Development Approvals Process Review

FINAL REPORT FROM A PROVINCE-WIDE STAKEHOLDER CONSULTATION

SEPTEMBER 2019
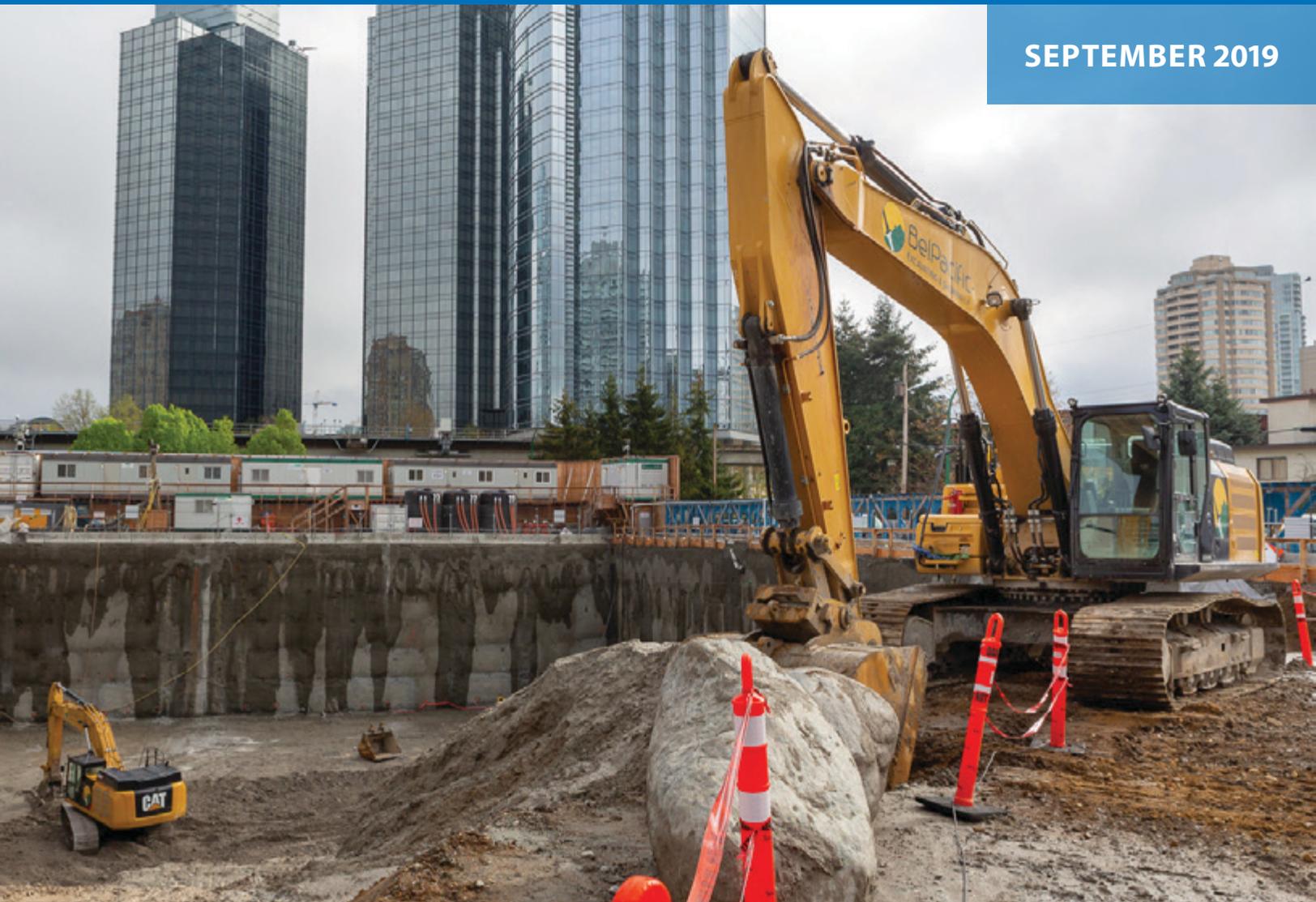
BRITISH COLUMBIA

Acknowledgements

The Ministry of Muncipal Affairs and Housing wishes to thank all the participants who attended and contributed to the stakeholder working group and technical committees meetings. The Ministry also wants to acknowledge the work of the meeting facilitators, Pinna Sustainability Inc. and Gary Penway Consulting.

Executive Summary

In February 2018, the Minister of Municipal Affairs and Housing released *Homes for B.C.: Government's 30-Point Plan for Housing Affordability in British Columbia.* Local governments are an important partner in this work, and government is committed to empowering and supporting their efforts to accelerate the construction of the homes people need.

The process for approving development has a major impact on how quickly housing projects are built. While local government development approvals play an important role in ensuring community interests are met and developments are healthy and safe, they can also result in complex, lengthy and expensive processes with significant uncertainties for developers.

Expectations of development have changed significantly over the past few decades. Affordable housing and climate mitigation are now regularly addressed in the development process, and there are expectations that development will also deliver public amenities. Meanwhile, the development industry has also grown and changed and is now one of the largest industries in British Columbia (B.C.). As the sector grows, increasing competition for building sites has resulted in shorter option periods when acquiring land, creating greater risk for developers and heightening their need for more certainty at the outset of the development process.

To address challenges and identify opportunities for improvement in the current development approvals process, and to support local governments in eliminating barriers to affordable housing and accelerate the construction of the homes they need in their communities, the Ministry of Municipal Affairs and Housing (MAH) has initiated the Development Approvals Process Review (DAPR). As a first step, MAH engaged a broad range of stakeholders to discuss the challenges of the current development approvals process in B.C., to identify opportunities for addressing those challenges and to develop an informed list of ideas about how to improve the efficiency and effectiveness of the process.

The consultation (DAPR Phases 1-3) was broad in scope and considered a full range of legislated and non-legislated elements of the process, as well as regional differences across the province. Over the course of six months, stakeholders contributed their knowledge, experience and perspectives to inform potential future changes to the local government development approval process.

Challenges and corresponding opportunities to address them identified through the DAPR discussions were ranked by stakeholders according to their level of importance. Collectively, the highest ranked of these were grouped into six main categories:

> **Local government application processes**, including process variations across local government approvals, and developer applications.

> **Local government approval processes,** including delegation of authority on land use permits, and the requirement and processes associated with public input.

> **Development finance tools,** including the scope and use of development cost charges and community amenity contributions.

> **Subdivision,** including the role of approving officers, the use of preliminary layout approvals, and requirements for parkland dedication.

> **Provincial referrals and regulatory requirements,** including referrals to, approvals from, and permits authorized by provincial ministries, Crown corporations and major utilities.

> **Other overarching themes,** including opportunities to improve broad understanding of the development approvals process through training, guides and resources, and cross-jurisdictional research.

Looking ahead, the next stages of DAPR will require a thoughtful evaluation of the range of identified opportunities. Ongoing collaboration with stakeholders will be a critical element of this process, as many of the identified ideas could have significant implications for local governments and other stakeholders.

