



City of Richmond
Planning and Development Department

Report to Committee

To: Planning Committee
From: Brian J. Jackson, MCIP
Director of Development

Date: March 23, 2009
File: 08-4430-01/2009-Vol 01

John Irving
Director of Engineering

Re: Development Applications Approval Process Review

Staff Recommendation

That the Development Applications Approval Process Review report (dated February 27, 2009, from the Director of Development and Director of Engineering) be received for information.

Brian J. Jackson, MCIP
Director of Development

John Irving
Director of Engineering

WC:blg
Att.

FOR ORIGINATING DEPARTMENT USE ONLY		
CONCURRENCE OF GENERAL MANAGER 		
REVIEWED BY TAG	YES CVC <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES act/cvc <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

In response to the current financial environment surrounding development projects and concerns expressed by the Urban Development Institute (UDI), the City is currently in the process of conducting a comprehensive review of the development approval process. This review of development procedures is based on the following objectives:

- continuing to advance the City's vision of being the most appealing, liveable and well-managed community in Canada;
- collaboratively working with the development industry to identify ways of streamlining procedural, financial, engineering and regulatory requirements associated with development; and
- ensuring the City's development approval process responds to the technical requirements, legislative constraints and Council objectives.

This report provides information on preliminary recommendations while also identifying the areas within the approval process where City staff and Urban Development Institute representatives have agreed to continue to work together to identify mutually agreeable enhancement to the approval process.

Background

All rezoning applications must proceed through the established rezoning process and be approved by City Council. The defined rezoning process must adhere to the legislative procedures outlined in the Local Government Act. All rezoning applicants are required to provide a variety of supporting information to enable city staff to assess the rezoning proposal and prepare a staff report to Planning Committee/Council. This information typically includes architectural plans, landscape plans (including an assessment of the existing vegetation) and engineering studies. **Attachment 1** provides a flow chart illustrating the City's current rezoning process.

Staff Comments

City Staff/UDI Working Group

City staff are continually looking for strategies to streamline and improve the development approval process. Staff have agreed to form a working group with UDI representatives and City stakeholders involved in the development review process to identify ways to streamline the approval process. This working group will be meeting regularly over the coming months to collaboratively identify ways to improve the existing process. The initial meeting of this working group is scheduled for late March.

The preliminary process areas that have been highlighted through discussion at the City staff/UDI Liaison committee include:

- Submission requirements for development applications;
- Ways to enable site preparation activities (i.e. tree removal & preload) to occur prior to rezoning adoption;
- Minimizing the time required to address rezoning considerations, including legal agreement drafting;

- Engineering studies/requirements and the Servicing Agreement process, including security requirements..

Procedural changes that meet the identified objectives will be implemented as appropriate. The development industry will be advised of any procedural changes by new information bulletins that will be made available through the City website.

Any procedural revisions that necessitate amendments to City Bylaws will be brought forward to Council for their consideration.

Servicing Capacity Analysis for City Utilities

The ability to adequately service a development site with City utilities (drainage, sanitary and water) is a requirement of any development application. An independent assessment of the City's utilities, prepared by a registered Professional Engineer, is required to determine if the existing City infrastructure is adequate and to identify any infrastructure upgrades required to sufficiently service a proposed development site. Applicants are required to provide any identified infrastructure upgrades through a City Servicing Agreement.

The City has required this servicing capacity analysis to be approved by the Director of Engineering prior to proceeding to Planning Committee/Council (**Attachment 1**). This approach has been used as costs associated with infrastructure upgrades may be substantial and not fully understanding these costs may impact the financial viability of a proposed development.

Development industry representatives have requested that the City revisit the sequencing of when the capacity analysis must be approved in order to reduce an applicant's engineering costs prior to Planning Committee/Council reviewing the proposed land use and granting 3rd reading to a rezoning bylaw.

