

DATE OF MEETING MARCH 25, 2024

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SUBJECT DEVELOPMENT APPROVAL PROCESS REVIEW

OVERVIEW

Purpose of Report

To provide the Governance and Priorities Committee with the Development Approval Process Review draft report by Neilson Strategies Inc. for consideration and recommendation to Council.

Recommendation

That the Governance and Priorities Committee recommend that Council:

1. provide feedback on the recommendations outlined in 2024-MAR-25 draft report by Neilson Strategies Inc. titled “Development Approval Process Review”; and,
2. direct staff to work with consultants to finalize the report based on the feedback received at the 2024-MAR-25 Governance and Priorities Committee meeting and return to Council with a final draft of the report.

BACKGROUND

The framework for local government land use regulation and associated development approvals is set out in the *Local Government Act*. Land development in the City of Nanaimo is governed by a set of policies and regulations set out in the City’s land use bylaws and plans. Property owners who wish to develop or redevelop their land must apply for and obtain various types of approval based on the policies and regulations contained in the land use bylaws and plans. These applications are reviewed against relevant City policies and regulations and applicable provincial and federal regulations by staff in the Planning & Development Division through the development approval process.

The increasing complexity and scale of development applications pose challenges to staff in their efforts to consistently meet approval timelines targets. Staff turnover in recent years has further impacted efficiency, as have regulatory changes at local and provincial levels, coupled with the limitations of business tools to monitor applications and recognize issues. The pace of development and demand for housing in Nanaimo are expected to remain strong for the foreseeable future and ongoing development process improvements are needed to ensure approvals processes are effective and efficient in the face of internal and external resource limitations and changing development context and demands.

The City has identified and is in the process of implementing several initiatives to improve the effectiveness and efficiency of development approvals, including:

- the implementation of a new file management software platform with an online application portal;
- an update to the Development Approval Procedures Bylaw;
- the development of standard template legal documents;
- an update to the development permit guidelines
- a review and update of application forms, checklists and guidelines;
- a review and update of the City's development application fees;

To optimize the impact of these initiatives and in keeping with the City's focus on good governance and corporate excellence, in June 2023, the City engaged Neilson Strategies Inc., in collaboration with Leftside Partners Inc., to conduct a holistic review of development approval processes. |

DISCUSSION

The focus of the consultants' work was on expediting the City's processing of development applications, including amendments to the Official Community Plan (City Plan), amendments to the City's zoning bylaw, development permit and development variance permit applications, which are approval processes managed by the Current Planning Section. More specifically, the *Development Approval Process Review* set out to:

- identify opportunities to increase the efficiency, certainty and consistency of development application reviews, along with opportunities to optimize fairness and transparency;
- propose and assess changes to address staffing levels and other resource needs to effectively process the types of applications submitted to the City;
- improve the completeness and quality of applications submitted to the City;
- involve the development community in designing and implementing improvements to the development approval process.

In undertaking the review, the consultants followed an eight-stage work program that included interviews with staff in the Planning & Development Division, a review of best practices in other communities, and extensive consultation with developers and development industry professionals, including through a development industry workshop to review the consultants' findings.

The draft *Development Approval Process Review* report (Attachment A) provides an overview of the current situation, identifies issues to be addressed, and provides recommendations to improve the effectiveness and efficiency of the City's processing of development applications.

The consultants' report provides substantial detail and context for each issue and corresponding recommendation(s) and also provides a summary of issues, recommendations, and comments in Chapter 4 – Figure 4.1. The following summary of the thirteen issues identified through the review and the consultants' corresponding recommendation(s) to address the issue is provided for ease of reference:

1. Pre-Zoning - Recommendation:

THAT the City build on *Bill 44's* pre-zoning changes by undertaking its own pre-zoning initiative aimed at increasing the range of permitted types, and the maximum densities,

identified in Nanaimo's multi-family zones.

2. Concurrency of Approval Processes - Recommendation:

THAT the City provide opportunities for rezoning and development permit applications to be processed concurrently in cases where applications are complete, staff support the proposed changes in zoning, and proponents are willing to accept the risks involved in undertaking design work and studies prior to knowing definitively that rezoning will be approved.

3. Application Tracking - Recommendation:

THAT the City, in an effort to enhance transparency and accountability, reduce time spent responding to inquiries on the status of applications, and allow for proper collection of data on times required for applications to reach review milestones, and optimize application tracking in the City's new file management software platform.

4. Target Timelines - Recommendations:

THAT the City create, publish, and report annually on progress towards, a set of timeline targets for milestones in the development approval process.

THAT the City defer the establishment of timeline targets until the new file software management platform is in place, and other recommended changes have been actioned.

5. Pre-Application Meetings - Recommendations:

THAT the City amend the "Development Approval Procedures and Notification Bylaw 1991 No. 3892" to include the requirement for pre-application meetings for proposals that seek rezoning, subdivision approval, and/or development permit(s).

THAT the City design a *Meeting Request Form*, accompanied by an information checklist, for proponents to complete in order to schedule a pre-application meeting.

THAT the City require proponents to provide, along with the *Meeting Request Form*:

- contact details for the applicant
- civic address and parcel identification number
- description of the proposed project
- current *Certificate of Title* with information on all charges on title
- proposed site plan

THAT the City provide to proponents, after pre-application meetings, a copy of the meeting minutes and information on land use requirements for the property, parking and landscape expectations, design guidelines, information on DCCs and other fees, environmental features and restrictions, road dedication requirements, traffic impact assessment guidelines, servicing constraints, and any other relevant items.

