all three areas of the development world (economic development, building, and planning).

This role is currently in place and continues to help advance the objectives of continuous improvement and support for Greater Sudbury's development community, while also providing an economic development perspective for development projects from the initial stages onward.

- As part of the collaboration with Planning and Building Services, this role is a regular part of the SPART process (Site Plan Application Review Team) as well as attending Planning Committee meetings.
- The Liaison role has been an important component in strengthening relationships and opening new lines of communication for developers and sector stakeholders, with a significant increase in customer touch-points achieved in the last year.
- Ms. Franklin has also assisted in resolving issues such as clarifying process for permit approvals, providing an important perspective on developments resulting job creation, and connecting sector stakeholders with resources for support.
- For example, the Development Liaison:
  - o Assists with direct referrals from other City departments as well as from the Mayor's office and members of Council

- Works with investors to successfully achieve a development charge deferral which allows them a more flexible approach to development
- Ensures more consistent engagement in collaboration with Planning and Building Services, which in the case of a large property owner/developer has resulted in an application to significantly change the lands around new development opportunities in the vicinity of Silver Hills
- Attends SPART and Planning meetings to provide support for the goals of the Provincial Policy Statement (PPS) which include opportunities for economic development and job creation
- Facilitates introductions with proponents and consultants which enables participation from the Development Liaison role early on in the process
- Has increased knowledge transfer through cross-departmental interaction which has provided insight and strengthened the work of the Economic Development team for investment attraction
- Averages five to 10 contact points with developers on a weekly basis in addition to direct work on issues management and support

To summarize, the Development Liaison role has proven a successful resource in the year since its introduction, and will continue to provide benefits in line with the other process improvements underway.

### **EMPLOYMENT LAND STRATEGY**

The firm of Cushman and Wakefield has been selected as the successful proponent to undertake the City's Employment Land Strategy, which was approved by Council in September 2019 and is being completed with funding contributed by the Greater Sudbury Development Corporation (GSDC). Cushman & Wakefield provides market and land asset strategies to Canada's leading public and private sector institutions and corporations, combining robust economic and financial analytics with a current understanding of market realities to deliver achievable strategies and solutions. The consultant team's experience includes the development of an Employment Land Strategy for the City of Thunder Bay, Municipal Comprehensive Review of Employment Lands for the City of Mississauga and the Niagara Gateway Economic Zone and Centre Employment Lands Strategy.

The project team, including City staff, has conducted its initial kick-off meeting, and the work is now underway, expected to take approximately 12 months to complete. Council will be invited to provide input as part of the stakeholder engagement components, and will receive regular updates on progress. A final strategy is expected by Q2 of 2021.

### **DEVELOPMENT LIAISON ADVISORY COMMITTEE (DLAC) & FIRE FLOW SUBCOMMITTEE**

Over nearly two decades, the City's Development Liaison Advisory Committee (DLAC) has brought together an important network of industry stakeholders and municipal staff to discuss and resolve concerns associated with development approval policies, standards and business processes.

As part of this effort, DLAC has developed a number of smaller working groups charged with addressing more technical or detailed aspects of issues affecting the sector, and suggesting solutions or changes. One of these working groups is the Fire Flow Committee, formed in part as a result of a request by the Sudbury District Home Builders Association (SDHBA) Executive to review the City's longstanding Fire Flow policy. This policy was established as an Engineering Policy as part of the two-tier Regional Government structure in the early 1980's, and was reviewed by DLAC in the mid 1990's as part of a

change in the Ontario Building Code. The policy was again reviewed and supported by the new amalgamated City in 2004.

The latest review of the Fire Flow policy will be done using representation from the Home Builders Association, North Eastern Ontario Construction association, Civil/Mechanical Engineering Consultants and the local Architects Association, with support from Fire, Building, and Engineering Services. Consultants from Fire Underwriters Services Canada and the Ontario Fire Marshall's Office are key components of the review, together with input from the engineering consultants involved in the City's Water Wastewater Master Plan. The results of this Fire Flow Committee review are scheduled to be completed and presented to DLAC and subsequently Council in Q4 2020.

Other standing subcommittees of DLAC are reviewing policies and processes for Site Plan Control, subdivision design, lot grading, road grades, customer service and consultant reporting standards.

## OTHER IMPROVEMENTS

In addition to the above, the following chart provides a status update on the business process improvements that were to be advanced as an outcome of the May 2019 staff report. Work on these improvements will continue through 2020 and beyond.

