

Urban Form Business Transformation Update 1

Recommendation

That the June 5, 2018, Urban Form and Corporate Strategic Development report CR_5731, be received for information.

Executive Summary

The Urban Form Business Transformation project is a focused effort to improve the effectiveness and efficiency of planning and development services. These services support Edmonton's economic vibrancy and quality of life by facilitating creation of places to live and work.

Administration initiated the project in Q4 2017, and has successfully completed the first round of process improvements on time and on budget. These improvements were identified and developed with stakeholder input and have improved the efficiency and effectiveness of planning and development services.

- Changes to the expedited development permit program, which provides development permit approvals in two business days, will allow 15 percent more applications through the program.
- The online self-serve permit application options have been expanded to include more permit types, such as decks and sheds. This provides more convenience to applicants and reduced turnaround times.
- Administration has increased engagement with city-building partners to leverage applicant expertise in the application process.
- The process improvements implemented have allowed reallocation of staff resources to focus on more complex applications.

The project has the full support of industry stakeholders, and initial feedback indicates that applicants are very satisfied with the progress made. The project will continue to identify and implement further process improvements and technology enhancements utilizing an analytics and risk-based approach, as well as continuing work on the financial model used for delivery of planning and development services.

An update on the Project will be provided in fall 2018.

Report

Background

The Urban Form Business Transformation project is an end-to-end review of the planning and development process. Over this two-year project, collaboration with applicants (builders, developers, citizens), combined with a data-driven risk-based approach, will inform improvements to the services and their funding. Changes will result in better use of both City and applicant resources and support ongoing development in Edmonton.

The project spans four elements of the land development process (see graphic below) that support the large and complex task of city building. The scope includes:

- rezoning, subdivision, servicing agreements and engineering drawings, development and building permits;
- inspections for infrastructure, development, building, lot grading, and landscaping; and
- residential, commercial and industrial private development.

Refer to report CR_5664 Urban Form Business Transformation presented at the February 20, 2018, Urban Planning Committee for more details on the project scope, objectives and approach.



Process Improvements

Administration committed to launching three process improvements in Q2 2018 to create efficiencies that could allow resources to be aligned with more complex applications.

Improvement 1 - Expansion of the Expedited Development Permit Program

The Expedited Development Permit program rewards applicants that have a good track record, allowing Administration to focus on applicants that need more support. Based on data, the program was expanded to encourage more participation. The program provides applicants with an opportunity to assess their own applications to obtain a development permit for single detached dwellings in Residential Small Lot (RSL) and Planned Lot Residential (RPL) zones. An applicant provides the technical Zoning Bylaw review, such as setbacks and site area, as part of their application and the approval is provided within 2 business days.

The expanded Expedited Development Permit program was available to applicants in Q2 2018 with the following benefits:

- A 15 percent increase in applications processed through the program;
- An 82 percent increase in applicants;
- The ability to reallocate staff resources to more complex applications.

Improvement 2 - Efficient Resource Allocation for Safety Code Inspections

Improvement 2 focused on improving the efficiency of the allocation of resources for safety code inspections based on data and risk. In order to do this, Administration focused first on reducing footings and foundations inspections per year to allow inspectors to focus their time on higher-risk inspections. The improved footings and foundation program rewards applicants that have a good track record by allowing them to have inspections scheduled five percent of the time instead of 100 percent of the time. There is no change to how a footing and foundation is built or how an inspection is requested. As outlined in the *Alberta Building Code*, builders remain responsible for ensuring that the footing, foundation, dampproofing and weeping tile meet all applicable codes, guidelines, standards and requirements.

The benefits of this change include:

- A reduction in footings and foundations inspections per year will allow inspectors to focus their time on higher-risk inspections;
- The ability for builders to move more quickly to the next phase of construction; and
- Allowing the excavation to be backfilled more quickly, reducing the risk of damage or collapse.

Improvement 3 - Home Improvement Permits

The Home Improvement Permit is aimed at improving the applicant experience for common residential improvements or construction including decks, accessory buildings (garages, sheds, etc) and basement development. These applications will be processed

differently internally to increase efficiency and reduce processing time and will start to be accepted online in Q2 2018. This process change:

- Increases convenience for applicants as they can apply from anywhere;
- Reduces barriers to obtaining permits while still ensuring projects meet all legislative requirements;
- Enables consistent and timely decisions; and
- Allows more experienced staff to focus on complex applications.

Since spring 2017, the industry has been using online applications and is familiar with the online process. Administration will open online applications for home improvement permits to industry first to gather feedback on the service prior to extending it to all Edmontonians in summer 2018. In addition, Administration will develop online resources to support Edmontonians in improving their homes and applying for the required permits, as well as documenting procedures and training staff to ensure consistent service and decisions through the application process.

Applicant Journey

Understanding how applicants experience a service allows service providers to better improve the service. Applicant journey mapping is a tool that is widely used in the customer service industry to better understand a customer's perspective and experience. Administration will use this tool to better understand the applicant experience with the City's planning and development services.

