

## PERMIT AND LICENSING IMPROVEMENT (PLI) INITIATIVE

### RECOMMENDATION

That the April 13, 2022, Urban Planning and Economy report UPE00910, be received for information.

#### Report Purpose

##### Information only.

Executive Committee is being informed of Administration's approach to improving permit and licensing service levels, in alignment with the Edmonton Economic Action Plan - Red Tape Reduction.

### Executive Summary

- Permits and licences are an important part of guiding development and helping ensure the City achieves the safe, inclusive, vibrant and walkable city envisioned by The City Plan.
- Efficient permitting and licensing processes help reduce barriers for business, improve Edmonton's reputation and encourage investment.
- Improvements to regulatory services are estimated to have saved Edmonton's planning and development customers 260,933 days and \$4.6 million in delay costs annually.
- The City is advancing a number of initiatives to further streamline permitting, licensing and regulatory processes to ensure that regulations and processes in place support homeowners, developers and businesses.

### REPORT

Permits and licences are an important part of guiding development and help deliver a safe, inclusive, vibrant and walkable city envisioned by The City Plan.

The City engages regularly with Edmontonians, city building partners and the business community to advance common interests in supporting the prosperity of the Edmonton region. Through these conversations, Administration has listened and learned that permit approval timelines, and predictability and transparency of regulatory services remain an area of concern for applicants and investors.

## Permit and Licensing Improvement (PLI) Initiative

This work remains urgent given the ongoing pressure Edmonton's businesses face as the region recovers from the economic impacts of COVID-19. Under the Permit and Licensing Improvement (PLI) initiative, Administration is advancing a number of service improvements and regulatory changes focused on development permits, building permits and business licences to make it easier for businesses to be successful in Edmonton.

Under Edmonton's Economic Action Plan, the City delivered a number of red tape reduction initiatives in 2021 that make Edmonton an easier place to do business. See cross-referenced April 13, 2022, Urban Planning and Economy report UPE00603 Edmonton Economic Action Plan - Mobilization of Capital and Red Tape Reduction, for an update on the broader implementation of the Economic Action Plan.

### Building on the Momentum of Previous Success

In 2017, Edmonton launched the Urban Form Business Transformation (UFBT) initiative. The initiative, executed from 2017 to 2019, largely focused on the initial stages of the land development services (rezoning and subdivision), decreasing application requirements, standardizing technical review of applications to only what was required, streamlining the process, and setting improved service level targets that are reported quarterly.

While significant progress was made with UFBT, the work to make Edmonton an attractive location for investment is ongoing. Launched in 2020, the PLI initiative continues to listen to homeowners, developers and businesses, city building partners and City staff to implement changes to improve the back end of the development process from permits to licensing. Throughout 2020 and 2021, the City of Edmonton has aggressively implemented improvements to permit and licensing services. Some of these improvements were made as part of planned projects, others were quickly implemented in response to the pandemic, and some were executed as standalone items identified by staff or industry members.

Highlights of this work included:

- Introducing automatic permit review for simple deck applications that can be issued in as little as one day, allowing applicants to enjoy their deck sooner or carry less financing costs on the project. Over 750 permits annually will benefit from the one day service, compared to a previous timeline of three to six weeks.
- Shifting over 45 services online since 2014, making it faster and more convenient to open a business in Edmonton. Over 90 per cent of permit and licence applications are now processed online, up from 70 per cent before COVID-19. This includes:
  - Transitioning sign permits to a digital service, allowing for 99 per cent of sign permits to be applied for online and cutting processing times in more than half.
  - Moving business licence applications online, resulting in 99 per cent of all business licences now being applied for online.
  - Reducing the time it takes to get a business licence from approximately 20 days to 10 days when a building permit is not required.
- Shortening the timelines between a development permit and a building permit on major commercial-industrial investments, saving four to eight weeks on the overall processing timeline and reducing financing costs on projects in Edmonton.

## Permit and Licensing Improvement (PLI) Initiative

- Allowing some interior demolition work to proceed while awaiting commercial interior alteration building permit approval, which helps businesses become operational sooner.
- Exempting 25 types of business uses from requiring a development permit, which removes barriers to selecting a business location.
- Simplifying fire safety plan requirements for commercial renovation projects, making it easier to meet fire code requirements while keeping facilities and the people who occupy them safe.
- Implementing the new Business Licence Bylaw, streamlining the licensing process and allowing the City to respond more quickly and decisively when innovative new business types emerge.

A more complete inventory of previous improvements can be found in Attachment 1.

### Permit and Licensing Improvements in 2022

The PLI initiative has finalized a roadmap for additional improvements to be delivered in 2022. Outcomes will benefit a broad range of stakeholders, but primarily focus on services for:

- Business owners opening a new business or moving into a new space
- Contractors doing commercial or residential renovations
- Homeowners doing renovations.

Changes will provide applicants with a more transparent, consistent, reliable and positive experience. They will be able to more quickly and easily understand and navigate the zoning, permitting and licensing process to obtain what they need to expand or start a new business, or renovate or build a home. An overview of major PLI projects is provided below.

#### Setting Service Levels

Applicants and investors rely on predictable and transparent timelines so that they can plan their projects and manage their risk accordingly. This project focuses on establishing development and construction application service levels (timelines) in consultation with city building partners, and building reporting tools to better monitor and manage service levels. Work includes detailed data analysis, gaining a deeper understanding of barriers to submitting complete applications, and identifying strategies to consistently meet shared service level expectations. While this project will provide transparency for current service levels, subsequent projects are intended to improve service levels.

