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Date February 22, 2022 **Report No.** 2022-155

To Mayor and Members of City Council

From Heidi de Vries

General Manager, People, Legislated Services and Planning

1.0 Type of Report

Consent Item []
Item For Consideration [X]

2.0 Topic Streamlining Development Approval Fund [Financial

Impacts: (1,750,000)]

3.0 Recommendation

- A. THAT Report 2022-155 entitled Streamlining Development Approval Fund BE RECEIVED; and
- B. THAT Clerk BE DIRECTED to place the Ontario Transfer Payment Agreement for the receipt of funds to streamline the development approval process for the City of Brantford on a Council signing by-law for execution by the Mayor and Clerk.

4.0 Executive Summary

On January 19, 2022 Premier Doug Ford and Steve Clark, Minister of Municipal Affairs and Housing held the Ontario - Municipal Housing Affordability Summit with big city mayors and regional chairs to discuss the Ontario housing crisis and coordinate efforts to increase the supply of homes across the province. The virtual summit provided provincial-municipal leaders with an opportunity to share best practices, identify persistent issues and collaborate on ways to build the

right mix of housing. Mayor Kevin Davis attended the Summit on behalf of the City of Brantford.

During the summit, Premier Ford announced more than \$45 million for a new Streamline Development Approval Fund to help Ontario's 39 largest municipalities modernize, streamline and accelerate processes for managing and approving housing applications. For example, municipalities can use the funding to implement online systems that make it easier for applicants to navigate the development approvals process, manage their applications and receive timely status updates.

The Province of Ontario has approved financial support to the City of Brantford through the Streamline Development Approval Fund. Under this program, the City is eligible to receive up to \$1,750,000, subject to the execution of a transfer payment agreement which must be executed and returned to the Ministry of Municipal Affairs and Housing (MMAH) no later than March 1, 2022. Due to the deadline for signature, this report has been deemed urgent and is being presented directly to Council for consideration.

5.0 Purpose and Overview

The purpose of this Report is to provide Council with an overview of the funding details of the Streamline Development Approval Fund and to seek direction from Council to execute the Transfer Payment Agreement with the Province of Ontario. The Province requires that the signed agreement be returned to them by March 1, 2022 in order to receive the funds, and staff do not have delegated authority to sign this type of agreement. For this reason, the report has been deemed urgent and is coming directly to Council.

6.0 Background

On June 6, 2019, Bill 108, the More Homes, More Choice Act received Royal Assent. The Bill includes extensive amendments to legislation related to housing development in Ontario, including substantial changes to the planning and appeal process. The changes are intended to shorten approvals, incentivize the building of a variety of housing types, and represent the provincial government's broader strategy for tackling Ontario's housing affordability crisis. The Streamline Development Approval Fund is directly related to the Province's commitment to increase the supply of housing in Ontario by assisting municipalities to streamline, digitize, and modernizing their approach to managing and approving applications for residential developments.

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The City has been working over the past several years to improve the development approvals process initially as part of the KPMG Service Review conducted in 2020 and more recently as part of the Development Approvals Process Review completed by Performance Concepts Inc. throughout 2021. In January 2022, staff presented the Building and Construction Task Force (Report 2022- 74) with a prioritized road map to implement the twenty-three (23) "Do Now" Recommendations outlined in the final Development Approvals Process Review (DAP) and Technology Modernization Report prepared by Performance Concepts Inc., which was endorsed by the Committee of the Whole- Planning and Administration at their meeting on February 8, 2022. This report focuses on several key recommendations to improve end-to-end application approvals from the initial application pre-consultation through to the issuance of building permits. Given that the City is in the initial stages of implementing DAP improvements, the following Provincial funding allocation is well-timed and will assist the City to implement the work program as outlined in the final DAP report.

7.0 Corporate Policy Context

In 2019, City Council identified through the "2019-2020 Council Priorities" that where there is opportunity to do so, streamlining of City procedures should be a priority of Council.

8.0 Input From Other Sources

CAO's Office, Planning, Building, IT Services, Legal, and Finance Departments.

9.0 Analysis

The following section provides an overview of the Streamlining Development Approval fund. As part of the communication package provided to the City, the Province has included a detailed Q & A document which is attached as Appendix A to this Report. The Province has also provided a copy of the Agreement to be executed, which is attached as Appendix B to this Report.

9.1 Eligible projects under the Streamline Development Approval Fund

The Province has provided a list of eligible projects for funding. Many of the projects identified are in the early planning stages of the Development Approvals Process Review (DAP) Implementation Plan, presented to Committee of the Whole – Planning and Administration of February 8, 2022 and include the following;

- Identify or implement LEAN processes for development approvals.
- Update zoning by-laws and explore opportunities to accommodate new housing development as-of-right.
- Review council decision-making processes and streamline by delegating more planning decisions to staff where possible.
- E-permitting systems and online "Manage My Application" systems that provide for online status checking, interaction between the applicant and planners, fee payments, and ability to start additional permits and view agency comments.
- Online application forms, including the submission of supporting documents, drawings, and studies, and standardization of forms, drawings, studies, and data submissions.
- Online application guides to help applicants select a location, identify development type, and follow a step-by-step guide to determine application submission requirements.
- Online booking and web meetings systems for pre-consultation and planning meetings.
- Data/application management/workflow, digital drawing software, or 3D tools to assist with design and visualization of development applications.
- Efficiencies in handling of payments for development approvals digital/credit card payments.
- Standardization of terminology, application process, data requirements and terms of reference to improve the customer experience and position partners for simpler data sharing.
- Temporary staff to deal with backlogs (i.e., inspectors, Committee of Adjustment clerks, interns); and
- Other projects subject to ministry's approval.

