



Report to: Development Services Committee

Report Date: January 31, 2023

SUBJECT: Streamlining Planning Approvals through a Community Planning Permit System

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RECOMMENDATIONS:

- 1) That the report dated January 31, 2023 entitled "Streamlining Planning Approvals through a Community Planning Permit System" be received;
- 2) That the report dated January 31, 2023 entitled "Streamlining Planning Approvals through a Community Planning Permit System" be forwarded to the Ministry of Municipal Affairs and Housing as per the terms of the Audit and Accountability Fund – Intake 3 Fund;
- 3) That staff be directed to evaluate the findings of the study entitled "Final Report: Streamlining Planning Approvals Through a Community Planning Permit System" and report back to Development Services Committee with potential options for a Community Planning Permit System including a work program and required resources; and further,
- 4) That staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY

On August 16, 2021, the Province announced a third intake of the Provincial Audit and Accountability Fund to help large municipalities become more efficient while delivering the services that residents and businesses rely on every day. Markham Council directed staff to apply to the Province's Audit and Accountability Fund to undertake research on the Community Planning Permit System (CPPS) with the goal of streamlining development approval processes and identifying efficiencies through this tool.

This report provides a summary of the results of *Final Report: Streamlining Planning Approvals through a Community Planning Permit System* (study) (Appendix A) that was

undertaken as part of the Provincial Audit and Accountability Fund Intake 3 to help large municipalities find service delivery efficiencies. The study is intended to satisfy the Provincial requirement for public posting of the third-party report on the Audit and Accountability Funding for this project by February 1, 2023.

The CPPS is a land-use planning tool that provides an alternative to the current planning approval process by combining Zoning, Minor Variances and Site Plan into one permit. A CPPS can provide greater flexibility with conditions on development and opportunities for shorter timelines by combining existing development review processes.

A jurisdictional scan of municipalities that have implemented a CPPS found it to be efficient allowing more applications to be processed with the same staff levels. Each CPPS is unique to the needs and priorities of the municipality that has implemented it. There have been variety of applications for this tool that ranged from environmental protection to heritage preservation and each municipality has aligned the CPPS to support its municipal goals. Consultation with Markham Staff resulted in the identification of city building objectives such as the enhancement of the natural environment and Secondary Plans that are planned or underway as potential opportunity areas for a CPPS.

The benefits of a CPPS include a more streamlined and efficient process, transparency and predictability, community building, resource savings, and flexibility to apply conditions to development applications. The risks and costs associated with a CPPS include the upfront resources to develop the CPPS, change management associated with implementing a new development process and the risk of appeal at the introduction of the CPPS Official Plan policies and By-law.

Staff recommend that the findings of the study be evaluated and that a report be brought back to Development Services Committee with potential options for a Community Planning Permit System including a work program and required resources.

PURPOSE:

The purpose of this report is to provide a summary of the results of the *Streamlining Planning Approvals through a Community Planning Permit System in Markham* study that was undertaken as part of the third intake of the Provincial Audit and Accountability Fund to help large municipalities find service delivery efficiencies. The study attached as Appendix A is intended to satisfy the Provincial requirement for public posting of the third-party report by February 1, 2023.

BACKGROUND:

At the October 26, 2021 Markham Council meeting, Council passed a [resolution](#) directing staff to apply to the Provinces Audit and Accountability Fund to review planning approval processes and recommend options to develop a CPPS with the goal of streamlining processes and identifying efficiencies of this tool. Appendix B provides further background information on the Audit and Accountability Fund. Action 4 in Housing Choices: Markham's Affordable and Rental Housing Strategy is to consider implementing inclusionary zoning outside of MTSA's through a community planning permit system to further increase the supply of affordable housing.