The Engineering Department, has identified the following in response to this concern:

- The City is investigating ways to allow the Servicing Capacity Analysis to be approved after Planning Committee/Council has reviewed the proposed land use and granted the rezoning bylaw 3rd reading. Possible approaches include having city staff identify the Terms of Reference and ensure the applicant has retained Professional Engineering consulting services for the required capacity analysis prior to Committee/Council and require that the analysis be approved by the Director of Engineering prior to final approval being granted. The applicant would be responsible for providing any servicing upgrades deemed necessary by the Director of Engineering through a City Servicing Agreement as currently required.
- The City is undertaking ongoing detailed servicing studies within specific catchment areas in the City. As these studies are completed, the Engineering Department could provide applicants with a preliminary assessment of infrastructure upgrades. This preliminary assessment will enable developers to obtain a general understanding of infrastructure upgrades required to facilitate the proposed development prior to proceeding to Committee/Council. The applicant's Engineer will need to verify the City's preliminary assessment and provide any further upgrades deemed necessary by the Director of Engineering as part of the Servicing Agreement.

This potential revised approach will alleviate upfront engineering costs until an applicant has a better understanding of Council's land use approval (**Attachment 2**). City staff would still urge applicants to conduct the engineering assessment in conjunction with planning studies to ensure applicants understand the required servicing upgrades. The revised approach will not reduce the City's standard servicing requirements.

Staff are working on analysing and refining these process proposals and designing an implementation strategy. City staff will ensure that an information bulletin regarding the revised process is published on the City website upon completion of the implementation strategy.

Servicing Agreements

Any identified upgrades to City infrastructure (City utilities, roads, walkways, etc.) require that a developer enter into a Servicing Agreement for the construction of the engineering works. Depending on the scope of the works involved in the Servicing Agreement, this agreement must be entered into prior to rezoning adoption, subdivision approval or building permit issuance. Servicing Agreements also require developers to submit a financial security to the City to secure the provision of the engineering works included in this agreement.

The current financial environment has resulted in the development industry experiencing difficulty in the provision of the financial security requirements. This concern is intensified when a Servicing Agreement must be entered into prior to rezoning adoption, as financing alternatives prior to rezoning adoption are more restrictive.

City staff have agreed to work with UDI representatives in an effort to develop a strategy to address the current financing challenges associated with Servicing Agreements, including when the engineering works security is required. Staff will report back to Council on any revisions to the current Servicing Agreement process, as changing the current Servicing Agreement process may require amendments to City Bylaws.

Amenity Contributions

Financial contributions for the provision of amenities such as Public Art, affordable housing and childcare are often associated with a rezoning application. Where amenity contributions are provided, these contributions are required prior to final adoption of a rezoning bylaw. The current financial environment has resulted in the development industry experiencing difficulty in the provision of financial contributions prior to securing financing which is more frequently being tied to rezoning adoption.

City staff and development representatives (including financial agency representatives) will be working together over the coming weeks in an effort to address this concern within the legislative authority provided to local governments. This review is not intended to reduce the City's current policies and objectives related to the provision of amenities.

Development Fees

Staff are in the process of reviewing all development application fees to ensure the City's fees are competitive to those assessed in other Metro Vancouver jurisdictions and are reflective of the staff resources required. UDI has recently submitted a letter requesting that all municipalities place a moratorium on increasing or introducing new development application fees. Staff appreciate UDI's position on development fees but want to ensure development fees are reflective of the staff resources required from a cost recovery perspective. Any recommended adjustment to development fees will be brought forward to Council for its consideration upon completion of this review as amendments to the Development Application Fees Bylaw would be required.

Analysis

Staff are working with development industry representatives to proactively respond to the financial challenges facing the development industry due to the current economic conditions. While staff are committed to cooperatively identify and make adjustments to streamline the approval process, staff are not prepared to look at amendments that would result in a deterioration of Council's development policies/objectives or result in any increased financial risk to the City.

Financial Impact

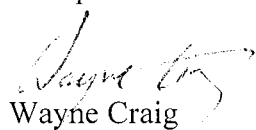
None.