MAH is committed to ensuring that work undertaken to explore and implement any of the opportunities identified in this report is fully informed by the knowledge and experience of those who are directly working with and impacted by development approval processes.

Contents

1 Context

In February of 2018, the Minister of Municipal Affairs and Housing released *Homes for B.C.: Government's 30-Point Plan for Housing Affordability in British Columbia*. Under this plan, the Province committed to a number of measures to stabilize the housing market, crack down on tax fraud and close loopholes, build the homes people need, improve security for renters, and support the building and preservation of affordable housing. Local governments are an important partner in this work, and government is committed to empowering and supporting their efforts to accelerate the construction of homes that people need.

While building and preserving affordable housing is a critical part of improving the housing market, providing a supply of different types of housing also plays an important role in ensuring that all British Columbians have access to the homes they need. The process for approving development has a major impact on how quickly projects, including housing, are built.

The *Local Government Act* provides local governments in B.C. with a variety of planning and land use tools. These include regional growth strategies, official community plans (OCPs), zoning bylaws, development permits, development cost charges, density bonusing, subdivision and development control bylaws.[1] The *Community Charter* provides local governments with tools for building bylaws. Local governments may vary some of the above provisions by issuing development variance permits, temporary use permits, and heritage alteration permits. Minimum content and public input requirements for these planning and land use tools are also described in legislation. Other tools, such as community amenity contributions and additional public input processes, are not legislated but are commonly employed by local governments in their development approval processes.

Local governments have considerable discretion over the use of these tools to plan for their communities, achieve land use control and approve individual development proposals. Each local government develops its own requirements and follows its own process for development approvals. Often, these vary widely between local governments, including adjacent ones, adding an additional layer of complexity for developers while also recognizing the differences among communities.

On the development side of the equation, the development sector has grown and changed over the past few decades to become one of the largest industries in the province. In 2017, residential development alone was responsible for nearly $12 billion in wages and nearly 200,000 jobs.[2] Strong demand has increased competition for building sites, particularly in high-growth areas, resulting in shorter option periods when acquiring land. This creates greater risk for developers and heightens the need for more certainty at the outset of the development process.

To address challenges and identify opportunities for improvement in the current development approvals process, and to support local governments in eliminating barriers to affordable housing and accelerate the construction of new homes, Ministry of Municipal Affairs and Housing (MAH) initiated the Development Approvals Process Review (DAPR). Section 2 outlines the project purpose, objectives and scope of the DAPR stakeholder consultations.

....

1   City of Vancouver gets its authority from the *Vancouver Charter*.
2   Canadian Home Builders' Association – Economic Impacts of Residential Construction

2 Project purpose, objectives and scope

2.1 Project Purpose

MAH initiated DAPR as part of its commitment to empower local governments to eliminate barriers to affordable housing and accelerate the construction of homes people need. More specifically, DAPR identifies opportunities to increase the efficiency (including timeliness, predictability, certainty and consistency) and effectiveness (including fairness, balance, transparency, inclusivity, and outcomes that are in the public interest) of local government development approvals processes.

The DAPR project consists of four phases, with the first three focusing on stakeholder consultation. The primary objective of the consultation was to engage stakeholders in a robust conversation to identify:

- ❯ challenges within current development approval processes;
- ❯ core qualities of an effective and efficient development approval process; and
- ❯ opportunities to address challenges while improving the efficiency and effectiveness of the development approval process.

During phase four, MAH will further consider and analyze particular opportunities, in consultation with stakeholders, and implement solutions as appropriate.

The goal of this report is to reflect the list of informed ideas generated by the stakeholder consultation in phases one, two and three.

2.2 Consultation Scope

The scope of the DAPR consultations addressed the wide range of considerations, processes and tools associated with the development approvals process, including legislated and non-legislated elements (Figure 1).

Consultations were province-wide and addressed challenges, tools, and processes in rural, urban and suburban communities.

Eleven meetings were held throughout the province to provide stakeholders with an opportunity to reflect on current approaches, identify challenges and opportunities, and to suggest ideas for increasing the efficiency and effectiveness of development approval processes.

Figure 1. *Elements of the Development Approvals Process Review*

2.3 Development Approvals Process Review Working Group and Technical Committees

Stakeholder consultations were undertaken with the participation of a Development Approvals Process Review Working Group (Working Group) and four Development Approvals Process Review Technical Committees (Technical Committees).

The consultation was led by the Working Group, which was comprised of executive-level representatives from a range of stakeholder groups including: local government, industry, non-profit organizations, academia and other relevant agencies. The role of the Working Group was to provide critical input on issues and opportunities to improve the effectiveness and efficiency of the local development approvals process. The Working Group prioritized areas for more in-depth analysis by the Technical Committees and validated the action ideas that were generated.

The regional Technical Committees were comprised of senior and technical-level staff from the same stakeholder sectors as the Working Group. In total, four regional Technical Committees were convened, representing the North, Okanagan and Interior, Lower Mainland and Vancouver Island. The Technical Committees were tasked with analyzing and proposing implementable actions in response to challenges and opportunities identified by the Working Group.

Appendix A contains a list of participants.

2.4 Process overview and timeline

This section describes the consultation process with the Working Group and Technical Committees that occurred over the first three phases of DAPR (Figure 2, Table 1).
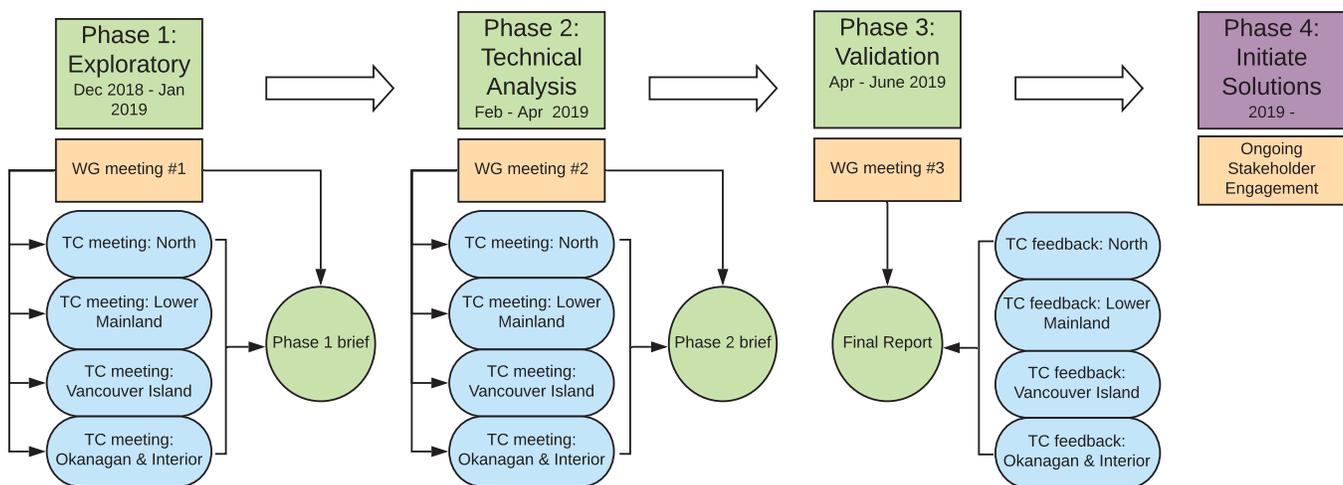