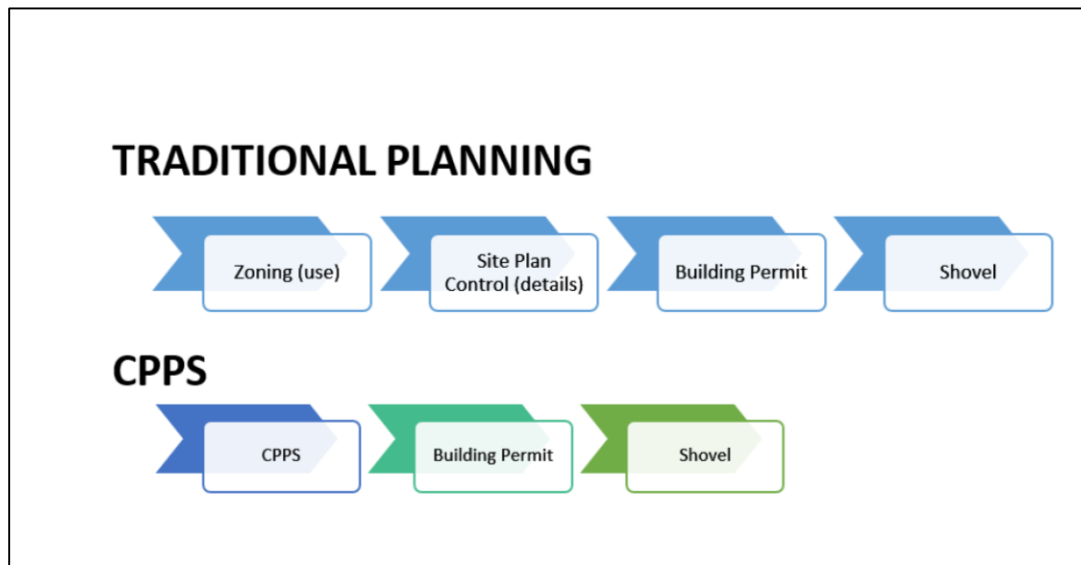
On January 24, 2022, the Ministry of Municipal Affairs and Housing informed the City that its application for Streamlining Planning Approvals through a CPPS in Markham was successful and would be funded up to \$152,640. At the February 23, 2022 Markham Council meeting, a resolution provided direction to execute the Ontario Transfer Agreement to receive the provincial funding and undertake the project. In May 2022, Planscape Inc. was retained to undertake the review of the planning approval process and recommend options for the development of a CPPS in Markham. An update on the CPPS project was presented to [Development Services Committee](#) meeting on November 29, 2022.

What is a Community Planning Permit System?

The CPPS is a land-use planning tool that was originally referred to as a Development Permit System (DPS) and provides an alternative to the current planning approval process by combining Zoning By-law Amendments, Minor Variances, and Site Plan into one permit. The tool was first implemented to offer municipalities the option of regulating and managing development in a more streamlined and flexible manner. In 2019, changes through the [More Homes More Choice Act \(Bill 108\)](#) limited the use of inclusionary zoning to lands located within a Major Transit Station Area or anywhere within the City where a CPPS is adopted or established at the request of the Minister of Municipal Affairs and Housing.

A CPPS is based on a community vision for the development of an area. The CPPS is implemented through an Official Plan amendment and CPPS By-law. A development application in an area where a CPPS is in place receives a CPPS permit instead of traditional planning approval such as a rezoning or site plan. Once the CPPS permit is issued, the developer can move to the building permit stage. The differences in the process between traditional planning and a CPPS are illustrated in Figure 1.

Figure 1: Traditional Planning Process and CPPS

**DISCUSSION:**

This report summarizes the findings of the study which assessed the potential to streamline development approvals through a CPPS in Markham. The study included:

- a review of legislation and regulations governing CPPS in Ontario;
- a comparative review and interviews with municipalities that have implemented or explored implementation of a CPPS;
- an assessment of opportunities for a CPPS in Markham;
- a cost/benefit analysis for implementing a CPPS; and,
- recommendations for a considering a CPPS in the Markham context.

A CPPS can provide greater flexibility with conditions on development and opportunities for shorter timelines by combining existing development review processes

[Ontario Regulation 173/16: Community Planning Permits](#) (Appendix C) of the *Planning Act* directs the use and implementation of CPPSs. The regulation allows municipalities to establish a CPPS within any area or areas in their jurisdiction. The regulation also sets out the fundamental elements of a CPPS including a description of the area to which the by-law applies, the permitted and discretionary uses as well as minimum and maximum standards.