Initiative	Status
Customer Service Strategy	Ongoing: customer service training is being delivered to foster a customer-focused, solutions oriented approach aligning with Customer Service Strategy
Exit Interview planning/building permit applications	In progress: A customer satisfaction survey/exit interview for planning and building permit applications has been developed and will be implemented in Q3 2020
Citizens Guides to Planning and Building Services Process	In progress: Citizen Guides are being created based on earlier work to update the City of Greater Sudbury's website. This work will be complete by Q4 2020.
Expanding scope of SPART	In progress: staff applying the principles of SPART to support early stages of building permits including renovations, expansions and new builds
Prioritized approval stream net economic value projects	Upcoming: Reviewing the City's business processes to create a prioritized approval stream for projects that deliver net economic value to the community, to draw from the findings of the Employment Land Strategy now underway
Review Letters of Credit and Designated Authority	Not started: Reviewing policies and processes for letters of credit and delegated authority to ensure that they align with organizational requirements as well as stakeholder expectations, and that they are appropriate
Third Party Perspectives	Not started: Researching systems to enable a joint evaluation and sharing of perspectives related to professional advisors whose services may be required

	by developers to navigate municipal development services
Northern municipalities regulatory	Ongoing: City staff regularly engage with colleagues in other large northern municipalities on the application of regulatory requirements in Northern Ontario and other geographically-specific and unique environments
Issues Resolution Process	Ongoing: Issue identification, escalation and resolution processes have been strengthened and producing more timely strategic decisions.

## COVID-19 COMMUNITY ECONOMIC RECOVERY

The COVID-19 pandemic has effected the economic, environmental and social health of communities in many different ways and will continue to do so for the foreseeable future. Given that the pandemic began just over three months ago, there is not a large body of research to draw from to assist with socio-economic recovery planning. However, there is a growing volume of literature on the issues that municipalities will face in the post recovery period and specifically where resources could be directed to facilitate a return to normal.

Over the past weeks, staff have gathered and reviewed over 50 publications dealing with the future of North American municipalities post Covid-19. Staff in Planning, Building Services and Economic Development are currently developing a report that will further break down these themes into potential action items that will allow City Council to consider how it can best support community economic recovery in Q3 2020. Overall, several socio-economic themes have emerged, and these are summarized below:

### 1. Impacts of Working From Home

The move to working from home was abrupt and necessary to mitigate the health concerns of COVID-19. As a result, many private and public office buildings now sit mainly empty. Whether or not working from home continues in a significant form post COVID-19 would be significant for downtowns and town centers and the businesses that rely on those weekday workers (such as restaurants and retail shops), coupled with the potential for a drop in demand for commercial office space.

### 2. Opportunities to Align Capital Projects with Long Term Resiliency

COVID-19 has dramatically changed the way that the public can access and enjoy public spaces and community infrastructure. As seen with 2008 financial crisis, there may be an opportunity to access funds from upper levels of government for public infrastructure projects to kick start the local economy. COVID-19 has demonstrated the need to focus these opportunities on long lasting projects that foster long term community resiliency, including, active transportation infrastructure, trails, social housing and public spaces.

### 3. The Need for Flexible and Adaptable Regulatory Frameworks

The longer-term lasting effects of the pandemic won't be known for some time; however, it is anticipated that there will be a period of significant adjustment as work patterns change. These changes should be met with a more flexible municipal regulatory framework that will allow business owners to

adapt and avoid the potential for vacant or underutilized properties. Additionally, people may need greater flexibility to work from home and access goods and services within walking distance. This period of change could be facilitated through zoning by-law changes that provide this flexibility.

#### 4. Small and Medium Sized Businesses Will Need Assistance

Small and medium sized business employ a significant amount of people and are at the most risk during the pandemic and into the recovery phase. There is an opportunity for municipalities to play a role in assisting small and medium sized businesses. This could take many different forms; examples may include assistance in sourcing PPE, grants for social distancing upgrades (like glass partitions), city-wide CIPs for industrial development, energy efficiency upgrades, assistance with recruitment and succession planning and so on.

#### 5. Food Security

The COVID-19 pandemic has highlighted the limitations of “just in time” delivery chains and reliance on global imports. Building local capacity to produce essential items such as food should be a municipal focus moving forward. This capacity can take a number of forms from local gardens, to support for local farms, urban production and the attraction of larger food processing facilities.

#### 6. The Essence of Cities will be Tested

The physical distancing requirements imposed to combat the Covid-19 pandemic will challenge many of the norms and amenities that residents have valued and grown accustomed to in urban environments, such as public transportation, densification, restaurants and patios, and public spaces that foster interaction. While there may be a push to move away from these environments in the short term, history has proven that they will continue to work and that cities will recover. It will be important not to lose sight of that over the short term.

### **CONCLUSION**

Even before the arrival of COVID-19, the last year has seen considerable change in the external environment which has impacted the delivery of development services to the community. The City is and will continue to navigate these changes to deliver quality services, while advancing strategic projects such as LMIS and other business process improvements. As Greater Sudbury emerges from the COVID-19 pandemic, efforts should shift towards community recovery. A further report will be brought forward in Q3 2020 to provide Council with an opportunity to consider how the City can best support community economic recovery.



## References

1. Strengthening Development Approval Services - May 2019 Finance & Administration  
<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1367&itemid=16785&lang=en>
2. Employment Land Strategy Proposal – September 2019 Finance & Administration  
<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=7&id=1371>

## Appendix

**GREATER SUDBURY ECONOMIC BULLETIN, June 2020**