Figure 2. *Phases of the Development Approvals Process Review*

Table 1: *DAPR process description*

	PRIMARY GOAL	GENERATING IDEAS
PHASE 1: EXPLORATORY	Format	Five meetings (one Working Group, four Technical Committee) December 2018 - January 2019
	Focus	❯ Participants each identified challenges they currently experience with the development approvals process as well as opportunities that may help to address the challenges, thereby increasing the efficiency and effectiveness of the process.
PHASE 2: TECHNICAL ANALYSIS	Primary Goal	Discussing and ranking opportunities identified in Phase 1
	Format	Five meetings (one Working Group, four Technical Committee) February - March 2019
	Focus	❯ The Working Group undertook an initial review of each opportunity identified during Phase 1 and assessed them as follows: out of scope or not supported; needs more discussion or definition; opportunity is worth further consideration by MAH.
		❯ Opportunities categorized as requiring further discussion or recommended for consideration by MAH were moved forward for Technical Committee review. Technical Committee participants then provided their insights on each opportunity and considered the level of importance the opportunity had in its ability to improve the development approvals process by supporting one or more of the guiding principles (see section 3). Additionally, they considered the level of effort that would be required to implement the opportunity, from the perspective of their organization.
PHASE 3: VALIDATION	Primary Goal	Reviewing and confirming the ideas brought forward in Phase 1 and 2
	Format	One meeting (Working Group) May 2019
	Focus	Working Group participants provided feedback on the three groups of opportunities identified as being highest priority by the Technical Committees:
		❯ Improving public input tools and requirements;
		❯ Revising community amenity contributions and development cost charges;
		❯ Updating delegated authority tools and practices.
PHASE 4: INITIATE SOLUTIONS	Primary Goal	MAH staff to review ideas, analyze next steps and plan for implementation
	Format	To be determined, in consultation with stakeholders
	Focus	To be determined.

3 Guiding principles for Development Approvals Processes

During the stakeholder consultation, participants of both the working group and technical committees identified qualities of an efficient and effective development approvals process. The qualities were established as a set of guiding principles and used to consider and frame potential opportunities throughout the course of the discussions. The guiding principles could also assist MAH as it moves forward in its consideration of next steps.

1. ACHIEVES OUTCOMES IN THE PUBLIC INTEREST

The approvals process is set up to support development that is strategically aligned with adopted community plans, supports community values, is strategically aligned with the public interest and results in high-quality built environments.

2. CERTAINTY

The requirements, timeframes and costs of development approvals are clearly outlined and communicated in advance or as early as possible in the application process. The expectations remain consistent throughout the process.

3. TRANSPARENT ACCESS TO INFORMATION

Decisions during the approval process are documented and communicated in a clear and timely manner. Application status is accessible to proponents and to all staff involved in the approval process. The public is informed.

4. COLLABORATIVE

Local governments and applicants work collaboratively to achieve desired outcomes. Where public involvement is appropriate, the process seeks public input early in the process and in an informed manner.

5. FLEXIBLE

The process achieves consistency while providing flexibility that enables developments in line with these guiding principles. Flexibility also allows for and even rewards innovation.

6. TIMELY

The development approval process occurs on timeframes that are appropriate to the level of complexity of the application. All parties, including local governments, proponents, provincial agencies, professionals, and others involved in the application process, provide needed input in a timely manner.

7. BALANCED

The development approval process strives to achieve a fair balance of costs and benefits to the public and the proponent.

4 Key insights on improving Development Approvals Processes

The following section outlines the ideas identified to be of high importance by the stakeholders.[3] Several other challenges and opportunities were ranked of medium or lower importance by participants, and these are included in a comprehensive list in Appendix B. The high importance ideas are grouped into six main topic areas, including:

- Local government application processes;
- Local government approval processes;
  - Public input,
  - Delegation of authority,
- Development finance tools;
- Subdivision;
- Provincial referrals and regulatory requirements;
- Overarching themes.

4.1 Local government application processes

CONTEXT

Local government processes for planning and land use are flexible, in part to allow for their application to a wide range of unique circumstances. In the case of development approvals, this has resulted in considerable process variations and differing requirements between local governments. Proponents and developers are responsible for learning and following the development approval process requirements for the communities in which they wish to build.

CHALLENGES

Participants identified several elements of internal application processes that pose challenges for both proponents and local governments, and increase overall timelines for application processing, including:

- incomplete or poor-quality submissions by proponents;
- increased complexity of requirements;
- inconsistent development permit guidelines; and
- contradictory advice from different departments.

Outside of lengthy application processes, other challenges raised included:

- lack of transparency on the status of development applications, and
- lack of consistency of requirements between adjacent local governments.

....

3 In the same way that the Technical Committee members ranked the relative importance of identified opportunities, they also ranked level of effort on a scale of low, medium and high, based on individual perception of the effort that would be required by their organization to implement. Further assessment of implementation effort will be considered in more detail by the MAH as part of phase four. Appendix C provides a brief summary of the opportunities identified as likely to require a higher level of effort to implement by at least one stakeholder group.

Participants also noted challenges with internal staff resourcing, particularly with respect to obtaining and retaining qualified building officials and experienced planning staff, and difficulties with resource planning due to misalignment between budget requests and fluctuations in the number of applications.

OPPORTUNITIES

Participants identified numerous best practices that can be employed by local governments to improve the efficiency of internal reviews and approvals, with some of these already being tested or in practice in individual local governments. Participants highlighted the usefulness of developing best practice guides, both for local governments and developers, and suggested that local governments and proponents could conduct reviews of their processes guided by these best practices.

Other opportunities considered to be of high importance for improving application processing included:

- triaging development applications at the submission stage to identify incomplete, easy and complex applications, and have a different process for acting on each kind;

- implementing a digital permit tracking system where cost effective (or with assistance from the provincial government);

- creating a model Development Approvals Procedures Bylaw;

- local governments to develop best practice guide to clearly define what constitutes a major versus minor amendment change;

- creating model development checklists; and

- emphasizing the need for staff across departments to communicate, understand, and balance requirements administered through development approval processes.

While staff resourcing was considered high importance, participants noted that it could be challenging to address. Some ideas on this topic included:

- working with the development community to find a balance between improved processing times and increased application and permit fees to cover the costs of additional staffing;

- provincial government support for professional positions in underserved regions and smaller communities;

- setting minimum liability insurance requirements for professionals; and,

- addressing building official training, recruitment and retention.

REGIONAL NOTES

Generally, opportunities for improving internal processes were ranked as being of lower importance in the North. Representatives from the Okanagan and Interior placed extra importance on the development of best practice guides, model checklists and resourcing. Mandatory application timeframes, limited to staff-approved applications, were identified as important on Vancouver Island; however, there was concern with regard to potential legal challenges and staffing issues. Other regions also raised concerns over the practicality of mandatory timelines given the need for external referrals, complex applications, applicant response times, legal challenges and consequential rejection of applications. As an alternative to mandatory timelines, participants suggested that local governments set target timeframes for application reviews.