6. Internal Referrals - Recommendations:

THAT the City empower Planning File Managers to limit, and provide guidance to them in limiting, the referral of applications to internal referral groups that must review and provide comments on the development proposal under consideration.

THAT the City create internal referral checklists, customized to each referral group, to ensure that all relevant issues, and only relevant issues, are addressed.

THAT the City direct each referral group to assign one point of contact for all referrals, and to return one single set of comments to the File Manager.

THAT the set and enforce ambitious timelines for comments to be returned from each referral group.

7. Comprehensive Letters - Recommendations:

THAT the City create a *Late Hits Policy* to limit the imposition of additional demands on development proponents, after comprehensive letters have been issued.

THAT the City encourage Planning File Managers to identify, at their discretion, specific requirements that a proponent may choose to action prior to receiving the comprehensive letter.

8. Planning Positions - Recommendations:

THAT the City change the title of Planning Assistant to Planner I, and the title of Planner to Planner II.

THAT the City create a position of Assistant Manager of Current Planning.

9. Role of Engineering - Recommendations:

THAT the City direct Planning File Managers to seek input on the works and services implications of development proposals from Development Engineering only.

THAT the City create a *Development Application Review Process Protocol Agreement* to acknowledge the authority of the Development Engineering section in the review of development applications, and to assign clear roles and limits to the Engineering section in Engineering & Public Works.

10. Delegation of Authority - Recommendation:

THAT the City maximize the delegation of approval authority to staff for development permits, minor development variance permits and all other permits for which approval may be delegated.

11. Design Advisory Panel - Recommendations:

THAT the City clarify for development proponents the purpose of the Design Advisory Panel and the way in which the City uses the Panel's input.

THAT the City limit the number and types of form and character development permit applications that must be submitted to the Design Advisory Panel for review.

12. Management of Inquiries - Recommendation:

THAT the City continue to create new, and enhance existing, self-service options for property owners and development proponents to address their own development-related questions.

THAT the City create a comprehensive property-specific database to track inquiries made, and responses given, on each parcel of property.

THAT the City create a system to treat as Special Land Use Inquiries for any inquiries that, in the opinion of staff, would take longer than 30 minutes to address.

AND THAT the City require persons making Special Land Use Inquiries to complete a request form, and to pay a fee of \$150.

13. Development Liaison Group - Recommendation:

THAT the City create, in collaboration with representatives from the development sector, a Development Liaison Group.

The *Development Approvals Process Review* draft report is presented to Governance and Priorities Committee for review and recommendation to Council. The intent is that feedback from Council will be considered by the consultants, along with further comment from Staff, and, where possible, incorporated into the FINAL Report.

OPTIONS

That the Governance and Priorities Committee recommend that Council:

1. provide feedback on the recommendations outlined in 2024-MAR-25 draft report by Neilson Strategies Inc. titled "Development Approval Process Review"; and,
 2. direct staff to work with consultants to finalize the report based on the feedback received at the 2024-MAR-25 Governance and Priorities Committee meeting and return to Council with a final draft of the report.
- Advantages: Implementing changes recommended by the consultants would help improve the effectiveness and efficiency of development approval processes and engage Staff and industry in developing solutions. Reputational improvement is likely. Improved employee retention and recruitment is likely.
 - Disadvantages: Will require temporary diversion of resources to implement recommendations and manage change.

- Financial Implications: Currently, a vacant exempt position within Planning and Development could be used to fund the creation of the position of an Assistant Manager of Current Planning.
2. That the Governance and Priorities Committee receive the March 2024 Development Approval Process Review draft report by Neilson Strategies Inc. and recommend that Council direct Staff not to finalize the draft report with the consultants and not implement the recommendations of the final report.
- Advantages: Will not require temporary diversion of resources to implement recommendations and manage change.
 - Disadvantages: The effectiveness and efficiency of development approval processes would not improve. Staff and industry would not be engaged in developing solutions. Employee retention and recruitment is likely to not improve.
 - Financial Implications: None anticipated.
3. That the Governance and Priorities Committee receive the March 2024 Development Approval Process Review draft report by Neilson Strategies Inc. and provide alternative recommendations to Council.]

SUMMARY POINTS

- Ongoing process improvements are needed to ensure development approvals processes are effective and efficient in the face of internal and external resource limitations and changing development context and demands.
- In keeping with the City's focus on good governance and corporate excellence, in June 2023 the City engaged Neilson Strategies Inc., in collaboration with Leftside Partners Inc., to conduct a holistic review of development approval processes.
- The focus of the consultants' work was on expediting the City's processing of development applications, including amendments to the official community plan (City Plan), amendments to the City's zoning bylaw, development permit and development variance permit applications, which are approval processes managed by the Current Planning Section.
- In undertaking the review, the consultants followed an eight-stage work program that included interviews with all staff in the Planning & Development Division, a review of best practices in other communities, and extensive consultation with developers and development industry professionals, including through a development industry workshop to review the consultants' findings.
- The draft *Development Approval Process Review* report (Attachment A) provides an overview of the current situation, identifies issues to be addressed and provides recommendations to improve the effectiveness and efficiency of the City's processing of development applications.
- The *Development Approvals Process Review* draft report is presented to Governance and Priorities Committee for review and recommendation to Council.

ATTACHMENTS:

ATTACHMENT A: Development Approval Process Review Draft Report dated March 2024,
prepared by Neilson Strategies Inc. |

Submitted by:

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Concurrence by:

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