

Municipality Of Chatham-Kent
Community Development

To: Mayor and Members of Council
From: Bruce McAllister, Director, Planning Services
Date: May 22, 2019
Subject: Continuous Improvement and Red Tape Reduction

Recommendation

It is recommended that:

1. Administration continue its review of all major regulatory by-laws previously passed by Council and provide recommendations for amendments to by-laws that can streamline processes or otherwise improve upon current regulations.

Background

In February 2019, the Continuous Improvement and Red Tape Reduction project was introduced to the Community Development Advisory Committee. At that time it was noted that project staff were still in the data collection stages and a schedule was outlined to deliver an outcome for the project.

For project staff, through their interactions and the feedback received from development stakeholders, red tape was not necessarily described as excessive regulation or a strict adherence to rules as much as it was about the perceived level of municipal service. Predominantly, the regulations spoken to by development stakeholders are set by the Government of Ontario and cannot be changed by the Municipality. The Municipality is required to enforce these regulations which creates the perception that the Municipality has created “red tape” to development, e.g. Building Code Act, Planning Act, Provincial Policy Statement, etc.

The term “red tape” is also used in the context of describing or defining an experience. *It is the municipality’s ability to guide those engaging in our services through a process to their end goal is what determines from the perspective of a user whether a process or service provided is red tape or not.*

The two common themes that have come out of the Continuous Improvement and Red Tape Reduction project are:

1. Clear Development Goals - the need for the Municipality to establish clearly defined development goals. These goals ought to encourage responsible,

sustainable growth and support strategic infrastructure investments, as well as provide the appropriate resources to support these goals.

2. User Experience - many of the improvements or future innovations that the Community Development divisions will undergo affect the “user experience”, that is to say, how we engage those that use municipal services. It should come as no surprise that the expectation being placed on all municipalities, not just Chatham-Kent, is to become a one-stop shop – perfecting a user’s experience will be a key differentiator and distinguishing feature that will recognize the Municipality of Chatham-Kent as a leader and trusted municipal partner.

After the Community Development Department’s critical review of its own operations, it is worth noting that experiences faced by the end users of our services have generally been positive. Seeking the greater development community’s input on our service delivery based on their experiences has and will continue to be helpful as the department strives to meet the expectations of our end users.

The commentary and recommendations coming out of this report are based on the valuable input of staff, survey responses, the open house, as well as one on one interviews with development community stakeholders. The constructive criticisms and recommended improvements received from all parties offer only a start to reinforcing a culture of continuous improvement throughout the Community Development Department.

Comments

As noted, two common themes of clear development goals and user experience have come out of this project. This report highlights how the Community Development Department has taken action internally to work towards where development in the Municipality needs to be and in improving the user experience as we carry out municipal services.

Clear Development Goals.

While the Continuous Improvement and Red Tape Reduction project was formally started in the summer of 2018, there have been several steps taken previously in regard to development in Chatham-Kent over the past several years.

1. 2015 Official Plan Update

The Municipality completed its last Official Plan update in 2015. This was the first time that a detailed review had been undertaken to understand the current supply of lands designated for growth and development versus the actual need for land based on updated growth projections. At that time and the years preceding, the Municipality had experienced population losses, along with a very slow pace of development and there was not a strong demand for investments in new

infrastructure to accommodate growth. As part of this previous update, there were a number of policy directions regarding growth and development.

2. Planning Services Delivery Model

Also in 2015, Council requested a report from administration complete with recommendations to provide Planning Services in a delivery model consistent with best practice and in the most cost effective manner. In July of 2015, Council approved the recommendation that Development Application Services and related functions be provided internally by municipal staff. A good portion of this process had been contracted out since amalgamation in 1998. Since May 1 2016, Planning Services has been responsible for processing, reviewing and providing a recommendation to Council and the Committee of Adjustment regarding all development applications under the Planning Act. Therefore, from an internal standpoint, continuous improvement with regard to the development review services essentially started at this time. Planning Services has been refining and making necessary adjustments to this process since that point in an effort order to provide even better customer service. In addition, staff have gained valuable experience over the past couple of years and have become much more efficient based on this experience and better able to recognize opportunities to further enhance the service delivery.

3. Development Standards Manual

In the last Official Plan update, policy was introduced that recommended the Municipality should create a Development Standards Manual to ensure alignment with various policies and strategic priorities that impact development. Community Development in partnership with the Infrastructure and Engineering Services department and the Public Utilities Commission recently released the draft Development Standards Manual. This manual will act as a road map for developers and clearly defines the Municipality's expectations on the design and construction requirements of future development in Chatham-Kent. It outlines legislative and internal processes, helps developers anticipate costs and ensures that the municipality assumes infrastructure assets that it can accurately plan for in its asset management plan.

The Development Standards Manual is scheduled to be brought before Council in June 2019 for consideration.