4.2 Local government approval processes

Challenges and opportunities for local government approval processes are divided into two sub-categories: delegation of authority and public input.

4.2a Delegation of authority

CONTEXT

The Province provides authority to local governments for development approval tools under several pieces of legislation: the *Local Government Act*, the *Community Charter*, the *Building Act* and the *Vancouver Charter*, which applies to the City of Vancouver only. Legislation specifies which decisions must be made by elected officials, which may be delegated to staff, and which must be made by staff. Under the current system, amendments to zoning bylaws (i.e., rezoning applications) and development variance permits must be approved by elected officials, while development permits, temporary use permits, and tree cutting permits may be delegated. The City of Vancouver has more flexibility and some additional powers in relation to land use matters, and has more matters that are specifically stated in legislation as delegable to staff.

CHALLENGES

Participants identified that some types of approvals by elected officials can increase overall timeframes, potentially impacting project costs, particularly as agendas for council and board meetings are frequently full and applications may need to wait several weeks before being heard. Elected official approval may lead to uncertainty – in some circumstances projects may meet required criteria and are not approved due to subjective requirements from council.

Many participants questioned whether elected official approvals were necessary in cases where applications are aligned with the OCP, council/board-approved area plans, or development permit area guidelines. Concerns were raised regarding elected officials making decisions on development applications based on details that are not supposed to be taken into account (e.g., making a decision on the intended users of a proposed development instead of the intended use), either due to pressure from the public or lack of understanding about the parameters of evaluation.

OPPORTUNITIES

There was significant interest in and high importance placed on increasing opportunities for local governments to delegate approval decisions to staff. This suggestion was provided in the context that greater emphasis should be placed on the development of area plans and pre-zoning that have been subject to robust public input. The approval of applications that align with these plans could then be delegated to staff, helping to make the approval process more efficient while maintaining its effectiveness. Participants identified the following action ideas:

- Conduct a review of opportunities to increase councils' and boards' ability to delegate individual development approvals.

- Reframe legislation to make delegation the default approach for some approvals, with the option to opt into elected official decision-making.

- In the case of a new delegation authority, provide an option for applicants receiving delegated approvals to appeal staff decisions to elected officials.

- Provide training to local governments and/ or create best practices guide on conducting a meaningful and robust public consultation process for OCP and pre-zoning, then delegate approval of subsequent applications.

- Enable conditional/discretionary uses for all local governments, similar to Vancouver, and delegate approval decision for these uses to staff.[4]

- Provide local governments the authority to delegate decision making to staff for minor development variance permit matters (for example, minor variances to parking, siting, etc., that do not affect use or density and do not create a significant impact on neighbouring properties).

- Identify options for enhancing pre-zoning tools to enable local governments to secure benefits that are currently negotiated through site specific rezoning.

REGIONAL NOTES

Participants in the Okanagan and Interior and on Vancouver Island indicated the highest levels of support for these opportunities.

4.2b Public input process

CONTEXT

Minimum requirements for public input are established by legislation, with public hearings having an additional framework set out in common law. For example, legislation does not address what can be heard after a public hearing and before a decision, yet there are very strict rules about this that have been created by the courts. This makes the public hearing context different than most other land use and planning provisions. Public hearings are required for all development applications that seek amendments to OCPs and to zoning bylaws that are not consistent with the OCP. Public hearings can be waived for rezonings that are consistent with the OCP; however, many local governments choose to hold a public hearing regardless.

Public hearings must be held after first reading and before third reading of a bylaw. The public hearing, third reading and adoption can occur in one meeting. Earlier opportunities for public input are not required in legislation; however, many local governments have created their own processes for meaningful public engagement earlier in the process. Similarly, while there are no requirements for proponents to engage with the public at any point in the process, many choose to do so.

CHALLENGES

Participants noted that in general, public hearings tend to be an ineffective means of engaging and receiving input from the public, in particular:

- The format of a public hearing does not allow for discussion. Councils and boards may not respond to the comments from the public, which can cause frustration on the part of the public.

- Public hearings occur late in the development approvals process, after considerable time (sometimes years) and significant cost has gone into a proposed project. Consequently, change can be difficult to accommodate.

- Public hearings tend to attract and empower well-organized interest groups that may not represent the broad perspective of the community or even those who would be the most directly impacted by a decision. This can result in applications being denied despite being aligned with adopted community and neighbourhood plans. Public hearings can enable NIMBY (an acronym for "not in my backyard") which describes residents' opposition to a development in their own neighbourhood, while raising no objections to similar developments in other neighbourhoods.

- Unnecessary public hearings can add costs and time delays to projects.

....

4   In the City of Vancouver, in each zoning district, land uses are categorized as either outright or conditional uses. Conditional uses are those that may be allowed, subject to conditions as determined by the Director of Planning, or may be refused.

There was significant interest in and high importance placed on increasing the efficiency and effectiveness of the public input process, including:

- ⊙ the need to improve, supplement, or replace the public hearing process;

- ⊙ identification of options for receiving more meaningful, earlier input from the public;

- ⊙ reviewing notification requirements to replace newspaper ads; and

- ⊙ potentially reducing the number of bylaw readings.

Participants noted the importance of area or neighbourhood planning and the value in identifying ways to strengthen public input during these processes. Participants also discussed:

- ⊙ the use of OCPs in relation to the development approval process;

- ⊙ a provincial review of the frequency of OCP updates; and

- ⊙ removing the requirement for a public hearing for minor amendments.

Participants noted that provincial funding for OCP updates would be of high importance. The consideration of the potential inclusion of housing targets in the OCP was also given high priority, although some participants raised concerns about local governments' ability to implement.

REGIONAL NOTES

The North placed specific importance on replacing advertising requirements with more modern methods. Across all other regions there was agreement on the high importance opportunities identified.

4.3 Development finance tools

CONTEXT

Development finance tools play a significant role in the development approvals process as they are a key mechanism by which local governments invest in the infrastructure, services and amenities needed to support new development.

Development cost charges (DCCs) are fees municipalities and regional districts choose to collect from new development to help pay the cost of off-site infrastructure services needed to accommodate new growth. DCCs are applied as a one-time charge, and are usually collected from developers at the time of subdivision approval, or at the building permit approval stage.

Local governments are limited in the types of services they may fund using DCC revenues. Specifically, revenues are used to help offset the costs associated with the provision, construction, alteration or expansion of roads, sewage infrastructure, waterworks and drainage works, and may be used in the acquisition and improvement of parks, as provided for in provincial legislation and enacted by bylaw. DCC revenues may not be used to fund libraries, recreation facilities, affordable housing or fire services.[5]

As such, many local governments increasingly rely on community amenity contributions (CACs). CACs are amenity contributions agreed to by the applicant/developer and local government as part of a rezoning process initiated by the applicant/developer. CACs are negotiated by the local government and are not defined in legislation. CACs can take several forms including community amenities, affordable housing or financial contributions towards infrastructure that cannot be obtained through DCCs.

