



Report to: Development Services Committee

Meeting Date: December 9, 2019

SUBJECT: Assessment of the Development Review Process
PREPARED BY: John Yeh, MCIP, RPP, Manager, Strategy and Innovation
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RECOMMENDATION:

1. That the report dated December 9, 2019 entitled “Assessment of the Development Review Process” be received; and,
2. That staff be directed to form a Process Improvement team to implement the twenty one recommendations from KPMG’s third-party assessment report entitled “Development Review Process Assessment – City of Markham”, as noted in Appendix ‘B’; and further,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of the report is to provide a summary of the results of KPMG’s assessment of the City’s Development Review Process for official plan amendments, zoning by-law amendments, site plans, and plans of subdivision which was initiated as part of the Provincial Audit and Accountability Fund to help large municipalities become more efficient and modernize service delivery while protecting front line jobs.

BACKGROUND:

On May 21, 2019 the Province announced the provision of a \$7.35 million Provincial Audit and Accountability Fund to help large municipalities and district school boards to review municipal service delivery expenditures to find efficiencies and modernize service delivery, while protecting jobs.

Eligible municipalities could apply to the Province for funding to retain a third party consultant to complete the following:

- 1) A review of service delivery expenditures and modernization opportunities and administrative processes to reduce costs;
- 2) Preparation of a final report with specific actionable recommendations for cost savings and improved efficiencies; and
- 3) Completion by November 30, 2019, with a publicly posted independent third-party report outlining the analysis, findings, and actionable recommendations (this deadline has since been extended to December 31, 2019 and the deadline for the final report to the Province has been extended from December 13, 2019 to January 17, 2020).

Only third-party service provider fees are eligible for funding. Municipal administrative costs, such as staff time, are not eligible.

At the June 12, 2019 Markham Council meeting, Council passed a resolution directing staff to apply to the Province for funding a third party review of the City's processes in the following areas in priority order:

- 1) Development review process related to the Building, Engineering, and Planning departments
- 2) New parks delivery and parks maintenance processes
- 3) Recreation services process review

On June 28, 2019 City staff submitted an application to the Province for funding reviews of the above three areas. Due to the short time frame for preparing the application, pricing quotes were requested from consulting firms that have experience in reviewing these particular services.

On August 8, 2019, the Ministry of Municipal Affairs and Housing informed the City that it will receive funding of up to \$150,000 towards an independent third party assessment of the City's development review process. At the September 10, 2019 Markham Council meeting, a resolution provided direction to execute the Ontario Transfer Agreement to receive the Provincial funding and the creation of a new capital project.

In September 2019 staff retained KPMG to conduct the assessment of the City's development review process with Gladki Planning Associates providing Planning and Development subject knowledge.

City staff continuously explore opportunities to improve the development review process. At the November 25, 2019 Development Services Committee, staff reported on proposed development and building fee changes noting several planning, urban design, and engineering process improvements implemented in 2019 (see **Appendix 'A'**). Retaining KPMG builds on these process improvements to have an independent third-party examine the City's development review process from a more formal perspective by engaging extensively with City staff and the development industry.

OPTIONS/ DISCUSSION:

The development review process contributes to building safe, sustainable, complete communities, and excellence in the built environment. Markham is a high growth municipality with increasingly complex and challenging development opportunities that is transitioning from lower to higher density growth. The City of Markham has nine types of development applications operating within Provincial Planning legislation, York Region's Planning framework (Regional Official Plan), and the City's Planning framework (Markham Official Plan, Zoning By-law, etc):

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- Official Plan Amendment
 - Zoning By-law Amendment
 - Plan of Subdivision
 - Site Plan
 - Plan of Condominium
 - Minor Variance
 - Consent (Land Division)
 - Heritage Site Plan
 - Heritage Permit

Of these nine, official plan amendment, zoning by-law amendment, plan of subdivision, and site plan approval processes were reviewed for opportunities to streamline and improve efficiency.

Consultation with City staff and Development Industry Revealed the City to Have a Very Positive Reputation but Areas of Improvement were Identified

The City brought together representatives from various departments involved in the development review process to guide KPMG's assessment. Departments included Planning & Urban Design, Engineering, Economic Growth, Building Standards, Culture and Entrepreneurship, Operations, Environmental Services, and Legal Services.