4. Growth Management and Next Official Plan Update.

Since the previous Official Plan update in 2015, the Municipality has seen some growth and the demand for serviced land is increasing, especially over the past couple of years. In all of Chatham-Kent's urban centres, there are certain areas designated for future growth or existing areas that could accommodate infill/redevelopment opportunities that currently have some level of servicing

constraints. In some cases, this could be perceived as “red tape” to the development industry as it can delay development opportunities.

To provide some context, over the past two years there has been a significant increase in the number of residential building lots registered from previously approved draft plans of subdivisions that are now available for development. Lots are registered once a developer has met all conditions for development, including the construction and inspection of servicing. The following is a quick summary of the number of lots that have been registered for new residential lots on annual basis across the Municipality.

| Year | Number of Registered Lots/Units |
|-------------|--|
| 2011 | 18 |
| 2012 | 70 |
| 2013 | 59 |
| 2014 | 14 |
| 2015 | 38 |
| 2016 | 12 |
| 2017 | 53 |
| 2018 | 121 |
| 2019 (YTD) | 144 |

To summarize, between 2011-2016 only 211 lots were registered across the entire Municipality. Since 2017, 318 lots have been registered. Of the total lots registered, 85% have been in the Community of Chatham. The trend over the last couple of years would seem to demonstrate that there is more demand for housing than there has been over the previous 10 years.

Growth Management is a process that examines land use along with supporting infrastructure and public service facilities to better understand how and where municipalities should grow and direct growth over a long-term in order to be sustainable. New development generates the need for additional municipal capital facilities, including new and expanded road facilities, treatment plants, pumping stations, sewer and water collectors, trunks and mains, as well as stormwater management facilities, plus a full range of other local and regional services (e.g. libraries, recreation centres, park development, transit, police, fire, etc.). The Municipality’s capital budget consists of a blend of growth-related and non-growth-related capital projects. A significant amount of future growth-related costs could be funded through Development Charges (DCs) if desired by Municipal Council. DCs represent a primary financing source for eligible growth-related capital works. These revenues are calculated on an average cost basis and could be used to largely fund the development-related capital servicing requirements in the future. It is important to note that DCs do not provide 100% cost recovery due to limitations of the Development Charges Act (DCA). Currently, the Municipality only collects DCs on water and wastewater works that are considered eligible DC costs.

Due to the limitations noted above, typically 25-30% of growth-related capital costs are not funded by DCs. For Chatham-Kent, this percentage is much greater since

the Municipality does not currently collect DCs for anything other than water and wastewater. As a result, the Municipality is required to supplement its capital funding program by contributions from taxation and other funding sources. Furthermore, while DCs provide a future stream of revenue, they do not provide the front-end funding sources required to finance major infrastructure to accommodate new development (i.e. water and wastewater treatment facilities).

5. Next Steps

In March 2019, work began on Phase 1 of the Official Plan Comprehensive Review. In simple terms, a Comprehensive Review is a defined planning process that municipalities must follow when they want to consider expanding or altering their urban boundaries to accommodate future growth and development into areas that do not currently allow for development i.e. farmland. In doing so, municipalities must take a holistic approach when considering an expansion and review a number of factors:

- Is an expansion required to accommodate growth?
- Is the demand greater than the current supply of designated lands over the next 20 years based on updated population projections and growth forecasts?
- Are all lands currently designated for growth in the most strategic locations for development?
- How do we best capitalize on existing infrastructure to accommodate growth before having to invest in additional infrastructure?
- What are the potential impacts to prime agricultural lands and environmental features?

To begin the process, Phase 1, is a technical analysis regarding long-term land supply and demand and will build off the work completed in the last Comprehensive Review including:

- A review and analysis of the current residential and non-residential land supply based on building permit data and land absorption rates over the last 5 years.
- A revised population, housing and employment growth forecast using the most recent statistical data.
- A review and analysis of actual land needs based on the updated growth forecasts.

This work will be completed in the fall of 2019 and will inform Phase 2 of the process, which is the policy formulation and public consultation component.

To assist with this process, the Community Development Senior Management Team recently held strategic sessions in order to establish clear goals related to

encouraging growth and development in the Municipality. The following goals were the outcome of that exercise:

Encouraging Growth: Community and Economic Development

1. Infrastructure (for Growth, not Repair/Replace)
 - a. Roads, sidewalks, stormwater management
 - b. Water, Wastewater
 - c. Electricity
 - d. High Speed Internet / Fiber
 - e. Natural Gas
2. Housing (Encourage and support a variety of housing types)
 - a. Low Density Residential (e.g. single detached, semi-detached, townhomes)
 - b. Medium and Higher Density Residential (e.g. low rise or high rise apartments)
 - c. Temporary and Migrant
3. Employment Lands and Buildings
 - a. Municipally-owned investor-ready Business Parks
 - b. Privately owned industrial, commercial, agricultural, retail/services
4. Transportation
 - a. Move people conveniently, to the right place, at the right time
5. Labour Force
 - a. Population Increase / Immigration
 - b. Training / Education
 - c. Amenities / Quality of Life

Going forward, the Community Development team will continue to work collaboratively with other departments and external service providers on reaching these goals. Ultimately, this process will assist in setting clear policy direction on growth and development to be included in the next Official Plan update.