....

[5]   Vancouver and the Resort Municipality of Whistler have broader DCC provisions.

The *Local Government Act* also defines density benefits which permit local governments to establish different density rules for a zone, applicable if certain conditions are met, including conditions relating to the provision of amenities, affordable and special needs housing. In addition, the *Local Government Act* allows local governments to enter into housing agreements for affordable and special needs housing.

CHALLENGES

While DCCs provide a funding tool for the expansion of certain services in growing communities, they do not provide funding for maintaining and replacing infrastructure, which is funded by the existing property tax base. Additionally, DCCs can only be collected for limited uses. As a result, many local governments have increasingly relied on CACs to address public expectations for a range of neighbourhood amenities. CACs are not defined in legislation and are usually negotiated on a site-by-site basis. Since CACs are regularly secured through the rezoning process and rely on the discretion of elected officials, CACs can be unclear and create considerable cost and approval uncertainty.

OPPORTUNITIES

A comprehensive policy review of development finance tools and an identification of new or expanded options for funding community infrastructure and amenities was ranked as being of high importance by participants. Opportunities identified for improving effectiveness and efficiency of development finance include:

- defining CACs in legislation;
- removing the ability of local governments to levy CACs and creating in their place a new financing tool, including a "super DCC" which would cover a wider range of public benefits than is currently allowed for under legislation;
- pending the development of revised development finance tools, developing new best practice guidance;

- local government best practices to address social objectives in DCCs and CACs including recognizing social benefits (affordable/special needs housing) as community amenities;
- considering options to secure and provide more reliable funding for local governments from senior government for infrastructure as a means of reducing funding pressures from DCCs and CACs; and
- training for local government staff on communicating, understanding, and balancing development approval requirements across departments.

REGIONAL NOTES

Generally all regions had similar rankings for these issues; however, the North placed medium rather than high importance on the need for internal training to balance requirements across departments.

4.4 Subdivision

CONTEXT

Subdivision applications must be approved by an approving officer appointed under the *Land Title Act*. In municipalities, the approving officer is an employee of the local government and thus performs two roles: 1) performing duties directly under provincial legislation outside of council decision or influence, and 2) performing local government responsibilities under council direction. In the unincorporated areas of regional districts, Ministry of Transportation and Infrastructure (TRAN) staff act as approving officers with responsibility for subdivision reviews and approvals. Under the *Land Title Act*, TRAN may appoint approving officers for regional districts, however, this authority is not currently used. Approving officers are quasi-judicial officials, who act independently to ensure that subdivisions comply with provincial acts and regulations, and with local government bylaws for official community plans, zoning, servicing, and other plans and bylaws.

Prior to final subdivision approval, it is common for an approving officer to issue a preliminary layout approval (PLA), which is not required in legislation. The PLA identifies any subdivision approval conditions. This allows for the developer to prepare a pro forma, secure financing, retain required consultants, pursue a land purchase, and to begin construction of the subdivision.

The legislation enables approving officers to require parkland dedication as a condition of subdivision approval. Cash-in-lieu for parkland dedication must be used to acquire new parks and cannot be used for park improvements.

CHALLENGES

Participants identified several challenges with respect to subdivision approvals, including:

- the role of approving officers is often unclear to, or misunderstood by, councils, boards and the public;

- training opportunities are infrequent and only offered in select areas of the province;

- low capacity at TRAN due to limited staff resources and high staff turnover results in slow regional district subdivision approvals in some regions; and

- preliminary layout approvals are useful in reducing unexpected impacts to developers but are not used consistently.

The inflexibility in allocating cash-in-lieu for off-site works and parkland dedication is also a challenge, since funds can only be used for a specific purpose. This can result in funds being essentially unusable, and held indefinitely in orphaned bank accounts.

Additionally, the five percent parkland dedication requirement may result in small park segments scattered throughout communities

OPPORTUNITIES

Several opportunities regarding the subdivision approval process were identified, including:

- developing enhanced communication materials for elected officials, local government staff and the public about the subdivision approval process;

- providing regional districts the authority to have their own approving officers;

- providing small municipalities the option to opt out of having an approving officer and instead access the services of the regional district approving officer; and

- providing additional training for approving officers and offering courses in more locations throughout the province.

With respect to PLAs, high importance was placed on developing model letters that local governments could use to provide proponents with early direction and to reduce the potential for unexpected impacts on the developer late in the process.

Participants noted the usefulness of enabling local governments to use cash-in-lieu for off-site works, to be allocated more widely for related purposes, such as sidewalks in the area and not just adjacent to the development site.

Opportunities for more effective parkland dedication included:

- enabling local governments to use cash-in-lieu for park improvements; and

- allowing segmented, underused parkland to be sold with proceeds being used for other parkland acquisition or park improvements.

REGIONAL NOTES

Generally, participants from the Lower Mainland ranked opportunities associated with subdivision as low and those in the North, and Okanagan and Interior rated a few of the opportunities as high, such as a review of policy to establish best practices for cash-in-lieu for off-site works and opportunities to improve staff resources at TRAN.

4.5 Provincial referrals and regulatory requirements

CONTEXT

Development in local government jurisdictions routinely requires referrals to, approvals from, and permits authorized by provincial ministries, Crown corporations or major utilities. Communication to and between these groups, along with the internal process requirements, can influence the efficiency and effectiveness of the development approval process.

CHALLENGE

Overall, the need for more communication from ministries about legislative changes, new policies and new regulatory requirements was identified as a challenge for local governments and other stakeholders. Participants identified several other challenges related to provincial referrals and regulatory requirements that, if addressed, would reduce cost, complexity and timelines. These include:

Ministry of Environment and Climate Change Strategy

- Uncertainty around contaminated site regulations and potential upcoming changes that would shift approvals to the building permit stage

Ministry of Forests, Lands, Natural Resource Operations and Rural Development

- Requirements under the *Riparian Areas Regulation* are difficult for local governments to enforce, and require substantive review and reform to effectively protect habitat

- Delays in section 11 permits issued under the *Water Sustainability Act*

Ministry of Municipal Affairs and Housing

- The need for additional lead time to learn of Building Code changes before they come into effect

Ministry of Transportation and Infrastructure

- High number of referrals to TRAN for developments within 800 meters of a provincial road

- Lack of authority for TRAN to create latecomer agreements, resulting in reluctance for developers to bear the high cost of being the first to develop, including in areas identified as important for meeting community objectives

BC Hydro

- BC Hydro engages late in the process, sometimes resulting in the requirement for substantive changes to design and subsequent considerable delays for developers

OPPORTUNITIES

Participants strongly supported improved and consistent communication from the Province to local governments about upcoming changes to requirements that could affect the local government development approvals process. Participants also highlighted the following opportunities specific to each ministry:

Ministry of Environment and Climate Change Strategy

- Improved communication about contaminated sites, including clear materials that can be distributed by local governments who serve as the interface with proponents

Ministry of Forests, Lands, Natural Resource Operations and Rural Development

- Comprehensive review of the *Riparian Areas Regulation* and associated policy to make these approvals more effective