Applicants represent a broad range of industry groups (developers, builders, contractors, consultants) and Edmontonians. Administration will use in-person and phone discussions with members of the different applicant groups to understand their experience. This will include mapping the phases they go through for a service, their level of satisfaction, as well as goals and touch points throughout.

Administration has completed this approach to engagement with residential contractors and trades. The primary concerns for this applicant group focused on placing more value on industry knowledge, better communication of the status of an application as it goes through the process, and overall timelines.

Commercial and industrial land developers will be engaged in Q2 2018 as the next applicant group to participate.

Technology Enhancements - Online Self Serve

Enhancing and expanding online planning and development services is essential for meeting service expectations of users. Over the past year, the City has added low

density housing permit applications online and has expanded permit options to improve convenience. In 2018, the online permit offerings will continue to expand. Attachment 1 provides details on the self serve options.

In addition to the Home Improvement Permit described above, work is underway to transition to digital review of plans submitted for various applications types. Currently, digital plans review for Single Detached Houses is underway and will be expanded to include commercial and industrial permit applications. Digital plans review provides complete transparency to both applicants and staff by allowing multiple agencies to review and comment simultaneously as well as tracking various versions of drawings. Adoption of digital plan review for the review and approval of engineering drawings in 2015, in combination with other process changes, resulted in a reduction in review time from 305 days to an average of 100 days.

Enhancing online services to the other areas of planning and development, such as rezoning applications, is anticipated as the Project continues. Technology changes undertaken will depend on the process improvement work that will be done as well as on the availability of technical expertise.

Financial Review - Current Planning Reserve

Office of the City Auditor completed an audit of the Current Planning Reserve and business model in April 2018. Administration is reviewing the existing business model and reserve and held an industry engagement session in March to gather input. The purpose was to develop guiding principles for a revised model and discuss how it could align with industry needs. Feedback from this session will inform the guiding principles of the revised business model.

Administration will develop a financial model to forecast revenues, expenses and reserve balance, and enable scenario planning to better inform decision making.

Together, the guiding principles and financial model will help determine the list of services included in the business model. This service listing will be part of the procedure presented for Council consideration along with the revised policy in Q3 2018.

Next Steps

Process Improvements

Administration is currently working to determine what process improvements to focus on next, and will use a systematic approach to select these improvements by the end of Q2 2018. The approach will include:

- Engagement with both city-building partners and City staff involved in planning and development processes;

- Application of established criteria to prioritize suggested improvements; and
- Implementation plans to complete the selected improvements within the timeframe of the Urban Form Business Transformation project.

Information Sharing

Stakeholders are informed of the ongoing progress of the Project in a number of ways. Monthly updates on the Project are available by subscribing to the Building Edmonton newsletter, through the City of Edmonton website. The newsletter provides information on planning and development related programs, process changes and links to other information such as the quarterly activity reports.

The Quarterly Activity Report contains detailed information on application volumes, processing timelines, financials, and trends over time. Reports from 2015 onward are available on the City of Edmonton webpage.

Administration will bring a Project update to Urban Planning Committee fall 2018.

Public Engagement

Administration engaged with the stakeholders who make most of the applications throughout the planning and development process to identify the first set of improvements and gather input on other opportunities for change. Further feedback was sought as these improvements were underway and as changes to the business model and reserve developed. Administration will continue to conduct both external and internal stakeholder engagement throughout the Project to inform improvements to planning and development services.

The Project is a standing agenda item at the Business Advisory Committee, a formalized advisory group of industry stakeholders chaired by the Edmonton Chamber of Commerce. This group is made up of representatives from the Urban Development Institute, the Canadian Home Builders' Association, the Building Operators and Managers Association, the Commercial Real Estate Development Association and the Realtors Association of Edmonton. This committee enables the development and building industries to provide direct input to Administration's operations as they pertain to business activities. Administration will continue to engage the Business Advisory Committee and Infill Development in Edmonton Association in the drafting of further recommendations pertaining to the business model and reserve mechanism.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Conditions of Success			
Outcome(s)	Measure(s)	Result(s)	Target(s)

Effective and Efficient Service Delivery: Project management practices are effective, consistent and aligned	Number of short term process improvements completed within the timelines shared with stakeholders.	3 (Q2 2018)	3 (Q2 2018)
	Variance from project budget (positive variance shows project is under budget)	37.24% under budget (April 2018)	≤ 5 %
	Total number of medium to long term improvements completed to date	0	Continuous improvement through quality changes to process. No number based target.
Effective and Efficient Service Delivery: Community and business input informs decisions and processes by Administration	Number of engagement sessions per major improvement	≥ 4 (2018)	≥ 1
	Number of participants per major improvement	229 (2018)	n/a

Attachment

1. Online Self Serve - Options and Adoption Rates

Others Reviewing this Report

- R. Kits / S. Padbury, Acting Deputy City Managers, Financial and Corporate Services
- C. Campbell, Deputy City Manager, Communications and Engagement