A CPPS implements zoning and enables permitted land uses and development standards such as heights and density but also allows for variations and conditions. Development may include conditions where, for example, certain features such as daycares, public art or affordable housing may be required. Permissions for minor variances are incorporated by establishing ‘discretionary uses’ and variations to the development standards in a CPPS By-law such as the provision of additional height. Finally, site plan control matters such as landscaping, site access, and some urban design guidelines can be included.

The *Planning Act* includes processing timelines for different application types such as rezoning, minor variance and site plans. A CPPS has its own review timelines. Under the Planning Act, CPPS permits are to be issued within 45 days and can integrate zoning/minor variance and site plan elements, which is more streamlined than undertaking separate approvals under traditional planning applications. In contrast, the *Planning Act* timelines are between 90 days for rezoning and 30 days for a minor variance as shown in Table 1.

Table 1	
Planning Act Processing Timelines	
Application Type	Planning Act Processing Timelines
Zoning By-law Amendment	30 days to be deemed completed 90 days for decision
Minor Variance	30 days
Site Plan	60 days
Community Planning Permit	45 days

A CPPS process can be much shorter approval timelines as a result of combining the zoning, minor variance and site plan processes. Applications that do not conform to the CPPS By-law are likely to be refused and will need to go through the typical planning application process.

A CPPS can be established through five steps, the first three of which are similar to the time involved in a secondary plan process

The process to develop and implement a CPPS includes five steps as follows:

- **CPPS Opportunities** – Key opportunities for a CPPS are identified to achieve municipal goals. For example, municipalities with a key priority of protecting heritage features may decide to focus a CPPS on heritage applications. Other opportunities are where similar issues that come up repeatedly in processing applications.

- **Shared Visioning Exercise** – A CPPS is based on a vision gained through extensive consultation with stakeholders. This ensures the greatest level of buy-in and understanding of the process itself and will produce the goals and objectives to direct the Official Plan Amendment.
- **Develop Official Plan Policies** – The regulations for implementing a CPPS state that Official Plan policies should include municipals goals, objectives, and policies; the type of criteria that may be included in a CPPS By-law for any class of development or any use of land that may be permitted; the conditions and the area for a CPPS.
- **Prepare CPPS By-law** – Elements of the CPPS By-law will include: a description of the area to which the By-law applies; permitted uses; discretionary uses; development standards; variations from development standards; criteria for evaluating development standards and variations; and a list of appropriate approval conditions and when these conditions may apply.
- **Application Processing and Review Procedures** - Implementation of a CPPS will also require the development of new administrative procedures and documents, including work instructions, application form(s), a fee structure, and development agreements. This change management process should be undertaken as part of the development of a CPPS by-law so that when the By-law is passed, all systems are ready and functioning.

CPPS Official Plan policies and By-laws are approved through a public process. Anyone who participated in the initial planning process can generally appeal the official plan amendment or the passing of the community planning permit by-law to the Ontario Land Tribunal, unless the CPPS is being established in response to a requirement by the Minister of Municipal Affairs and Housing. Once a CPPS is in place, only the person making the application can appeal a municipality's decision or non-decision regarding a community planning permit application. As well, applications by third parties to amend a CPPS Official Plan policy or By-law are not permitted within the first five years, unless Council of the municipality permits it, upon request, and by way of resolution. Municipalities can undertake their own amendments to the policies and by-laws of the CPPS, which are usually housekeeping amendments. Site specific amendments can be processed in the traditional zoning by-law amendment process after the five year amendment prohibition.

Municipalities that have implemented a CPPS found it to be efficient allowing more applications to be processed with the same staff levels and expressed their preference to operate under a CPPS. Each CPPS is unique to the needs and priorities of the municipality that has implemented it.