- Additional ministry staff to approve section 11 permits under the *Water Sustainability Act*

Ministry of Municipal Affairs and Housing

- Improved communication and earlier advance notice of Building Code changes to enable faster local government approval of alternative solutions that align with those changes

Ministry of Transportation and Infrastructure

- Updating the TRAN referral requirements for development within 800 meters of a provincial road; for example, considering an approach of pre-approving area plans and only reviewing applications that do not align with those plans or are directly connecting to provincial roads

- TRAN review of its authority for the use of latecomer agreements, to distribute the high cost for first developers across multiple properties

- TRAN review of the use of latecomer fees to distribute DCCs across multiple projects. It was noted that broader cost per unit analysis based on potential future densities may be appropriate

BC Hydro

- Proponents can employ best practices in engaging BC Hydro early in the process. There is also a role for the Province to support BC Hydro in engaging earlier, particularly with respect to substantive design issues

In the Okanagan and Interior, participants identified the need to review the *Riparian Areas Regulation* as having high importance. Vancouver Island participants ranked the importance of changing involvement of BC Hydro in the process as low, while all other regions ranked this as high.

4.6 Overarching topics

Participants suggested several broader opportunities to improve the collective understanding of the development approvals process with the objective of improving its effectiveness and efficiency, including:

- comprehensive training opportunities for all parties involved in development approval processes, including local government staff (planners, engineers, parks staff, building officials, etc.), elected officials, proponents, qualified professionals, consultants, provincial staff and others;

- resources such as checklists, model bylaws and best practice guides, with a central website to access all of these resources; and

- understanding how other jurisdictions have addressed similar challenges to analyze their applicability to B.C.

5 Conclusion and next steps

DAPR consultations brought together diverse stakeholders from organizations across the province, enabling MAH to undertake a broad review of development approval processes. Stakeholder participation in the process was invaluable; many perspectives were shared and captured to identify an informed list of ideas for improving the development approvals process in the province.

The ideas described in the report have significant overlap and linkages, as well as potential implications for the overall planning and land use system. Further analysis of the opportunities presented will include a comprehensive review of the effect of legislative or non-legislative projects on the land use planning framework overall.

Acknowledging that the consultation done in Phases 1-3 of DAPR is the first step in a longer-term evaluation of opportunities for improving the development approvals process in B.C., participants highlighted the following key considerations for MAH as it plans next steps:

> Proceed with significant ongoing input from all parties involved. This is to avoid unintended consequences resulting from changes to policies, regulations or legislation. Deep consultation with stakeholders on specific proposals is essential for success.

> Identify how opportunities that are implemented will be evaluated and monitored.

The final phase of the DAPR project, Phase 4: Initiate Solutions is now underway and includes a longer-term process of evaluating and acting on opportunities for updating the local government development approvals process in B.C.

As part of this phase, MAH will be carefully considering how to best engage with DAPR participants going forward. Many of the identified ideas could have significant implications for local governments and other stakeholders. MAH is committed to ensuring that work undertaken to implement the opportunities identified in this report is fully informed by the knowledge and experience of those who are directly working with and impacted by development approval processes.

6 Appendix A: List of participants

Aboriginal Housing Society of Prince George

Architectural Institute of British Columbia

BC Chamber of Commerce

BC Housing Corporation

BC Non Profit Housing Association

Bragg Construction

Brightside Community Homes Foundation

Building Officials Association of British Columbia

Building Owners and Managers Association of British Columbia

Burquitlam Community Association

Canadian Home Builders Association of British Columbia

City of Abbotsford

City of Campbell River

City of Coquitlam

City of Grand Forks

City of Kamloops

City of Kelowna

City of Langford

City of Langley

City of New Westminster

City of North Vancouver

City of Port Moody

City of Prince George

City of Prince Rupert

City of Richmond

City of Surrey

City of Terrace

City of Vancouver

City of Vernon

City of Victoria

Colliers International – Greater Vancouver Area

District of Central Saanich

District of Invermere

District of Lake Country

Engineers and Geoscientists of British Columbia

Fraser Valley Regional District

Greater Victoria Housing Society Homebuilders Association Vancouver

Jason Schmidt

Landlord BC

Langara College

Municipal Insurance Association of British Columbia

Naikoon Contracting Ltd

Nanaimo Neighbourhood Network

Northern Rockies Regional Municipality

Peter Schultz Construction Ltd.

Polygon Homes Ltd

Purdey Group

Regional District of Central Okanagan

Regional District of Fraser – Fort George

Regional District of Nanaimo

Saanich Community Association Network

Simon Fraser University

Social Planning and Research Council BC

Strand Development

Strathcona Regional District

Stretch Development

The Planning Institute of British Columbia

Town of Ladysmith

Town of Smithers

Tri–Amm Developments Corp

Union of British Columbia Municipalities

University of British Columbia

Urban Development Institute – Okanagan Chapter

Urban Development Institute – Pacific Region

Urban Land Institute – British Columbia

Vancouver Island University

Vancouver Native Housing Society

7 Appendix B: List of opportunities

The following tables summarize the opportunities identified throughout the process, and for each opportunity the average level of importance is shown as ranked by the Technical Committees during Phase 2. Where new ideas were added during the Phase 2 meetings, these are listed below and denoted as [Add] (for "added"), and it is noted that the importance was not ranked for these added items.

TABLE 1. LOCAL GOVERNMENT INTERNAL PROCESS

	TOPIC	OPPORTUNITIES	IMPORTANCE
1.1	Lengthy and complicated internal staff development approvals process	1.a. Training and best practice guide to be used to optimize process	High
		1.b. Local governments to pursue way to make the internal process of development applications more effective and efficient	High
		1.c. Local governments to pursue digital permit tracking systems for use by all departments involved in approvals	Medium
		1.d. Provincial funding for local government digital permit system	High
		1.e. Provincial policy review: mandatory application timeframes to be established	Low
1.2	Incomplete and poor-quality applications	1.f. Developer training and best practices guide to improve applications. To be prepared by private sector with local government input.	High
		1.g. Local government to implement process changes to establish effective "gatekeeping" to keep poor quality applications from being received (include in local government training and best practices guide), or establish a 'Nexus' line for applicants with prior application and approval	High
		1.h. Create "penalty box" for applicants with history of lower quality applications that affect local government's capacity to process other applications	Low
1.3	Differences between municipal processes / requirements	1.i. Create model development application checklists accessible by any local government	High
		1.j. Local governments to consider Development Application Procedures Bylaw / Zoning Bylaws and development permit guidelines / checklists and harmonize these with neighbouring municipalities when possible	High
1.4	Number and type of development permits	1.k. Province to review development permit provisions within the *Local Government Act* and *Vancouver Charter* and assess whether some development permit categories could be combined or eliminated	Medium
		1.l. Local government training and best practices guide for creating development permit areas / guidelines	Medium
		[Add] Name change to prevent ongoing complications of distinguishing development permits and development variance permits.	[Not ranked]
1.5	Minor vs. major amendment	1.m. Provincial policy review: *Local Government Act* definitions to define major versus minor amendments	Medium
		1.n. Local governments develop a best practice guide to clearly define what constitutes a major versus minor amendment change	High