There are a number of factors that influence permit and licensing service levels, including, but not limited to completeness of applications received, seasonal fluctuations in application volumes, reviews by other agencies such as EPCOR, and permit appeals processes. Collaboration among various parties and additional improvements outside of the City's scope will be needed to support enhanced service levels.

#### Permitting Transformation for Businesses

Outreach and research revealed that most business owners are unfamiliar with City processes, which creates a barrier to accessing what they need in a timely manner to open or expand a business. This project focuses on streamlining and enhancing technology to improve business owners' and staff's experience on commercial permitting and licensing. The work will better align

## Permit and Licensing Improvement (PLI) Initiative

business licence and permit workflows to the applicant's journey based on their project rather than on the various regulatory requirements it may trigger. Improvements include:

- Creating an integrated application process across Business Licences, Development Permits, and Building Permits. Delivering one integrated process will avoid confusion and delays that can occur across the various city processes a business owner needs to navigate.
- Developing an interactive self-serve experience that will automatically create the appropriate permit applications for the user, addressing a common barrier for business owners who do not always know which permits they need for their projects.
- Streamlining zoning and safety code feedback to the applicant during the application process to reduce time-consuming requests for more information.
- Exploring concurrent development and building permit reviews, allowing business owners to complete their projects and open sooner.

### Enhance Home Improvement Permitting

This project focuses on streamlining and enhancing technology to improve Edmontonians' experience for their Home Improvement Permits (HIPs). The project will result in increased interactive guidance for novice applicants and streamlined workflows. Improvements include:

- Creating a self-serve interactive guide that will automatically generate the applicable fees and documents required, which gives homeowners more clarity and will let them plan their project timelines better.
- Providing the ability for applicants to cancel and submit revisions for their HIP application online, addressing a common frustration for projects that can change after initial submission.
- Streamlining the refund process to reduce frustrating barriers and delays when returning money to applicants.
- Improving workflows to provide application requirements upfront based on project needs, which will provide a more predictable, transparent experience.

### Customer Feedback Management

This project will pilot a new method for gathering customer experience insights for Home Improvement Permits (HIPs) and implement software to measure their satisfaction. Based on the successes and lessons learned from the pilot, the methods and software will be expanded to other services. The data can then be incorporated into performance measures and used by supervisors to manage and improve service delivery.

### Ongoing Continuous Improvement

Additional improvements to internal processes and the online service experience will continue in parallel as part of the continuous improvement process. These changes include the use of data to better predict permit timelines and manage application queues, enhancing the online self-serve application portal, and other opportunities that may emerge through engagement with staff and industry stakeholders. Reallocation of resources may also need to occur as a result of changes made in 2022, and additional initiatives are expected to be explored and launched in 2022, and continue into 2023.

# Permit and Licensing Improvement (PLI) Initiative

## Financial Implications

Technology capital investment required to enable PLI is estimated to be between \$997,000 and \$1,193,000, and is funded from the Urban Form Service Transformation capital profile (CM-17-2040). In accordance with City Policy C610 - Fiscal Policy for the Planning and Development Business, the PLI projects and technology investments outlined in this report are funded by revenue collected through planning and development application fees. The projected December 31, 2022, year-end reserve balance is above the minimum required balance under the policy and the business model can sustain the PLI projects outlined in this report with no impacts to the established tax levy budget.

Through this investment, shortened timelines, consistency, and increased predictability will create more certainty for development proposals, increase viability of private sector investments in Edmonton, and reduce delay costs for businesses and citizens. Timeline reductions through PLI are estimated to save applicants an additional \$5.3 million and 67,600 days collectively each year.

## COMMUNITY INSIGHT

Service improvements through PLI and other initiatives are implemented in consultation with industry groups and based on detailed research where appropriate. Among City of Edmonton employee and industry workshops, more than 400 improvement ideas were captured, themed and prioritized to define the projects that are proceeding. Prioritization and scoping was influenced by the initiative's objectives of supporting homeowners doing renovations; contractors doing commercial or residential renovations; and business owners opening a new business or moving into a new space.

Personas were developed to represent the needs of each distinct applicant group:

- Business Owners
- Contractors
- Skilled Professionals
- Agents (Commercial)
- Renovators
- Sellers
- Contractors
- Agents (Residential)

For each persona, surveys and interviews were used to understand each phase of their service journey, including:

- Goals, motivations, and emotions
- Activities and experience points
- Pain points and opportunities

PLI conducted outreach activities with users of permit and licensing services to inform the scope and objectives of improvements to the applicant experience. The breadth of this outreach included:

## **Permit and Licensing Improvement (PLI) Initiative**

- Emailing approximately 7,000 Edmontonians who had obtained a permit in the previous 8 months, inviting them to complete a survey with the option being contacted for an interview.
- Asking in-person applicants obtaining service from the Edmonton Service Centre if they would like to participate in a survey or interview.
- Asking staff to refer individuals who had previously expressed interest in providing feedback.
- Requests to industry organizations to relay messages to their membership requesting feedback on their service experience with the City of Edmonton.

## **GBA+**

The initiative was planned using the City of Edmonton's approach to listening, learning and leading. Before project outcomes were determined, the outreach approach sought input from a broad array of customer backgrounds (including but not limited to industry stakeholders).

To facilitate input from a variety of perspectives, Administration used a number of tactics to mitigate or remove barriers to inclusion and to support equality of outcomes, including:

- using plain language and inclusive language in communications,
- using diverse representation in images and content, and
- targeting communications and marketing tactics for diverse communities.

Based on feedback from stakeholder input, Administration has identified several opportunities to increase the accessibility and inclusivity of the City's permitting and licensing services. These opportunities are reflected in the project plan as documented in this report. As the work proceeds, a GBA+ lens will continue to be applied.

## **ATTACHMENT**

1. Successes to Date