Research and interviews with nine municipalities that have undertaken initiatives to implement a CPPS as follows:

- Lake of Bays
- Carleton Place
- Town of Gananoque
- City of Brampton
- Town of Innisfil
- Town of Huntsville
- City of Ajax
- City of Ottawa
- City of Toronto

The jurisdictional scan was completed to understand how the CPPS was working in these communities and the lessons learned in the development of the CPPS and, where implemented the administration that is required. The CPPS was found to be efficient by those that had implemented it and it allowed more applications to be processed with the same staffing levels. Those interviewed expressed their preference to operate within a CPPS.

CPPS were found to be unique to respond to the goals and needs of the municipalities implementing them. CPPS were put in place to address matters that included shoreline protection, design elements, and historic preservation. A CPPS is also being considered to support the redevelopment of Kanata North Tech Park employment hub in Ottawa. Kanata North Tech Park Concept Plan and policies in the Draft Official Plan propose to evolve the Park from a 1970s business park into a globally significant, state of the art special economic and mixed use district. The redevelopment of the Park under a CPPS system is envisioned to enable opportunities for economic growth. The CPPS By-law is proposed to detail policies, objectives and regulations for areas within the Park. Design and land use regulations will be focused to achieve the vision while protecting environmental areas and features.

Key lessons learned to optimize the benefits of a CPPS from municipal stakeholders included:

- the need for comprehensive consultation to establish a vision with all stakeholders;
- public education and educational materials on a CPPS will increasing understanding of the process and how this tool can be used
- a key staff liaison should be considered during the development a CPPS and its implementation
- a draft CPPS by-law should be developed and reviewed prior to approval of the Official Plan Amendment; and,
- a pilot area should be selected to understand the tool and its potential impact

Implementing a CPPS could be considered within areas that a Secondary Plan is being developed or to support other City building initiatives

Markham staff across the Development Services Commission were consulted to understand the opportunities for a CPPS.

Staff identified the following as potential opportunities for a CPPS:

- Existing Secondary Plan work underway or nearing completion;
- An identified City Building priority such as affordable housing or within an MTSA;
- A provincial planning priority and/or permission such as Heritage Districts, Natural Heritage Features or Intensification Areas; and
- A link with a specific action contained within [Building Markham's Future Together: 2020-2023 Strategic Plan](#).

The Markham Official Plan, 2014 identifies the need to implement 18 secondary plans. Some secondary plan areas have been identified as having potential for consideration of a CPPS. These include future urban employment areas such as Highway 404 North Employment Area/Mix Innovation District, Markham Road Mount Joy Secondary Plan Area, Markham Centre Secondary Plan Area, Markville Secondary Plan Area, Yonge Corridor Secondary Plan Area, and Major Transit Station Areas.

The benefits of a CPPS include a more streamlined and efficient development process, transparency and predictability, community building, resource savings and flexibility to apply conditions to development applications

There are several potential benefits of a CPPS for the City of Markham:

- **Streamlined and Efficient Process** – A CPPS results in time savings. By combining processes, the application is reviewed once versus an application that requires a rezoning, site plan or minor variance, for example. Depending on what is included in the CPPS By-law, there can be greater clarity during the review process. Lake of Bays reported processing time savings of between 32% and 35% through the CPPS compared to traditional Planning Act processes.
- **Transparency and Predictability** – A CPPS can result in a more transparent and predictable approval process. The approval process can be written into the by-law to support full transparency of the information requirements for a complete application to the approval process itself. With a CPPS, the applicant understands the parameters and variations of what can be approved. Any non-conformity past the variation limit will require an amendment to the CPPS By-law itself.
- **Community Building** – A zoning by-law controls development by zones and focuses on numerical elements such as building size, height and setbacks from lot lines. A CPPS By-law includes these elements but is also permitted to include other items of value for the community such as affordable housing. It may include design guidelines and landscape features, this allows a CPPS By-law to be specific so that the vision can be implemented and also builds in flexibility so that development is not stifled. By establishing a CPPS By-law and conditions, the planned vision and community priorities for an area are established upfront to provide more certainty in the development review process.
- **Resource Savings** - The municipality can save resources once a CPPS is implemented and may have the ability to process more applications with the same staffing level. A CPPS also reduces the risk of Ontario Land Tribunal appeals, although appeals by the applicant are possible. As well, applicants can better prepare applications, which supports faster processing timelines.
- **Flexibility to Apply Conditions to Development Applications**– A CPPS is flexible and allows municipalities to identify how land can be used if certain conditions are met. The traditional zoning system does not allow conditions on a zoning approval,

but the CPPS allows planning authorities to identify conditions of approval pre and post development. For example, an applicant may receive conditional approval provided an acceptable noise assessment study is received.