User Experience

A number of actions have already been undertaken in an attempt to continuously improve the user experience of the Department, including:

1. Economic Development has relocated to their new location within the Chatham-Kent Community Futures building and the team is now centralized in one location.
2. The organizational model of Economic Development has been changed to better meet the needs of Council and to provide an increased service presence to the Chatham-Kent business community.
3. Through the 2019 budget process, an additional Economic Development Officer has been hired and the “Boots on the Street” initiative recently deployed.
4. The Economic Development websites and communications have been revamped for a better user experience and to foster more engagement.
5. More community data (through Townfolio software) is accessible on the website.
6. Economic Development has increased their social media and online presence.
7. Planning Services is reviewing the functionality and governance of the internal Technical Advisory Committee and is determining how the municipality can better assist developers.
8. Planning Services is now more diligently following the “complete application” requirements to ensure that Planning has all the necessary information before deeming a planning application complete and thereby accepting it. This is being accomplished by proactively meeting with Developers on bigger and more complex submissions and including other key staff in those meetings as well. Communication with developers at the onset is key to determine and establish what types of documents or studies will be required by the Municipality with the submission of a planning application (for example, a Building Data Matrix). The intent is to ensure the necessary information is received early on in the process to avoid potential delays later in the development process.
9. Through the 2019 budget process, an Environmental Planner was approved as an additional staff resource to assist with the implementation of the corporation’s strategic environmental initiatives. The recruitment process for this position is underway.
10. The Planning Services website has been updated.
11. Building Development Services has centralized its Building Inspector/By-law Enforcement staff to the Chatham office to provide better consistency from the inspection staff through inspection and plans review.

12. Customers now have one number to call for inspections and Building Development Services now operate an “in the queue” system whereby the next available inspector is assigned to a specific file.
13. Building Development Services have updated documents and application forms.
14. The Building Development Services website has been updated for ease of customer use.

Further actions to be taken towards improving user experience:

1. While the various divisions have updated content on the municipal website, more can be done to create a better online experience for developers/builders by establishing a “one-stop” presence for information related to developing in Chatham-Kent.
2. Along with Community Department, other municipal departments and external service providers also play a critical role in the development process in Chatham-Kent. To address integration of development across all departments, including CD, IES, PUC, Entegrus etc., it is proposed that further work be done on the creation of a concierge program.
3. There is defined need for software and support for client management and business tracking, specifically, in the Economic Development Services division.
4. Regular staff meetings and training sessions to review best practices as it relates to continuous improvement of our service delivery.
5. Regulatory By-law Review - as part of this continuous improvement process, administration has initiated a comprehensive review of all major regulatory by-laws previously passed by Council. The purpose of this review is to determine whether there are any by-laws, or sections of by-laws, which are an unnecessary burden on organizations, businesses, property owners or development. This review is ongoing due to the number of by-laws that are currently in force. There is also a need to ensure adequate consultation with all affected departments and the public before by-law amendments are brought to Council. Administration will be returning to Council in the near future with recommendations for amendments to by-laws that can streamline processes or otherwise improve upon current regulations.

In addition to these measures, staff are also continually monitoring proposed changes at the Provincial level that will have an impact on how we do business at the local level. For instance, at the time of writing, the Province has just introduced Bill 108, the *More Homes, More Choices Act, 2019*. The Bill contains numerous amendments to many pieces of legislation with the goal of addressing the shortage of affordable housing across the province by finding faster ways of getting a greater mix of housing supply on the ground.

Areas of Strategic Focus and Critical Success Factors

The recommendation(s) in this report support(s) the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendation(s) in this report support(s) the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

Input was received through interviews with Community Development staff, responses to the on-line survey that was conducted, the open house hosted by the Community Development Advisory Committee (CDAC) on February 12, 2019, as well as one on one interviews with development community stakeholders. This report was also reviewed and endorsed by CDAC at its May 14, 2019 meeting.

Financial Implications

As noted, there are a number of future actions identified that will require additional resources to implement, namely:

1. A contract 0.5 FTE position for 1 year be approved in order to work on the integration and creation of a better online presence for developers/builders at a cost of \$40,000 inclusive of all related contract position costs.
2. A contract 0.5 FTE position for 1 year be approved in order to address integration of development across all departments, including CD, IES, PUC, Entegrus etc. and to continue to work on creation of a concierge type program at a cost of \$45,000 inclusive of all related contract position costs.
3. The purchase of software support for client management and business tracking in the economic development division be approved at a cost of \$35,000.

These one-time requests were included and approved by Council on May 27, 2019 as projects listed under the Provincial Efficiency Grant program. This one-time grant of \$725,000 from the Province of Ontario is for the sole purpose of allowing small and rural municipalities to make strategic investments to improve service delivery and create efficiencies.

Prepared by:



Bruce McAllister
Director, Planning Services

Reviewed by:

John Norton
General Manager
Community Development