To understand the current state of the City's development review process, forty four City documents were reviewed and over 80 stakeholders were interviewed, participated in workshops, surveyed including City staff, elected City officials, York Region, Toronto and Region Conservation Authority, Building Industry and Land Development Association, Developers, Planning Consultants, and Engineering Consultants.

Through the consultations, it was identified that Markham has a positive reputation for highly skilled staff, customer service, and an effective geographic team-based approach. KPMG noted the City's overall structure is solid but recommends operational improvements from the twenty eight challenges identified which include the following (See **Appendix 'B'**, section Appendix I: Current State Summary):

- Process: Occasional conflicting or contradictory comments provided to applicants resulting in longer development review timelines
- People and Organization: Unclear roles and responsibilities of staff, commenting partners and elected officials and the lead Planner often lacks the tools to overcome process delays and conflicting comments
- Governance: There is a gap between anticipated application processing timelines and the experience of staff and applicants
- Technology and Information: Underdeveloped online portal that results in applicant frustration
- Customer: Premature applicant escalations disrupting workflow processes that results in ad hoc prioritization of applications and delays in processing other applications

21 Recommendations for Markham's Development Review Process to be more Efficient, Effective, and Impactful

KPMG has prepared a report with twenty one recommendations to improve Markham's development review process (See **Appendix 'B'**). A number of consultation workshops

were held as noted above and include a process improvement workshop and two co-design workshops with management and staff for input to KPMG's recommendations. The following are highlights of KPMG's recommendations:

Develop and implement standardized comment templates to streamline workflow processes and accelerate review timelines:

Internal and external stakeholders stated that there is inconsistency in how development application comments are summarized, consolidated and transmitted to applicants. Some departments and some planners provide a standardized format for summarizing application comments but is not consistently applied. Similarly, applicants are not required to use a standardized format to identify how they have addressed City comments at re-submission. KPMG recommends that the City develop application submission templates for staff and applicants. The staff template would be used by the lead Planner to collect, collate and transmit consolidated application comments to applicants at each application milestone. The implementation of ePLAN may offer additional opportunities to streamline and automate the comment templates included in this recommendation.

Establish a standardized in-person meeting structure to align internal commenting partners, resolve conflicting comments and enhance customer service:

For a Pre-consultation process it is proposed there be an internal meeting to review the application and understand key issues to be resolved, followed by an external meeting between staff and the applicant. Following first circulation of the application there would be an internal staff meeting to review and reconcile any conflicts between departments and identify a unified position. Another external meeting would then be held with the applicant to review comments. Internal and external meetings should be attended by relevant staff from Engineering, Planning & Urban Design, Fire Services, Environmental Services and Operations as appropriate. The City should consider opportunities to leverage existing meeting structures, like District Team meetings and the Project Review meeting.

Develop a mandatory escalation protocol to reduce the negative impact of stakeholder interventions during the formal development review process:

During consultations it was noted that applicants frequently contact senior City staff and elected officials to inquire about the status of an application and discuss other application-related issues. This can result in time-consuming internal follow-up and reporting, ad hoc prioritization of applications, and extended review timelines. KPMG recommends the City establish an escalation protocol that includes criteria to trigger a response and a streamlined reporting process. The City should develop a communications and roll out plan that includes presentations to industry and elected officials. Managing the amount of escalations will ensure legitimate issues are brought to senior staff and elected officials to be dealt with appropriately.

Define and document development review-related roles and responsibilities to reduce process inefficiencies:

The roles and responsibilities of key development review stakeholders should be well defined. Clearly defined roles and responsibilities will contribute to process efficiencies. The City should define and document a responsibility assignment matrix (RACI:

Responsible, Accountable, Consulted, Informed) for each development application type. The RACI should document:

- The mandate of each internal and external commenting partner (i.e., the subject matter for which the commenting partner is responsible);
- Application-related approval authorities and accountabilities; and,
- The roles and responsibilities of applicants; and,
- The roles and responsibilities of elected officials.