9.2 Timing of Expenses

Eligible expenses financed through this funding must be incurred between January 19, 2022 and February 28, 2023. Projects that started prior to January 19, 2022 are suitable but only costs incurred from January 19, 2022 to February 28, 2023 are eligible. Projects must be complete by February 28, 2023.

9.3 Ineligible Expenses

The program will not cover project costs where:

- the main outcome is a reduction in front line services
- the municipality would not be prepared to support any ongoing maintenance costs resulting from the project.

It is important to note that regular municipal staff costs that are part of the municipality's annual budget and major capital expenditures are not eligible costs under this funding program. However, minor capital expenditures like hardware and software that are necessary to achieve the outcomes of the project are eligible and can be submitted for project funding.

9.4 Timing for Funding and Reporting Requirements

There are three potential payments for this program.

- Initial funding is expected to flow by April 2022, once transfer payment agreements are executed.
- Municipalities will be required to submit an interim report by April 22, 2022 outlining how they plan to spend the allocation, with a work plan, timeline and budget, and invoices for costs already incurred. If spending to date exceeds the initial payment provided, an interim payment will be provided.
- Final payments will follow in March 2023, once a final report back template has been received and a final staff report has been publicly posted by the municipality. If spending exceeds the initial and interim payment, and all requirements of the TPA are met, a final payment will be provided.
- The Province of Ontario has approved financial support to the City of Brantford through the Streamline Development Approval Fund. Under this program, the City is eligible to receive up to \$1,750,000, subject to the execution of a transfer payment agreement which must be executed and returned to the Ministry of Municipal Affairs and Housing (MMAH) no later than March 1, 2022. Due to the deadline for signature, this report has been deemed urgent and is being presented directly to Council for consideration.

9.5 Development Approvals Process Review (DAP) Implementation

On January 20, 2022, staff presented the Building and Construction Task Force with an implementation plan and road map to implement the twenty three (23) "Do Now" recommendations outlined in the final DAP report, which is anticipated to also be ratified by Council at their February 22, 2022 meeting.

A key deliverable of the DAP review has been to develop "As Should Be" process improvements, based on a fully digitalized workflow management tool and online application portal and the staff resources to support these improvements. This report also provided members of the Task Force with an overall status update regarding the forty-five (45) recommendations contained in the KPMG report. Several projects identified in the implementation plan will qualify for funding under the Provincial funding program. Upon staff's initial review of the eligible projects, staff anticipate that many, if not all, of the key "Do Now" Recommendations will be offset in whole or in part by the funding, including:

- e-permitting and online portal
- zoning by-law update
- online application guides/ internal process improvements
- consulting/fee for service resources

With respect to timing, aside from the zoning by-law update, which is currently underway in the Planning Department, significant costs have yet to be incurred as a result of the DAP Implementation Report (as it has not yet been ratified by Council). As such, staff will review the implementation plan outlined in the Building and Construction Task Force Report (2022-109) and look for opportunities to further advance the work program and timing for implementation as a result of the Provincial funding which will allow the municipality to "kick-start" many of these initiatives sooner than originally anticipated. As previously noted, costs of existing staff or noncontract staff are not eligible. Eligible expenses financed through this funding must be incurred between January 19, 2022 and February 28, 2023. Projects that started prior to January 19, 2022 are suitable but only

costs incurred from January 19, 2022 to February 28, 2023 are eligible. Projects must be complete by February 28, 2023.

10.0 Financial Implications

The Province of Ontario has approved up to \$1,750,000 in financial support to through the Streamline Development Approval Fund subject to the execution of a Transfer Payment Agreement. This funding will be used to offset the initial municipal investment that would have been required in order to kick start the work program, as per the funding and eligibility requirements.

11.0 Conclusion

This Report provides Council with an overview of the Streamline Development Approvals Funding which is intended to assist Ontario's largest municipalities with improvements to their development approvals process. The City of Brantford is well positioned to utilize this funding to implement the key process improvements outlined in the final DAP report.

Heidi de Vries

General Manager, People, Legislated Services & Planning

Prepared By:

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Attachments:

Appendix A: Streamline Development Approval Fund, Provincially Q and A Document

Appendix B: Draft Transfer Funding Agreement

Copy to: Brian Hutchings, Chief Administrative Officer

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required	[]yes []no
Agreement(s) or other documents to be signed by Mayor and/or City Clerk	[x] yes [] no
Is the necessary by-law or agreement being sent concurrently to Council?	[x] yes [] no