Conclusion

This report provides a summary of the ongoing initiatives City staff are investigating in response to development industry concerns related to the current economic conditions. Over the next few months, staff will be working on the following:

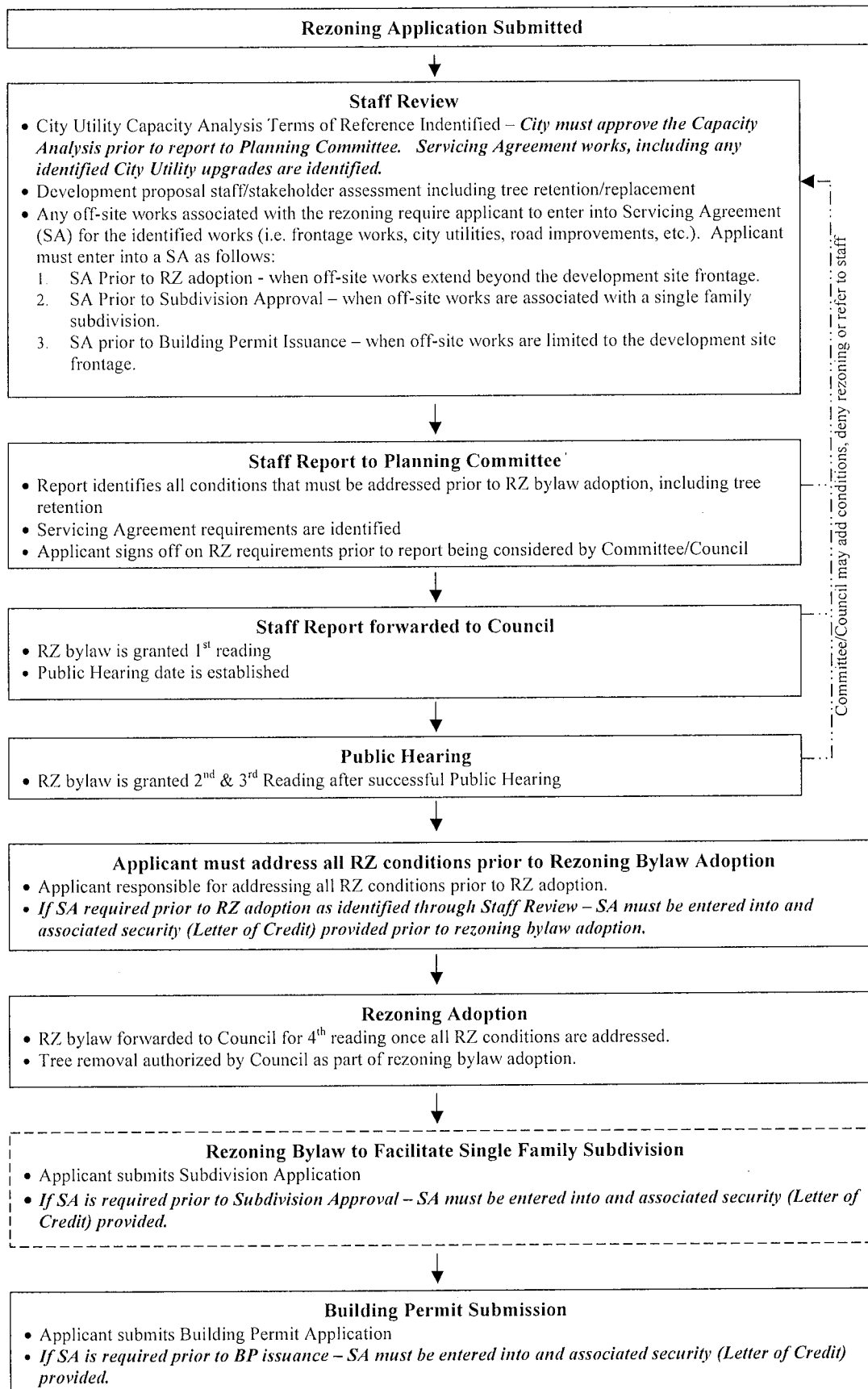
- Developing a revised approach to assessing servicing capacity analysis for City utilities associated with rezoning applications, including publishing an information bulletin to advise the development industry of the revised process;
- Bringing forward a separate report to Planning Committee/Council regarding the current tree removal process as it relates to tree removal on development sites;
- Convening a working group comprised of UDI representatives and City staff to collaboratively investigate ways to address industry challenges related to financial requirements; and
- Completing a comprehensive review of development fees to ensure that City fees are competitively positioned within the Metro Vancouver region and are reflective of staff time involved.

Staff will ensure Council is consulted on any revisions to the development approval process prior to implementation.



Wayne Craig
Program Coordinator – Development
(604.247.4625)

WC:blg

Current Rezoning Application Process

Proposed Rezoning Application Process