Empower the lead Planner to be fully in charge of all aspects of file management and operational decision making:

Lead Planners are not fully empowered to perform their functions effectively. This results in delays, conflicting comments, and other inefficiencies. Internal and external commenting partners for the most part retain the authority to withhold approval regardless of the issue's relative importance. This can lead to delays which impacts customer service and development timelines. The lead Planner should be empowered by centralizing accountability for decision making on all application issues and being the accountable file lead to resolve conflicting comments and proactively manage files.

Formalize Project Review meetings as a governance mechanism to resolve difficult application-related issues:

Existing Project Review meetings are a way to resolve issues but vary significantly across applications and Districts on how often they are discussed. The City should formalize Project Review meetings to resolve difficult application issues by standardizing it across all Development Districts, a pre-determined procedure be developed to include items on the agenda, participation be determined based on the applications that are part of the meeting and include staff including internal commenting partners, and templates be used to document application-related decisions.

Establish a performance measurement framework to improve the management and evaluation of the development review process:

The City's current approach to performance measurement is underdeveloped and inconsistent as many aspects of the review process are not tracked (e.g. total circulation time, commenting partner review time, total staff time, etc). The City should establish a performance measurement framework to improve the management and evaluation of the development review process that is integrated into the implementation of ePLAN that identifies new key performance indicators and automation opportunities. The framework should include:

- The identification of end-to-end and department-specific key performance indicators (KPIs), including efficiency and effectiveness measures;
- KPI collection procedures;
- KPI reporting procedures, including the identification of appropriate KPIs for each major stakeholder group and how they will be shared (e.g., a high-level monthly dashboard with strategic KPIs for senior-level staff and a weekly report with operational measures for managers); and,
- A process for reviewing the effectiveness of KPIs.

Improve the City's online development review portal to help improve application quality:

KPMG recommends a review of the online planning portal be based on feedback from industry stakeholders. The review should include an inventory of existing content and the identification of frequently requested information, including reports, studies and guidelines. The review should be undertaken in consultation with industry and external commenting partners to help ensure that it is easy-to-use and client-friendly. It should also include the development of a refresh schedule to help ensure current content is accurate, up-to-date and comprehensive.

Establish formal two-way learning opportunities for staff and industry to improve application quality and facilitate collaboration:

Staff and industry stakeholders identified a need for more frequent and formal opportunities to share experiences and knowledge outside of the development review process. Opportunities include training sessions for entry-level industry consultants on City processes, standards and guidelines to enhance application quality and training for entry-level staff on development strategies and land economics to better understand an applicant's perspective.

A Process Improvement Team is Recommended to be Established to Implement KPMG's Recommendations

KPMG has recommended an implementation structure with a dedicated Process Improvement team to lead, monitor, and report on the implementation of the twenty one recommendations from this report. Due to the short time period since September 2019 that KPMG has had in preparing the recommendations and implementation plan to meet the Provincial Audit and Accountability Fund requirements for completion, Senior staff will need to identify resources to fully review the implementation plan and then follow through to implement the recommendations.

While KPMG has assumed a twelve month timeline to implement the recommendations, full implementation may go beyond twelve months depending on available resources to staff the Process Improvement team. The Implementation team will need to prepare a work plan with milestones for the recommendations, prepare a change management and communications plan, and execute the recommendations.

FINANCIAL CONSIDERATIONS

A new capital project named "Development Review Process" in the amount of \$150,000 was created and will be reimbursed through the Province's Audit and Accountability Fund once the final report is submitted in January 2020.

HUMAN RESOURCES CONSIDERATIONS

The Development Services Commission will use existing staffing resources to staff the Process Improvement team and prepare longer-term plans to ensure sustainability in process improvements and project management related to the development process.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The assessment of the City's development review process supports efforts to manage growth and provide efficient and high quality municipal services which are key elements of the Exceptional Services by Exceptional People; Safe and Sustainable Community; and Stewardship of Money and Resources strategic priorities.

BUSINESS UNITS CONSULTED AND AFFECTED:

Legal Services, Financial Services, Operations, Environmental Services and the Development Services Commission were consulted in preparation of this staff report.

RECOMMENDED BY:

Arvin Prasad, MCIP, RPP
Commissioner Development Services

ATTACHMENTS:

Appendix 'A' – Development Review Process Improvements
Appendix 'B' – KPMG Third-Party Report on the Development Review Process
Assessment – City of Markham