	TOPIC	OPPORTUNITIES	IMPORTANCE
1.6	Lack of funding and resources for development process	1.o. Local governments to increase staff resources as required to efficiently and effectively process the volume and complexity of applications	High
		1.p. Adjust development fees to achieve cost recovery for critical staff positions	Medium
		[Add] Conduct a study or pilot project to establish resourcing benchmarks – this can provide context during budgeting.	[Not ranked]
		[Add] Develop a best practice guide to host conversation with development community to find a balance between improved processing times and increased application and permit fees.	
		[Add] Senior government employment program to fund professional positions in underserved regions, particularly in smaller communities.	
1.7	Lack of enforcement tools	1.q. Provincial review of enforcement tools for development permits, including withholding occupancy	Low
		1.r. Local government practices and policies to maximize enforceability, for example:	Low
		❯ Adopt development permits as part of the zoning bylaw for stronger court support	
		❯ Review and update securities and requirements	
		1.s. Applicant best practice to use coordinating professional to ensure all development permit guidelines are met by end of project	Medium
1.8	Servicing requirements	1.t. Legislative change to allow servicing requirements to be applied to strata properties	Low
1.9	Joint and several liability	1.u. Province to consider legislative change to allow a risk-based approach to liability	Low
		1.v. Local government best practice: set minimum liability insurance requirements for professionals	High
1.10	Shortage of building officials	1.w. Province to work with the Building Officials' Association of B.C. to consider extending the certification requirement deadline; consider lowering the passing grade to under 80%; and consider reducing the requirement for Part 9 buildings to Level 2	Medium
		1.x. Shift responsibility for BC Building Code compliance to the Province	Low
		1.y. Province and local governments to work with the Building Officials' Association of B.C. to provide more opportunities for building official training, promote careers in the field, encourage transfers from related positions, allow local governments to train in-house	High
		1.z. Local governments to pursue building official retention and recruitment by creating a positive, healthy work environment, improve compensation package, consider sharing a pool of workers within a region (suggest testing with a pilot project)	High
		1.aa. Province to consider mandatory building inspections, even in more remote areas, or establish a minimum density where mandatory	Medium

TABLE 2-A. DELEGATION OF AUTHORITY

		TOPIC	OPPORTUNITIES	IMPORTANCE
2.3		Staff delegation and development permits	2.f. Provincial policy review of opportunities to increase councils' and boards' ability to delegate individual development approvals, including reframing legislation to make delegation the default with opt-in option for elected official review	High
			2.g. Local government training and best practices guide to provide robust public process for official community plans and pre-zonings, then delegate staff approval of subsequent applications	Medium
			[Add] Enable conditional / discretionary zoning for all local governments, as is currently allowed in Vancouver.	[Not ranked]
			[Add] Review whether development variance permits can be delegated or otherwise give minor variance approval to staff.	

TABLE 2-B. PUBLIC INPUT

	TOPIC	OPPORTUNITIES	IMPORTANCE
2.1	Legal requirements of approval process	2.a. Provincial policy review of what is required in terms of the obligation for duty to consult	Medium
2.2	Public hearings	2.b. Provincial review of public hearings and consideration of alternative options for more meaningful, earlier public input and in different formats	High
		2.c. Local government training and best practices guide on when and how to hold public hearings	Medium
		2.d. Applicant best practices on participating at public hearings	Medium
		2.e. Provincial and local government review of bylaw adoption requirements to replace newspaper advertising requirements with more modern methods and reduce number of bylaw readings (from current four readings)	High
2.3	OCP amendments and housing targets	2.h. Provincial policy review of official community plans with respect to development approvals - adoption process, update requirements, recommended levels of detail, streamlined process for minor amendments	High
		2.i. Provincial funding for official community plan updates	High
		2.j. Local government best practices for writing, adopting, amending official community plans	Med/High
		2.k. Provincial policy review to consider tying development approvals to housing targets	High
2.4	Applicant referrals and advisory design panels	2.l. Provincial policy review of application referrals to outside groups and best practices education for elected officials and community associations on their roles	Medium
		2.m. Local government policy review of advisory bodies including best practices for membership, mandate and procedures for design panels	Medium
		[Add] Board of Variance training	[Not ranked]

TABLE 3. LOCAL GOVERNMENT FEES AND REQUIREMENTS

		TOPIC	OPPORTUNITIES	IMPORTANCE
3.1		Role of development cost charges and community amenity contributions	3.a. Provincial comprehensive policy review of both development cost charges and community amenity contributions to determine options for infrastructure and community amenities to be funded, in part, through development	High
			3.b. Provincial consideration of more reliable funding from senior government for municipal infrastructure to reduce dependency on development cost charges and community amenity contributions	High
			3.c. Pending more funding, local government best practice for the use of development cost charges and community amenity contributions including method of calculation (lift or fixed), early notice to owners/developers, fairness, in-stream protection	High
			[Add] Create a "DCC guidebook" and a consistent training program across the province	[Not ranked]
3.2		Onerous local government requirements	3.d. Internal training on maintaining balance on requirements imposed through the development approval process	High
3.3		Letters of credit	3.e. Provincial policy review of letters of credit to require partial release that specifies parameters and timelines; if deficiencies not identified by the local government in specified time, then money required to be released	Low
			3.f. Local government best practice to address letters of credit in a timely manner and accept letters of indemnity from secure non-profit groups (e.g., BC Housing)	Medium
3.4		Social housing	3.g. Local government best practices to address social objectives in development cost charges and community amenity contributions including recognizing social benefits (affordable/special needs housing) as community amenities	High

TABLE 4. SUBDIVISION

	TOPIC	OPPORTUNITIES	IMPORTANCE
4.1	Complex subdivision process	4.a. It was suggested that the Ministry of Transportation and Infrastructure give regional districts Approving Officer status to expedite process. Where appropriate resources/funding available or provided by Province, this could be on a pilot project basis	Medium
		4.b. Participants suggested the Ministry of Transportation and Infrastructure evaluate rolling the subdivision process into the local government process and remove from provincial jurisdiction	Low
		4.h. Participants suggested the Ministry of Transportation and Infrastructure provide small municipalities the option to opt-out of having an Approving Officer on staff	Low
4.2	Approving Officer	4.c. It was suggested that the Ministry of Transportation and Infrastructure: ❯ Develop enhanced communication materials about subdivision processes that can be understood by elected officials and the public. ❯ Prepare plain language guidance and checklists to explain the process. ❯ Provide more training for Approving Officers and bring training to various parts of the province.	High
4.3	Preliminary Layout Reviews or Approvals	4.d. Provide for Preliminary Layout Approval review in legislation	Low
		4.e. Develop model Preliminary Layout Approval review letters that give early direction and help avoid unexpected impacts on developer later in process	High
4.4	Cash-in-lieu for off-site works	4.i. Provincial policy review and establish best practices for cash-in-lieu for off-site works	Medium
		4.f. Develop remedy for orphaned bank accounts (e.g. allow cash to be re-allocated to related purposes). Review policies and practices to ensure problem is avoided in future.	High
4.5	Parkland dedications	4.g. Review parkland dedication legislation to consider allowing the cash to be used for park improvements and allowing segmented underused parkland to be sold with proceeds to other park acquisition or improvements. Policy should be accompanied by best practice guidance.	High