Key challenges with a CPPS include the resources to develop the CPPS, change management associated with a new process and risk of appeal

The following risks have been identified in relation to a CPPS:

- Resources to develop the CPPS – Resources will need to be allocated to investigate candidate CPPS areas. Additional resources will also be needed to undertake public consultation and develop Official Plan policies and a CPPS By-law as outlined in the steps to develop a CPPS. It is estimated that a CPPS would require a similar level of investment as the development of a Secondary Plan. The costs of CPPS would depend on the areas selected and the objectives for the CPPS (i.e. will it be focused on one matter such as affordable housing or an area of the City).
- Change Management – The CPPS is a new tool for the City of Markham. Council, staff, the development community and the public are not familiar with what can be achieved and the requirements to develop and administer a CPPS. The key learnings from interviews with other municipalities that have undertaken a CPPS identify the need for education and public materials to increase the understanding of how this tool can be used. A CPPS will require an investment in change management processes to support Council, staff, the development community and the public. An effective change management plan could include training, communication, education, materials and follow-up with the key impacted stakeholders. Consideration should be given to the assignment of dedicated staff for the initial phase of the pilot project. As well, the City will also need to update its EPlan System for CPPS permits. A CPPS represents an investment by the City, however, the potential savings and ability to address the range of community priorities and planning matters present new opportunities.
- Appeal of CPPS Policies and By-law - The initial implementation of CPPS Official Plan policies and By-law are subject to appeal. This is a risk for the City following the investment of resources and can add to the costs and delay the implementation of a CPPS. In Toronto and Huntsville, the CPPS by-laws were appealed which have led to delays in the implementation. For CPPS by-laws to be in full force the Ontario Land Tribunal must dispose of all appeals.

The study recommends the City of Markham undertake a pilot CPPS in a strategic location

The study has identified a number of opportunities and challenges associated with implementation of a CPPS and recommends that the City undertake a pilot considering the following:

- Select strategic a location with work underway as a candidate CPPS area
- Provide training for all involved with the new tool and how to effectively apply it
- Develop a Stakeholder Communication Plan that will focus on the development community, Council and the public to ensure understanding of the tool; and,
- Continuously monitor the implementation of the program to understand the process improvements and cost savings over the longer term.

NEXT STEPS:

Markham is required to provide a copy of the study to the Province by February 1, 2023 to meet funding requirements under the Audit and Accountability Fund. Following the submission of the report to the Province, staff recommend that the findings of the study be evaluated and that a report be brought back to Development Services Committee with potential options for a Community Planning Permit System including a work program and required resources.

FINANCIAL CONSIDERATIONS:

Not applicable.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

A CPPS would align with Goal 1 - Exceptional Services of Building Markham's Future Together 2020-2023. More specifically it supports 1.1 "Deepen our understanding of what our community and stakeholders value and need to inform municipal leadership and continuous improvement of our services"

It also aligns with Goal 3 – Safe, Sustainable and Complete Community. More specifically, it supports Goal 3.2: "Build complete communities that offer a range of

housing and employment opportunities, transportation options and outstanding community amenities”.

BUSINESS UNITS CONSULTED AND AFFECTED:

Planning and Urban Design, Engineering and Finance staff have been consulted on this report.

RECOMMENDED BY:

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Commissioner of Development Services

ATTACHMENTS:

Appendix A – Final Report: Streamlining Planning Approvals Through A Community Planning Permit System
Appendix B – Background on the Audit and Accountability Fund
Appendix C – Planning Act, Ontario Regulation 173/16, Community Planning Permits