TABLE 5. PROPONENTS AND PROFESSIONALS

	TOPIC	OPPORTUNITIES	IMPORTANCE
5.1	Professional competency	5.a. Provincial and professional associations' policy review to consider increased oversight of qualified professionals from professional associations to audit quality of work. Association action would be required to deal with professional that are not competent in their duties	Medium
		5.b. Define clear path for local governments to pursue with professional associations or the Province if professionals do not meet standards	Medium
		5.c. Extend qualified professionals' liability insurance requirements to ensure municipal reliance (minimum time limit requirements)	Medium
		[Add] Require professional credentials be included with rezoning submissions	[Not ranked]
5.2	Shortage of qualified professionals	5.d. Local governments could consider adjusting credential requirements to enable broader types of qualified professionals [the *Building Act* – Building Code Legislation, Part 9, rather than Part 3 buildings]	Low
		5.e. Local government best practices to consider developing and maintaining list of qualified professionals and where there is a shortage of qualified professionals, increase staff reviews (e.g. energy advisor on staff)	Low
		5. h. Provincially review capacity and identify "hard to recruit" areas for qualified professionals needed in development and use this to inform programs	Medium
		[Add] Allow Alberta registered professionals to work in the North	[Not ranked]
5.3	Role of Registered Planners	5.f. Provincial and Professional Associations policy review to consider if Registered Professional Planners should be granted professional status(e.g. like Professional Engineers)	Low
5.4	Major projects	5.g. Create a submission manual for major projects for professionals involved in preparing development applications – e.g. LNG development	Low
		[Add] Professional bodies could allow complaints / challenges to be filed by local governments (not just by a member)	[Not ranked]
		[Add] Increase the number of qualified persons in the field for environmental professionals (i.e. by the Ministry of Forests, Lands, Natural Resource Operations and Rural Development with respect to *Riparian Area Regulation*)	[Not ranked]

TABLE 6. PROVINCIAL REGULATIONS AND REFERRAL PROCESS

	TOPIC	OPPORTUNITIES	IMPORTANCE
6.1	Communication of new provincial policies and regulations	6.a. MAH to provide guidance to other provincial ministries on best practices and/or consistent forums for communication and engagement with local governments on potential new or changes to policy and regulation that affect development approvals processes	High
6.2	Referrals to the Ministry of Transportation and Infrastructure	6.b. Review referral process and specifically consider the following: ❯ For highway access properties, establish a formalized early greenlight process that doesn't require full application completion prior to provincial feedback or even approval; ❯ For properties without direct highway access, remove the TRAN from process where application aligns with "ministry stamped" local plan and/or reduce the 800m rule. This may necessitate having the TRAN formally participate in neighbourhood plans / area structure plans by being required to comment	High
6.3	High cost for first developer	6.c. TRAN to review the use of latecomer fees to distribute the costs across multiple properties	High
6.4	Contaminated Sites Regulation	6.d. Ministry of Environment and Climate Change Strategy: ❯ provide expanded training or resources for local government staff to help educate the public and applicants; and ❯ establish a policy enabling concurrent processing of local government applications while contamination concerns are being resolved (up to but not including approval)	High
6.5	*Riparian Area Regulation*	6.e. Ministry of Forests, Lands, Natural Resource Operations and Rural Development conduct a comprehensive review of both policy and legislation related to Riparian Areas	Medium
6.6	Changes to Building Code	6.f. Ministry of Municipal Affairs and Housing: Review policy for building code changes, including opportunities to provide in-stream protection, potential to provide earlier notice of upcoming changes and increased education to accompany changes. To support innovation, the Building and Safety Standards Branch could review opportunities to enable faster local government approval of innovative alternative solutions	High
6.7	BC Hydro engaging late	6.g. Applicants to include early engagement with BC Hydro / utilities to avoid delays as a best practice	High
		[Add] Participants suggested the Province would be best positioned to communicate these challenges to BC Hydro	[Not ranked]
		[Add] Province could consider requiring BC Hydro to engage earlier and provide early assessment of requirements. This will increase feedback from BC Hydro to applicants in a timely manner.	

TABLE 7. OVERARCHING TOPICS

	TOPIC	OPPORTUNITIES	IMPORTANCE
7.1	Lack of training on development approval process	7.a. Develop province-wide training program: ❯ Provide training on the development approval process for all participants involved in development applications and approvals (council members, planners, engineers, Approving Officers, fire prevention, Ministry of Transportation and Infrastructure, Ministry of Environment and Climate Change Strategy, health authorities, developers, etc.) ❯ Increased education for realtors on due diligence e.g., communicating development potential of adjacent sites	High
7.2	Examples of the development approvals process in other jurisdictions	7.b. Review other jurisdictions such as Ontario, Alberta, Washington State and California to determine how they enable and obligate local governments, delegate authority to staff, implement provincial or state regulations, prompt efficiency and effectiveness at all levels of approval	Medium/High
7.3	Lack of access to and awareness of materials	7.c. Create development approvals portal (similar to the BC Energy Step Code portal)	High
		[Add] Present findings from this project at Union of British Columbia Municipalities and tailor findings to the impact on larger and smaller communities. Provide an update to regional planning committees (i.e. Metro Vancouver Regional Planning Advisory Committee).	[Not ranked]

8 Appendix C: Level of effort highlights

Participants were asked to rate the level of effort based on their perception of the effort that would be required by their organization to implement. Level of effort involved is dependent in many cases on which stakeholder will be responsible for leading the change. Therefore, caution is needed in recognizing the total impacts of each opportunity on the various stakeholders.

The following opportunities were identified by over half of participants representing local governments at Technical Committee meetings as requiring a **high level of effort for local governments if the opportunity was implemented:**

❯ **1.c.** Local governments to pursue digital permit tracking systems for use by all departments involved in approvals

❯ **1.e.** Provincial policy review: mandatory application timeframes to be established

❯ **1.o.** Local governments to increase staff resources as required to efficiently and effectively process the volume and complexity of applications

❯ **2.b.** Provincial review of public hearings and consideration of alternative options for more meaningful, earlier public input and in different formats

❯ **3.a.** Provincial comprehensive policy review of both development cost charges and community amenity contributions to determine options for infrastructure and community amenities to be funded, in part, through development

❯ **4.b.** Participants suggested the Ministry of Transportation and Infrastructure evaluate rolling the subdivision process into the local government process and remove from provincial jurisdiction

The following opportunities were identified by over half of participants representing developers at Technical Committee meetings as requiring a **high level of effort for developers if the opportunity was implemented:**

❯ **1.a.** Training and best practice guide to be used to optimize process

❯ **1.e.** Provincial policy review: mandatory application timeframes to be established

❯ **1.o.** Local governments to increase staff resources as required to efficiently and effectively process the volume and complexity of applications

❯ **2.k.** Provincial policy review to consider tying development approvals to housing targets